



FOR IMMEDIATE RELEASE

Herzogenaurach, May 3, 2018

adidas records double-digit top- and bottom-line growth in Q1 FY 2018 outlook confirmed

Major developments in Q1 2018¹:

- Revenues grow 10% currency-neutral and 2% in euro terms
- Gross margin increases 1.5pp to 51.1% driven by pricing and product mix
- Operating margin improves 1.8pp to 13.4% despite continued brand investments
- Net income from continuing operations grows 17% to € 542 million
- Basic EPS from continuing operations up 16% to € 2.65

“We had a successful start to the year that was fully in line with our expectations: Our high-quality top-line growth was driven by our strategic focus areas North America, Greater China and e-commerce”, said adidas CEO Kasper Rorsted. “At the same time, we managed to grow the bottom line significantly faster than the top line while continuing to invest into creating brand desire.”

Currency-neutral sales increase 10% in Q1 2018

adidas started into the year with currency-neutral revenues increasing 10%. This development reflects an 11% increase at brand adidas which was driven by double-digit increases in the running, football and training categories as well as at adidas Originals. Revenues at the Reebok brand decreased 3% due to declines in the training and running categories. From a channel perspective, e-commerce was once again the fastest-growing channel with an increase of 27%. In euro terms, the company's sales were up 2% in the first quarter to € 5.548 billion (2017: € 5.447 billion).

Double-digit growth in North America, Asia-Pacific and Latin America

From a market segment perspective, on a currency-neutral basis, the combined sales of the adidas and Reebok brands grew in most market segments. Growth was particularly strong in North America (+21%) and Asia-Pacific (+15%), the latter driven by a 26% increase in Greater China. While Latin America also grew at a double-digit rate (+10%), revenues in Western Europe

¹ Due to the divestiture of the TaylorMade (including the TaylorMade, Adams Golf and Ashworth brands) and CCM Hockey businesses, all income and expenses of the TaylorMade and CCM Hockey businesses are reported as discontinued operations. For the sake of comparability, all figures related to the 2017 financial year refer to the company's continuing operations unless otherwise stated. However, a restatement of the 2017 balance sheet items is not permitted under IFRS.



increased 5%, in line with the full-year outlook for this market. Sales in Emerging Markets and Russia/CIS declined 5% and 16%, respectively, as a result of the challenging market conditions.

Operating margin increases 1.8 percentage points to 13.4%

The company's gross margin increased 1.5 percentage points to 51.1% (2017: 49.6%). This development was despite a significant currency headwind in the quarter, which was more than offset by the positive effects from a better pricing and product mix. Other operating expenses increased 2% to € 2.172 billion (2017: € 2.122 billion). As a percentage of sales, other operating expenses increased 0.2 percentage points to 39.1% (2017: 39.0%), as significantly higher marketing investments were largely offset by strong operating overhead leverage. The company's operating profit increased 17% to a level of € 746 million (2017: € 637 million), resulting in an operating margin improvement of 1.8 percentage points to a level of 13.4% (2017: 11.7%). Net income from continuing operations was up 17% to € 542 million (2017: € 462 million). Basic earnings per share from continuing operations increased 16% to € 2.65 (2017: € 2.29).

Average operating working capital as a percentage of sales decreases

Inventories decreased 11% to € 3.224 billion (2017: € 3.609 billion). On a currency-neutral basis, inventories were down 4%. Inventories from continuing operations decreased 6% in euro terms and increased 1% currency-neutral. Operating working capital declined 1% to € 4.488 billion (2017: € 4.554 billion) at the end of March 2018. On a currency-neutral basis, operating working capital grew 9%. Operating working capital from continuing operations rose 6% in euro terms and 17% currency-neutral. Average operating working capital as a percentage of sales from continuing operations decreased 0.7 percentage points to 20.3% (2017: 21.0%), reflecting the company's continued focus on tight working capital management.

Net cash position of € 371 million

Net cash at March 31, 2018 amounted to € 371 million (2017: net borrowings of € 859 million), representing an increase of € 1.230 billion compared to the prior year. This development was driven by a decline in short-term borrowings on the back of working capital improvements as well as, to a lesser extent, the conversion of the convertible bond.

adidas confirms outlook for FY 2018

For 2018, adidas continues to expect sales to increase at a rate of around 10% on a currency-neutral basis, driven by double-digit growth in North America and Asia-Pacific. The company's gross margin is forecast to increase up to 0.3 percentage points to a level of up to 50.7%



(2017: 50.4%). Gross margin will benefit from the positive effects of a more favorable pricing, channel and regional mix. These improvements will be partly offset by the negative impact from unfavorable currency movements as well as higher input costs. The operating margin is forecast to improve between 0.5 and 0.7 percentage points to a level between 10.3% and 10.5% (2017: 9.8%), reflecting the projected gross margin improvement as well as operating overhead leverage which is expected to overcompensate the planned increase in marketing investments. Net income from continuing operations is projected to increase to a level between € 1.615 billion and € 1.675 billion. This development reflects an increase of between 13% and 17% compared to the prior year level of € 1.430 billion, excluding the negative one-time tax impact recorded in 2017. Basic EPS from continuing operations is expected to increase at a rate between 12% and 16% compared to the prior-year level of € 7.05, excluding the negative one-time tax impact in 2017, not taking into account any decrease in the number of shares outstanding due to the company's share buyback program.

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adidas AG Consolidated Income Statement (IFRS)¹

€ in millions	First quarter 2018	First quarter 2017	Change
Net sales	5,548	5,447	1.9%
Cost of sales	2,713	2,744	(1.2%)
Gross profit	2,835	2,702	4.9%
<i>[% of net sales]</i>	51.1%	49.6%	1.5pp
Royalty and commission income	26	28	(6.9%)
Other operating income	56	28	97.8%
Other operating expenses	2,172	2,122	2.3%
<i>[% of net sales]</i>	39.1%	39.0%	0.2pp
Operating profit	746	637	17.1%
<i>[% of net sales]</i>	13.4%	11.7%	1.8pp
Financial income	19	28	(30.5%)
Financial expenses	16	20	(18.3%)
Income before taxes	749	645	16.2%
<i>[% of net sales]</i>	13.5%	11.8%	1.7pp
Income taxes	208	183	13.1%
<i>[% of income before taxes]</i>	27.7%	28.4%	(0.7pp)
Net income from continuing operations	542	462	17.4%
<i>[% of net sales]</i>	9.8%	8.5%	1.3pp
Losses from discontinued operations, net of tax	1	6	(75.9%)
Net income	540	456	18.6%
<i>[% of net sales]</i>	9.7%	8.4%	1.4pp
Net income attributable to shareholders	540	455	18.7%
<i>[% of net sales]</i>	9.7%	8.3%	1.4pp
Net income attributable to non-controlling interests	1	1	(26.7%)
Basic earnings per share from continuing operations (in €)	2.65	2.29	15.9%
Diluted earnings per share from continuing operations (in €)	2.65	2.26	17.2%
Basic earnings per share from continuing and discontinued operations (in €)	2.65	2.26	17.1%
Diluted earnings per share from continuing and discontinued operations (in €)	2.64	2.23	18.4%

Net Sales

€ in millions	First quarter 2018	First quarter 2017	Change	Change (currency-neutral)
Western Europe	1,603	1,537	4.4%	4.8%
North America	1,040	988	5.3%	21.1%
APAC	1,856	1,744	6.4%	15.1%
Russia/CIS	119	160	(25.5%)	(16.4%)
Latin America	430	454	(5.3%)	10.5%
Emerging Markets	308	367	(16.0%)	(5.4%)
Other Businesses	190	197	(3.4%)	2.8%
adidas	5,000	4,842	3.3%	11.4%
Reebok	440	492	(10.6%)	(3.0%)

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey business.



adidas AG Consolidated Statement of Financial Position (IFRS)

€ in millions	March 31, 2018	March 31, 2017	Change in %	December 31, 2017
Cash and cash equivalents	1,575	1,524	3.4	1,598
Short-term financial assets	5	5	1.0	5
Accounts receivable	2,837	2,876	[1.4]	2,315
Other current financial assets	375	605	[38.0]	393
Inventories	3,224	3,609	[10.7]	3,692
Income tax receivables	59	81	[26.6]	71
Other current assets	763	649	17.7	498
Assets classified as held for sale	-	-	n.a.	72
Total current assets	8,839	9,348	[5.4]	8,645
Property, plant and equipment	1,967	1,933	1.7	2,000
Goodwill	1,206	1,403	[14.1]	1,220
Trademarks	1,274	1,654	[22.9]	1,309
Other intangible assets	155	165	[6.4]	154
Long-term financial assets	279	187	49.5	236
Other non-current financial assets	240	90	168.3	219
Deferred tax assets	736	785	[6.3]	630
Other non-current assets	109	119	[8.4]	108
Total non-current assets	5,966	6,336	[5.8]	5,877
Total assets	14,805	15,684	[5.6]	14,522
Short-term borrowings	226	1,406	[83.9]	137
Accounts payable	1,573	1,931	[18.6]	1,975
Other current financial liabilities	396	214	84.9	362
Income taxes	547	455	20.2	424
Other current provisions	988	578	70.7	741
Current accrued liabilities	1,929	1,926	0.2	2,180
Other current liabilities	554	531	4.5	473
Total current liabilities	6,213	7,041	[11.8]	6,291
Long-term borrowings	984	982	0.1	983
Other non-current financial liabilities	25	28	[11.6]	22
Pensions and similar obligations	297	361	[17.7]	298
Deferred tax liabilities	306	371	[17.6]	275
Other non-current provisions	91	60	52.3	80
Non-current accrued liabilities	36	92	[61.4]	85
Other non-current liabilities	56	47	18.5	53
Total non-current liabilities	1,793	1,941	[7.6]	1,796
Share capital	204	202	1.1	204
Reserves ¹⁾	(211)	572	n.a.	(87)
Retained earnings ^{1) 2)}	6,820	5,945	14.7	6,333
Shareholders' equity	6,812	6,719	1.4	6,450
Non-controlling interests	(13)	(17)	21.6	(15)
Total equity	6,799	6,702	1.5	6,435
Total liabilities and equity	14,805	15,684	[5.6]	14,522
Additional balance sheet information				
Operating working capital	4,488	4,554	[1.4]	4,033
Working capital	2,626	2,307	13.8	2,354
Net Cash/(Net borrowings)	371	(859)	n.a.	484
Financial leverage	(5.4)%	12.8%	(18.2pp)	(7.5)%

