

# Macron. The Strategic Role of Sponsorship to Sustain Brand Growth

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# Introduction

It was 7pm and the sun was going down the hills of Valsamoggia. The CEO Gianluca Pavanello was observing the work in progress for the Macron new headquarters : two buildings of 22.000 sqm crossed by a canal. Facing the building site of the new offices and distribution center, symbol of the fast growth of the company, the CEO asked himself: *“We have done so much until now, but right now we are in front of a crossroads. How can we continue to achieve growth in the complex context where we operate?”*.

From a unique Italian distributor of baseball equipment on behalf of MacGregor USA and other American baseball brands, in 1971, Macron then twisted its offer, entering in the arena of professional football sponsorships. This signed the company trajectory towards the sports sponsorships, before only in Italy and then also abroad, until to reach today 71% of revenues abroad and 29% in Italy. The Macron rapid and stable improvement, especially in teamwear as its core business, reached the highest point in 2018, when the UEFA gave to the company three recognitions: the definition of Macron in *“The European Club footballing landscape”* (2018) as the third most important supplier in the world of European football, after Nike and Adidas; the decision to choose the Italian sports brand as its official partner for the supply of apparel to the smaller football federations for the years 2018-2022; choose again Macron as Official Referee kits supplier to all the referees of all the UEFA competitions (the most important: Champions League, Europa League, Euro 2020 and Nations League).

However, despite these important recognitions, Macron management team was aware that a new step should be undertaken in order to compete in a global market with some global player (Nike, Adidas and Puma) and several aggressive attackers. How can Macron sustain its growth? How to keep growing internationally? What marketing levers to activate to stimulate awareness, trial, engagement and loyalty? Are strategic sponsorships still a valid growth tool or should be modified?

Those seemed some of the core question Pavanello was about to discuss with his management team.

# Macron's history

## From baseball to the biggest football and rugby teams

Founded in 1971 in Valsamoggia, near Bologna by Cesare Tugnoli, Macron started its business as the exclusive Italian distributor of baseball equipment on behalf of MacGregor USA and other American baseball brands.

Three years later, after the acquisition of Record Sports, Macron extended its portfolio products, started producing apparel for basketball, baseball, volleyball and American football. In parallel to the distribution of sports equipment, the company saw a new opportunity in the production of uniforms for professional teams, on behalf of Adidas, Nike, Reebok, Spalding and Champion. Then, with the aim of focusing on team sports of big reach, Macron extended in 1991 its partnership with Champion, developing the production of NBA replicas at an industrial scale for the European market.

However, a new bold strategic move for Macron arrived ten years later, when in 2001 the sportswear company began its adventure in professional football, through the first sponsorship of Bologna FC 1909. Since then, the strategic trajectory has been marked, with a constant increase of the number of sponsorships which allowed the Italian brand to be associated with the official kit of some of the most known football teams in the world. Ten years later the number of sponsorships augmented to 25, and the growing trend continued until to reach 73 partnerships in 2019: 15 clubs in rugby, 5 in basketball, 5 in volleyball and 48 in football. (annex 1)

The domestic market, apparently dominated by the major sports brands like Nike and Adidas and the historical local brands, like Kappa and Errea, forced the company to find new growth strategies outside Italy. In 2005, Swansea City FC signed its contract with Macron, becoming the first team abroad with the Italian brand as sponsor. During the same year, Macron started extending its presence in Europe, United States, Canada, Australia and all the way to the Middle East, reaching 30% of revenues in Europe, excluding Italy, in 2008. This trend grew during the years until to reach in 2019 an opposite situation: from an entirely Italian clientele to a distribution characterized by 29% of its products in Italy and the remaining 71% to the rest of the world.

Nevertheless, the country of origin continued to be the perfect space where to apply innovation to increase growth and reinforce the brand image. Viewing the good results achieved in Italy and abroad thanks to the technicality of the products and the brand presence in a various range of sports, Macron considered as a new marketing strategy the opportunity to launch the first "Macron store". The first mono brand store, inaugurated in 2010, in Porto, was the result of a double approach: from one hand the willing to have a unique place where people can find all the full range of Macron products (from teamwear to accessories, from merchandising to leisurewear), bringing the supporters closer to their favourite teams of football, rugby, handball, volleyball, basketball, baseball and soccer, and on the other hand the chance to ride the wave in the fashion industry of mono brand openings, as reinforcement of the brand image. Indeed, the first decade of 21st century has been characterized by a steady increase in fashion of mono brand stores, with the aim to improve the brand perception through a unique space where everything is controlled

by the company in terms of competence and quality service. The reasons that principally drove Macron to open a mono brand store were three:

1. Full brand delivery: offer to customers a complete Macron's purchase experience, different from the multi-brand stores logic, where it is not evident which brand the dealer pushes more for personal/commercial preferences
2. Have a stronger control over the market and final customers' requests
3. Have a distribution channel which can be sustainable and profitable in the long period.

Indeed, as the CEO Gianluca Pavanello said: "Our mono-brand stores are essential as they not only allow to sell our products, but also to create a full brand delivery to our clients, telling them what Macron is, why choose Macron, which are our values and why our products are premium ones. We don't want to sell only products but transmit contents through them: we want to communicate to customers what is behind a product. This storytelling can happen only through mono-brand stores".

The idea to create a mono brand space, had been replicated also online to give customers the possibility to find all the products inside a unique website. Therefore, in 2010 the sport brand launched also the Official Online Shop, for all the products categories. After the first mono brand store opening, Macron developed a widespread network, to reinforce the presence of the brand in the various countries. In 2019, Macron counted overall 139 mono brand stores, located in numerous countries such as Italy, France, United Kingdom, Spain, Holland, Portugal, Finland, Norway, Greece, Lithuania, Libya and Canada. Among these countries, the region with the greatest turnover in 2019 was Italy with 33% of total turnover, followed by UK and Ireland with 21% of the total.

Next to the innovation regarding the distribution channels, in 2012 the company sought the opportunity to expand its portfolio, introducing a new category, following the growing trend of casual clothing designed to be worn both for exercising and for general use: the Athleisure collection. This segment, focused on individual performance rather than team performance, is characterized by an increasing high competition among brands that spans all styles and price point. In 2019 the entire segment of Athleisure reached \$167 billion sales worldwide, following the positive trend of Activewear sales, whose value has grown exponentially during the past decade. A study of Allied Market Research expected that the global activewear market will reach a value of \$546,802 million by 2024, highlighting the relevance for the fashion and sports brands to invest in this fast-growing trend. (annex 2)

Therefore, the strategy in this specific segment is to maintain Macron sportswear heritage with a fashion twist, responding to the growing demand of Athleisure enthusiasts, who are interested in wearing comfortable and functional clothing in their daily life.

