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2022 WORLD ROWING CONGRESS

**STRATEGIC COMMERCIAL
PARTNERSHIP PROJECT**

UPDATE BY DELOITTE LLP AND CHARLES RUSSELL SPEECHLYS

SEPTEMBER 2022 | PRIVATE & CONFIDENTIAL



**MAKING AN
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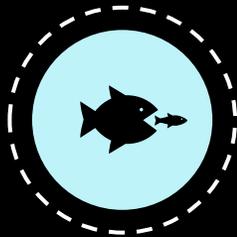
Why are we doing this project and where are we in the process?

WHY ARE WE DOING THIS?

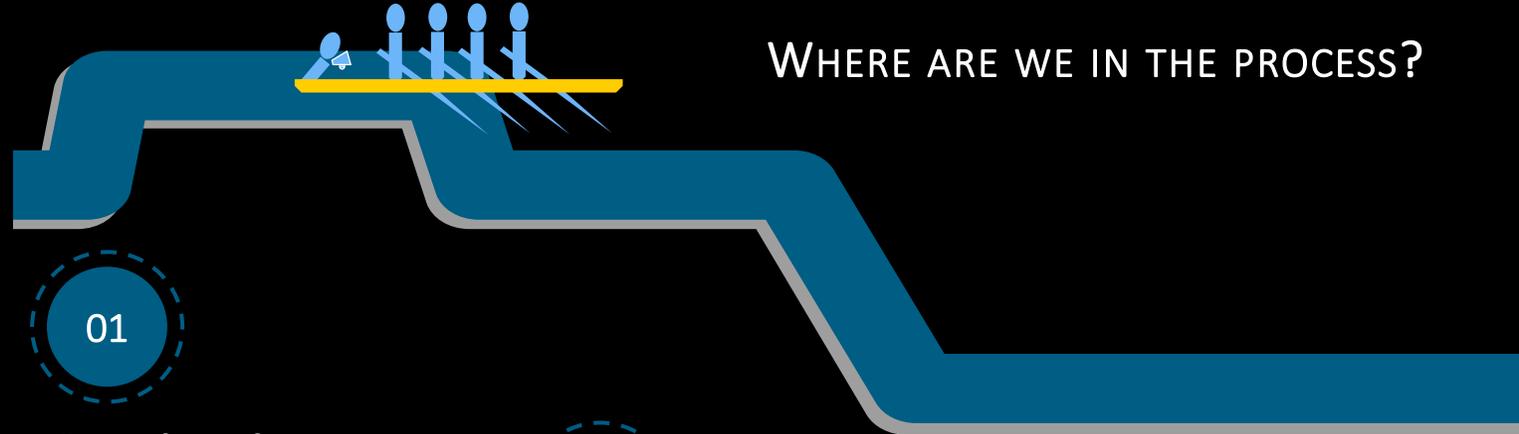


The sports world is evolving more rapidly than ever before...

... forcing sports organisations to fight to remain relevant in a competitive market...



... Rowing is no exception – we must change or be changed



WHERE ARE WE IN THE PROCESS?

01

Consult with stakeholders across the sport to determine its strengths, weaknesses, opportunities, and threats

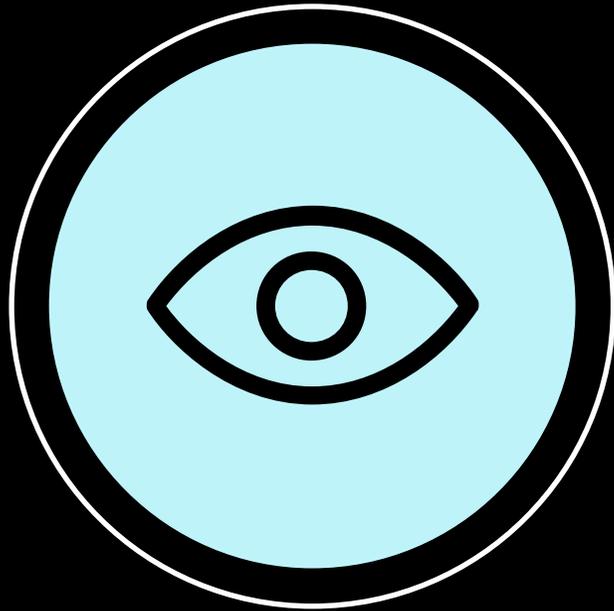
02

Conduct a market sounding exercise to assess appetite for partnering with World Rowing

