



From Zero to Billions: The JD Growth Story

**Peter Cowgill, Former Executive
Chairman of JD Sports Fashion Plc**

CLAIM TO FAME

**If you had invested £10,000
in JD when I joined in 2005, it
would have been worth
£1,000,000 in 2022.**

CLAIM TO FAME

The Hat trick

Background

- From Kearsley, Manchester
- Attended De la Salle High School, Salford
- Hull University – Economics
- Menswear Boutique
- Trader – “Street Wise”/ The “Kit Kat” Fight
- Qualified Chartered Accountant
- Founded Cowgills, Chartered Accountancy practice, at the age of 28, based in North of England



Mossley Sports and Model Shop JD Sports



- Provided strategic advice up to IPO in 1996
- “Try not to be so Northern”
- Oversubscribed – IPO share price was £2.85
- Appointed CFO
- Positive then negative LFL sales
- Crash – 25 pence
- Weak analytics/spreadbetting the buy/lack of confidence
- Emotional decision-making
- Disagreement with the founders and left in 1999 and again in 2001 - share Price was at £3.30
- Invited to rejoin in May 2004 (only as the boss) – share price £2 or 2p in today’s comparative

JD – Financial Journey

- Rejoined JD in May 2004
- Sales revenues c.£400M/ loss making/£68M debt
- First meeting was with Barclays Recoveries/ Bank Syndicate
- Oversaw a period of significant growth, from nil profit to £950 Million PBT
- JD Shares were split 100x. From £2 a share, the price increased to £200
- Market Capitalisation from £98 Million to £12 Billion
- Other accolades include:
 - Share of the Decade from 2011 – 2020
 - Share of the Century from 2000 – 2020
 - Plc of the Year 2016
 - Global presence and the most valuable sportswear retailer in the world, second most valuable retailer in the UK (ahead of Sainsbury's, Morrison's, M&S etc).

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Markets
Economics

JD Sports Is the U.K.'s Best-Performing Stock of the Century



How was this achieved?

JD – New Era

Combination of “open the front door” and “lock the back”

- Store closures/cannibalisation
- Enhanced textile focus/meterage productivity
- Management responsibility and accountability
- Improved merchandising and stock management
- Obsession with analytics and metric driven decision making e.g. Trade meetings – what does “well” mean?
- Cautious leverage
- Reinvest profits for growth rather than fuel the business through debt
- Improved consumer experience/conversion rates
- Strengthened supplier relationships



**JD UNDISPUTED
KING OF TRAINERS**



**UNDISPUTED
KING
OF TRAINERS**

JDSPORTS.IE



JD Culture

“Competitively Aggressive”

- **Motivate the leadership team to embrace “winning” culture**
- **Commitment of key management**
- **Customer centric/lens**
- **Differentiation/exclusives**
- **Focus on micro factors vs. macro factors**
- **Multichannel – not substitutional**
- **Big “Small” Company – entrepreneurial, agile, flexible**
- **Quick decision making**
- **“Undisputed King of Trainers” vs. “Best of the Best”**

FINISH LINE

DTLR
YOUR FASHION...YOUR LIFESTYLE!

SP
SHOE PALACE



Sprinter
SPORT & STYLE

Sizeer

CHAUSPORT

JD – Overseas Expansion

“Never bet the Farm”

- “Two Fist Approach” – short term cash profitability vs. long term strategic goals
- Brands – Pan-European/Global recognition (especially in the USA)
- Scale, positioning and momentum
- Not instant success - trial and learn
- Expansion - organic growth and acquisition
- DNA/Management Team/Instil culture e.g. USA experience
- Present in over 27 territories worldwide (France, Spain, Belgium, Malaysia, Thailand, USA)