

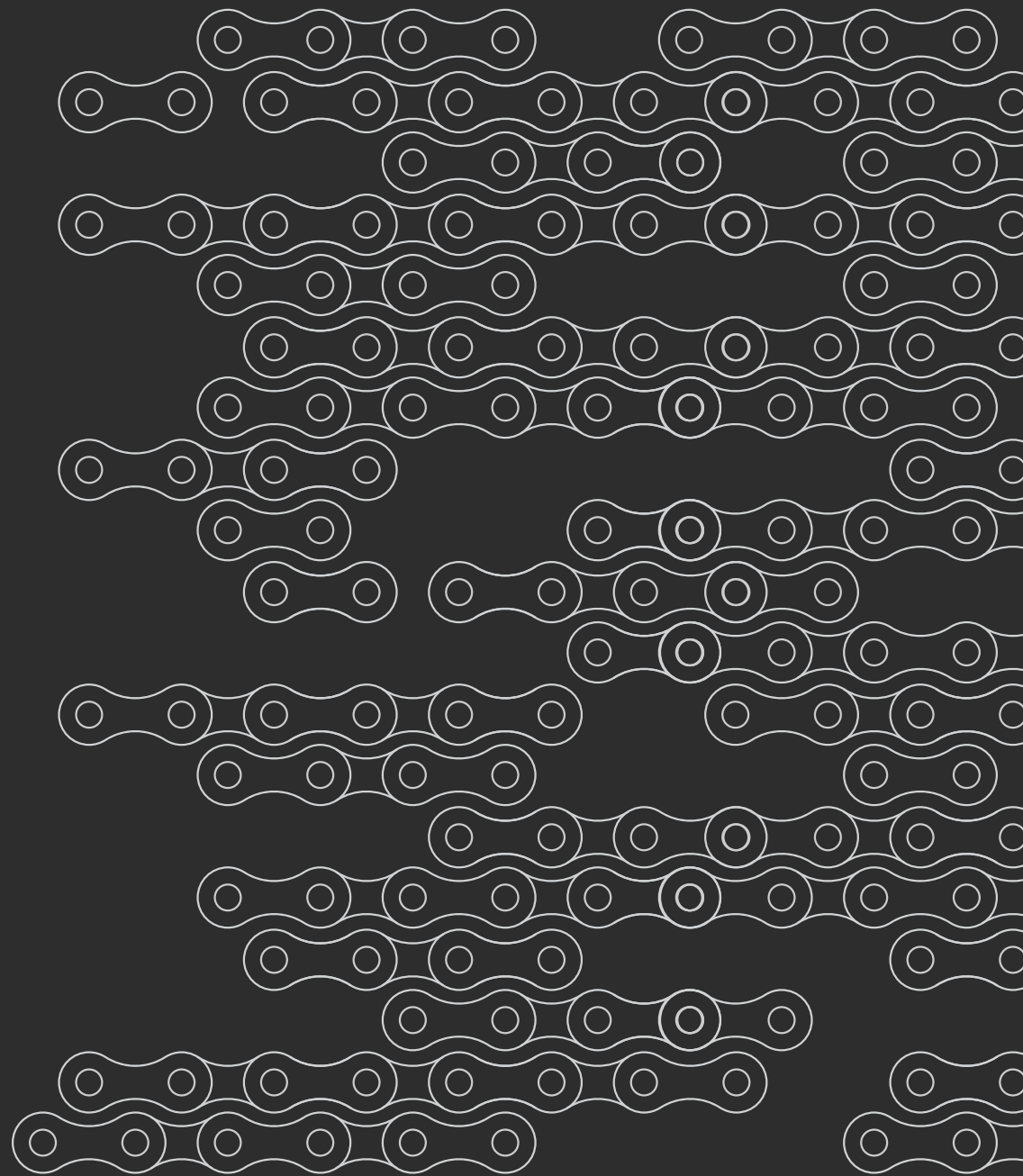


Global Bike & Bike Accessories Market

[pwc.com/it](https://www.pwc.com/it)

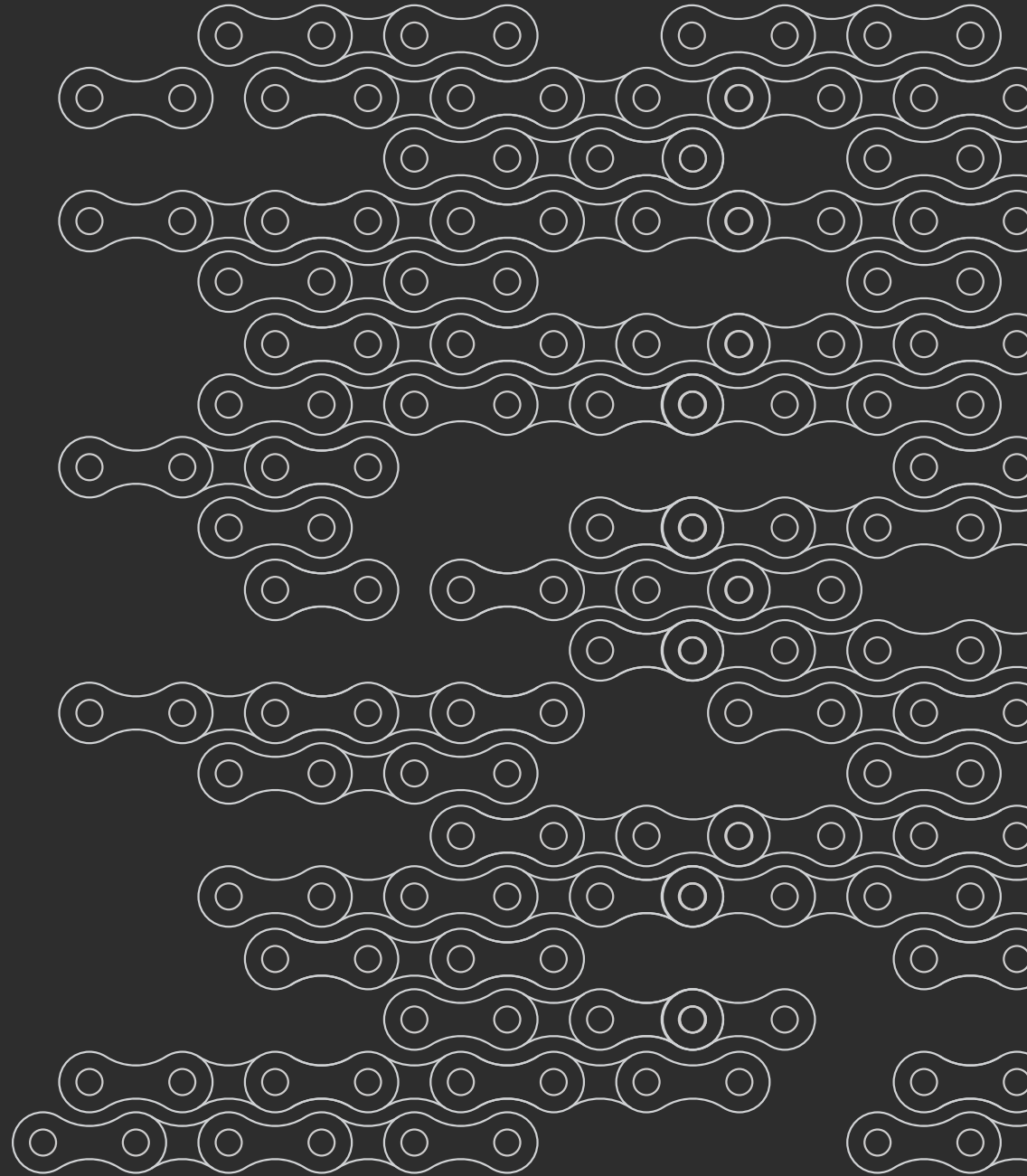
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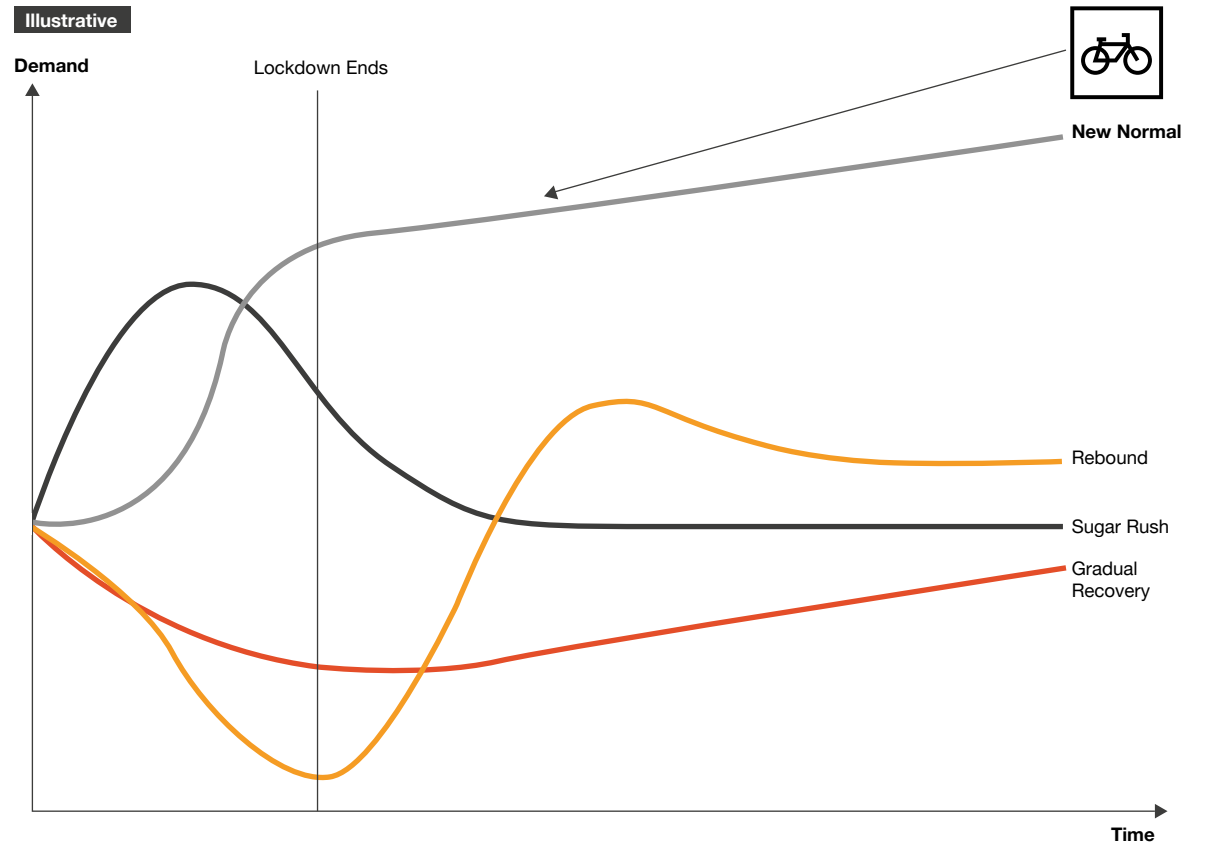
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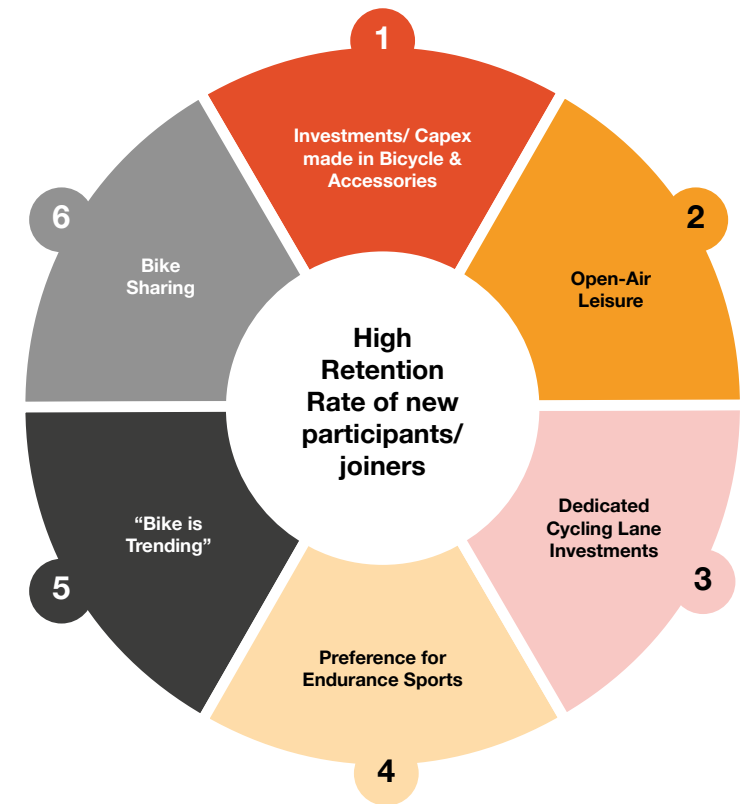
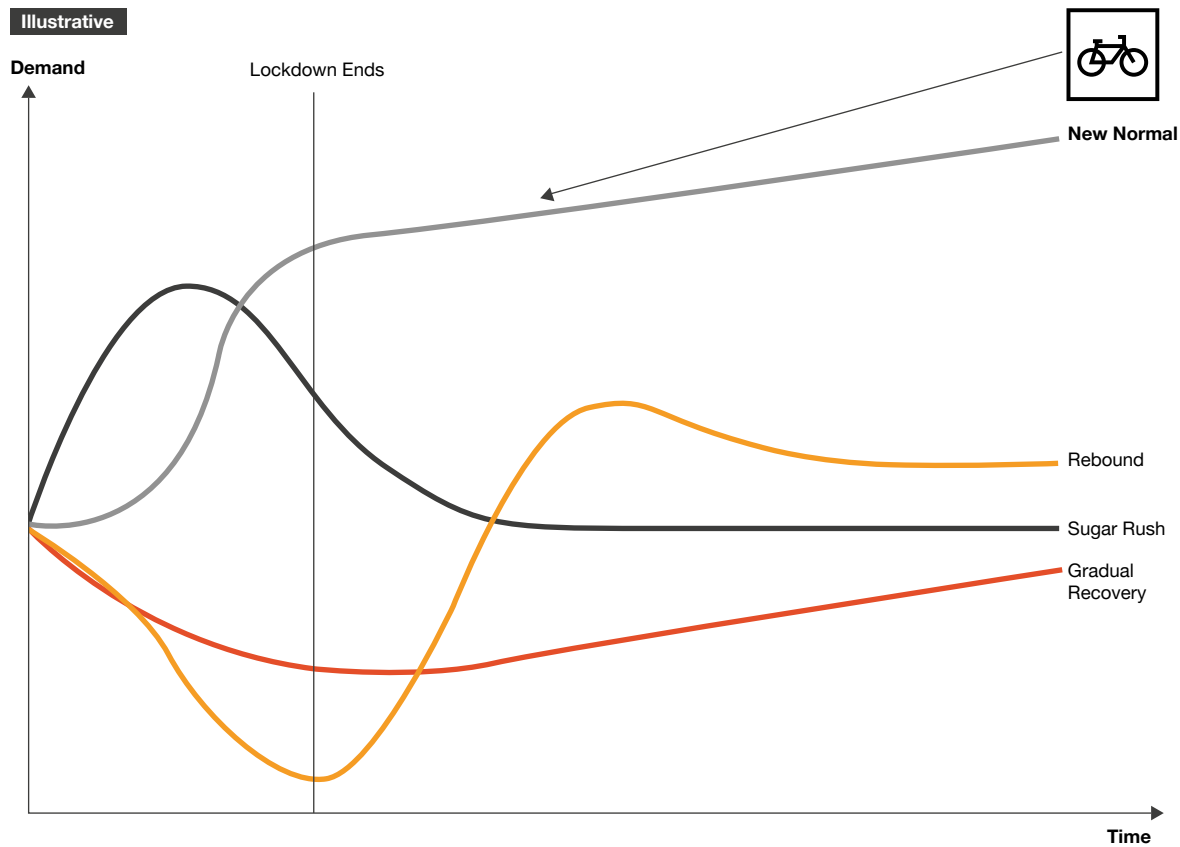


“Mainstream” view of future trend of Bike Industry is a **New Normal**; Demand surged during the Pandemic and is expected to persist at a higher level with respect to “pre-COVID-19” situation.

	Short Term	Mid Term	
New Normal	⊕	⊕	Demand surges during lockdown then persists after but at lower rate
Sugar Rush	⊕	⊖	Demand surges during lockdown, then reverts thereafter
Rebound	⊖	⊕	Demand falls during lockdown then spikes during recovery period following lockdown
Gradual Recovery	⊖	⊖	Demand falls during lockdown and slowly grows back over time

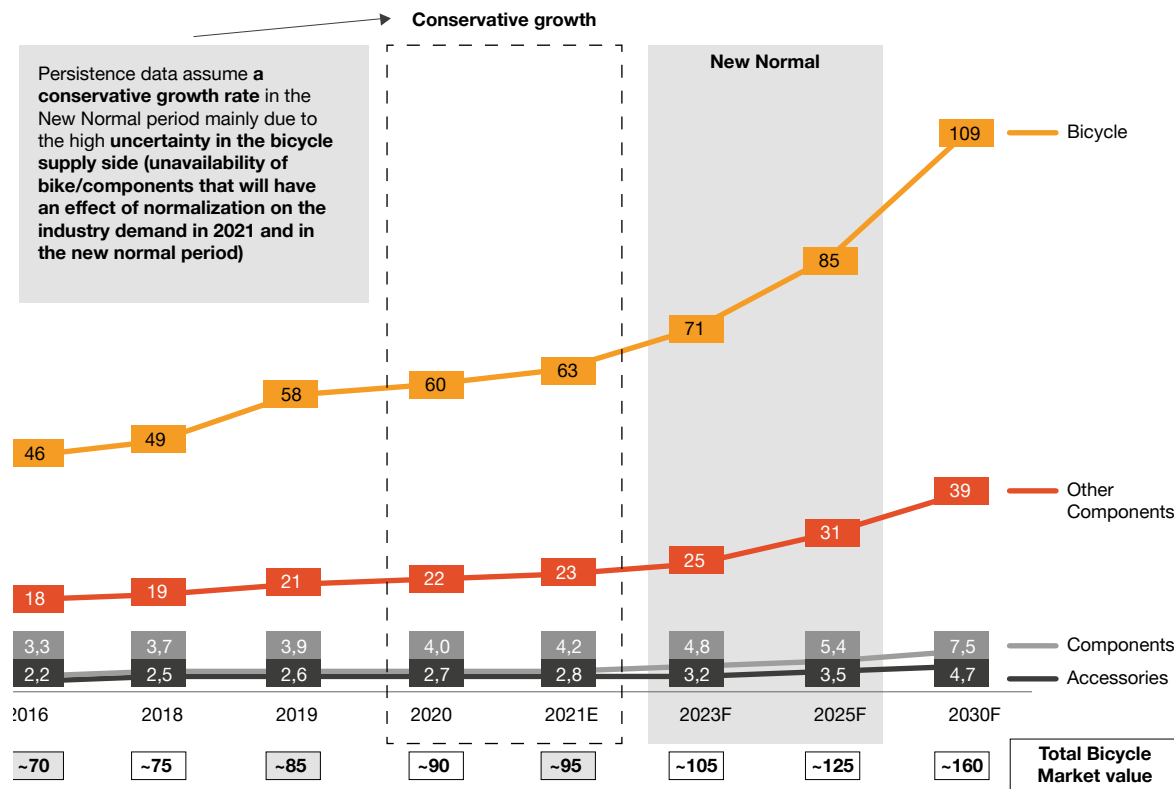


“New Normal” 6 new trends for the Bike Industry.



