

# Adidas U.S. Sales Performance Report

Prepared by: Saheed Samad

Date: [January 8]



## Purpose of the Analysis

The purpose of this analysis is to evaluate Adidas' sales performance in the U.S. for 2021. The objectives are:

1. To identify key trends in revenue, profit, and units sold.
2. To assess regional and state-level contributions to sales and profitability.
3. To highlight inefficiencies and opportunities for improvement.
4. To provide actionable insights that will guide strategic planning and resource allocation.

This report offers a data-driven approach to sustaining growth, improving operations, and enhancing Adidas' competitive position in the market.

## Key Findings

### 1. Revenue Growth:

- a. Total revenue reached **\$899.9M**, reflecting a **31.37% Month-over-Month (MoM)** increase.
- b. The sharp growth underscores Adidas' effective sales and marketing strategies.

### 2. Profitability:

- a. Total profit rose to **\$332.13M**, demonstrating **31.43% MoM growth**.
- b. Profit growth aligns closely with revenue, highlighting operational efficiency.

### 3. Operating Margin Stability:

- a. The operating margin remained stable at **37%**, with a slight **0.05% MoM growth**.
- b. This reflects Adidas' ability to manage costs effectively while scaling operations.

### 4. Units Sold Growth:

- a. Units sold totaled **2.48M**, indicating a **14.66% MoM increase**.
- b. This growth reflects strong consumer demand and successful distribution strategies.

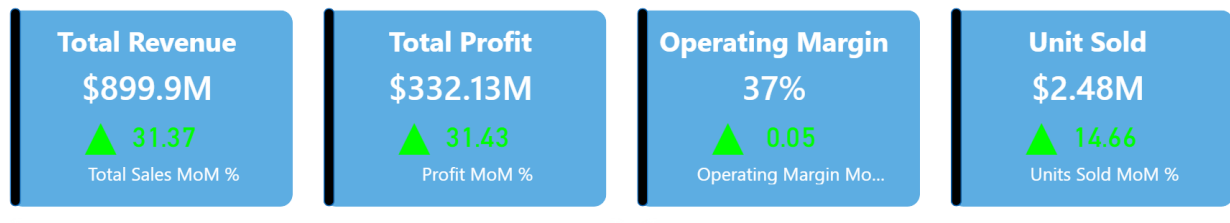
### 5. Regional Performance:

- a. The West Region led in unit sales with **687K units**, while the Midwest region lagged at **391K units**.

### 6. State-Level Profit Leaders:

- a. New York and Florida emerged as top contributors, driving **\$23M** and **\$21M** in operating profit, respectively.

## KPI Overview



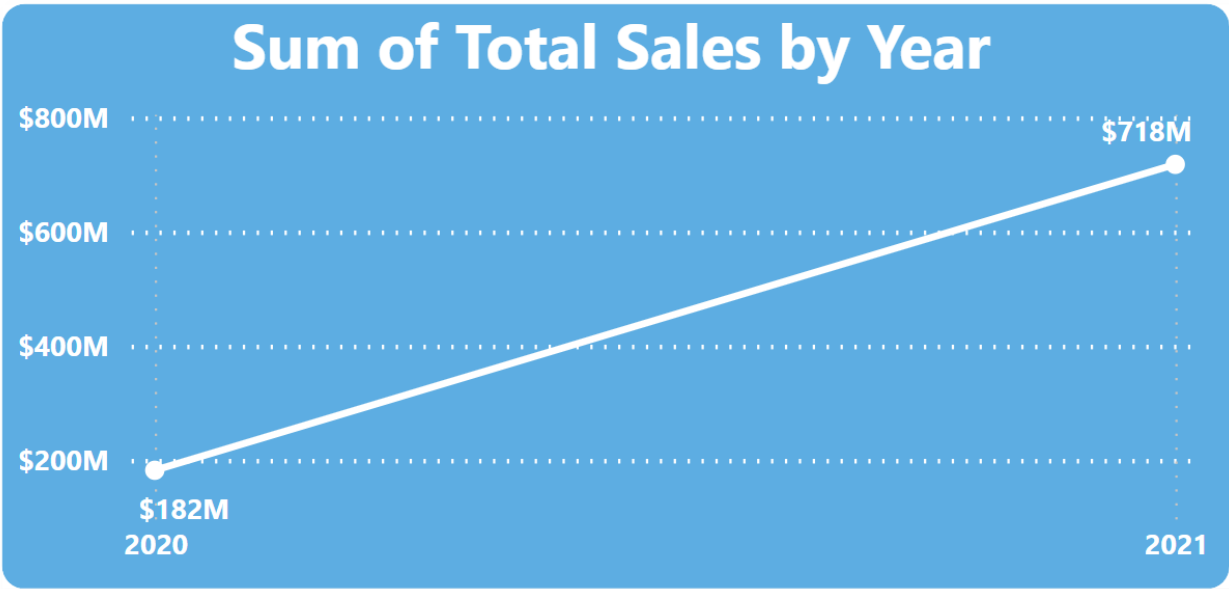
- **Total Revenue:** Reflects the overall financial performance and market demand for Adidas products.
- **Total Profit:** Highlights operational efficiency and the ability to convert sales into sustainable returns.
- **Operating Margin:** Demonstrates Adidas' scalability and disciplined cost management.
- **Units Sold:** Indicates robust consumer engagement and effective inventory management.

