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WEEKLY

THE WEEKLY DIGITAL MAGAZINE FOR THE SPORTING GOODS INDUSTRY



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ON THE COVER & THIS PAGE: Photos courtesy Brooks

BY THE NUMBERS

-4.2mm

Gildan Activewear, the parent of Gold Toe, reported a loss \$41.2 million, or 34 cents per share, in the fourth quarter. The loss was attributed to strategic pricing actions in its Printwear segment, which the company announced on December 3, in order to reinforce its leadership position in the industry.

+0.8%

The Buckle, Inc. announced that comparable store sales increased 0.8 percent in January. Net sales increased 3.6 percent to \$58.9 million from net sales of \$56.9 million a year ago.

+5.8%

Callaway Golf Co. trimmed its fourth-quarter loss, feeding a return to profitability for the year for the first time since 2008. The company still offered a cautious outlook for 2015 due to foreign exchange headwinds and uncertain golf market conditions. Sales in the fourth quarter rose 5.8 percent to \$134.6 million.

+6%

Amer Sports reported net sales grew 6 percent in currency-neutral terms in the fourth quarter ended December 31. The growth was driven by Footwear (+24 percent), Apparel (+23 percent), Cycling (+16 percent), Sports Instruments (+8 percent), and Fitness (+7 percent). Winter Sports Equipment net sales decreased by 9 percent. Amer's brands include Wilson, Atomic, Suunto, Salomon, Arc'Teryx and Mavic.

+7.5%

Deckers Brands reported net earnings in the quarter rose 7.5 percent to \$149.4 million, or \$4.50 per share, falling short of Deckers guidance calling for \$4.66. Sales increased 6.6 percent to \$784.7 million and expanded 8.6 percent in constant dollars. It had expected sales to grow 10 percent.

+12.3%

Zumiez, Inc. reported net sales for the four week period ended January 31, 2015 increased 16 percent to \$44.1 million. Comparable sales increased 12.3 percent.

+31%

Under Armour, Inc. reported net revenues increased 31 percent in the fourth quarter to \$895 million. Sales grew 30 percent in apparel, 55 percent in footwear, and 22 percent in accessories. Net income in Q4 increased 37 percent, or 40 cents per share, to \$88 million.



Christian Yelich

LOUISVILLE SLUGGER SIGNS CHRISTIAN YELICH

Louisville Slugger signed Miami Marlins Gold-Glove-winning left fielder Christian Yelich, 23, to an endorsement deal. While the company has signed more than 8,000 professional players over the decades, Yelich marked the first time a Major Leaguer signed his contract at Louisville Slugger's facilities.

Yelich spent a day at the bat factory observing production and talking with workers to learn how they make the Official Bat of Major League Baseball.

"Seeing the care and quality of work in our factory helps players gain an appreciation for what goes in to making their bats," said Louisville Slugger Director of Professional Baseball Sales James Sass. "They see the high standards used to hand-select wood and the technology at work to produce consistently great bats. Players see the innovative processes we've created for making the wood harder, including the hardest and most beautiful finishes in baseball."

After the signing ceremony, Louisville Slugger officials led Yelich back to the factory to watch his first dozen bats as a contract player get branded with his signature.

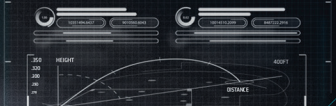
"That's pretty sweet," Yelich said about his signature going on bats. "The whole factory is really amazing to see. I had no idea of all the detail that goes in to making MLB bats."

Louisville Slugger was the first sporting goods company to sign a professional athlete to an endorsement contract, Honus Wagner in 1905. Wagner was a member of the Baseball Hall of Fame's inaugural induction class, also in 1905. Eighty percent of hitters in Baseball's Hall of Fame were under bat contracts with Louisville Slugger.

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GOPRO TEAMS UP WITH THE NHL

The National Hockey League (NHL) and the National Hockey League Players' Association (NHLPA) formed a North American partnership with GoPro, representing GoPro's first teaming-up with a major professional sports league.

The NHL will use GoPro's equipment and expertise to deliver hockey fans never-before-seen perspectives of the game and the talents of the top players in high-definition video content during national and regional game broadcasts and across the digital and social media platforms of the NHLPA, NHL and GoPro.

In another first, GoPro's Professional Broadcast Solution, developed in a partnership with Vislink, will deliver live HD points of view and will debut during the 2015 NHL All-Star Weekend, which will be held January 23-25 in Columbus, OH. GoPro cameras worn by players will deliver real-time HD content and multiple angles and views to bring viewers even closer to the action on the ice for the 2015 Honda NHL All-Star Skills Competition on Saturday, January 24. Additional GoPro points of view are anticipated for the live broadcast of the 2015 Honda NHL All-Star Game on Sunday, January 25.

