

FY 2022 RESULTS

MARCH 8, 2023

adidas



AGENDA

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OPENING BJØRN GULDEN

2

RECAP 2022 HARM OHLMEYER

3

TAKING STOCK BJØRN GULDEN

4

OUTLOOK BJØRN GULDEN

5

Q&A



OPENING

BJØRN GULDEN
CEO





An aerial photograph of a modern architectural complex. In the foreground, a large, white, ribbed building with a curved roofline sits on a green lawn. To its right, a curved water feature flows through the landscape. In the background, another large building with a similar ribbed roof is visible, along with a green lawn and a red running track. The sky is hazy and yellowish, with a few birds flying. The text "I AM PROUD TO BE HERE" is overlaid in the center in a bold, black, sans-serif font.

I AM PROUD TO BE HERE

RECAP 2022

HARM OHLMEYER
CFO



SPORTS TAKING CENTER STAGE



PRODUCT HIGHLIGHTS



ADIZERO ADIOS PRO 3



2:16
2:07
2:10
2:06



LISA MARIE KWATIE
JULY 2014

CAMPAIGN HIGHLIGHTS



SUPPORT
IS EVERYTHING

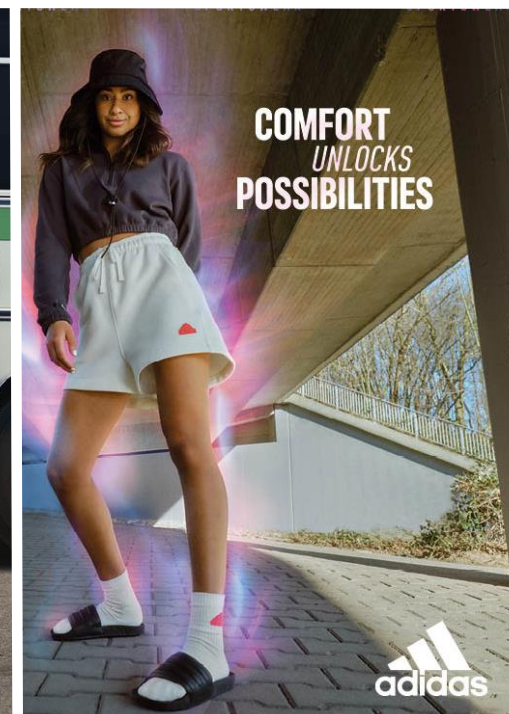


impossible is nothing



I' POSSIBLE

IMPOSSIBLE IS NOTHING adidas

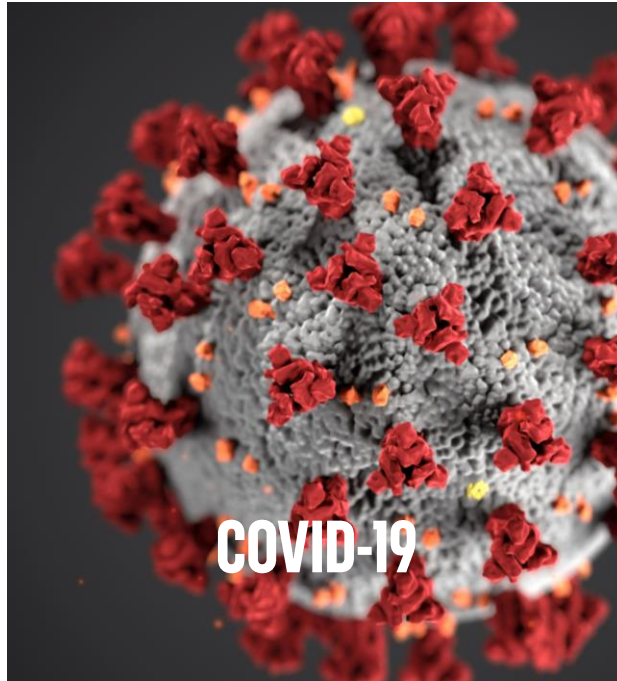


COMFORT
UNLOCKS
POSSIBILITIES



MESSI IS
**faster in all
dimensions**

MARKET- AND COMPANY-SPECIFIC CHALLENGES



WEIGHING ON BUSINESS PERFORMANCE IN FY 2022

FY 2022 FINANCIAL RESULTS

€ IN MILLIONS

	FY 2022 RESULTS	Y-O-Y
NET SALES	22,511	+1%
GROSS MARGIN	47.3%	-3.4PP
OPERATING MARGIN	3.0%	-6.4PP
NET INCOME	254	-83%

FY 2022 REVENUE GROWTH BY MARKET

NORTH AMERICA

+12% VS. 2021

Operating margin: 15.5% (-3.4pp vs. 2021)

EMEA

+9% VS. 2021

Operating margin: 19.6% (-1.7pp vs. 2021)

GREATER CHINA

-36% VS. 2021

Operating margin: 10.1% (-15.8pp vs. 2021)

LATIN AMERICA

+44% VS. 2021

Operating margin: 22.4% (+4.1pp vs. 2021)

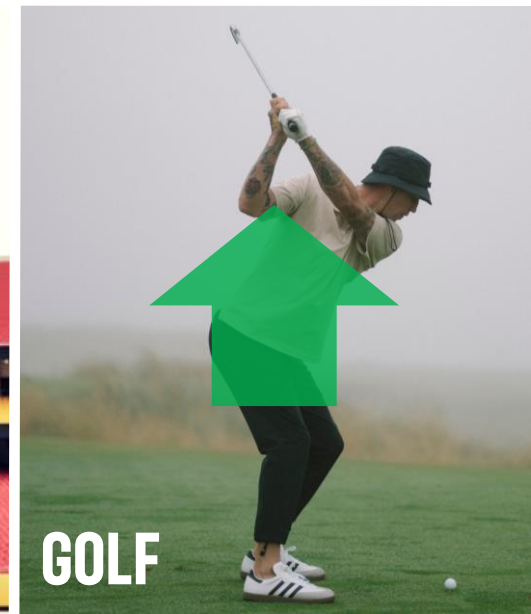
ASIA-PACIFIC

+4% VS. 2021

Operating margin: 21.7% (+0.7pp vs. 2021)

