

Leading Dutch specialist in the niche sports equipment industry plans for next growth phase

DEAL FLASH | CONSUMER & RETAIL, PRIVATE EQUITY | MAY 2023

DEAL SNAPSHOT

Transformation Capital, a Netherlands-based growth equity firm, has joined the shareholder base of Kubus Sports, which owns a range of premium sports equipment brands. Together with Alex Cretier, current CEO and co-owner, Kubus Sports will seize opportunities to further strengthen its leading position in the niche sports equipment market.

Kubus Sports, founded in 1970 and headquartered in the Netherlands, has built a strong product and brand portfolio serving all-season sports such as kiteboarding, windsurfing, wingsurfing, SUP, foiling, sailing, wakeboarding, field hockey, padel and winter sports. The company is the owner of premium quality sports equipment brands across various markets, including Naish, STX, Prolimit, Storm, Ohana, Brabo, Brabo Goalie, Princess Hockey and Atom. In addition, Kubus Sports distributes several third-party brands, such as Elan, Nitro, Giro and Red Bull Specs.

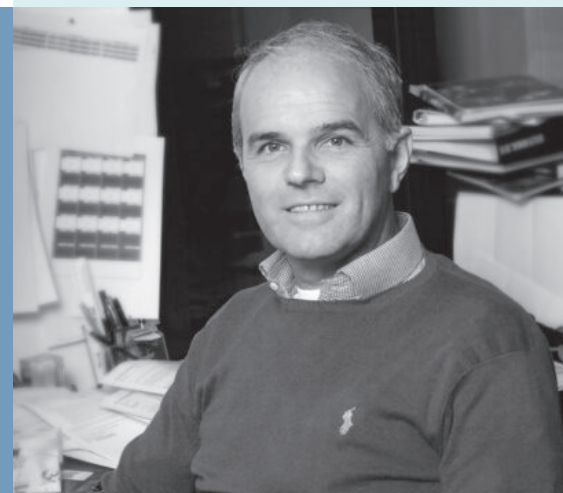
As a hands-on investor, Transformation Capital will actively work with the management to boost Kubus Sports' global leadership as a premium house of sports equipment brands. The aim is to accelerate the company's growth trajectory through internationalization, product portfolio expansion and strengthening its brand portfolio, as well as supporting the successful integration and growth of Naish, the leading water sports company that it acquired earlier in 2023.

“Throughout our search for a new growth-oriented partner, Oaklins’ pragmatic and result-oriented approach has helped us to find the best possible partner for Kubus Sports, aligning with our values of entrepreneurship, passion for sports and growth.”

ALEX CRETIER
CEO, KUBUS SPORTS
NETHERLANDS

OAKLINS' EXPERTISE WAS INSTRUMENTAL IN FACILITATING THIS DEAL

Oaklins' team in the Netherlands served as the exclusive sell-side advisor to Kubus Sports' shareholders in attracting a new shareholder. This transaction emphasizes Oaklins' profound expertise in the sports sector, also demonstrated by its extensive track record of successful mergers, acquisitions and divestments in this industry. On the back of this track record, Oaklins has gathered detailed insights into sector dynamics, valuation trends and key personalities, as well as potential buyers and targets.



MARKET TRENDS & DEAL DRIVERS

M&A activity within the European sports sector is increasing due to a variety of factors. These include a shift towards a healthier and more active lifestyle among consumers, increased disposable income, an uptick in those taking part in sports, and technological advancements. These dynamics have created a wide range of investment opportunities within the sports market.

Kubus Sports, in its efforts to diversify across different sports niches, has attracted significant attention from private equity investors. Private equity firms have been actively pursuing M&A opportunities in the sports sector, particularly in relation to sports equipment brands. This is driven by the sector's ability to generate consistent cash flows and its potential for long-term growth. Additionally, the globalization of sports has created new opportunities for private equity investors to acquire and expand sports franchises and related businesses.

Given this sustained investor interest, the sports industry is expected to experience continued growth in the coming years.

M&A VALUATION ASPECTS

Financial details of this transaction have not been disclosed. However, when considering the valuation of sports equipment companies, several key aspects come into play:

Brand strength: Established brands with a loyal customer base, positive brand perception, and a strong market presence have higher valuations.

Product portfolio: Companies with a wide range of innovative, high-quality products that cater to various sports and consumer segments tend to have higher valuations. A robust product pipeline and the ability to stay ahead of market trends and consumer demands can further enhance a company's value.

Market position: A company's market position, including its market share, competitive landscape and growth potential, significantly impacts its valuation. Leading companies with a dominant market position and strategic partnerships tend to be valued higher. Considerations such as barriers to entry, market growth rate, and a company's ability to capture market share can also influence its valuation.

Industry and market trends: Factors such as changes in consumer preferences, emerging sports trends, technological advancements, and sustainability initiatives can affect the valuation. Assessing a company's ability to adapt to these trends and capitalize on new opportunities is crucial in determining its value.

TALK TO OUR ADVISOR



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Derk leads the sports industry team in the Netherlands. He has extensive experience in advising family businesses, corporates and private equity clients in numerous cross-border and local transactions. Recent transactions he has worked on include the acquisition of Naish by Kubus Sports, and the sales of CAG Group to Socotec and of VHZ Group to Gilde Equity Management.

“It has been a great experience to work together with Kubus Sports, assisting them in identifying their strengths and growth drivers. By positioning Kubus Sports as an attractive target, we facilitated the engagement of multiple buyers. Additionally, we supported them in acquiring the legendary water sports brand Naish, which significantly increased the value and appeal of their proposition. Throughout the process we provided comprehensive buy- and sell-side services to ensure a smooth acquisition and sale.”

**OAKLINS HAS CLOSED 695 DEALS
IN CONSUMER & RETAIL AND 881 IN
PRIVATE EQUITY**

United by a strong belief that we can achieve the extraordinary. Oaklins is a global team of 850+ financial advisory professionals in 45 countries providing M&A, growth equity, ECM, debt advisory and corporate finance services to support entrepreneurs, corporates and investors in reaching their goals.

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