FY 2019 RESULTS

Herzogenaurach, March 11, 2020
This presentation and other statements made in connection herewith may contain forward-looking statements with respect to Management’s plans and expectations for the future development of adidas. Such forward-looking statements are subject to risks and uncertainties, which are beyond the control of the company, including, but not limited to the risks described in the Risk and Opportunity Report of the adidas Annual Report. In case the underlying assumptions turn out to be incorrect or (described or other) risks or opportunities materialize, actual results and developments may materially deviate (negatively or positively) from those expressed by such statements and Management’s plans may change. adidas does not assume any obligation to update any forward-looking statements made in this presentation or in connection herewith beyond statutory disclosure obligations.

In light of the current very dynamic developments, adidas points out that the factual basis for any conversation is limited to the information publicly disclosed at the occasion of its full-year 2019 results release and earnings call on March 11, 2020. The company will not provide any information with regard to decisions of adidas or its current trading that has not been published through an official release or made otherwise publicly available by adidas.
AGENDA

01 STRATEGIC UPDATE
02 BUSINESS UPDATE
03 FINANCIAL UPDATE
04 OUTLOOK
01
STRATEGIC UPDATE
KASPER RORSTED
CEO
‘CREATING THE NEW’
WE ARE IN THE LAST YEAR OF OUR CURRENT STRATEGIC CYCLE

[Diagram with categories: CULTURE, OPEN SOURCE, CITIES, SPEED, FOCUS, BRAND DESIRE, TOP LINE & MARKET SHARE GROWTH, GROSS MARGIN EXPANSION, OPERATING LEVERAGE]
CULTURE
OUR FOUNDATION TO DRIVE VALUE CREATION

LIVING A PERFORMANCE CULTURE
New company-wide performance management system well established

ACTIVATING LEADERSHIP GROUPS
Further improved cross-functional collaboration, decision making and succession planning

ALIGNING WITH SHAREHOLDER INTERESTS
Through transparent, equity-based compensation for Executive Board and >3,000 leaders

VALUING AND PROMOTING DIVERSITY
Continuously increased the share of females in leadership positions to 34% in 2019
STRATEGIC CHOICES
EXECUTION DRIVES FURTHER PROGRESS IN 2019

Net sales share of speed-enabled products at 47% across all categories and markets

Revenues across the six global key cities reached a level of € 1.7 billion

Made more than eleven million pairs of shoes containing Parley Ocean Plastic
Reebok with 12% revenue growth in its home market North America

adidas North America revenues reached a level of €4.8 billion

Global business services organization grew to almost 1,000 employees

adidas app live in more than 30 countries
BUSINESS UPDATE

KASPER RORSTED
CEO
CONTINUED PROGRESS IN STRATEGIC GROWTH AREAS
Greater China and e-com up double-digits

TOP LINE DRIVEN BY ALL MARKET SEGMENTS
Revenue increases in all regions with Europe returning to growth

FURTHER STRONG PROFITABILITY IMPROVEMENT
Continuation of double-digit bottom-line growth

ATTRACTIVE CASH RETURNS TO SHAREHOLDERS
Again €1.5 billion returned through dividend and share buyback

SUPPLY CHAIN SHORTAGES WITH EXPECTED IMPACT
Weighing on both growth and profitability

MUTED GROWTH IN WHOLESALE
Less commercial traction than in DTC channels

GROSS MARGIN TURNING NEGATIVE IN H2
As fading FX tailwind no longer compensates underlying decline

LIMITED OPERATING LEVERAGE
Due to strong DTC growth and investments into the business model

STRENGTHS & WEAKNESSES
2019 ANOTHER RECORD YEAR DESPITE SOME CHALLENGES
### P&L Highlights

**Delivered on 2019 Guidance**

<table>
<thead>
<tr>
<th><strong>Outlook 2019</strong></th>
<th><strong>Results 2019</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong>*</td>
<td>Increase of 5% – 8%</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>Increase to around 52.0%</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>Increase of 0.5pp – 0.7pp to 11.3% – 11.5%</td>
</tr>
<tr>
<td><strong>Net income from continuing operations</strong></td>
<td>Increase of 8% – 12% to € 1.845 – € 1.915 billion</td>
</tr>
<tr>
<td><strong>Basic EPS from continuing operations</strong></td>
<td>-</td>
</tr>
</tbody>
</table>

* Currency-neutral.

