COMMERCZBANK GERMAN INVESTMENT SEMINAR 2018
NEW YORK CITY - JANUARY 8-10, 2018
Q3 BUSINESS HIGHLIGHTS
EXECUTING ‘CREATING THE NEW’
ORGANISATIONAL PROGRESS COMPLEMENTS OPERATIONAL IMPROVEMENTS

TAYLORMADE AND CCM HOCKEY BUSINESSES
DIVESTITURES COMPLETED

LEADERSHIP GROUPS ESTABLISHED AND ACTIVATED
LEADERSHIP FRAMEWORK DEFINED AND INTRODUCED

ORGANISATION IN ‘EXECUTION MODE’
DRIVING PROGRESS AGAINST SHORT- AND LONG-TERM GOALS
STRENGTHS AND WEAKNESSES
IN Q3 2017

EXCELLENT GROWTH
IN NORTH AMERICA AND GREATER CHINA

ECOM CONTINUES TO OUTPERFORM
FASTEST-GROWING CHANNEL IN ALL REGIONS

ROBUST GROSS MARGIN IMPROVEMENT
REFLECTING CONTINUED STRONG BRAND DESIRE

STRONG PROFITABILITY IMPROVEMENTS
DUE TO OPERATIONAL PROGRESS

SLOWER GROWTH IN WESTERN EUROPE
DUE TO MARKET AND RETAIL SLOWDOWN

US COLLEGE BASKETBALL ALLEGATION
THOROUGH INTERNAL INVESTIGATION WITH OUTSIDE COUNSEL ONGOING

DECLINE IN BASKETBALL AND FOOTBALL
MAINLY DUE TO TERMINATION OF SPONSORSHIPS

LIMITED OPERATING OVERHEAD LEVERAGE
DESPITE SIGNIFICANT TOP-LINE GROWTH
REVENUES INCREASE 12% CURRENCY-NEUTRAL AND 9% IN EURO TERMS TO € 5.7 BILLION

GROSS MARGIN UP 2.4PP TO 50.4% DUE TO A MORE FAVOURABLE PRICING AND PRODUCT MIX

OPERATING MARGIN UP 2.7PP TO 14.0% SUPPORTED BY AN INCREASE IN GROSS MARGIN AND OPEX LEVERAGE

NET INCOME FROM CONTINUING OPERATIONS INCREASES 35% TO € 549 MILLION

BASIC EPS FROM CONTINUING OPERATIONS UP 33% TO € 2.70
KEY GROWTH AREAS

DRIVE STRONG TOP-LINE PERFORMANCE DURING THE THIRD QUARTER

ADIDAS NORTH AMERICA

+31%

GREATER CHINA

+28%

ECOM

+39%

Currency-neutral.
STRONG GROWTH AT ADIDAS BRAND
GROWTH IN ALL REGIONS EXCEPT RUSSIA/CIS

+13%

DOUBLE-DIGIT SALES GROWTH ON TOP OF A 20% INCREASE IN THE PRIOR YEAR PERIOD

STRONG DOUBLE-DIGIT ECOM GROWTH IN EVERY MARKET

WOMEN’S BUSINESS CONTINUES TO OUTPERFORM WITH STRONG DOUBLE-DIGIT SALES GROWTH
SPORT PERFORMANCE INCREASES 3%
REFLECTING OVERALL WEAKNESS IN THE LICENSED APPAREL BUSINESS

QUARTERLY REVENUE GROWTH
(2-YEAR STACKS)

RUNNING REVENUES UP 16%, DRIVEN BY 20% GROWTH IN FOOTWEAR

TRAINING SALES GROW 6%, REFLECTING DOUBLE-DIGIT GROWTH IN ATHLETICS APPAREL

UNDERPERFORMANCE OF APPAREL CONTINUES TO WEIGH ON OVERALL GROWTH

Currency-neutral.
ORIGINALS & NEO ENJOY BRAND HEAT
DOUBLE-DIGIT GROWTH IN FOOTWEAR AND APPAREL

QUARTERLY REVENUE GROWTH (2-YEAR STACKS)

