

ADIDAS SALES ANALYSIS

2020-2021 Performance Review

Regional Performance & Strategic Growth Drivers

by

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EasyTech Talent Data Analytics Competition
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Executive Summary: Transformation & Growth

KEY HIGHLIGHTS-

Revenue Growth: \$24.2M →
\$95.9M (+296%)

Margin Expansion: 40.4% →
42.6% (+2.2 pts)

Analysis Period: 2020-2021 (24 months)

Dimensions Evaluated: 6 strategic areas

BOTTOM LINE

Adidas achieved exceptional growth while improving operational efficiency, a rare combination indicating sustainable competitive advantage and successful COVID-19 recovery.

Analysis Methodology: Six Strategic Dimensions



Q1: Regional Performance Analysis

TOP PERFORMERS

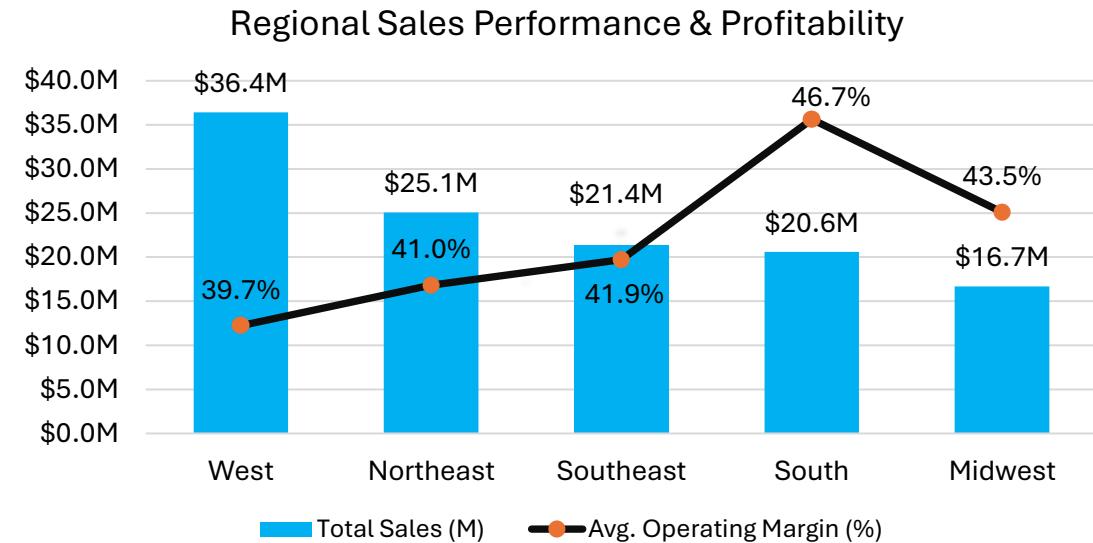
- West: \$36.4M total revenue (30% market share)
- South: 47% operating margin (highest profitability)

KEY INSIGHTS

- All 5 regions profitable (40-47% margins)
- Growth distributed evenly (18-23% per region)
- West maintains consistent market leadership

IMPLICATION

- Maintain West region investment while developing other regions' growth opportunities to replicate West's success.



Q2: Product Portfolio Analysis

TOP PERFORMERS

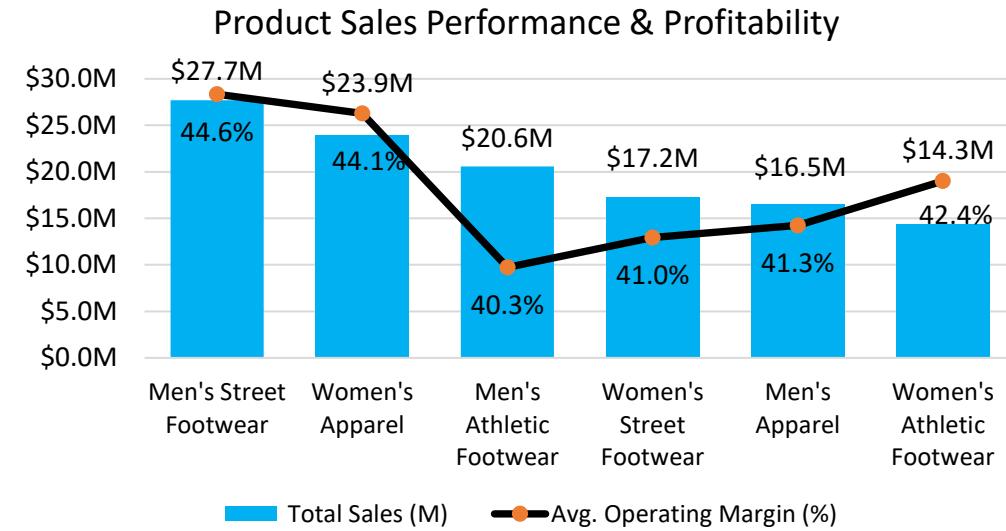
- Men's Street Footwear: \$50.7M revenue, 45% margin
- Women's Apparel: \$39.1M revenue, 44% margin
- All products maintain 40-45% margins