1 Restated due to IFRS 9 transition effect in 2017 and 2018

2 Restated due to IFRS 15 transition effect in 2018

Rounding differences may arise in percentages and totals.

adidas

2018

**FACT
SHEET**

JANUARY - MARCH

FACT SHEET FOR THE FIRST QUARTER 2018

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OUR SHARE

Our Share

	First Quarter			Second Quarter		Third Quarter		Fourth Quarter	
	2018	2017	Change	2018	2017	2018	2017	2018	2017
Earnings per share from continuing operations¹ (€)									
Basic	2.65	2.29	16%	–	1.72	–	2.70	–	0.35
Diluted	2.65	2.26	17%	–	1.70	–	2.68	–	0.35
Average number of shares									
Basic	203,878,332	201,209,054	1%	–	202,350,968	–	202,756,583	–	203,223,933
Diluted	204,249,548	204,273,231	(0%)	–	204,198,888	–	204,236,828	–	204,238,481
Number of shares outstanding²	203,734,032	201,550,844	1%	–	202,657,342	–	202,838,144	–	203,861,234
Share price² (€)	196.65	178.30	10%	–	167.75	–	191.40	–	167.15
Market capitalization² (€ in millions)	40,064	35,937	11%	–	33,996	–	38,823	–	34,075
Historical performance of the adidas share and important indices (%)									
adidas AG	18	19		–	(6)	–	14	–	(13)
DAX-30	(6)	7		–	0	–	4	–	1
EURO STOXX 50	(4)	6		–	(2)	–	4	–	(3)
MSCI World Textiles, Apparel & Luxury Goods Index	4	9		–	7	–	5	–	7

¹ 2017 excluding negative one-time tax impact of € 76 million in the fourth quarter.

² At quarter-end.

CONSOLIDATED INCOME STATEMENT HIGHLIGHTS

Consolidated Income Statement Highlights

	First Quarter			Second Quarter		Third Quarter		Fourth Quarter	
	2018	2017	Change	2018	2017	2018	2017	2018	2017
Key Figures (€ in millions)									
Net sales ¹	5,548	5,447	2%	–	5,038	–	5,677	–	5,056
Gross profit ¹	2,835	2,702	5%	–	2,525	–	2,864	–	2,613
Other operating expenses ¹	2,172	2,122	2%	–	2,072	–	2,129	–	2,559
Thereof marketing investments ¹	707	630	12%	–	620	–	667	–	815
Thereof operating overhead expenses ¹	1,465	1,492	(2%)	–	1,452	–	1,463	–	1,744
EBITDA ¹	857	763	12%	–	599	–	876	–	274
Operating profit ¹	746	637	17%	–	505	–	795	–	132
Income before taxes ¹	749	645	16%	–	486	–	767	–	124
Net income from continuing operations ^{1, 3}	542	462	17%	–	347	–	549	–	72
Net income attributable to shareholders ^{2, 3}	540	455	19%	–	158	–	526	–	34
Key Ratios									
Gross margin ¹	51.1%	49.6%	1.5pp	–	50.1%	–	50.4%	–	51.7%
Other operating expenses in % of net sales ¹	39.1%	39.0%	0.2pp	–	41.1%	–	37.5%	–	50.6%
Thereof marketing investments in % of net sales ¹	12.7%	11.6%	1.2pp	–	12.3%	–	11.7%	–	16.1%
Thereof operating overhead expenses in % of net sales ¹	26.4%	27.4%	(1.0pp)	–	28.8%	–	25.8%	–	34.5%
Operating margin ¹	13.4%	11.7%	1.8pp	–	10.0%	–	14.0%	–	2.6%
Effective tax rate ^{1, 3}	27.7%	28.4%	(0.7pp)	–	28.6%	–	28.5%	–	41.7%
Net income attributable to shareholders in % of net sales ^{2, 3}	9.7%	8.3%	1.4pp	–	3.1%	–	9.3%	–	0.7%

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

² Includes continuing and discontinued operations.

³ 2017 excluding negative one-time tax impact of € 76 million in the fourth quarter.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND CASH FLOW HIGHLIGHTS

Consolidated Statement of Financial Position and Cash Flow Highlights

	March 31			June 30		September 30		December 31	
	2018	2017	Change	2018	2017	2018	2017	2018	2017
Key Figures (€ in millions)									
Total assets	14,805	15,684	(6%)	–	14,692	–	14,871	–	14,522
Accounts receivable	2,837	2,876	(1%)	–	2,477	–	2,808	–	2,315
Inventories	3,224	3,609	(11%)	–	3,644	–	3,441	–	3,692
Operating working capital	4,488	4,554	(1%)	–	4,258	–	4,502	–	4,033
Net cash/(net borrowings)	371	(859)	n.a.	–	(735)	–	(345)	–	484
Shareholders' equity	6,812	6,719	1%	–	6,141	–	6,470	–	6,450
Capital expenditure ¹	94	114	(17%)	–	261	–	460	–	752
Net cash generated from/(used in) operating activities	(32)	(542)	(94%)	–	167	–	742	–	1,648
Key Ratios									
Average operating working capital in % of net sales ^{1, 2}	20.3%	21.0%	(0.7pp)	–	20.4%	–	20.3%	–	20.4%
Equity ratio	46.0%	42.8%	3.2pp	–	41.8%	–	43.5%	–	44.4%
Net borrowings/EBITDA ^{1, 3}	(0.1)	0.4	n.a.	–	0.3	–	0.1	–	(0.2)
Financial leverage	(5.4%)	12.8%	(18.2pp)	–	12.0%	–	5.3%	–	(7.5%)
Return on equity	7.9%	6.8%	1.2pp	–	10.0%	–	17.6%	–	17.0%
Net cash generated from/(used in) operating activities per share of common stock (€)	(0.16)	(2.69)	(94%)	–	0.83	–	3.67	–	8.14

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

² Twelve-month trailing average.

³ EBITDA of last twelve months.

FINANCIAL HIGHLIGHTS BY SEGMENT

Financial Highlights by Segment € in millions

	First Quarter				Second Quarter		Third Quarter		Fourth Quarter	
	2018	2017	Change	Change (c.n.)	2018	2017	2018	2017	2018	2017
Western Europe										
Net sales	1,603	1,537	4%	5%	–	1,433	–	1,671	–	1,292
adidas brand	1,452	1,386	5%	5%	–	1,325	–	1,526	–	1,196
Reebok brand	151	150	1%	1%	–	107	–	145	–	96
Gross profit	732	686	7%		–	644	–	758	–	622
Gross margin	45.6%	44.7%	1.0pp		–	45.0%	–	45.4%	–	48.1%
Operating expenses	385	354	9%		–	356	–	369	–	440
Operating expenses in % of net sales	24.0%	23.0%	1.0pp		–	24.9%	–	22.1%	–	34.0%
Operating profit	347	332	4%		–	288	–	389	–	182
Operating margin	21.6%	21.6%	0.0pp		–	20.1%	–	23.3%	–	14.1%
North America										
Net sales	1,040	988	5%	21%	–	1,014	–	1,099	–	1,175
adidas brand	944	880	7%	23%	–	915	–	994	–	1,054
Reebok brand	96	108	(11%)	3%	–	99	–	105	–	121
Gross profit	393	376	4%		–	420	–	437	–	456
Gross margin	37.8%	38.1%	(0.3pp)		–	41.4%	–	39.8%	–	38.8%
Operating expenses	309	294	5%		–	304	–	329	–	354
Operating expenses in % of net sales	29.7%	29.7%	(0.1pp)		–	30.0%	–	29.9%	–	30.1%
Operating profit	98	97	1%		–	131	–	123	–	117
Operating margin	9.5%	9.8%	(0.4pp)		–	12.9%	–	11.2%	–	9.9%
Asia-Pacific										
Net sales	1,856	1,744	6%	15%	–	1,495	–	1,664	–	1,500
adidas brand	1,777	1,649	8%	17%	–	1,412	–	1,584	–	1,421
Reebok brand	79	96	(17%)	(9%)	–	83	–	80	–	78
Gross profit	1,040	974	7%		–	854	–	921	–	815
Gross margin	56.0%	55.8%	0.2pp		–	57.1%	–	55.4%	–	54.3%
Operating expenses	382	353	8%		–	362	–	350	–	401
Operating expenses in % of net sales	20.6%	20.3%	0.3pp		–	24.2%	–	21.0%	–	26.8%
Operating profit	662	625	6%		–	497	–	576	–	418
Operating margin	35.7%	35.8%	(0.2pp)		–	33.2%	–	34.6%	–	27.8%

