Adidas on Tuesday cut its 2022 earnings target, citing a slower-than-expected recovery in China from pandemic restrictions.

In an unscheduled statement, the sporting goods maker said it expected full-year net income from continuing operations to reach about 1.3 billion euros ($1.31 billion), having previously predicted the lower end of a range between 1.8 billion and 1.9 billion euros.

"Given the continued widespread COVID-19-related restrictions, Adidas now expects revenues in Greater China to decline at a double-digit rate during the remainder of the year," the company said.

Initiatives to clear excess inventories in the Chinese market would also weigh on margins during the remainder of the year, it added.
In other markets there could be a "potential slowdown of consumer spending" during the second half as a result of the more challenging macroeconomic conditions.

Adidas also said second-quarter sales increased 10% to 5.6 billion euros, driven by growth in North America and Latin America.

Second-quarter net income from continuing operations declined to 360 million euros, down from 387 million a year earlier on lower margins.