SGI Europe
Sporting Goods Intelligence

News and analysis of the international market

www.sgieurope.com

Feb. 4, 2021

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Vol. 32 - N° 5+6

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Winners and losers in a market that fell by 7% in 2020

Performing better than general apparel and other consumer goods sectors, the global sporting goods market declined by around 7 percent to around €285 million in 2020 because of the Covid-19 pandemic, according to a preliminary estimate made by **McKinsey & Co.** in a webinar hosted by the **World Federation of the Sporting Goods Industry (WFSGI)**.

The rates of the decline varied from 7 to 12 percent in most continents, but in Asia, the Chinese market grew nicely, leading it to raise its share of the global market to about 14 percent from 10 percent previously. The worldwide drop followed continued increases of 5 to 7 percent over the last few years, based on **NPD** data, and according to **Robbert de Kock**, president of WFSGI, 2021 may also turn out to be an "exceptional" year.

He noted, however, that industry executives are generally optimistic about the immediate future. A poll of WFSGI members shows that only 6 percent are afraid that the situation will become more adverse, while 62 percent predict that 2021 will be better than 2020.

As we know already, outdoor and individual sports like fitness, running and cycling have been booming during the pandemic, while team sports and others such as golf and surfing have suffered from travel restrictions.

The pandemic has also accelerated certain trends, such as a rising participation in sports by women in the U.S., the U.K. and other countries. Many companies have reaped the benefits of their investments in this area and in others, such as digitalization, the growing athleisure market and the growing market China, which has proved more resilient to Covid-19.

Alexander Thiel, who has been advising sporting goods companies at McKinsey for ten years, remarked at the outset of the webinar that the current crisis will lead to a much clearer distinction between winners and losers, depending on their

The Euro Feb. 4 rates	
Czech Koruna	25.90
Danish Krone	7.437
Hungarian Forint	355.8
Norwegian Krone	10.35
Polish Zloty	4.496
Pound Sterling	0.876
Swedish Krona	10.14
Swiss Franc	1.082
U.S. Dollar	1.198
Brazilian Real	6.440
Canadian Dollar	1.536
Chinese Yuan	7.747
Japanese Yen	126.2
Russian Ruble	90.71

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adaptation to "the new normal" in the sector and their reactions to eight general trends in the market. Decision-makers, he said, have a choice to capitalize on these trends, and enter a "virtuous" cycle, or to minimize their transformation, and fall into a "vicious" cycle.

The eight trends are analyzed in-depth in an 80-page report that can be downloaded free of charge from WFSGI's revamped website:

Athleisure: This mega-trend has been accelerated by the pandemic, with people choosing comfort instead of formalwear because of remote working, and research shows the 76 percent of industry executives expect the trend to continue to rise. It has led fashion companies like **Fendi**, **Kenzo** and **Calzedonia** to move into activewear. The fashion world has the advantage of shorter development cycles, but sports companies can counteract with their knowledge of the market and their ability to innovate in design and materials. A poll of participants in the webinar showed that 44 percent consider this theme as being "highly relevant."

Physical activity: De Kock pointed out that the level of physical activity continues to be lower among members of low-income households than among wealthier people. Furthermore, the restrictions imposed by governments on social interaction because of the pandemic caused a drop of almost 50 percent in physical activity among young people aged 6 to 18. De Kock insisted that companies and associations like WFSGI must convince governments, educational authorities and other institutions and stakeholders to join them to reverse the trend. A poll of participants in the webinar showed that 58 percent consider this topic to be "highly relevant."

Sustainability: The number of sustainable SKUs has increased by 58 percent since 2017, and the trend is bound to continue, especially among young and educated consumers. However, the industry is hindered by insufficient production of recycled materials around the world. Some materials just cannot be recycled. According to de Kock, brands should take on the responsibility of promoting sustainability as well as the durability of their products and the purchase of second-hand items, even though some stock-listed firms are being asked to generate more revenues. "There must be a balance," he said during the conference. A poll of participants in the webinar showed that 56 percent consider this trend to be "highly relevant."

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Digital fitness: The use of health and fitness apps underwent a fourfold increase during the 2020 Covid year. The success of internet platforms like **Peloton** and **Zwift** has demonstrated the growing popularity of connected fitness, which has been heightened by the Covid-related closure of many gyms. A hybrid business model is shaping up, however. A leading U.S. gym operator said that he expects 56 percent of his members to return even as they complement their gym routines with training at home. Thiel predicted that this trend will continue by incorporating the "community element" in the connected fitness experience, leading to better sales conversion for the brands and retailers that link up with digital platforms. A poll of participants in the webinar showed that 40 percent consider this trend to be "highly relevant" and another 41 percent "relevant."

Online & DTC: This is another trend that has been accelerated by the pandemic, as 84 percent of Generation Z customers who had not previously shopped online began doing so during the retail lockdowns. There were also 19 percent more baby-boomers and 31 percent more older people moving online for the first time. At around 25 percent of the market, online penetration in retailing was six times higher than before the lockdowns, and observers feel that it will tend to stabilize at this level after the virus is defeated, requiring a "cultural transformation." A poll of participants in the webinar showed that 47 percent consider this topic to be "highly relevant," while 19 percent feel that it was the "most relevant" trend.

Marketing through influencers: Sports brands are endorsing more individual athletes than before, because they have many more followers than sports associations or sports clubs, and 72 percent of consumers feel that they should stand for something. These ambassadors must embody the brand's specific values. A poll of the participants in the webinar showed that 43 percent consider this topic to be "relevant," and another 34 percent tagged it as "highly relevant."

Purpose-led retail: Traditional brick-and-mortar retailers are under pressure and must reinvent themselves, creating new brand experiences and trending toward "omni-experiences" across multiple channels. Some of their stores can be just "showrooms." They should invest in better fulfillment of online orders and other services. Brands and retailers should collaborate more to improve the process. They also should choose the locations of their physical

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stores more carefully. A poll of participants in the webinar showed that 54 percent consider this topic to be "highly relevant." An additional 24 percent call it "relevant" and as many as 15 percent say it is the "most relevant" trend in the market.

A more flexible supply chain: The disruption caused by Covid-19 has raised the bar for company agility in sourcing and logistics. Many have looked at alternatives to China, like Bangladesh, or at reshoring to closer low-cost countries, like Turkey and Mexico. In many cases, brands discovered that they had no alternative but to deliver products directly to consumers, doubling the related volumes from 2018 levels. Anyhow, it will be important to do everything possible to speed up deliveries and reduce inventories. A poll of participants in the webinar showed that 51 percent consider this topic to be "highly relevant," with another 11 percent electing it at "the most relevant" one. McKinsey's report for WFSGI on the "new normal" provides examples of agility in the supply chain.

Intersport's global retail sales fell by 9% in 2020

Intersport International Corp. (IIC) reports a drop of around 9 percent on a currency-neutral and store-adjusted basis in its members' retail sales across the world during 2020, but expects a rebound in the spring. In terms of euros and with **The Athlete's Foot (TAF)** excluded, total retail sales fell by 13.8 percent to €10.6 billion, in part because of a decline in the number of physical stores to 5,186 from 5,426 at the end of 2019, with a presence in 44 countries. The bulk of the decline in stores was caused by the restructuring of the Swedish and Norwegian operations, combined with the bankruptcy of **DW Sports** in the U.K. and the departure of **Intersport Bründl** in Austria.

Thanks largely to its streetwear/lifestyle orientation, TAF scored better, limiting the decline in retail sales to 9 percent on an absolute basis and on a comparable basis, generating total retail sales of about $400 million. Its store network grew from 561 units in 30 markets to 570 in 33 markets.

Besides the strong impact of Covid-19, which forced many affiliated retailers to close their stores at different times of the year, IIC is blaming the weather. At the start of 2020, most of the national Intersport organizations were hit at the core of their business by the warmest winter ever. When it became evident that the novel

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coronavirus would spread from China to the rest of the world, IIC launched immediate measures to ensure the supply of products from Asia. Retail lockdowns and other Covid-related restrictions around the globe caused further disruption.

On the other hand, the affiliated retailers' online sales accelerated strongly, tripling revenues in many countries. The highest growth rates were achieved in markets where they had already developed strong omnichannel capabilities. Austria, France and Greece were in the the front-line, according to a well-informed source.

IIC says that Intersport managed to navigate the crisis successfully, "without hindering its positive mid and long-term momentum." In fact, strong increases in sales and profits were recorded in the third quarter, after weak performance in the first and second quarter and before the new wave of retail lockdowns in the fourth quarter.

After declining by almost 21 percent in the first half of 2020, sales grew by close to 4 percent in the third quarter, but this was followed by a strong decline of around 14 percent in the fourth quarter.

Sales developments varied from one region to another with the impact of the virus. Intersport retailers in China, Australia and Ukraine could substantially increase their sales, while regions like Southern Europe, Southeast Asia and Latin America suffered sales declines well below the group's average. France and Finland outperformed the rest of Europe.

In terms of product categories, running, training and cycling exceeded expectations, and IIC officials expect them to continue to develop more strongly than others. The outdoor segment outperformed to a lesser degree.

Intersport says it is very much encouraged by the high level of newcomers to sport as a result of the pandemic and the high percentage of people who plan to increase their activity levels after the lockdowns. **Steve Evers**, CEO of IIC, expects the group to record better results than in 2020 as well as in 2019 for the spring/summer 2021 selling season and for the full year. The combination of expert advice at its stores and a "strong omnichannel consumer value proposition" should help the group to overcome the current challenges in its important winter business, says IIC in a public statement.

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All in all, most of the national Intersport organizations have "navigated strongly through the storm" caused by Covid-19, Evers says, noting that the current crisis has "forced" the group to adopt new processes, such as moving to virtual go-to-market meetings, and to become leaner and more efficient. He claims that Intersport's "consumer-focused omnichannel value proposition, with a locally and regionally anchored network, has proven to be the future-oriented recipe for ongoing growth and success."

JD Sports buys another U.S. chain, wants more

After its $558 million takeover of The Finish Line in 2018 and its more recent $680 million acquisition of **Shoe Palace** on the U.S. West Coast, **JD Sports Fashion** continues its expansion in the U.S. with the announced purchase of a 100 percent stake in **DTLR Villa**.

Other acquisitions may follow, judging from a statement made by JD to the market on Feb. 3. "The directors believe there are a number of attractive acquisition opportunities becoming available that will support its expansion strategy," said the company to justify a plan to raise around £464.2 million (€530.3m-$634.7m) through a placement of ordinary shares at a 2.5 percent discount from the stock market price. The placement would represent about 6 percent of the existing capital.

Based in Baltimore, DTLR is an athletic footwear and apparel streetwear retailer founded in 1982. It currently operates from 247 stores across 19 states, principally in the north and east of the U.S.

The transaction is subject to customery closing conditions including a review by anti-trust authorities, but JD says it should be completed before the end of the first quarter.

The target of the acquisition is currently majority owned by the New York-based private equity firms **BRS & Co.** and **Goode Capital**, JD and DTLR anticipate completing the acquisition during the first quarter. The total cash consideration for the acquisition is $495 million, of which around $100 million will be used to repay existing debt.

In the 52 weeks ended Feb. 1, 2020, DTLR delivered Ebitda of $45.6 million. After recognizing a charge for depreciation and amortiza-

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tion of $24.7 million and net funding costs of $19.3 million, DTLR delivered a profit before tax of $1.6 million. The gross assets DTLR's balance sheet were $293.7 million as of Feb. 1, 2020.

JD said the purchase is being funded from its own cash resources and existing bank facilities

The acquisition of DTLR will enhance JD Sports' presence in the north and east of the U.S., complementing its existing JD and Finish Line banners as well as Shoe Palace on the West Coast.

"Like Shoe Palace, DTLR pride themselves on the deep connection they have with their consumers and the active role they play in the communities that they serve. As such, we intend to retain the DTLR Villa fascia and its proposition," said **Peter Cowgill,** JD Sports' executive chairman.

Originally named **Downtown Locker Room**, the company was rebranded as DTLR and merged with **Sneaker Villa** in 2017. DTLR's management, headed by **Glenn Gaynor** and **Scott Collins**, who will be continuing in their roles as co-CEOs, will also be reinvesting a portion of their proceeds back into DTLR in exchange for a stake of about 1.4 percent. Put and call options to enable exit opportunities for the management have been agreed and will become exercisable after a minimum period of three years.

In December, the company pulled out of a deal to buy **Debenhams**, whose brand and website are now being sold to a British online fashion retailer, **Boohoo**, for £55 million (€62m-$75.1m).

Reportedly, JD also held talks with the U.S.-based **Authentic Brands Group** about a possible takeover of **TopShop**, one of the fashion chains owned by the bankrupt **Arcadia** group. However, another U.K.-based online retailing platform, **Boohoo**, has confirmed that it is in exclusive negotiations to buy TopShop and other Arcadia assets.

Analysts at **Shore Capital** have been reported as saying: "We are not that surprised that the JD Board are now considering an equity raise given its global ambitions and the potential merger and acquisition opportunities that might arise from the fallout of Covid in the retail sector both in the UK and internationally."

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"In our view, JD Sports remains a best-in-class retailer with excellent cash generation (reflected in its strong balance sheet) and tight cost and stock controls. To bolster its balance sheet with a potential fund raising will enable the company to widen its already extensive corporate development net, as it looks for further bolt-on opportunities."

Sport 2000 obtains high carry-over contingents from the ski industry

Retailers affiliated with **Sport 2000** across national borders have been able to secure a considerable increase in the number of ski products that suppliers will continue to offer as part of their collections during the winter 2021/22 season. The share is now 65 percent for alpine skis and 78 percent for ski boots, and negotiations are taking place to raise these shares even further.

The understanding about the new contingents came out of a special roundtable discussion, initiated by **Sport 2000 International**, that took place in a virtual format on Jan. 22. All the major suppliers – **Atomic**, **Elan**, **Fischer**, **Head**, **K2**, the **Rossignol Group** (including **Dynastar** and **Lange**) and the **Tecnica Group** (including **Nordica** and **Blizzard**) – participated in the talks, which were aimed at finding a common solution to the high inventories and scarce liquidities that retailers are facing because of the coronavirus pandemic.