03

Ideally identify strategic partner(s) to assist World Rowing in targeting market opportunities

Agenda for our session today



The Status 'Row'

Observations on the strengths and weaknesses of Rowing



Sports Market Context

Overview of forces changing the sports market and their impact on organisations



Strategic Partnerships

Summary of the sports current outlook, and the path to partnership

The sport of Rowing has strong foundations...



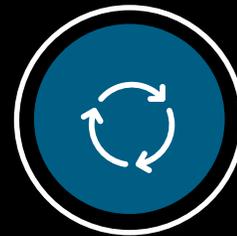
The 'DNA' of Rowing is strong - exemplary governance, values, and sporting integrity



We are a 'passion sport' – people are involved for the 'right reasons'



The prestige and heritage of Rowing as an Olympic & Paralympic sport is powerful



We have multiple new disciplines (Coastal, Indoor, ...) but these and the Classic formats (City Sprint, ...) – need development



The 'Rowing family' is close-knit - people who enter the sport tend to have lifelong affiliations



We have a global footprint, with members of the Rowing family spanning all continents

... but it also faces several key challenges



Historic weakness in achieving and fully activating its overall potential as a sport



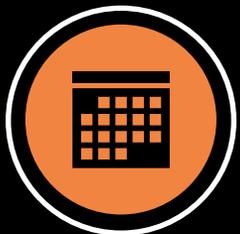
The sport is considered to be slow to adapt to and embrace change – reactive not proactive



Lack of sporting inventory, which limits visibility, reach, & content, limiting commercial interest



The sport is perceived to be elitist and conservative in nature



Issue in maintaining year-round relevance due to the short summer-based season



Concerns over 'Eurocentric' nature of the current season structure. Current and future challenges in procuring hosting cities

There are six macro forces that will shape the future of sports...

1. Next Generation of Customers

A more digitally-immersed, purpose-driven population with new expectations.

3. Societal Impact

Organisations will look to be more purpose-driven and be at the heart of broader societal change.

5. Climate Change & Sustainability

A changing climate will impact how we live, work and play, including how organisations operate.