FINANCIAL HIGHLIGHTS BY SEGMENT

Financial Highlights by Segment € in millions

	First Quarter				Second Quarter		Third Quarter		Fourth Quarter	
	2018	2017	Change	Change (c.n.)	2018	2017	2018	2017	2018	2017
Latin America										
Net sales	430	454	(5%)	10%	–	441	–	502	–	510
adidas brand	385	397	(3%)	13%	–	387	–	441	–	447
Reebok brand	46	57	(20%)	(8%)	–	53	–	61	–	63
Gross profit	191	181	5%		–	173	–	200	–	249
Gross margin	44.4%	39.9%	4.5pp		–	39.2%	–	39.8%	–	48.8%
Operating expenses	116	132	(12%)		–	126	–	132	–	146
Operating expenses in % of net sales	27.0%	29.0%	(2.0pp)		–	28.6%	–	26.3%	–	28.5%
Operating profit	75	49	51%		–	47	–	68	–	103
Operating margin	17.3%	10.9%	6.5pp		–	10.6%	–	13.6%	–	20.3%
Emerging Markets										
Net sales	308	367	(16%)	(5%)	–	277	–	376	–	280
adidas brand	275	330	(17%)	(6%)	–	240	–	329	–	254
Reebok brand	33	37	(10%)	1%	–	37	–	47	–	27
Gross profit	159	176	(9%)		–	137	–	181	–	146
Gross margin	51.6%	47.9%	3.7pp		–	49.6%	–	48.1%	–	52.1%
Operating expenses	71	79	(10%)		–	77	–	71	–	88
Operating expenses in % of net sales	23.0%	21.4%	1.6pp		–	27.8%	–	18.9%	–	31.5%
Operating profit	88	97	(9%)		–	61	–	110	–	58
Operating margin	28.6%	26.5%	2.1pp		–	21.9%	–	29.2%	–	20.7%
Russia/CIS										
Net sales	119	160	(25%)	(16%)	–	181	–	173	–	146
adidas brand	85	116	(26%)	(17%)	–	135	–	125	–	103
Reebok brand	34	44	(24%)	(14%)	–	46	–	48	–	44
Gross profit	81	100	(19%)		–	120	–	114	–	95
Gross margin	67.8%	62.3%	5.6pp		–	66.4%	–	65.8%	–	64.9%
Operating expenses	62	86	(28%)		–	75	–	67	–	64
Operating expenses in % of net sales	52.4%	54.0%	(1.6pp)		–	41.6%	–	38.6%	–	43.6%
Operating profit	18	13	40%		–	45	–	47	–	31
Operating margin	15.4%	8.2%	7.2pp		–	24.8%	–	27.2%	–	21.3%

FINANCIAL HIGHLIGHTS BY SEGMENT

Financial Highlights by Segment € in millions

	First Quarter				Second Quarter		Third Quarter		Fourth Quarter	
	2018	2017	Change	Change (c.n.)	2018	2017	2018	2017	2018	2017
Other Businesses¹										
Net sales	190	197	(3%)	3%	–	198	–	192	–	152
Gross profit	78	82	(5%)		–	79	–	68	–	59
Gross margin	41.2%	41.9%	(0.7pp)		–	39.9%	–	35.2%	–	39.1%
Operating expenses	50	54	(7%)		–	59	–	49	–	63
Operating expenses in % of net sales	26.2%	27.2%	(1.0pp)		–	29.9%	–	25.4%	–	41.3%
Operating profit	30	30	(2%)		–	20	–	20	–	(2)
Operating margin	15.7%	15.4%	0.3pp		–	10.3%	–	10.3%	–	(1.3%)

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

FINANCIAL HIGHLIGHTS BY BRAND

Financial Highlights by Brand € in millions

	First Quarter				Second Quarter		Third Quarter		Fourth Quarter	
	2018	2017	Change	Change (c.n.)	2018	2017	2018	2017	2018	2017
Net Sales by Brand										
adidas brand	5,000	4,842	3%	11%	–	4,497	–	5,091	–	4,562
Reebok brand	440	492	(11%)	(3%)	–	431	–	485	–	435
Total¹	5,548	5,447	2%	10%	–	5,038	–	5,677	–	5,056
Gross Margin by Brand										
adidas brand	47.8%	47.2%	0.6pp		–	48.0%	–	47.1%	–	47.9%
Reebok brand	41.8%	39.0%	2.7pp		–	41.0%	–	40.9%	–	42.3%
Net Sales by Product Category										
Footwear ¹	3,204	3,301	(3%)	5%	–	3,028	–	3,266	–	2,832
Apparel ¹	2,019	1,895	7%	15%	–	1,748	–	2,144	–	1,960
Hardware ¹	324	251	29%	39%	–	262	–	267	–	264
Total¹	5,548	5,447	2%	10%	–	5,038	–	5,677	–	5,056

¹ Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

RETAIL AT A GLANCE

Retail at a Glance

	First Quarter			Second Quarter		Third Quarter		Fourth Quarter	
	2018	2017	Change [c.n.]	2018	2017	2018	2017	2018	2017
Number of stores¹	2,464	2,686		-	2,658	-	2,634	-	2,588
Concept stores	1,448	1,657		-	1,632	-	1,605	-	1,557
Concession corners	133	147		-	145	-	136	-	136
Factory outlets	883	882		-	881	-	893	-	895
Stores by brand¹									
adidas brand	1,301	1,451		-	1,433	-	1,416	-	1,380
Reebok brand	280	353		-	344	-	325	-	313
Multibrand	883	882		-	881	-	893	-	895
Opening	38	60		-	75	-	61	-	68
Closing	162	185		-	103	-	85	-	114
Net opening/(net closing)	(124)	(125)		-	(28)	-	(24)	-	(46)
Net sales²	1,331	1,311	11%	-	1,496	-	1,444	-	1,706
adidas brand			13%						
Reebok brand			(1%)						
E-commerce			27%						
Comp			5%						
adidas brand comp			5%						
Reebok brand comp			(1%)						

¹ At quarter-end.

² € in millions.

OPERATING PROFIT

Operating Profit € in millions

	March 31	
	2018	2017
Operating profit for reportable segments	1,288	1,214
Operating profit for Other Businesses	29	32
Segmental operating profit	1,318	1,246
Reclassification to discontinued operations	1	(2)
HQ	(367)	(342)
Central expenditure for marketing investments	(232)	(203)
Consolidation	27	(62)
Operating profit	746	637
Financial income	19	28
Financial expenses	(16)	(20)
Income before taxes	749	645

adidas

2018

FINANCIAL
SUPPLEMENT

JANUARY - MARCH

FINANCIAL SUPPLEMENT FOR THE FIRST QUARTER 2018

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	March 31, 2018	March 31, 2017	Change in %	December 31, 2017
Assets				
Cash and cash equivalents	1,575	1,524	3.4	1,598
Short-term financial assets	5	5	1.0	5
Accounts receivable	2,837	2,876	[1.4]	2,315
Other current financial assets	375	605	[38.0]	393
Inventories	3,224	3,609	[10.7]	3,692
Income tax receivables	59	81	[26.6]	71
Other current assets	763	649	17.7	498
Assets classified as held for sale	–	–	n.a.	72
Total current assets	8,839	9,348	[5.4]	8,645
Property, plant and equipment	1,967	1,933	1.7	2,000
Goodwill	1,206	1,403	[14.1]	1,220
Trademarks	1,274	1,654	[22.9]	1,309
Other intangible assets	155	165	[6.4]	154
Long-term financial assets	279	187	49.5	236
Other non-current financial assets	240	90	168.3	219
Deferred tax assets	736	785	[6.3]	630
Other non-current assets	109	119	[8.4]	108
Total non-current assets	5,966	6,336	[5.8]	5,877
Total assets	14,805	15,684	[5.6]	14,522

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

	March 31, 2018	March 31, 2017	Change in %	December 31, 2017
Liabilities and equity				
Short-term borrowings	226	1,406	(83.9)	137
Accounts payable	1,573	1,931	(18.6)	1,975
Other current financial liabilities	396	214	84.9	362
Income taxes	547	455	20.2	424
Other current provisions	988	578	70.7	741
Current accrued liabilities	1,929	1,926	0.2	2,180
Other current liabilities	554	531	4.5	473
Total current liabilities	6,213	7,041	(11.8)	6,291
Long-term borrowings	984	982	0.1	983
Other non-current financial liabilities	25	28	(11.6)	22
Pensions and similar obligations	297	361	(17.7)	298
Deferred tax liabilities	306	371	(17.6)	275
Other non-current provisions	91	60	52.3	80
Non-current accrued liabilities	36	92	(61.4)	85
Other non-current liabilities	56	47	18.5	53
Total non-current liabilities	1,793	1,941	(7.6)	1,796
Share capital	204	202	1.1	204
Reserves ¹	(211)	572	n.a.	(87)
Retained earnings ^{1, 2}	6,820	5,945	14.7	6,333
Shareholders' equity	6,812	6,719	1.4	6,450
Non-controlling interests	(13)	(17)	21.6	(15)
Total equity	6,799	6,702	1.5	6,435
Total liabilities and equity	14,805	15,684	(5.6)	14,522

¹ Restated due to IFRS 9 transition effect in 2017 and 2018.

² Restated due to IFRS 15 transition effect in 2018.