The market was worth ca. **85 €Bn in 2019** (CAGR '16-'19: **+6.8%**); During the Pandemic the market grew to ca. **95 €Bn (2021E**)** with a YoY '20-'21 growth of **+4.6%**; "new normal" growth higher than Pre-COVID-19 (**CAGR '21-'25: +7.6%**).

Global Bicycles and Bicycles Components & Accessories Market * (RSP) (€B, percentage)



CAGR '16 - '19	YoY '19 - '20	YoY '20 - '21E**	CAGR '21E - '25F
+6,8%	+4,6%	+5,3%	+7,6%
8,9%	3,7%	5,4%	5,9%
4,6%	5,9%	6,5%	7,6%
5,3%	3,8%	5,7%	6,2%
5,0%	2,9%	5,3%	5,7%

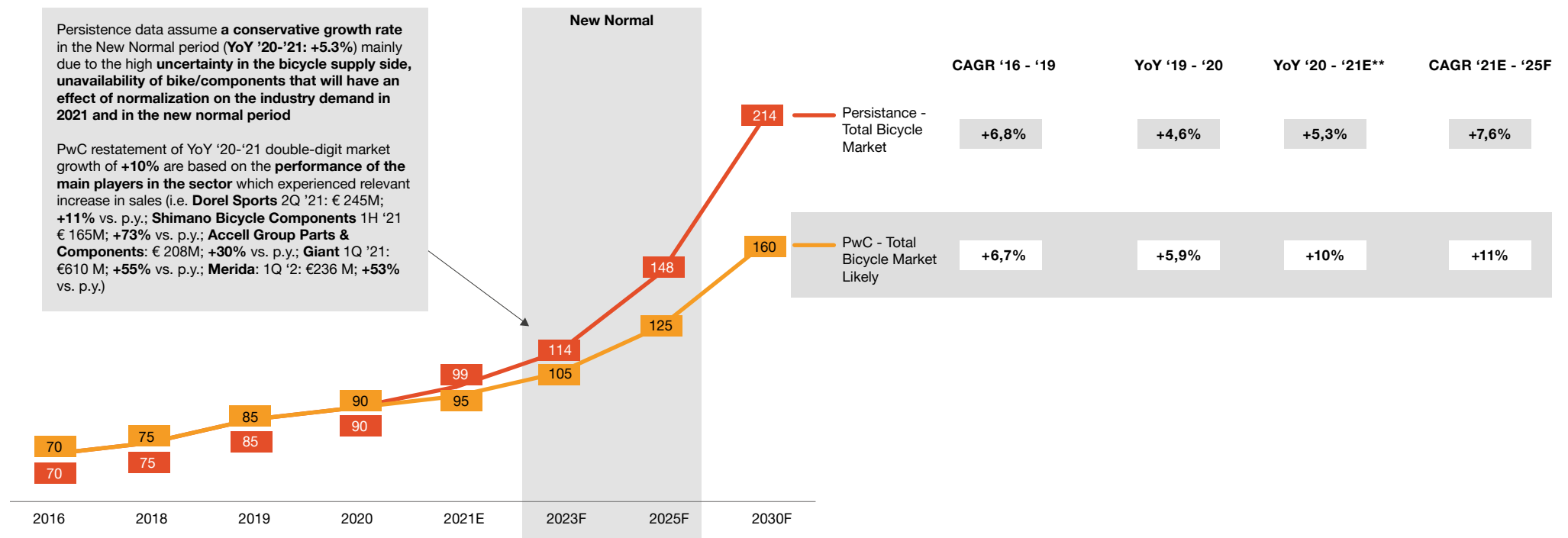
Sources: PwC Analysis on Persistence data

Note (*): Components include: Pedals & Saddles; Accessories include: Shoes, Bags & Backpacks & Apparel; Other components include: Brakes, Frames & Wheels

(**) 2021E Normalized refers to 5 months 2021 Actual + 7M Forecast







Persistence market forecasts assume a **conservative growth** of **+5.3%** (YoY '20-'21) due to a normalization of the curve linked to the uncertainty of the supply side; **PwC “market likely”** estimates forecast a double-digit **+10%**.

Global Bicycles and Bicycles Components & Accessories Market – Persistence conservative forecasts vs. PwC “market likely” (€B, percentage)



Sources: PwC Analysis on Persistence data

The **bicycle market growth** during the Pandemic was driven by **6 key trends** that are expected to persist in the **New Normal** phase.

	Description	
1 Investments made in Bicycle & Accessories	<ul style="list-style-type: none"> During COVID-19 people avoided public transportation in fear of contracting the virus; New purchases were encouraged by government programs providing incentives for buying healthier, greener, and less traffic inducing vehicles; Consumers are expected to keep using their bikes & accessories as a result of the investment they made in purchasing them. 	
2 Open-Air Leisure	<ul style="list-style-type: none"> Outdoor activities such as cycling, hiking, fishing, and paddling have seen explosive growth as a result of social distancing; Even as gyms reopen, the outdoor trend is expected to last with several consumers continuing to practice “open air” sports. 	
3 Dedicated Cycling Lane Investments	<ul style="list-style-type: none"> In Europe, additional funding allocated for cycling saw a sizeable increase, led by Finland, Italy, France, the UK, and Lithuania. Italy and Finland increased their funding by more than 5€/capita (as of 09/2020) (Statista, WEF); Overall, more than €1 billion (over 1,000 km) has been spent on cycling infrastructure across Europe since the COVID-19 crisis (Statista, WEF). 	
4 Preference for Endurance Sports	<ul style="list-style-type: none"> Endurance sports such as cycling, hiking, and running were the sports which saw the highest increase in participation during and after the COVID-19 pandemic; Urban residents found ways to exercise and reduce screen-time fatigue. Strava, an endurance sports platform, recorded 1.1 billion post-pandemic activities, which far exceeded the previous year total of 0.8 billion (+34%) (BiciTech). 	
5 Bike is Trending	<ul style="list-style-type: none"> Cycling was among the most positively impacted sports after the COVID-19 outbreak. During the period April 2020 - June 2020, bicycle sales saw a 63% YoY increase compared to the same time in 2019 in the US (Mordor Intelligence); Google Maps has seen an increase as high as 250-300% in certain countries for cycling directions, particularly in Finland, Poland, Canada, and Norway (ECF). 	
6 Bike Sharing	<ul style="list-style-type: none"> Bike-sharing saw an increase in activity as cities advertised avoidance of public transport while searching for sustainable & safe transport solutions; The continuous growth of the e-bikes trend also facilitated bike sharing as a transport solution to cover longer distances. 	

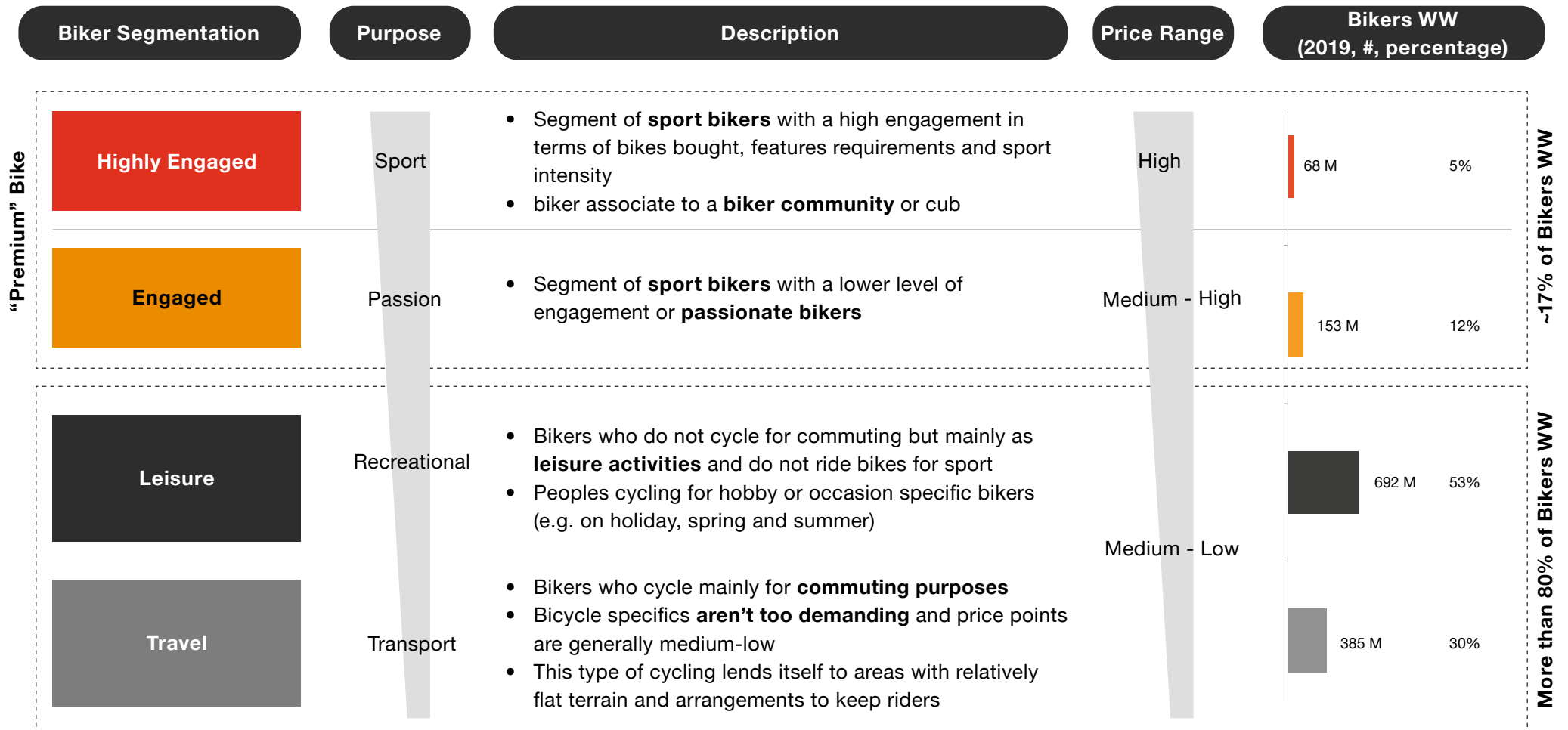
Sources: Statista, WEF, Mordor Intelligence, Specialised Press, PwC Analysis

Bicycle Market



Bicycle Market

Bicycle Market may be segmented according to the **appeal** and **purpose** demonstrated by bikers: (i) **Highly Engaged** & (ii) **Engaged** towards the **premium segment**; (iii) **Leisure** & (iv) **Travel** more than **80%** of the market.

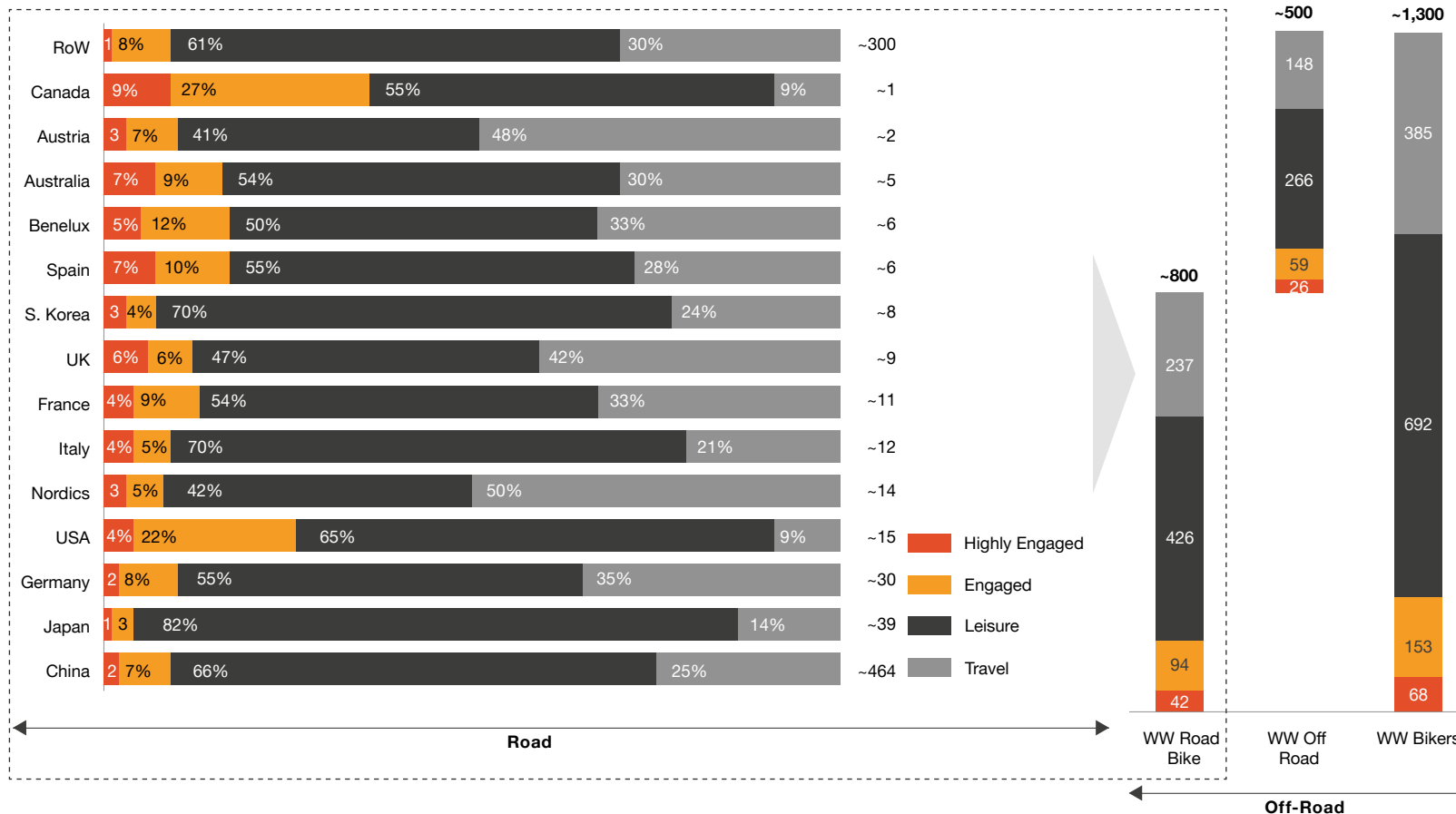


Sources: PwC Analysis, Market Expert Interviews

Bicycle Market

WW Bikers is estimated to be approximately 1.3B, with China having the largest fleet (>30%) and "Leisure bikers" representing the largest segment in most geographies.

Number of Bikers (excluding Kids) by segment (2019, M of individuals)



The **Bicycle industry** during the Covid Pandemic has showed a **significant growth/boost**.

The number of Bikers increased greatly, with many "new joiners" joining the industry.

The **retention rate** of these new joiners is seen as pretty **high**, in relation to the investment they made and the time they had to become engaged and passionate.

Sources: Eurobarometer, Market Experts Interviews, PwC Analysis

There are **distinctive features/KBFs characterizing Top Range bicycles** which demonstrate to be crucial in order to be adequately positioned to address the **HE and E bikers**.

