

A group of runners in Adidas gear are jogging across a bridge. The scene is captured in a monochromatic style with a teal overlay. The runners are wearing hooded sweatshirts and track pants, some with the Adidas logo. The bridge has a metal railing, and the background shows a cityscape under a hazy sky.

adidas

Q3 2017
ROADSHOW PRESENTATION



BUSINESS HIGHLIGHTS

EXECUTING 'CREATING THE NEW'

ORGANISATIONAL PROGRESS COMPLEMENTS OPERATIONAL IMPROVEMENTS

TAYLORMADE AND CCM HOCKEY BUSINESSES

DIVESTITURES COMPLETED

LEADERSHIP GROUPS ESTABLISHED AND ACTIVATED

LEADERSHIP FRAMEWORK DEFINED AND INTRODUCED

ORGANISATION IN 'EXECUTION MODE'

DRIVING PROGRESS AGAINST SHORT- AND LONG-TERM GOALS

STRENGTHS AND WEAKNESSES

IN Q3 2017

EXCELLENT GROWTH

IN NORTH AMERICA AND GREATER CHINA

ECOM CONTINUES TO OUTPERFORM

FASTEST-GROWING CHANNEL IN ALL REGIONS

ROBUST GROSS MARGIN IMPROVEMENT

REFLECTING CONTINUED STRONG BRAND DESIRE

STRONG PROFITABILITY IMPROVEMENTS

DUE TO OPERATIONAL PROGRESS

SLOWER GROWTH IN WESTERN EUROPE

DUE TO MARKET AND RETAIL SLOWDOWN

US COLLEGE BASKETBALL ALLEGATION

THOROUGH INTERNAL INVESTIGATION WITH
OUTSIDE COUNSEL ONGOING

DECLINE IN BASKETBALL AND FOOTBALL

MAINLY DUE TO TERMINATION OF SPONSORSHIPS

LIMITED OPERATING OVERHEAD LEVERAGE

DESPITE SIGNIFICANT TOP-LINE GROWTH

MAJOR P&L DEVELOPMENTS

IN Q3 2017

REVENUES INCREASE 12% CURRENCY-NEUTRAL

AND 9% IN EURO TERMS TO € 5.7 BILLION

GROSS MARGIN UP 2.4PP TO 50.4%

DUE TO A MORE FAVOURABLE PRICING AND PRODUCT MIX

OPERATING MARGIN UP 2.7PP TO 14.0%

SUPPORTED BY AN INCREASE IN GROSS MARGIN AND OPEX LEVERAGE

NET INCOME FROM CONTINUING OPERATIONS INCREASES 35%

TO € 549 MILLION

BASIC EPS FROM CONTINUING OPERATIONS UP 33%

TO € 2.70

KEY GROWTH AREAS

DRIVE STRONG TOP-LINE PERFORMANCE DURING THE THIRD QUARTER

**ADIDAS
NORTH AMERICA**



+31%

**GREATER
CHINA**



+28%

ECOM



+39%

STRONG GROWTH AT ADIDAS BRAND

GROWTH IN ALL REGIONS EXCEPT RUSSIA/CIS



+13%

**DOUBLE-DIGIT SALES GROWTH ON TOP OF A
20% INCREASE IN THE PRIOR YEAR PERIOD**

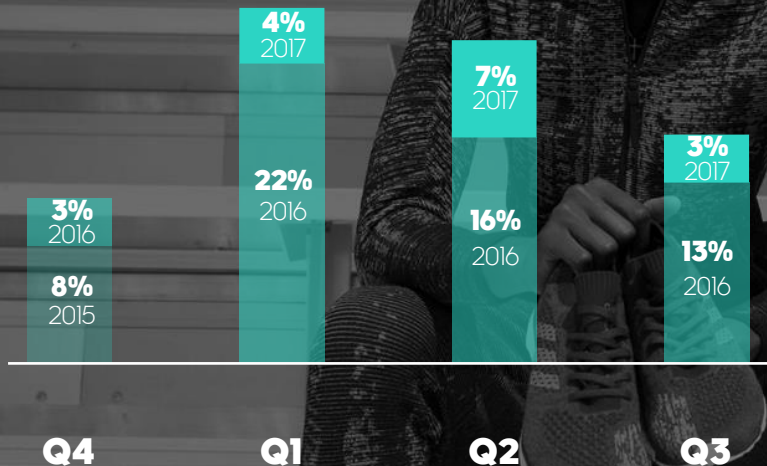
**STRONG DOUBLE-DIGIT ECOM GROWTH IN
EVERY MARKET**

