

HOW

**FULL YEAR 2015
RESULTS PRESENTATION**

HERZOGENAURACH – MARCH 3, 2016

NEW

**WE
CREATE
THE**

A man with a beard and tattoos is crouching in a locker room, looking directly at the camera. He is wearing a tank top and sneakers. An Adidas basketball is on the floor next to him. The background shows rows of lockers.

INTRODUCTION

SEBASTIAN STEFFEN
VP INVESTOR RELATIONS



A man with curly hair, wearing a dark tank top and shorts, is sitting on a concrete bench in a locker room. He is looking down with a serious expression. In the foreground, an Adidas basketball sits on the floor. The background shows rows of lockers. The entire scene is overlaid with a semi-transparent blue filter.

OPERATIONAL HIGHLIGHTS

HERBERT HAINER
ADIDAS GROUP CEO



MAJOR DEVELOPMENTS IN FY 2015

ADIDAS GROUP EXCEEDS FULL YEAR GUIDANCE

GROUP REVENUES INCREASE 10% CURRENCY-NEUTRAL

OR 16% IN EURO TERMS TO € 16.9 BILLION

STRONG GROWTH AT ADIDAS (+12%) AND REEBOK (+6%)

DRIVEN BY NEW PRODUCT INTRODUCTIONS

DOUBLE-DIGIT GROWTH IN MOST MARKETS

WESTERN EUROPE, GREATER CHINA, LATIN AMERICA AND MEAA

GROSS MARGIN CLIMBS 60 BASIS POINTS TO 48.3%

DESPITE NEGATIVE CURRENCY EFFECTS AND FOB INCREASES

POINT-OF-SALE AND MARKETING INVESTMENTS UP 22%

REPRESENTING 13.9% OF TOTAL SALES

UNDERLYING NET INCOME INCREASES 12%

TO € 720 MILLION





CREATING THE NEW

CONSUMER-OBSSESSED MINDSET PAYING OFF

ADIDAS AND REEBOK

ENJOY STELLAR MOMENTUM



NET SALES
(€ IN MILLIONS)

**GROSS
MARGIN**

Q4 2015

CHANGE

FY 2015

CHANGE

3,399

↑ +16%¹⁾

13,939

↑ +12%¹⁾

47.8%

↑ +2.0pp

47.9%

↑ +1.2pp

Reebok

NET SALES
(€ IN MILLIONS)

**GROSS
MARGIN**

456

↑ +5%¹⁾

1,751

↑ +6%¹⁾

38.7%

↑ +5.4pp

39.2%

↑ +2.1pp

¹⁾ CURRENCY-NEUTRAL.

STRONG MOMENTUM
IN FOOTWEAR AND APPAREL

FOOTBALL

CURRENCY-NEUTRAL SALES GROW 26% IN Q4, WITH
DOUBLE-DIGIT SALES INCREASES IN MOST MARKETS

REVENUES IN FOOTWEAR GROW AT A
DOUBLE-DIGIT RATE IN FY 2015, REFLECTING THE
STRONG SUCCESS AROUND 'ACE' & 'X'

ROBUST BUILD-UP TO THE UEFA EURO 2016 WITH
APPAREL SALES INCREASING AT A DOUBLE-DIGIT RATE

LAUNCH OF FIRST-EVER LACELESS BOOT: ACE

MAJOR SPORTING EVENTS AS PERFECT PLATFORMS
TO SHOWCASE THE BRAND AND DRIVE TOP-LINE
GROWTH (UEFA EURO 2016, COPA AMERICA)



FOCUS ON KEY FRANCHISES

ULTRABOOST AND PUREBOOST

RUNNING

CURRENCY-NEUTRAL REVENUES IN RUNNING
GROW 6% IN FY 2015

OVER 10 MILLION PAIRS OF BOOST RUNNING
SHOES SOLD IN FY 2015

70 MAJOR MARATHON WINS WITH BOOST AND
COUNTING

INTRODUCTION OF HIGHLY ATTRACTIVE
TECHNOLOGY FOR THE FEMALE ATHLETE:
PUREBOOST X

BACKLOGS UP AT A DOUBLE-DIGIT RATE DRIVEN
BY FOOTWEAR CONCEPTS



ONGOING BRAND HEAT

SUPPORTED BY KEY FRANCHISES AND PARTNERSHIPS

ORIGINALS

SALES GROW 45% CURRENCY-NEUTRAL IN Q4,
WITH DOUBLE-DIGIT INCREASES IN ALL
MARKETS EXCEPT RUSSIA/CIS

STRONG DOUBLE-DIGIT SALES GROWTH IN
BOTH FOOTWEAR AND APPAREL

2015: 'YEAR OF THE SUPERSTAR' WITH MORE
THAN 15 MILLION PAIRS SOLD

SUCCESSFUL LAUNCH OF THE NMD FRANCHISE

UNRIVALLED DEMAND AROUND YEEZY BOOST
COLLECTION



A woman is captured in mid-stride while running on a city street. She is wearing a light grey short-sleeved crop top tied at the waist, blue patterned athletic shorts, and blue and red Nike Pureboost X sneakers. The background shows a blurred city street with brick buildings, parked cars, and a stop sign. The overall scene conveys a sense of motion and urban fitness.

