



# Q1 RESULTS

April 30, 2024

adidas



**STRONGER THAN EXPECTED  
START TO 2024**

# STRONGER THAN EXPECTED START TO 2024

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## Q1 2024 CURRENCY-NEUTRAL NET SALES UP 8% Y-O-Y

Underlying business (excl. Yeezy) up 5% Y-O-Y  
currency-neutral

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## GROSS MARGIN UP 6.4PP TO 51.2%

Driven by lower sales discounts, reduced landed costs, favorable category/channel mix and less inventory provisions; partly offset by unfavorable currency effects

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## OPERATING PROFIT OF € 336 MILLION

Q1 2023: € 60 million

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## INVENTORY SIGNIFICANTLY BELOW PRIOR YEAR

At € 4.4 billion, reduction of € 1.2 billion Y-O-Y

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## FULL YEAR 2024 GUIDANCE INCREASED

Net Sales c.n. guidance increased to 'mid-to-high-single-digit growth' (initial guidance: 'mid-single-digit growth')  
Operating Profit guidance increased to ~€ 700m (initial guidance: ~€ 500m)

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GAZELLE



SAMBA



CAMPUS



HANDBALL  
SPEZIAL



SL 72



**VERY STRONG PERFORMANCE IN FOOTWEAR LIFESTYLE FRANCHISES**

PREDATOR 24



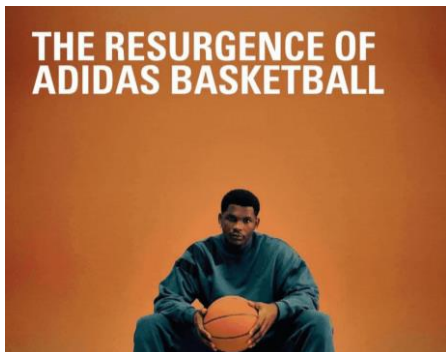
EURO 2024 JERSEYS



COPA 2024 JERSEYS



SUPERNOVA RISE



AGRAVIC SPEED ULTRA

AE 1

HARDEN VOL. 8

CLOT SUPERSTAR

**STRONGER UNDERLYING BUSINESS DRIVEN BY  
STRONG PRODUCT LAUNCHES IN Q1 2024**

# Q1 2024 REVENUE GROWTH BY MARKET



**TOTAL COMPANY GROWTH Q1 AT +8%**



**CONTINUE INVESTING IN MARKETING GLOBALLY**  
 BRAND CAMPAIGN ROLLED OUT ACROSS MARKETS

# CONTINUE INVESTING IN BEING LOCALLY RELEVANT

## LOCALIZING PRODUCTS AND COLLABORATING WITH LOCAL BRANDS



COLLABORATING WITH LOCAL BRANDS



LOCALIZATION OF GLOBAL BEST-SELLERS FOR KOREA



ADICOLOR ACTIVATION IN CHINA



# CONTINUE INVESTING IN BEING LOCALLY RELEVANT

## COLLABORATING WITH LOCAL PARTNERS



STAN SMITH AND TRAE  
YOUNG IN MEXICO



PHARRELL AND EDISON  
CELEBRATING CLOT

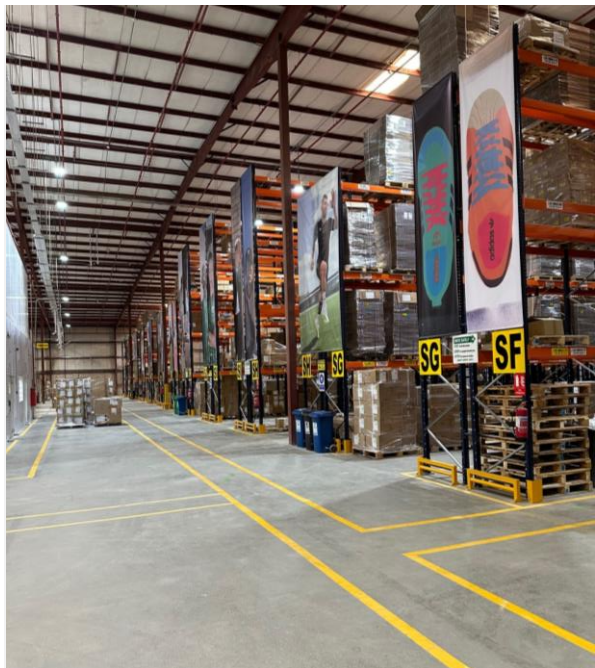


BIZARRAP AT  
LATIN GRAMMYS