**WOMEN'S BUSINESS CONTINUES TO OUTPERFORM
WITH STRONG DOUBLE-DIGIT SALES GROWTH**

SPORT PERFORMANCE INCREASES 3%

REFLECTING OVERALL WEAKNESS IN THE LICENSED APPAREL BUSINESS

QUARTERLY REVENUE GROWTH (2-YEAR STACKS)



**RUNNING REVENUES UP 16%, DRIVEN BY
20% GROWTH IN FOOTWEAR**

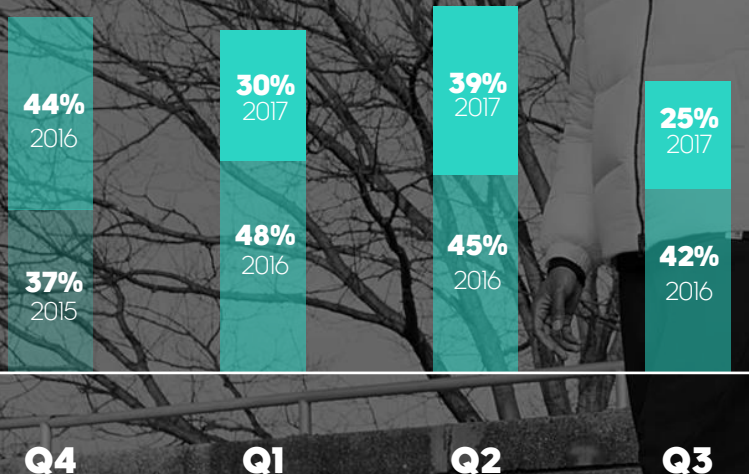
**TRAINING SALES GROW 6%, REFLECTING
DOUBLE-DIGIT GROWTH IN ATHLETICS APPAREL**

**UNDERPERFORMANCE OF APPAREL CONTINUES
TO WEIGH ON OVERALL GROWTH**

ORIGINALS & NEO ENJOY BRAND HEAT

DOUBLE-DIGIT GROWTH IN FOOTWEAR AND APPAREL

QUARTERLY REVENUE GROWTH (2-YEAR STACKS)



