



adidas

HALF YEAR REPORT

JANUARY - JUNE 2025



HALF YEAR REPORT

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To enhance readability, registered trademarks as well as references to rounding differences are omitted in this publication.

adidas uses alternative performance measures (APM) in its regulatory and mandatory publications that may represent so-called non-GAAP measures. An overview of these APMs can be found on our website.

► [ADIDAS-GROUP.COM/S/FINANCIAL-PUBLICATIONS](https://www.adidas-group.com/s/financial-publications)

Financial Highlights (IFRS)

Financial Highlights 2025 (IFRS)

	First half year 2025	First half year 2024	Change
Operating Highlights (€ in millions)			
Net sales	12,105	11,280	7%
Gross profit	6,282	5,755	9%
Other operating expenses	5,165	5,115	1%
EBITDA	1,701	1,186	43%
Operating profit	1,156	682	70%
Net income from continuing operations	811	382	112%
Net income attributable to shareholders	798	360	121%
Key Ratios			
Gross margin	51.9%	51.0%	0.9pp
Other operating expenses in % of net sales	42.7%	45.4%	(2.7pp)
Operating margin	9.6%	6.0%	3.5pp
Effective tax rate	24.4%	30.3%	(5.9pp)
Net income attributable to shareholders in % of net sales	6.6%	3.2%	3.4pp
Average operating working capital in % of net sales ¹	20.7%	21.7%	(1.0pp)
Equity ratio ²	26.6%	25.4%	1.2pp
Adjusted net borrowings ³ /EBITDA ⁴	1.7	2.7	(1.0pp)
Financial leverage	97.0%	95.2%	1.8pp
Return on equity ²	15.4%	7.2%	8.1pp
Balance Sheet and Cash Flow Data (€ in millions)			
Total assets	19,499	19,620	(1%)
Inventories	5,261	4,544	16%
Receivables and other current assets	5,206	4,898	6%
Operating working capital	5,651	4,756	19%
Shareholders' equity	5,196	4,989	4%
Capital expenditure	171	177	(3%)
Cash flows from operating activities	(916)	768	n.a.
Per Share of Common Stock (€)			
Basic earnings	4.47	2.05	118%
Diluted earnings	4.47	2.05	118%
Cash flows from operating activities	(5.13)	4.30	n.a.
Dividend	2.00	0.70	186%
Share price at end of period	197.95	223.00	(11%)
Other (at end of period)			
Number of employees	61,055	58,564	4%
Number of shares outstanding	178,549,084	178,549,084	0%
Average number of shares	178,549,084	178,549,084	0%

1 Twelve-month trailing average.

2 Based on shareholders' equity.

3 Adjusted net borrowings = short-term borrowings + long-term borrowings + current and non-current lease liabilities + pensions and similar obligations + factoring – accessible cash and cash equivalents.

4 EBITDA of last twelve months.

Business Performance

Economic and sector development

Global economy facing headwinds in first half of 2025¹

Having shown signs of stabilization going into the year, the global economy faced renewed headwinds in the first half of 2025. Uncertainty increased significantly and the outlook for economic activity deteriorated notably from April onwards, as tariff-related developments heightened concerns over global trade. In addition, several geopolitical conflicts emerged and continued around the world. These developments had pronounced knock-on effects on several macroeconomic variables, including exchange rates. Labor markets showed early signs of cooling, and wage growth moderated, particularly in the US and the euro area. Economic growth softened in many regions, with the US experiencing weaker investment and consumption and the euro area being affected by trade exposure and policy uncertainty. Although China's economy was partly supported by fiscal stimulus, its export momentum faded and domestic demand remained subdued. Globally, significant risks persist, including ongoing trade disputes, further escalations of geopolitical tensions, supply chain disruptions, and climate-related disasters.

Challenging environment for sporting goods industry in first six months of 2025

In the first half of 2025, the global sporting goods industry faced an environment shaped by rising macroeconomic pressures and unpredictable trade policy shifts. While inventory levels and promotional activity somewhat stabilized compared to the previous year, industry participants were challenged by the prevailing macroeconomic uncertainty. Fundamentally, the industry continued to benefit from lasting structural trends such as increasing sports participation rates, rising health and fitness awareness, and consumer preferences for high-quality and comfortable footwear and apparel. Against this background, the sporting goods industry is expected to remain structurally attractive in the medium and long term. Nevertheless, risks remain elevated in the near term and include unresolved trade disputes, potential declines in consumer demand, ongoing geopolitical instability, and supply chain disruptions.

Income Statement

Currency-neutral growth of 14% for the adidas brand in the first half of 2025

In the first half of 2025, currency-neutral revenues for the adidas brand increased 14%, reflecting its strong and ongoing momentum. Having completed the sale of the remaining Yeezy inventory at the end of last year, the company's results for the first half of 2025 do not include any Yeezy revenues (2024: around € 350 million). Including Yeezy sales in the prior year, currency-neutral revenues increased 10%. In euro terms, revenues were up 7% to € 12,105 million (2024: € 11,280 million), as currency developments led to an unfavorable translation impact.

The strong adidas brand momentum was also reflected in double-digit growth across all channels and markets, as well as for both footwear and apparel. From a category perspective, Lifestyle revenues for the adidas brand increased double digits during the first half of 2025, led by strong double-digit growth in both Originals and Sportswear. Fresh and relevant makeovers continued to fuel healthy demand for the popular Terrace and Retro Running footwear franchises, while the brand scaled its Low Profile offering around Taekwondo, Tokyo, and Japan in response to strong sell-out trends. In addition, adidas re-introduced its

¹ Source: World Bank, Global Economic Prospects.

iconic Superstar with local activations and incubated modern footwear silhouettes, including Goukana and Adistar Cushion. The strong momentum of Originals further expanded into apparel, with timeless classics such as Firebird scaling across channels. In Sportswear, adidas continued to successfully leverage its strong brand and product momentum into franchises tailored to commercial price points. Collaborations with partners such as Bad Bunny, Wales Bonner, Edison Chen, or Sporty & Rich continued to provide organic visibility of the brand's overall lifestyle offering. Performance revenues were up high single digits, driven by double-digit growth in Running, Training, and Performance Basketball. Growth in Running accelerated as adidas further strengthened its Adizero franchise, introducing the second generation of its record-breaking Adios Pro Evo, commercially launching the Adios Pro 4 and scaling the Evo SL. In Training, growth accelerated on the back of the success of Dropset and Rapidmove in footwear as well as Essentials and Power in apparel. Performance Basketball strongly benefited from continued success of the brand's signature models, including AE1 and Harden Vol. 9. Football managed to maintain the prior-year revenue level, which included the company's highly successful business related to last year's UEFA EURO and CONMEBOL Copa América tournaments. The F50 football boot remained a standout in terms of growth and awareness alongside the brand's growing football lifestyle offering. On the back of technical product innovation as well as retro-inspired collections, other categories, including Outdoor, Golf, Tennis, Specialist Sports, and Motorsport also contributed to broad-based growth.

The company's gross margin increased 0.9 percentage points to 51.9% (2024: 51.0%) during the first half of 2025. The year-over-year increase of the adidas brand gross margin was even stronger at 1.4 percentage points. The positive development was mainly driven by lower product and freight costs as well as reduced discounting, which more than offset unfavorable impacts from currencies and business mix. The first negative effects from increased tariffs also weighed on the gross margin development.

