‘CREATING THE NEW’
FOCUS ON DRIVING BRAND DESIRABILITY
CULTURE
OUR FOUNDATION TO DRIVE VALUE CREATION

LIVING A PERFORMANCE CULTURE
New company-wide performance management system completes first annual cycle

ACTIVATING LEADERSHIP GROUPS
Strong leadership to improve cross-functional collaboration and decision making

ALIGNING WITH SHAREHOLDER INTERESTS
Through transparent and equity-based compensation for Executive Board and leaders

VALUING AND PROMOTING DIVERSITY
Continuously increasing the share of females in leadership positions
MARTIN SHANKLAND SUCCEEDS GIL STEYAERT
AS BOARD MEMBER RESPONSIBLE FOR GLOBAL OPERATIONS
Capitalizing on cultural and sporting moments to drive brand desirability

Utilizing Speedfactory to elevate relationships to consumers and partners alike

City-led activations including Republic of Sport in Shanghai and 747 in Los Angeles

Bringing the brand to life in new flagship stores in Shanghai and Paris

More than five million pairs of shoes made containing Parley Ocean Plastic in 2018

Democratizing Yeezy a big commercial and operational success story
Optimized performance across countries, categories and brands
Reebok back to profitability in 2018 thanks to ‘Muscle Up’

Strong top-line growth with more diversified channel mix
Continued profitability improvements

Global non-trade procurement organization delivering results
More than doubled size of Global Business Solutions

App live in 25 countries and Creators Club launched in the US and Japan
Outstanding e-com growth and flawless execution of releases at scale
SIGNIFICANT NET SALES GROWTH
Currency-neutral increase of 8%
Absolute net sales reach €21.915 billion

EXCELLENT PROFITABILITY IMPROVEMENTS
Operating margin up 1.1pp to 10.8%
Net income from continuing operations increases 20% to €1.709 billion

CONTINUOUS CASH RETURNS TO SHAREHOLDERS
Dividend of €3.35 per share proposed for 2018, up 29% versus prior year
Payout and buyback during 2018 bring total cash returned to €1.5 billion

Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses; excluding negative one-time tax impact of €76 million in 2017. Dividend subject to Annual General Meeting approval.
STRENGTHS & WEAKNESSES IN 2018

+ PROGRESS ACROSS ALL STRATEGIC GROWTH AREAS
North America, Greater China and e-com up double-digits

+ SIGNIFICANT GROWTH IN SPORT PERFORMANCE
Double-digit increases in Training and Running

+ BETTER-THAN-EXPECTED GROSS MARGIN
Focus on quality of top line paying off

+ STRONG PROFITABILITY IMPROVEMENT
While continuing to invest and compensating FX headwinds

+ REEBOK RETURNING TO PROFITABILITY
Despite top-line challenges

− NO GROWTH IN EUROPE
Weighing on company’s top-line growth

− CHALLENGES IN LIFESTYLE KEY ACCOUNTS
New products not fully meeting expectations

− ORIGINALS NORMALIZING FROM EXTRAORDINARY GROWTH
Reflecting managed decline of Superstar and Stan Smith

− OPEX LEVERAGE MASKED BY INVESTMENTS
Investments into brand and scalability to pay off long-term
P&L HIGHLIGHTS
IN 2018

REVENUES INCREASE 8% CURRENCY-NEUTRAL
and 3% in euro terms to € 21.915 billion

GROSS MARGIN UP 1.4PP TO 51.8%
despite severe FX headwinds

OPERATING MARGIN UP 1.1PP TO 10.8%
while strongly increasing marketing investment

NET INCOME FROM CONTINUING OPERATIONS INCREASES 20%
to € 1.709 billion

BASIC EPS FROM CONTINUING OPERATIONS UP 20%
to € 8.46

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DOUBLE-DIGIT INCREASES IN STRATEGIC GROWTH AREAS IN 2018

ADIDAS NORTH AMERICA
On top of a 35% increase in 2017
Doubled the business within three years

GREATER CHINA
On top of a 29% increase in 2017
Doubled the business within four years

E-COMMERCE
On top of a 57% increase in 2017
Doubled the business within two years

Currency-neutral.
ADIDAS BRAND GROWS 9% IN 2018
DOUBLE-DIGIT INCREASE IN NORTH AMERICA AND ASIA-PACIFIC

SPORT PERFORMANCE GROWS 9%
Driven by double-digit growth in Training and Running

SPORT INSPIRED GROWS 11%
Reflecting exceptional Yeezy growth

BROAD-BASED GROWTH
Low-double-digit increase in apparel and high-single-digit gain in footwear

Currency-neutral.
REEBOK RETURNS TO PROFITABILITY
FURTHER PROGRESS ON EXECUTING ‘MUSCLE-UP’ INITIATIVES

REEBOK REVENUES DECREASE 3%
Double-digit growth in Classics offset by decline in Sport