The first decade of 21s century continued for Macron with other successes. Parallel to the launch of the new category products, Macron sustained its presence in the teamwear industry. In 2013 the company signed the entrance in the sponsorship of the *top tier in rugby* (annex 3), through

the first technical sponsorship deal with the Scottish Rugby Union, the national team of the country. Then, in 2016 the Italian brand signed its first technical sponsorship with the national football team of Albania, which played during the same year in the European Championship in France. The number of sponsorships continued increasing during the following years until to reach in 2019 more than 60 professional clubs sponsorships, covering 28 countries in Europe and 7 countries overseas. (see annex 4) Numerous new sponsorships enriched Macron's outstanding portfolio in new and traditional markets: among others, the Italian Rugby Federation, Lazio, Club Brugge, Real Sociedad, Sporting Lisboa, OGC Nice and Red Star Belgrade. Indeed, the sports covered by Macron sponsorships are several: basket, volleyball, rugby, handball, baseball, five a side, beach soccer, bowling and hockey (see annex 5-6). Moreover, Macron stands out both in terms of covered sports and geographies, even if the market is very fragmented and dominated by many different brands. Indeed, it is the only brand with Joma and Adidas to cover the teamwear market for football, rugby, baseball, volleyball, handball in Italy, UK, France, Portugal, Germany, Austria, Netherlands, Spain and Nordic countries (see annex 7). However, among these sports, football is the category with biggest coverage: 48 teams (see annex 8).

### **The third most important supplier in the world of European football**

These sponsorships around the globe switched the main type of clientele from Italians to the rest of the world, distributing 29% of products in its original country and the remaining 71% among the different continents. The turnover grew steadily year after year, allowing Macron to become one of the sportswear brands with the most rapid growth in Europe, with an increment of 18.2% in 2018. This is particularly evident for the football sector, where in 2019 there were 237 football clubs served by 39 tech brands. Among these, Macron was the third brand, after Nike (15.61%) and Adidas (11.81%) with a coverage of 9.7% of the total football clubs. Among these, the most famous are: Bologna FC, SS Lazio, Cagliari Calcio, Stoke City FC, OGC Nice, Deportivo La Coruna. Nevertheless, the record for the Italian brand was in its country itself, where Macron was the sponsor of 6 teams: Bologna, Cagliari, Lazio, SPAL, Udinese and Verona, while Adidas for Roma and Nike were for Juventus and Inter.

This rapid and stable improvement had been highlighted by UEFA with three recognitions:

1. the definition of Macron in "The European Club footballing landscape" (2018) as the third most important supplier in the world of European football, after Nike and Adidas, and
2. the decision to choose the Italian sports brand as its official partner for the supply of apparel to the smaller football federations for the years 2018-2022. The scheme consisted in the supply of technical gear to smaller UEFA member associations.
3. Finally, to choose again Macron as Official Referee kits supplier which means that Macron becomes the UEFA partner for supplying the match kits (ad training and travel collection) to all the referees of all the UEFA competitions (the most important: Champions League, Europa League, Euro 2020 and Nations League).

## MACRON

Next to this significant accreditation, Macron became also the official league kit provider of Canadian Premier League (CPL) with the beginning of 2019 season. The CPL represents the only national male soccer league in the country set to debut in spring 2019 and composed by seven clubs based from coast to coast across Canada.

# Product portfolio

During the years, Macron has developed its success through the capacity of interpreting the needs and demands of those who do sport, developing over 650 different articles divided in 4 main segments: teamwear, merchandising, running and athleisure. Among these segments, teamwear and merchandising are the most profitable. In 2018, 56,0% of the total revenues came from teamwear, while 42.5% from merchandising and only 0.7% from running and 0.7% from athleisure. These two smallest segments grew, at a lower pace vs. the two other business categories (annex 9).

The “teamwear” represented the Macron core business as leader in the production and sale of technical sportswear for professional, semi-professional and amateur teams of the main team sports: football, rugby, basketball, volleyball, baseball, handball, futsal. This type of market is characterized by many entry barriers, which are: complex environment and sophisticated “make to stock” business, which requires a wide and deep product range; outstanding “stock” service; qualified distribution network and strong brand awareness and credibility. All these elements increase the difficulties for new potential competitors to enter the market, since the need to adapt the products to each club involves the availability of a wide range of products, which should be stocked in large warehouses. To be successful in this specific segment it is necessary, therefore, to face all these challenging aspects with a business model that enforces the key attributes of the brand to stay competitive in the market. To do this, Macron adopted during the years a strategy which is based on 5 main pillars: “multi-sport offering”, “operations”, “sponsorship portfolio”, “international footprint” and “mono brand distribution network”. Specifically:

- The “multi-sport offering” consists in having a wide and deep product range in terms of styles/sizes/colors to be compliant with team needs.
- The “operations” is characterized by in-house styling, long-lasting relationships with key suppliers, best-in-class supply chain, paired with a state-of-the-art demand planning software to provide customers with permanent stock availability and superior quality of service.
- The “sponsorship portfolio” means having the ability to develop a unique portfolio of professional clubs resulting in international brand visibility and enhanced image of reliability.
- The “international footprint” which is realized through a presence worldwide.
- The “mono brand distribution network” consists in a distinctive network of Macron Stores that provides full brand delivery, better grip on the market and long-term growth sustainability.

All these elements combined allowed Macron to grow at a fast speed and, due to its success, its business model has been replicated also by other smaller companies active in the sector, like Errea and Joma.

Next to teamwear, Macron developed the “merchandising” segment, which can be bought in each of their distribution channel and which provides the official kits, free time products and accessories for the supporters of the clubs sponsored.

Then, the “running” or “run & train” segment offers technical apparel for individual runners and for training sessions at the gym. Always for individuals, “Athleisure” is the sports inspired apparel for leisure time, for those who wish to wear Macron even outside pure sports activities. These two segments present a different manufacturing model: make to order, instead of the make to stock typical of teamwear.

# Distribution

Macron distribution channels are divided in: Macron Stores, multi-brand stores, e-commerce and club official stores, with the aim to cover the demand of sports clubs and individual athletes, in search for quality in technical sportswear. The main channel in terms of turnover is the Macron store, with a 39% of sales in 2018, followed by Club official stores (31%), Multi-brand stores (28%) and ecommerce (1%) (annex 10).

