adidas AG

adidas AG manufactures sports shoes and sports equipment. The company produces shoes and sportswear. adidas distributes its products worldwide.

Initial Situation

adidas was founded in 1924 by Adi Dassler (hence "adidas") in the Franconian town of Herzogenaurach. The company rose to prominence early on thanks to US sprinter Jesse Owens, who won four gold medals at the 1936 Berlin Olympic Games wearing Adidas running shoes. Adi's brother Rudolf left the company in 1947 after a dispute and founded Puma. Today, adidas is one of the world's largest sporting goods manufacturers, competing with Nike, Under Armour, Puma, Lululemon, and others. The company designs, produces, and distributes a wide range of shoes, apparel, accessories, and equipment. Its products are sold in over 65 countries worldwide. The company's largest sales region is the EMEA region, accounting for almost 40%, followed by North America with around 25%, Greater China with around 15%, and Latin America and Asia-Pacific (excluding China), each accounting for around 10%. The company's product segments include footwear (more than 55% of sales), apparel (approximately 35%), and accessories and equipment (more than 5%).

Investment Suggestion

adidas' sales declined slightly in the last fiscal year. This was primarily due to the significant impact of the legal dispute with American rapper Kanye West and his "Yeezy" brand. Currency-adjusted sales in the footwear segment continued to rise due to double-digit growth in the football segment and strong growth in the "Originals" segment, featuring the well-known shoes "Samba, Gazelle, Stan Smith," etc. Sales in the apparel segment declined by 6% currency-adjusted last year, as this product category was particularly affected by high inventory levels. adidas may raise its profit forecast for the current year, as the company continues to experience strong momentum. The recently published Nike results should also have a positive impact on the upcoming adidas figures. As the impact of the US tariffs is expected to be less pronounced, the current EBIT forecast is expected to be raised from approximately €1.7 billion to €1.9 billion. At the current price level, we see an attractive trading opportunity for adidas shares.

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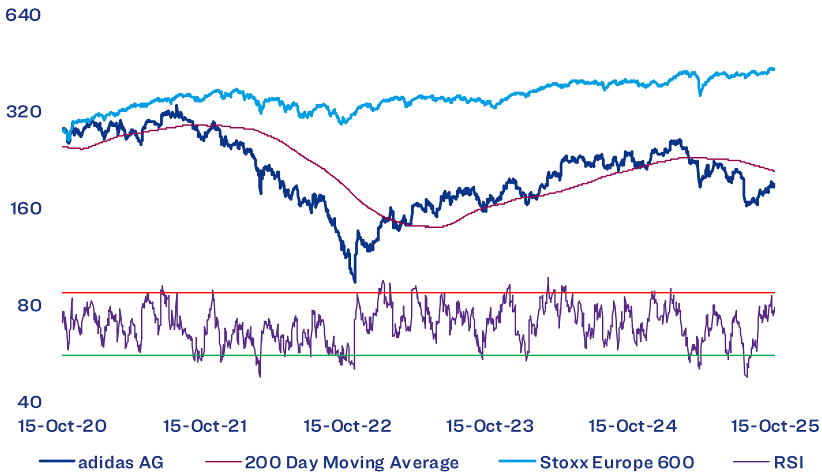
ISIN	DE000A1EWWW0
Sector	Consumer Discretionary
Currency	EUR
Market capitalisation	EUR 34.68 billion
Price change 1-year	- 13.48 %
Price	EUR 192.65
Price target	EUR 237.57 (+ 23.30 %)
Price/book value	6.62
Price/earnings	25.60 (as of 12/25)
Dividend yield	1.04 %
ESG-Rating	AAA



Source: Bloomberg, Neue Bank AG

Markus Alefelder
Private Banking
Tel. +423 236 07 85

Fabian Bürzle
Private Banking
Tel. +423 236 07 69

www.neuebank.li

Neue Bank

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Markus Alefelder
Private Banking
Tel. +423 236 07 85

Fabian Bürzle
Private Banking
Tel. +423 236 07 69

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