In the first six months of 2025, royalty and commission income increased 4% to € 37 million (2024: € 35 million), while other operating income amounted to € 2 million (2024: € 8 million).

Key financial highlights

	First half year 2025	First half year 2024	Change
Operating Highlights (€ in millions)			
Net sales	12,105	11,280	7%
Operating profit	1,156	682	70%
Net income from continuing operations	811	382	112%
Net income attributable to shareholders	798	360	121%
Key Ratios			
Gross margin	51.9%	51.0%	0.9pp
Other operating expenses in % of net sales	42.7%	45.4%	(2.7pp)
Operating margin	9.6%	6.0%	3.5pp
Per Share of Common Stock (€)			
Diluted earnings	4.47	2.05	118%

Other operating expenses, including depreciation and amortization, consist of marketing and point-of-sale as well as operating overhead expenses. In the first half of 2025, other operating expenses increased slightly by 1% to € 5,165 million (2024: € 5,115 million). As a percentage of sales, other operating expenses decreased 2.7 percentage points to 42.7% (2024: 45.4%). Marketing and point-of-sale expenses amounted to € 1,458 million (2024: € 1,363 million), an increase of 7% compared to the prior year. The company continued to invest in its global brand campaign 'You Got This' with a series of global and local chapters and initiated new partnerships such as the one with the Mercedes-AMG PETRONAS F1 team. In

addition, marketing investments comprised activations around major events, including the Super Bowl or the UEFA Women's EURO, as well as support for new product launches such as Evo SL in Running, the F50 'La Vida Tropical' pack in Football, and Superstar in Originals. As a percentage of sales, marketing and point-of-sale expenses were flat at 12.0% in the first half of 2025 (2024: 12.1%). Operating overhead expenses decreased slightly by 1% to € 3,707 million (2024: € 3,752 million) as the company continued to invest in strengthening its sales and distribution capabilities, while managing its overall cost base. As a percentage of sales, operating overhead expenses decreased 2.6 percentage points to 30.6% (2024: 33.3%).

In the first six months of 2025, adidas recorded an operating profit of € 1,156 million (2024: € 682 million), reflecting an operating margin increase of 3.5 percentage points to 9.6% (2024: 6.0%). Having completed the sale of the remaining Yeezy inventory at the end of last year, there was no Yeezy contribution to the company's operating profit in the first six months of 2025 (2024: around € 100 million).

In the first half of 2025, financial income was flat at € 43 million (2024: € 43 million), while financial expenses decreased by 29% to € 126 million (2024: € 177 million). Consequently, net financial expenses decreased to € 83 million compared to € 134 million in the first six months of 2024, mainly reflecting a normalization as negative effects related to cash repatriation lessened compared to the prior-year period. The company recorded income taxes of € 262 million, resulting in a tax rate of 24.4% (2024: 30.3%), which reflects a further normalization of profitability levels. As a result, the company posted net income from continuing operations of € 811 million (2024: € 382 million) in the first six months of 2025. Taking into consideration € 12 million of net income attributable to non-controlling interests (2024: € 16 million), both basic and diluted earnings per share (EPS) from continuing operations were € 4.47 (2024: € 2.05).

► SEE FINANCIAL HIGHLIGHTS

In the first half of 2025, adidas' loss from discontinued operations net of tax amounted to € 1 million related to the Reebok divestiture (2024: € 7 million). The company's net income attributable to shareholders, which, in addition to the net income from continuing operations, considers the loss from discontinued operations as well as net income attributable to non-controlling interests, amounted to € 798 million (2024: € 360 million). Consequently, both basic and diluted EPS from continuing and discontinued operations were € 4.47 (2024: € 2.02).

The total number of shares outstanding remained unchanged at 178,549,084 in the first half of 2025. The average number of shares used in the calculation of EPS was also 178,549,084.

► SEE FINANCIAL HIGHLIGHTS

Statement of Financial Position and Statement of Cash Flows

Changes in the statement of financial position are discussed in relation to the respective positions at the end of June 2024.

Assets

At the end of June 2025, total assets were down 1% to € 19,499 million compared to the prior year (2024: € 19,620 million), mainly driven by a decrease in non-current assets.

At the end of June 2025, total current assets were slightly higher at € 11,234 million compared to the prior year (2024: € 11,102 million). Cash and cash equivalents decreased 54% to € 768 million (2024: € 1,660 million), reflecting the increased dividend payout of € 357 million and operating working capital investments in the first half of 2025. Accounts receivable were up by 13% to € 3,132 million

(2024: € 2,771 million) and increased 20% currency-neutral, attributable to the double-digit growth in the company's wholesale business. Other current financial assets decreased 18% to € 761 million (2024: € 925 million), mainly due to the payments received for the earn-out component of the Reebok divestiture. In addition, the decrease is also related to lower credit card receivables. Inventories increased 16%, or 22% in currency-neutral terms, to € 5,261 million (2024: € 4,544 million). This development reflects the very low comparison base in the prior year, earlier product purchases, and the planned growth for the second half of the year. The vast majority of the inventory position is related to current or future seasons. Other current assets increased by 20% to € 1,164 million (2024: € 969 million), mainly due to an increase of prepayments related to promotional contracts and higher tax receivables.

Total non-current assets decreased by 3% to € 8,265 million at the end of June 2025 (2024: € 8,519 million), mainly due to the decrease in fixed assets by 5% to € 6,521 million (2024: € 6,829 million). Other non-current financial assets were down 22% to € 184 million (2024: € 235 million)². Other non-current assets increased by 70% to € 385 million (2024: € 227 million), mainly as a result of higher assets related to customs refund claims. Deferred tax assets were down 4% to € 1,175 million (2024: € 1,228 million).

Structure of statement of financial position¹ in % of total assets

	June 30, 2025	June 30, 2024
Assets (€ in millions)	19,499	19,620
Cash and cash equivalents	3.9	8.5
Accounts receivable	16.1	14.1
Inventories	27.0	23.2
Fixed assets ²	33.4	34.8
Other assets	19.6	19.5

1 For absolute figures see adidas AG Consolidated Statement of Financial Position.

2 Fixed assets = property, plant, and equipment + right-of-use assets + goodwill + other intangible assets + long-term financial assets.

Liabilities and equity

Total current liabilities increased 2% to € 8,961 million at the end of June 2025 (2024: € 8,765 million). Short-term borrowings were up 15% to € 705 million at the end of June 2025 (2024: € 615 million), mainly reflecting the shift of the eurobond in an amount of € 500 million from long-term to short-term borrowings due to its maturity in November 2025, as well as the generally higher financing needs. This development was mostly offset by the repayment of the eurobond in the amount of € 500 million in September 2024. Accounts payable increased 7% to € 2,742 million (2024: € 2,560 million) and grew 9% currency-neutral, reflecting an increase in sourcing volumes. Other current financial liabilities increased 162% to € 419 million (2024: € 160 million), mainly due to the fair value of financial instruments. Other current provisions were down 4% to € 1,226 million (2024: € 1,281 million), mainly due to lower other provisions, provisions for customs, and warranties and returns. This development was partially offset by an increase of provisions for personnel. Current accrued liabilities decreased 11% to € 2,252 million (2024: € 2,541 million). This development mainly reflects lower accruals for marketing costs, outstanding invoices and personnel, which were only partly offset by higher accruals for discounts.

