Q2 2018 ROADSHOW PRESENTATION
BUSINESS HIGHLIGHTS
**STRENGTHS & WEAKNESSES**
IN Q2 2018

**Double-digit top-line growth**
In North America, Asia-Pacific, Latin America and Russia/CIS

**Strong growth in Sport Performance**
Double-digit increases in Training, Running and Football

**Powerful brand activation on global stages**
Capitalized on World Cup and Parley Run For The Oceans

**Excellent profitability improvement**
Despite significant increase in marketing investments

**Flat top line in Western Europe**
Reflecting challenges for adidas and Reebok

**Opex leverage masked by investments**
Continued investments into scalability of business

**Momentum in Sport Inspired normalizes**
Ongoing normalization after period of extraordinary growth

**Retail comp trend mixed**
Comps up mid-single digit, but positively impacted by World Cup
MAJOR P&L DEVELOPMENTS
IN Q2 2018

1. Revenues increase 10% currency-neutral and 4% in euro terms to € 5.3 billion

2. Gross margin up 2.2pp to 52.3% despite ongoing FX headwinds

3. Operating margin up 1.2pp to 11.3% due to higher gross margin and despite higher marketing invest

4. Net income from continuing operations increases 20% to € 418 million

5. Basic EPS from continuing operations up 20% to € 2.06

Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.
DOUBLE-DIGIT GROWTH IN STRATEGIC GROWTH AREAS
IN Q2 2018

adidas North America
+17%

Greater China
+27%

E-commerce
+26%

Currency-neutral.
FIFA WORLD CUP 2018
SHOWCASING THE POWER OF OUR BRAND

The most influential brand in social media
Content more visible and with greater impact than any other competitor

Stadium advertising drives download of adidas App
Up to five times higher than average download rates

‘Creativity is the Answer’ campaign permeates every aspect of sport culture
Athletes, musicians, artists, filmmakers form first-ever open-sourced campaign

Global jersey sales and onsite stadium sales exceeding 2014 levels
Commercial success despite unexpected development of tournament

Direct financial impact limited despite excellent growth in Football
Due to highly diversified category mix
Sport Performance grows 16%
Due to double-digit growth in Training, Running and Football

Sport Inspired grows 7%
Driven by significant growth in Footwear and Apparel

Footwear growth accelerates
Resulting in double-digit increase

Currency-neutral.
Reebok revenues decline 3%
Due to sales declines in Western Europe, Latin America and Emerging Markets

Sales in North America increase 6%
Despite significant number of store closures

Gross margin up 3.9pp to 44.9%
Driven by further execution of Muscle-Up

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

E-commerce revenues grow 26%
Driven by double-digit growth in all regions

adidas App now launched in 13 countries
More than 2.5 million App downloads by the end of Q2

App downloads accelerating
Supported by World Cup stadium advertising

Currency-neutral.
FINANCIAL HIGHLIGHTS
KEY REGIONS CONTINUE TO GROW AS EXPECTED
NORTH AMERICA, ASIA-PACIFIC, LATIN AMERICA AND RUSSIA/CIS WITH DOUBLE-DIGIT SALES INCREASES

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

Currency-neutral sales increase 16%

adidas brand revenues up 17%
Driven by double-digit growth in Training, Running and Football

Reebok brand revenues grow 6%
Despite significant number of store closures

Gross margin decreases 0.6pp to 40.8%
Better pricing mix offset by less favorable channel and category mix

Operating margin increases 3.8pp to 16.7%
Gross margin decline more than compensated by operating leverage
ASIA-PACIFIC
STRONG DOUBLE-DIGIT GROWTH DRIVEN BY GREATER CHINA

Currency-neutral sales increase 19%

**adidas brand sales increase 19%**
Double-digit growth in Training, Running, Football and Sport Inspired

**Reebok brand revenues up 7%**
Double-digit growth in Training

**Gross margin up 0.3pp to 57.5%**
Better pricing, channel and category mix compensates FX headwind

**Operating margin up 1.0pp to 34.2%**
Due to a higher gross margin and operating leverage
WESTERN EUROPE
TOP-LINE DEVELOPMENT IN LINE WITH EXPECTATIONS

Currency-neutral sales flat

adidas brand revenues up 1%
Driven by significant growth in Football on the back of World Cup activation

Reebok brand sales decrease 10%
Reflecting tough prior year comps and more selective distribution

Gross margin improves 3.3pp to 48.3%
Mainly due to a more favorable pricing mix

Operating margin is up 0.8pp to 20.9%
Gross margin improvement partly offset by brand investments
### FINANCIAL RESULTS OVERVIEW

**OPERATING MARGIN IMPROVEMENT DRIVEN BY GROSS MARGIN INCREASE**

<table>
<thead>
<tr>
<th></th>
<th>Q2 2018</th>
<th>Q2 2017</th>
<th>Y-O-Y change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET SALES (€ in millions)</strong></td>
<td>5,261</td>
<td>5,038</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>GROSS MARGIN</strong></td>
<td>52.3%</td>
<td>50.1%</td>
<td>+2.2pp</td>
</tr>
<tr>
<td><strong>OTHER OPERATING INCOME (€ in millions)</strong></td>
<td>70</td>
<td>24</td>
<td>+193%</td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES (€ in millions)</strong></td>
<td>2,261</td>
<td>2,072</td>
<td>+9%</td>
</tr>
<tr>
<td><strong>OTHER OPERATING EXPENSES (in % of sales)</strong></td>
<td>43.0%</td>
<td>41.1%</td>
<td>+1.8pp</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT (€ in millions)</strong></td>
<td>592</td>
<td>505</td>
<td>+17%</td>
</tr>
<tr>
<td><strong>OPERATING MARGIN</strong></td>
<td>11.3%</td>
<td>10.0%</td>
<td>+1.2pp</td>
</tr>
<tr>
<td><strong>NET INCOME FROM CONTINUING OPERATIONS (€ in millions)</strong></td>
<td>418</td>
<td>347</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>BASIC EPS FROM CONTINUING OPERATIONS (€)</strong></td>
<td>2.06</td>
<td>1.72</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.
**Other operating income**
Release of prior year operational provisions and litigation gains