"This partnership marks a significant first step for GoPro into team sports, made possible because of NHL and NHLPA's progressive thinking," said Todd Ballard, senior director of lifestyle marketing at GoPro. "Together we will push the boundaries of video content production in hockey and

provide fans of the sport with unique, immersive perspectives of the game that they've never seen before, from players and officials to in-goal and rink side."

Video content captured with GoPro cameras throughout the season, including the 2015 NHL All-Star Weekend, will offer an immersive experience. Game broadcasts will use the content to provide deeper layers of storytelling and to showcase the skating, stickhandling, goal scoring and netminding skills of some of the biggest names in the NHL. On-ice footage of the best players in the world is among the point-of-view GoPro content fans can expect this season.

"GoPro is the perfect partner for us in our ongoing commitment to bring hockey fans closer to the game," said Bob Chesterman, NHL SVP of programming and production. "As the preeminent leader in adaptable cameras, only GoPro has the technology to help us and our media partners showcase the beauty and intensity of hockey in new and deeper ways. Our partnership with GoPro will be a big win for both new and lifelong hockey fans."

As part of the agreement, GoPro is an Official Partner of the NHL-PA and the NHL and will receive prominent brand exposure across the NHL's broadcast, digital and social media platforms. NHL video content will be featured on some of GoPro's dedicated media channels, including the GoPro YouTube channel.



ICONIX ACQUIRES PONY IN NORTH AMERICA

Iconix Brand Group, Inc. acquired the North American rights to sneaker brand Pony and related intangible assets in partnership with Anthony L&S Athletics, LLC (AL&S) for \$37 million in cash from Symphony Holdings, Limited.

The assets will be purchased through a newly formed subsidiary, which will be owned 75 percent by Iconix and 25 percent by AL&S. In exchange for its 25 percent interest in the partnership, AL&S contributed its previously held perpetual rights to the Pony brand in the U.S. and Canada and will be the core footwear licensee going forward.

Subsequent to this transaction, Iconix has the option to expand global ownership of the brand and acquire the Pony assets in additional territories.

Formed in 1972 in New York City, Pony became one of the top athletic footwear brands worldwide appearing on professional athletes in the World Cup, NBA, NFL, MLB and boxing. Iconix' other sports brands, Danskin, Starter and Umbro, represent over \$2 billion of global retail sales.

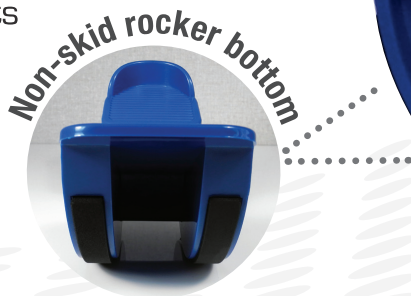
"There is high demand for authentic athletic lifestyle brands," said Seth Horowitz, COO of Iconix. "With Pony's strong brand recognition across both male and female consumers, we believe we can grow Pony throughout North America, creating a profitable multi-tiered distribution strategy similar to our other successful sports brands. Further, we plan to leverage our existing global platform as we explore opportunities in additional geographies."

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OISELLE

APPOINTS ATSUKO TAMURA AS PRESIDENT

Women's athletic apparel brand Oiselle appointed Atsuko Tamura as president. Tamura will join Founder and CEO Sally Bergesen in leading the company with a focus on operations, finance and strategic growth via multiple channels.

Tamura is most noted for her 12-year resume at REI. She joined REI as a senior tax analyst and accounting department supervisor and left as the SVP of strategy, marketing, communications and public affairs. She joined REI when it was a \$362 million company and oversaw it to a \$1.2 billion company when she departed in June 2006. She was responsible for increasing traffic to all shopping channels, membership sales, supporting store growth strategies and renewing cross-departmental relationships among key departments.

Following her leadership positions at REI and two years as CFO & VP of marketing at OnlineShoes.com, Tamura spent four years as president and CEO at Evo, action sports retailer.

"As we reach higher altitudes it's my top priority to bring on the right people at the right time," said Bergesen. "Atsuko has the ultimate combination of experience, heart and talent and knows what it takes to lead a fast-growing consumer brand. I'm honored to have her at my side as we have some really exciting initiatives on the table for 2015 and beyond."



Sally Bergesen, CEO (left); and Atsuko Tamura, President, Oiselle

EVELO OMNI WHEEL TRANSFORMS BIKES INTO E-BIKES

Leading electric bicycle company Evelo announced the launch of its Omni Wheel – a unique front “e-wheel” available in 26-inch and 700-cm sizes that features an integrated, battery-powered motor that will transform “almost any existing bike into an electric bike,” the company said. Other companies are also working on this type of wheel.

While manufacturers say out-of-box electric bikes have enjoyed growing popularity in the U.S., machines can run more than \$2,000. Evelo's Omni Wheel starts at \$999 and provides riders benefits of power-assist cycling at a lower price point and lighter weight.

