

**adidas**

**FINANCIAL  
SUPPLEMENT**

JANUARY-JUNE  
2023



# FINANCIAL SUPPLEMENT

## TABLE OF CONTENTS

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	June 30, 2023	June 30, 2022	Change in %
<b>Assets</b>			
Cash and cash equivalents	993	1,578	(37.0)
Accounts receivable	2,567	3,022	(15.1)
Other current financial assets	795	1,311	(39.3)
Inventories	5,540	5,483	1.0
Income tax receivables	122	100	21.9
Other current assets	1,134	1,334	(15.0)
<b>Total current assets</b>	<b>11,151</b>	<b>12,828</b>	<b>(13.1)</b>
Property, plant, and equipment	2,148	2,346	(8.4)
Right-of-use assets	2,350	2,732	(14.0)
Goodwill	1,247	1,278	(2.4)
Other intangible assets	436	418	4.5
Long-term financial assets	309	298	3.7
Other non-current financial assets	345	366	(5.7)
Deferred tax assets	1,290	974	32.4
Other non-current assets	62	84	(26.3)
<b>Total non-current assets</b>	<b>8,186</b>	<b>8,496</b>	<b>(3.6)</b>
<b>Total assets</b>	<b>19,338</b>	<b>21,324</b>	<b>(9.3)</b>

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 FINANCIAL POSITION (IFRS) € IN MILLIONS

	June 30, 2023	June 30, 2022	Change in %
<b>Liabilities and equity</b>			
Short-term borrowings	915	313	192.6
Accounts payable	2,210	3,314	(33.3)
Current lease liabilities	572	608	(5.9)
Other current financial liabilities	337	496	(32.2)
Income taxes	343	448	(23.5)
Other current provisions	1,379	1,338	3.0
Current accrued liabilities	2,445	2,579	(5.2)
Other current liabilities	525	506	3.9
<b>Total current liabilities</b>	<b>8,726</b>	<b>9,602</b>	<b>(9.1)</b>
Long-term borrowings	2,938	2,459	19.5
Non-current lease liabilities	2,110	2,401	(12.1)
Other non-current financial liabilities	13	53	(76.0)
Pensions and similar obligations	121	108	11.9
Deferred tax liabilities	138	155	(11.0)
Other non-current provisions	119	108	9.8
Non-current accrued liabilities	4	8	(53.5)
Other non-current liabilities	7	9	(23.8)
<b>Total non-current liabilities</b>	<b>5,450</b>	<b>5,301</b>	<b>2.8</b>
Share capital	179	183	(2.2)
Reserves	350	758	(53.9)
Retained earnings	4,262	5,092	(16.3)
<b>Shareholders' equity</b>	<b>4,790</b>	<b>6,032</b>	<b>(20.6)</b>
Non-controlling interests	372	388	(4.1)
<b>Total equity</b>	<b>5,162</b>	<b>6,420</b>	<b>(19.6)</b>
<b>Total liabilities and equity</b>	<b>19,338</b>	<b>21,324</b>	<b>(9.3)</b>

