

adidas

**FINANCIAL
SUPPLEMENT**

JANUARY-MARCH
2023

FINANCIAL SUPPLEMENT

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	3
CONSOLIDATED INCOME STATEMENT.....	5
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	6
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY.....	7
CONSOLIDATED STATEMENT OF CASH FLOWS.....	8

1
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION2
CONSOLIDATED INCOME
STATEMENT3
CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME4
CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY5
CONSOLIDATED STATEMENT
OF CASH FLOWS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ADIDAS AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) € IN MILLIONS

	March 31, 2023	March 31, 2022	Change in %
Assets			
Cash and cash equivalents	778	3,050	(74.5)
Accounts receivable	2,818	2,819	(0.0)
Other current financial assets	770	1,137	(32.3)
Inventories	5,675	4,542	24.9
Income tax receivables	96	104	(7.4)
Other current assets	1,208	1,376	(12.2)
Total current assets	11,344	13,028	(12.9)
Property, plant, and equipment	2,201	2,245	(2.0)
Right-of-use assets	2,471	2,668	(7.4)
Goodwill	1,248	1,240	0.7
Other intangible assets	432	366	17.9
Long-term financial assets	306	279	9.6
Other non-current financial assets	338	394	(14.3)
Deferred tax assets	1,265	1,102	14.8
Other non-current assets	71	88	(18.7)
Total non-current assets	8,332	8,383	(0.6)
Total assets	19,677	21,412	(8.1)

1
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION2
CONSOLIDATED INCOME
STATEMENT3
CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME4
CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY5
CONSOLIDATED STATEMENT
OF CASH FLOWS

ADIDAS AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) € IN MILLIONS

	March 31, 2023	March 31, 2022	Change in %
Liabilities and equity			
Short-term borrowings	1,297	39	3,259.4
Accounts payable	2,102	2,717	(22.7)
Current lease liabilities	596	589	1.2
Other current financial liabilities	325	597	(45.7)
Income taxes	359	598	(40.0)
Other current provisions	1,408	1,411	(0.2)
Current accrued liabilities	2,403	2,505	(4.1)
Other current liabilities	465	568	(18.2)
Total current liabilities	8,954	9,024	(0.8)
Long-term borrowings	2,942	2,462	19.5
Non-current lease liabilities	2,181	2,340	(6.8)
Other non-current financial liabilities	21	33	(36.7)
Pensions and similar obligations	115	206	(44.2)
Deferred tax liabilities	136	259	(47.6)
Other non-current provisions	103	104	(1.5)
Non-current accrued liabilities	7	7	(4.2)
Other non-current liabilities	7	8	(1.6)
Total non-current liabilities	5,512	5,419	1.7
Share capital	179	186	(4.2)
Reserves	362	332	9.1
Retained earnings	4,308	6,101	(29.4)
Shareholders' equity	4,849	6,619	(26.7)
Non-controlling interests	362	350	3.4
Total equity	5,211	6,969	(25.2)
Total liabilities and equity	19,677	21,412	(8.1)

1
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION2
CONSOLIDATED INCOME
STATEMENT3
CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME4
CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY5
CONSOLIDATED STATEMENT
OF CASH FLOWS

