Q3 2018
ROADSHOW PRESENTATION

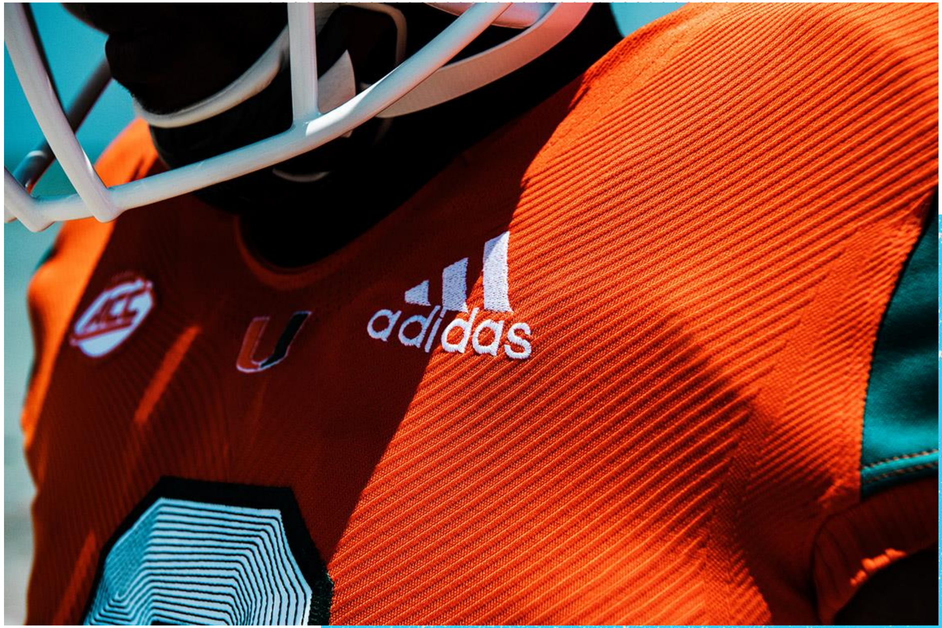
adidas

AGENDA

1 BUSINESS HIGHLIGHTS

2 FINANCIAL HIGHLIGHTS

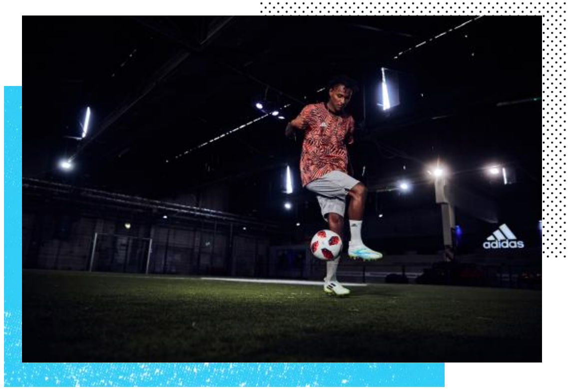
3 OUTLOOK



BUSINESS HIGHLIGHTS

KASPER RORSTED
CEO

STRENGTHS & WEAKNESSES
IN Q3 2018

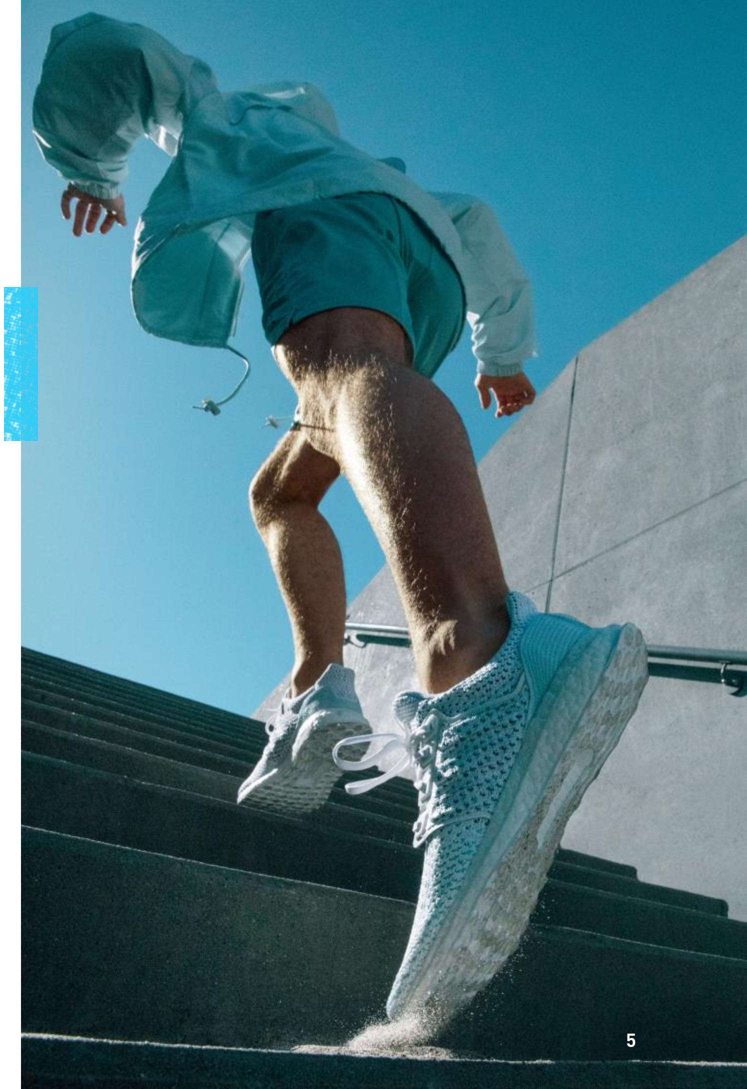


+ **Progress across all strategic growth areas** North America, Greater China and e-com up double-digits	- **Challenges in Western Europe** Still weighing on company's top-line growth
+ **Significant growth in Sport Performance** Double-digit increases in Training and Running	- **Opex leverage masked by investments** Investments into brand and scalability of business
+ **Better-than-expected gross margin** Focus on quality of top-line paying off	- **Sport Inspired supported by exceptional Yeezy launch** Originals normalizing after period of extraordinary growth
+ **Strong profitability improvement** In spite of severe FX headwinds	- **Retail comp trend mixed** Comps up mid-single-digits but concept store comps slow down

