Cycling Industries Europe

THE VOICE OF CYCLING BUSINESS IN EUROPE

CIE COVID-19 Impact Study

April 2021

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- Four waves of the CIE COVID-19 impact study have now been run.

- The research allows for comparisons between March 2020, May 2020, September 2020 and full year 2020.

- Questions also cover the future expectations and needs of the European Cycling Industry.

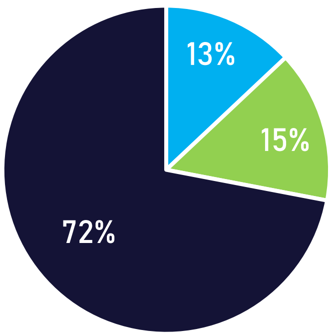
- Results have been aggregated and anonymised by Sports Marketing Surveys.

- This version of the data is for public release, CIE members get additional information via the European Market Impact and Intelligence expert Group run by CIE and the European Cyclists' Federation

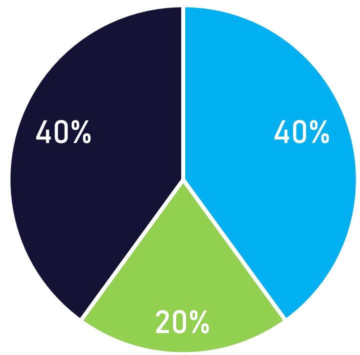
RESEARCH

Initial revenue shock followed by gradual return to normal and then surpassing 2019.

