

KROLL

Cycling Sector Primer

London

Q4 2025



Key Takeaways – Ongoing Sector Dislocation Creates Opportunity

Key Takeaways

<p>Value-vs. Volume-Driven Growth</p> <ul style="list-style-type: none"> • Traditional value/volume strategies are in flux as volumes are set to remain stable. • Future volume growth varies by segment, however, schemes such as urban infrastructure improvements (e.g., bike lanes) and other regulatory conditions support volume growth, coupled with consumer demand in e-bikes and gravel. • There is opportunity to derive price and therefore value at the performance/enthusiast end of the market. 	<p>Market and Technology</p> <ul style="list-style-type: none"> • There is a growing adoption of integrated tech, such as GPS, IoT, safety systems and smart locking systems. • These innovations are becoming more affordable and widespread. • Subscription models offer a path to growing value in the category. • Drive systems continue to improve, and e-bike accessibility is increasing. 	<p>Segment Growth</p> <ul style="list-style-type: none"> • Post-pandemic demand is driving growth in commuter and e-mountain bikes, while cargo bikes are expanding in both Europe and the U.S. • Gravel bikes are emerging as a unique category as well as an alternative to traditional road bikes. • In the U.S., market expansion is led by recreational use at lower price points, reflecting a shift toward accessible, lifestyle-oriented mobility.
<p>Components and Apparel</p> <ul style="list-style-type: none"> • Although bicycle revenue remains stable, spending on accessories, components and apparel continues to grow. • Cyclists need to maintain existing bikes, boosting demand for parts like tires, chains and brakes, as well as upgrades and accessories (especially “connectedness”). • Users are investing in apparel and gear for comfort, safety and style, which reflects cycling’s shift into being a lifestyle activity. 	<p>Bike Fleets</p> <ul style="list-style-type: none"> • Bike fleets are boosting cycling demand by making it more accessible, appealing and affordable • Widespread availability through docking stations and apps removes ownership barriers, while electric bikes attract riders who want comfort and longer trips. • Fleet bike users are more prone to buy a bicycle as fleets offer lower entry barriers and build confidence in cycling. • Strong municipal support and incentives are driving higher usage. 	<p>Strategic Realignment</p> <ul style="list-style-type: none"> • Companies are expanding into adjacent areas, using existing distribution networks and integrating motorcycle and computing tech into e-bike platforms. • Vertical integration, cross-sector innovation, and volume scaling are increasing in the face of competitive pressures and the financial strains on smaller players. • Declining exports from traditional hubs and tariff measures drive cost-based relocations and acquisitions to maintain supply chain control.

M&A Implications – Good Time to Buy

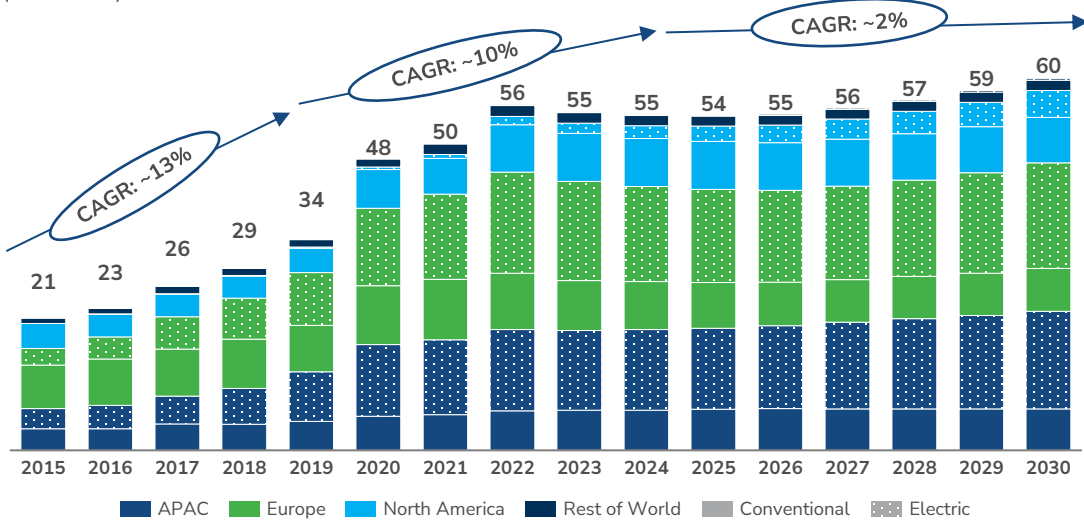
- 1** The market remains fragmented, presenting opportunities for company **inorganic growth and segment diversification** through consolidation.

 - Sales of non-core brands to support balance sheets
 - Smaller brands seeking to secure further capital after market disruption
- 2** Emerging technology solutions are increasingly focused on enhancing the consumer experience in the e-bike sector. In response, companies are exploring the **internal integration of these technologies** through strategic acquisitions, aiming to strengthen their capabilities and differentiate their offerings.
- 3** **Supply chain vertical integration** is driven by manufacturers consolidating through brand acquisitions, aiming for full value chain control across brands, technology, and aftermarket services.

Market Value Achieved During COVID. Period has Held Up: E-Bike Adoption Driving Value Growth

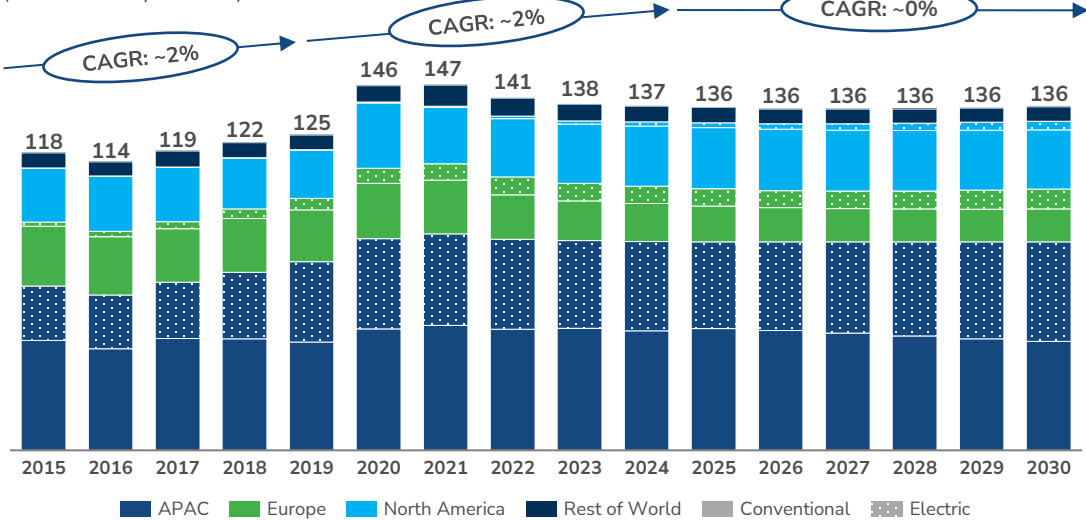
Global Cycling Market by Revenue¹

(in €EUR bn)