XOCHITL GOMEZ  
AT COACHELLA

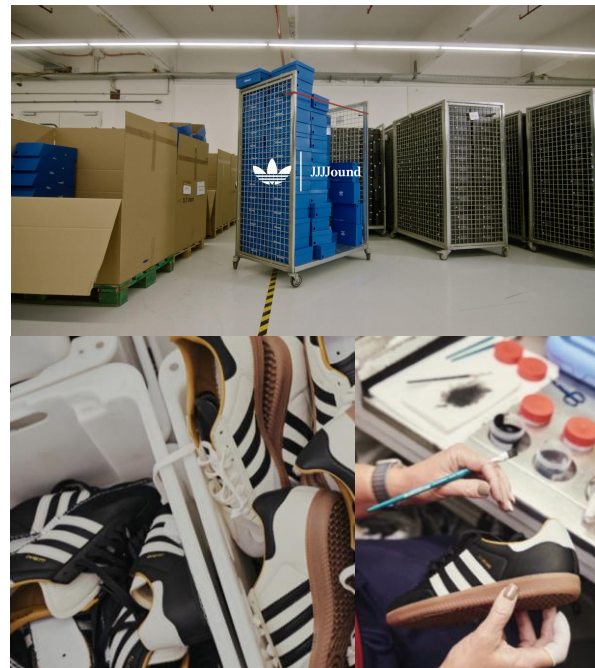
# CONTINUE INVESTING IN STRONG INFRASTRUCTURE GLOBALLY



NEW DISTRIBUTION CENTER  
IN SAUDI ARABIA



NEW DISTRIBUTION NETWORK IN  
EUROPE: CAMPUS SOUTH

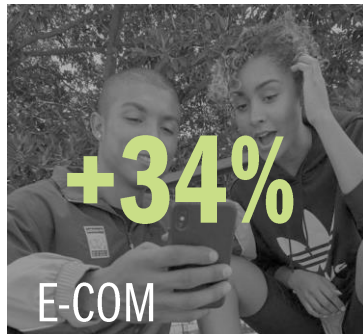


UTILIZING OUR FACTORY IN  
SCHEINFELD, GERMANY

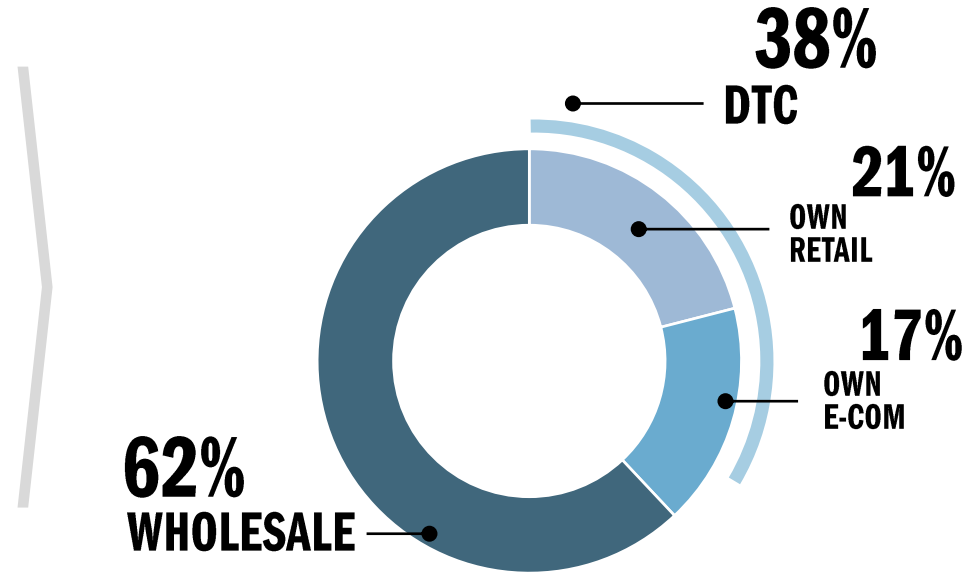


JJJfound

# Q1 2024 NET SALES GROWTH BY CHANNEL



Q1 2024 CHANNEL GROWTH



Q1 2024 CHANNEL SPLIT

# CONTINUE INVESTING IN OWN STORES



OPENING NEW STORES



ELEVATING EXISTING STORES



# CONTINUE INVESTING WITH RETAIL PARTNERS

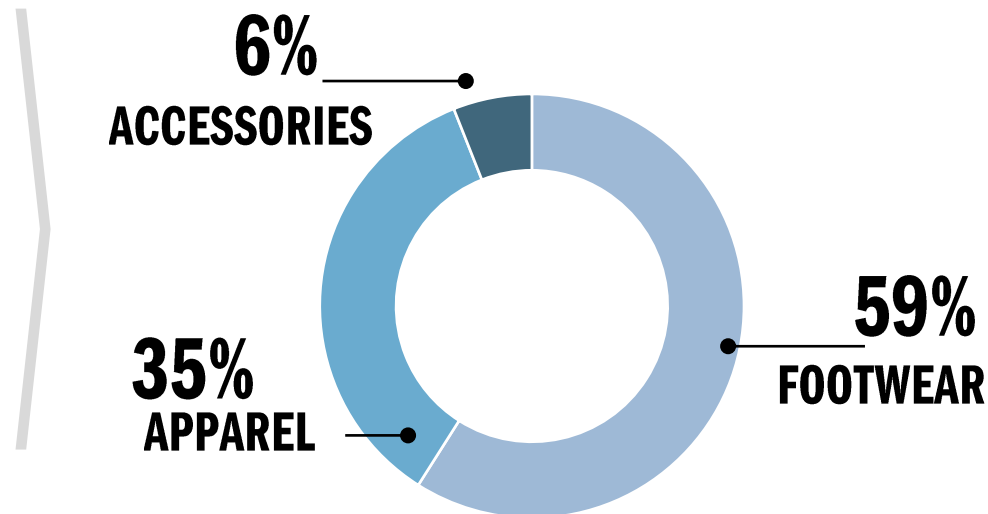


## ELEVATING OUR WHOLESALE PARTNERSHIPS

# Q1 2024 NET SALES GROWTH BY PRODUCT DIVISION



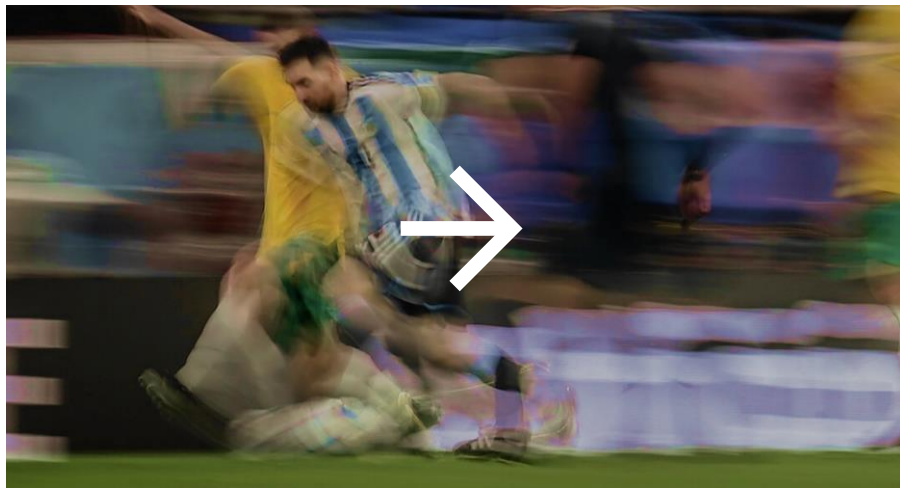
Q1 2024 PRODUCT DIVISION GROWTH



Q1 2024 PRODUCT DIVISION SPLIT

# Q1 2024 NET SALES GROWTH BY CATEGORY

## PERFORMANCE



## LIFESTYLE



ADIDAS AG



LAMINE YAMAL



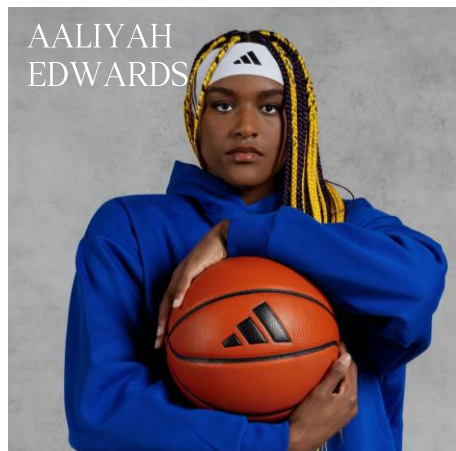
XOCHITL GOMEZ



ISSIN



AALIYAH EDWARDS



RYUKI WATARAI



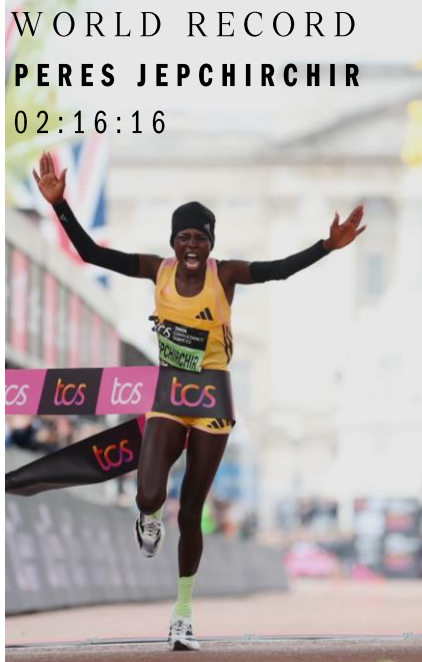
AL NASSR FOOTBALL CLUB



LARS NOOTBAAR

CONTINUE INVESTING IN OUR PARTNERS  
WELCOME TO THE ADIDAS FAMILY!

# CONTINUE INVESTING AND WINNING IN RELEVANT SPORTING EVENTS

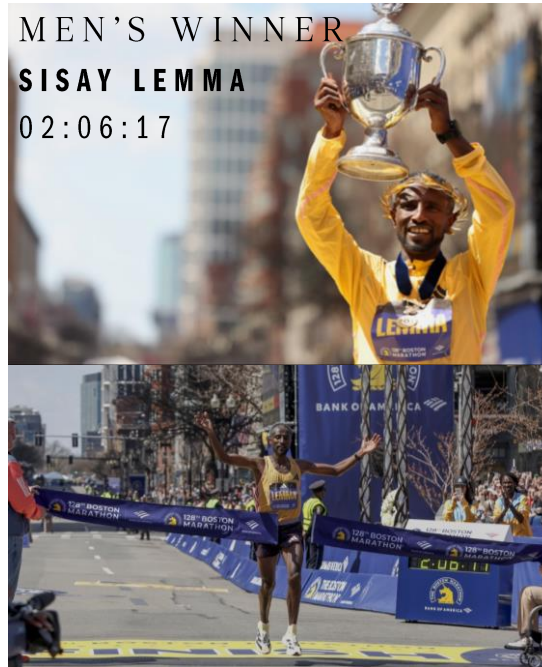


WORLD RECORD  
**PERES JEPCHIRCHIR**  
02:16:16



MEN'S WINNER  
**ALEXANDER  
MUTISO  
MUNYAO**  
02:04:01

**LONDON MARATHON**  
WORLD RECORD AND 5 OUT OF 6 PODIUMS



MEN'S WINNER  
**SISAY LEMMA**  
02:06:17

**BOSTON MARATHON**  
SISAY LEMMA STORMS TO VICTORY IN  
ADIZERO ADIOS PRO EVO 1



## MOST INNOVATIVE SHOE



ADIZERO ADIOS PRO EVO 1 IS WINNING PODIUMS

# ADIZERO ROAD TO RECORDS 2024



**1 WORLD RECORD** IN MEN'S MILE  
**EMMANUEL WANYONYI** (3:54.50)

**2** WORLD U20 RECORDS

**9** NATIONAL RECORDS



**+1100** RUNNERS JOINED PUBLIC  
5K RACE AND EVEN MORE  
CHEERED FROM THE SIDE LINE



**160** ADIDAS RUNNERS CAPTAINS &  
COACHES ON CAMPUS FOR ADIDAS  
RUNNERS WEEK

**40** NATIONALITIES

**66** CITIES

**58** LANGUAGES

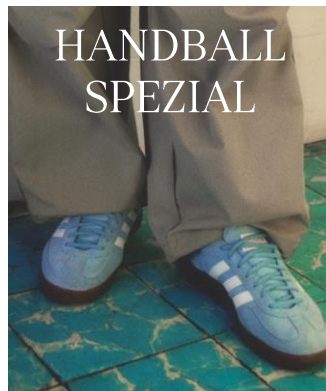
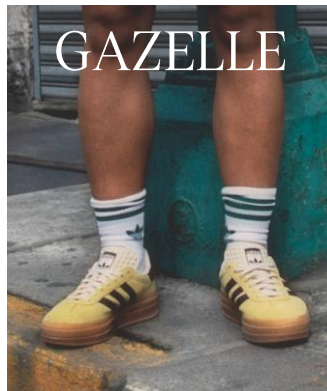
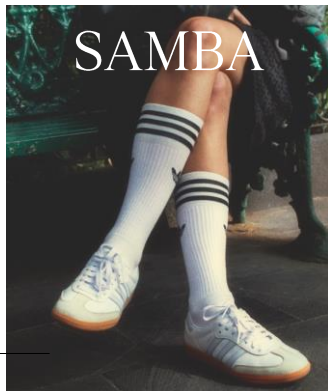


