

# STRATEGY

Holdsport plans to continue to strengthen its position as South Africa's leading dedicated sporting and outdoor retailer through the following organic and acquisitive initiatives to drive future growth

**Increasing sales from existing stores.**

Holdsport has a track record of increasing trading densities in existing stores. Product development in the sporting and outdoor retail industry is rapid, and successful product innovation and adoption of new trends are key to driving future growth.

Holdsport has an operational advantage over its competitors as its large-format stores facilitate the introduction of new products and product categories.

**Expanding online presence.**

There are a number of areas that management is exploring in delivering product to its customers outside of the traditional store environment, and specifically through internet sales.

**Continuing to expand exclusive offerings.**

Holdsport will continue to procure new and exclusive products that will support the group's differentiated position in the market.

**Expanding its store base using its proven store model.**

Holdsport foresees opportunity and demand for opening new stores. The group's compelling store economics and its successful track record of opening profitable

new stores provide it with a strong foundation for continued growth through new store openings. Holdsport's future store openings will be in existing markets as well as adjacent markets.

**Expanding its store base in malls with a smaller concept.**

Sportsmans Warehouse opened a smaller-concept store in the Mall of Africa in 2016. The store has a new store design and is focused on technical apparel and footwear. There is an opportunity and demand to open more of these stores in suitable mall locations.

**Leveraging Holdsport's supply chain excellence.**

The group has developed expertise in its merchandise department and its successful design, manufacturing and wholesale operation, and there is capacity to leverage this expertise to enhance the growth of the business.

**Geographic expansion.**

Holdsport has two stores outside of South Africa, in Windhoek, Namibia, and the group is well positioned to leverage its platform in South Africa and Namibia for expansion into sub-Saharan Africa as these markets develop. The wholesale division has the potential to export more merchandise to foreign markets.