Global Cycle Unit Sales¹

(Millions of bicycles sold)



Global Cycling Market Insights

Cycling Participation Continues to Grow

- Overall market accelerated during COVID and remains at elevated levels across all regions.
- Participation in all forms of cycling is stable or growing versus pre-COVID, with the majority of people who bought bikes and e-bikes over the last five years still using them.
- Increased urban regulation has led to reduced speed limits, enhancing the viability of cycling as a mode of transportation.
- Cycling participation is supported by long-running secular trends, and more recent cohorts of cyclists place greater importance on health, wellness and commuting.

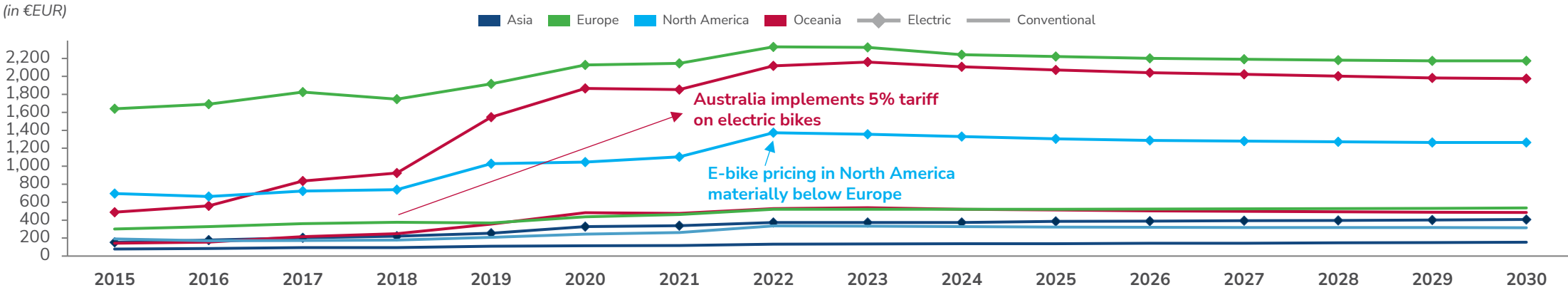
Evolving Profile of Cyclists Supports Future Growth

- The profile of cyclists continues to evolve, with commuters accounting for an increasing share and newer cyclists being younger, more affluent and more gender balanced.
- Consumers are positive about cycling, aspiring to increase participation and upgrade or replace their bikes; this is also true across 'COVID cohorts', a majority of whom still participate.
- Approximately 40% of cyclists expect to increase cycling participation, rising to 45% for commuters with c.50% of cyclists aspiring to upgrade their bike in less than 2 years, rising to 57% for commuters.

1. Source: Statista Bicycle Market Data – forecast data is from 2025 – 2030.

Analysis by Region: Total Unit Volume Outlook Remains Stable, but E-Bikes Driving Value and Volume Globally

Average Price of Bicycle by Region¹



E-Bikes are Positioned to be the Leading Growth Segment¹

Region – Unit Sales	CAGR 2015-2019	CAGR 2019-2024	CAGR 2024-2030
Asia Pacific – Conventional	(0.4%)	2.0%	(1.5%)
Asia Pacific – Electric	10.2%	2.2%	1.8%
Europe – Conventional	(3.5%)	(6.1%)	(2.3%)
Europe – Electric	28.5%	9.1%	2.3%
North America – Conventional	(2.8%)	4.5%	(0.3%)
North America – Electric	73.2%	53.6%	13.8%
Rest of World – Conventional	(0.8%)	1.4%	(2.0%)
Rest of World – Electric	36.9%	5.0%	13.3%

1. Source: Statista Bicycle Market Data – forecast data is from 2025 – 2030.

Analysis by Category: Differing Growth Dynamics Within Categories Create Opportunities – Product Overview

Road Bikes



Largest Segment

- The road bicycle segment accounted for the largest market share of c.31% in 2024.
- Lightweight frame, aerodynamic design, and efficiency on paved surfaces make them ideal for high-speed and endurance riding, hobbyist riders, and commuting.

City/Commuter Bikes



E-Bike Growing Fleet Demand

- City/commuter bicycles are projected to continue growing from 2025 to 2030, driven by the shift toward sustainable urban mobility and demand for eco-friendly transport.
- There is strong growth supporting e-bike demand, particularly in the fleet/rental market for electric city/commuter bicycles for transportation

Mountain Bikes



E-Mountain Biking (E-MTB) Growing Fast

- The overall mountain bike segment is expected to remain stable with E-MTB gaining share.
- Increasing participation by women and children is also forecast to boost global demand.
- E-mountain bikes are growing quickly due to tech improvements, eco benefits, and rising interest in outdoor riding.

Leisure Bikes



Entry Level

- Leisure bicycles prioritize comfort and ease of use and usually fall into the lower-budget mix of hybrid, city, and commuter models.

Gravel Bikes



Versatile and Growing

- Gravel bikes are versatile and able to navigate different terrains.
- This is a niche but high growth segment.