WOMEN

RUNNING ON CLOUDS WITH PUREBOOST X

WOMEN

SPORT 16: I AM HERE TO CREATE



VISIBILITY IN US SPORTS
GAINS TRACTION

NORTH AMERICA

INCREASING RELEVANCE FOR THE US CONSUMER

HIGHER VISIBILITY ON THE FIELD OF PLAY

ORIGINALS COLLABORATIONS MAKE ADIDAS THE
MOST POPULAR SNEAKER BRAND ON INSTAGRAM
IN 2015

ACCELERATING MOMENTUM WITH ADIDAS
SALES INCREASING 12% IN Q4



11TH CONSECUTIVE QUARTER
OF GROWTH

REEBOK

CURRENCY-NEUTRAL REEBOK REVENUES
UP 5% IN Q4, WITH DOUBLE-DIGIT GROWTH IN
THE RUNNING AND STUDIO CATEGORIES

DOUBLE-DIGIT INCREASES IN KEY MARKETS
SUCH AS WESTERN EUROPE, LATIN AMERICA
AND MEAA

CURRENCY-NEUTRAL REVENUES IN GREATER
CHINA MORE THAN DOUBLE

BUILDING STRONG COMMUNITIES THROUGH
UFC, CROSSFIT AND LES MILLS



RESTRUCTURING PROGRAMME

INITIATED TO IMPROVE PROFITABILITY

TMAG

REVENUES DOWN 13% CURRENCY-NEUTRAL IN
FY 2015, DUE TO SALES DECLINES IN
METALWOODS AND IRONS

STRUCTURAL MARKET WEAKNESS PERSISTING
DESPITE CLEANER TRADING ENVIRONMENT AT
RETAIL

FAR-REACHING RESTRUCTURING PROGRAMME AT
TMAG IN FULL SWING

STRONG RESPONSE TO RECENT PRODUCT
LAUNCHES SUCH AS M1, M2 AND KALEA

STRATEGIC REVIEW OF GOLF BUSINESS CONTINUES,
TO BE COMPLETED BY END OF Q1 2016



A man with curly hair, wearing a grey tank top and dark shorts, is sitting on a concrete bench in a locker room. He is looking down with a serious expression. In the foreground, an Adidas basketball sits on the floor. The background is filled with rows of lockers. The entire scene is overlaid with a semi-transparent blue filter.