**ORIGINALS UP 22%, DRIVEN BY STRONG
DOUBLE-DIGIT GROWTH IN ALL KEY REGIONS**

**MODERN FRANCHISES GROW MORE THAN 40%,
NOW REPRESENTING MORE THAN HALF OF
ORIGINALS FOOTWEAR BUSINESS**

**NEO BUSINESS GROWS 30%, REFLECTING
EXCEPTIONAL IMPROVEMENT IN FOOTWEAR**

MODERATE GROWTH AT REEBOK

DOUBLE-DIGIT INCREASE IN CLASSICS

+1%

**REEBOK RECORDS HIGH-SINGLE-DIGIT
GROWTH OUTSIDE OF THE U.S.**

**MUSCLE-UP INITIATIVES DELIVER
OPERATIONAL AND FINANCIAL PROGRESS**

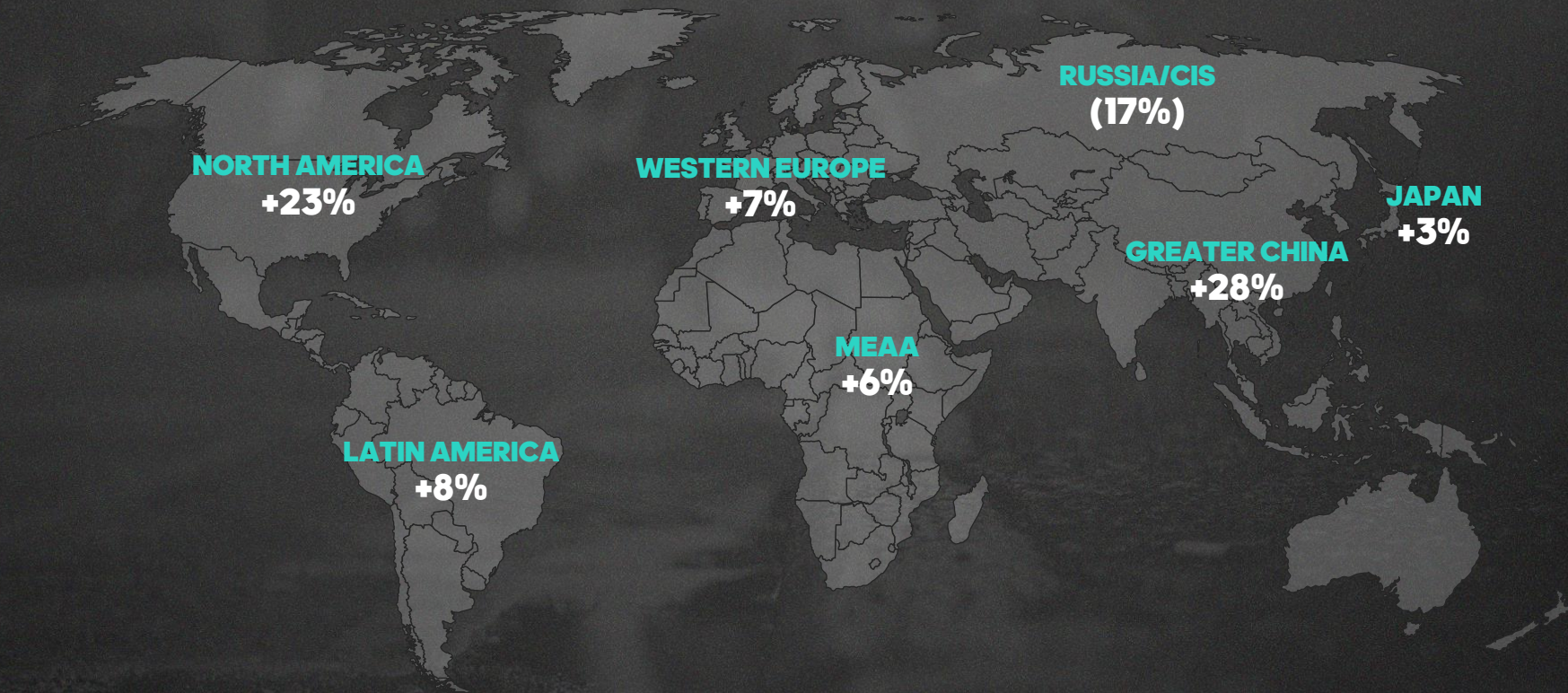
**REEBOK AND VICTORIA BECKHAM UNITE TO
DRIVE WOMEN'S BUSINESS**

A grayscale photograph of three college football players in ACC uniforms. The player in the center is wearing a white helmet with 'ACC' on the front and a dark jersey with the number 17. He is looking directly at the camera. Two other players are visible behind him, also in similar uniforms. A teal rectangular overlay is positioned on the left side of the image, containing the text 'FINANCIAL HIGHLIGHTS' in white, bold, sans-serif capital letters.

FINANCIAL HIGHLIGHTS

ONGOING MOMENTUM IN KEY REGIONS

SALES GROWTH IN ALL REGIONS EXCEPT RUSSIA/CIS





SIGNIFICANT GROWTH IN MATURE MARKET

WESTERN EUROPE

CURRENCY-NEUTRAL SALES INCREASE 7% IN Q3
GROWTH IN MOST KEY COUNTRIES

ADIDAS BRAND REVENUES UP 6%
DOUBLE-DIGIT GROWTH IN ORIGINALS AND NEO

REEBOK BRAND SALES INCREASE 21%
DRIVEN BY RUNNING AND CLASSICS

GROSS MARGIN GROWS (+1.8PP)
DUE TO A MORE FAVOURABLE PRICING AND CHANNEL MIX

OPERATING MARGIN UP (+1.8PP)
REFLECTING THE INCREASE IN GROSS MARGIN

EXCEPTIONAL MOMENTUM AT ADIDAS BRAND ONGOING

NORTH AMERICA

CURRENCY-NEUTRAL SALES INCREASE 23% IN Q3

ADIDAS BRAND MOMENTUM CONTINUES (+31%)
DRIVEN BY TRAINING, RUNNING, ORIGINALS AND NEO

REEBOK BRAND SALES DOWN 22%
ONGOING CLEAN-UP OF LOW-MARGIN BUSINESS

GROSS MARGIN EXPANSION CONTINUES (+2.4PP)
REFLECTING A MORE FAVOURABLE PRICING AND PRODUCT MIX

OPERATING MARGIN UP (+3.5PP)
DRIVEN BY GROSS MARGIN INCREASE AND OPEX LEVERAGE

EXCELLENT GROWTH SUPPORTED BY ONGOING BRAND HEAT

GREATER CHINA

CURRENCY-NEUTRAL SALES INCREASE 28% IN Q3

ADIDAS BRAND SALES INCREASE 29%

DOUBLE-DIGIT GROWTH IN TRAINING, RUNNING,
ORIGINALS AND NEO

REEBOK BRAND REVENUES UP 9%

DOUBLE-DIGIT GROWTH IN TRAINING AND RUNNING

GROSS MARGIN DOWN (-0.9PP)