Cargo Bikes

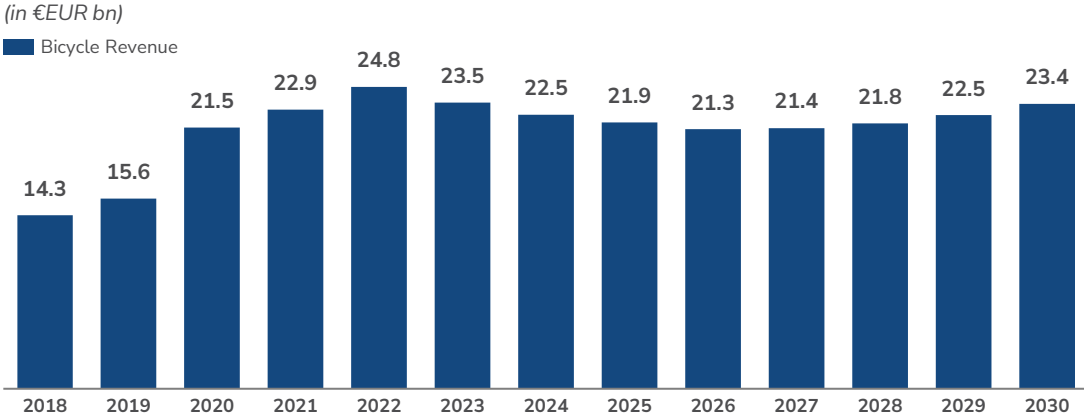


B2B/Corporate Opportunity

- Cargo bikes are growing in the EU due to urban regulated driving and in the U.S. due to a rise in family transport and delivery services.
- Revenues growth in cargo bikes can be attributed to corporate delivery services using lighter transport vehicles for last-mile delivery.

Broader Ecosystem Lens: While Bike Manufacturers' Sales Declined, Components and Apparel Have Recovered Well

European Bicycle Revenue¹



Segment Insights

Segment CAGR	2018-2019	2020-2022	2023-2025	2026-2030
Bicycle Revenue	9.6%	7.5%	(3.5%)	2.4%
Cycling Apparel	3.8%	8.8%	4.6%	6.0%
Cycling Accessories, Apparel and Components	0.4%	1.7%	1.7%	7.1%



COVID. Market Surge

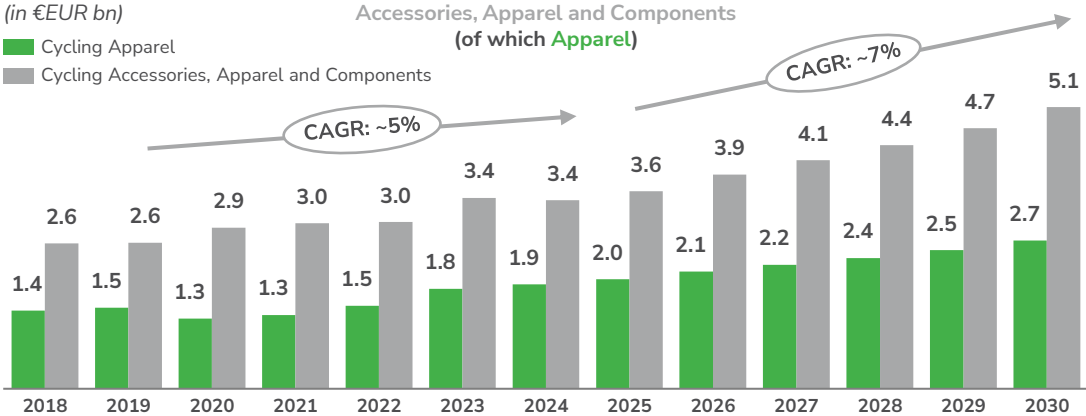
Increases in leisure time and disposable income drove substantial growth from 2020 to 2022 as consumers embraced recreation and cycling.



Post-Expansion Market Adjustment

Macroeconomic uncertainties, rising living costs, low replacement cycles and evolving consumer preferences have driven a shift away from purchasing new inventory toward the maintenance and upkeep of existing bicycles.

European Bicycle Accessories, Apparel and Components²



Market Insights

Shimano Reports 16% Growth in Bicycle Component Sales and Signals “Signs of Recovery” in European Market³

- The company highlighted signs of recovery in the European market, which had previously faced challenges due to economic conditions and inventory issues.
- Growth was driven by increased demand for mid-high end components, particularly in road and gravel segments.
- Shimano also noted that inventory levels are stabilizing, suggesting a healthier supply chain compared to the disruptions seen during the pandemic.
- The company remains optimistic about continued growth, supported by innovation in electronic shifting systems and the popularity of e-bikes.

Bike24 Reports 25% Year Over Year Increase in Revenue and Raises Revenue Guidance for FY 2025⁴

- Bike24 has achieved a new peak revenue of €80m, representing an increase of 25% compared to the previous year and an increase of 10% compared to the previous record quarter in 2022.
- The main growth driver behind the increase in revenue guidance continues to be the parts, accessories and clothing segment of the business (PAC).

1. Source: Statista, 2. Source: Grand View Research, 3. Source: Bikeradar, 4. Source: EQS News.

Recent Cycling Sector Headlines

Market Overview

"As the European bike industry adjusts to post-boom market realities, manufacturers face fluctuating demand, excess inventory, and pressure to optimise operations." – **Bike Europe, June 2025**

"The market correction in Europe for bicycles and e-bikes returning to pre-pandemic levels is still ongoing... The downward trend in volume on all levels continues to unfold" – **Bike Europe, August 2025**

"Data on the global bicycle frame market... shows an overall predicted growth pattern... increasing variation in materials and technology" – **Bike Europe, September 2025**

"India has a large and ambitious bicycle industry, and its companies have made clear their ambitions for the European market in the past." – **Bike Europe, February 2025**

"Based on our assessment... we will strategically deploy and gradually expand our e-bike production capacity..." – **Merida, July 2025**

"Shimano Europe has launched Nextgen Mechanics, a new call for evidence aimed at tackling the growing shortage of skilled bicycle mechanics across Europe." – **Bike Europe, July 2025**

"Despite early signs of market recovery, YT Industries, a prominent German cycling brand, has entered self-administered restructuring due to ongoing financial strain. The company has identified intense price competition, supply chain disruptions and regulatory uncertainty in the U.S. as key challenges." – **Bike Europe, June 2025**