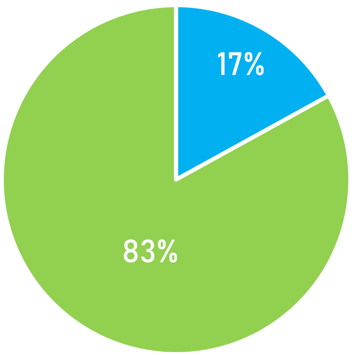
March 2020



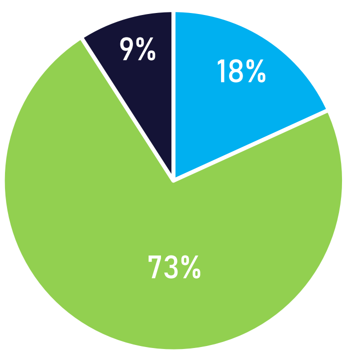
May 2020



September 2020

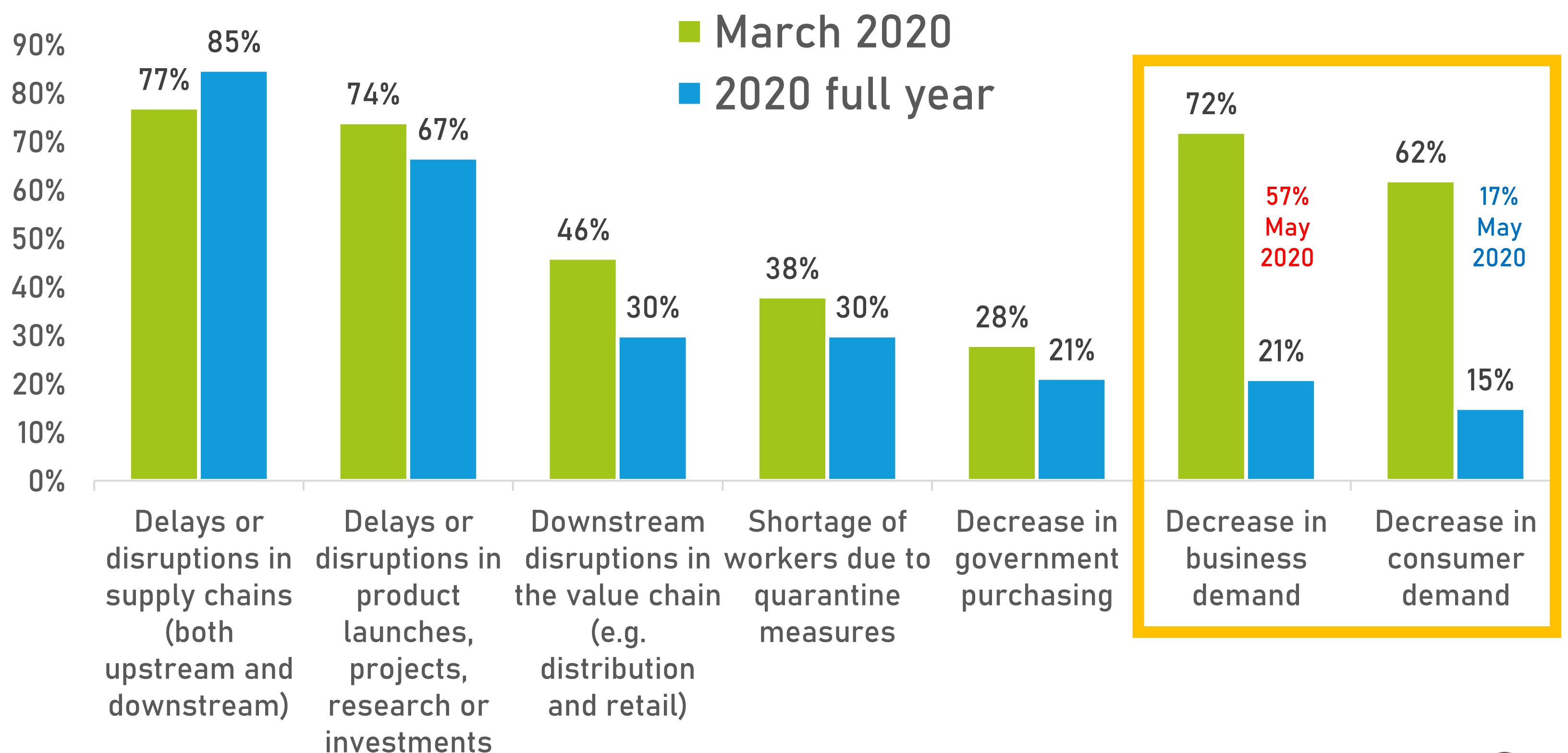


TOTAL 2020



- The same revenues
- Higher Revenues
- Lower revenues

Major change vs initial shock is recovery in consumer demand (fast) and business demand (slow)