As reported, ski facilities have been allowed to operate at some conditions in Austria, parts of Switzerland and Spain, but travel restrictions and the closure of hotels and restaurants have dramatically reduced the number of foreign tourists. Furthermore, sporting goods stores have had to close their shops in Austria, Switzerland and Germany., but they are going to open again next Monday.

The ski facilities should be allowed to reopen in Italy on Feb. 14, but the French government has extended its ban through the end of the month. It has also ordered the lockdown of non-essential retail stores located in shopping centers, like in Italy and Spain.

Claiming sales declines of between 50 and 60 percent in the sector, the Italian sporting goods industry association, **Assosport**, is urging the Italian government to confirm the reopening of the ski facilities. In France, seasonal workers and other stakeholders have been sta-

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ging demonstrations, calculating the total loss for the country's winter sports sector at over one billion euros.

Thus, most retailers will end up with large amounts of unsold winter sports products by the end of the current season, even though they had ordered between 20 and 30 percent less hardgoods than in previous years. Based on current market mechanisms, these goods could only be sold during the next season – if at all – at a considerable discount before the launch of new models. Retailers will have to find a balance between the two categories of products.

"The majority of skiers are not aware of the top innovations from this winter, so customers will be able to benefit from the innovations from two seasons," says **Bernhard Leichfried**, category manager of winter sports at Sport 2000 International. "Due to a lack of liquidity resulting from the remaining stock from the previous year, the challenge will be in pushing back orders as far as possible without affecting the industry's procurement times and production. Suppliers' payment terms or option volumes for reorders will also have to be adjusted in order to guarantee our retailers' liquidity," he added.

New retail initiatives by VDS, Internetstores and Intersport

Triggering new initiatives, the retail sector has been reinventing itself in Germany following the retail lockdowns ordered by government authorities to minimize contamination from the Covid-19 virus. A couple of interesting examples were presented during the workshops and conferences given as part of the new **ISPO Munich Online** event.

Health Coaching for physical retail

VDS, the German Sports Retailers' Association, presented a new future-oriented business field for brick-and-mortar stores, called "health coaching," at one of the numerous workshops during the virtual fair. At the heart of the idea, which addresses the important health market, is a multi-functional testing and analysis device, **VELIO®** (https://veliosports.de/), which was developed in Germany by **Gesund4You** and is already in use by some companies.

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When it is installed in a store, the system can determine in just 15 minutes a customer's athletic level based on five motor skills: endurance, strength, speed, coordination and mobility. The data can then be used to jointly define the training goal for the customer and develop an individual training program. The system is accompanied by a "Connected Coaching" app. The digital and analog interplay of analysis and support through to expert advice from the store personnel to find the right product is intended to offer sports retailers a new USP.

Stefan Herzog, president of VDS and former CEO of the **SportScheck** chain, sees this as a great opportunity. "Traditional brick-and-mortar retail as a business model is finding it increasingly difficult to survive," said Herzog, adding that this development already started before the pandemic. Retailers used to have exclusive access to goods and sole access to customers, but both have changed massively with online retailing and the brands' own DTC strategies, he said.

"Retail urgently needs to get out of the consumer world and into the customer's living world. A customer can buy a new running shoe online, but what he really needs is advice that helps him achieve his goals. Then he'll be happy to come back and equip himself with the necessary equipment in the store."

VDS is looking for retailers interested in a pilot project with immediate effect.

Internetstores invests in an automated return center

In order to adapt the processing of returns to its own growth plans, **Internetstores**, a major German multi-channel retailer, has invested in a new automated return center in the Untertürkheim district of Stuttgart. It allows the company to store 99.9 percent of all returns in the existing warehouse for resale – provided they have come back in perfect condition.

The time-consuming process is only financially worthwhile if the returns can be processed quickly and efficiently, said **Frank Aldorf**, chief brand officer of the company, in a presentation made at Ispo Munich Online. In the new return center, the parcels are automatically opened, sorted and automatically transported to the relevant

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work areas for further processing. Certain product groups can also be prioritized.

The new system not only creates efficiency in returns processing, but also uses 30 percent less energy, said Aldorf. The commissioning of all workplaces will take place gradually until 2022.

Internetstores offers products by 1,350 brands through its 40 online shops in 14 countries. It operates the specialized platforms **fahrrad.de**, **Bikester**, **Brügelmann**, **Probikeshop**, **Campz** and **Addnature**.

Internetstores has been part of the **Signa Sports United** group since 2016. It employs more than 800 people at three locations in Germany, plus one in France and one in Sweden. The group achieved a record turnover of €373 million in 2019. According to Internetstores, the company has grown by more than 30 percent every year since its acquisition by Signa. It shipped 254,000 bikes last year.

Intersport Germany's early online campaigns

The German **Intersport** organization drives traffic to the affiliated stores through product campaigns in various sectors that are developed six months before the products become available for purchase by consumers, generally in collaboration with the brands. The campaigns describe the specific products in which the customers may be interested and inform them when the products will become available in which stores in their region.

Intersport Germany has structured the customer journey along a number of digital touchpoints. The first one is intended to generate awareness about the product, followed by a phase where it evaluates the customers' interest by e-mail or through the social media before they book or purchase the product. The process ends with the customer's registration for a loyalty program for targeted marketing and special offers.

In turn, Intersport collects data about the best campaigns and the best-selling products.

Most of the sales and deliveries are made directly out of the individual retailer's warehouse. When this is not possible, Intersport will make the shipment out of its own warehouse/

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Bezos hands over leadership of Amazon

In the third quarter of this year, **Jeff Bezos** will hand over the operational role of CEO at **Amazon** to **Andy Jassy**, the head of the company's cloud business, **Amazon Web Services** (**AWS**). Amazon made the announcement on Feb. 2 after the company released very good results for the fourth quarter of 2020 and the full financial year.

Bezos founded Amazon in 1994 and built the company from an online bookstore into a trillion-dollar corporation. According to *Bloomberg*, with an estimated fortune of $188 billion (€155.4bn), Bezos is currently the second richest person in the world. **Elon Musk**, the founder of **Tesla**, has just taken over the leadership from him.

The world's largest e-tailer is more "inventive" than ever before, Bezos stated. "This is the optimal time for a handover," he added. However, the 57-year-old entrepreneur is likely to continue to exert a great deal of influence thereafter as executive chairman of the board of directors. Amazon did not provide more specific details about the future scope of his responsibilities. While Bezos is staying involved with the company, he has also made it clear that his priorities have shifted. He wants to pay more attention to other things, such as philanthropic activities and his aerospace company, **Blue Origin**.

Excellent financial results accompanied the news. The massive increase in online orders during the pandemic led Amazon to book record sales in the fourth quarter. Revenues rose by 44 percent to $125.6 billion, much higher than any forecasts made by analysts or the company itself. Amazon's net income rose to $7.2 billion from $3.3 billion in the same period a year ago.

For the full year, the company increased revenues by 37 percent to $380 billion. The group almost doubled its profit to $21.3 billion as compared to $11.8 billion in 2019.

For the present first quarter, Amazon is forecasting a growth of 33 to 40 percent year-over-year. Operating income is expected to reach $3.0 billion to $6.5 billion, up from $4 billion a year earlier, including Covid-19-related costs of up to $2 billion.

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Record market capitalization for Zalando as it expands in the Nordics

Zalando's Connected Retail program has attracted many retailers in the Nordic countries, where it has been expanding recently its reach among consumers, notably with the creation of a dedicated Swedish website. Without specifying how many of them are sports stores, a spokesperson for the company said it has now around 50 stores connected in Sweden, around 20 in Norway, around 40 in Denmark and about 20 in Finland.

The program was launched in the region in November 2020. Benefitting from the new wave of retail lockdowns, which has now hit Denmark and several cities in Norway as well, Zalando has already won over the operators of more than 3,000 physical stores in Germany, the Netherlands, Poland and Spain. Austria, Belgium, France, Italy and Switzerland are due to follow in 2021.

Meanwhile, the increasingly serious Covid-19 situation is raising expectations among investors that Zalando's relentless progress will continue for a while as more consumers come to appreciate the benefits of online shopping.

Zalando's share price broke for the first time the symbolic barrier of 100 euros in the course of trading on Monday, Jan. 25, setting an all-time record of €102.15. It closed the session at €98.48, giving the company a market capitalization of €25.7 billion. The stock price had reached a 52-week minimum of €27.50 in March 2020.

Footway's new online platform has teething problems

Last April's acquisition of **Sportamore** and the Swedish group's growing internationalization expanded the number of visitors and customers on its numerous websites across Europe, but reduced its profitability last year. With the inclusion of Sportamore for the last two months of 2020, the Swedish online shoe retailer reported a jump of 124 percent to 34 million in the number of visitors in the fourth quarter.

The number of new customers amounted to 315,000 in the quarter, pushing sales up by 27 percent to SEK 393 million (€38.8m-$46.5m)

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in spite of declines in the Swedish shoe market of over 19 percent in October, 47 percent in November and 44 percent in December. The quarterly operating income (Ebita) went up to SEK 17 million (€1.7m-$2.0m) from SEK 14 million in the year-ago period.

Sales increased by more than 150 percent this past January as compared to the same month of 2020.

For the full 2020 financial year, however, Ebita was down to SEK 11 million (€1.7m-$1.3m) from SEK 21 million in 2019 on a 10 percent increase in comparable sales to SEK 1,089 million (€107.5m-$128.9m). Adding Sportamore, the annual turnover reached SEK 1,750 million (€172.8m-$207.1m).

The company launched a new data-driven platform in November that integrates its recently acquired operations. "We have run into 2021 with completely new shoes," said **Daniel Mühlbach**, CEO of the group. "The platform is the central component of our value creation, which will accelerate as we integrate and launch more niche online stores that all use a common back-end. In 2021, our goal is to launch another 5-10 stores on the platform." First out was **Caliroots**, which was rolled out in all 24 markets served by **Footway** in early January.

Footway currently operates seven online stores in each of the 24 markets, which in practice means that 168 country-specific stores are now in operation. "As expected, there have been some teething problems, most of which could be treated relatively immediately, " Mühlbach added. "An important next step is to achieve a critical mass of local data that the platform can use to tailor supply and offer for each store in each market."

As the local amount of data increases, the leverage in the platform will become stronger," he also said. In order to handle growth going forward, Footway will double this year the space of its automated warehouse in Eskilstuna.

Boohoo, Asos make moves on major U.K. retail assets

Boohoo, the growing British online fast-fashion retailer has acquired the intellectual property assets of **Debenhams**, the oldest and big-

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gest department store in the U.K., for ₤55 million (€75.3m-$69.1m) in cash, plus value-added tax. The takeover includes Debenhams' big internet marketplace with the related customer data, contracts and other business information, but none of its 120-plus physical stores. Its inventories and financial services are also excluded from the purchase deal.

Frasers Group, the parent company of **House of Fraser** and **Sports Direct**, among other assets, had invested in Debenhams and made an unsuccessful bid for it. Its biggest competitor, **JD Sports Fashion**, had expressed interest in the acquisition but then pulled out of the negotiations.

In contrast with **Selfridges**, which managed to raise its sales last year in spite of the coronavirus outbreak because of its modernization, Debenhams has gone through several bankruptcy proceedings lately.

Boohoo described its acquisition as a "fantastic opportunity" as it aims to create the U.K.'s largest marketplace across fashion, beauty, sport and homeware. It plans to expand the range of products sold via Debenhams' marketplace by maintaining existing brands and adding new ones over time.

It will continue to operate Debenhams' online beauty business under its current wholesale model, but will also look to add new brands via the marketplace model. Debenhams' own fashion brands will be absorbed into Boohoo's current brand portfolio and sold via the Debenhams website and their respective sites. Debenham's brands include **Maine**, **Mantaray**, **Principles** and **Faith**.

In the financial year to Aug. 31, 2020, Debenham's online business generated net revenues of approximately 400 million pounds (€450.2m-$547.9m). Its online platform has about 300 million visits a year, making it one of the U.K.'s top 10 retail websites by traffic.

The marketplace represented about a quarter of Debenham's online revenues, generated mainly by the fashion and homeware categories, and the retailer's own fashion brands totalled another 25 percent of sales. The beauty business generated some 20 percent of the online revenues.

The remaining 30 percent of Debenhams' online revenues derives from wholesale inventory bought from third-party brands, covering

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the fashion, sport and homeware sectors. The business will not continue with the change of ownership.

Boohoo expects to relaunch the Debenhams site on its own e-commerce platform in the first quarter of its financial year, starting in March. Debenhams will continue to operate its website for an agreed period before the transfer to Boohoo's platform. A license has been granted to allow for the winding down of Debenhams' retail stores and liquidate its remaining inventories for an additional period.

Boohoo is financing the acquisition through its cash balance, which stood at £386.9 million (€435.4m-$530.0m) on Dec. 31. It does not expect the deal to contribute to its revenues over the remaining five weeks of its current financial year and anticipates modest start-up losses in relation to the takeover.

Separately, another big U.K.-based e-tailer, **Asos,** said that it is in exclusive discussions with the judicial administrators of **Arcadia** over the acquisition of **its Topshop**, **Topman**, **Miss Selfridge** and **HIIT** fashion retail chains, while warning that there is no certainty that a deal will be struck. Frasers was cited as one of the bidders for some of Arcadia's assets as well.

Arcadia, which also owns the brands **Dorothy Perkins**, **Burton**, **Wallis**, **Evans** and **Outfit**, was placed into administration after being badly hit by lockdowns introduced to combat the spread of the Covid-19 pandemic. Arcadia was the biggest concession retail holder in Debenhams stores, and its financial difficulties led JD to end talks to buy the British department store chain.

WFSGI adds Jorge Casimiro and Steve Evers to its board of directors

The **World Federation of the Sporting Goods Industry (WFSGI)** has announced the election of **Jorge Casimiro** and **Steve Evers** to its board of directors. Evers, who is the CEO of **IIC-Intersport International Corp.,** replaces **Martin Künzi**, chief financial officer of IIC, who will remain as treasurer of WFSGI.