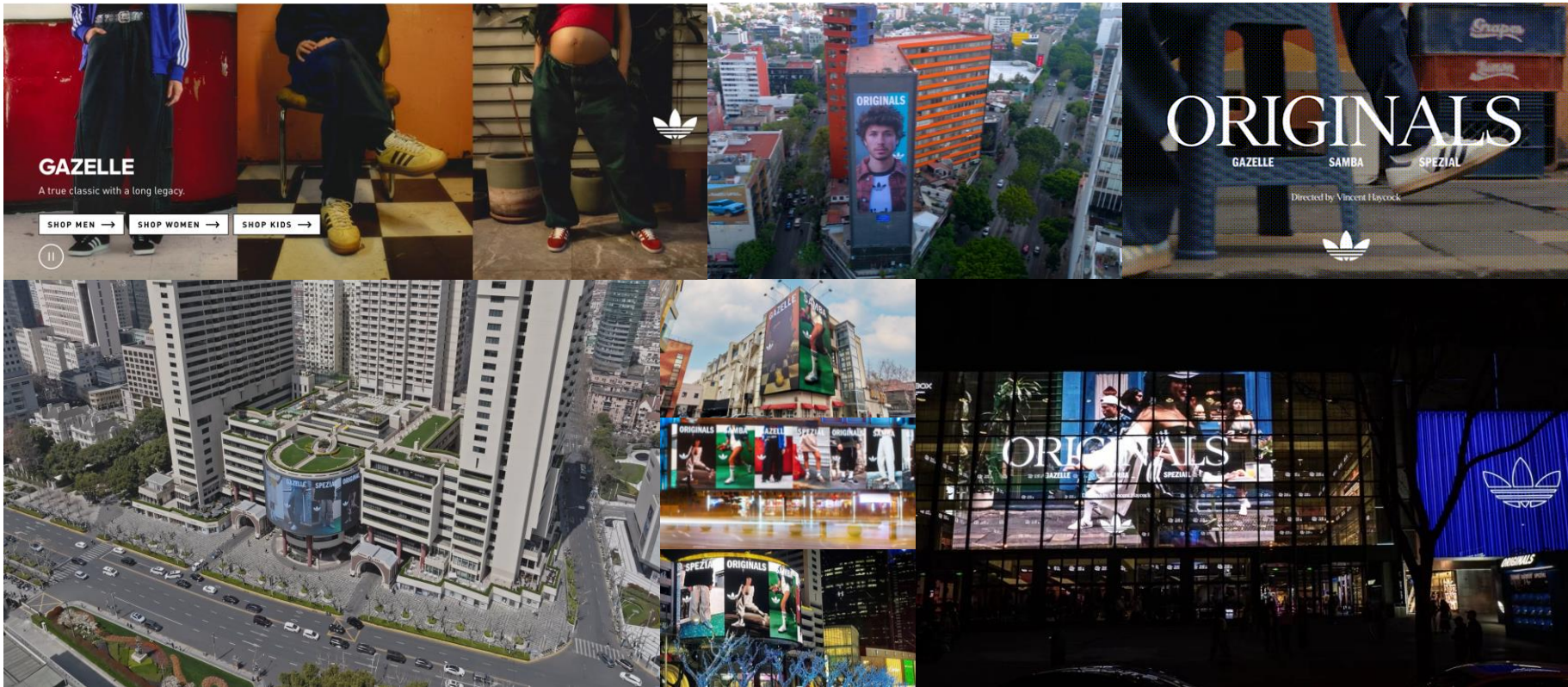
**160** ADIDAS FRIENDS & PARTNERS  
ON CAMPUS

