

adidas

Fact Sheet for Fourth Quarter and Full Year 2016

March 8, 2017



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Our Share Highlights

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter			Full Year		
	2016	2015	2016	2015	2016	2015	2016	2015	Change	2016	2015	Change
Earnings per share²⁾³⁾ (in EUR)												
Basic	1.75	1.17	1.45	0.73	1.93	1.55	(0.05)	(0.14)	(64%)	5.08	3.32	53%
Diluted	1.71	1.17	1.42	0.73	1.88	1.55	(0.03)	(0.14)	(81%)	4.99	3.32	51%
Average number of shares												
Basic	200,197,417	204,153,362	200,197,417	201,644,392	200,226,599	200,197,417	200,131,868	200,197,417	(0%)	200,188,276	201,536,418	(1%)
Diluted	206,294,660	204,153,362	206,327,088	201,644,392	206,327,088	200,197,417	205,656,812	200,197,417	3%	206,146,908	201,536,418	2%
Number of shares outstanding¹⁾	200,197,417	203,186,309	200,197,417	200,197,417	200,307,750	200,197,417	201,489,310	200,197,417	1%	201,489,310	200,197,417	1%
Share price ¹⁾	103.00	73.69	128.45	68.65	154.50	72.01	150.15	89.91	67%	150.15	89.91	67%
Market capitalisation ¹⁾⁴⁾	20,620	14,973	25,715	13,744	30,948	14,416	30,254	18,000	68%	30,254	18,000	68%
Historical performance of the adidas share and important indices (in %)												
adidas AG	15	28	25	(7)	20	5	(3)	25		67	56	
DAX-30	(7)	22	(3)	(9)	9	(12)	9	11		7	10	
MSCI World Textiles, Apparel & Luxury Goods	3	2	(7)	(1)	3	0	0	(4)		(1)	(3)	

¹⁾ At quarter end.

²⁾ Excluding goodwill impairment.

³⁾ Includes continuing and discontinued operations.

⁴⁾ € in millions.

Consolidated Income Statement Highlights

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter			Full Year		
	2016	2015	2016	2015	2016	2015	2016	2015	Change	2016	2015	Change
Key Figures (€ in millions)												
Net sales ¹⁾	4,769	4,083	4,422	3,907	5,413	4,758	4,687	4,167	12%	19,291	16,915	14%
Gross profit ¹⁾	2,358	2,008	2,159	1,889	2,574	2,304	2,288	1,966	16%	9,379	8,168	15%
Other operating expenses ¹⁾	1,924	1,700	1,935	1,720	2,058	1,845	2,346	2,024	16%	8,263	7,289	13%
EBITDA ¹⁾	590	451	510	320	655	589	129	115	12%	1,883	1,475	28%
Operating profit ¹⁾²⁾	490	363	414	234	563	505	23	(7)	n.a.	1,491	1,094	36%
Income Before Taxes ¹⁾²⁾	497	363	410	225	545	495	(8)	(9)	(18%)	1,444	1,073	35%
Net Income from continuing operations ¹⁾²⁾	350	255	291	146	387	337	(9)	(17)	(48%)	1,019	720	41%
Net Income attributable to shareholders ²⁾³⁾	351	239	291	146	386	311	(10)	(28)	(64%)	1,017	668	52%
Key Ratios												
Gross margin ¹⁾	49.4%	49.2%	48.8%	48.3%	47.6%	48.4%	48.8%	47.2%	1.6 pp	48.6%	48.3%	0.3 pp
Other operating expenses in % of net sales ¹⁾	40.3%	41.6%	43.8%	44.0%	38.0%	38.8%	50.1%	48.6%	1.5 pp	42.8%	43.1%	(0.3pp)
Operating margin ¹⁾²⁾	10.3%	8.9%	9.4%	6.0%	10.4%	10.6%	0.5%	(0.2%)	0.7 pp	7.7%	6.5%	1.3 pp
Effective tax rate ¹⁾²⁾	29.5%	29.8%	29.1%	35.1%	29.1%	31.9%	(18.9%)	(86.8%)	67.8 pp	29.5%	32.9%	(3.4pp)
Net Income attributable to shareholders in % of net sales ²⁾³⁾	7.4%	5.8%	6.6%	3.7%	7.1%	6.5%	(0.2%)	(0.7%)	0.5 pp	5.3%	4.0%	1.3 pp

¹⁾ Figures reflect continuing operations as a result of the divestiture of the Rockport business.