FY 2022 REVENUE GROWTH BY CATEGORY

PERFORMANCE +19%

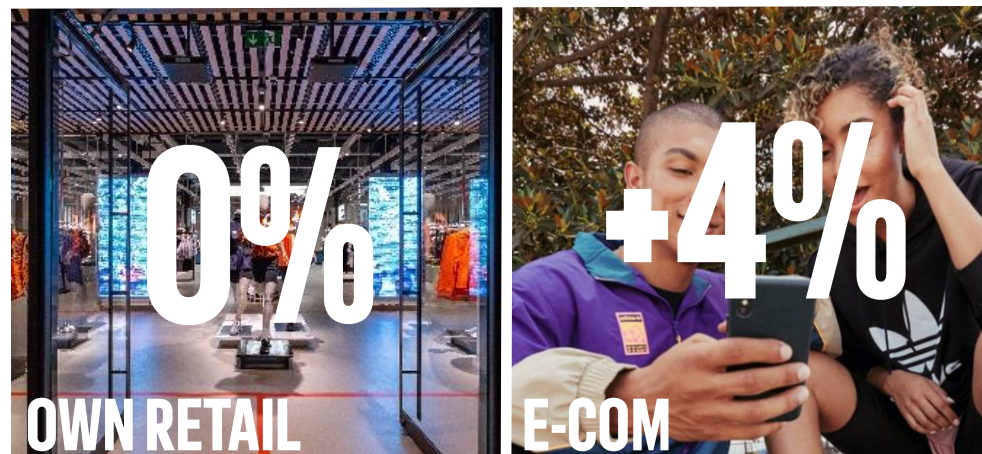


FY 2022 REVENUE GROWTH BY CATEGORY

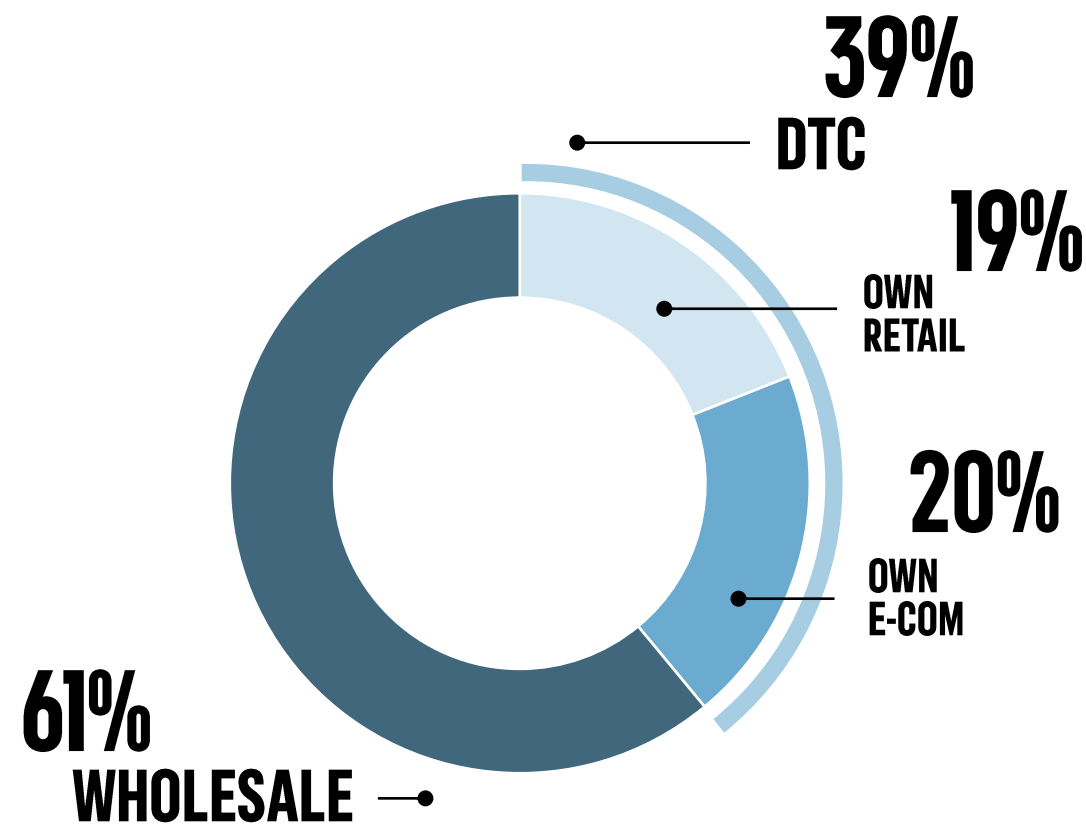
LIFESTYLE -5%



FY 2022 REVENUE GROWTH BY CHANNEL



FY 2022 CHANNEL GROWTH



FY 2022 CHANNEL SPLIT

QUARTERLY REVENUE GROWTH BY MARKET

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
EMEA	9%	7%	7%	12%	9%
GREATER CHINA	-35%	-35%	-27%	-50%	-36%
NORTH AMERICA	13%	21%	8%	6%	12%
APAC	-16%	3%	15%	16%	4%
LATIN AMERICA	38%	37%	51%	47%	44%
TOTAL COMPANY	-3%	4%	4%	-1%	1%

FY 2022 P&L

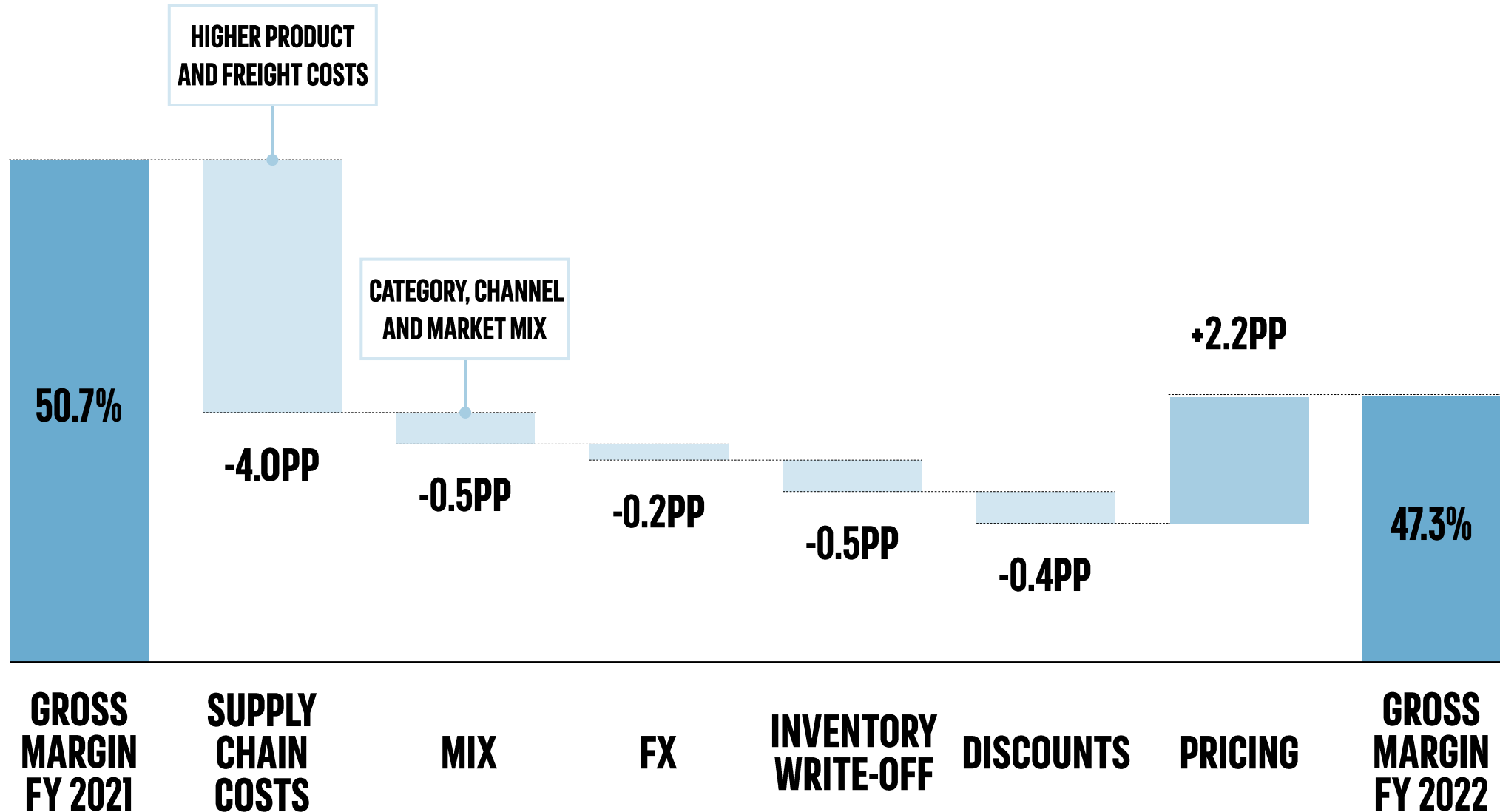
€ IN MILLIONS

	FY 2022	FY 2021	Y-O-Y
NET SALES	22,511	21,234	+6%
GROSS PROFIT	10,644	10,765	-1%
GROSS MARGIN	47.3%	50.7%	-3.4PP
OPERATING EXPENSES	10,260	8,892	+15%
OPERATING PROFIT	669	1,986	-66%
OPERATING MARGIN	3.0%	9.4%	-6.4PP
NET FINANCIAL EXPENSES	281	133	+111%
INCOME TAXE RATE	34.5%	19.4%	+15.0PP
NET INCOME	254	1,492	-83%