Key Success Factor		“Premium” Bike	“Mid/Mass” Bike
Product	OEM Brand	4	2
	Components brand	3	2
	Customization	3	0
Marketing & Go-to-Market	Distribution	Selective Distribution	Intensive Distribution
	Sponsorship	3 (e.g. World Tour, Grand Fondo)	1
	Testimonials	3	1
	Bikers Engagement	4 (e.g. Story telling, Digital appeal, Events)	1
	Trade Marketing	3 (e.g. Promoters)	2
	Target bikers	HE (5%, or 68M) E (12% or 153M) Bikers	Leisure + Travel Bikers (ca. 1,1B)

Sources: Market Experts Interviews, PwC Analysis



“[...] although nowadays customers are better informed on what they want through the use of internet, keen bikers strongly value their dealers selected range, which in some cases can raise the perception of a brand more than a sponsorship [...] buying from certain dealers is cool and keen bikers like to apply the sticker of that dealer on their bike”

– Industry Expert



“[...] customization is huge amongst biker in the premium segment, customers go crazy for bespoke paint or components even if this requires waiting extra 10 weeks for delivery

– Industry Expert



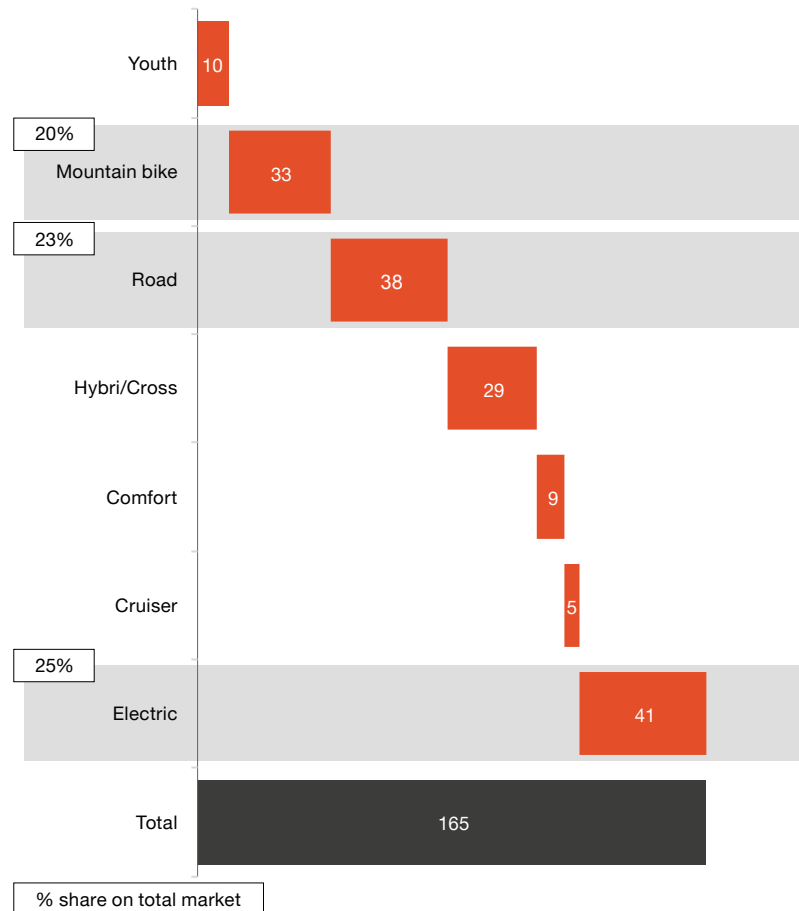
“[...] sponsoring a winning team in professional competitions brings outstanding results to OEM [...] some large players have seen huge drop in revenue stopped their sponsorships... BMC for instance

– Industry Expert

Bicycle Market

Global Bicycle Market counted approximately **165 M units in 2020** with the **road and electric** segment accounting for more than **45% of WW**, while **MTB** alone ca. **20%**.

Global Bicycle Market Consumption by Segment (2020, M units)



Description

- Bicycles designed for **kids**
- Most of the youth bikes do not utilize derailleurs and gears
- Mountain bikes or MTBs are the **most versatile** bikes
- Designed for off-road cycling
- Designed to **enhance durability** and performance in rough terrain
- Bicycles built for **traveling on paved roads** mainly used in urban districts
- **Racing bicycles** are included in the segment
- Possess characteristics from different bike types
- Bikes can **tolerate a wide range of riding conditions** and applications
- More **comfortable** variation of a mountain bike
- Built **mainly for leisurely**, recreational riding, and short distance jaunts on bike paths or paved roads with flat terrain
- Designed for **casual riding**, and have a very comfortable, upright riding position
- Designed with integrated **electric motor** as a propulsion unit
- e-Bikes use **rechargeable batteries** and the lighter ones can travel up to 25 to 32 km/h depending on local laws

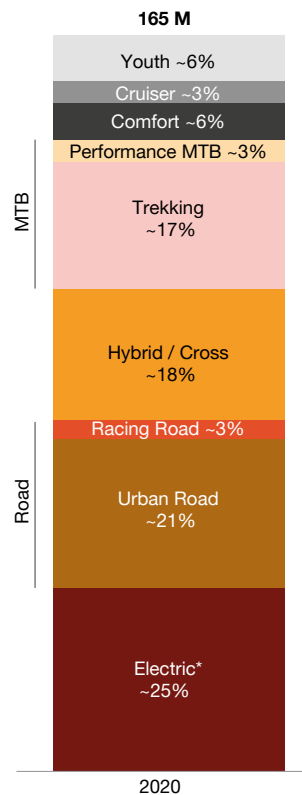
Bicycle Segments

Sources: PwC Analysis on Persistence data, Market Expert Interviews

Bicycle Market

Urban Road bike segment appears among the largest due to the significant use of bikes as a mean of transport, especially in the **Asian market**, while **Racing Road** market represents a smaller niche (ca. 3%).

Global Bicycle Market Consumption by Segment (2020, M units, percentage)



Key Notes

- The **Asian market accounts for ca. 50%** of the market and it is mainly dominated by the Urban and Hybrid mass segment. This is supported by the common use of bicycles as the main means of transport
- The **Urban Road bike segment** (ca. 21%) **includes the road** bikes designed **mainly for inner-city riding**, perfect for shorter-distance commuting and often featuring racks to carry luggage
- The **E-urban segment** is expected to **increasingly gain market share** as people consider cycling as an environmentally friendly means of transport
- The premium **Racing bicycle** segment accounts for **ca. 3% of the market** representing a smaller niche dedicated to engaged cyclists. **Gravel bikes account for ca. 10-15% of the racing** segment, being a relatively new product with significant growth potential
- Within the Racing and MTB segment approximately **10-15% of market share is considered high end performance** with avg. price greater than €2.5K



[...] In the Mao era bicycles were regarded as one of “three bigs“ along with a sewing machine and wristwatch. They are peoples main mean of transport replacing scooters or even cars [...] they are mainly urban low quality bikes, even they e-Bikes sold are very basic models.

– Industry Expert



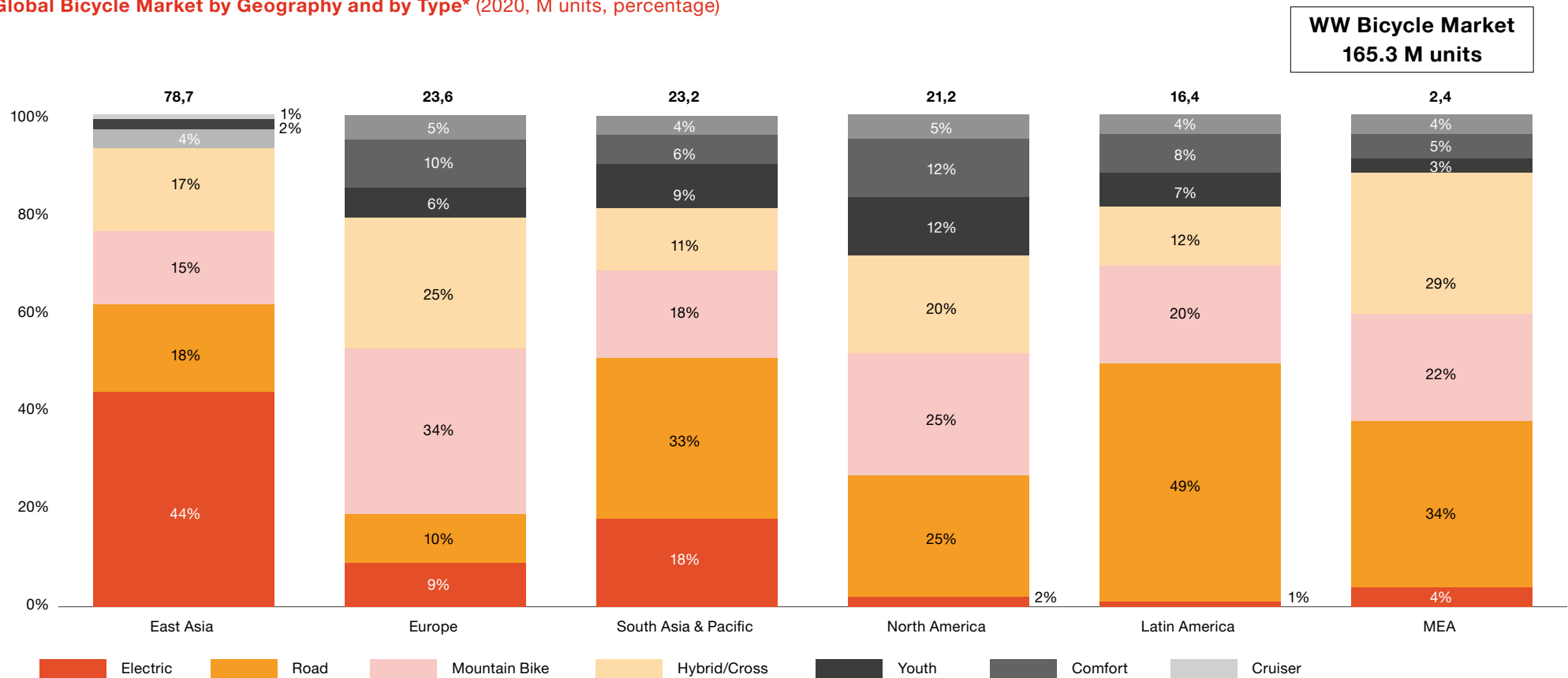
“[...] Racing bikes are a very small portion of the market mainly covered by sport addicts and passionate cyclists [...] Gravel bikes are a new concept which falls within this segment and are gaining significant interest from cyclists”

– Industry Expert

Bicycle Market

East Asia and Europe represent the main markets in terms of size; the Electric segment leading the market in East Asia, the MTB segment in Europe and Road for the other geographies

Global Bicycle Market by Geography and by Type* (2020, M units, percentage)

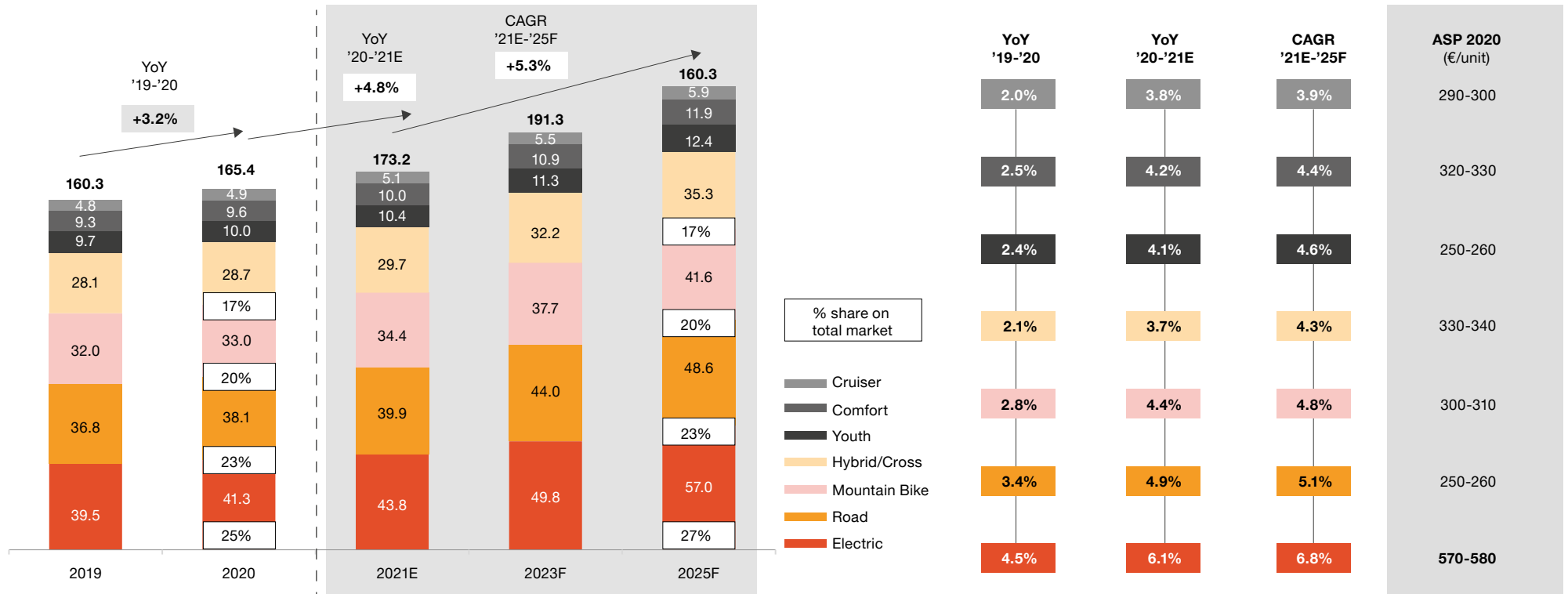


Notes (*) "East Asia" = China, Japan, South Korea; "North America" = USA and Canada; "Latin America" = Brazil, Mexico, Rest of Latin America; "MEA" = Turkey, Israel, South Africa, Rest of MEA; "South Asia & Pacific" = India, Asean (e.g. Indonesia, Singapore, Vietnam, Thailand, Philippines), Oceania and Rest of South Asia & Pacific. "Hybrid/Cross" is a "hybrid" of a road bike, a touring bike and a mountain bike; "Road" includes bicycles for traveling at speed on paved roads (e.g. racing bicycles); "Comfort" bikes are built mainly for leisurely, recreational riding, and short distance jaunts on bike paths or paved roads with flat terrain; "Cruiser" Bicycles are similar to hybrid, as they are designed for casual riding and have a comfortable, upright riding position, and a large comfortable seat; "Youth" includes bicycles for kids.

Bicycle Market

In terms of Bike type, **e-Bikes segment** is expected to register the **highest growth** supported by **significant improvements** in the motors' performance and bike design

Global Bicycle Market by Geography and by Type* (M units, percentage)



Sources: PwC Analysis on Persistence data



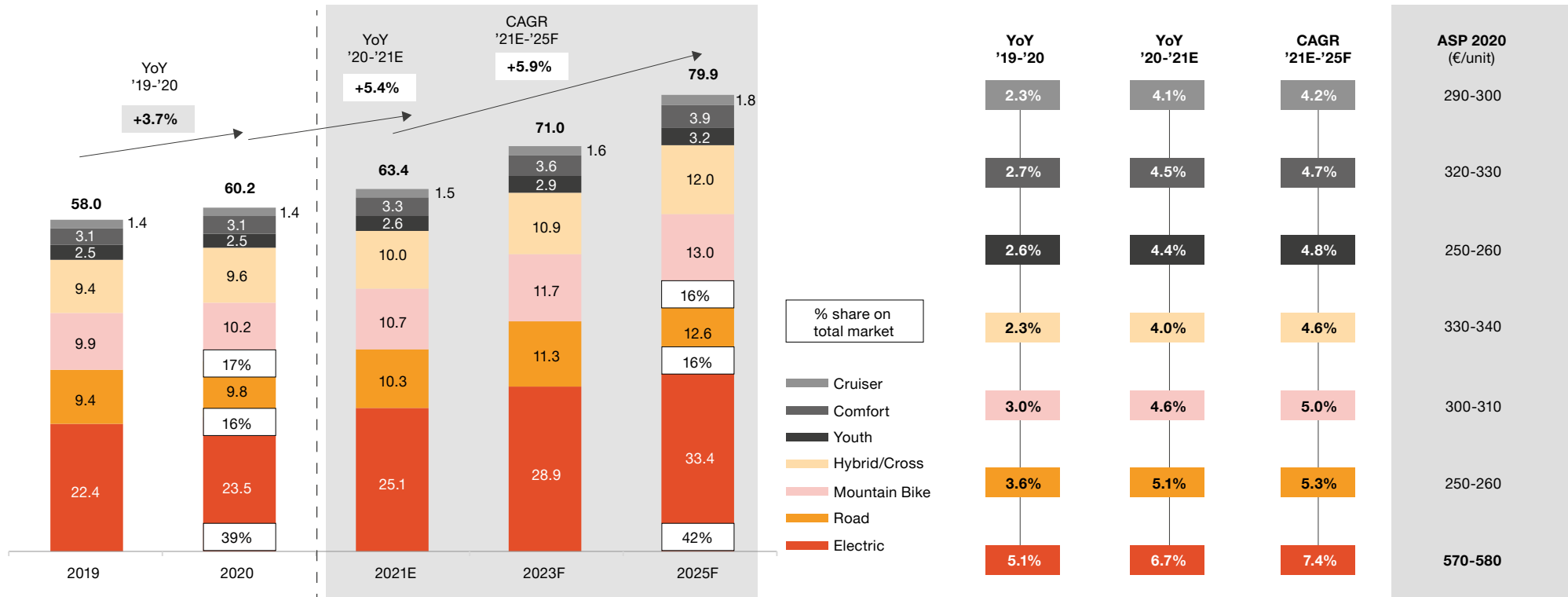
[...] e-Bikes are attracting new consumers to the market, those that were unwilling to cycle traditionally and older generations than aren't fit enough for unassisted pedalling

- Industry Expert

Bicycle Market

The **bicycle market growth** will be mainly driven by the **Electric** category with a projected increase of **+7.4%** (CAGR '21-'25) and showing the highest ASP; other key growing segments are **Road** and **Mountain Bike**

Global Bicycle Market by Geography and by Type* (€Bn, %)

