# FINANCIAL ANALYSIS

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# INTRODUCTION

Founded and headquartered in Germany, Adidas is the largest sports manufacturer in Europe, and second-largest in the world. With revenue of €19,8 billion in 2020, its core business dwells in designing and manufacturing shoes, clothing, and accessories. The company, led by reconfirmed CEO Kasper Rorsted, is the holding of the Adidas Group, which also includes Reebok, that holds 8.33% of the German football club Bayern München and the digital enterprise Runtastic.

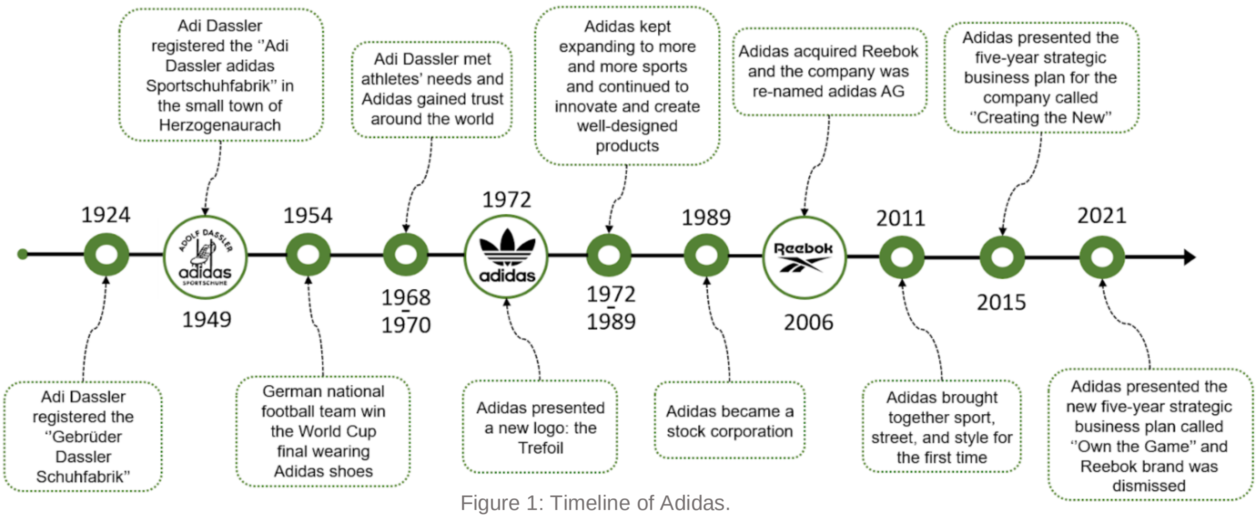


Figure 1: Timeline of Adidas.

Adidas is positioned as a premium sportswear brand accessible to everyone, from elite professional athletes and teams to any individual who wants to make sport part of their lives. Adidas has just presented its new five-year strategy: "Own the Game", designed to significantly increase sales and profitability and gain market share by 2025 and, as part of it, they decided to disinvest from Reebok.
In order to better understand the overall environment in which Adidas operates and to carry out the following financial analysis, a strategic analysis was performed.

# STRATEGIC ANALYSIS

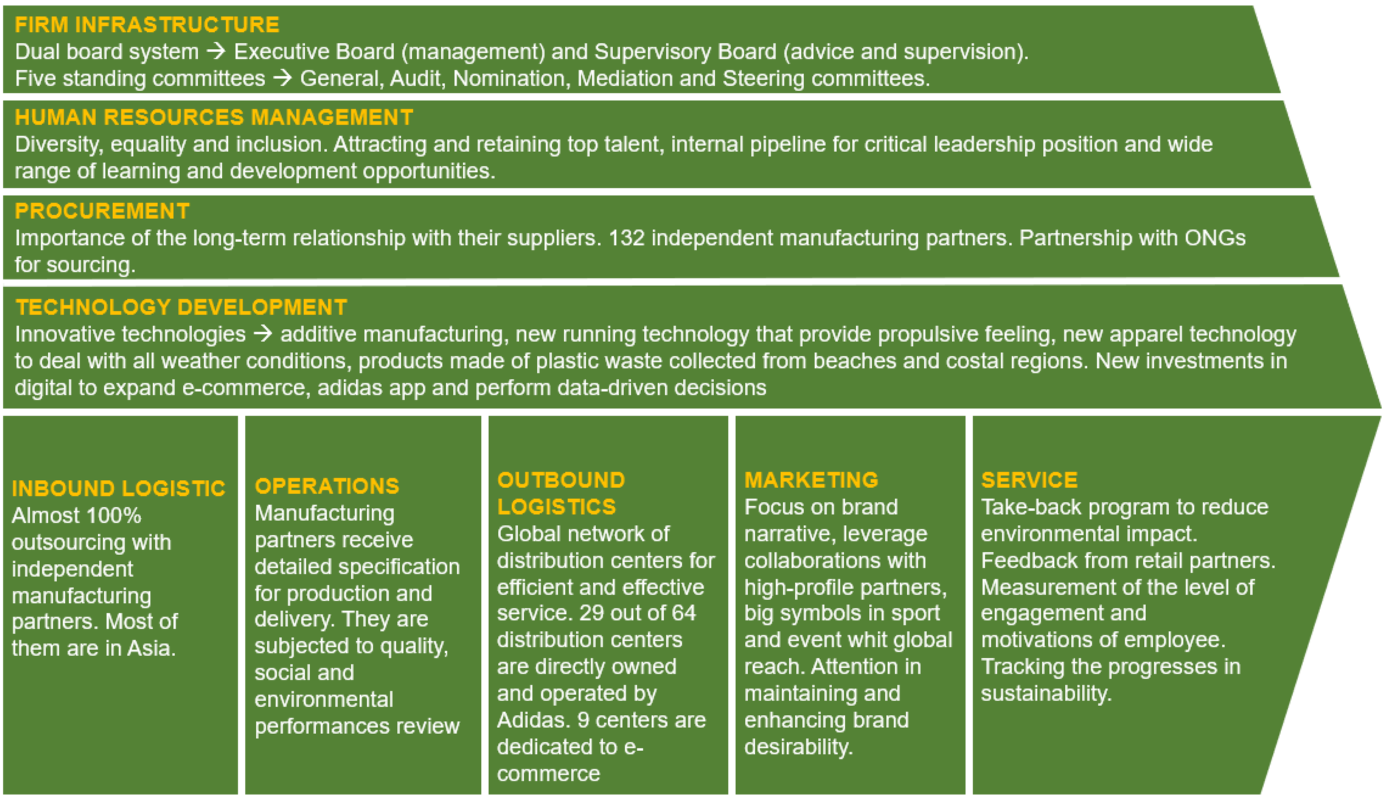


Figure 2: Value Chain model.

## Supplier Relations, Outsourcing and Distribution channels

In order to maintain cost competitive advantage in the market, Adidas is outsourcing almost 100% of production to independent manufacturing partners, whose performances are constantly monitored by two indicators: C-KPI which evaluates fundamental elements of social compliance (e.g. management commitment) and E-KPI for environmental compliances. Because of the significant role represented by suppliers, of the 132 independent manufacturing partners, 61% have worked with Adidas for at least 10 years, and 30% for more than 20, even though they require high standards for the onboarding on the supply chain.
Furthermore, to deliver their product they use a global distribution network that allows them to serve global demand efficiently and effectively. The 54 distribution centres are split based on the channel they serve: 17 on all channels, 38 only on retail and wholesale, 9 on e-commerce.

## Sustainability

Adidas is a pioneer in sustainability as stated in the new strategy "Own the Game": by 2025, nine out of ten of their articles will be sustainable. According to the CEO of Adidas, 70% of Adidas customers prefer buying sustainable products.

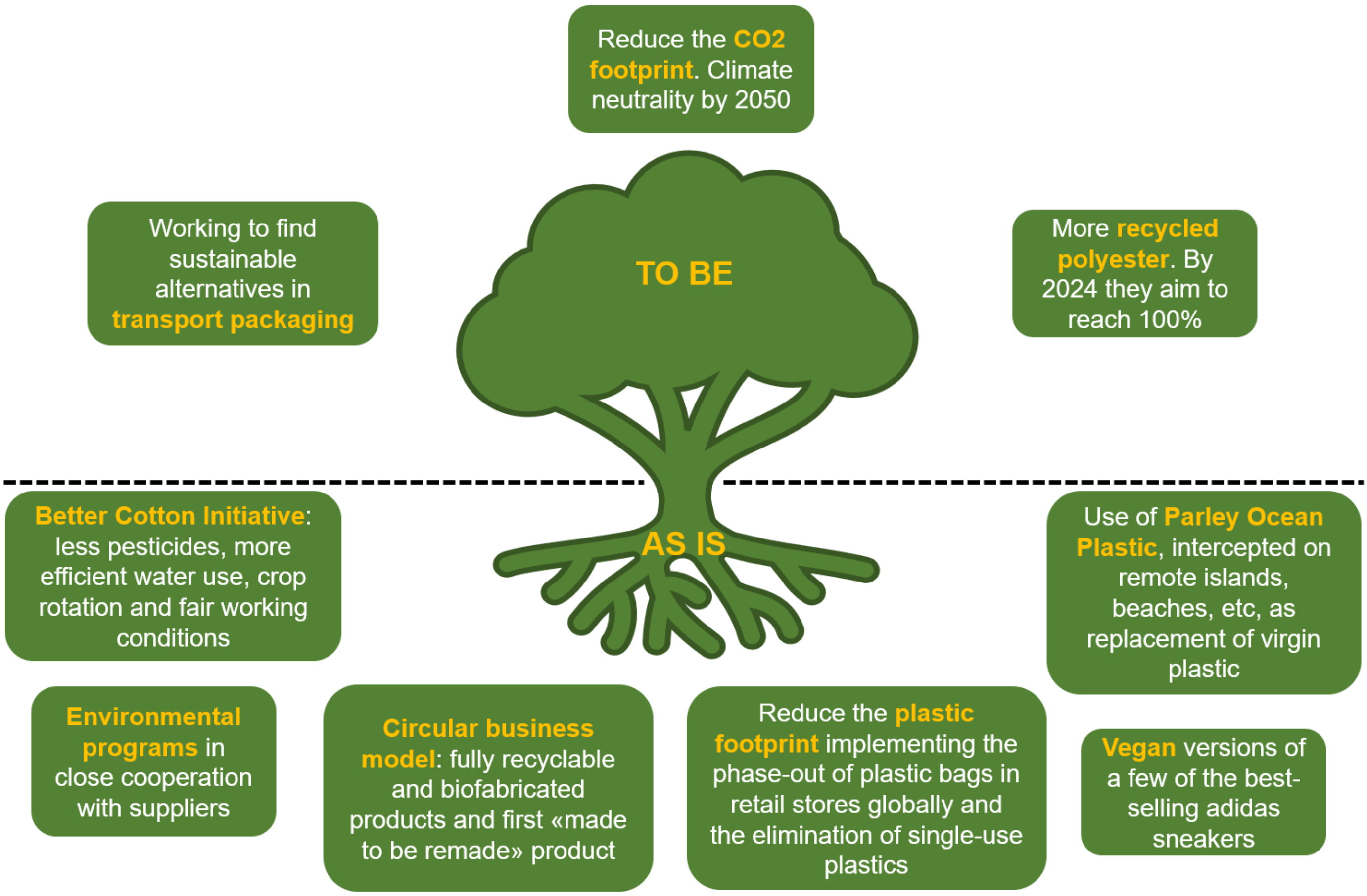



Figure 3: Sustainability AS-IS and TO-BE.

