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A still from Adidas' recent collaboration with Sp5der.

BUSINESS

Adidas Shares Slide On Cautious Forecast

- After double-digit sales growth during 2025, Adidas executives insisted on a more circumspect outlook for the next three years.

BY CATHRIN SCHAER

Despite a particularly successful year in 2025, including the highest sales in a quarter ever, Adidas has issued more cautious guidance – and then was punished for that as its shares fell to a three-year low.

For the fourth quarter, Adidas reported that sales grew 11 percent to 6.08 billion euros. That resulted in a net sales increase of 13 percent, on a currency neutral basis, for the full year and a sales tally of 24.81 billion euros.

In the fourth quarter, operating profit also zoomed 188.4 percent to 164 million. This equaled an increased operating profit of 2.06 billion euros for the whole year.

"[The fourth quarter] ended better than we expected," said Bjorn Gulden, Adidas chief executive officer, during a press conference at the German company's headquarters on Wednesday. "There were many issues in the world, it was very volatile, but we were able to deliver double-digit growth again."

"I have to be honest with you," Gulden told the assembled journalists, "when we were sitting here a year ago, I didn't think we would deliver this."

Gulden took on the top job at Adidas in 2023 and has overseen the brand's recovery after various problems, including the end of the profitable Yeezy line. His roadmap aimed to make Adidas a "healthy company" by 2026.

But Gulden said Adidas is ahead of schedule. "We said we'd have a healthy company but I think we can now say we have a successful company – not only in the short term but also the long term," said the executive, who had his contract extended this week by the company's supervisory board until 2030.

Despite the good results, Adidas forecast that growth would slow in 2026. The brand predicts that sales will continue to grow, but only in the high-single digits. That would add another 2 billion euros in revenue. Operating profit is expected to come in at around 2.3 billion by the end of this year.

The brand also offered a midterm forecast, saying that sales would continue to grow at that same high-single-digit rate through 2027 and 2028.

In morning trading in Germany, the sportswear giant was punished for that, with shares falling as much as 8.3 percent to hit a three-year low. The stock rebounded some and closed down 3.6 percent to 141.80 euros.

Analysts from the likes of Deutsche Bank, Jefferies and Goldman Sachs said that more moderate guidance was 15 percent below what they had expected.

Their consensus for 2026 was that operating profit should be at around 2.7 billion euros – about $400 million short of the company's projection.

"I do understand that when you look at our outlook, you think, 'Well that's not enough,'" Gulden conceded. "But we're trying to tell you what we think the business is doing now, instead of telling you [something] and then chasing it. Some people think that's the wrong strategy. But you don't like to promise things you can't deliver. I learned that as a kid – and it's hard to change."

Both Gulden and Adidas' chief financial officer, Harm Ohlmeyer, then went into detail about how Adidas would actually have been even further ahead than expected with profit margins, were it not for various market factors beyond their control. In 2025, this mostly had to do with U.S. tariffs and currency effects.

Such volatility meant it was better to be cautious, they maintained.

"Think about the last four or five years," Gulden argued. "We've been through COVID-[19], then we have the Russian war, then we had tariffs and now we have [war in] the Middle East."

Everybody in business was facing the same problems and what Adidas' management should be doing is dealing with all that as best as they could, Gulden said. "We can only focus on doing what's right for the business, and then I am sure your shares – and my shares – will go back up again," he said.

Adidas executives would not be drawn on the potential cost of the current conflict in the Middle East either.

"We had one franchise store in Israel [that] was hit by an attack three days ago and destroyed," said chief commercial officer Mathieu Sidokpohou. "Fortunately the store was closed, so we didn't have any colleagues impacted." No Adidas staff have been injured or killed in the conflict so far, he added.

Some Adidas stores were being kept open – for example, the United Arab Emirates government had asked businesses to keep trading – whereas in other locations, they were temporarily closed.

Having maritime blockage at the Strait of Hormuz mostly impacted products going into Saudi Arabia or the UAE but had no impact on goods shipped to the rest of the world.

There might be some problems with airfreight that usually passed through Middle East airspace. "So there could be some delays for samples or products that need airfreight," Gulden said. "But I don't think there's anything else we can say today. When it gets to the impact I don't think any of us know."

The Middle East is part of Adidas' Emerging Markets sales territory. This consists of around 72 different countries and is managed out of Dubai in the UAE. Over 2025, sales in Emerging Markets grew 17 percent.

The highest growth in Adidas' sales last year came in another smaller territory, Latin America, where sales increased by 22 percent, currency adjusted. Gulden said the German brand is the market leader in most Latin American countries now and noted that the atmosphere in Mexican sports retail – up until recently when there was gang-related violence – had been inspiring to see, in the run-up to the World Cup in June. The competition will be held in venues in the U.S. and Mexico.

Every other Adidas territory also saw double-digit growth, with sales in the brand's two largest markets, Europe and North America surging 10 percent on a currency neutral basis.

The Adidas boss now wants to make a more ambitious play in North America. "Our position in the U.S. is not the best," he said. "We should have tried to be more American earlier."

The German company has been trying to make inroads into traditional American sports like basketball and football, and is also courting college athletes and teams. But, Gulden said, "the other brand" – by which he means Nike – is already so dominant in these categories that it's hard to get in.

"We have turned the [U.S.] business from over-inventoried, only factory outlets and lots of clearance into a full-priced business that's growing at 10 percent. But the ambition has to be more," Gulden continued. "We shouldn't be number one there – that's not realistic – but we should have the ambition of doubling our business there," he said, recalling Adidas' retro heyday in American pop culture, when the brand was worn by the likes of musicians Run-DMC and Madonna.

Meanwhile in Greater China and Japan-South Korea, Adidas sales rose 13 and 14 percent respectively, on a currency neutral basis.

Adidas sees China as having the potential to be particularly profitable because most of its products are designed there specifically for the local market and also sourced there.

Asked whether he was worried about Chinese sports retailing giant, Anta, taking a majority share in smaller, German competitor Puma, Gulden replied that the Chinese market was big enough for everyone, especially as the country was experiencing something of a sports boom.

"I think Anta are very good operators in China...but our business there is run by people who understand the local market and know, for example, how Anta works," he said. "So we're not losing sleep over this."

In terms of Adidas' product categories in 2025, footwear sales rose 12 percent, on a currency neutral basis and apparel sales grew 15 percent.

That came after apparel had a very successful fourth quarter, with clothing sales gaining 20 percent over the last three months of 2025.

The Adidas design team had been experimenting with fabrics like denim and knitwear and this was selling really well, especially online, Gulden noted. Recently the brand had something of a viral hit with the Chinese-designed "Tang jacket," as it's known unofficially, with the distinctive three stripes, knotted toggles and a mandarin collar.

There's likely to be more cross-pollination between sports and fashion in 2026, with Adidas introducing workout gear that combines technical fabrics with Adidas Originals' vintage flair. The first range will be female-only.

Gulden also predicts that a kind of "college look," which includes socks and white-on-white Stan Smith shoes, would also be making a comeback this year.

As for the terrace trend that had really pushed Adidas sales momentum in recent years, those shoes were not retiring yet either, Gulden said. The brand is still coming up with new color or print combinations and carefully balancing sales in different markets.

In comparison, Adidas accessories are still lagging, with sales only developing by 6 percent last year.