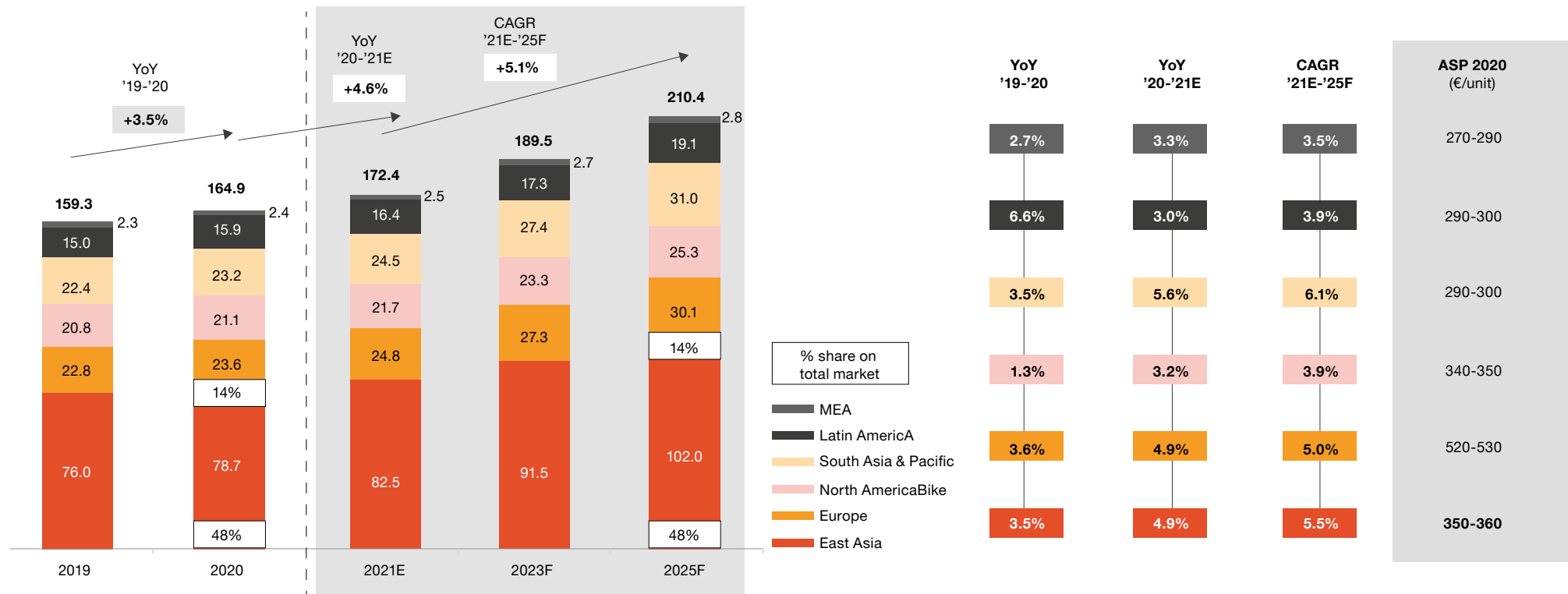


Sources: PwC Analysis on Persistence data

Bicycle Market

Between 2019 and 2020, the **global bicycle market's** volume has grown at a CAGR of **+3.5%**, and it is expected to reach ca. **210M units** in **2025** (CAGR '21-'25 **+5.1%**), with **South Asia & Pacific** leading the growth

Global Bicycles Market by Geography (M units, percentage)

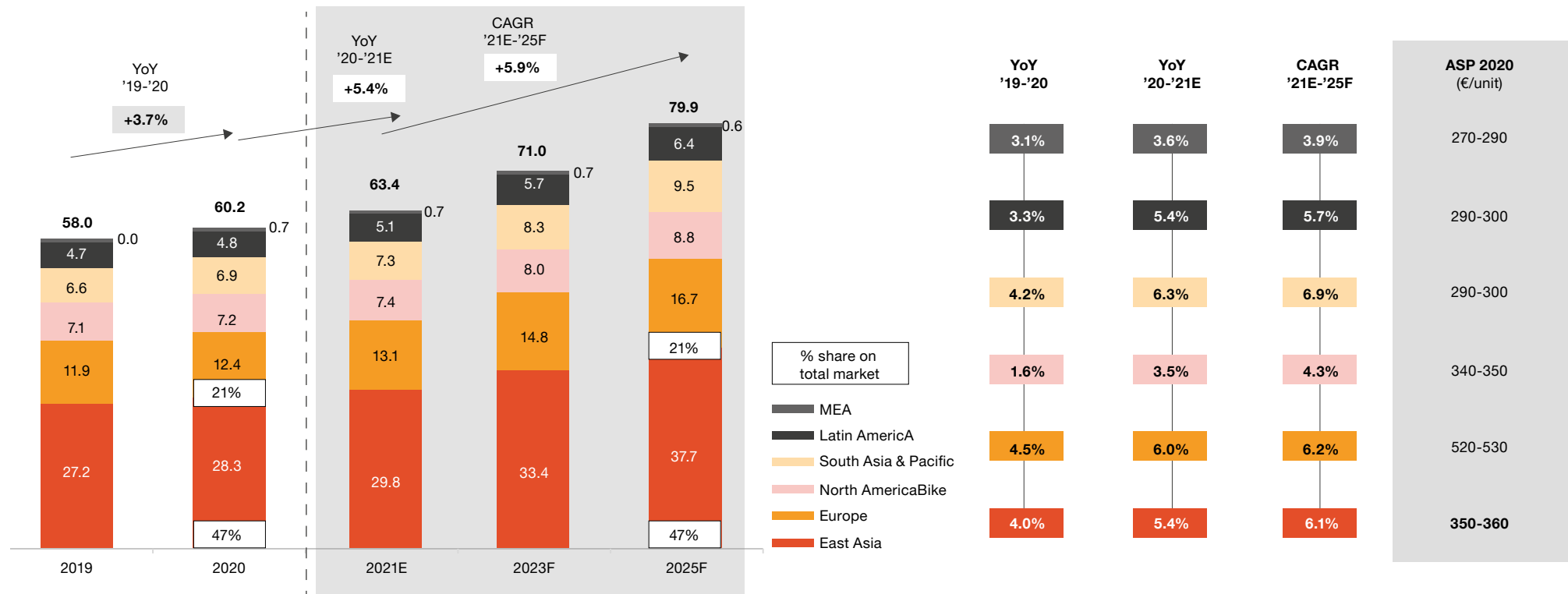


Sources: PwC Analysis on Persistence data

Bicycle Market

In 2020, the **global bicycle market** is worth ca. **60€Bn** and it is expected to reach ca. **80€Bn** in 2025 with **South Asia & Pacific** and **Europe** leading the growth with a CAGR '21-'25 ranging between **+6.2%** and **+6.9%**

Global Bicycles Market by Geography (RSP) (€Bn, percentage)



Sources: PwC Analysis on Persistence data

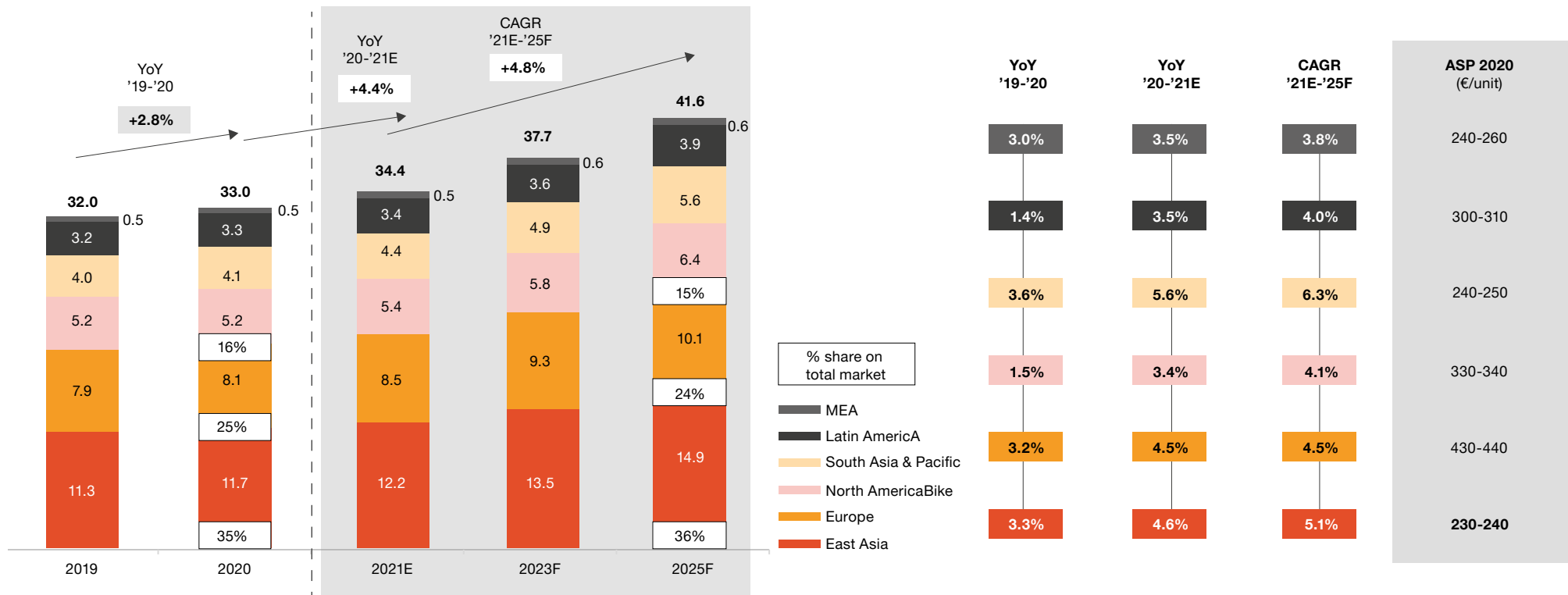
MTB & e-Bike Focus



MTB & e-Bike Focus

The **MTB market** accounts for ca. **33M units** in 2020 and it is expected to reach ca. **42M units** (CAGR '21-'25: **+4.8%**), with **South Asia & Pacific** and **East Asia** being the most attractive and fastest growing geographies

MTB Market by Geography (M units, percentage)

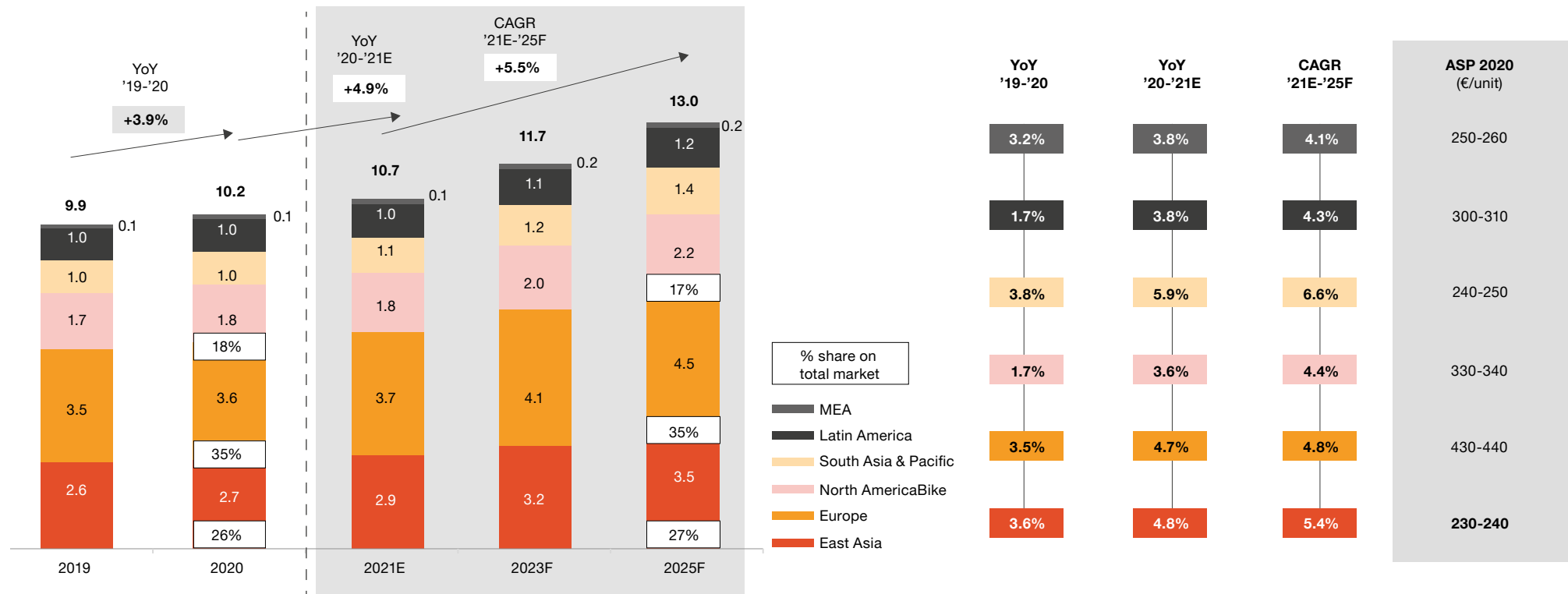


Sources: PwC Analysis on Persistence data

MTB & e-Bike Focus

In 2020, the **global MTB market** is worth ca. **10€Bn** in 2020 and it is forecasted to grow at a CAGR '21-'25 of **+5.5%** mainly driven by **East Asia** and **South Asia & Pacific**

MTB Market by Geography (RSP) (€Bn, percentage)

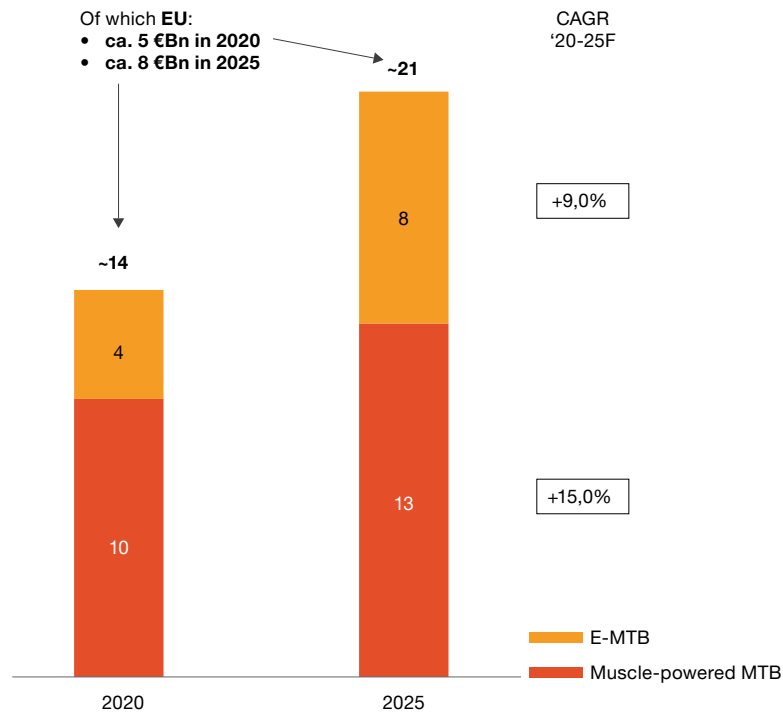


Sources: PwC Analysis on Persistence data

MTB & e-Bike Focus

PwC “market likely” estimates predict a 2020 MTB market of ca. **14€Bn**, and forecasted at ca. **21 €Bn by 2025 (CAGR '20-'25: 9%)**

Global MTB Market – PwC “market likely” (€B, percentage)



PwC view – «Market Likely»

- Persistence data **do not include the E-MTB segment** when estimating the MTB market;
- **E-MTB global**: the market was worth ca. **20% of the global MTB segment** in 2020 (vs. 75% share of the muscle-powered city urban and 5% of cargo E-Bike) for a value of ca. **4 €Bn**. Global projection of the **E-MTB** forecast that the market will reach **ca. 8 €Bn by 2025**;
- **E-MTB Europe**: **E-MTB** segment makes up ca. **30%** of the total MTB 2020 market for a total value of **1.5€Bn** and forecasted to reach **ca. 3€Bn by 2025**;
- A more correct view of the market should include the E-MTB segment: to the 2020 Persistence value of 10 €Bn it should be added the 4 €Bn value of the global E-MTB market. **The 2020 market should be worth ca. 14€Bn and forecasted at ca. 21 €Bn by 2025 (CAGR '20-'25: 9%).**

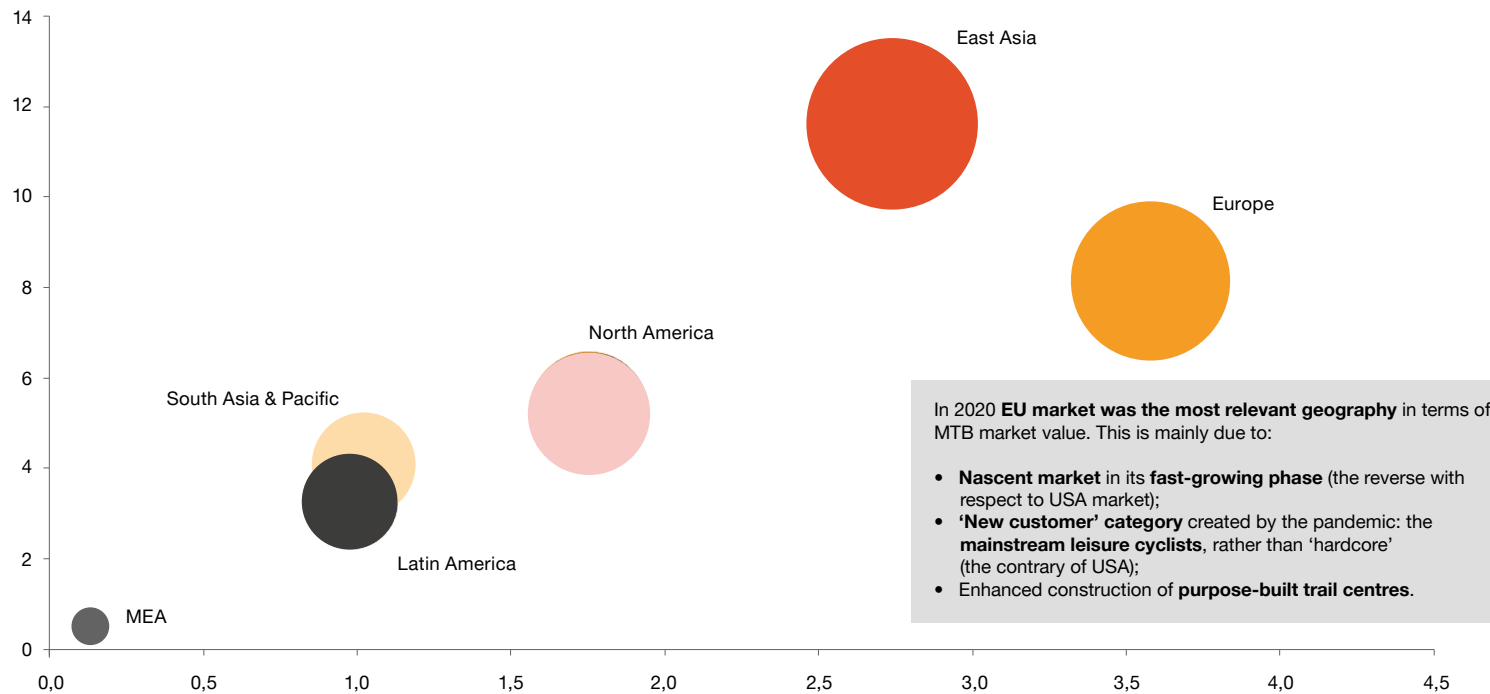
Sources: PwC Analysis on Persistence data, Mordor Intelligence Reports, Industry experts