“Barriers like hills, age, fitness levels or even the simple inconvenience of getting to work sweaty prevent many people from using a bike for commuting or recreation,” said Evelo CEO Boris Mordkovich. “The Omni Wheel helps riders overcome those, and brings the price point down to the \$1,000 level, making use of the bikes that people may already have. And perhaps even more importantly, we are able to tap into our existing experience and infrastructure to streamline production, provide a service network



around the country, and deliver our high level of customer service before and after the sale.”

The remote-controlled, battery-powered motor – housed inside the wheel cover – kicks in when a rider pedals to provide an adjustable boost, whether climbing a hill, turning onto a busy road, or commuting in a relaxed manner.

Additional key features of the Omni Wheel include: no effect on current gearing; 19 pounds; compatible with caliper, disc and V-brakes; 350W motor offering max speeds up to 20 mph;

and 15 to 40 mile range (charge time from 4 hours).

Handlebar-mounted remote included (no smartphone app needed)

“We are extremely excited about launching the Omni Wheel,” said Mordkovich. “Based on thousands of conversations we’ve had over the years with existing and potential customers, we believe that the concept is something that can revolutionize how people get around today.”

Evelo is self-funded and is already taking online orders, with delivery to begin in early March.

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NEW BALANCE

LOOKS TO SCORE IN SOCCER

In simultaneous star-studded events in New York and London, New Balance confirmed its entry into the global football (soccer) market, marked by its signing of four club sponsorships: Liverpool FC, Stoke City FC, FC Porto and Sevilla FC. It also signed ten international players.

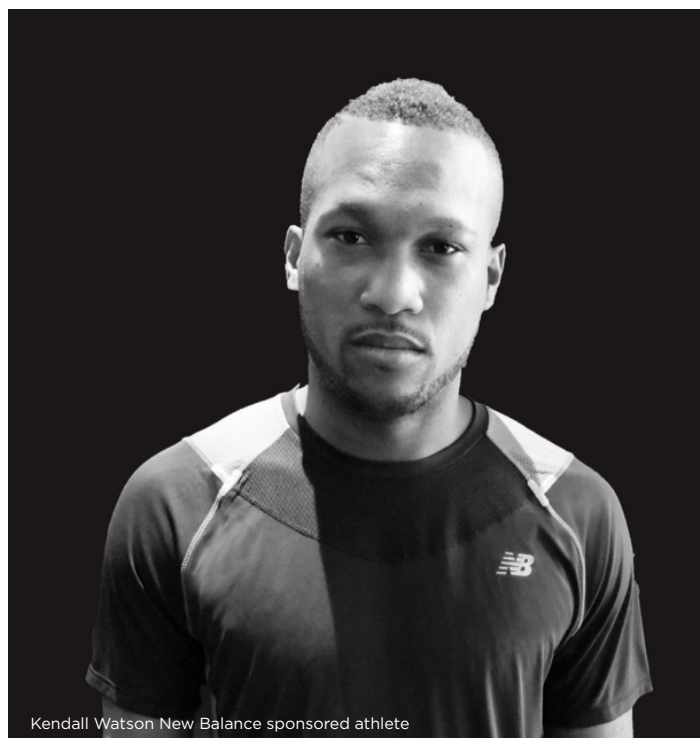
Warrior, also owned by New Balance, will exit from the football (soccer) category and focus on lacrosse and ice hockey. New Balance will debut club kits and footwear in May and June.

Among the players New Balance signed to endorsement deals were Vincent Kompany, captain of Manchester City and the Belgian national team; Tim Cahill, former midfielder for the New York Red Bulls now playing in the Chinese Super League; and Fernando Reges, who also plays for Manchester City as well as the Brazilian national team.

New Balance has largely focused in recent years on running and lifestyle categories. In the late 2000s it began investing in the baseball category and now has more than 300 Major League Baseball players under contract, or about a quarter of all players. Although it has made football (soccer) cleats, it last had an endorsement presence in the sport in the early 1980s when it sponsored Bryan Robson, captain of the U.K. national team.

New Balance product executive Joe Preston said New Balance's goal is to achieve the number three spot in football (soccer) behind Nike and Adidas globally. Adidas' soccer revenue is expected to reach \$2.7 billion last year. Nike's soccer revenue was \$2.3 billion in its fiscal year ended in May 2014.

New Balance's football expansion is expected to help build on New Balance's recent momentum overseas, including helping support growth in its core



Kendall Watson New Balance sponsored athlete

running category. Since late 2014 several soccer blogs have been talking up an impending takeover of Warrior's football business by New Balance.

The prize club New Balance will be taking over is the Liverpool Football Club, one of the most successful clubs in England that has won more European trophies than any other English team with five European Cups, three UEFA Cups and three UEFA Super Cups.

Warrior's entry into the soccer market was highlighted by its \$40 million-a-year jersey deal with Liverpool starting with the 2012-13 season.

New Balance also signed a new multi-year kit manufacturer deal with the Premier League club, which is owned by Fenway Sports Group, also like New Balance with headquarters in Boston.