CONSOLIDATED INCOME STATEMENT

adidas AG Consolidated Income Statement (IFRS) € in millions

	First quarter 2018	First quarter 2017	Change
Net sales	5,548	5,447	1.9%
Cost of sales	2,713	2,744	(1.2%)
Gross profit	2,835	2,702	4.9%
[% of net sales]	51.1%	49.6%	1.5pp
Royalty and commission income	26	28	(6.9%)
Other operating income	56	28	97.8%
Other operating expenses	2,172	2,122	2.3%
[% of net sales]	39.1%	39.0%	0.2pp
Operating profit	746	637	17.1%
[% of net sales]	13.4%	11.7%	1.8pp
Financial income	19	28	(30.5%)
Financial expenses	16	20	(18.3%)
Income before taxes	749	645	16.2%
[% of net sales]	13.5%	11.8%	1.7pp
Income taxes	208	183	13.1%
[% of income before taxes]	27.7%	28.4%	(0.7pp)
Net income from continuing operations	542	462	17.4%
[% of net sales]	9.8%	8.5%	1.3pp
Losses from discontinued operations, net of tax	1	6	(75.9%)
Net income	540	456	18.6%
[% of net sales]	9.7%	8.4%	1.4pp
Net income attributable to shareholders	540	455	18.7%
[% of net sales]	9.7%	8.3%	1.4pp
Net income attributable to non-controlling interests	1	1	(26.7%)
Basic earnings per share from continuing operations (in €)	2.65	2.29	15.9%
Diluted earnings per share from continuing operations (in €)	2.65	2.26	17.2%
Basic earnings per share from continuing and discontinued operations (in €)	2.65	2.26	17.1%
Diluted earnings per share from continuing and discontinued operations (in €)	2.64	2.23	18.4%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	First quarter 2018 ¹	First quarter 2017 ¹
Net income after taxes	540	456
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 ²	(1)	[0]
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	(1)	[0]
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		
Net loss on cash flow hedges, net of tax	(20)	[183]
Net loss on cost of hedging reserve, net of tax	(25)	[2]
Currency translation differences	(77)	4
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	(122)	[181]
Other comprehensive income	(123)	[179]
Total comprehensive income	417	277
Attributable to shareholders of adidas AG	416	276
Attributable to non-controlling interests	2	0

¹ IFRS 15 and IFRS 9 are initially applied at January 1, 2018. Under the transition methods chosen, comparative information is not restated except for certain hedging requirements.

² Includes actuarial gains or losses relating to defined benefit obligations, return on plan assets (excluding interest income) and the asset ceiling effect.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

adidas AG Consolidated Statement of Changes in Equity (IFRS) € in millions¹

	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve	Other reserves ²	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2016	201	838	[52]	146	–	(182)	5,521	6,472	(17)	6,455
IFRS 9 Transition effect, net of tax					(7)		7	–	–	–
Balance at January 1, 2017	201	838	[52]	146	(7)	(182)	5,529	6,472	(17)	6,455
Net income recognized directly in equity			4	(182)	(2)	(0)	2	(178)	(1)	(179)
Net income							455	455	1	456
Total comprehensive income			4	(182)	(2)	(0)	457	276	0	277
Reissuance of treasury shares due to the conversion of convertible bonds	1	11					32	44		44
Repurchase of treasury shares	(0)						(73)	(73)		(73)
Repurchase of treasury shares due to equity-settled share-based payment	(0)						(4)	(4)		(4)
Reissuance of treasury shares due to equity-settled share-based payment	0						4	4		4
Equity-settled share-based payment							0	0		0
Balance at March 31, 2017	202	848	(48)	(36)	(9)	(183)	5,945	6,719	(17)	6,702
Balance at December 31, 2017	204	884	(577)	(229)	(6)	(159)	6,333	6,450	(15)	6,435
IFRS 9 Transition effect, net of tax				(6)	6		2	2	(0)	2
IFRS 15 Transition effect, net of tax							(26)	(26)	(0)	(26)
Balance at January 1, 2018	204	884	(577)	(234)	(1)	(159)	6,310	6,426	(15)	6,411
Net income recognized directly in equity			(78)	(20)	(25)	(1)		(124)	1	(123)
Net income							540	540	1	540
Total comprehensive income			(78)	(20)	(25)	(1)	540	416	2	417
Reissuance of treasury shares due to the conversion of convertible bonds	0	0					1	1		1
Repurchase of treasury shares	(0)						(32)	(32)		(32)
Repurchase of treasury shares due to equity-settled share-based payment	(0)						(5)	(5)		(5)
Reissuance of treasury shares due to equity-settled share-based payment	0						8	8		8
Equity-settled share-based payment							(2)	(2)		(2)
Balance at March 31, 2018	204	884	(655)	(254)	(26)	(160)	6,820	6,812	(13)	6,799

¹ IFRS 15 and IFRS 9 are initially applied at January 1, 2018. Under the transition methods chosen, comparative information is not restated except for certain hedging requirements.

² Reserves for remeasurements of defined benefit plans (IAS 19), option plans and acquisition of shares from non-controlling interest shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS

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

	First Quarter 2018	First Quarter 2017
Operating activities:		
Income before taxes	749	645
Adjustments for:		
Depreciation, amortization and impairment losses	113	106
Reversals of impairment losses	(3)	(1)
Unrealized foreign exchange (gains)/losses, net	(5)	6
Interest income	(7)	(7)
Interest expense	10	20
(Gains)/losses on sale of property, plant and equipment and intangible assets, net	(1)	3
Other non-cash expenses	2	1
Payment for external funding of pension obligations (CTA)	(5)	–
Operating profit before working capital changes	853	773
Increase in receivables and other assets	(618)	(642)
Decrease in inventories	443	181
Decrease in accounts payable and other liabilities	(584)	(587)
Cash generated from/(used in) operations before interest and taxes	95	(275)
Interest paid	(8)	(17)
Income taxes paid	(120)	(148)
Net cash used in operating activities – continuing operations	(33)	(440)
Net cash generated from/(used in) in operating activities – discontinued operations	1	(101)
Net cash used in operating activities	(32)	(542)

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

	First Quarter 2018	First Quarter 2017
Investing activities:		
Purchase of trademarks and other intangible assets	(14)	(14)
Proceeds from sale of trademarks and other intangible assets	0	0
Purchase of property, plant and equipment	(79)	(100)
Proceeds from sale of property, plant and equipment	6	1
Proceeds from sale of assets held for sale	71	–
Proceeds from sale of a disposal group	–	6
Proceeds from sale of short-term financial assets	0	0
Purchase of investments and other long-term assets	(55)	(28)
Interest received	7	7
Net cash used in investing activities – continuing operations	(65)	(128)
Net cash used in investing activities – discontinued operations	–	(3)
Net cash used in investing activities	(65)	(131)
Financing activities:		
Repayments of long-term borrowings	–	(1)
Repayments of finance lease obligations	(0)	(1)
Repurchase of treasury shares	(11)	(85)
Repurchase of treasury shares due to share-based payments	(5)	(4)
Proceeds from reissuance of treasury shares due to share-based payments	4	3
Proceeds from short-term borrowings	90	811
Net cash generated from financing activities – continuing operations	79	725
Net cash generated from financing activities – discontinued operations	–	1
Net cash generated from financing activities	79	725
Effect of exchange rates on cash	(5)	(40)
(Decrease)/Increase of cash and cash equivalents	(24)	14
Cash and cash equivalents at beginning of year	1,598	1,510
Cash and cash equivalents at end of period	1,575	1,524