²⁾ Excluding goodwill impairment.

³⁾ Includes continuing and discontinued operations.

Consolidated Statement of Financial Position and Cash Flow Highlights

	March 31		June 30		September 30		December 31		Change
	2016	2015	2016	2015	2016	2015	2016	2015	
Key Figures (€ in millions)									
Total assets	13,415	13,415	14,029	12,754	14,255	12,989	15,176	13,343	14%
Accounts receivable	2,517	2,456	2,356	2,271	2,715	2,502	2,200	2,049	7%
Inventories	2,939	2,539	3,514	2,927	3,203	2,698	3,763	3,113	21%
Operating working capital	3,883	3,520	4,013	3,485	4,228	3,724	3,468	3,138	11%
Net borrowings	809	542	1,028	957	769	903	103	460	(78%)
Shareholders' equity	5,679	6,271	5,792	5,548	6,126	5,716	6,472	5,666	14%
Capital expenditures	68	53	201	137	361	311	651	513	27%
Net cash generated from/(used in) operating activities	(266)	(260)	(75)	(31)	376	314	1,348	1,090	24%
Key ratios									
Average operating working capital in % of net sales ¹⁾²⁾	20.2%	21.9%	20.4%	21.6%	20.3%	20.7%	20.2%	20.5%	(0.3pp)
Equity ratio	42.3%	46.7%	41.3%	43.5%	43.0%	44.0%	42.6%	42.5%	0.2 pp
Net borrowings/EBITDA ¹⁾³⁾	0.5	0.4	0.6	0.6	0.4	0.6	0.1	0.3	n.a.
Financial leverage	14.2%	8.6%	17.7%	17.2%	12.6%	15.8%	1.6%	8.1%	(6.5pp)

¹⁾ Figures reflect continuing operations as a result of the divestiture of the Rockport business.

²⁾ Twelve-month trailing average.

³⁾ EBITDA of last twelve months.

