5

ADDITIONAL INFORMATION

TEN-YEAR OVERVIEW

Ten-year overview

	2020	2019	2018[1]	2017[2]	2016	2015	2014	2013	2012	2011[3]
Income Statement Data (€ in millions)										
Net sales[4, 5]	19,844	23,640	21,915	21,218	18,483	16,915	14,534	14,203	14,883	13,322
Gross profit[4, 5]	9,855	12,293	11,363	10,703	9,100	8,168	6,924	7,001	7,103	6,329
Royalty and commission income[4, 5]	83	154	129	115	105	119	102	103	105	93
Other operating income[4, 5, 6]	42	56	48	17	119	8	37	12	15	9
Other operating expenses[4, 5, 6]	9,229	9,843	9,172	8,766	7,741	7,201	6,102	5,883	6,038	5,478
EBITDA[4, 5]	2,079	3,845	2,882	2,511	1,953	1,475	1,283	1,496	1,445	1,199
Operating profit[4, 5, 7, 8, 9, 10]	751	2,660	2,368	2,070	1,582	1,094	961	1,233	1,185	953
Net financial result[4, 5]	(176)	(102)	10	(47)	(46)	(21)	(48)	(68)	(69)	(84)
Income before taxes[4, 5, 7, 8, 9, 10]	575	2,558	2,378	2,023	1,536	1,073	913	1,165	1,116	869
Income taxes[4, 5, 11]	146	640	669	668	454	353	271	340	327	261
Net income attributable to non-controlling interests	11	2	3	3	2	6	6	3	(2)	(5)
Net income attributable to shareholders[7, 8, 9, 10, 11, 12]	432	1,976	1,702	1,173	1,017	668	568	839	791	613
Income Statement Ratios										
Gross margin[4, 5]	49.7%	52.0%	51.8%	50.4%	49.2%	48.3%	47.6%	49.3%	47.7%	47.5%
Operating margin[4, 5, 7, 8, 9, 10]	3.8%	11.3%	10.8%	9.8%	8.6%	6.5%	6.6%	8.7%	8.0%	7.2%
Interest coverage[4, 5]	5.1	24.3	131.6	55.6	32.7	23.8	19.3	24.0	14.6	12.2
Effective tax rate[4, 5, 7, 8, 9, 10, 11]	25.4%	25.0%	28.1%	29.3%	29.6%	32.9%	29.7%	29.2%	29.3%	30.0%
Net income attributable to shareholders in % of net sales[7, 8, 9, 10, 11, 12]	2.2%	8.4%	7.8%	5.5%	5.5%	4.0%	3.9%	5.9%	5.3%	4.6%
Net Sales by Brand (€ in millions)										
adidas brand	18,095	21,505	19,851	18,993	16,334	13,939	11,774	11,059	11,344	9,867
Reebok brand	1,409	1,748	1,687	1,843	1,770	1,751	1,578	1,599	1,667	1,940
Net Sales by Product Category (€ in millions)										
Footwear[4, 5]	11,128	13,521	12,783	12,427	10,132	8,360	6,658	6,587	6,922	6,242
Apparel[4, 5]	7,687	8,963	8,223	7,747	7,352	6,970	6,279	5,811	6,290	5,733
Accessories and gear[4, 5]	1,028	1,156	910	1,044	999	1,585	1,597	1,806	1,671	1,347
Balance Sheet Data (€ in millions)										
Total assets	21,053	20,680	15,612	14,019	15,176	13,343	12,417	11,599	11,651	11,237
Inventories	4,397	4,085	3,445	3,692	3,763	3,113	2,526	2,634	2,486	2,502
Receivables and other current assets	3,763	4,338	3,734	3,277	3,607	3,003	2,861	2,583	2,444	2,431
Working capital	3,328	2,179	2,979	2,354	2,121	2,133	2,970	2,125	2,504	1,990
(Adjusted net borrowings)/adjusted net cash[13]	(3,148)	(4,173)	959	484	(103)	(460)	(185)	295	448	90
Shareholders' equity	6,454	6,796	6,377	6,032	6,472	5,666	5,624	5,489	5,304	5,137
Balance Sheet Ratios										
Adjusted net borrowings/EBITDA[4, 5, 13]	1.5	1.1	(0.3)	(0.2)	0.1	0.3	0.1	(0.2)	(0.3)	(0.1)
Average operating working capital in % of net sales[4, 5]	23.5%	18.1%	19.0%	20.4%	21.1%	20.5%	22.4%	21.3%	20.0%	20.4%
Financial leverage[13, 14]	48.8%	61.4%	(15.0)%	(8.0)%	1.6%	8.1%	3.3%	(5.4)%	(8.5)%	(1.8)%
Equity ratio[14]	30.7%	32.9%	40.8%	43.0%	42.6%	42.5%	45.3%	47.3%	45.5%	45.7%
Equity-to-fixed-assets ratio[14]	72.5%	69.7%	110.0%	112.2%	102.9%	96.9%	110.9%	115.8%	111.1%	104.6%