"Like Liverpool FC, New Balance has over 100 years of heritage and a global footprint," said Billy Hogan, chief commercial officer at Liverpool FC. "Not only are they well known for their technical innovation across a range of sports but they also have a presence in many countries across the world, which will all feature LFC kit."

Richard Wright, general manager of New Balance Football said, "Liverpool FC is one of the most successful and decorated clubs in world football and we're delighted to partner with the club. The sponsorship represents an important step for New Balance launching into football and reflects the global growth ambitions of the brand. Over the course of the contract New Balance will bring innovation and world class product to Liverpool FC and its global fan base."

The three other clubs also held kit deals with Warrior. Stoke City is the oldest club in the Premier League. FC Porto plays in the Primeira Liga, the top tier of the Portuguese football league system. Sevilla, with a 110-year history, currently plays in Spain's Liga BBVA (BBVA League), the top professional association football division of the Spanish football league system.

Wright said, "We believe this global portfolio of clubs is an incredibly strong line-up for New Balance's entry into the football market. We have four clubs all with distinctive, exciting identities and which will play a key role in taking New Balance Football to a truly global audience. This is an exciting, unprecedented start and we look forward to working with these clubs for many years to come."

To complement this globally recognized roster of teams, New Balance Football will also work alongside a number of local teams, including Shamrock Rovers, Odds BK, Sagan Tosu, Yamagata, Club Sport Emelec, O'Higgins FC and Persebaya Surabaya.

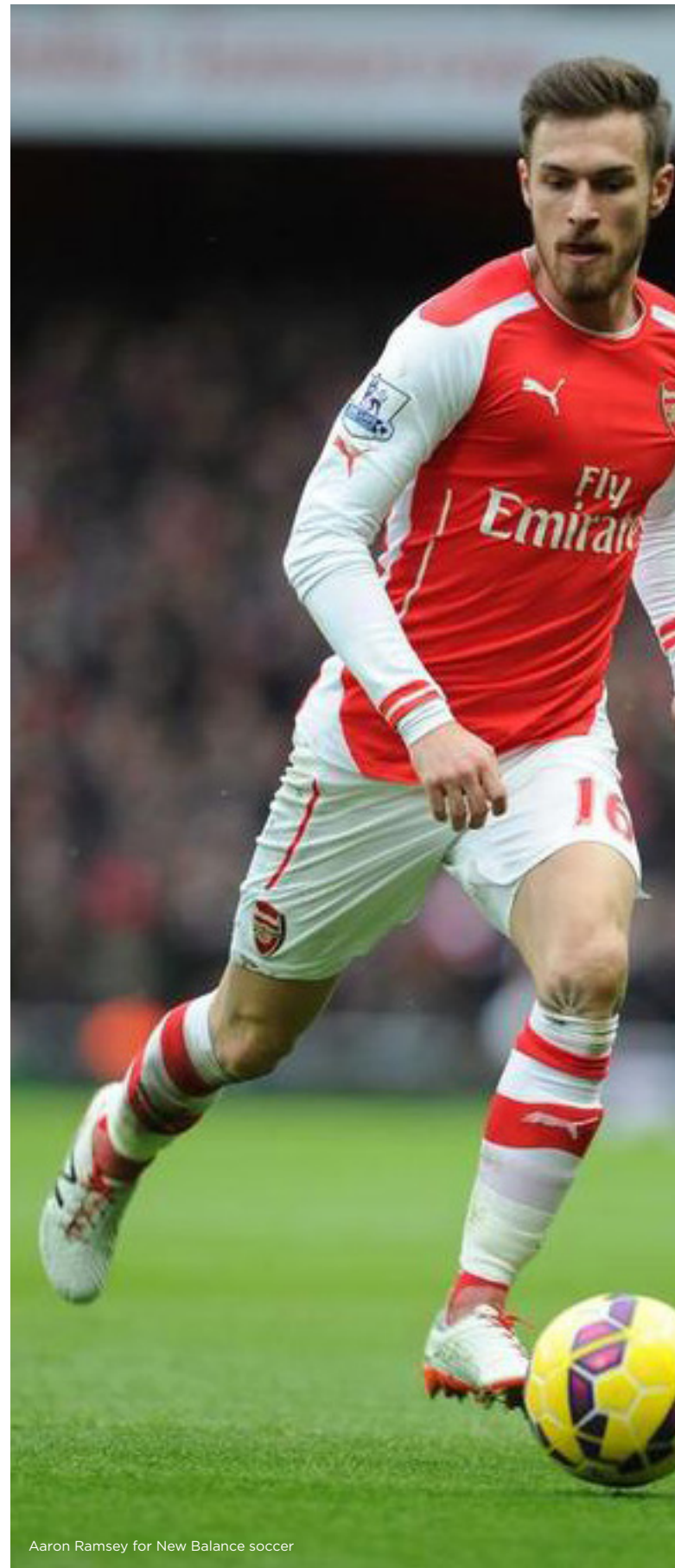
New Balance said the decision to drop the Warrior tag for football came because of "the success of this initiative" and that "Warrior continues to deliver innovative products in performance sports including lacrosse and ice hockey."