Each **mono-brand** store is characterized by different zones: at the entrance the customer can find the retail area, where there are the products for individuals, and therefore those of the collection Running, Merchandising and Athleisure. After this, there is a space defined as “teamwear showroom”, which is completely dedicated to semi-professional and amateurs’ teams. Here, customers can see samples and appreciate the range and quality of the Macron products in an organised and logical way, allowing the clubs to see their “live” choices and options together to make an informed choice. Then, at the end of the shop there is the personalization lab where customers can customize their products and find team patch, sponsor logo, and players’ number / name on teamwear products. Macron Stores are strategically located outside city centres, with easy access and plenty of parking spaces, mainly in or near retail parks and/or sports areas. (see annex 11) In 2019 there were 139 Macron stores around the world, divided in these macro-regions: Italy, UK and Ireland, France, Spain and Portugal, Nordics, USA and Canada, Australia and Japan, Germany and Austria, South America, Middle East, Netherlands and Belgium, other Europe. The most profitable geographic region is Italy with 35% of geographical spread and 33% of turnover, followed by UK and Ireland, with 18% of geographical spread and 21% of turnover. Europe is the main market, with a total of 87% of geographical spread and 75% of turnover. (annex 12)

Then, the **multi-store** brands are the second and most important distribution channel for Macron: they are more than 800 worldwide and differently to the mono brand stores, retail chains and independent sports equipment stores are in city centres and in sub-urban areas.

Another type of channel is the Macron **retail store**, which is dedicated to individual customers who wish to wear Macron and emulate top sportspeople. This kind of store is usually located in city centres or in outlet villages and is furnished in a minimal design with an urban touch to enhance the colours and style of the Macron collections for individuals.

Finally, the online **website** [www.macron.com](http://www.macron.com) is available in 5 languages and it is possible to purchase almost the entire collection.

Regarding the logistics among all these different channels, Macron is one of the most up-to-date companies in Europe, through a system where all the inner divisions of the company collaborate with a constant synergy to offer their clients the best logistic support and integrated solutions to cover the full chain. Indeed, all the distribution of the Macron products is managed in two technological warehouses located in Bologna and Monselice (near Padua) where up to 50,000 units are handled daily, thus reducing delivery to many places to just two days. Bologna’s warehouse has a storage capacity of 6,000 sqm and pieces on stock of more than 2,500,000, while Monselice’s warehouse has a storage capacity of 7,000 sqm and pieces on stock of more than 1,500,000, thus being able to sustain the sophisticated “make to stock” business that the industry requires.



## Macron vision: work hard, play harder

Operating in a fast growing but complex market, Macron has been able to compete with key players as the international brands Nike, Puma and Adidas, developing a philosophy based on values of hard work and constant improvement. Its growth at a very fast pace has been possible through its hard work focused on the support of teams, sportsmen and women at all levels, who are interested in technical products to help improve their performances.

The mantra of Macron can be summarized therefore in its statement: “*Work Hard. Play Harder*”, which is put in action in its daily activity and in its 2019 logo which signed a new era: from “*Macron man*” to “*Macron hero*”. Indeed, the new logo presented by the company had the aim to create an evolution in the image of the brand, while in-keeping with the past but focusing more on an aggressive, dynamic and modern character. In 2019, the human figure designed in a minimalist style and always present in the Macron logo’s history, has been redesigned, taking inspiration from the blade of a javelin, an object that by its nature is dynamic and fast. The new Macron Hero wanted to represent an even more effective way of communicating the joy felt at the end of a challenge and the achievement of a goal. The emotions of effort, passion and determination, which emerged from the image, therefore, respects this philosophy. (annex 13)

However, this philosophy must be respected also by the teams that Macron sponsors. Indeed, every time athletes wear teamwear with a logo, spectators see it, this reinforces the ubiquity of that brand and increases the sale, but at the same time this process attaches the company to the team in a way that it is recognized in positive and negative situations. Therefore, for example, if a club wearing that logo is involved in some sort of scandal, the brand that sponsors them becomes associated with that scandal. Thus, it becomes essential for the brand reputation and image find the right strategy to align its vision with the teams sponsored, especially considering the increasing visibility that teams and athletes have on social media and tv.

## Alternative scenario

The Macron management has been confronted with a series of strategic and operational challenges, including the decision of the right strategy for pro-clubs sponsorships (e.g. how to segment in tier and which Tier of Pro-Clubs to sponsor, how, etc.), the selection of the sports brands to sponsor according to specific criteria (e.g. brand image, values, etc.) and the option of the reference market where to compete (e.g. Brands with main focus on sports-wear vs. Brands with main focus on teams-wear). Therefore, the main issue for Macron derives from exploiting the maximum potential of sponsorships, while competing with key actors in the market like Nike and Adidas, balancing the willingness to increase its presence among pro teams with the right choice of which teams to sponsor.

Three different focus to increase Macron growth abroad:

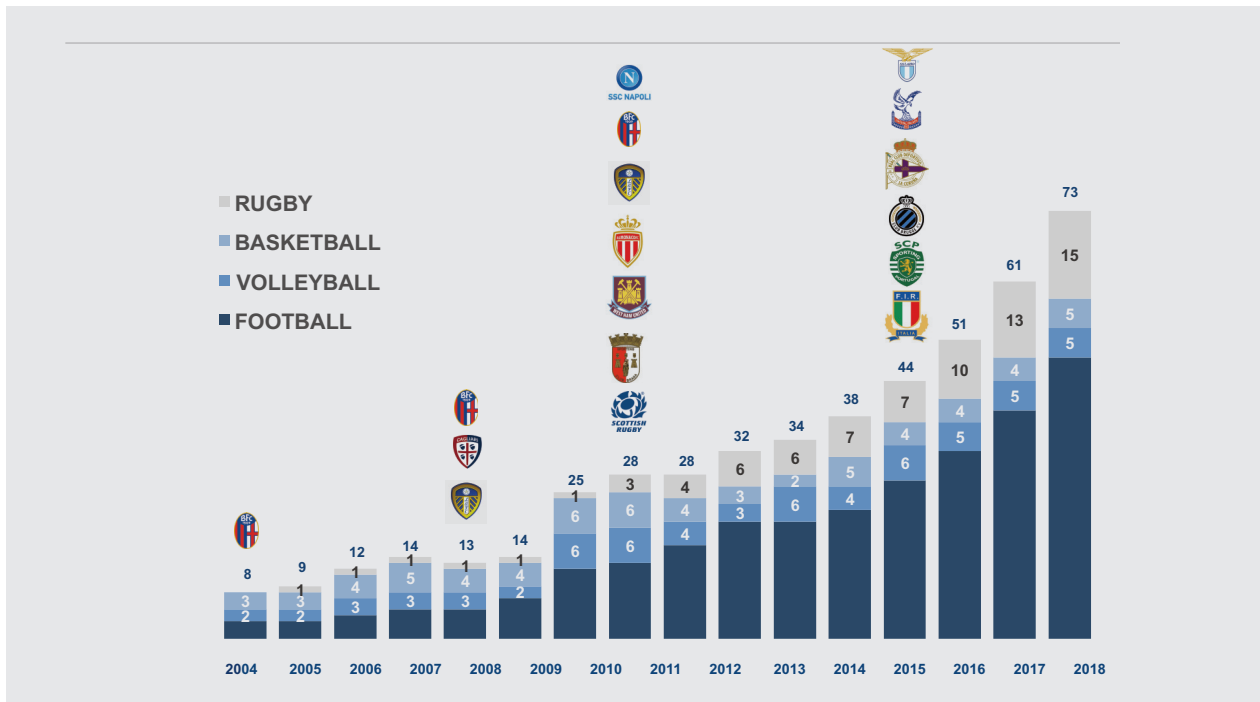
- What would be a viable International Marketing Strategy for Macron?
- How to frame the reference market, how to segment the market, how to select an appropriate competitive set and a relevant target in a very dense and highly competitive global market?
- What would be the key marketing levers to activate to stimulate awareness, trial, engagement and loyalty?

