



ON_UPDATE

RC STRATEGY

ASHISH NANDA

FALL 2025

On Update: April 2025

- **3 shoes in Cyclon portfolio**

- Original Cloudneo performance running shoe
- + Cloudrise (“wider, more inclusive fit”)
- + Cloudeasy (“minimalist all-day shoe”)
- Each available for \$29.99/month
- Could be swapped out for any of the other styles after six months
- On needed to hit a volume threshold before actually recycling each of the shoes
 - Cloudneo reached that threshold in August 2024; the other models hadn’t yet



- **Cyclon program available in 34 countries**, including China, Japan, US, much of Europe

- **March 2023, Cyclon-T introduced**

- A white sweat-wicking T-shirt, cost \$90 as a one-time purchase
- It could be returned for recycling, but the customer would not receive a replacement
- A “test drive” of the Cyclon program without a subscription



On Update: April 2025

- **On financials**

- Operating profit in 2022 \$92 million, up from \$155 million operating loss in 2021
- 2024: net sales \$2.6 billion, operating profit \$234 million

- **More footwear industry players interested in circularity**

- Feb 2025: 15 fashion and footwear brands (including On, Puma, adidas) joined with nonprofit Fashion for Good to create the Closing the Footwear Loop initiative with a shared goal of scaling up the circular footwear economy
- Asics introduced a \$180 sneaker called the Nimbus Mirai, recyclable through Terracycle
 - Turned into material for new shoes + signs and floor mats for retail stores
- Nike was developing more efficient materials and using recycled manufacturing waste
 - In 2023, Nike introduced the ISPA Link Axis, a shoe made of interlocking components that did not require glue and could each be individually recycled
- **However, On was still the only company with a recyclable shoe subscription program**