Casimiro is vice-president, chief public policy & social impact officer at **Nike** as well as president of the **Nike Foundation**. He takes

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the place of **Sean O'Hollaren**, another Nike executive who served as chairman of WFSGI before the election of a new board in January 2020. Partly in view of the **Olympic Games** in Tokyo, which have been postponed to next summer, and those that will take place in Beijing next year, its general assembly elected a year ago a new board headed up for the first time by co-chairmen – **Motoi Oyama-san** and **James Zheng** – who represent **Asics** from Japan and **Anta Sports Products** from China, respectively. WFSGI is working closely with the **International Olympic Committee (IOC)** to ensure the success of the Tokyo Olympics.

During its first-ever virtual general assembly on Jan. 29, WFSGI awarded the title of honorary directors to **Jeroen Snijders Blok** of **Accell Group**, who was a WFSGI board member from 2011 to 2021 and served as chair of the WFSGI Bicycle Steering Committee from 2011 to 2020, and to O'Hollaren, the immediate past WFSGI chair of the board (2017-2020) and a WFSGI board member from 2014. WFSGI's general assembly also honored the passing of **Frank Dassler**, a past president who died last year at the age of 64. The organization announced that it will make an appropriate posthumous award to recognize Dassler's service in 2022.

WFSGI said that it managed to achieve a positive result of just over 15,000 Swiss francs (€13,900-$16,800) last year in spite of the pandemic, reducing costs as much as possible and delivering new services, added value and support to its members. The association enlisted a new member, **Ceramic Speed**, and created a new membership category for start-ups. It announced the creation of a new working group on "Digitalization of Product Information." As previously reported, it launched a revamped website a few days ago.

Traditionally, WFSGI's general assembly is held in-person just before the **ISPO Munich** show. This time, it was successfully held for the first time in a virtual format a few days before the first **ISPO Munich Online** event, which will run from Feb. 1 to 5.

Europe helps drive VF's momentum

After posting a loss for the first quarter of its financial year, ended June 30, **VF Corp.** bounced back in the second quarter, and the third fiscal quarter ended Dec. 31 confirmed this recovery, driven by Europe and China. The good progress, which was attributed to in

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part to investments made in previous years on digital marketing and sales led the group to raise its full-year guidance.

While they were still affected by the Covid-19 pandemic, the company's sales and profits declined at a slower pace than in the previous two quarters. The management said that year-to-date results surpassed its expectations. It believes that its brand portfolio remains on track to return to growth in the fiscal fourth quarter.

Hampered by store closures and other Covid-related restrictions, VF's revenues for the three months ended Dec. 31, 2020 fell by 6 percent from the year-ago quarter to $2,971 million, with a decline of 8 percent in constant currencies, which was much better than the 18 percent drop recorded in the second quarter. The quarterly net income reached $347.2 million, down 25 percent from $421.6 million last year. It was off by 23 percent to $327.7 million on an adjusted basis, excluding discontinued operations.

The gross margin dipped by 2.5 percentage points to 54.7 percent, mainly due to higher promotional activity to clear excess inventory, with currency headwinds shaving 0.9 percentage points. On an adjusted basis, the gross margin decreased by 1.5 percentage points to 55.7 percent.

Overall, VF's wholesale revenues declined by 10 percent in the quarter. Total direct-to-consumer sales fell by 2 percent, but online sales jumped by 53 percent, nearly offsetting the loss of sales at brick-and-mortar stores due to retail lockdowns, which also had a major impact on profits.

In North America, over 95 percent of VF's owned retail stores were open at the beginning of the third quarter, with all VF-owned retail stores re-opened by mid-October. Since that time, additional stores were closed again, and around 15 percent of the store fleet was shut down by the end of the quarter. In the EMEA region, nearly all of VF's owned retail stores were open at the beginning of the third quarter. Since that time additional stores were locked up again, ending up with 50 percent of them being closed by the end of the quarter. On the other hand, nearly all of VF's owned retail stores in the Asia-Pacific region were open during the quarter and are still open now.

By geography, the Americas, excluding the U.S., was the hardest-hit region across the group, with sales falling by 16 percent in

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constant currencies. The U.S. was down by 11 percent, due to restrictions caused by the pandemic. The Outdoor and Active categories continued to outpace the group's overall performance in the apparel segment.

Sales in the EMEA region only declined by 4 percent in constant currencies, and they even gained 1 percent in reported terms, despite the broader European economy being among the hardest hit by the pandemic during the quarter. VF's digital business grew by more than 80 percent in the region. Indicating an uninterrupted momentum, judging from the order books for the spring/summer 2021 season, the management explained this in part with VF's longstanding good relations with major European e-tailers such as **Zalando** and **Asos**.

Sales rose by 6 percent in the Asia-Pacific region, boosted by an 11 percent gain in China on a constant-currency basis. The D2C business in Mainland China grew by 20 percent, led by e-commerce.

Revenues in the Outdoor segment, which is led by **The North Face,** dropped by 7 percent in terms of local currencies. The usually more dynamic Active segment, which includes **Vans**, fell at a higher rate of 11 percent. With many new products and a growing international distribution, the Work segment improved by 8 percent, led by **Dickies**.

In reported terms, sales declined in the Outdoor segment by 5.3 percent to $1,571 million in the quarter, leading to a drop of 11 percent to $311.8 million in its operating profit. Sales were flat at TNF, but they fell by 14 percent at **Timberland**. Smaller brands like **Altra, Icebreake**r and **Smartwool** enjoyed a good momentum. TNF had a serious drop of 13 percent in the U.S., but this was offset by increases of 22 percent in EMEA, 16 percent in APAC and 4 percent in the rest of the Americas region. TNF's total digital sales went up by 64 percent.

In constant currencies, TNF saw revenues decline by 2 percent, with continued sequential improvement in the Americas. Europe remained a bright spot for the brand, with a growth of 17 percent there, including a gain of 112 percent in online sales, offsetting the impact of significant store closures in the region.

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The **TNF Gucci** collaboration generated over 15 billion media impressions since its December launch. Mountain products also performed well, highlighted by **Futurelight**'s expansion deeper into the product assortment, leading to triple-digit growth versus the prior year.

Timberland declined in every region, aside from the digital sales channel. In reported dollars, its sales fell by 19 percent in the Americas, by 11 percent in EMEA and by 6 percent in APAC. In terms of local currencies, Timberland's sales fell by 17 percent, while Dickies rose by 7 percent, with strong demand across all regions and growth across all channels.

In reported terms, the revenues of the Active segment dipped by 9.1 percent to $1,127.1 million, generating 30 percent lower operating earnings of $201.4 million. Vans declined by 6 percent in dollars, with sales falling by 7 percent at wholesale and by 29 percent at the brand's numerous brick-and-mortar stores, partly offset by a 52 percent improvement in the digital channel.

In constant currencies, Vans' revenues fell by 8 percent worldwide as growth in digital was more than offset by brick-and-mortar store re-closures in the Americas and EMEA markets. The brand accelerated to 9 percent growth in APAC, led by digital and China. In the brand's more buoyant Progression line, its all-weather **MTE** styles increased at a double-digit rate. The **UltraRange** grew by high single digits as Vans consumers turned to more outdoor and active-oriented franchises.

For the full financial year ending on March 31, VF raised its guidance and now expects its total revenues to reach a level of $9.1 billion to $9.2 billion, up from a previous forecast of $9.0 billion, reflecting a decrease of around 12 to 13 percent on an adjusted basis from the prior year. Vans is expected to go down by less than 15 percent for the year, TNF by less than 10 percent and Timberland by less than 19 percent. The total turnover will include a small contribution of about $125 million in revenues from the **Supreme** brand, whose takeover was closed on Dec. 28.

VF's management believes that the acquisition of this premium streetwear brand will serve as a spark for "another layer of transformative growth" and value creation for the group. It still expects Supreme to contribute at least $500 million in revenues in fiscal

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2022 by opening new stores and through more frequent collaborations. The management said, however, that it still has to determine the level of investments on the brand in an effort to reach the right balance between Supreme's growth and its profit margins, which have been very high lately.

Meanwhile, a year ago, VF announced its decision to explore the divestiture of its Occupational Workwear business, which includes **Red Kap**, **VF Solutions**, **Bulwark**, **Workrite**, **Walls**, **Terra**, **Kodiak**, **Work Authority** and **Horace Small**. The business also includes certain occupational workwear products by Dickies that have historically been sold through the business-to-business channel.

SHER, a new Italian cycling & sports brand for women

Sara Canali, a native of Bolzano who has been practicing football, cycling and other sports since a young age, has become the sole owner of **SHER Women's Activewear**, a new brand of functional and stylish sports clothing for women. She launched last May as a joint venture with **Francesca Pozzi**, another Italian manager whom she had worked with many years ago at **The North Face EMEA**. Canali, who is 45 years old, says her goal is to develop SHER into "an online brand with global reach that challenges existing business models and redefines growth."

Registered as an innovative start-up in the northern Italian region of South Tyrol, the project is financially supported by the local state government through a tax break and in other ways. It has already raised some interest from investors who may help the company to make new investments in innovation and digital customer experience.

The name SHER stands for Sport for Her. Like **Kari Traa** and some younger brands such as **Klover** or **LaMunt**, the new brand of women's apparel for outdoor pursuits introduced by the **Oberalp Group**, SHER stresses style & fit while trying to solve specific problems that women tend to encounter when they wear the female version of a garment that was originally designed mainly for men.

Its first product was a revolutionary bib short with a new type of chamois for bicycle riding, made with a special anti-bacterial fa-

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bric, that is supposed to avoid the kind of infections that affect 30 percent of the women who wear traditional cycling pants. The new seat pad was the result of 250 hours and 5,970 km of testing with 25 women, athletes included. The same problem-solving philosophy is being applied to all the other 20-plus models launched by the company until now. After coming out with bike shorts, coupled with bike jerseys and windproof cycling vests, SHER launched its first line of clothing for training, followed hy other items for sports such as running and mountain hiking.

The SHER line is almost exclusively available over the internet through the website, sheractive.com, in Italian, English and German. The only exception is a space in the 300-square-meter concept store in Bolzano of LEAOS, an innovative local producer of high-end e-bikes.

Canali says that she is planning to extend the network of physical "destinations" to very few and selected locations across Europe. The SHER collection will only be offered online or offline in "stores or platforms that are investing in innovative retail experiences, that focus on understanding the female user and her true needs and challenge the status quo as we do."

SHER uses only sustainable products, even in the packaging, which is made of textile waste. The manufacturers of its garments in Italy and Portugal work "ethically, sustainably and transparently," says the company. They make ample use of recycled materials from obsolete inventories and landfills, yet SHER offers premium products, designed in Italy with a good look, fit and function, targeting mature women over the age of 30, including seniors. "We help women to look and feel great in their sports gear any time," declares SHER on its website.

The prices are relatively high. To give visitors an incentive to make a purchase, SHER is testing a "Try and Use" program of returns for any orders above €120 made over the internet until Feb. 10. It has also been offering "gift cards" of between €35 and €300 that can be added to shopping cart.

Making use of social networks like **Facebook** to attract its customers, SHER recruits inspiring women from all over the world who align with the brand's vision to share great stories from

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their active life.

While Canali runs the general business and its strategy, innovation, product creation and marketing, her companion **Claes Broqvist** currently supports her in sales, logistics and business relations.

Canali and Broqvist met as expatriates in Switzerland at **Odlo**, where they both started in different roles in 2009. They both left in 2015 for Bolzano, Canali's hometown, with Broqvist joining the Oberalp Group as regional manager and then as chief sales officer until July 2019. After a five-month stint as international director of **Vicis**, an American producer of sports helmets, the Swedish manager became a consultant, capitalizing on his 30-year experience in the sports and outdoor sector. He worked for **Nike** and **Häglofs** before he became Odlo's sales director. Declining to provide any figures at this stage, Canali said that SHER is still in a start-up mode. "We decided to take a step-by-step approach towards the development and not steer us blind on the result. The result will come if we do the ground work right and build a strong foundation, according to our strategy," she said, adding that she is "proud and pleased with the first step, which we have in place."

The next step will be to focus more efforts on brand awareness to build a relation with the targeted user through social media, advertising, events and influencers.

Nike questions a European tax probe

Nike has asked the **European General Court** in Luxemburg for the annulment of an investigation by the **European Commission** into the tax status of its Dutch-based European operations, according to *Reuters*, arguing that it has failed to prove that certain Dutch tax ruling in its favor amounted to illegal state subsidies. The court's judges are expected to rule on the matter in the next months.

Asked to comment on the report, a spokesperson for Nike stated that the group "is subject to and rigorously ensures that it complies with all the same tax laws as other companies operating in the Netherlands. We believe the European Commission's investigation is without merit."

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Wondering whether the tax ruling was giving Nike an unfair advantage over competitors, the Commission launched an in-depth investigation into the matter two years after a group of journalists published the so-called "Paradise Papers," questioning the fact that Nike had in fact been paying corporate tax of less than 3 percent on revenues generated in the EMEA region.

They found that Nike's two Dutch subsidiaries were paying royalties to an entity located in Bermuda, called **Nike International,** for the use of Nike's and **Converse**'s intellectual property. The Commission questioned the scheme as the royalties were deducted as business expenses, made to an entity that was not subject to taxation.

Under pressure from the EU, Dutch authorities abrogated three of the five tax rulings in question, which were issued between 2006 and 2016, and indicated that they were planning to change such tax regulations after 2020.

In its approach to the General Court, whose authority is second only to that of the **European Court of Justice**, Nike is now claiming that the Commission's preliminary assessment of the case contained legal errors. It told the court that European regulators have been unable to provide "sufficient reasons for finding that the contested measures fulfil all elements of state aid, especially why they should be regarded as selective."

Nike also criticized the Commission for rushing to open a formal investigation "where there were no difficulties to continue the preliminary investigation."