All these initiatives allow Adidas to continuously receive positive recognition from international institutions, rating agencies, NGOs and socially responsible investment analysts.

## Employee Treatment

Adidas focuses a lot on diversity, equity, and inclusion, with relevance to equal participation of women and men in leadership positions and equal opportunities for all the employees. They foster diversity to represent the diverse communities they serve. Finally, they focus on attracting, recruiting, promoting and hiring the best talent.

## R&D

Adidas remains highly committed in maintaining a full and innovative concept pipeline, bringing new ground-breaking technologies and processes to life as the “Adidas 4D Futurecraft”. It’s the first application of the “digital light synthesis”, a technology developed by American company Carbon, which led Adidas to develop STRUNG, the production process that aims at creating the perfect shoe for every athlete's needs.

## Marketing & Brand Visibility

Adidas belief is in the fact that developing industry-leading technologies, materials and consumer experiences is only one aspect of being an innovative leader. Equally important is the successful commercialization of those innovative concepts. Its strategy about marketing and brand visibility is changing very fast. This strategy is strictly correlated to the increasing focus on e-commerce that allows to directly target some customers.

E-commerce in fact was up 53% with respect to 2019, exceeding €4 billion of net sales for the first time, impacting for the 20% on the total revenues.

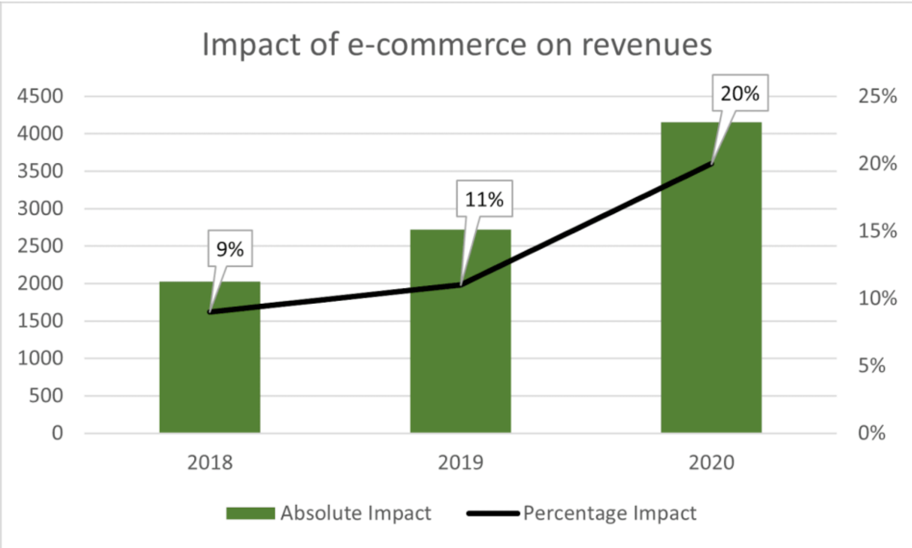
The pandemic situation affected Adidas strategy forcing them to move the focus from wholesale selling to DTC selling channels.

In fact, in 2020, the share of DTC business, consisting of own-retail and e-commerce sales, increased significantly up to 41% (2019: 33%) while wholesale accounted for 59% of total net sales (2019: 67%).

They also invested in a digital commerce tool: ‘Click’, a self-service B2B platform, that allowed them to move from 40% to 90% of remote virtual sell-in.

Furthermore, they took decisive actions to focus on digital acceleration by moving available inventory to e-commerce, invested in an agile digital content studio, shifted marketing, resources and tech budget, toward the digital field.

During the last few years Adidas has been also increasing its focus on collaborations with diversified famous athletes and celebrities aiming at reducing the risk of brand perception damages due to the partner's reputation fall.



To sum up, through SWOT analysis we can highlight the previous key aspects.

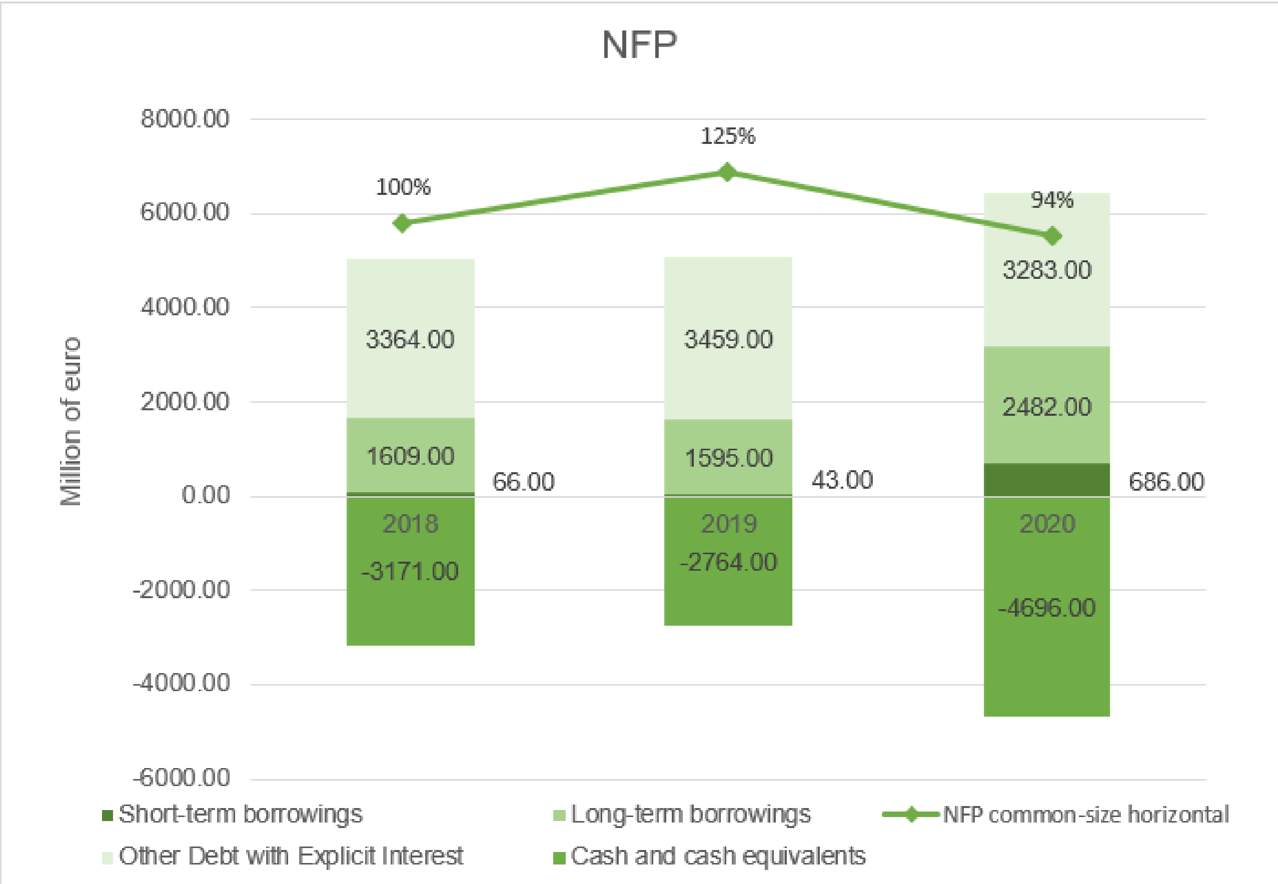

Figure 4: SWOT Analysis.

# FINANCIAL ANALYSIS

To have a clear overview of the company we decided to analyse the main documents of the consolidated financial statement for 2018-2019 (“first-period”) and 2019-2020 (“second-period”).
In the first place, we performed a common size analysis:

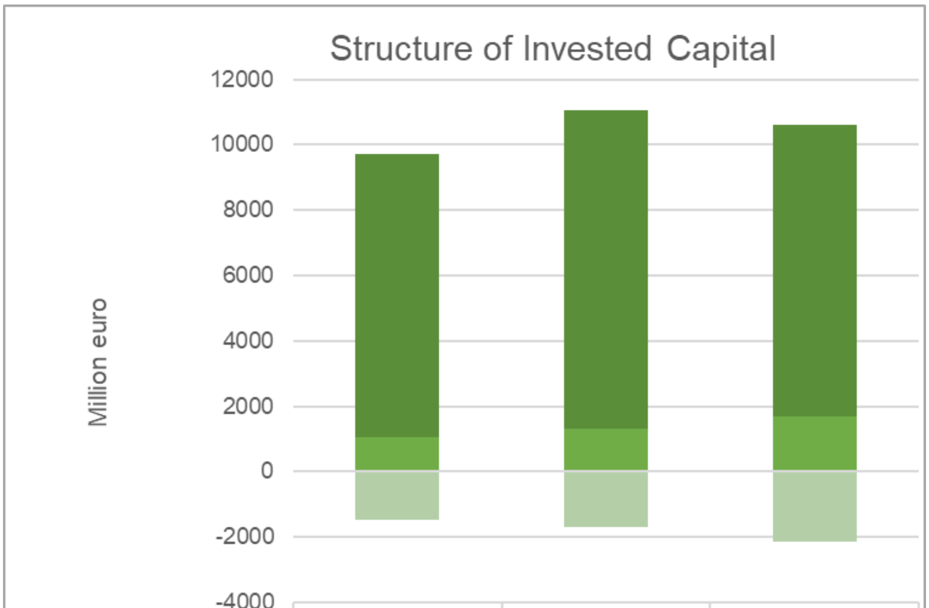
## Balance sheet

The horizontal analysis performed on the BS highlighted some important trends.
On the Assets’ side, account receivables show the most important variance with a 9% increase the first-period because the company optimized capital tied up but they decreased 26% the second-period reflecting fewer product shipments, the focus on cash collection and higher bad debt allowances.
On the Liabilities’ side, account payables increased 18% the first-period due to improved payment terms, instead, they decreased 12% the second-period because of less bills to pay and the company’s effective cost control measures. Also short-term borrowings declined 35% the first-period, mainly due to a decrease in bank loans caused by the effectiveness of the cash pooling technique and then they increased again about 16 times the second-period reflecting the reclassification of the maturity of a 7-year Eurobond. About equity, it increased 8% in the first-period mainly due to an 8% increase in retained earnings, consolidated by a 2% decrease in the number of shares, but it faced a 5% reduction in the second-period, mainly due to a 1156% decrease in reserves because of the increase in cumulative currency translation differences and the hedging reserves, despite 2019 retained earnings were fully carried forward to 2020.



