

9 May 2023

## JD Sports Fashion Plc

### European Developments - Proposed Acquisition of Courir in France and Simplification of Minority Shareholdings

JD Sports Fashion Plc ('Group') announces its intention to take its first acquisitive steps in fulfilling the growth ambitions, as set out at the Capital Markets Event in February this year. Additionally, the Group is reviewing options to simplify the shareholdings in a number of its subsidiary businesses across Europe with a view to accelerating the development opportunities that exist for the JD fascia.

Régis Schultz, CEO of JD, said:

"We said at our recent Capital Markets Event that this was the start of a new, distinct chapter in the growth story of JD. The exciting developments that we are announcing today reflect the strategic priorities that we highlighted on the day.

"We are delighted to announce the proposed acquisition of Courir, a business that is held in high regard in the European sportswear community. We look forward to concluding the contemplated transaction, welcoming the Courir team to the Group and then working with management to fulfil Courir's global potential. Investing in quality complementary concepts whilst furthering the growth of JD itself is a key strategic pillar for the Group and one which we will continue to pursue in the future.

"Securing greater control over the long-term development of JD and prioritising the development of the JD brand is a key pillar in our growth strategy in Europe. It will give us simpler decision making which will allow us to use our assets with more efficiency. At the same time, it will considerably simplify the group operations. We thank our partners for their contribution to the development of JD across Europe and for their constructive engagement."

#### Proposed Acquisition of Groupe Courir

On 8 May 2023, the Group entered into exclusive negotiations with the owners of Groupe Courir S.A.S ('Courir') with regards to the potential future acquisition of 100% of the issued share capital of Courir for an enterprise value of €520 million ('Transaction').

The business is currently majority owned by Equistone Partners Europe ('Equistone') which acquired Courir in 2018 following the carve out from Groupe Go Sport. In accordance with French law, Courir management will now commence consultation processes with its relevant employee representative bodies prior to being able to enter into a binding sale and purchase agreement for the Transaction.

The Transaction will need to be notified to the European Commission in accordance with European Union Law. Completion of the acquisition is therefore conditional on receipt of merger control approval. Given the potential timings associated with the consultation and competition assessment processes, completion of the Transaction would not be expected before the second half of 2023.

After deducting net debt of €195 million, the amount payable at completion, subject to certain adjustments, would be €325 million which would be funded through available cash resources. The net debt of €195 million in Courir principally constitutes existing funding lines of approximately €210 million which would be refinanced at completion.

Based in France, Courir is a leading player in the European sports footwear and apparel sector with 313 stores bannered as Courir across six countries in Europe as follows:

- France: 191 stores operated directly and 66 operated by affiliates
- Spain: 24 stores (all operated directly)
- Belgium: 22 stores (all operated directly)
- Portugal: 5 stores (all operated directly)
- Netherlands: 3 stores (all operated directly)
- Luxembourg: 2 stores (all operated directly)

In addition, there are a further 36 stores which trade under franchise agreements as Courir in North West Africa, Middle East and French overseas territories. Further, there are two stores which trade as Naked in Denmark which is an elevated female sneaker business.

At the Group's recent Capital Markets Event, we emphasised the importance of 'Complementary Concepts' to leverage our existing premium concepts, including JD. This proposed acquisition is in line with that growth strategy as Courir operates stores with a primary focus on a female consumer. The senior management team and operational infrastructure of Courir would be retained and it is the intention that Courir would maintain its identity and would run autonomously from JD's French operations. Leveraging Courir's extensive knowledge in managing female oriented stores would significantly broaden the capabilities and global opportunities across the Group.

For the 52 week period ended 31 December 2022, Courir had consolidated revenues of €609.8 million which included €100.3 million from the combination of the sale of product on a commission basis to the affiliates and other commission income from franchisees, a profit before interest and tax of €47.4 million and gross assets of €678.4 million.

The contemplated Transaction constitutes a Class 2 transaction under the UK Listing Rules.

#### Simplification of Minority Shareholdings in Subsidiary Businesses in Europe

In the Group's recent Capital Markets Event, we also confirmed that one of our key strategic pillars was to secure greater control over the long-term global development of JD and prioritise the development of the JD brand. From a European perspective, this has resulted in engagement with the minority shareholders in a number of our subsidiary businesses across Europe:

- Germany: We have now completed the acquisition of the remaining 20% of JD Sports Fashion Germany GmbH.
- Iberia: Following the receipt of a formal buy / sell notice from Balaiko Firaja Invest, S.L. and Sonae Holdings, S.A. (together the 'Minority Parties'), who collectively hold 49.98% of Iberian Sports Retail Group, S.L. ('ISRG'), the Group is now engaged in formal discussions with the Minority Parties with regards to the future ownership structure of ISRG, including the JD shareholding held by ISRG. There are three possible outcomes from this process although it is expected to be later in the summer before there is clarity as to which outcome will be progressed by the parties:
  - The Group acquires the 49.98% holding in ISRG currently held by the Minority Parties
  - The Minority parties acquire the Group's 50.02% holding in ISRG and the Group simultaneously acquires the Minority parties interest in JD across Iberia
  - No change to existing shareholdings

#### Timetable for Announcing Final Results

The Group will announce its full year results for the year ended 28 January 2023 on 17 May 2023.

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*This announcement contains information which is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.*

*The person responsible for arranging the release of this information on behalf of the Company is Theresa Casey, Company Secretary.*

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