Other former Warrior players New Balance will endorse are Aaron Ramsey, Adnan Januzaj, Samir Nasri and Marouane Fellaini, Alvaro Negredo, Jesus Navas, and Nikica Jelavic.

Ramsey, the youngest ever captain of the Welsh national team, said, "New Balance has an incredible innovation team which put players at the heart of designs. I am very excited about the relationship I've developed with them already and what we can achieve together."

Kompany said, "From the beginning, New Balance has impressed me. I've spent a lot of time with the whole team and they've really listened to the insights I've been able to give on playing at the top level. Their passion and enthusiasm to make a difference is infectious and I can't wait to see people's reactions to what New Balance is going to do in Football. I believe this brand could be a real game-changer in the market."

New Balance said the decision to drop the Warrior tag for football came because of "the success of this initiative" and that "Warrior continues to deliver innovative products in performance sports including lacrosse and ice hockey."



Aaron Ramsey for New Balance soccer



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ADIDAS UNVEILS ULTRA BOOST

Heralding it as the “The Greatest Running Shoe Ever,” Adidas brought out some of its biggest athletes to New York City to launch the next evolution of its successful Boost platform - Ultra Boost.

By Thomas J. Ryan

The lineup included Yohan Blake, Olympic 100m and 200m silver medalist from Jamaica; David Villa, the legendary Spanish striker who recently made waves in becoming the first signing for the New York City FC soccer club; and Sammy Watkins, star wide receiver who just completed his first year with the Buffalo Bills. Other athletes included Wilson Kipsang, Jenn Suhr, Tori Bowie and Ajeé Wilson.

Eric Liedtke, Adidas executive board member, said at the event, “Adidas has raised the industry standard with Boost and will continue blazing a path in Energy Running for those who dare to follow.”

Seemingly aimed at the smaller crop of more serious runners than many models under its Boost platform, and carrying a suggested selling price tag of \$180, Adidas asserts the Ultra Boost reaches all runners.



"Ultra Boost is built for runners of all abilities who want to experience ultimate cushioning, whether that is nailing down a 2:30 marathon PR or completing your first 5K," said manager of running specialty at Adidas, Chris Brewer, in an interview with SGB Weekly. "The runner who will buy the shoe does not want to worry about his or her foot, but instead wants to be in the moment of accomplishing a goal that means everything to them, from finishing the BAA Boston Marathon to running a turkey trot with their kids."

He said Boost, which has earned Editor's Choice and Shoe of the Year awards in many different publications, is already available in price points ranging from \$100 to \$170.

Ultra Boost comes with a promise to deliver more support, stability and comfort than its predecessor, Energy Boost. A culmination of two years of research and development, the Ultra Boost features an improved midsole technology and an enhanced upper fit that promotes the foot's natural movement.

In the midsole, Ultra Boost features 20 percent more cushioning material compared to the Energy Boost, which Adidas had already claimed featured the highest energy return cushioning in the running industry. Pea-sized, heat-welded capsules built from thermoplastic polyurethane foam created in a partnership with BASF deliver a consistent performance over hundreds of kilometers in "virtually any condition."

While the original Energy Boost still contained 20 percent EVA foam, described as a "carrier," the Ultra Boost also eliminates the traditional EVA midsole. By removing the carrier and increasing the Boost area 20 percent, Adidas expanded from 2,000 capsules under the Energy Boost to 3,000 with the Ultra Boost to deliver a more springy, reactive feel without making the sole thicker.

"The midsole is 100 percent Boost and creates the ultimate cushioning shoe for runners," said Brewer.

On the upper, a major addition is a four-way stretch Primeknit that improves fit and eliminates extraneous materials for a lighter feel.

Working with Aramis, an optical 3D deformation analysis system (used by NASA and Boeing to understand materials' reactions under strain), Adidas tracked how the body moves while running. Adidas found a runner's foot could expand up to 10mm or more in width while running. When restrained, this expansion can cause discomfort, friction and the leading injury in running, and blisters. The Primeknit pattern of Ultra Boost provides comfortable support in less expansive areas of the foot and

adaptive stretch where it's needed to deliver maximum comfort.

"Each technology featured in Ultra Boost was built to complement each other providing energized adaptability through a customized fit, look and feel," said Ben Herath, VP of design for Adidas Running. "While we've taken innovation to the next level, the sleek silhouette of Ultra Boost is built to look as good as it performs."

Adidas will roll out Boost Ultra to its wholesale accounts worldwide on February 24. Said Brewer, "With our comprehensive marketing plan and the retailers' enthusiasm beyond Ultra Boost, we didn't feel the need for any particular wholesale channel to have a head start. Running specialty, however, has been allocated the lion's share of the inventory."

