

Adidas to sell Reebok to Authentic Brands Group for €2,1bn

Adidas has struck a deal to sell underperforming sneaker and sportswear brand Reebok to Authentic Brands Group for up to €2,1bn (\$2,46bn), as the German sporting goods company concentrates on its core brand.



Source: [Raysonho @ Open Grid Scheduler / Grid Engine - Own work, CCO](#)

Headquartered in New York City in the US, Authentic Brands Group has a portfolio of more than 30 brands and a history of buying up struggling brands such as Juicy Couture, Forever 21, Aeropostale, Brooks Brothers and Barneys New York. Reebok is the biggest deal that ABG has done since its inception.

Jamie Salter, founder, chairman and CEO of ABG commented, "It's an honour to be entrusted with carrying Reebok's legacy forward. This is an important milestone for ABG, and we are committed to preserving Reebok's integrity, innovation, and values – including its presence in bricks and mortar. We look forward to working closely with the Reebok team to build on the brand's success."

The majority of the €2,1bn is to be paid in cash at closing of the transaction and the remainder comprised of deferred and contingent consideration. The acquisition is expected to close in the first quarter of 2022, subject to customary closing conditions.



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Adidas bought Reebok in 2006. At the time, the acquisition included the Rockport, CCM Hockey and Greg Norman brands, which Adidas later divested for a total consideration of €0,4bn. In 2016 Reebok initiated a turnaround plan called 'Muscle Up' through which the brand was able to significantly improve its growth and profitability prospects.

In March of this year, Adidas presented its 2025 'Own the Game' Strategy designed to significantly increase sales and profitability and gain market share by 2025. During the strategy formulation process, Adidas assessed strategic alternatives for Reebok with a focus on ensuring both Adidas and Reebok would be well-positioned for sustainable growth.

Following this evaluation, Adidas said it decided to focus its efforts on further strengthening the "leading position of the Adidas brand in the global sporting goods market" and announced the initiation of a formal process to divest Reebok in February 2021.



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Kasper Rorsted, CEO of Adidas AG, said, "Reebok has been a valued part of Adidas, and we are grateful for the contributions the brand and the team behind it have made to our company. With this change in ownership, we believe the Reebok brand will be well-positioned for long-term success.

"As for Adidas, we will continue to focus our efforts on executing our 'Own the Game' strategy that will enable us to grow in an attractive industry, gain market share, and create sustainable value for all of our stakeholders."

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