



adidas

FINANCIAL SUPPLEMENT

JANUARY–DECEMBER 2023

FINANCIAL SUPPLEMENT

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Consolidated Statement of Financial Position

adidas AG Consolidated Statement of Financial Position (IFRS) € in millions

	December 31, 2023	December 31, 2022	Change in %
Assets			
Cash and cash equivalents	1,431	798	79.4
Short-term financial assets	34	–	n.a.
Accounts receivable	1,906	2,529	(24.7)
Other current financial assets	755	1,014	(25.6)
Inventories	4,525	5,973	(24.3)
Income tax receivables	156	102	52.5
Other current assets	1,003	1,316	(23.8)
Total current assets	9,809	11,732	(16.4)
Property, plant, and equipment	2,157	2,279	(5.3)
Right-of-use assets	2,247	2,665	(15.7)
Goodwill	1,238	1,260	(1.8)
Other intangible assets	442	429	3.0
Long-term financial assets	301	301	0.1
Other non-current financial assets	418	336	24.5
Deferred tax assets	1,358	1,216	11.6
Other non-current assets	49	76	(35.4)
Total non-current assets	8,211	8,563	(4.1)
Total assets	18,020	20,296	(11.2)

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adidas AG Consolidated Statement of Financial Position (IFRS) € in millions

	December 31, 2023	December 31, 2022	Change in %
Liabilities and equity			
Short-term borrowings	549	527	4.1
Accounts payable	2,276	2,908	(21.7)
Current lease liabilities	545	643	(15.3)
Other current financial liabilities	266	424	(37.2)
Income taxes	323	302	6.9
Other current provisions	1,323	1,589	(16.7)
Current accrued liabilities	2,273	2,412	(5.7)
Other current liabilities	488	452	8.0
Total current liabilities	8,043	9,257	(13.1)
Long-term borrowings	2,430	2,946	(17.5)
Non-current lease liabilities	2,039	2,343	(13.0)
Other non-current financial liabilities	6	44	(85.9)
Pensions and similar obligations	139	118	18.0
Deferred tax liabilities	147	135	8.9
Other non-current provisions	188	88	112.7
Non-current accrued liabilities	–	7	n.a.
Other non-current liabilities	103	6	1,492.1
Total non-current liabilities	5,052	5,688	(11.2)
Share capital	179	179	0.0
Reserves	257	466	(44.9)
Retained earnings	4,145	4,347	(4.7)
Shareholders' equity	4,580	4,991	(8.2)
Non-controlling interests	345	360	(4.0)
Total equity	4,925	5,351	(8.0)
Total liabilities and equity	18,020	20,296	(11.2)

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Consolidated Income Statement

