

**adidas**

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**Fact Sheet for First Quarter 2017**

**May 4, 2017**



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## Our Share Highlights

	First Quarter			Second Quarter		Third Quarter		Fourth Quarter	
	2017	2016	Change	2017	2016	2017	2016	2017	2016
<b>Earnings per share<sup>2)</sup> (in EUR)</b>									
Basic	2.26	1.75	29%	-	1.45	-	1.93	-	(0.05)
Diluted	2.23	1.71	30%	-	1.42	-	1.88	-	(0.03)
<b>Average number of shares</b>									
Basic	201,209,054	200,197,417	1%	-	200,197,417	-	200,226,599	-	200,131,868
Diluted	204,273,231	206,294,660	(1%)	-	206,327,088	-	206,327,088	-	205,656,812
<b>Number of shares outstanding<sup>1)</sup></b>	<b>201,550,844</b>	200,197,417	1%	-	200,197,417	-	200,307,750	-	201,489,310
Share price <sup>1)</sup>	178.30	103.00	73%	-	128.45	-	154.50	-	150.15
Market capitalisation <sup>1)3)</sup>	35,937	20,620	74%	-	25,715	-	30,948	-	30,254
<b>Historical performance of the adidas share and important indices (in %)</b>									
adidas AG	19	15							
DAX-30	7	(7)							
MSCI World Textiles, Apparel & Luxury Goods	9	3							

<sup>1)</sup> At quarter-end.

<sup>2)</sup> Includes continuing and discontinued operations.

<sup>3)</sup> € in millions.

## Consolidated Income Statement Highlights

	First Quarter			Second Quarter		Third Quarter		Fourth Quarter	
	2017	2016	Change	2017	2016	2017	2016	2017	2016
<b>Key Figures</b> (€ in millions)									
Net sales <sup>1)</sup>	5,671	4,769	19%	-	4,422	-	5,413	-	4,687
Gross profit <sup>1)</sup>	2,790	2,358	18%	-	2,159	-	2,574	-	2,288
Other operating expenses <sup>1)</sup>	2,215	1,924	15%	-	1,935	-	2,058	-	2,346
EBITDA <sup>1)</sup>	762	590	29%	-	510	-	655	-	129
Operating profit <sup>1)</sup>	632	490	29%	-	414	-	563	-	23
Income Before Taxes <sup>1)</sup>	640	497	29%	-	410	-	545	-	(8)
Net Income from continuing operations <sup>1)</sup>	455	350	30%	-	291	-	387	-	(9)
Net Income attributable to shareholders <sup>2)</sup>	455	351	30%	-	291	-	386	-	(10)
<b>Key Ratios</b>									
Gross margin <sup>1)</sup>	49.2%	49.4 %	(0.2pp)	-	48.8 %	-	47.6 %	-	48.8%
Other operating expenses in % of net sales <sup>1)</sup>	39.1%	40.3 %	(1.3pp)	-	43.8 %	-	38.0 %	-	50.1%
Operating margin <sup>1)</sup>	11.1%	10.3 %	0.9 pp	-	9.4 %	-	10.4 %	-	0.5%
Effective tax rate <sup>1)</sup>	28.9%	29.5 %	(0.6pp)	-	29.1 %	-	29.1 %	-	(18.9%)
Net Income attributable to shareholders in % of net sales <sup>2)</sup>	8.0%	7.4 %	0.7 pp	-	6.6 %	-	7.1 %	-	(0.2%)

<sup>1)</sup> Figures reflect continuing operations as a result of the divestiture of the Rockport business.

<sup>2)</sup> Includes continuing and discontinued operations.

## Consolidated Statement of Financial Position and Cash Flow Highlights

	March 31			June 30		September 30		December 31	
	2017	2016	Change	2017	2016	2017	2016	2017	2016
<b>Key Figures</b> (€ in millions)									
Total assets	15,684	13,415	17%	-	14,029	-	14,255	-	15,176
Accounts receivable	2,876	2,517	14%	-	2,356	-	2,715	-	2,200
Inventories	3,609	2,939	23%	-	3,514	-	3,203	-	3,763
Operating working capital	4,554	3,883	17%	-	4,013	-	4,228	-	3,468
Net borrowings	859	809	6%	-	1,028	-	769	-	103
Shareholders' equity	6,719	5,679	18%	-	5,792	-	6,126	-	6,472
Capital expenditures	116	68	71%	-	201	-	361	-	651
Net cash used in operating activities	(542)	(266)	104%	-	(75)	-	376	-	1,348
<b>Key ratios</b>									
Average operating working capital in % of net sales <sup>1)2)</sup>	20.1%	20.2%	(0.1pp)	-	20.4%	-	20.3%	-	20.2%
Equity ratio	42.8%	42.3%	0.5 pp	-	41.3%	-	43.0%	-	42.6%
Net borrowings/EBITDA <sup>1)3)</sup>	0.4	0.5	n.a.	-	0.6	-	0.4	-	0.1
Financial leverage	12.8%	14.2%	(1.5pp)	-	17.7%	-	12.6%	-	1.6%

<sup>1)</sup> Figures reflect continuing operations as a result of the divestiture of the Rockport business.