Policy Integration and Advocacy for Cycling in Europe



"The European Declaration on Cycling... adopted by the European Council, Commission, and Parliament, signifies the first inter-institutional cycling policy at the European level. It recognizes cycling as a strategic priority, with 36 commitments to integrate it into various EU policies." – **CIE, April 2024**

"Cycling Industries Europe (CIE) and the Confederation of the European Bicycle Industry (CONEBI) are merging to form a unified association, aiming to strengthen advocacy for the European bicycle industry. This merger will consolidate the two organizations' efforts in representing the industry's interests at the European level" – **Bike Europe, June 2025**



M&A Activity

"Rivian spun off its e-bike/micromobility skunkworks project into the new company earlier this year with the help of \$105 million in funding from Eclipse Ventures... Also, Inc has secured a (\$200m investment) from Greenoaks Capital Partners, valuing the company at \$1 billion." – **SGB Media, July 2025**

"Yamaha is expanding its European e-bike presence by acquiring Brose's e-bike drive unit (eKit) business. This strategic move involves establishing a new company, Yamaha Motor eBike Systems (YMESG), based in Germany, to manage the acquired business and expand operations within Europe." – **Yamaha, March 2025**

"French cycling group Rebirth wants to pay fifteen million euros for an 80% majority stake in Belgian e-bike manufacturer Cowboy. The deal should be complete by mid-October." – **Retail Detail, September 2025**

"TVS Motor Company today announced the successful acquisition of a 75% stake in the Swiss E-Mobility Group (SEMG). The acquisition reaffirms TVS Motor Company's commitment to expansion in Europe through a portfolio of premium and technology leading brands, including Norton Motorcycles and EGO Movement, which were recently acquired." – **TVS**

E-Bike Challenges and Outlook



"Yota Cycles focuses on leadership and quality in preparation for market rebound. NANTOU, Taiwan - As a company founded in 2020, Yota Cycles has witnessed both sides of the bicycle market pendulum. In the current downswing, the e-bike manufacturer looks positively toward the future" – **Yota, April 2025**

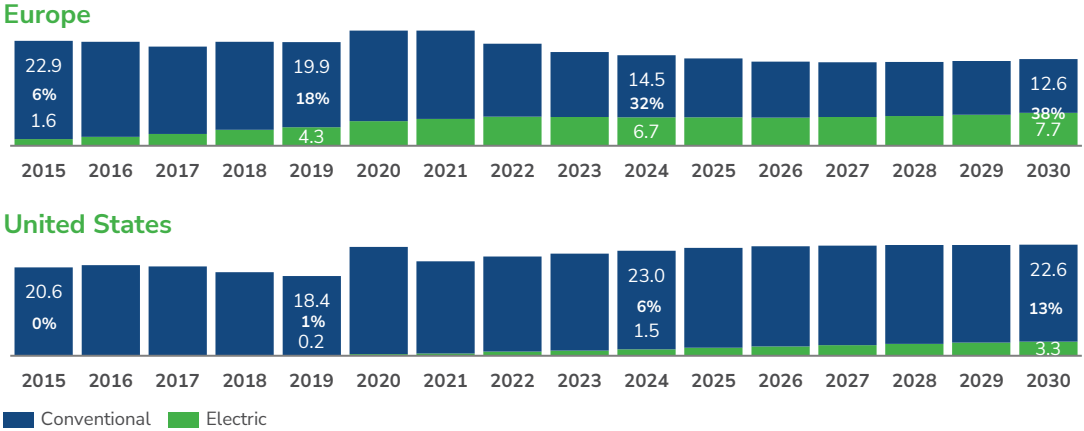
"Upway promotes the principles of the circular economy by extending the life of used e-bikes through professional refurbishment by experienced mechanics. Each e-bike that enters an Upcenter location undergoes a rigorous quality inspection to ensure safety and performance standards" – **Upway, March 2025**

"Electric bike insurance rates could be set to benefit from a steady growth in 'Internet of Things' software integrations now increasingly a standard feature of new e-bikes... This advance in electric bike tech is showcased by a collaboration between one of the bike industry's commonly used IoT firms, Comodule, plus hardware and insurance solutions coming together." – **Cycling Electric, October 2025**

E-Bikes vs. Conventional: Advancements in E-Bike Technology and Ease of Use Drive Heightened Consumer Interest

Higher Penetration Opportunity in U.S. With Lower Entry Pricing Than EU¹

(Millions of bicycles sold)



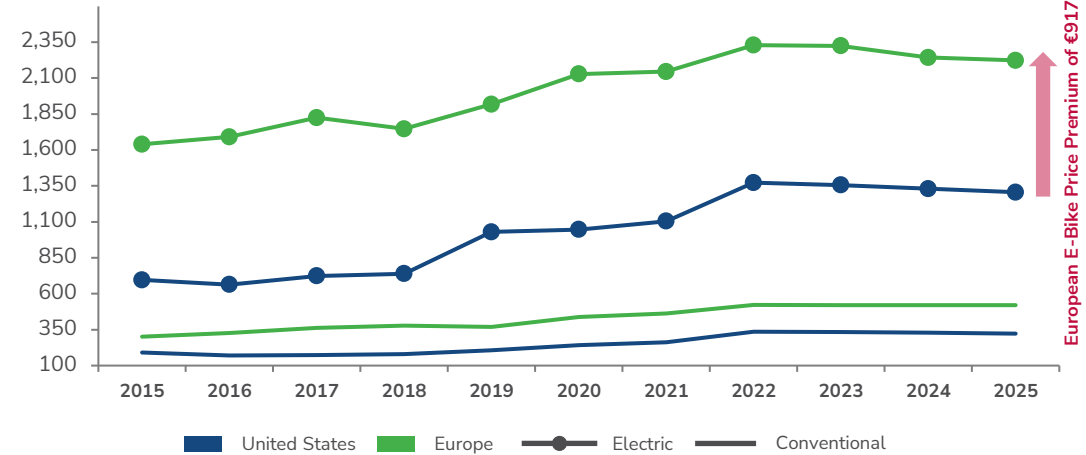
Region	CAGR 2015-2019	CAGR 2019-2024	CAGR 2024-2030
Europe - Conventional	(3.5%)	(6.1%)	(2.3%)
Europe - Electric	28.5%	9.1%	2.3%
United States - Conventional	(2.8%)	4.5%	(0.3%)
United States - Electric	73.2%	53.6%	13.8%

Conventional Bicycle Insights

- Conventional bicycles account for c.82% market share in 2024 across both Europe and the U.S., due to their affordability and widespread availability.
- Cycling has emerged as a leading sporting and leisure activity.
- Bicycles continue to be a go-to choice for everyday commuting, fitness and recreational use.