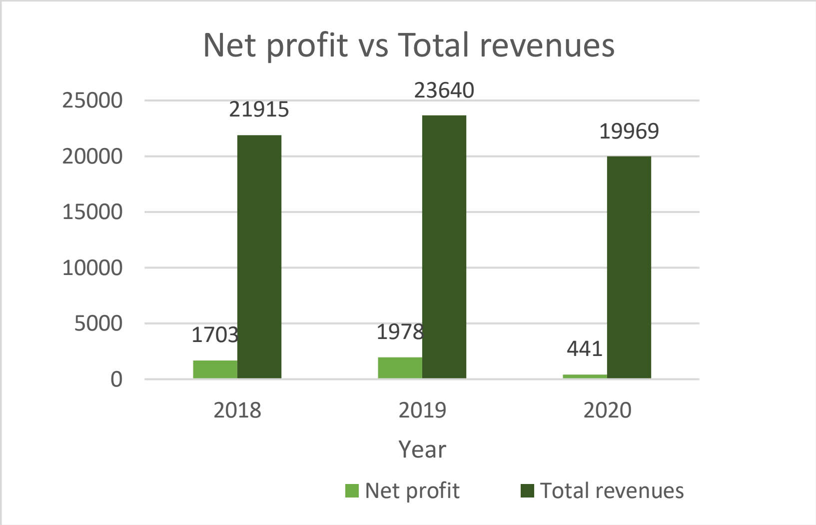

In order to compute the NFP, the group considered other current financial assets as cash and cash equivalents to have a clearer overview. In the first period it increased mainly due to utilization of cash and cash equivalent used for financing and investing activities. While in the second period it mainly decreased due to the proceedings of new Eurobonds and contained movement in investing activities.

Adidas invested capital mainly structured by fixed asset, with its value fluctuating due to currency translation that caused them to drop in 2020. NWC positive trend from year to year is indicating good liability payback and inventory growth. However, total provisions had a positive trend in 2018-2020, principally driven by over-allocation for operations and return & warranty.




| | 2018 | 2019 | 2020 |
|---|---|---|---|
| TOTAL FIXED ASSET | 8655.00 | 9745.00 | 8900.00 |
| NWC | 1045 | 1304 | 1694 |
| Total Provisions | -1478 | -1675 | -2122 |

## Income statement




From the horizontal analysis done on the IS, it can be noticed a positive trend for most of the voices in the first-period, while, in the second one they decrease mainly because of the pandemic. Analysing total Revenues, it can be seen a 7,96% increase in the first-period, reaching €23.850 billions, mainly caused by an increasing percentage of Net Sales in e-commerce and a decrease in other operating expenses, while in the second-period Total Revenues decreased 16% due to Covid-19. The Value Added increased 22,15% in the first-period as total revenues increased with a similar growth rate as COGS while other operating expenses decreased 3,17%; while it decreased 29,96% in the second-period as revenues decreased 16% while COGS faced just a 12% loss, highlighting a worse management of costs. As for Marketing Expenses, it can be noticed a 15% decrease, comparing 2019 with 2020 (from €3042 million to €2573 million), mainly caused by a transaction of marketing investments from physical to digital as they weren't able anymore during the pandemic to do point-of-sales marketing.

Net profit increased 16% in the first-period, before dropping 78% in the second one, despite the significant increase in D&A (+147.23%) due to changes in accounting standards, causing therefore lower income taxes expenditure compared to the previous years (€404 million, €692 million, €815 million for 2020,2019 and 2018).

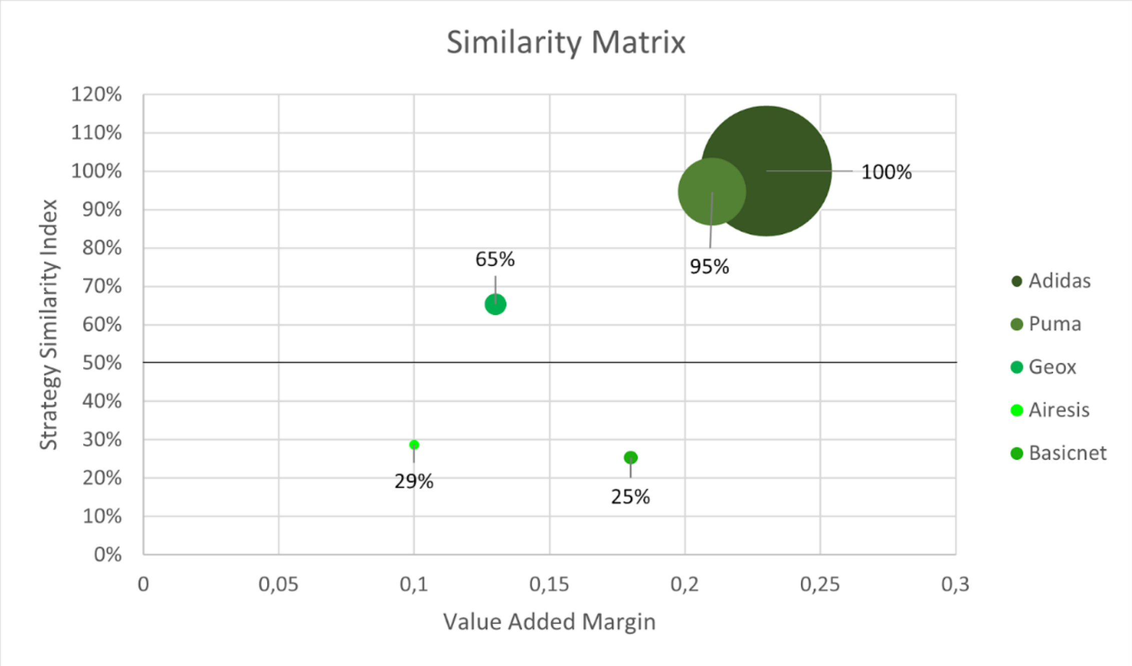
## Cash flow statement

Adidas has shown throughout the years a great ability in generating cash from operating activities, notwithstanding the global crisis that decreased earnings before taxes (EBT) by 77,52%, the group was able to achieve a cash flow from operating activities equal to €1.486 billion (a 47,29% decrease compared to 2019). Despite the lower revenues, this result was possible thanks to a high value for Depreciation, amortization and impairment losses that brought to lower income taxes expenditure as mentioned before.

The immediate financial impact of the pandemic on companies concerned liquidity: the cash flow of companies in the first quarter of 2020 was certainly lower than expected. It has been essential to build financial stability for organizations, optimizing liquidity and studying strategies to preserve or increase the cash flow. Adidas fulfilled these tasks because it was able to generate a positive cash flow from financing activities €479 million while in the previous years, they had cash outflows equal to €2.273 billion and €951 million.

In order to achieve those results, Adidas issued bonds for a total value of €1.490 billion in 2020 while in 2019 no bonds were issued and €518 million in 2018. Another big difference in 2020 has been the decision not to distribute dividends to shareholders compared to previous years where more than €528 million were distributed; almost the same thing happened for the repurchase of Adidas stocks that decreased 68,23% from 2019 and had the higher value in 2018 with €1 billion. Furthermore, to highlight the Covid impact on liquidity, the net increase in cash and cash equivalents reached the peak in 2020 +€1.774 billion (-€410 million and +€1.031 billion in 2019 and 2018 respectively).

# INDICATORS ANALYSIS




After analysing the Sportswear industry, four main competitors were identified: Puma, Geox, Airesis and BasicNet. Other companies were discarded for using different accounting standards from Adidas (e.g., Nike, Under Armour, Asics). To better understand which comparisons were meaningful, we designed a similarity matrix. We computed a strategy-similarity index[1] and used value-added margin as a proxy of the dimension of companies, chosen because it was the last positive aggregated result for Geox. Furthermore, we choose companies with a similarity index higher than 50%.

| COMPETITORS | CHOSEN FOR BENCHMARKING | REASONING |
|---|---|---|
| BasicNet | X | It holds only brands, no assets, and uses the license of these brands to make revenues without considering important issues like sustainability. |
| airesia | X | Its core business is selling companies that it previously acquired and because its strategy is not very similar to the Adidas' one. |
| PUMA | ✓ | Have the same accounting standard, financial period and core business of Adidas. Furthermore it has a similar strategy and dimension respect to Adidas. |
| GEOX RESPIRA | ✓ | Have the same accounting standard, financial period and core business of Adidas. Is smaller than Adidas and its strategy is focused on innovation and sustainability. |

[1] As shown in the annexes

## Segmental Analysis

To better understand Adidas' position in the market the segmental analysis on the different market segments was performed.
Thanks to that, it was possible to understand that Adidas had the majority of net sales in Europe (26,81%), North America (24,00%) and Asia Pacific (32,99%) in 2020 and this percentages didn't change much during the period analysed. In fact, 2019 net sales growth was created through a 12,48% and 13,31% increase in the Asia Pacific (+€891 million) and North America (+€624 million) Market segments, while in the second-period there was a decreasing trend in all the segments with a 12% average loss.
Comparing these results with competitors, it's clear that Puma managed in a better way the net sales because they faced an 18,37% increase in the first-period and decreased only 5% in the second, while Geox had the worst performance with a 2,58% and 33,62% decrease for the two periods analysed.
Indeed, it can be highlighted that Puma performed better than Adidas and Geox in every geographical market segment in containing losses. Furthermore, in the most important segment in terms of net sales for Adidas, Asia Pacific, they had a very low decrease 2% (from €1,2489 billion to €1,277 million) while Adidas and Geox faced a decrease in the same segment of 19% (from €8,032 billion to €6,546 billion) and 25,9% (from €12,416 million to €9,2 million) respectively.
Nevertheless, Adidas confirmed the supremacy in terms of revenues in every geographical area analysed for every year: Europe, North America, Asia Pacific, Latin America and Other Countries.

