

Q2 RESULTS

July 31, 2024





HAPPY BIRTHDAY, ADIDAS!
CELEBRATING 75 YEARS OF ADIDAS



**STRONG FIRST HALF OF
THE YEAR OF SPORTS**

STRONG SECOND QUARTER OF THE YEAR OF SPORTS

Q2 2024 CURRENCY-NEUTRAL NET SALES UP 11% Y-O-Y

Underlying business (excl. Yeezy) up 16% Y-O-Y
currency-neutral

GROSS MARGIN OF 50.8%, UNDERLYING BUSINESS UP ~+1.5PP

- Significantly smaller Yeezy business had a negative impact on Y-O-Y reported (-0.1pp)
 - Underlying gross margin improved strongly (~+1.5pp), reflecting reduced discounting, lower sourcing costs and more favorable category mix
-

OPERATING PROFIT OF € 346 MILLION

Up 97% Y-O-Y

FULL YEAR 2024 GUIDANCE INCREASED

Net Sales c.n. guidance increased to 'high-single-digit growth' (from: 'mid- to high-single-digit growth')
Operating Profit guidance increased to ~€ 1BN
(from: ~€ 700m)



2024
CELEBRATING
THE
YEAR OF SPORTS

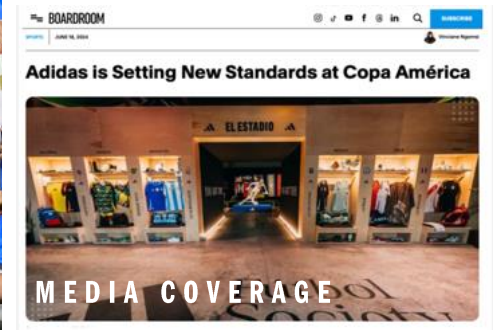




CELEBRATING EURO IN GERMANY SPAIN WINS TOURNAMENT



SPAIN: ON A WINNING STREAK



CELEBRATING COPA AMERICA IN THE USA ARGENTINA WINS TOURNAMENT AFTER ADIDAS FINAL

2026

ROADMAP TO SUCCESS

2023

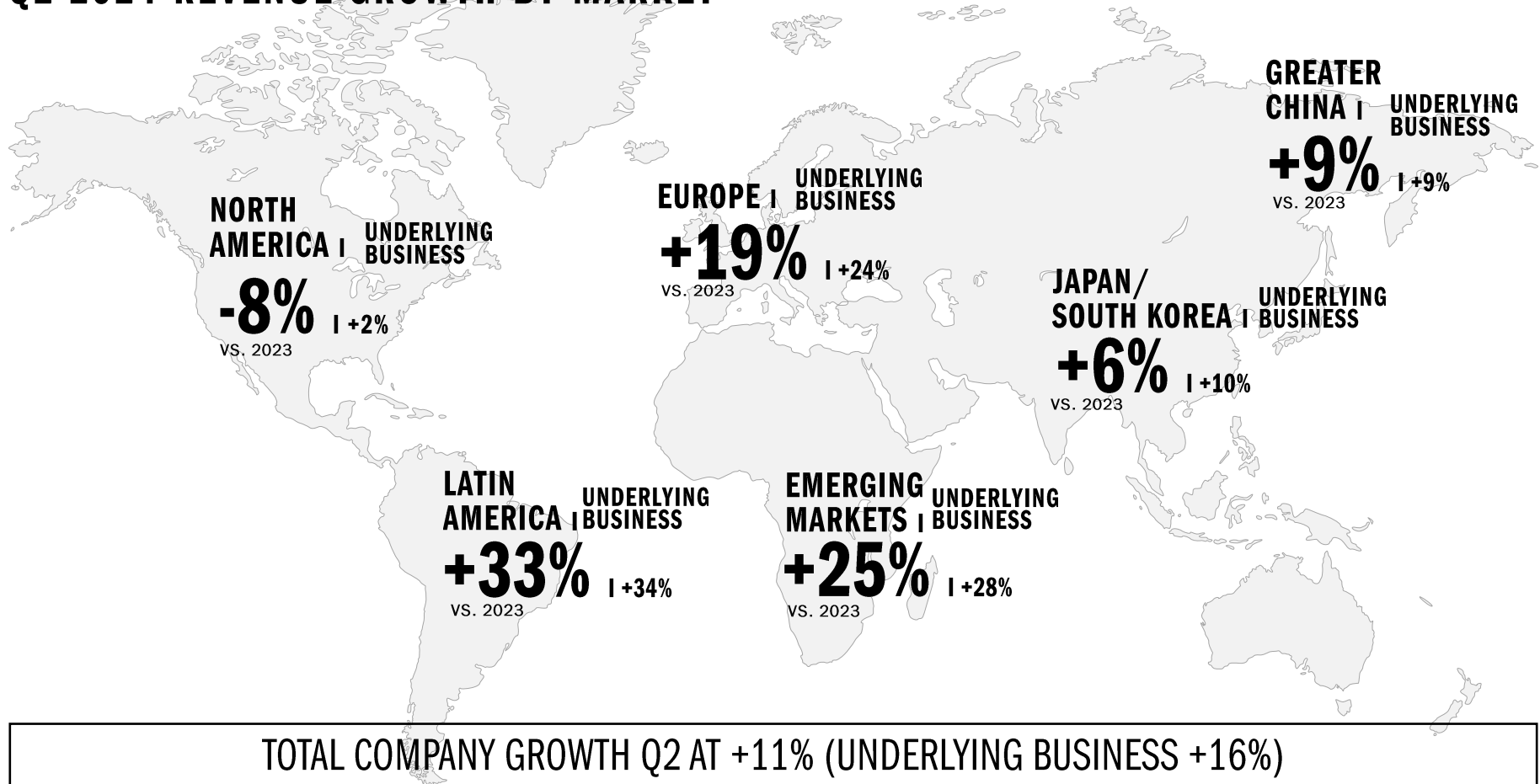
2024

BREAK EVEN
COMPANY
AND TRANSITION

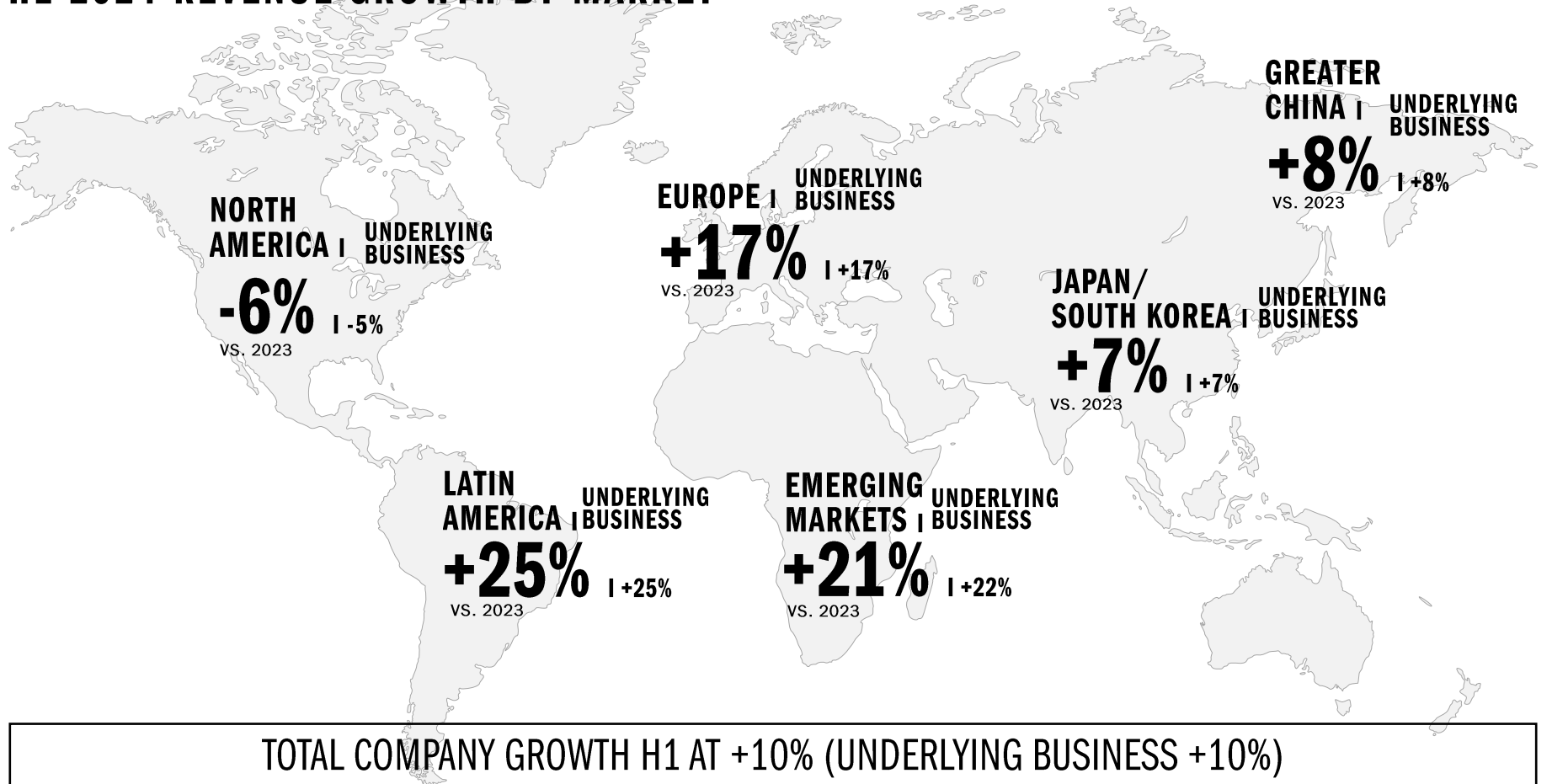
BETTER
COMPANY



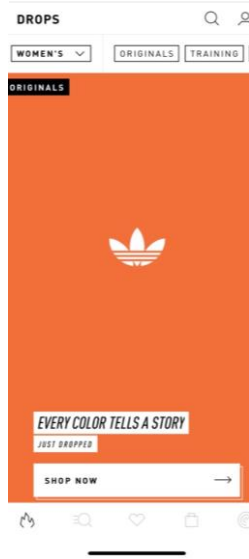
Q2 2024 REVENUE GROWTH BY MARKET



H1 2024 REVENUE GROWTH BY MARKET



Q2 2024 REVENUE GROWTH BY CHANNEL



+17%

WHOLESALE
(INCL. FRANCHISE)

+15%

OWN RETAIL

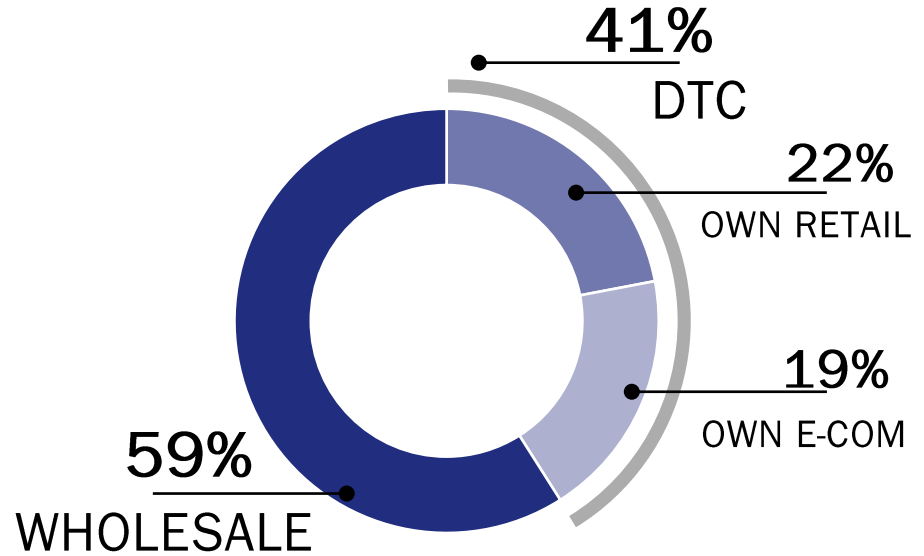
-6%

E-COM

+31%

EXCL.
YEEZY

Q2 2024 CHANNEL GROWTH



Q2 2024 CHANNEL SPLIT



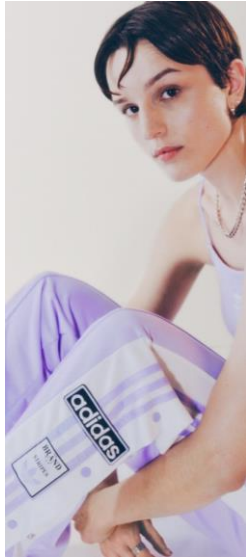
NEW AND IMPROVED RETAIL AND WHOLESALE EXPERIENCES