KEY INSIGHTS

- Men's Street Footwear leads in volume and margin
- Footwear categories outperform apparel
- No underperforming products—portfolio strength

IMPLICATION

- Balanced portfolio across all categories supports sustainable growth without dependency on single products.



Q3: Distribution Channel Performance

RETAILER FINDINGS

West Gear: \$32.4 M revenue (volume leader)

Sports Direct: \$24.6 M revenue with 45% margin (highest profitability)

Key Insight: Sports Direct shows superior margin efficiency, earning higher profit per dollar despite lower volume than the top two volume leaders

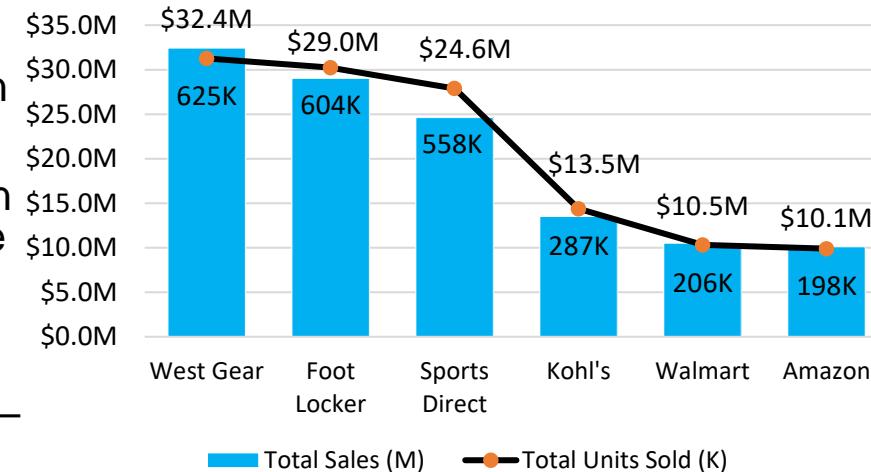
CHANNEL FINDINGS

- Online delivers 46% margin vs. 36% in-store—a 10 percentage point premium driving profitability.

IMPLICATION

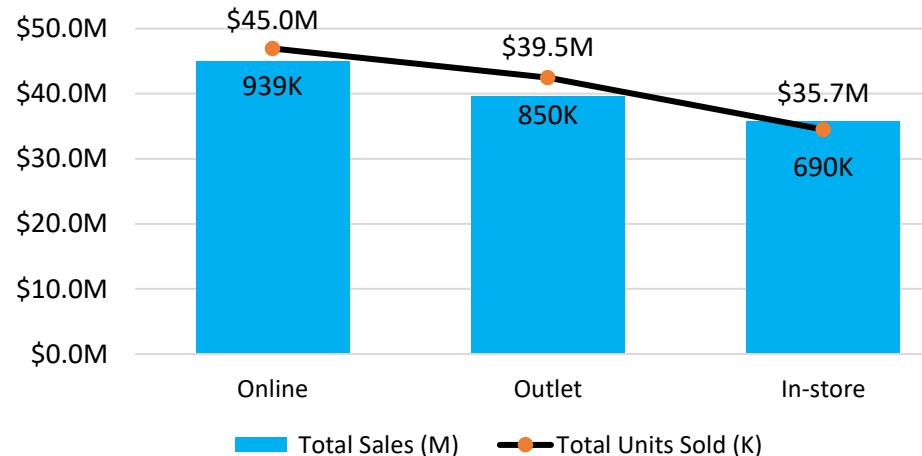
- Accelerate online channel investment while maintaining effective retail partnerships, particularly with Sports Direct.

