

On Running posts another stellar quarter amid booming demand for specialty running shoes

Article

The news: On Running's sales continued to soar in Q2.

- Net sales grew 52.3% year-over-year (YoY) to CHF 444.3 million (\$465.32 million).
- On's direct-to-consumer (D2C) business grew faster than wholesale revenues during the quarter and increased its share of overall sales. D2C revenues rose 54.7% YoY, while wholesale revenues grew 51%.
- The company raised its full-year outlook on the back of its strong H1 performance as well as sustained interest from consumers and retailers at the start of Q3. On now expects sales to grow 44% to CHF 1.76 billion (\$1.84 billion), up slightly from its previous forecast of CHF 1.74 billion (\$1.82 billion).

Behind the numbers: On's performance is all the more remarkable given the struggles other sportswear companies have faced, particularly in the US market where sluggish demand has led to inventory gluts and heavy promotions.

- Both On and **Deckers**-owned **Hoka** have found success by leaning into the performance running category, where shoppers are willing to splash out on quality products on a regular basis.
- Demand for On's technical footwear has enabled it to sell most of its products at full price, grow market share, and keep margins high. It has also helped deepen relationships with retailers desperate to find brands that resonate with customers.

The big takeaway: On's focus on quality, performance, and branding have enabled it to carve out a highly lucrative niche in a fiercely competitive space.

- Like Hoka, it benefited from **Nike's** and **adidas'** (short-lived) decision to pull back on wholesale over the past few years, which opened up shelf space and gave the brand more opportunities to get in front of customers.
- That window is now closing as both sportswear companies [restore relationships with retailers](#) and ramp up investments in the performance running category.
- On's strong brand positioning, loyal customer base, and strategic partnerships with sports luminaries like **Roger Federer** and **Iga Świątek** will enable it to maintain its momentum.