Guidance as published on March 13, 2019; both outlook and result for net income as well as basic EPS from continuing operations including negative impact from first-time application of IFRS 16.
CONTINUED PROGRESS IN STRATEGIC GROWTH AREAS
GREATER CHINA AND E-COM UP DOUBLE-DIGITS IN 2019

ADIDAS NORTH AMERICA
Added more than € 2.5 billion since 2015

GREATER CHINA
Added more than € 2.7 billion since 2015

E-COMMERCE
Added more than € 2.1 billion since 2015

Currency-neutral.
SPORT PERFORMANCE INCREASES 5%
Training, outdoor and basketball grow at double-digit rates

SPORT INSPIRED GROWS 8%
Originals the biggest growth contributor

BALANCED GROWTH
Footwear growing mid-single-digits and apparel growing high-single-digits

Currency-neutral.
REEBOK REVENUES INCREASE 2%
Double-digit growth in North America, Emerging Markets and Russia/CIS

CLASSICS GROWS LOW-SINGLE-DIGITS
Driven by increases in both footwear and apparel

SPORT RECORDS MODERATE DECLINE
Strong growth in apparel offset by footwear

Currency-neutral.
E-COMMERCE REVENUES GROW 34%
Greater China the biggest growth contributor

CREATORS CLUB GAINING TRACTION WITH CONSUMERS
Member sales account for more than half of e-com revenues across US and Europe

INTEGRATION OF RUNTASTIC INTO DIGITAL ECOSYSTEM COMPLETED
Running and Training apps successfully rebranded to adidas by Runtastic
2019 IN REVIEW
SUCCESSFULLY TACKLED OUR 2019 FOCUS AREAS

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

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

Delivering overproportionate net income growth
On the back of sustainable operating margin expansion

Addressing challenges decisively
Return Europe to growth and mitigate supply shortages
Revenue growth by market segment

All regions recording sales increases in 2019

- **Latin America**: +7%
  Operating margin: 17.8% (+0.7pp)

- **Europe**: +3%
  Operating margin: 23.2% (+3.2pp)

- **Emerging Markets**: +13%
  Operating margin: 28.2% (+0.4pp)

- **Russia/CIS**: +8%
  Operating margin: 25.4% (+0.8pp)

- **Asia-Pacific**: +10%
  Operating margin: 33.7% (+0.9pp)

Currency-neutral.
Supply chain shortages weighing on growth and profitability in North America

- adidas brand revenues +7%
- Reebok brand revenues +12%
- Gross margin at 40.0% (-1.2pp)

Asia-Pacific up double-digits driven by 15% growth in Greater China

- adidas brand revenues +11%
- Reebok brand revenues -15%
- Gross margin at 57.0% (+0.8pp)

Europe returns to growth as initiatives and reinvestments show planned effects

- adidas brand revenues +4%
- Reebok brand revenues -2%
- Gross margin at 51.5% (+3.9pp)

Currency-neutral.
GROWTH BY MARKET SEGMENT
EMERGING MARKETS, LATIN AMERICA AND RUSSIA/CIS

Double-digit sales growth despite geopolitical tensions in several countries
- adidas brand revenues +12%
- Reebok brand revenues +14%
- Gross margin at 52.3% (−0.5pp)

Profitable growth despite challenging macroeconomic environment
- adidas brand revenues +8%
- Reebok brand revenues +3%
- Gross margin at 44.5% (−0.4pp)