GROSS MARGIN UP 3.0PP TO 43.7%
Driven by further implementation of design-to-value approach

BACK TO PROFITABILITY
More than € 150 million profit uplift within just two years

Currency-neutral.
EXCEPTIONAL GROWTH IN E-COM
LEVERAGING OUR BIGGEST STORE

+36%

E-COMMERCE REVENUES GROW 36%
Driven by double-digit growth across all regions

LAUNCH OF CREATORS CLUB IN THE US AND JAPAN
Driving traffic and engagement rates

ADIDAS APP NOW LIVE IN 25 COUNTRIES
More than 7 million downloads by the end of 2018

Currency-neutral.
2018 IN REVIEW
RESILIENCE IN TIMES OF HEADWINDS

- Grew currency-neutral sales at a high-single-digit rate
  Despite challenges in Europe and managed decline of Stan Smith and Superstar

- Increased gross margin by 1.4pp to new record level of 51.8%
  Despite more than 1pp of transactional FX headwind

- Expanded operating margin by 1.1pp to new record level of 10.8%
  Despite a € 0.3 billion increase in marketing investments

- Delivered 20% bottom-line growth
  Despite FX translation reducing nominal sales growth by € 1.0 billion

- Exited the year with clean inventories
  Despite some products and markets not meeting initial expectations

Figures reflect continuing operations; excluding negative one-time tax impact of € 76 million in 2017.
GROWTH BY MARKET SEGMENT
NORTH AMERICA AND ASIA-PACIFIC WITH DOUBLE-DIGIT SALES INCREASES

Currency-neutral.
NORTH AMERICA
STRONG TOP- AND BOTTOM-LINE IMPROVEMENTS

Currency-neutral sales increase 15%

adidas brand revenues up 17%
Driven by double-digit growth in both Sport Performance and Sport Inspired

Reebok brand revenues flat
Growth in US offset by decline in Canada

Gross margin increases 1.7pp to 41.2%
Mainly driven by an improved pricing, product and channel mix

Operating margin increases 3.9pp to 14.9%
On the back of gross margin expansion as well as operating leverage
ASIA-PACIFIC
STRONG DOUBLE-DIGIT GROWTH DRIVEN BY GREATER CHINA

Currency-neutral sales increase 15%

**adidas brand sales increase 16%**
Driven by double-digit growth in both Sport Performance and Sport Inspired

**Reebok brand revenues up 3%**
Decline in Sport compensated by high-single-digit growth in Classics

**Gross margin up 0.5pp to 56.2%**
Better pricing, product and channel mix compensates for FX headwinds

**Operating margin down 0.3pp to 32.7%**
Opex investments offset gross margin expansion
EUROPE
TOP-LINE DEVELOPMENT IN LINE WITH EXPECTATIONS

Currency-neutral sales remain stable

adidas brand revenues remain stable
Growth in Sport Inspired offset by low-single-digit declines in Sport Performance

Reebok brand sales decrease 3%
Mid-single-digit sales growth in Classics offset by a decline in Sport

Gross margin improves 2.0pp to 47.7%
Despite significant negative FX impact as focus on quality of top line pays off

Operating margin is down 0.1pp to 20.0%
Gross margin improvement offset by higher opex
# NEW P&L STRUCTURE
MORE GRANULAR VIEW OF OPERATING EXPENSES IN CONTEXT OF IFRS 9 ADOPTION

## ‘OLD’ FULL-YEAR P&L
- NET SALES
- GROSS PROFIT
- OTHER OPERATING INCOME
- OTHER OPERATING EXPENSES
- OPERATING PROFIT

## ‘NEW’ FULL-YEAR P&L
- NET SALES
- GROSS PROFIT
- OTHER OPERATING INCOME
- OTHER OPERATING EXPENSES
  - MARKETING AND POINT-OF-SALE EXPENSES
  - DISTRIBUTION AND SELLING EXPENSES
  - GENERAL AND ADMINISTRATION EXPENSES
  - SUNDRY EXPENSES
  - IMPAIRMENT LOSS (NET) ON ACCOUNTS RECEIVABLE AND CONTRACT ASSETS
- OPERATING PROFIT

## ‘NEW’ QUARTERLY P&L
- NET SALES
- GROSS PROFIT
- OTHER OPERATING INCOME
- OTHER OPERATING EXPENSES
  - MARKETING AND POINT-OF-SALE EXPENSES
  - OPERATING OVERHEAD EXPENSES
- OPERATING PROFIT
**P&L OVERVIEW**