Ten-year overview

	2020	2019	2018[1]	2017[2]	2016	2015	2014	2013	2012	2011[3]
Asset coverage I[14]	134.7%	119.7%	151.6%	144.1%	134.0%	136.8%	158.7%	145.0%	152.7%	140.7%
Asset coverage II[14]	90.2%	84.3%	95.1%	85.4%	83.8%	89.3%	105.9%	93.2%	100.4%	93.2%
Fixed asset intensity of investments	42.3%	47.1%	37.1%	38.3%	41.4%	43.8%	40.8%	40.9%	41.0%	43.7%
Current asset intensity of investments	57.7%	52.9%	62.9%	61.7%	58.6%	56.2%	59.2%	59.1%	59.0%	56.3%
Liquidity I	45.3%	28.7%	38.6%	25.5%	22.4%	25.5%	38.6%	34.4%	44.3%	31.6%
Liquidity II	67.4%	58.7%	73.9%	62.3%	54.9%	63.7%	83.0%	72.6%	82.9%	68.3%
Liquidity III	117.2%	105.3%	124.4%	121.0%	110.6%	121.8%	140.7%	128.3%	139.7%	126.0%
Working capital turnover[4, 5]	6.0	10.8	7.4	9.0	8.7	7.9	4.9	6.7	5.9	6.7
Return on equity[12, 14]	6.7%	29.1%	26.7%	18.2%	15.7%	11.2%	8.7%	14.3%	9.9%	11.9%
Return on capital employed[12]	12.7%	45.4%	45.1%	41.2%	24.2%	16.5%	13.8%	23.6%	19.3%	19.9%
Data per Share										
Share price at year-end (in €)	297.90	289.80	182.40	167.15	150.15	89.91	57.62	92.64	67.33	50.26
Basic earnings[4, 5, 7, 8, 9, 10, 11] (in €)	2.15	9.70	8.46	7.05	5.39	3.54	3.05	3.93	3.78	2.93
Diluted earnings[4, 5, 7, 8, 9, 10, 11] (in €)	2.15	9.70	8.45	7.00	5.29	3.54	3.05	3.93	3.78	2.93
Price/earnings ratio at year-end[4, 5, 7, 8, 9, 10, 11]	138.8	29.9	21.6	23.7	27.8	25.4	18.9	23.6	17.8	17.1
Market capitalization at year-end (€ in millions)	58,110	56,792	36,329	34,075	30,254	18,000	11,773	19,382	14,087	10,515
Net cash generated from operating activities[12, 15] (in €)	7.62	14.26	13.31	8.14	6.73	5.41	3.36	3.03	4.50	3.86
Dividend (in €)	3.00[16]	0.00	3.35	2.60	2.00	1.60	1.50	1.50	1.35	1.00
Number of shares outstanding at year-end (in thousands)	195,066	195,969	199,171	203,861	201,489	200,197	204,327	209,216	209,216	209,216
Employees										
Number of employees at year-end[4, 5, 17]	62,285	65,194	57,016	56,888	58,902	55,555	53,731	49,808	46,306	46,824
Personnel expenses[4, 5] (€ in millions)	2,483	2,720	2,481	2,549	2,373	2,184	1,842	1,833	1,872	1,646