## Recommendations:

- Expand successful marketing and sales campaigns to capitalize on growth momentum.
- Continue focusing on cost control to sustain operating margins.
- Leverage unit sales data to optimize inventory and improve distribution in underperforming regions.

# Visual Insights

## 1. Total Sales by Year



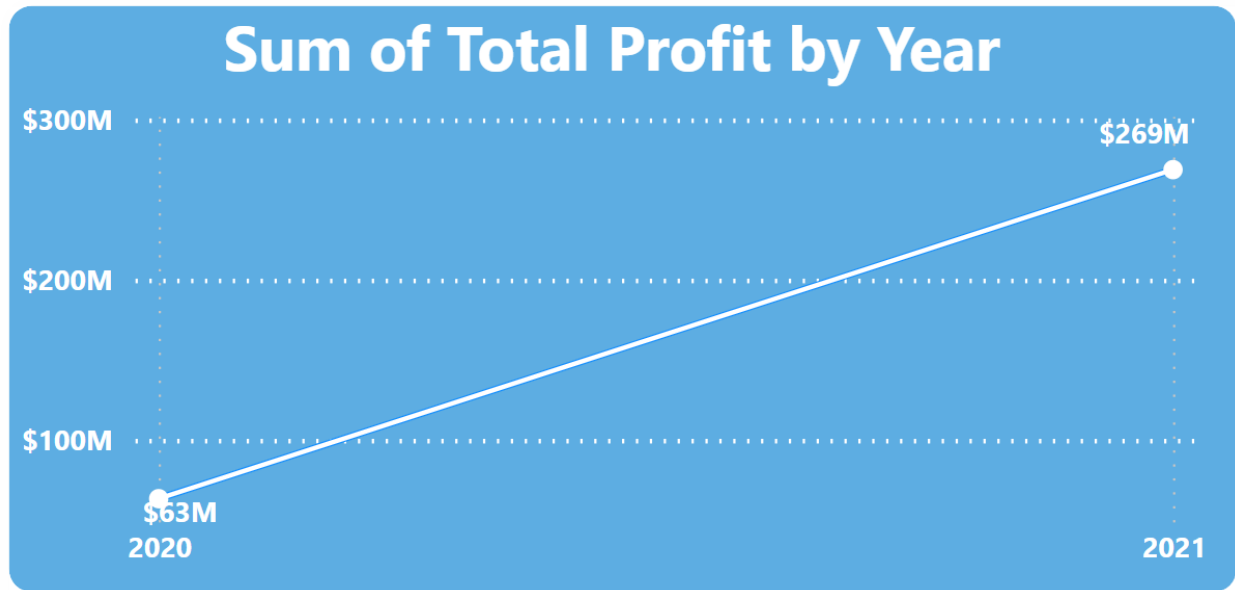
### Insights:

- Sales increased from **\$182M in 2020** to **\$718M in 2021**, reflecting robust recovery post-pandemic.
- Strategic investments in product innovation and digital channels likely drove this growth.