adidas AG Consolidated Income Statement (IFRS) € in millions

	Year ending Dec. 31, 2023	Year ending Dec. 31, 2022	Change	Fourth quarter 2023	Fourth quarter 2022	Change
Net sales	21,427	22,511	(4.8%)	4,812	5,205	(7.6%)
Cost of sales	11,244	11,867	(5.3%)	2,664	3,170	(15.9%)
Gross profit	10,184	10,644	(4.3%)	2,147	2,035	5.5%
(% of net sales)	47.5%	47.3%	0.2pp	44.6%	39.1%	5.5pp
Royalty and commission income	83	112	(26.0%)	17	26	(35.3%)
Other operating income	71	173	(58.8%)	10	41	(76.3%)
Other operating expenses	10,070	10,260	(1.9%)	2,551	2,825	(9.7%)
(% of net sales)	47.0%	45.6%	1.4pp	53.0%	54.3%	(1.3pp)
Marketing and point-of-sale expenses	2,528	2,763	(8.5%)	666	767	(13.1%)
(% of net sales)	11.8%	12.3%	(0.5pp)	13.8%	14.7%	(0.9pp)
Distribution and selling expenses	5,547	5,601	(1.0%)	1,451	1,466	(1.0%)
(% of net sales)	25.9%	24.9%	1.0pp	30.2%	28.2%	2.0pp
General and administration expenses	1,839	1,651	11.4%	392	507	(22.7%)
(% of net sales)	8.6%	7.3%	1.2pp	8.1%	9.7%	(1.6pp)
Sundry expenses	137	182	(24.8%)	40	69	(41.9%)
(% of net sales)	0.6%	0.8%	(0.2pp)	0.8%	1.3%	(0.5pp)
Impairment losses (net) on accounts receivable and contract assets	19	63	(70.5%)	2	17	(89.8%)
Operating profit/(loss)	268	669	(59.9%)	(377)	(724)	47.8%
(% of net sales)	1.3%	3.0%	(1.7pp)	(7.8%)	(13.9%)	6.1pp
Financial income	79	39	102.8%	25	30	(17.6%)
Financial expenses	282	320	(11.9%)	63	41	52.3%
Income/(loss) before taxes	65	388	(83.1%)	(415)	(734)	43.5%
(% of net sales)	0.3%	1.7%	(1.4pp)	(8.6%)	(14.1%)	5.5pp
Income taxes	124	134	(7.4%)	(14)	(252)	(94.6%)
(% of income before taxes)	189.2%	34.5%	154.7pp	3.3%	34.4%	(31.1pp)
Net (loss)/income from continuing operations	(58)	254	n.a.	(401)	(482)	16.8%
(% of net sales)	(0.3%)	1.1%	n.a.	(8.3%)	(9.3%)	0.9pp
Gain/(loss) from discontinued operations, net of tax	44	384	(88.4%)	42	(31)	n.a.
Net (loss)/income	(14)	638	n.a.	(359)	(513)	30.0%
(% of net sales)	(0.1%)	2.8%	n.a.	(7.5%)	(9.9%)	2.4pp
Net (loss)/income attributable to shareholders	(75)	612	n.a.	(379)	(512)	25.9%
(% of net sales)	(0.4%)	2.7%	n.a.	(7.9%)	(9.8%)	1.9pp
Net income/(loss) attributable to non-controlling interests	61	26	136.0%	20	(1)	n.a.
Basic earnings per share from continuing operations (in €)	(0.67)	1.25	n.a.	(2.36)	(2.69)	12.3%
Diluted earnings per share from continuing operations (in €)	(0.67)	1.25	n.a.	(2.36)	(2.69)	12.3%
Basic earnings per share from continuing and discontinued operations (in €)	(0.42)	3.34	n.a.	(2.13)	(2.87)	25.9%
Diluted earnings per share from continuing and discontinued operations (in €)	(0.42)	3.34	n.a.	(2.13)	(2.87)	25.9%

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated Statement of Comprehensive Income

adidas AG Consolidated Statement of Comprehensive Income (IFRS) € in millions

	Year ending Dec.31, 2023	Year ending Dec.31, 2022
Net (loss)/ income	(14)	638
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	(5)	131
Net (loss)/gain on other equity investments (IFRS 9), net of tax	(5)	0
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	(10)	131
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		
Net loss on cash flow hedges and net foreign investment hedges, net of tax	(126)	(25)
Net gain/(loss) on cost of hedging reserve – options, net of tax	7	(1)
Net gain/(loss) on cost of hedging reserve – forward contracts, net of tax	46	(36)
Reclassification of foreign currency translation differences due to disposal of foreign operations	–	(228)
Currency translation differences	(155)	177
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	(228)	(113)
Other comprehensive income	(238)	18
Total comprehensive income	(252)	656
Attributable to shareholders of adidas AG	(300)	610
Attributable to non-controlling interests	48	47

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

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION	CONSOLIDATED INCOME STATEMENT	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	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	Cumulat ive currenc y translati on differen ces	Hedging reserve	Cost of hedging reserve – options	Cost of hedging reserve – forward contract s	Other reserve s	Retaine d earnin g s	Share- holders' equity	Non- controlli ng interest s	Total equity
Balance at December 31, 2021	192	1,294	(542)	(64)	(8)	(12)	(200)	6,860	7,519	318	7,837
Other comprehensive income	–	–	(70)	(26)	(1)	(36)	131	–	(2)	21	18
Net income	–	–	–	–	–	–	–	612	612	26	638
Total comprehensive income	–	–	(70)	(26)	(1)	(36)	131	612	610	47	656
Repurchase of adidas AG shares	(13)	–	–	–	–	–	–	(2,487)	(2,500)	–	(2,500)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)	–	–	–	–	–	–	(22)	(22)	–	(22)
Reissuance of treasury shares due to equity-settled share-based payment	0	–	–	–	–	–	–	41	41	–	41
Dividend payment	–	–	–	–	–	–	–	(610)	(610)	(22)	(632)
Equity-settled share-based payment	–	32	–	–	–	–	–	(35)	(4)	–	(4)
Acquisition of shares from non-controlling interests shareholders in accordance with IAS 32	–	–	4	–	–	–	(48)	–	(44)	17	(27)
Cancellation of treasury shares	–	12	–	–	–	–	–	(12)	–	–	–
Balance at December 31, 2022/ January 1, 2023	179	1,338	(608)	(90)	(9)	(48)	(116)	4,347	4,991	360	5,351
Other comprehensive income	–	–	(142)	(126)	7	46	(10)	–	(225)	(14)	(238)
Net (loss)/income	–	–	–	–	–	–	–	(75)	(75)	61	(14)
Total comprehensive income	–	–	(142)	(126)	7	46	(10)	(75)	(300)	48	(252)
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)	–	–	–	–	–	–	(29)	(29)	–	(29)
Reissuance of treasury shares due to equity-settled share-based payment	0	–	–	–	–	–	–	29	29	–	29
Dividend payment	–	–	–	–	–	–	–	(125)	(125)	(33)	(158)
Equity-settled share-based payment	0	17	–	–	–	–	–	(2)	15	–	15
Other	–	–	–	–	–	–	–	–	–	(29)	(29)
Balance at December 31, 2023	179	1,355	(750)	(217)	(2)	(2)	(126)	4,145	4,580	345	4,925