Subsequently, the Group must analyze its relationship with pro-clubs' sponsorships:

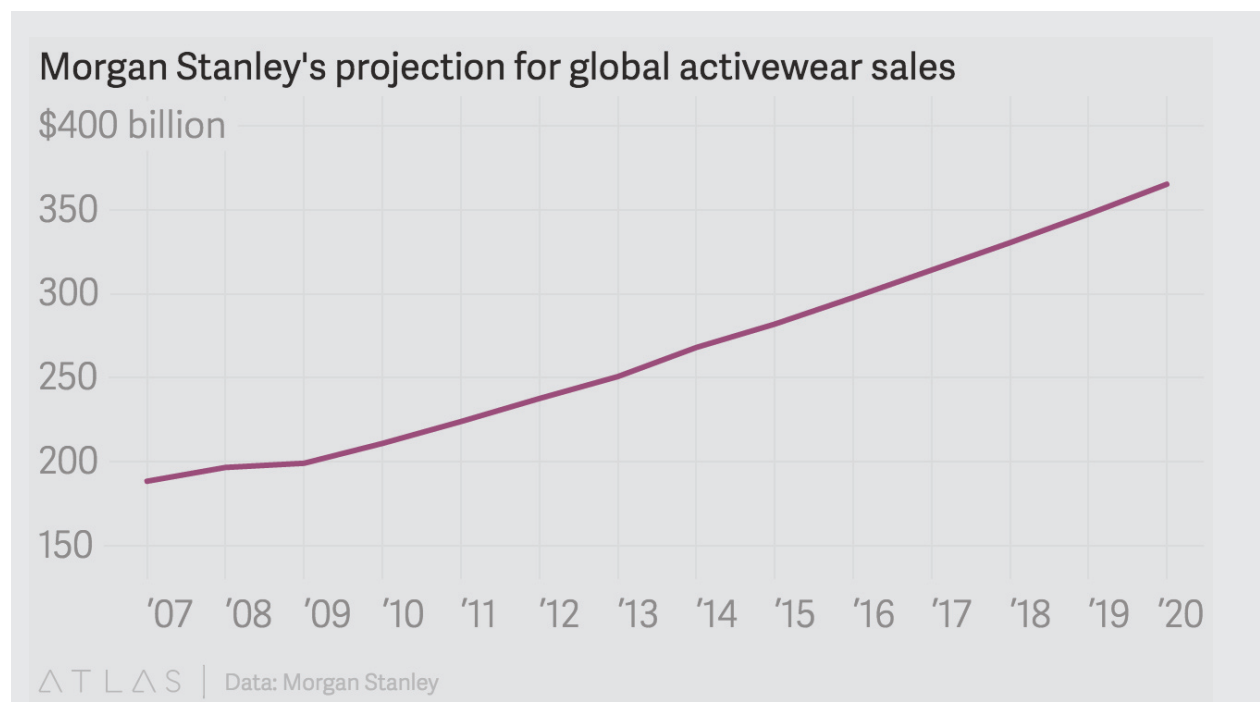
- Among the key marketing levers, what are the main reasons driving Macron to further sustain its Brand growth in several countries through pro-clubs' sponsorships?
- Which are pros and cons of sponsorships in the Macron's specific market?
- How to make the portfolio of pro-clubs? Which criteria to choose the brand to sponsor?
- What makes Macron different from the other brands?
- What is the sponsorships impact on team-wear sales vs. sport-wear sales?
- What marketing mix activities should accompany pro-clubs' sponsorships?
- What tools would you utilize to guide and monitor the sponsorship?
- Could you calculate the impact on Company's P&L? (annex 14-15)

# Annex

## Annex 1 – Number of total sponsorships per sports



## Annex 2 – Global activewear sales



## Annex 3 – Rugby and football tier

Naming of categories in Football and Rugby	
Football	Rugby
<ul style="list-style-type: none"> <li>• Tier 1: European top leagues in Champions League</li> <li>• Tier 2: European top leagues and smaller European top leagues</li> <li>• Tier 3: Smaller top leagues</li> </ul>	<ul style="list-style-type: none"> <li>• Tier 1: 6 nations or 3 nations federations</li> <li>• Tier 2: Top leagues in international competitions</li> <li>• Tier 3: Top leagues</li> </ul>
Top leagues: Premier League, Serie A, Liga, Bundesliga, Ligue 1	Top leagues: TOP 14, English Premiership, Pro 14
SOURCE: Macron Data	

More specifically, top leagues have been identified with:

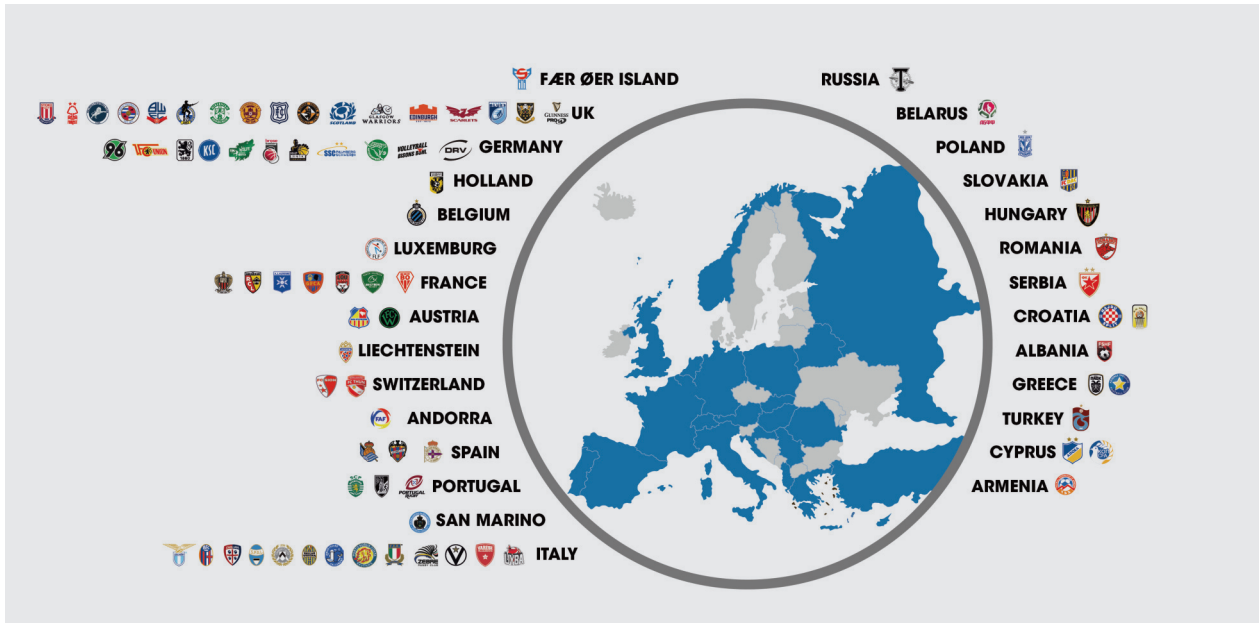
- Top Leagues Football: Premier league, Serie A, Liga, Bundesliga, Ligue 1
- Top Leagues Rugby: TOP 14, English Premiership, Pro 14