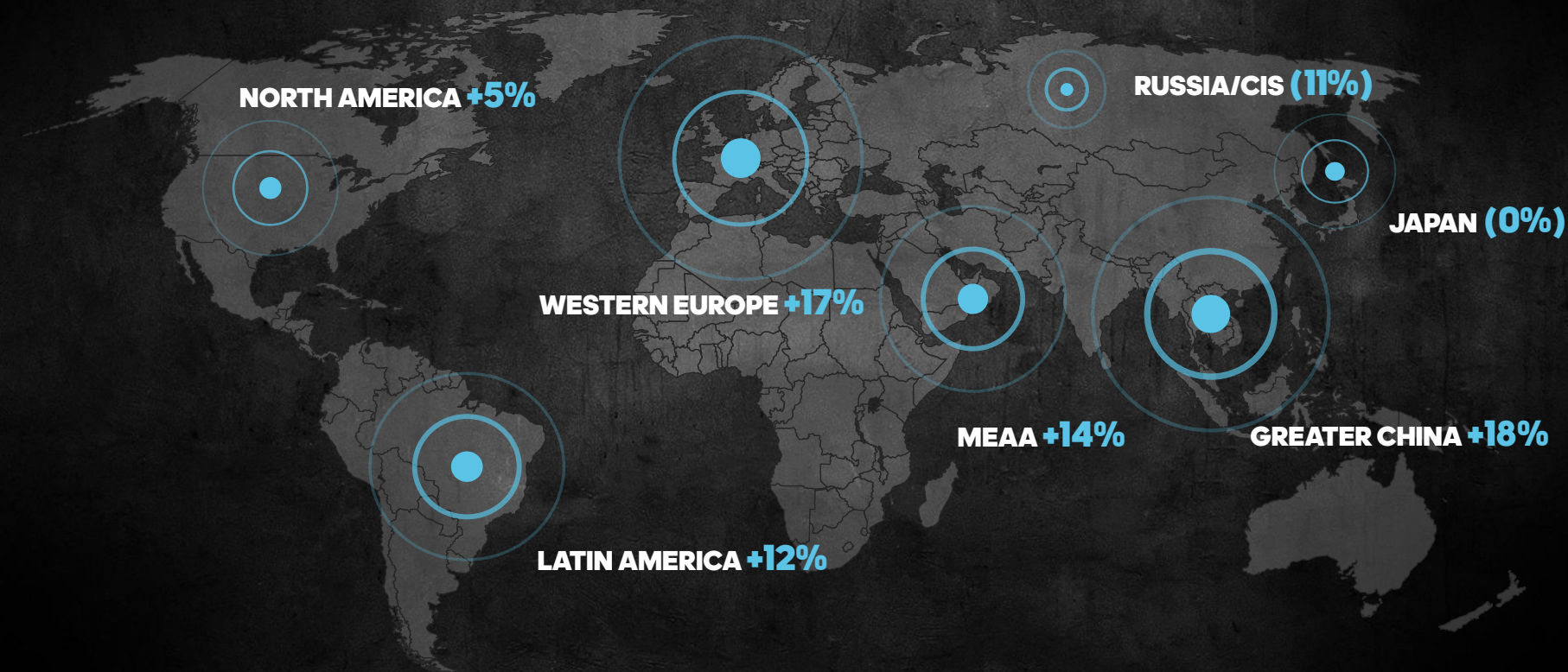
FINANCIAL HIGHLIGHTS

ROBIN J. STALKER
ADIDAS GROUP CFO



BROAD-BASED TOP-LINE MOMENTUM IN 2015

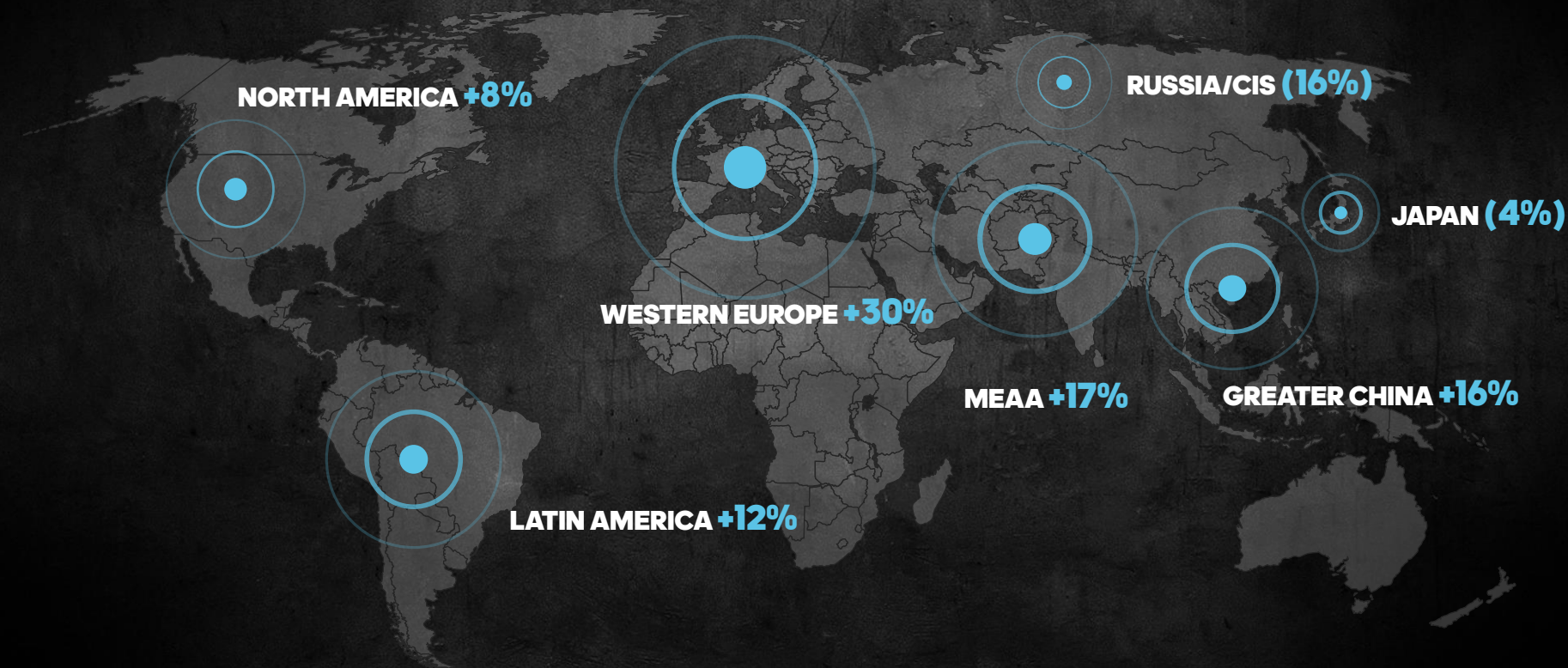
STRONG SALES INCREASE IN MOST REGIONS



CURRENCY-NEUTRAL.
FIGURES REFLECT COMBINED REVENUES OF THE ADIDAS AND REEBOK BUSINESSES.

TOP-LINE MOMENTUM ACCELERATES IN MOST REGIONS IN Q4 2015

STRONG DOUBLE-DIGIT INCREASE IN WESTERN EUROPE



CURRENCY-NEUTRAL.
FIGURES REFLECT COMBINED REVENUES OF THE ADIDAS AND REEBOK BUSINESSES.

STRONG BRAND MOMENTUM CONTINUES IN Q4



WESTERN EUROPE

STRONG YEAR-END FINISH WITH CURRENCY-NEUTRAL SALES UP 30% IN Q4, WITH DOUBLE-DIGIT SALES GROWTH IN THE REGION'S MAJOR MARKETS

ROBUST SALES MOMENTUM AT ADIDAS (+31%) FUELLED BY DOUBLE-DIGIT SALES INCREASES IN FOOTBALL AND AT ADIDAS ORIGINALS

EXCITEMENT AROUND UEFA EURO 2016 TO PROVIDE STIMULUS BEYOND THE FOOTBALL CATEGORY

GROSS MARGIN IMPROVEMENTS (+2.3PP) REFLECTING BRAND STRENGTH AND PRICE INCREASES

ADIDAS MOMENTUM ACCELERATES IN Q4

NORTH AMERICA

CURRENCY-NEUTRAL SALES INCREASE 8% IN Q4

REVENUES AT ADIDAS UP 12%, DRIVEN BY DOUBLE-DIGIT GROWTH AT ADIDAS ORIGINALS AND ADIDAS NEO

RETAIL SALES GROW 15% CURRENCY-NEUTRAL WITH COMP STORE SALES UP 7%

GROSS MARGIN IMPROVEMENTS (+2.6PP) REFLECTING IMPROVING BRAND MOMENTUM

MARKETING INVESTMENTS REMAIN ELEVATED TO SPUR GROWTH IN 2016 AND DRIVE LONG-TERM BRAND DESIRE

GROWTH AND EXPANSION OF SPORTING GOODS INDUSTRY CONTINUES IN Q4

GREATER CHINA

CURRENCY-NEUTRAL SALES GROW 16% IN Q4 –
7TH CONSECUTIVE QUARTER OF DOUBLE-DIGIT GROWTH

ADIDAS SALES UP 14%, SUPPORTED BY DOUBLE-DIGIT
INCREASES IN KEY PERFORMANCE CATEGORIES AS WELL AS
AT ADIDAS ORIGINALS AND ADIDAS NEO

SALES AT REEBOK INCREASE 110%, DRIVEN BY SIGNIFICANT
GROWTH IN THE FITNESS CATEGORIES AND IN CLASSICS

CONTROLLED-SPACE EXPANSION CONTINUES WITH FOCUS
ON LOWER-TIER CITIES

OPERATING MARGIN REACHES 35.1% IN FY 2015, REFLECTING
GROSS MARGIN EXPANSION AND OPERATING LEVERAGE



ROBUST GROWTH IN Q4 DESPITE MACROECONOMIC UNCERTAINTIES

LATIN AMERICA

CURRENCY-NEUTRAL SALES UP 12% IN Q4 AS A RESULT OF DOUBLE-DIGIT SALES GROWTH AT BOTH ADIDAS (+12%) AND REEBOK (+12%)