**40** ACCOUNTS

# WE CONTINUE TO HAVE THE HOTTEST SHOES ON THE STREET

SCALING UP



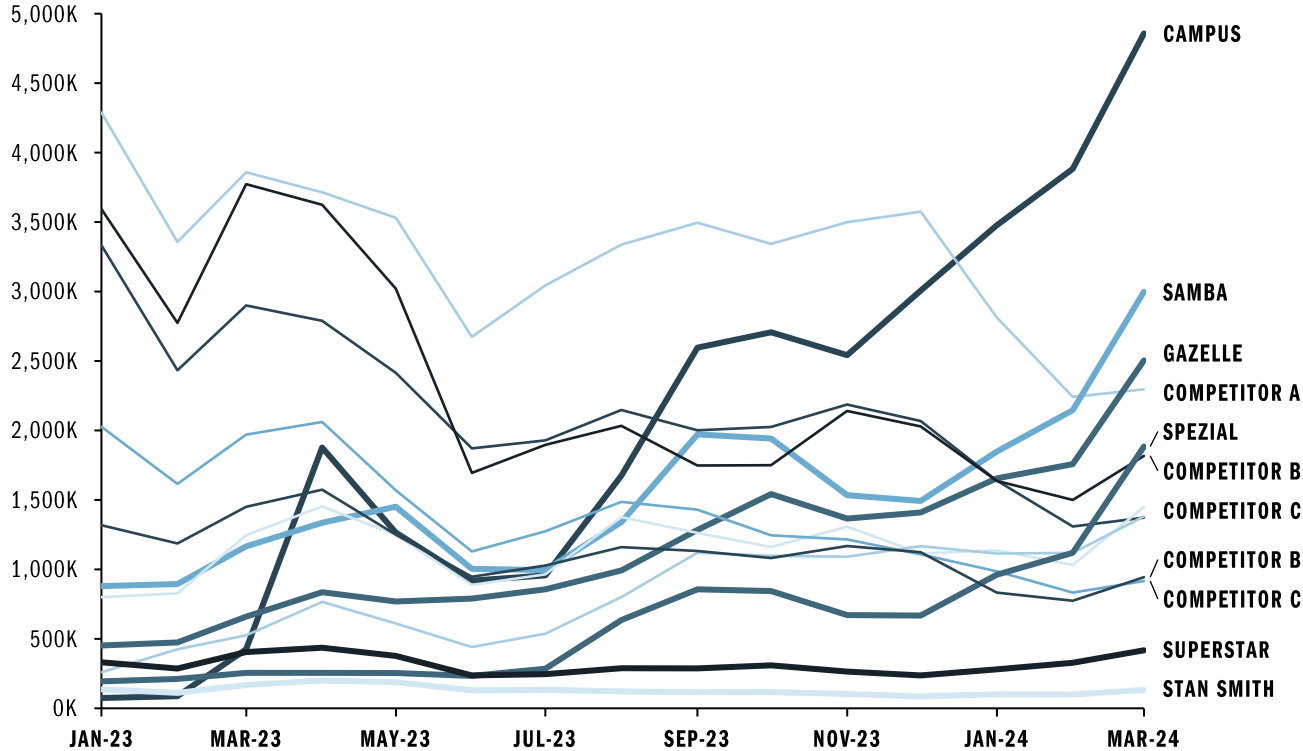


CONTINUE INVESTING IN OUR BEST-SELLERS  
**TERRACE CAMPAIGN LAUNCHES GLOBALLY**

# WE HAVE THE 3 HOTTEST LIFESTYLE SHOES IN EUROPE

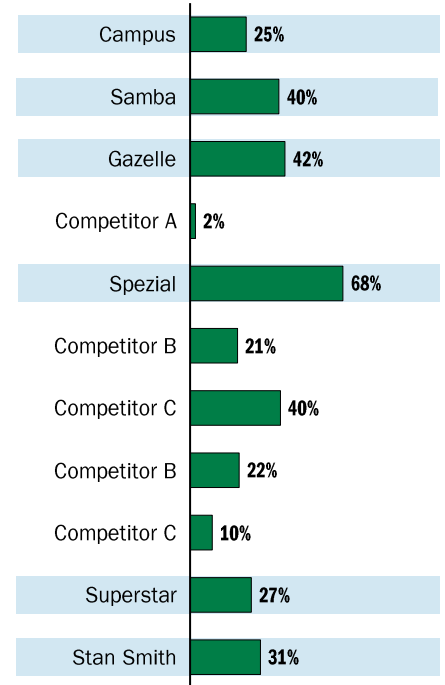
## EUROPE, MARCH 2024

### SEARCH DEVELOPMENT BY MONTH



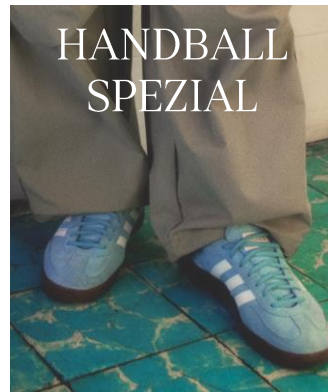
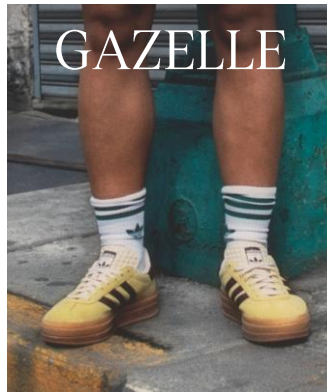
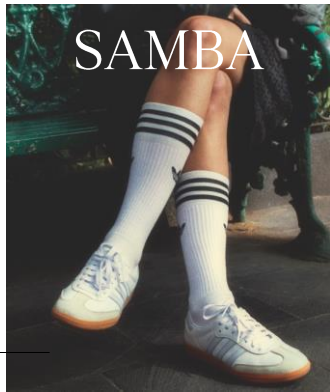
GOOGLE SEARCHES, STATUS: MARCH 2024

### SEARCH DEVELOPMENT MARCH '24 VS. FEBRUARY '24

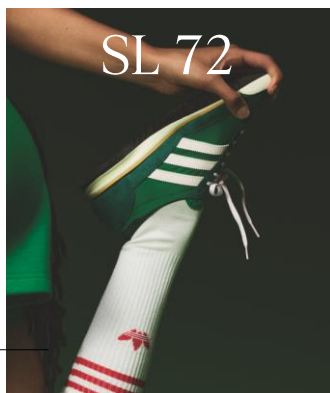


# WE CONTINUE TO HAVE THE HOTTEST SHOES ON THE STREET

SCALING UP



FUTURE



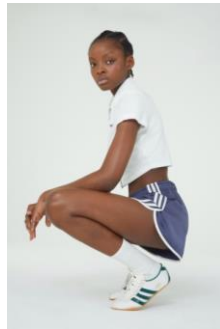
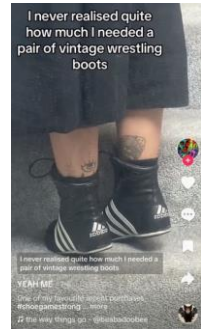
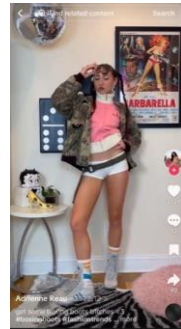


# SL 72 INCUBATION IN FULL SWING GLOBALLY

## EXTENDING OUR TERRACE STORY INTO RUNNING

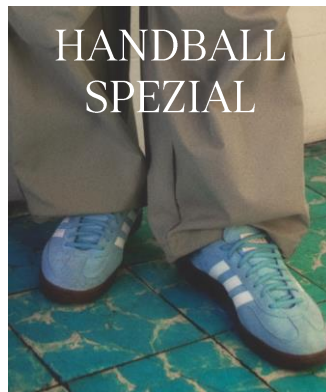
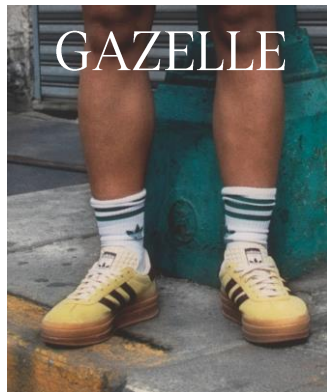
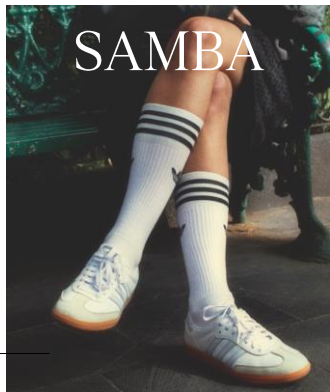


# LO PROFILE INCUBATION STARTING NEW PRODUCT SILO TO EXCITE HER

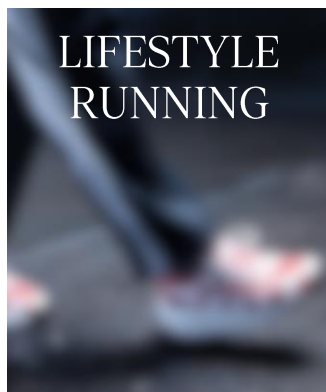
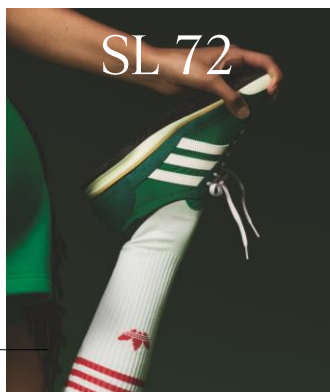