Observers have noted that European authorities have not had much luck in pursuing similar cases of indirect state aid to big corporation. They won a case against **Fiat** but lost two others against **Apple** and **Starbucks**.

Dorel's efforts to go private hit snags

Cerberus Capital Management says it has agreed to pay 10.3 percent more than previously planned to acquire control of **Dorel Industries** – whose assets include major bicycle brands such as **Cannondale, Schwinn, GT, Mongoose, Caloi** and **IronHorse** – following exchanges and discussion with shareholders holding more than 50 percent of

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the group's shares. The shareholders are most likely members of the controlling **Schwartz** family.

Cerberus' offer would take Dorel private, but it's not sure that it will be accepted by the voting shareholders in the end. The new price of 16.00 Canadian dollars per share represents a premium of 267.8 percent on the closing price of Dorel's Class B subordinate voting shares on the Toronto Stock Exchange on Feb. 20, 2020, the date preceding a five-day market correction related to the Covid-19 pandemic. It is at the mid-point of the range for the company's fair market valuation established by **TD Securities** on Nov. 20 under the supervision of a Special Committee of shareholders.

The new price would value Dorel at US$1,012 million, including debt and fees of $65 million, or a ratio of 8.5 times the company's adjusted Ebitda for the 12 months ended last Sept. 30. The purchase price, plus a new contingent tax liability in Europe of about $57 million, would be paid in part through the issue of $314 million worth of shares in Cerberus and **Koch Equity Investment**. The family shareholders would roll over $83 million of common equity in the transaction at the agreed price of Can$16.00 per share.

The newly unveiled tax liability relates to a decision by the Administrative Tribunal in Luxembourg that would force one of Dorel's subsidiaries to pay €46.8 million in taxes plus interest in connection with the transfer of certain assets made in 2015 in the context of an international corporate reorganization. The decision was notified to Dorel a few days ago by the Administrative Tribunal in Luxembourg. Dorel said it plans to appeal the decision. After consultation with its advisors, the Canadian company had set aside US$2.5 million in its 2018 accounts as its best estimate for the potential tax liability.

Meanwhile, two large institutional shareholders said they are planning to vote against the sweetened Can$16.00 offer, according to *Bloomberg*. They say that the new price "significantly undervalues" the company. Both investors essentially feel that the company's prospects have improved because of the boost given to cycling by the Covid-19 pandemic. They also point out that members of the controlling Schwarz family are not selling their shares, presumably because they know the future of the company better than anybody else. The two shareholders are **Letko, Brosseau & Associates**, which

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owns about 12.2 percent of Dorel's shares, and **Brandes Investment Partners**, which holds another 7 percent on behalf of its clients.

Google probed again by the EU

Google is under dual investigations in the European Union for allegedly abusive practices in its advertising business. This month, according to *Reuters*, anti-trust regulators for the EU have sent to a number of advertisers a 13-page questionnaire regarding the "Include Google Display Network" default setting for search campaigns on **Google Ads**. The setting made its debut in 2018. Google has said that it is cooperating with the regulators, who are looking into "all services of Google, including digital advertising and the ad tech chain."

Among other things, the investigation seeks to discover whether advertisers receive rebates for using Google intermediaries when they purchase their ads; whether access to **YouTube**, which Google owns, is contingent on the use of such intermediaries; whether the 2018 integration of **DoubleClick**, the online ad-delivery unit, has affected advertisers; and whether the imminent elimination of third-party cookies from Google's **Chrome** browser will have any effects.

As previously reported, the European Commission gave its permission to Google for the takeover of **Fitbit** at several conditions in December, including a ban on using Fitbit's data for its own advertising activities. As we reported earlier this month, the U.S. Justice Department has followed the European Commission's lead and cleared Google's proposed takeover of Fitbit, which has been delisted from the **New York Stock Exchange**.

Meanwhile, the EU Parliament has invited the CEOs – and the "CEOs only" – of Google, **Amazon**, **Apple** and **Facebook** to take part in a hearing scheduled for Feb. 1, as the body is due over the next few months to advise the European Commission on eventual changes to the regulation of Silicon Valley's tech giants. The invitation, according to *Reuters*, speaks of learning "about their current business models and future concepts."

Whether the CEOs will show up remains an open question, but **Sundar Pichai**, CEO of Google's parent company, **Alphabet**, was scheduled to speak by video conference with the EU's anti-trust chief,

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Margrethe Vestager, on Jan. 25. Vestager has been executive vice president of the European Commission in charge of its "A Europe Fit for the Digital Age" program since late 2019 and European commissioner for competition since 2014. The Danish commissioner has been instrumental in levying multiple fines, together worth about $10 billion, against Google over the past three years.

Rocky Brands invests $230m to buy footwear brands from Honeywell

Rocky Brands has agreed to acquire the performance and lifestyle footwear business of the U.S. conglomerate **Honeywell International** for $230 million. The deal is expected to close in the first quarter of 2021.

The assets acquired are **The Original Muck Boot Company**, **Xtratuf**, **Servus**, **Neos** and **Ranger**. These brands posted estimated net revenues of about $205 million in 2020, generating Ebitda of around $24.5 million.

The Original Muck Boot Company specializes in quality rubber and neoprene boots, while Xtratuf focuses on durable fishing boots and "shoes for life on the water," Servus stands for protective rubber boots. Neos specializes in overshoes and Ranger on value-priced boots for cold and wet weather.

Rocky Brands produces footwear and apparel. Its brands include **Rocky**, **Georgia Boot**, **Durango**, **Lehigh** and the licensed **Michelin**. brand of shoes. Honeywell will continue to manufacture industrial safety footwear under brands such as **Oliver**, **MTS** and **Honeywell Bacou**.

The purchase is being funded with an $80 million senior secured asset-backed credit facility with **Bank of America** and a $130 million senior secured term loan facility with **The Direct Lending Group** of **TCW Asset Management Company**, as well as cash on hand. The credit facility bears interest at Libor plus 1.50 percent and the term loan bears interest at Libor plus 7.00 percent.

Along with the acquisition, seven managers in charge of Honeywell's lifestyle footwear business will be hired by Rocky Brands. The group has agreed to grant stock options to the managers to

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purchase a total of 25,000 shares on the date of closing of the transaction. The options have a term of 10 years from the date of grant and vest 50 percent on the first anniversary of the date of grant, with the remaining 50 percent vesting on the second anniversary.

Thanks to the deal "we will greatly enhance our powerful portfolio of footwear brands and significantly increase our sales and profitability. We're acquiring a well-run business with corporate culture and a customer base similar to ours, which provides meaningful growth opportunities within our existing categories as well as an entrée into new market segments," explained **Jason Brooks**, the president and CEO of Rocky Brands.

He added that the brands complement Rocky Brands' offering with minimal overlap. The company plans to leverage its fulfillment capabilities to improve the distribution of the new brands to wholesale customers and accelerate direct-to-consumer penetration.

Grim indicators from GfK for the U.K.

British consumption registered a small uptick in December, especially in the distressed clothing sector, although online sales were reportedly not as buoyant as expected. However, the U.K.'s official exit from the European Union on Dec. 31 and a new extended coronavirus lockdown have apparently created a "perfect storm" that contributed to knock off two points from **GfK**'s Consumer Confidence Index for the country. It now stands at -28.

Four of the five measurements that feed into the market research agency's index have declined as compared to December. The General Economic Situation for the past 12 months has also lost two points and stands at -67, a full 39 points down from January 2020. Expectations for the coming year are down nine points from December and 20 points from last January. The figure for personal finance over the last 12 months rose by one point to -8 but is nine points down from January 2020, and the personal-finance projection for the next 12 months is off by one point to +2, for a four-point deficit from January 2020. The Major Purchase Index is down two points to -24 from December and 25 points from January 2020. While the Savings Index is up one point to +18 from December, it is down two points from last January.

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"Despite the widespread anticipation of a 'return to normal' with the ramp-up of the vaccination programme," says GfK's client strategy director, **Joe Staton**, "it is too early to deliver a [shot] in the arm to UK consumer confidence."

No European country has reported more Covid-19 infections than the U.K. (3,395,959) except for Russia (3,591,066), whose population is more than twice bigger, according to the **European Centre for Disease Prevention and Control**. Next come France (2,910,989), Italy (2,381,277) and Spain (2,336,451).

DPD resumes U.K. road services to EU but post-Brexit disruption goes on

Shipments to and from the U.K. are just now beginning to return to normal after a major disruption connected with Britain's formal separation from the EU on Dec. 31, complicated by Covid-19 tests at border points, according to several sources, although U.K. consumers are reportedly facing higher charges because of the extra paperwork.

As a major indicator of the progress, **DPD** has resumed its road service from the U.K. to the EU after resolving customs clearance problems caused by post-Brexit administration rules. The international carrier had suspended operations in the first week of the month and planned to start again on Jan. 13. However, continued confusion over incorrectly completed paperwork saw the pause continue until Jan. 16.

There were also problems due to an upgrade to the British government's Computerised Transit System (NCTS) which meant not all packages could be validated. DPD said a fifth of cross-channel parcels had incomplete or incorrect paperwork.

Her Majesty's Revenue & Customs (HMRC), the government agency responsible, had "overcome initial issues with their system and DPD is now in a position to recommence its road service for EU bound deliveries" the delivery firm said in a statement. "All DPD International Air services have been continuously available and remain so," the company added.

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Problems with the NCTS and lack of awareness over regulatory requirements by consumers have heightened concerns that some firms will stop exports to the U.K. There are also worries that delays will increase as freight traffic ramps up after the quieter post-Christmas period and when Covid-19 restrictions are lifted.

New rules enforced on Jan. 1 mean that suppliers sending parcels to the U.K. containing goods valued at £135 (€151.7-$184.4) or less are responsible for paying any import value-added tax that is due – effectively collecting tax for HMRC.

The British media have reported that British e-commerce customers have complained about extra charges along with higher delivery fees to cover the extra paperwork. An increasing number of customers have preferred to return the packages rather than paying up the unexpected fees.

Sports sponsorship market to post 6.7% CAGR through 2027, new study suggests

The global demand for sports sponsorships is expected to reach $89.60 billion a year by 2027, which would represent a compound annual growth rate (CAGR) of 6.7 percent from $57.00 billion in 2020, according to a new report by **Brandessence Market Research and Consulting**.

Despite the impact of the coronavirus pandemic, the study suggests that the sports sponsorship market "is booming," driven by digitalization as well as the opportunity for brands to run storytelling and content marketing at a time when people are overloaded with advertising and information.

The increasing number of new sports events around the world is also regarded as a major driver for the sports sponsorship market, since these events attract people and audiences, and thus sponsors as well. The specificities of sport itself further contribute to make sports sponsorship attractive, according to the agency. These include the possibility for sponsors to target specific market segments, to increase brand recognition, and to build relationships with consumers around an athlete or team, which potentially means associating a brand to a winning group or indiviual.

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In terms of segments, the sports sponsorship market was dominated in 2020 by football, which accounted for 36.05 percent of the market, followed by basketball at 17.84 percent. By geographical region, North America held the largest share, with 34.57 percent of the market. For every single U.S. dollar spent in sponsorships worldwide, around 37 cents come from the American and Canadian markets, the report indicates. On the other hand, the Asia-Pacific region is expected to be a promising market, growing at a CAGR of 6.65 percent by 2027, driven by the rise of mobile and digital penetration, combined with the proliferation of general entertainment content, among other factors.

The relatively recent emergence of digital and social media has been pushing all kinds of brands to look for promotion not only on TV but also via the new media, and this trend is "growing explosively," the analysts said, creating new opportunities for the sports sponsorship market to continue to expand. The full report is available for purchase from Brandessence.

News Briefs & Short Stops

Corporate

The Chinese sportswear company **361 Degrees** successfully completed a tender offer for about half of its remaining 7.25 percent senior unsecured notes, reducing the total amount still due to be redeemed by June 3 from $266.1 million down to $127.8 million. The move has allowed **361°** to considerably cut its total indebtedness of around $400 million and the related interest charges. **Standard & Poor's** is

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thus forecasting a lower debt/Ebitda leverage of between 3.0 and 3.5 times for 2021 and 2022, down from a previous projection of 4.0-4.5 times. However, S&P has decided to keep its issuer credit rating on the remaining notes at B-, indicating that the company will continue to face debt repayment risks until the notes mature.

Bogner has agreed to sell the property of its corporate head office in Munich for €55 million to a real estate company, **UBM Development**, after a bidding process. The City of Munich has a right of first refusal for the next two months on the building, located at Sankt-Veit-Strasse 4. The company will continue to occupy the 12,000-square-meter office for at least two more years as a tenant, while looking for an alternative location in the Munich area. Bogner says the sale of the property is an important component of a "performance program" launched by its new management in July. It is also part of a financing agreement that the company has signed with various banks to secure its financial stability for the next years. UBM, which is listed on the Vienna Stock Exchange, plans to use the space for apartments after it is vacated.

According to the Spanish financial daily *Expansión*, **Deporvillage** has engaged a financial advisory, **Arcano Partners**, to seek out an investor to purchase a majority stake in the company. The fast-growing Spanish e-tailer of sporting goods is currently majority owned by its founders, **Ángel Corcuera** and **Xavier Pladellorens**, and by such funds as **Samaipata**. Thanks to a boost from the pandemic, the company posted record annual sales of €120 million last year, an increase of 105 percent from 2019.