At the New York City launch event, attending athletes and guests experienced through state-of-the-art live testing demonstrations using the Aramis System also used by top engineering institutions like NASA, Boeing and Audi to measure crash tests, vibration analysis and durability studies. Adidas developed Ultra Boost using Aramis' 3D shape and surface measurement to provide a fully adaptable running experience.

Finally, the outsole plays up Stretch Web, which adapts and stretches to foot strike and movement, as opposed to a solid piece of rubber locking in movement. A perforated elastic design "harnesses and maximizes the energy of Boost" without restricting its qualities. The appearance of the Stretch Web outsole is designed to complement the energy capsules.

"Our new Stretch Web Outsole is designed and engineered to work with the Boost midsole and allow for even more cushioning because it stretches when pressure is applied which activates the Boost cushioning more quickly," said Brewer. "This innovation is key to creating the sensation of more cushioning."

Other features in the midsole include S-Curve heel fit around the Achilles area that allows Adidas to remove traditional parts like internal heel counters. A new dual-density Torsion System embedded into the shoe's base for more independent movement between heel and forefoot for stability and a smooth, controlled run. Also new, a featherweight sock liner adapts to the runner's natural foot form for a customized fit.

Said Brewer, "We've re-engineered the insole so that it is as minimal as possible and this allows the runner to feel the full effect of Boost." ■

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A woman with dark hair tied back is running in the rain. She is wearing a purple Brooks Running jacket with a yellow zipper. The background is a blurred green and blue, suggesting a park or outdoor setting. The rain is visible as white streaks in the air.

Brooks Running Juggernaut Continues

While its franchised models are again supporting its leading market share in the run specialty channel, apparel and international remain untapped growth areas in the future.

By Thomas J. Ryan

Photos courtesy Brooks Running

Brooks Running posted a 15 percent increase in revenue growth in 2014, reaching half a billion dollars in annual sales. At a breakfast meeting at the recent Outdoor Retailer Winter Show, Brooks officials said the brand's momentum is only beginning.

"We're really pleased with 2014," said Jim Weber, CEO. The year also saw the company move into new headquarters and mark its 100th year anniversary.

Weber noted that since he joined Brooks in 2001 and embarked on a solely run-focused strategy, revenues have grown at a 15 percent compounded rate over the last 13 years, "and it's accelerated over the last five years, especially in the U.S."

The acceleration came after Brooks five years ago established its 2020 vision to become the next \$1 billion athletic brand and fully committed to its "Run Happy" positioning.



Dan Sheridan, general manager, North America, said 2014 “started out a little crazy” with the polar vortex’s arrival causing retailers to “hibernate a little bit.” But warmer weather followed and Brooks churned out 13 percent growth in footwear in the U.S. last year.

Franchised models led the way with over 20 percent growth. According to point-of-sale data, Brooks grew its number one market share position at specialty running account stores (SRAs) nationwide for the rolling year (December 2013 through November 2014) to 31 percent in performance running footwear retail dollar share. Said Sheridan, “We saw great growth in market share across channels this year.”

The Ghost 6 held the number one position in the growing neutral footwear category at SRA while the Adrenaline GTS remained the top choice in stability for the sixth year in a row and “continued to grow really nicely.” Brooks also saw “incredible double growth in other core styles like Glycerin and Ravenna.”

Like some other brands, Brooks saw a shift away from its minimalist offerings represented by the Pure Project collection. Sheridan said the company believes Pure “is rightsizing itself and it will be a core biz for us.”



Ghost 6



Adrenaline GTS



Glycerin



Ravenna



Transcend

In other regions, Brooks saw a 32 percent jump in EMEA (Europe, the Middle East, and Africa) on a local currency basis. In January 2014, Brooks relocated its EMEA headquarters to Amsterdam and placed David Bohan, formerly president and COO, as EMEA president to lead expansion there.

A direct organization was also formed in Canada, replacing a distributor of 35 years. Based in Toronto, the Canadian office has 14 employees and delivered 37 percent growth in 2014. Sheridan said Brooks is “at the starting line in Canada” in terms of brand awareness.

Among product launches, Transcend, the brand’s first maximalist offering that launched in February 2014, “brought a lot

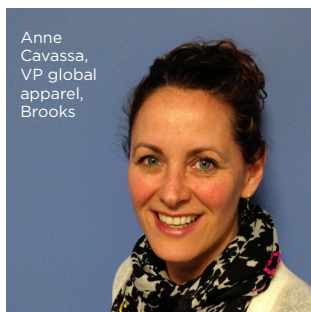


of excitement in the specialty channel” and “we see great, great momentum with that style and in that category.”

Brooks also brought back some heritage styles with the Chariot, Vanguard and Vantage. A limited launch at some sneaker boutiques in the U.S. was “pretty successful for us in a small way,” and the collection is now being offered to run specialty shops. Noting the heritage line’s popularity at Brooks’ headquarters, Sheridan said, “It’s a fun way to bring energy to our brand.”

