

adidas

**FINANCIAL
SUPPLEMENT**

January – March



FINANCIAL SUPPLEMENT

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	02
CONDENSED CONSOLIDATED INCOME STATEMENT	04
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	05
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	06
CONSOLIDATED STATEMENT OF CASH FLOWS	07

1
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

2
CONDENSED CONSOLIDATED
INCOME STATEMENT

3
CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

4
CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

5
CONSOLIDATED STATEMENT OF
CASH FLOWS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

adidas AG Consolidated Statement of Financial Position (IFRS) € in millions

	March 31, 2021	March 31, 2020	Change in %	Dec. 31, 2020
Assets				
Cash and cash equivalents	3,923	1,975	99	3,994
Short-term financial assets	0	10	(98)	0
Accounts receivable	2,418	2,794	(13)	1,952
Other current financial assets	742	698	6	702
Inventories	3,938	4,334	(9)	4,397
Income tax receivables	79	108	(26)	109
Other current assets	1,067	1,250	(15)	999
Assets classified as held for sale	1,679	-	n.a.	0
Total current assets	13,846	11,169	24	12,154
Property, plant and equipment	2,100	2,350	(11)	2,157
Right-of-use assets	2,376	2,759	(14)	2,430
Goodwill	1,206	1,271	(5)	1,208
Trademarks	16	880	(98)	750
Other intangible assets	247	295	(16)	252
Long-term financial assets	279	352	(21)	353
Other non-current financial assets	346	388	(11)	414
Deferred tax assets	1,179	1,139	3	1,233
Other non-current assets	101	178	(43)	103
Total non-current assets	7,851	9,613	(18)	8,899
Total assets	21,697	20,782	4	21,053

1	2	3	4	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

adidas AG Consolidated Statement of Financial Position (IFRS) € in millions

	March 31, 2021	March 31, 2020	Change in %	Dec. 31, 2020
Liabilities and equity				
Short-term borrowings	704	964	(27)	686
Accounts payable	2,059	2,494	(17)	2,390
Current lease liabilities	556	550	1	563
Other current financial liabilities	360	176	104	446
Income taxes	654	624	5	562
Other current provisions	1,475	1,689	(13)	1,609
Current accrued liabilities	2,135	2,109	1	2,172
Other current liabilities	415	489	(15)	398
Liabilities classified as held for sale	655	-	n.a.	-
Total current liabilities	9,014	9,094	(1)	8,827
Long-term borrowings	2,476	1,592	56	2,482
Non-current lease liabilities	2,076	2,412	(14)	2,159
Other non-current financial liabilities	78	47	66	115
Pensions and similar obligations	236	209	13	284
Deferred tax liabilities	154	304	(49)	241
Other non-current provisions	112	178	(37)	229
Non-current accrued liabilities	6	9	(35)	8
Other non-current liabilities	19	7	155	17
Total non-current liabilities	5,158	4,758	8	5,535
Share capital	195	195	0	195
Reserves	(207)	136	n.a.	(474)
Retained earnings	7,293	6,331	15	6,733
Shareholders' equity	7,281	6,661	9	6,454
Non-controlling interests	244	268	(9)	237
Total equity	7,525	6,929	9	6,691
Total liabilities and equity	21,697	20,782	4	21,053

1	2	3	4	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

CONDENSED CONSOLIDATED INCOME STATEMENT

adidas AG Condensed Consolidated Income Statement (IFRS) € in millions¹

	First quarter 2021	First quarter 2020	Change
Net sales	5,268	4,381	20.2%
Cost of sales	2,538	2,203	15.2%
Gross profit	2,730	2,178	25.4%
[% of net sales]	51.8%	49.7%	2.1pp
Royalty and commission income	14	15	(8.5%)
Other operating income	7	2	271.5%
Other operating expenses	2,047	2,147	(4.6%)
[% of net sales]	38.9%	49.0%	(10.1pp)
Marketing and point-of-sale expenses	541	648	(16.5%)
[% of net sales]	10.3%	14.8%	(4.5pp)
Operating overhead expenses ²	1,506	1,498	0.5%
[% of net sales]	28.6%	34.2%	(5.6pp)
Operating profit	704	48	1,362.6%
[% of net sales]	13.4%	1.1%	12.3pp
Financial income	3	7	(63.8%)
Financial expenses	38	42	(10.1%)
Income before taxes	669	13	5,179.8%
[% of net sales]	12.7%	0.3%	12.4pp
Income taxes	166	(13)	n.a.
[% of income before taxes]	24.9%	(104.4%)	n.a.
Net income from continuing operations	502	26	1,839.9%
[% of net sales]	9.5%	0.6%	8.9pp
Gain/loss from discontinued operations, net of tax	52	(0)	n.a.
Net income	554	26	2,050.4%
[% of net sales]	10.5%	0.6%	9.9pp
Net income attributable to shareholders	558	31	1,719.7%
[% of net sales]	10.6%	0.7%	9.9pp
Net loss attributable to non-controlling interests	(4)	(5)	18.0%
Basic earnings per share from continuing operations (in €)	2.60	0.16	1,547.6%
Diluted earnings per share from continuing operations (in €)	2.60	0.16	1,547.6%
Basic earnings per share from continuing and discontinued operations (in €)	2.86	0.16	1,723.8%
Diluted earnings per share from continuing and discontinued operations (in €)	2.86	0.16	1,723.8%

¹ Figures reflect continuing operations as a result of the planned divestiture of the Reebok business.