MAJOR P&L DEVELOPMENTS
IN Q3 2018

1. **Revenues increase 8% currency-neutral**
   and 3% in euro terms to € 5.9 billion
2. **Gross margin up 1.4pp to 51.8%**
   despite severe FX headwinds
3. **Operating margin up 1.3pp to 15.3%**
   despite higher marketing investment
4. **Net income from continuing operations increases 19%**
   to € 656 million
5. **Basic EPS from continuing operations up 21%**
   to € 3.26

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



DOUBLE-DIGIT INCREASES IN STRATEGIC GROWTH AREAS
IN Q3 2018

adidas
North America **+18%**

Greater China **+26%**

E-commerce **+76%**

Currency-neutral.

ADIDAS BRAND WITH STRONG GROWTH
DOUBLE-DIGIT INCREASE IN NORTH AMERICA AND ASIA-PACIFIC

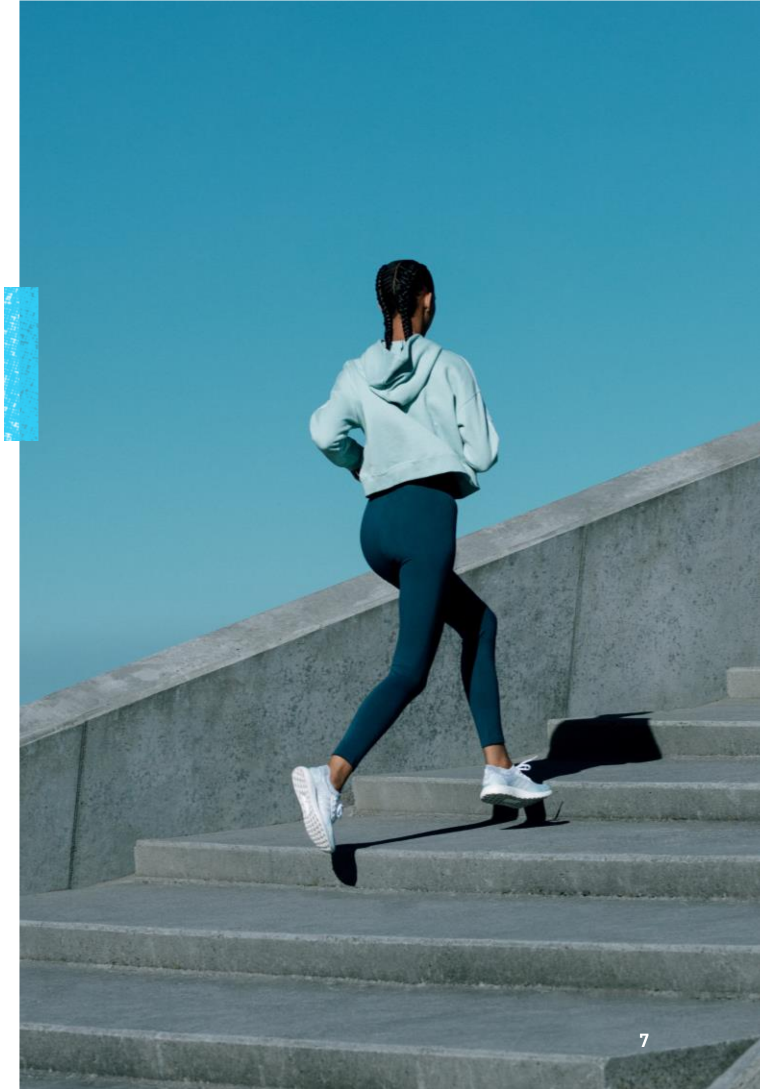
+10%

Sport Performance grows 8%
Driven by double-digit growth in Training and Running

Sport Inspired grows 11%
Reflecting exceptional Yeezy growth

Balanced growth
Double-digit increases in both Footwear and Apparel

Currency-neutral.