In addition to these parameters, it is important to analyse also these key aspects: cumulative merchandising of sponsored teams, potential of retail in terms of geographic position and linked commercial impact.

Regarding merchandising volume, a relevant measure is the amount of profit that each specific team can generate through the merchandising. For example, LENS in the French Ligue 2 sells more than many other French clubs of Ligue 1. Therefore, turnover generated by the sponsorship through the sales of merchandising is a critical element to assess a potential cooperation.

Another essential aspect is the analysis of geographical micro local markets where Macron is not present yet and the possible commercial opportunities, even by a new Macron store opening. It is key to understand the impact on amatorial/nonprofessional clubs that, thanks to sponsorships, can be served by a Macron store or a multi-store. In this case is fundamental to understand which could be the turnover growth of teamwear that the sponsorships can generate.

Annex 4 – Portfolio of clubs and federations: Europe and Overseas



Annex 5 – Total Macron sponsorships

MACRON TEAMS FOOTBALL												
ITALY												
UK												
SPAIN												
FRANCE												
GERMANY												
AUSTRIA												
SWITZERLAND												
CYPRUS												
TURKEY												
ROMANIA												
SERBIA												
NORWAY												
ICELAND												
SLOVAKIA												
MACEDONIA												
NORWAY												
ICELAND												
USA												
CANADA												
BERMUDA												
AUSTRALIA												
DOMINICAN REPUBLIC												
SOUTH KOREA												
ALGERIA												
TUNISIA												
ETHIOPIA												
MALI												
EGYPT												
CAPE VERDE												
ANGOLA												
GUINEA												
CONGO												
CONGO RDC												
BAHRAIN												
GUAM												
UAE												







## Annex 6 – Most important Macron sponsorships divided by sports

**Football:** S.S. Lazio, Bologna FC 1909, Cagliari Calcio, S.P.A.L., Udinese Calcio, Hellas Verona (Italy); Stoke City FC, Nottingham Forest FC, Millwall FC, Bolton Wanderers FC, Reading FC, Bristol Rovers (UK); OGC Nice, RC de Lens, AJ Auxerre, Gazélec FC Ajaccio (France); Real Sociedad, Levante U.D., RC Deportivo de la Coruña, (Spain); Sporting Clube de Portugal, Vitória Guimarães (Portugal); Hannover '96, 1.FC Union Berlin, TSV 1860 München, Karlsruher SC (Germany); St. Pölten, FC Wacker Innsbruck, (Austria); Fussballclub Thun 1898 FC, Sion (Swiss); Club Brugge KV (Belgium); Stella Rossa Belgrado (Serbia); İstanbul Başakşehir Futbol Kulübü, Trabzonspor Kulübü (Turkey); FC Paok, Asteras Tripolis (Greece); APOEL FC, Omonia FC (Cyprus); Hajduk Split (Croatia); Budapest Honvéd FC (Hungary); Dinamo Bucarest (Romania); FK DAC 1904 Dunajská Streda (Slovakia); Lech Poznan (Poland); Phoenix Rising, Miami FC, (USA); CPL (Canada); Audax Italiano, Santiago Wanderers (Chile); FSHF Nazionale di Calcio Albanese (Albania); Nazionale di Calcio Armena (Armenia); UEFA Kit Assistance Scheme: Andorra, Bielorussia, Cipro, Faroe Islands, Luxembourg, Liechtenstein, San Marino

**Rugby:** Scotland Rugby National Team (Scotland); Federazione Italiana Rugby (Italy); Federazione Tedesca Rugby (Germany); Federazione Portoghese Rugby (Portugal); Guinness Pro 14 (Europe); New Zealand Rugby League (New Zealand); Glasgow Warriors, Edinburgh Rugby (Scotland), Northampton Saints, Newcastle Falcons (UK), Scarlets, Cardiff Blues (Wales); Section Paloise, LOU Rugby, Biarritz Olympique Pays Basque (France); Zebre Rugby Club, Fiamme Oro, Rugby Colorno 1975, Rugby Bologna 1928 (Italy)

**Basketball:** Virtus Pallacanestro Bologna, Pallacanestro Varese (Italy); MHP Riesen Ludwigsburg, Basketball Löwen Braunschweig, Rasta Vechta (Germany); Donar Groningen (Holland); KK Split (Croatia)

**Volleyball:** Porto Robur Costa Ravenna, Futura Volley Busto Arsizio (Italy); Netzhoppers KW, Volley Bisons Bühl, Schweriner Sportclub, United Volleys Frankfurt (Germany); Ženskij volejbol'nyj klub Dinamo-Kazan (Russia)

**Baseball:** Rouen Huskies (France)

**Handball:** SSV Bozen Loacker, Junior Fasano (Italy), Rimpar Wölfe (Germany)

**Hockey:** Macron Warriors Viadana Wheelchair Hockey (Italia)

## Annex 7 - European main competitors

### TEAMWEAR MARKET: EUROPEAN MAIN COMPETITORS OVERVIEW

MACRON CLEARLY STANDS OUT BOTH IN TERMS OF COVERED SPORTS AND GEOGRAPHIES, IN A VERY FRAGMENTED MARKET

		Geographies and Sports																													
		Italy		UK		France		Portugal		Germany		Austria		Netherlands		Spain		Nordic countries													
		F	R	B	V	H	F	R	B	V	H	F	R	B	V	H	F	R	B	V	H	F	R	B	V	H	F	R	B	V	H
Teamwear core business	Canterbury		✓					✓					✓																		
	Gilbert							✓					✓																		
	Eye	✓		✓																											
	Mass	✓			✓																										
	Royal	✓		✓																											
	Asloka																	✓		✓											
	Kooga		✓					✓																							
	Rhino							✓	✓																						
	Surridge							✓	✓																						
	Acerbis		✓																												
	HS		✓																												
	Mikasa				✓																										
	Kelme																														
	Avec							✓																							
	Carbrini							✓																							
Kukri							✓																								
Samurai							✓																								
Teamwear non-core business	Adidas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Kappa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Nike	✓	✓	✓	✓	✓						✓	✓				✓	✓				✓	✓				✓	✓			
	Puma						✓					✓					✓										✓				
	Lotto	✓										✓										✓									
	Spalding		✓									✓															✓				
	Umbro						✓					✓																			