Dr. Martens is being valued between £3.3-3.7 billion (€3.7bn-$4.5bn to €4.2bn-$5.1bn) in its planned public offering on the London Stock Exchange, whichis already fully booked. The valuation implies a multiple of over 17 times Ebitda, as the company generated Ebitda of £184 million (€204.2m-$248.3m) on revenues of £672 million (€745.8m-$907m) in the financial year ended in March 2020. The private equity firm **Permira** and other investors are selling 350 million shares at 330-370 pence each (€3.73-$4.53 to €4.18-$5.08). The stake represents 35 percent of the brand's capital and would raise up to £1.3 billion (€1.5bn-$1.80bn) for the sellers. No new shares are being issued. The shareholders have the right to sell a further 53 million shares in case of excess demand. Dr. Martens has already received significant purchase commitments from institutional investors, including £250 mil-

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lion from **BlackRock**, £100 million from **Janus Henderson Group** and £75 million from Merian Global Investors. The order book is open until Feb. 1 and the company is scheduled to start trading on the London Stock Exchange on Feb. 2. But, the timing could be brought forward and the transaction completed this week. Permira bought Dr. Martens from the **Griggs** family in 2013 for £300 million (€333m-$405m). The Griggs, company managers, employees and former employees also own shares. According to *The Sunday Times*, Dr. Martens' management will see its combined stake in the company worth £350 million, of which £58 million for chief executive **Kenny Wilson** alone.

Eastman Chemical Company has announced that it will invest around $250 million over the next two years to build "one of the world's largest plastic-to-plastic molecular recycling facilities." The plant will be located at Eastman's site in Kingsport, Tennessee, where the company is headquartered. Through methanolysis, this facility will convert polyester waste, which often ends up in landfills and waterways, into durable products. By utilizing the company's polyester renewal technology, the new plant will recycle over 100,000 metric tons of plastic waste that cannot be processed by current mechanical methods to produce high-quality specialty plastics. The new facility is expected to be mechanically complete by the end of 2022.

Idealp Sport, a French skiwear company based in Albertville, has been placed in receivership ("procédure de sauvegarde" under French law) by the Chambéry commercial court, as reported by *sport-guide.com*. The **Henri Duvillard** brand, which Idealp sold to **Amateis** in December, is not involved in the procedure. The **Degré 7** brand, which will be managed by Amateis until Dec. 31, 2021, is not involved either, *sport-guide.com* says. Idealp is also the parent company of **Ski Lacroix** and **Arpin**.

JD Sports Fashion is on the hunt for more acquisitions after raising £464 million pounds (€529m-$634m) through a placement of 58.4 million new shares, representing about 6 percent of its share capital. They were placed at 795 pence each, offering a 2.5 percent discount on the mid-market closing price of 815 pence on Feb. 3. "The directors of the group believe there are a number of potentially attractive acquisition opportunities that will become available in due course and which will continue to support the group's successful global expansion strategy", JD Sports said. The move comes only three days after JD Sports

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announced the acquisition of an ahtletic footwear apparel retail on the U.S. East Coast, **DTLR Villa,** for $495m, enhancing its presence in the north and east of the U.S. to complement the existing JD and **Finish Line** banners. In December, it snapped up the West Coast **Shoe Palace** chain for $681m. In addition to the proceeds from the share placement, JD Sports had £700m (€800m-$957m) of debt facilities and about £1 billion in cash before the DTLR deal. The company has been looking for takeover opportunities in the U.K.'s struggling fashion retail sector. In December, it pulled out of talks to buy **Debenhams**, whose brand and website are eventually being sold to a fast-fashion online retailer, **Boohoo,** for £55m (€62.7m-$75.2m).

JOTT, a French casual outerwear brand, has announced that *L* **Catterton** has acquired a controlling interest in the company. The financial terms of the deal have not been disclosed. The **Gourdikian** family, which founded and manages JOTT, will continue to hold a "significant equity interest" in the business. JOTT, best known for its light down jackets, was founded in Marseille in 2010 by two cousins, **Nicolas** and **Mathieu Gourdikian**. The name is the acronym for Just Over The Top. Today the brand is distributed through 100 concept stores across France, Spain, Portugal, Benelux, Switzerland and China, and is present in more than 1,000 point of sales globally. According to **Patrick Gourdikian**, JOTT president, the partnership with *L* Catterton will help JOTT to further develop the brand's footprint across Europe and Asia. In conjunction with the announcement of the investment, **Didier Lalance** has been appointed CEO of JOTT. Lalance has nearly 30 years of management experience, with a strong track record of growth at apparel and luxury brands including **Lacoste**, **Kering** and **Asics**. *L* Catterton is a private equity firm that operates an equity capital of $20 billion and is linked to **LVMH**. In January 2016, **Catterton**, LVMH, and **Groupe Arnault**, which is the family holding company of **Bernard Arnault**, partnered to create *L* Catterton. The new entity combined Catterton's existing North American and Latin American private equity operations with LVMH and Groupe Arnault's existing European and Asian private equity and real estate operations.

A fast-growing ammunition market in the U.S. due to the anxiety caused by the coronavirus pandemic and the trend toward outdoor activities is leading to better financial prospects for **Vista Outdoor**, which is also the owner of "quieter" international brands like **Camelbak, Bell** and **Giro**. As a result, **Moody's** is upgrading once more the group's credit

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rating. The rating agency had already changed its outlook for Vista from positive to negative in Oct. It has now continued its revision by switching its corporate family rating from B2 to B1, with commensurate upgrades for its debt. Growing profits and an aggressive debt paydown in the last two years have combined with improved earnings to reduce the outlook for its debt/Ebitda ratio to 1.7 times. Thanks to a large backlog of ammunition orders, Vista is seen likely to raise its Ebitda to between $290 million and $300 million in the financial year ending in March 2022 on sales of $2.2 billion. Vista still has an undrawn revolving credit of $400 million and no debt maturities until 2023. The company expects to discuss "matters of strategy" when it releases its third-quarter results in February.

Nike is apparently streamlining its operations in Germany, and perhaps in other European countries as well. While stressing that the company is not closing its office in Berlin, a Nike spokesman declined to directly confirm a report in *Wirtschaftswoche* that it is abolishing the role of country manager in Germany, currently held by **Ralf Fässler**, and transferring certain functions to its European office in the Netherlands. "We are building a flatter, nimbler company and more quickly transforming Nike to define the marketplace of the future; shifting resources and creating capacity to reinvest in our highest potential growth areas," he said in a statement, referring to the work that Nike started last summer to simplify the organization. Among other moves, it announced last June the appointment of **Carl Grebert** as vice president and general manager for EMEA, replacing **Bert Hoyt**. "While we are not providing numbers, the changes are expected to lead to a net loss of jobs, which is always difficult. This process and related timeframe will vary in certain markets based on local labour laws, works councils and consultations," the spokesman added. Again reportedly, the reorganization in terms of product categories and management has already led to the departure of around 700 managers in the U.S. alone, and some of them have found new jobs at other companies. After moving its German office from Darmstadt to Frankfurt, Nike moved it again to Berlin in 2018, combining its operations with others that it had in the city. **Dun & Bradstreet** said most recently that Nike had 280 employees at the new site. Reportedly, it only has about 200 now.

+++ The **NBC Sports Network** will cease operations by the end of 2021, with key elements of its programming shifting to **USA**

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Network, also owned by **NBCUniversal**, and **Peacock**, which is NBCUniversal's new streaming service +++

Executive Changes

Amer Sports has announced the immediate appointment of **Stuart Haselden**, a retail industry executive, to the newly created position of CEO of **Arc'teryx Equipment**, based in Vancouver, Canada. He succeeds **Jon Hoerauf,** Arc'teryx' president, who has decided to leave the company to pursue other plans after eight years with the group. His departure follows closely the resignation of **Michael White** as CEO of **Salomon**. In his new role, Haselden will lead global business strategy, focusing on building new vertical capabilities and accelerating regional expansion. Haselden has more than two decades of retail and vertical direct-to-consumer experience. Most recently, he served as CEO of a lifestyle brand, **Away**. Prior to that, he was chief operating and financial officer of **Lululemon** (2015 to 2020). This followed important roles at **Saks Fifth Avenue** and **J. Crew** (2006 to 2014). Rrecently, Arc'teryx has been driving its own DTC retail expansion with the opening of several new Arc'teryx **Icon** stores in the U.S., including three new ones in New York City alone at the end of 2020.

On March 1, **Arne Arens**, the Swedish manager who led **The North Face** in Europe, the Americas and globally between 2010 and last October, will become the new CEO of **Boardriders**, the struggling parent company of **Quiksilver, Roxy, Billabong, DC Shoes, RVCA, Element** and **Von Zipper**. The current CEO, **Dave Tanner**, will remain on the board of directors and will work together with Arens to ensure a smooth transition. Arens was particularly successful as TNF's general manager for the EMEA region. Before joining **VF Corp**, he worked for **Nike** for eight years in marketing and sales, focusing on the company's football business in Germany, Austria and Switzerland. He has been a professional volleyball player as well as an amateur boardrider. He has also been a board member of the **Conservation Alliance**. Tanner has been running Boardriders since 2015, taking the group through a difficult turnaround process under the control of **Oaktree Capital Management**, ending up with a recent, somewhat disputed refinancing program.

The Spanish buying group **Base** has appointed **Toni Maristany Rivero** as its new chief executive. His predecessor, **Alex Cucurull**, stepped

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down last March, ceding control temporarily to **Laura López**. His departure coincided with Base's pull-out from its collaboration with **Sport 2000 International**. Maristany Rivero has spent the past nine years or so with **Desigual**, most recently as global multibrand director. He has also worked as sales director for **Velfont by Velamen** and as international director for **Bosser**. Base is reportedly leaving a rough year behind because of the coronavirus pandemic.

Columbia Sportswear has named **Skip Potter** to a new position as executive vice president and chief digital information officer, effective April 1. Potter brings extensive experience in the tech field to Columbia. He most recently spent four years at **Nike,** whose head office is located in the same state, as chief technology officer, leading the digital and e-commerce teams of that group around the world. In his newly created position, Potter will be responsible for advancing Columbia's digital capabilities as well as its omnichannel and supply chain potential across the enterprise, which includes the **Columbia**, **Mountain Hardwear**, **Sorel** and **prAna** brands. Before that, he served as managing VP of engineering and VP of technology innovation at **Capital One**, a U.S. financial corporation, and as chief information and technology officer for the **British Telecommunication's Enterprise Group**. Potter will report directly to **Tim Boyle**, CEO and president of Columbia Sportswear.

Jeff Veldhuizen, a former **Zwift** and **Nike** executive, has been chosen as the new CEO of **Expresso Fitness**, an immersive and fun American fitness platform, mounted on special stationary bikes, that claims to be "the most advance gamified cardio for your home." . Veldhuizen, 44, previously served as vice-president of e-commerce and direct-to-consumer for Zwift, the virtual cycling brand. He held senior roles at Nike for more than a decade. Notably, he led the launch of the **Nike+ Fuelband**. He also served in marketing and merchandising roles at **Best Buy**, including the launch of **Bestbuy.ca**.

Bogner has cut the number of its supervisory board members from six to three as part of a new "performance program" initiated by its new management in July. **Andreas Bermig**, a digital expert who worked for **McKinsey** and **Zalando** and joined the supervisory board in 2018, has taken over as its chairman. He will be replacing the former chairman, **Klaus Volk**, a lawyer who is resigning along with two other board members, **Rosemarie Haber** and **Holger Horn**,

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but Haber will continue to support the board until the end of the company's financial year on March 31. **Florinda Bogner** and **Christian Wissman** will remain on the board. Florinda Bogner joined the board at the end of 2019 to replace her elderly father and company founder, **Willy Bogner**, as the representative of Bogner family.

Hestra, the the Swedish glove producer, has appointed **Chris Weber** as country manager for Central Europe, a new position in the family-owned company's corporate structure. Based in the Munich area, Weber took on the position on Dec. 1. Weber previously served as a key account manager for **Schöffel** and **Oakley.** He also worked for **Wilson** as EMEA business manager for racket and team sports, and for **Adidas** in global retail marketing. Most recently, he spent four and a half years as head of sales at **Lotto Sport Germany**. At Hestra, Weber will develop the Central European markets, with a focus on Germany, Austria and the Benelux countries. According to the brand, this includes the development of new target groups and product categories as well as the regional visibility of the brand.

Yet another **Nike** executive has jumped ship, perhaps due to its recent reorganization. **Emma Minto** has joined **Crocs** as senior vice president and general manager in charge of all the operations of the fast-growing brand of comfort shoes in North America. She had spent 16 years with Nike in various roles, most recently as vice president and general manager for Nike Women's in North America.

+++ **Markus Rech**, who left last April as CEO of **SportScheck**, after **Signa Retail** took over the German sporting goods retail chain, is reportedly going to run **Takko Fashion**, a German discount fashion retailer +++

Digital

Tecnica Group has signed a new partnership agreement with **H-Farm**, an innovation hub located in Ca' Tron, near Venice, that combines investment, business consulting and digitally-enhanced educational programs. The partnership calls for the launch of new digital activities by Tecnica's employees and the development of new courses aimed at training current and future sports industry professionals. In addition, H-Farm students will have the opportunity to be involved in internships at Tecnica. A dedicated space in the campus will host equipment provided by Tecnica. The sports

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group, whose brands include **Tecnica, Nordica, Rollerblade** and others, said that the new agreement will help the company offer continuing education to its staff while also giving it the opportunity to spot new talents among H-Farm's students.

DTC & E-Commerce

Starting with France, **Decathlon** is launching **Decathlon Experience**, a digital platform to reserve mountain holidays, from transport and accommodation to other activities. The platform can also be utilized to rent skiing equipment or take out holiday-related insurance. Decathlon will operate as an intermediary between potential customers and mountain professionals, who are invited to register on the platform. The registration process does not automatically lead to being featured on the platform, though, as Decathlon will carry out a selection process to decide which mountain professionals actually end up on the platform. Decathlon Experience was supposed to be launched at the beginning of the year but the launch was delayed due to the closure of ski lifts in France, in accordance with public health measures during the pandemic. The company reportedly intends to expand the service to other European countries in the near future, and possibly to other types of sport-related holidays as well, beyond skiing.