ROBUST PROFITABILITY IMPROVEMENT AT REEBOK
FURTHER PROGRESS ON EXECUTING MUSCLE-UP INITIATIVES

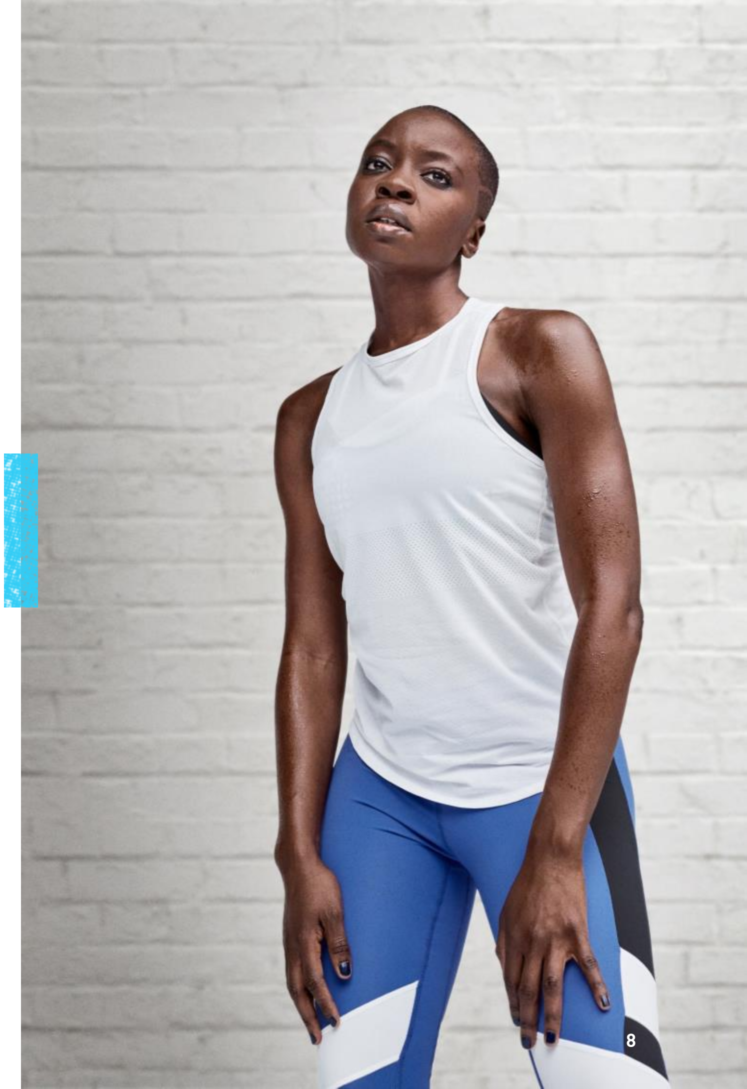
+4.4PP

Reebok revenues decrease 5%
Due to sales decreases in all markets

Double-digit growth in Classics
Offset by declines in Training and Running

Gross margin up 4.4pp to 45.3%
Driven by further execution of Muscle-Up

Currency-neutral.



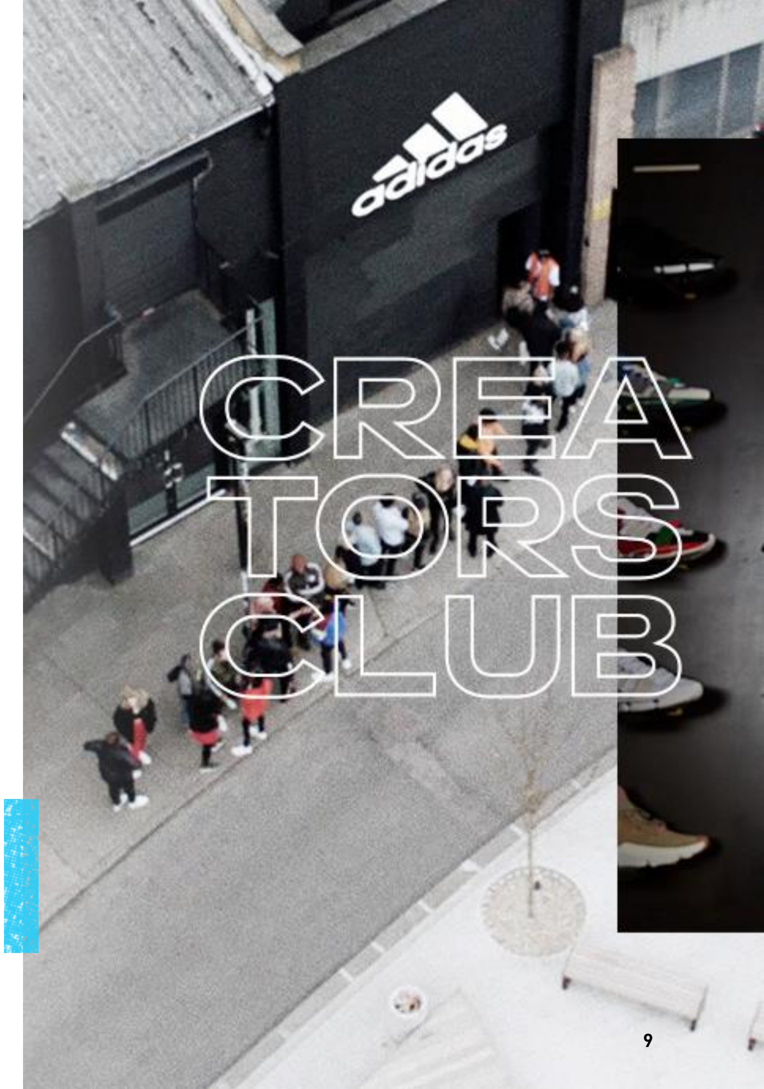
EXCEPTIONAL GROWTH IN E-COM
LEVERAGING OUR BIGGEST STORE

+76%

E-commerce revenues grow 76%
Driven by double-digit growth across all regions

Hype releases and launch of Creators Club
Driving traffic and engagement rates

adidas App now live in 17 countries
Close to 5 million downloads by the end of Q3

