

adidas

Fact Sheet for Fourth Quarter and Full Year 2017

March 14, 2018



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Our Share Highlights

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter			Full Year		
	2017	2016	2017	2016	2017	2016	2017	2016	Change	2017	2016	Change
Earnings per share from continuing operations¹ (in €)												
Basic	2.29	1.85	1.72	1.50	2.70	2.03	0.35	0.02	n.a.	7.05	5.39	31%
Diluted	2.26	1.80	1.70	1.47	2.68	1.98	0.35	0.04	n.a.	7.00	5.29	32%
Earnings per share from continuing and discontinued operations¹ (in €)												
Basic	2.26	1.75	0.78	1.45	2.59	1.93	0.17	(0.05)	n.a.	5.79	5.08	14%
Diluted	2.23	1.71	0.78	1.42	2.57	1.88	0.17	(0.03)	n.a.	5.75	4.99	15%
Average number of shares												
Basic	201,209,054	200,197,417	202,350,968	200,197,417	202,756,583	200,226,599	203,223,933	200,131,868	2%	202,391,673	200,188,276	1%
Diluted	204,273,231	206,294,660	204,198,888	206,327,088	204,236,828	206,327,088	204,238,481	205,656,812	(1%)	204,240,629	206,146,908	(1%)
Number of shares outstanding²												
	201,550,844	200,197,417	202,657,342	200,197,417	202,838,144	200,307,750	203,861,234	201,489,310	1%	203,861,234	201,489,310	1%
Share price ² (in €)	178.30	103.00	167.75	128.45	191.40	154.50	167.15	150.15	11%	167.15	150.15	11%
Market capitalization ² (€ in millions)	35,937	20,620	33,996	25,715	38,823	30,948	34,075	30,254	13%	34,075	30,254	13%
Historical performance of the adidas share and important indices (in %)												
adidas AG	19	15	(6)	25	14	20	(13)	(3)		11	67	
DAX-30	7	(7)	0	(3)	4	9	1	9		13	7	
MSCI World Textiles, Apparel & Luxury Goods	9	3	7	(7)	5	3	7	0		32	(1)	

¹ 2017 excluding negative one-time tax impact of € 76 million.

² At quarter-end.

Consolidated Income Statement Highlights

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter			Full Year		
	2017	2016	2017	2016	2017	2016	2017	2016	Change	2017	2016	Change
Key Figures (€ in millions)												
Net sales ¹	5,447	4,562	5,038	4,199	5,677	5,222	5,056	4,500	12%	21,218	18,483	15%
Gross profit ¹	2,702	2,290	2,525	2,074	2,864	2,510	2,613	2,226	17%	10,703	9,100	18%
Other operating expenses ¹	2,122	1,824	2,072	1,833	2,129	1,963	2,559	2,265	13%	8,882	7,885	13%
EBITDA ¹	763	616	599	519	876	678	274	140	96%	2,511	1,953	29%
Operating profit ¹	637	521	505	429	795	591	132	41	219%	2,070	1,582	31%
Income Before Taxes ¹	645	527	486	425	767	573	124	10	n.a.	2,023	1,536	32%
Net Income from continuing operations ^{1,3}	462	370	347	301	549	407	72	4	n.a.	1,430	1,082	32%
Net Income attributable to shareholders ^{2,3}	455	351	158	291	526	386	34	(10)	n.a.	1,173	1,017	15%
Key Ratios												
Gross margin ¹	49.6%	50.2%	50.1%	49.4%	50.4%	48.1%	51.7%	49.5%	2.2pp	50.4%	49.2%	1.2pp
Other operating expenses in % of net sales ¹	39.0%	40.0%	41.1%	43.7%	37.5%	37.6%	50.6%	50.3%	0.3pp	41.9%	42.7%	(0.8pp)
Operating margin ¹	11.7%	11.4%	10.0%	10.2%	14.0%	11.3%	2.6%	0.9%	1.7pp	9.8%	8.6%	1.2pp
Effective tax rate ^{1,3}	28.4%	29.9%	28.6%	29.2%	28.5%	29.0%	41.7%	62.3%	(20.6pp)	29.3%	29.6%	(0.3pp)
Net Income attributable to shareholders in % of net sales ^{2,3}	8.3%	7.7%	3.1%	6.9%	9.3%	7.4%	0.7%	(0.2%)	0.9pp	5.5%	5.5%	0.0pp

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

² Includes continuing and discontinued operations.

³ 2017 excluding negative one-time tax impact of € 76 million.