Q1 2018 RESULTS

Herzogenaurach
May 3, 2018

adidas



AGENDA

1 BUSINESS HIGHLIGHTS

2 FINANCIAL HIGHLIGHTS

3 OUTLOOK



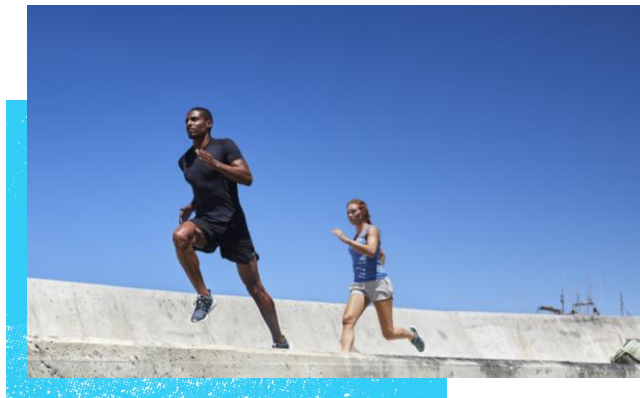
BUSINESS HIGHLIGHTS

KASPER RORSTED
CEO



STRENGTHS & WEAKNESSES

IN Q1 2018



+

Strong top-line growth in line with expectations

Double-digit growth in North America and Asia-Pacific

+

Apparel business accelerates

Driven by strong double-digit growth in Athletics

+

Strong gross margin increase

Reflecting high quality of sales growth

+

Strong operating margin improvement

Despite significant increase in marketing investments

-

Sales decline in Emerging Markets and Russia/CIS

Reflecting challenging market conditions

-

Footwear business up mid-single-digits

Reflecting challenges within certain franchises

-

Momentum at Originals normalizes

Reflecting tough comparison base from prior periods

-

Concept stores comp store sales decline

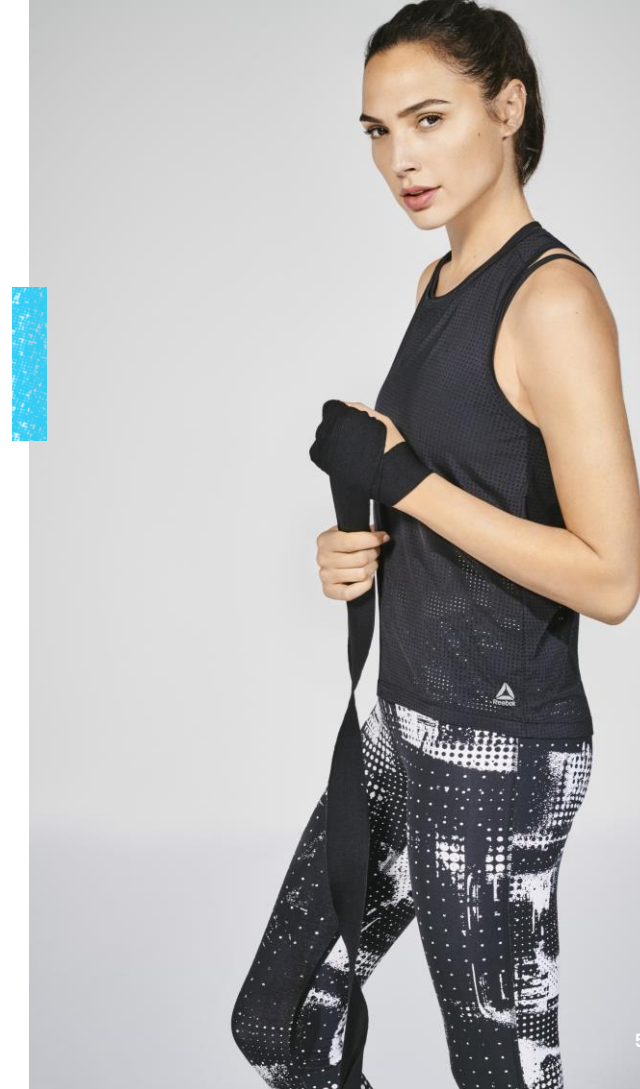
Driven by Russia/CIS

MAJOR P&L DEVELOPMENTS

IN Q1 2018

- 1 Revenues increase 10% currency-neutral**
and 2% in euro terms to € 5.5 billion
- 2 Gross margin up 1.5pp to 51.1%**
despite ongoing negative FX headwinds
- 3 Operating margin up 1.8pp to 13.4%**
reflecting gross margin improvement and overhead leverage
- 4 Net income from continuing operations increases 17%**
to € 542 million
- 5 Basic EPS from continuing operations up 16%**
to € 2.65

Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.



DOUBLE-DIGIT GROWTH IN STRATEGIC GROWTH AREAS IN Q1 2018

**adidas
North America**

+23%

Greater China

+26%

E-commerce

+27%

Currency-neutral.



BRAND ARCHITECTURE ALLOWS CHANNEL SEGMENTATION

TARGETING THE VALUE CONSUMER ACROSS ALL CATEGORIES WITH CORE



ADIDAS BRAND GROWS 11%

DOUBLE-DIGIT GROWTH IN NORTH AMERICA AND ASIA-PACIFIC

+11%

Sport Performance grows 11%

Driven by double-digit increases in Football, Training and Running

Sport Inspired grows 13%

Due to double-digit growth in both Footwear and Apparel

Women's business continues to grow double-digits

Representing 25% of total brand adidas business

Currency-neutral.



ROBUST PROFITABILITY IMPROVEMENT AT REEBOK

FURTHER PROGRESS AROUND MUSCLE-UP INITIATIVES

+2.7PP

Revenues decline 3%

Mainly due to sales declines in Asia-Pacific, Russia/CIS and Latin America

North America returns to growth, up 3%

With sequential improvements expected as of Q2 2018

Robust profitability improvements

Gross margin up 2.7pp to 41.8% driven by successful execution of Muscle-Up initiatives

Currency-neutral.



EXCELLENT GROWTH IN E-COM

ENFORCING DIGITAL CONSUMER ENGAGEMENT

+27%

E-commerce revenues grow 27%

Driven by double-digit growth in most regions

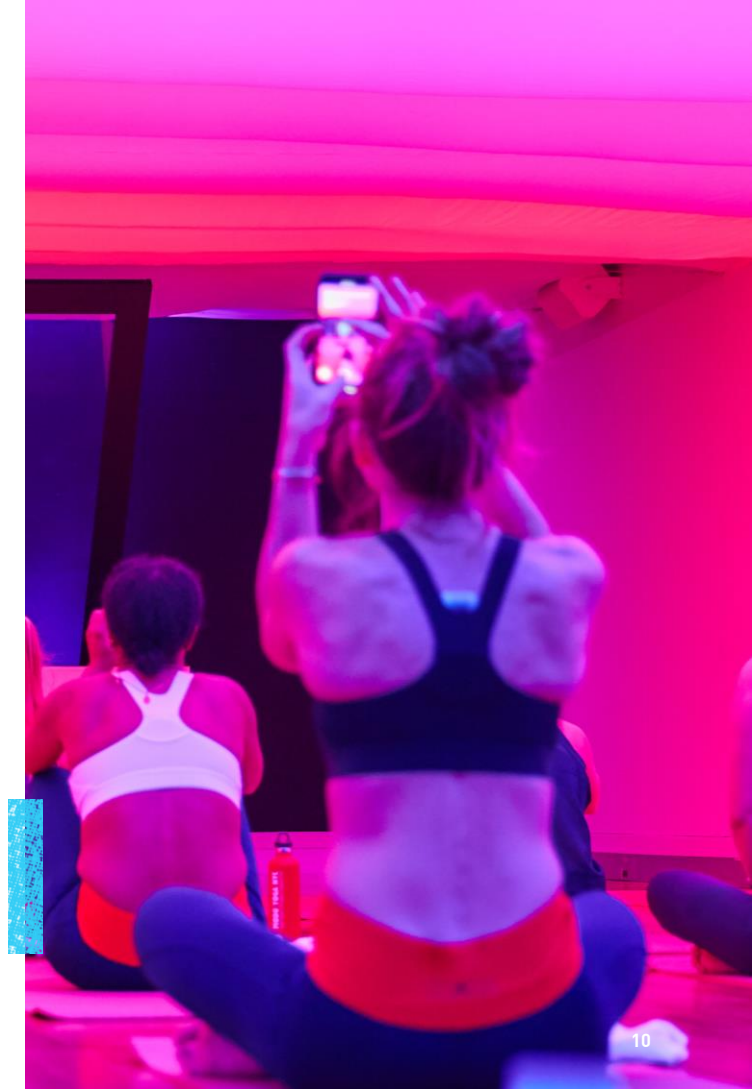
Timing of product launches

Weights on e-commerce growth in Q1 2018

adidas Shopping App launched in the US, UK and Germany

More than 1.5 million App downloads

Currency-neutral.



