

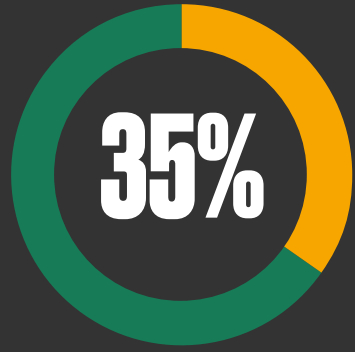
BOSTON CONSULTING GROUP AND SIGNA SPORTS UNITED:

GLOBAL SPORTS E-COMMERCE SNAPSHOT



BOSTON CONSULTING GROUP AND SIGNA SPORTS UNITED JOINED FORCES TO ASSESS TRENDS, CHANNEL DYNAMICS AND GROWTH OPPORTUNITIES IN THE GLOBAL SPORTS MARKET.

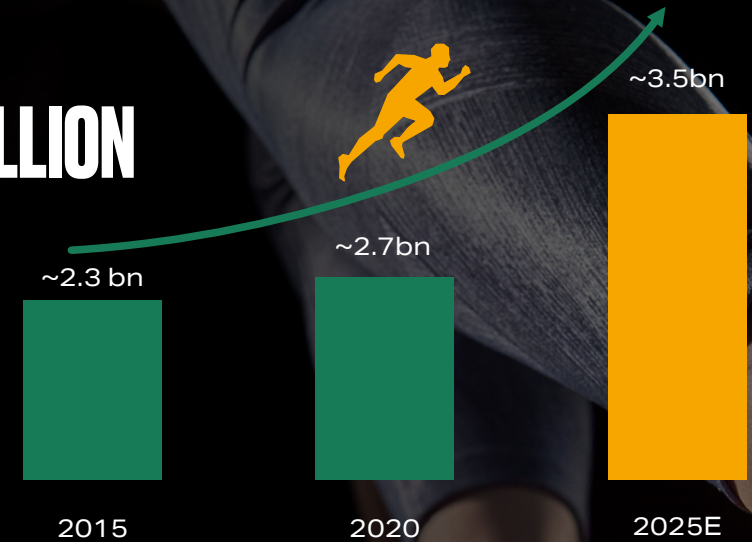
The two firms surveyed 19,000 consumers, performed deep market research, and interviewed senior experts. What follows is a snapshot of the data that validates the growing importance of e-commerce in sports retail.



SPORTS IS THE NUMBER TWO GLOBAL LEISURE ACTIVITY AFTER TRAVELING, WITH 35% OF THE WORLD'S POPULATION (2.7 BILLION PEOPLE) PARTICIPATING IN SPORTS AT LEAST ONCE A MONTH.

GLOBAL SPORTS PARTICIPATION IS EXPECTED TO INCREASE BY ONE BILLION PEOPLE, REACHING ~3.5 BILLION OCCASIONAL ATHLETES BY 2025.

Covid-19 has given further tailwinds to sports participation and spend: 47% of people have focused more on health and wellness and 55% expect to maintain this habit. Super-enthusiasts, exercising at least four times a week, have spent 10% more for sporting goods during the crisis.



Sports participation rate in U.S. in 2020 increased by 8 million (+4% YoY) to 230 million active people which is steepest increase since over a decade. U.S. female participation in sports has grown by 15% since 2010.

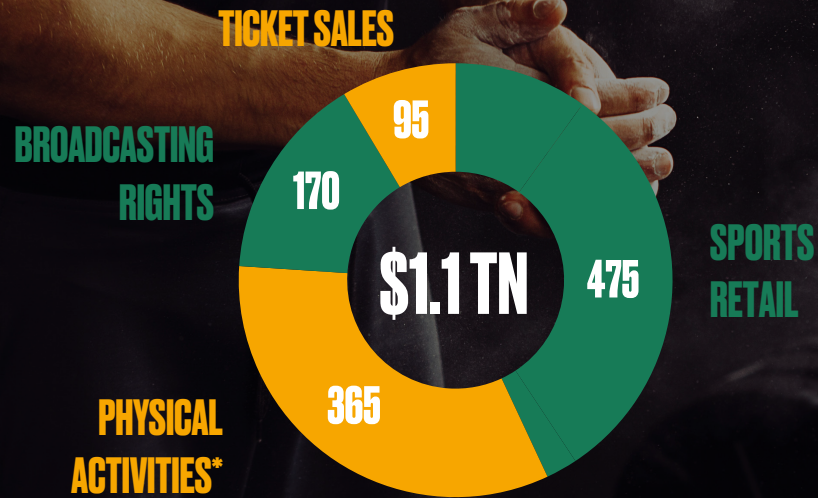
Digitalization of sports climbs to new heights with **830 million people** using wearables or fitness apps globally.