TOP-LINE DEVELOPMENT DRIVEN BY DOUBLE-DIGIT SALES GROWTH IN COLOMBIA, ARGENTINA, PERU AND MEXICO

REVENUES IN RETAIL GROW 24% CURRENCY-NEUTRAL, WITH COMP STORE SALES UP 11%

RIO 2016 OLYMPIC GAMES TO BOOST ADIDAS BRAND MOMENTUM



MACROECONOMIC CHALLENGES WEIGH ON CONSUMER SENTIMENT AND SPENDING IN 2015

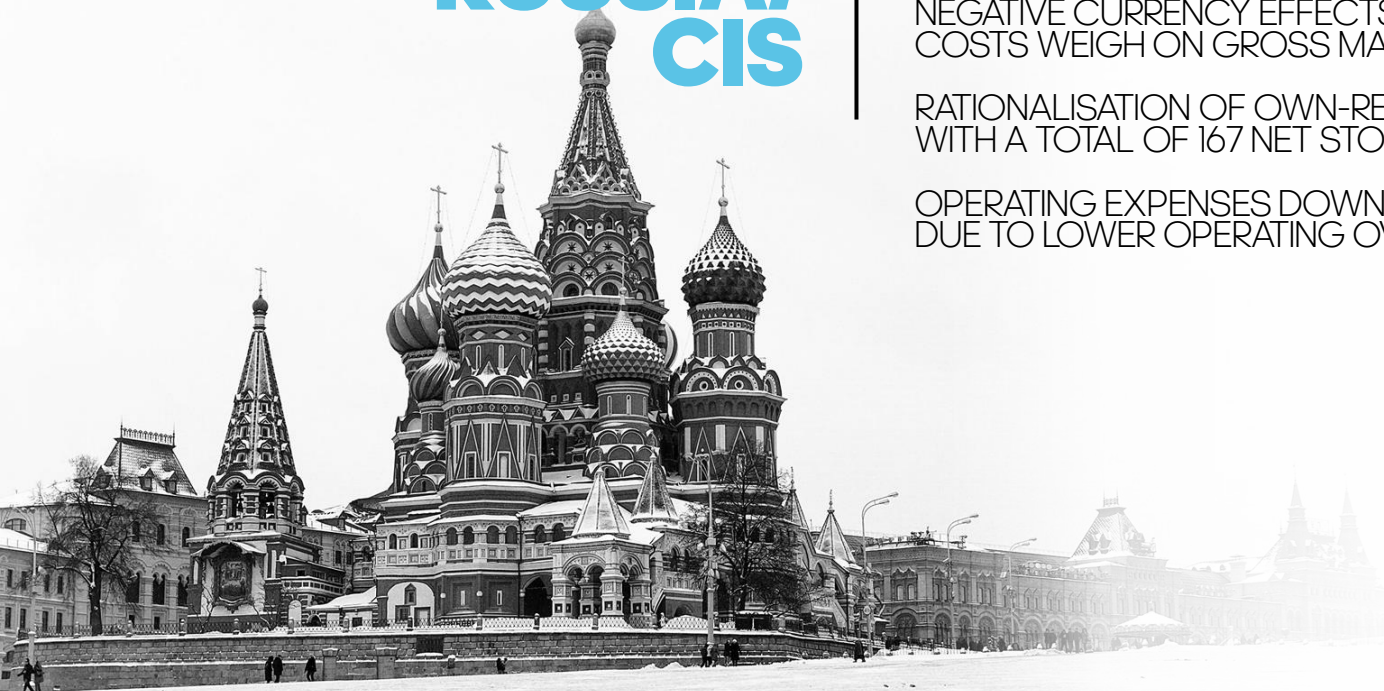
**RUSSIA/
CIS**

SALES DOWN 11% CURRENCY-NEUTRAL IN 2015

NEGATIVE CURRENCY EFFECTS AS WELL AS HIGHER INPUT COSTS WEIGH ON GROSS MARGIN DEVELOPMENT

RATIONALISATION OF OWN-RETAIL STORE NETWORK WITH A TOTAL OF 167 NET STORE CLOSURES IN 2015

OPERATING EXPENSES DOWN 30% IN 2015, PRIMARILY DUE TO LOWER OPERATING OVERHEAD COSTS



STRUCTURAL CHALLENGES WEIGH ON THE GOLF MARKET IN 2015

OTHER BUSINESSES

CURRENCY-NEUTRAL SALES OF OTHER BUSINESSES DOWN 3% IN 2015

SALES AT TMAG DECLINE 13%, REFLECTING ONGOING EFFORTS AIMED AT RESIZING THE GOLF BUSINESS

MAJOR RESTRUCTURING PROGRAMME INITIATED IN 2015, WITH THE MAIN OBJECTIVE TO SIGNIFICANTLY IMPROVE TMAG'S PROFITABILITY

REEBOK-CCM HOCKEY (+8%) AND OTHER CENTRALLY MANAGED BUSINESSES (+35%) RECORD ROBUST GROWTH IN 2015

GROUP GROSS MARGIN UP 2.3PP IN Q4

	Q4 2015		FY 2015	
GROSS MARGIN	+2.3pp	47.2%	+0.6pp	48.3%
OTHER OPERATING EXPENSES	+23%	€ 2,024 MILLION	+18%	€ 7,289 MILLION
OTHER OPERATING EXPENSES AS A PERCENTAGE OF SALES	+3.1pp	48.6%	+0.4pp	43.1%
OPERATING PROFIT	N/A	(€ 7 MILLION)	+14%	€ 1,094 MILLION
OPERATING MARGIN	(1.2pp)	(0.2%)	(0.1pp)	6.5%

Excluding goodwill impairment losses.
Figures reflect continuing operations as a result of the divestiture of the Rockport business.