² Prior year adjusted due to a reclassification between Other non-current financial assets and Other non-current assets.

Total non-current liabilities decreased 9% to € 4,984 million at the end of June 2025 (2024: € 5,501 million). Long-term borrowings decreased 21% to € 1,907 million compared to the prior year (2024: € 2,422 million), mainly due to the reclassification of the eurobond of € 500 million to short-term borrowings due to its maturity in November 2025. The non-current lease liability decreased 7% to € 2,295 million (2024: € 2,479 million), mainly due to reclassification to current lease liabilities, currency effects and termination of lease contracts, partly offset by new lease contracts. Other non-current provisions were up 33% to € 365 million (2024: € 274 million) as a result of higher other provisions, the reclassification of provisions related to customs from current to non-current and provisions for personnel.

Compared to the prior year, the total number of shares outstanding remained unchanged at 178,549,084 shares at the end of June 2025.

► SEE FINANCIAL HIGHLIGHTS

Shareholders' equity increased 4% to € 5,196 million at the end of June 2025 (2024: € 4,989 million), mainly reflecting the net income generated, partly offset by the dividend payout for the year 2024 as well as a decrease in hedging reserves and negative impacts from currency effects. Consequently, the company's equity ratio increased 1.2 percentage points to 26.6% from 25.4% at the end of June 2024.

Structure of statement of financial position¹ in % of total liabilities and equity

	June 30, 2025	June 30, 2024
Liabilities and equity (€ in millions)	19,499	19,620
Short-term borrowings	3.6	3.1
Accounts payable	14.1	13.0
Long-term borrowings	9.8	12.3
Other liabilities	44.1	44.2
Total equity	28.5	27.3

¹ For absolute figures see adidas AG Consolidated Statement of Financial Position.

Operating working capital

Operating working capital increased 19% to € 5,651 million at the end of June 2025 (2024: € 4,756 million). On a currency-neutral basis, operating working capital was up 28%. The average operating working capital as a percentage of sales decreased 1.0 percentage points to 20.7% (2024: 21.7%).

► SEE FINANCIAL HIGHLIGHTS

Liquidity analysis

In the first half of 2025, net cash used from operating activities was € 916 million (2024: net cash generated of € 768 million), largely driven by operating working capital investments that more than offset the higher level of operating profit compared to the prior year. Net cash used in investing activities amounted to € 60 million (2024: € 74 million). The majority of investing activities in the first half of 2025 related to spending for property, plant, and equipment, such as investments into controlled space, as well as for other intangible assets, such as the development of software. Investing activities also included proceeds related to the divestiture of the Reebok business and the purchase of investments and other long-term assets. Net cash used in financing activities amounted to € 643 million (2024: € 489 million),

mainly reflecting the increased dividend paid to shareholders for the year 2024 and the repayment of lease liabilities. This development was only partly offset by the change in short-term borrowings.

As a result of these developments, cash and cash equivalents decreased € 892 million from € 1,660 million at the end of June 2024 to € 768 million at the end of June 2025.

Adjusted net borrowings at June 30, 2025, amounted to € 5,042 million, representing an increase of € 291 million compared to adjusted net borrowings of € 4,751 million at the end of June 2024. This was mainly due to the decrease in cash and cash equivalents and an increase in short-term borrowings. This development was only partly offset by the decrease in long-term borrowings and lease liabilities. The company’s ratio of adjusted net borrowings over EBITDA was significantly reduced to 1.7 (2024: 2.7).

► SEE FINANCIAL HIGHLIGHTS

Business Performance by Segment

adidas is reporting its operating activities via the following breakdown: Europe, North America, Greater China, Emerging Markets, Latin America, and Japan/South Korea. In the first half of 2025, currency-neutral revenues for the adidas brand increased at a double-digit rate in all markets, and the company's profitability improved strongly across all segments.

Europe

Sales for the adidas brand in Europe increased 11% on a currency-neutral basis in the first half of 2025. The increase was driven by double-digit growth in Lifestyle, featuring double-digit increases in both Originals and Sportswear. Performance revenues increased at a mid-single-digit rate, despite the non-recurrence of the strong commercial success related to last year's UEFA EURO, driven by strong double-digit growth in Running, Training, and Performance Basketball alongside increases in several other categories. Including Yeezy sales in the prior year, currency-neutral revenues grew by 9%. In euro terms, sales also increased 9% to € 3,983 million.

Gross margin in Europe was up 2.4 percentage points to 51.6%, mainly reflecting lower sourcing costs and favorable currency developments. Operating expenses increased 3% to € 1,185 million, primarily due to higher operating overhead costs. As a percentage of sales, operating expenses were down 1.7 percentage points to 29.8%. Operating profit in Europe increased 34% to € 869 million. The operating margin increased 4.1 percentage points to 21.8%.

Europe at a glance € in millions

	First half year 2025	First half year 2024	Change	Change (currency-neutral)
Net sales	3,983	3,645	9%	9%
Gross profit	2,054	1,793	15%	14%
Gross margin	51.6%	49.2%	2.4pp	2.4pp
Segmental operating profit	869	648	34%	33%
Segmental operating margin	21.8%	17.8%	4.1pp	4.0pp

North America

Sales for the adidas brand in North America increased 14% on a currency-neutral basis. Growth was driven by strong double-digit increases in Lifestyle, including both Originals and Sportswear. Performance revenues grew at a high-single-digit rate, including strong double-digit growth in Performance Basketball, Running, and Training. Including Yeezy sales in the prior year, currency-neutral revenues grew by 6%. In euro terms, sales were up 4% to € 2,523 million.

Gross margin in North America remained stable at 44.2%. The positive effects of lower sourcing costs and reduced discounting were largely offset by an unfavorable business mix. Operating expenses increased 4% to € 873 million, driven by an increase in marketing expenditure, while operating overhead costs declined. Operating expenses as a percentage of sales were down 0.2 percentage points to 34.6%.

Operating profit in North America increased 6% to € 254 million. As a result, the operating margin increased 0.2 percentage points to 10.1%.

North America at a glance € in millions

	First half year 2025	First half year 2024	Change	Change (currency- neutral)
Net sales	2,523	2,424	4%	6%
Gross profit	1,116	1,069	4%	6%
Gross margin	44.2%	44.1%	0.1pp	0.1pp
Segmental operating profit	254	239	6%	8%
Segmental operating margin	10.1%	9.9%	0.2pp	0.3pp

Greater China

Sales for the adidas brand in Greater China increased 13% on a currency-neutral basis. Growth was led by strong double-digit gains in Lifestyle, driven by both Sportswear and Originals. Performance revenues also increased, driven by double-digit growth in Training and Outdoor, alongside increases in Running. Including Yeezy sales in the prior year, currency-neutral revenues grew by 8%. In euro terms, sales were up 6% to € 1,827 million.

Gross margin in Greater China was up 1.7 percentage points to 54.5% as the positive effects of reduced discounting and lower sourcing costs more than offset unfavorable currency developments. Operating expenses were up 12% to € 516 million, reflecting increases in both marketing expenditure and operating overhead costs. Operating expenses as a percentage of sales grew 1.5 percentage points to 28.2%. Operating profit in Greater China increased 6% to € 481 million. The operating margin remained stable at 26.3%.

