

# 5

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# TEN-YEAR OVERVIEW

## TEN-YEAR OVERVIEW

	2021	2020	2019	2018 <sup>1</sup>	2017 <sup>2</sup>	2016	2015	2014	2013	2012
<b>Income Statement Data (€ in millions)</b>										
Net sales <sup>3,4,5</sup>	21,234	18,435	23,640	21,915	21,218	18,483	16,915	14,534	14,203	14,883
Gross profit <sup>3,4,5</sup>	10,765	9,222	12,293	11,363	10,703	9,100	8,168	6,924	7,001	7,103
Royalty and commission income <sup>3,4,5</sup>	86	61	154	129	115	105	119	102	103	105
Other operating income <sup>3,4,5,6</sup>	28	42	56	48	17	119	8	37	12	15
Other operating expenses <sup>3,4,5,6</sup>	8,892	8,580	9,843	9,172	8,766	7,741	7,201	6,102	5,883	6,038
EBITDA <sup>3,4,5</sup>	3,066	1,967	3,845	2,882	2,511	1,953	1,475	1,283	1,496	1,445
Operating profit <sup>3,4,5,7,8,9,10</sup>	1,986	746	2,660	2,368	2,070	1,582	1,094	961	1,233	1,185
Net financial result <sup>3,4,5</sup>	(133)	(167)	(102)	10	(47)	(46)	(21)	(48)	(68)	(69)
Income before taxes <sup>3,4,5,7,8,9,10</sup>	1,852	578	2,558	2,378	2,023	1,536	1,073	913	1,165	1,116
Income taxes <sup>3,4,5,11</sup>	360	117	640	669	668	454	353	271	340	327
Net income attributable to non-controlling interests	42	11	2	3	3	2	6	6	3	(2)
Net income attributable to shareholders <sup>7,8,9,10,11,12</sup>	2,116	432	1,976	1,702	1,173	1,017	668	568	839	791
<b>Income Statement Ratios</b>										
Gross margin <sup>3,4,5</sup>	50.7%	50.0%	52.0%	51.8%	50.4%	49.2%	48.3%	47.6%	49.3%	47.7%
Operating margin <sup>3,4,5,7,8,9,10</sup>	9.4%	4.0%	11.3%	10.8%	9.8%	8.6%	6.5%	6.6%	8.7%	8.0%
Interest coverage <sup>3,4,5</sup>	19.7	5.4	24.3	131.6	55.6	32.7	23.8	19.3	24.0	14.6
Effective tax rate <sup>3,4,5,7,8,9,10,11</sup>	19.4%	20.2%	25.0%	28.1%	29.3%	29.6%	32.9%	29.7%	29.2%	29.3%
Net income attributable to shareholders in % of net sales <sup>5,7,8,9,10,11,12</sup>	10.0%	2.3%	8.4%	7.8%	5.5%	5.5%	4.0%	3.9%	5.9%	5.3%
<b>Net Sales by Product Category (€ in millions)</b>										
Footwear <sup>3,4,5</sup>	11,336	10,129	13,521	12,783	12,427	10,132	8,360	6,658	6,587	6,922
Apparel <sup>3,4,5</sup>	8,710	7,315	8,963	8,223	7,747	7,352	6,970	6,279	5,811	6,290
Accessories and gear <sup>3,4,5</sup>	1,187	991	1,156	910	1,044	999	1,585	1,597	1,806	1,671
<b>Balance Sheet Data (€ in millions)</b>										
Total assets	22,137	21,053	20,680	15,612	14,019	15,176	13,343	12,417	11,599	11,651
Inventories <sup>13</sup>	4,009	4,397	4,085	3,445	3,692	3,763	3,113	2,526	2,634	2,486
Receivables and other current assets <sup>13</sup>	4,072	3,763	4,338	3,734	3,277	3,607	3,003	2,861	2,583	2,444
Working capital <sup>13</sup>	4,978	3,328	2,179	2,979	2,354	2,121	2,133	2,970	2,125	2,504
(Adjusted net borrowings)/adjusted net cash <sup>13,14</sup>	(2,963)	(3,148)	(4,173)	959	484	(103)	(460)	(185)	295	448
Shareholders' equity	7,519	6,454	6,796	6,377	6,032	6,472	5,666	5,624	5,489	5,304
<b>Balance Sheet Ratios</b>										
Adjusted net borrowings/EBITDA <sup>3,4,5,13,14</sup>	1.0	1.6	1.1	(0.3)	(0.2)	0.1	0.3	0.1	(0.2)	(0.3)
Average operating working capital in % of net sales <sup>3,4,5,13</sup>	20.0%	25.3%	18.1%	19.0%	20.4%	21.1%	20.5%	22.4%	21.3%	20.0%
Financial leverage <sup>13,14,15</sup>	39.4%	48.8%	61.4%	(15.0%)	(8.0%)	1.6%	8.1%	3.3%	(5.4%)	(8.5%)
Equity ratio <sup>15</sup>	34.0%	30.7%	32.9%	40.8%	43.0%	42.6%	42.5%	45.3%	47.3%	45.5%
Equity-to-fixed-assets ratio <sup>13,15</sup>	91.8%	72.5%	69.7%	110.0%	112.2%	102.9%	96.9%	110.9%	115.8%	111.1%
Asset coverage I <sup>13,15</sup>	156.9%	134.7%	119.7%	151.6%	144.1%	134.0%	136.8%	158.7%	145.0%	152.7%
Asset coverage II <sup>13,15</sup>	105.3%	90.2%	84.3%	95.1%	85.4%	83.8%	89.3%	105.9%	93.2%	100.4%

