



FINANCIAL SUPPLEMENT

JANUARY - JUNE

FINANCIAL SUPPLEMENT FOR THE FIRST HALF YEAR 2020

TABLE OF CONTENT

Consolidated Statement of Financial Position _____	03
Condensed Consolidated Income Statement _____	05
Consolidated Statement of Comprehensive Income _____	06
Consolidated Statement of Changes in Equity _____	07
Consolidated Statement of Cash Flows _____	08

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	June 30, 2020	June 30, 2019	Change in %	December 31, 2019
Assets				
Cash and cash equivalents	2,018	2,455	(17.8)	2,220
Short-term financial assets	6	6	3.6	292
Accounts receivable	1,869	2,780	(32.8)	2,625
Other current financial assets	653	548	19.3	544
Inventories	5,213	3,579	45.6	4,085
Income tax receivables	121	71	71.5	94
Other current assets	1,051	795	32.3	1,076
Total current assets	10,931	10,232	6.8	10,934
Property, plant and equipment	2,293	2,146	6.8	2,380
Right-of-use assets	2,733	3,004	(9.0)	2,931
Goodwill	1,258	1,249	0.7	1,257
Trademarks	820	849	(3.3)	859
Other intangible assets	284	209	35.7	305
Long-term financial assets	351	348	0.8	367
Other non-current financial assets	340	409	(16.7)	450
Deferred tax assets	1,166	713	63.6	1,093
Other non-current assets	124	114	8.7	103
Total non-current assets	9,369	9,041	3.6	9,746
Total assets	20,301	19,273	5.3	20,680

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

	June 30, 2020	June 30, 2019	Change in %	December 31, 2019
Liabilities and equity				
Short-term borrowings	1,217	496	145.6	43
Accounts payable	2,575	2,111	22.0	2,703
Current lease liabilities	639	625	2.2	733
Other current financial liabilities	265	215	22.8	235
Income taxes	588	384	53.0	618
Other current provisions	1,373	1,236	11.1	1,446
Current accrued liabilities	1,933	2,225	(13.1)	2,437
Other current liabilities	547	480	13.8	538
Total current liabilities	9,137	7,774	17.5	8,754
Long-term borrowings	1,599	1,602	[0.2]	1,595
Non-current lease liabilities	2,374	2,523	[5.9]	2,399
Other non-current financial liabilities	46	72	[35.5]	92
Pensions and similar obligations	245	259	[5.5]	229
Deferred tax liabilities	224	250	[10.3]	280
Other non-current provisions	179	164	9.1	257
Non-current accrued liabilities	9	13	[33.4]	9
Other non-current liabilities	16	8	109.7	7
Total non-current liabilities	4,693	4,892	[4.1]	4,868
Share capital	195	198	[1.4]	196
Reserves	[2]	174	n. a.	45
Retained earnings	6,037	6,248	[3.4]	6,555
Shareholders' equity	6,230	6,619	[5.9]	6,796
Non-controlling interests	240	[11]	n. a.	261
Total equity	6,471	6,608	[2.1]	7,058
Total liabilities and equity	20,301	19,273	5.3	20,680