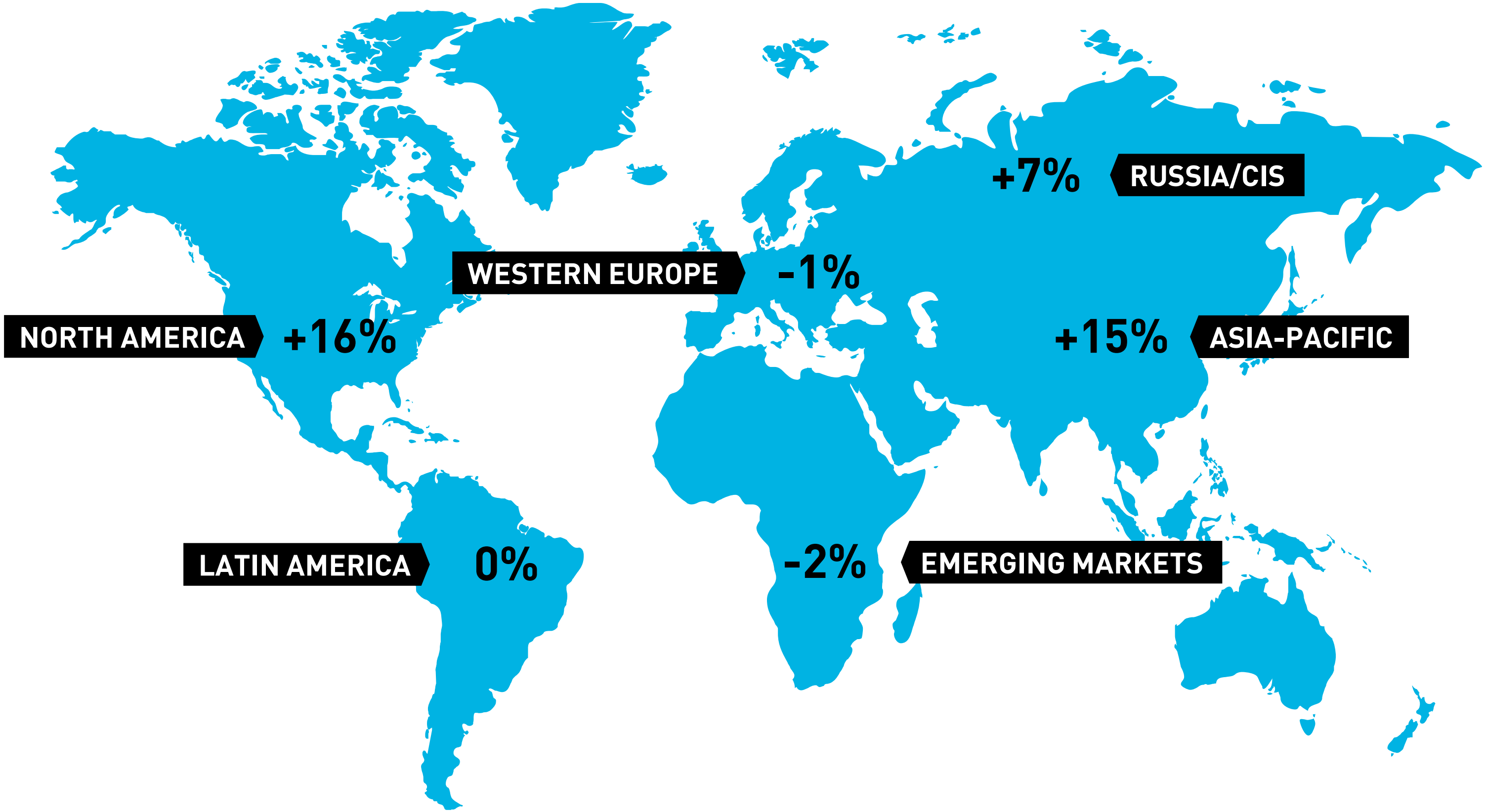


Currency-neutral.

FINANCIAL HIGHLIGHTS

HARM OHLMEYER
CFO

KEY REGIONS CONTINUE TO GROW AS EXPECTED
NORTH AMERICA AND ASIA-PACIFIC WITH DOUBLE-DIGIT SALES INCREASES



Currency-neutral.

NORTH AMERICA
STRONG TOP- AND BOTTOM-LINE IMPROVEMENTS

+16%

Currency-neutral sales increase 16%

adidas brand revenues up 18%
Driven by double-digit growth in Training, Running, Football and Sport Inspired

Reebok brand revenues flat
High-single-digit increase in the US offset by decline in Canada

Gross margin increases 2.2pp to 42.0%
Several positive drivers, including favorable channel and category mix

Operating margin increases 6.8pp to 18.1%
On the back of gross margin expansion as well as operating leverage

ASIA-PACIFIC
STRONG DOUBLE-DIGIT GROWTH DRIVEN BY GREATER CHINA

+15%

Currency-neutral sales increase 15%

adidas brand sales increase 16%
Double-digit growth in Training, Running, HBS and Sport Inspired

Reebok brand revenues decrease 1%
Decline in Training largely compensated by growth in Classics and Running

Gross margin up 1.8pp to 57.2%
Better pricing, channel and category mix compensates FX headwind