EDM Publications, publisher of *SGI Europe*, made a presentation during **ISPO Munich Online** on a report that shows the strengths and weaknesses on the internet of 60 randomly chosen brands, ranking their websites on the basis of certain metrics. One of the conclusions of the study, which was carried out by EDM in collaboration with **LINK**, is that some of the major brands that have the biggest marketing budgets do not make it to the top of the ranking. Most brands have a professional website but have problems with its usability, said the author of the study, **Stefan Reiser**, mentioning several examples such as repetitive messages and an extremely high quantity of products on display. Some of the signals and messages given through the websites are unclear or misleading. They can even make customers wonder whether they are on the right website. As the feedback from the brands has been pretty good, LINK is considering doing similar research in other countries as well. The project, which was carried out between November and January, included a survey of 3,000 consumers in Germany. The study is sponsored by **Occtoo**, an experienced data platform that helps digital officers and marketers to create rele-

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vant customer experiences. It can be ordered through the homepage of SGI Europe, which provides an executive summary of the report. Another report on a similar topic, also available from our website, shows how **Nike** became a digital-first brand.

Zalando has joined a circular economy network by becoming a member of the U.K.-based **Ellen MacArthur Foundation**. The German online retailer said that the collaboration is in line with its commitment to apply the principles of circularity and extend the life of at least 50 million fashion products by 2023. "By joining the Ellen MacArthur Foundation's Network, we can collaborate more closely with circular economy experts and organizations from different industries who are also part of it. We are contributing our ability to scale ideas, our tech know-how and access to over 3,000 brands and over 35 million customers," explained Zalando's head of circularity, **Laura Coppen**.

+++ **Nike** has opened a fourth small-format **Nike Live** store in Eugene, Oregon, after those in Los Angeles, Tokyo and New York +++

Distribution

Bianchi, the Italian bike company owned by **Cycleurope** since 1997, is setting up a new "France division" headed up by **Christoph Soenen**, a French manager who worked previously for **Royal Velo France, Mavic, Campagnolo** and **Ekoï**. The brand was previously distributed by the French subsidiary of Cycleurope along with **Peugeot** bikes and other bicycle lines.

Ferrino has announced a new partnership with **Spektrum**, the Swedish eco-friendly brand of sports goggles and accessories, which makes the outdoor company the distributor of Spektrum eyewear in Italy. Spektrum's frames are made of plant-based non-food derivates from corn. The details on Spektrum's frames are made out of non-food resin and castor bean derivates. Spektrum was founded in 2012 by a group of friends who shared a passion for the outdoors and the wild in the mountain town of Åre, in northern Sweden.

With online shopping picking up during the coronavirus pandemic and retailers adapting to an unpredictable retail climate, **Pentland Brands** has expanded its B2B online offering through its **Pentland Connect**

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platform for retail clients. Retailers can now order products from across the brand's portfolio 24/7. According to the group, since its relaunch this month, more than 1,200 retailers have already registered to order through the Pentland Connect website. With travel restrictions still in place, this is an easier and more efficient way for retailers to shop effortlessly and securely. Pentland Connect is transforming traditional ordering methods by offering multiple brands and product lines on one intuitive platform. Originally launched with **Mitre**, clients can now also order from Pentland's other brands: **Berghaus**, **Canterbury**, **Speedo** and most recently **Kickers**. The platform continues to expand its international presence, serving retailers across Europe, and is now looking to expand into the U.S. as well. Retailers can use Pentland Connect to browse products, check inventory availability and manage details before making a purchase. They can also register multiple accounts for their store, and Pentland Connect members will be the first to know about new products, ranges and discounts.

Retail

Argos is the first nationwide retailer in the U.K. to become an authorized dealer of **Amazfit** products. The products on sale at Argos stores are limited for now to four of the company's newest smartwatches: the **GTS 2**, the **GTS 2 mini**, the **Neo** and the **GTS 2e**. First launched in 2015, Amazfit stands for a wide range of products including earbuds, smart treadmills, smart body composition scales and sports gear in addition to smartwatches. It operates in about 70 countries and regions, including the U.S., Germany and Japan. According to a report put out by the market research firm **IDC**, Amazfit watches accounted for a plurality of the adult watch market in Italy, Spain, India and other countries in the first half of 2020. Amazfit is a brand of **Huami Corp.**, a public company based in Beijing which last reported a growth of 16.1 percent to 15.9 million in the number of devices shipped during the third quarter of 2020.

As reported by *Sportfack*, **Didriksons** is opening a temporary showroom in the Le Marais district of Paris at 12 Rue Notre-Dame de Nazareth. Didriksons' offering has been available to French customers for a little over a year, but only through e-commerce at *didriksons.com*. The brand, founded in 1913 in Grundsund on the west coast of Sweden, has invested heavily in DTC locations in 2020, with a shop-in-shop in Åhléns, summer stores in Smögen and Karlshamn, and a pop-up store

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in a shopping center outside Gothenburg. Paris will be the first location for this kind of outlet outside Scandinavia for the brand, but it will only remain open until Feb. 14, 2021, unless the French government orders a new lockdown of non-essential retail shops.

Due to the negative development of the winter season caused by the pandemic in Austria's tourist regions, **Intersport Austria** has set up extensive support measures for its affiliated dealers. It is granting a 12-month deferred payment to more than 100 of them for all deliveries of winter goods from its warehouse in Wels. In addition, Intersport is offering its members the possibility to return merchandise to ease the situation on site. The measures are intended to help maintain their liquidity and their ability to continue the business capacity of Intersport dealers in Austria. Because of the likely absence of tourists for the entire winter season, retailers in the tourist regions expect sales to decline by up to 95 percent. **Thorsten Schmitz**, managing director of Intersport Austria, criticized the government's support for being too timid and slow.

Diversifying from e-tail, **Tennis-Point** has opened its second brick-and-mortar store in Spain. This one is located on a premium thoroughfare – the Passeig de Gràcia – in the city of Barcelona, covering some 600 square meters. It will operate on an omni-channel model with a staff providing personalized advice. Tennis-Point's first physical store in Spain opened in Mataró, a town in the province of Barcelona. There are plans to open a further 12 in major Spanish cities over the next few years. The first two, slated to open by summer, will be in Madrid and Valencia. Tennis-Point, which is one of the major properties of Signa Sports United, also has 12 physical stores in Germany, five in Austria, two in Switzerland as well as Turkey, and one in both Italy and Croatia.

Results & Statistics

According to a report from the **Observatorio Sectorial DBK** – part of the "smart data company" **Informa**, a subsidiary of **CESCE** – the pandemic's boost to home fitness has limited by 18.3 percent last year's drop in sporting goods retail sales in Spain. The drop, which was apparently higher than in some other countries, was attributable to the pandemic with its lockdowns, travel restrictions, winnowing of specialty shops and the general economic decline. E-commerce also helped to limit the damage. By the report's account, sporting goods sales had enjoyed an increase of 5.3 percent year-on-year to around €6

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billion in 2019. Last year, they only reached €4.9 billion. The number of specialty shops in Spain declined by 1.3 percent in 2020 to 8,850. Of these, 40 percent were specialized in a single sport. The five largest sporting goods retailers accounted for 54 percent of the market's sales in 2019, and the ten largest for two-thirds of it. Also in 2019, specialty shops accounted for 86 percent of retail sales in 2019 with a turnover of €5,180 billion, according to the report, up by 5.6 percent year-on-year. Generalist retailers had revenues of €820 million in the sector. The report offers no figures in these areas for 2020.

Storck Bicycle, a German bicycle manufacturer that celebrated its 25th anniversary last year, says it is satisfied with its performance in the past fiscal year and expects the current growth curve to continue. One of the reasons for the good performance was the fact that the company's founder, **Markus Storck,** switched the sales strategy to direct-to-consumer two years ago, much like **Canyon Bicycles**, which is also enjoying a good momentum. Sales via Storck's online store showed an increase of more than 300 percent in 2020 as compared to the previous fiscal year. A growth of around 200 percent was achieved in the 17 Storck flagship stores worldwide. Exact sales figures were not disclosed. Meanwhile, the social media reach has experienced significant increases of 180 percent via *Facebook* and 250 percent via *Instagram*. In addition to its core sports segment, Storck's focus in 2021 will be on the e-bike segment, which has come to account for around a quarter of the total order volume.

Technogym's CEO, **Nerio Alessandri**, said that the company could reach the milestone of €1 billion in sales in the medium term, including €300 million from Home Fitness. Alessandri spoke on the occasion of the launch of **Technogym MyRun**, a new treadmill for home use. The company's sales of home fitness equipment jumped by 58 percent in the first nine months of 2020, after registering 50 percent growth in the first half. At the time of the release of the financial results as of Sept. 30, 2020, the company anticipated it would reach €1 billion in revenues in the "medium to long term," but the outlook has improved, boosted by the exponential demand for home fitness equipment under the ongoing pandemic.

Tradeinn, the Spanish e-retailer that runs several specialized international retail websites including *snowinn.com*, *trekkinn.com*, *bikeinn.com*, *xtremeinn.com* and many others, posted revenues of €288 mil-

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lion for 2020, representing an increase of €100 million from 2019, according to *sport-guide.com*. According to the report, the esults for the full year exceeded the company's own expectations for a turnover of €250 million. Headquartered near Girona, Tradeinn ships to over 200 countries worldwide. Spain is its first market, followed by France. Sales outside Spain accounted for 85 percent of its sales in 2020, up from 70 percent in 2019.

Legal & Institutional

A new initiative was launched on Jan. 25 to get the Danish people to walk more for a month. Working with **Danmarks Radio**, the national TV station, the Danish Sports Company Association (**Dansk Firmaidrætsforbund**) has asked participants to record how many steps they take daily on a website, and challenge friends and colleagues, sharing the results on social media. The **Step Counting** campaign suggests an average of 10,000 steps per day, but the aim of the campaign is just to get people out and doing as much as they can during the extended lockdown imposed by the government. The hosts of an evening show on the national TV station have invited participants to walk with them. By the first week of February, 9,000 Danes had registered for the campaign. Dansk Firmaidrætsforbund is the third-largest sports organization in the country with 382,000 members. Walking is one of the few sports that are growing in Denmark, due to the coronavirus pandemic, so the campaign is well-timed.

Germany's federal government has agreed to grant a €460 million loan to **Galeria Karstadt Kaufhof (GKK)**, the big and struggling department store chain owned by **Signa Retail**, according to the German press agency, *DPA*. However, the loan is said to be subordinated to a number of yet unspecified conditions. One of them is probably a commitment not to close any more stores. GKK has already shut down several units of the **Karstadt Sports** chain of sporting goods stores, concentrating on the most profitable ones and trying to avoid cannibalization with those of its recent acquired **SportScheck** chain. It is hard to get more information on these operations.

In yet another indication of the inflationary effects of Brexit, **Mastercard** is preparing to at least quadruple the fees it charges to merchants located in the European Union and the rest of the European Economic Area when British cardholders buy their goods online. It warned

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that the move could lead to higher prices for consumers should the merchants decide to pass on the higher costs of e-commerce transactions. Mastercard said it will adapt the interchange rates on U.K. cards to the commitments it gave to the European Commission in 2019 for non-EEA card transactions. In practice, when a credit or debit card is used, merchants pay an interchange fee to the bank that issued the card. In an effort to reduce costs for both retailers and consumers and to help create an EU-wide payments market, the EU capped in 2015 the fees for the use of payment cards issued in the EEA at 0.3 percent for credit cards and 0.2 percent for debit cards. Mastercard has told retailers the rates will increase to 1.5 percent and 1.15 percent, respectively, in line with the ceiling the EU set on the use of non-EEA cards in 2019. **Visa**, which is subject to the same limits on interchange fees, has thus far failed to announce an increase in its fees. Should it decide to do so, Visa said it would seek to provide clients with advance notice so that they could plan ahead.

Pierangelo Zanetta, the former managing director of **Shimano Europe Fishing Holdings**, has died after a long illness. Zanetta was an important figure in the global fishing tackle industry. In 2007, while working at Shimano, he joined the board of the **European Fishing Tackle Trade Association (EFTTA)**. He was elected president of Europe's trade body for manufacturers and wholesalers of sport fishing equipment the following year, and stepped down from the role in 2016. Zanetta began his career with **Shimano Italy** as a product developer in 1994, and then rapidly climbed the company's hierarchical ladder. In 1999, he was chosen as managing director of Shimano Europe Fishing Holdings, a role that he left in 2013 to become director of communications.

Sport England has announced the appointment of **Viveen Taylor** as director of equality, diversity and inclusion, a newly created position. Since joining the English government sports agency in August 2018, Taylor has spearheaded tts work to promote an active lifestyle among lower socio-economic groups. The appointment comes on the heels of the announcement by Sport England of a new ten-year strategy to tackle inequality, as previously reported by *SGI – Europe*. Taylor has 25 years of experience in supporting marginalized and disadvantaged communities. She started her career in local government in Manchester before moving to lead **Hulme City Challenge**, a regeneration program for the Hulme area, immediately south of Manchester's city center. It was one of the government's first regeneration programs.

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Sport England has unveiled “**Uniting the Movement**,” a new ten-year strategy by the government agency to transform lives and communities in England through sports and physical activity. The new vision primarily seeks to tackle inequalities in sport and physical activity, which coronavirus-related disruption in 2020 has further highlighted, according to Sport England. A particular emphasis will indeed be placed on helping children and young people get back involved in sports. The crisis has ”reinforced or even exacerbated” inequalities, for example around socio-economic status and ethnicity, Sport England explains, and the need to tackle these inequalities has grown stronger than ever. Uniting the Movement was shaped over the past 18 months through extensive consultation with a wide range of partners and other stakeholders. The strategy revolves around the “five big issues” that Sport England sees as having the greatest potential for preventing and tackling inequalities in sports and physical activity. These include: recover and reinvent; connecting communities; positive experiences for children and young people; connecting with health and wellbeing; and the development of active environments.

+++ The **Government of Quebec** has withdrawn its financial backing fir Montreal’s bid to stage matches of the **FIFA World Cup 2026**, which will be hosted across Canada, Mexico and the U.S., due to the difficulties caused by the coronavirus pandemic +++

Product

Adidas has unveiled the new **ZG21** spiked golf shoe. The new shoe is said to weigh 20 percent less than any previous spiked model sold by the brand. This is made possible by a cushioning that is 40 percent lighter than the typical EVA foam in the market. The ZG21 will come in four models: men’s laced, men’s and women’s BOA, and a laced model for juniors. The BOA models feature the new BOA Fit System. The Adidas ZG21 will go on sale in Europe and the U.K. on Feb. 19.