Europe and U.S. Cycling Price Evolution¹

(Unit Prices in €EUR)



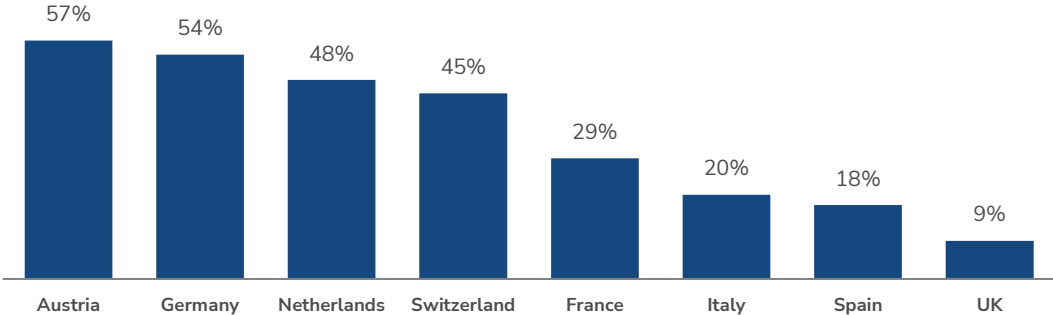
Electric Bicycle Insights

- Electric bicycles are expected to register the highest CAGR. With urban congestion and growing environmental concerns, electric bicycles offer a sustainable alternative to traditional transportation methods.
- Technological improvements in battery, motor efficiency and lightweight materials have enhanced their appeal among commuters and recreational riders alike.
- Government incentives, infrastructure development and a shift toward low-emission transportation are further accelerating the adoption of electric modes of transport which, as a result, are becoming a preferred choice for modern urban mobility across diverse age groups.
- Electric cycling adoption in the EU is projected to significantly outpace that of the U.S. by 2030, with 38% of units sold expected to be electric, compared to just 13% in the U.S. market.

European E-Bike Market Focus: Penetration by Market and Current Volume Snapshot

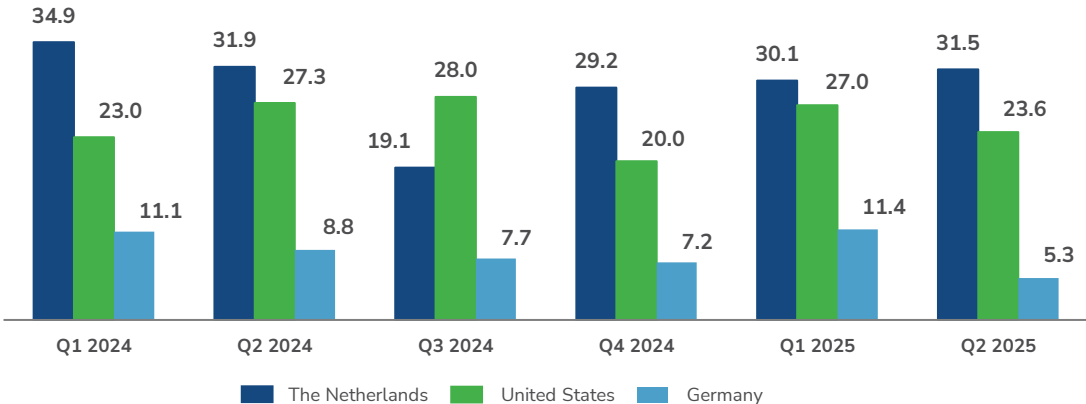
Europe E-Bike Market¹

(E-Bike Market Share in € Sales Volume per Country)



Taiwan Key E-Bike Export Markets¹

(Units 000's)



Market Insights¹



E-Bike Market Trend

- Slowdown raises doubts about reaching the once-expected 70–80% e-bike market share. Still, long-term projections suggest potential growth to over 7.5 million units annually within the next decade.



Anticipated Market Recovery Continues to Slow

- In Q2 2025, 60,000 total e-bike units were exported from Taiwan to key e-bike export markets, 11% less than the same period in 2024.
- The export value, which had grown 7% year over year in Q1, also dropped 17% to €150m in Q2, the lowest Q2 amount since 2018.
- Both e-bike and component demand rose in Q1 2025, driven by demand for high-value products and therefore improved average unit prices. However, this has stagnated in Q2 2025.



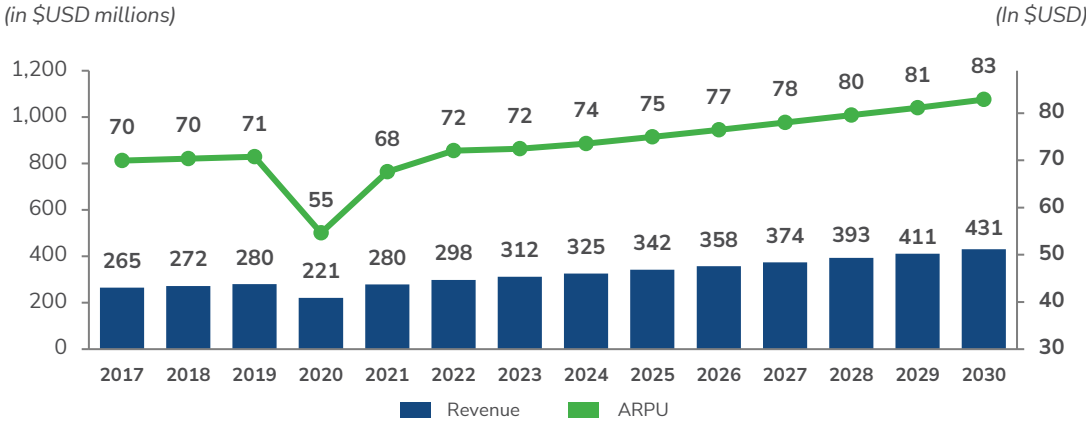
Tough Second Quarter but Some Resilience

- In H1 2025, Taiwan exported 176,000 e-bikes, down from 205,000 in the same period of 2024—the lowest since 2018.
- The German market saw a 40% drop in e-bike exports from Taiwan in Q2 2025, at just over 5,000 units, the lowest number of quarterly exports since 2018.
- The Netherlands and the U.S. remain top markets for Taiwanese e-bikes.
- In Q2 2025, compared to the same period last year, exports to the Netherlands dipped just 1% year over year to c.31,500 units, while U.S. shipments fell 13% year over year to c.23,500 units as tariffs continued to impact trade.