Retailer Performance: Revenue & Volume



Row Labels	Average of Operating Margin2
Sports Direct	44.5%
Kohl's	41.9%
Foot Locker	41.8%
Amazon	41.8%
West Gear	41.8%
Walmart	40.7%

Sales Channel Performance: Revenue & Volume



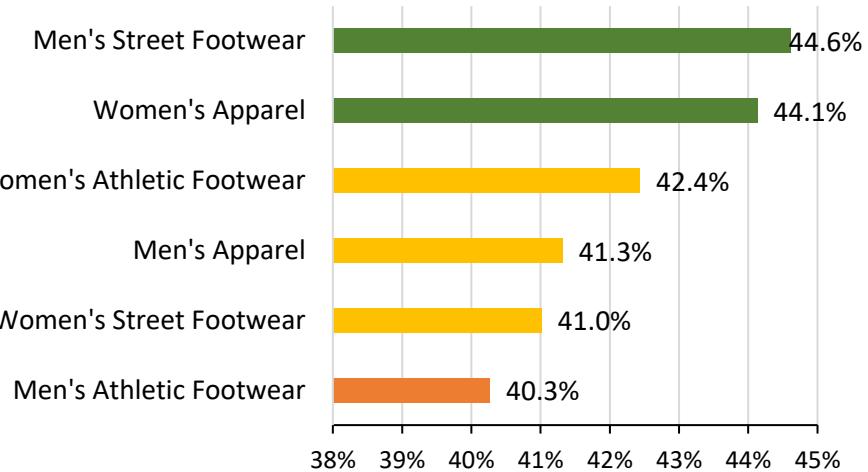
Row Labels	Average of Operating Margin2
In-store	36%
Online	46%
Outlet	39%
Grand Total	42%

Q4: Profitability Analysis

MARGIN HIERARCHY

1. Men's Street Footwear: 45% (Premium)
2. Women's Apparel: 44% (Strong)
3. Women's Athletic Footwear: 42% (Solid)
4. Average across all products: 42.3%

Product & Profit Margins



Dimension	Highest Performer	Lowest Performer
Product	Men's Street Footwear 45%	Men's Athletic Footwear 40%
Regions	South 47%	West 40%
Channels	Online 46%	In-store 36%
Retailers	Sports Direct 45%	Walmart 41%

Q5: Seasonal Trends & Regional Dynamics

PEAK MONTHS

- July 2021: \$10.3M (summer peak)
- December 2021: \$10.3M (holiday peak)

GROWTH PATTERN

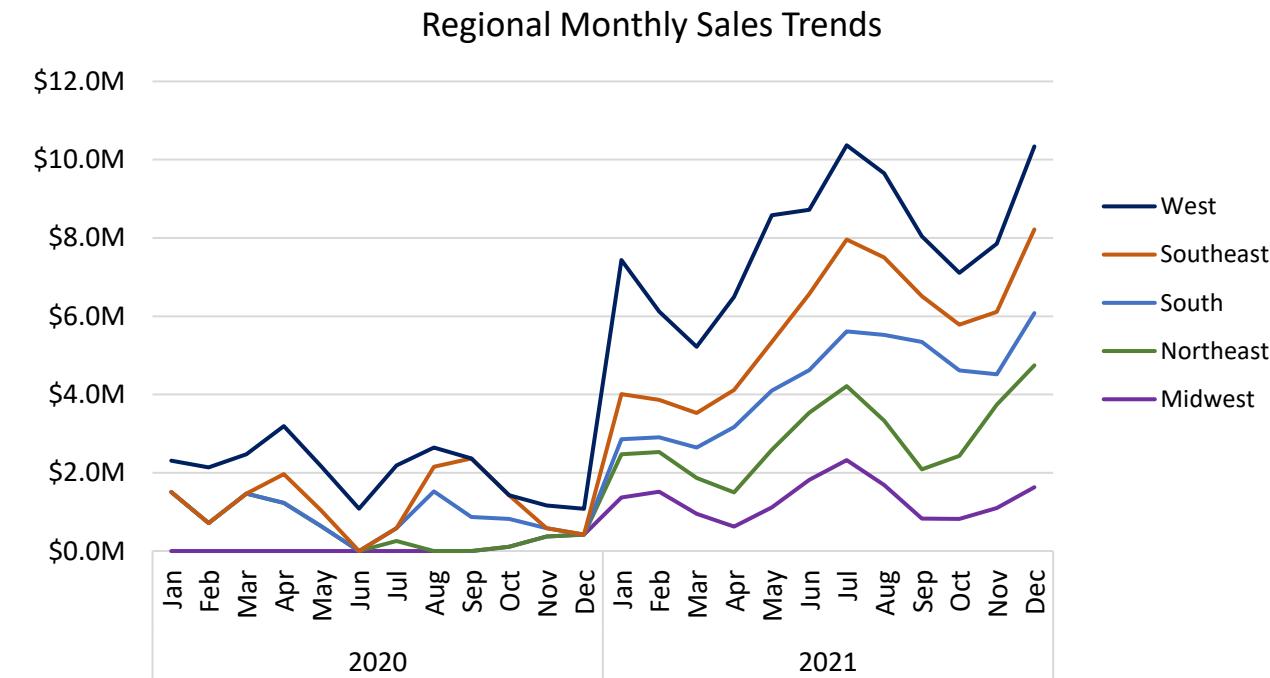
- 2020: Volatile, COVID-impacted (\$1-3M monthly)
- 2021: Stable performance (\$5-10M monthly)
- Improvement: 273% average monthly growth