2018 RESULTS IN NEW P&L STRUCTURE

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2017</th>
<th>Y-O-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES</strong></td>
<td>21,915</td>
<td>21,218</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>GROSS MARGIN</strong></td>
<td>51.8%</td>
<td>50.4%</td>
<td>+1.4pp</td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES</strong></td>
<td>8,766</td>
<td>9,172</td>
<td>+5%</td>
</tr>
<tr>
<td></td>
<td>41.3%</td>
<td>41.9%</td>
<td>+0.5pp</td>
</tr>
<tr>
<td><strong>OPERATING MARGIN</strong></td>
<td>2,368</td>
<td>2,070</td>
<td>+14%</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT</strong></td>
<td>10.8%</td>
<td>9.8%</td>
<td>+1.1pp</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>1,709</td>
<td>1,430</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>BASIC EPS</strong></td>
<td>8.46</td>
<td>7.05</td>
<td>+20%</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 and exclude negative one-time tax impact of € 76 million in 2017.*
STRONG PROFITABILITY INCREASE
OPERATING MARGIN UP 1.1PP TO 10.8%

Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.
**AVERAGE OPERATING WORKING CAPITAL**

IN % OF SALES DOWN 1.4PP TO 19.0%

**Inventories down 5% c.n.**
As a result of tight inventory management

**Receivables up 5% c.n.**
Reflecting top-line development

**Payables up 17% c.n.**
Due to improved terms with vendors

Average operating working capital = sum of operating working capital at quarter-end / 4.

2018, 2017 and 2016 figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

2015 and 2014 figures reflect continuing operations as a result of the divestiture of the Rockport business.
**NET CASH AND EQUITY POSITION**

**EQUITY RATIO AT 40.8%**

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**Net cash position**
At € 959 million

**Equity position**
Increases € 344 million year-on-year

**Equity ratio**
Decreases 2.2pp year-on-year to 40.8%
**CAPITAL EXPENDITURE**
**ALMOST € 800 MILLION INVESTED TO DRIVE PROFITABLE GROWTH**

**CONTROLLED SPACE**
- Investments in new or remodeled own-retail and franchise stores
- Leveraging shop-in-shop presentations in our customers’ stores

**IT & LOGISTICS**
- Digitalizing the end-to-end creation-to-shelf value chain
- Investing into warehouse infrastructure in North America, Asia-Pacific and Europe

**HQ EXPANSION**
- Major development of our global headquarters in Herzogenaurach, Germany
- Continued expansion of our US headquarters in Portland, Oregon
CASH RETURN TO SHAREHOLDERS
DIVIDEND MORE THAN DOUBLED SINCE 2015

PROPOSED DIVIDEND
Dividend of € 3.35 per share proposed for 2018, up 29% versus prior year
Payout ratio of 39.0% (2017: 37.0%) within our 30%-50% target corridor

€ 1.5 BILLION CASH RETURNED IN 2018
First tranche of current buyback with volume of € 1.0 billion concluded in 2018
Dividend payment of € 0.5 billion in 2018

ANOTHER € 1.5 BILLION TO BE RETURNED IN 2019
Second tranche of current buyback live with volume of up to € 0.8 billion in 2019
Proposed dividend equals payout of approximately € 0.7 billion in 2019

Dividend for 2018 subject to Annual General Meeting approval; dividend payout ratio for 2018 based on net income from continuing operations and number of shares outstanding at the date of preparation of the Consolidated Financial Statements.
IFRS 16 APPLIED AS OF JANUARY 1, 2019  
ESTIMATED 2019 P&L IMPACT

<table>
<thead>
<tr>
<th>(€ in millions)</th>
<th>FY 2019 ESTIMATED EFFECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>RENT EXPENSE</td>
<td>Decrease as lease expense to be recognized as depreciation and amortization</td>
</tr>
<tr>
<td>DEPRECIATION &amp; AMORTIZATION</td>
<td>Increase due to depreciation of capitalized operating lease assets</td>
</tr>
<tr>
<td>OPERATING PROFIT</td>
<td>Increase as lease expense is replaced by depreciation and interest</td>
</tr>
<tr>
<td>FINANCIAL EXPENSE</td>
<td>Increase due to interest cost component booked in financial result</td>
</tr>
<tr>
<td>INCOME TAXES</td>
<td>Lower in first years due to higher deferred tax assets</td>
</tr>
<tr>
<td>NET INCOME from continuing operations</td>
<td>Lower due to higher interest during first years; neutral over time</td>
</tr>
</tbody>
</table>

Estimated impact from accounting change according to IFRS 16 based on lease contracts as of January 1, 2019.
SUPPLY CHAIN SHORTAGES
TO IMPACT TOP-LINE TRAJECTORY IN 2019

CHALLENGE
Excess demand for mid-priced apparel leading to substantial increase in volume
Unable to immediately cover demand in full due to supply chain shortages