REFLECTING SIGNIFICANT FX HEADWINDS

OPERATING MARGIN UP (+1.2PP)

DUE TO LOWER OPEX IN % OF SALES

SALES INCREASE DESPITE CONTINUED MACROECONOMIC CHALLENGES

LATIN AMERICA

CURRENCY-NEUTRAL SALES GROW 8% IN Q3
DESPITE DIFFICULT ENVIRONMENT IN ARGENTINA AND BRAZIL

ADIDAS BRAND SALES INCREASE 9%
GROWTH IN TRAINING, RUNNING, ORIGINALS AND NEO

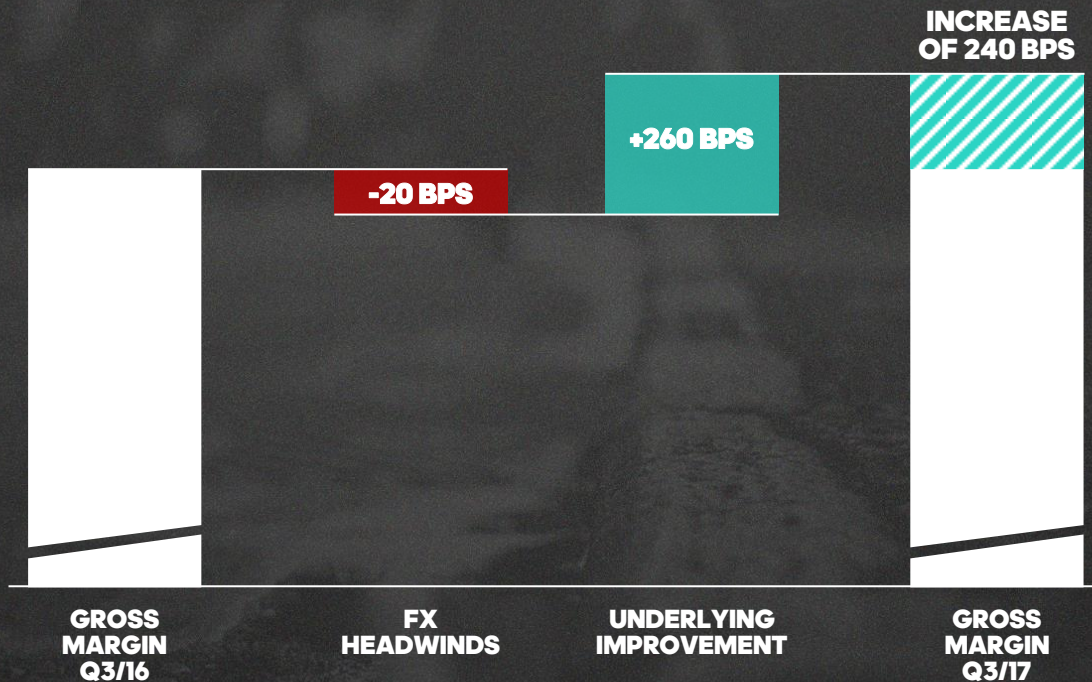
REEBOK BRAND REVENUES UP 2%
DOUBLE-DIGIT GROWTH IN TRAINING AND CLASSICS

GROSS MARGIN DOWN (-0.3PP)
DUE TO SEVERE FX HEADWINDS

OPERATING MARGIN DOWN (-1.0PP)
REFLECTING THE LOWER GROSS MARGIN AND
HIGHER OPEX IN % OF SALES

GROSS MARGIN INCREASES TO 50.4%

DUE TO STRONG IMPROVEMENTS IN PRICING AND PRODUCT MIX EFFECTS



FINANCIAL RESULTS OVERVIEW

SIGNIFICANT TOP- AND BOTTOM-LINE IMPROVEMENTS

	Q3/17	Q3/16	Y-O-Y CHANGE
SALES (€ IN MILLIONS)	5,677	5,222	+9%
GROSS MARGIN	50.4%	48.1%	+2.4PP
OTHER OPERATING INCOME (€ IN MILLIONS)	33	16	+111%
OTHER OPERATING EXPENSES (€ IN MILLIONS)	2,129	1,963	+8%
OTHER OPERATING EXPENSES (IN % OF SALES)	37.5%	37.6%	(0.1PP)
OPERATING PROFIT (€ IN MILLIONS)	795	591	+35%
OPERATING MARGIN	14.0%	11.3%	+2.7PP
NET INCOME FROM CONTINUING OPERATIONS (€ IN MILLIONS)	549	407	+35%
DILUTED EPS FROM CONTINUING OPERATIONS (€)	2.68	1.98	+35%

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

INVENTORIES GROW 16%

TO SUPPORT TOP-LINE MOMENTUM

INVENTORIES FROM CONTINUING OPERATIONS UP 16% C.N.