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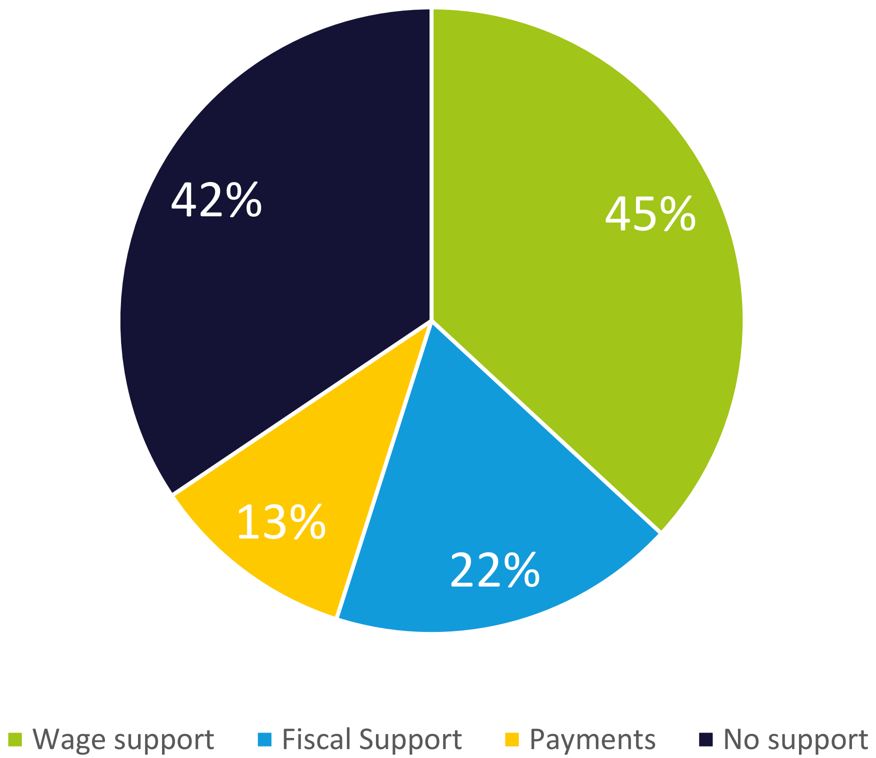
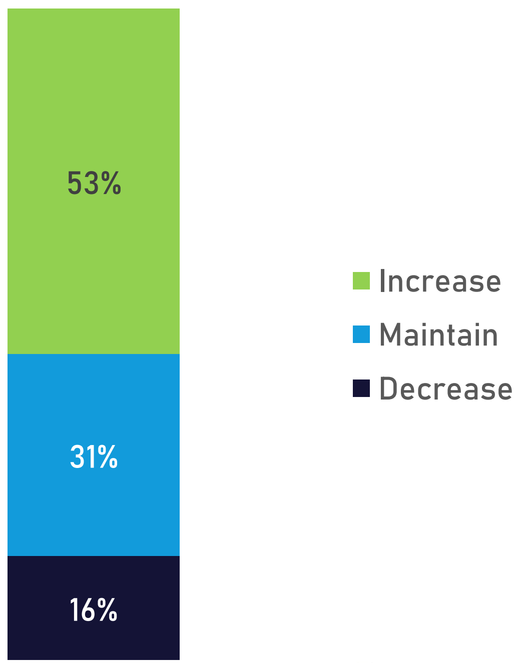
Many businesses took support, but are making that worth governments' while – creating jobs and revenue