UNDERLYING NET INCOME GROWS 12% TO € 720 MILLION

	Q4 2015		FY 2015	
FINANCIAL INCOME	+180%	€ 14 MILLION	+140%	€ 46 MILLION
FINANCIAL EXPENSES	(11%)	€ 16 MILLION	(1%)	€ 67 MILLION
INCOME BEFORE TAXES	N/A	(€ 9 MILLION)	+18%	€ 1,073 MILLION
NET INCOME FROM CONTINUING OPERATIONS	N/A	(€ 17 MILLION)	+12%	€ 720 MILLION
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS	N/A	(€ 0.09)	+16%	€ 3.54

Excluding goodwill impairment losses.
 Figures reflect continuing operations as a result of the divestiture of the Rockport business.

RETAIL PROFITABILITY IMPROVES STRONGLY

COMP STORE SALES EXCL. RUSSIA/CIS UP 10% IN Q4

	Q4 2015	CHANGE	FY 2015	CHANGE
NET SALES (€ IN MILLIONS)	1,165	↑ +13% ¹⁾	4,221	↑ +11% ¹⁾
ADIDAS COMP STORE SALES		↑ +5% ¹⁾		↑ +4% ¹⁾
REEBOK COMP STORE SALES		↑ +3% ¹⁾		↓ (3%) ¹⁾
TOTAL COMP STORE SALES		↑ +5% ¹⁾		↑ +3% ¹⁾
<hr/>				
GROSS MARGIN	61.6%	↑ +2.5pp	61.8%	↑ +2.4pp
OPERATING MARGIN	18.6%	↑ +1.2pp	20.3%	↑ +2.8pp

¹⁾ CURRENCY-NEUTRAL.

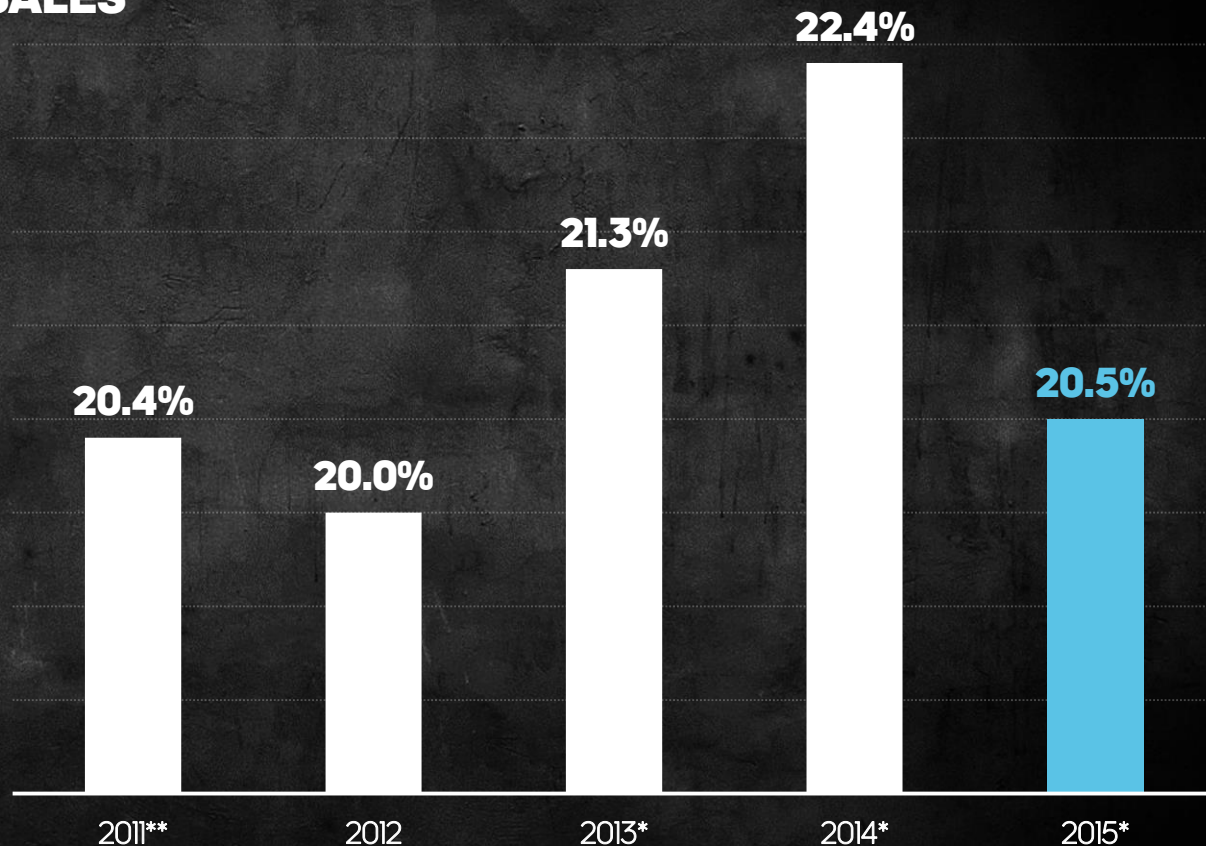
AVERAGE OWC IN % OF SALES

DECREASES 1.9PP TO 20.5%

INVENTORIES GROW 25% (CN)
TO SUPPORT GROWTH
EXPECTATIONS

RECEIVABLES UP 3% (CN)

PAYABLES GROW 22% (CN),
REFLECTING THE GROWTH IN
INVENTORIES



Average operating working capital in % of sales at year-end.