Pure apparel also launched to represent the brand’s “first toe in the water on our performance lifestyle business,” said Sheridan.

Much of the presentation previewed the overhaul of Brooks’ apparel collection over the last two years under the direction of Anne Cavassa, VP global apparel. The collection arrives Fall 2015.



Anne Cavassa, VP global apparel, Brooks

In developing the collection, one goal was for apparel to be “on par with our footwear from a quality perspective and a runability perspective,” according to Cavassa. Her team

has been “hyper, hyper focused on the runner and what their needs are,” and the collection doesn’t compromise on performance features. At the same time, the collection is designed to meet the runners needs “on and off the run” from a style standpoint.

She added, “From hanging out at a social event or wanting to go to a café, runners want to look comfortable. They don’t want to look like competitive runners.”

Brooks was also seeking to create a “signature aesthetic” to make the line stand out amid the “sea of sameness” on apparel floors. Cavassa noted that runners often have to look at the label to know what brand an apparel item is.

The design inspiration came from simplicity, minimalism and functionality found in Scandinavian culture. For the most part, about 98 percent of Brooks



apparel collection will be new with the popular LSD and Sherpa styles continuing. It features about 40 percent fewer styles than before.

The collection features proprietary DriLayer moisture-wicking fabrics, the first time Brooks has had a fabrication platform across an entire collection. It also marks the first time Brooks will use wool in parts of the collection. Beyond details such as moisture-management, waterproof, warmth and feel depending on the item, subtler materials such as waterproof pockets, and earphone-friendly features are geared for the runner.

For the first time, Brooks has also standardized its fit blocks to ensure consistent sizing across both genders. Said Cavassa, “If we can deliver on the look, the feel and the fit, we know we’ll be winning with runners.”

Cavassa also discussed Brooks sister brand, Moving Comfort, which phased out its apparel collection last year to focus solely on sports bras. The brand has a 76 percent share in the SRA. Its share is about 9 percent at national chains, which is strong given Moving Comfort has an overall brand awareness of just under three percent.

Cavassa said a survey of 1,000 women found that 89 percent of Moving

Comfort wearers identify Moving Comfort as their favorite sports brand. So a major effort will be to encourage trial and reach “women who never experienced the right sports bra,” said Cavassa. She noted that bras are “the most loyalty driven silhouette.” For 2015, Moving Comfort is introducing the Uprise and Uplift, two lightweight and versatile crossback styles that provide support and shape in a fashion-forward silhouette.

Brooks admits to the challenges in running apparel for itself and SRA. Beyond Nike, Under Armour and Lululemon in athletic, department stores, Target, Gap and others are all going after the athleisure opportunity.

Weber said Brooks “first benchmark” in apparel is to build a \$100 million business to support investments in supply chain and compete more effectively. Currently, Brooks will only say apparel represents between 10 to 15 percent of revenues. The aim is to become the “uniform of the run” and the top resource in SRA, where Nike dominates apparel.

Sheridan said some of the apparel push involves convincing stores they “need to be different in the brands that you carry” to further differentiate. Sheridan said of Brooks, “It’s a brand you can’t find everywhere else.”

But it also involves how product flows into stores, SKU management, and particularly how product is shown. Brooks is actively working with stores on visual presentation, staff training, and marketing around the apparel opportunity.

Brooks also spent considerable time detailing the overall brand's momentum, including being awarded in December the Vendor of the Year award from the IRRA (Independent Running Retailers Association), being nominated for Vendor of the Year for the third out of the last five years by REI, and numerous product awards from consumer magazines such as *Runner's World*. In Sports Marketing Surveys Running Specialty Store Sales Survey of 75 independent retailers last year, Brooks was voted number one in 14 of 19 categories, including on-time delivery, customer service, sales reps and marketing energy.

Brooks also expects to continue to benefit from the steady growth in running participation since the mid-nineties not only with marathons but also lately from fun runs, mud runs and other alternative races. Weber said while track & field and cross-country are the "heart and soul" of run, the activity "goes way beyond competitive sport" to areas of inspiration. Said Weber, "People are investing in their own health and wellness and ultimately their happiness."

With the brand's unique "Run Happy" position, Brooks is "completely dialed into that." His team often refers to that positioning as Run Happy messaging as "our biggest single competitive advantage" because "there's a lot of players in this industry that have more of everything that we have."

Brooks team also touched on a rare challenging year faced by the run specialty channel in 2014, which has been blamed on aggressive expansion from the Finish Line's Run Specialty Group and other regional running shops, the shift away from minimalist offerings and online competition.

Sheridan believes run specialty remains a "very, very healthy channel," supported by their product knowledge and efforts to engage runners and drive participation. But he said where runners shop has "changed over the years. They're shopping multichannel."