REFLECTING HIGHER STOCK LEVELS TO SUPPORT
THE TOP-LINE MOMENTUM

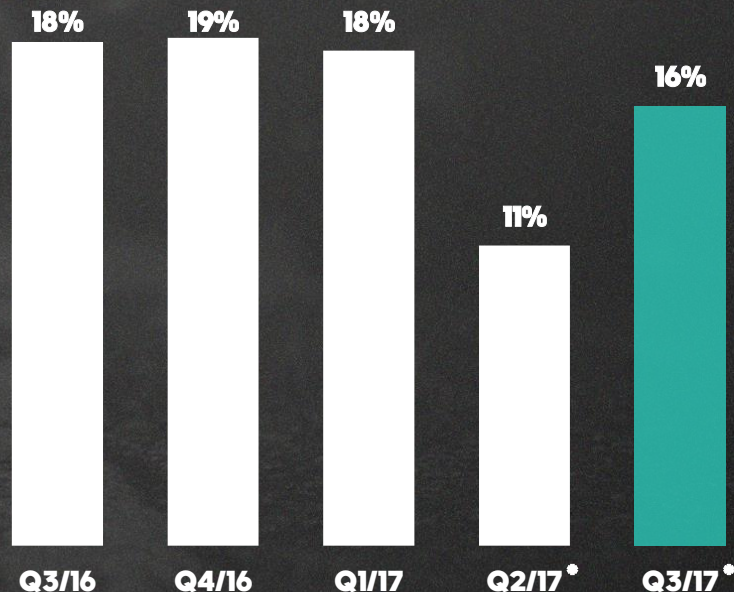
RECEIVABLES FROM CONTINUING OPERATIONS UP 17% C.N.

AS A RESULT OF THE STRONG TOP-LINE DEVELOPMENT

PAYABLES FROM CONTINUING OPERATIONS GROW 10% C.N.

REFLECTING HIGHER INVENTORIES

AVERAGE OWC IN % OF SALES DOWN 1.0PP TO 20.3%



Currency-neutral inventories at quarter-end.

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



OUTLOOK

SALES GROWTH TO ACCELERATE IN Q4

BRAND ACTIVATION AND UPCOMING PRODUCT LAUNCHES TO SUPPORT MOMENTUM

SUSTAIN BRAND HEAT

THROUGH ACCELERATED BRAND ACTIVATION AND UPCOMING PRODUCT LAUNCHES

SUPPORT SELL-THROUGH OF NEW PRODUCT LAUNCHES

THROUGH ENGAGING POINT-OF-SALE INITIATIVES

CAPITALISE ON WORLD CUP 2018 PLATFORM

THROUGH EVENT-RELATED PRODUCT AND BRAND ACTIVATION

CONTINUED FOCUS ON QUALITY OF TOP-LINE GROWTH

THROUGH DISCIPLINED GO-TO-MARKET APPROACH

OUTLOOK CONFIRMED

FOR THE FULL YEAR 2017

SALES

CURRENCY-NEUTRAL

INCREASE OF 17% – 19%

NET INCOME

FROM CONTINUING OPERATIONS

**INCREASE OF 26% – 28%
TO € 1.360 – € 1.390 BILLION**

Q3 2017 KEY TAKEAWAYS

ONGOING MOMENTUM IN KEY GROWTH AREAS

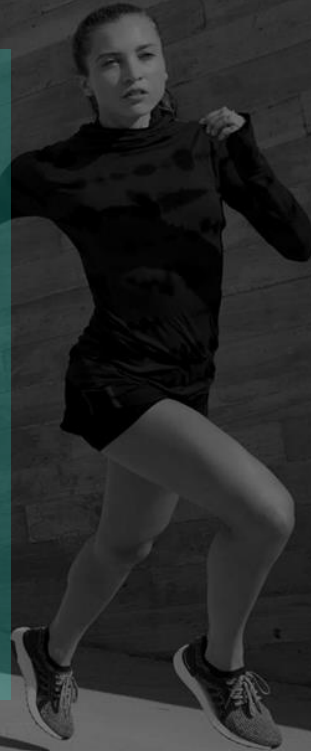
STRONG PROFITABILITY GAINS REFLECTING QUALITY OF GROWTH

FULL YEAR OUTLOOK CONFIRMED

PROGRESSING AGAINST OUR 2017 AND 2020 TARGETS

RELENTLESS FOCUS ON EXECUTION OF 'CREATING THE NEW'

