

RNS Number : 7167E

JD Sports Fashion Plc

03 July 2023

JD Sports and GMG to bring the world's leading retailer of sports fashion to the Middle East

Monday, 3 July 2023 - JD Sports Fashion Plc ('JD' or 'JD Sports'), the leading global sports fashion retailer, and GMG, a Dubai-headquartered well-being company operating leading brands across sports, everyday goods, health and beauty, properties, and logistics sectors, today announce the signing of JD's first franchise agreement.

The deal is a significant milestone in the delivery of JD's global growth strategy announced by Régis Schultz, Chief Executive Officer of JD, at the company's Capital Markets Event in February this year. The partnership will enable JD to deliver on the roll out of its 'JD Brand First' strategy and is a pivotal move in the continued expansion into underpenetrated markets.

Under the terms of the 10-year agreement, GMG will open around 50 stores under the JD fascia by 2028, with a focus on locations in United Arab Emirates, the Kingdom of Saudi Arabia, Kuwait and Egypt. This is a meaningful contributor to JD's plans to open between 200 and 300 new stores each year over the next five years.

GMG has a wealth of experience in sports and fashion retailing through its diversified portfolio of more than 500 GMG Sports stores across seven concepts, including its global flagship brand, Sun and Sand Sports. With an unparalleled understanding of the consumer in the Middle East, GMG is perfectly positioned to introduce the JD brand to the region, which is home to some of the world's most innovative shopping malls.

A heightened focus on health and wellness, as a result of the COVID-19 pandemic, has driven strong growth in the athletic leisure market in the Middle East. Consumers increasingly recognise the additional value provided by the latest styles, or sportswear with advanced properties that will improve performance, with a recent report by [Data Bridge](#) predicting that the sports apparel market in the region could reach a value of US\$23.2 million by 2029, at a CAGR of 4.8%.

Strong brand partnerships are in the DNA of both JD and GMG, and the deal will provide substantial opportunity for JD to showcase its unique multi-brand, omnichannel proposition. Consumers will benefit from exclusive access to the latest styles from some of the world's largest brands including Nike, Adidas, New Balance, and Under Armour.

Régis Schultz, CEO of JD Sports, said: *"We are very pleased to be delivering this historic deal, the first franchise agreement JD has entered, in partnership with GMG. Through my own career, I have seen firsthand the massive untapped potential for retailers in the Middle East, and I am certain that GMG - with their expansive retail expertise and a local understanding of the customer - are the best partners for us in the region."*

"We also know, from our love index, that no matter the market there is a direct correlation between having a strong physical retail presence, and popularity and love for the brand. We are excited by the opportunity to explore franchise partnerships as an avenue for further store growth in underpenetrated markets, leveraging the global growth phenomenon of athleisure while bringing our proven proposition to more customers worldwide."

Mohammad A. Baker, Deputy Chairman and CEO of GMG, said: *"We are starting a new chapter in the sports retail landscape by acquiring the franchise rights for the GCC region and Egypt for JD Sports. By leveraging our respective strengths and expertise, we aim to revolutionise the sports retail sector, offering a diverse range of high-quality products, exceptional customer service, and innovative shopping experiences. This alliance is a testament to our commitment to enhancing the lives of consumers in the region, as we embark on a journey to provide them with unmatched choices and empower their active lifestyles."*

ENDS

Enquiries:

FGS Global

Tel: 0207 251 3801

Rollo Head

Jenny Davey

James Thompson

This information is provided by Reach, the non-regulatory press release distribution service of RNS, part of the London Stock Exchange. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

NRAGLGDRGUGDGXX