As a result, Brooks is having conversations "around community - what makes these specialty run shops so special" and collaborating on events such as training groups and sports medicine nights that further makes them "different," according to Sheridan.

Another focus is inventory. Like other channels, Sheridan believes run specialty is finding that showrooming (seeing product in store then buying online) is occurring much less than webrooming (seeing product online then buying in store). The challenge for running shops is having the product seen online in stock. As such, Brooks is starting to have conversations around drop-ship programs and aggregating inventory across the channel to better manage inventory. Said Sheridan, "We know our runners are shopping in multiple channels but we also know the most relevant channel and largest channel is specialty run. So we're still investing an incredible amount in that space."

Asked about any possible acquisitions to join Brooks and Moving Comfort under the Berkshire Hathaway umbrella, Weber said the company has "looked at opportunities," but any candidate would have to have the potential to dominate a category. Said Weber, "There's a huge difference between creating a brand and building value versus harvesting. And a lot of brands are essentially in harvest mode and that's a different skillset. That's not a skillset we're trying to develop and trying to build."

He also believes Brooks and Moving Comfort both have a rare opportunity to lead in run, which he called the "the best category of all sports." He believes both are, "still very underdeveloped" with a chance to double its business just in the U.S.

Said Weber, "We'd rather have a very strong dependable brand at our size versus one that's three times as big like everyone else. So we're challenging ourselves on opportunities on the acquisition front, but usually they're not as exciting as the ones we already have in our office." ■



I AM... SGB

Ryan Martin

CEO, Yakima Products, Inc.

Ryan Martin joined Yakima as CEO in August 2014. He was most recently Global Director of Strategy and Business Development with Whirlpool Corporation. Martin holds a BA from Indiana University South Bend and an MBA from the University of Denver. Yakima Products is a world leader in vehicle racks and cargo solutions whose brands include Yakima, Whispbar and Prorack.



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What inspired you to work in the sporting goods industry? Fishing, camping, paddling and skiing are my family's go-to activities throughout the year. I'm inspired to work for a company that plays a central role in helping families and friends connect through outdoor adventures and experiences.

What's the most exciting thing about your current position? Last year it was Yakima's 35th anniversary and the perfect time to assess and refine our focus. We have zeroed in on five key pillars: Product, Brand, Trade, Operations and People, and I am impressed in what we have been able to accomplish in such a short time since I joined the organization. Moreover, I am so excited about realizing the benefits of our strategy.

What do those in the Bike/Performance category have to look forward to? We have some really exciting new products coming in 2015, including the FourTimer tray-style bike carrier; and things are really going to heat up in 2016. Our tray-style bicycle carrier category is rapidly growing. They fit any style from fat bikes to women's and kid-specific frames

to e-bikes -- meaning they adjust with the market and what's hot. They're also easy to load, which is great for women and retirees.

Any advice for those operating in the Performance/Bike market? Retailers should consider selling more hard goods. With the versatility and vehicle changes we've seen over the past few years, racks are an easier category to stock than you might think, and it's a great add-on sale.

What is inspiring you today? Our consumers are my inspiration. I'm inspired to continually create and deliver market-leading products that are rooted in unmet needs, provide value and help our consumers achieve their goals. Our process starts and ends with the consumer. Our consumers are also a tremendous source of data. Our job is to translate the data into successful products and services that meet their stringent requirements. It's not easy, but it is a lot of fun!

What advice would you give to someone wanting to forge a career in the sporting goods industry? We all have highs and lows that make us who we are. Be passionate. Care deeply about what you do. Be yourself, as your true identity will always show through. Be persistent and believe in yourself. Be respectful – strong relationships are built on respect and trust. Be present. Seek help. You can't do everything yourself. I can attribute my successes thus far in life to embracing many of these attributes. ■

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INDUSTRY CALENDAR

FEBRUARY

- 8-12 Worldwide Spring Show
Reno, NV
- 18-21 Sports Inc. Outdoor Show
Phoenix, AZ
- 18-23 NBS Spring Semi-Annual Market
Fort Worth, TX

MARCH

- 3-4 SFIA National Health Through Fitness Day
Washington, D.C.

- 13-15 Imprinted Sportswear Show
Atlantic City, NJ

MAY

- 3-6 NSGA Management conference
and Team Dealer Summit
Austin, TX

JUNE

- 25-27 Sports Inc. Athletics Show
San Antonio, TX

JULY

- 10-12 A.D.A. Spring Show
Minneapolis, MN

AUGUST

- 13-15 Sports Inc. Outdoor Show
San Antonio, TX

OCTOBER

- 29-31 A.D.A. Fall Show
Baltimore, MD

NOVEMBER

- 22-24 Sports Inc. Athletic Show
Las Vegas, NV

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A woman wearing an orange zip-up hoodie, black leggings, a black beanie, and white sunglasses is running on a sandy beach. A white dog is running alongside her. The background shows the ocean with waves under a blue sky with light clouds.

Brand Strength Report

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