MTB & e-Bike Focus

Europe and **East Asia** are the key regions of the **MTB market**, with **Europe** leading the market in terms of **value** and **East Asia** showing the highest **volume** across all regions

Global MTB Market – PwC “market likely” (€B, percentage)



In 2020 **EU market was the most relevant geography** in terms of MTB market value. This is mainly due to:

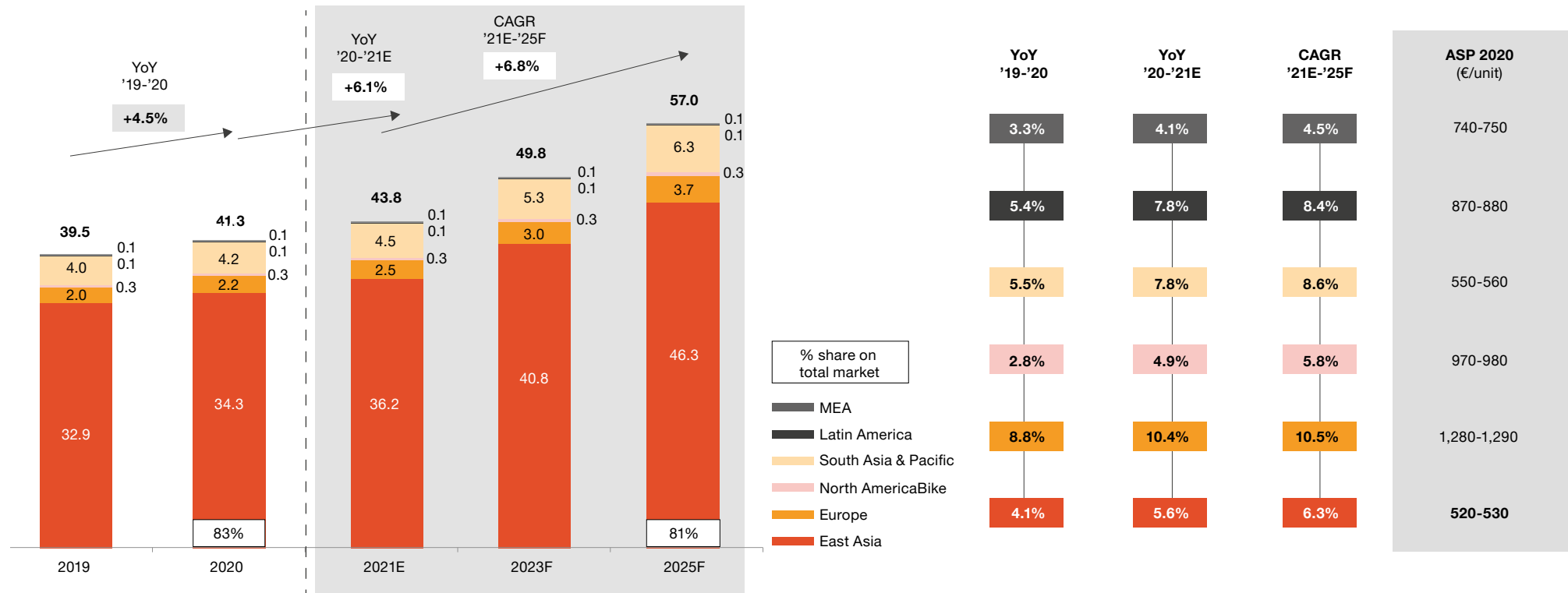
- **Nascent market** in its **fast-growing phase** (the reverse with respect to USA market);
- **“New customer” category** created by the pandemic: the **mainstream leisure cyclists**, rather than ‘hardcore’ (the contrary of USA);
- Enhanced construction of **purpose-built trail centres**.

Sources: PwC Analysis on Persistence data

MTB & e-Bike Focus

In 2020, the **electric bicycle market** accounts for ca. **41M units** in 2020 and it is projected to increase up to ca. **57M units** in 2025 (CAGR '21-'25 **+6.8%**) with Europe leading the growth in terms of CAGR '21-'25 (**+10.5%**)

E-Bike Market by Geography (M units, percentage)

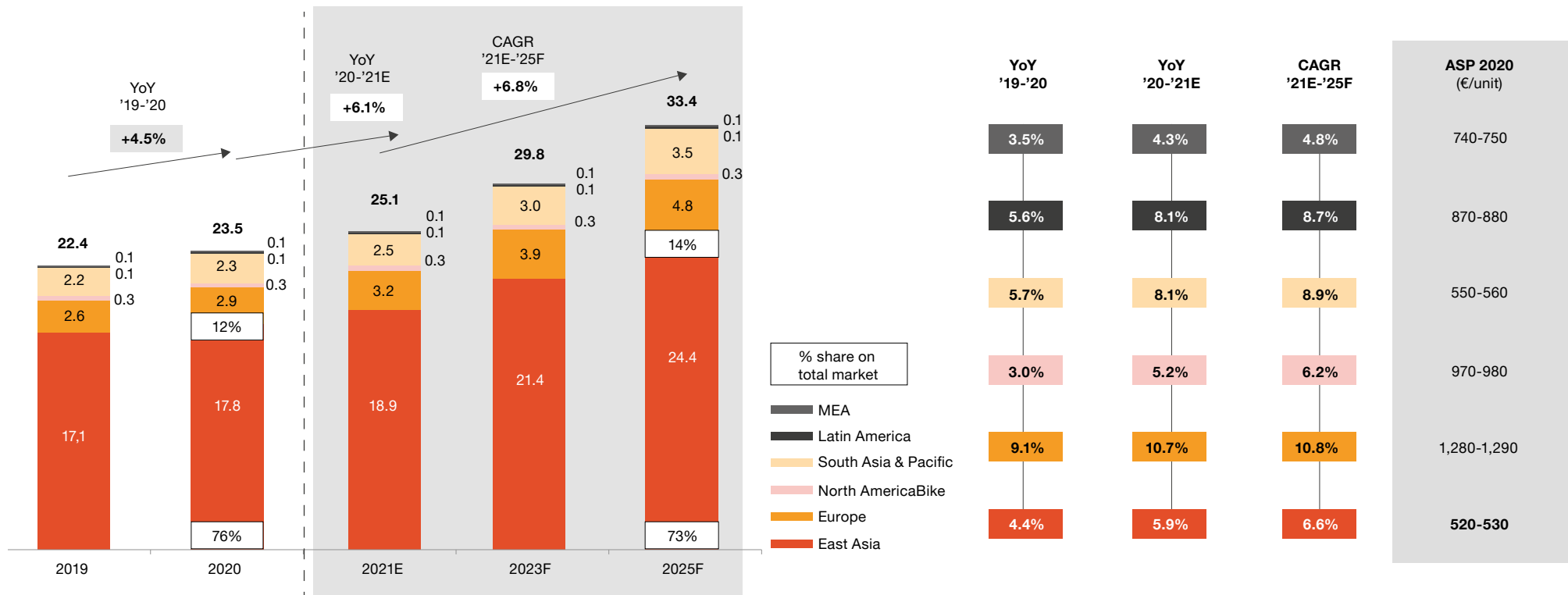


Sources: PwC Analysis on Persistence data

MTB & e-Bike Focus

In 2020, the **electric bicycles market** is worth ca. **24€Bn**, and it is expected to reach ca. **33€Bn** in 2025; Europe is expected to reach the highest growth with a CAGR '21-'25 of **+10.8%**

E-Bike Market by Geography (RSP) (€Bn, percentage)

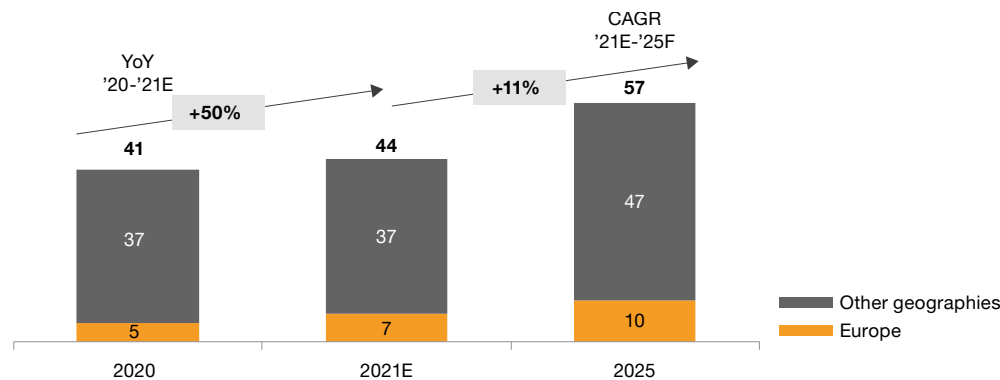


Sources: PwC Analysis on Persistence data

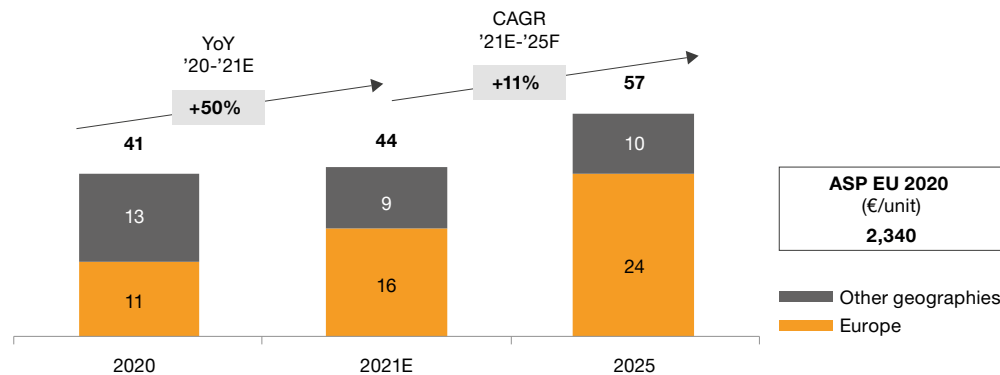
MTB & e-Bike Focus

PwC “market likely” estimates, considering CONEBI data and industry experts interviews, highlight a 2020 EU E-Bike market worth ca. **5 M units** and **€11 Bn**, growing with a **CAGR ‘21-‘25** of ca. **11%**

EU E-Bike Market – PwC “market likely” (M units, percentage)



EU E-Bike Market – PwC “market likely” (€B, percentage)



PwC view – «Market Likely»

East Asia and Europe in 2020 account for ca. 90% of the global e-bike market. The **relevant share for East-Asia** is mainly linked to:

- **Avg. price (in China is 250 €/bike** vs. 990 €/bike in USA and 2,600 €/bike in Germany) and the cost is expected to continue to slow down in the forecast years.
- **Good environment (incentives, infrastructure)** created by the governments for e-bikes in the Asia-Pacific region (especially in China, India, and Singapore).
- The rising **Bike-sharing** trend.

PwC estimates, in light of additional consideration on latest CONEBI data, research on industry market reports and industry expert analysis, assume that:

- In the 2020 EU **E-Bike market** there were sold **ca. 5 M** units, projected at **ca. 10 M units by 2025**.
- The EU market is worth ca. **11€Bn in 2020** projected at ca. **24€Bn in 2025** (CAGR ‘21-‘25: +11%).
- **2020 ASP (€/unit) of ca. 2,300**.

Sources: PwC Analysis on Persistence data, CONEBI, Mordor Intelligence Reports, Industry experts

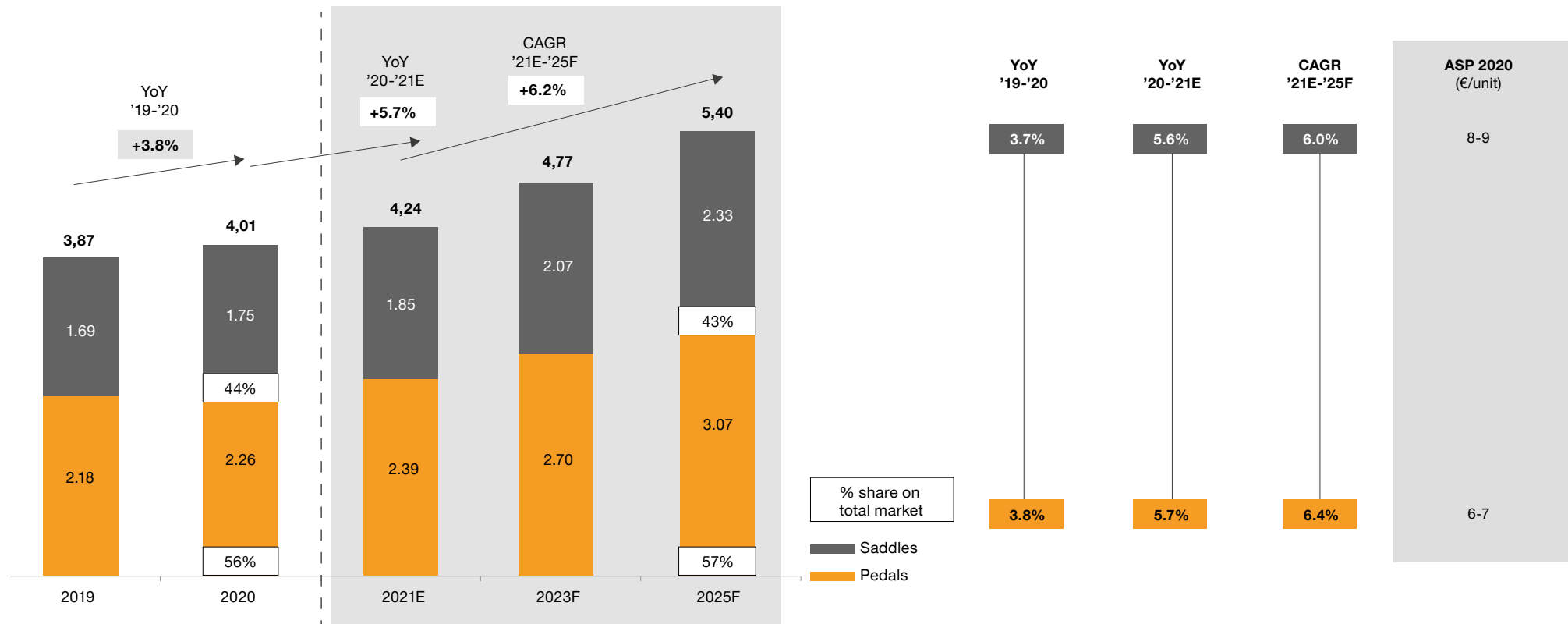
Bicycle Components Market



Bicycle Components Market

In 2020, the **global bicycle components** market is worth ca. **4€Bn** and it is forecasted to reach ca. **5.4€Bn** in 2025 with **pedals** representing the main product segment in terms of size, accounting for ca. **56%** of the market

Global Bicycle Components Market by Product Category (RSP) (€Bn, percentage)



Sources: PwC Analysis on Persistence data

Market Assessment

Key Findings from Industry Experts

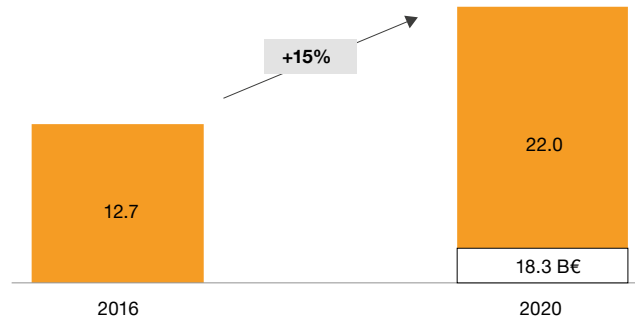
Key Findings from
Industry Experts



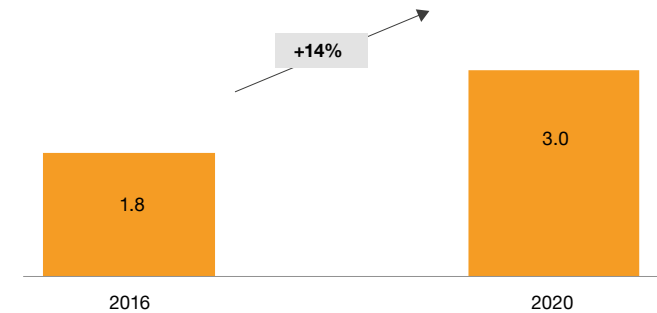
Bicycle industry was **positively affected by COVID-19**, reflecting in **growing participation** and **attraction of “new joiners”**, which have pulled **increasing demand**...

1 The **Bicycle industry** in **2020** has showed a **significant growth/boost**, mainly thanks to the increasing interest for **outdoor activities** influenced by COVID-19 restrictions ...

Bike & E-Bike production in Europe* (M units)



Bike parts & accessories production in Europe* (M units)



2 ... **“New joiners”** of the **Bicycle industry**, who contributed to enlarge the market, are **not seen as a “temporary peak”**.

Retailers and market experts expect that a **low portion of “new joiners” will abandon** the market since **they made an investment** and they had the time to **become highly engaged and passionate**

“ It is crazy how many different people are taking on bicycle and are enthusiastic about it [...] that’s why I’m so sure that a few of them will drop out and many people stay. Cycling is a “fit all” sport, especially when thinking about the benefits
- Biker

“ ... The busiest times are at weekends, suggesting the rise is mainly down to recreational use [...] the lockdown is drawing new people into cycling – especially families trying to keep restless children entertained
- Biker

“ With the pandemic, people have improvised themselves as professional cyclists [...] cyclists on the road have doubled since the Pandemic started
- Biker

“ In 2020, our orders of bicycle and bicycle equipment have been three times the size, compared to previous years
- Retailer

“ Cycling has become a symbol of freedom in the pandemic – an opportunity for mental as well as physical release from the confines of lockdown life...
- Biker

Sources: CONEBI*, Industry Experts, PwC Analysis

... but the positive **increase in orders** is also generating **some difficulties for Bike manufacturers** due to the **lack of components and supplies** from Far-East

3

The pandemic-related **boost to the Bike industry** is generating some difficulties for manufacturers who are **not able to keep up with orders**

“

...How is it going? Well, maybe too good. We can't keep up with orders. After a 2020 growing at around 25%, this year we could almost double. We could but we cannot, because there is a lack of supplies of components...