**2015, 2014 and 2013 reflect continuing operations as a result of the divestiture of the Rockport business.*

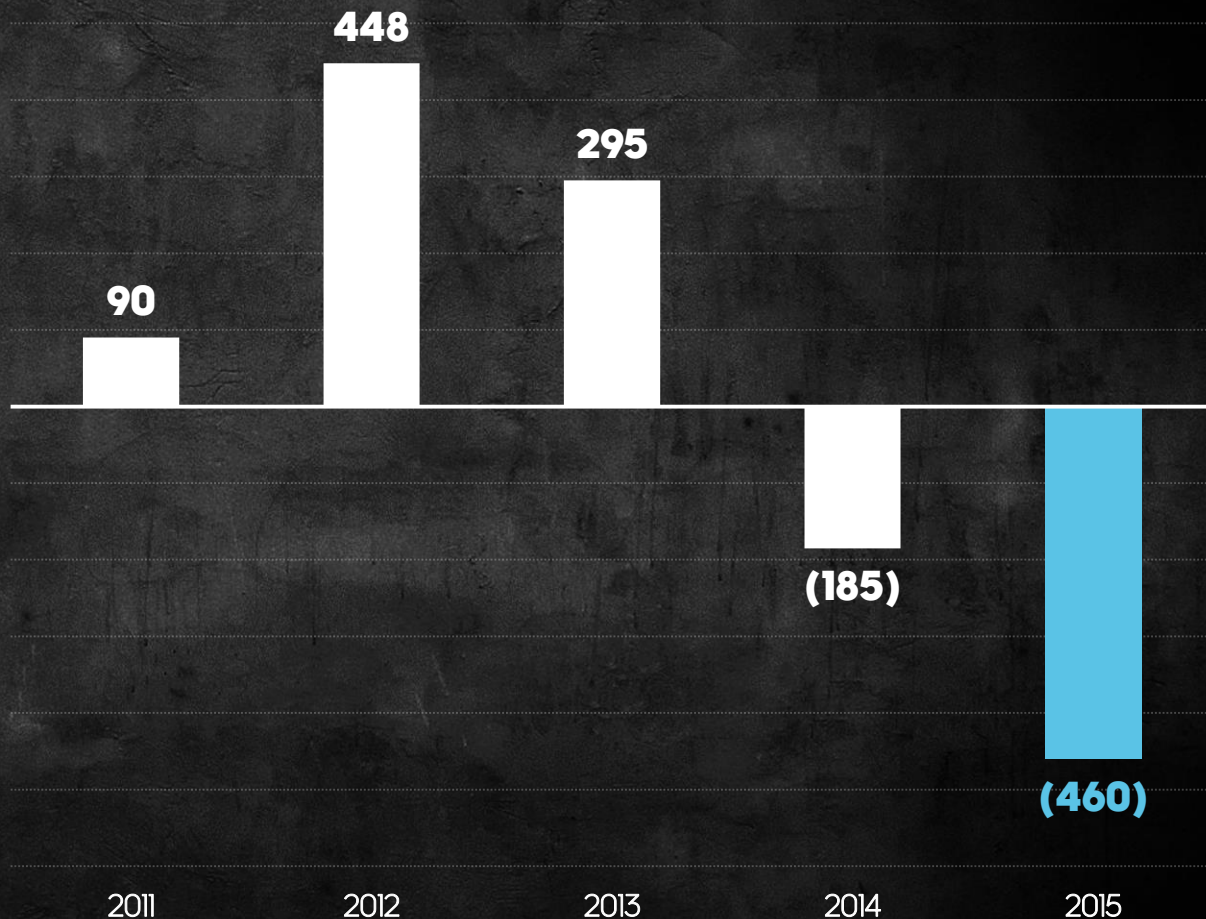
***2011 restated according to IAS 8 in the 2012 consolidated financial statements.*

NET DEBT POSITION OF € 460 MILLION

INCREASE IN NET DEBT DUE TO
UTILISATION OF CASH FOR THE
SHARE BUYBACK PROGRAMME

RATIO OF NET DEBT/EBITDA
AMOUNTS TO 0.3 (2014: 0.1)

EQUITY RATIO REMAINS AT
STRONG LEVEL OF 42.5%
(2014: 45.3%)