Financial Highlights by Segment (€ in millions)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter				Full Year			
	2016	2015	2016	2015	2016	2015	2016	2015	Change	Change (c.n.)	2016	2015	Change	Change (c.n.)
Western Europe														
Net sales	1,414	1,143	1,214	961	1,557	1,404	1,105	1,031	7 %	12 %	5,291	4,539	17 %	20 %
adidas brand	1,294	1,038	1,133	894	1,438	1,299	1,024	963	6 %	11 %	4,889	4,193	17 %	20 %
Reebok brand	121	105	81	67	119	106	81	68	19 %	24 %	402	347	16 %	18 %
Gross profit	651	550	534	454	676	667	488	487	0 %		2,350	2,157	9 %	
<i>Gross margin</i>	46.1%	48.1%	44.0%	47.2%	43.4%	47.5%	44.2%	47.2%	(3.0 pp)		44.4%	47.5%	(3.1 pp)	
Operating expenses	338	270	324	273	342	322	394	383	3 %		1,398	1,248	12 %	
<i>Operating expenses in % of net sales</i>	23.9%	23.6%	26.7%	28.5%	22.0%	22.9%	35.6%	37.1%	(1.5 pp)		26.4%	27.5%	(1.1 pp)	
Operating profit	313	280	210	180	334	345	94	104	(9 %)		951	909	5 %	
<i>Operating margin</i>	22.2%	24.5%	17.3%	18.8%	21.4%	24.6%	8.5%	10.1%	(1.5 pp)		18.0%	20.0%	(2.1 pp)	
North America														
Net sales	728	591	788	643	927	776	969	744	30 %	29 %	3,412	2,753	24 %	24 %
adidas brand	621	470	673	520	788	639	815	602	35 %	34 %	2,897	2,231	30 %	30 %
Reebok brand	106	121	115	123	139	138	153	142	8 %	7 %	514	523	(2 %)	(1 %)
Gross profit	274	215	305	236	346	289	360	268	34 %		1,286	1,008	28 %	
<i>Gross margin</i>	37.7%	36.4%	38.8%	36.7%	37.3%	37.3%	37.2%	36.0%	1.2 pp		37.7%	36.6%	1.1 pp	
Operating expenses	266	232	247	230	290	246	321	269	19 %		1,124	977	15 %	
<i>Operating expenses in % of net sales</i>	36.6%	39.3%	31.3%	35.8%	31.3%	31.7%	33.1%	36.2%	(3.0 pp)		32.9%	35.5%	(2.5 pp)	
Operating profit	19	(9)	74	17	71	55	49	7	624 %		214	69	209 %	
<i>Operating margin</i>	2.7 %	(1.5 %)	9.4 %	2.6 %	7.7 %	7.0 %	5.1 %	0.9%	4.1 pp		6.3 %	2.5%	3.8 pp	
Greater China														
Net sales	762	597	685	564	822	691	741	617	20 %	25 %	3,010	2,469	22 %	28 %
adidas brand	746	583	669	552	803	675	726	600	21 %	26 %	2,944	2,411	22 %	28 %
Reebok brand	17	14	15	12	19	16	16	16	(3 %)	(2 %)	67	58	15 %	17 %
Gross profit	436	334	413	333	466	382	416	363	15 %		1,731	1,411	23 %	
<i>Gross margin</i>	57.2%	55.9%	60.3%	59.0%	56.8%	55.3%	56.0%	58.8%	(2.8 pp)		57.5%	57.1%	0.4 pp	
Operating expenses	138	115	159	127	182	157	192	146	32 %		671	545	23 %	
<i>Operating expenses in % of net sales</i>	18.1%	19.3%	23.2%	22.5%	22.2%	22.7%	25.9%	23.7%	2.2 pp		22.3%	22.1%	0.2 pp	
Operating profit	298	218	254	206	284	225	223	217	3 %		1,060	866	22 %	
<i>Operating margin</i>	39.1%	36.5%	37.2%	36.5%	34.6%	32.6%	30.1%	35.1%	(5.0 pp)		35.2%	35.1%	0.1 pp	
Russia/CIS														
Net sales	138	162	172	204	195	195	175	178	(2 %)	(5 %)	679	739	(8 %)	3 %
adidas brand	106	125	132	159	148	153	128	132	(3 %)	(7 %)	514	570	(10 %)	1 %
Reebok brand	32	37	39	45	47	42	47	45	3 %	1 %	166	170	(2 %)	9 %
Gross profit	80	83	100	122	111	106	104	103	1 %		395	414	(5 %)	
<i>Gross margin</i>	57.7%	51.3%	58.2%	59.8%	57.0%	54.1%	59.7%	58.0%	1.7 pp		58.1%	56.0%	2.1 pp	
Operating expenses	66	81	68	91	79	84	78	74	6 %		290	329	(12 %)	
<i>Operating expenses in % of net sales</i>	47.8%	49.8%	39.6%	44.8%	40.3%	42.8%	44.5%	41.4%	3.1 pp		42.7%	44.6%	(1.8 pp)	
Operating profit	14	2	32	31	33	22	27	30	(10 %)		105	85	24 %	
<i>Operating margin</i>	9.9%	1.5%	18.6%	15.0%	16.7%	11.3%	15.2%	16.6%	(1.4 pp)		15.4%	11.4%	4.0 pp	