Greater China at a glance € in millions

	First half year 2025	First half year 2024	Change	Change (currency- neutral)
Net sales	1,827	1,719	6%	8%
Gross profit	996	908	10%	11%
Gross margin	54.5%	52.8%	1.7pp	1.7pp
Segmental operating profit	481	455	6%	7%
Segmental operating margin	26.3%	26.4%	(0.1pp)	(0.1pp)

Emerging Markets

Sales for the adidas brand in Emerging Markets increased 19% on a currency-neutral basis. The increase was driven by strong double-digit growth in Lifestyle, featuring double-digit increases in both Originals and Sportswear. Performance revenues also posted double-digit growth, including Football, Running, and Outdoor, alongside increases in several other categories. Including Yeezy sales in the prior year, currency-neutral revenues grew by 18%. In euro terms, sales were up 12% to € 1,632 million.

Gross margin in Emerging Markets remained stable at 50.6%. Positive effects from lower sourcing costs and a more favorable business mix helped to offset unfavorable currency movements. Operating expenses were up 15% to € 497 million, driven by increases in both marketing expenditure and operating overhead costs. As a percentage of sales, operating expenses increased 1.0 percentage points to 30.5%. Operating profit in Emerging Markets increased 6% to € 328 million. The operating margin decreased 1.1 percentage points to 20.1%.

Emerging Markets at a glance € in millions

	First half year 2025	First half year 2024	Change	Change (currency- neutral)
Net sales	1,632	1,461	12%	18%
Gross profit	825	740	12%	16%
Gross margin	50.6%	50.6%	(0.1pp)	(0.7pp)
Segmental operating profit	328	309	6%	10%
Segmental operating margin	20.1%	21.2%	(1.1pp)	(1.3pp)

Latin America

Sales for the adidas brand in Latin America increased 25% on a currency-neutral basis. The increase was driven by strong double-digit growth in Lifestyle, featuring double-digit increases in both Originals and Sportswear. In addition, Performance grew at a strong double-digit rate, including Running, Training, and Specialist Sports, alongside double-digit growth in Football and several other categories. Including Yeezy sales in the prior year, currency-neutral revenues grew by 24%. In euro terms, sales rose 7% to € 1,371 million.

Gross margin in Latin America increased 0.5 percentage points to 47.0%. The improvement was mainly driven by lower sourcing costs and reduced discounting, partially offset by significant negative currency effects. Operating expenses were up 9% to € 357 million, mainly reflecting increases in operating overhead costs. Operating expenses as a percentage of sales increased 0.7 percentage points to 26.1%. Operating profit in Latin America grew 6% to € 289 million. The operating margin declined 0.2 percentage points to 21.0%.

Latin America at a glance € in millions

	First half year 2025	First half year 2024	Change	Change (currency- neutral)
Net sales	1,371	1,287	7%	24%
Gross profit	645	599	8%	25%
Gross margin	47.0%	46.5%	0.5pp	0.2pp
Segmental operating profit	289	273	6%	25%
Segmental operating margin	21.0%	21.2%	(0.2pp)	0.2pp

Japan/South Korea

Sales for the adidas brand in Japan/South Korea increased 15% on a currency-neutral basis. The increase was driven by strong double-digit growth in Lifestyle, featuring double-digit increases in both Originals and Sportswear. Performance grew as Running and Performance Basketball increased strong double digits, alongside growth in Football. Including Yeezy sales in the prior year, currency-neutral revenues grew by 13%. In euro terms, sales increased 11% to € 729 million.

Gross margin in Japan/South Korea decreased 1.9 percentage points to 54.4%, mainly due to unfavorable currency effects. Operating expenses were up 12% to € 227 million, driven by increases in both operating overhead costs and marketing expenditure. Operating expenses as a percentage of sales increased 0.3 percentage points to 31.1%. Operating profit in Japan/South Korea remained stable at € 175 million. The operating margin decreased 2.3 percentage points to 24.1%.

Japan/South Korea at a glance € in millions

	First half year 2025	First half year 2024	Change	Change (currency- neutral)
Net sales	729	660	11%	13%
Gross profit	396	371	7%	9%
Gross margin	54.4%	56.2%	(1.9pp)	(1.8pp)
Segmental operating profit	175	174	1%	4%
Segmental operating margin	24.1%	26.3%	(2.3pp)	(2.1pp)

Outlook³

Global economic growth to slow in 2025⁴

Global GDP growth is now projected to decelerate to 2.3% in 2025, below previous expectations, as renewed headwinds weigh on the global economy and interrupt earlier signs of stabilization. Heightened concerns over global trade, driven by tariff-related uncertainties and escalating geopolitical tensions, are likely to keep economic activity subdued across regions. Volatility in exchange rates and signs of cooling labor markets may further dampen global trade and investment. Significant downside risks persist, including ongoing trade disputes, further geopolitical escalations, potential supply chain disruptions, and climate-related disasters. These factors could amplify economic uncertainty and pose challenges to global growth in the second half of the year.

Sporting goods industry to navigate complex environment in 2025

The global sporting goods industry is set to remain structurally well-positioned. Long-term trends, such as increasing sports participation, growing health and fitness awareness, and sustained consumer demand for high-quality, comfortable footwear and apparel, continue to support the sector's growth prospects. At the same time, the sporting goods industry is navigating a complex environment in 2025, shaped by rising macroeconomic pressures and persistent geopolitical uncertainty. While inventory levels and promotional activity have largely stabilized, unpredictable trade policy shifts, exchange rate volatility, and ongoing geopolitical tensions could potentially dampen consumer sentiment or otherwise pose challenges to the sector. Against this backdrop, companies' ability to adapt to changing consumer preferences and macroeconomic conditions will be crucial.

Risks and opportunities

Risks related to negative macroeconomic developments as well as uncertainties regarding the geopolitical situation could negatively impact the company's financial results. This includes uncertainty about the level of future tariffs on imports of the company's products into the US.

adidas continues to see major opportunities in the medium to long term related to consumer demand, brand heat, product offering, product innovation, and margin improvements. In the short term, upside potential is mainly related to successful product sell-through.

Given the company's strong risk-bearing capacity due to its current liquidity position and financial health, adidas does not foresee any material jeopardy to the viability of the company as a going concern. Management remains confident that the earnings strength forms a solid foundation for business development and provides the necessary resources to pursue future opportunities.

³ This Management Report contains forward-looking statements that reflect Management's current view with respect to the future development of adidas. The outlook is based on estimates that we have made on the basis of all the information available to us at the time of completion of this First Half Year Report. In addition, such forward-looking statements are subject to uncertainties as described in the Risk and Opportunity Report of the adidas 2024 Annual Report which are beyond the control of the company. In case the underlying assumptions turn out to be incorrect or described risks or opportunities materialize, actual results and developments may materially deviate (negatively or positively) from those expressed by such statements. adidas does not assume any obligation to update any forward-looking statements made in this Management Report beyond statutory disclosure obligations.

⁴ Source: World Bank, Global Economic Prospects.