Q2 2024 REVENUE GROWTH BY PRODUCT DIVISION



+17%

FOOTWEAR



+6%

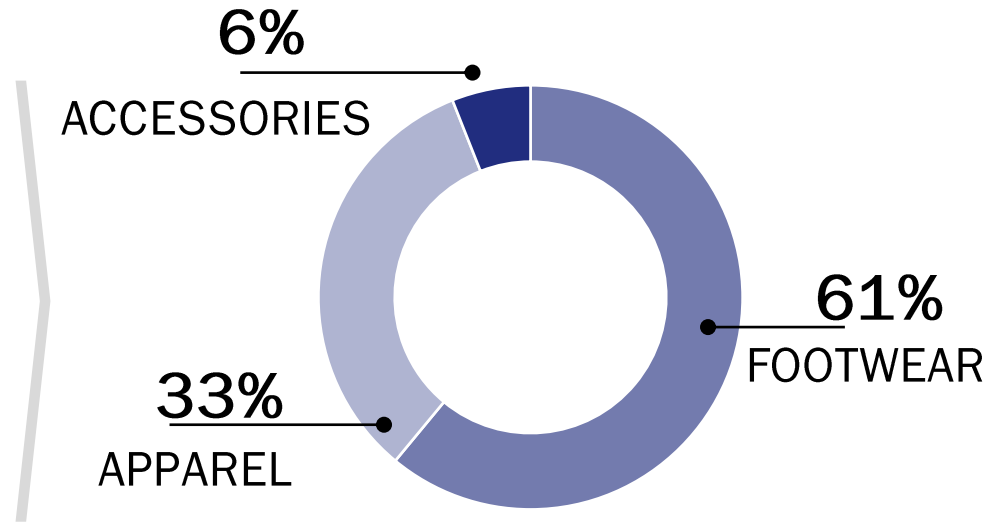
APPAREL



-8%

ACCESSORIES

Q2 2024 PRODUCT DIVISION GROWTH



Q2 2024 PRODUCT DIVISION SPLIT

Q2 2024 NET SALES GROWTH BY CATEGORY



ORIGINALS, BASKETBALL, PARTNERSHIPS & SKATEBOARDING

+16% +34%
Excl. Yeezy



SPORTSWEAR

+3%



PERFORMANCE

+14%



GRACE WALES BONNER



Y-3

At Paris Fashion Week, the Adidas Superstar Stole the Show(s)

Wales Bonner, Edison Chen, Brent Faiyaz and Pharrell say Shell Toes are in



PHARRELL WILLIAMS

CELEBRATING FASHION AT PARIS FASHION WEEK



CELEBRATING SPORT X STYLE AT PARIS OLYMPICS OPENING CEREMONY

WE CONTINUE TO HAVE THE HOTTEST SHOES ON THE STREET

SCALED UP



SCALING UP



LO PROFILE FROM FASHION TREND TO SELL-THROUGH SUCCESS



Highsnobiety

Stella McCartney's Low-Profile adidas Shoe Makes it Look Admirably Easy

Stella McCartney & adidas return with a new Court Boost sneaker, which is even better (& more stylish) than before.

GQ Germany

Nach dem Adidas-Samba-Hype: Ist das der nächste Erfolgs-Sneaker?

Der Adidas Originals Taekwondo könnte der nächste gehypte Sneaker des deutschen Sportausstatters werden

cassmoneyway and nakedcph
Copenhagen



View more on Instagram

cassmoneyway

little swipe in my new taekwondo @nakedcph @adidasoriginals

View all 25 comments

Add a comment...

Highsnobiety

adidas' Killer Taekwondo Shoes Are Back & Flatter Than Ever

adidas' Taekwondo shoe is officially back in 2024, revived as a retro flat-soled casual sneaker weeks after Bad Bunny wore the flat AF shoe.

HIGHNOBIETY

adidas Taekwondo is so back, baby.

The flat-soled, low-profile adidas shoe couldn't have picked a better time to return to the scene. If your eyes are glued to the ground, you may have noticed the gradual takeover of flat shoes, several adidas sneakers included, like the SL 72 and Gazelle.

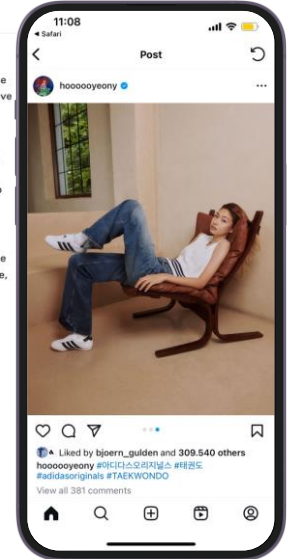
The adidas Taekwondo is one of the more exciting steppers in the thin-soled squad. On top of getting a pretty tasteful upgrade in 2021 (Bad Bunny is quietly bringing it back, ballerina-style), the adidas Taekwondo shoes infused with martial arts history, wrapped in a stylishly sleek design.