Insight: Sports enthusiasts are a more affluent and highly attractive target group due to higher household income (\$82k p.a., +20% vs. U.S. average) and longer average life expectancy driven by higher awareness for a healthy and more balanced lifestyle.

Sources: BCG/SSU Consumer Research (2021), USTA, Physical Activity Counsel, Signa Sports United, Global Sports Retail Market Study (2021)

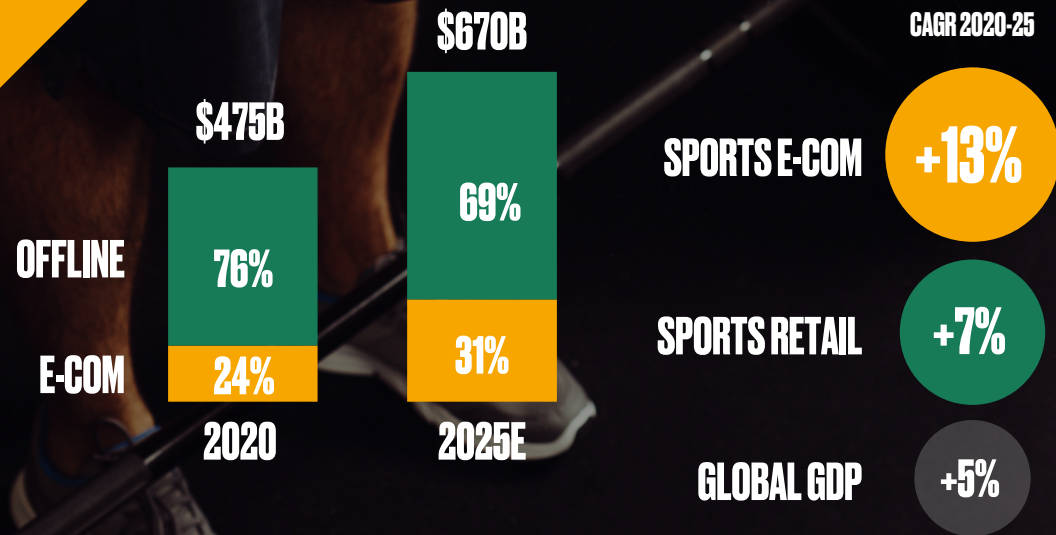
GLOBAL SPORTS RETAIL MARKET CATEGORIES

(bn \$, 2020)¹



GLOBAL SPORTS RETAIL EXPENDITURES

(bn \$)²



*Club memberships, courses (studio & online), sport events, etc.

GLOBAL SPORTS IS A \$1.1 TRILLION GLOBAL MARKET AND GROWING. SPORTS RETAIL IS THE LARGEST PART, ACCOUNTING FOR \$475 BILLION AND ANTICIPATED TO GROW 7% ANNUALLY TO REACH \$670 BILLION IN 2025.

Overall, sports retail is growing at 1.4x the speed of global GDP. Sports e-commerce is a sweet spot: every fourth dollar is already spent online in 2020 and it will continue to flourish at 2.6x vs global GDP (+13% p.a.).

Increasing speed of product innovation is driving selection and average price points: e.g., unique SKUs offered in Bike and Outdoor category increased 40% over the last two years for leading online retailers.