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

# CONDENSED CONSOLIDATED INCOME STATEMENT

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

	First half year 2023	First half year 2022	Change	Second quarter 2023	Second quarter 2022	Change
Net sales	10,617	10,897	(2.6%)	5,343	5,596	(4.5%)
Cost of sales	5,535	5,435	1.9%	2,625	2,781	(5.6%)
<b>Gross profit</b>	<b>5,082</b>	<b>5,463</b>	<b>(7.0%)</b>	<b>2,719</b>	<b>2,815</b>	<b>(3.4%)</b>
(% of net sales)	47.9%	50.1%	(2.3pp)	50.9%	50.3%	0.6pp
Royalty and commission income	46	50	(7.8%)	21	27	(21.6%)
Other operating income	57	74	(23.0%)	18	51	(64.1%)
Other operating expenses	4,949	4,759	4.0%	2,582	2,501	3.2%
(% of net sales)	46.6%	43.7%	2.9pp	48.3%	44.7%	3.6pp
Marketing and point-of-sale expenses	1,218	1,304	(6.6%)	617	663	(6.9%)
(% of net sales)	11.5%	12.0%	(0.5pp)	11.5%	11.8%	(0.3pp)
Operating overhead expenses <sup>1</sup>	3,731	3,455	8.0%	1,965	1,838	6.9%
(% of net sales)	35.1%	31.7%	3.4pp	36.8%	32.8%	3.9pp
<b>Operating profit</b>	<b>236</b>	<b>828</b>	<b>(71.5%)</b>	<b>176</b>	<b>392</b>	<b>(55.0%)</b>
(% of net sales)	2.2%	7.6%	(5.4pp)	3.3%	7.0%	(3.7pp)
Financial income	30	24	26.8%	19	16	20.0%
Financial expenses	111	140	(20.7%)	71	107	(33.1%)
<b>Income before taxes</b>	<b>155</b>	<b>711</b>	<b>(78.2%)</b>	<b>123</b>	<b>300</b>	<b>(59.0%)</b>
(% of net sales)	1.5%	6.5%	(5.1pp)	2.3%	5.4%	(3.1pp)
Income taxes	82	41	102.1%	27	(60)	n.a.
(% of income before taxes)	53.1%	5.7%	47.4pp	21.9%	(20.0%)	n.a.
<b>Net income from continuing operations</b>	<b>73</b>	<b>671</b>	<b>(89.2%)</b>	<b>96</b>	<b>360</b>	<b>(73.3%)</b>
(% of net sales)	0.7%	6.2%	(5.5pp)	1.8%	6.4%	(4.6pp)
(Loss)/gain from discontinued operations, net of tax	(7)	128	n.a.	(1)	(52)	97.4%
<b>Net income</b>	<b>65</b>	<b>799</b>	<b>(91.8%)</b>	<b>95</b>	<b>309</b>	<b>(69.3%)</b>
(% of net sales)	0.6%	7.3%	(6.7pp)	1.8%	5.5%	(3.7pp)
<b>Net income attributable to shareholders</b>	<b>45</b>	<b>776</b>	<b>(94.2%)</b>	<b>84</b>	<b>294</b>	<b>(71.4%)</b>
(% of net sales)	0.4%	7.1%	(6.7pp)	1.6%	5.3%	(3.7pp)
<b>Net income attributable to non-controlling interests</b>	<b>20</b>	<b>23</b>	<b>(11.1%)</b>	<b>11</b>	<b>15</b>	<b>(26.2%)</b>
Basic earnings per share from continuing operations (in €)	0.29	3.47	(91.6%)	0.48	1.88	(74.5%)
Diluted earnings per share from continuing operations (in €)	0.29	3.47	(91.6%)	0.48	1.88	(74.5%)
Basic earnings per share from continuing and discontinued operations (in €)	0.25	4.16	(94.0%)	0.47	1.60	(70.5%)
Diluted earnings per share from continuing and discontinued operations (in €)	0.25	4.16	(94.0%)	0.47	1.60	(70.5%)

<sup>1</sup> 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  
CONDENSED 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 half year 2023	First half year 2022
<b>Net income</b>	<b>65</b>	<b>799</b>
<b>Items of other comprehensive income that will not be reclassified subsequently to profit or loss</b>		
Remeasurements of defined benefit plans (IAS 19), net of tax <sup>1</sup>	2	136
Net loss on other equity investments (IFRS 9), net of tax	(0)	(1)
<b>Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss</b>	<b>2</b>	<b>135</b>
<b>Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met</b>		
Net (loss)/gain on cash flow hedges and net foreign investment hedges, net of tax	(53)	78
Net gain on cost of hedging reserve – options, net of tax	5	5
Net gain/(loss) on cost of hedging reserve – forward contracts, net of tax	29	(11)
Reclassification of foreign currency translation differences due to disposal of foreign operations	–	(228)
Currency translation differences	(113)	386
<b>Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met</b>	<b>(132)</b>	<b>230</b>
<b>Other comprehensive income</b>	<b>(131)</b>	<b>366</b>
<b>Total comprehensive income</b>	<b>(65)</b>	<b>1,165</b>
Attributable to shareholders of adidas AG	(78)	1,110
Attributable to non-controlling interests	13	54

