

## Executive Summary – Reebok Analysis & Integration

### Strengths

- Strong financial position (slide 2)
- Leaders in licensing sales (slide 3)
- #2 Mkt Share in a highly consolidated market (slide 3)

### Weaknesses

- 5-Year market share reduction (slide 4)
- 5-Year CAGR decline (slide 5)

### Opportunities

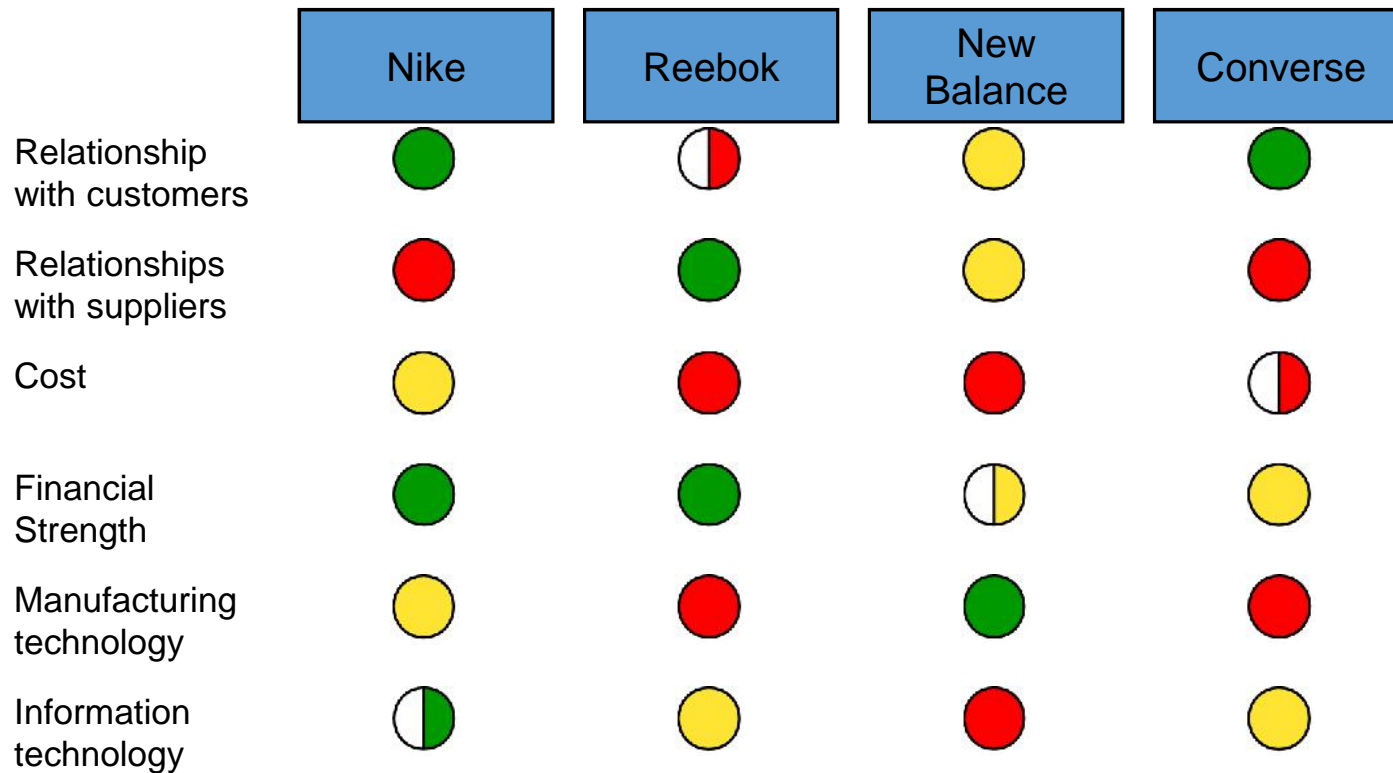
- **Market:** Pursue Merger / Acquisition partner to compete in a highly consolidated market (slide 6, 7)
- **Segment:** Focus on women's products to drive volumes (slide 8)

### Threats

- Nike's Market Dominance (slide 9)

# Stoplight Chart

Reebok's strengths include their relationship with customers and their financial strength