FY 2022 ONE-OFFS

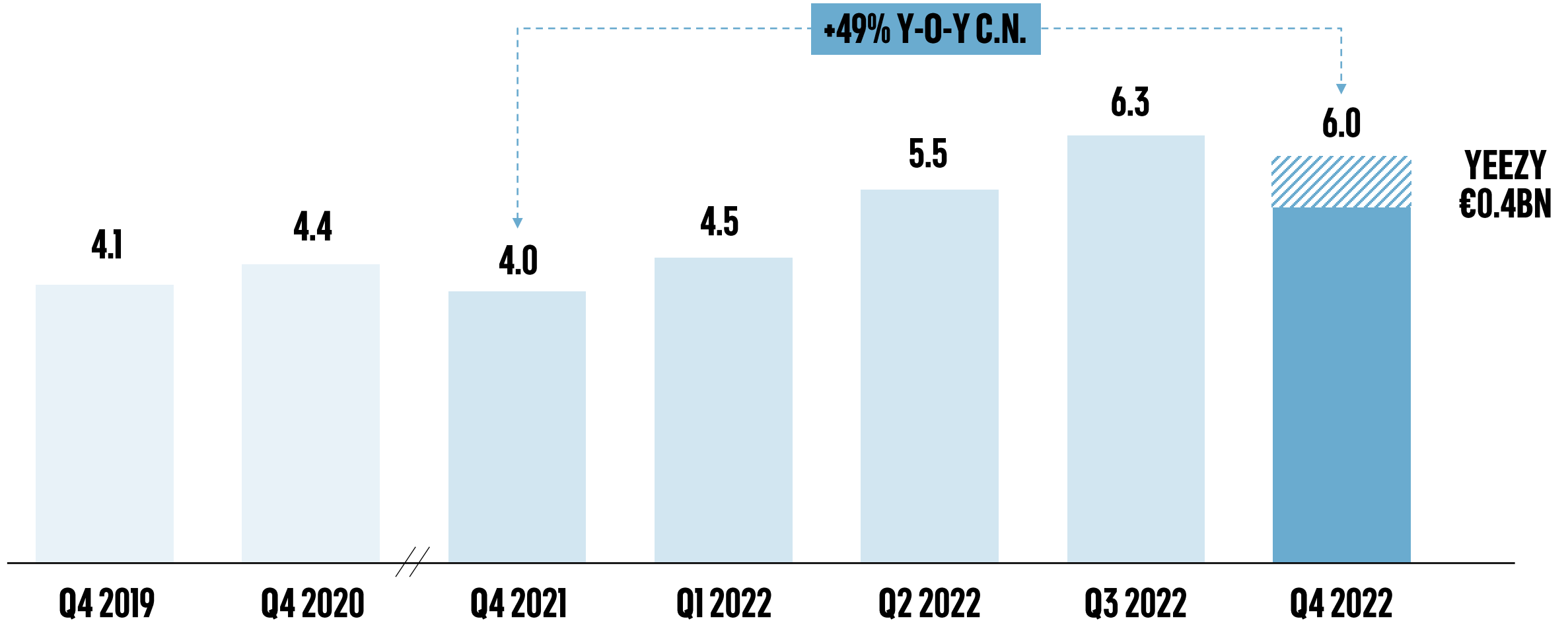
€ IN MILLIONS	FY 2022	ONE-OFFS INCLUDED	
NET SALES	22,511		
GROSS PROFIT	10,644	59	RUSSIA, CUSTOMS RISKS
OPERATING EXPENSES	10,260	253	RUSSIA, LEGAL DISPUTE, RESTRUCTURING
OPERATING PROFIT	669	312	RUSSIA, LEGAL DISPUTE, CUSTOMS RISKS, RESTRUCTURING
NET INCOME	254	350	RUSSIA, LEGAL DISPUTE, CUSTOMS RISKS, CASH POOLING, RESTRUCTURING