### Recommendations:

- Maintain momentum by analyzing successful campaigns and replicating strategies for future growth.
- Invest in data analytics to predict trends and adjust sales strategies dynamically.

## 2. Total Profit by Year



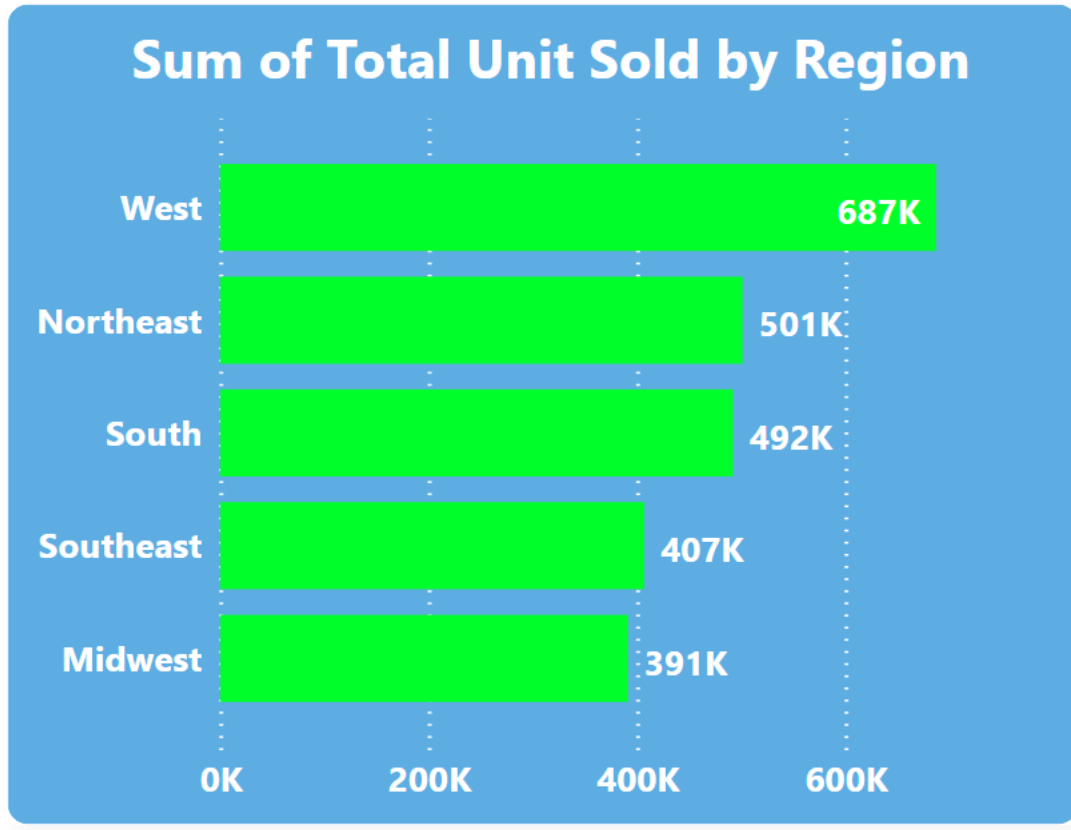
### Insights:

- Profit grew from **\$63M in 2020** to **\$269M in 2021**, aligning with the revenue trend.
- This reflects effective cost management and operational efficiency.

### Recommendations:

- Focus on scaling operations while maintaining cost discipline.
- Use profit data to evaluate and refine resource allocation for maximum ROI.