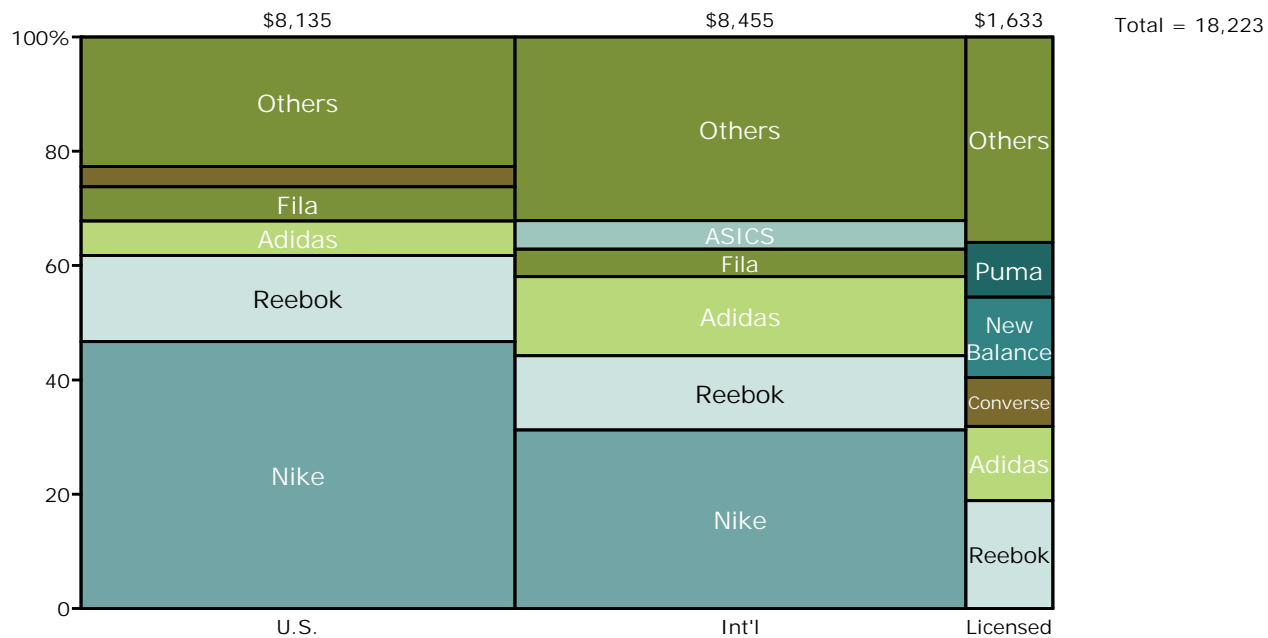


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# Marimekko Chart (3 of 3)

Reebok has the second highest market share in the US as well as the highest licensing revenue share

