

GO-TO-MARKET ANALYSIS



Presented by Drew Burns





CURRENT POSITION

WHO WE ARE

ON Running is the only athletic shoe and apparel company that serves active trend setters with Swiss-designed modern products for athletic performance and streetwear.

WHY WE ARE

We are driven to blend our Swiss heritage and craftsmanship with innovative product features to create sleek, athletic, and stylish products.

WHAT WE'RE DOING

Our roles include designing high-quality products for local and global audiences, creating connections with athletes who inspire product sales, and fostering community through activations in key cities.

OBJECTIVES

- Assess our go to market strategy ahead of a new fiscal year to see how we can maintain our current growth and expand into new markets.
- Mission: To ignite human spirit through movement.



KEY STRENGTHS



INSIGHT

Leaders in trend-setting, leading to the brand being the industry's fastest-growing running brand.

PRODUCT

Shoes were 2x Marathon Major winners this year, and 1x Grand Slam winner.

FINANCIAL

Increase in AOV by 10% from Q3 2022 to Q3 2023. EBITDA grew by 26% in first 9 months of this FY.

MARKETING

Customer base grew by 20% in the first nine months of 2023.

OPPORTUNITY

Contributed to the athleisure trend and the minimalist running trend.

OPERATIONS

Operational Profit margins increased by 3% (first 9 months vs FY2022)

COMMERCIAL

Increase in DTC Sales % year over year vs. Wholesale. (60WS/40DTC in 2023 vs. 75WS/25DTC in 2019)

MERCHANDISING

82% sell-through rate in first 9 months of 2023 (Q3 earnings call)

AREAS OF FUTURE ATTENTION



MERCHANDISING: INTERNATIONAL OUTREACH

Year over year growth rate declined in from the prior fiscal year in EMEA, NA, and APAC. The lowest total increase in APAC.

OPERATIONS: INVENTORY EFFICIENCY

Inventory levels in Europe were "too low" and this could lead to stockouts (CNBC's Jim Cramer)

FINANCIAL: SHAREHOLDER REALIZATION

Despite continual growth in sales, the ONON stock price has stayed below IPO value.

MARKETING: INCREASING COST-PER CLICK

Average cost per click increased by 15% between Q3 2022 and Q3 2023 (Semrush.)

POINT OF FOCUS: MERCHANDISING

ISSUES:

- Little differentiation when shopping across regions (both DTC online and at flagship stores)
- Year-over-year growth declining globally

WHAT NEEDS TO BE DONE:

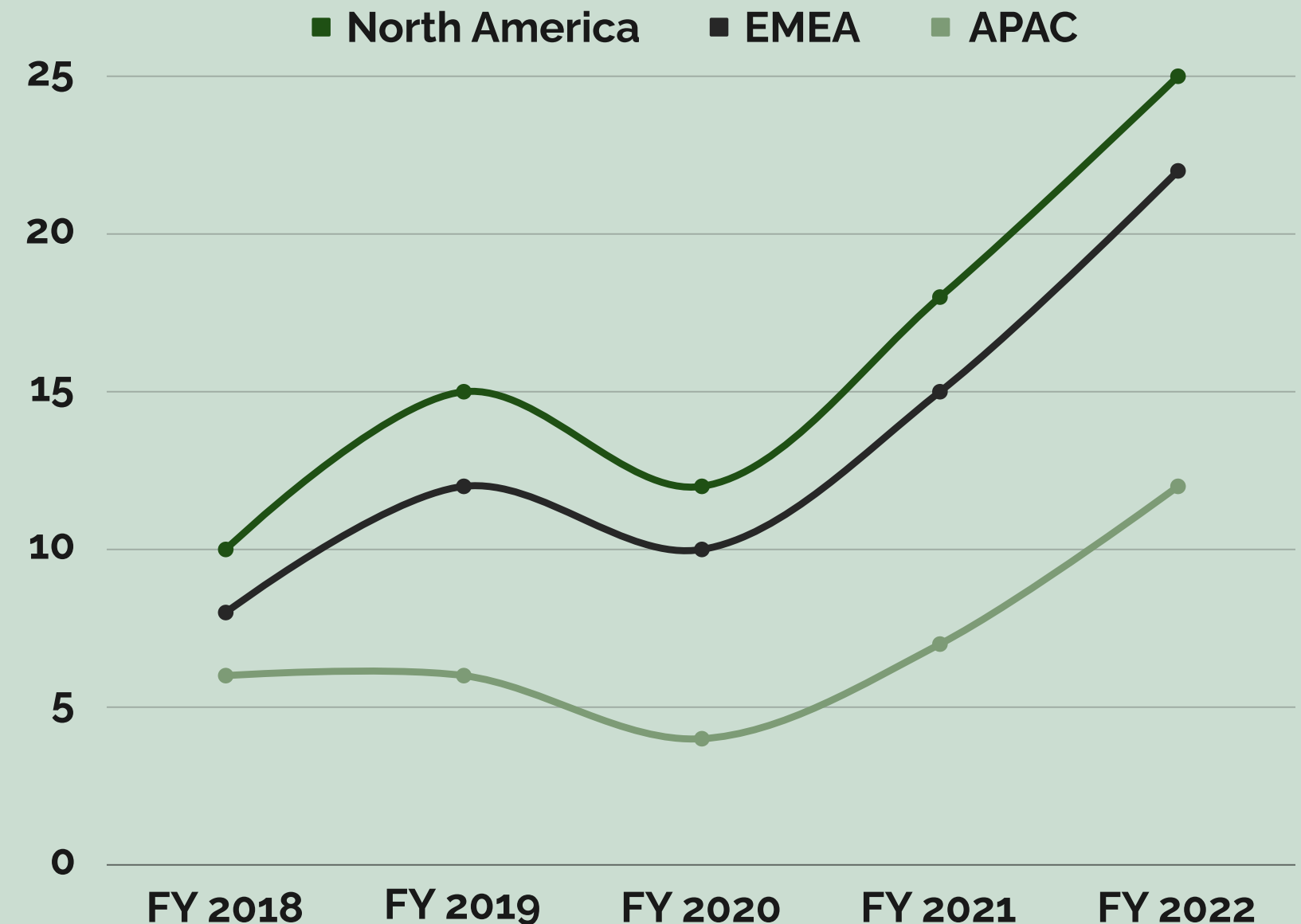
- Differentiate store layouts by region
- Introduce region-specific products
- Increase openings for DTC storefronts globally
- Target key cities for accessories/apparel sales