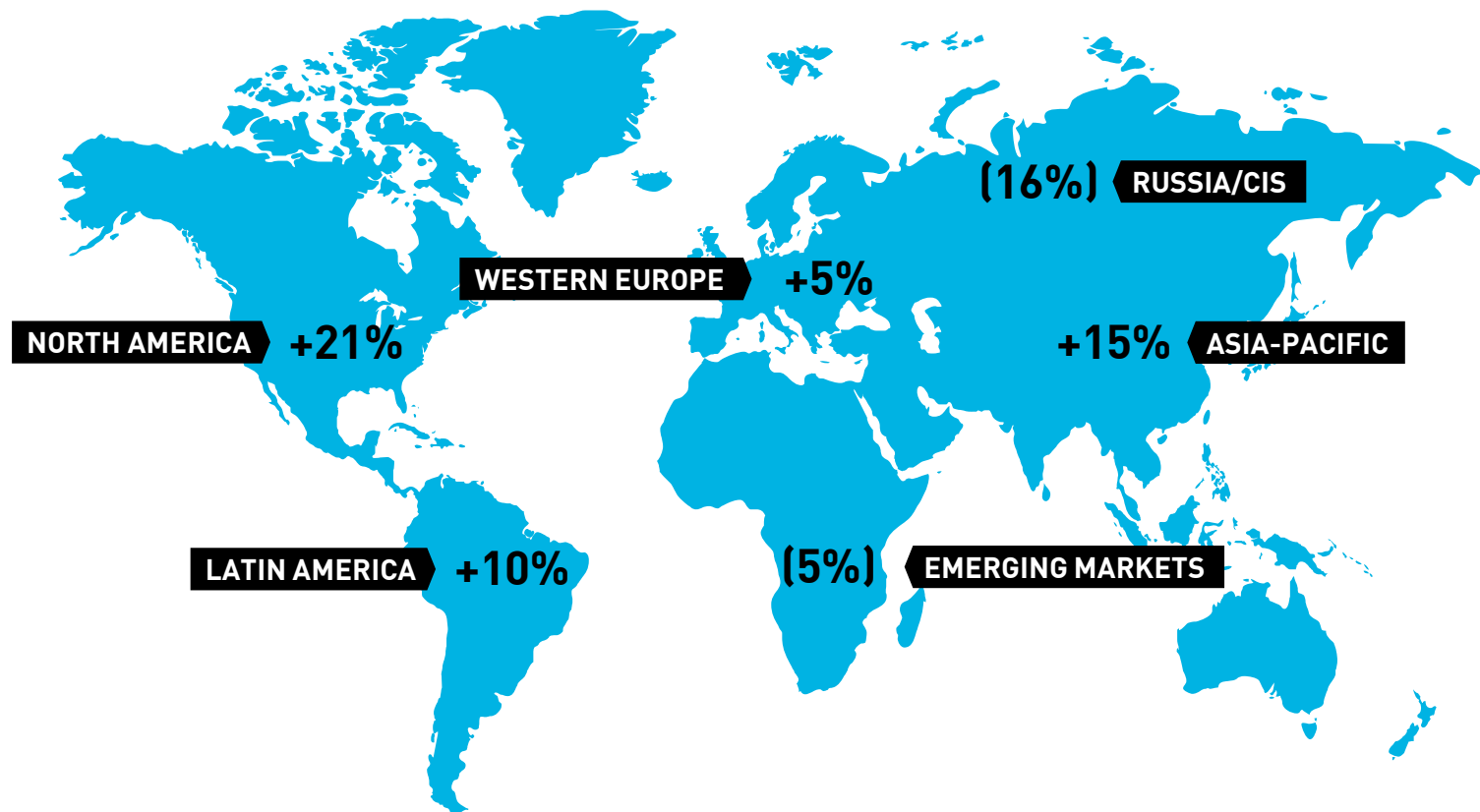
FINANCIAL HIGHLIGHTS

HARM OHLMEYER
CFO



BRAND MOMENTUM IN KEY REGIONS CONTINUES

NORTH AMERICA AND ASIA-PACIFIC WITH STRONG DOUBLE-DIGIT SALES INCREASES



NORTH AMERICA

EXCELLENT BRAND MOMENTUM CONTINUES

+21%

Currency-neutral sales increase 21%

adidas brand revenues up 23%

Driven by double-digit growth in all key categories

Reebok brand revenues grow 3%

Driven by sales increases in Running and Classics

Gross margin decreases 0.3pp to 37.8%

Negatively impacted by warehouse constraints in the prior year

Operating margin down 0.4pp to 9.5%

Mainly due to the gross margin decline



ASIA-PACIFIC

STRONG DOUBLE-DIGIT GROWTH

+15%

Currency-neutral sales increase 15%

adidas brand sales increase 17%

Double-digit growth in Running, Training, Basketball and Originals

Reebok brand revenues down 9%

Double-digit growth in Greater China offset by declines in Japan and South Korea

Gross margin up 0.2pp to 56.0%

Due to a more favorable pricing, channel and category mix

Operating margin down 0.2pp to 35.7%

Gross margin improvement more than offset by increase in OPEX in % of sales



WESTERN EUROPE

SLOWER GROWTH IN A VERY MATURE MARKET

+5%

Currency-neutral sales increase 5%

adidas brand revenues up 5%

Driven by significant growth in Football and Originals

Reebok brand sales increase 1%

On top of a 25% increase in the prior year period

Gross margin improves 1.0pp to 45.6%

Mainly driven by a more favorable pricing mix

Operating margin remains stable at 21.6%

Gross margin improvement offset by strong increase in brand investments



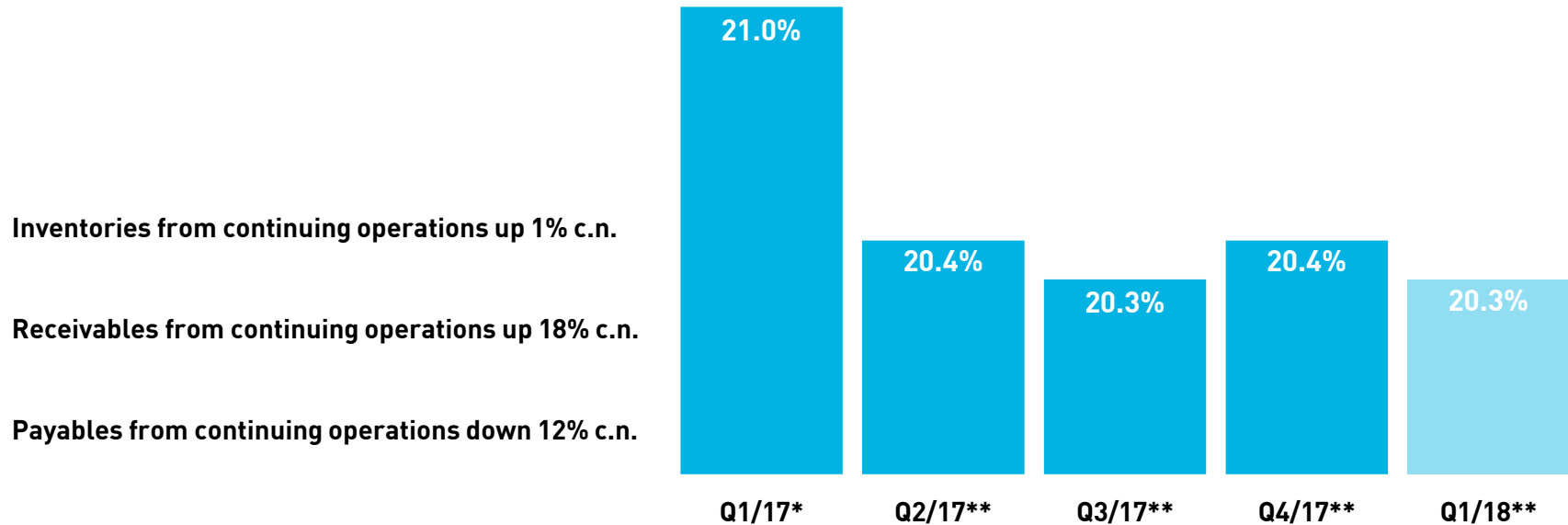
FINANCIAL RESULTS OVERVIEW

OPERATING MARGIN IMPROVEMENT DRIVEN BY GROSS MARGIN INCREASE AND OOH LEVERAGE

	Q1 2018	Q1 2017	Y-O-Y change
NET SALES (€ in millions)	5,548	5,447	+2%
GROSS MARGIN	51.1%	49.6%	+1.5pp
OTHER OPERATING INCOME (€ in millions)	56	28	+98%
OTHER OPERATING EXPENSES (€ in millions)	2,172	2,122	+2%
OTHER OPERATING EXPENSES (in % of sales)	39.1%	39.0%	+0.2pp
OPERATING PROFIT (€ in millions)	746	637	+17%
OPERATING MARGIN	13.4%	11.7%	+1.8pp
NET INCOME FROM CONTINUING OPERATIONS (€ in millions)	542	462	+17%
BASIC EPS FROM CONTINUING OPERATIONS (€)	2.65	2.29	+16%

AVERAGE OPERATING WORKING CAPITAL

IN % OF SALES DOWN 0.7PP TO 20.3%



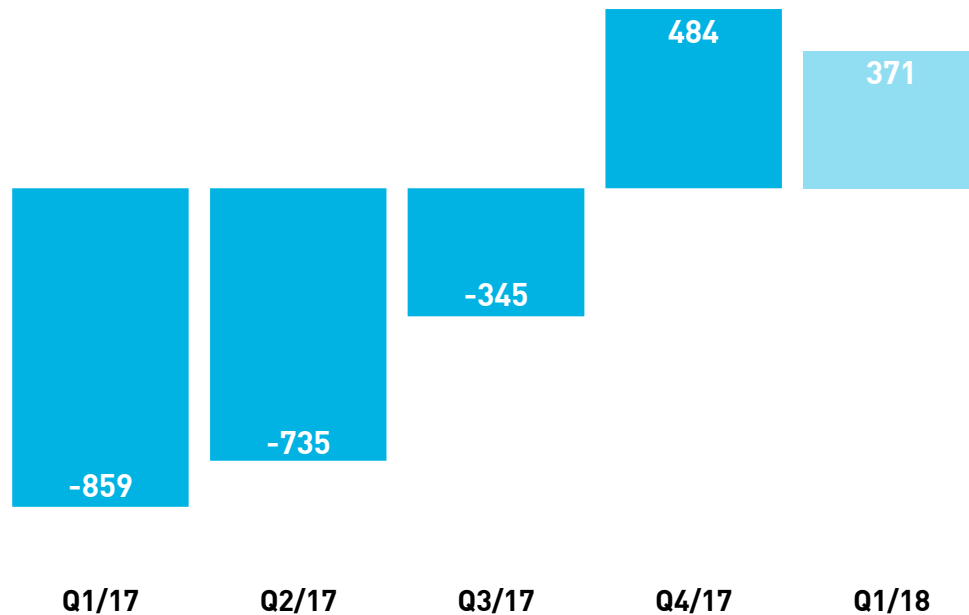
Average operating working capital in % of sales at quarter-end.

