AGENDA

01 INTRODUCTION
02 BUSINESS UPDATE
03 FINANCIAL UPDATE
04 OPERATIONAL UPDATE
05 OUTLOOK
INTRODUCTION
READY FOR SPORT
FOR THE GAME
BRINGING TEAMS BACK TO FOOTBALL.
AMANDA RAJKUMAR TO JOIN ADIDAS AS BOARD MEMBER RESPONSIBLE FOR GLOBAL HUMAN RESOURCES

- Joins adidas at the beginning of 2021
- Held numerous executive leadership positions for different business divisions
- Over 24 years of human resources experience in global organizations
- Proven track record at BNP Paribas and JP Morgan
CREATE LASTING CHANGE NOW
PROGRESS AGAINST OUR COMMITMENTS

JULY

UNITED AGAINST RACISM

Creation of global committee to accelerate inclusion

AUGUST

FAIR PLAY

Relaunch of our company-wide fair play code of conduct

SEPTEMBER

GLOBAL DAY OF INCLUSION

Global event to reflect, learn and celebrate inclusion

Q4

CCI

CREATING A CULTURE OF INCLUSION

30-hour inclusion training mandatory for all employees
ADIDAS AS BEST PLACE TO WORK
HIGHEST RANKED SPORTS COMPANY IN FORBES WORLD’S BEST EMPLOYERS 2020 LIST
POSITIVE STORE OPENING TREND CONTINUED THROUGHOUT Q3

96% OF GLOBAL STORE FLEET OPEN AT THE END OF SEPTEMBER

Jan: First stores in China closed
Mar: As stores in China re-opened, Rest of World closed down
Apr: >70% of global store fleet closed
May: Business in Greater China returned to growth
Jun: Store fleet largely operational
Sep: >95% of global store fleet open
STRENGTHS & WEAKNESSES
Q3 2020

+ INVENTORY NORMALIZATION PROGRESSING AS PLANNED
  Reduction of more than € 0.5 billion from peak in June

+ TOP-LINE RECOVERY LED BY DTC BUSINESS
  E-com sales up 51% with strong increase in full-price share

+ RETURN TO DOUBLE-DIGIT OPERATING MARGIN
  € 1.1 billion sequential operating profit improvement

+ FINANCIAL FLEXIBILITY INCREASED AT FAVORABLE CONDITIONS
  Successful bond issuances paved the way for replacing KfW facility

- REVENUE RECOVERY NOT FOLLOWING A LINEAR TREND
  Fading impact from pent-up demand and one-time consumer subsidies

- RETAIL TRAFFIC STILL SIGNIFICANTLY BELOW PRIOR YEAR
  Not fully compensated by higher conversion

- ADVERSE FX DEVELOPMENTS WEIGHING ON TOP- AND BOTTOM-LINE
  Material translation headwind due to recent US-$ weakness

- RISK OF FURTHER LOCKDOWNS REQUIRES PRUDENT APPROACH
  Taking disciplined stance on orders and shipments to limit downside
P&L AT A GLANCE
Q3 2020

REVENUES DECREASE 3% CURRENCY-NEUTRAL
And 7% in euro terms to € 5.964 billion

GROSS MARGIN DOWN 2.1PP TO 50.0%
Headwinds from industry-wide promotional activity and adverse FX

OPERATING PROFIT OF € 794 MILLION
Operating margin of 13.3% supported by strict cost control

NET INCOME FROM CONTINUING OPERATIONS
Of € 578 million

BASIC EPS FROM CONTINUING OPERATIONS
Of € 2.80
ADIDAS NORTH AMERICA
Growth over the first two months of the quarter

GREATER CHINA
Double-digit growth in DTC driven by both own retail and e-com

E-COMMERCE
Reflecting significantly higher full-price share

Currency-neutral.
ANOTHER QUARTER OF EXCEPTIONAL E-COMMERCE GROWTH CONTINUING TO DRIVE PROFITABLE GROWTH

E-COMMERCE REVENUES UP 51%
Exceptional growth despite store opening rate >90%

REACHING NEARLY 150 MILLION MEMBERS
Member sales account for two-thirds of e-com revenues across the US and Europe

CONFIRMED APP LAUNCHED
Our new home for exclusive products driving full-price sell-through

Currency-neutral.
ADIDAS AND REEBOK BRAND PERFORMANCE
BRAND ADIDAS RECORDS GROWTH IN ORIGINALS AND RUNNING

ADIDAS REVENUES

-2%

REEBOK REVENUES

-7%

Currency-neutral.
OVERVIEW MARKET SEGMENTS
EUROPE AND RUSSIA/CIS BACK TO GROWTH

North America -1%
Operating margin: 21.7% (+5.6pp)

Europe +4%
Operating margin: 21.8% (-4.2pp)

Latin America -13%
Operating margin: 11.3% (-5.8pp)

Emerging Markets -10%
Operating margin: 29.9% (-2.2pp)