Consolidated Statement of Financial Position and Cash Flow Highlights

	March 31		June 30		September 30		December 31		
	2017	2016	2017	2016	2017	2016	2017	2016	Change
Key Figures (€ in millions)									
Total assets	15,684	13,415	14,692	14,029	14,871	14,255	14,522	15,176	(4%)
Accounts receivable	2,876	2,517	2,477	2,356	2,808	2,715	2,315	2,200	5%
Inventories	3,609	2,939	3,644	3,514	3,441	3,203	3,692	3,763	(2%)
Operating working capital	4,554	3,883	4,258	4,013	4,502	4,228	4,033	3,468	16%
Net cash/(net borrowings)	(859)	(809)	(735)	(1,028)	(345)	(769)	484	(103)	n.a.
Shareholders' equity	6,719	5,679	6,141	5,792	6,470	6,126	6,450	6,472	(0%)
Capital expenditure	116	68	266	201	465	361	752	642	17%
Net cash generated from/(used in) operating activities	(542)	(266)	167	(75)	742	376	1,648	1,348	22%
Key ratios									
Average operating working capital in % of net sales ^{1,2}	21.0%	21.2%	20.4%	21.4%	20.3%	21.3%	20.4%	21.1%	(0.7pp)
Equity ratio	42.8%	42.3%	41.8%	41.3%	43.5%	43.0%	44.4%	42.6%	1.8pp
Net borrowings/EBITDA ^{1,3}	0.4	0.5	0.3	0.6	0.1	0.4	(0.2)	0.1	n.a.
Financial leverage	12.8%	14.2%	12.0%	17.7%	5.3%	12.6%	(7.5%)	1.6%	(9.1pp)

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

² Twelve-month trailing average.

³ EBITDA of last twelve months.

Financial Highlights by Segment (€ in millions)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter				Full Year			
	2017	2016	2017	2016	2017	2016	2017	2016	Change	Change [c.n.]	2017	2016	Change	Change [c.n.]
Western Europe														
Net sales	1,523	1,414	1,421	1,214	1,656	1,557	1,283	1,105	16%	17%	5,883	5,291	11%	13%
adidas brand	1,374	1,294	1,315	1,133	1,512	1,438	1,188	1,024	16%	17%	5,388	4,889	10%	12%
Reebok brand	149	121	107	81	144	119	96	81	17%	18%	496	402	23%	24%
Gross profit	678	651	637	534	748	676	616	488	26%		2,679	2,350	14%	
<i>Gross margin</i>	44.5%	46.1%	44.8%	44.0%	45.2%	43.4%	48.0%	44.2%	3.9pp		45.5%	44.4%	1.1pp	
Operating expenses	350	338	352	324	364	342	435	394	10%		1,501	1,398	7%	
<i>Operating expenses in % of net sales</i>	23.0%	23.9%	24.8%	26.7%	22.0%	22.0%	33.9%	35.6%	(1.7pp)		25.5%	26.4%	(0.9pp)	
Operating profit	328	313	285	210	384	334	181	94	92%		1,178	951	24%	
<i>Operating margin</i>	21.5%	22.2%	20.1%	17.3%	23.2%	21.4%	14.1%	8.5%	5.6pp		20.0%	18.0%	2.1pp	
North America														
Net sales	988	728	1,014	788	1,099	927	1,175	969	21%	31%	4,275	3,412	25%	27%
adidas brand	880	621	915	673	994	788	1,054	815	29%	39%	3,843	2,897	33%	35%
Reebok brand	108	106	99	115	105	139	121	153	(21%)	(15%)	432	514	(16%)	(15%)
Gross profit	376	274	420	305	437	346	456	360	27%		1,689	1,286	31%	
<i>Gross margin</i>	38.1%	37.7%	41.4%	38.8%	39.8%	37.3%	38.8%	37.2%	1.6pp		39.5%	37.7%	1.8pp	
Operating expenses	294	266	304	247	329	290	354	321	10%		1,280	1,124	14%	
<i>Operating expenses in % of net sales</i>	29.7%	36.6%	30.0%	31.3%	29.9%	31.3%	30.1%	33.1%	(3.0pp)		29.9%	32.9%	(3.0pp)	
Operating profit	97	19	131	74	123	71	117	49	138%		468	214	119%	
<i>Operating margin</i>	9.8%	2.7%	12.9%	9.4%	11.2%	7.7%	9.9%	5.1%	4.9pp		10.9%	6.3%	4.7pp	
Greater China														
Net sales	990	762	865	685	1,012	822	922	741	24%	32%	3,789	3,010	26%	29%
adidas brand	970	746	846	669	992	803	899	726	24%	31%	3,707	2,944	26%	30%
Reebok brand	20	17	19	15	20	19	23	16	48%	58%	82	67	23%	25%
Gross profit	583	436	516	413	565	466	498	416	20%		2,162	1,731	25%	
<i>Gross margin</i>	58.9%	57.2%	59.6%	60.3%	55.9%	56.8%	54.0%	56.0%	(2.1pp)		57.1%	57.5%	(0.5pp)	
Operating expenses	188	138	206	159	203	182	223	192	16%		820	671	22%	
<i>Operating expenses in % of net sales</i>	19.0%	18.1%	23.8%	23.2%	20.1%	22.2%	24.2%	25.9%	(1.7pp)		21.7%	22.3%	(0.6pp)	
Operating profit	396	298	310	254	362	284	274	223	23%		1,342	1,060	27%	
<i>Operating margin</i>	39.9%	39.1%	35.8%	37.2%	35.8%	34.6%	29.7%	30.1%	(0.4pp)		35.4%	35.2%	0.2pp	
Russia/CIS														
Net sales	160	138	181	172	173	195	146	175	(16%)	(14%)	660	679	(3%)	(13%)
adidas brand	116	106	135	132	125	148	103	128	(20%)	(17%)	478	514	(7%)	(16%)
Reebok brand	44	32	46	39	48	47	44	47	(6%)	(5%)	182	166	10%	(2%)
Gross profit	100	80	120	100	114	111	95	104	(9%)		429	395	8%	
<i>Gross margin</i>	62.3%	57.7%	66.4%	58.2%	65.8%	57.0%	64.9%	59.7%	5.2pp		64.9%	58.1%	6.7pp	
Operating expenses	86	66	75	68	67	79	64	78	(18%)		292	290	1%	
<i>Operating expenses in % of net sales</i>	54.0%	47.8%	41.6%	39.6%	38.6%	40.3%	43.6%	44.5%	(0.9pp)		44.3%	42.7%	1.5pp	
Operating profit	13	14	45	32	47	33	31	27	17%		136	105	30%	
<i>Operating margin</i>	8.2%	9.9%	24.8%	18.6%	27.2%	16.7%	21.3%	15.2%	6.1pp		20.6%	15.4%	5.2pp	