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Consolidated Statement of Cash Flows

adidas AG Consolidated Statement of Cash Flows (IFRS) € in millions¹

	Year ending Dec. 31, 2023	Year ending Dec. 31, 2022
Operating activities:		
Income before taxes	65	388
Adjustments for:		
Depreciation, amortization, and impairment losses	1,212	1,375
Reversals of impairment losses	(42)	(4)
Interest income	(39)	(23)
Interest expense	162	138
Unrealized foreign exchange losses, net	144	86
Losses on sale of property, plant, and equipment and intangible assets, net	20	16
Other non-cash effects from operating activities	(8)	(8)
Operating profit before working capital changes	1,514	1,967
Decrease/(Increase) in receivables and other assets	995	(795)
Decrease/(Increase) in inventories	1,297	(1,879)
(Decrease)/Increase in accounts payable and other liabilities	(868)	736
Net cash generated from operations before taxes	2,938	30
Income taxes paid	(307)	(424)
Net cash generated from/(used in) operating activities – continuing operations	2,630	(394)
Net cash used in operating activities – discontinued operations	–	(85)
Net cash generated from/(used in) operating activities	2,630	(479)
Investing activities:		
Purchase of trademarks and other intangible assets	(141)	(191)
Proceeds from sale of trademarks and other intangible assets	1	1
Purchase of property, plant, and equipment	(363)	(504)
Proceeds from sale of property, plant, and equipment	10	1
Proceeds from sale of a disposal group from prior years	–	12
(Reimbursement)/Proceeds from disposal of discontinued operations	(19)	1,165
Purchase of short-term financial assets	(34)	–
Proceeds from/(Purchase of) investments and other long-term assets	57	(13)
Interest received	39	23
Net cash (used in)/generated from investing activities – continuing operations	(450)	495
Net cash used in investing activities – discontinued operations	–	(0)
Net cash (used in)/generated from investing activities	(450)	495
Financing activities:		
Repayment of eurobond	(500)	–
Proceeds from issuance of bonds	–	994
Interest paid	(163)	(140)
Repayments of lease liabilities	(603)	(631)
Dividend paid to shareholders of adidas AG	(125)	(610)
Dividend paid to non-controlling interest shareholders	(33)	(22)
Acquisition of non-controlling interests	–	(27)

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adidas AG Consolidated Statement of Cash Flows (IFRS) € in millions¹

	Year ending Dec. 31, 2023	Year ending Dec. 31, 2022
Repurchase of treasury shares	–	(2,500)
Repurchase of treasury shares due to share-based payments	(29)	(30)
Proceeds from reissuance of treasury shares due to share-based payments	25	25
Proceeds/Repayments of short-term borrowings	3	(18)
Net cash used in financing activities – continuing operations	(1,425)	(2,957)
Net cash used in financing activities – discontinued operations	–	(6)
Net cash used in financing activities	(1,425)	(2,963)
IAS 29 Hyperinflation effects in operating, investing and financing cashflows	(82)	(64)
Sum of cashflows	673	(3,011)
Effect of exchange rates on cash	(40)	(39)
Increase/(Decrease) in cash and cash equivalents	633	(3,051)
Cash and cash equivalents at beginning of year	798	3,849
Effect indexing cash and cash equivalents	(0)	20
Cash and cash equivalents at beginning of year acc. Balance sheet	798	3,828
Cash and cash equivalents at end of period	1,431	798

¹ Prior year adjusted due to Hyperinflation accounting