Allied Feather + Down has announced its new **Expedry** quick-dryingdown, featuring **FUZE** technology. **Fuze Biotech**’sFUZE is a chemical-free technology that can be applied to any surface or textile to protect against odor causing bacteria, mold and infectious diseases. Expedry uses non-ionic, permanently bonded gold nanoparticles in the down cluster. These particles are said to increase the evapora-

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tion rate of water at a molecular level, without the need for heat. This technology differs from conventional Durable Water Repellent (DWR) treatments for down. Current DWRs act as a hydrophobic agent that allows water to bead, keeping the down clusters drier for longer, but once saturated, these DWR treatments have no ability to accelerate drying. In contrast, once saturated through thorough cleaning, Expedry-treated garments are said to dry almost twice as fast. Expedry has been tested to dry 40 to 60 percent faster than untreated down, Allied claims. The new Expedry is available to all Allied partner brands.

Casio Computer and **Asics Corp.** have announced the launch of **Runmetrix**, a new personal coaching service for runners, from beginner level to experienced runner. The service will begin on March 4 in Japan. Runmetrix combines an app, a motion sensor, and a **G-Shock** watch to match the goals and levels of individual runners. The motion sensor allows the app to gauge more than 20 different indicators related to running, which are translated into components that are easy to understand. The Runmetrix app allows running characteristics to be visualized and suggests practice programs and points for improvement. The two companies are currently considering the possibility of establishing a joint company to more actively promote the concept. Meanwhile, Asics and Casio are also planning to expand into health fields beyond running. Thus, in a second stage, the two companies will offer the **Walkmetrix** app, a new service for walking, which is scheduled for launch in October in Japan. Moreover, the two companies want to promote a sports and wellness society, for example by supporting efforts by local governments toward healthful community building. "Runmetrix" and "Walkmetrix" are trademarks held by Casio Computer.

Casall Sport is releasing a training glove treated with **Polygiene**'s **ViralOff**, which has received an ISO18184:2019 certification for its elimination of more than 99 percent of viruses (the SARS-CoV-2 virus behind Covid-19 included) within two hours. The glove went on sale on **Casall.com**, at Casall's concept stores and at selected retailers on Jan. 26. Founded and headquartered in Sweden, Casall operates in "20 markets worldwide."

Working with **Chamatex**, the design office of **Groupe Zebra** and **Bosch**, **Salamon** has developed an anti-pandemic mask for athletic training and competition. It will hit the market in Feb. 15, at a price of €18,

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coming into two varieties: running and winter. Nine months of R&D at Chamatex' factory in Tarare, France, have led to a patent for its design and manufacturing. According to Salomon's vice president of footwear, **Guillaume Meyzenq**, the mask "is worn like a natural and functional extension of the body." The problem was to keep the mask away from the mouth while still aligning it with the contours of the face, and the answer lay in modifying the vertical geometry of a typical mask, and then laser-cutting the components and fusing them with ultrasound. The production line – designed at Rodez, Bosch's largest factory in France – can turn out 10,000 masks per month.

Ellesse has announced a new partnership with **BLOK** that makes Ellesse the official apparel partner of the British boutique fitness brand and **BLOKtv**, its online digital platform, effective Jan. 2021. Ellesse, which is part of **Pentland Brands**, will supply branded fitness products to BLOK instructors for studio and BLOKtv classes. In addition, Ellesse and BLOK will co-create content throughout the year to promote new seasonal ranges and show class content, to be used exclusively across Ellesse's social media channels around the world. Other joint promotions will see Ellesse customers receive special discounts for BLOKtv subscriptions and BLOK customers receive exclusive offers on the latest gym ranges developed by the Italian apparel brand.

Giro Sport Design has announced the launch of the **Contour RS** (RS for "reduced size"), a new version of its Contour goggle designed for skiers and snowboarders who have smaller-than-average faces. The Giro Contour RS is said to deliver the same level of performance and crisp visibility as its sibling, the Contour, but features a smaller toric lens shape. Designed in collaboration with **Zeiss Optics**, the Contour RS utilizes Giro's **Vivid** lens technology and boasts 34 frame/strap combinations, with up to ten standard lens configurations. The Contour RS goggle will be available starting autumn 2021 from authorized Giro retailers worldwide and on www.giro.com.

Nike and **Stüssy** have introduced a collaborative capsule collection that comprises a trio of upcycled and insulated garments. The pullover hoodie, skirt and pants in this collection are made from a translucent ripstop fabric that utilizes at least 75 percent recycled nylon from waste products. Furthermore, **Thermore EcoDown** from recycled polyester replaces traditional feather down in the insulated garments. Complementing the collection, Stüssy has commissioned a limited

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edition of five unique models of Nike's **Air Force 1** shoe, hand-dyed in California by **Lookout & Wonderland**. The items will be available internationally from Jan. 29.

Santini and the **Union Cycliste Internationale (UCI)** are introducing a new collection of clothing and accessories for **Decathlon** that features the symbolic rainbow bands of the **UCI World Championships**. The items in this collection will be available exclusively at Decathlon shops in Italy, Switzerland, Belgium and Hungary as well as via Decathlon's website from March. Santini is the UCI's official clothing partner. The UCI-Santini collaboration with Decathlon, combined with the attractive prices of the items in the collection, are meant to further expand the popularity of the sport and take it beyond its usual public. The collection comprises a replica of the UCI world champion's jersey, an ensemble including shorts, a vest and a black jersey, as well as a range of black and white accessories. All the items are designed and manufactured in-house by Santini in Italy.

The **Flight Vectiv**, the brand-new trail running shoe by **The North Face**, made its debut at selected stores in the U.S. on Jan. 26. The shoe, which won one of the **ISPO Gold Awards**, will be rolled out globally by mid-February. The shoe's footbed uses a stabilizing carbon-fiber plate surrounded by very light foam to reduce energy waste as well as deviations over long runs. Noting that the new running shoe can be used all year round on and off the mountain, the management of **VF Corp.** told investors that the new product's sell-in exceeded expectations. It also said that **Altra**, the trail running shoe brand recently purchased by VF, is enjoying a good momentum. More on the shoe in *The Outdoor Industry Compass*.

We Are Spindye has become a supplier for the new sports fashion collection by **Arket**, the sustainable Swedish retailer owned by **H&M**. The dying of the collection's recycled polyester, We Are Spindye claims, reduces water consumption by 75 percent, chemical consumption by 90 percent and CO2 emissions by 30 percent by comparison with traditional water dyeing. Founded in 2017, Arket has established 21 brick-and-mortar stores in seven countries and is available online in 29. We Are Spindye is a supplier to **Freitag**, **Fjällräven**, **Quiksilver**, **Henry Lloyd**, **Bergans**, **Tiger of Sweden** and **Filippa K** as well.

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Is **Gymshark** developing a footwear line? The question was asked at the end of a presentation by **Justine McCarthy**, development director at **Gymshark**, in one of the workshops organized as part of the rich conference program of **ISPO Munich Online**. "Watch this space," she replied with a smile, without providing any further details. Gymshark, a nine-year-old British company that develops fitness clothing sold exclusively online, made the headlines last August with a minority investment by **General Atlantic** that valued it at over $1 billion. McCarthy joined the company's staff of 500 employees in Solihull in September 2019 after working for **The North Face, Animal** and **Craghoppers**. In the past 12 months, she has been working together with a body technology company, **Alvanon**, to digitalize the model fitting process, shortening development times and reducing the number of samples. The ranges have been extended to include additional small and large sizes. Gymshark, which has 12.5 million followers on social media in 80 countries, is planning to develop regional fits that can be offered through its four regional offices and its 15 online platforms around the world as part of its internationalization process.

Marketing

Aqua Lung, the French company that offers scuba diving and watersports equipment, hasannounced that **Paul Nicklen** is joining the brand as a global ocean ambassador. As part of the partnership, the wildlife photographer and conservationist will exclusively use the full range of Aqua Lung, **Apeks**, and **O.ME.R.** products – from wetsuits, fins and masks to technical gear and regulators - during all diving expeditions. Nicklen is a Canadian photographer and marine biologist as well as the co-founder of **SeaLegacy**, a non-profit organization in the field of ocean conservation and sustainability. He has completed more than 20 assignments for **National Geographic**. In 2019, he was appointed to the Order of Canada, the second highest Canadian honor for merit after the Order of Merit.

The Swedish trade paper *Sportfack* reports that **Giro** – through its Swedish distributor, **JO Sport** – will be supplying goggles and helmets to Sweden's national ski-cross team. A new helmet for downhill / SuperG grand slalom and ski-cross will be making its debut at some point during 2021. The cooperation agreement includes a partnership with the **Swedish Ski Association**. Part of the "pool fee" that JO Sport will be paying by the terms of the deal will go towards the association

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and benefit its junior and youth activities.

Macron has teamed up with the **Lega Nazionale Dilettanti (LND)**, the Italian governing body for amateur football, on "Insieme per Ripartire," an initiative to support talented young football players across the country and make sure that they are ready to return to the sport once the restrictions due to the pandemic are over. Macron and LND will assist 9,000 clubs by donating them more than 100,000 match kits for their young players. Insieme per Ripartire, the name of the initiative, is Italian for "Starting Again Together."

Macron will dress a range of tournament staff at the **ATP Cup** in Melbourne on Feb. 2-6, as well as at the **Melbourne Summer Series** and **Adelaide International**, both of which are already underway. For Macron, whose core business is in team sports jerseys, the partnership with **Tennis Australia** is the first one in the world of tennis. Macron says it also is part of the Italian company's strategic plan to increase its presence in Australia.

NURVV Run, a British start-up that has just released its first wearable biometric tracking device for running, has established an endorsement deal with **Dame Kelly Holmes**, the first British woman to win two gold medals at the same **Olympic Games** in more than 80 years. In addition to attending promotional initiatives and events, Holmes will be providing feedback to NURVV from her own training. NURVV Run will be on sale at a temporary 30 percent discount in the U.K. (£175) and the U.S. ($210) at nurvv.com and selected retailers. The device is embedded in the insole of the runner's shoes to "help runners of all levels run faster, further and reduce injury," says the company. Its smart insoles contain pressure sensors to measure and monitor various points of the running technique such as footstrike, cadence, stride length and pronation. The insoles feed the data into trackers that clip on to the outside of each shoe, and the trackers in turn connect to an app, which works on smartphones, **Garmin** watches and **Apple** watches.

At number 47, **Nike** is the most valuable sports brand in **Brand Finance**'s top 500 for 2021. In fact, it is the only sports brand to break the top 100. The second brand in sports, at number 126, is **Adidas**. Only one other sports brand made it to the list, way down at number 467: **Anta Sports**. In order, the top ten are **Apple**, **Amazon**, **Google**, **Microsoft**,

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Samsung, **Walmart**, **Facebook**, **ICBC**, **Verizon** and **WeChat**. Apple has reclaimed the first spot, overtaking Amazon and Google. Sports brands in general lost ground last year as they lost market capitalization. Nike slipped nine slots, its value having declined by 12.5 percent to about $30.4 billion at the start of this year. Adidas dropped 26 slots and Anta 20. The Spanish department store chain **El Corte Inglés**, which sells sporting goods among many other items, rose through the ranks from 403 to 320. The list's number six, **Walmart**, also sells sporting goods.

The international jury that selected the winners of **ISPO Gold Awards** chose **On Running**'s **Cyclon** shoe and **Vaha**'s **Eton Motion Analysis** mirror as "Products of the Year" in the running and fitness segments, respectively. We have already reported about Germany's Vaha and its recent funding round, where **Porsche Ventures** stepped in as an investor. On also got a "Special Sustainable Achievement Award" at ISPO because of the innovative circularity goal of its unique subscription service, which will start in autumn. In addition, the Swiss company won a simple **Ispo Award** for the **Cloudultra**, a very light ultra trail running shoe that will come out in early March, and it has not stopped innovating: **Caspar Coppetti**, the young CEO of On Running, indicated that it is working on some "crazy" shoes for running on the snow while discussing the company's philosophy at the Running Symposium organized by *Runner's World* during **ISPO Munich Online**. Statistics shown by **NPD** at the symposium about the European and German running market showed that On's **Cloud** became the best-selling running shoe in Germany last year, followed by **Brooks' Ghost** and two models by **Adidas**, the **Gel Cumulus** and the **Ultra Boost**.

Ortovox heralds a new era in avalanche emergency equipment with the **Diract Voice** avalanche transceiver, the world's first avalanche transceiver with voice navigation, and the company has managed to to score the coveted „**Product of the Year**" award by **ISPO Munich** in the Snowsports category. The new device reliably guides the searcher quickly to the buried victim with clear and distinct voice commands in an emergency. The design is minimalistic and logical with only one control button, an extra-large display and a handy toggle switch to change between transmit and search mode. The transceiver is easy to operate even with gloves on. Other features of the 3-antenna device include integrated smart antenna technology, multiple burial marker functions and post avalanche protection. The Diract Voice also works with a rechargeable low-temperature battery and

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updates and configuration are done via the Ortovox app.The German mountain sports specialist won three other **Ispo Gold Awards** this year with the **Free Rider** backpack, the new **Deep Shell** freeride bip pants and the **3 Finger Glove Pro**.

Polartec has kicked off an anniversary year with the launch of its "**Peaking Since 91**" campaign that started on Feb. 1. If you're thinking 40 years of fleece, you're kind of right, but still just off the mark, as the fleece was invented in 1981 in a partnership between **Patagonia** and an American textile manufacturer, **Malden Mills,** which first called the new product **PolarFleece** (Patagonia, by the way, called it **Synchilla**) and renamed it Polartec® in 1991. Thus, 2021 marks the 30th anniversary of Polartec. The U.S. brand has since continued to present many new textile products and technologies. That's why Polartec has deliberately dedicated its Peaking Since 91 campaign not to the invention of the fleece but to the multitude of innovations that have come from it. In connection with the anniversary, Polartec has launched the **Family Album Photo Contest**, a consumer promotion to crowdsource a visual history of those who've worn Polartec-made garments on their outdoor adventures. The contest will be available through multiple media partnerships across the globe. Polartec is now owned by **Milliken & Company**, a global diversified textile manufacturer that purchased Polartec from **Versa Capital Management** in 2019. Versa had acquired the business from Malden Mills in 2007.