Legend: F= football; R= rugby; B= basketball; V= volleyball; H= handball  
Source: Company analysis

### TEAMWEAR MARKET: EUROPEAN MAIN COMPETITORS OVERVIEW

MACRON CLEARLY STANDS OUT BOTH IN TERMS OF COVERED SPORTS AND GEOGRAPHIES, IN A VERY FRAGMENTED MARKET

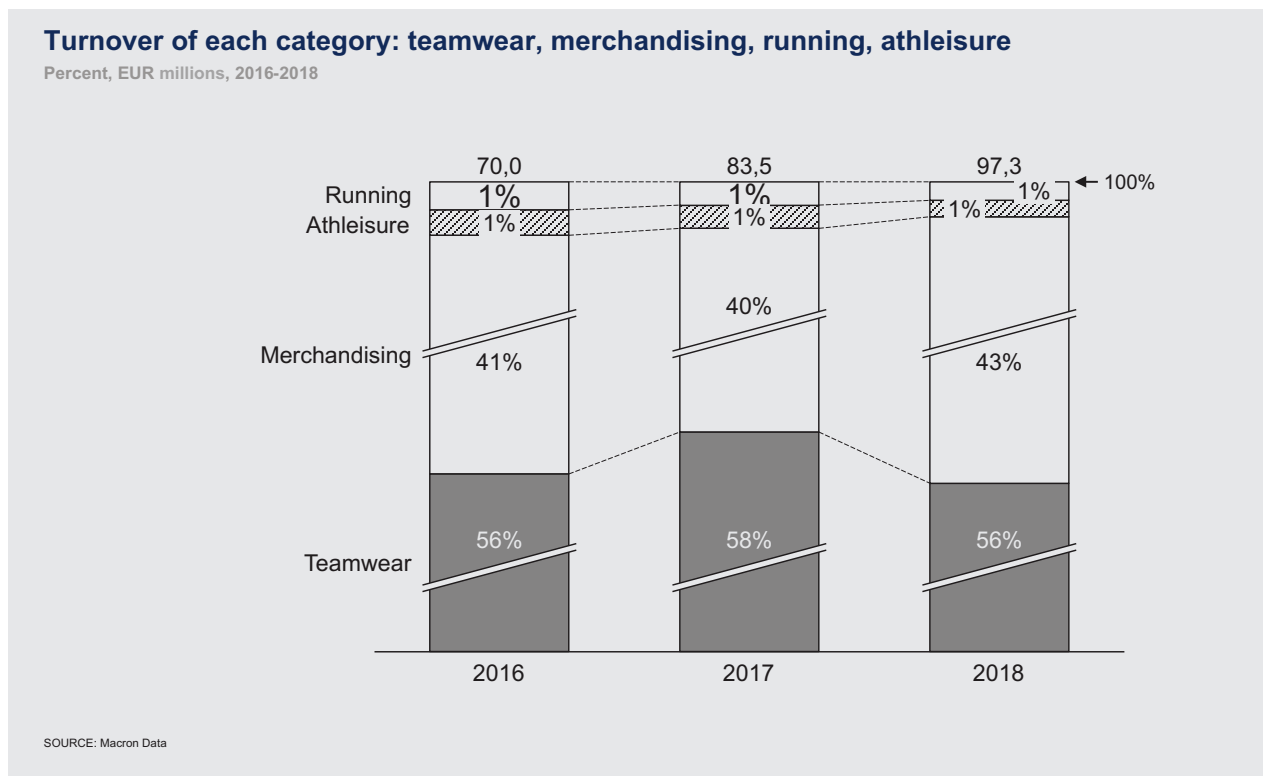
		Geographies and Sports																													
		Italy		UK		France		Portugal		Germany		Austria		Netherlands		Spain		Nordic countries													
		F	R	B	V	H	F	R	B	V	H	F	R	B	V	H	F	R	B	V	H	F	R	B	V	H	F	R	B	V	H
Teamwear core business	Macron	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Joma	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Errea	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Legas	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Hummel	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Givova	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Jako						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Erima						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Zeus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Stanno						✓	✓				✓	✓	✓	✓	✓	✓	✓													
	Derbystar											✓	✓	✓	✓	✓	✓	✓													
	Reusch						✓					✓	✓	✓	✓	✓	✓	✓									✓				
	Uhlsport						✓					✓	✓	✓	✓	✓	✓	✓									✓				
	Skita						✓	✓	✓	✓	✓																				
	Klupp																✓	✓	✓	✓	✓										
	Muta																✓	✓	✓	✓	✓										
	Eldera						✓	✓	✓	✓	✓																				
	Patrick											✓				✓															
	Sportika	✓	✓	✓	✓																										
	Lacatoni											✓	✓	✓	✓	✓															
	Kedaké											✓	✓	✓	✓	✓											✓	✓			
	Luanvi											✓	✓	✓	✓	✓											✓	✓			
	Mitre	✓	✓				✓	✓																							
BLK						✓																				✓					
Iartazi						✓																									
O'neils						✓	✓																								
Camà	✓	✓	✓	✓																											

Legend: F= football; R= rugby; B= basketball; V= volleyball; H= handball  
Source: Company analysis