- Stefano Agostini, Head of e-bikes Italy of Fantic Motor

“

...Shimano, the world leader in the production of groupsets, currently has a delivery time of 18 months...

- Bottecchia Sales Department

“

...We have a doubled demand, but the production capacity has grown by 20%: the problems lies with the components, delivery times have expanded from 40 days before the pandemic to the current eight months...

Andrea Gastaldello – Wilier Triestina



Key “post-COVID-19” trends in the market include **E-Bike, Bicycle leasing programs** and **reshoring**

1

E-Bike



...E-bikes are becoming consumers' preferred choice [...] European citizens are selecting greener e-mobility options over buying cars or using public transport, which resulted in e-bikes enjoying a staggering 52% increase in sales. E-bike sales leapt to €10.6 billion in 2020...

- Manuel Marsilio, CONEBI General Manager



...Companies need to be prepared to this trend with a correct product offer and strategy. Now I can see that most players' offer in this segment is still not satisfying all the consumers. For example e-trekking, e-city and e-MTB are well-developed sectors and instead e-road and e-gravel are not because they are for amateurs, people who want to have fun and go high-speed. In EU there are standard limits for speed, while in the USA there are few restrictions and these models are booming...

- Manuel Marsilio, CONEBI General Manager

2

Bicycle Leasing programs



...The model of leasing bikes via income tax reductions with the government/company is on the rise and having a high effect across the country. Many companies are also incentivizing their employees to use bikes...

- Industry Expert



...Rental schemes are becoming the most common approach in most sectors offering significant benefit to both the consumer and the manufactures [...]

Spending \$5-10k on a bicycle is an extravagant whim [...] this type of consumer is willing to pay a monthly rental fee if this allows them to always replace their bike with the latest model available...

- Industry Expert

3

Reshoring



...The current situation in the global supply chain is an important signal: we need to invest more in production in Europe. Based on current projections, we expect the value of parts and accessories produced in Europe to double to €6 billion by 2025...

- Erhard Büchel, CONEBI President



...With Covid-19 Pandemic we had problems with the majority of our clients who import their components from the Far-East but also with clients who produce in Eastern EU (i.e. Campagnolo in Romania).

I see as a trend the re-shoring of local production for some key parts to minimise crisis-induced shortages...

- Industry Expert

BikeFun increased its e-bike production, forecasting a **FY21** where **e-bike sales will be higher** than traditional bikes & **Taizo Shimano** stresses that **concerns about the environment are intensify E-Bikes' sales**

E-Bike trend – BFI Quotes



...Everybody knows there will be many more e-bikes in the next years. We have to secure our supply chain more together with our partners from all over the world. The lead-times in our industry are very long in general and the season, especially in some countries, very short. Better information from the dealers should help us produce the right (e-)bikes in spring every year...

For 2021 we have a very ambitious plan. We have a new co-operation with Bosch and many nice e-bikes to be produced soon. Our customers appreciate these e-bikes a lot and have placed big orders but the most important thing will be the market reaction of European consumers, if they buy our new Bosch e-bikes in big numbers FY2021 will be the first year when revenues from e-bikes will be higher compared to revenues from bikes...

Petr Sazovský - Finance Director Bike Fun International



In the FY2021 we focused on the production of more e-bikes and expensive bikes so our average sales price should rise. We introduced Bosch e-bikes so we can offer an alternative to Shimano STEPS and our e-bike system Sport Drive. I am sure we will sell more (e)-bikes on all European markets and we will be ready for this demand. We also expect an increase of our orders - OEM bikes but also our own brands Superior, Rock Machine and Frappé. We have had very positive feedback from the market on our new collection for 2021 and from September 2020 we should be able to deliver new bicycles to our customers.

- Martin Guráš - Sales Director - CEO Bike Fun International

E-Bike trend – Shimano Quotes



...Expanding our presence in the electric bike segment is an important part of our growth plans. E-bikes generate about 10% of Shimano's revenue but the company lags behind rivals such as Bosch. Shimano also faces fierce competition from new players. [...] there are many players from the automobile industry and the way the automobile industry thinks about ideas such as scale is completely different from us...

Taizo Shimano – CEO Shimano Group



...I think e-bikes will become part of the social infrastructure [...] electrified pedal power will become a common means of transportation amid rising global concern over the environment. Once the market gains momentum, it will spread rapidly and steadily .

- Taizo Shimano – CEO Shimano Group



E-bikes pose a challenge for a traditional bicycle component maker like Shimano because it must overcome new technical obstacles such as switching from mechanical to electronic drivetrains.

The parts must also mesh well with batteries and motors

- Taizo Shimano – CEO Shimano Group

Key Players

Saddles Players 37

Performance Saddles 39

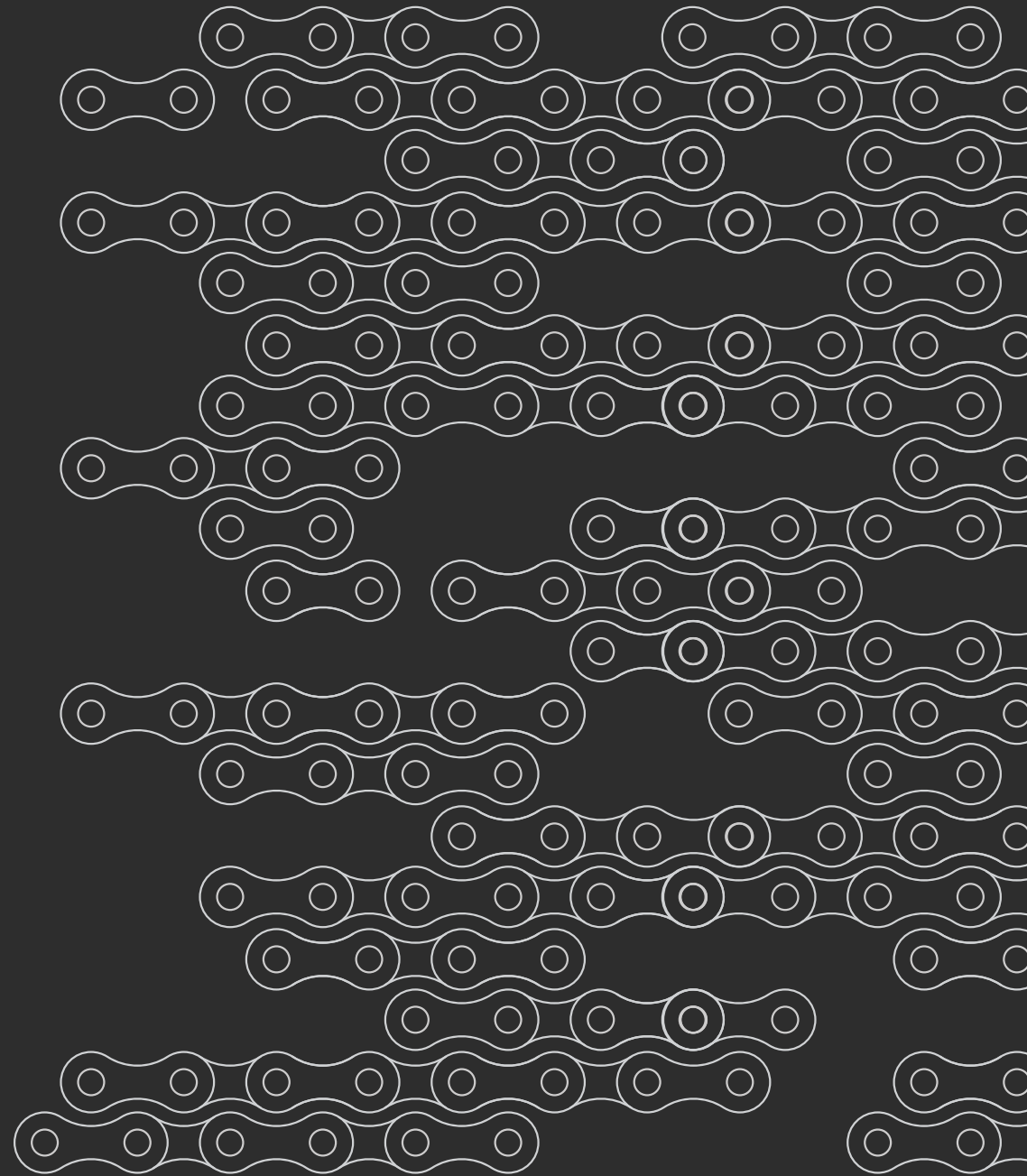
Recreational Saddles 42

Footwear Players 45

Road Bicycle Footwear 47

MTB Footwear 50

MTB Pedals Players 53



Key players/brands in the **Bike Apparel & Accessories market** can be divided into **3 key categories: Saddles** (Performance & Recreational), **Footwear** (Road & MTB) and **MTB Pedals**

Saddles

Footwear

MTB Pedals

Performance

Cairu Selle Royal Prologo Ergon
 XLC Selle SMP Specialized PRO
 Dofoho Bontrager SDG Components
 WTB Fabric Fizik Selle San Marco
 ISM Cionlli DDK Selle Bassano
 Velo Selle Italia SQLab Brooks

Road

DMT Specialized Sidi Gaerne
 Bontrager Lake Northwave Bont
 Suplest Giro Fizik Shimano

Recreational

Cairu Selle Royal Selle SMP Fuxon
 XLC Serfas Cionlli Specialized
 Dofoho Contec DDK Ergon
 Selle Bassano Selle Italia Brooks
 Selle Monte Grappa Terry Velo
 Wittkop Bontrager SQLab

MTB

Gaerne Specialized FiveTen ION
 Bontrager Scott Shimano Fizik
 Crankbrothers Giro Sidi
 Ride Concepts Northwave

Wellgo Shimano
 Time Look Cycling
 HT Components
 DMR Bikes OneUP
 Crankbrothers
 Deity Nukeproof
 Raceface

Key Players

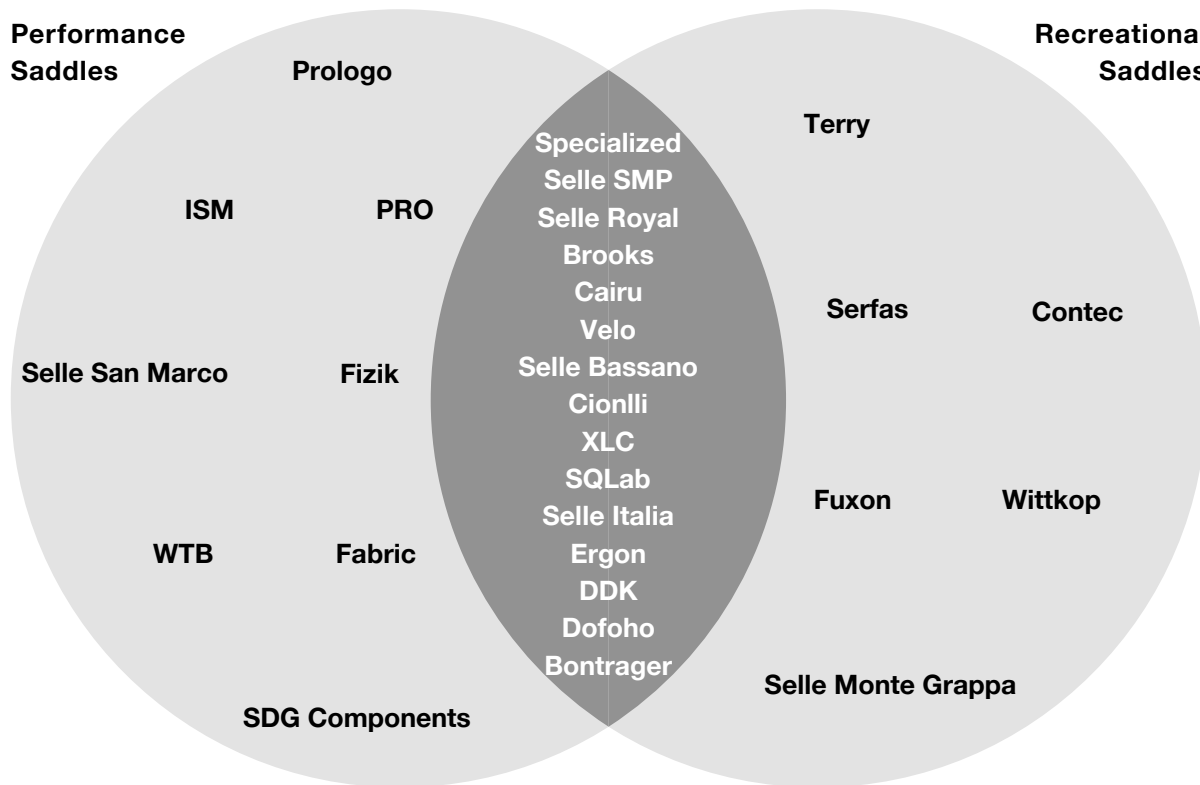
Saddles Players

Saddles Players



Saddles Players

The players in the **Performance** and **Recreational** segments of the **bicycle saddle market**, often operate in both segments (e.g. **Specialized**); other brands, such as **Prologo**, are present in a single segment



Sources: PwC Analysis, Management

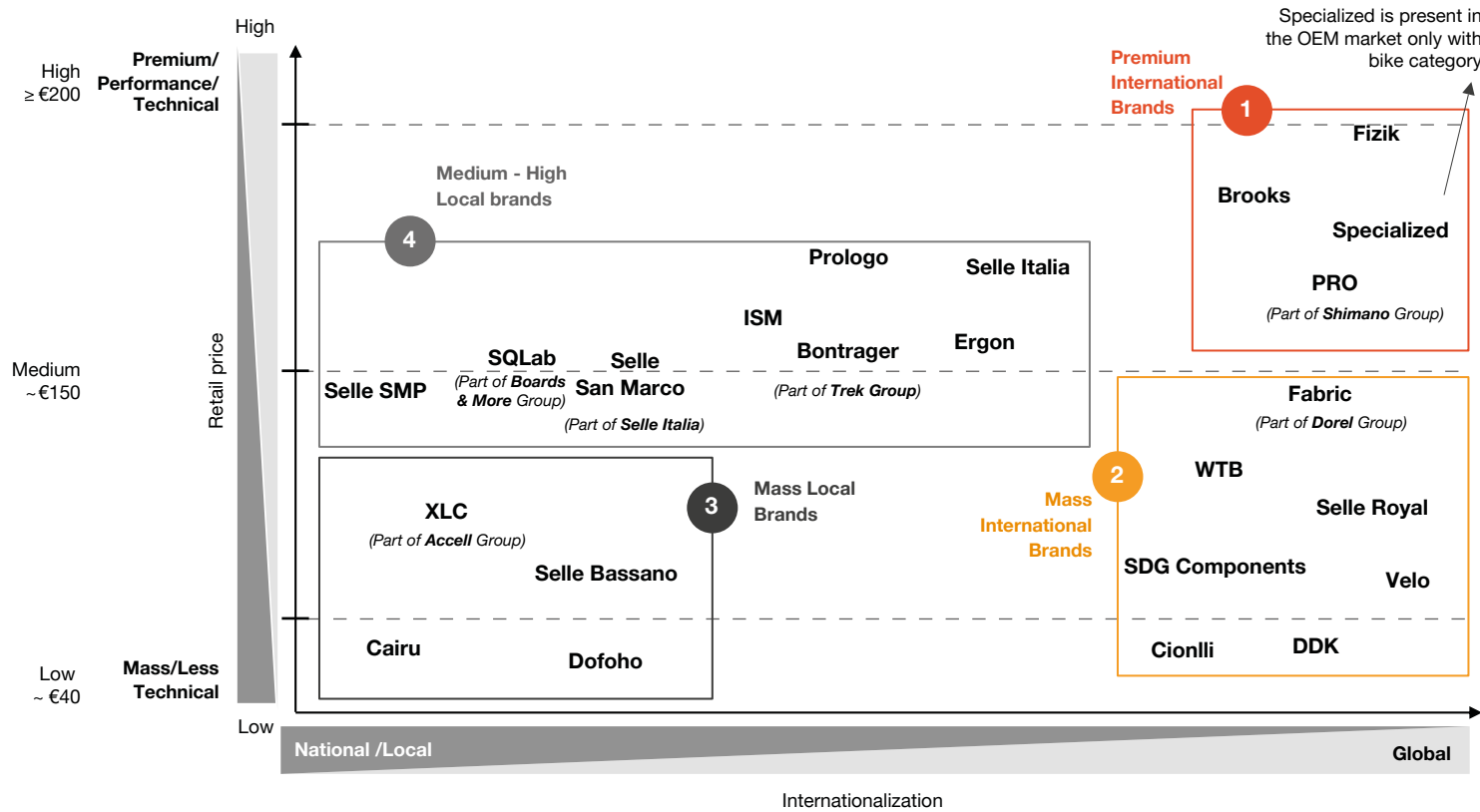
Performance Saddles



Saddles Players

The performance saddle landscape is mainly divided into 4 strategic groups depending on the players' internalization level and retail price