STRATEGY ACCELERATION



CREATING THE NEW

FOCUS ON DRIVING BRAND DESIRABILITY



CULTURE

BUILDING ON OUR PEOPLE'S UNIQUE PASSION FOR SPORTS AND FOR OUR BRANDS

**DRIVE DIVERSITY WITHIN THE
COMPANY**

IMPROVE TALENT MANAGEMENT

FOSTER PERFORMANCE CULTURE

**IMPLEMENT EQUITY-BASED
COMPENSATION**

REFINE LEADERSHIP STRUCTURE

ACCELERATION PLAN

4 TOPICS TO DRIVE FASTER GROWTH OF TOP AND BOTTOM LINE

1

PORTFOLIO

2

**NORTH
AMERICA**

3

ONE ADIDAS

4

DIGITAL

STREAMLINE THE PORTFOLIO



EXIT



EXIT



INTEGRATION



REINTEGRATION



TURNAROUND

FOCUS AREAS TO DRIVE PROFITABILITY

REEBOK MUSCLE-UP STILL IN EARLY STAGES

NEW BUSINESS MODEL



US/GLOBAL INTEGRATION

RELOCATION TO BOSTON
(EXIT CANTON)

NEW GOVERNANCE

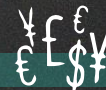
DESIGN TO VALUE



IMPLEMENT CREATION
GUIDELINES

NEW CONSUMER
TOUCHPOINTS IN
CREATION PROCESS

MWB



FOCUS PARTNERSHIPS

PRIORITISE POS

GLOBAL CONCEPTS

US WHOLESALE



PRIORITISE ACCOUNTS

JOINT BUSINESS PLANNING

US RETAIL



CLOSE >50 DOORS

INCREASE PRODUCTIVITY

EFFICIENCY IMPROVEMENTS

MODEL REDUCTIONS

PROCESS SIMPLIFICATION

ACTIVELY MANAGE

BRANDS, CHANNELS AND MARKETS

A

BRANDS

B

CHANNELS

C

MARKETS

**EVERY ENTITY HAS
TO CONTRIBUTE