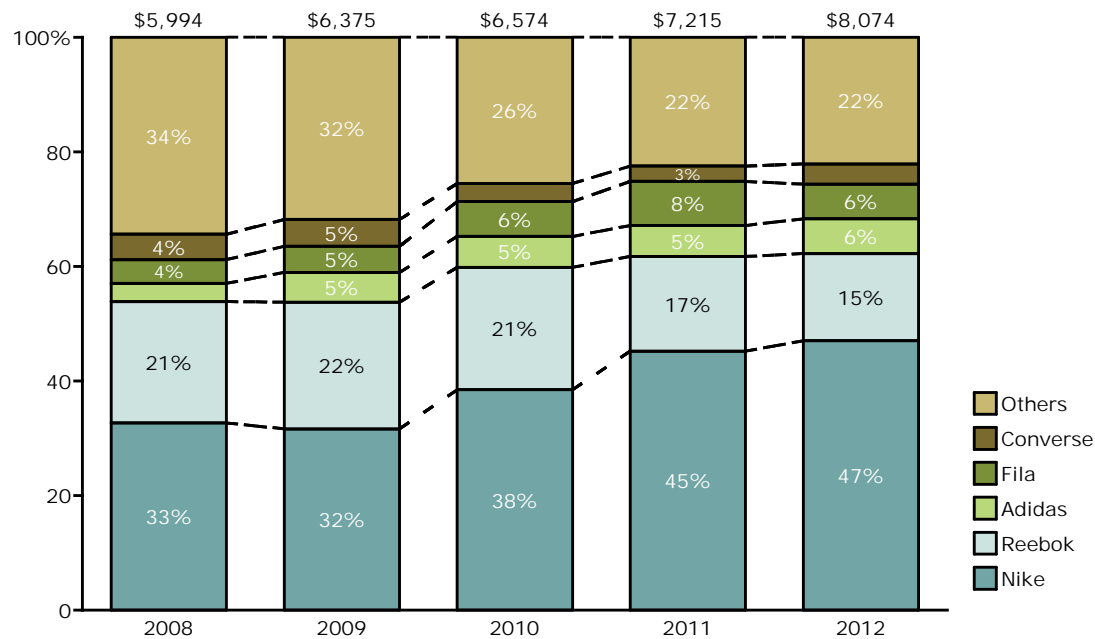
Footwear Sales in \$ Million



# 100% Stacked Bar Chart (3 of 5)

Reebok's share declined from 21% to 15% over the last 5 years

Footwear Sales in \$ Million

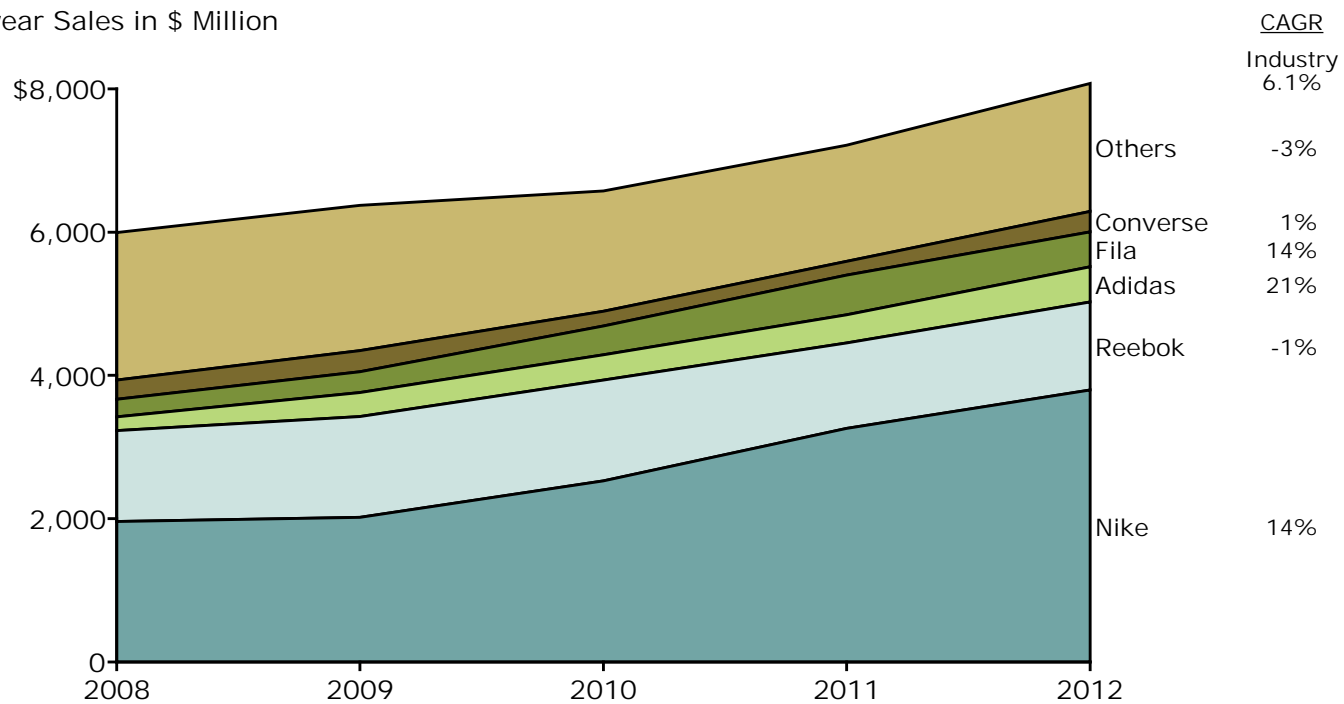


In Millions of Dollars

## Area Chart

Reebok's sales have grown 1% less than the industry standard over the past 5 years