The adidas Taekwondo, with its minimalist performance design from the early 2000s, now serves as an everyday staple. The return of the flexible, breathable leather upper and subtle adidas logos only reassures its timeless appeal.

kicksvisionofficial

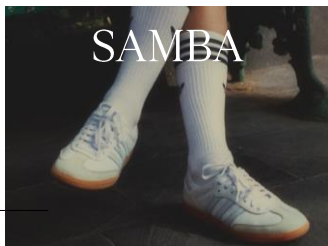
70.4K followers

View profile



WE CONTINUE TO HAVE THE HOTTEST SHOES ON THE STREET

SCALED UP



SCALING UP



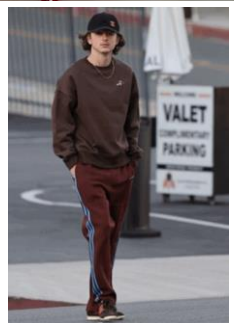
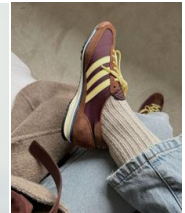
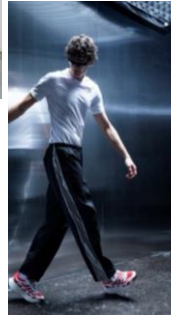
FUTURE

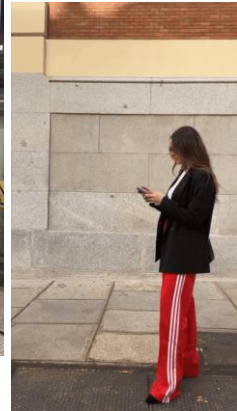




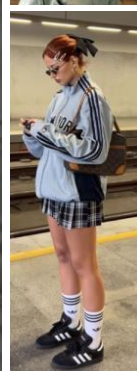
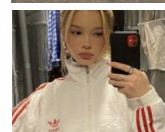
Unboxing the new
it girl sneakers
Adidas Campus 00s

SHOWING UP STRONG IN THE STREETS





AND IT CONTINUES IN APPAREL TRACK TOPS & PANTS TRENDING





AND IT CONTINUES IN APPAREL TAKING FOOTBALL TO THE STREETS





STRONG LIFESTYLE PORTFOLIO

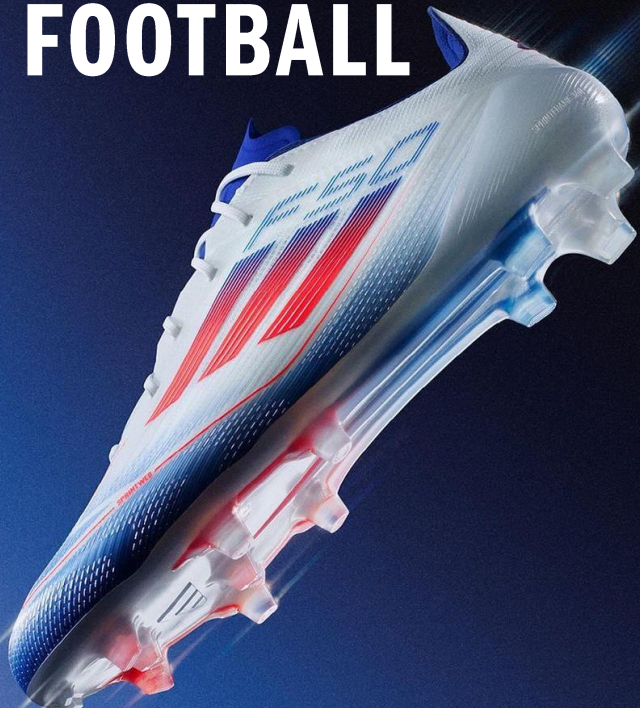


BUT WE ARE A SPORTS BRAND

**AND OUR PERFORMANCE
OFFERING IS JUST
AS STRONG**



FOOTBALL



F50



PREDATOR



COPA



RUNNING



PRO EVO 1



ULTRABOOST 5



ADIZERO PRO 4

SUPERNOVA PRIMA



TRAINING

DROPSET 3



STRENGTH SPRING/SUMMER 24



SPECIALIST SPORTS



OLYMPIC KITS

ROLAND GARROS COLLECTION

TERREX



AGRAVIC 3



AGRAVIC SPEED ULTRA


GOLF



SKY SPORT



TOUR360 24



CODECHAOS 25





US SPORTS



WARP SPEED COLLECTION
BASEBALL

TEXAS TECH
UNIFORMS



MAHOMES II



BASKETBALL



D.O.N. ISSUE 6



AE 1 LOW



HARDEN VOL.8


FNAA
CHINA

2024 FNAA中国鞋履成就奖
《Footwear News China》Achievement Awards



年度鞋款
Shoe of The Year

adidas Samba



Foot Locker

**ANTHONY EDWARDS' AE1S
ARE THE FASTEST-GROWING
SIGNATURE FRANCHISE
AT FOOT LOCKER**



**RUNNER'S
2024
SHOE
AWARDS**

CELEBRATING WINS ACROSS CATEGORIES

REAL MADRID WINS
CHAMPIONS LEAGUE



MANCHESTER UNITED WOMEN
WIN FA CUP



JUVENTUS WINS COPPA ITALIA



FC BAYERN WOMEN WIN LEAGUE



MANCHESTER UNITED MEN
WIN FA CUP



INDIA WINS CRICKET T20
WORLD CUP

CELEBRATING OUR WINNING TEAMS...