Financial Highlights by Segment (€ in millions)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter				Full Year			
	2016	2015	2016	2015	2016	2015	2016	2015	Change	Change (c.n.)	2016	2015	Change	Change (c.n.)
Latin America														
Net sales	394	423	379	456	487	489	471	415	14 %	22 %	1,731	1,783	[3 %]	16 %
adidas brand	350	361	330	387	424	416	411	352	17 %	24 %	1,515	1,516	[0 %]	19 %
Reebok brand	44	61	48	69	63	73	61	63	[3 %]	13 %	216	266	[19 %]	1 %
Gross profit	178	179	156	194	195	215	204	167	23 %		734	756	[3 %]	
Gross margin	45.2%	42.4%	41.1%	42.6%	40.1%	44.0%	43.4%	40.2%	3.1 pp		42.4%	42.4%	[0.0 pp]	
Operating expenses	122	121	116	126	124	154	144	120	20 %		507	521	[3 %]	
Operating expenses in % of net sales	31.1%	28.7%	30.6%	27.5%	25.5%	31.5%	30.6%	29.0%	1.6 pp		29.3%	29.2%	[0.1 pp]	
Operating profit	56	58	40	69	71	61	60	47	29 %		227	235	[3 %]	
Operating margin	14.1%	13.7%	10.5%	15.1%	14.6%	12.6%	12.7%	11.2%	1.5 pp		13.1%	13.2%	[0.1 pp]	
Japan														
Net sales	236	155	236	178	264	186	271	257	5 %	[6 %]	1,007	776	30 %	16 %
adidas brand	212	143	209	163	238	164	248	226	9 %	[3 %]	907	696	30 %	17 %
Reebok brand	24	12	27	15	26	22	23	31	[26 %]	[34 %]	100	80	25 %	12 %
Gross profit	116	73	120	86	128	90	133	117	14 %		497	365	36 %	
Gross margin	49.0%	47.3%	51.0%	48.2%	48.3%	48.4%	49.2%	45.3%	3.9 pp		49.4%	47.1%	2.3 pp	
Operating expenses	70	53	72	59	75	56	87	63	38 %		304	231	31 %	
Operating expenses in % of net sales	29.4%	34.2%	30.8%	33.0%	28.4%	30.3%	32.0%	24.5%	7.5 pp		30.2%	29.8%	[0.4 pp]	
Operating profit	50	24	51	30	56	37	50	57	[13 %]		207	147	41 %	
Operating margin	21.2%	15.3%	21.6%	16.8%	21.3%	19.7%	18.4%	22.2%	[3.8 pp]		20.6%	19.0%	1.6 pp	
MEAA (Middle East, Africa and other Asian markets)														
Net sales	701	635	572	536	794	674	618	543	14 %	14 %	2,685	2,388	12 %	16 %
adidas brand	630	575	502	460	713	596	540	459	17 %	17 %	2,385	2,091	14 %	18 %
Reebok brand	71	60	70	75	81	78	79	84	[6 %]	[6 %]	301	298	1 %	3 %
Gross profit	356	335	283	270	396	345	309	278	11 %		1,344	1,228	9 %	
Gross margin	50.7%	52.7%	49.4%	50.5%	49.9%	51.2%	50.0%	51.1%	[1.1 pp]		50.0%	51.4%	[1.4 pp]	
Operating expenses	142	135	156	131	154	140	171	160	7 %		624	565	10 %	
Operating expenses in % of net sales	20.2%	21.2%	27.3%	24.5%	19.4%	20.8%	27.7%	29.4%	[1.6 pp]		23.2%	23.7%	[0.4 pp]	
Operating profit	214	201	127	139	242	206	138	119	16 %		722	664	9 %	
Operating margin	30.6%	31.6%	22.2%	26.0%	30.5%	30.5%	22.3%	21.9%	0.4 pp		26.9%	27.8%	[0.9 pp]	
Other Businesses														
Net sales	396	377	377	365	366	342	336	383	[12 %]	[14 %]	1,475	1,467	1 %	1 %
Gross profit	146	141	149	113	138	118	120	126	[5 %]		553	497	11 %	
Gross margin	36.9%	37.5%	39.4%	30.8%	37.8%	34.4%	35.7%	32.8%	2.9 pp		37.5%	33.9%	3.6 pp	
Operating expenses	149	149	170	155	133	143	124	149	[17 %]		576	596	[3 %]	
Operating expenses in % of net sales	37.6%	39.5%	45.0%	42.3%	36.3%	41.8%	36.9%	39.0%	[2.1 pp]		39.0%	40.6%	[1.6 pp]	
Operating profit	[1]	[5]	[19]	[40]	8	[23]	[2]	[22]	89 %		[14]	[89]	84 %	
Operating margin	[0.2 %]	[1.4 %]	[5.0 %]	[10.9 %]	2.2 %	[6.7 %]	[0.7 %]	[5.6 %]	4.9 pp		[0.9 %]	[6.1 %]	5.1 pp	