# WE CONTINUE TO HAVE THE HOTTEST SHOES ON THE STREET

SCALING UP



FUTURE



**FINANCIAL UPDATE**



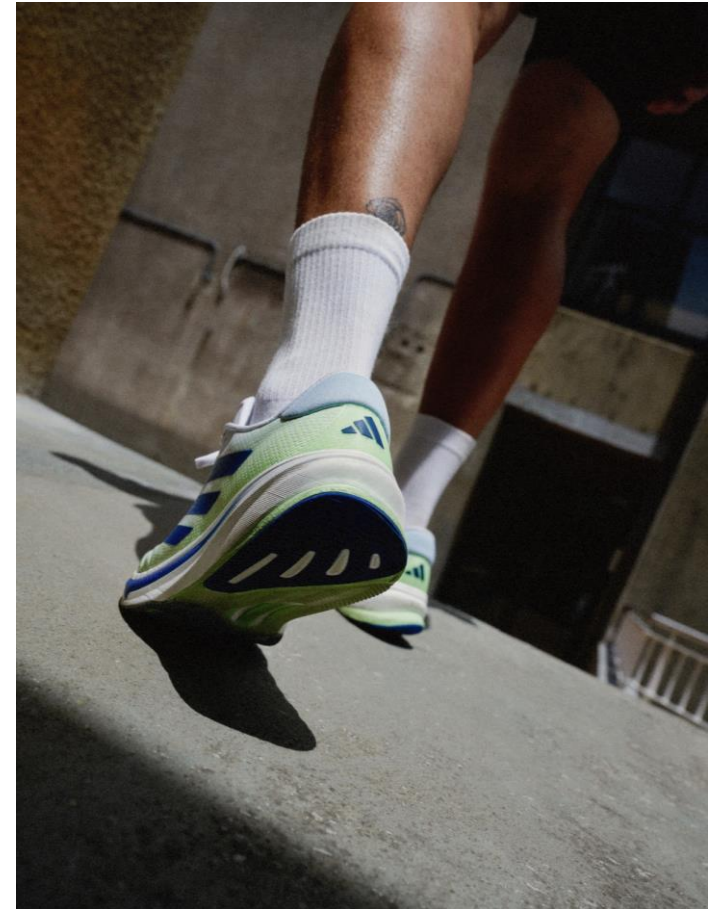
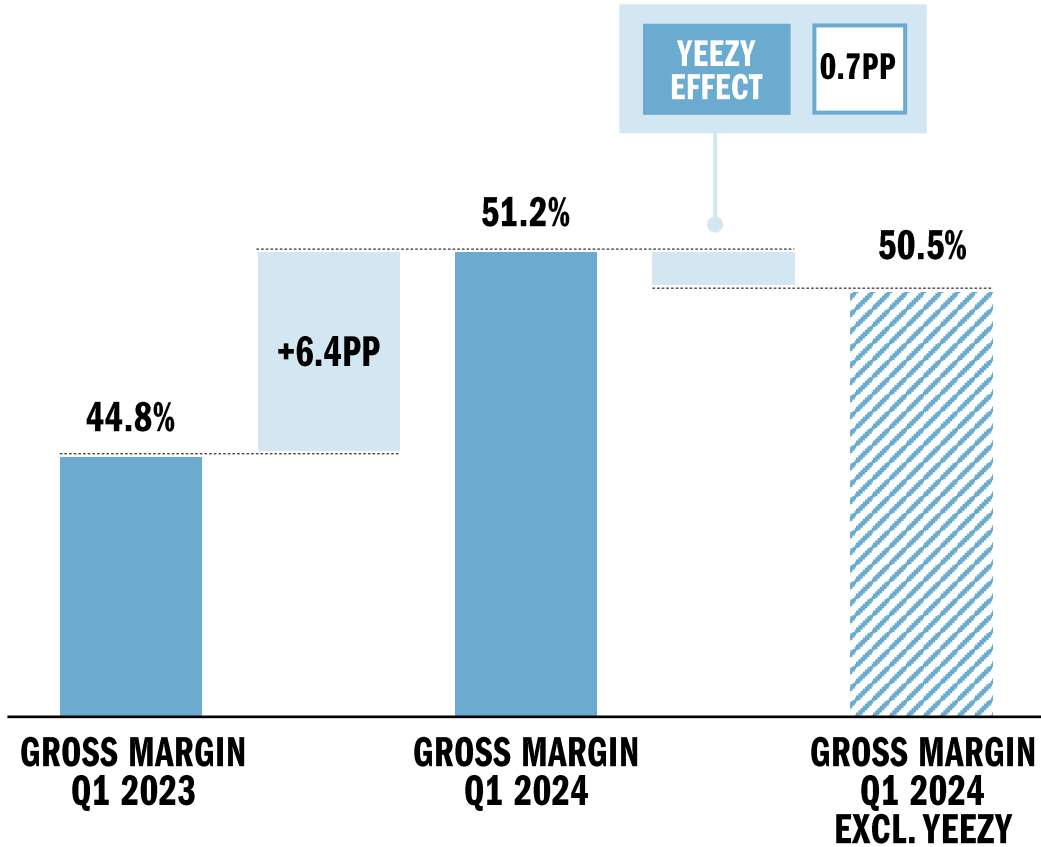
# Q1 2024 FINANCIAL RESULTS

€ IN MILLIONS

	Q1 2023	Q1 2024	Y-O-Y
<b>NET SALES</b>	5,274	5,458	+4% +8% C.N.
<b>GROSS PROFIT</b> % OF NET SALES	2,363 44.8%	2,796 51.2%	+18% +6.4PP

**INCL. YEEZY REVENUES OF ~€150M  
UNDERLYING BUSINESS (EXCL. YEEZY) +5% C.N.**

# GROSS MARGIN DEVELOPMENT IN Q1



# STRONG GROSS MARGIN IMPROVEMENT IN 2024

	Q1 2024	FY 2024	
FX	↓↓↓	↓↓↓	● — ~2PP
FREIGHT	↗	↗	
PRODUCT MIX	↗	↑	
MARKET MIX	↗	↗	
DISCOUNTING	↗	↗	
PRODUCT COSTS	↗	↗	
INVENTORY PROVISION	↗	➔	
<b>TOTAL</b>	↗	↗	



# Q1 2024 FINANCIAL RESULTS

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<b>GROSS PROFIT</b> % OF NET SALES	<b>2,363</b> 44.8%	<b>2,796</b> 51.2%	<b>+18%</b> +6.4PP	
<b>MARKETING &amp; POS EXPENSES</b> % OF NET SALES	<b>601</b> 11.4%	<b>657</b> 12.0%	<b>+9%</b> +0.6PP	
<b>OOH EXPENSES</b> % OF NET SALES	<b>1,766</b> 33.5%	<b>1,822</b> 33.4%	<b>+3%</b> (0.1PP)	
<b>OPERATING PROFIT</b> % OF NET SALES	<b>60</b> 1.1%	<b>336</b> 6.2%	<b>+458%</b> +5.0PP	<b>INCL. YEEZY CONTRIBUTION OF ~€50M</b>



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<b>OPERATING PROFIT</b> % OF NET SALES	<b>60</b> 1.1%	<b>336</b> 6.2%	<b>+458%</b> +5.0PP
<b>FINANCIAL INCOME</b>	<b>13</b>	<b>24</b>	<b>+92%</b>
<b>FINANCIAL EXPENSES</b>	<b>41</b>	<b>115</b>	<b>+180%</b>
<b>INCOME BEFORE TAXES</b> % OF NET SALES	<b>32</b> 0.6%	<b>245</b> 4.5%	<b>+675%</b> +3.9PP
<b>INCOME TAXES</b> % OF NET SALES	<b>55</b> 174.9%	<b>74</b> 30.1%	<b>+33%</b> (144.8PP)
<b>NET INCOME/(LOSS)<sup>1</sup></b>	<b>(24)</b>	<b>171</b>	<b>N.A.</b>

**INCL. YEEZY CONTRIBUTION  
OF ~€50M**

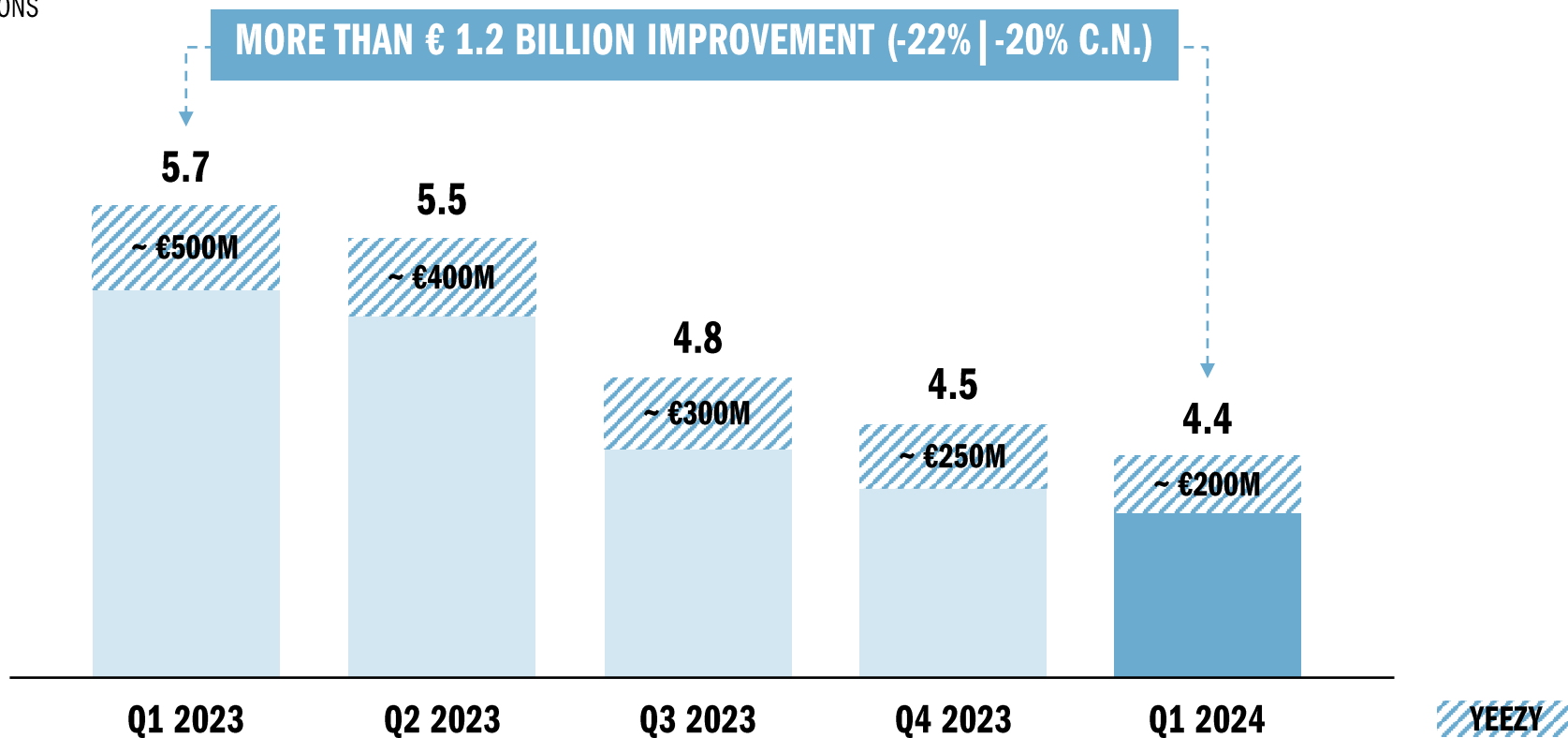
<sup>1</sup> FROM CONTINUING OPERATIONS.