Footwear Sales in \$ Million



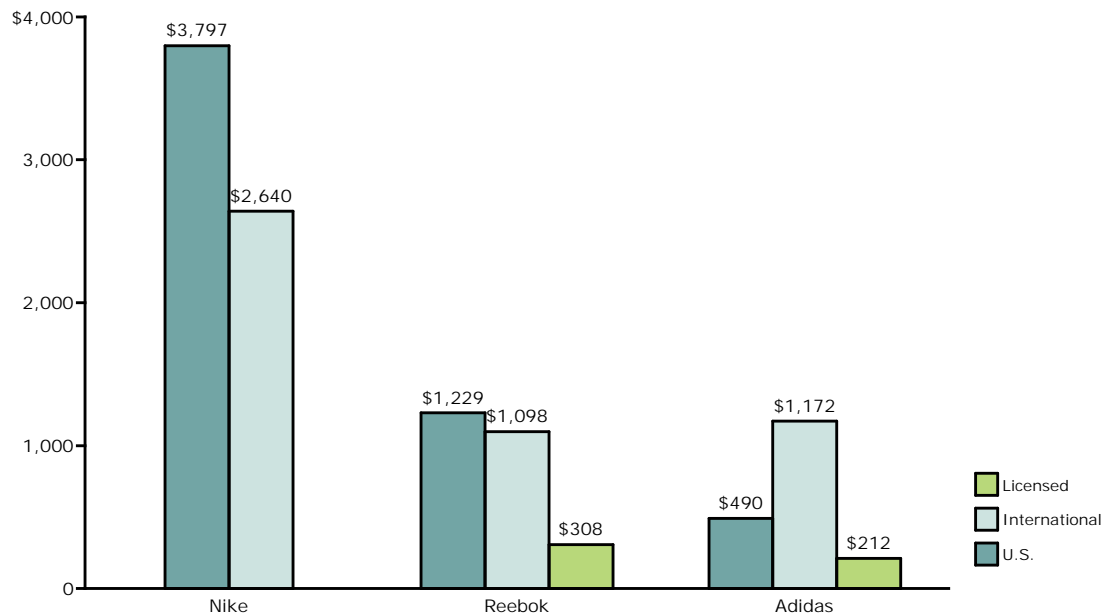
Source: Sporting Good Intelligence ([www.sginews.com](http://www.sginews.com))