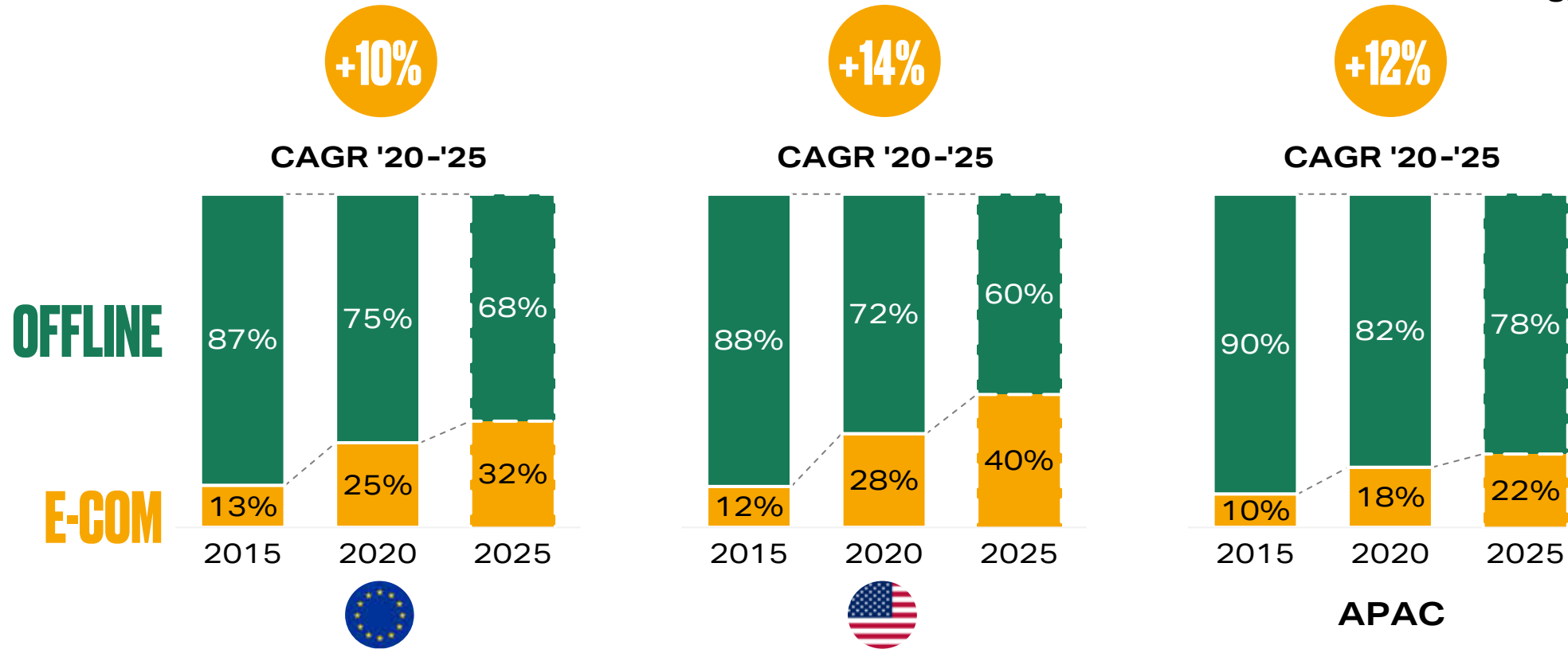
The sports market is highly fragmented: The three largest global sports retailers (Decathlon, Dick's Sporting Goods, JD Sports) jointly accumulate only 7% market share of global sports retail market.

Insight: Western markets (North America and Europe) lead the way: Being home to more active consumers with higher disposable incomes, they account for 55% of global sports retail with significantly higher spend per capita of \$408 vs \$182 in the rest of the world.

1. At retail selling prices, excluding VAT; 2. Incl. Western & Eastern Europe, North & South America, Asia-Pacific, Africa; incl. spend for sports apparel, equipment, technology. Source: Mintel Sporting Goods Retail US (2019), Euromonitor, The Wellness Institute, The Physical Activity Economy (2019), Signa Sports United, Global Sports Retail Market Study (February 2021), BCG Analysis

E-COM GROWING DOUBLE DIGITS IN ALL KEY REGIONS, WITH U.S. REACHING 40% SHARE IN 2025

Sales breakdown by channel¹



Insight: Sports e-commerce will continue to see double-digit CAGR from 2020-2025, growing 3x as fast as sports offline retail, climbing to 30% online sales share globally.

There are two winning strategies in sports retail besides brands' DTC push: be the largest or be an online category champion.