MITIGATION
Reallocating capacity short-term and acquiring capacity mid-term
Conducting demand level-loading and executing US prioritization

IMPACT
Estimated 1pp-2pp negative impact on company’s full-year sales growth
Impact to be felt particularly in North America in H1
2019 FOCUS AREAS
ANOTHER IMPORTANT MILESTONE TOWARD 2020 TARGETS

Leveraging multiple dimensions of innovation
To drive high-quality top- and bottom-line growth

Continuing to invest with impact
Into brand desire and scalable business model

Tackling challenges decisively
Return Europe to growth and mitigate supply shortages

Delivering overproportionate net income growth
On the back of sustainable operating margin expansion
LEVERAGING MULTIPLE DIMENSIONS OF INNOVATION
TO DRIVE HIGH-QUALITY TOP- AND BOTTOM-LINE GROWTH

Evolving icons from the past and building icons of the future

Scaling groundbreaking technology

Entering uncharted territory in materials

Collaborating and breaking the rules of the game

Redefining activation and engaging consumers fast and at scale

Winning with the winners globally and locally
Evolving Icons from the Past
Multiple Dimensions of Innovation
BUILDING ICONS OF THE FUTURE
MULTIPLE DIMENSIONS OF INNOVATION
SCALING GROUNDBREAKING TECHNOLOGY
MULTIPLE DIMENSIONS OF INNOVATION
ENTERING UNCHARTED TERRITORY IN MATERIALS

MULTIPLE DIMENSIONS OF INNOVATION
BREAKING THE RULES OF THE GAME
MULTIPLE DIMENSIONS OF INNOVATION

YEEZY BOOST 350

YEEZY BOOST 700
COLLABORATING LIKE IT’S NEVER BEEN DONE BEFORE
MULTIPLE DIMENSIONS OF INNOVATION
WINNING WITH THE WINNERS GLOBALLY AND LOCALLY
MULTIPLE DIMENSIONS OF INNOVATION
REDEFINING ACTIVATION
MULTIPLE DIMENSIONS OF INNOVATION

SPEEDFACTORY x CREATORS CLUB

ADIDAS x BAPE
CONTINUING TO INVEST TO DRIVE BRAND DESIRABILITY

ALL-AMERICAN BOWL

ARSENAL

'SPORT THE UNEXPECTED'

'SHE BREAKS BARRIERS'

FIFA WOMEN'S WORLD CUP 2019

ALL BLACKS
### OUTLOOK 2019
DRIVING DOUBLE-DIGIT BOTTOM-LINE GROWTH

<table>
<thead>
<tr>
<th></th>
<th>GUIDANCE EXCL. IFRS 16</th>
<th>GUIDANCE INCL. IFRS 16**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong>*</td>
<td>Increase of 5% – 8%</td>
<td></td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>Increase to around 52.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>Increase of 0.5pp – 0.7pp to around 11.3% – 11.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Net income from continuing operations</strong></td>
<td>Increase of 10% – 14% to € 1.880 – € 1.950 billion</td>
<td>Increase of 8% – 12% to € 1.845 – € 1.915 billion</td>
</tr>
</tbody>
</table>

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* Currency-neutral.

** Estimated impact from accounting change according to IFRS 16 based on lease contracts as of January 1, 2019.
**FINANCIAL AMBITION 2020**

**CONFIRMED ✓**

<table>
<thead>
<tr>
<th>Target KPIs 2020</th>
<th>March 2018</th>
<th>March 2017</th>
<th>March 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales growth</strong></td>
<td>10% – 12%</td>
<td>10% – 12%</td>
<td>high-single-digit</td>
</tr>
<tr>
<td>CAGR 2015-2020 c.n.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>22% – 24%</td>
<td>20% – 22%</td>
<td>~15%</td>
</tr>
<tr>
<td>CAGR 2015-2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>25 – 27</td>
<td>25 – 27</td>
<td>~22</td>
</tr>
<tr>
<td>(€ in billions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E-commerce</strong></td>
<td>4</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>(€ in billions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>up to 11.5%</td>
<td>11%</td>
<td>~9.9%</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 and exclude negative one-time tax impact of € 76 million in 2017.
THREE YEARS INTO ‘CREATING THE NEW’
TAKING STOCK

NET SALES
€ 21.9 billion in 2018

MARKETING INVESTMENT
€ 3 billion in 2018

OPERATING MARGIN
10.8% in 2018

NET INCOME
€ 1.7 billion in 2018

2018 compared to 2015; figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.
SUMMARY

1. Successful 2018 another important milestone toward 2020
2. Further investing in people, infrastructure and our brands
3. Staying the course while actively addressing challenges
4. 2019 another year of high-quality top- and bottom-line growth
5. Focus on relentless execution of ‘Creating the New’