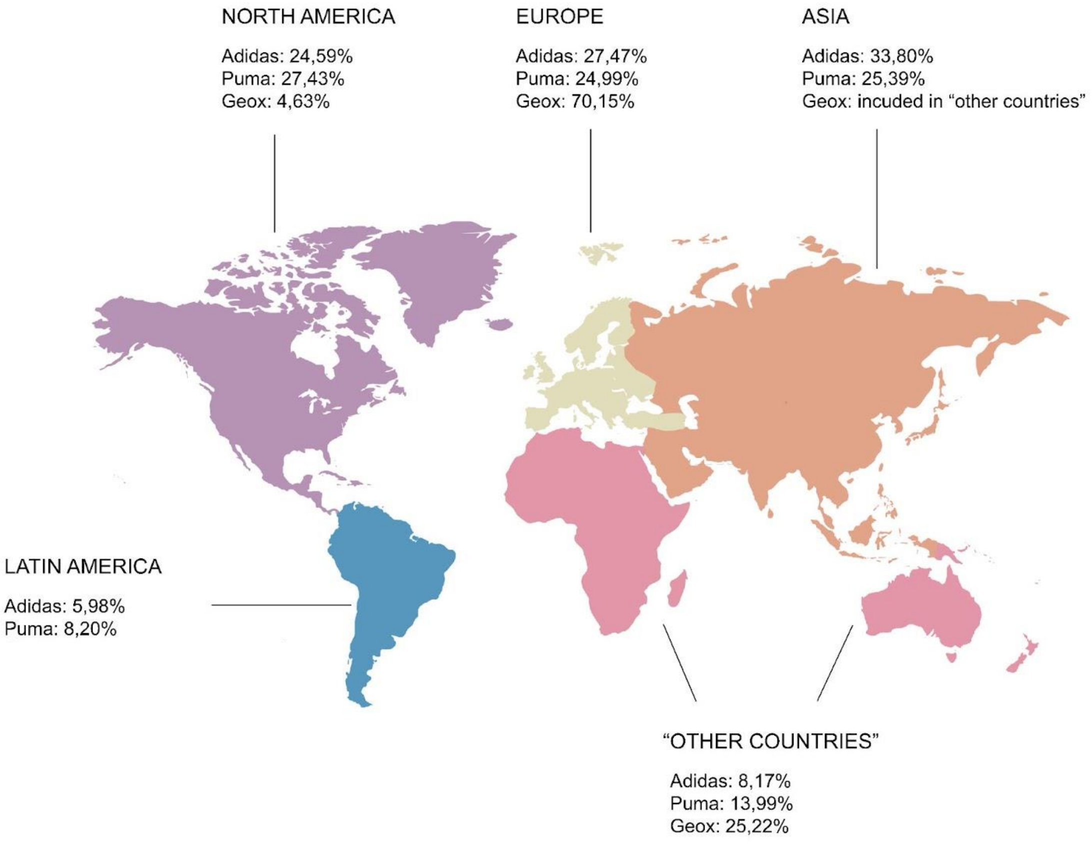
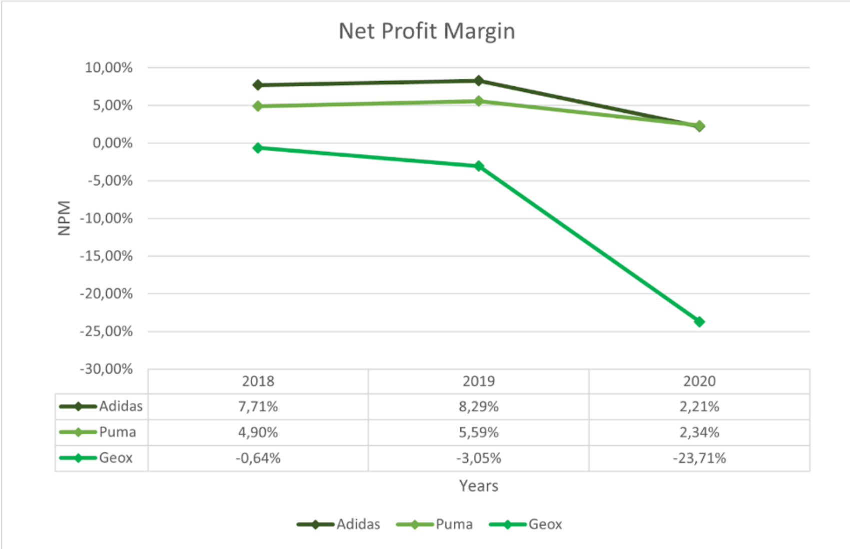



Figure 5: Segmental Analysis.

## Net Profit margin

Adidas results in being a very profitable company as during the first-period it presents a Net Profit margin above 7,7%, highlighting their ability to transform Revenues in Net Profit.

Indeed, it raised from 7,71% in 2018 to 8,29% in 2019, meaning that they managed to increase their revenues at a faster rate than COGS, which then decreased in 2020 by 5,59%, because of the negative impact on Revenues (-16,27% compared with 2019) for the closure of physical stores.

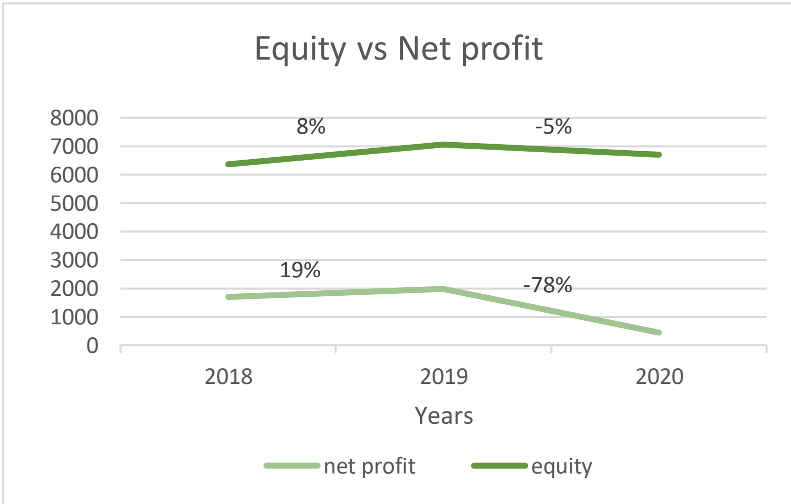



Analysing these values with Puma's ones, whose ratio had a decreasing value in the first-period of only 2,52%, it can be noticed that Adidas, during the pandemic, didn't manage costs and sales as well as Puma did (Puma's Revenues decreased only 5,07% in the second-period).

Geox instead had negative values during the whole period analysed, mainly because of the decreasing demand of their products. Geox indeed, unlike Puma and Adidas, is more vertically integrated and has a high percentage of D&A compared to revenues (18,19%, compared to Adidas and Puma 6,83% and 5,25% respectively, in 2020). Furthermore, Geox, has a much higher percentage of general and administrative expenses (average of 18,38% compared to Adidas: 7,13%) and personnel costs (average of 14,66% compared to Adidas and Puma: 11,65% and 11,56%) compared to revenues.

## ROE

Before analysing ROE for Adidas it will be useful to contextualize it with respect to its components. As mentioned before, both Equity and Net profit rose in the first-period but dropped in the second.

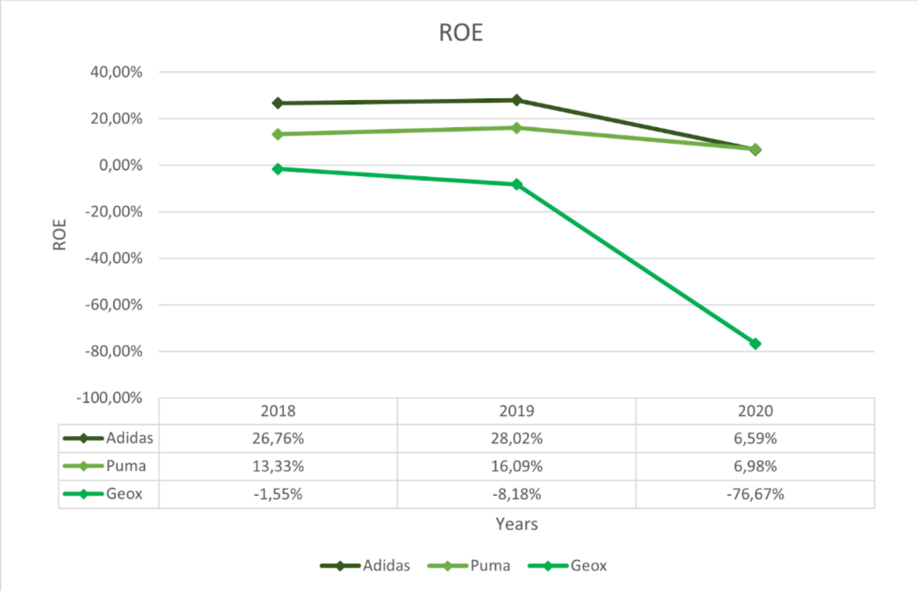



The ROE trend had always been above 26% until the end of 2019, meaning that the management of Adidas had effectively used the company's Equity to generate profits, caused by an increase of Net Profit at a higher rate than Equities,19% and 8% respectively.

Oppositely, in the second-period it experienced a 78% decrease attributable to a drop of Net Profit due to the pandemic effects on the business.