Significant sales growth despite tough prior year World Cup comparison base
- adidas brand revenues +7%
- Reebok brand revenues +11%
- Gross margin at 61.7% (−4.2pp)

Currency-neutral.
# P&L Overview
## 2019 Results

<table>
<thead>
<tr>
<th>(€ in millions)</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Y-O-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>23,640</td>
<td>21,915</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Gross Margin</strong></td>
<td>52.0%</td>
<td>51.8%</td>
<td>+0.2pp</td>
</tr>
<tr>
<td><strong>Other Operating Expenses</strong></td>
<td>9,843</td>
<td>9,172</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Other Operating Expenses in % of Sales</strong></td>
<td>41.6%</td>
<td>41.9%</td>
<td>-0.2pp</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>2,660</td>
<td>2,368</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>11.3%</td>
<td>10.8%</td>
<td>+0.4pp</td>
</tr>
<tr>
<td><strong>Net Income from continuing operations</strong></td>
<td>1,918</td>
<td>1,709</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>Basic EPS from continuing operations (€)</strong></td>
<td>9.70</td>
<td>8.46</td>
<td>+15%</td>
</tr>
</tbody>
</table>

*First-time application of IFRS 16 as of January 1, 2019. Prior year figures are not restated.*
GROSS MARGIN DEVELOPMENT SINCE 2015
ACHIEVED INDUSTRY-LEADING GROSS MARGIN LEVEL

Gross margin up 0.2pp to 52.0% in 2019
Supported by favorable FX development

Increase of 3.7pp compared to 2015 level
Due to execution of ‘Creating the New’

Only slight decrease expected in 2020
Despite significant adverse FX impact

2015 figure still includes the TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses, which have been reported as discontinued operations since 2016.
Outlook 2020 without impact from coronavirus outbreak.
## OTHER OPERATING EXPENSES
### DTC-DRIVEN OPERATING OVERHEAD GROWTH IN 2019

<table>
<thead>
<tr>
<th>$ (€ in millions)</th>
<th>FY 2019</th>
<th>FY 2018</th>
<th>Y-O-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER OPERATING EXPENSES</td>
<td>9,843</td>
<td>9,172</td>
<td>+7%</td>
</tr>
<tr>
<td>(in % of sales)</td>
<td>41.6%</td>
<td>41.9%</td>
<td>-0.2pp</td>
</tr>
<tr>
<td>MARKETING AND POINT-OF-SALE EXPENSES</td>
<td>3,042</td>
<td>3,001</td>
<td>+1%</td>
</tr>
<tr>
<td>(in % of sales)</td>
<td>12.9%</td>
<td>13.7%</td>
<td>-0.8pp</td>
</tr>
<tr>
<td>OPERATING OVERHEAD EXPENSES</td>
<td>6,801</td>
<td>6,171</td>
<td>+10%</td>
</tr>
<tr>
<td>(in % of sales)</td>
<td>28.8%</td>
<td>28.2%</td>
<td>+0.6pp</td>
</tr>
</tbody>
</table>

**DISTRIBUTION AND SELLING EXPENSES: +12% (+0.8pp)**

Driven by 18% currency-neutral sales growth in DTC channel

**GENERAL AND ADMINISTRATION EXPENSES: +5% (-0.2pp)**

Leverage despite continued investments into scalability

*First-time application of IFRS 16 as of January 1, 2019. Prior year figures are not restated.*
**AVERAGE OPERATING WORKING CAPITAL**

*FURTHER DECLINE TO 18.1%*

Inventory up 18% c.n.
Due to low comparison base and Chinese New Year

**Receivables up 8% c.n.**
Representing healthy development

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

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

2015 figure still includes the TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses, which have been reported as discontinued operations since 2016.
**NET CASH AND EQUITY POSITION**

**EQUITY RATIO DECREASES DUE TO IFRS 16**

**Net cash position**
At € 873 million

**Equity position**
Increases € 420 million year-on-year

**Equity ratio**
Down 8.0pp year-on-year due to IFRS 16

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*Net cash/(net borrowings)* at year-end, € in millions.