## TEN-YEAR OVERVIEW

	2021	2020	2019	2018 <sup>1</sup>	2017 <sup>2</sup>	2016	2015	2014	2013	2012
Fixed asset intensity of investments <sup>13</sup>	37.0%	42.3%	47.1%	37.1%	38.3%	41.4%	43.8%	40.8%	40.9%	41.0%
Current asset intensity of investments <sup>13</sup>	63.0%	57.7%	52.9%	62.9%	61.7%	58.6%	56.2%	59.2%	59.1%	59.0%
Liquidity I <sup>13</sup>	42.7%	45.3%	28.7%	38.6%	25.5%	22.4%	25.5%	38.6%	34.4%	44.3%
Liquidity II <sup>13</sup>	67.0%	67.4%	58.7%	73.9%	62.3%	54.9%	63.7%	83.0%	72.6%	82.9%
Liquidity III <sup>13</sup>	111.7%	117.2%	105.3%	124.4%	121.0%	110.6%	121.8%	140.7%	128.3%	139.7%
Working capital turnover <sup>3,4,5,13</sup>	4.3	5.5	10.8	7.4	9.0	8.7	7.9	4.9	6.7	5.9
Return on equity <sup>12,15</sup>	28.1%	6.7%	29.1%	26.7%	18.2%	15.7%	11.2%	8.7%	14.3%	9.9%
Return on capital employed <sup>5,12,13</sup>	19.3%	7.4%	45.4%	45.1%	41.2%	24.2%	16.5%	13.8%	23.6%	19.3%
<b>Data per Share</b>										
Share price at year-end (in €)	253.20	297.90	289.80	182.40	167.15	150.15	89.91	57.62	92.64	67.33
Basic earnings (in €) <sup>3,4,5,7,8,9,10,11</sup>	7.47	2.31	9.70	8.46	7.05	5.39	3.54	3.05	3.93	3.78
Diluted earnings (in €) <sup>3,4,5,7,8,9,10,11</sup>	7.47	2.31	9.70	8.45	7.00	5.29	3.54	3.05	3.93	3.78
Price/earnings ratio at year-end <sup>3,4,5,7,8,9,10,11</sup>	33.9	128.9	29.9	21.6	23.7	27.8	25.4	18.9	23.6	17.8
Market capitalization at year-end (€ in millions)	48,512	58,110	56,792	36,329	34,075	30,254	18,000	11,773	19,382	14,087
Net cash generated from operating activities (in €) <sup>5,16</sup>	14.79	7.00	14.26	13.31	8.14	6.73	5.41	3.36	3.03	4.50
Dividend (in €)	3.30 <sup>17</sup>	3.00	0.00	3.35	2.60	2.00	1.60	1.50	1.50	1.35
Number of shares outstanding at year-end (in thousands)	191,595	195,066	195,969	199,171	203,861	201,489	200,197	204,327	209,216	209,216
<b>Employees</b>										
Number of employees at year-end <sup>3,4,18,19</sup>	61,401	62,285	65,194	57,016	56,888	58,902	55,555	53,731	49,808	46,306
Personnel expenses (€ in millions) <sup>3,4,5</sup>	2,451	2,483	2,720	2,481	2,549	2,373	2,184	1,842	1,833	1,872