2. Pace of Digital

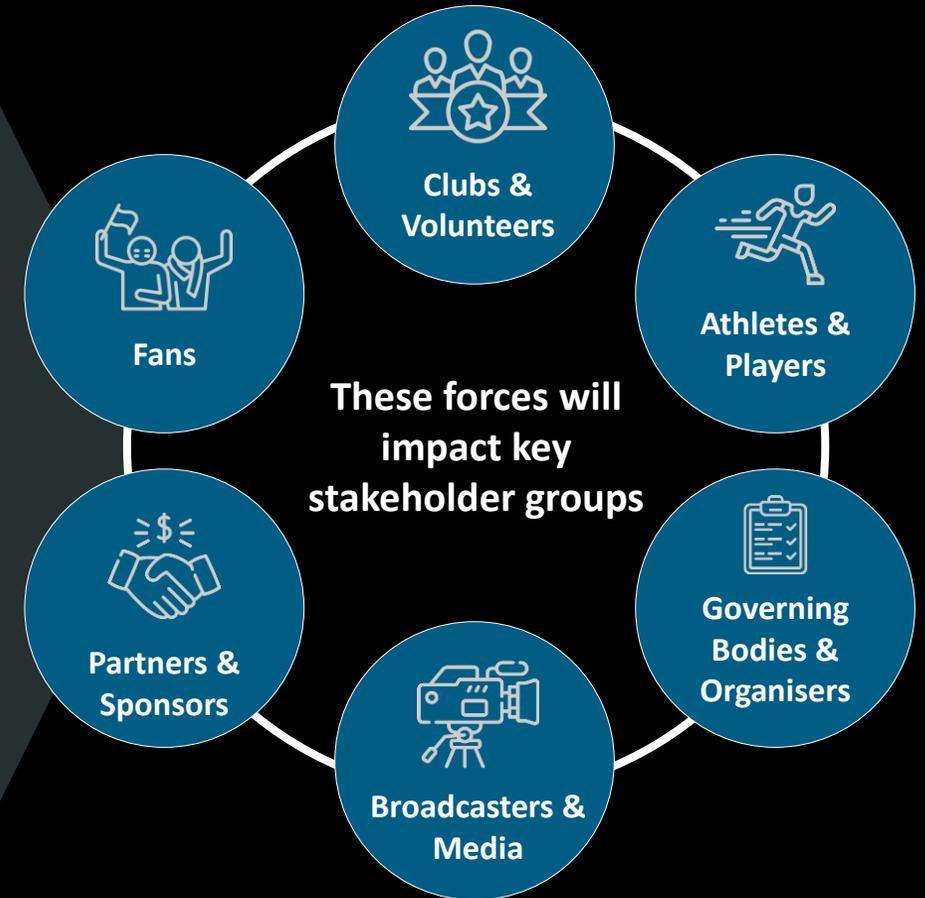
Technological advancements will impact the way we play, view and engage with leisure and entertainment activities.

4. Health & Wellbeing

Societal demands on physical and mental health will impact welfare and organisations' priorities.

6. Evolving Global Sports Market

New opportunities to profit from sport will continue to arise, as sport is increasingly seen as an asset class.



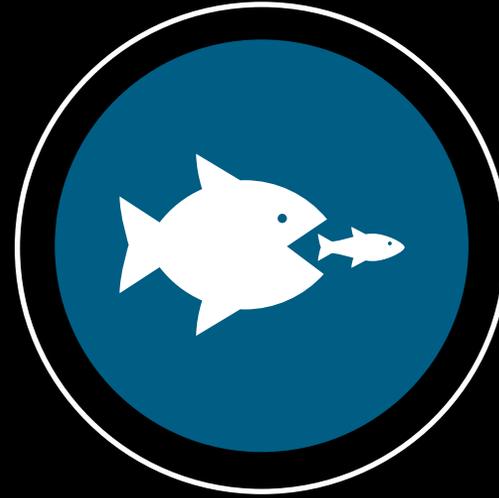
... and these forces are transforming the sporting landscape more rapidly than ever before