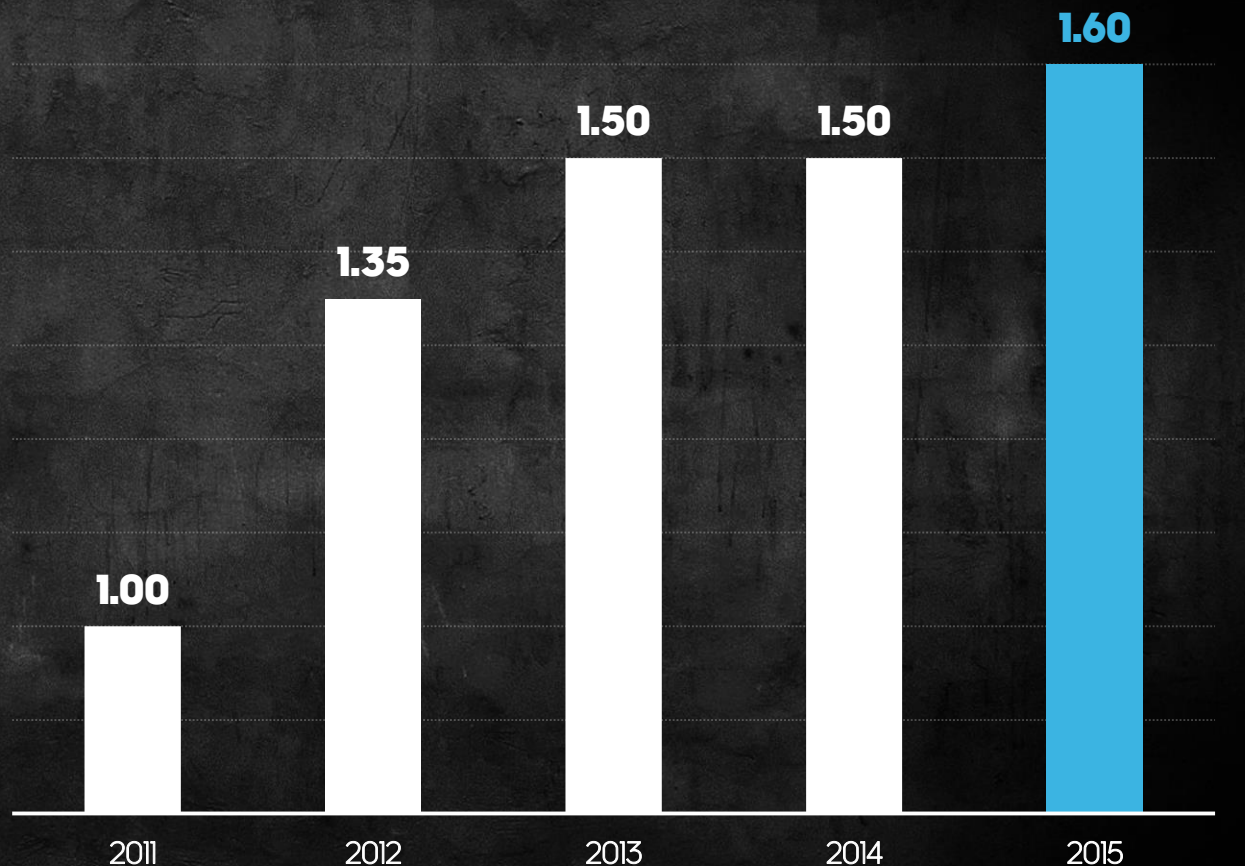
Net cash/(net borrowings) at year-end, € in millions.

DIVIDEND PROPOSAL OF € 1.60 PER SHARE

PROPOSED DIVIDEND OF € 1.60
PER SHARE, UP 7% VERSUS THE
PRIOR YEAR

PAYOUT RATIO OF 47.9%
(2014: 53.9%)

PAYOUT RATIO AT THE UPPER END
OF TARGET RANGE OF BETWEEN
30% AND 50%



*Dividend per share (in €),
2015 subject to Annual General Meeting approval.*



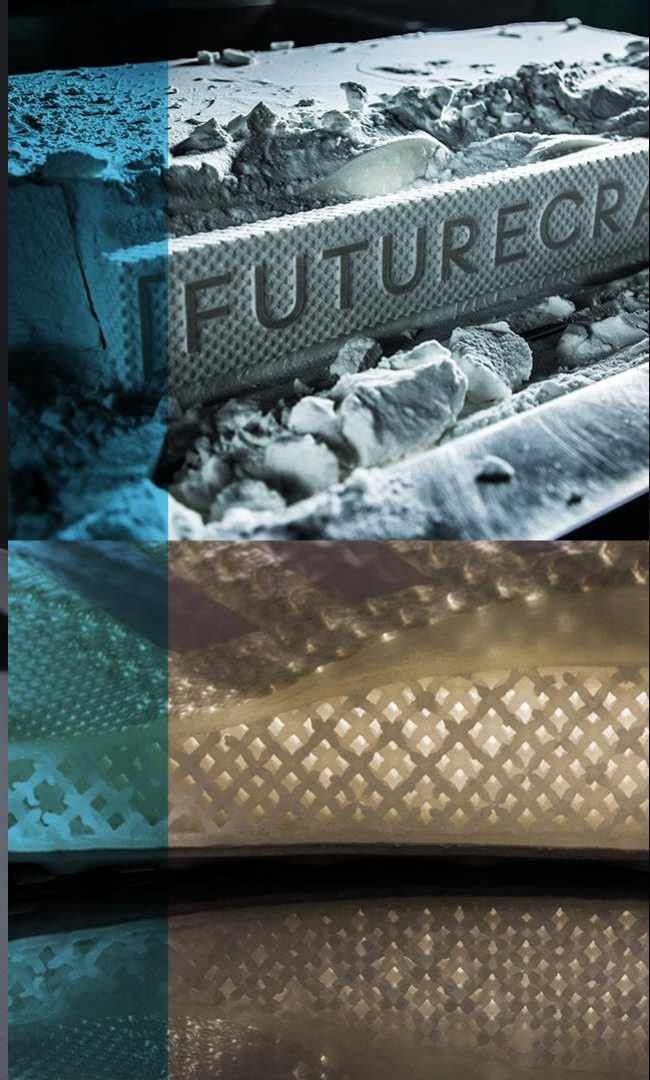
OUTLOOK

HERBERT HAINER
ADIDAS GROUP CEO



FUTURECRAFT

ADIDAS BREAKS THE MOULD WITH 3D-PRINTED
PERFORMANCE FOOTWEAR





RUNNING

FURTHER EXPANDING BOOST FRANCHISE

A woman with long, wavy hair is captured in a dynamic pose, leaning back and stretching her leg while holding onto a metal railing. She is wearing a red long-sleeved top with white stripes on the sleeves, black leggings, and bright orange and black sneakers. Her expression is joyful, with a wide smile. The background features a city skyline with various skyscrapers, including the Chrysler Building, under a clear sky. The railing she is leaning on has a chain-link fence behind it.

WOMEN

DELIVERING FASHION AND FUNCTION WITH AVENUE A

FOOTBALL

LEVERAGING PRODUCTS AND PARTNERSHIPS



FOOTBALL

CAPITALISING ON MAJOR EVENTS



RIO 2016

PROVIDES UNIQUE PLATFORM TO SHOWCASE THE BRAND





ADIDAS ORIGINALS

MANAGING SUCCESS – BEYOND CLASSICS



US SPORTS

BEING DISRUPTIVE TO WIN THE CONSUMER

REEBOK

ESTABLISHING ITSELF AS 'THE' FITNESS BRAND



A woman with long dark hair is captured mid-jump on a rocky beach. She is wearing a brown leather jacket, a mustard-colored sports bra, a wide brown belt with a large silver buckle, and dark brown high-waisted leggings. Her Reebok sneakers are orange with white soles. The background features a bright blue sky with scattered white clouds, a turquoise ocean with white-capped waves, and a rocky shoreline with some green coastal plants.