Full-year outlook confirmed reflecting uncertainty due to US tariffs and macroeconomic risks

External volatility and macroeconomic risks have been increasing significantly since adidas first issued its full-year outlook at the beginning of March. While the company confirms its outlook, the range of possible outcomes remains increased. The company continues to see upside potential based on the strong results for the first half of the year, continued brand momentum and the strong order book for the remainder of 2025. At the same time, the increased uncertainty around the possible direct and indirect impacts from higher US tariffs persists.

adidas expects to gain further market share and grow the company’s currency-neutral sales at a high-single-digit rate in 2025. This reflects continued double-digit growth for the adidas brand. A significantly better, broader, and deeper product range combined with an increased focus on local consumer preferences as well as much improved retailer relationships will be the main drivers of the projected top-line increase. In addition, impactful marketing initiatives will further add to the company’s brand momentum and fuel the expected top-line growth.

While adidas will continue to increase marketing and sales investments, operating overhead efficiencies will allow the company to leverage its strong top-line growth. In combination with continued gross margin expansion, this is expected to lead to further significant bottom-line improvements in 2025. As a result, the company still projects operating profit to increase to a level of between € 1.7 billion and € 1.8 billion in 2025.

Having completed the sale of the remaining Yeezy inventory in 2024, the company’s outlook does not include any Yeezy revenues (2024: around € 650 million) or profits (2024: around € 200 million) in 2025.

adidas will continue to invest into its business and further growth. Consequently, average operating working capital as a percentage of sales is forecast to increase to a level of between 21% and 22% and capital expenditure to reach a level of around € 600 million in 2025.

2025 outlook

	2024	2025 outlook
Net sales	€ 23,683 million	to increase at a high-single-digit rate ¹
Operating profit	€ 1,337 million	to reach a level of between € 1.7 billion and € 1.8 billion
Average operating working capital in % of net sales	19.7%	to reach a level of between 21% and 22%
Capital expenditure ²	€ 540 million	to reach a level of around € 600 million

1 Currency-neutral.
2 Excluding acquisitions and leases.

Consolidated Statement of Financial Position

adidas AG Consolidated Statement of Financial Position (IFRS)¹ € in millions

	June 30, 2025	June 30, 2024	Change in %	Dec. 31, 2024
Assets				
Cash and cash equivalents	768	1,660	(53.7)	2,455
Accounts receivable	3,132	2,771	13.0	2,413
Other current financial assets	761	925	(17.7)	950
Inventories	5,261	4,544	15.8	4,989
Income tax receivables	149	232	(35.9)	101
Other current assets	1,164	969	20.1	997
Total current assets	11,234	11,102	1.2	11,904
Property, plant, and equipment	1,940	2,095	(7.4)	2,133
Right-of-use assets	2,578	2,702	(4.6)	2,779
Goodwill	1,204	1,256	(4.2)	1,275
Other intangible assets	423	446	(5.2)	426
Long-term financial assets	376	329	14.5	340
Other non-current financial assets	184	235	(21.7)	234
Deferred tax assets	1,175	1,228	(4.3)	1,272
Other non-current assets	385	227	69.6	291
Total non-current assets	8,265	8,519	(3.0)	8,751
Total assets	19,499	19,620	(0.6)	20,655

1. Prior year adjusted due to a reclassification between Other non-current financial assets and Other non-current assets.

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

	June 30, 2025	June 30, 2024	Change in %	Dec. 31, 2024
Liabilities and equity				
Short-term borrowings	705	615	14.6	570
Accounts payable	2,742	2,560	7.1	3,096
Current lease liabilities	569	582	(2.1)	607
Other current financial liabilities	419	160	161.9	191
Income taxes	382	394	(3.1)	334
Other current provisions	1,226	1,281	(4.3)	1,538
Current accrued liabilities	2,252	2,541	(11.4)	2,659
Other current liabilities	666	633	5.3	598
Total current liabilities	8,961	8,765	2.2	9,593
Long-term borrowings	1,907	2,422	(21.3)	1,915
Non-current lease liabilities	2,295	2,479	(7.4)	2,495
Other non-current financial liabilities	69	2	4,427.5	1
Pensions and similar obligations	105	110	(4.2)	144
Deferred tax liabilities	98	134	(26.6)	133
Other non-current provisions	365	274	33.1	353
Other non-current liabilities	145	79	82.0	154
Total non-current liabilities	4,984	5,501	(9.4)	5,194
Share capital	179	179	—	179
Reserves	(199)	439	n.a.	522
Retained earnings	5,216	4,372	19.3	4,775
Shareholders' equity	5,196	4,989	4.1	5,476
Non-controlling interests	359	366	(2.0)	392
Total equity	5,554	5,355	3.7	5,867
Total liabilities and equity	19,499	19,620	(0.6)	20,655

Condensed Consolidated Income Statement

adidas AG Condensed Consolidated Income Statement (IFRS) € in millions

	First half year 2025	First half year 2024	Change	Second quarter 2025	Second quarter 2024	Change
Net sales	12,105	11,280	7.3%	5,952	5,822	2.2%
Cost of sales	5,823	5,525	5.4%	2,875	2,863	0.4%
Gross profit	6,282	5,755	9.2%	3,077	2,959	4.0%
(% of net sales)	51.9%	51.0%	0.9pp	51.7%	50.8%	0.9pp
Royalty and commission income	37	35	4.4%	18	19	(4.1%)
Other operating income	2	8	(76.4%)	1	6	(88.1%)
Other operating expenses	5,165	5,115	1.0%	2,549	2,637	(3.3%)
(% of net sales)	42.7%	45.4%	(2.7pp)	42.8%	45.3%	(2.5pp)
Marketing and point-of-sale expenses	1,458	1,363	6.9%	712	707	0.7%
(% of net sales)	12.0%	12.1%	(0.0pp)	12.0%	12.1%	(0.2pp)
Operating overhead expenses ¹	3,707	3,752	(1.2%)	1,837	1,930	(4.8%)
(% of net sales)	30.6%	33.3%	(2.6pp)	30.9%	33.2%	(2.3pp)
Operating profit	1,156	682	69.5%	546	346	57.7%
(% of net sales)	9.6%	6.0%	3.5pp	9.2%	5.9%	3.2pp
Financial income	43	43	(0.8%)	9	20	(56.0%)
Financial expenses	126	177	(28.9%)	67	62	7.2%
Income before taxes	1,073	549	95.7%	488	304	60.7%
(% of net sales)	8.9%	4.9%	4.0pp	8.2%	5.2%	3.0pp
Income taxes	262	166	57.8%	114	93	22.7%
(% of income before taxes)	24.4%	30.3%	(5.9pp)	23.3%	30.5%	(7.2pp)
Net income from continuing operations	811	382	112.2%	375	211	77.3%
(% of net sales)	6.7%	3.4%	3.3pp	6.3%	3.6%	2.7pp
(Loss)/gain from discontinued operations, net of tax	(1)	(7)	83.1%	6	(6)	n.a.
Net income	810	376	115.6%	381	206	85.1%
(% of net sales)	6.7%	3.3%	3.4pp	6.4%	3.5%	2.9pp
Net income attributable to shareholders	798	360	121.4%	369	190	94.6%
(% of net sales)	6.6%	3.2%	3.4pp	6.2%	3.3%	2.9pp
Net income attributable to non-controlling interests	12	16	(20.2%)	11	16	(28.0%)
Basic earnings per share from continuing operations (in €)	4.47	2.05	117.8%	2.03	1.09	85.9%
Diluted earnings per share from continuing operations (in €)	4.47	2.05	117.8%	2.03	1.09	85.9%
Basic earnings per share from continuing and discontinued operations (in €)	4.47	2.02	121.4%	2.07	1.06	94.6%
Diluted earnings per share from continuing and discontinued operations (in €)	4.47	2.02	121.4%	2.07	1.06	94.6%

1 Aggregated distribution and selling expenses, general and administration expenses, sundry expenses, and impairment losses (net) on accounts receivable and contract assets.

