The Need for Disruption in Equestrian Sport.
Agenda

I. Who are we?
II. What is our vision?
III. Why run the WEG?
IV. Equestrian Market (Assessment)
V. Disruption in the Equestrian Market.
VI. Opportunities/Challenges for Breeders
Who Are We?

Partnership comprised of equestrian families with Passion for Horse Sport. $500 million dollar investment in equestrian sport.

• Own Palm Beach International Equestrian Center, Equestrian Village, Colorado Horse Park, International Polo Club and Tryon International Equestrian Center.
• Operate the Winter Equestrian Festival, Global Dressage Festival, US Open Polo, and Rolex Central Park Horse
• We operate Show Jumping, Dressage, Eventing, Reining, Pony Club, and Polo events.
• Own the Chronicle of the Horse, the world’s most active online community with over 10 million unique visitors.
• One of the largest sponsor portfolios in the equestrian world with over 100 sponsors and tens of millions of annual sponsorship.
If you don’t know what business you are in long term, you will fail.
What is our Vision?

Business Overview

Growing horse sport by creating family oriented equestrian destinations which are focused on creating sport, entertainment, lifestyle, and commerce centered around the love of horses.
All of our countries were discovered on the back of a horse and these amazing animals continue to provide sustenance, transportation, security, entertainment, friendship, therapy, and sport around the world. The love of the horse is universal and profound. We need to better package the spirit of the horse and make it knowledgeable and accessible to a broader audience.”
If you can’t define Victory you can’t achieve Victory.
Why Run the WEG?

• Ensure the games happen and produce top sport.

• Introduce Tryon as a World Equestrian Destination for sport, lifestyle, and real estate.

• Increase media exposure of equestrian sport in the US in order to increase athlete participation, sponsors, and spectators

• Transform local economy devastated by the decimation of the textile market
The Equestrian Market
The Reality vs the Bubble.

Almost every major segment of horse sport in this country, and most other countries are either stagnant, declining, or in a free fall.

*From 2012 to 2017, USEF “competing” membership declined 6% from 79,538 to 75,055 with:*

- a 13% decline in membership under 14 from 10,415 to 9,249.
- In the strongest economic demographic of any business, the 35-54 age group, USEF membership declined 24% from 24,962 to 20,192. A
- As would be expected, membership in the over 65 represented the largest segment increase that grew 45% from 4,958 to 7,205.

*In Summary, fewer people entering the sport and the customer is aging away from your strongest economic group.*
The Equestrian Market

• Combine those trends with significant very recent US trends in on-site attendance and TV viewership across all major sports (multi factorial reasons) and you have some significant challenges to address for our industry.

• Every Major Sport is re-thinking their model or developing new ones in an effort to keep participants and spectators engaged.

• New derivative sports have emerged Beach Volleyball, Surfing, Skateboarding, and Snowboarding are Olympic Sports.

• Derivative Sports have emerged and are emerging: Rugby 7s, Golf Sixes, Cricket 20/20, Baseball and Football are evaluating their formats.
The Equestrian Market

- Perception of elitism in equestrian sport chases away sponsors and spectators forcing the sport to depend on the competitors.

- The current state of the US sport and equestrian market invites exploration, innovation, action, and thoughtful disruption (which sometimes creates discomfort and uncertainty).

- We exist in an industry, at least in the US, (however, I think it is true in other areas of the equestrian world), where institutional commitments to tradition and preservation of the status quo, often ignore and don’t challenge market dynamics.
The Equestrian Market
Core Commercial Challenges

• Pipeline into horse sport is either stagnant or declining, with the exception of Asia and certain isolated countries.
• Weak spectator models that lead to weak sponsor models.
• Lack of a long term industry/transaction view.
• Leadership void that is preoccupied with the preservation of the status quo and not disrupting tradition.
• Lack of transparency in horse transactions.
• Horse prices at the highest level of the sport are out of control. Chasing even the wealthy out of the sport.
• Lack of sophistication/science in understanding equine dynamics from breeding to nutrition to equine exercise physiology.
• Lack of development or embracing Commerce with the external perception of elitism scaring away commercial relationships.
• Horse welfare education is lacking.
Talent hits a target no one else can hit: Genius hits a target no one else can see.

Arthur Schopenhauer
The Equestrian Market

- 753 million Equestrian fans worldwide
- $317 billion in global economic impact
- 320 million people watched Equestrian broadcasting in 2016
- 2 million Equestrian industry jobs

* SOURCE: Federation Equestrian International (FEI)
## The Equestrian Market

250M+ people identify interest in Equestrian on Facebook

### Break down of Equestrian Interest on Facebook

- Horses - 129,086,410
- Horseback Riding - 49,076,247
- Polo - 24,903,930
- Horse Racing - 16,193,830
- Horse Breeding - 11,070,020
- Dressage - 5,160,768
- Show Jumping - 4,671,619
- Arabian Horses - 3,980,730
- Barrel Racing - 2,005,283
- Eventing - 2,854,345
- Horse Care - 1,186,657
- Reining - 830,930
- Equine Therapy - 801,060
- FEI WEG - 525,550
- Endurance Riding - 476,650
- Equine Nutrition - 467,830
- Natural Horsemanship - 415,270
- Vaulting - 205,120
- Carriage Driving - 37,730

**Equestrian Total: 253,949,979**

### Non-Equestrian Interests

- Soccer - 762,138,530
- Basketball - 373,947,950
- Dogs - 288,491,190
- Baseball - 266,064,450
- Tennis - 185,960,182
- Golf - 102,250,074
- Skiing - 69,102,630
- American Football - 65,226,310
- Hockey - 7,968,580
The Equestrian Market

Each year in the U.S.:

8 million people snow ski¹

23 million play tennis

25 million play golf

27 million ride a horse²

SOURCE: Federation Equestrian International (FEI)
1. National Federations USSA, USTA, USGA
2. Equine Science by Rick Parker
The Equestrian Market

Alexa, an Amazon company, ranks the world’s websites.

In the world of sports, Equestrian is ranked #2–#3 in number of dedicated websites.

Soccer: 10,521
Golf 5,736
Equestrian: 5,726
Basketball: 5,260
Football: 4,899
Baseball: 3,217
Motorsports: 3,163
Hockey: 2,702
Our company owns the #1 Equestrian website for information

The Horseman’s source for news and information for over 75 years

Close to 10 million unique visitors annually from 237 countries

5.9 million unique visitors in the US

72 million page views

Average session 4 min 36 sec

https://www.alex.com/topsites/category/Top/Sports
The Equestrian Market

- Innovation: New formats that invite participation from the massive equestrian audience and building connections between horse and rider. Examples:
  - World Speed Horse
  - DERBYx
  - Gladiator Polo