TO THE SUCCESS
OF THE COMPANY**

FOCUS ON NORTH AMERICA

IS PAYING OFF

FASTEST-GROWING BRAND IN THE US



OUTPACING
US MARKET GROWTH

**FTW MARKET
SHARE DOUBLED**

NPS
**STRONG
GROWTH**



2017 (YTD SEP)
REVENUE GROWTH

**ADIDAS BRAND
+33%**



STRONG DOUBLE-DIGIT
GROWTH IN KEY
CATEGORIES

**RUNNING
TRAINING
ORIGINALS
NEO**

WE HAVE A LONG WAY TO GO

2020 AMBITION

FOR THE ADIDAS BRAND IN NORTH AMERICA

> 5 BN



ACCELERATE DIGITAL

ROLE OF DIGITAL

THROUGH SPORT, WE HAVE THE
POWER TO CHANGE LIVES

TO CHANGE LIVES WE HAVE TO
CREATE DIRECT RELATIONSHIPS WITH
CONSUMERS

THE BEST WAY TO ACCELERATE
BUILDING DIRECT RELATIONSHIPS IS
THROUGH DIGITAL

OUR FOCUS

TO WIN THE CONSUMER



PREMIUM

INSPIRING LOVE FOR
OUR BRAND AND DESIRE
FOR OUR PRODUCT



CONNECTED

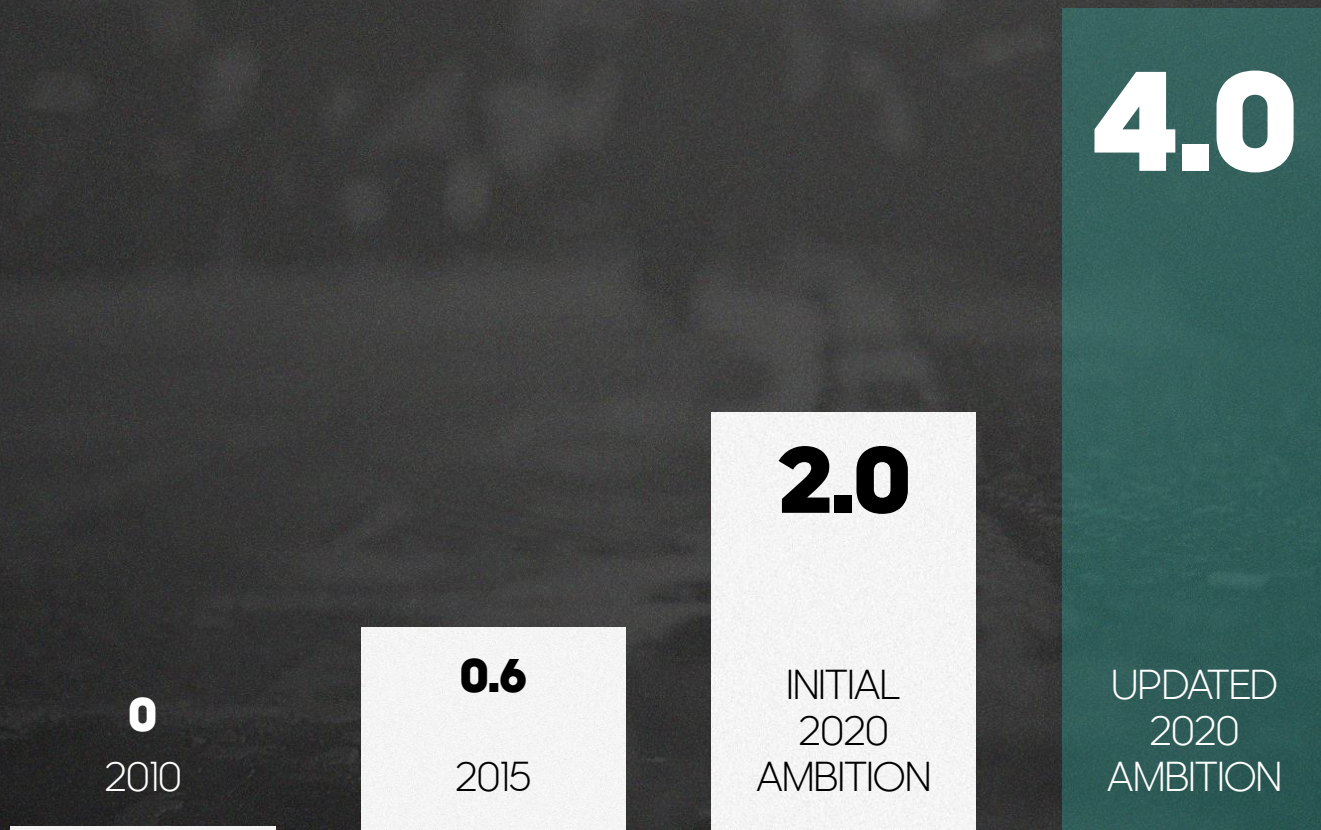
OFFERING A SEAMLESS
EXPERIENCE ACROSS ALL
CONSUMER TOUCHPOINTS



PERSONALIZED

DELIVERING THE
RIGHT MESSAGE TO
THE RIGHT AUDIENCE

UPDATED ECOMMERCE AMBITION



ONE ADIDAS

THREE PILLARS TO DRIVE REVENUES AND PROFITABILITY

ONE ADIDAS

BRAND LEADERSHIP

GLOBAL / LOCAL
BRANDS

RANGE EFFICIENCY

FOB MITIGATION

PRODUCT MARGIN

MARKETING EFFECTIVENESS

RETURN ON MARKETING
INVESTMENTS (ROMI)