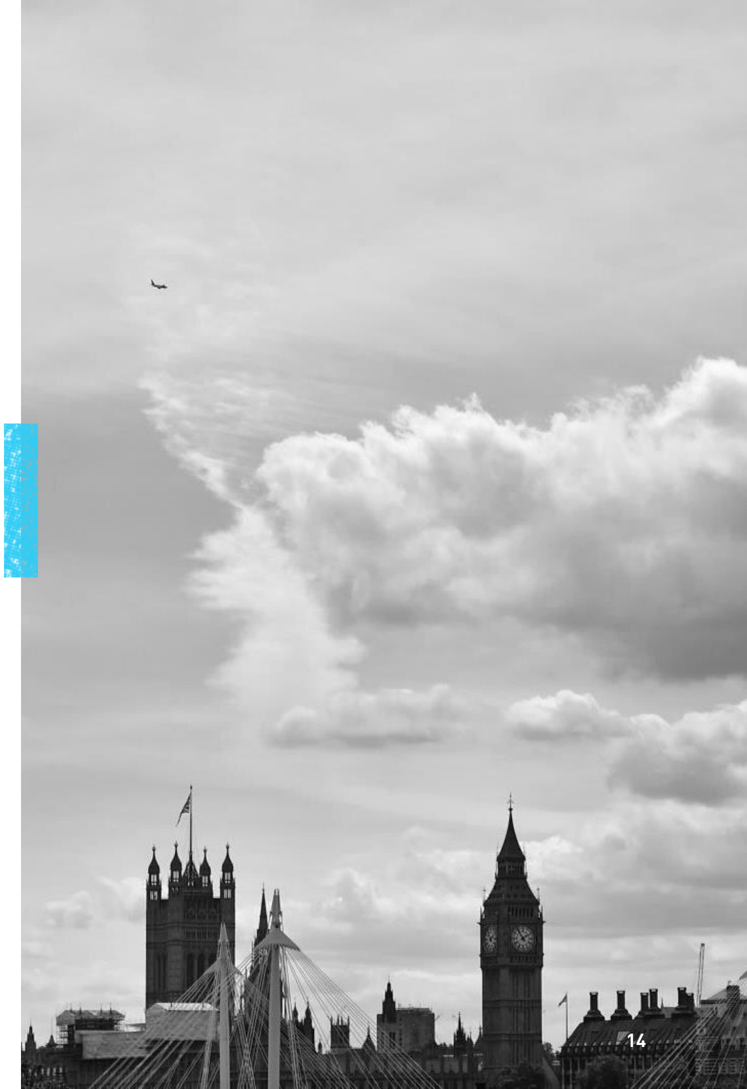
Operating margin up 0.9pp to 35.5%
Investments partially offset gross margin expansion

WESTERN EUROPE
TOP-LINE DEVELOPMENT IN LINE WITH EXPECTATIONS

-1%

Currency-neutral sales decrease 1%

- **adidas brand revenues decrease 1%**
  Moderate gain in Sport Performance offset by moderate decline in Sport Inspired
- **Reebok brand sales decrease 5%**
  Reflecting tough prior year comps and more selective distribution
- **Gross margin improves 3.4pp to 48.8%**
  Despite negative FX impact as focus on quality pays off
- **Operating margin is up 1.1pp to 24.4%**
  Gross margin improvement partly offset by brand investments



WESTERN EUROPE
COMPREHENSIVE SET OF COUNTERMEASURES INITIATED

CHALLENGES	COUNTERMEASURES
1 **Overreliance on and overdistribution** of Originals	**More holistic segmentation approach** and better input process
2 **Planned decline of Stan and Superstar** not compensated for by new franchises	**Relentless activation of commercial launches** according to marketplace needs
3 **Slow reaction** to changing trends	**New management team and simplified organization** with focus on consumer and key accounts
4 **Aggressive competition** in a mature market	**Tailored investment plans** in order to regain market share in key accounts

FINANCIAL RESULTS OVERVIEW
OPERATING MARGIN IMPROVEMENT DRIVEN BY GROSS MARGIN INCREASE

	Q3 2018	Q3 2017	**Y-O-Y change**
NET SALES (€ in millions)	**5,873**	5,677	**+3%**
GROSS MARGIN	***51.8%***	*50.4%*	***+1.4pp***
MARKETING WORKING BUDGET (€ in millions)	**716**	667	**+7%**
MWB *(in % of sales)*	***12.2%***	*11.7%*	***+0.4pp***
OPERATING OVERHEADS (€ in millions)	***1,504***	*1,463*	***+3%***
OOH *(in % of sales)*	***25.6%***	*25.8%*	***-0.2pp***
OPERATING PROFIT (€ in millions)	**901**	795	**+13%**
OPERATING MARGIN	***15.3%***	*14.0%*	***+1.3pp***
NET INCOME FROM CONTINUING OPERATIONS (€ in millions)	**656**	549	**+19%**
BASIC EPS FROM CONTINUING OPERATIONS (€)	**3.26**	2.70	**+21%**