<sup>2)</sup> Twelve-month trailing average.

<sup>3)</sup> EBITDA of last twelve months.

Financial Highlights by Segment (€ in millions)

	2017	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
		2016	Change in %	2016	Change in % [c.n.]	2017	2016	2017	2016
<b>Western Europe</b>									
Net sales	1,523	1,414	8 %	10 %	1,214	1,557	1,105		
adidas brand	1,374	1,294	6 %	8 %	1,133	1,438	1,024		
Reebok brand	149	121	24 %	25 %	81	119	81		
Gross profit	678	651	4 %		534	676	488		
<i>Gross margin</i>	44.5%	46.1%	(1.6 pp)		44.0%	43.4%	44.2%		
Operating expenses	350	338	4 %		324	342	394		
<i>Operating expenses in % of net sales</i>	22.9%	23.9%	(0.9 pp)		26.7%	22.0%	35.6%		
Operating profit	328	314	5 %		210	334	95		
<i>Operating margin</i>	21.6%	22.2%	(0.6 pp)		17.3%	21.4%	8.5%		
<b>North America</b>									
Net sales	988	728	36 %	31 %	788	927	969		
adidas brand	880	621	42 %	36 %	673	788	815		
Reebok brand	108	106	2 %	(2 %)	115	139	153		
Gross profit	376	274	37 %		305	346	360		
<i>Gross margin</i>	38.1%	37.7%	0.4 pp		38.8%	37.3%	37.2%		
Operating expenses	294	266	10 %		247	290	321		
<i>Operating expenses in % of net sales</i>	29.7%	36.6%	(6.9 pp)		31.3%	31.3%	33.1%		
Operating profit	97	19	401 %		74	71	49		
<i>Operating margin</i>	9.8 %	2.7 %	7.2 pp		9.4 %	7.7%	5.1%		
<b>Greater China</b>									
Net sales	990	762	30 %	30 %	685	822	741		
adidas brand	970	746	30 %	31 %	669	803	726		
Reebok brand	20	17	22 %	19 %	15	19	16		
Gross profit	583	436	34 %		413	466	416		
<i>Gross margin</i>	58.9%	57.2%	1.7 pp		60.3%	56.8%	56.0%		
Operating expenses	188	138	36 %		159	182	192		
<i>Operating expenses in % of net sales</i>	19.0%	18.1%	0.8 pp		23.2%	22.2%	25.9%		
Operating profit	396	298	33 %		254	284	223		
<i>Operating margin</i>	39.9%	39.1%	0.9 pp		37.2%	34.6%	30.1%		
<b>Russia/CIS</b>									
Net sales	160	138	16 %	(10 %)	172	195	175		
adidas brand	116	106	10 %	(15 %)	132	148	128		
Reebok brand	44	32	36 %	6 %	39	47	47		
Gross profit	100	80	25 %		100	111	104		
<i>Gross margin</i>	62.3%	57.7%	4.5 pp		58.2%	57.0%	59.7%		
Operating expenses	86	66	31 %		68	79	78		
<i>Operating expenses in % of net sales</i>	54.0%	47.8%	6.2 pp		39.6%	40.3%	44.5%		
Operating profit	13	14	(4 %)		32	33	27		
<i>Operating margin</i>	8.2%	9.9%	(1.7 pp)		18.6%	16.7%	15.2%		

Financial Highlights by Segment (€ in millions)

