



# GBL CANYON

Acquisition of a majority stake  
in Canyon

December 2020



# Letter from the founder



*“When I saw our first bike on the Tour de France, a childhood dream came true, however, I knew that this was just the beginning. CANYON is built on a foundation of passion and self-sacrifice, with the ultimate goal of being the best bicycle company in the world.*”

*In the beginning, a lot of people told us that selling bikes online was impossible. We have proven everybody wrong! We are pioneers in building a fundamentally superior business model and consumer experience which our competitors simply can't replicate.*

*Our brand today represents the same core values of performance, innovation, community and quality as it did in 1985. This has only been possible thanks to our team. Always passionate, industry-leading and driven by the same goal, building the best and sharing the passion.*

*We are uniquely positioned to take advantage of this huge and growing market with ever more support from recent global events. Our plan will take us to €1bn in sales over the next five years, but our vision remains the same. Canyon is the best bicycle company in the world. We invite GBL to join us as we become the largest.”*

- Roman Arnold, Founder & Chairman of the Advisory Board

# Canyon is in line with structural trends which guide GBL's investment decisions

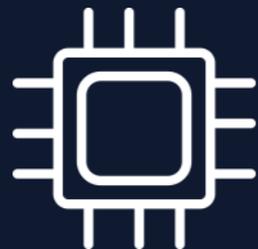


Health awareness



Consumer experience

CANYON



Digitalization & technology



Sustainability and resource scarcity

# Introduction to the transaction

- GBL has signed a definitive agreement to acquire a majority stake in Canyon
- Canyon is at the crossroad of multiple structural trends in line with GBL's strategic priorities, including health and wellness, sustainable mobility and online distribution
- Canyon is a leading and fast-growing German designer and seller of premium conventional and electric bikes with global reach
- Largest direct-to-consumer ("DTC") operator worldwide, directly selling to end-consumers via its own e-commerce website
- Sales have grown at an average rate of 25% per annum over the past seven years, almost doubling in the last three years alone, exceeding EUR 400 million today
- Canyon's founder and current majority shareholder, Roman Arnold, will remain Chairman of the Advisory Board and reinvest a significant part of his proceeds alongside GBL. TSG Consumer Partners will fully exit its position
- As part of the transaction, Tony Fadell, one of the creators of the iPod and founder of Nest, will co-invest alongside GBL and be a Board member
- The acquisition is expected to be completed, once the necessary regulatory authorizations are received, during the course of Q1 2021