CONSOLIDATED INCOME STATEMENT

ADIDAS AG CONDENSED CONSOLIDATED INCOME STATEMENT (IFRS) € IN MILLIONS

	First quarter 2023	First quarter 2022	Change
Net sales	5,274	5,302	(0.5%)
Cost of sales	2,911	2,654	9.7%
Gross profit	2,363	2,648	(10.8%)
(% of net sales)	44.8%	49.9%	(5.1pp)
Royalty and commission income	25	23	8.2%
Other operating income	39	23	65.8%
Other operating expenses	2,367	2,258	4.8%
(% of net sales)	44.9%	42.6%	2.3pp
Marketing and point-of-sale expenses	601	641	(6.3%)
(% of net sales)	11.4%	12.1%	(0.7pp)
Operating overhead expenses ¹	1,766	1,617	9.2%
(% of net sales)	33.5%	30.5%	3.0pp
Operating profit	60	437	(86.2%)
(% of net sales)	1.1%	8.2%	(7.1pp)
Financial income	13	8	56.0%
Financial expenses	41	34	22.2%
Income before taxes	32	411	(92.3%)
(% of net sales)	0.6%	7.8%	(7.2pp)
Income taxes	55	101	(45.2%)
(% of income before taxes)	174.9%	24.5%	150.4pp
Net (loss)/income from continuing operations	(24)	310	n.a.
(% of net sales)	(0.4%)	5.9%	n.a.
(Loss)/gain from discontinued operations, net of tax	(6)	180	n.a.
Net (loss)/income	(30)	490	n.a.
(% of net sales)	(0.6%)	9.2%	n.a.
Net (loss)/income attributable to shareholders	(39)	482	n.a.
(% of net sales)	(0.7%)	9.1%	n.a.
Net income attributable to non-controlling interests	9	8	16.3%
Basic earnings per share from continuing operations (in €)	(0.18)	1.60	n.a.
Diluted earnings per share from continuing operations (in €)	(0.18)	1.60	n.a.
Basic earnings per share from continuing and discontinued operations (in €)	(0.22)	2.55	n.a.
Diluted earnings per share from continuing and discontinued operations (in €)	(0.22)	2.55	n.a.

¹ Aggregated distribution and selling expenses, general and administration expenses, sundry expenses and impairment losses (net) on accounts receivable and contract assets.

1
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION2
CONSOLIDATED INCOME
STATEMENT3
CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME4
CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY5
CONSOLIDATED STATEMENT
OF CASH FLOWS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ADIDAS AG CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS) € IN MILLIONS

	First quarter 2023	First quarter 2022
Net (loss)/income after taxes	(30)	490
Items of other comprehensive income that will not be reclassified subsequently to profit or loss		
Remeasurements of defined benefit plans (IAS 19), net of tax ¹	2	57
Net loss on other equity investments (IFRS 9), net of tax	(0)	-
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	2	57
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		
Net (loss)/gain on cash flow hedges and net foreign investment hedges, net of tax	(54)	9
Net gain on cost of hedging reserve – options, net of tax	3	6
Net gain/(loss) on cost of hedging reserve – forward contracts, net of tax	14	(4)
Reclassification of foreign currency translation differences due to disposal of foreign operations	-	(228)
Currency translation differences	(80)	76
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	(116)	(141)
Other comprehensive income	(114)	(84)
Total comprehensive income	(144)	406
Attributable to shareholders of adidas AG	(146)	391
Attributable to non-controlling interests	2	15

¹ Includes actuarial gains or losses relating to defined benefit obligations, return on plan assets (excluding interest income) and the asset ceiling effect.

1
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION2
CONDENSED CONSOLIDATED
INCOME STATEMENT3
CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME4
CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY5
CONSOLIDATED STATEMENT
OF CASH FLOWS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ADIDAS AG CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) € IN MILLIONS

	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve – options	Cost of hedging reserve – forward contracts	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2021	192	1,294¹	(542)	(64)	(8)	(12)	(200)	6,860¹	7,519	318	7,837
Other comprehensive income	–	–	(159)	9	6	(3)	57	–	(91)	7	(84)
Net income	–	–	–	–	–	–	–	482	482	8	490
Total comprehensive income	–	–	(159)	9	6	(3)	57	482	391	15	406
Repurchase of adidas AG shares	(5)	–	–	–	–	–	–	(1,243)	(1,248)	–	(1,248)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)	–	–	–	–	–	–	(3)	(3)	–	(3)
Reissuance of treasury shares due to equity-settled share-based payment	0	–	–	–	–	–	–	7	7	–	7
Equity-settled share-based payment	–	–	–	–	–	–	–	(3)	(3)	–	(3)
Acquisition of shares from non-controlling interests shareholders in accordance with IAS 32	–	–	4	–	–	–	(48)	–	(44)	17	(27)
Balance at March 31, 2022	186	1,294	(697)	(56)	(3)	(16)	(191)	6,101	6,619	350	6,969
Balance at December 31, 2022	179	1,338	(608)	(90)	(9)	(48)	(116)	4,347	4,991	360	5,351
Other comprehensive income	–	–	(72)	(54)	3	14	2	–	(107)	(7)	(114)
Net (loss)/income	–	–	–	–	–	–	–	(39)	(39)	9	(30)
Total comprehensive income	–	–	(72)	(54)	3	14	2	(39)	(146)	2	(144)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)	–	–	–	–	–	–	(7)	(7)	–	(7)
Reissuance of treasury shares due to equity-settled share-based payment	0	–	–	–	–	–	–	7	7	–	7
Equity-settled share-based payment	–	3	–	–	–	–	–	0	4	–	4
Balance at March 31, 2023	179	1,341	(681)	(144)	(6)	(34)	(114)	4,308	4,849	362	5,211

