

ADIDAS ALTERNATIVE PERFORMANCE MEASURES

| APM | Definition | Reference to Annual Report |
|---|---|--|
| Currency-neutral net sales growth | To calculate the currency-neutral net sales growth, actual exchange rates of current year are applied for prior year's net sales and then compared with current year's net sales at actual rates. | |
| Gross margin | Gross profit in relation to net sales in % | Consolidated Financial Statements - Consolidated Income Statement |
| Operating overhead expenses | Distribution and selling expenses + general and administrative expenses + sundry expenses + impairment losses (net) on accounts receivable and contract assets | Consolidated Financial Statements - Consolidated Income Statement |
| Operating profit | Gross profit + royalty and commission income + other operating income – other operating expenses | Consolidated Financial Statements - Consolidated Income Statement |
| Operating margin | Operating profit in relation to net sales in % | Consolidated Financial Statements - Consolidated Income Statement |
| EBITDA | Earnings before interest, taxes, depreciation and amortization, as well as impairment losses/reversal of impairment losses on property, plant, and equipment, right-of-use, and intangible assets | Group Management Report – Financial Review – Income Statement |
| Return on equity | Net income attributable to shareholders (YTD) in relation to shareholders' equity in % | |
| Currency-neutral development of inventory, accounts receivable and accounts payable | To calculate the currency-neutral development of inventory, accounts receivable and accounts payable, actual exchange rates of current year are applied for prior year's values and then compared with current year's values at actual rates | Group Management Report – Financial Review – Statement of Financial Position and Statement of Cash Flows |
| Average operating working capital in % of net sales | <ol style="list-style-type: none"> Operating working capital = accounts receivable + inventories – accounts payable Average operating working capital = sum of operating working capital at quarter-ends / 4 Average operating working capital in relation to net sales in % | Group Management Report – Financial Review – Statement of Financial Position and Statement of Cash Flows |
| Equity ratio | Shareholders' equity in relation to total liabilities and equity in % | |
| Financial leverage | Adjusted net borrowings in relation to shareholders' equity in % | |
| Adjusted net cash / (net borrowings) | Short-term borrowings + long-term borrowings + current and non-current lease liabilities + pensions and similar obligations + factoring – accessible cash and cash equivalents (= cash and cash equivalents – trapped cash) | Group Management Report – Financial Review – Treasury |
| Capital expenditure (CapEx) | Total cash expenditure for the purchase of tangible and intangible assets (excluding acquisitions and right-of-use assets according to IFRS 16) | Group Management Report – Financial Review – Statement of Financial Position and Statement of Cash Flows |