Disrupting operating models, competition structures, and commercial models



Radically evolving participant, fan, and viewers demands and expectations



Generating more intense competition from other sports and forms of entertainment



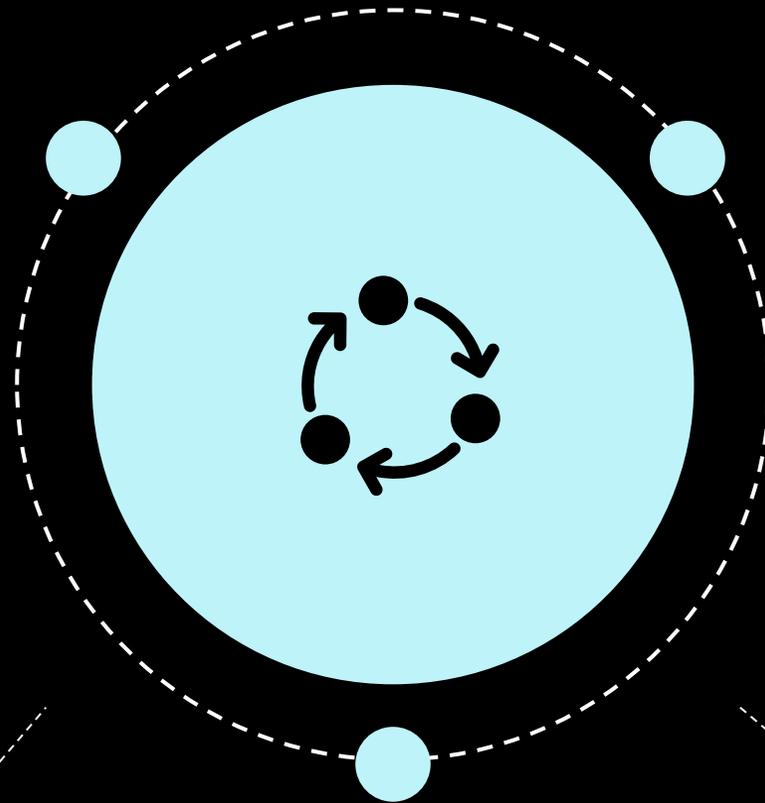
Creating an environment of risk, but also tremendous opportunities for sports that adapt

... creating an environment where organisations must change or be changed...

Organisations that have actively pursued change to their benefit



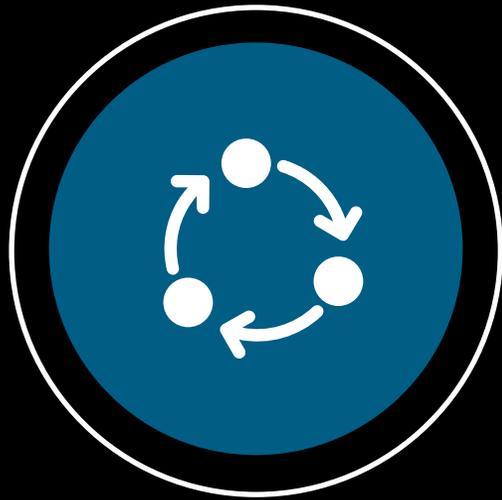
Organisations that have had change enforced upon them



Disruptive forces in grass roots sport



... forcing International Federations to evolve to ensure their sports survive and thrive



Building on their heritage and values, and utilising their assets, events, formats, membership and unique culture



Broadening reach of elite/grassroots participants, adopting an entrepreneurial service-led and fan-centric approach