KEY INSIGHTS

- Clear dual-peak seasonality established
- All regions move synchronously (product-driven)
- Predictable patterns enable inventory optimization

PLANNING IMPACT

- Established seasonality supports optimized inventory management and resource allocation for peak periods.



NB: MIDWEST RECOVERY (Purple line) demonstrates a dramatic pattern: - 2020: Near-zero monthly performance - 2021: Normalized to \$1-2M monthly - Result: \$0.9M → \$15.8M annual (16x expansion)

Q6: Key Factors Driving 296% Revenue Growth

FIVE KEY DRIVERS

1. SYNCHRONIZED REGIONAL RECOVERY

- All 5 regions grew 232-1,644%
- Balanced growth distribution (18-23% each)

2. COVID-19 BUSINESS RECOVERY

- 2020 baseline severely impacted
- 2021 represents full operational normalization

3. ONLINE CHANNEL EXPANSION

- 46% margin vs 36% in-store
- Digital transformation accelerated permanently

4. MARGIN DISCIPLINE MAINTAINED

- 40.4% → 42.6% despite 296% growth
- Quality growth, not volume-only expansion

5. PRODUCT PORTFOLIO STRENGTH

- All products maintain 40-45% margins
- No weak categories diluting performance

Table 1: Year-over-Year Comparison

Metric	2020	2021	Growth	% Change
Total Revenue	\$24.2M	\$95.9M	+\$71.7M	296%
Average Monthly	\$2.0M	\$8.0M	+\$6.0M	300%
Operating Margin	40.4%	42.6%	2.2pts	5%

Table 2: Regional Growth Contributions

Region	2020	2021	Growth	% of Total Growth
West	\$10.0M	\$26.4M	+\$16.4M	23%
Midwest	\$0.9M	\$15.8M	+\$14.9M	21%
Southeast	\$3.9M	\$17.5M	+\$13.6M	19%
Northeast	\$5.8M	\$19.3M	+\$13.5M	19%
South	\$3.6M	\$17.0M	+\$13.3M	18%
TOTAL	\$24.2M	\$95.9M	+\$71.7M	100%

Table 3: Key Growth Drivers

Rank	Driver	Impact	Key Metric
1	West Region	+\$16.4M	Largest absolute contributor
2	Midwest Growth	+\$14.9M	Highest % growth (1,644%)
3	COVID Recovery	Baseline	Business stabilization
4	Online Channel	Strategic	46% margin vs 36% in-store
5	Product Portfolio	Consistent	All products 40%+ margins

CONCLUSION

Growth resulted from comprehensive business recovery across all dimensions, not single-factor dependency, positioning Adidas for sustained expansion.

Recommendations & Next Steps

IMMEDIATE ACTIONS (0-6 Months)

✓ 1. ACCELERATE ONLINE INVESTMENT

- 46% margin advantage vs in-store
- Continue digital transformation

✓ 2. OPTIMIZE SEASONAL INVENTORY

- Pre-build for July/December peaks
- Leverage predictable patterns

✓ 3. DEVELOP MIDWEST MARKET

- Smallest region with high growth potential
- Replicate West region strategies

MEDIUM-TERM STRATEGIES (6-12 Months)

✓ 4. MAINTAIN MARGIN DISCIPLINE

- Protect 42%+ operating margin
- Avoid promotions that may affect margin-

✓ 5. STRENGTHEN PRODUCT PORTFOLIO

- Men's Street Footwear remains a star performer
- Maintain balanced category mix
- LONG-TERM VISION
- Sustainable growth through balanced regional expansion, digital-first strategy, margin excellence, and seasonal optimization.