- ORIGINALS UP 22%, DRIVEN BY STRONG DOUBLE-DIGIT GROWTH IN ALL KEY REGIONS
- MODERN FRANCHISES GROW MORE THAN 40%, NOW REPRESENTING MORE THAN HALF OF ORIGINALS FOOTWEAR BUSINESS
- NEO BUSINESS GROWS 30%, REFLECTING EXCEPTIONAL IMPROVEMENT IN FOOTWEAR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Q4</td>
<td>37%</td>
<td>44%</td>
<td>25%</td>
</tr>
<tr>
<td>Q1</td>
<td></td>
<td>30%</td>
<td>48%</td>
</tr>
<tr>
<td>Q2</td>
<td></td>
<td>39%</td>
<td>45%</td>
</tr>
<tr>
<td>Q3</td>
<td></td>
<td></td>
<td>42%</td>
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</tbody>
</table>

Currency-neutral.
MODERATE GROWTH AT REEBOK

DOUBLE-DIGIT INCREASE IN CLASSICS

REEBOK RECORDS HIGH-SINGLE-DIGIT GROWTH OUTSIDE OF THE U.S.

MUSCLE-UP INITIATIVES DELIVER OPERATIONAL AND FINANCIAL PROGRESS

REEBOK AND VICTORIA BECKHAM UNITE TO DRIVE WOMEN’S BUSINESS

+1%
Q3 FINANCIAL HIGHLIGHTS
ONGOING MOMENTUM IN KEY REGIONS
SALES GROWTH IN ALL REGIONS EXCEPT RUSSIA/CIS

NORTH AMERICA +23%
LATIN AMERICA +8%
WESTERN EUROPE +7%
MEAA +6%
GREATER CHINA +28%
RUSSIA/CIS (17%)
JAPAN +3%

Currency-neutral.
SIGNIFICANT GROWTH IN MATURE MARKET

WESTERN EUROPE

CURRENCY-NEUTRAL SALES INCREASE 7% IN Q3
GROWTH IN MOST KEY COUNTRIES

ADIDAS BRAND REVENUES UP 6%
DOUBLE-DIGIT GROWTH IN ORIGINALS AND NEO

REEBOK BRAND SALES INCREASE 21%
DRIVEN BY RUNNING AND CLASSICS

GROSS MARGIN GROWS (+1.8PP)
DUE TO A MORE FAVOURABLE PRICING AND CHANNEL MIX

OPERATING MARGIN UP (+1.8PP)
REFLECTING THE INCREASE IN GROSS MARGIN
EXCEPTIONAL MOMENTUM AT ADIDAS BRAND ONGOING

NORTH AMERICA

- **Currency-neutral sales increase 23% in Q3**
- **Adidas brand momentum continues (+31%)**
  Driven by training, running, originals and neo
- **Reebok brand sales down 22%**
  Ongoing clean-up of low-margin business
- **Gross margin expansion continues (+2.4PP)**
  Reflecting a more favourable pricing and product mix
- **Operating margin up (+3.5PP)**
  Driven by gross margin increase and opex leverage
EXCELLENT GROWTH SUPPORTED BY ONGOING BRAND HEAT

GREATER CHINA

CURRENCY-NEUTRAL SALES INCREASE 28% IN Q3

ADIDAS BRAND SALES INCREASE 29%
DOUBLE-DIGIT GROWTH IN TRAINING, RUNNING, ORIGINALS AND NEO

REEBOK BRAND REVENUES UP 9%
DOUBLE-DIGIT GROWTH IN TRAINING AND RUNNING

GROSS MARGIN DOWN (-0.9PP)
REFLECTING SIGNIFICANT FX HEADWINDS

OPERATING MARGIN UP (+1.2PP)
DUE TO LOWER OPEX IN % OF SALES
SALES INCREASE DESPITE CONTINUED MACROECONOMIC CHALLENGES

LATIN AMERICA

- **Currency-neutral sales grow 8% in Q3 despite difficult environment in Argentina and Brazil.**
- **Adidas brand sales increase 9% growth in training, running, originals and neo.**
- **Reebok brand revenues up 2% double-digit growth in training and classics.**
- **Gross margin down (-0.3PP) due to severe FX headwinds.**
- **Operating margin down (-1.0PP) reflecting the lower gross margin and higher OPEX in % of sales.**
GROSS MARGIN INCREASES TO 50.4% DUE TO STRONG IMPROVEMENTS IN PRICING AND PRODUCT MIX EFFECTS