CONDENSED CONSOLIDATED INCOME STATEMENT

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

	First half year 2020	First half year 2019	Change	Second quarter 2020	Second quarter 2019	Change
Net sales	8,332	11,392	(26.9%)	3,579	5,509	(35.0%)
Cost of sales	4,161	5,296	(21.4%)	1,753	2,564	(31.6%)
Gross profit	4,172	6,096	(31.6%)	1,826	2,945	(38.0%)
[% of net sales]	50.1%	53.5%	(3.4pp)	51.0%	53.5%	(2.4pp)
Royalty and commission income	34	74	(53.8%)	11	39	(71.2%)
Other operating income	20	11	78.5%	18	5	266.9%
Other operating expenses	4,494	4,663	(3.6%)	2,189	2,346	(6.7%)
[% of net sales]	53.9%	40.9%	13.0pp	61.1%	42.6%	18.6pp
Marketing and point-of-sale expenses	1,264	1,448	(12.7%)	560	744	(24.8%)
[% of net sales]	15.2%	12.7%	2.5pp	15.6%	13.5%	2.1pp
Operating overhead expenses ¹	3,230	3,215	0.4%	1,628	1,602	1.7%
[% of net sales]	38.8%	28.2%	10.5pp	45.5%	29.1%	16.4pp
Operating (loss) / profit	(268)	1,518	n.a.	(333)	643	n.a.
[% of net sales]	(3.2%)	13.3%	(16.5pp)	(9.3%)	11.7%	(21.0pp)
Financial income	17	27	(36.1%)	13	18	(31.2%)
Financial expenses	87	78	10.4%	44	43	1.9%
(Loss) / income before taxes	(337)	1,467	n.a.	(364)	618	n.a.
[% of net sales]	(4.0%)	12.9%	(16.9pp)	(10.2%)	11.2%	(21.4pp)
Income taxes	(51)	374	n.a.	(58)	157	n.a.
[% of (loss) / income before taxes]	15.1%	25.5%	(10.4pp)	16.0%	25.4%	(9.3pp)
Net (loss) / income from continuing operations	(286)	1,093	n.a.	(306)	462	n.a.
[% of net sales]	(3.4%)	9.6%	(13.0pp)	(8.5%)	8.4%	(16.9pp)
(Loss) / gain from discontinued operations, net of tax	(5)	72	n.a.	(11)	70	n.a.
Net (loss) / income	(291)	1,164	n.a.	(317)	532	n.a.
[% of net sales]	(3.5%)	10.2%	(13.7pp)	(8.8%)	9.7%	(18.5pp)
Net (loss) / income attributable to shareholders	(264)	1,163	n.a.	(295)	531	n.a.
[% of net sales]	(3.2%)	10.2%	(13.4pp)	(8.2%)	9.6%	(17.9pp)
Net (loss) / income attributable to non-controlling interests	(27)	1	n.a.	(22)	0	n.a.
Basic earnings per share from continuing operations (in €)	(1.33)	5.50	n.a.	(1.45)	2.33	n.a.
Diluted earnings per share from continuing operations (in €)	(1.33)	5.50	n.a.	(1.45)	2.33	n.a.
Basic earnings per share from continuing and discontinued operations (in €)	(1.35)	5.86	n.a.	(1.51)	2.68	n.a.
Diluted earnings per share from continuing and discontinued operations (in €)	(1.35)	5.86	n.a.	(1.51)	2.68	n.a.

¹ Aggregated distribution and selling expenses, general and administration expenses, sundry expenses and impairment losses (net) on accounts receivable and contract assets.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	First half year 2020	First half year 2019	Second quarter 2020	Second quarter 2019
Net (loss)/income after taxes	(291)	1,164	(317)	532
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	0	0	(19)	1
Net (loss)/gain on other equity investments (IFRS 9), net of tax	(2)	12	(2)	15
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	(1)	12	(21)	15
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met				
Net gain/(loss) on cash flow hedges and net foreign investment hedges, net of tax	142	(54)	(120)	16
Net gain/(loss) on cost of hedging reserve – options, net of tax	9	(2)	9	1
Net (loss)/gain on cost of hedging reserve – forward contracts, net of tax	(17)	17	23	(4)
Currency translation differences	(177)	79	(34)	(61)
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	(44)	39	(123)	(47)
Other comprehensive income	(45)	51	(143)	(32)
Total comprehensive income	(336)	1,215	(460)	500
Attributable to shareholders of adidas AG	(311)	1,214	(432)	499
Attributable to non-controlling interests	(24)	1	(28)	1