US RECORD
150M
NOAH LYLES
14.41s



MEN'S WINNER
SISAY LEMMA
02:06:17

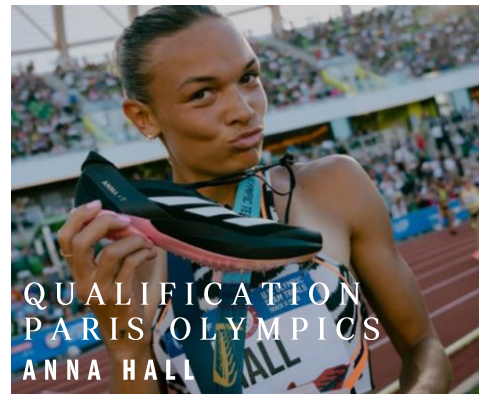


BOSTON
MARATHON

WORLD RECORD
PERES JEPCHIRCHIR
02:16:16



LONDON
MARATHON



QUALIFICATION
PARIS OLYMPICS
ANNA HALL



WORLD LEAD TIME
110M HURDLES
GRANT
HOLLOWAY

...AND OUR WINNING ATHLETES

AITANA
BONMATÍ



MICHAEL
THORBJORNSEN



MICAH PARSONS



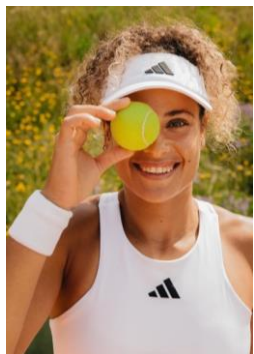
ONE LEAGUE
VOLLEYBALL



ASTON VILLA



SKY SPORTS GOLF



MAYAR SHERIF



TIARE JENNINGS



ADIZERO 7



FORTNITE



EINTRACHT
FRANKFURT



TEXAS TECH



CSSF MIDDLESCHOOL



COMO 1907



GERMAN HOCKEY
FEDERATION

CELEBRATING NEW PARTNERSHIPS



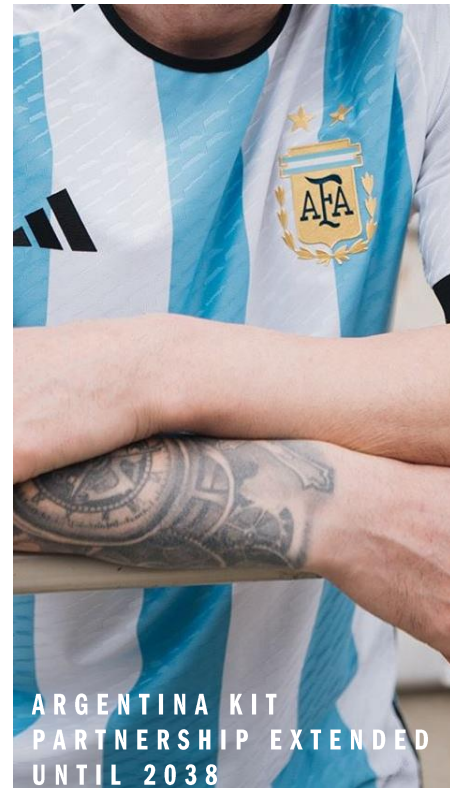
CANDACE PARKER
NAMED PRESIDENT OF
ADIDAS WOMEN'S
BASKETBALL



ANTHONY EDWARDS
SIGNED MULTI-YEAR
CONTRACT EXTENSION



EXTENSION OF
PARTNERSHIP WITH
TEAM GREAT BRITAIN



ARGENTINA KIT
PARTNERSHIP EXTENDED
UNTIL 2038

CELEBRATING EXTENDED PARTNERSHIPS

A male athlete in a red and black uniform is captured in mid-air, jumping over a hurdle on a track. The background is a plain, light-colored wall, and the track surface is dark green with white lane markings. The image is blurred to convey a sense of motion and speed. The text "FINANCIAL UPDATE" is overlaid in the center of the image.