Financial Highlights by Segment (€ in millions)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter				Full Year			
	2017	2016	2017	2016	2017	2016	2017	2016	Change	Change (c.n.)	2017	2016	Change	Change (c.n.)
Latin America														
Net sales	454	394	441	379	502	487	510	471	8%	19%	1,907	1,731	10%	12%
adidas brand	397	350	387	330	441	424	447	411	9%	19%	1,673	1,515	10%	12%
Reebok brand	57	44	53	48	61	63	63	61	4%	15%	235	216	9%	12%
Gross profit	181	178	173	156	200	195	249	204	22%		803	734	9%	
Gross margin	39.9%	45.2%	39.2%	41.1%	39.8%	40.1%	48.8%	43.4%	5.4pp		42.1%	42.4%	(0.3pp)	
Operating expenses	132	122	126	116	132	124	146	144	1%		535	507	6%	
Operating expenses in % of net sales	29.0%	31.1%	28.6%	30.6%	26.3%	25.5%	28.5%	30.6%	(2.1pp)		28.1%	29.3%	(1.2pp)	
Operating profit	49	56	47	40	68	71	103	60	73%		268	227	18%	
Operating margin	10.9%	14.1%	10.6%	10.5%	13.6%	14.6%	20.3%	12.7%	7.6pp		14.0%	13.1%	0.9pp	
Japan														
Net sales	301	236	261	236	243	264	251	271	(7%)	4%	1,056	1,007	5%	10%
adidas brand	270	212	233	209	220	238	232	248	(6%)	5%	955	907	5%	10%
Reebok brand	30	24	28	27	23	26	19	23	(16%)	(4%)	101	100	1%	6%
Gross profit	154	116	140	120	130	128	136	133	2%		560	497	13%	
Gross margin	51.2%	49.0%	53.7%	51.0%	53.5%	48.3%	54.0%	49.2%	4.8pp		53.0%	49.4%	3.7pp	
Operating expenses	78	70	77	72	73	75	83	87	(4%)		310	304	2%	
Operating expenses in % of net sales	25.9%	29.4%	29.4%	30.8%	29.9%	28.4%	33.2%	32.0%	1.2pp		29.4%	30.2%	(0.8pp)	
Operating profit	81	50	67	51	61	56	57	50	14%		266	207	28%	
Operating margin	26.8%	21.2%	25.8%	21.6%	25.3%	21.3%	22.6%	18.4%	4.1pp		25.2%	20.6%	4.6pp	
MEAA (Middle East, Africa and other Asian markets)														
Net sales	833	701	657	572	801	794	616	618	(0%)	7%	2,907	2,685	8%	10%
adidas brand	751	630	584	502	716	713	553	540	3%	10%	2,603	2,385	9%	11%
Reebok brand	83	71	74	70	85	81	63	79	(21%)	(16%)	304	301	1%	2%
Gross profit	421	356	343	283	417	396	333	309	8%		1,514	1,344	13%	
Gross margin	50.5%	50.7%	52.2%	49.4%	52.0%	49.9%	54.1%	50.0%	4.2pp		52.1%	50.0%	2.1pp	
Operating expenses	171	142	161	156	150	154	188	171	10%		669	624	7%	
Operating expenses in % of net sales	20.5%	20.2%	24.4%	27.3%	18.7%	19.4%	30.5%	27.7%	2.8pp		23.0%	23.2%	(0.2pp)	
Operating profit	250	214	183	127	267	242	146	138	6%		847	722	17%	
Operating margin	30.1%	30.6%	27.8%	22.2%	33.4%	30.5%	23.7%	22.3%	1.3pp		29.1%	26.9%	2.2pp	
Other Businesses¹														
Net sales	197	189	198	155	192	175	152	149	2%	7%	739	667	11%	12%
Gross profit	82	77	79	62	68	74	59	57	5%	10%	288	270	7%	8%
Gross margin	41.9%	40.7%	39.9%	39.9%	35.2%	42.4%	39.1%	38.2%	1.0pp		39.0%	40.4%	(1.4pp)	
Operating expenses	52	55	58	74	46	46	69	48	44%		225	222	1%	
Operating expenses in % of net sales	26.6%	28.9%	29.1%	47.7%	24.0%	26.3%	45.2%	32.1%	13.1pp		30.4%	33.3%	(2.9pp)	
Operating profit	31	23	22	(11)	23	29	(8)	10	(177%)		68	52	30%	
Operating margin	16.0%	12.3%	11.2%	(6.8%)	11.7%	16.9%	(5.2%)	6.9%	(12.0pp)		9.2%	7.8%	1.4pp	