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

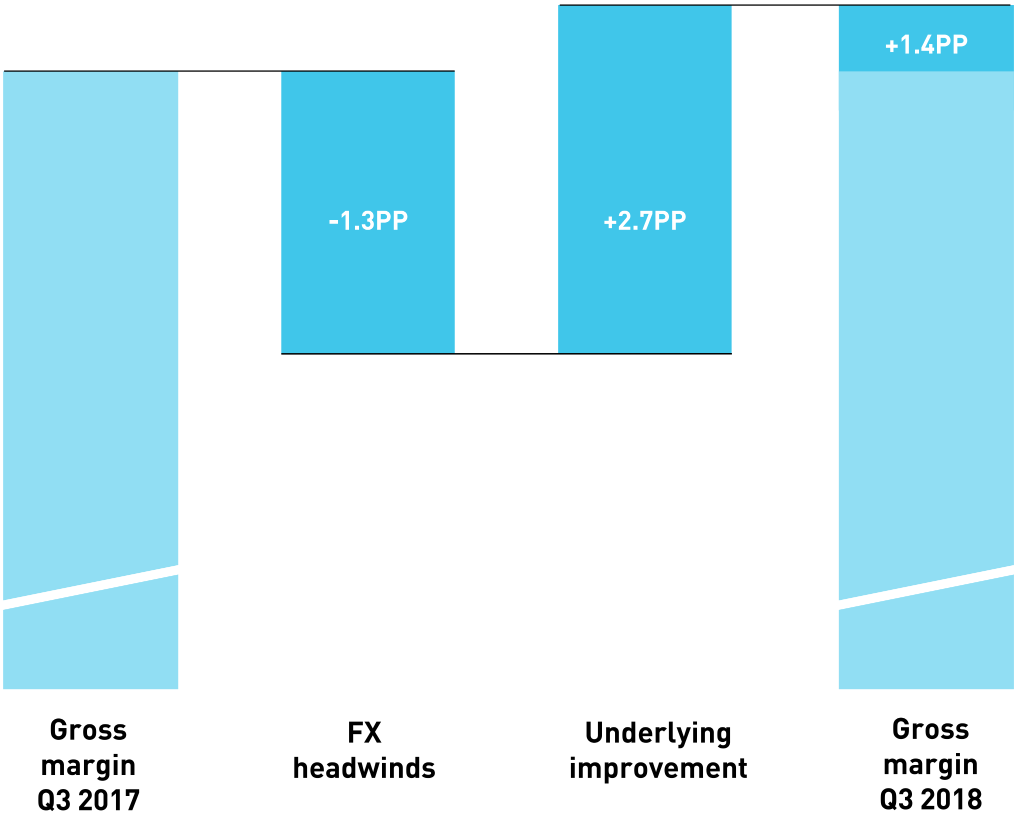
GROSS MARGIN EXPANSION DECOMPOSED

STRONG UNDERLYING IMPROVEMENT AS FOCUS ON QUALITY GROWTH PAYS OFF

Gross margin expansion continues
Up 1.4pp in Q3

Despite stronger drag from FX
1.3pp headwind in Q3

Strong underlying improvement
Reflecting brand strength and healthy inventories



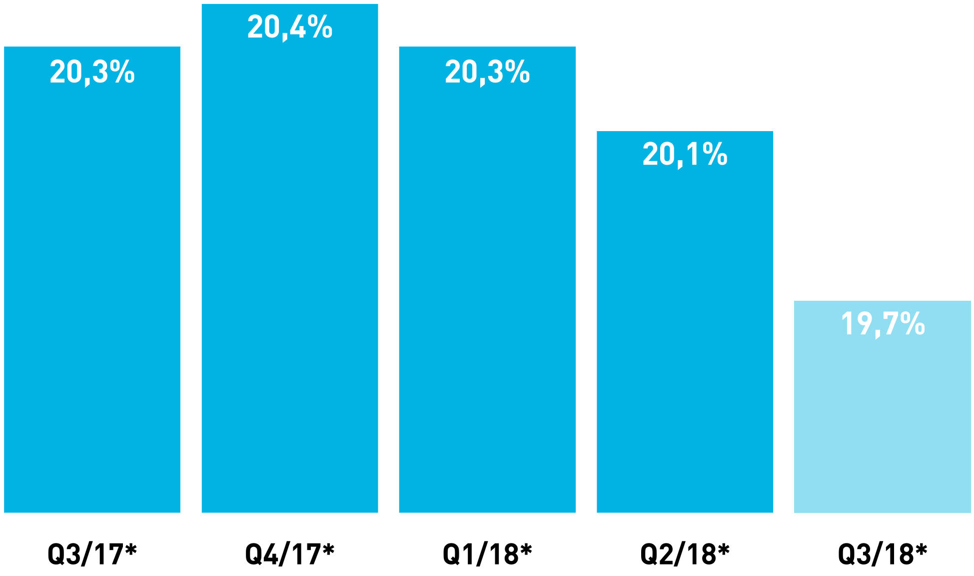
Year-on-year change.

AVERAGE OPERATING WORKING CAPITAL
IN % OF SALES DOWN 0.6PP YOY TO 19.7%

Inventories
Down 4% currency-neutral

Receivables
Up 11% currency-neutral

Payables
Up 11% currency-neutral



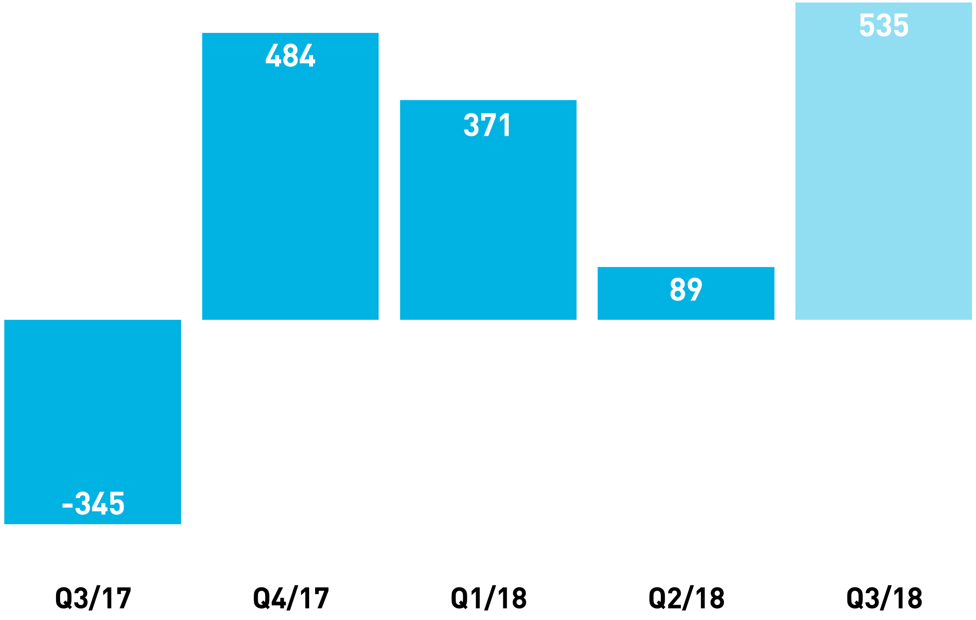
Average operating working capital in % of sales at quarter-end.
** Figures reflect net sales and OWC from continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.*

NET CASH AND EQUITY POSITION
EQUITY RATIO AT 41.8%

Net cash position
At € 535 million

Equity position
Increases € 456 million year-on-year

Equity ratio
Decreases 0.3pp year-on-year to 41.8%



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

SHAREHOLDER RETURN
SHARE BUYBACK UPDATE

1 **TOTAL SIZE**

Up to € 3 billion (up to € 1 billion in 2018)