GROSS MARGIN INCREASES TO 50.4%

DUE TO STRONG IMPROVEMENTS IN PRICING AND PRODUCT MIX EFFECTS

-20 BPS  
+260 BPS  
INCREASE OF 240 BPS

GROSS MARGIN Q3/16  
FX HEADWINDS  
UNDERLYING IMPROVEMENT  
GROSS MARGIN Q3/17
## Financial Results Overview

### Significant Top- and Bottom-Line Improvements

<table>
<thead>
<tr>
<th></th>
<th>Q3/17 (€ in millions)</th>
<th>Q3/16 (€ in millions)</th>
<th>Y-o-Y Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>5,677</td>
<td>5,222</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>50.4%</td>
<td>48.1%</td>
<td>+2.4pp</td>
</tr>
<tr>
<td><strong>Other Operating Income</strong></td>
<td>33</td>
<td>16</td>
<td>+111%</td>
</tr>
<tr>
<td><strong>Other Operating Expenses</strong></td>
<td>2,129</td>
<td>1,963</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Other Operating Expenses</strong></td>
<td>37.5%</td>
<td>37.6%</td>
<td>(0.1pp)</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>795</td>
<td>591</td>
<td>+35%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>14.0%</td>
<td>11.3%</td>
<td>+2.7pp</td>
</tr>
<tr>
<td><strong>Net Income from Continuing Operations</strong></td>
<td>549</td>
<td>407</td>
<td>+35%</td>
</tr>
<tr>
<td><strong>Diluted EPS from Continuing Operations</strong></td>
<td>2.68</td>
<td>1.98</td>
<td>+35%</td>
</tr>
</tbody>
</table>

*Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.*
INVENTORIES GROW 16%
TO SUPPORT TOP-LINE MOMENTUM

INVENTORIES FROM CONTINUING OPERATIONS UP 16% C.N.
REFLECTING HIGHER STOCK LEVELS TO SUPPORT
THE TOP-LINE MOMENTUM

RECEIVABLES FROM CONTINUING OPERATIONS UP 17% C.N.
AS A RESULT OF THE STRONG TOP-LINE DEVELOPMENT

PAYABLES FROM CONTINUING OPERATIONS GROW 10% C.N.
REFLECTING HIGHER INVENTORIES

AVERAGE OWC IN % OF SALES DOWN 1.0PP TO 20.3%

* Figures reflect continuing operations as a result of the divestiture of the
Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.
OUTLOOK
SALES GROWTH TO ACCELERATE IN Q4
BRAND ACTIVATION AND UPCOMING PRODUCT LAUNCHES TO SUPPORT MOMENTUM

SUSTAIN BRAND HEAT
THROUGH ACCELERATED BRAND ACTIVATION AND UPCOMING PRODUCT LAUNCHES

SUPPORT SELL-THROUGH OF NEW PRODUCT LAUNCHES
THROUGH ENGAGING POINT-OF-SALE INITIATIVES

CAPITALISE ON WORLD CUP 2018 PLATFORM
THROUGH EVENT-RELATED PRODUCT AND BRAND ACTIVATION

CONTINUED FOCUS ON QUALITY OF TOP-LINE GROWTH
THROUGH DISCIPLINED GO-TO-MARKET APPROACH
OUTLOOK
FOR THE FULL YEAR 2017

SALES
CURRENCY-NEUTRAL

NET INCOME
FROM CONTINUING OPERATIONS

INCREASE OF 17% – 19%

INCREASE OF 26% – 28%
TO €1.360 – €1.390 BILLION
Q3 2017 KEY TAKEAWAYS

ONGOING MOMENTUM IN KEY GROWTH AREAS

STRONG PROFITABILITY GAINS REFLECTING QUALITY OF GROWTH

FULL YEAR OUTLOOK CONFIRMED

PROGRESSING AGAINST OUR 2017 AND 2020 TARGETS

RELENTLESS FOCUS ON EXECUTION OF ‘CREATING THE NEW’
STRATEGY
ACCELERATION
CREATING THE NEW
FOCUS ON DRIVING BRAND DESIRABILITY
CULTURE
BUILDING ON OUR PEOPLE’S UNIQUE PASSION FOR SPORTS AND FOR OUR BRANDS