** Figures reflect net sales from continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.*

*** Figures reflect net sales and OWC from continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.*

NET CASH POSITION OF € 371 MILLION

EQUITY RATIO IMPROVES 3.2PP TO 46.0%



SHAREHOLDER RETURN

SHARE BUYBACK PROGRAM INITIATED

1

TOTAL SIZE

Up to € 3 billion (up to € 1 billion in 2018)

2

TIMEFRAME

Started March 22, 2018 and ending latest on May 11, 2021

3

NUMBER OF SHARES PURCHASED*

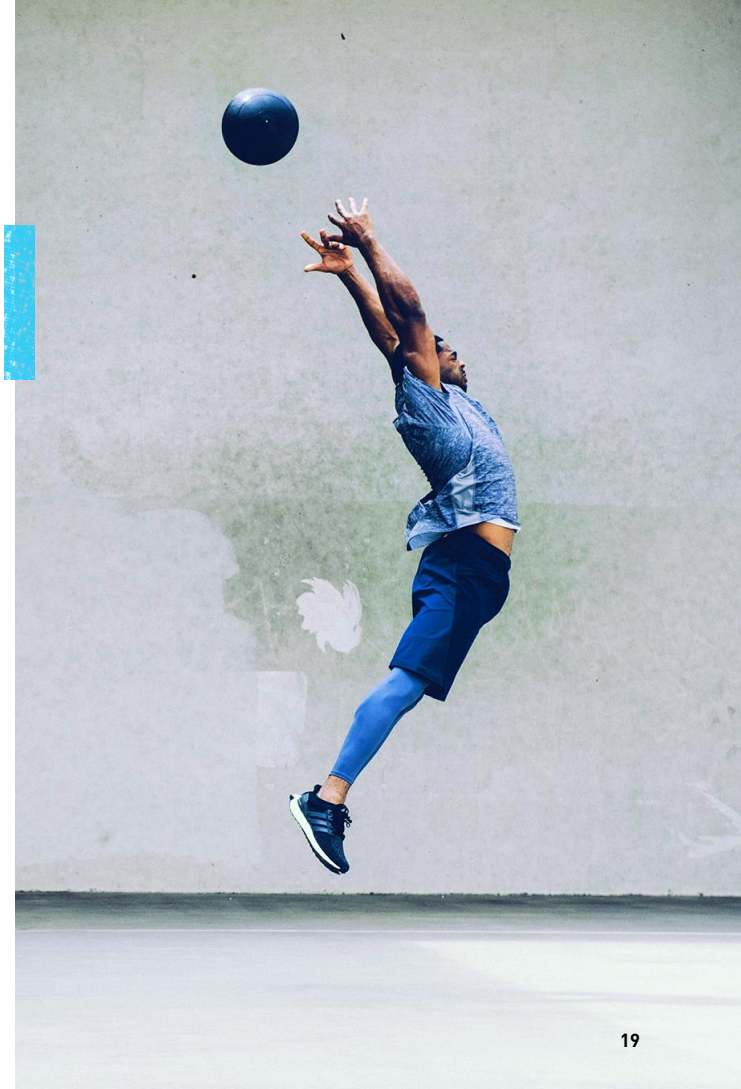
641k adidas AG shares

4

AMOUNT PURCHASED*

€ 130 million

**As at April 30, 2018.*



OUTLOOK

KASPER RORSTED
CEO



2018: IMPORTANT MILESTONE TOWARD 2020 TARGETS

BALANCING MARKET SHARE GROWTH AND MARGIN IMPROVEMENT

- 1 High-quality revenue growth
- 2 Product pipeline to support planned top-line expansion
- 3 Overproportionate investments in brands and products
- 4 Start leveraging scalable business model
- 5 Margin expansion and overproportionate net income growth



12 TEAMS

Biggest sports event in the world

Brand presence on the pitch in every single match

Driving brand desirability around the world

Connecting with consumers and football fans globally

Direct financial impact limited

Due to highly diversified category mix



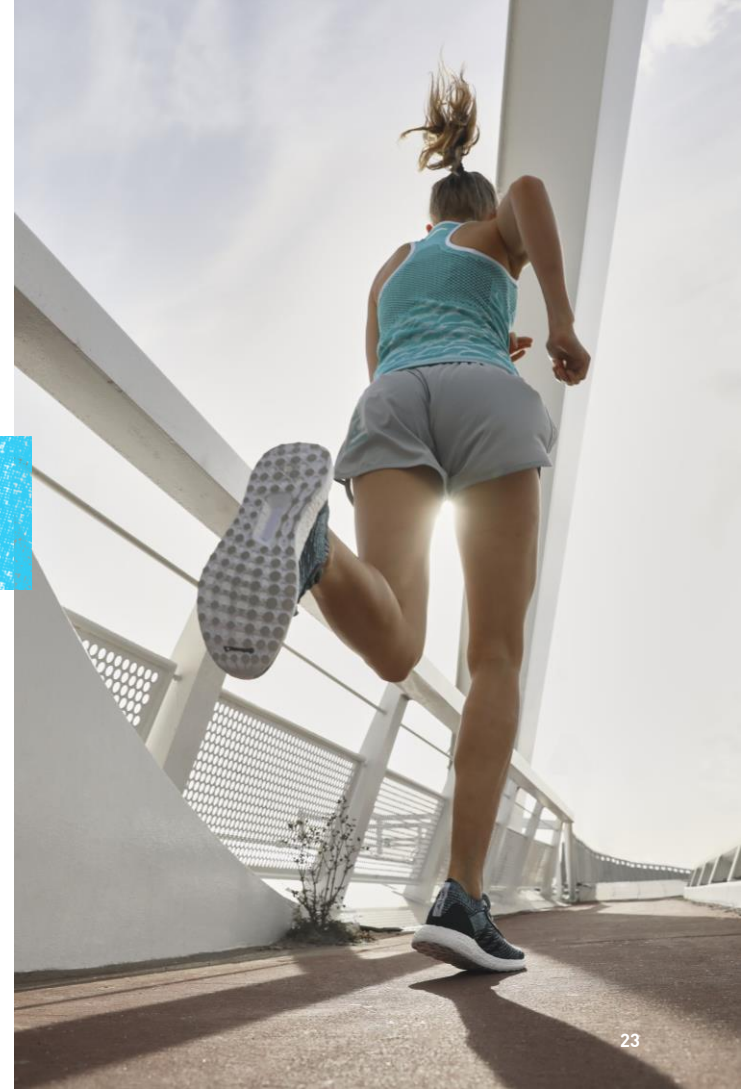
OUTLOOK 2018 CONFIRMED

STRONG TOP- AND BOTTOM-LINE IMPROVEMENTS EXPECTED

Net sales*	Increase by around 10%
Gross margin	Increase up to 0.3pp to up to 50.7%
Operating profit	Increase between 9% and 13%
Operating margin	Increase between 0.5pp and 0.7pp to between 10.3% and 10.5%
Net income from continuing operations**	Increase of 13% – 17% to € 1.615 – € 1.675 billion
Basic EPS from continuing operations**	Increase between 12% and 16%

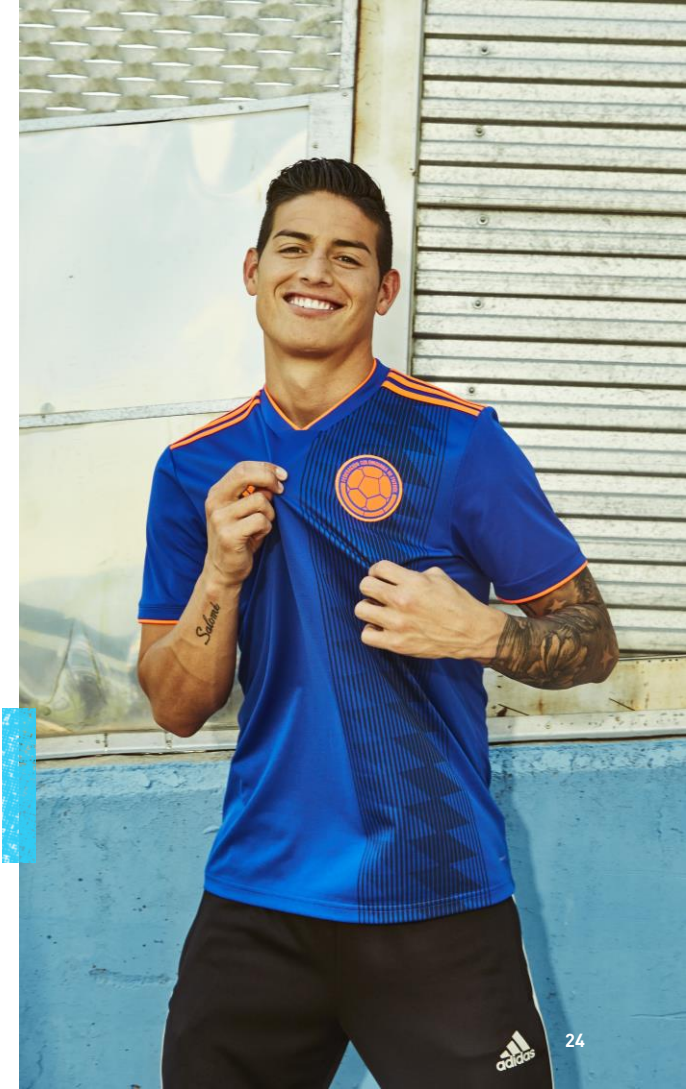
* Currency-neutral.