FINANCIAL UPDATE

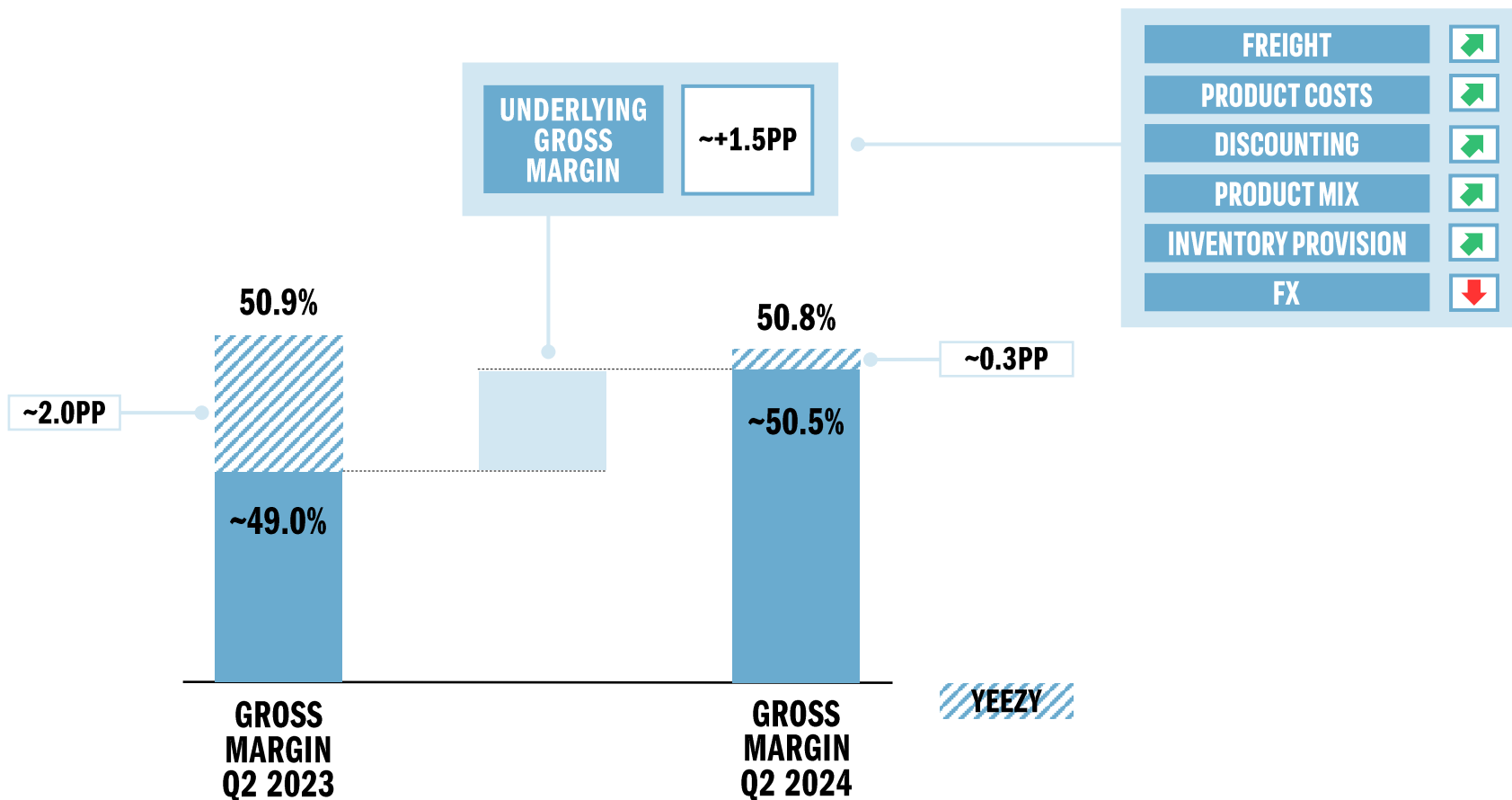
Q2 2024 FINANCIAL RESULTS

€ IN MILLIONS

	Q2 2023	Q2 2024	Y-O-Y
NET SALES	5,343	5,822	+9% +11% C.N.
GROSS PROFIT % OF NET SALES	2,719 50.9%	2,959 50.8%	+9% -0.1PP

**INCL. YEEZY REVENUES OF ~€ 200M
UNDERLYING BUSINESS (EXCL. YEEZY) +16% C.N.**

GROSS MARGIN DEVELOPMENT



Q2 2024 FINANCIAL RESULTS

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GROSS PROFIT % OF NET SALES	2,719 50.9%	2,959 50.8%	+9% -0.1PP	
MARKETING & POS EXPENSES % OF NET SALES	617 11.5%	707 12.1%	+15% +0.6PP	INVESTMENTS INTO BRAND CAMPAIGN, EVENT ACTIVATIONS & PRODUCT LAUNCHES
OOH EXPENSES % OF NET SALES	1,965 36.8%	1,930 33.2%	-2% -3.6PP	
OPERATING PROFIT % OF NET SALES	176 3.3%	346 5.9%	+97% +2.7PP	INCL. YEEZY CONTRIBUTION OF ~€ 50M

Q2 2024 FINANCIAL RESULTS

€ IN MILLIONS

	Q2 2023	Q2 2024	Y-0-Y
OPERATING PROFIT % OF NET SALES	176 3.3%	346 5.9%	+97% +2.7PP
FINANCIAL INCOME	19	20	+5%
FINANCIAL EXPENSES	71	62	-13%
INCOME BEFORE TAXES % OF NET SALES	123 2.3%	304 5.2%	+147% +2.9PP
INCOME TAXES % OF NET SALES	27 21.9%	93 30.5%	+243% 8.6PP
NET INCOME¹	96	211	+119%

INCL. YEEZY CONTRIBUTION OF ~€ 50M

¹ FROM CONTINUING OPERATIONS.

BALANCE SHEET KPIs

€ IN MILLIONS	30 JUN 2023	30 JUN 2024	CHANGE
INVENTORIES	5,540	4,544	-18% -17% C.N.

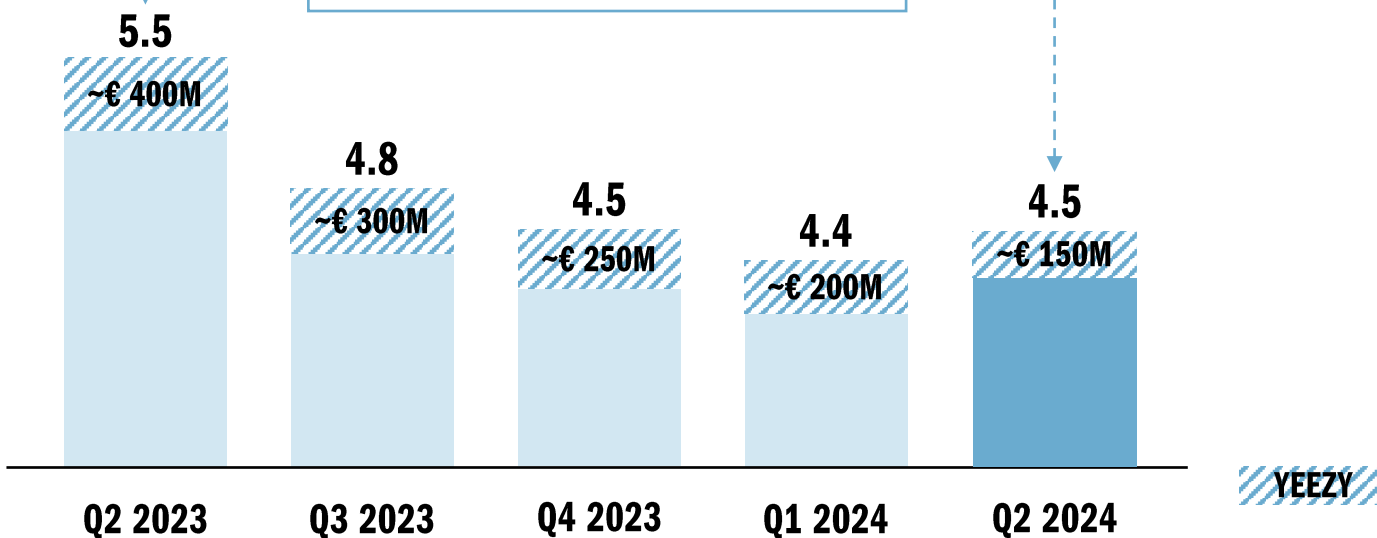
INVENTORY DEVELOPMENT

€ IN BILLIONS

RETURN TO HEALTHY INVENTORY LEVEL & COMPOSITION

INVENTORY DEVELOPMENT
TO SUPPORT TOP-LINE GROWTH

~€ 1.0 BILLION IMPROVEMENT (-18% | -17% C.N.)