Financial Highlights by Brand (€ in millions)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter				Full Year			
	2016	2015	2016	2015	2016	2015	2016	2015	Change	Change [c.n.]	2016	2015	Change	Change [c.n.]
Net Sales by Brand														
adidas brand	4,036	3,352	3,705	3,180	4,640	4,007	3,953	3,399	16 %	18 %	16,334	13,939	17 %	22 %
Reebok brand	416	411	399	408	493	476	462	456	1 %	3 %	1,770	1,751	1 %	6 %
TaylorMade-adidas Golf	275	280	248	239	170	159	199	224	(11 %)	(13 %)	892	902	(1 %)	(1 %)
CCM Hockey	38	39	64	80	103	112	66	85	(22 %)	(22 %)	271	317	(14 %)	(13 %)
Total ¹⁾	4,769	4,083	4,422	3,907	5,413	4,758	4,687	4,167	12 %	14 %	19,291	16,915	14 %	18 %
Gross Margin by Brand														
adidas brand	47.4 %	47.6 %	46.5 %	47.2 %	45.6 %	47.2 %	46.2 %	46.5 %	(0.4 pp)		46.4 %	47.2 %	(0.7 pp)	
Reebok brand	38.0 %	37.7 %	36.8 %	38.6 %	36.7 %	36.8 %	35.4 %	35.8 %	(0.4 pp)		36.7 %	37.2 %	(0.5 pp)	
Net Sales by Product Category														
Footwear	2,569	2,087	2,291	1,962	2,859	2,355	2,415	1,956	24 %	26 %	10,135	8,360	21 %	26 %
Apparel	1,770	1,595	1,674	1,530	2,124	1,986	1,907	1,859	3 %	3 %	7,476	6,970	7 %	11 %
Hardware	430	400	456	415	429	417	364	353	3 %	4 %	1,681	1,585	6 %	9 %
Total ¹⁾	4,769	4,083	4,422	3,907	5,413	4,758	4,687	4,167	12 %	14 %	19,291	16,915	14 %	18 %

¹⁾Rounding differences may arise.

Retail at a Glance

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter			Full Year		
	2016	2015	2016	2015	2016	2015	2016	2015	Change (c.n.)	2016	2015	Change (c.n.)
Number of stores ¹⁾	2,707	2,895	2,744	2,846	2,751	2,679	2,811	2,722		2,811	2,722	
Concept stores	1,693	1,725	1,720	1,695	1,728	1,674	1,757	1,698		1,757	1,698	
Concession corners	153	315	152	309	147	155	152	152		152	152	
Factory outlets	861	855	872	842	876	850	902	872		902	872	
Stores by brand ¹⁾												
adidas brand	1,478	1,604	1,499	1,582	1,510	1,466	1,531	1,484		1,531	1,484	
Reebok brand	368	436	373	422	365	363	378	366		378	366	
Multibrand	861	855	872	842	876	850	902	872		902	872	
Opening	54	49	83	63	72	80	128	92		337	284	
Closing	69	67	46	112	65	247	68	49		248	475	
Net opening/(net closing)	(15)	(18)	37	(49)	7	(167)	60	43		89	(191)	
Net sales ²⁾	1,034	895	1,177	1,057	1,330	1,104	1,462	1,165	26 %	5,003	4,221	23 %
Comp									10 %			12 %
adidas brand Comp									12 %			13 %
Reebok brand Comp									4 %			5 %

¹⁾ At quarter end.

²⁾ € in millions.