FY 2022 **GROSS MARGIN** DEVELOPMENT DECOMPOSED



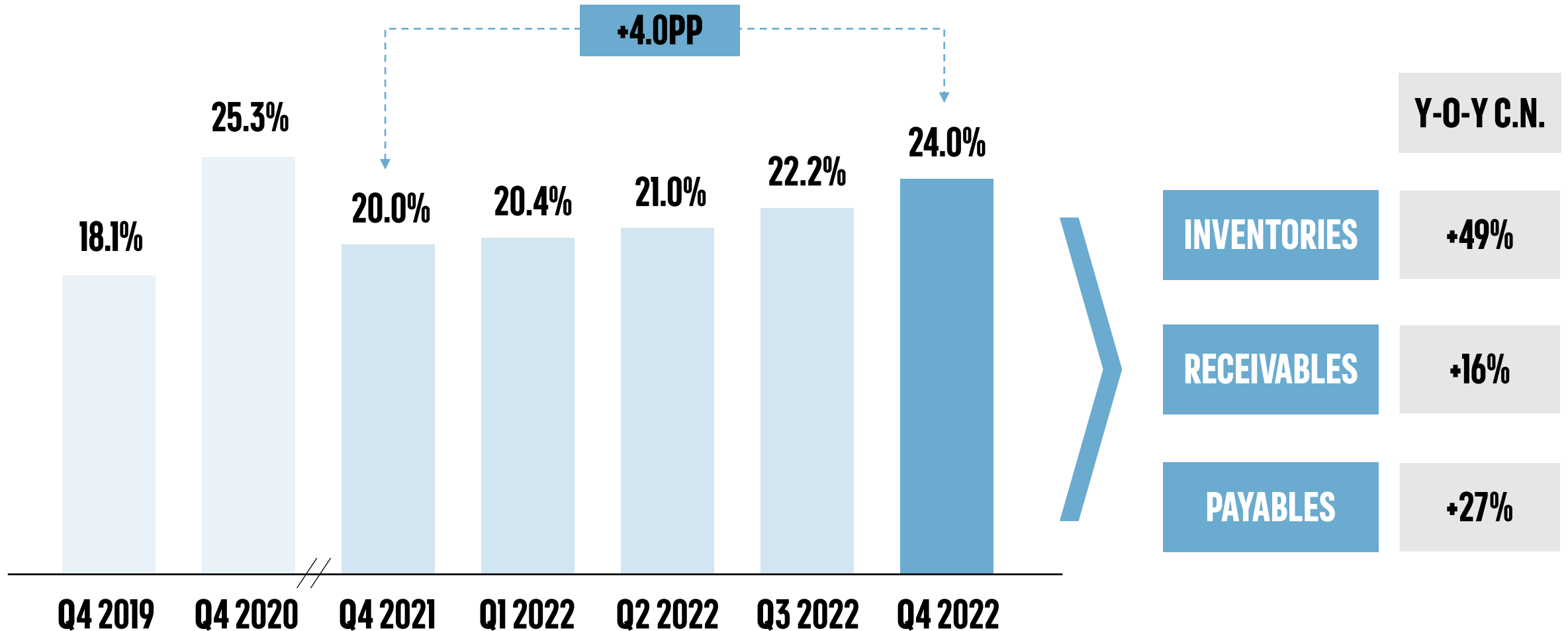
INVENTORY POSITION

€ IN BILLIONS



AVERAGE OPERATING WORKING CAPITAL

AS A % OF NET SALES



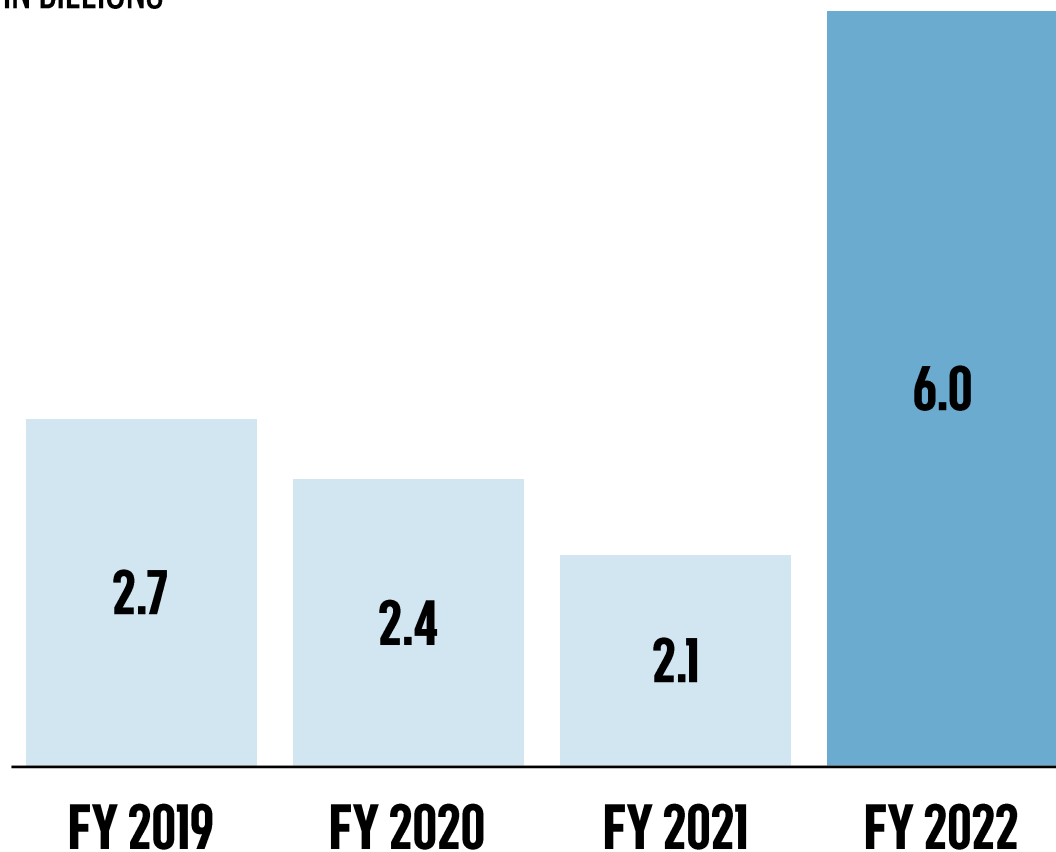
ADJUSTED NET BORROWINGS COMPOSITION

€ IN MILLIONS		FY 2022	FY 2021
	CASH AND CASH EQUIVALENTS	798	3,828
-	TRAPPED CASH	-155	-214
-	SHORT-TERM BORROWINGS	-527	-29
-	LONG-TERM BORROWINGS	-2,946	-2,466
-	CURRENT AND NON-CURRENT LEASE LIABILITIES	-2,986	-2,836
-	PENSIONS AND SIMILAR OBLIGATIONS	-118	-267
-	FACTORING	-112	-99
	ADJUSTED NET BORROWINGS	-6,047	-2,082

LEVERAGE RATIO

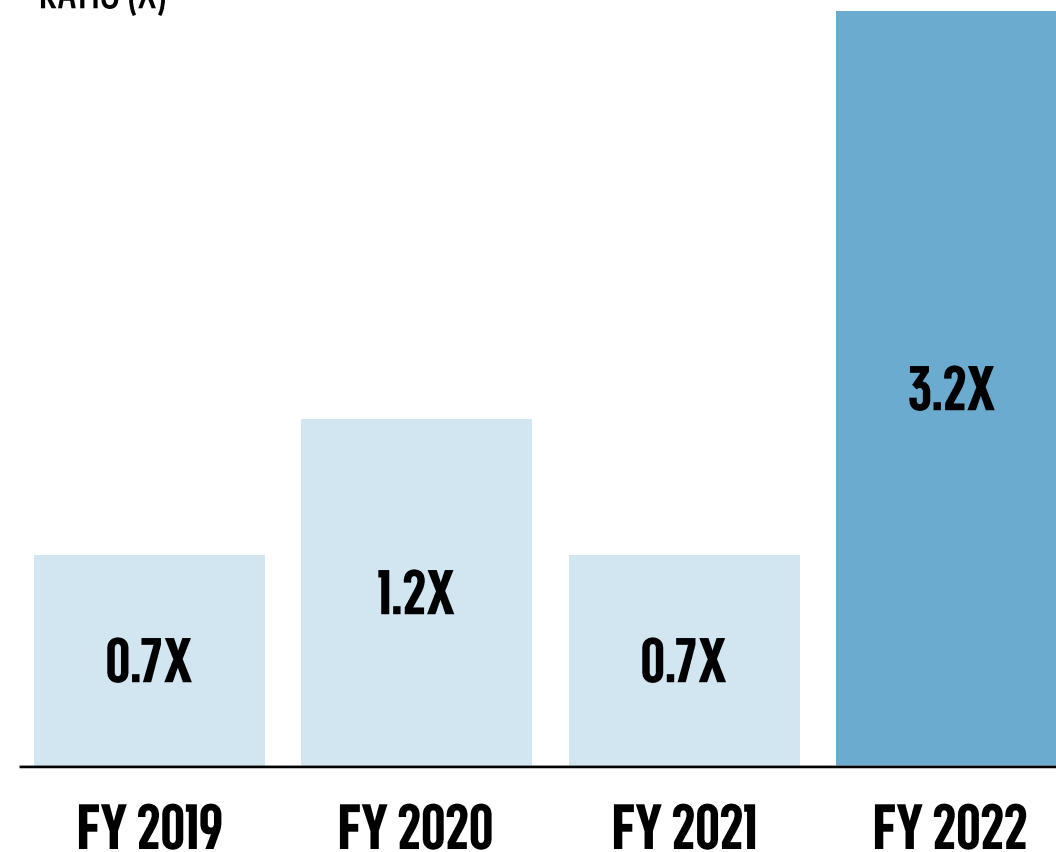
ADJUSTED NET BORROWINGS

€ IN BILLIONS



ADJUSTED NET BORROWINGS/EBITDA

RATIO (X)



INVESTMENT-GRADE CREDIT RATINGS

**S&P Global
Ratings**

MOODY'S

LONG-TERM RATING

A-

A3

OUTLOOK

NEGATIVE

NEGATIVE

**CONSERVATIVE FINANCIAL POLICY, SUFFICIENT LIQUIDITY SOURCES AND
LEADING INDUSTRY POSITION**

DIVIDEND PROPOSAL FOR 2022

	FY 2022	FY 2021
DIVIDEND PER SHARE	€ 0.70	€ 3.30
SHARES OUTSTANDING ¹	179 MILLION	185 MILLION
TOTAL PAYOUT	€ 125 MILLION	€ 610 MILLION
NET INCOME ²	€ 254 MILLION	€ 1,492 MILLION
PAYOUT RATIO ³	49.2%	40.9%