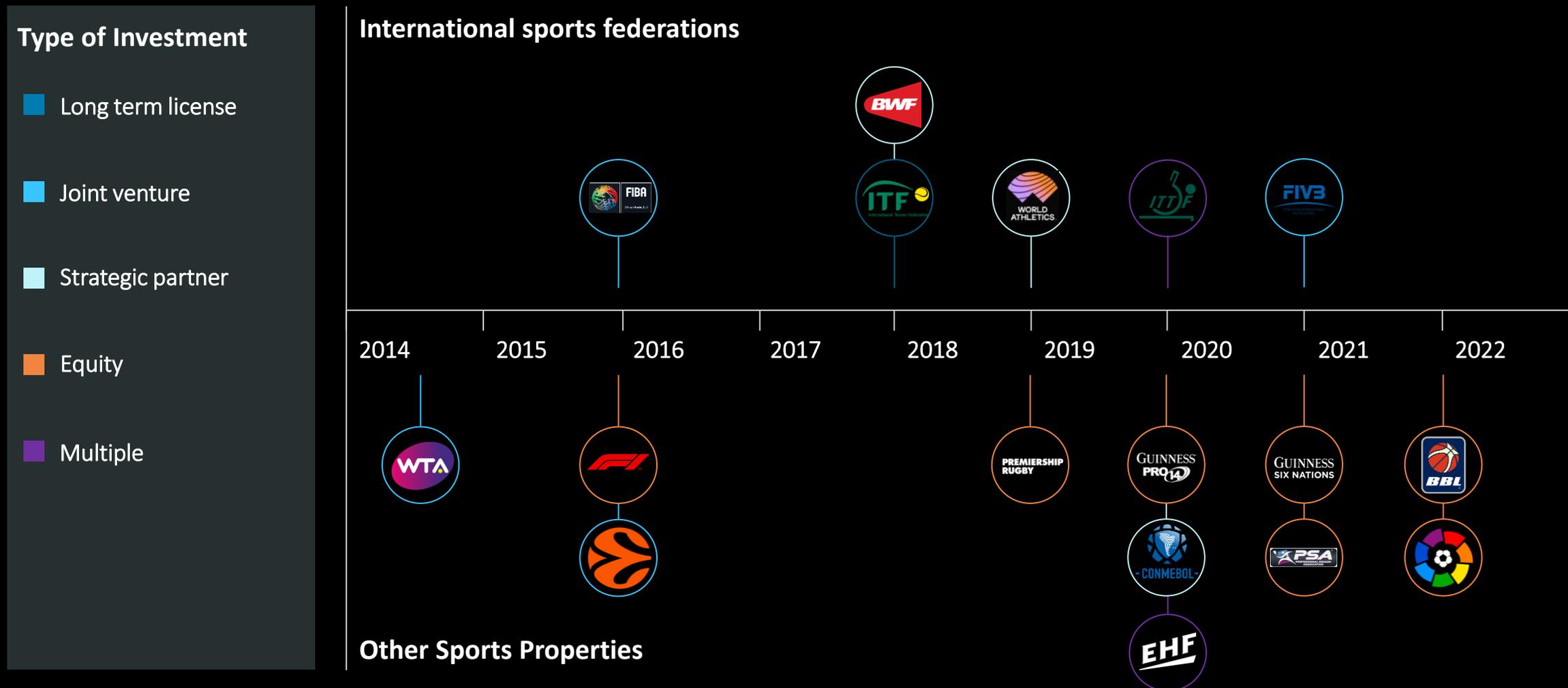


Embracing technology, data, insight, and innovation to improve their product, content, and experiences