² Aggregated distribution and selling expenses, general and administration expenses, sundry expenses and impairment losses (net) on accounts receivable and contract assets.

1	2	3	4	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

adidas AG Consolidated Statement of Comprehensive Income (IFRS) € in millions

	First quarter 2021	First quarter 2020
Net income after taxes	554	26
Items of other comprehensive income that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans (IAS 19), net of tax ¹	36	19
Net loss on other equity investments (IFRS 9), net of tax	(4)	–
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	32	19
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		
Net gain on cash flow hedges and net foreign investment hedges, net of tax	107	262
Net loss on cost of hedging reserve – options, net of tax	(3)	(0)
Net gain / (loss) on cost of hedging reserve – forward contracts, net of tax	5	(40)
Currency translation differences	137	(143)
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	246	79
Other comprehensive income	278	98
Total comprehensive income	832	124
Attributable to shareholders of adidas AG	825	121
Attributable to non-controlling interests	7	3

¹ Includes actuarial gains or losses relating to defined benefit obligations, return on plan assets (excluding interest income) and the asset ceiling effect.

1	2	3	4	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

adidas AG Consolidated Statement of Changes in Equity (IFRS) € in millions

	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve – options	Cost of hedging reserve – forward contracts	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2019	196	887	(470)	(150)	(10)	6	(218)	6,555	6,796	261	7,058
Other comprehensive income			(151)	262	(0)	(40)	19		90	8	98
Net income								31	31	(5)	26
Total comprehensive income			(151)	262	(0)	(40)	19	31	121	3	124
Repurchase of adidas AG shares	(1)							(256)	(257)		(257)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)							(7)	(7)		(7)
Reissuance of treasury shares due to equity-settled share-based payment	0							11	11		11
Equity-settled share-based payment								(3)	(3)		(3)
First-time consolidation due to obtaining control in accordance with IFRS 10									–	3	3
Balance at March 31, 2020	195	887	(620)	111	(10)	(33)	(199)	6,331	6,661	268	6,929
Balance at December 31, 2020	195	887	(850)	(250)	(3)	(23)	(235)	6,733	6,454	237	6,691
Other comprehensive income			127	106	(3)	5	32		267	11	278
Net income								558	558	(4)	554
Total comprehensive income			127	106	(3)	5	32	558	825	7	832
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)							(8)	(8)		(8)
Reissuance of treasury shares due to equity-settled share-based payment	0							11	11		11
Equity-settled share-based payment								(2)	(2)		(2)
Balance at March 31, 2021	195	887	(723)	(144)	(5)	(18)	(203)	7,293	7,281	244	7,525

1	2	3	4	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

adidas AG Consolidated Statement of Cash Flows (IFRS) € in millions¹

	First quarter 2021	First quarter 2020
Operating activities:		
Income before taxes	669	13
Adjustments for:		
Depreciation, amortization and impairment losses	278	316
Reversals of impairment losses	(3)	(0)
Interest income	(3)	(6)
Interest expense	36	37
Unrealised foreign exchange (gains)/losses, net	(2)	5
Losses on sale of property, plant and equipment and intangible assets, net	0	1
Other non-cash effects from operating activities	(3)	3
Operating profit before working capital changes	973	368
Increase in receivables and other assets	(662)	(425)
Decrease / (Increase) in inventories	124	(351)
Decrease in accounts payable and other liabilities	(287)	(327)
Cash generated from operations before taxes	147	735
Income taxes paid	(35)	(92)
Net cash generated from/(used in) operating activities – continuing operations	112	(827)
Net cash generated from operating activities – discontinued operations	0	2
Net cash generated from/(used in) operating activities	112	(824)
Investing activities:		
Purchase of trademarks and other intangible assets	(15)	(19)
Proceeds from sale of trademarks and other intangible assets	0	0
Purchase of property, plant and equipment	(54)	(109)
Proceeds from sale of property, plant and equipment	6	2
Proceeds from sale of a disposal group	0	–
Proceeds from disposal of discontinued operations	8	–
(Purchase of)/Proceeds from sale of short-term financial assets	(0)	287
Purchase of investments and other long-term assets	56	(37)
Interest received	3	6
Net cash generated from investing activities – continuing operations	4	129
Net cash used in investing activities – discontinued operations	(2)	(5)
Net cash generated from investing activities	2	124
Financing activities:		
Interest paid	(29)	(31)
Repayments of lease liabilities	(174)	(149)
Repurchase of adidas AG shares	0	(257)
Repurchase of adidas AG shares due to share-based payments	(8)	(7)
Proceeds from reissuance of treasury shares due to share-based payments	7	6

1	2	3	4	5
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONDENSED CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

adidas AG Consolidated Statement of Cash Flows (IFRS) € in millions¹

	First quarter 2021	First quarter 2020
Proceeds from short-term borrowings	11	916
Net cash (used in)/generated from financing activities – continuing operations	(194)	478
Net cash used in from financing activities – discontinued operations	(10)	[12]
Net cash (used in)/generated from financing activities	(204)	466
Effect of exchange rates on cash	19	(10)
Decrease in cash and cash equivalents	(71)	(244)
Cash and cash equivalents at beginning of year	3,994	2,220
Cash and cash equivalents at end of period	3,923	1,975

¹ Figures reflect continuing operations as a result of the planned divestiture of the Reebok business.