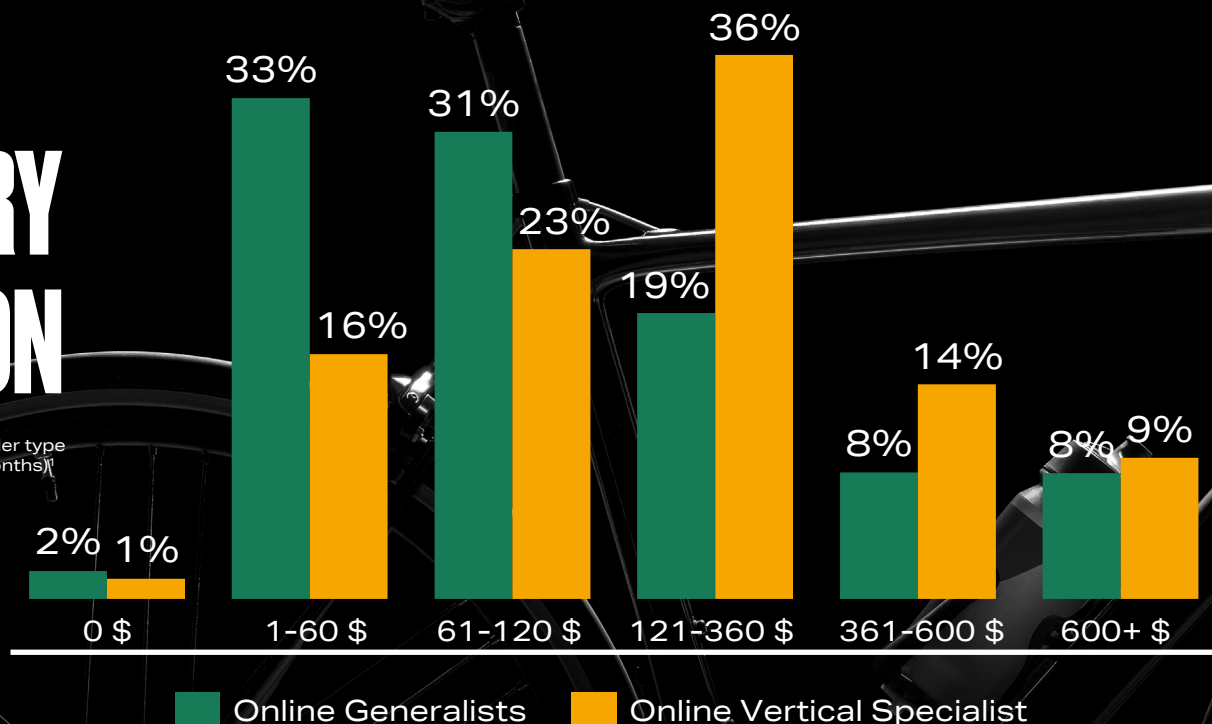
Online category champions, currently capturing ~7% of global sports retail market, will grow above market and gain share – 28% of sportspeople intend to shop more at online vertical specialists in the future.

1. Weighted by total revenues. Sources: Mintel Sporting Goods Retail US (2019), Euromonitor, Signa Sports United Global Sports Retail Study (2021), BCG Analysis

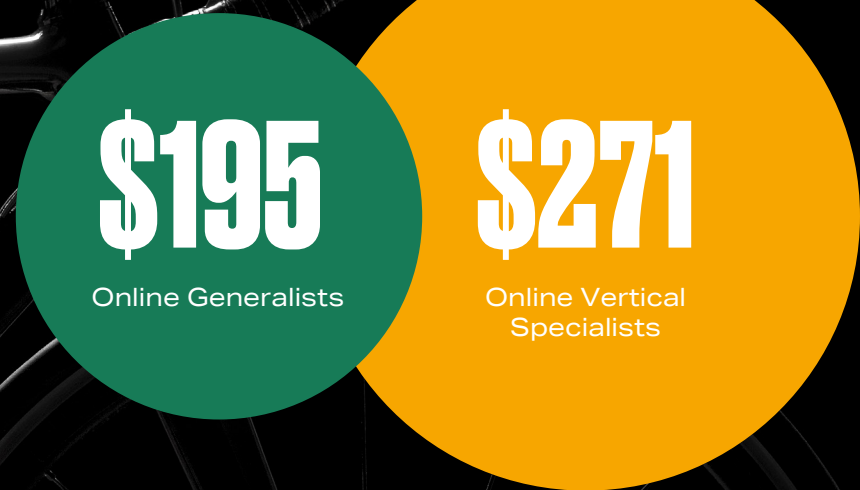
ONLINE CATEGORY CHAMPION

Distribution of retail spend per retailer type (spendings on bike in last twelve months)¹

