

adidas

FINANCIAL SUPPLEMENT

JANUARY – JUNE



FINANCIAL SUPPLEMENT

TABLE OF CONTENT

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	2
CONDENSED CONSOLIDATED INCOME STATEMENT.....	4
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
CONSOLIDATED STATEMENT OF CASH FLOWS.....	7

To enhance readability, registered trademarks as well as references to rounding differences are omitted in this publication.

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 FINANCIAL POSITION

ADIDAS AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) € IN MILLIONS

	June 30, 2021	June 30, 2020	Change in %	Dec. 31, 2020
Assets				
Cash and cash equivalents	4,151	2,018	105.7	3,994
Short-term financial assets	-	6	n.a.	0
Accounts receivable	2,324	1,869	24.4	1,952
Other current financial assets	810	653	24.0	702
Inventories	4,054	5,213	(22.2)	4,397
Income tax receivables	66	121	(45.5)	109
Other current assets	1,057	1,051	0.6	999
Assets classified as held for sale	1,674	-	n.a.	0
Total current assets	14,136	10,931	29.3	12,154
Property, plant and equipment	2,065	2,293	(9.9)	2,157
Right-of-use assets	2,430	2,733	(11.1)	2,430
Goodwill	1,199	1,258	(4.7)	1,208
Trademarks	16	820	(98.0)	750
Other intangible assets	261	284	(7.9)	252
Long-term financial assets	276	351	(21.4)	353
Other non-current financial assets	243	340	(28.7)	414
Deferred tax assets	1,154	1,166	(1.0)	1,233
Other non-current assets	96	124	(22.5)	103
Total non-current assets	7,741	9,369	(17.4)	8,899
Total assets	21,877	20,301	7.8	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

	June 30, 2021	June 30, 2020	Change in %	Dec. 31, 2020
Liabilities and equity				
Short-term borrowings	682	1,217	(44.0)	686
Accounts payable	2,165	2,575	(15.9)	2,390
Current lease liabilities	480	639	(24.9)	563
Other current financial liabilities	340	265	28.5	446
Income taxes	686	588	16.5	562
Other current provisions	1,433	1,373	4.3	1,609
Current accrued liabilities	2,260	1,933	16.9	2,172
Other current liabilities	450	547	(17.6)	398
Liabilities classified as held for sale	667	-	n.a.	-
Total current liabilities	9,161	9,137	0.3	8,827
Long-term borrowings	2,473	1,599	54.7	2,482
Non-current lease liabilities	2,206	2,374	(7.1)	2,159
Other non-current financial liabilities	98	46	113.0	115
Pensions and similar obligations	234	245	(4.5)	284
Deferred tax liabilities	189	224	(15.7)	241
Other non-current provisions	134	179	(25.4)	229
Non-current accrued liabilities	6	9	(35.4)	8
Other non-current liabilities	18	16	11.9	17
Total non-current liabilities	5,357	4,693	14.2	5,535
Share capital	195	195	0.0	195
Reserves	(190)	(2)	8,799.1	(474)
Retained earnings	7,101	6,037	17.6	6,733
Shareholders' equity	7,106	6,230	14.0	6,454
Non-controlling interests	253	240	5.2	237
Total equity	7,358	6,471	13.7	6,691
Total liabilities and equity	21,877	20,301	7.8	21,053

CONDENSED CONSOLIDATED INCOME STATEMENT

ADIDAS AG CONDENSED CONSOLIDATED INCOME STATEMENT (IFRS) € IN MILLIONS¹

	First half year 2021	First half year 2020	Change	Second quarter 2021	Second quarter 2020	Change
Net sales	10,345	7,733	33.8%	5,077	3,352	51.5%
Cost of sales	4,983	3,835	30.0%	2,446	1,631	49.9%
Gross profit	5,362	3,898	37.5%	2,632	1,720	53.0%
(% of net sales)	51.8%	50.4%	1.4pp	51.8%	51.3%	0.5pp
Royalty and commission income	31	24	29.5%	17	9	95.7%
Other operating income	10	20	(50.2%)	2	18	(86.1%)
Other operating expenses	4,154	4,156	(0.0%)	2,107	2,010	4.9%
(% of net sales)	40.2%	53.8%	(13.6pp)	41.5%	60.0%	(18.5pp)
Marketing and point-of-sale expenses	1,157	1,174	(1.4%)	616	525	17.2%
(% of net sales)	11.2%	15.2%	(4.0pp)	12.1%	15.7%	(3.5pp)
Operating overhead expenses ²	2,997	2,983	0.5%	1,492	1,484	0.5%
(% of net sales)	29.0%	38.6%	(9.6pp)	29.4%	44.3%	(14.9pp)
Operating profit / (loss)	1,248	(215)	n.a.	543	(263)	n.a.
(% of net sales)	12.1%	(2.8%)	14.8pp	10.7%	(7.8%)	18.5pp
Financial income	6	17	(67.2%)	4	13	(70.0%)
Financial expenses	75	82	(8.7%)	37	42	(11.0%)
Income / (loss) before taxes	1,179	(279)	n.a.	510	(292)	n.a.
(% of net sales)	11.4%	(3.6%)	15.0pp	10.0%	(8.7%)	18.8pp
Income taxes	289	(63)	n.a.	123	(49)	n.a.
(% of income / loss before taxes)	24.5%	22.4%	2.1pp	24.0%	16.9%	7.1pp
Net income / (loss) from continuing operations	890	(217)	n.a.	387	(243)	n.a.
(% of net sales)	8.6%	(2.8%)	11.4pp	7.6%	(7.2%)	14.9pp
Gain / (loss) from discontinued operations, net of tax	72	(74)	n.a.	20	(74)	n.a.
Net income / (loss)	962	(291)	n.a.	407	(317)	n.a.
(% of net sales)	9.3%	(3.8%)	13.1pp	8.0%	(9.4%)	17.5pp
Net income / (loss) attributable to shareholders	955	(264)	n.a.	397	(295)	n.a.
(% of net sales)	9.2%	(3.4%)	12.6pp	7.8%	(8.8%)	16.6pp
Net income / (loss) attributable to non-controlling interests	7	(27)	n.a.	11	(22)	n.a.
Basic earnings per share from continuing operations (in €)	4.52	(0.97)	n.a.	1.93	(1.13)	n.a.
Diluted earnings per share from continuing operations (in €)	4.52	(0.97)	n.a.	1.93	(1.13)	n.a.
Basic earnings per share from continuing and discontinued operations (in €)	4.89	(1.35)	n.a.	2.03	(1.51)	n.a.
Diluted earnings per share from continuing and discontinued operations (in €)	4.89	(1.35)	n.a.	2.03	(1.51)	n.a.