	2017	First Quarter			Second Quarter		Third Quarter		Fourth Quarter	
		2016	Change in %	Change in % (c.n.)	2017	2016	2017	2016	2017	2016
<b>Latin America</b>										
Net sales	454	394	15 %	9 %	379		487		471	
adidas brand	397	350	14 %	7 %	330		424		411	
Reebok brand	57	44	30 %	25 %	48		63		61	
Gross profit	181	178	2 %		156		195		204	
Gross margin	39.9%	45.2%	(5.3 pp)		41.1%		40.1%		43.4%	
Operating expenses	132	122	8 %		116		124		144	
Operating expenses in % of net sales	29.0%	31.1%	(2.0 pp)		30.6%		25.5%		30.6%	
Operating profit	49	56	(11 %)		40		71		60	
Operating margin	10.9%	14.1%	(3.3 pp)		10.5%		14.6%		12.7%	
<b>Japan</b>										
Net sales	301	236	27 %	21 %	236		264		271	
adidas brand	270	212	27 %	21 %	209		238		248	
Reebok brand	30	24	27 %	21 %	27		26		23	
Gross profit	154	116	33 %		120		128		133	
Gross margin	51.2%	49.0%	2.2 pp		51.0%		48.3%		49.2%	
Operating expenses	78	70	12 %		72		75		87	
Operating expenses in % of net sales	25.9%	29.4%	(3.6 pp)		30.8%		28.4%		32.0%	
Operating profit	81	50	61 %		51		56		50	
Operating margin	26.8%	21.2%	5.6 pp		21.6%		21.3%		18.4%	
<b>MEAA (Middle East, Africa and other Asian markets)</b>										
Net sales	833	701	19 %	15 %	572		794		618	
adidas brand	751	630	19 %	16 %	502		713		540	
Reebok brand	83	71	16 %	12 %	70		81		79	
Gross profit	421	356	18 %		283		396		309	
Gross margin	50.5%	50.7%	(0.2 pp)		49.4%		49.9%		50.0%	
Operating expenses	171	142	20 %		156		154		171	
Operating expenses in % of net sales	20.5%	20.2%	0.2 pp		27.3%		19.4%		27.7%	
Operating profit	250	214	17 %		127		242		138	
Operating margin	30.1%	30.6%	(0.5 pp)		22.2%		30.5%		22.3%	
<b>Other Businesses</b>										
Net sales	421	396	6 %	5 %	372		366		336	
Gross profit	172	146	17 %	15 %	149		138		120	
Gross margin	40.8%	36.9%	3.8 pp		39.9%		37.8%		35.7%	
Operating expenses	140	149	(6 %)		170		133		124	
Operating expenses in % of net sales	33.3%	37.6%	(4.2 pp)		45.7%		36.3%		36.9%	
Operating profit	33	(1)	n.a.		(19)		8		(2)	
Operating margin	7.9 %	(0.2 %)	8.1 pp		(5.1 %)		2.2 %		(0.7 %)	

## Financial Highlights by Brand (€ in millions)

	2017	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		
		2016	Change in %	Change (c.n.)	2017	2016	2017	2016	2017	2016
<b>Net Sales by Brand</b>										
adidas brand	4,842	4,036	20 %	18 %		3,705		4,640		3,953
Reebok brand	492	416	18 %	13 %		399		493		462
TaylorMade-adidas Golf	294	275	7 %	4 %		248		170		199
CCM Hockey	35	38	(7 %)	(11 %)		64		103		66
<b>Total <sup>1)</sup></b>	<b>5,671</b>	<b>4,769</b>	<b>19 %</b>	<b>16 %</b>		<b>4,422</b>		<b>5,413</b>		<b>4,687</b>
<b>Gross Margin by Brand</b>										
adidas brand	47.2%	47.4 %	<i>(0.2 pp)</i>			46.5 %		45.6%		46.2 %
Reebok brand	39.0%	38.0 %	<i>1.0 pp</i>			36.8 %		36.7%		35.4 %
<b>Net Sales by Product Category</b>										
Footwear	3,301	2,569	28 %	26 %		2,291		2,859		2,415
Apparel	1,905	1,770	8 %	5 %		1,674		2,124		1,907
Hardware	465	430	8 %	6 %		456		429		364
<b>Total <sup>1)</sup></b>	<b>5,671</b>	<b>4,769</b>	<b>19 %</b>	<b>16 %</b>		<b>4,422</b>		<b>5,413</b>		<b>4,687</b>

<sup>1)</sup>Rounding differences may arise.



## Retail at a Glance

	First Quarter			Second Quarter		Third Quarter		Fourth Quarter	
	2017	2016	Change [c.n.]	2017	2016	2017	2016	2017	2016
Number of stores <sup>1)</sup>	2,686	2,707		2,744		2,751		2,811	
Concept stores	1,657	1,693		1,720		1,728		1,757	
Concession corners	147	153		152		147		152	
Factory outlets	882	861		872		876		902	
Stores by brand <sup>1)</sup>									
adidas brand	1,451	1,478		1,499		1,510		1,531	
Reebok brand	353	368		373		365		378	
Multibrand	882	861		872		876		902	
Opening	60	54		83		72		128	
Closing	185	69		46		65		68	
Net opening/(net closing)	(125)	(15)		37		7		60	
Net sales <sup>2)</sup>	1,290	1,034	18 %	1,177		1,330		1,462	
adidas brand			20 %						
Reebok brand			4 %						
eCommerce			53 %						
Comp			5 %						
adidas brand Comp			5 %						
Reebok brand Comp			(1 %)						

<sup>1)</sup> At quarter-end.

<sup>2)</sup> € in millions.