# Canyon in a nutshell

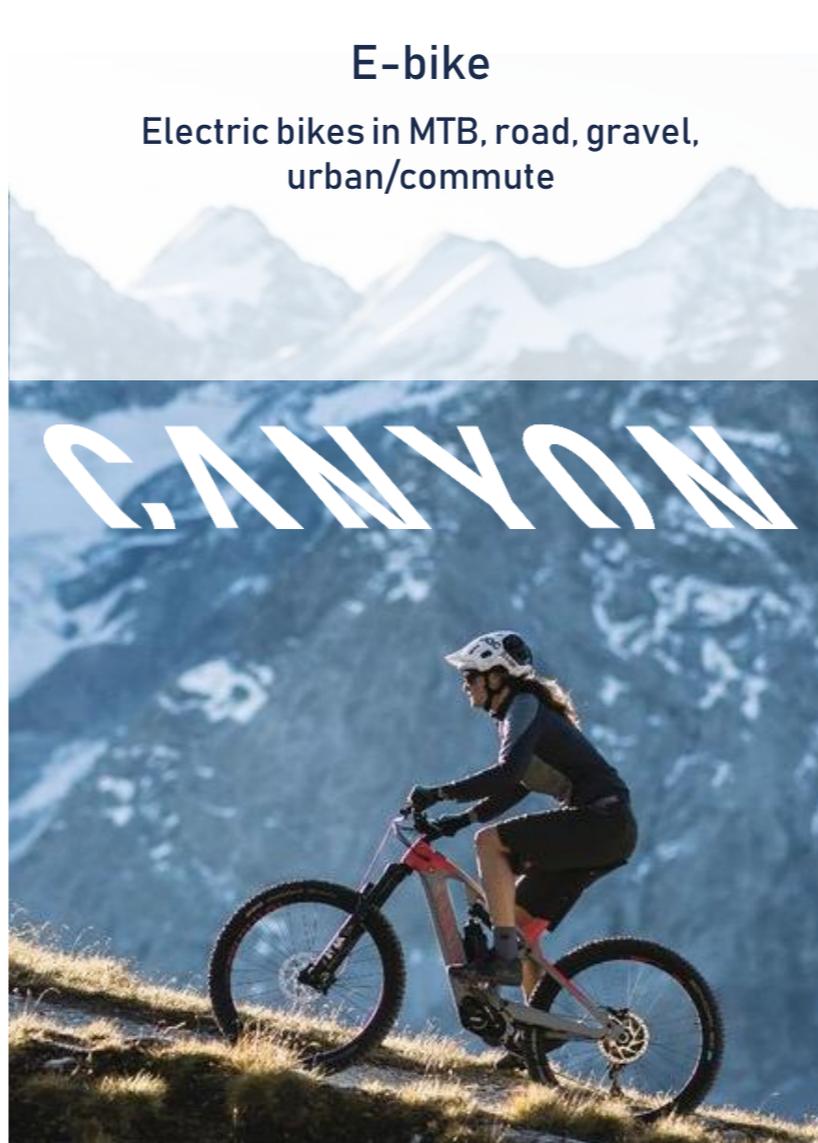
## Road

Lightweight, aero-dynamic bikes used to race on paved roads



## E-bike

Electric bikes in MTB, road, gravel, urban/commute



## Gravel

Off-road bikes with wider tires than road bikes, but still easy to ride on paved roads