CONCEPT FOCUS

MARKETING PROCUREMENT

OPERATING EFFICIENCY

GLOBAL BUSINESS
SERVICES

NON-TRADE
PROCUREMENT

SCM EFFICIENCIES

STRATEGIC WORKFORCE
PLANNING

GLOBAL REAL ESTATE

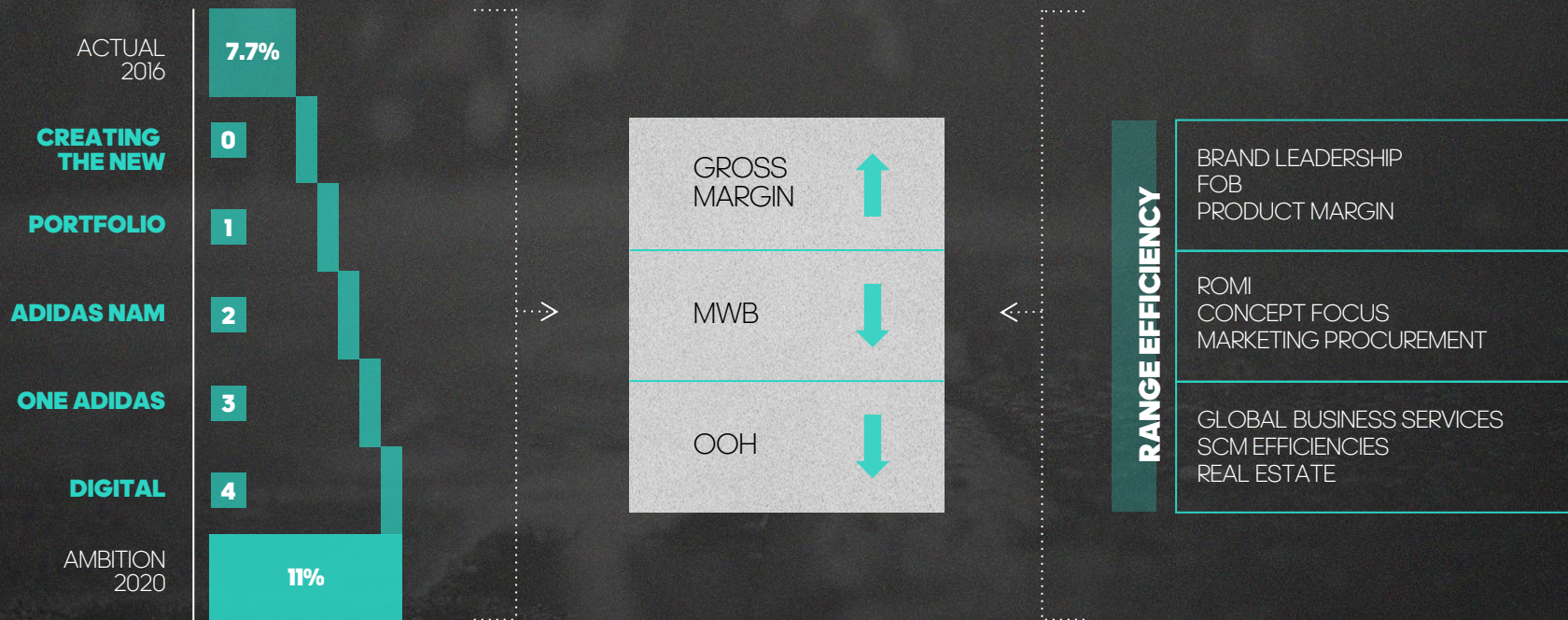
UPDATED FINANCIAL AMBITION 2020

REFLECTING ACCELERATION PLAN

	2020 AMBITION (MARCH 2015)	UPDATED 2020 AMBITION
SALES GROWTH CAGR 2015-2020; CURRENCY-NEUTRAL	HIGH-SINGLE-DIGIT	10-12%
NET INCOME GROWTH CAGR 2015-2020	~15%	20-22%
NET SALES EUR BN	~22	25-27
ECOMMERCE EUR BN	2	4
OPERATING MARGIN % OF NET SALES	~9.9%	11%

MULTIPLE LEVERS SUPPORTING 'CTN'

ALL P&L ITEMS TO CONTRIBUTE TO THE IMPROVEMENT IN PROFITABILITY



'CTN' OFF TO A STRONG START

AT THE SAME TIME THERE IS STILL A LONG WAY TO GO

	2015	2016	AMBITION 2020	REMAINING 2017-2020
NET SALES EUR BN	16.9	18.5	25.0-27.0	6.5-8.5
OPERATING MARGIN % OF NET SALES	6.5	8.6	11.0	2.4PP
ECOMMERCE EUR BN	0.6	1.0	4.0	3.0

SUMMARY

WE ARE IN A HIGHLY ATTRACTIVE GROWTH INDUSTRY

'CREATING THE NEW' IS THE RIGHT STRATEGY

EXCEPTIONAL RESULTS ACHIEVED IN 2016

STRONG TOP- AND BOTTOM-LINE GROWTH EXPECTED IN 2017

**ACCELERATION PLAN TO GROW REVENUES AND PROFITS EVEN
FASTER THAN INITIALLY PROJECTED BY 2020**