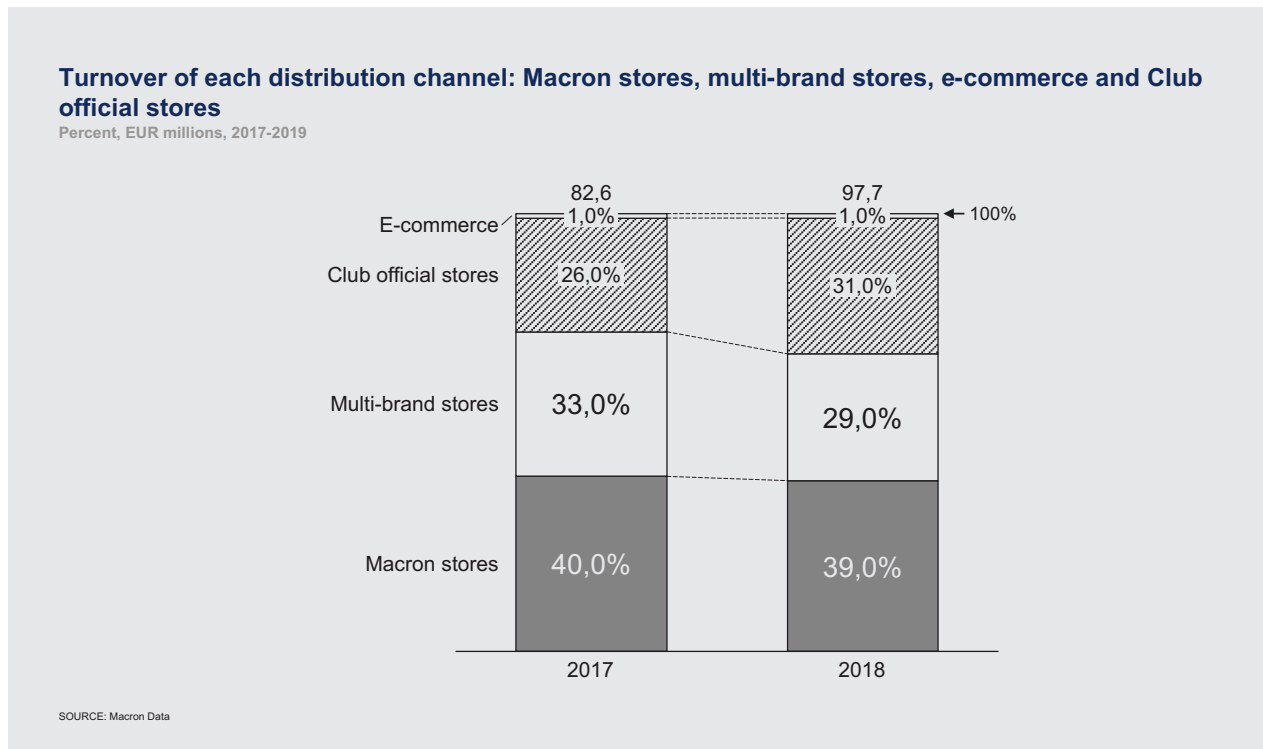
Annex 8 – Football team sponsored by Macron: 2019/2020

 S.S. LAZIO SERIE A ITALY	 BOLOGNA FC 1909 SERIE A ITALY	 CAGLIARI CALCIO SERIE A ITALY	 S.P.A.L. SERIE A ITALY	 VENEZIA CALCIO SERIE A ITALY	 STOKE FC CHAMPIONSHIP UK	 NOTTINGHAM FOREST CHAMPIONSHIP UK	 MILLWALL FC CHAMPIONSHIP UK
 HIBERNIAN FC SCOTTISH PREMIERSHIP SCOTLAND	 MOTHERWELL FC SCOTTISH PREMIERSHIP SCOTLAND	 DUNDEE FC SCOTTISH PREMIERSHIP SCOTLAND	 OGC NICE LIGUE 1 FRANCE	 AJ AUXERRE LIGUE 2 FRANCE	 RC LENS LIGUE 2 FRANCE	 CLUB BRUGGE JERSEY PREMIER LEAGUE BELGIUM	 VITESSE EREDIVISIE NETHERLANDS
 SPORTING CLUBE DE PORTUGAL PRIMEIRA LIGA PORTUGAL	 VITÓRIA SPORT CLUBE PRIMEIRA LIGA PORTUGAL	 REAL SOCIEDAD DE FÚTBOL PRIMEIRA DIVISION SPAIN	 LEVANTE UD PRIMEIRA DIVISION SPAIN	 REAL CLUB DEPORTIVO DE LA CORUÑA SEGUNDA DIVISION SPAIN	 HANNOVER 96 BUNDESLIGA GERMANY	 1. FC UNION BERLIN BUNDESLIGA GERMANY	 TSV 1860 MÜNCHEN BUNDESLIGA GERMANY
 FC WACKER INNSBRUCK BUNDESLIGA AUSTRIA	 FC THUN SUPERLIGA SWITZERLAND	 PAOK FC SUPERLIGA GREECE	 HNK HAJDUK SPLIT PRVA LIGA CROATIA	 FK CRVENA ZVEZDA SUPERLIGA SERBIA	 FC DINAMO BUCUREȘTI LIGA I ROMANIA	 HONVÉD FC NB I HUNGARY	 LECH POZNAŃ EKONOMICZNA POLSKA POLAND
 PHOENIX RISING FC USL USA	 SANTIAGO WANDERERS SEGUNDA DIVISION CHILE	 TRANZOSPİR AS SÜPER LİG TURKEY	 ADELAIDE UNITED A LEAGUE AUSTRALIA	 PERTH GLORY A LEAGUE AUSTRALIA	 AL MUBARRAG PREMIER LEAGUE BAHRAIN	 WYDAD CASABLANCA BOSCHAFA MOROCCO	 FSHF FOOTBALL FEDERATION OF ALBANIA

Annex 9 - Turnover of each category



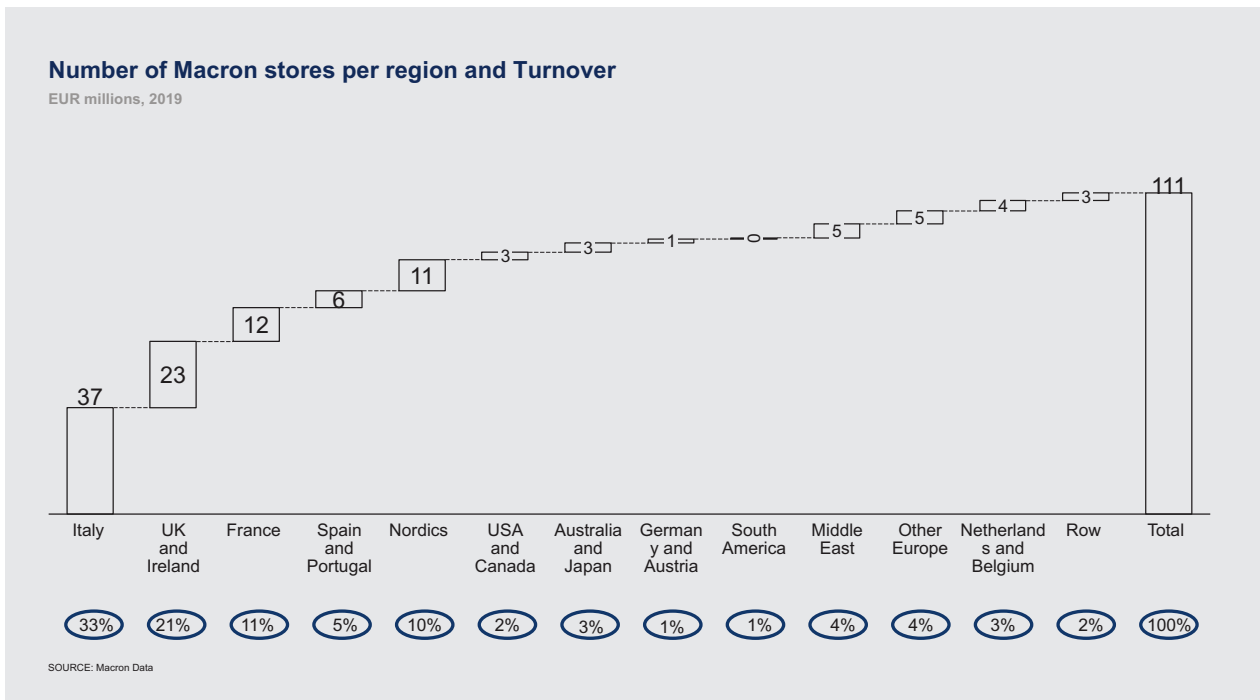
Annex 10 – Turnover of each distribution channel