Puma has been named **Top Employer Europe** by the **Top Employers Institute**. Puma was the only company from the sporting goods industry to receive the award for all of Europe in 2021. Meanwhile, Puma South Africa received the Top Employer award for the first time this year. The Top Employers Institute, which was established 30 years ago and is headquartered in Amsterdam, with 11 offices around the world, certifies organizations' excellence in people practices based on the results of its HR Best Practices Survey. This survey covers topics such as people strategy, talent acquisition, work environment, wellbeing and diversity and inclusion, among others. In its statement on the award, Puma stressed that the company has been offering flexible working hours and mobile working to its staff for a long time. The company said it also supports its employees with childcare, financial and pension planning and extensive development and learning programs. Puma has also got a high score in Glassdoor's annual Employee Choice survey.

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Shimano has signed a new agreement with the **Amaury Sport Organisation (A.S.O.)** that will see Shimano provide neutral support at all the men's and women's road cycling events organized by A.S.O., starting with the first stage of the **Paris-Nice** race on March 7. The partnership will also cover the iconic **Tour de France**, the most important cycling event organized by A.S.O., whereneutral support had been provided by **Mavic** for the past 43 years. The new agreement builds on the historical partnership between Shimano and A.S.O. for the Spanish road race, **La Vuelta**. Besides the Tour de France, the extended collaboration will also involve other prestigious classics like **Paris-Roubaix**, **Liège-Bastogne-Liège**, **Flèche Wallonne**, **Paris-Tours**, as well as mass participation events like **L'Etape du Tour de France** and **Roc d'Azur.**

TaylorMade has announced a multi-year equipment deal with **Tommy Fleetwood**. As part of the contract, Fleetwood will use TaylorMade's clubs and golf balls. The 30-year-old English golfer, who turned professional in 2010, is a five-time **European Tour** winner, and is currently ranked No. 19 in the Official World Golf Ranking.

In a live digital pitch on Feb. 1, the first day of **ISPO Munich Online**, the ten finalists of the **ISPO Brandnew Awards 2021** competed for the title of Overall Winner as the most innovative startup of the year. Each startup had 90 seconds to convince the audience in the voting. In the end, the victory went to **West Kiteboarding**. The startup from Germany, founded in 2018 by **Felix Straub**, presented **Klick.ma**, a safe magnetic binding for kiteboarders. In case of a fall, the board releases, minimizing the risk of injury. "I am at a loss for words! This award encourages me in my passion to make boardsports safer. And the title is a great opportunity to sell my boards," Straub said.

Included in the last round of ten were also some innovative outdoor and snowsports products worth mentioning. You can click on the links below to read more about them on the ISPO website.

Here are the ten Brandnew winners:

- *Overall Winner:* Klick.ma – safe magnetic binding for kitesurfers
- Agogic Outerwear – combination of classic rainwear, outdoor lifestyle and athletic leisure luxury for urban life
- Ayaq – ultra-functional ski touring clothing from Biathlon Olympic champion Vincent Defrasne
- Crampow – climbing aid specifically developed for ski mountaineers and freeriders

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- Maporto – special carrying system that takes the weight of a backpack off the shoulders
- Skibrid – turns normal skis or snowboards into a joint-friendly carving device
- The Ocean Mat – sustainable, natural rubber yoga mat
- UV Bodyguard – small UV measuring device paired with a smartphone app
- **Veloine** – innovative clothing for (pregnant) female road cyclists
- **YourCoaching** – individual apps for fitness trainers and influencers

All winners and finalists of ISPO BrandNew 2021 can be visited in the virtual ISPO Brandnew Village (ISPO Munich Online registration required).

+++ **Macron** has announced a new agreement with the **Romanian Rugby Federation(Rugby România)** that will make the Italian sportswear brand the technical sponsor of the Romanian national rugby union team for the next three sporting seasons +++ **Fila** has extended its partnership deal with **Ashleigh Barty**, the 24-year-old Australian tennis player and current No. 1 in the **WTA** singles ranking, for an undisclosed duration and amount *** **Craft** will replace **Joma** as the new technical partner of the **Toulouse Football Club**, a French club that competes in Ligue 2, from the 2021/22 season, marking the first time that the Swedish brand will equip a French professional football club +++ **Joma Sport** has extended its technical sponsorship deal with **Atalanta B.C.**, the Bergamo-based football club that competes in Italy's Serie A, until June 30, 2025 +++ **Bollé** has signed a partnership agreement with **B&B Hotels p/b KTM**, the **UCI** professional cycling team managed by **Jérôme Pineau** +++ **Mizuno** has extended its equipment contract with **Keith Mitchell**, the 29-years-old **PGA Tour** player, until 2024 +++

Trade Shows & Other Events

The **Hungarian Olympic Committee** has established a committee to assess the feasibility of staging the **2032Olympic and Paralympic Games** in the country's capital city. Budapest previously bid in 1916, 1920, 1936, 1944 and 1960, but ultimately never hosted the Games. Budapest also ran for the 2024 Olympics but pulled out of the race due to local opponents who wanted the money to be spent on schools and hospitals instead. The **Budapest 2032 Committee** is to be led by **Attila Szalay-Berzeviczy**, a former president of the Budapest Stock Exchange and the great-great grandson of **Albert Berzeviczy**, the first president

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of the Hungarian Olympic Committee. Other potential candidates have already expressed an early interest in the 2032 Games, including Queensland in Australia as well as Indonesia, India, Qatar, Turkey, Ukraine and Germany. After Tokyo 2020, which was postponed until 2021 due to the coronavirus pandemic, Paris will stage the Summer Olympics in 2024, followed by Los Angeles in 2028.

Due to the Swiss Federal Council's directives and the ban on events, **Expo des Neiges** 2021, scheduled to take place in Aigle from March 30 to April 1, has been cancelled. The first edition of the new ski show has thus been postponed until March 2022. An exact date has not yet been announced by the **Association of Swiss Sports Retailers** (**ASMAS**).

For the first time in the 50-year history of the **ISPO Cup** trophy, which is awarded annually by **ISPO** to an exceptional sports personality, including legendary stars such as **Pelé**, **Reinhold Messner**, **Ole Einar Björndalen**, **Ingemar Stenmark**, or most recently **Tegla Loroupe**, the award ceremony did not take place as usual at the exclusive "VIP Dinner" at the ICM of **Messe München**, but publicly on several streaming platforms, including *Facebook* and *YouTube*. The virtual event was called "**Hero of Sports Night**" and the hero of the evening was a Spanish trail and skyrunner, **Kilian Jornet**. The Catalan athlete, who now lives in Norway, is a three-time skyrunning and four-time ski mountaineering world champion in addition to countless victories in the world's most important mountain races. As the initiator of the **Kilian Jornet Foundation**, he is committed to preserving the mountain environment and sustainability. "For the ISPO Cup, we consider exceptional athletes with outstanding achievements who also serve as role models through their social commitment," said **Klaus Dittrich**, CEO of Messe München, at the digital award ceremony. Jornet was visibly touched by the accolade. In addition to his charity work for the environment, the humble 33-year-old superstar is also strongly committed to promote the fact that "sports equals health." Capping the award ceremony, the premiere of the movie "**Inside Kilian**" provided exclusive insights into Jornet's life and his unique work in sports.

The year's **PGA Merchandise Show** – the 68th edition, held on Jan. 26-29 – ran as a virtual event but drew more than 11,000 people from 78 countries, among them 6,500 **PGA** professionals, and nearly 400 golf brands, among them **Callaway Golf**, **FootJoy**, **Titleist**, **Cobra Puma Golf**, **Bridgestone Golf**, **Cleveland/Srixon/XXIO** and **Mizuno**. The figures

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were down from those of the previous live editions, which typically draw about 40,000 people and 1,000 brands to the world's largest golf fair in Orlando, Florida, many of them from Europe, but they were pretty good considering the new format. This year's edition featured 192 live and on-demand presentations, which drew a total audience of about 25,000, sometimes 400 at a time. Most of these will remain available online for "an extended period," and the exhibitor showrooms will "remain open on an ongoing basis." The show itself logged about 5,000 attendee-exhibitor meetings and 300,000 interactions on its digital platform. Next year's show is scheduled, at least for now, as a live event in Orlando running on Jan. 25-28, 2022. The PGA Merchandise Show is put on by **Reed Exhibitions**.

Performance Days is expanding to Shanghai. **Functional Textiles Shanghai by Performance Days** is scheduled for Sept. 28-29 at the city's Shanghaimart Exhibition Center. The Munich show's founder, **Design & Development GmbH Textile Consult**, will be organizing the event along with **Tengda Exhibition**, which handles trade fairs and sourcing events in China, Japan, Spain, the U.K. and Turkey. If all goes according to plan, there will be more than 100 Chinese and foreign exhibitors spread over 5,300 square meters, with an accompanying program of discussions and round-tables on sustainability and other topics. As with other Performance Days shows, there will be a **Performance Forum** for the display of curated materials.

ÖSFA, the traditional sporting goods show for the Austrian sports market, is going to be split into two physical events to allow social distancing and to provide more flexibility in terms of orders. An **ÖSFA Start** fair will be held on Feb. 2 and 3, followed by the regular 108th edition of ÖSFA from Feb. 23 to 25. Both events will take place as usual in Salzburg's **Brandboxx** permanent showroom center. Dutch buyers will also be able to attend the usual buying days in person in the **Sports Business Center** in Leusden during the coming weeks. They have been invited to book appointments with the brands. To encourage them to come over, they are being offered a free lunch on Mondays through the end of February.

Sport-Achat Winter, the French sporting goods trade show that was scheduled to take place on March 8-10 in Lyon, has been cancelled for the second consecutive year due to the ongoing coronavirus crisis. The French trade show, which is organized by **Sportair & Like That**,

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brings together sports brands and their French distributors twice a year. The cancellation of the 2021 winter edition has come on the heels of the announcement by the French government of many anti-Covid measures including an ongoing ban on ski lifts through the end of February. The governmental decision is affecting all players in the ski and outdoor sectors, stressed the organizers of the show. They also said that the economic and sanitaryconditions to organize the event are not being met.

CSR & Sustainability

Adidas has been named among the most sustainable companies in the world in the global **Corporate Knights 2021** ranking, an annually updated index of the Global 100 most sustainable corporations in the world. Adidas took the 76th spot with an overall score of 59.6 percent, down from the 55th spot of the same ranking in 2020. The Corporate Knights 2021 ranking is led by **Schneider Electric**,with an overall score of 83.2 percent. The Corporate Knights ranking is based on up to 24 key performance indicators (KPIs) that cover resource management, employee management, financial management, clean revenue & clean investment and supplier performance. Corporate Knights, based in Toronto, is an employee-owned B Corp that operates in three segments: *Corporate Knights Magazine*, Corporate Knights Research, and Council for Clean Capitalism. As reported by *SGI Europe* last November, Adidas was absent from the 2020 **Dow Jones Sustainability Index**, which assesses the sustainability performance of the largest 2,500 companies listed in the Dow Jones Global Total Stock Market Index, after being on that list for 20 consecutive years.

Decathlon is participating in the EU's Green Consumption Pledge Initiative, a voluntary cooperation with businesses to complement regulatory actions aimed at increasing sustainability in production and consumption. It is the first initiative to be launched in the framework of EU's **New Consumer Agenda**, announced in November 2020, which intends to strengthen "consumer resilience for sustainable recovery." The pilot phase of the Green Consumption Pledge Initiative was launched by the European Commission on Jan. 25, and the French sporting goods retailer was among the first companies to announce that it would join. Companies interested in participating in the pilot phase of the initiative may do so until March 31.

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Endura, a Scottish cycling apparel brand founded in 1993 and part of **Pentland Brands** since 2018, says it has now planted more than 1.3 million trees in Maputo Bay, Mozambique. That is 30 percent more than the original goal of the "One Million Trees" initiative announced in early 2020. With the achievement of this important milestone, the brand is now aiming to become CO^2 negative by 2024. By 2030, Endura even predicts that its net footprint could remove more than 100,000 tons of atmospheric CO^2 each year. Since Endura made a pledge to plant one million trees each year for the next ten years, the brand has committed to reducing and ultimately eliminating its carbon footprint. In a project led by Endura's founder and CEO, **Jim McFarlane**, the company examined its activities from fabric production to the end of product life to calculate its total carbon emissions. It found that the main factor was the energy required to produce the materials for its products.

Head has worked with **Alexander "Sascha" Zverev**, the German tennis player and brand ambassador who is also an environmentally conscious athlete, on the development of Head's first tennis bags made from recycled PET bottles. The collaborative collection comprises the **Gravity R-Pet Duffle Bag** and**Gravity R-Pet Sport Bag**. While 47 PET bottles are needed to make the Gravity R-Pet Duffle Bag, 36 PET bottles are recycled for the slightly smaller Gravity R-PET Sport Bag. The Gravity R-Pet Duffle Bag can store up to 12 racquets while the smaller model can store up to 6 of them. The hangtag in both modelsis made from recycled paper, and is attached to the bag with a cotton cord instead of a plastic cord. Each bag contains a label with an inspiring message from Zverev that reads: "We should all take greater care of the planet. It was here long before we arrived and we need to be more respectful of its resources to ensure the long-term prosperity of everyone who inhabits our world." The new collection will be available for purchase starting Feb. 4.

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

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Sporting Goods Intelligence Europe is a newsletter for decision-makers on the sporting goods market, focusing on Europe. It comes out twice a month on average in single issues or double issues (over 14 pages), for a minimum of 40 issues per year.

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EDM Publications GmbH
Paradiesstr. 10 - 80538 München - Germany
HRB 248849 - Capital €25,000