2015 figure still includes the TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses, which have been reported as discontinued operations since 2016.
**ATTRACTIVE CASH RETURNS TO SHAREHOLDERS**

**DIVIDEND INCREASE OF 15% TO € 3.85 PROPOSED FOR 2019**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dividend paid</strong></td>
<td>€ 0.5 billion</td>
<td>€ 0.7 billion</td>
<td>€ 0.8 billion*</td>
<td>€ 2.0 billion</td>
</tr>
<tr>
<td><strong>Share buyback</strong></td>
<td>€ 1.0 billion</td>
<td>€ 0.8 billion</td>
<td>up to € 1.0 billion</td>
<td>up to € 2.8 billion</td>
</tr>
<tr>
<td><strong>Total cash</strong></td>
<td>€ 1.5 billion</td>
<td>€ 1.5 billion</td>
<td>up to € 1.8 billion</td>
<td>up to € 4.8 billion</td>
</tr>
<tr>
<td><strong>return to</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>shareholders</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Buyback started on March 22, 2018 and ends latest on May 11, 2021.

*Dividend for 2019 subject to Annual General Meeting approval; payout based on number of shares outstanding as at February 25, 2020.*
2020 FOCUS AREAS
COMMITTED TO BRINGING ‘CREATING THE NEW’ HOME

- Leverage major launches and sports events in 2020
  Driving product activation and consumer engagement

- Deliver double-digit bottom-line growth
  Continuing to sustainably balance sales growth and margins

- Bring ‘Creating the New’ home
  Remaining focused on execution all the way to the finish line

- Manage impact from coronavirus outbreak
  Protecting our people and the business
Products created using recycled materials

Products designed to have multiple lifecycles

Products created using natural materials

THREE LOOP STRATEGY
BIOFABRIC

TENNIS DRESS
OUTLOOK 2020
WITHOUT IMPACT OF CORONAVIRUS OUTBREAK

<table>
<thead>
<tr>
<th></th>
<th>Outlook 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales*</td>
<td>Increase of 6% – 8%</td>
</tr>
<tr>
<td>Gross margin</td>
<td>Slight decrease compared to prior year level of 52.0%</td>
</tr>
<tr>
<td>Operating margin</td>
<td>Increase of 0.2pp – 0.5pp to 11.5% – 11.8%</td>
</tr>
<tr>
<td>Net income from</td>
<td>Increase of 10% – 13% to € 2.100 – € 2.160 billion</td>
</tr>
<tr>
<td>continuing operations</td>
<td></td>
</tr>
</tbody>
</table>

* Currency-neutral.
Outlook 2020 without impact from coronavirus outbreak.
### ON TRACK TO ACHIEVE ‘CREATING THE NEW’ TARGETS

**AS IMPLIED BY OUTLOOK 2020**

<table>
<thead>
<tr>
<th></th>
<th>‘CTN’ Targets 2020</th>
<th>Implied by Outlook 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 2015</td>
<td>March 2017</td>
</tr>
<tr>
<td><strong>Net sales growth</strong></td>
<td>high-single-digit</td>
<td>10% – 12%</td>
</tr>
<tr>
<td>CAGR 2015-2020 c.n.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>~15%</td>
<td>20% – 22%</td>
</tr>
<tr>
<td>CAGR 2015-2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net sales</strong></td>
<td>~22</td>
<td>25 - 27</td>
</tr>
<tr>
<td>(€ in billions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>E-commerce</strong></td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>(€ in billions)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>~9.9%</td>
<td>11%</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.