<sup>1</sup> 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
<b>Balance at December 31, 2021</b>	<b>192</b>	<b>1,294<sup>1</sup></b>	<b>(542)</b>	<b>(64)</b>	<b>(8)</b>	<b>(12)</b>	<b>(200)</b>	<b>6,860<sup>1</sup></b>	<b>7,519</b>	<b>318</b>	<b>7,837</b>
Other comprehensive income	–	–	127	78	5	(12)	135	–	334	32	366
Net income	–	–	–	–	–	–	–	776	776	23	799
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>127</b>	<b>78</b>	<b>5</b>	<b>(12)</b>	<b>135</b>	<b>776</b>	<b>1,110</b>	<b>54</b>	<b>1,165</b>
Repurchase of adidas AG shares	(9)	–	–	–	–	–	–	(1,945)	(1,954)	–	(1,954)
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	–	–	–	–	–	–	19	20	–	20
Dividend payment	–	–	–	–	–	–	–	(610)	(610)	(1)	(611)
Equity-settled share-based payment	–	–	–	–	–	–	–	(2)	(2)	–	(2)
Acquisition of shares from non-controlling interests shareholders in accordance with IAS 32	–	–	4	–	–	–	(48)	–	(44)	17	(27)
<b>Balance at June 30, 2022</b>	<b>183</b>	<b>1,294</b>	<b>(410)</b>	<b>14</b>	<b>(3)</b>	<b>(24)</b>	<b>(112)</b>	<b>5,092</b>	<b>6,032</b>	<b>388</b>	<b>6,420</b>
<b>Balance at December 31, 2022</b>	<b>179</b>	<b>1,338</b>	<b>(608)</b>	<b>(90)</b>	<b>(9)</b>	<b>(48)</b>	<b>(116)</b>	<b>4,347</b>	<b>4,991</b>	<b>360</b>	<b>5,351</b>
Other comprehensive income	–	–	(106)	(53)	5	29	2	–	(123)	(7)	(131)
Net income	–	–	–	–	–	–	–	45	45	20	65
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(106)</b>	<b>(53)</b>	<b>5</b>	<b>29</b>	<b>2</b>	<b>45</b>	<b>(78)</b>	<b>13</b>	<b>(65)</b>
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)	–	–	–	–	–	–	(14)	(14)	–	(14)
Reissuance of treasury shares due to equity-settled share-based payment	0	–	–	–	–	–	–	14	14	–	14
Dividend payment	–	–	–	–	–	–	–	(125)	(125)	(1)	(126)
Equity-settled share-based payment	0	7	–	–	–	–	–	(5)	2	–	2
<b>Balance at June 30, 2023</b>	<b>179</b>	<b>1,345</b>	<b>(714)</b>	<b>(143)</b>	<b>(4)</b>	<b>(19)</b>	<b>(115)</b>	<b>4,262</b>	<b>4,790</b>	<b>372</b>	<b>5,162</b>

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 half year 2023	First half year 2022
<b>Operating activities:</b>		
Income before taxes	155	711
<b>Adjustments for:</b>		
Depreciation, amortization, and impairment losses	579	652
Reversals of impairment losses	(7)	(2)
Interest income	(9)	(13)
Interest expense	82	65
Unrealized foreign exchange losses, net	35	41
Losses on sale of property, plant, and equipment and intangible assets, net	5	4
Other non-cash effects from operating activities	(3)	(36)
<b>Operating profit before working capital changes</b>	<b>837</b>	<b>1,422</b>
Decrease/(Increase) in receivables and other assets	178	(1,277)
Decrease/(Increase) in inventories	332	(1,318)
(Decrease)/Increase in accounts payable and other liabilities	(733)	961
<b>Net cash generated from/(used in) operations before taxes</b>	<b>613</b>	<b>(212)</b>
Income taxes paid	(152)	(212)
<b>Net cash generated from/(used in) operating activities – continuing operations</b>	<b>460</b>	<b>(424)</b>
Net cash used in operating activities – discontinued operations	–	(40)
<b>Net cash generated from/(used in) operating activities</b>	<b>460</b>	<b>(464)</b>
<b>Investing activities:</b>		
Purchase of trademarks and other intangible assets	(64)	(111)
Proceeds from sale of trademarks and other intangible assets	0	1
Purchase of property, plant, and equipment	(111)	(204)
Proceeds from sale of property, plant, and equipment	5	2
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	73	3
Interest received	9	13
<b>Net cash (used in)/generated from investing activities – continuing operations</b>	<b>(88)</b>	<b>881</b>
Net cash used in investing activities – discontinued operations	–	(1)
<b>Net cash (used in)/generated from investing activities</b>	<b>(88)</b>	<b>880</b>
<b>Financing activities:</b>		
Interest paid	(64)	(56)
Repayments of lease liabilities	(321)	(376)
Dividend paid to shareholders of adidas AG	(125)	(610)
Dividend paid to non-controlling interest shareholders	(1)	(1)
Acquisition of non-controlling interests	–	(27)
Repurchase of treasury shares	–	(1,953)
Repurchase of treasury shares due to share-based payments	(14)	(15)
Proceeds from reissuance of treasury shares due to share-based payments	12	13



**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 half year 2023	First half year 2022
Proceeds of short-term borrowings	377	274
<b>Net cash used in financing activities – continuing operations</b>	<b>(137)</b>	<b>(2,751)</b>
Net cash used in financing activities – discontinued operations	–	(7)
<b>Net cash used in financing activities</b>	<b>(137)</b>	<b>(2,757)</b>
<b>Effect of exchange rates on cash</b>	<b>(40)</b>	<b>90</b>
Increase/(Decrease) in cash and cash equivalents	196	(2,251)
Cash and cash equivalents at beginning of year	798	3,828
<b>Cash and cash equivalents at end of period</b>	<b>993</b>	<b>1,578</b>