### 3. Total Units Sold by Region



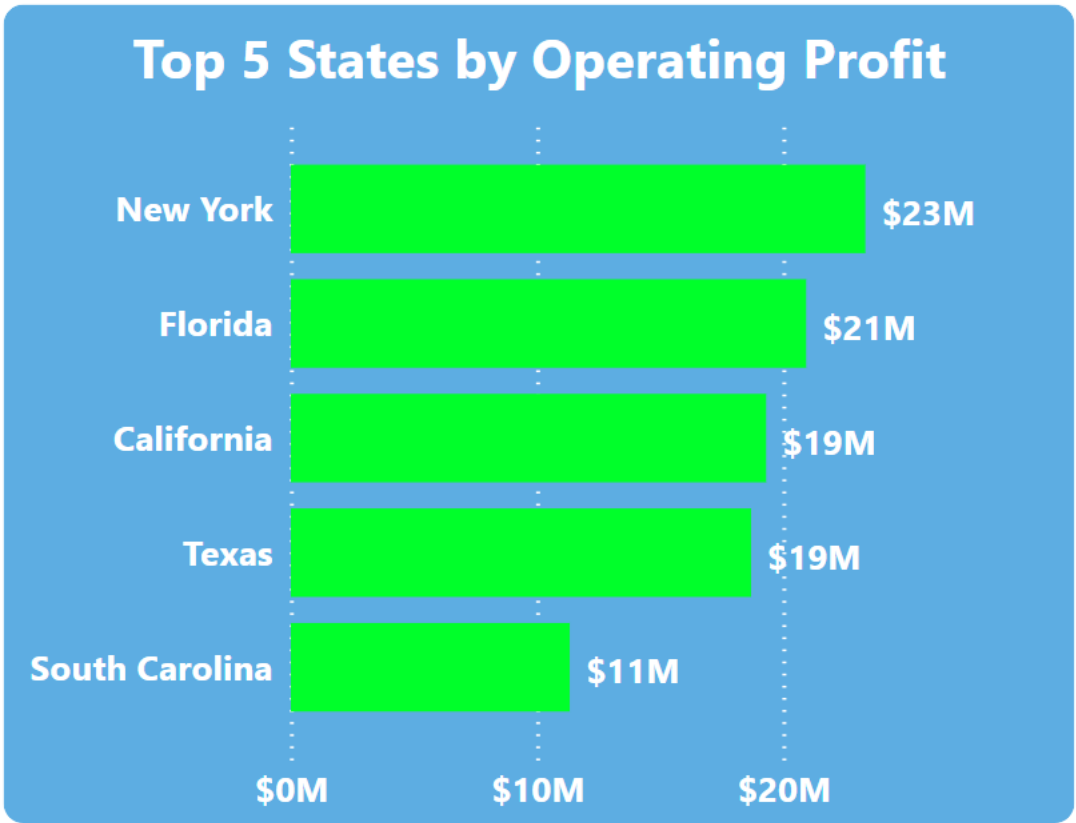
#### Insights:

- The West Region outperformed others, selling **687K units**, while the Midwest trailed with **391K units**.
- Regional performance reflects varying levels of brand penetration and consumer engagement.

#### Recommendations:

- Enhance marketing and distribution efforts in underperforming regions like the Midwest and Southeast.
- Use insights from the West Region to replicate successful strategies across other areas.

4. Top 5 States by Operating Profit



Insights:

- New York (\$23M) and Florida (\$21M) are the highest contributors, followed by California and Texas (\$19M each).
- These states indicate strong consumer demand and effective operations.

Recommendations:

- Tailor region-specific campaigns to sustain momentum in high-performing states.
- Explore opportunities to replicate strategies from top-performing states in similar markets.

## Recommendations

### 1. Maximize Regional Performance:

- a. Focus on high-performing regions like the West while addressing barriers in underperforming areas.

### 2. Optimize Operations:

- a. Use profit margins and revenue data to guide resource allocation and ensure efficiency.

### 3. Enhance Consumer Engagement:

- a. Leverage consumer data to design targeted campaigns, especially in mid-performing regions.

### 4. Monitor KPIs Regularly:

- a. Continuously track key metrics to identify trends early and respond proactively to challenges.

## Conclusion

This report highlights Adidas' strong growth trajectory, driven by robust revenue, profit, and unit sales performance. Strategic focus on high-performing regions and states, coupled with targeted interventions in underperforming areas, will ensure sustained growth and operational excellence. By leveraging these insights, Adidas can continue to expand its market share and enhance profitability.