# BALANCE SHEET KPIs

€ IN MILLIONS	31 MAR 2023	31 MAR 2024	DEVIATION
<b>INVENTORIES</b>	<b>5,675</b>	<b>4,427</b>	<b>-22%   -20% C.N.</b>

# INVENTORY DEVELOPMENT

€ IN BILLIONS

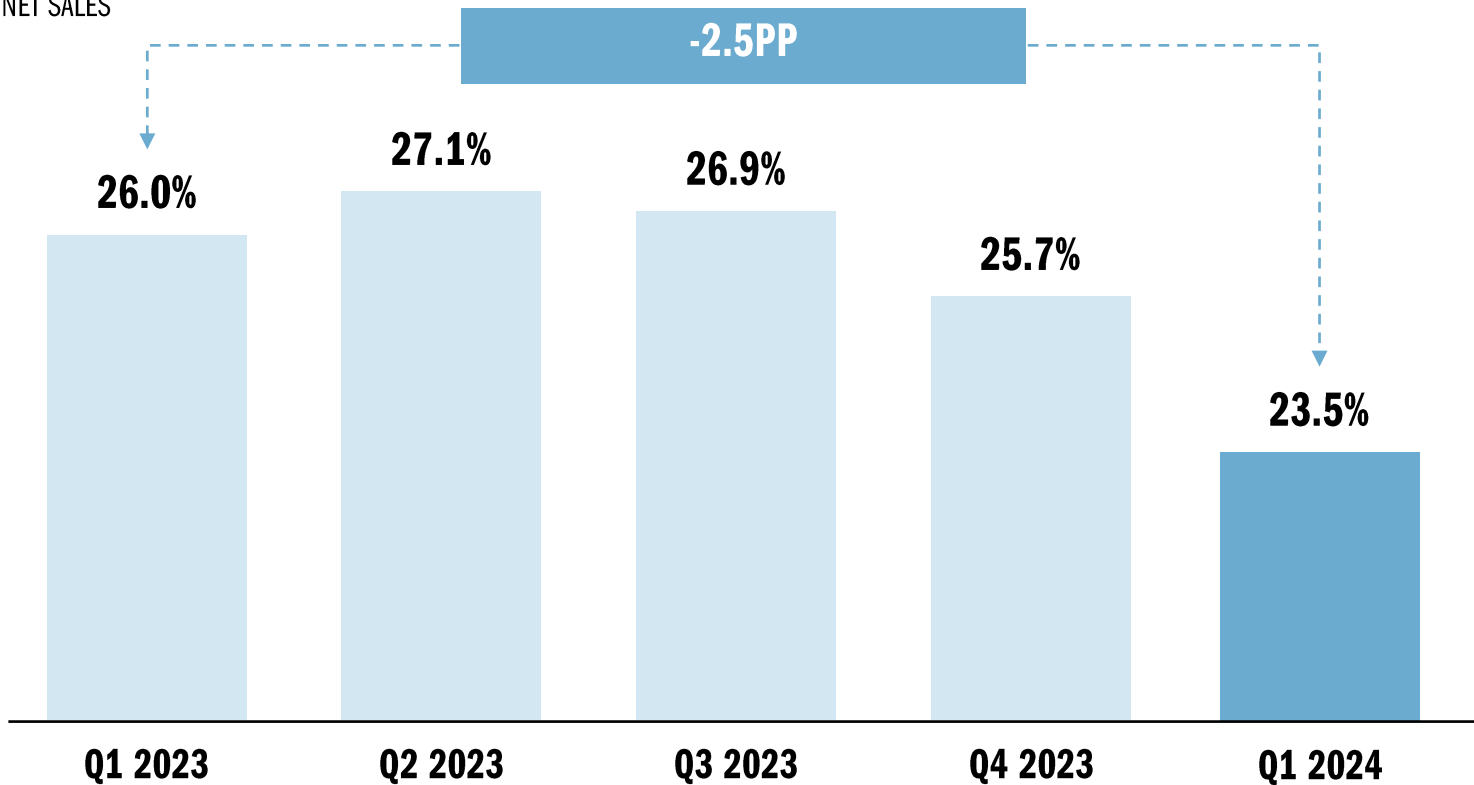


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<b>INVENTORIES</b>	<b>5,675</b>	<b>4,427</b>	<b>-22%   -20% C.N.</b>
<b>ACCOUNTS RECEIVABLE</b>	<b>2,818</b>	<b>2,606</b>	<b>-8%   -5% C.N.</b>
<b>ACCOUNTS PAYABLE</b>	<b>2,102</b>	<b>2,289</b>	<b>+9%   +10% C.N.</b>
<b>OPERATING WORKING CAPITAL</b>	<b>6,391</b>	<b>4,745</b>	<b>-26%   -23% C.N.</b>

# AVERAGE OPERATING WORKING CAPITAL DEVELOPMENT

AS A % OF NET SALES



AVERAGE OPERATING WORKING CAPITAL = AVERAGE OF OPERATING WORKING CAPITAL FOR THE LAST 4 QUARTERS DIVIDED BY NET SALES FOR THE LAST 4 QUARTERS.

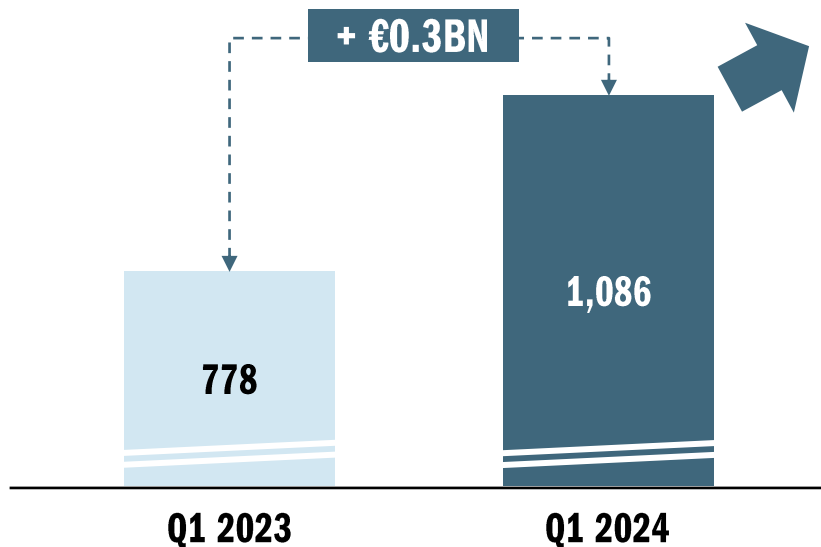
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<b>CASH AND CASH EQUIVALENTS</b>	<b>778</b>	<b>1,086</b>	<b>+40%</b>