AVERAGE ANNUAL SPEND ON BIKE



AVERAGE YEARLY SPEND ON BIKE PRODUCTS



1. Online/retailer share weighted by average revenue, based on Q15: "Please remember your last purchases of sportswear or equipment (e.g. shoes, clothes, balls, rackets, etc.) for your favorite sports. How much money have you spent on this in the last 12 months?" "1-50€", "51-100€", "101-300€", "301-500€", "500+€". Source: SSU Consumer Research (2021) (N = 16,076); BCG analysis; Exchange rate: 1\$=0,822€ (25.01.2021)

Specialized sports online retailers are 2 to 3 times more likely to be the preferred purchase destination for equipment- intense sports such as biking, tennis, golf, horseback riding or winter sports.

Online vertical sports specialists with significantly higher Average Order Values above \$100 earning 2x gross profit per order versus multi-brand online fashion retailers.

Online vertical sports specialists with massive data advantage that builds up irreversible competitive advantage leveraging massive consumer insights to inform future curation and assortment which gives them a competitive edge over generalist players, especially offline.

Top reasons to buy from an online vertical specialist are curation and recommendation across exclusive assortment, value added services and customization potential, connecting with a like-minded community and access to latest trends, collections and product innovations.

Insight: Global sporting goods brands are shifting their business focus to fewer but more digital retailers and channels that best convey the brand image. This will accelerate consolidation and shift more business into the hands of leading online vertical sports specialists.

Sources: Adidas Investor & Media Day (2021), BCG/SSU Consumer Research (2021)