WORLD CUP AS MY TURNING POINT



TAKING STOCK

BJØRN GULDEN
CEO



ADIDAS IS ROOTED IN HISTORY



GREAT LOGOS





CREDIBILITY IN SPORTS



CREDIBILITY IN FASHION



CREDIBILITY IN CULTURE

STRONG PARTNERSHIPS

FOOTBALL



FIFA



RUNNING



TRAINING

LesMILLS

OLYMPIC



VARIOUS



THE BEST TEAMS

FOOTBALL



US FOOTBALL



BASEBALL



BASKETBALL



RUGBY



THE BEST ATHLETES



STEFANOS TSITSIPAS



PATRICK MAHOMES



MIKAELA SHIFFRIN



CANDACE PARKER



LIONEL MESSI



ROSEMARY WANJIRU

UNBELIEVABLE COLLABORATION PARTNERS



RELEVANT PARTNERSHIPS FOR CULTURE



PHARRELL WILLIAMS



BEYONCÉ



BAD BUNNY



JENNA ORTEGA

STATE-OF-THE-ART OFFICES



HERZO



PORTLAND



SHANGHAI

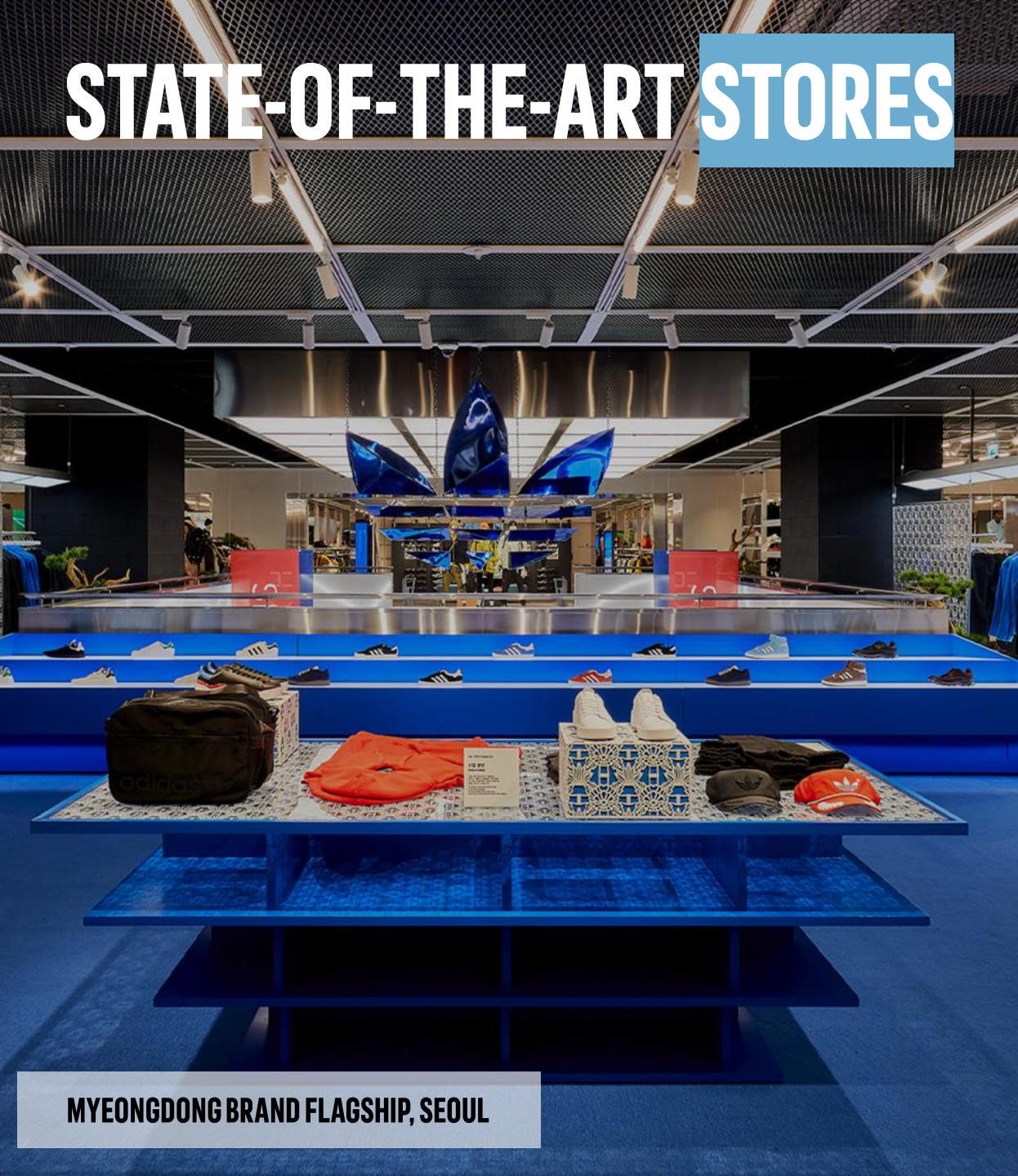


LOS ANGELES

GREAT & SOPHISTICATED **TECH PLATFORMS & HUBS**



STATE-OF-THE-ART STORES



MYEONGDONG BRAND FLAGSHIP, SEOUL



LND FLAGSHIP STORE, LONDON

OWN FACTORY IN EUROPE - SCHEINFELD



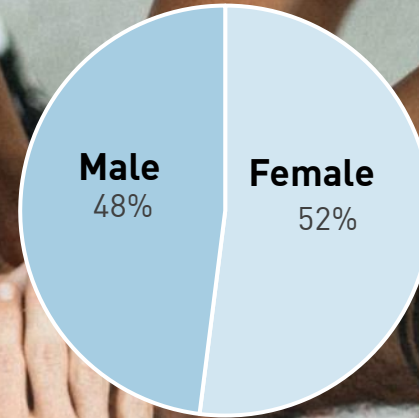
STATE-OF-THE-ART DISTRIBUTION CENTERS



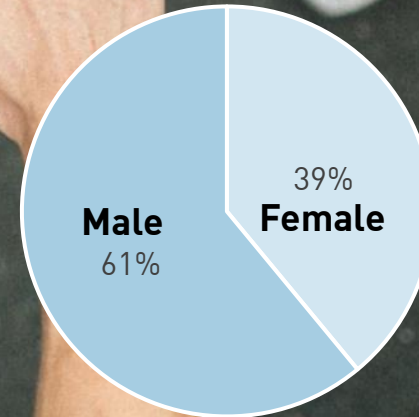
INCREDIBLE AND DIVERSE TALENT

+100 NATIONALITIES

**~90% NON-GERMAN
EMPLOYEES**



**GLOBAL GENDER
SPLIT**



**WOMEN IN
LEADERSHIP**

RECOGNIZED AS A GREAT PLACE TO WORK

16

GLOBALLY (2022)

Forbes

5

GERMANY (2023)