# BALANCE SHEET ITEMS

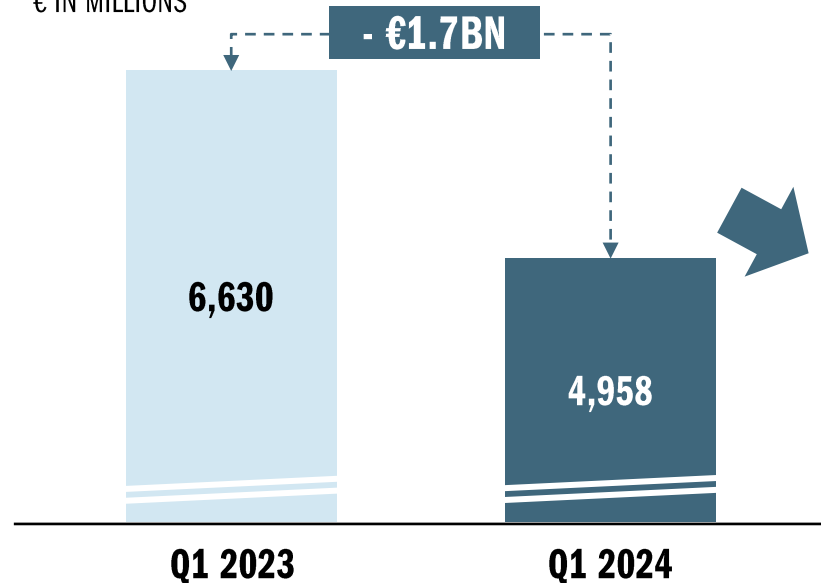
## CASH AND CASH EQUIVALENTS

€ IN MILLIONS



## ADJUSTED NET BORROWINGS

€ IN MILLIONS



PROGRESS TOWARD RETURNING TO TARGETED **ADJUSTED NET BORROWINGS/EBITDA RATIO** OF BELOW <2.0X

# OUTLOOK 2024





# FY 2024 GUIDANCE OVERVIEW

## INITIAL GUIDANCE

MARCH 13

## FY 2024 GUIDANCE

APRIL 16

### NET SALES GROWTH

CURRENCY-NEUTRAL

MID-SINGLE-DIGIT  
INCREASE

MID- TO HIGH-SINGLE-  
DIGIT INCREASE

### OPERATING PROFIT

REPORTED

~ €500M

~ €700M

## ASSUMPTIONS

### SELLING REMAINING **YEEZY** INVENTORY ON AVERAGE AT COST

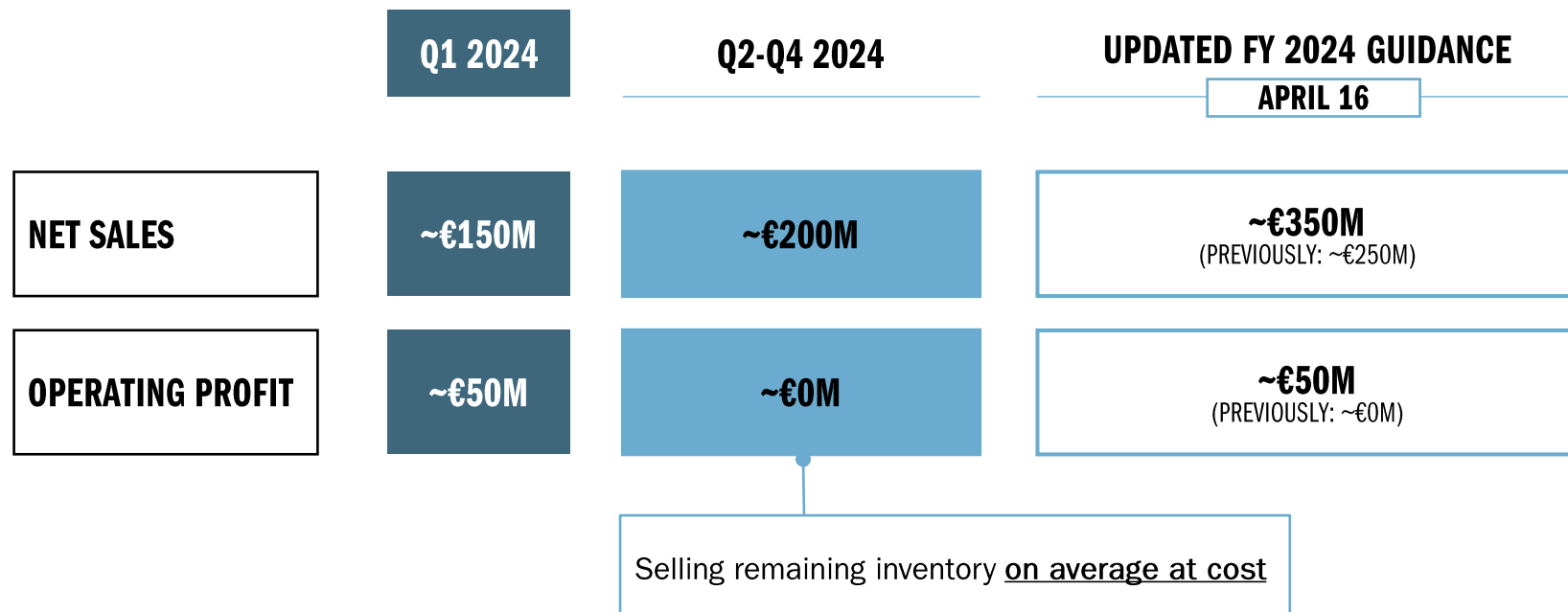
- €200m additional top-line contribution
- No further operating profit contribution

### SIGNIFICANT **FX HEADWIND**

- Translational on top-line
- Transactional on gross margin

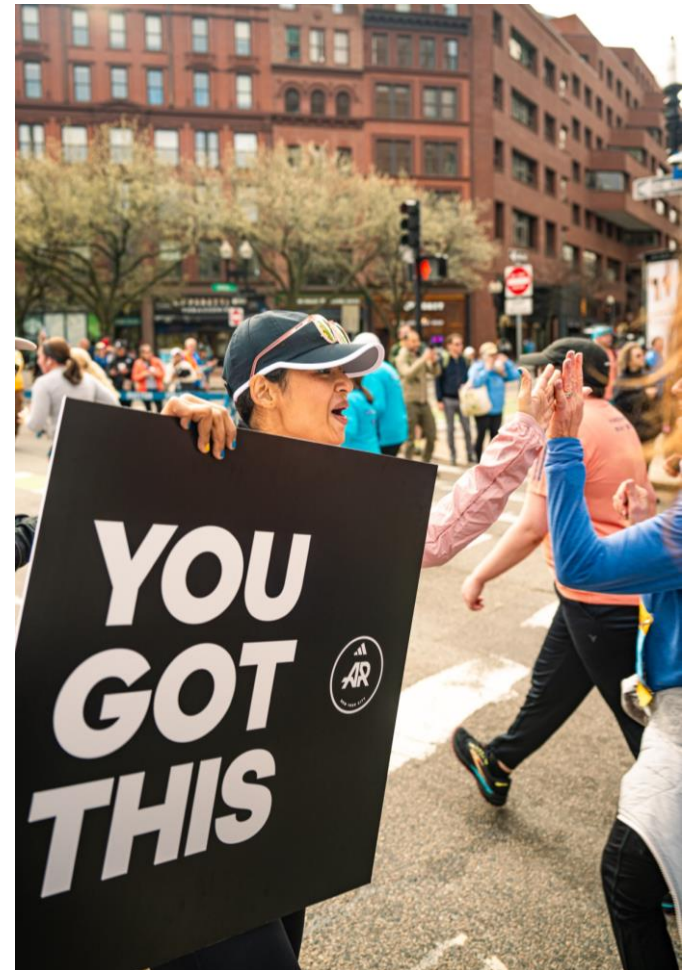
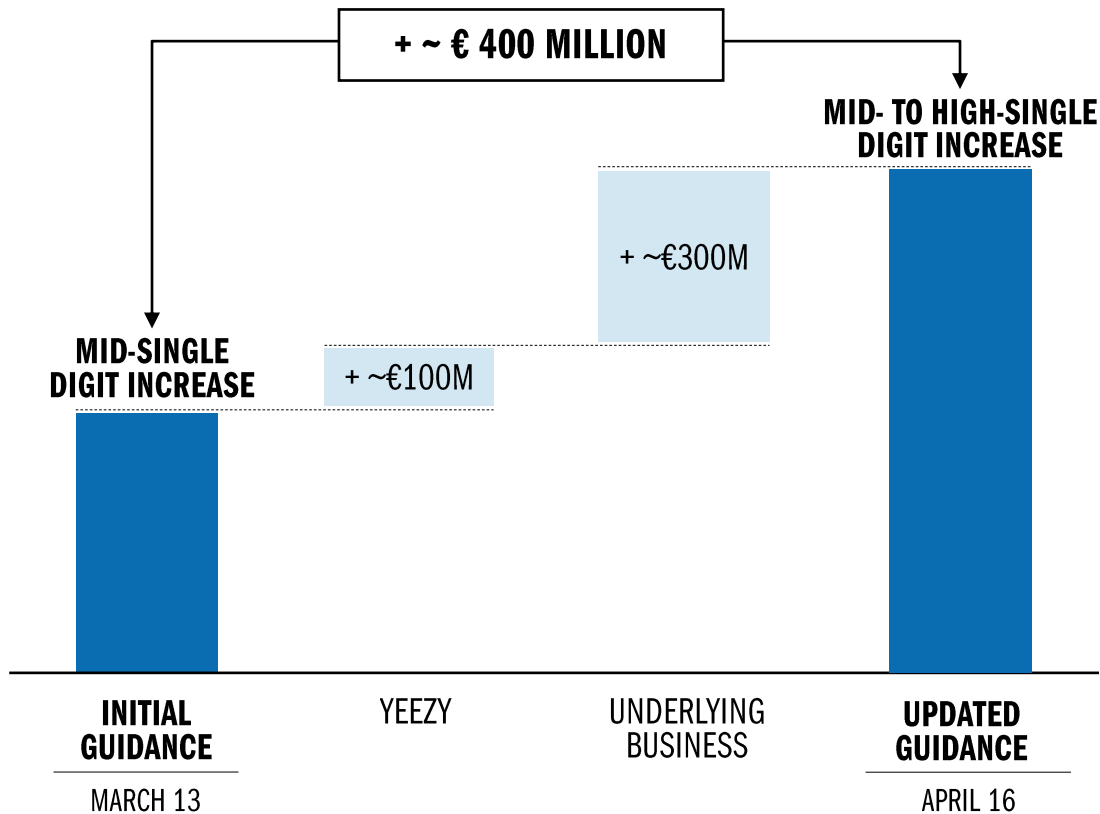
### CONTINUED INVESTMENT IN **MARKETING AND SALES**