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

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, 2018	199	887	(574)	(3)	(3)	(5)	(180)	6,054	6,377	(13)	6,364
Other comprehensive income			79	(54)	(2)	16	12		51	(0)	51
Net income								1,163	1,163	1	1,164
Total comprehensive income			79	(54)	(2)	16	12	1,163	1,214	1	1,215
Repurchase of adidas AG shares	(1)							(299)	(301)		(301)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)							(13)	(13)		(13)
Reissuance of treasury shares due to equity-settled share-based payment	0							17	17		17
Dividend payment								(664)	(664)		(664)
Equity-settled share-based payment								(11)	(11)		(11)
Balance at June 30, 2019	198	887	(495)	(57)	(5)	12	(168)	6,248	6,619	(11)	6,608
Balance at December 31, 2019	196	887	(470)	(150)	(10)	6	(218)	6,555	6,796	261	7,058
Other comprehensive income			(180)	142	9	(17)	(1)		(48)	3	(45)
Net loss								(264)	(264)	(27)	(291)
Total comprehensive income			(180)	142	9	(17)	(1)	(264)	(311)	(24)	(336)
Repurchase of adidas AG shares	(1)							(256)	(257)		(257)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)							(14)	(14)		(14)
Reissuance of treasury shares due to equity-settled share-based payment	0							17	17		17
Equity-settled share-based payment								(1)	(1)		(1)
First-time consolidation due to obtaining control in accordance with IFRS 10									-	3	3
Balance at June 30, 2020	195	887	(650)	(9)	(1)	(11)	(220)	6,037	6,230	240	6,471

CONSOLIDATED STATEMENT OF CASH FLOWS

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

	First half year 2020	First half year 2019
Operating activities:		
(Loss)/income before taxes	(337)	1,467
Adjustments for:		
Depreciation, amortization and impairment losses	724	600
Reversals of impairment losses	(1)	(1)
Interest income	(16)	(14)
Interest expense	81	77
Unrealized foreign exchange losses, net	9	7
Losses on sale of property, plant and equipment and intangible assets, net	3	5
Other non-cash expense	0	8
Operating profit before working capital changes	463	2,148
Decrease/(increase) in receivables and other assets	703	(485)
Increase in inventories	(1,256)	(109)
Increase in accounts payable and other liabilities	(548)	(217)
Cash (used in)/generated from operations before taxes	(638)	1,338
Income taxes paid	(186)	(320)
Net cash (used in)/generated from operating activities – continuing operations	(824)	1,017
Net cash (used in) operating activities – discontinued operations	-	(6)
Net cash (used in)/generated from operating activities	(824)	1,011

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

	First half year 2020	First half year 2019
Investing activities:		
Purchase of trademarks and other intangible assets	(33)	(40)
Purchase of property, plant and equipment	(184)	(203)
Proceeds from sale of property, plant and equipment	2	9
Proceeds from sale of a disposal group	-	3
Proceeds from sale of short-term financial assets	288	0
Purchase of investments and other long-term assets	(37)	(70)
Interest received	16	14
Net cash generated from / (used in) investing activities – continuing operations	51	(287)
Net cash generated from investing activities – discontinued operations	-	0
Net cash generated from / (used in) investing activities	51	(287)
Financing activities:		
Reverse transaction of buyback of Eurobonds	11	-
Interest paid	(71)	(66)
Repayments of lease liabilities	(245)	(308)
Dividend paid to shareholders of adidas AG	-	(664)
Repurchase of treasury shares	(257)	(237)
Repurchase of treasury shares due to share-based payments	(14)	(13)
Proceeds from reissuance of treasury shares due to share-based payments	12	11
Proceeds from short-term borrowings	1,174	420
Repayments of short-term borrowings	(9)	-
Net cash generated from / (used in) financing activities – continuing operations	601	(857)
Net cash generated from financing activities – discontinued operations	-	-
Net cash generated from / (used in) financing activities	601	(857)
Effect of exchange rates on cash	(29)	(42)
Decrease of cash and cash equivalents	(201)	(174)
Cash and cash equivalents at beginning of year	2,220	2,629
Cash and cash equivalents at end of period	2,018	2,455