



IIC - INTERSPORT International Corporation GmbH

Media Information

INTERSPORT is successfully navigating through the crisis

Bern (Switzerland), January 29, 2021 – The global sporting goods retailer INTERSPORT reports a currency- and store-adjusted decline of retail sales of approx. 9% in 2020. In Euro and on a total store base, retail sales decreased by 13.8% to 10.6 billion (excl. The Athlete's Foot [TAF] Euro 10.2 billion). By the end of 2020, INTERSPORT had 5,186 sales outlets worldwide (5,426 in 2019) and was represented in 44 countries. The TAF network counted 570 stores, in 33 markets in 2020. In total, the INTERSPORT Group was thus represented in 58 countries on all five continents.

The year 2020 commenced with huge pressure on the winter business. The warmest winter ever hit IIC – INTERSPORT International (IIC) and most of the national INTERSPORT Organizations in its core. Early in the year, when it became evident that the virus would spread from China to the rest of the world, and the signs of a potential global crisis became stronger, IIC launched immediate measures to prepare for the negative impacts to be faced and ensure production and supplies out of Asia. COVID-19 spread faster than anticipated, and consequently the INTERSPORT Group was confronted with many restrictions and finally lock downs around the globe.

INTERSPORT's online sales development accelerated strongly, tripling revenues in many countries. In hindsight the highest growth rates were achieved in markets with an already existing strong omnichannel presence.

Retrospectively viewed, 2020 has been an extremely challenging year for the sporting goods industry. INTERSPORT succeeded to manage this crisis on the short-term, without hindering its positive mid and long-term momentum. Following weak first and second quarters, there was a strong sales and EBIT rebound in the third quarter. As a result of the 2nd wave in the fourth quarter of the year, and the related lockdowns in many countries, volumes were again under tremendous pressure.

Zooming in on global sales development, a rather differentiated picture is revealed with, on one end of the spectre countries like China, Australia and Ukraine, which could substantially increase their sales, and at the other end of the scale, regions like Southern Europe, South East Asia and Latin America hit hardest by the virus, with sales declining substantially below the group's average.

On a positive note, the sporting goods industry was influenced to a lesser extent by the crisis than many other sectors of the economy, and it is expected that the rebound after the lock downs will be stronger and faster. Major performance differences between the different sporting goods categories are expected, however, as consumer demand will vary. The demand for running, training, and bicycle categories as examples exceeded all expectations in 2020 and will continue to develop stronger than other categories.

Overall, INTERSPORT is very much encouraged by the level of newcomers to sport and the high percentage who plan to increase their activity levels following the lockdowns.

For Spring/Summer 2021 it is anticipated that INTERSPORT will have gained tremendous strength, and will exceed 2019 results. Increased activity levels, the rebound nature of sporting goods, increased focus on healthy lifestyles and the consumer need for experience and advice all match with INTERSPORT's global strategy. These developments, combined with a strong omnichannel

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consumer value proposition, will help the group to overcome the current challenges in the important winter sports business.

“The current crisis has definitively challenged our group over the last months, but it also “forced” us to adapt processes, e.g. moving to virtual Go-To-Market meetings, and to become leaner respectively more efficient. Furthermore, our strategy implementation, which is based on a consumer-focused omnichannel value proposition, with a locally and regionally anchored retail network, has proven to be the future-oriented recipe for ongoing growth and success”, comments IIC’s CEO Steve Evers.

The Athlete’s Foot high pace development continues

COVID-19 also impacted IIC’s Athletic Streetstyle banner, although to a lesser extent than its sporting goods business. Despite the difficult circumstances, The Athlete’s Foot proved to maintain its continuous positive momentum, even with a decline of global retail sales by 9% to USD 0.4 billion.

With 570 stores, in 33 markets, on five continents, The Athlete’s Foot’s retail network has steadily grown in 2020 (2019: 561 stores, 30 markets).

Positive outlook

IIC’s CEO, Steve Evers, is optimistic regarding INTERSPORT’s and The Athlete Foot’s development: “These COVID times emphasized the interdependency between healthy businesses and healthy economies, with human wellbeing, planetary and climate health, and the health of our societies. We will continue to fight the crisis with a consequent implementation of the group’s strategy, and we will keep on inspiring and serving local sports enthusiasts, helping them find their place in sports, whilst connecting - physically, digitally, emotionally and in a sustainable manner - consumers to the heart of sports.”

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