2 **TIMEFRAME**

Started March 22, 2018 and ending latest on May 11, 2021

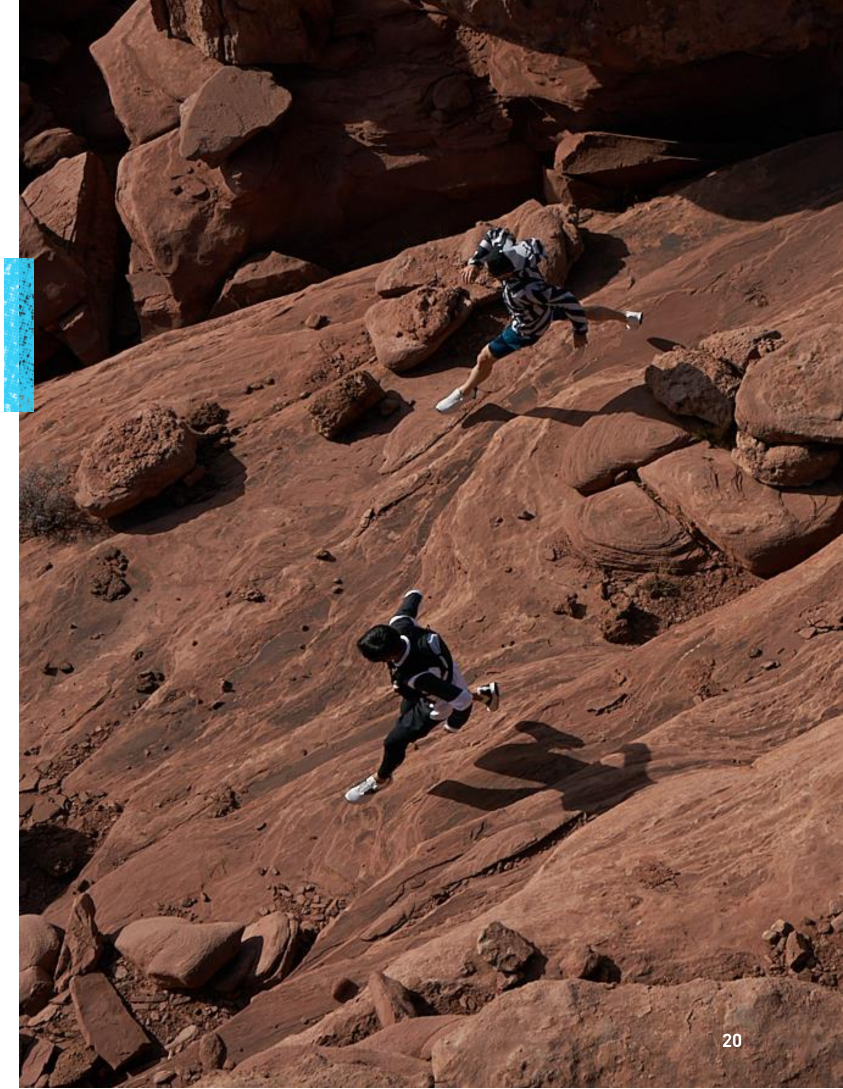
3 **NUMBER OF SHARES PURCHASED***

3.8 million adidas AG shares

4 **AMOUNT PURCHASED***

€ 733 million

*As at September 30, 2018.

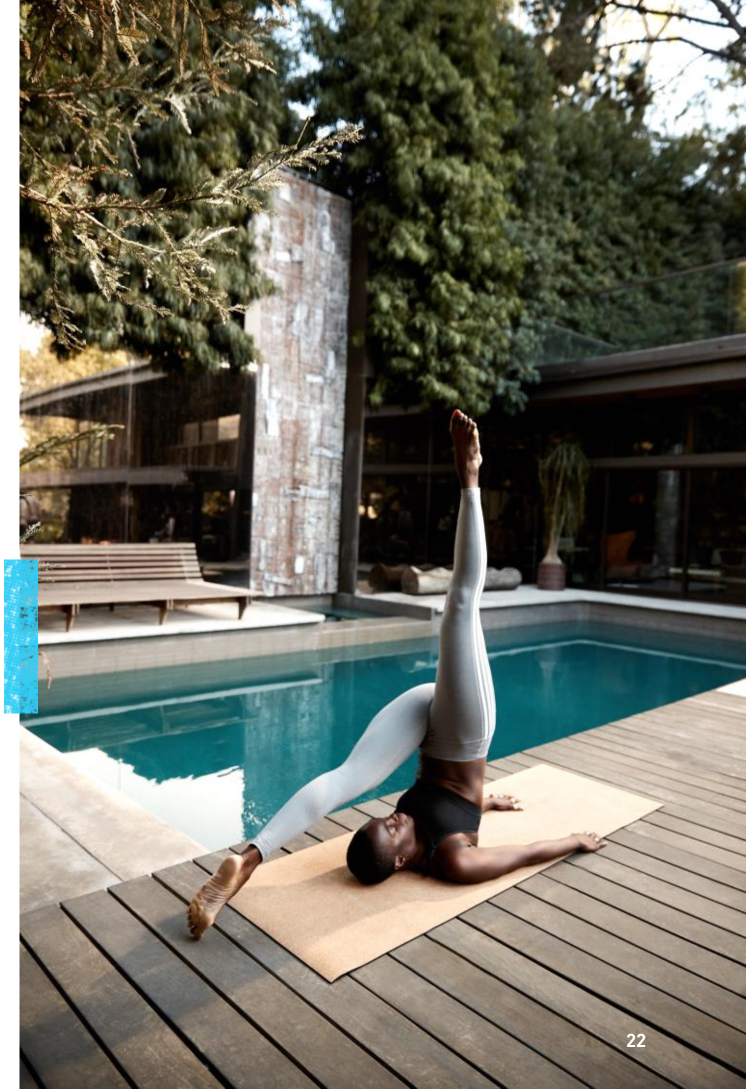


OUTLOOK

KASPER RORSTED
CEO

2018
BALANCING MARKET SHARE GROWTH AND MARGIN IMPROVEMENT

1. **High-quality revenue growth**
2. **Product pipeline to support planned top-line expansion**
3. **Overproportionate investments in brands and products**
4. **Continuing to implement scalable business model**
5. **Margin expansion and overproportionate net income growth**