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 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.

4 2015, 2014 and 2013 figures reflect continuing operations as a result of the divestiture of the Rockport business.

5 2021 and 2020 figures reflect continuing operations as a result of the reclassification of the Reebok business to discontinued operations.

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 2021 figures reflect the reclassification of the Reebok business to assets or liabilities held for sale.

14 First-time application of adjusted net borrowings as of 2020. Only figure for 2019 restated.

15 Based on shareholders' equity.

16 Since 2018 figures reflect presentation of interest paid within cash flows from financing activities. Prior year figures are not restated.

17 Subject to Annual General Meeting approval.

18 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.

19 Number of employees for 2021 excluding Reebok due to the expected divestiture of the Reebok business.

# GLOSSARY

## /A

### ACCESSORIES AND GEAR

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

### 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.

## /C

### CASH POOLS/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.

### CLIMATE NEUTRALITY

Climate neutrality refers to a concept of a state in which human activities result in no net effect on the climate system. Achieving such a state requires balancing residual emissions with emission removals as well as accounting for regional or local bio-geophysical effects of human activities that, for example, affect surface albedo (i.e., solar radiation reflected by a surface) or local climate (definition according to 'Intergovernmental Panel on Climate Change (IPCC) Glossary').

### CO<sub>2</sub>E

Carbon dioxide equivalent emissions (CO<sub>2</sub>e) is the universal unit of measurement to indicate the global warming potential (GWP) of each of the six GHGs, expressed in terms of the GWP of one unit of carbon dioxide (definition according to the 'Greenhouse Gas Protocol Corporate Standard').

### 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.

### 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.

## 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, BETTERMENT, AND PERFORMANCE

Leadership, Betterment, and performance are the three pillars of our people strategy:

- **Leadership:** We will develop leaders to own the game and act as role models empowering all people to realize their possibilities.
- **Betterment:** We believe in a mindset of continuous learning and improvement and are committed to providing relevant learning opportunities to upskill and reskill for the future.
- **Performance:** We build the best teams that play to win, recognizing and rewarding both individual and team performances.

## LIFESTYLE

Under the 'Lifestyle' category, we subsume all footwear, apparel, and 'accessories and gear' products that are born from sport and worn for style. 'adidas Originals,' which is inspired by sport and worn on the street, is at the heart of the 'Lifestyle' category.

## /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.

## MORE SUSTAINABLE COTTON

For adidas, 'more sustainable cotton' means certified organic cotton or any other form of sustainably produced cotton that is currently available or may be available in the future, as well as 'Better Cotton.'

## /O

## OPERATING OVERHEAD COSTS

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, the initiative 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. The organization '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

Under the 'Performance' category, we subsume all footwear, apparel and 'accessories and gear' products which are of a more technical nature, built for sport and worn for sport. These are, among others, products from our most important sport categories: Football, Training, Running, and Outdoor.

### 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

### POLYBAGS (LDPE)

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.

## /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 25, 2021, 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 Holdings LLC, Wilmington, Delaware, USA

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

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
TO OUR SHAREHOLDERS	GROUP MANAGEMENT REPORT - OUR COMPANY	GROUP MANAGEMENT REPORT - FINANCIAL REVIEW	CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION

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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

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# FINANCIAL CALENDAR

**MAY 6, 2022**

First quarter results

**MAY 12, 2022**

Annual General Meeting

**AUGUST 4, 2022**

First half results

**NOVEMBER 9, 2022**

Nine months results