Russia/CIS +11%
Operating margin: 30.2% (+0.1pp)

Asia-Pacific -7%
Operating margin: 29.7% (-5.3pp)

Net sales development currency-neutral.
P&L OVERVIEW
RETURN TO DOUBLE-DIGIT OPERATING MARGIN

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<thead>
<tr>
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<th>Q3 2020 (€ in millions)</th>
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<td><strong>NET SALES</strong></td>
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<td><strong>GROSS MARGIN</strong></td>
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<td><strong>OTHER OPERATING EXPENSES</strong></td>
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<td><strong>MARKETING AND POINT-OF-SALE</strong></td>
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|                                | 5,964                    | 6,410                    | -7%   |
| **Q3 2020**                    |                          |                          |       |
| **50.0%**                      | 52.1%                    | -2.1pp                    |
| **OTHER OPERATING EXPENSES**   | 2,223                    | 2,486                     | -11%  |
| *(in % of sales)*              | 37.3%                    | 38.8%                     | -1.5pp|
| **MARKETING AND POINT-OF-SALE**| 579                      | 753                       | -23%  |
| **EXPENSES**                   | 9.7%                     | 11.7%                     | -2.0pp|
| *(in % of sales)*              | 1,644                    | 1,733                     | -5%   |
| **OPERATING OVERHEAD EXPENSES**| 27.6%                    | 27.0%                     | +0.5pp|
| *(in % of sales)*              | 794                      | 897                       | -12%  |
| **OPERATING PROFIT**           | 13.3%                    | 14.0%                     | -0.7pp|
| **OPERATING MARGIN**           | 578                      | 644                       | -10%  |
| **NET INCOME** from continuing | 2.80                     | 3.26                      | -14%  |
GROSS MARGIN DEVELOPMENT DECOMPOSED
HEADWINDS FROM ADVERSE FX AND INDUSTRY-WIDE PROMOTIONAL ACTIVITY AS ANTICIPATED

- Significantly less pronounced than in Q2 due to the company’s focus on profitable sell-through and disciplined sell-in
$1.1$ billion sequential improvement supported by strict cost control
**NET DEBT AND EQUITY POSITION**

INCREASE IN NET DEBT OF € 300 MILLION COMPARED TO THE END OF Q2

**Net debt**
At € 1,092 million

**Equity position**
Decrease of € 583 million year-on-year

**Equity ratio**
At 30.4%

(Net debt)/net cash at quarter-end, € in millions.

Q3/16 Q3/17 Q3/18 Q3/19 Q3/20

-769 -345 535 342 -1,092
**AVERAGE OPERATING WORKING CAPITAL**

**SEQUENTIAL NORMALIZATION OF BOTH INVENTORIES AND PAYABLES**

- **Inventories up 35% c.n. year-on-year**
  - Reduced by 10% c.n. since end of June

- **Receivables down 14% c.n. year-on-year**
  - Continued emphasis on cash collection

- **Payables down 26% c.n. year-on-year**
  - Normalization of payment terms with vendors

\[
\text{Average operating working capital} = \frac{\text{sum of operating working capital at quarter-end}}{4}. \text{Average operating working capital in % of net sales.}
\]
OPERATIONAL UPDATE
EXECUTE THROUGH COVID-19
STRIKING THE BALANCE BETWEEN SHORT AND LONG TERM

1. OPERATIONAL FLEXIBILITY
2. FINANCIAL FLEXIBILITY
3. DIGITAL OPPORTUNITIES
4. DIRECT-TO-CONSUMER
INVENTORY NORMALIZATION PROGRESSING AS PLANNED
OPERATIONAL FLEXIBILITY

- € 1.1 billion inventory build-up since year-end 2019
- € 0.5 billion inventory reduction during Q3
- Reasonable level of discounting with gross margin being down just 2.1pp year-on-year amid promotional environment
- Continue to execute on our plan
- Arrive at normalized inventory level by year-end

Illustrative.
EXECUTING INVENTORY NORMALIZATION PLAN
OPERATIONAL FLEXIBILITY

- Flexibly driving our product pipeline
- Executing fully digital
- Making use of factory outlets
- Leveraging commercial moments and sales events
CASH POSITION INCREASES TO € 3.2 BILLION AT THE END OF Q3

FINANCIAL FLEXIBILITY

€ in billions

Total cash
June 30, 2020

Operating cashflow

Investing cashflow

Financing cashflow

Total cash
September 30, 2020

2.0

0

-0.1

1.3

3.2

CASH POSITION INCREASES TO € 3.2 BILLION AT THE END OF Q3

FINANCIAL FLEXIBILITY

€ in billions

Total cash
June 30, 2020

Operating cashflow

Investing cashflow

Financing cashflow

Total cash
September 30, 2020

2.0

0

-0.1

1.3

3.2
OPTIMIZED CAPITAL STRUCTURE AND FINANCING COSTS
FINANCIAL FLEXIBILITY

€ in billions

- Eurobonds issued: 0.5
- Sustainability bond issued: 0.5
- New syndicated loan with partner banks: 1.5
- Total financing activities: 3.0
Global lockdown measures take effect