Outlook 2020 without impact of coronavirus outbreak.
MEASURES IMPLEMENTED IN RESPONSE TO CORONAVIRUS
HEALTH AND SAFETY OF OUR PEOPLE REMAINS TOP PRIORITY

- Dedicated task force team in place
- Temporary closure of office locations and stores
- Restricting international business travel
- Ongoing guidance and support for employees
CONTINUING TO EXECUTE IN THE REST OF THE WORLD DESPITE CORONAVIRUS
WHILE MANAGING THE IMPACT IN GREATER CHINA

Outlook 2020 without impact of coronavirus outbreak; 6%-8% referring to currency-neutral net sales increase.
ASSESSMENT OF CORONAVIRUS DEVELOPMENTS
AND THE IMPACT ON OUR BUSINESS

WHAT WE KNOW

Jan 1

Strong development in Greater China

Jan 25
Chinese New Year

Greater China revenues down around 80%

Feb 29

Slight improvement in Greater China but potential significant takebacks

End of Q1

No major impact on global supply as factories largely operational again

Remainder of 2020

Recovery in Greater China and extent of spillover into other countries

Availability of raw materials

WHAT WE DON’T KNOW

Q1 2020 expected impact:
Net sales in Greater China € 0.8 - 1.0 billion below prior year level
Operating profit in Greater China € 0.4 - 0.5 billion below prior level

FY 2020 expected impact:
Not quantifiable
ASSESSMENT OF CORONAVIRUS IMPACT IN THE FIRST QUARTER
COMPANY’S NET SALES EXPECTED TO BE MORE THAN 10% BELOW PRIOR YEAR LEVEL IN Q1

Q1 company net sales
>10% below prior year

€ 5.9 billion
Net sales

Q1 2019

Asia-Pacific

Greater China
€ 0.8 - 1.0 billion
below prior year

Japan & South Korea
~€ 0.1 billion
below prior year

Rest of World

Rest of World
to grow 6% - 8%
currency-neutral

Q1 2020E
GREATER CHINA GROWTH TRAJECTORY
CORONAVIRUS EXPECTED TO ONLY CAUSE A TEMPORARY DIP IN 2020

2015-2019

Double-digit top-line growth

2020

Dip due to coronavirus

2021+

Return to growth path
‘CREATING THE NEW’ HAS MADE US STRONGER
HEALTHY FUNDAMENTALS ENSURE THAT FUTURE PROSPECTS REMAIN INTACT

Record profit and cash generation

Stronger-than-ever balance sheet

Resilient business model

Proven ability to take the right decisions for long-term success

A leading player in an attractive industry
‘CREATING THE NEW’ HAS MADE US STRONGER
HEALTHY FUNDAMENTALS ENSURE THAT FUTURE PROSPECTS REMAIN INTACT

A leading player in an attractive industry

Record profit and cash generation

Stronger-than-ever balance sheet

Resilient business model

Proven ability to take the right decisions for

ATHLEISURE IS HERE TO STAY
Sportswear a permanent component of fashion landscape

STRUCTURAL SHIFT IN CONSUMER MINDSET
Rising sports participation rates as well as awareness for health and sustainability

DIRECT-TO-CONSUMER RELATIONSHIP
Targeted storytelling and leveraging first-hand consumer insights

SPORTING EVENTS AS GLOBAL STAGES
Frequent opportunities to make our athletes, brands and products shine

SUPPLY CHAIN UPSIDE
Scope to increase industry’s speed-to-market
SUMMARY

1. Proved resilience in 2019 and again delivered double-digit earnings growth

2. Shareholders participating in the company’s ongoing success

3. Investing back into brands and business for future profitable growth

4. Leverage company’s strength to manage impact from coronavirus outbreak

5. Focused on bringing ‘Creating the New’ home
## Annual Outlook

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>SINCE START OF ‘CTN’</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>€ 6.7 BN</td>
</tr>
<tr>
<td>Operating margin</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>+ 4.8 PP</td>
</tr>
<tr>
<td>Net income</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>€ 1.2 BN</td>
</tr>
</tbody>
</table>

2019 compared to 2015; figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.