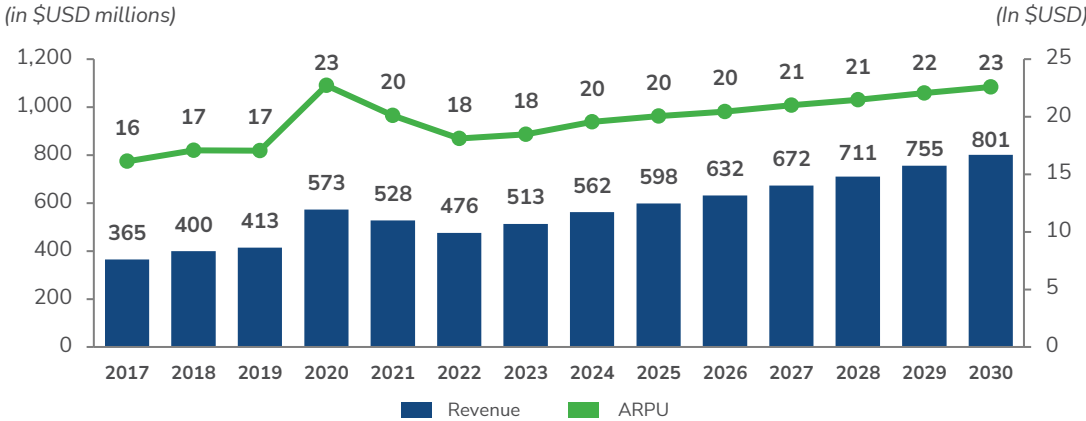
1. Source: Bike Europe

Cycle Fleets and Sharing Models: EU Demand Remains Strong but at Lower Prices

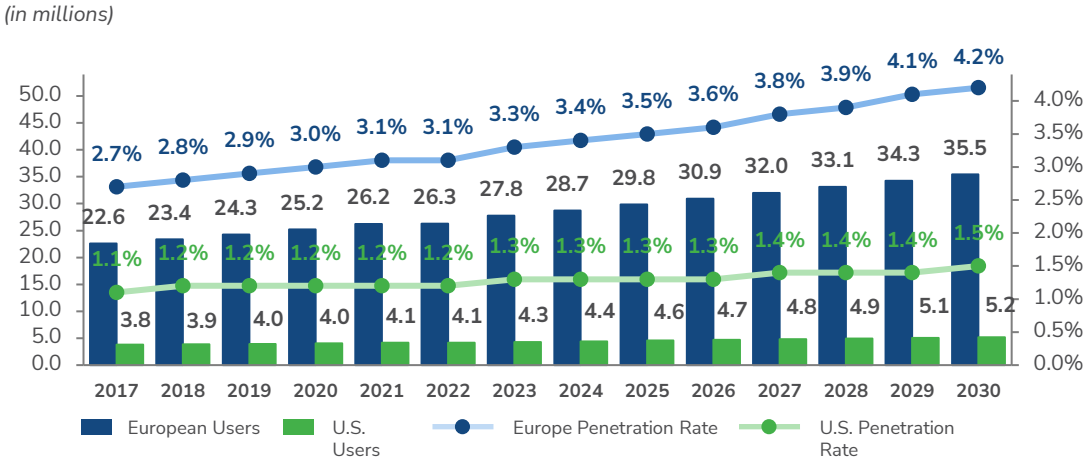
Bicycle Sharing Market U.S., Revenue vs. Average Revenue per User¹



Bicycle Sharing Market Europe, Revenue vs. Average Revenue per User¹



Bicycle Sharing Market, Users vs. Penetration Rate¹



Attractive Market Opportunity in Fleet/Sharing

Region	CAGR 2017-2021	CAGR 2021-2025	CAGR 2025-2030
Europe - Revenue	9.7%	3.2%	6.0%
Europe - ARPU	5.7%	(0.1%)	2.4%
United States - Revenue	1.3%	5.2%	4.7%
United States - ARPU	(0.8%)	2.6%	2.0%

Market Insights

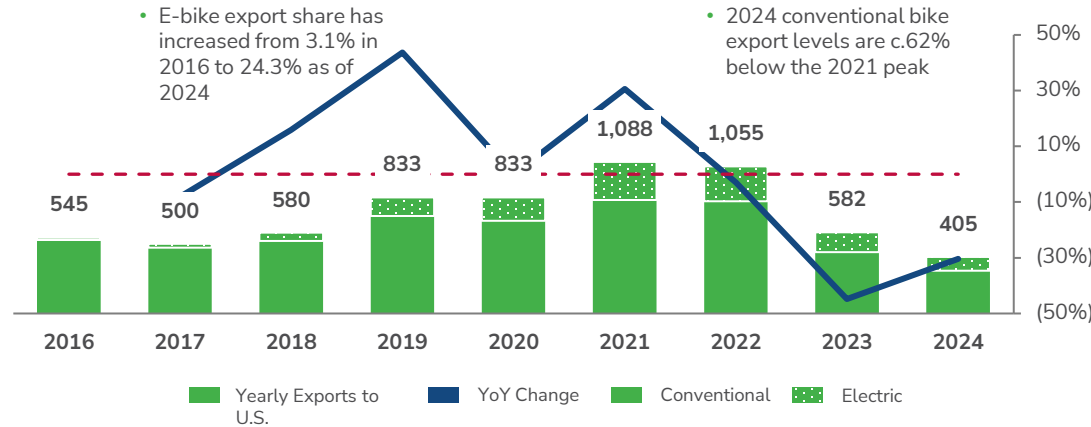
- Urbanization and sustainability efforts drive European government investment in cycling infrastructure and bicycle sharing to ease congestion.
- U.S. bike fleet prices are higher due to private operators such as Lyft and Uber, more electric bikes, and longer trips. EU systems are publicly subsidized, cheaper, and shorter rides.
- The emergence of fleet bikes as a service has increased the availability of bicycles for urban commuters, subsequently encouraging greater consumer adoption of bicycle ownership.
- Evidence suggests that fleet participation and private ownership are complementary – expanding market overall with (especially younger) consumer using both.