stern





AIM TO BE INDUSTRY LEADER IN SUSTAINABILITY/ESG

**ON TRACK TO MAKE 9
OUT OF 10 ARTICLES
SUSTAINABLE BY 2025**

**MSCI ESG RATING: AAA
(BEST: AAA)**

**CORPORATE HUMAN RIGHTS
BENCHMARK: 23/26**

WE HAVE ALL THE INGREDIENTS FOR SUCCESS

**BUT IN THE SHORT TERM,
WE'RE NOT PERFORMING THE WAY WE SHOULD**

GREAT MOMENTUM IN PERFORMANCE

RUNNING



OUTDOOR



US SPORTS



FOOTBALL



GOLF







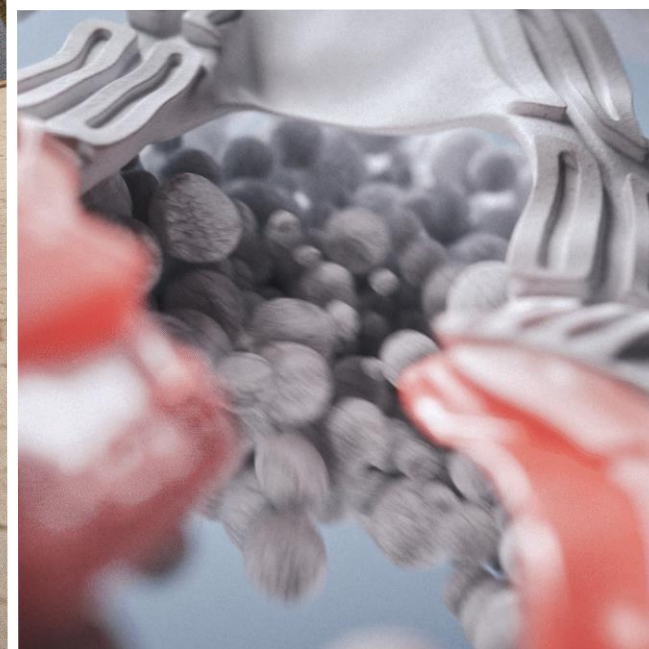
PREDATOR



TRIPLE WHITE AND BLACK COPA, PREDATOR, X



ULTRABOOST LIGHT



ADIZERO



ADIZERO



TERREX





ISSUES IN **LIFESTYLE**



ORIGINALS



SPORTSWEAR

YEEZY

YEEZY

GREAT DEMAND FOR TERRACE

SAMBA



GAZELLE



SPEZIAL



SAMBA DAY POP-UP STORE

3月7日 取号时间
10:00

入场付款时间

001号-040号	13:00-14:00
041号-080号	14:00-15:00
081号-120号	15:00-16:00
121号-160号	16:00-17:00
161号-200号	17:00-18:00
201号-240号	18:00-19:00
241号-280号	19:00-20:00