Consolidated Statement of Comprehensive Income

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

	First half year 2025	First half year 2024	Second quarter 2025	Second quarter 2024
Net income	810	376	381	206
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	22	21	11	17
Net loss on other equity investments (IFRS 9), net of tax	(0)	(1)	(0)	(1)
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss	21	20	11	16
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met				
Net (loss)/gain on cash flow hedges and net foreign investment hedges, net of tax	(401)	93	(286)	23
Net gain on cost of hedging reserve – options, net of tax	1	1	8	2
Net (loss)/gain on cost of hedging reserve – forward contracts, net of tax	(6)	(3)	1	2
Currency translation differences	(384)	81	(293)	11
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met	(791)	172	(569)	38
Other comprehensive income	(770)	193	(558)	54
Total comprehensive income	40	568	(177)	260
Attributable to shareholders of adidas AG	73	541	(159)	240
Attributable to non-controlling interests	(33)	27	(18)	20

¹ 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 millions

	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve – options	Cost of hedging reserve – forward contracts	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at December 31, 2023	179	1,355	(750)	(217)	(2)	(2)	(126)	4,145	4,580	345	4,925
Other comprehensive income	–	–	69	93	1	(3)	20	–	181	11	193
Net income	–	–	–	–	–	–	–	360	360	16	376
Total comprehensive income	–	–	69	93	1	(3)	20	360	541	27	568
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)	–	–	–	–	–	–	(13)	(14)	–	(14)
Reissuance of treasury shares due to equity-settled share-based payment	0	–	–	–	–	–	–	13	14	–	14
Dividend payment	–	–	–	–	–	–	–	(125)	(125)	–	(125)
Equity-settled share-based payment	–	6	–	–	–	–	–	(7)	(1)	–	(1)
Acquisition of shares from non-controlling interests shareholders in accordance with IAS 32	–	–	(0)	–	–	–	(6)	–	(6)	(6)	(12)
Balance at June 30, 2024	179	1,360	(680)	(123)	(1)	(5)	(113)	4,372	4,989	366	5,355
Balance at December 31, 2024	179	1,367	(657)	(61)	(1)	8	(134)	4,775	5,476	392	5,867
Other comprehensive income	–	–	(339)	(401)	1	(6)	21	–	(724)	(45)	(770)
Net income	–	–	–	–	–	–	–	798	798	12	810
Total comprehensive income	–	–	(339)	(401)	1	(6)	21	798	73	(33)	40
Repurchase of adidas AG shares due to equity-settled share-based payment	(0)	–	–	–	–	–	–	(14)	(14)	–	(14)
Reissuance of treasury shares due to equity-settled share-based payment	0	–	–	–	–	–	–	14	14	–	14
Dividend payment	–	–	–	–	–	–	–	(357)	(357)	–	(357)
Equity-settled share-based payment	–	4	–	–	–	–	–	(0)	4	–	4
Balance at June 30, 2025	179	1,371	(996)	(462)	(0)	2	(113)	5,216	5,196	359	5,554

Consolidated Statement of Cash Flows

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

	First half year 2025	First half year 2024
Operating activities:		
Income before taxes	1,073	549
Adjustments for:		
Depreciation, amortization, and impairment losses	560	560
Reversals of impairment losses	(11)	(5)
Interest income	(32)	(23)
Interest expense	111	105
Unrealized foreign exchange gains, net	(31)	(14)
Losses on sale of property, plant, and equipment and intangible assets, net	14	4
Other non-cash effects from operating activities	7	(12)
Cash flows from operating activities before working capital changes	1,692	1,164
Change in receivables and other assets	(1,179)	(1,055)
Change in inventories	(520)	(51)
Change in accounts payable and other liabilities	(740)	821
Cash flows from operating activities before taxes	(747)	879
Income taxes paid	(190)	(129)
IAS 29 - Hyperinflation effects in operating cash flow	21	18
Cash flows from operating activities	(916)	768
Investing activities:		
Purchase of other intangible assets	(48)	(56)
Purchase of property, plant, and equipment	(123)	(121)
Proceeds from sale of a disposal group from prior years	100	100
Change in short-term financial assets	–	31
Change in investments and other long-term assets	(21)	(52)
Interest received	32	23
Cash flows from investing activities	(60)	(74)
Financing activities:		
Interest paid	(88)	(79)
Repayments of lease liabilities	(329)	(321)
Dividend paid to shareholders of adidas AG	(357)	(125)
Repurchase of treasury shares due to share-based payments	(14)	(21)
Proceeds from reissuance of treasury shares due to share-based payments	12	12
Change in short-term borrowings	133	59
Acquisition of non-controlling interests	–	(12)
Cash flows from financing activities	(643)	(489)

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

	First half year 2025	First half year 2024
Sum of cash flows	(1,619)	205
Effect of exchange rates on cash ¹	(68)	24
Change in cash and cash equivalents ¹	(1,687)	229
Cash and cash equivalents at beginning of year	2,455	1,431
Cash and cash equivalents at end of period	768	1,660

1 Presentation of prior year hyperinflation effects adjusted.

Explanatory Notes to the Condensed Interim Consolidated Financial Statements (IFRS) as at June 30, 2025

01 General

The interim consolidated financial statements of adidas AG and its subsidiaries (collectively 'adidas,' the 'Group,' or 'the company') for the first half year ending June 30, 2025, are prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The company applied all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and Interpretations of the IFRS Interpretations Committee effective as at June 30, 2025, insofar as they have already been adopted into European law.

These interim consolidated financial statements were prepared in compliance with International Accounting Standard IAS 34 'Interim Financial Reporting.' Accordingly, these interim consolidated financial statements do not include all of the information and notes required for annual consolidated financial statements at financial year-end. Therefore, these interim consolidated financial statements should be read in conjunction with the 2024 annual consolidated financial statements. The accounting policies, as well as the recognition, measurement, and disclosure principles applied in the consolidated financial statements for the year ending December 31, 2024, also apply to the interim consolidated financial statements for the first half year ending June 30, 2025.

The following amendments to an existing standard, which were issued by the IASB, endorsed by the EU, and are effective for financial years beginning on January 1, 2025, have been applied for the first time:

— Amendments to IAS 21: Lack of Exchangeability.

These do not have any material impact on the interim consolidated financial statements of adidas AG. Further information can be found in the consolidated financial statements 2024.

New accounting standards and interpretations, as well as amendments to existing standards that are not yet effective in the EU or effective for financial years beginning after January 1, 2025, are not expected to have any material impact on the consolidated financial statements. The company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

There were no significant changes in the scope of consolidation in the first half of 2025.