End of 2020 staff levels vs 2019



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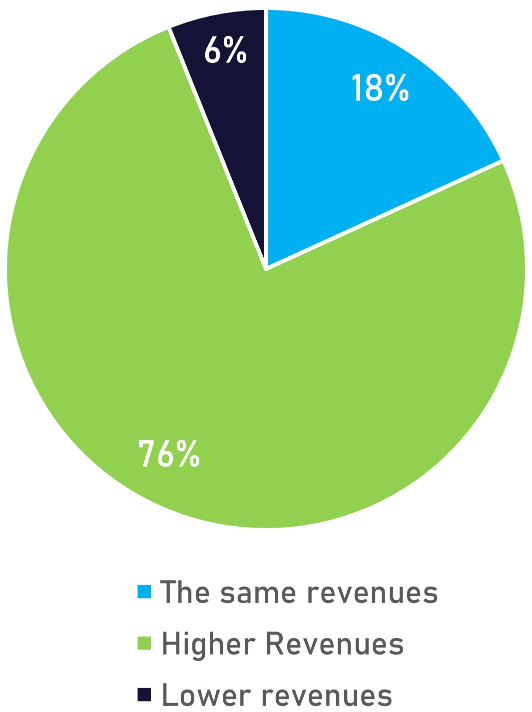
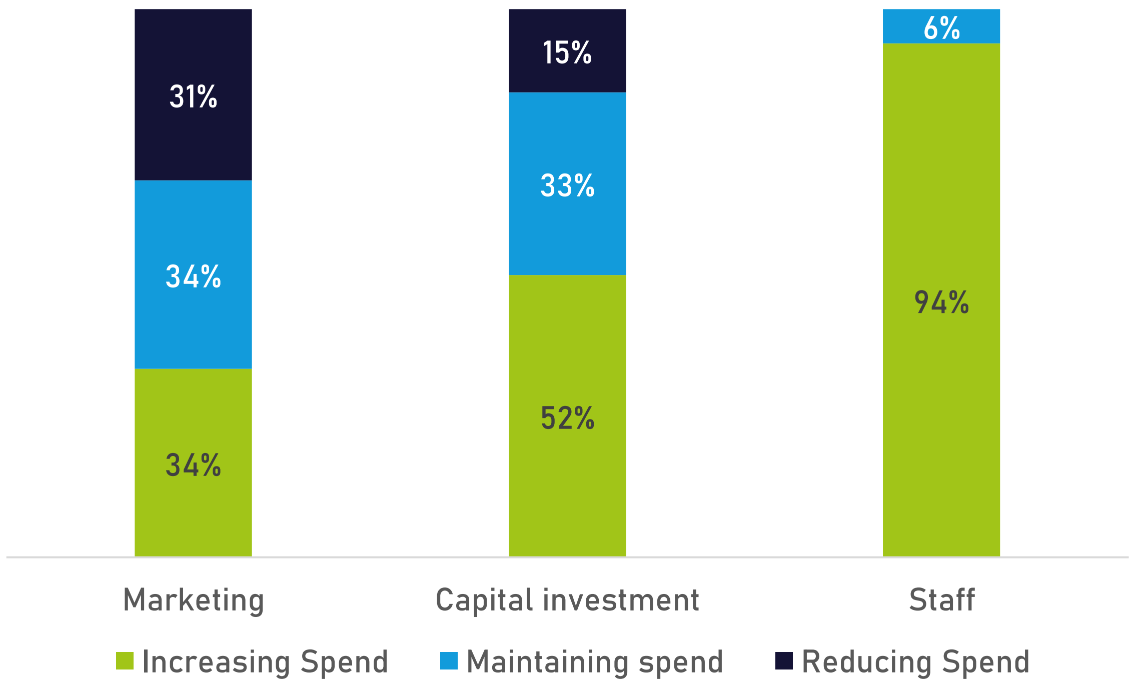
2021 and 2022 set for continued growth and investment