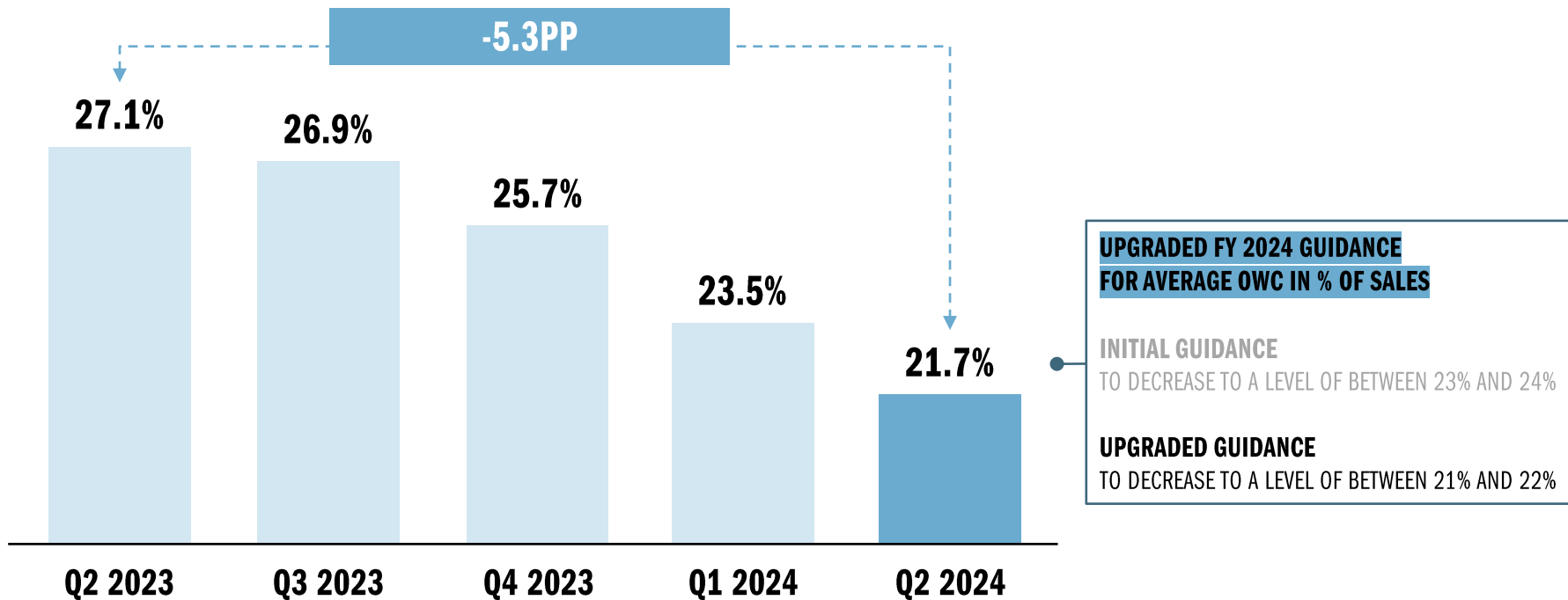


BALANCE SHEET KPIs

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INVENTORIES	5,540	4,544	-18% -17% C.N.
ACCOUNTS RECEIVABLE	2,567	2,771	+8% +10% C.N.
ACCOUNTS PAYABLE	2,210	2,560	+16% +17% C.N.
OPERATING WORKING CAPITAL	5,896	4,756	-19% -18% C.N.

AVERAGE OPERATING WORKING CAPITAL DEVELOPMENT

AS A % OF NET SALES



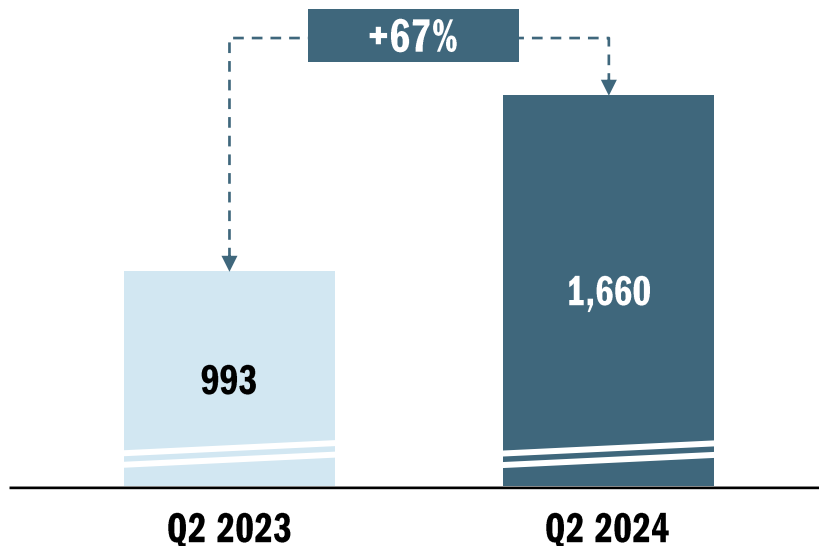
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OPERATING WORKING CAPITAL	5,896	4,756	-19% -18% C.N.
CASH AND CASH EQUIVALENTS	993	1,660	+67%

Q2 2024 CASH AND NET BORROWINGS DEVELOPMENT

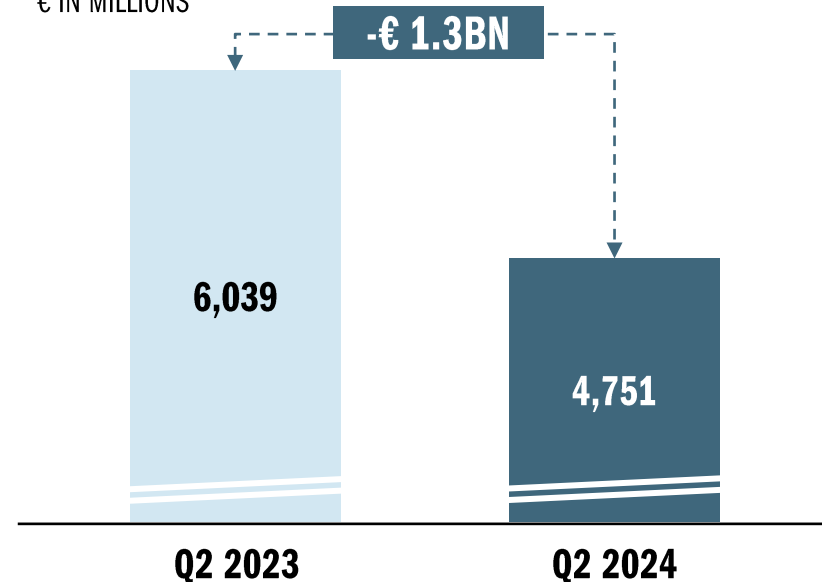
CASH AND CASH EQUIVALENTS

€ 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	UPDATED GUIDANCE APRIL 16	FY 2024 GUIDANCE JULY 16
NET SALES GROWTH CURRENCY-NEUTRAL	MID-SINGLE-DIGIT INCREASE	MID- TO HIGH-SINGLE-DIGIT INCREASE	HIGH-SINGLE-DIGIT INCREASE
OPERATING PROFIT REPORTED	~ €500M	~ €700M	~ €1BN