1 Application of IFRS 16 as of January 1, 2019. Prior year figures are not restated.
2 2017 restated according to IAS 8 in the 2018 consolidated financial statements.
3 2011 restated according to IAS 8 in the 2012 consolidated financial statements.
4 2019, 2018, 2017 and 2016 figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.
5 2015, 2014 and 2013 figures reflect continuing operations as a result of the divestiture of the Rockport business.
6 Figures reflect the adjusted consolidated income statement structure introduced in 2018.
7 2015 excluding goodwill impairment of € 34 million.
8 2014 excluding goodwill impairment of € 78 million.
9 2013 excluding goodwill impairment of € 52 million.
10 2012 excluding goodwill impairment of € 265 million.
11 2017 excluding negative one-time tax impact of € 76 million.
12 Includes continuing and discontinued operations.
13 First-time application of adjusted net borrowings as of 2020. Only figure for 2019 restated.
14 Based on shareholders' equity.
15 Since 2018 figures reflect presentation of interest paid within cash flows from financing activities. Prior year figures are not restated.
16 Subject to Annual General Meeting approval.
17 2019 figure restated due to inclusion of temporary contracts of up to six months (2019 headcounts excluding temporary contracts of up to six months: 59,333). Prior year figures are not restated.

GLOSSARY

/ A

Athleisure
The term is composed of the words athletic and leisure. It describes a fashion trend of sportswear no longer being just meant for training but increasingly shaping everyday clothing.

Accessories and gear
A product category which comprises equipment that is used rather than worn by the consumer, such as bags, balls, or fitness equipment

/ B

BIPOC
BIPoC stands for 'Black, Indigenous and People of Color'.

/ C

3Cs
The '3Cs' stand for creativity, collaboration and confidence. It is adidas' goal to develop a culture that cherishes creativity, collaboration and confidence as well as high performance – the behaviors we deem crucial to the successful delivery of our corporate strategy. In fact, our culture and people serve as the foundation and a key enabler of our new strategy 'Own the Game'.

Creators Club
Creators Club is a membership program that helps us deepen the relationship with our consumers. Linking all adidas apps, events, communities and channels into one single profile, the program rewards members with points for interacting with the brand, e.g. when making a purchase or using the 'adidas Running' or 'adidas Training' apps. Depending on the number of points, exclusive benefits are unlocked, including access to hype sneaker and apparel drops or invitations to special events.

Cash pooling
A cash management technique for physical concentration of cash. Cash pooling allows adidas to combine credit and debit positions from various accounts and several subsidiaries into one central account. This technique supports our in-house bank concept where advantage is taken of any surplus funds of subsidiaries to cover cash requirements of other subsidiaries, thus reducing external financing needs and optimizing our net interest expenses.

Controlled space
Includes own-retail business, mono-branded franchise stores, shop-in-shops, joint ventures with retail partners and co-branded stores. Controlled space offers a high level of brand control and ensures optimal product offering and presentation according to brand requirements.

Conversion rate
A key ratio in retail business describing the number of buying customers compared to those who entered the store without buying something; i.e. a 25% conversion rate means that 100 persons entered a store with 25 of them buying something.

/ I

Independent manufacturing partners

We outsource almost 100% of production to independent manufacturing partners. They are defined on a supplier group level, which means one independent manufacturing partner might produce in several manufacturing facilities. The majority of our independent manufacturing partners are located in Asia.

/ L

Leadership framework

The Leadership Framework is based on the three company behaviors creativity, collaboration, confidence (the '3Cs') and articulates the particular behaviors that are expected of leaders at adidas. The framework was developed jointly with employees worldwide who provided feedback on what great leadership within adidas looks like to them. It provides a global and universal language that is inclusive, reduces the need for local interpretations and outlines concrete behaviors that serve as a measure of leadership effectiveness. It is built into the way we hire and promote as well as rate performance.

/ M

Marketing expenditure

Expenditure that relates to point-of-sale and marketing investments. While point-of-sale investments include expenses for advertising and promotion initiatives at the point of sale as well as store fittings and furniture, marketing investments relate to sponsorship contracts with teams and individual athletes as well as to advertising, events and other communication activities. Marketing overhead expenses are not included in marketing expenditure.

