Adidas expects Russia hit in 2022, but China recovery

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German sportswear company Adidas said it expected a halt to its business in Russia due the war in Ukraine to put at risk up to 250 million euros ($273.10 million) of sales in 2022, while it expects a recovery in its China business.

Adidas forecast an increase in currency-neutral sales of 11-13% for 2022, including the risk to its business in Russia and Ukraine, with Greater China set to see sales increase in the mid-single digits after a consumer boycott in 2021.

Adidas said on Monday it has suspended operations of its stores and online shopping site in Russia until further notice. It operates about 500 stores in Russia, a quarter of the total.
Adidas said the 250 million euros at risk was about half of the company's total revenues in the region and represented about 1 percentage point of growth for the total company.

It said its expects net income from continuing operations to grow to between 1.8 billion and 1.9 billion in 2022, up from 1.492 billion in 2021.

Adidas reported a 3% fall in currency-neutral sales in the fourth quarter to 5.137 billion euros, dragged down by a 24% fall in greater China.

Adidas said on Tuesday it has appointed Adrian Siu as its new head of the Greater China business.

Adidas was targeted during a boycott of Western brands by Chinese consumers who criticised companies for saying they would not source cotton from Xinjiang after reports of human rights abuses against Uyghur Muslims there. Beijing denies any abuses.