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

Financial Highlights by Brand (€ in millions)

	First Quarter		Second Quarter		Third Quarter		2017	Fourth Quarter		Change (c.n.)	2017	Full Year		Change (c.n.)
	2017	2016	2017	2016	2017	2016		2016	Change			2016	Change	
Net Sales by Brand														
adidas brand	4,842	4,036	4,497	3,705	5,091	4,640	4,562	3,953	15%	22%	18,993	16,334	16%	18%
Reebok brand	492	416	431	399	485	493	435	462	(6%)	(1%)	1,843	1,770	4%	4%
Total¹	5,447	4,562	5,038	4,199	5,677	5,222	5,056	4,500	12%	19%	21,218	18,483	15%	16%
Gross Margin by Brand														
adidas brand	47.2%	47.4%	48.0%	46.5%	47.1%	45.6%	47.9%	46.2%	1.7pp		47.5%	46.4%	1.1pp	
Reebok brand	39.0%	38.0%	41.0%	36.8%	40.9%	36.7%	42.3%	35.4%	6.9pp		40.7%	36.7%	4.0pp	
Net Sales by Product Category														
Footwear ¹	3,301	2,568	3,028	2,291	3,266	2,859	2,832	2,415	17%	24%	12,427	10,132	23%	24%
Apparel ¹	1,895	1,748	1,748	1,656	2,144	2,082	1,960	1,866	5%	11%	7,747	7,352	5%	7%
Hardware ¹	251	247	262	253	267	281	264	218	21%	32%	1,044	999	5%	6%
Total¹	5,447	4,562	5,038	4,199	5,677	5,222	5,056	4,500	12%	19%	21,218	18,483	15%	16%

Rounding differences may arise.

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

Retail at a Glance

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter			Full Year		
	2017	2016	2017	2016	2017	2016	2017	2016	Change (c.n.)	2017	2016	Change (c.n.)
Number of stores ¹	2,686	2,707	2,658	2,744	2,634	2,751	2,588	2,811		2,588	2,811	
Concept stores	1,657	1,693	1,632	1,720	1,605	1,728	1,557	1,757		1,557	1,757	
Concession corners	147	153	145	152	136	147	136	152		136	152	
Factory outlets	882	861	881	872	893	876	895	902		895	902	
Stores by brand ¹												
adidas brand	1,451	1,478	1,433	1,499	1,416	1,510	1,380	1,531		1,380	1,531	
Reebok brand	353	368	344	373	325	365	313	378		313	378	
Multibrand	882	861	881	872	893	876	895	902		895	902	
Opening	60	54	75	83	61	72	68	128		264	337	
Closing	185	69	103	46	85	65	114	68		487	248	
Net opening/(net closing)	(125)	(15)	(28)	37	(24)	7	(46)	60		(223)	89	
Net sales ²	1,290	1,034	1,467	1,177	1,417	1,330	1,685	1,462	21%	5,860	5,003	17%
adidas brand									23%			19%
Reebok brand									4%			3%
eCommerce									65%			57%
Comp									6%			5%
adidas brand Comp									6%			6%
Reebok brand Comp									3%			(1%)

¹ At quarter-end.

² € in millions.