/ O

Operating overhead expenses

Expenses which are not directly attributable to the products or services sold, such as distribution and selling as well as general and administration costs, but not including marketing and point-of-sale expenses.

/ P

Parley for the Oceans

Parley for the Oceans is an environmental organization and global collaboration network. Founded in 2012, Parley aims to raise awareness for the beauty and fragility of the oceans, and to inspire and empower diverse groups such as pacesetting companies, brands, organizations, governments, artists, designers, scientists, innovators and environmentalists in the exploration of new ways of creating, thinking and living on our finite, blue planet.

Parley Ocean Plastic

Parley Ocean Plastic is a material created from upcycled plastic waste that was intercepted from beaches and coastal communities before reaching the ocean. Parley for the Oceans works with its partners to collect, sort and transport the recovered raw material (mainly PET bottles) to our supplier who produces the yarn, which is legally trademarked. It is used as a replacement for virgin plastic in the making of adidas x Parley products.

Performance franchises
In the sporting goods industry, performance products relate to technical footwear and apparel used primarily in sports.

Promotion partnerships
Partnerships with events, associations, leagues, clubs and individual athletes. In exchange for the services of promoting the company's brands, the party is provided with products and/or cash and/or promotional materials.

/ R

Recycled LDPE polybags
A type of product transport packaging made of recycled low-density polyethylene (LDPE) that offers a more sustainable option to virgin plastic polybags, as they have a lower environmental footprint than conventional bags and most alternatives. Recycled LDPE polybags meet our quality and performance standards to effectively protect our products during shipping and handling, are available globally and can be recycled via existing waste streams.

/ S

Single-sourcing model
Supply chain activities limited to one specific supplier. Due to the dependency on only one supplier, a company can face disadvantages during the sourcing process.

Sport inspired
'Sport Instands for fashion inspired by sport – also known as 'sports lifestyle'. It draws inspiration from adidas' rich archives and legacy. Sport Inspired stands for Originals, Y-3, Statement and Yeezy.

Sport performance
'Sport Performance' stands for the categories training, running, football, basketball and heartbeat sports such as outdoor, swim, tennis and US sports.

Sustainable cotton
For adidas, sustainable cotton means certified organic cotton or any other form of sustainably produced cotton that is currently available or might be in future, and Better Cotton.

/ W

Wet processes
Wet processes are defined as water-intense processes, such as dyeing and finishing of materials.

DECLARATION OF SUPPORT

adidas AG declares support, except in the case of political risk, that the companies listed below are able to meet their contractual liabilities. This declaration replaces the declaration dated February 27, 2020, which is no longer valid. The declaration of support automatically ceases from the time that a company is no longer a subsidiary of adidas AG.

adidas (China) Ltd., Shanghai, China
adidas (Cyprus) Limited, Nicosia, Cyprus
adidas (Ireland) Limited, Dublin, Ireland
adidas (Malaysia) Sdn. Bhd., Petaling Jaya, Malaysia
adidas (South Africa) (Pty) Ltd., Cape Town, South Africa
adidas (Suzhou) Co. Ltd., Suzhou, China
adidas (Thailand) Co., Ltd., Bangkok, Thailand
adidas (UK) Limited, Stockport, Great Britain
adidas America, Inc., Portland, Oregon, USA
adidas Argentina S.A., Buenos Aires, Argentina
adidas Australia Pty Limited, Mulgrave, Australia
adidas Austria GmbH, Klagenfurt, Austria
adidas Baltics SIA, Riga, Latvia
adidas Benelux B.V., Amsterdam, Netherlands
adidas Budapest Kft., Budapest, Hungary
adidas Bulgaria EAD, Sofia, Bulgaria
adidas Business Services (Dalian) Limited, Dalian, China
adidas Business Services Lda., Morea de Maia, Portugal
adidas Canada Limited, Woodbridge, Ontario, Canada
adidas CDC Immobilieninvest GmbH, Herzogenaurach, Germany
adidas Chile Limitada, Santiago de Chile, Chile
adidas Colombia Ltda., Bogotá, Colombia
adidas CR s.r.o., Prague, Czech Republic
adidas Croatia d.o.o., Zagreb, Croatia
adidas Danmark A/S, Copenhagen, Denmark
adidas de Mexico, S.A. de C.V., Mexico City, Mexico
adidas do Brasil Ltda., São Paulo, Brazil
adidas Emerging Markets FZE, Dubai, United Arab Emirates
adidas Emerging Markets L.L.C, Dubai, United Arab Emirates
adidas España S.A.U., Zaragoza, Spain
adidas France S.a.r.l., Strasbourg, France
adidas Hellas A.E., Athens, Greece
adidas Hong Kong Limited, Hong Kong, China
adidas Imports & Exports Ltd., Cairo, Egypt
adidas India Marketing Private Limited, New Delhi, India
adidas Industrial, S.A. de C.V., Mexico City, Mexico
adidas Indy, LLC, Wilmington, Delaware, USA
adidas Insurance & Risk Consultants GmbH, Herzogenaurach, Germany
adidas International B.V., Amsterdam, Netherlands
adidas International Marketing B.V., Amsterdam, Netherlands
adidas International Property Holding B.V., Amsterdam, Netherlands
adidas International Re DAC, Dublin, Ireland