Strategic Mapping of main Performance Saddles Players



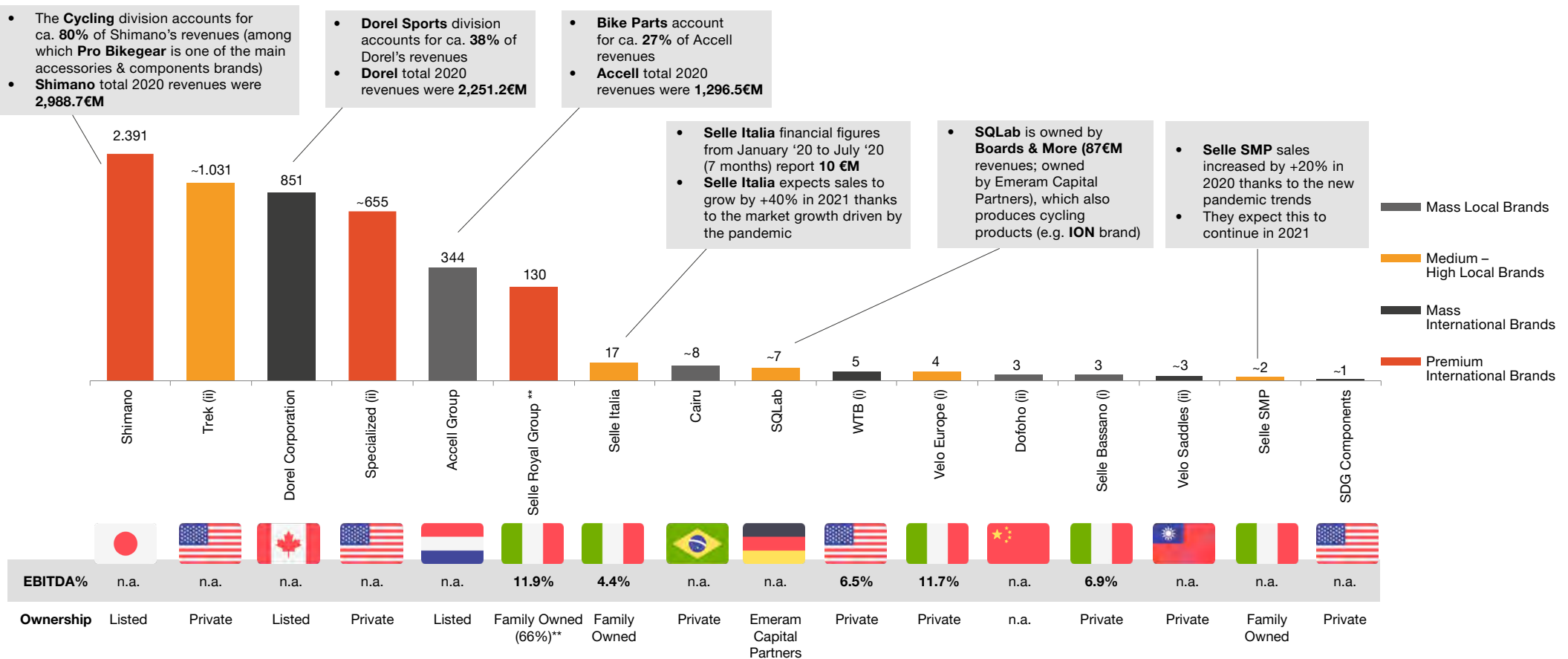
Illustrative

Sources: Management, PwC Analysis
 Note: (*) Consolidated data of Selle Italia + Selle San Marco

Saddles Players

In the performance saddle segment, **Shimano** is the first Group with ca. **2.4€B sales** (with **Pro Bikegear** as one of the main brands) followed by **Trek**, which with **Bontrager** is the leader of the medium-high local brands

Sales of major Performance Saddles Players* (2020, €M)



Sources: Company website, Cerved, Orbis, Persistence, Specialised Press, Annual Reports, Investor Presentations

Notes: (*) Sales for other Players not shown in the barchart are not available; (**) 33% fund owned. FY ending in June; (i) Considered Sales 2019, (ii) Considered Sales 2018.

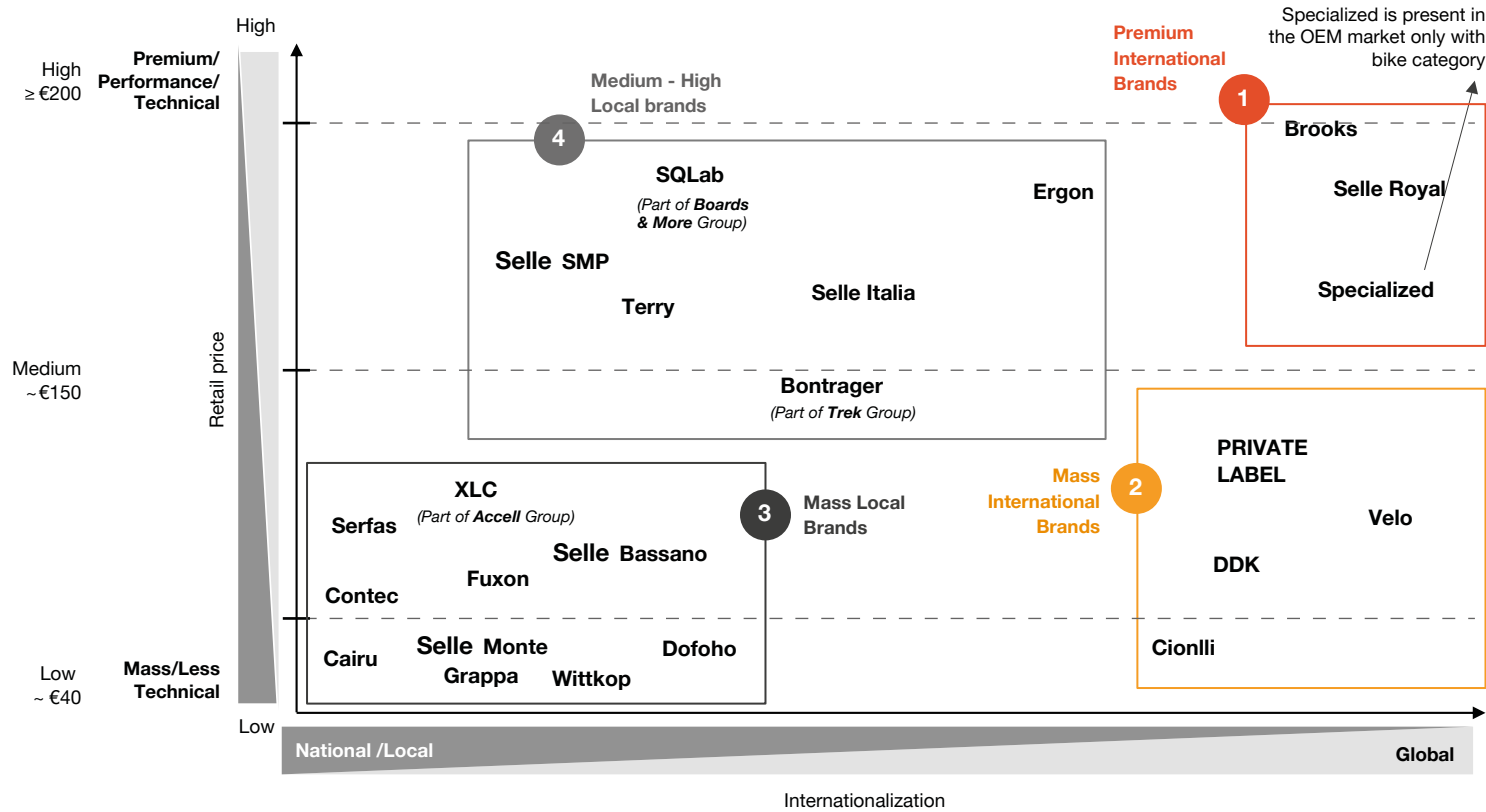
Recreational Saddles



Saddles Players

The recreational saddle landscape is mainly divided into 4 strategic groups depending on the players' internalization level and retail price

Strategic Mapping of main Recreational Saddles Players



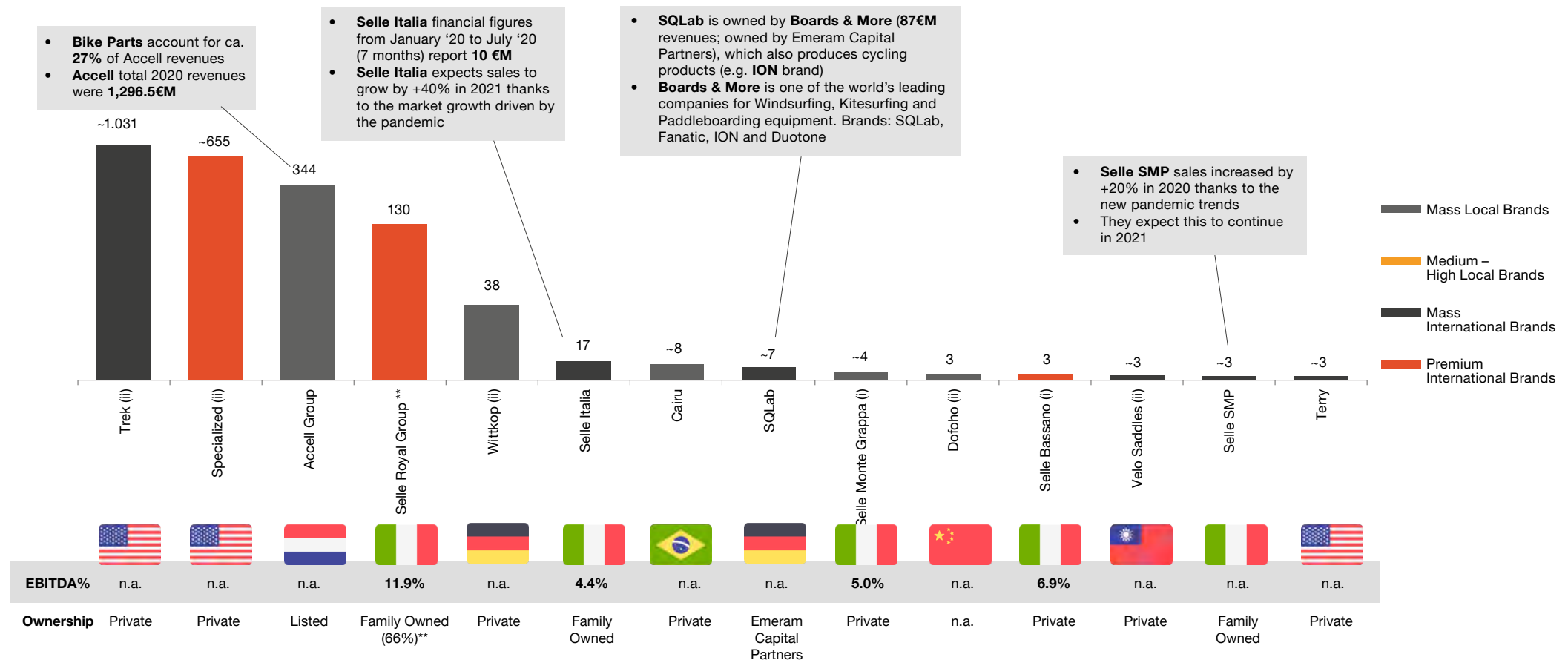
Illustrative

Sources: Management, PwC Analysis
 Note: (*) Consolidated data of Selle Italia + Selle San Marco

Saddles Players

Trek (with the leading Bontrager Brand), Specialized and Accell (of which XLC Brand) Groups lead the segment with ca. €2B Sales and are followed by a long-tail of medium-small local brands

Sales of major Performance Saddles Players* (2020, €M)



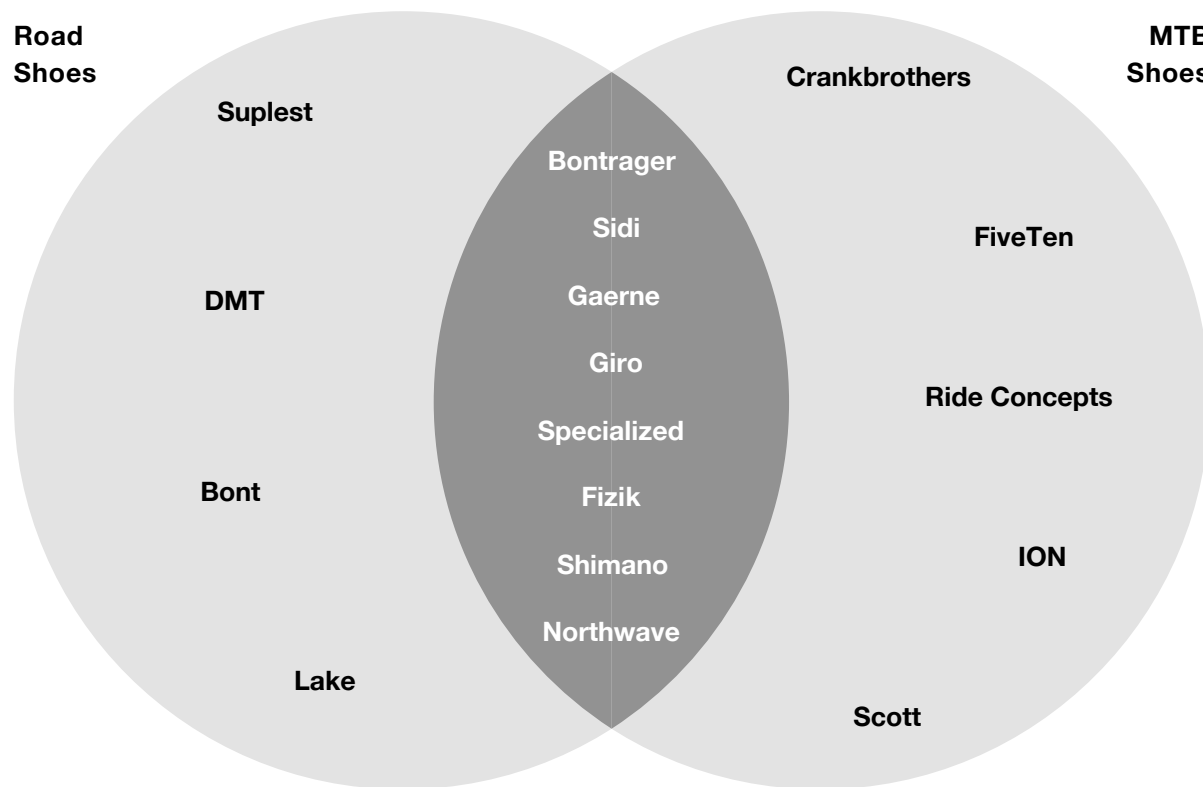
Sources: Company website, Cerved, Orbis, Persistence, Specialised Press, Annual Reports, Investor Presentations

Notes: (*) Sales for all the other Players selected not shown in the graph above are not available; (**) 33% fund owned. FY ending in June; (i) Considered Sales 2019, (ii) Considered Sales 2018



Footwear Players

The players in the **MTB** and **Road** segments of the **bicycle footwear market**, often operate in both segments; highly specialised Brands, such as **Crankbrothers** and **Scott**, concentrate their product offer to a single segment



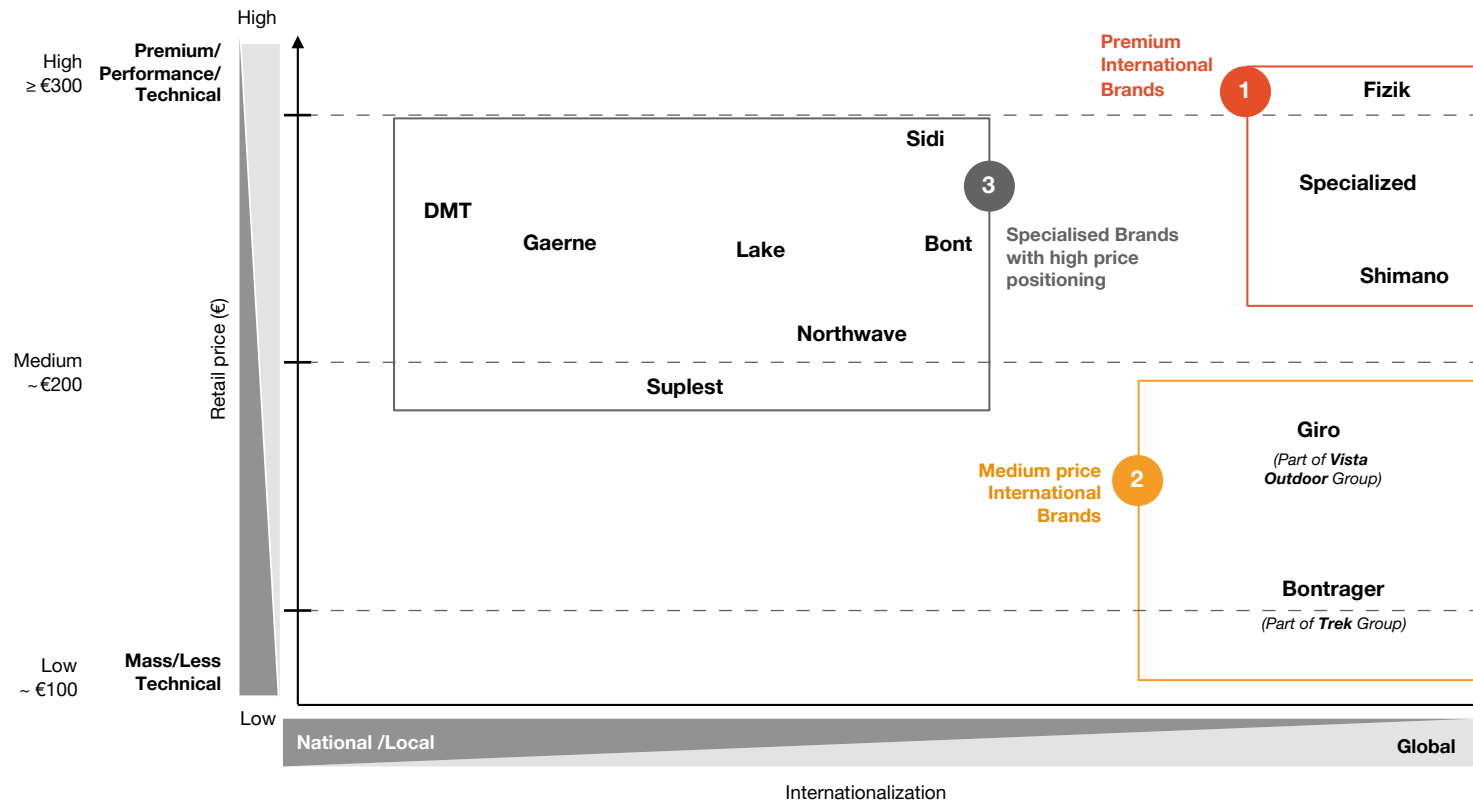
Sources: PwC Analysis, Management Interviews



Road Bicycle Footwear

The **road shoes landscape** is mainly divided into **3 strategic groups** depending on the **players' internationalization level** and **retail price**