GREAT DEMAND FOR TERRACE

SAMBA



T-TOE

GAZELLE



SPEZIAL



LARGE HYPE FOR TERRACE

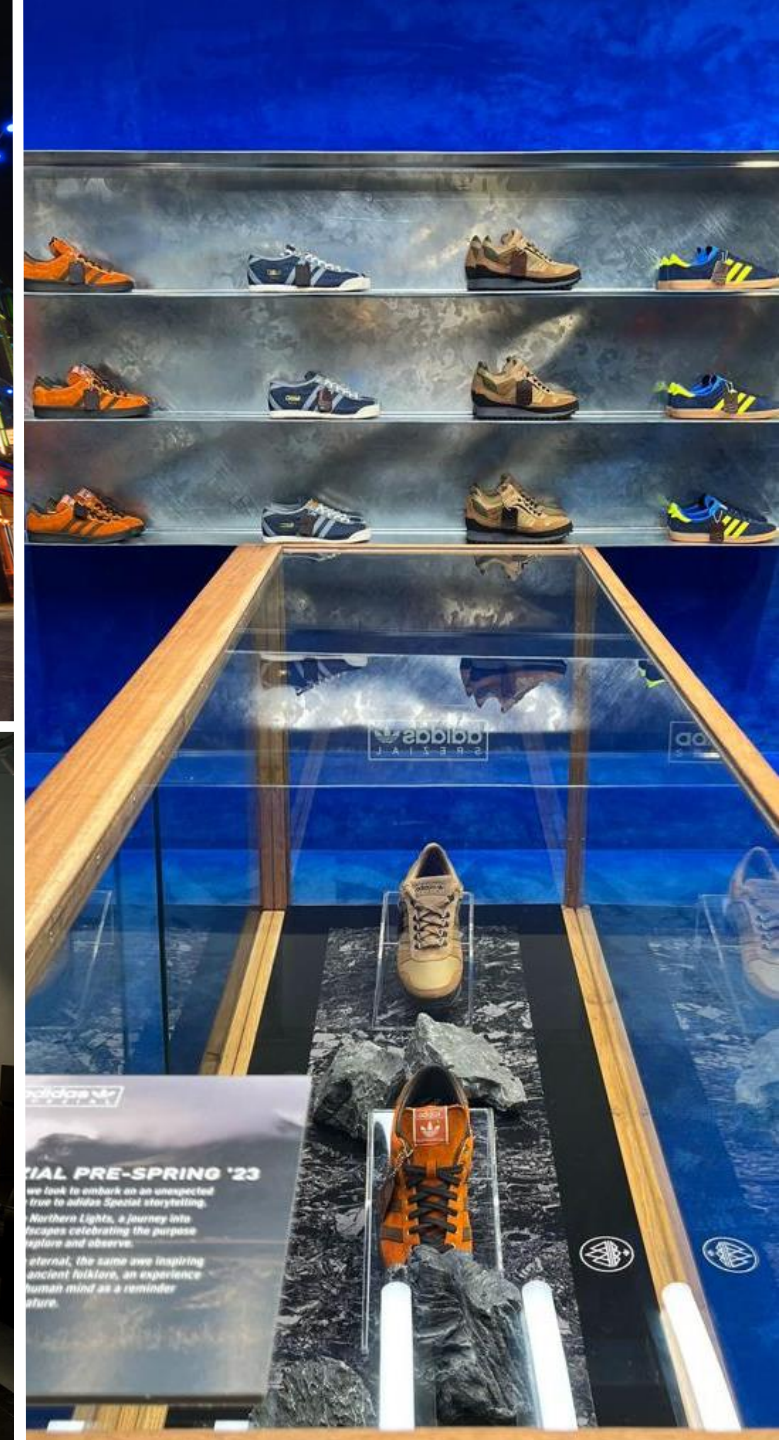


SAMBA



GAZELLE





GROWTH MOMENTUM



LATIN AMERICA



EMERGING MARKETS



ASIA-PACIFIC

**WE'VE HAD DIFFICULTIES IN GREATER CHINA
FOR THREE YEARS**

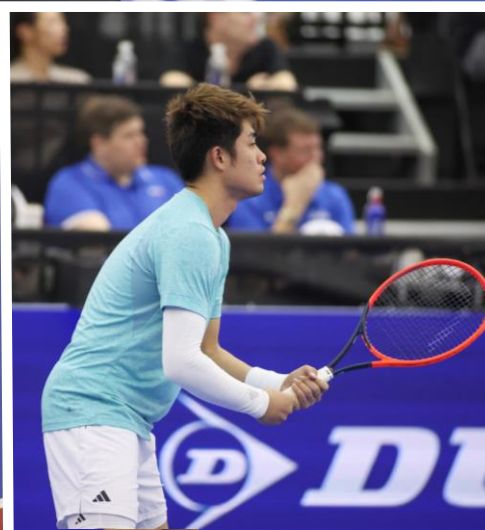
BUT SOME POSITIVE SIGNALS

POSITIVE SIGNALS GREATER CHINA

SUCCESSFUL EXECUTION OF BEIJING MARATHON



CONGRATULATIONS WU YIBING





WU YIBING
CHINA'S 1ST ATP TITLEIST



SU YIMING
OLYMPICS GOLD MEDALIST



HU MINGXUAN
CHINA BASKETBALL
TEAM GUARD



XIE ZHENYE
MEN'S 200M SPRINT ASIAN
RECORD HOLDER



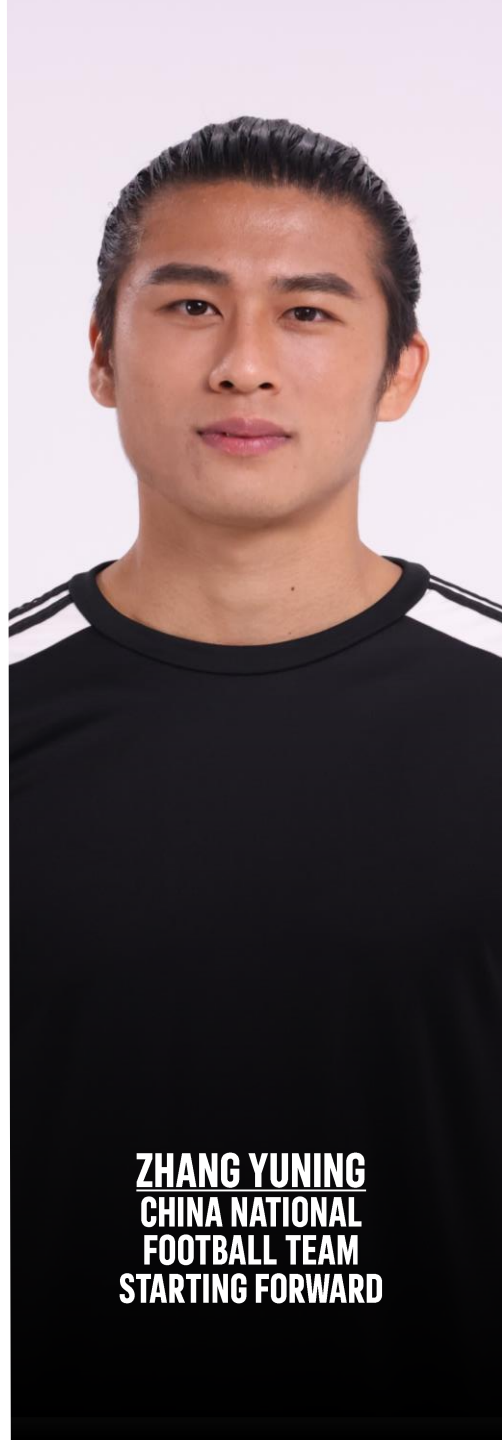
WANG QIANG
ASIAN GAMES CHAMPION



TANG JIALI
CHINA FOOTBALL
TEAM STRIKER



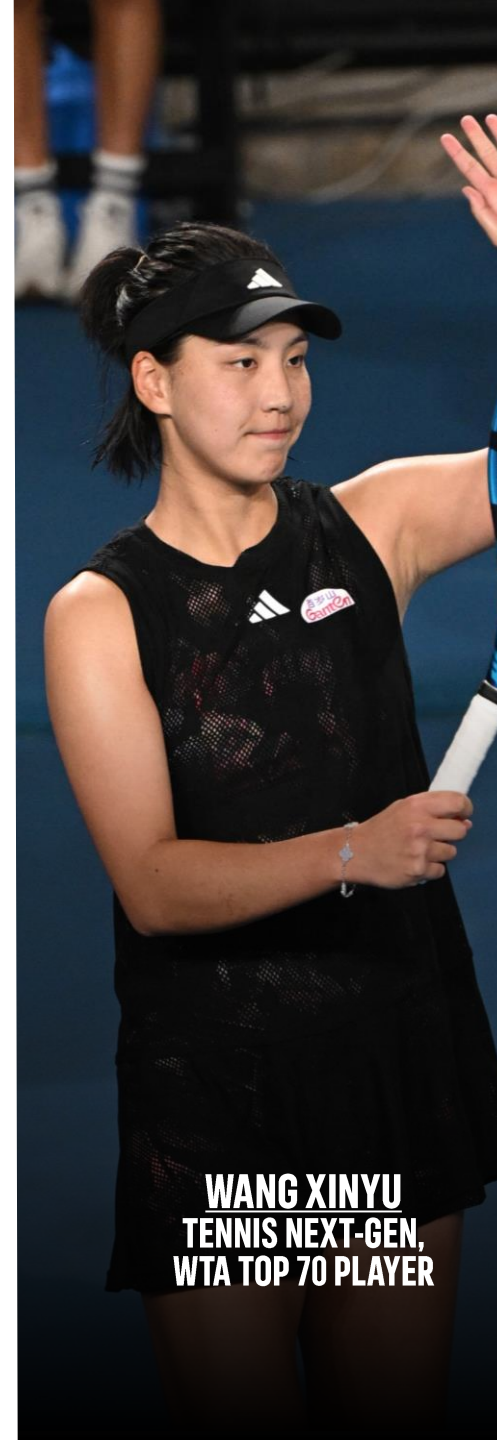
LI YINGYING
KEY PLAYER OF
CHINESE VOLLEYBALL
TEAM



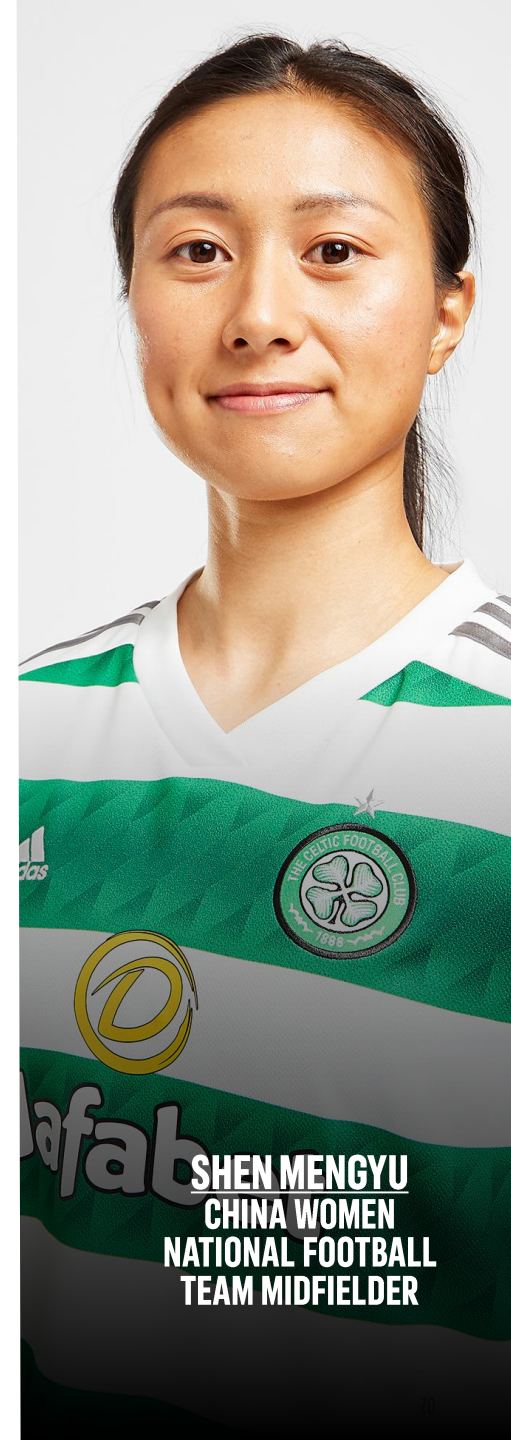
ZHANG YUNING
CHINA NATIONAL
FOOTBALL TEAM
STARTING FORWARD



ZHENG NINALI
THE BEST
HEPTATHLON ATHLETE
IN ASIA



WANG XINYU
TENNIS NEXT-GEN,
WTA TOP 70 PLAYER



SHEN MENGYU
CHINA WOMEN
NATIONAL FOOTBALL
TEAM MIDFIELDER

POSITIVE SIGNALS GREATER CHINA

TERRACE WITH
GREAT SUCCESS



SAMBA



GAZELLE

adidas



SPEZIAL



UNCERTAINTY IN EUROPE



ELEVATED INVENTORY



**MACROECONOMIC
UNCERTAINTY**



**ENSURE LEADERSHIP IN
HOME MARKET**

CHALLENGES IN NORTH AMERICA



ELEVATED INVENTORY



HIGH DISCOUNTING



**CHALLENGING
ORDERBOOK**

PATRICK MAHOMES



can't win mvp and
the ring in the
same season
until
you can

impossible is nothing





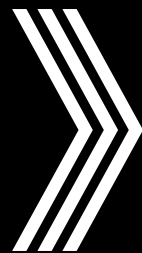
adidas BASKETBALL



CHAPTER 02:

**REMEMBER
THE WHY**





OUTLOOK



FOCUS ON PEOPLE & CULTURE



BUSINESS MODEL OPTIMIZATION



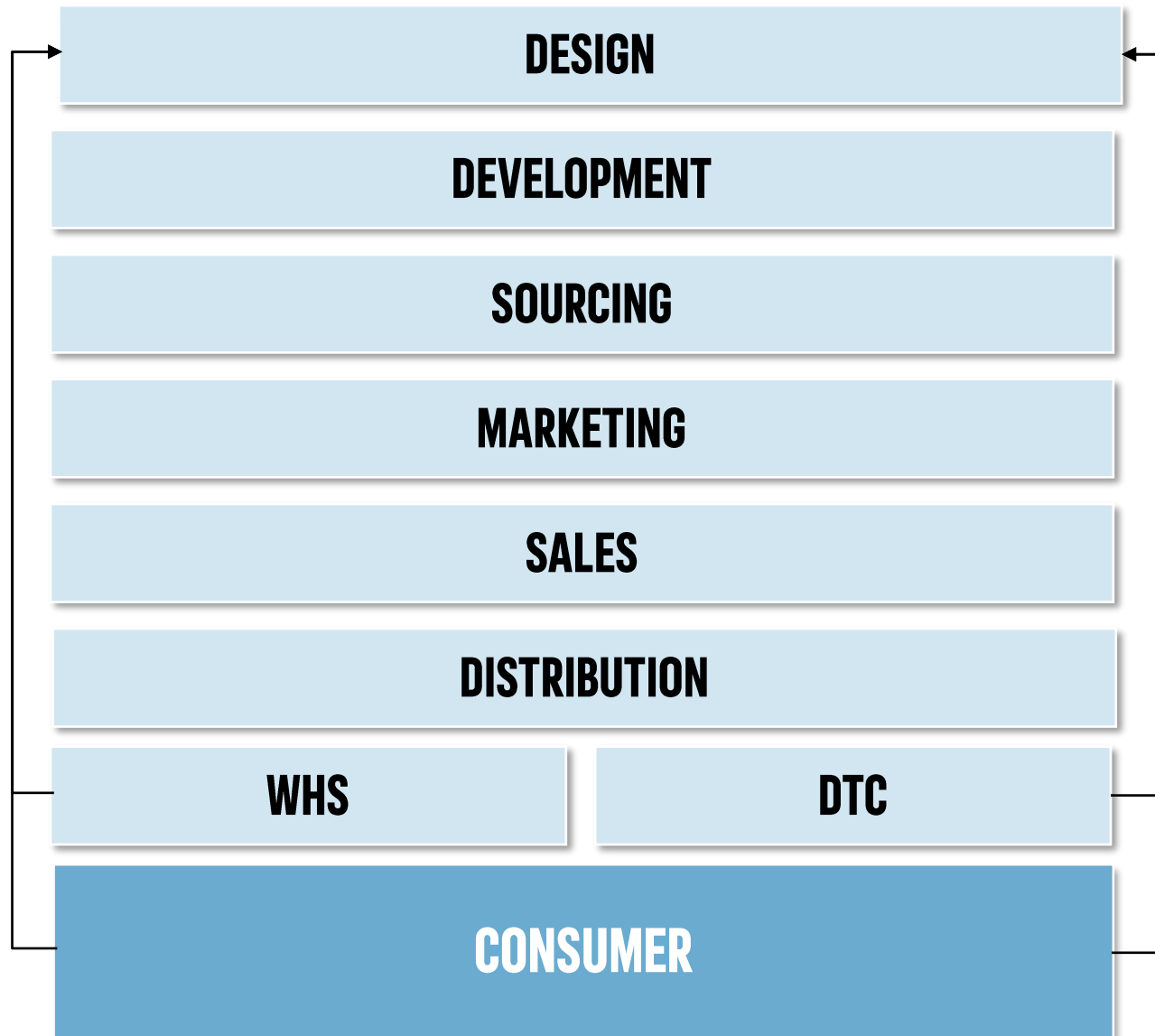
DTC & WHOLESALE

**GLOBAL, REGIONAL,
LOCAL**

SPEED & AGILITY

BRAND HEAT

FOCUS ON THE CORE



IN 2023, WE WILL BUILD THE BASE FOR 2024 AND 2025

OUR FOCUS AREAS IN 2023



PEOPLE



PRODUCT



CONSUMERS



RETAILERS



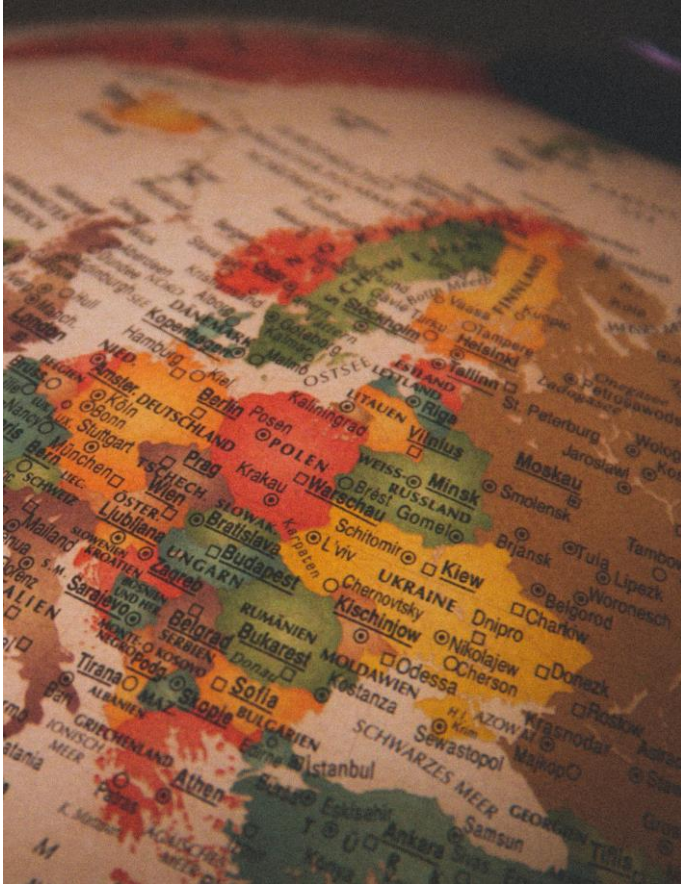
ATHLETES



WE WILL AGAIN

BE THE BEST SPORTS BRAND

RISKS AND CHALLENGES IN UNCERTAIN ENVIRONMENT



**GEOPOLITICAL
TENSIONS**



**MACROECONOMIC
CHALLENGES**



**HIGH INVENTORY
LEVELS**

2023 WILL BE A **TRANSITION YEAR**

OUTLOOK

**NET SALES:
HIGH-SINGLE-DIGIT
DECLINE**

**OPERATING PROFIT:
BREAK-EVEN**

**OPERATING LOSS:
-€700M**

NEGATIVE IMPACT INCLUDED

**NOT SELLING
EXISTING YEEZY INVENTORY**

**NET SALES: -€1,200M
OPERATING PROFIT: -€500M**

**WRITE-OFF
EXISTING YEEZY INVENTORY**

OPERATING PROFIT: -€500M

**ONE-OFF COSTS
STRATEGIC REVIEW**

OPERATING PROFIT: -€200M

UPDATES EXECUTIVE BOARD

CONGRATULATIONS, HARM





THANK YOU,
BRIAN



EXECUTIVE BOARD



BJØRN GULDEN

CEO & GLOBAL BRANDS



ARTHUR HOELD

GLOBAL SALES



HARM OHLMEYER

CFO



AMANDA RAJKUMAR

HUMAN RESOURCES



MARTIN SHANKLAND

GLOBAL OPERATIONS

Q&A