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# Cluster Bar Chart

Adidas' strong international presence would be a compliment to Reebok's balance

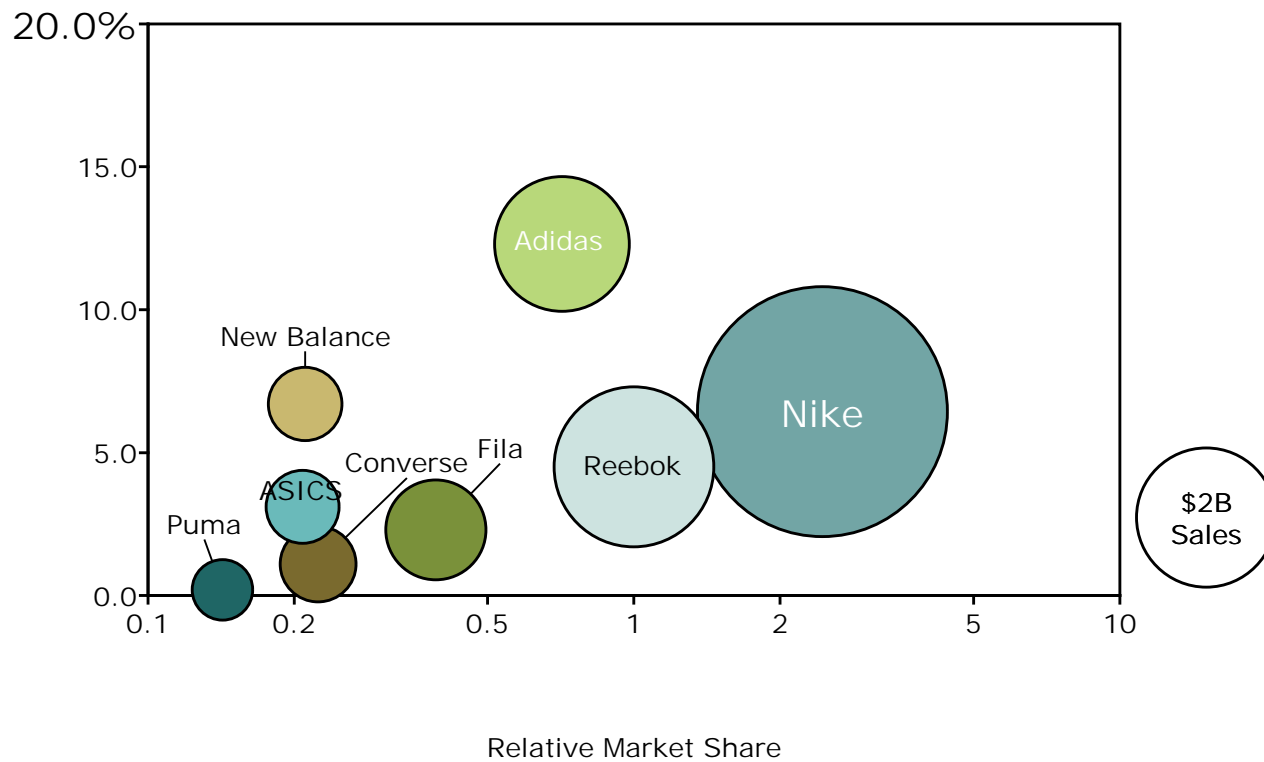
Footwear Sales in \$ Million



# X Log Bubble Chart

Adidas' high return on sales would be another benefit for Reebok

Return on Sales

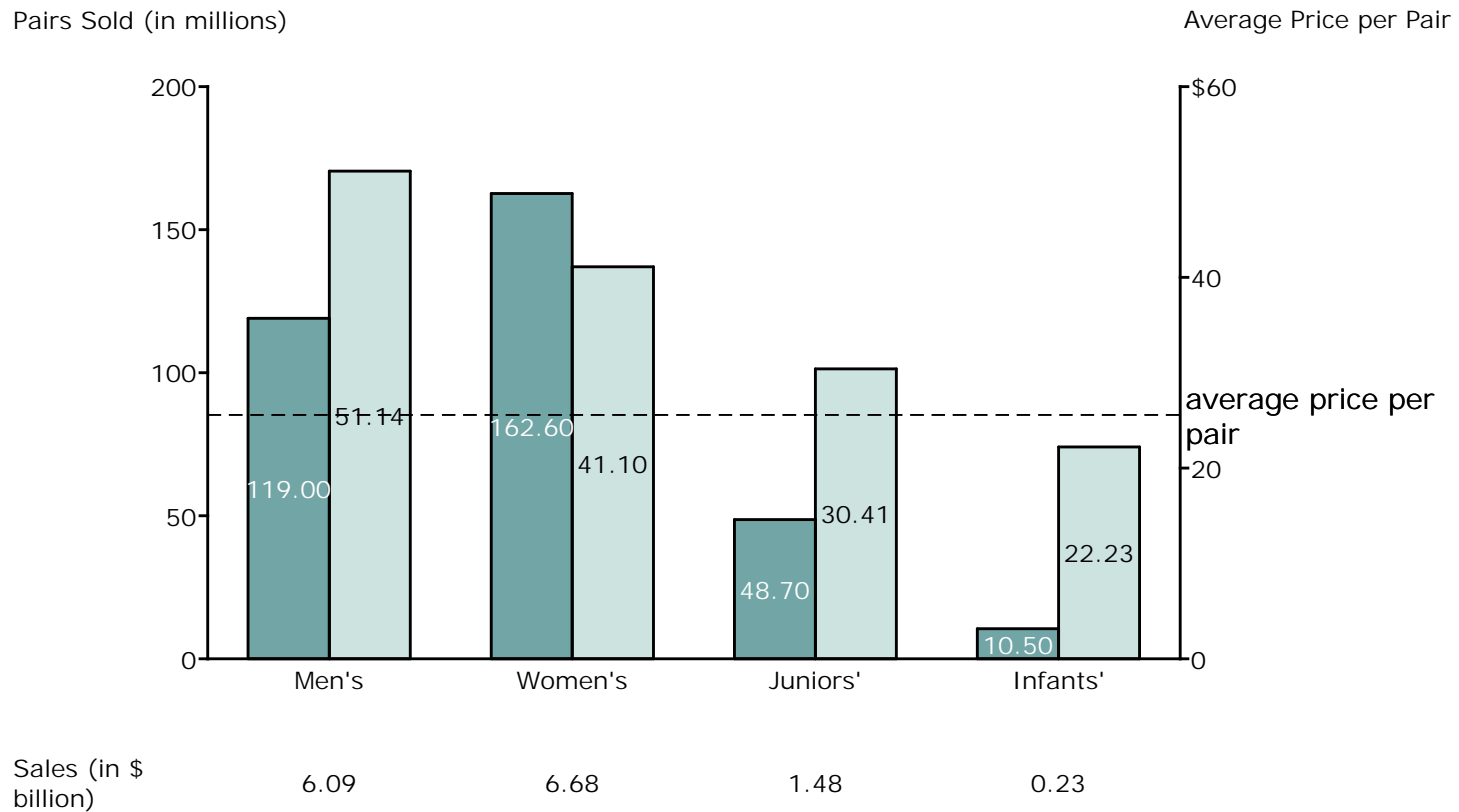


Source: Sporting Good Intelligence ([www.sginews.com](http://www.sginews.com)). Return on sales data is fictitious..

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## 2Y Cluster Bar Chart

Reebok should focus on women's shoes since more women's footwear is sold



Source: Sporting Goods Manufacturers Association ([www.sgma.com](http://www.sgma.com))

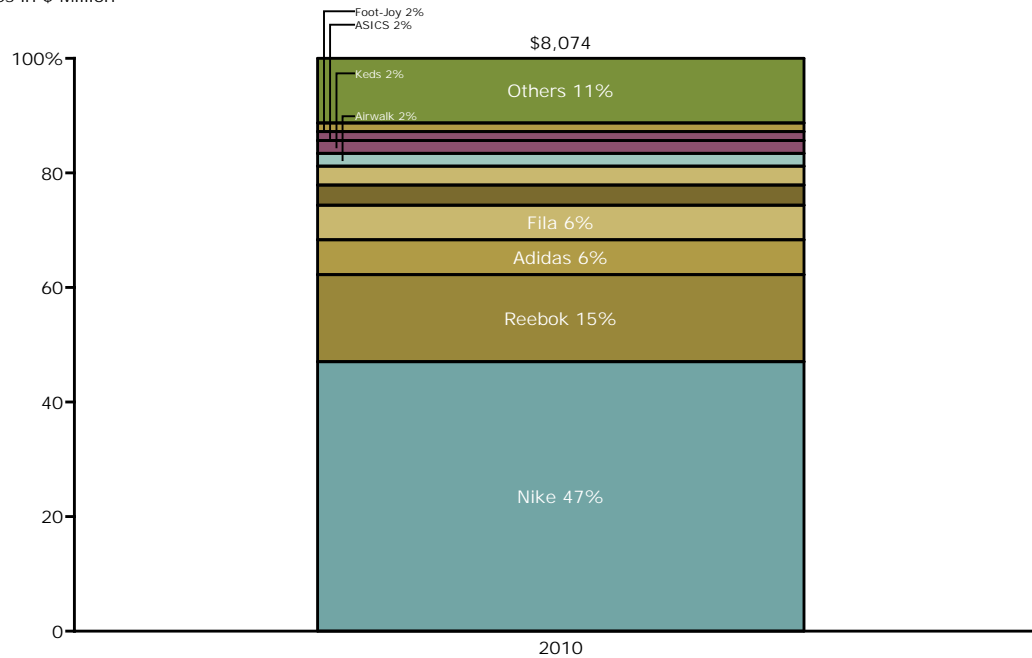
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# 100% Stacked Bar Chart (1 of 5)

Nike is a major threat as their market share continues to grow

Footwear Sales in \$ Million



Source: Sporting Good Intelligence ([www.sginews.com](http://www.sginews.com))

## Recommendations

### 1. Pursue Merger / Acquisition with Adidas

- **Expand geographic sales** – Leveraging Adidas' strong international presence
- **Return on sales** – Adidas' high return on sales will complement Reebok's mid-range return on sales
- **Combine strong licensing revenues** – Combine strength of both
- **Offset declining growth** – Adidas grew +21% (CAGR) over last 5 years vs. -1% for Reebok
- **Increase market share** – Combining share will begin to close the gap on Nike

### 2. Focus on Women's Sneakers

- **Volume play** – At a lower average price than men's shoes, women's show stronger sales volumes