## MTB

Bikes for off-road cycling, with wide tires and suspension systems

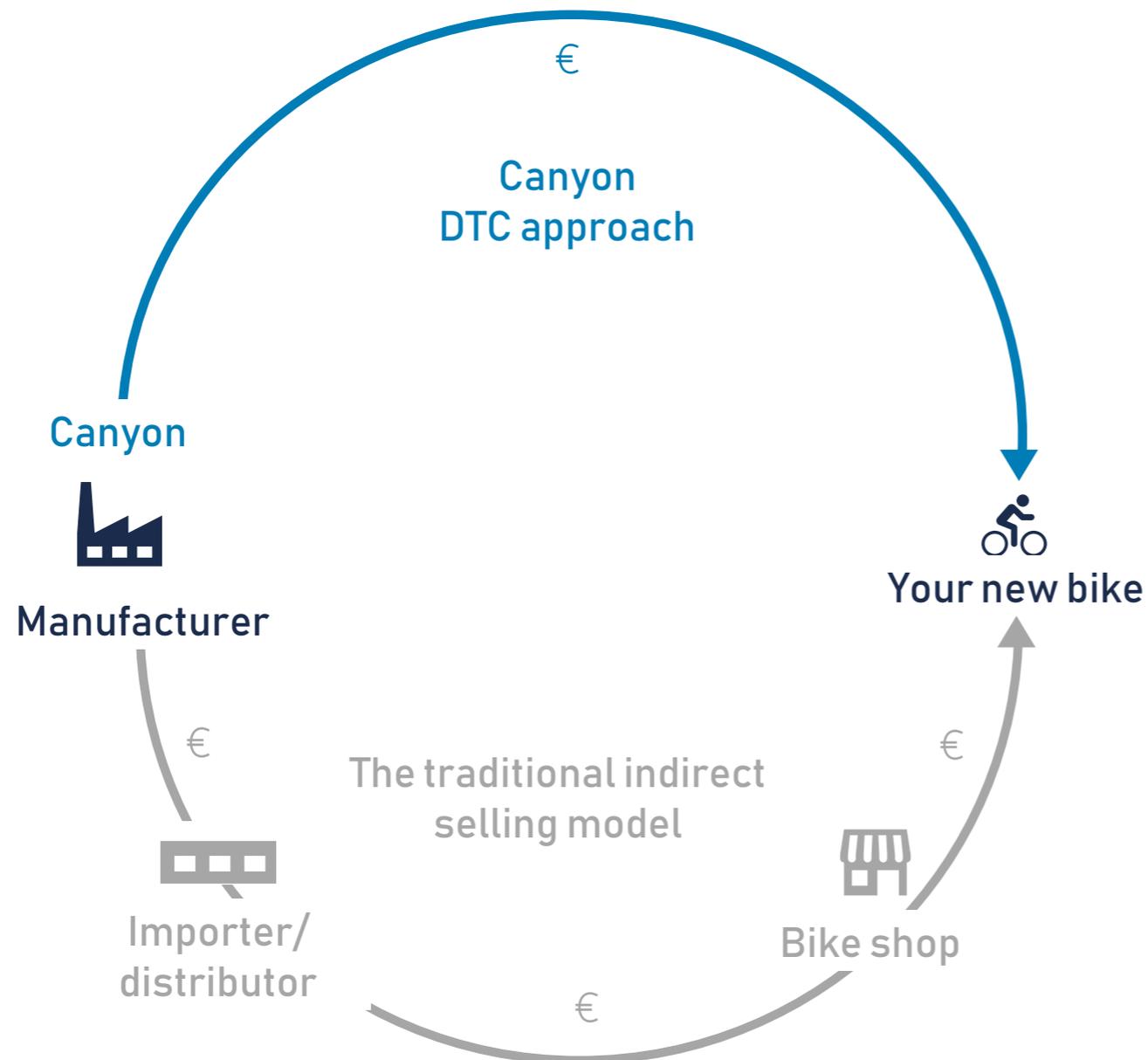


## Urban & fitness

Comfortable bikes for daily use and long tours



# Advantages of the Direct-to-Consumer (DTC) model



## ✓ Price

- 15-35% price advantage
- Allows for dynamic pricing and flexible discounts

## ✓ Online experience

- Easy to browse and compare full catalogue
- Content coupled with purchasing decision

## ✓ Inventory

- Better track and management of inventory

## ✓ Logistics

- Convenient home delivery

## ✓ Sales data collection / anticipation of trends

- Enhanced knowledge of customer preferences
- More targeted approach of customer, extensive cross-/ up-selling opportunities

# Investment rationale (1|3)

*An underlying market growing at double digit rate underpinned by structural trends*



Micro-mobility



Fitness



Sustainability



E-commerce



Government  
Support



Market trends accelerated by Covid

# Investment rationale (2|3)

*Canyon is ideally positioned to continue to outperform the market*



## Industry-leading design capabilities



## Engineering excellence

- ✓ Proprietary German Engineering
- ✓ Exceptional quality
- ✓ >200 patents and patents pending
- ✓ Large team of in-house experts



## Strong value proposition

- ✓ DTC model allows significant price savings
- ✓ Savings passed on to consumers
- ✓ Outperform peers on value for money proposition
- ✓ 15-35% savings across products



## Best-in-class digital marketing

- ✓ Partnerships with athletes & brand advocates
- ✓ Growing base of enthusiasts
- ✓ Leading social media presence and engagement
- ✓ Events driving customer engagement

# Investment rationale (3|3)

*An experienced management team with a strong track record*



**Roman Arnold**  
*Founder and  
Chairman of the  
advisory board*



**Armin Landgraf**  
*CEO*



**Dr. Michael Kaiser**  
*CTO*



**Simon  
Summerscales**  
*Head of  
Marketing &  
Brand*



**John Keiller**  
*Global Director  
Digital Strategy*



**Blair Clark**  
*President of  
Canyon US*



**Keith Hnatiuk**  
*VP of Finance  
& Operations  
Canyon US*



**Lothar Arnold**  
*CFO*



**André Janisch**  
*Strategic Finance  
Director*

# Appendix

# Tony Fadell and Future Shape



- Tony Fadell is an active investor and entrepreneur with a 30+ year history of founding companies and designing products that profoundly improve people's lives
- He is the Principal at Future Shape, an investment and advisory firm coaching deep tech startups
- He is the founder and former CEO of Nest, the company that pioneered AI-powered consumer products and the "Internet of Things". Nest was acquired by Google in 2014 for \$3 billion
- Tony was the SVP of Apple's iPod Division and led the team that created the first 18 generations of the iPod and the first three generations of the iPhone
- Throughout his career Tony has authored more than 300 patents
- In May 2016, TIME named the Nest Learning Thermostat, the iPod and the iPhone as three of the "50 Most Influential Gadgets of All Time"

FUTURESHAPE



- Future Shape, led by Tony Fadell, is a global advisory and investment firm coaching engineers, scientists, and entrepreneurs working on foundational deep technology
- With 250+ startups in portfolio, Future Shape seeks to bring tech out of the lab and into our lives
- Headquartered in Paris at Station F, Future Shape has grown over the past ten years to embolden companies beyond the Silicon Valley
- Future Shape mentors coaches founders to get the fundamentals right for lasting innovation: clear product definition, delightful user experience and marketing that triggers both desire and need
- All guidance will be in service of Canyon's objectives to broaden their customer base, grow awareness, develop innovative product HW/SW, and build a best-in-class DTC experience
- Tony will oversee the Future Shape team's work and provide strategic direction to the management through a board seat

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# GBL

Building leading companies  
through long-term engaged  
and responsible ownership