ASSUMPTIONS

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

- ~€150 million 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**

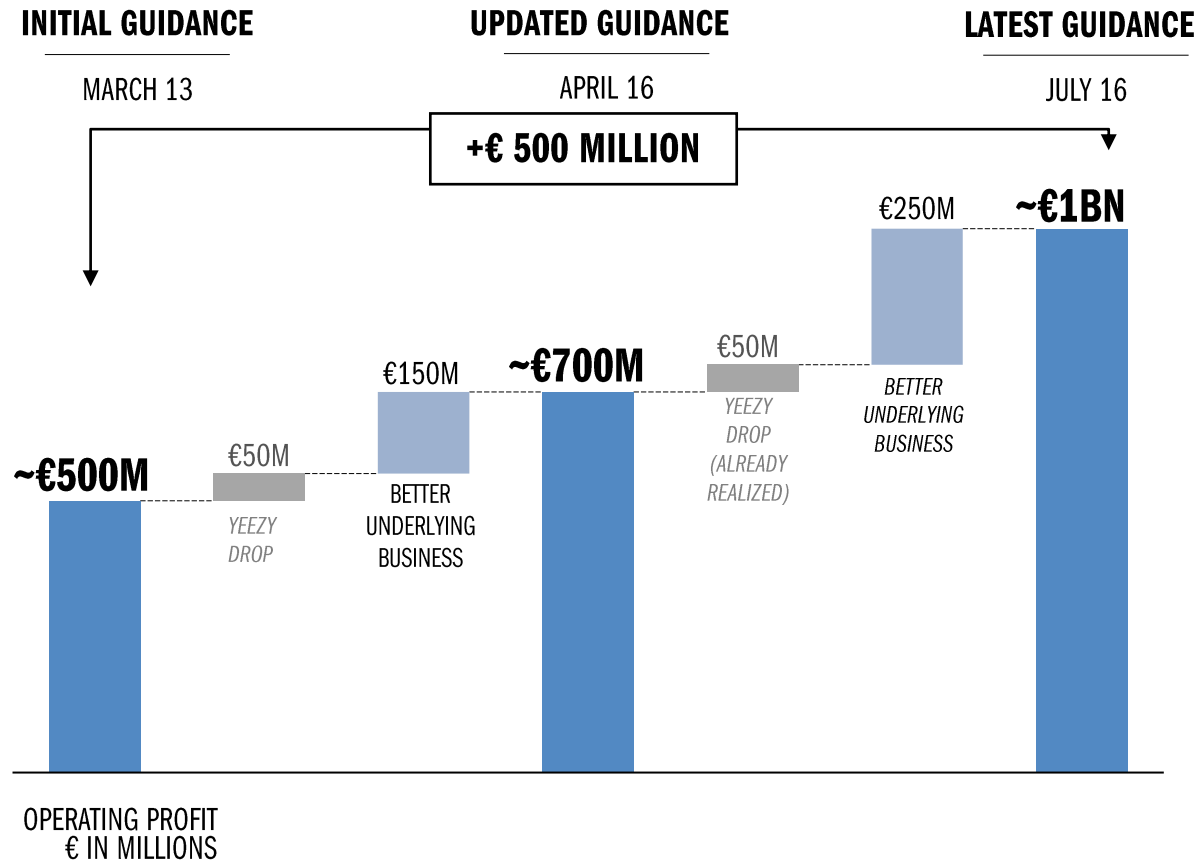
FY 2024 GUIDANCE YEEZY

	Q1 2024	Q2 2024	Q3-Q4 2024	LATEST FY 2024 GUIDANCE JULY 16
NET SALES	~€150M	~€200M	~€150M	~€500M (PREVIOUSLY: ~€350M)
OPERATING PROFIT	~€50M	~€50M	~€0M	~€100M (PREVIOUSLY: ~€50M)

Selling remaining inventory on average at cost

STRONGER UNDERLYING BUSINESS THAN EXPECTED

FY 2024 GUIDANCE: OPERATING PROFIT



ZNE



ADICOLOR



TERREX TRAILMAKER 2



AE 1 LOW



PREDATOR MANIA 'MADE IN GERMANY' RANGE

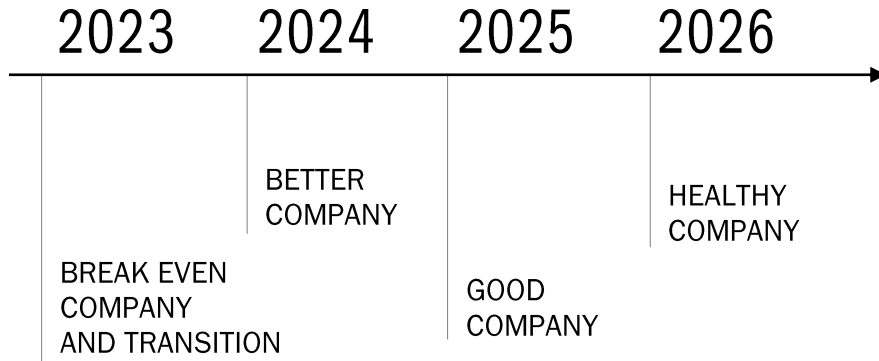


ADIZERO PRO 4

STRONG PRODUCTS COMING IN H2 2024

2026

ROADMAP TO SUCCESS



2024
CELEBRATION
OF THE
YEAR OF SPORTS
CONTINUES
IN PARIS





Team Sierra Leone, Labrum, Best Paris Olympics 2024 Uniforms



OLYMPICS AND PARALYMPICS 2024 IN PARIS

49 SHOES ACROSS 41 DISCIPLINES

**TOM DALEY WINS SILVER IN
10M SYNCHRONISED DIVING**



VIVIAN KONG WINS GOLD IN ÉPÉE FINAL



**ANTOINE DUPONT
WINS GOLD IN
RUGBY
SEVENS**



**SANGUK OH WINS GOLD IN
FENCING SABRE**



**HIFUMI ABE
WINS GOLD IN
JUDO FINAL**



**JESS FOX WINS GOLD IN
CANOE SLALOM K1 FINAL**



**BLACK FERNS
WIN GOLD
IN RUGBY**



OLYMPICS OFF TO A STRONG START

Q&A