Q1 sales 2021

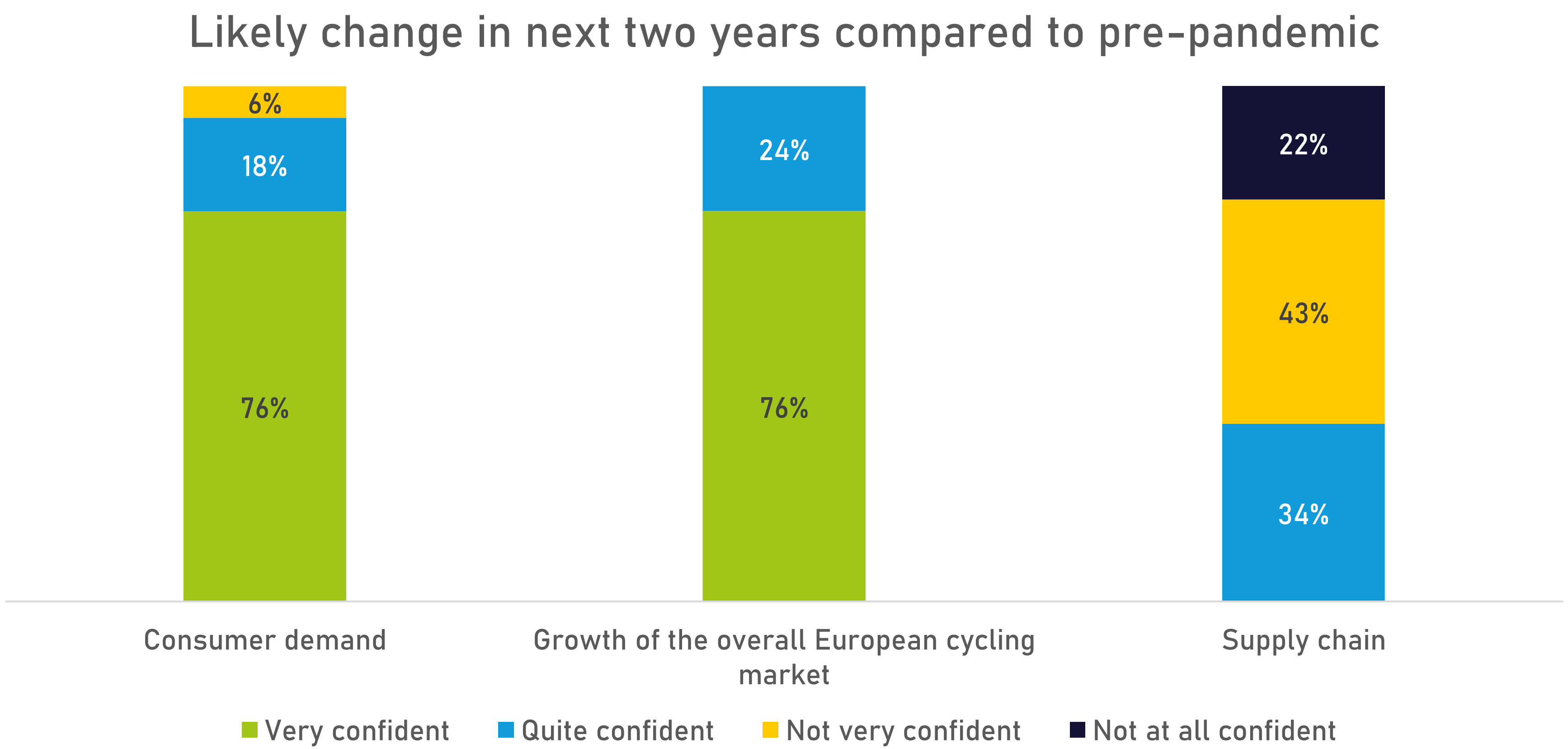


Likely change in next two years compared to pre-pandemic



* A breakdown of investment planned in: Product / service design, manufacturing, HR, Procurement and Innovation is provided to members

Confidence in overall future.



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Supply chain the major challenge for 2021

85% of businesses have supply chain challenges

86% of these don't expect these to normalize for <u>at least 6 months</u>

64% of these have very significant (5/5) or significant challenges (4/5)

<u>Upstream issues:</u>

Far East – 93%
Other European Markets – 44%
Home Market – 15%
North America – 15%

<u>Downstream issues:</u>

Other European Markets – 75%
Home Market – 56%
North America – 25%
Far East – 13%

*A breakdown of impacts by type of supply is also provided to members

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Summary

- European cycling industry has risen to the challenge presented by the COVID-19 pandemic, gradually returning to and surpassing 2019 sales levels in 2020.
- Support was required and successfully accessed. The cycling industry is worth supporting, and is now able to start reinvesting, creating jobs and revenue and driving social change.
- 2021 picking up where 2020 left off – with increases in sales and planned recruitment and expenditure.
- Recovering consumer and business demand have driven growth.
- The prognosis for 2021 is positive, though issues remain, notably supply chain.

Additional analysis available to CIE members

- Sector impact analysis
  - Bike sharing
  - Bike, parts and accessories
  - Services, logistics and other sectors
- Supply chain disruptions breakdown
  - Bicycles and Frames
  - Componentry / Parts
  - Raw materials
  - Electrical components
  - Other (clothing, accessories, services, packaging)

Impact assessments

Percentage increases/decreases

- Expenditures
- Revenues
- Marketing
- Investments
- Staff

Three-year sales comparison

- 2019 base
- 2020
- 2021 1st quarter

Sports Marketing Surveys

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