DRIVE DIVERSITY WITHIN THE COMPANY

IMPROVE TALENT MANAGEMENT

FOSTER PERFORMANCE CULTURE

IMPLEMENT EQUITY-BASED COMPENSATION

REFINE LEADERSHIP STRUCTURE
ACCELERATION PLAN

4 TOPICS TO DRIVE FASTER GROWTH OF TOP AND BOTTOM LINE

1. PORTFOLIO
2. NORTH AMERICA
3. ONE ADIDAS
4. DIGITAL
STREAMLINE THE PORTFOLIO
FOCUS AREAS TO DRIVE PROFITABILITY
REEBOK MUSCLE-UP STILL IN EARLY STAGES

**NEW BUSINESS MODEL**
- US/GLOBAL INTEGRATION
- RELOCATION TO BOSTON (EXIT CANTON)
- NEW GOVERNANCE

**DESIGN TO VALUE**
- IMPLEMENT CREATION GUIDELINES
- NEW CONSUMER TOUCHPOINTS IN CREATION PROCESS

**MWB**
- FOCUS PARTNERSHIPS
- PRIORITISE POS
- GLOBAL CONCEPTS

**US WHOLESALe**
- PRIORITISE ACCOUNTS
- JOINT BUSINESS PLANNING

**US RETAIL**
- CLOSE >50 DOORS
- INCREASE PRODUCTIVITY

**EFFICIENCY IMPROVEMENTS**
- MODEL REDUCTIONS
- PROCESS SIMPLIFICATION
ACTIVELY MANAGE
BRANDS, CHANNELS AND MARKETS

A BRANDS

B CHANNELS

C MARKETS

EVERY ENTITY HAS TO CONTRIBUTE TO THE SUCCESS OF THE COMPANY
FOCUS ON NORTH AMERICA IS PAYING OFF

FASTEST-GROWING BRAND IN THE US

OUTPACING US MARKET GROWTH
FTW MARKET SHARE DOUBLED

2017 (YTD SEP) REVENUE GROWTH

STRONG DOUBLE-DIGIT GROWTH IN KEY CATEGORIES

NPS
STRONG GROWTH

ADIDAS BRAND
+33%

RUNNING TRAINING ORIGINALS NEO

WE HAVE A LONG WAY TO GO
2020 AMBITION
FOR THE ADIDAS BRAND IN NORTH AMERICA

> 5 BN
ROLE OF DIGITAL

ACCELERATE DIGITAL

THROUGH SPORT, WE HAVE THE POWER TO CHANGE LIVES TO CHANGE LIVES WE HAVE TO CREATE DIRECT RELATIONSHIPS WITH CONSUMERS THE BEST WAY TO ACCELERATE BUILDING DIRECT RELATIONSHIPS IS THROUGH DIGITAL
OUR FOCUS
TO WIN THE CONSUMER

PREMIUM
INSPIRING LOVE FOR OUR BRAND AND DESIRE FOR OUR PRODUCT

CONNECTED
OFFERING A SEAMLESS EXPERIENCE ACROSS ALL CONSUMER TOUCHPOINTS

PERSONALIZED
DELIVERING THE RIGHT MESSAGE TO THE RIGHT AUDIENCE
UPDATED ECOMMERCE AMBITION

- 0 billion in 2010
- 0.6 billion in 2015
- INITIAL 2020 AMBITION
- UPDATED 2020 AMBITION: 4.0 billion
ONE ADIDAS
THREE PILLARS TO DRIVE REVENUES AND PROFITABILITY

BRAND LEADERSHIP
GLOBAL / LOCAL BRANDS
RANGE EFFICIENCY
FOB MITIGATION
PRODUCT MARGIN

MARKETING EFFECTIVENESS
RETURN ON MARKETING INVESTMENTS (ROMI)
CONCEPT FOCUS
MARKETING PROCUREMENT

OPERATING EFFICIENCY
GLOBAL BUSINESS SERVICES
NON-TRADE PROCUREMENT
SCM EFFICIENCIES
STRATEGIC WORKFORCE PLANNING
GLOBAL REAL ESTATE
# Updated Financial Ambition 2020