**Operating overhead expenses**
Continued investments into further improving the scalability of our business

**Marketing working budget**
2018 FIFA World Cup and overproportionate investments into brands and products
## Average Operating Working Capital

### In % of Sales Down 0.3PP YOY to 20.1%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Average Operating Working Capital %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/17*</td>
<td>20.4%</td>
</tr>
<tr>
<td>Q3/17*</td>
<td>20.3%</td>
</tr>
<tr>
<td>Q4/17*</td>
<td>20.4%</td>
</tr>
<tr>
<td>Q1/18*</td>
<td>20.3%</td>
</tr>
<tr>
<td>Q2/18*</td>
<td>20.1%</td>
</tr>
</tbody>
</table>

*Figures reflect net sales and OWC from continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.*

### Inventories
- Down 2% currency-neutral

### Receivables
- Up 15% currency-neutral

### Payables
- Up 1% currency-neutral
**NET CASH POSITION OF € 89 MILLION**
**EQUITY RATIO INCREASES 2.0PP TO 42.2%**

Net cash/(net borrowings) at quarter-end, € in millions.
SHAREHOLDER RETURN
SHARE BUYBACK UPDATE

1. **TOTAL SIZE**
   Up to € 3 billion (up to € 1 billion in 2018)

2. **TIMEFRAME**
   Started March 22, 2018 and ending latest on May 11, 2021

3. **NUMBER OF SHARES PURCHASED***
   2.8 million adidas AG shares

4. **AMOUNT PURCHASED***
   € 544 million

*As at June 30, 2018.
FREP (FINANCIAL REPORTING ENFORCEMENT PANEL)
RETROSPECTIVE ACCOUNTING RESTATEMENT OF REEBOK TRADEMARK IN 2016

1. ACCOUNTING RESTATEMENT
   Retrospective impairment of value of Reebok trademark in 2016

2. NO IMPACT ON CASH OR P&L
   2018 income and cash flow statements as well as short- and long-term guidance not impacted

3. REEBOK’S STRATEGY AND PROSPECTS UNCHANGED
   Muscle-Up keeps delivering significant profitability improvements since 2017
OUTLOOK
2018
BALANCING MARKET SHARE GROWTH AND MARGIN IMPROVEMENT

1. High-quality revenue growth
2. Product pipeline to support planned top-line expansion
3. Overproportionate investments in brands and products
4. Continuing to implement scalable business model
5. Margin expansion and overproportionate net income growth
OUR POWERFUL ENGINE
DRIVING BRAND DESIRABILITY AS WELL AS TOP-LINE GROWTH

ITERATING EXISTING PRODUCT SUCCESSES
LAUNCHING NEW PRODUCTS AND FRANCHISES
SCALING INNOVATION AND NEW TECHNOLOGIES
LEVERAGING THE INDUSTRY’S DEEPEST ARCHIVE
CELEBRATING SPORTS ASSETS AND EVENTS
CALLING CREATORS AND COMMUNITIES

ULTRA BOOST
OUR POWERFUL ENGINE
DRIVING BRAND DESIRABILITY AS WELL AS TOP-LINE GROWTH

ITERATING EXISTING PRODUCT SUCCESSES

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4D

PARLEY
OUR POWERFUL ENGINE
DRIVING BRAND DESIRABILITY AS WELL AS TOP-LINE GROWTH

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LAUNCHING NEW PRODUCTS AND FRANCHISES
SCALING INNOVATION AND NEW TECHNOLOGIES
LEVERAGING THE INDUSTRY’S DEEPEST ARCHIVE
CELEBRATING SPORTS ASSETS AND EVENTS
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CONTINENTAL 80
FALCON
YUNG1
AZTREK
OUR POWERFUL ENGINE
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LAUNCHING NEW PRODUCTS AND FRANCHISES

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**OUTLOOK 2018 RECONFIRMED**
STRONG TOP- AND BOTTOM-LINE IMPROVEMENTS EXPECTED

<table>
<thead>
<tr>
<th>Metric</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales*</td>
<td>Increase by around 10%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>Increase up to 0.3pp to up to 50.7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>Increase between 9% and 13%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>Increase between 0.5pp and 0.7pp to between 10.3% and 10.5%</td>
</tr>
<tr>
<td>Net income from continuing operations**</td>
<td>Increase of 13% – 17% to € 1.615 – € 1.675 billion</td>
</tr>
<tr>
<td>Basic EPS from continuing operations**</td>
<td>Increase between 12% and 16%</td>
</tr>
</tbody>
</table>

* Currency-neutral.
** Excluding negative one-time tax impact of € 76 million in 2017.
SUMMARY

1. First half of 2018 according to plan

2. Progress across strategic growth areas, acting on Western Europe

3. Accelerated marketing investments to support brand and product

4. Strong profitability improvements despite investment into brand and business

5. Focus on executing the second half of ‘Creating the New’