Strategic Mapping of main Road Shoes Players



Illustrative

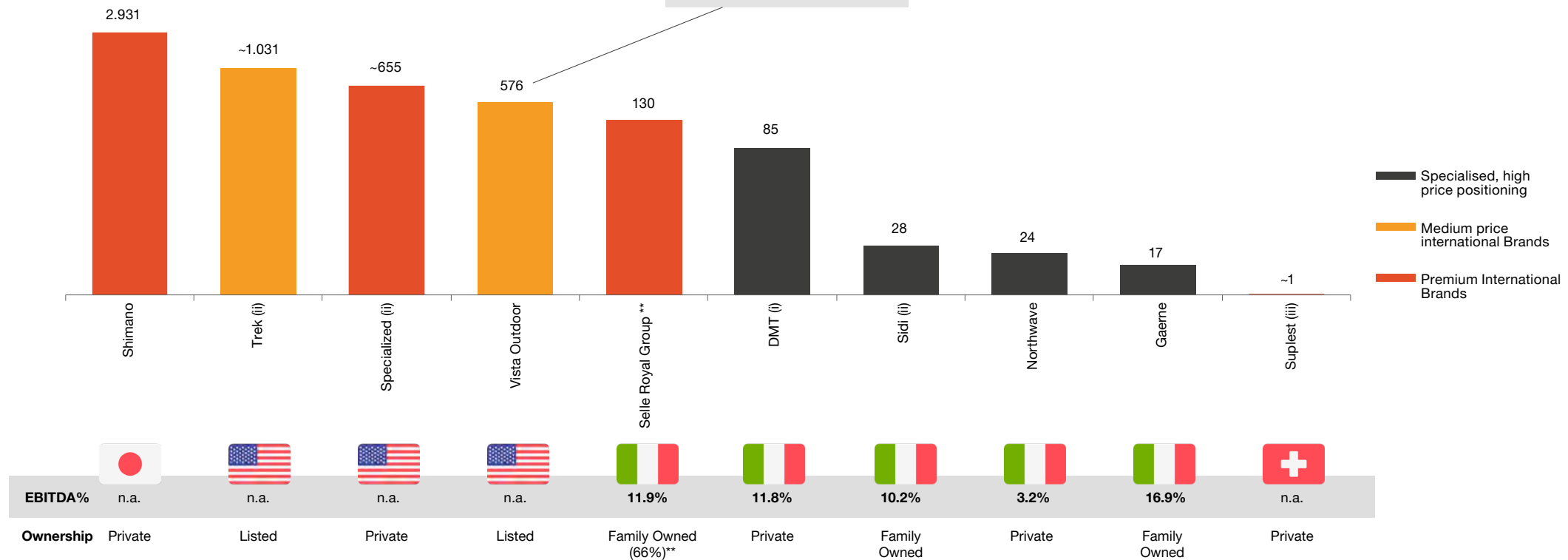
Sources: Management, PwC Analysis

Shimano, Trek, Specialised and Vista Outdoor (Sports Division - with **Giro** as key brand) are **leading international brands** followed by some **specialised brands with premium positioning**

Sales of major Road Shoes Players* (2020, €M)

- The **Cycling** division accounts for ca. **80%** of Shimano's revenues
- **Shimano** total 2020 revenues were **2,988.7€M**

- **The Sports** division accounts for ca. **32%** of Vista Outdoor's revenues
- **Vista Outdoor** total 2020 revenues were **1,814€M**



Sources: Company website, Cerved, Orbis, Persistence, Specialised Press, Annual Reports, Investor Presentations

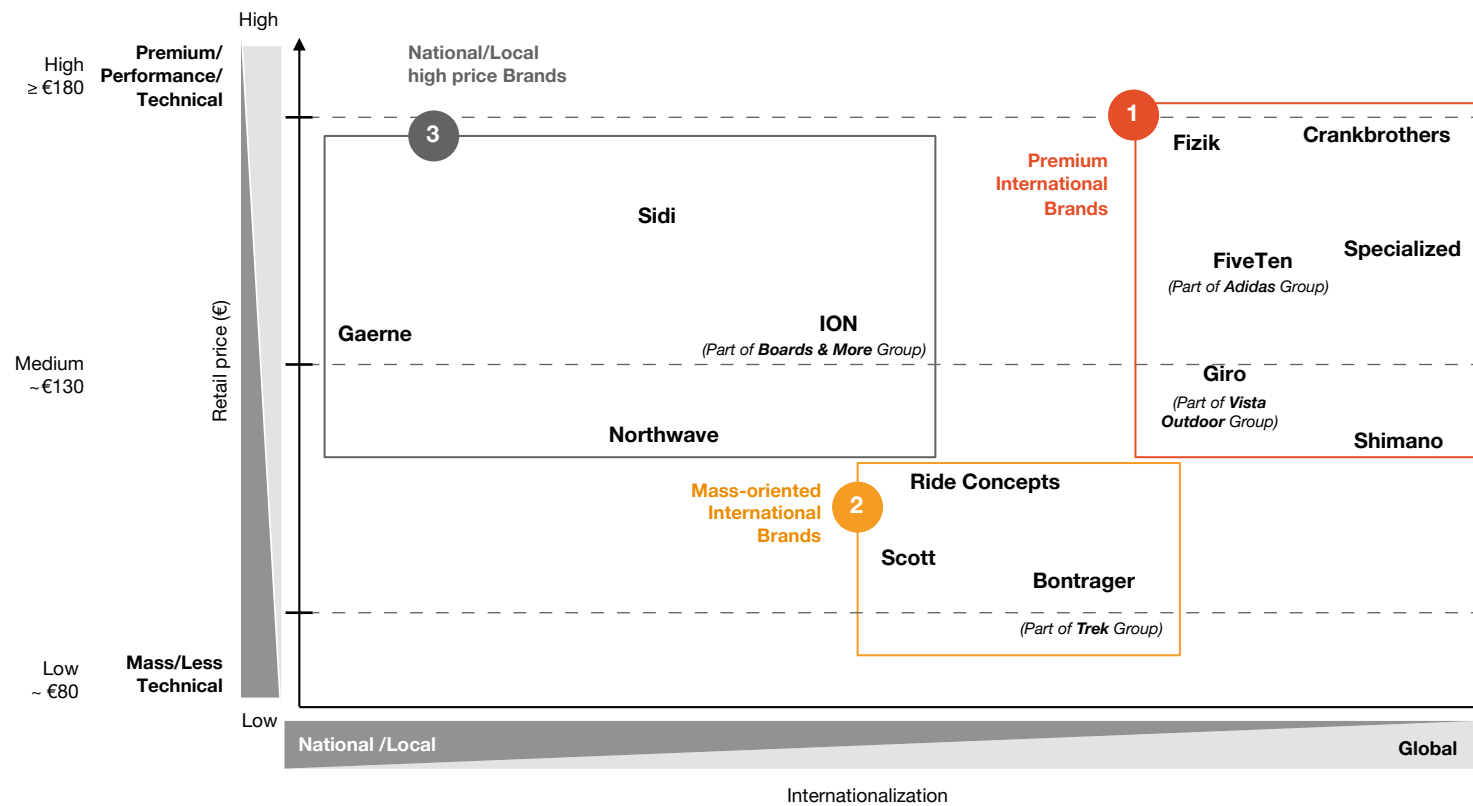
Notes: (*) Sales for all the other Players selected not shown in the graph above are not available; (**) 33% fund owned. FY ending in June; (i) Considered Sales 2019, (ii) Considered Sales 2018, (iii) Considered Sales 2016



MTB Footwear

The **MTB shoes landscape** is mainly divided into **3 strategic groups** depending on the **players' internalization level and retail price**

Strategic Mapping of main MTB Shoes Players

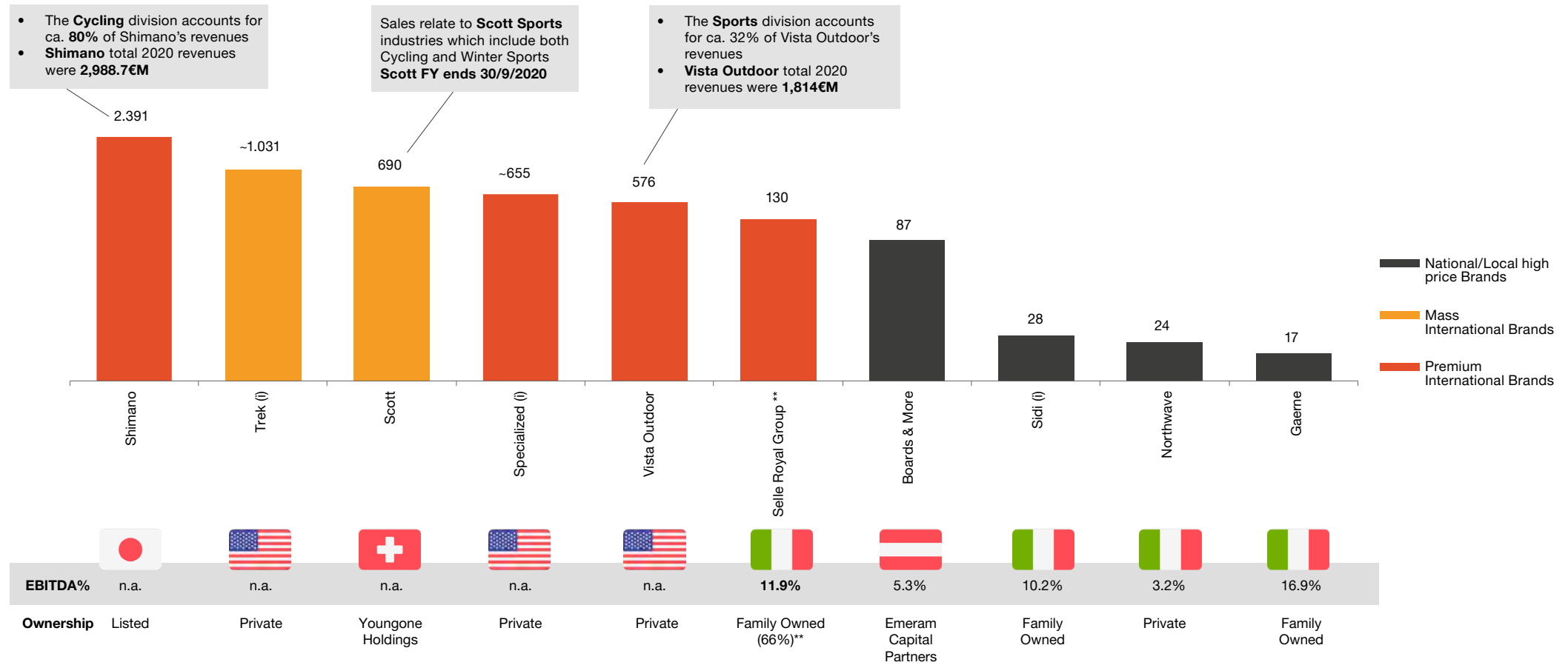


Illustrative

Sources: Management, PwC Analysis

Among the players in the MTB Shoes segment, **Shimano** leads the competition with ca. 2.4€B sales, followed by **Trek**, which is the leader among the **mass international brands**

Sales of major MTB Shoes Players* (2020, €M)



Sources: Company website, Cerved, Orbis, Persistence, Specialised Press, Annual Reports, Investor Presentations
 Notes: (*) Sales for all the other Players selected not shown in the graph above are not available; (**) 33% fund owned. FY ending in June (i) Considered Sales 2018

Key Players

MTB Pedals Players

MTB Pedals Players

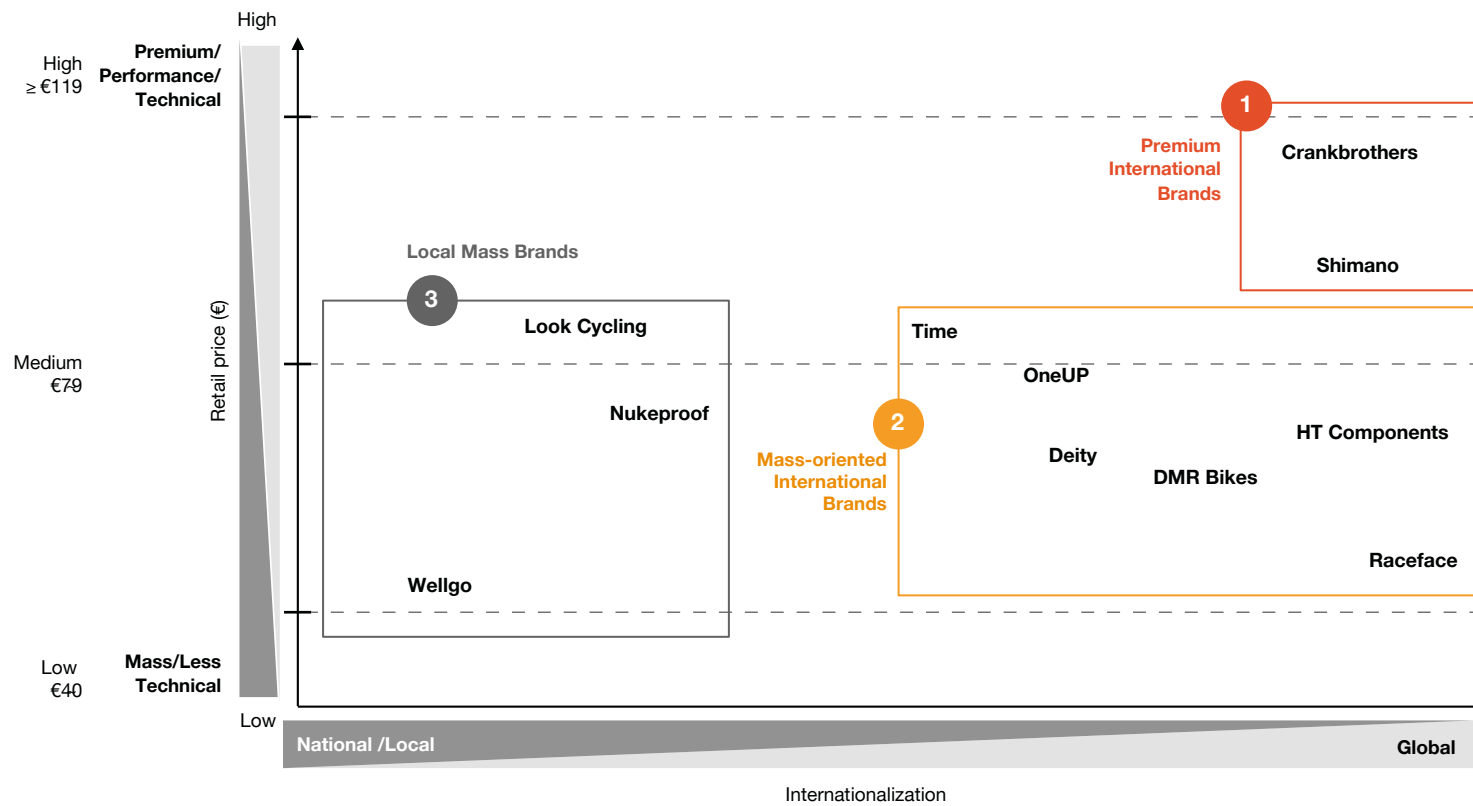


Key Players

MTB Pedals Players

The MTB pedals landscape is mainly divided into 3 strategic groups depending on the players' internationalization level and retail price

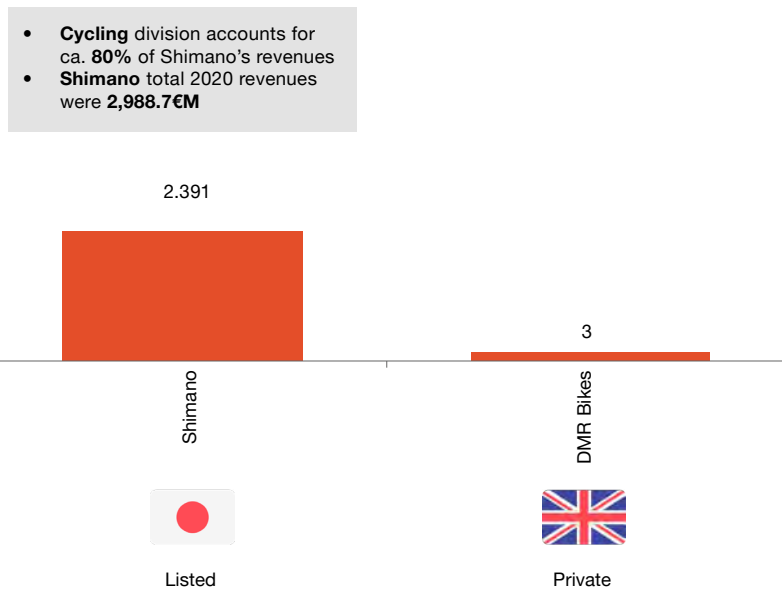
Strategic Mapping of main MTB Pedals Players



Illustrative

Shimano Cycling division registered **total revenues of ca. €2.4 Bn**; **2020 components production rose by 50% compared to 2019** and the Group is expanding its **factories** both in the **domestic market and overseas**

Sales of major MTB Pedals Players* (2020, €M)



- **Cycling** division accounts for ca. **80%** of Shimano's revenues
- **Shimano** total 2020 revenues were **2,988.7€M**



“[...] the cycling craze presents Shimano with a challenge: keeping up with the seemingly insatiable demand for its parts ... [...]”

We deeply apologize [for the lack of supplies]. ... We are reprimanded by bicycle makers,”. Demand “has grown explosively and we expect the trend to hold until at least next year [...] We are cranking out components as fast as we can. 2020 production rose 50% compared with 2019 [...]”

We are investing 13 billion yen in domestic factories in Osaka and Yamaguchi Prefecture to increase capacity and improve efficiency. We are also expanding in Singapore, our first overseas production site, which it built almost five decades ago. A new 20 billion yen plant in the city-state will produce bicycle transmissions and other components. After delays to construction due to COVID-19 restrictions, the plant is scheduled to come online by the end of 2022. It was supposed to be completed in 2020”

- Taizo Shimano – President, March 2021

Sources: Company website, Cerved, Orbis, Annual Reports

Notes: (*) Sales for all the other Players selected not shown in the graph above are not available (i) Considered Sales 2019, (ii) Considered Sales 2018

Contacts

Fabrizio Franco De Belvis

Partner – Deals

+39 348 5288714

fabrizio.franco@pwc.com



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