1. Source: Statista Bike-sharing, platforms included, but not limited to, are Nextbik, Ofo, Mobike and LimeBike. Please note that the ARPU refers to average revenue one user generates per year, and Penetration Rate refers to the total number of users as a % of the total population.

Exporter Market Lens: Taiwan Bicycle Exports Decline as a Result of Overstock and Chinese Competition

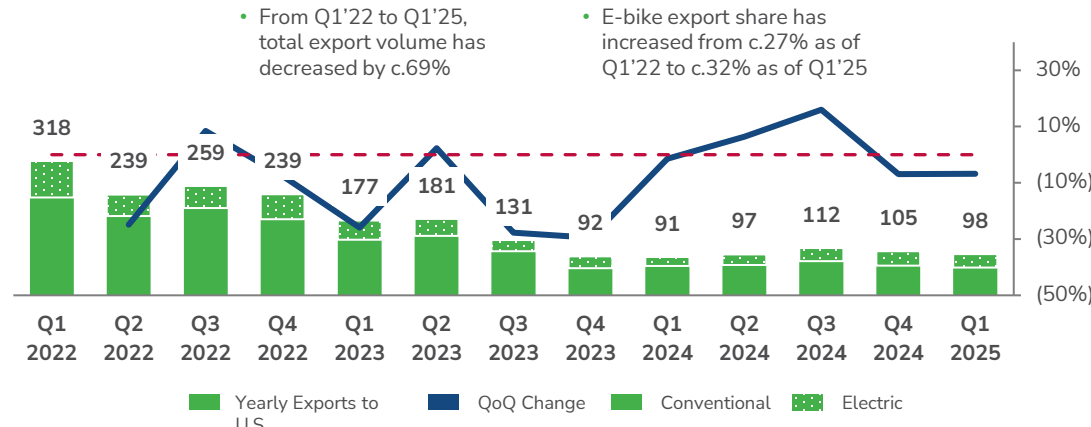
Taiwan – E-Bikes and Regular Bikes: Exports to the US¹

(Units 000's)



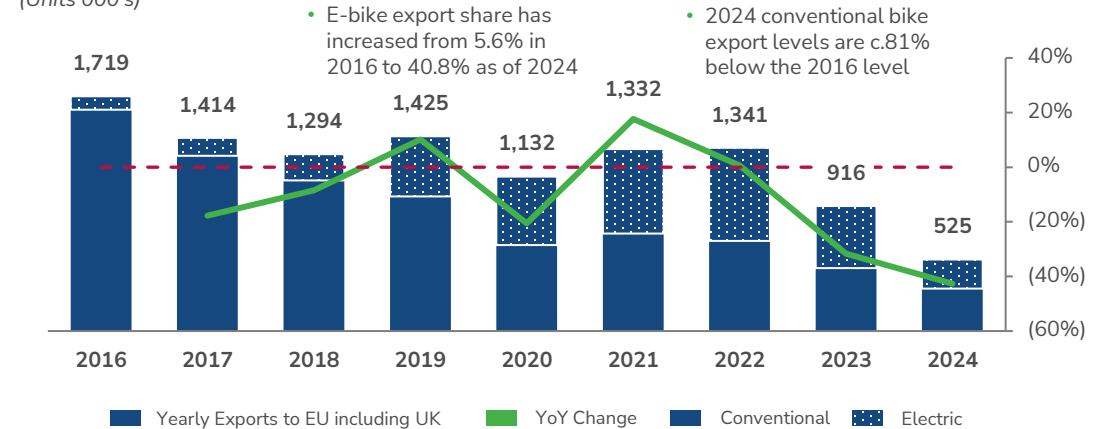
Taiwan – E-Bikes and Regular Bikes: Quarterly Exports to the US¹

(Units 000's)



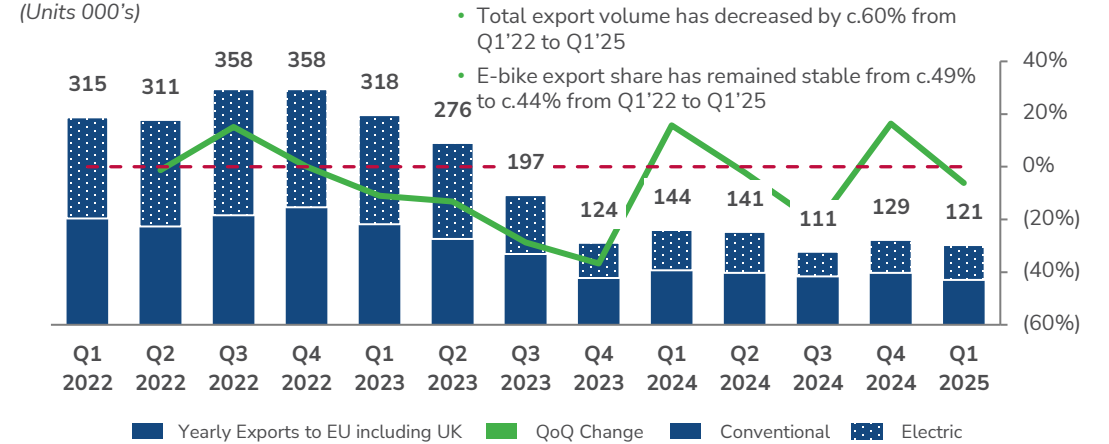
Taiwan – E-Bikes and Regular Bikes: Exports to Europe¹

(Units 000's)



Taiwan – E-Bikes and Regular Bikes: Quarterly Exports to Europe¹

(Units 000's)