REEBOK CLASSICS

INTRODUCING FURLITE COLLECTION

M1 LAUNCH DRIVES SIGNIFICANT MARKET SHARE IMPROVEMENTS

#1 IN METALWOODS

	YTD Q3 2015		Q4 2015	
USA	25.5%	+14pp	39.4%	#1
UK	19.8%	+7pp	26.8%	#1
JAPAN	13.5%	+2pp	15.6%	#2



TMAG

INTRODUCING M2 – MASSIVE SWEET SPOT



OUTLOOK 2016

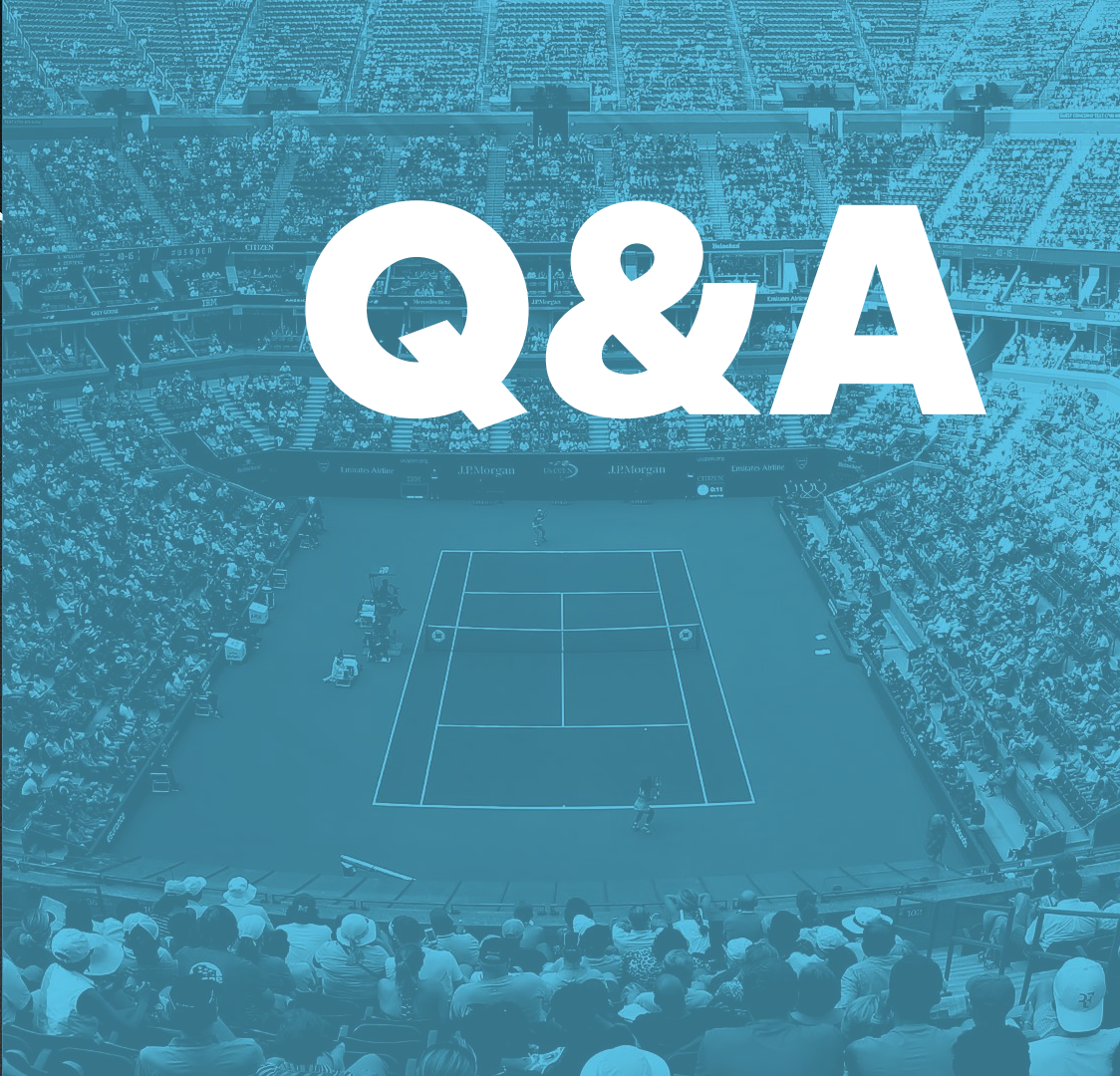
GROUP SALES TO INCREASE
AT A RATE BETWEEN 10% AND 12%

GROSS MARGIN DECLINE TO BE LIMITED
TO BETWEEN 50 AND 100 BASIS POINTS

SIGNIFICANT REDUCTION OF OPERATING EXPENSES
AS A PERCENTAGE OF SALES

OPERATING MARGIN TO REMAIN
AT LEAST STABLE VERSUS 2015 LEVEL OF 6.5%

NET INCOME TO INCREASE
AT A RATE BETWEEN 10% AND 12% TO A LEVEL OF AROUND € 800 MILLION



UPCOMING EVENTS

DATE

EVENT

MAY 4, 2016

FIRST QUARTER 2016 RESULTS

MAY 12, 2016

ANNUAL GENERAL MEETING

AUGUST 4, 2016

FIRST HALF 2016 RESULTS

NOVEMBER 3, 2016

FIRST NINE MONTHS 2016 RESULTS