adidas International Trading AG, Lucerne, Switzerland
adidas International, Inc., Portland, Oregon, USA
adidas Israel Ltd., Holon, Israel
adidas Italy S.p.A., Monza, Italy
adidas Japan K.K., Tokyo, Japan
adidas Korea LLC., Seoul, South Korea
adidas Latin America, S.A., Panama City, Panama
adidas LLP, Almaty, Republic of Kazakhstan
adidas Logistics (Tianjin) Co., Ltd., Tianjin, China
adidas Morocco LLC, Casablanca, Morocco
adidas New Zealand Limited, Auckland, New Zealand
adidas Norge AS, Oslo, Norway
adidas North America, Inc., Portland, Oregon, USA
adidas Perú S.A.C., Lima, Peru
adidas Philippines Inc., Pasig City, Philippines
adidas Poland Sp. z o.o., Warsaw, Poland
adidas Portugal - Artigos de Desporto, S.A., Lisbon, Portugal
adidas Romania S.R.L., Bucharest, Romania
adidas Serbia d.o.o., Belgrade, Serbia
adidas Singapore Pte. Ltd., Singapore, Singapore
adidas Slovakia s.r.o., Bratislava, Slovak Republic
adidas Sourcing El Salvador, S.A. de C.V., Antiguo Cuscatlán, El Salvador
adidas Sourcing Limited, Hong Kong, China
adidas Spor Malzemeleri Satis ve Pazarlama A.S., Istanbul, Turkey
adidas sport gmbh, Cham, Switzerland
adidas Sporting Goods Ltd., Cairo, Egypt
adidas Sports Goods (Shanghai) Co., Ltd, Shanghai, China
adidas Sports (China) Co. Ltd., Suzhou, China
adidas Suomi Oy, Helsinki, Finland
adidas Sverige AB, Solna, Sweden
adidas Taiwan Limited, Taipei, Taiwan
adidas Trgovina d.o.o., Ljubljana, Slovenia
adidas Ventures B.V., Amsterdam, Netherlands
adidas Vietnam Company Limited, Ho Chi Minh City, Vietnam
adisport Corporation, San Juan, Puerto Rico
Concept Sport, S.A., Panama City, Panama
LLC 'adidas, Ltd.' , Moscow, Russia
PT adidas Indonesia, Jakarta, Indonesia
Reebok India Company, New Delhi, India
Reebok International Limited, London, Great Britain
Reebok International Ltd., Boston, Massachusetts, USA
SC 'adidas-Ukraine' , Kiev, Ukraine
Spartanburg DC, Inc., Spartanburg, South Carolina, USA
Tafibal S.A., Montevideo, Uruguay
Trafford Park DC Limited, London, Great Britain

FINANCIAL CALENDAR

MAY 7, 2021

First quarter results

MAY 12, 2021

Annual General Meeting

AUGUST 5, 2021

First half results

NOVEMBER 10, 2021

Nine months results