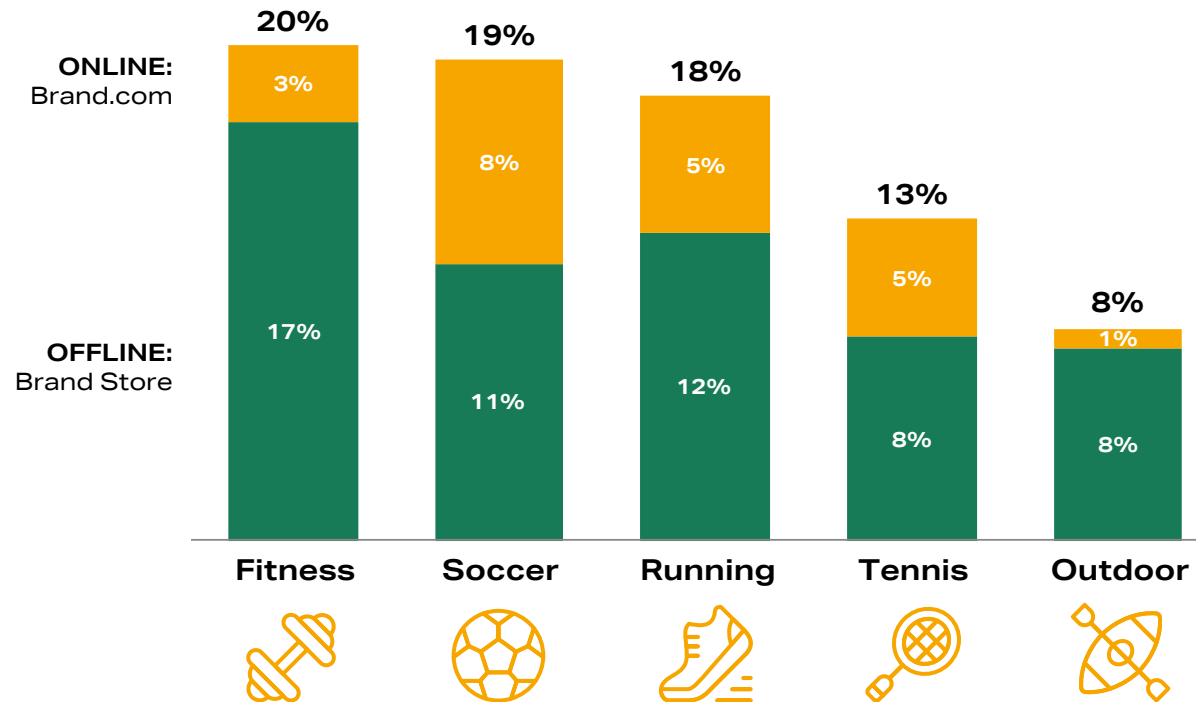


Equipment heavy sports categories such as biking, tennis and outdoor will likely partner with full-service e-commerce platforms to support DTC growth.

MULTI-BRAND RETAILERS ENJOY SIGNIFICANT HEADROOM - DESPITE ADIDAS AND NIKE BEING AHEAD OF THE CURVE, FITNESS AND SOCCER ARE THE HIGHEST DTC CATEGORIES WITH SHARES LESS THAN 20%, OTHER MORE FRAGMENTED CATEGORIES ARE SIGNIFICANTLY LESS

BRAND DIRECT-TO-CONSUMER (DTC) SHARE ACROSS SELECT SPORT VERTICALS

Market share (%), spend weighted spend per sport vertical (online vs offline)