# FY 2024 GUIDANCE YEEZY



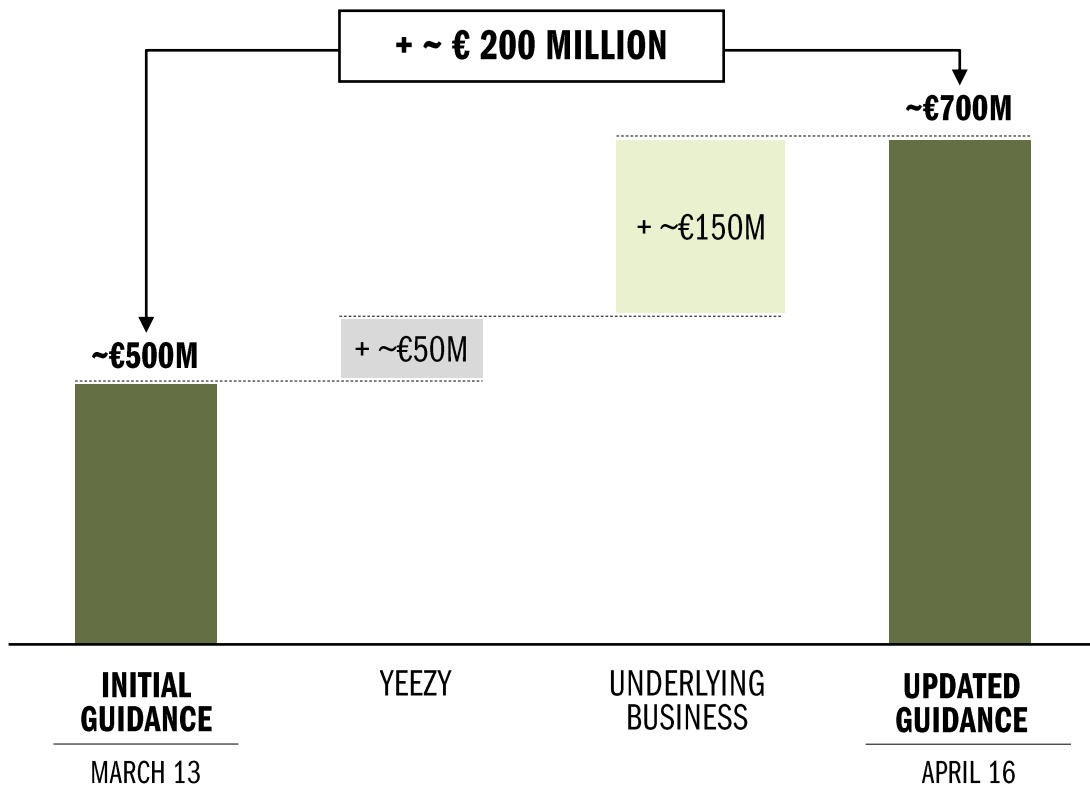
# STRONGER UNDERLYING BUSINESS THAN EXPECTED

FY 2024 GUIDANCE: NET SALES GROWTH

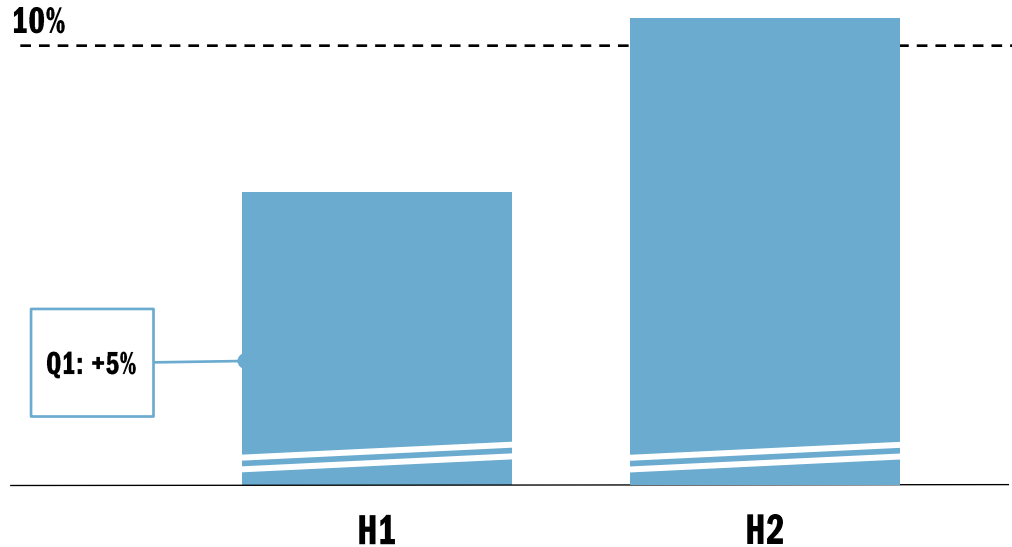


# STRONGER UNDERLYING BUSINESS THAN EXPECTED

## FY 2024 GUIDANCE: OPERATING PROFIT



# TOP-LINE ACCELERATION OF UNDERLYING BUSINESS IN 2024



## H1

- Negatively impacted by initiatives to reduce inventories in North America
- Better-than-expected growth in Q1
- Top-line acceleration projected for Q2

## H2

- Growth benefitting from improved go-to-market process and strong fall/winter 2024 product pipeline
- Expectations supported by strong order book build

Q1 PERFORMANCE UNDERPINS CONFIDENCE IN **AT LEAST 10% UNDERLYING GROWTH IN H2 (EXCL. YEEZY)**



## GREAT PRODUCTS LAUNCHING IN 2024



## ROAD TO PARIS: OFFICIAL ADIDAS TEAM KITS LAUNCH

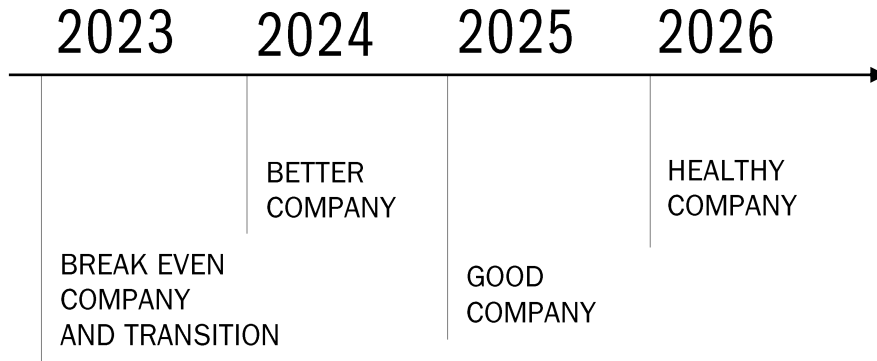
# 2024 A GREAT YEAR OF SPORTS





2026

# ROADMAP TO SUCCESS



# Q&A