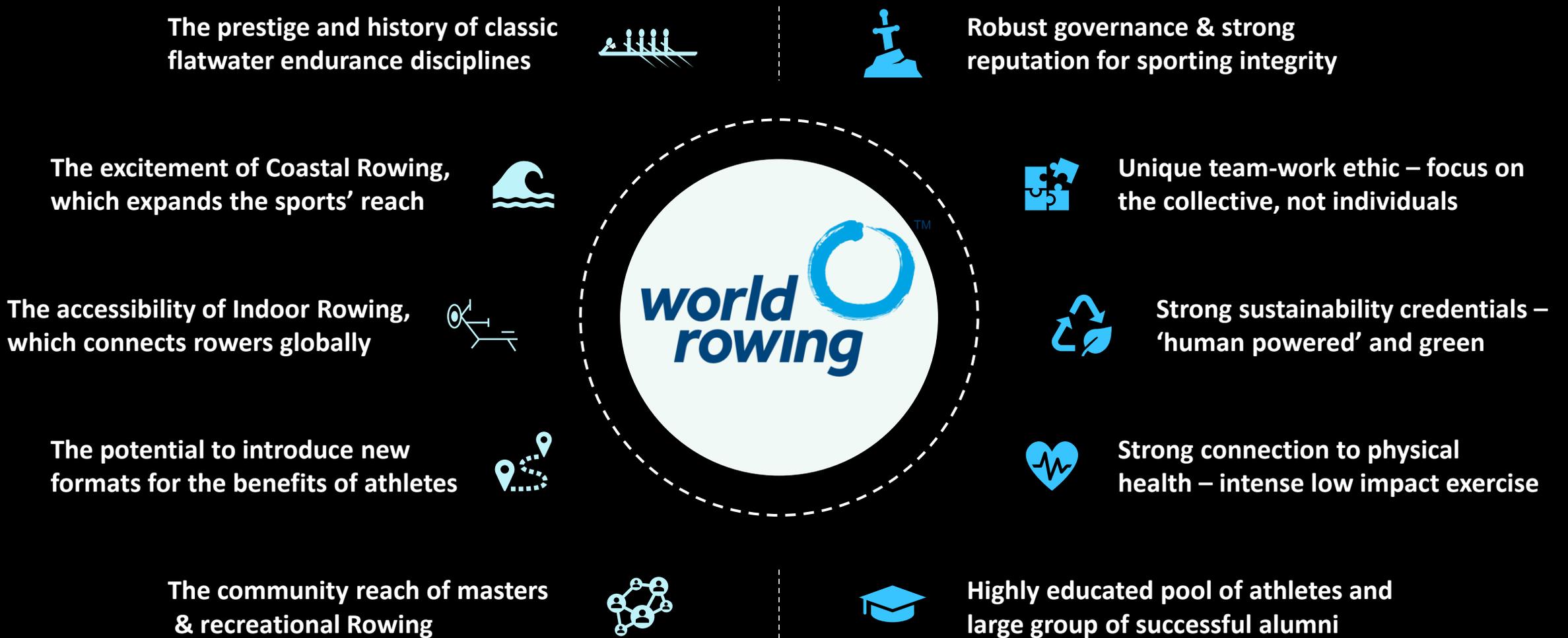


Seeking strategic partnerships to assist in evolving and growing their sports

World Rowing isn't alone in considering strategic partnership(s) – many international sports federations have entered partnerships in recent years and competition remains fierce



However, Rowing has an attractive mix of assets and values that will generate interest...



... and the sport is well positioned to leverage the macro forces of change...

Opportunities to leverage

1. Next Generation of Customers

- Appetite for non traditional sports (Coastal)
- New formats including mixed disciplines

2. Pace of Digital

- Data rich sport
- Digital facilitated global communities
- Governing bodies role in regulating technology

3. Societal Impact

- Unique teamwork ethic
- Parity of women's Rowing
- Strong para Rowing history

4. Health & Wellbeing

- Huge physical health benefits
- Rapidly growing fitness market
- Masters events showcase lifelong health
- Mental health value of team ethos and culture

5. Climate Change & Sustainability

- Existing authentic focus on water sustainability
- Low emission sport – 'human powered'

6. Evolving Global Sports Market

- Broad range of investors considering many sports
- Wealthy Rowing alumni
- Several distinct investable assets

... but must also address several of the challenges posed by these forces

Challenges to address

1. Next Generation of Customers

- Decline in following traditional sports
- Intense competition for consumers' attention
- Desire to follow personalities/individuals

2. Pace of Digital

- Private entities investing already
- Ensure fair share of market with equipment/software providers

3. Societal Impact

- Need to increase accessibility & diversity
- More nations to be international competitive (via new format?)

4. Health & Wellbeing

- Providing a discipline for all body shapes
- Rowing community to secure a fair proportion of fitness sector

5. Climate Change & Sustainability

- Movement of boats around the globe – is there an alternative ?

6. Evolving Global Sports Market

- Intense competition from other sports
- Change or be changed
- IOC status – need to maintain relevance to retain Olympic places in the future

To recap...



The global sports ecosystem is evolving at unprecedented rate – and organisations must change or be changed



World Rowing must adapt to remain relevant in the increasingly competitive global sports marketplace



We are not alone in this – many sports organisations are considering external investment or partnerships, and competition is intense



World Rowing has engaged Deloitte and CRS to assess the viability of entering strategic partnership(s) as we look to the future

Deloitte.

THANK YOU!

IF YOU HAVE ANY QUESTIONS, PLEASE ADDRESS
THEM TO THE FOLLOWING EMAIL ADDRESS:

STRATEGICPARTNERSHIP@WORLDRROWING.COM

WE WILL REVIEW AND RESPOND TO ANY
QUESTIONS FOLLOWING THE **WORLD CONGRESS**



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