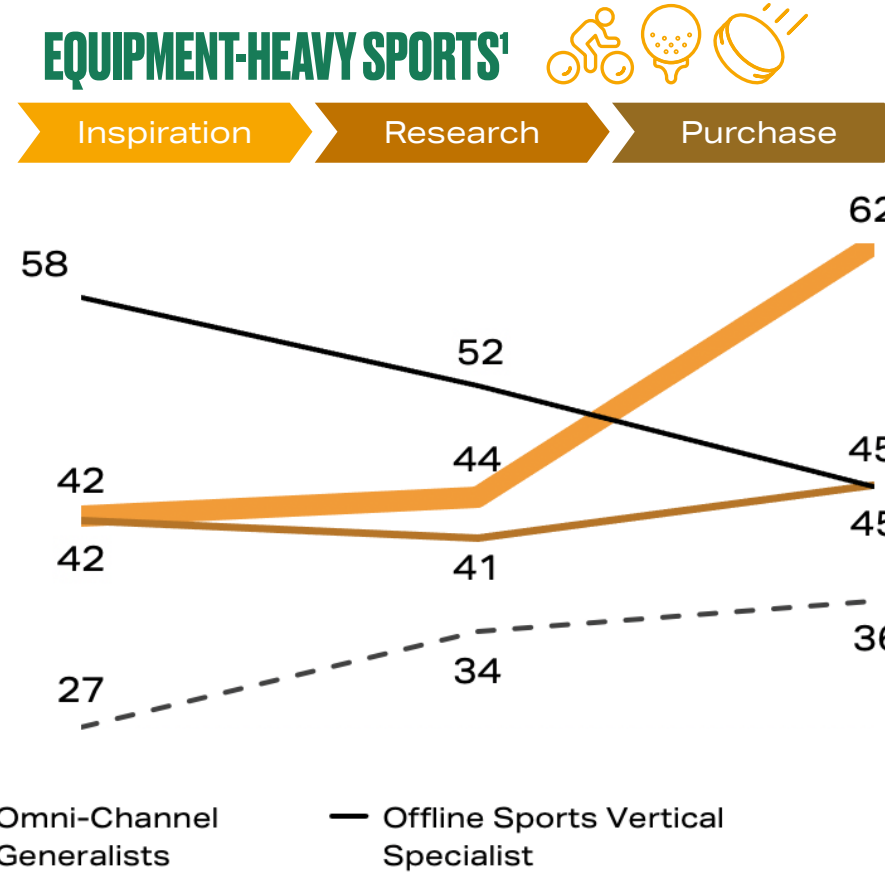
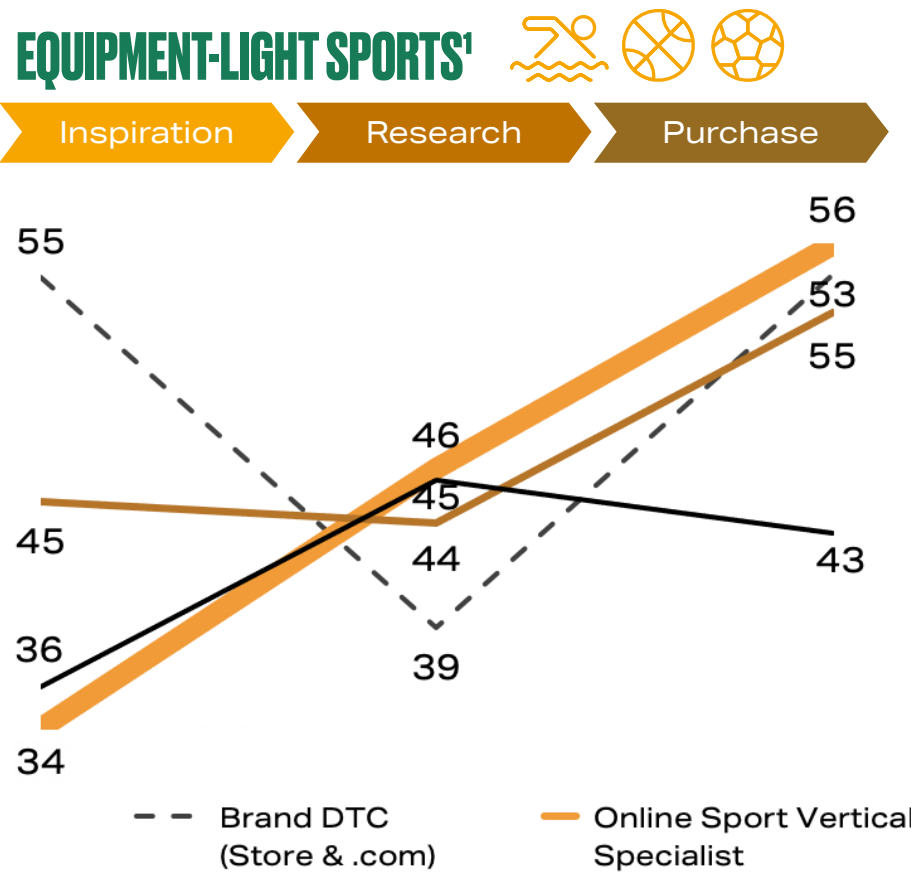
Insight: Fitness, running and team sports like soccer are ahead of the DTC game today – brands like Nike and adidas are targeting c.50% DTC by 2025 and continue to rationalize their wholesale network.

Question text: Where did you buy the product? & How much did you spend during this last purchase for [LastSport]?
Source: Signa Sports United x BCG Global Sports Market Consumer Survey, March 2021, (N = 3,026 across UK, Germany, and US; weighted), Company information

TWO-THIRDS OF CONSUMERS PREFER TO PURCHASE AT ONLINE VERTICAL SPECIALISTS FOR EQUIPMENT-HEAVY SPORTS

CONSUMER SATISFACTION ACROSS JOURNEY PHASES

Last purchase journey, % of customers completely satisfied



Insight: Online vertical sports specialists rank highest in consumer satisfaction during the purchase phase, especially for equipment-heavy sports, due to their breadth of assortment, tailored recommendations and exclusive products.

1. Sports classified as "Equipment-Heavy" incl. Ice Hockey, Extreme Sports, Biking, Golf, Hunting, Motorsports, Horseback Riding, Sailing, Surfing, Winter sports; "Equipment-Light" incl. Basketball, Soccer, Gymnastics, Handball, Martial Arts, Running, Athletics/Track & Field, Nordic Walking, Swimming, Table Tennis, Hiking, Yoga and other outdoor. Question text: Overall, how satisfied were you with each step of your purchase experience? Please provide your answer on a scale of 1 to 5 where 1 = not at all satisfied, 5 = completely satisfied. Source: BCG Global Sports Market Consumer Survey, March 2021, (N = 3,026 across UK, Germany, and US; weighted)