The interim consolidated financial statements and the interim Group management report were not audited in accordance with § 317 German Commercial Code (Handelsgesetzbuch – HGB) nor reviewed in accordance with § 115 section 5 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) by an auditor.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim consolidated financial statements only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

The results of operations for the first half year ending June 30, 2025, are not necessarily indicative of results to be expected for the entire year.

The interim consolidated financial statements are presented in euros (€) and, unless otherwise stated, all values are presented in millions of euros (€ in millions). Due to rounding principles, numbers presented may not sum up exactly to totals provided.

02 Revenue

The sales of the company in certain product categories are seasonal, and therefore, revenues and attributable earnings may vary within the financial year. Sales tend to be strongest in the first and third quarters of the financial year because these coincide with the launch of the spring/summer and fall/winter collections, respectively, but shifts in the share of sales and attributable earnings of particular product categories or in the regional composition may occur throughout the year.

A disaggregation of revenue into product categories is contained in these Notes.

► SEE NOTE 07

03 Shareholders' equity

During the period from January 1, 2025, to June 30, 2025, the nominal capital of adidas AG remained unchanged. Consequently, on June 30, 2025, the nominal capital of adidas AG amounted to € 180,000,000 divided into 180,000,000 registered no-par-value shares.

On May 15, 2025, the Annual General Meeting of adidas AG approved the proposal of the Executive Board and Supervisory Board on the appropriation of retained earnings for the 2024 financial year. The dividend was paid on May 22, 2025, in the amount of € 2.00 per share. Based on the number of dividend-entitled shares at the time of the Annual General Meeting, this resulted in a dividend distribution of € 357,098,168.00.

On June 30, 2025, adidas AG held a total of 1,450,916 treasury shares, corresponding to a notional amount of € 1,450,916 in the nominal capital and consequently 0.81% of the nominal capital. In accordance with § 71b German Stock Corporation Act (Aktiengesetz – AktG), the treasury shares held directly or indirectly do not confer any rights to the company.

04 Financial Instruments

Carrying amounts of financial instruments and their fair values including hierarchy according to IFRS 13 € in millions

	Category	June 30, 2025					December 31, 2024				
		Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets											
Cash and cash equivalents											
Cash and cash equivalents	Amortized cost	585		–	–	–	959		–	–	–
Cash equivalents	Fair value through profit or loss	182	182	–	182	–	1,496	1,496	–	1,496	–
Accounts receivable	Amortized cost	3,132		–	–	–	2,413		–	–	–
Other current financial assets											
Derivatives used in hedge accounting	n.a.	102	102	–	102	–	213	213	–	213	–
Derivatives not used in hedge accounting	Fair value through profit or loss	38	38	–	38	–	26	26	–	26	–
Earn-out components	Fair value through profit or loss	71	71	–	–	71	58	58	–	–	58
Earn-out components	Amortized cost	–	–	–	–	–	99	–	–	–	–
Other investments	n.a.	22	22	–	22	–	75	75	–	75	–
Other financial assets	Amortized cost	528	–	–	–	–	479	–	–	–	–
Long-term financial assets											
Other equity investments	Fair value through profit or loss	94	94	–	–	94	94	94	–	–	94
Other equity investments	Fair value through other comprehensive income	83	83	0	–	83	83	83	0	–	83
Other investments	Fair value through profit or loss	48	48	–	48	–	50	50	–	50	–
Other investments	n.a.	151	151	–	151	–	113	113	–	113	–
Other non-current financial assets											
Derivatives used in hedge accounting	n.a.	5	5	–	5	–	13	13	–	13	–
Earn-out components	Fair value through profit or loss	82	82	–	–	82	97	97	–	–	97
Other financial assets	Amortized cost	97	–	–	–	–	123	–	–	–	–
Financial assets per level				–	549	329			0	1,986	331
Financial liabilities											
Short-term borrowings											
Bank borrowings	Amortized cost	205		–	–	–	70		–	–	–
Eurobond	Amortized cost	500	501	501	–	–	499	502	502	–	–
Accounts payable	Amortized cost	2,742		–	–	–	3,096		–	–	–
Current accrued liabilities	Amortized cost	789		–	–	–	1,019		–	–	–
Current accrued liabilities for customer discounts	Amortized cost	758		–	–	–	667		–	–	–
Other current financial liabilities											
Derivatives used in hedge accounting	n.a.	326	326	–	326	–	62	62	–	62	–
Derivatives not used in hedge accounting	Fair value through profit or loss	56	56	–	56	–	15	15	–	15	–
Other financial liabilities	Amortized cost	37		–	–	–	114		–	–	–
Current lease liabilities	n.a.	569		–	–	–	607		–	–	–
Long-term borrowings											
Bank borrowings	Amortized cost	16	16	–	16	–	26	26	–	26	–
Eurobond	Amortized cost	1,890	1,758	1,758	–	–	1,889	1,742	1,742	–	–
Other non-current financial liabilities											
Derivatives used in hedge accounting	n.a.	69	69	–	69	–	1	1	–	1	–
Non-current lease liabilities	n.a.	2,295	–	–	–	–	2,495	–	–	–	–
Financial liabilities per level				2,259	467	–			2,243	104	–

Carrying amounts of financial instruments and their fair values including hierarchy according to IFRS 13 € in millions

Category	June 30, 2025					December 31, 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Thereof: aggregated by category according to IFRS 9										
Financial assets at fair value through profit or loss (FVTPL)	515					1,820				
Financial assets at fair value through other comprehensive income (FVOCI)	83					83				
Thereof: equity investments (without recycling to profit and loss)	83					83				
Financial assets at amortized cost (AC)	4,342					4,073				
Financial liabilities at fair value through profit or loss (FVTPL)	56					15				
Financial liabilities at amortized cost (AC)	6,936					7,381				

Level 1 is based on quoted prices in active markets for identical assets or liabilities.

Level 2 is based on inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 is based on inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Reconciliation of fair value hierarchy Level 3 in 2025 € in millions

	Fair value Jan. 1, 2025	Realized				Unrealized				Currency translation	Fair value June 30, 2025
		Additions	Disposals	Gains	Losses	Gains	Losses	Transfers			
Investments in other equity instruments held for trading (FAHfT)	91	–	–	–	–	–	–	–	–	–	91
Investments in other equity instruments (FVTPL)	2	–	–	–	–	–	–	–	–	–	2
Investments in other equity instruments (FVOCI)	83	–	–	–	–	–	–	–	–	–	83
Earn-out components (assets)	155	–	–	–	–	–	(1)	(1)	–	–	153

Reconciliation of fair value hierarchy Level 3 in 2024 € in millions

	Fair value Jan. 1, 2024	Realized				Unrealized				Currency translation	Fair value Dec. 31, 2024
		Additions	Disposals	Gains	Losses	Gains	Losses	Transfers			
Investments in other equity instruments held for trading (FAHfT)	89	–	–	–	–	3	–	–	–	–	91
Investments in other equity instruments (FVTPL)	2	–	–	–	–	–	–	–	–	–	2
Investments in other equity instruments (FVOCI)	82	–	(0)	–	–	1	–	–	–	–	83
Earn-out components (assets)	301	–	(100)	–	–	53	–	(99)	–	–	155

The valuation methods used in measuring Level 1, Level 2, and Level 3 fair values remain unchanged and can be found in the Notes to the 2024 consolidated financial statements.

