

Euro 2016 boots Adidas sales higher

BERLIN - A year of high-profile sports sponsorship has so far paid off for Adidas, with sales at its core brand up 25 percent thanks to events including the Euro 2016 football tournament.



Picture: © AFP/File

Higher sales of items branded with the Bavarian firm's famous three stripes were "mostly due to two-digit increases in the important categories of running, football and training, as well as Adidas Originals and Adidas neo," two fashion branches, the firm said in a statement.

"We're inspiring our consumers with one-of-a-kind experiences," chief executive Herbert Hainer said, "and that will continue onwards."

While the final in Paris pitted two Nike-sponsored teams, France and Portugal, against one another, Adidas markings were visible on other strong performers including the German Mannschaft and the Spanish national team.

Following the boost from Euro 2016, Adidas-sponsored athletes and teams will be in the spotlight again at the Rio Olympics from August 6.

Adidas saw double-digit sales increases in several global markets in the second quarter, with a 32 percent gain in north America and 30 percent each in western Europe and China.

Sales grew more slowly in Russia and the Commonwealth of Independent States at just five percent -- slightly allaying fears of a blow to the brand from Russia's economic slowdown.

Across the whole group, revenues increased between April and June by 13 percent to 4.4 billion euros (\$4.9 billion), Adidas reported in preliminary results released at the end of July.

Adidas doubled its net profits over the same period in 2015 to 291 million euros.

The strong result in the second quarter was partly down to Adidas agreeing to end its sponsorship of London football club Chelsea prematurely in summer 2017, bringing in an estimated 50 to 100 million euros.

Two of the Adidas group's other brands, Reebok and golf supplier TaylorMade, each reported seven percent growth in the second quarter.

Adidas announced in May that it would "actively seek a buyer" for TaylorMade as it suffered poor performance -- preferring instead to focus on its own Adidas Golf marque.

The results did little to help Adidas shares in morning trading on Thursday.

Its stock was the worst performer on the DAX index of leading German companies, losing almost 4.0 percent by 1030 GMT.

Source: AFP

For more, visit: <https://www.bizcommunity.com>