1 Disclosure adjustment from previous years.

1
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION2
CONDENSED CONSOLIDATED
INCOME STATEMENT3
CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME4
CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY5
CONSOLIDATED STATEMENT
OF CASH FLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS

ADIDAS AG CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) € IN MILLIONS

	First quarter 2023	First quarter 2022
Operating activities:		
Income before taxes from continuing operations	32	411
Adjustments for:		
Depreciation, amortization, and impairment losses	281	367
Reversals of impairment losses	(5)	(2)
Interest income	(4)	(3)
Interest expense	41	31
Unrealized foreign exchange gains, net	(5)	(34)
Losses on sale of property, plant, and equipment and intangible assets, net	3	2
Other non-cash effects from operating activities	(0)	(45)
Operating profit before working capital changes	343	727
Decrease/(Increase) in receivables and other assets	60	(992)
Decrease/(Increase) in inventories	138	(452)
(Decrease)/Increase in accounts payable and other liabilities	(1,029)	407
Net cash used in operations before taxes	(489)	(311)
Income taxes paid	(61)	(67)
Net cash used in operating activities – continuing operations	(550)	(378)
Net cash used in operating activities – discontinued operations	–	(60)
Net cash used in operating activities	(550)	(437)
Investing activities:		
Purchase of trademarks and other intangible assets	(31)	(38)
Proceeds from sale of trademarks and other intangible assets	0	–
Purchase of property, plant, and equipment	(47)	(82)
Proceeds from sale of property, plant, and equipment	2	1
Proceeds from sale of a disposal group from prior years	–	12
Proceeds from disposal of discontinued operations net of cash disposed	–	1,165
Proceeds from investments and other long-term assets	60	14
Interest received	4	3
Net cash (used in)/generated from investing activities – continuing operations	(13)	1,077
Net cash used in investing activities – discontinued operations	–	(1)
Net cash (used in)/generated from investing activities	(13)	1,076
Financing activities:		
Interest paid	(32)	(27)
Repayments of lease liabilities	(170)	(168)
Acquisition of non-controlling interests	–	(27)
Repurchase of treasury shares	–	(1,248)
Repurchase of treasury shares due to share-based payments	(7)	(4)
Proceeds from reissuance of treasury shares due to share-based payments	6	3
Proceeds of short-term borrowings	764	5
Net cash generated from/(used in) financing activities – continuing operations	561	(1,465)

1
CONSOLIDATED STATEMENT
OF FINANCIAL POSITION

2
CONDENSED CONSOLIDATED
INCOME STATEMENT

3
CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME

4
CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY

5
CONSOLIDATED STATEMENT
OF CASH FLOWS

ADIDAS AG CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) € IN MILLIONS

	First quarter 2023	First quarter 2022
Net cash used in financing activities – discontinued operations	–	[7]
Net cash generated from/(used in) financing activities	561	(1,471)
Effect of exchange rates on cash	(18)	54
Decrease in cash and cash equivalents	(20)	(778)
Cash and cash equivalents at beginning of year	798	3,828
Cash and cash equivalents at end of period	778	3,050