Net gains/(losses) on financial instruments recognized in the consolidated income statement € in millions

	Period ending June 30, 2025	Year ending Dec. 31, 2024
Financial assets classified at amortized cost (AC)	23	13
Financial assets at fair value through profit or loss (FVTPL)	22	101
Thereof: designated as such upon initial recognition	12	5
Thereof: classified as held for trading	—	—
Equity instruments at fair value through profit or loss (FVTPL)	—	3
Thereof: classified as held for trading	—	3
Equity instruments at fair value through other comprehensive income (FVOCI)	—	—
Financial liabilities at amortized cost (AC)	0	6
Financial liabilities at fair value through profit or loss (FVTPL)	(41)	0
Thereof: designated as such upon initial recognition	(41)	0
Thereof: classified as held for trading	—	—

05 Earnings per share

Basic earnings per share are calculated by dividing the net income from continuing operations attributable to shareholders by the weighted average number of shares outstanding during the year, excluding ordinary shares purchased by adidas and held as treasury shares. If negative earnings per share are reported, according to IAS 33.41, no anti-dilutive effect may be taken into account.

Earnings per share

	Continuing operations		Discontinued operations		Total	
	First half year 2025	First half year 2024	First half year 2025	First half year 2024	First half year 2025	First half year 2024
Net income/(loss) from continuing operations (€ in millions)	811	382	–	–	–	–
Net income attributable to non-controlling interests (€ in millions)	12	16	–	–	–	–
Net income/(loss) attributable to shareholders (€ in millions)	799	367	(1)	(7)	798	360
Weighted average number of shares	178,549,084	178,549,084	178,549,084	178,549,084	178,549,084	178,549,084
Basic earnings per share (€)	4.47	2.05	(0.01)	(0.03)	4.47	2.02
Net income/(loss) attributable to shareholders (€ in millions)	799	367	(1)	(7)	798	360
Net income/(loss) used to determine diluted earnings per share (€ in millions)	799	367	(1)	(7)	798	360
Weighted average number of shares	178,549,084	178,549,084	178,549,084	178,549,084	178,549,084	178,549,084
Dilutive effect of share-based payments	3,305	11,263	–	–	3,305	11,263
Weighted average number of shares for diluted earnings per share	178,552,389	178,560,347	178,552,389	178,560,347	178,552,389	178,560,347
Diluted earnings per share (€)	4.47	2.05	(0.01)	(0.03)	4.47	2.02

06 Goodwill

In the light of the latest US tariff announcements in Q2 2025, facts and circumstances indicated that goodwill might be impaired. Due to this 'triggering event' and related reassessment of the business development, a goodwill impairment test was carried out at the respective level of cash-generating units as at June 30, 2025.

This was based on updated financial plans and estimates considering different scenarios reflecting potential expected impacts of future US tariffs. In the course of the goodwill impairment test, there was no need for goodwill impairment as of June 30, 2025.

However, primarily due to the currently unforeseeable ongoing regulatory developments in the US, these estimates and management judgements are subject to increased uncertainty. Future changes in expected cash flows and discount rates may lead to impairments of the reported goodwill in the future.

07 Segmental information

adidas operates predominantly in one industry segment – the design, distribution, and marketing of athletic and sports lifestyle products.

As at June 30, 2025, following the company's internal management reporting by markets and in accordance with the definition of IFRS 8 'Operating Segments', seven operating segments were identified: Europe, Emerging Markets, North America, Greater China, Latin America, Japan, and South Korea. Due to the small size of the two operating segments Japan and South Korea, they are not reportable segments and are therefore reported as 'all other segments' under the designation Japan/South Korea for external segment reporting.

Each market comprises all wholesale, retail, and e-commerce business activities relating to the distribution and sale of products of the adidas brand to retail customers and end consumers.

Other Businesses includes the business activities of the Y-3 label and other subordinated businesses that are not monitored separately by the chief operating decision-maker. Also, certain centralized corporate functions do not meet the definition of IFRS 8 for an operating segment. This includes, in particular, functions such as Global Brands and Global Sales (central brand and distribution management), central treasury, global sourcing, and other headquarter functions. Assets, liabilities, income, and expenses relating to these corporate functions are presented in the reconciliations.

The chief operating decision-maker for adidas has been defined as the entire Executive Board of adidas AG.

Net sales represent revenue from contracts with customers. There are no intersegment sales between the segments. Accounting and valuation policies applied for reporting segmental information are the same as those used for adidas.

The results of the segments are defined as gross profit minus other operating expenses plus royalty and commission income and other operating income attributable to the segment or group of segments, however, without considering headquarter costs and central expenses for marketing.

Segmental assets include accounts receivable as well as inventories. Only these items are reported to the chief operating decision-maker on a regular basis.

Segmental liabilities only contain accounts payable from operating activities, as there are no other liability items reported regularly to the chief operating decision-maker.

Segmental information¹ € in millions

	Net sales (third parties) ²		Segmental gross profit ²		Segmental operating profit ²		Segmental assets ³		Segmental liabilities ³	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Europe	3,983	3,645	2,054	1,793	869	648	2,851	2,446	248	160
North America	2,523	2,424	1,116	1,069	254	239	1,896	1,715	84	81
Greater China	1,827	1,719	996	908	481	455	736	642	209	231
Emerging Markets	1,632	1,461	825	740	328	309	1,319	1,236	88	82
Latin America	1,371	1,287	645	599	289	273	1,146	974	90	94
Reportable segments	11,335	10,537	5,635	5,110	2,221	1,923	7,948	7,013	718	647
Japan/South Korea	729	660	396	371	175	174	484	385	35	20
Other Businesses	35	49	17	21	5	1	21	20	3	4
Total	12,100	11,246	6,048	5,502	2,402	2,098	8,453	7,417	756	671

1 Prior year adjusted due to a reclassification related to Other Businesses.

2 First half year.

3 At June 30.

Taking into account net sales of € 6 million (2024: € 34 million), which are not directly attributable to a segment, total net sales amount to € 12,105 million (2024: € 11,280 million).

Operating profit¹ € in millions

	First half year 2025	First half year 2024
Operating profit for reportable segments	2,221	1,923
Operating profit for Japan/South Korea	175	174
Operating profit for Other Businesses	5	1
HQ	(640)	(951)
Central expenditure for marketing	(518)	(443)
Consolidation	(87)	(22)
Operating profit	1,156	682
Financial income	43	43
Financial expenses	(126)	(177)
Income before taxes	1,073	549

1 Prior year adjusted due to a reclassification related to Other Businesses.

Net sales (with third parties)^{1,2} € in millions

	First half year 2025	First half year 2024
Footwear	7,236	6,813
Apparel	3,998	3,655
Accessories and Gear	872	820
Total	12,105	11,280

1 Prior year adjusted due to a reclassification related to apparel and accessories and gear.

2 Differences to aggregated net sales may arise due to items which are not directly attributable.

08 Events after the balance sheet date

Between the end of the first half year 2025 and the finalization of these interim consolidated financial statements on July 25, 2025, there were no major events that might have a material influence on the assets, liabilities, financial position, and profit or loss of the company.

Herzogenaurach, July 25, 2025

The Executive Board of adidas AG

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Herzogenaurach, July 25, 2025



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