It is meaningful to look at the Equity trend to contextualize the ROE of the three companies: both Adidas and Puma showed an increasing trend in the first-period. Both companies increased their retained earnings in order to finance their investments, made possible by higher Net Profits results in 2019. While for Geox is the opposite, the Equity trend is negative until 2019 mainly due to the negative and decreasing net income, affecting the decreasing of retained earnings.

For the second-period, all of them experienced a decreasing Equity trend, 5% for Adidas, 8.1% for Puma and 44% for Geox. Besides the net profit decrease due to the pandemic, the reserves are what decreased the most, due to the negative effects of currency conversion, since the exchange rate influences the hedge reserve in Equity and the fair value of these hedging contracts.




Comparing ROE it can be seen that Adidas succeeded in delivering high and positive results. The same, even though with an average of 10 points lower, holds for Puma. There is a difference because Adidas is able to obtain an 8% average profit from Revenues while Puma only 5%, excluded 2020. Geox instead, from 2019, has generated losses causing a negative ROE.

## Financial Leverage and ROI

| Variable of functions | YEAR 2018 | 2019 | 2020 |
|---|---|---|---|
| ROE BS | 26.76% | 28.02% | 6.61% |
| ROI | 28.42% | 21.88% | 5.71% |
| D/E | 30.87% | 72.22% | 96.41% |
| S | 71.64% | 77.33% | 76.83% |
| r | -0.51% | 2.00% | 2.71% |
| ROE using ROI | 26.76% | 28.02% | 6.61% |

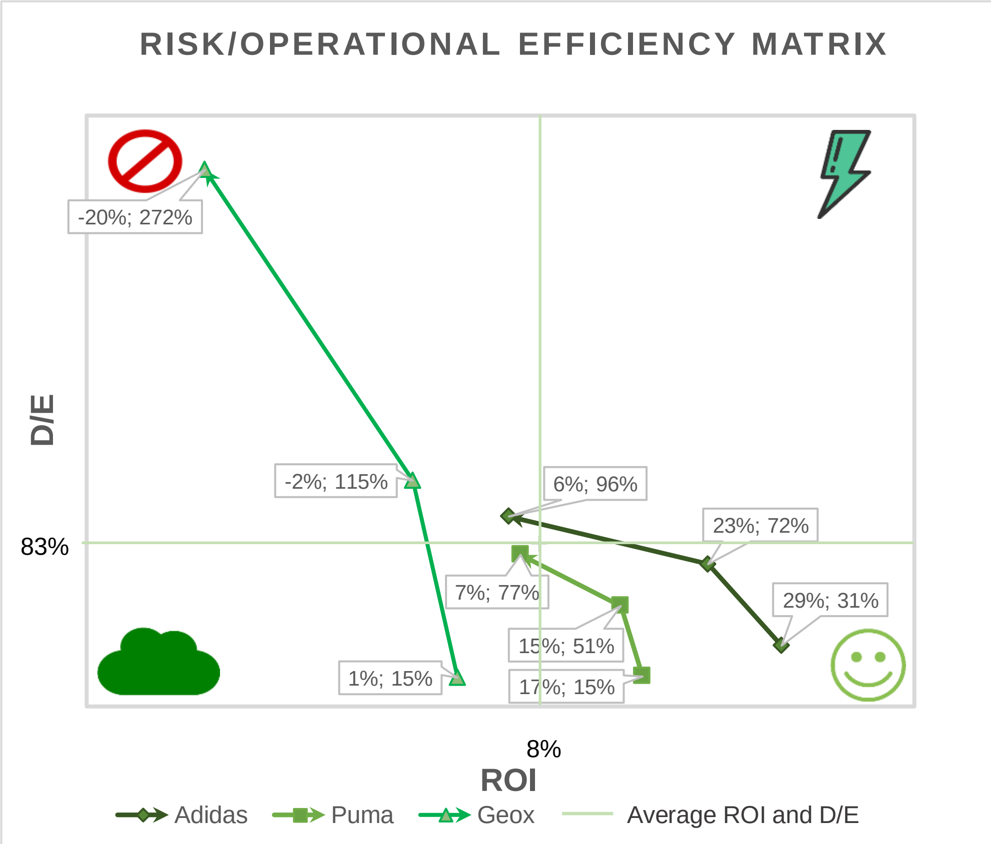
Table 1: Computation of components for Financial Leverage and ROI.

- $ROE = S\left[ROI + \frac{D}{E}(ROI - r)\right]$
- $ROI = \frac{EBIT}{Equity + Financial\ Liabilities}$
- $D/E = \frac{Financial\ Liabilities}{Total\ Equity}$
- $S = \frac{Net\ profit}{EBT}$
- $r = \frac{Net\ interest\ expenses}{Financial\ Liabilities}$

The ROE function represents the profitability of financial leverage utilization considering ROI as a proxy of turnover from investment to operating profit. Despite the actual Debt to Equity ratio value, the key aspect of the formula is (ROI – r), because it will reflect whether the leverage is effective. In fact, the leverage will be effective when ROI>r and it is more effective as the value of ROI increases with respect to the r value. Furthermore, D has a different correlation with r and ROI: if the company increases D to improve the leverage effect, r will increase due to higher financial expenses while ROI will decrease thus increasing the risk of having (ROI-r)<0 (considering EBIT and financial income unchanged).

In 2018 Adidas had a very low risk from indebtedness (as shown in the table above) thus resulting in effective and efficient profit turnover from financial leverage. In the following year, despite the application of IFRS 16 that reduced the ROI (from 28,42% to 21,8%), Adidas still had relatively low indebtedness risk which caused the financial leverage to be highly efficient in leveraging Adidas' ability to turn equity into profit. In 2020, Adidas significantly increased their financial liabilities thus creating a higher value of r. Nevertheless, their ROI (5,71%) is still higher than r (2,71%) so the financial leverage is still effective even amidst the covid situation.

## Leverage Risk and Operational Efficiency




| ICON | NAME | CONTEXT |
|---|---|---|
| | STOP SIGN | High Risk – Low Efficiency |
| | CLOUD | Low Risk – Low Efficiency |
| | THUNDER | High Risk – High Efficiency |
| | SMILE | Low Risk – High Efficiency |

Table 2: Legend of Risk/Efficiency Matrix.

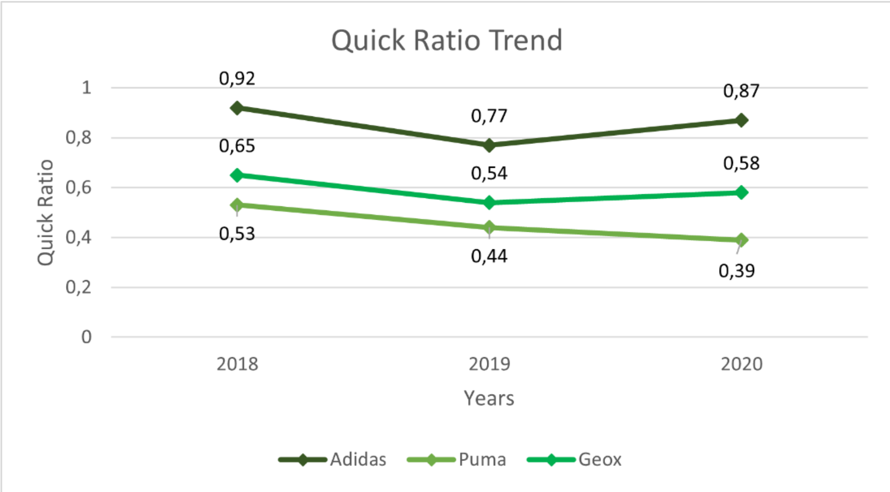
| NAME | IND. | YEARS 2018 | 2019 | 2020 |
|---|---|---|---|---|
| Adidas | D/E | 31% | 72% | 96% |
| | ROI | 29% | 23% | 6% |
| Puma | D/E | 15% | 51% | 77% |
| | ROI | 17% | 15% | 7% |
| Geox | D/E | 15% | 115% | 272% |
| | ROI | 1% | -2% | -20% |
| Average | D/E | | 83% | |
| | ROI | | 8% | |

Table 3: D/E and ROI of Adidas and Competitors.

The Risk-Operational Efficiency Matrix represents Adidas' position with respect to its competitors in terms of its ability to be profitable. In this Matrix we used D as total financial liabilities.

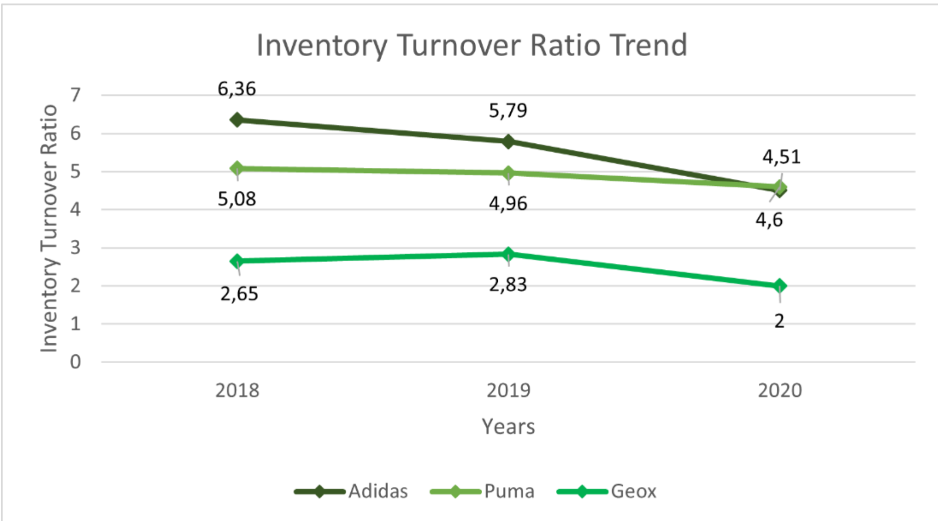
- Adidas has been operating in the smile zone in 2018-2019, relatively they are able to manage their debt risk and operational efficiency. But, in 2020 Adidas operation efficiency plummeted because their debt increased and their operating profit decreased, causing them to enter the Stop sign area.
- Puma in 2018-2019 relatively operated in low risk of indebtedness and provided high operational efficiency. Puma debt is relatively below the average in 2020 even though their operational efficiency declined, placing them into Cloud zone.
- Geox in 2018 had a very low indebtedness despite the low efficiency, but from 2018 until 2020 Geox has been performing severely sub-optimally against Adidas and Puma. Each year their financial debts increased, but ultimately in 2020, their equity value dropped 45%, further increasing their risk to receive better credit for future leverage.