Reflecting Acceleration Plan

<table>
<thead>
<tr>
<th></th>
<th>2020 Ambition (March 2015)</th>
<th>Updated 2020 Ambition</th>
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<tbody>
<tr>
<td><strong>Sales Growth</strong></td>
<td>High-Single-Digit</td>
<td>10-12%</td>
</tr>
<tr>
<td>CAGR 2015-2020: Currency-Neutral</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Income Growth</strong></td>
<td>-15%</td>
<td>20-22%</td>
</tr>
<tr>
<td>CAGR 2015-2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>-22</td>
<td>25-27</td>
</tr>
<tr>
<td>EUR BN</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ecommerce</strong></td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>EUR BN</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>~9.9%</td>
<td>11%</td>
</tr>
<tr>
<td>% of Net Sales</td>
<td></td>
<td></td>
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*Updated Financial Ambition 2020 reflecting acceleration plan.*
MULTIPLE LEVERS SUPPORTING ‘CTN’
ALL P&L ITEMS TO CONTRIBUTE TO THE IMPROVEMENT IN PROFITABILITY

<table>
<thead>
<tr>
<th>ACTUAL 2016</th>
<th>7.7%</th>
</tr>
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<tbody>
<tr>
<td>CREATING THE NEW</td>
<td>0</td>
</tr>
<tr>
<td>PORTFOLIO</td>
<td>1</td>
</tr>
<tr>
<td>ADIDAS NAM</td>
<td>2</td>
</tr>
<tr>
<td>ONE ADIDAS</td>
<td>3</td>
</tr>
<tr>
<td>DIGITAL</td>
<td>4</td>
</tr>
<tr>
<td>AMBITION 2020</td>
<td>11%</td>
</tr>
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GROSS MARGIN
MWB
OOH

RANGE EFFICIENCY
BRAND LEADERSHIP
FOB
PRODUCT MARGIN
ROMI
CONCEPT FOCUS
MARKETING PROCUREMENT
GLOBAL BUSINESS SERVICES
SCM EFFICIENCIES
REAL ESTATE
‘CTN’ OFF TO A STRONG START
AT THE SAME TIME THERE IS STILL A LONG WAY TO GO

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>AMBITION 2020</th>
<th>REMAINING 2017-2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>NET SALES</td>
<td>16.9</td>
<td>18.5</td>
<td>25.0-27.0</td>
<td>6.5-8.5</td>
</tr>
<tr>
<td>EUR BN</td>
<td></td>
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<td></td>
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<tr>
<td>OPERATING MARGIN</td>
<td>6.5</td>
<td>8.6</td>
<td>11.0</td>
<td>2.4PP</td>
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<tr>
<td>% OF NET SALES</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>ECOMMERCE</td>
<td>0.6</td>
<td>1.0</td>
<td>4.0</td>
<td>3.0</td>
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<tr>
<td>EUR BN</td>
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</table>
SUMMARY

WE ARE IN A HIGHLY ATTRACTIVE GROWTH INDUSTRY

‘CREATING THE NEW’ IS THE RIGHT STRATEGY

EXCEPTIONAL RESULTS ACHIEVED IN 2016

STRONG TOP- AND BOTTOM-LINE GROWTH EXPECTED IN 2017

ACCELERATION PLAN TO GROW REVENUES AND PROFITS EVEN FASTER THAN INITIALLY PROJECTED BY 2020
## UP COMING EVENTS

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>March 14, 2018</td>
<td>Full Year 2017 Results</td>
</tr>
<tr>
<td>May 3, 2018</td>
<td>First Quarter 2018 Results</td>
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<tr>
<td>May 9, 2018</td>
<td>Annual General Meeting</td>
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<tr>
<td>August 9, 2018</td>
<td>Second Quarter 2018 Results</td>
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<tr>
<td>November 7, 2018</td>
<td>Third Quarter 2018 Results</td>
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