WHY:

- With the current goal to sell 50/50 between DTC and wholesale sales, merchandising by region is critical to resonate with different audiences
- To continue current growth, we must blend brand with the cultures we serve

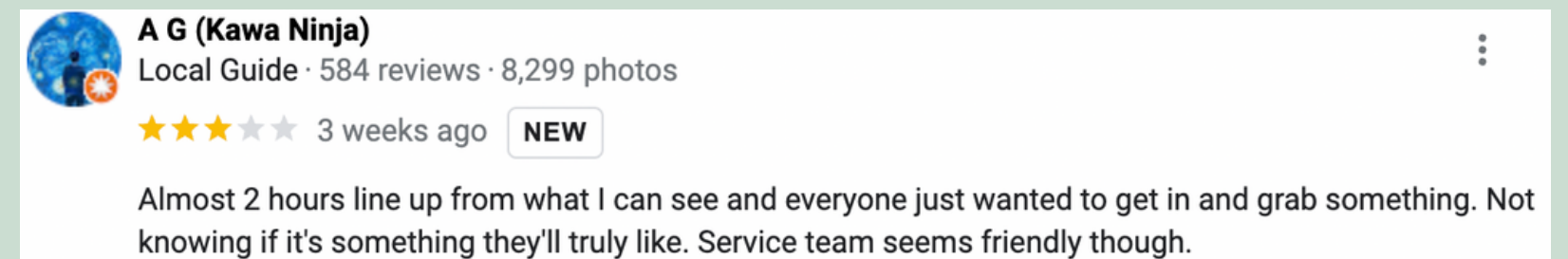
NEW STORES OPENED BY REGION

High demand for storefront openings in APAC



ON STORE FEEDBACK IN TOKYO:

Increase storefronts in key APAC cities



GO-TO-MARKET TARGETS +

SS '24

- Define visual storefront guides (KPI: 3 each per region)
- 5 regional (NA, EMEA, APAC) product briefs submitted to HQ

FW '24

- Online seasonal display by region (Increase YOY sales by 20%)
- Open 20 APAC and 30 NA stores by the end of the FY (2nd in Seoul, TYO)

SS '25

- Cut cart abandonment rate by 5% globally
- Increase accessories sales in APAC by 30%
- Increase apparel purchases in NA+EMEA by 30%

FW '25

- Regional exclusive product sales at DTC channels (30% boost in DTC sales)
- Achieve equilibrium in DTC vs. WS sales dollars
- 20+% YOY sales growth per region