¹ Comparative information for 2020 has been adjusted due to the classification of the Reebok business as discontinued operations.

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 half year 2021	First half year 2020	Second quarter 2021	Second quarter 2020
Net income / (loss) after taxes	962	(291)	407	(317)
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	43	0	6	(19)
Net (loss) / gain on other equity investments (IFRS 9), net of tax	(1)	(2)	3	(2)
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	41	(1)	10	(21)
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	100	142	(6)	(120)
Net (loss) / gain on cost of hedging reserve – options, net of tax	(5)	9	(2)	9
Net gain / (loss) on cost of hedging reserve – forward contracts, net of tax	10	(17)	5	23
Currency translation differences	145	(177)	8	(34)
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	251	(44)	5	(123)
Other comprehensive income	292	(45)	14	(143)
Total comprehensive income	1,254	(336)	422	(460)
Attributable to shareholders of adidas AG	1,239	(311)	413	(432)
Attributable to non-controlling interests	15	(24)	8	(28)

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, 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 income								(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
Balance at December 31, 2020	195	887	(850)	(250)	(3)	(23)	(235)	6,733	6,454	237	6,691
Other comprehensive income			137	100	(5)	10	41		284	9	292
Net income								955	955	7	962
Total comprehensive income			137	100	(5)	10	41	955	1,239	15	1,254
Repurchase of adidas AG shares due to equity-settled share-based payment	(1)							(15)	(15)		(15)
Reissuance of treasury shares due to equity-settled share-based payment	1							14	15		15
Dividend payment								(585)	(585)		(585)
Equity-settled share-based payment								(1)	(1)		(1)
Balance at June 30, 2021	195	887	(712)	(150)	(7)	(14)	(194)	7,101	7,106	253	7,358

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 half year 2021	First half year 2020
Operating activities:		
Income / (Loss) before taxes	1,179	(279)
Adjustments for:		
Depreciation, amortization and impairment losses	568	645
Reversals of impairment losses	(7)	(1)
Interest income	(5)	(16)
Interest expense	69	77
Unrealized foreign exchange losses, net	9	9
Losses on sale of property, plant and equipment and intangible assets, net	4	3
Other non-cash (income) /expense	(6)	0
Operating profit before working capital changes	1,810	438
(Increase) / Decrease in receivables and other assets	(553)	610
Decrease / (Increase) in inventories	13	(1,142)
Decrease in accounts payable and other liabilities	(82)	(539)
Cash generated from / (used in) operations before taxes	1,189	(632)
Income taxes paid	(112)	(186)
Net cash generated from / (used in) operating activities – continuing operations	1,077	(819)
Net cash generated from / (used in) operating activities – discontinued operations	95	(6)
Net cash generated from / (used in) operating activities	1,172	(824)
Investing activities:		
Purchase of trademarks and other intangible assets	(53)	(33)
Purchase of property, plant and equipment	(130)	(176)
Proceeds from sale of property, plant and equipment	–	2
Proceeds from sale of a disposal group	12	–
Proceeds from disposal of discontinued operations	29	–
(Purchase of)/Proceeds from sale of short-term financial assets	0	288
Purchase of investments and other long-term assets	55	(37)
Interest received	5	16
Net cash (used in) / generated from investing activities – continuing operations	(81)	59
Net cash used in investing activities – discontinued operations	(5)	(8)
Net cash (used in) / generated from investing activities	(86)	51
Financing activities:		
Reverse transaction of buyback of Eurobonds	–	11
Interest paid	(54)	(66)
Repayments of lease liabilities	(267)	(226)
Dividend paid to shareholders of adidas AG	(585)	–
Repurchase of adidas AG shares	–	(257)
Repurchase of adidas AG shares due to share-based payments	(15)	(14)
Proceeds from reissuance of treasury shares due to share-based payments	12	12

1	2	3	4	5
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ADIDAS AG CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) € IN MILLIONS¹

	First half year 2021	First half year 2020
(Repayments of) / Proceeds from short-term borrowings	(17)	1,165
Net cash (used in) / generated from financing activities – continuing operations	(926)	624
Net cash used in financing activities – discontinued operations	(19)	(23)
Net cash (used in) / generated from financing activities	(945)	601
Effect of exchange rates on cash	15	(29)
Increase / (Decrease) of cash and cash equivalents	157	(201)
Cash and cash equivalents at beginning of year	3,994	2,220
Cash and cash equivalents at end of period	4,151	2,018

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