## Quick Ratio




The choice to use the following indicator is justified by the fact that inventories, in the sportswear industry, are not so easy to turn into cash in the short period, so the quick ratio is a better proxy of the ability to repay current liabilities for the company compared to the current ratio.
Analysing the quick ratio's trend for Adidas, it can be highlighted that they have never had the ability to completely repay their current debts with the liquidity at their disposal.
Indeed, in 2020 they were able to repay just 87% of current liabilities. Even though this is a problem for the company, through benchmarking it is possible to understand that Adidas is well positioned. In fact, Geox and Puma are both in a worse situation because in 2020 they could repay only 58% and 39% of their current liabilities respectively.
From 2018 to 2019 all three competitors faced an increase (28%, 30,43% and 10 % for Adidas, Puma and Geox) in total current liabilities mainly due to the new accounting standards IFRS-16, thus worsening the quick ratio value.
Both Adidas and Geox were able to improve the quick ratio value from 2019 thanks to small variations in current liabilities balanced with a big increase in cash and cash equivalents (79,91% and 71,58% respectively), while Puma had a small increase in cash and cash equivalents but correlated with a big increase in current liabilities (caused by a 1090% increase in current financial liabilities and a 260% increase in other current liabilities).

## Inventory Turnover Ratio

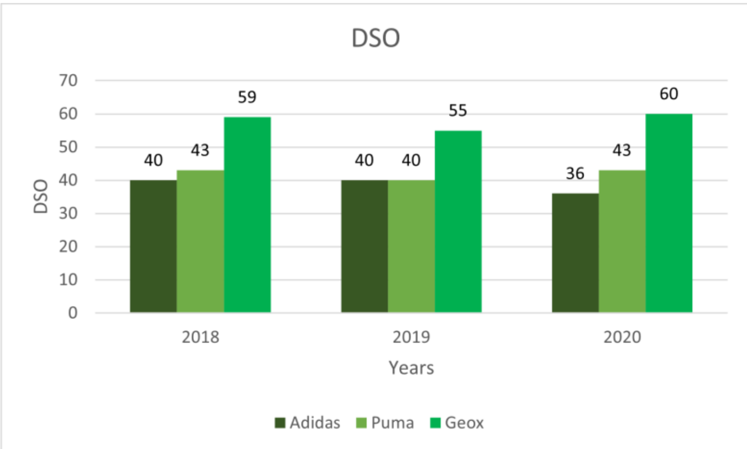


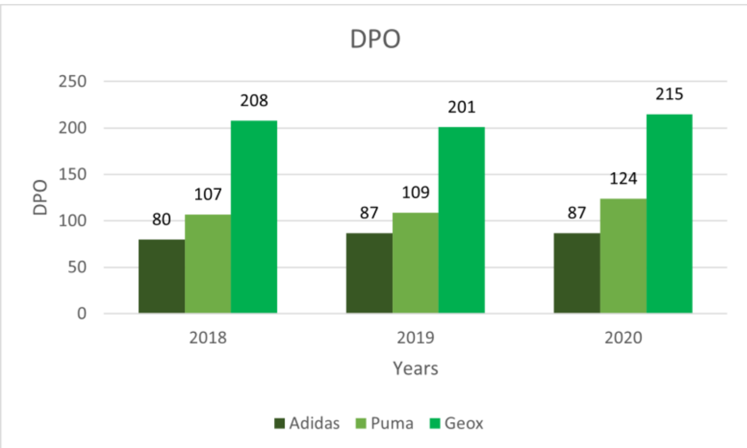

In terms of Inventory Turnover Ratio, the company had a negative trend during 2018-2020 mainly due to the steady increase in inventories followed by fluctuation in revenues. On the one hand, in 2018 and 2019 Adidas increased inventories during last quarter in order to satisfy the growth of demand. On the other hand, towards the end of 2020 Adidas had to normalize inventory levels because the pandemic situation plus their policy with suppliers and the increasing usage of e-commerce brought inventories to €5.213 billion on the 30th of July (€3.579 billion in 2019).

Benchmarking highlighted that Adidas had the best value in the first-period compared to Puma and Geox, with the highest value in 2018 (6,36) while Geox had the worst one (2,65). While Puma followed the same trend as Adidas for the same reasons, Geox reduced inventories in 2019 due to the excess generated the year before. In 2020 Geox and Puma had the best inventory management because Puma was able to basically maintain the same value while Geox managed to reduce them. Indeed, Geox faced significant inventory write-down, mainly linked to the 2020 collections, as the result of the excess stock caused by stores being closed during lockdown, while Puma, as their CEO stated, achieved this solution mainly through sales promotions.


## DSO/DPO

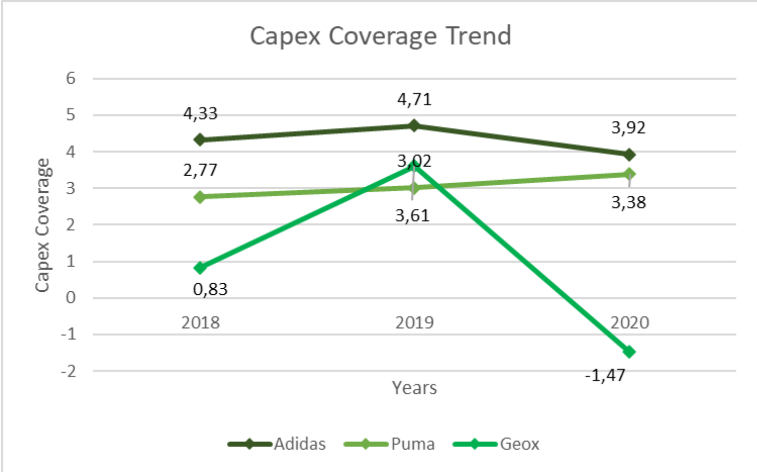
Adidas had a lower DSO compared with Puma and Geox for all the three years (it had the same value as Puma in 2019). This is due to "Adidas' integrated approach to receivables management" which consists of improved collection efforts and improved aging of accounts receivable. As it is shown, the higher difference between the three is registered in 2020 which represents the last year of the 5-years Adidas strategy "create the new" which introduces this management system.




Adidas had a lower DPO than Puma and Geox for the years considered. The difference between Adidas and Puma highlights the worse performance of Adidas despite its effort in achieving better payment terms and its bargaining power due to long-term relationships (that also Puma implements). The big difference between Adidas/Puma and Geox, instead, is the fact that Geox produces its product internally, so its payables are related to raw materials that have a lower cost than finished goods and so they represent a lower percentage of revenues.

## Capex Coverage Ratio




Adidas showed a value of CFFO almost four times higher than Capital Expenditure, reaching €1489 and €379 billions in 2020 respectively, stating that it can self-sustain organic growth over the years, keeping a constant trend. It can be seen an increase in value in the first-period caused by a better management of operating activities. While in the second, it decreased 16%. Most of the capex was accounted for own-retail and franchise stores (42%); from a segmental perspective many of it was recorded centrally at headquarter level (49%). During the years there is not so much difference in value, stating that the amount of cash spent in investment didn't change. Puma's ratio increased 8% and 10% respectively from 2018 to 2020, having a different trend from Adidas. As for Geox we have an increasing value in the first year which then decreases in the second one because of the drop in cash flows but remaining a positive value.

# CONCLUSIONS

Adidas is a very profitable company with a good net profit margin and a coverage sourced mainly by its total equity. The company showed an improving trend for most of its aspects in the first-period, while, in the second one they worsen mainly because of the pandemic.
We identified multiple elements that bring Adidas to be one of the best players in the market as shown in our analysis, moreover they showed high resilience in a very tough financial period. Adidas has already decided to pay dividends in 2021 to follow the new strategy guidelines "Own the Game" that focuses also on giving attractive returns. Furthermore, it reflects the positive outlook for the next years.

# OUTLOOK

- People have developed a healthier lifestyle due to pandemic, as we can see from global fitness apps usage increasing, which results in an increase in the sportswear products demand.
- In APAC regions, Adidas have been recording strong sales significantly higher than Europe and North America. The market is also expected to grow with a CAGR of 4.3% until 2027. In fact, Adidas will create a new segment focused only on the "Greater China" region.
- To meet demand, Adidas will strengthen DTC channel, including investment for e-commerce and infrastructures, which will generate future improvement of sales in controlled-space store and e-commerce.
- Sustainability will become essential in the market, as predicted by Kasper Rørsted people will demand greener products. To achieve this Adidas will invest more on sustainable value chains and products.
- The global sportswear market size was estimated at €260 billion in 2020 but is expected to reach €400 billion by 2025:

