


**(ETR: ADS) Adidas 2Q17: Beats and Raises
Guidance**

- **Adidas pre-announced stronger-than-expected revenue growth for 2Q17. Revenues were up 20%, versus the 12% growth expected by analysts, and up by 19% on a constant-currency basis.**
- **EBIT grew by 18% to €505 million, versus the consensus estimate of €430 million. Net income from continuing operations grew by 16% to €347 million, versus the consensus estimate of €298 million.**
- **Adidas raised its guidance for FY17. The company now expects currency-neutral revenue growth of 17%–19%, versus 12%–14% growth previously, while guidance for net income went from 13%–15% to 26%–28%.**

2Q17 Preliminary Results

Adidas pre-announced consensus-beating figures for 2Q17, with revenues up 20% year over year and up 19% year over year on a currency-neutral basis. The consensus estimate was for revenues of €4,951 million, implying revenue growth of 12%. EBIT grew by 18% year over year to €505 million, compared to the consensus estimate of €430 million. Net income from continuing operations grew by 16% to €347 million, versus the consensus estimate of €298 million.

EBIT growth was driven by a higher gross margin and by operating expense leverage. Continuing operations mainly consist of the Adidas and Reebok brands, while results from divested brands TaylorMade, Adams Golf, Ashworth and CCM Hockey count as discontinued operations.

Adidas increased its guidance for FY17. The company now expects currency-neutral sales to grow by 17%–19%, compared to previous guidance of 12%–14%. The company expects net income from continuing operations to grow by 26%–28% in FY17, versus previous guidance of 13%–15%.

Full financial figures for 2Q17 will be published on August 3, 2017.



FLASH REPORT

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