OUR POWERFUL ENGINE

DRIVING BRAND DESIRABILTY AS WELL AS TOP-LINE GROWTH

ITERATING EXISTING PRODUCT SUCCESSES



LAUNCHING NEW PRODUCTS AND FRANCHISES



SCALING INNOVATION AND NEW TECHNOLOGIES


LEVERAGING THE INDUSTRY'S DEEPEST ARCHIVE



CELEBRATING SPORTS ASSETS AND EVENTS

CALLING CREATORS AND COMMUNITIES


FLAWLESS EXECUTION OF BIGGEST DIGITAL RELEASE
YEEZY BOOST 350 V2 TRIPLE WHITE

Large-scale activation
Executing perfectly in sync across all functions around the globe

Taking over social media
Media mentions and search interest surpassing past Yeezy releases

Driving e-commerce traffic
Launch generating millions of adidas.com site visits

Major commercial success
Sell-through and margin metrics above expectations

Sticking to the plan
Democratizing Yeezy while preserving the hype

MOVING FAST IN ORDER TO WIN IN PHYSICAL RETAIL
NEW BRAND CENTER SHANGHAI EAST NANJING ROAD

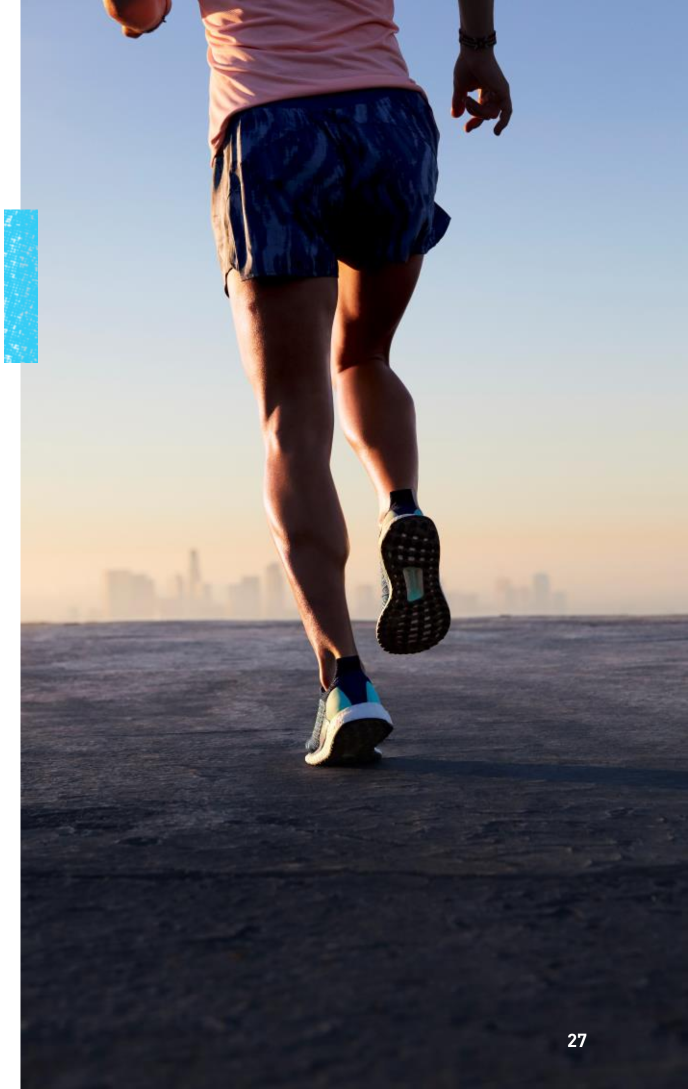
OUTLOOK 2018 INCREASED
STRONGER BOTTOM-LINE IMPROVEMENT EXPECTED

Net sales*	Increase of around 10%	LOWER END	**Increase of 8% – 9%**
Gross margin	Increase up to 0.3pp to up to 50.7%	INCREASED	**Increase up to 1.0pp to up to 51.4%**
Operating profit	Increase of 9% – 13%	INCREASED	**Increase of 12% – 16%**
Operating margin	Increase of 0.5pp – 0.7pp to 10.3% – 10.5%	INCREASED	**Increase of around 1.0pp to around 10.8%**
Net income from continuing operations**	Increase of 13% – 17% to € 1.615 – € 1.675 billion	INCREASED	**Increase of 16% – 20% to € 1.660 – € 1.720 billion**
Basic EPS from continuing operations**	Increase of 12% – 16%	INCREASED	**Increase of 15% – 19%**

** Currency-neutral.*
*** Excluding negative one-time tax impact of € 76 million in 2017; not taking into account any decrease in the number of shares outstanding due to the company's share buyback program.*

SUMMARY

1. 2018 ahead of plan, full-year outlook increased
2. Progress across strategic growth areas, acting on Western Europe
3. Higher marketing investments to support brand and product
4. Strong profitability improvements despite investment into brand and business
5. Focus on executing the second half of ‘Creating the New’



Q&A