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# ANNEXES

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

| | Note | Dec. 31, 2020 | Dec. 31, 2019 | Dec. 31, 2018 |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | 5 | **3994,00** | **2220,00** | **2629,00** |
| Short-term financial assets | 6 | **0,00** | **292,00** | **6,00** |
| Accounts receivable | 7 | **1952,00** | **2625,00** | **2418,00** |
| Other current financial assets | 8 | **702,00** | **544,00** | **542,00** |
| Inventories | 9 | **4397,00** | **4085,00** | **3445,00** |
| Income tax receivables | 36 | **109,00** | **94,00** | **48,00** |
| Other current assets | 10 | **999,00** | **1076,00** | **725,00** |
| Assets classified as held for sale | | **0,00** | **0,00** | **0,00** |
| **Total current assets** | | **12154,00** | **10934,00** | **9813,00** |
| Property, plant and equipment | 11 | **2157,00** | **2380,00** | **2237,00** |
| Right-of-use assets | 12 | **2430,00** | **2931,00** | **0,00** |
| Goodwill | 13 | **1208,00** | **1257,00** | **1245,00** |
| Trademarks | 14 | **750,00** | **859,00** | **844,00** |
| Other intangible assets | 14 | **252,00** | **305,00** | **196,00** |
| Long-term financial assets | 15 | **353,00** | **367,00** | **276,00** |
| Other non-current financial assets | 16 | **414,00** | **450,00** | **256,00** |
| Deferred tax assets | 36 | **1233,00** | **1093,00** | **651,00** |
| Other non-current assets | 17 | **103,00** | **103,00** | **94,00** |
| **Total non-current assets** | | **8899,00** | **9746,00** | **5799,00** |
| **Total assets** | | **21053,00** | **20680,00** | **15612,00** |
| **Liabilities and equity** | | | | |
| Short-term borrowings | 18 | **686,00** | **43,00** | **66,00** |
| Accounts payable | | **2390,00** | **2703,00** | **2300,00** |
| Current lease liabilities | 21 | **563,00** | **733,00** | **0,00** |
| Other current financial liabilities | 19 | **446,00** | **235,00** | **186,00** |
| Income taxes | 36 | **562,00** | **618,00** | **268,00** |
| Other current provisions | 20 | **1609,00** | **1446,00** | **1232,00** |
| Current accrued liabilities | 22 | **2172,00** | **2437,00** | **2305,00** |
| Other current liabilities | 23 | **398,00** | **538,00** | **477,00** |
| **Total current liabilities** | | **8827,00** | **8754,00** | **6834,00** |
| Long-term borrowings | 18 | **2482,00** | **1595,00** | **1609,00** |
| Non-current lease liabilities | 21 | **2159,00** | **2399,00** | **0,00** |
| Other non-current financial liabilities | 24 | **115,00** | **92,00** | **103,00** |
| Pensions and similar obligations | 25 | **284,00** | **229,00** | **246,00** |
| Deferred tax liabilities | 36 | **241,00** | **280,00** | **241,00** |
| Other non-current provisions | 20 | **229,00** | **257,00** | **128,00** |
| Non-current accrued liabilities | 22 | **8,00** | **9,00** | **19,00** |
| Other non-current liabilities | 26 | **17,00** | **7,00** | **68,00** |
| **Total non-current liabilities** | | **5535,00** | **4868,00** | **2414,00** |
| Share capital | | **195,00** | **196,00** | **199,00** |
| Reserves | | **-474,00** | **45,00** | **123,00** |
| Retained earnings | | **6733,00** | **6555,00** | **6054,00** |
| **Shareholders' equity** | 27 | **6454,00** | **6796,00** | **6376,00** |
| Non-controlling interests | 29 | **237,00** | **261,00** | **-13,00** |
| **Total equity** | | **6691,00** | **7058,00** | **6363,00** |
| **Total liabilities and equity** | | **21053,00** | **20680,00** | **15611,00** |

## ADIDAS COMMON SIZE ANALYSIS:

| COMMON SIZE ANALYSIS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Partial | | | Total | | | Horizontal | | |
| 2020 | 2019 | 2018 | 2020 | 2019 | 2018 | 2020 | 2019 | 2018 |
| 32,86% | 20,30% | 26,79% | 18,97% | 10,74% | 16,84% | 151,92% | 84,44% | 100,00% |
| 0,00% | 2,67% | 0,06% | 0,00% | 1,41% | 0,04% | 0,00% | 4866,67% | 100,00% |
| 16,06% | 24,01% | 24,64% | 9,27% | 12,69% | 15,49% | 80,73% | 108,56% | 100,00% |
| 5,78% | 4,98% | 5,52% | 3,33% | 2,63% | 3,47% | 129,52% | 100,37% | 100,00% |
| 36,18% | 37,36% | 35,11% | 20,89% | 19,75% | 22,07% | 127,63% | 118,58% | 100,00% |
| 0,90% | 0,86% | 0,49% | 0,52% | 0,45% | 0,31% | 227,08% | 195,83% | 100,00% |
| 8,22% | 9,84% | 7,39% | 4,75% | 5,20% | 4,64% | 137,79% | 148,41% | 100,00% |
| 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% | 0,00% |
| 100,00% | 100,00% | 100,00% | 57,73% | 52,87% | 62,86% | 123,86% | 111,42% | 100,00% |
| 24,24% | 24,42% | 38,58% | 10,25% | 11,51% | 14,33% | 96,42% | 106,39% | 100,00% |
| 27,31% | 30,07% | 0,00% | 11,54% | 14,17% | 0,00% | 82,91% | 100,00% | |
| 13,57% | 12,90% | 21,47% | 5,74% | 6,08% | 7,97% | 97,03% | 100,96% | 100,00% |
| 8,43% | 8,81% | 14,55% | 3,56% | 4,15% | 5,41% | 88,86% | 101,78% | 100,00% |
| 2,83% | 3,13% | 3,38% | 1,20% | 1,47% | 1,26% | 128,57% | 155,61% | 100,00% |
| 3,97% | 3,77% | 4,76% | 1,68% | 1,77% | 1,77% | 127,90% | 132,97% | 100,00% |
| 4,65% | 4,62% | 4,41% | 1,97% | 2,18% | 1,64% | 161,72% | 175,78% | 100,00% |
| 13,86% | 11,21% | 11,23% | 5,86% | 5,29% | 4,17% | 189,40% | 167,90% | 100,00% |
| 1,16% | 1,06% | 1,62% | 0,49% | 0,50% | 0,60% | 109,57% | 109,57% | 100,00% |
| 100,00% | 100,00% | 100,00% | 42,27% | 47,13% | 37,14% | 153,46% | 168,06% | 100,00% |
| | | | 100,00% | 100,00% | 100,00% | 134,85% | 132,46% | 100,00% |
| 7,77% | 0,49% | 0,97% | 3,26% | 0,21% | 0,42% | 1039,39% | 65,15% | 100,00% |
| 27,08% | 30,88% | 33,66% | 11,35% | 13,07% | 14,73% | 103,91% | 117,52% | 100,00% |
| 6,38% | 8,37% | 0,00% | 2,67% | 3,54% | 0,00% | | | |
| 5,05% | 2,68% | 2,72% | 2,12% | 1,14% | 1,19% | 239,78% | 126,34% | 100,00% |
| 6,37% | 7,06% | 3,92% | 2,67% | 2,99% | 1,72% | 209,70% | 230,60% | 100,00% |
| 18,23% | 16,52% | 18,03% | 7,64% | 6,99% | 7,89% | 130,60% | 117,37% | 100,00% |
| 24,61% | 27,84% | 33,73% | 10,32% | 11,78% | 14,77% | 94,23% | 105,73% | 100,00% |
| 4,51% | 6,15% | 6,98% | 1,89% | 2,60% | 3,06% | 83,44% | 112,79% | 100,00% |
| 100,00% | 100,00% | 100,00% | 41,93% | 42,33% | 43,78% | 129,16% | 128,09% | 100,00% |
| 44,84% | 32,76% | 66,65% | 11,79% | 7,71% | 10,31% | 154,26% | 99,13% | 100,00% |
| 39,01% | 49,28% | 0,00% | 10,26% | 11,60% | 0,00% | 90,00% | 100,00% | |
| 2,08% | 1,89% | 4,27% | 0,55% | 0,44% | 0,66% | 111,65% | 89,32% | 100,00% |
| 5,13% | 4,70% | 10,19% | 1,35% | 1,11% | 1,58% | 115,45% | 93,09% | 100,00% |
| 4,35% | 5,75% | 9,98% | 1,14% | 1,35% | 1,54% | 100,00% | 116,18% | 100,00% |
| 4,14% | 5,28% | 5,30% | 1,09% | 1,24% | 0,82% | 178,91% | 200,78% | 100,00% |
| 0,14% | 0,18% | 0,79% | 0,04% | 0,04% | 0,12% | 42,11% | 47,37% | 100,00% |
| 0,31% | 0,14% | 2,82% | 0,08% | 0,03% | 0,44% | 25,00% | 10,29% | 100,00% |
| 100,00% | 100,00% | 100,00% | 26,29% | 23,54% | 15,46% | 229,29% | 201,66% | 100,00% |

**Adidas Reclassified BS**

| Invested Capital | 2020 | 2019 | 2018 |
|---|---|---|---|
| Property, plant and equipment | 2157,00 | 2380,00 | 2237,00 |
| Goodwill | 1208,00 | 1257,00 | 1245,00 |
| Other intangible assets | 252,00 | 305,00 | 196,00 |
| Trademarks | 750,00 | 859,00 | 844,00 |
| Other non-current financial assets | 414,00 | 450,00 | 256,00 |
| Other non-current assets | 103,00 | 103,00 | 94,00 |
| Deferred tax assets | 1233,00 | 1093,00 | 651,00 |
| Long-term financial assets | 353,00 | 367,00 | 276,00 |
| Right-of-use assets | 2430,00 | 2931,00 | 2856,00 |
| **TOTAL FIXED ASSET** | **8900,00** | **9745,00** | **8655,00** |
| | | | |
| Accounts receivable | 1952,00 | 2625,00 | 2418,00 |
| Other current assets | 999,00 | 1076,00 | 725,00 |
| Income tax receivables | 109,00 | 94,00 | 48,00 |
| **Total Receivables** | 3060,00 | 3795,00 | 3191,00 |
| **Inventories** | 4397,00 | 4085,00 | 3445,00 |
| Payable | 2390,00 | 2703,00 | 2300,00 |
| Deferred tax liabilities | 241,00 | 280,00 | 241,00 |
| Income taxes | 562,00 | 618,00 | 268,00 |
| | | | |
| | | | |
| Other current liabilities | 398,00 | 538,00 | 477,00 |
| | | | |
| Current accrued liabilities | 2172,00 | 2437,00 | 2305,00 |
| **Total Payables** | 5763,00 | 6576,00 | 5591,00 |
| **NWC** | **1694** | **1304** | **1045** |
| | | | |
| Other provisions | 1838,00 | 1446,00 | 1.232 |
| Pensions and similar obligations | 284,00 | 229,00 | 246,00 |
| **Total Provisions** | **2122** | **1675** | **1478** |
| | | | |
| **Assets classified as held for sale** | **0** | **0** | **0** |
| | | | |
| **INVESTED CAPITAL** | **8472** | **9374** | **8222** |

| Coverage | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Total equity** | **6691,00** | **7058,00** | **6363,00** |
| | | | |
| Short-term borrowings | 686,00 | 43,00 | 66,00 |
| Long-term borrowings | 2482,00 | 1595,00 | 1609,00 |
| Current lease liabilities | 563,00 | 733,00 | 0,00 |
| Other current financial liabilities | 446,00 | 235,00 | 186,00 |
| Non-current lease liabilities | 2159,00 | 2399,00 | 3075,00 |
| Other non-current financial liabilities | 115,00 | 92,00 | 103,00 |
| Cash and cash equivalents | 3994,00 | 2220,00 | 2629,00 |
| Other current financial assets | 702,00 | 544,00 | 542 |
| **Net financial debts** | **1755,00** | **2333,00** | **1868,00** |
| | | | |
| **COVERAGE** | **8446,00** | **9391,00** | **8231,00** |

