



## GROWTH PURPOSE

Grow our business to enable us to be an agent of change, implementing solutions to the environmental crisis.

To grow revenue aggressively to become the definitive performance sports brand, changing the way athletes live.

To deliver sustainable, profitable growth by deepening our connection with consumers, creating an integrated retail marketplace, and executing innovation with pace and scale

## MISSION

Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.

Make all athletes better through passion, design and the relentless pursuit of innovation.

To bring inspiration and innovation to every athlete\* in the world.

\*If you have a body you're an athlete.

## CHOICES



CEO refuses to prioritise profit over values.<sup>1</sup>  
Revenue growth is 1 of 3 'equal missions'.<sup>2</sup>



1% of gross revenues given to environmental charities.



Market choice: sportswear, sustainable food.



Shared IP for a bio-based wetsuit material with the entire surf industry.



Worn Wear initiative – repairing existing products rather than encouraging disposal and replacement.



Strong sales target focus in company culture. Rapid growth demanded.



Executive salaries tied to financial performance. E.g. 2008: CEO's base salary reduced from \$500,000 to \$26,000.



Market choice: sportswear for men, women, kids across sports, Connected Fitness.



Focus on innovation, for example investment in Idea House, an open platform for innovation, and digital fitness.



NIKE Explore Team Sport Research Lab 'at heart of the business'. 40 sports scientists innovating to enhance athletes' performance.



Focus on DTC business, driven by e-commerce, to create integrated marketplace & experience.



Market choice: particularly want to grow women's business, running category and Jordan brand.



Innovation for sustainability (prompted by need to restore consumer trust).

## PERFORMANCE

Revenue: 2015: \$750m<sup>3</sup>

Doubled in size over last 6 years and trebled profit. 2015 estimated to be most profitable year

Revenue: 1996: \$17,000 2015: \$3.96bn



revenue growth forecast for 2015.

Target: Double revenue to \$7.5bn in 3yrs.<sup>4</sup>

Revenue: 2015: +10% to \$30.6bn



2015 gross margin: +120 basis points. Net income: +22% to \$3.3bn

Target: Revenue to \$50bn by 2020.

## OWNERSHIP

Private. Founded in 1973.

Publicly traded, CEO has controlling stake. Founded in 1996.

Public. Founded in 1964.

1. Drake Baer, 'How Patagonia's New CEO Is Increasing Profits While Trying to Save the World,' Fast Company, 19 December 2014, [www.fastcompany.com/3026713/lessons-learned/how-patagonias-new-ceo-is-increasing-profits-while-trying-to-save-the-world](http://www.fastcompany.com/3026713/lessons-learned/how-patagonias-new-ceo-is-increasing-profits-while-trying-to-save-the-world).
2. Andrew Cave, 'Ethical Outdoor Brand Patagonia Targets 'Thoughtful Expansion,' The Telegraph, 03 May 2015, [www.telegraph.co.uk/finance/newsbysector/retailandconsumer/leisure/11580811/Ethical-outdoor-brand-Patagonia-targets-thoughtful-expansion.html](http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/leisure/11580811/Ethical-outdoor-brand-Patagonia-targets-thoughtful-expansion.html).
3. Ryan Bradley, 'The Woman Driving Patagonia to Be (Even More) Radical,' Fortune, 14 September 2015, <http://fortune.com/tag/Patagonia>.
4. Sara Germano, 'Under Armour Posts Revenue, Profit Growth and Raises Guidance'. The Wall Street Journal, 22 October 2015, [www.wsj.com/articles/under-armour-posts-revenue-profit-growth-and-raises-guidance-1445515191](http://www.wsj.com/articles/under-armour-posts-revenue-profit-growth-and-raises-guidance-1445515191).