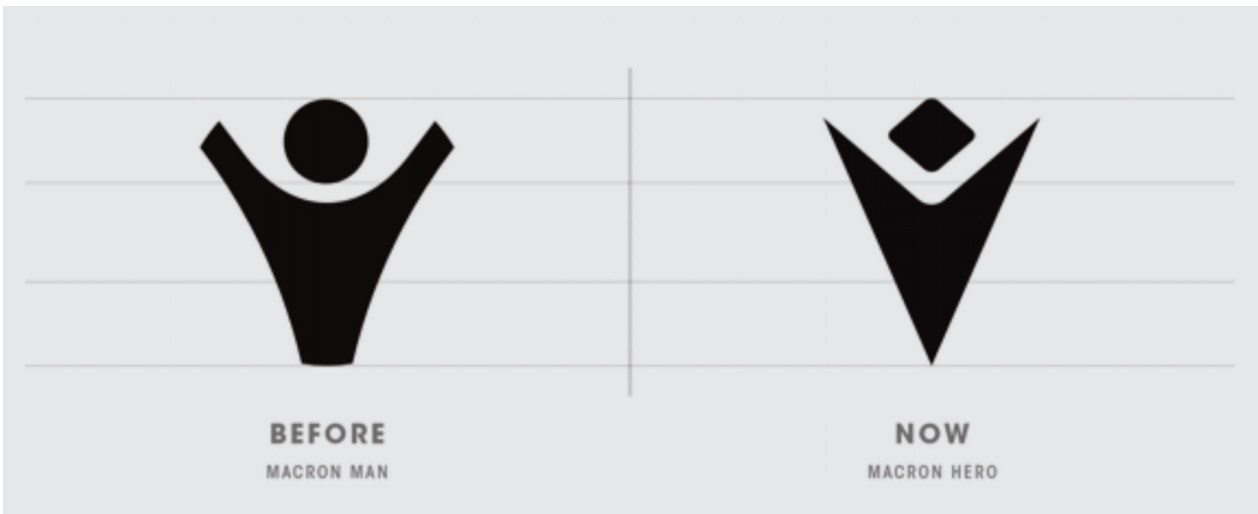
## Annex II - Official store Macron Map



## Annex 12- Turnover of Macron Stores per region



Annex 13 - Macron hero





## Annex 14 – P&amp;L

## Profit and Loss statement Macron Group

EUR millions, 2016-2018

€			
Teamwear, Running and Athleisure	41,043,480	49,757,821	56,196,610
Merchandising	28,936,067	32,909,835	41,579,371
<b>Total sales</b>	<b>69,979,547</b>	<b>82,667,655</b>	<b>97,775,981</b>
<b>YoY growth</b>		18.1%	18.3%
COGS and Logistic costs	(27,487,797)	(32,878,630)	(38,327,794)
<i>% on sales</i>	39.3%	39.8%	39.2%
<b>Gross margin</b>	<b>42,491,749</b>	<b>49,789,025</b>	<b>59,448,187</b>
<i>% on sales</i>	60.7%	60.2%	60.8%
Personnel cost	(5,810,985)	(6,859,395)	(7,976,120)
<i>% on sales</i>	8.3%	8.3%	8.2%
Sales and Marketing costs	(23,217,436)	(26,771,278)	(32,741,720)
<i>% on sales</i>	33.2%	32.4%	33.5%
Rent costs	(927,672)	(955,617)	(926,563)
<i>% on sales</i>	1.3%	1.2%	0.9%
G&A	(3,266,547)	(3,697,843)	(4,295,341)
<i>% on sales</i>	4.7%	4.5%	4.4%
Bad debt provisions	(437,646)	(458,115)	(541,121)
<i>% on sales</i>	0.6%	0.6%	0.6%
<b>EBITDA</b>	<b>8,831,463</b>	<b>11,046,777</b>	<b>12,967,322</b>
<i>% on sales</i>	12.6%	13.4%	13.3%
D&A	(1,773,232)	(2,072,102)	(2,328,176)
<b>EBIT</b>	<b>7,058,231</b>	<b>8,974,675</b>	<b>10,639,146</b>
<i>% on sales</i>	10.1%	10.9%	10.9%
Interest expense	(435,760)	(338,971)	(453,150)
Extraordinary items	(418,875)	(99,371)	(198,444)
<b>EBT</b>	<b>6,203,595</b>	<b>8,536,333</b>	<b>9,987,551</b>
<i>% on sales</i>	8.9%	10.3%	10.2%
Income tax	(1,902,633)	(2,264,745)	(2,372,172)
<i>% on sales</i>	(2.7%)	(2.7%)	(2.4%)
<b>Net Profit</b>	<b>4,300,962</b>	<b>6,271,588</b>	<b>7,615,380</b>
<i>% on sales</i>	6.1%	7.6%	7.8%

SOURCE: Macron Data

## Annex I5 - Balance sheet

**Balance sheet Macron Group**

EUR millions, 2016-2018

€			
<b>Fixed assets</b>	<b>5,913,284</b>	<b>6,666,091</b>	<b>7,479,544</b>
Inventory	15,604,069	19,426,164	19,378,723
Trade receivables	24,323,843	26,176,625	28,650,431
Trade payables	(8,541,355)	(9,253,167)	(8,970,606)
<b>Trade working capital (OWC)</b>	<b>31,386,556</b>	<b>36,349,622</b>	<b>39,058,549</b>
<b>Net working capital (NWC)</b>	<b>38,119,409</b>	<b>44,653,421</b>	<b>47,340,431</b>
Other assets	3,968,440	3,723,592	6,671,557
Other liabilities	(3,760,159)	(3,876,882)	(5,051,421)
<b>Net assets</b>	<b>44,240,974</b>	<b>51,166,223</b>	<b>56,440,112</b>
<b>Net debt</b>	<b>14,931,797</b>	<b>16,207,235</b>	<b>12,545,297</b>
Net equity	29,309,193	34,958,988	43,894,816
<b>Total capital employed</b>	<b>44,240,989</b>	<b>51,166,223</b>	<b>56,440,112</b>

SOURCE: Macron Data