** Excluding negative one-time tax impact of € 76 million in 2017.



SUMMARY

- 1 Successful start to 2018 according to plan
- 2 Ongoing momentum in strategic growth areas, slowdown in Western Europe
- 3 Strong profitability improvements despite FX headwinds
- 4 Accelerated marketing investments to support brand and product
- 5 Focused execution of 'Creating the New'



Q&A



adidas AG Consolidated Statement of Financial Position (IFRS)

(€in millions)

	March 31, 2018	March 31, 2017	Change in %	December 31, 2017
Assets				
Cash and cash equivalents	1,575	1,524	3.4	1,598
Short-term financial assets	5	5	1.0	5
Accounts receivable	2,837	2,876	(1.4)	2,315
Other current financial assets	375	605	(38.0)	393
Inventories	3,224	3,609	(10.7)	3,692
Income tax receivables	59	81	(26.6)	71
Other current assets	763	649	17.7	498
Assets classified as held for sale	—	—	n.a.	72
Total current assets	8,839	9,348	(5.4)	8,645
Property, plant and equipment	1,967	1,933	1.7	2,000
Goodwill	1,206	1,403	(14.1)	1,220
Trademarks	1,274	1,654	(22.9)	1,309
Other intangible assets	155	165	(6.4)	154
Long-term financial assets	279	187	49.5	236
Other non-current financial assets	240	90	168.3	219
Deferred tax assets	736	785	(6.3)	630
Other non-current assets	109	119	(8.4)	108
Total non-current assets	5,966	6,336	(5.8)	5,877
Total assets	14,805	15,684	(5.6)	14,522
Liabilities and equity				
Short-term borrowings	226	1,406	(83.9)	137
Accounts payable	1,573	1,931	(18.6)	1,975

Other current financial liabilities	396	214	84.9	362
Income taxes	547	455	20.2	424
Other current provisions	988	578	70.7	741
Current accrued liabilities	1,929	1,926	0.2	2,180
Other current liabilities	554	531	4.5	473
Total current liabilities	6,213	7,041	(11.8)	6,291
Long-term borrowings	984	982	0.1	983
Other non-current financial liabilities	25	28	(11.6)	22
Pensions and similar obligations	297	361	(17.7)	298
Deferred tax liabilities	306	371	(17.6)	275
Other non-current provisions	91	60	52.3	80
Non-current accrued liabilities	36	92	(61.4)	85
Other non-current liabilities	56	47	18.5	53
Total non-current liabilities	1,793	1,941	(7.6)	1,796
Share capital	204	202	1.1	204
Reserves ¹	(211)	572	n.a.	(87)
Retained earnings ^{1 2}	6,820	5,945	14.7	6,333
Shareholders' equity	6,812	6,719	1.4	6,450
Non-controlling interests	(13)	(17)	21.6	(15)
Total equity	6,799	6,702	1.5	6,435
Total liabilities and equity	14,805	15,684	(5.6)	14,522

1 Restated due to IFRS 9 transition effect in 2017 and 2018.

2 Restated due to IFRS 15 transition effect in 2018.



adidas AG Consolidated Income Statement

€ in millions	First quarter 2018	First quarter 2017	Change
Net sales	5,548	5,447	1.9%
Cost of sales	2,713	2,744	(1.2%)
Gross profit	2,835	2,702	4.9%
(% of net sales)	51.1%	49.6%	1.5pp
Royalty and commission income	26	28	(6.9%)
Other operating income	56	28	97.8%
Other operating expenses	2,172	2,122	2.3%
(% of net sales)	39.1%	39.0%	0.2pp
Operating profit	746	637	17.1%
(% of net sales)	13.4%	11.7%	1.8pp
Financial income	19	28	(30.5%)
Financial expenses	16	20	(18.3%)
Income before taxes	749	645	16.2%
(% of net sales)	13.5%	11.8%	1.7pp
Income taxes	208	183	13.1%
(% of income before taxes)	27.7%	28.4%	(0.7pp)
Net income from continuing operations	542	462	17.4%
(% of net sales)	9.8%	8.5%	1.3pp
Losses from discontinued operations, net of tax	1	6	(75.9%)
Net income	540	456	18.6%
(% of net sales)	9.7%	8.4%	1.4pp
Net income attributable to shareholders	540	455	18.7%
(% of net sales)	9.7%	8.3%	1.4pp
Net income attributable to non-controlling interests	1	1	(26.7%)
Basic earnings per share from continuing operations (in €)	2.65	2.29	15.9%
Diluted earnings per share from continuing operations (in €)	2.65	2.26	17.2%
Basic earnings per share from continuing and discontinued operations (in €)	2.65	2.26	17.1%

Diluted earnings per share from continuing and discontinued operations (in €)	2.64	2.23	18.4%
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adidas AG Consolidated Statement of Comprehensive Income

(€ in millions)

	First quarter 2018 ¹	First quarter 2017 ¹
Net income after taxes	540	456
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 ²	(1)	(0)
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	(1)	(0)
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		
Net loss on cash flow hedges, net of tax	(20)	(183)
Net loss on cost of hedging reserve, net of tax	(25)	(2)
Currency translation differences	(77)	4
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	(122)	(181)
Other comprehensive income	(123)	(179)
Total comprehensive income	417	277
Attributable to shareholders of adidas AG	416	276
Attributable to non-controlling interests	2	0

¹ IFRS 15 and IFRS 9 are initially applied at January 1, 2018. Under the transition methods chosen, comparative information is not restated except for certain hedging requirements.

² Includes actuarial gains or losses relating to defined benefit obligations, return on plan assets (excluding interest income) and the asset ceiling effect.

adidas AG Consolidated Statement of Changes in Equity (IFRS)

(€ in millions¹)

	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve	Other reserves ²	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2016	201	838	(52)	146	–	(182)	5,521	6,472	(17)	6,455
IFRS 9 Transition effect, net of tax					(7)		7	–	–	–
Balance at January 1, 2017	201	838	(52)	146	(7)	(182)	5,529	6,472	(17)	6,455
Net income recognized directly in equity			4	(182)	(2)	(0)	2	(178)	(1)	(179)
Net income							455	455	1	456
Total comprehensive income			4	(182)	(2)	(0)	457	276	0	277
Reissuance of treasury shares due to the conversion of convertible bonds	1	11					32	44		44
Repurchase of treasury shares	(0)						(73)	(73)		(73)
Repurchase of treasury shares due to equity-settled share-based payment	(0)						(4)	(4)		(4)
Reissuance of treasury shares due to equity-settled share-based payment	0						4	4		4
Equity-settled share-based payment							0	0		0
Balance at March 31, 2017	202	848	(48)	(36)	(9)	(183)	5,945	6,719	(17)	6,702
Balance at December 31, 2017	204	884	(577)	(229)	(6)	(159)	6,333	6,450	(15)	6,435
IFRS 9 Transition effect, net of tax				(6)	6		2	2	(0)	2
IFRS 15 Transition effect, net of tax							(26)	(26)	(0)	(26)
Balance at January 1, 2018	204	884	(577)	(234)	(1)	(159)	6,310	6,426	(15)	6,411
Net income recognized directly in equity			(78)	(20)	(25)	(1)		(124)	1	(123)
Net income							540	540	1	540
Total comprehensive income			(78)	(20)	(25)	(1)	540	416	2	417
Reissuance of treasury shares due to the conversion of convertible bonds	0	0					1	1		1
Repurchase of treasury shares	(0)						(32)	(32)		(32)
Repurchase of treasury shares due to equity-settled share-based payment	(0)						(5)	(5)		(5)
Reissuance of treasury shares due to equity-settled share-based payment	0						8	8		8
Equity-settled share-based payment							(2)	(2)		(2)
Balance at March 31, 2018	204	884	(655)	(254)	(26)	(160)	6,820	6,812	(13)	6,799

¹ IFRS 15 and IFRS 9 are initially applied at January 1, 2018. Under the transition methods chosen, comparative information is not restated except for certain hedging requirements.

² Reserves for remeasurements of defined benefit plans (IAS 19), option plans and acquisition of shares from non-controlling interest shareholders.

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



First Quarter 2018 First Quarter 2017

Operating activities:		
Income before taxes	749	645
Adjustments for:		
Depreciation, amortization and impairment losses	113	106
Reversals of impairment losses	(3)	(1)
Unrealized foreign exchange (gains)/losses, net	(5)	6
Interest income	(7)	(7)
Interest expense	10	20
(Gains)/losses on sale of property, plant and equipment and intangible assets, net	(1)	3
Other non-cash expenses	2	1
Payment for external funding of pension obligations (CTA)	(5)	–
Operating profit before working capital changes	853	773
Increase in receivables and other assets	(618)	(642)
Decrease in inventories	443	181
Decrease in accounts payable and other liabilities	(584)	(587)
Cash generated from/(used in) operations before interest and taxes	95	(275)
Interest paid	(8)	(17)
Income taxes paid	(120)	(148)
Net cash used in operating activities – continuing operations	(33)	(440)
Net cash generated from/(used in) in operating activities – discontinued operations	1	(101)
Net cash used in operating activities	(32)	(542)

Investing activities:

Purchase of trademarks and other intangible assets	(14)	(14)
Proceeds from sale of trademarks and other intangible assets	0	0
Purchase of property, plant and equipment	(79)	(100)
Proceeds from sale of property, plant and equipment	6	1
Proceeds from sale of assets held for sale	71	–
Proceeds from sale of a disposal group	–	6

Proceeds from sale of short-term financial assets	0	0
Purchase of investments and other long-term assets	(55)	(28)
Interest received	7	7
Net cash used in investing activities – continuing operations	(65)	(128)
Net cash used in investing activities – discontinued operations	–	(3)
Net cash used in investing activities	(65)	(131)

Financing activities:

Repayments of long-term borrowings	–	(1)
Repayments of finance lease obligations	(0)	(1)
Repurchase of treasury shares	(11)	(85)
Repurchase of treasury shares due to share-based payments	(5)	(4)
Proceeds from reissuance of treasury shares due to share-based payments	4	3
Proceeds from short-term borrowings	90	811
Net cash generated from financing activities – continuing operations	79	725
Net cash generated from financing activities – discontinued operations	–	1
Net cash generated from financing activities	79	725

Effect of exchange rates on cash	(5)	(40)
(Decrease)/Increase of cash and cash equivalents	(24)	14
Cash and cash equivalents at beginning of year	1,598	1,510
Cash and cash equivalents at end of period	1,575	1,524