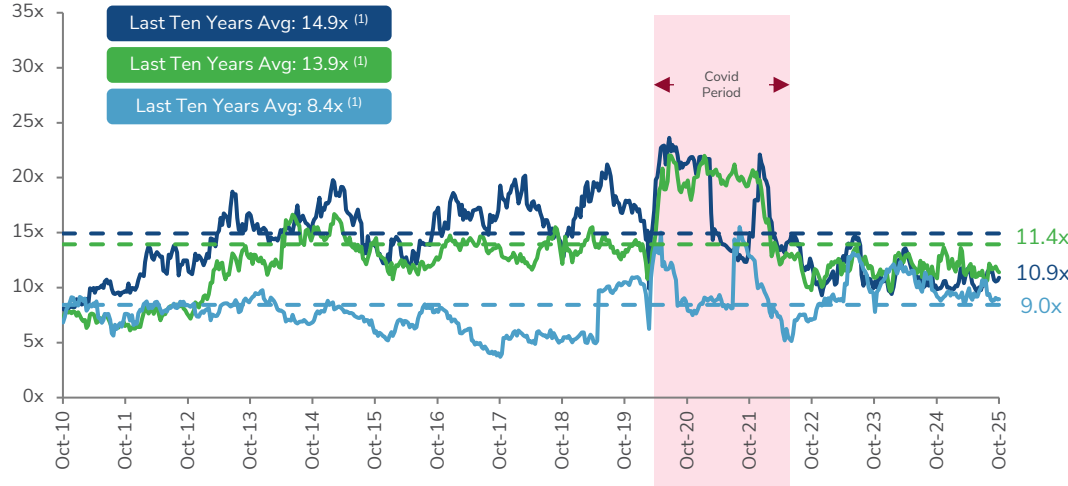
1. Source: Morgan Stanley Research, Taiwan Bicycle Association as of 10th June 2025.

Valuation Metrics

Cycling Manufacturers and Components Now Trading Below 10-Year Valuation Averages

Valuations over time of relevant public comparable companies in the cycling market

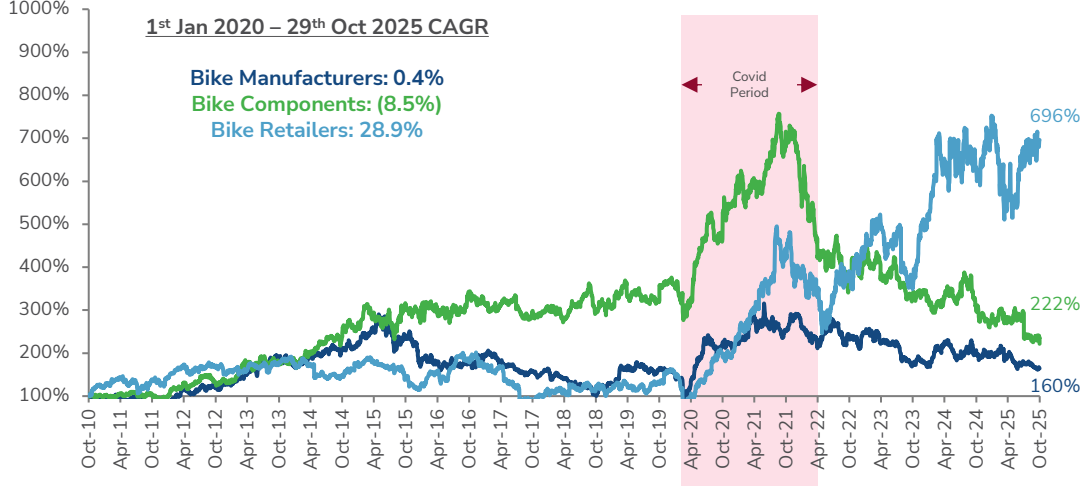
EV / NTM EBITDA¹ (Last 15 years)



NTM: Next Twelve Month

■ Bike Manufacturers ■ Bike Components ■ Bike Retailers

Public Market Investor Returns for Cycling² (2010-2025)



1 Bike Manufacturers

- AIMA Technology Group
- Alton Co
- Axman Enterprise
- Giant Manufacturing
- Ideal Bike Corporation
- Joy Kie Corporation
- Merida Industry Co
- PT Terang Dunia
- Samchuly Bicycle Co
- Shanghai Phoenix Enterprise Group
- Zhonglu Co

2 Bike Components

- Bafang Electric Co
- Fox Factory Holding
- KMC (Kuei Meng) International
- Shimano
- Sun Race Sturmey-Archer

3 Bike Retailers

- Academy Sports and Outdoors
- Asahi Co
- Bike24 Holding AG
- Dadelo S.A.
- DICK'S Sporting Goods

1. Source: CapIQ as of 29th October 2025, no NTM forecasts for Axman, Ideal Bike, PT Terang, Shanghai Phoenix Enterprise, Zhonglu, Sun Race and Bike24.
 2. Source: CapIQ as of 29th October 2025, Market Cap Weighted.



For more information about our global locations and services, please visit:

www.kroll.com

About Kroll

As the leading independent provider of risk and financial advisory solutions, Kroll leverages our unique insights, data and technology to help clients stay ahead of complex demands. Kroll's global team continues the firm's nearly 100-year history of trusted expertise spanning risk, governance, transactions and valuation. Our advanced solutions and intelligence provide clients the foresight they need to create an enduring competitive advantage. At Kroll, our values define who we are and how we partner with clients and communities. Learn more at www.kroll.com.

M&A advisory, capital raising and secondary market advisory services in the United States are provided by Kroll Securities, LLC (member FINRA/SIPC). M&A advisory, capital raising and secondary market advisory services in the United Kingdom are provided by Kroll Securities Ltd., which is authorized and regulated by the Financial Conduct Authority (FCA). Valuation Advisory Services in India are provided by Kroll Advisory Private Limited (formerly, Duff & Phelps India Private Limited), under a category 1 merchant banker license issued by the Securities and Exchange Board of India.

The material in this report is for information purposes only and is not intended to be relied upon as financial, accounting, tax, legal or other professional advice. This report does not constitute, and should not be construed as, soliciting or offering any investment or other transaction, identifying securities for you to purchase or offer to purchase, or recommending the acquisition or disposition of any investment. Kroll does not guarantee the accuracy or reliability of any data provided from third-party resources. Although we endeavor to provide accurate information from third-party sources, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future.