April 14
KfW bridge financing approved

Through March

August 6
Investment-grade ratings obtained

S&P Global
Moody’s

A+  A2

September 1
€ 1 billion bonds placed

September 29
€ 0.5 billion sustainability bond placed

New € 1.5 billion syndicated loan

November 10

KfW bridge financing replaced

€ 3 BN

€ 0.5 BN
4 YEARS
COUPON: 0.00%

€ 0.5 BN
15 YEARS
COUPON: 0.625%

€ 1.5 BN
SYNDICATED
LOAN
FACILITY

€ 0.5 BN
8 YEARS
COUPON: 0.00%

€ 1 billion bonds placed

KFW SYNDICATED LOAN FACILITY REPLACED
FINANCIAL FLEXIBILITY
MEMBERSHIP

Introducing products and connecting brand moments while athletes train and run to acquire membership points

+20% AVERAGE ORDER VALUE

+60% AVERAGE ORDER FREQUENCY

2.4x LIFETIME VALUE

>70 NET PROMOTER SCORE

Providing premium DTC excellence at scale and a new distinct channel for sneakerheads & style

Metrics on average order value, average order frequency and lifetime value compare members versus non-members across US and Europe.
CREATORS CLUB WEEK WITH EXCLUSIVE OFFERS FOR MEMBERS

DIGITAL OPPORTUNITIES

WEDNESDAY 14 OCTOBER AT 00:00
ULTRA4D SHOES
€ 216.61
MORE IMPACTFUL STORYTELLING IN OUR STORES
DIRECT-TO-CONSUMER
LONDON ORIGINALS FLAGSHIP OPENING
DIRECT-TO-CONSUMER
OWN RETAIL TRAFFIC AND CONVERSION TREND
DIRECT-TO-CONSUMER

GLOBAL – YTD NOVEMBER 2020

Conversion rate vs. PY (%)
Traffic vs. PY (%)
Illustrative.

ACTIVELY DRIVING CHANNEL SHIFT TOWARD DTC
DIRECT-TO-CONSUMER

YTD SEPTEMBER 2019  

YTD SEPTEMBER 2020

- Exceptional e-com growth paired with successful store activations
- Direct relationship to consumers with digital and physical touchpoints
- Exiting non-strategic wholesale accounts to win with the winners
- Scaling self-service model for wholesale partners

~30%  

~40%  

DTC share (% of total net sales)  

Wholesale share (% of total net sales)
ZX 2K BOOST
Stores in parts of Europe closing again as increasing number of coronavirus cases leads to partial lockdowns.

Jan: First stores in China closed
Mar: As stores in China re-opened, Rest of World closed down
Apr: >70% of global store fleet closed
May: Business in Greater China returned to growth
Jun: Store fleet largely operational
Sep: >95% of global store fleet open
Oct: Stores in parts of Europe closing

Illustrative.
### OUTLOOK FOR Q4 2020
SIMILAR TOP-LINE DEVELOPMENT AS EXPERIENCED IN Q3

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>-19%</td>
<td>-34%</td>
<td>-3%</td>
<td>Low- to mid-single-digit decline</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>-4.2pp</td>
<td>-2.4pp</td>
<td>-2.1pp</td>
<td>Around prior year level</td>
</tr>
<tr>
<td><strong>Operating result</strong></td>
<td>€ 65m</td>
<td>-€ 333m</td>
<td>€ 794m</td>
<td>€ 100-200 million</td>
</tr>
</tbody>
</table>

**Key assumptions:**
- No additional major lockdowns
- Store opening rate staying >90%
- No further material slowdown of global store traffic

*Net sales development currency-neutral.*
BETTER POSITIONED TO COPE WITH SHORT-TERM UNCERTAINTIES AND BENEFIT FROM LONG-TERM GROWTH DRIVERS

CULTURAL FOUNDATION
- Putting health and safety first
- Becoming even more diverse and inclusive

OPERATIONAL FLEXIBILITY
- Agile approach to sourcing and sell-in
- Recipe for impactful campaigns and launches

FINANCIAL PROFILE
- Strong investment-grade credit ratings
- Optimized capital structure and costs

DIRECT-TO-CONSUMER
- Added millions of consumers to ecosystem
- Proved scalability of digital backbone

INDUSTRY GROWTH DRIVERS
SAVE THE DATE

INVESTOR & MEDIA DAY

MARCH 10, 2021
SUMMARY

1. Top- and bottom-line results close to prior-year level
2. Focus on healthy inventories, profitable sell-through and disciplined sell-in
3. On track toward normalized inventory level by year-end
4. Financial flexibility increased at favorable conditions
5. Better positioned for short-term uncertainty and long-term growth drivers
6. Health and safety of our people and partners remains top priority
Q&A