**Adidas Reclassified IS**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Net Sales | 19.844 | 23.640 | 21.915 |
| Royalty and Commision Income | 83 | 154 | 129 |
| Other Operating Income | 42 | 56 | 48 |
| **Total Revenue** | **19.969** | **23.850** | **22.092** |
| Raw materials | 9.945 | 11.316 | 10.549 |
| **Gross Profit** | **10.024** | **12.324** | **11.366** |
| General and Administration Expenses | 5.439 | 5.988 | 6.184 |
| Composed of: | | | |
| Marketing and point-of-sale expenses | 2.573 | 3.042 | 3.001 |
| Distribution and selling expenses | 4.962 | 4.997 | 4.450 |
| General and administration expenses | 1.461 | 1.652 | 1.576 |
| Sundry expenses | 119 | 134 | 105 |
| Minus DA on broad expenses | - 1.200 | - 1.131 | - 467 |
| Minus Personnel Expense | - 2.471 | - 2.709 | - 2.481 |
| Impairment deduction | -5 | 3 | |
| **Value Added** | **4.585** | **6.546** | **5.359** |
| Personnel cost | 2.471 | 2.709 | 2.481 |
| **EBITDA** | **2.114** | **3.837** | **2.878** |
| Depreciation and Amortization | 1.245 | 1.162 | 470 |
| Total Impairment Losses | 119 | 15 | 41 |
| **EBIT** | **750** | **2.660** | **2.367** |
| Net Financial Result | - 176 | - 102 | 10 |
| **Income Before Taxes (EBT)** | **574** | **2558** | **2377** |
| Income Taxes | 146 | 640 | 669 |
| **Net Income from continuing Operatio** | **428** | **1918** | **1708** |
| Gain from discontinuing operation | 13 | 60 | - 5 |
| Losses from discontinuing operation | | | |
| **Net income** | **441** | **1978** | **1703** |

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

| | Note | Year ending Dec. 31, 2020 | Year ending Dec. 31, 2019 | Year ending Dec. 31, 2018 |
|---|---|---|---|---|
| **Operating activities:** | | | | |
| Income before taxes | | 575,00 | 2558,00 | 2378 |
| **Adjustments for:** | | | | |
| Depreciation, amortization and impairment losses | 13, 14, 32, 34 | 1370,00 | 1214,00 | 490 |
| Reversals of impairment losses | 31 | -6,00 | -8,00 | -3 |
| Interest income | 34 | -25,00 | -50,00 | -24 |
| Interest expense | 34 | 164,00 | 160,00 | 42 |
| Unrealised foreign exchange losses/(gains), net | | 35,00 | -1,00 | -10 |
| Losses on sale of property, plant and equipment and intangible assets, net | | 28,00 | 11,00 | 9 |
| Other non-cash effects from operating activities | 31, 32 | 2,00 | -12,00 | 17 |
| Payment for external funding of pension obligations (CTA) | | 0,00 | -105,00 | -90 |
| **Operating profit before working capital changes** | | **2144,00** | **3767,00** | **2808** |
| Decrease/(Increase) in receivables and other assets | | 394,00 | -694,00 | -209 |
| Increase in inventories | | -503,00 | -505,00 | 180,00 |
| (Decrease)/Increase in accounts payable and other liabilities | | -141,00 | 951,00 | 741 |
| **Cash generated from operations before taxes** | | **1893,00** | **3519,00** | **3520** |
| Interest paid | | 0,00 | 0,00 | -40 |
| Income taxes paid | | -404,00 | -692,00 | -815 |
| **Net cash generated from operating activities – continuing operations** | | **1489,00** | **2828,00** | **2666** |
| Net cash used in operating activities – discontinued operations | | -3,00 | -9,00 | -20 |
| **Net cash generated from operating activities** | | **1486,00** | **2819,00** | **2646** |
| **Investing activities:** | | | | |
| Purchase of trademarks and other intangible assets | | -64,00 | -110,00 | -96,00 |
| Proceeds from sale of trademarks and other intangible assets | | 4,00 | 0,00 | 2,00 |
| Purchase of property, plant and equipment | | -379,00 | -598,00 | -611,00 |
| Proceeds from sale of property, plant and equipment | | 17,00 | 13,00 | 13,00 |
| Proceeds form assets held for sale | | 0,00 | 0,00 | 71,00 |
| Proceeds from sale of a disposal group | 3 | 1,00 | 8,00 | 18,00 |
| Proceeds due to business combinations | 4 | 0,00 | 54,00 | 0,00 |
| Proceeds from disposal of discontinued operations | | 41,00 | 20,00 | 0,00 |
| Proceeds from/ (Purchase of) sale of short-term financial assets | | 289,00 | -284,00 | 0,00 |
| Purchase of investments and other long-term assets | | -49,00 | -80,00 | -56,00 |
| Interest received | | 25,00 | 50,00 | 24,00 |
| **Net cash used in investing activities – continuing operations** | | **-115,00** | **-925,00** | **-636,00** |
| Net cash generated from investing activities – discontinued operations | | 0,00 | 0,00 | 0,00 |
| **Net cash used in investing activities** | | **-115,00** | **-925,00** | **-636,00** |
| **Financing activities:** | | | | |
| Proceeds form long term borrowings | | 0,00 | 0,00 | 141,00 |
| Proceeds from issuance of bonds | 18 | 1490,00 | 0,00 | 518,00 |
| Payments for options related to a convertible bond | | 0,00 | 0,00 | -35,00 |
| Reverse transaction of buyback of Eurobonds | 18 | 11,00 | 0,00 | 0,00 |
| Interest paid | | -157,00 | -156,00 | -40,00 |
| Repayments of lease liabilities | | -611,00 | -597,00 | -2,00 |
| Dividend paid to shareholders of adidas AG | 27 | – | -664,00 | -528,00 |
| Dividend paid to non-controlling interest shareholders | | -17,00 | -2,00 | -1,00 |
| Repurchase of adidas AG shares | 27 | -257,00 | -809,00 | -1000,00 |
| Repurchase of adidas AG shares due to share-based payments | | -29,00 | -28,00 | -22,00 |
| Proceeds from reissuance of treasury shares due to share-based payments | | 25,00 | 24,00 | 19,00 |
| Proceeds from short-term borrowings | 18 | 543,00 | 0,00 | 9,00 |
| Repayments of short-term borrowings | 18 | -519,00 | -42,00 | -49,00 |
| **Net cash generated from/(used in) financing activities – continuing operations** | | **479,00** | **-2273,00** | **-951,00** |
| Net cash generated from financing activities – discontinued operations | | 0,00 | 0,00 | 0,00 |
| **Net cash generated from/(used in) financing activities** | | **479,00** | **-2273,00** | **-991,00** |
| **Effect of exchange rates on cash** | | **-75,00** | **-30,00** | **-29,00** |
| Increase /(Decrease) in cash and cash equivalents | | 1774,00 | -410,00 | 1031,00 |
| Cash and cash equivalents at beginning of year | 5 | 2220,00 | 2629,00 | 1598,00 |
| **Cash and cash equivalents at end of period** | 5 | **3994,00** | **2220,00** | **2629,00** |

## Puma Consolidated Statement of Financial Position (IFRS) € in millions

| | Dec. 31, | Dec. 31, 2019 | Dec. 31, 2018 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 655,9 | 518,1 | 463,7 |
| Inventories | 1138 | 1110,2 | 915,1 |
| Trade receivables | 621 | 611,7 | 553,7 |
| Income Tax receivables | 21,3 | 34,2 | 33,9 |
| Other current financial Assets | 52,9 | 76,6 | 111,2 |
| Other current assets | 124,1 | 130,5 | 115,2 |
| **Current assets** | **2613,2** | **2481,3** | **2192,8** |
| Deferred taxe assets | 277,5 | 237,7 | 207,6 |
| PPE | 406,9 | 394,8 | 294,6 |
| Right-of-use assets | 877,6 | 719 | 0 |
| Intangible Assets | 443,5 | 454,6 | 437,5 |
| Other non-current financial assets | 58,8 | 71,5 | 65,4 |
| Other non current assets | 6,8 | 19,3 | 9,4 |
| **Non-current assets** | **2071,1** | **1896,9** | **1014,5** |
| **Total Assets** | **4684,3** | **4378,2** | **3207,3** |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| Current financial liabilities | 121,4 | 10,2 | 20,5 |
| Trade payables | 941,5 | 843,7 | 705,3 |
| Income Taxes | 89,2 | 88,9 | 68 |
| Other current liabilities | 377,8 | 376 | 304,6 |
| Current lease liabilities | 156,5 | 144,8 | 0,8 |
| Other current provisions | 35,3 | 34,8 | 39,6 |
| Other current financial liabilities | 151,1 | 60,5 | 56,4 |
| **Current liabilities** | **1872,8** | **1558,9** | **1195,2** |
| Deferred taxe liabilities | 40,6 | 53 | 47,7 |
| Pension provisions | 38,2 | 34,1 | 28,9 |
| Other non current provisions | 38,9 | 43,2 | 26,3 |
| Other non current financial liabilities | 153,7 | 163,8 | 173,2 |
| Liabilities from acquisitions | 0 | 0 | 3,3 |
| Non-current lease liabilities | 775,2 | 600,5 | 7,5 |
| Other non-current liabilities | 0,7 | 4,4 | 2,9 |
| **Non-current liabilities** | **1047,3** | **899** | **289,8** |
| **Shareholder's Equity** | **1763,9** | **1920,3** | **1722,2** |
| **Total Liabilities and Shareholders' Equity** | **4684,0** | **4378,2** | **3207,2** |

**Puma Reclassified IS**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Revenues | 5234,40 | 5502,20 | 4648,30 |
| Other operating income | 0,40 | 4,20 | 21,10 |
| Royalty and commission income | 16,10 | 25,10 | 16,30 |
| **Total Revenues** | **5250,90** | **5531,50** | **4685,70** |
| Raw material | 2771,20 | 2809,00 | 2390,80 |
| **Gross Profit** | **2463,2** | **2693,2** | **2257,5** |
| Other operating expenses | 1393,10 | 1395,40 | 1313,60 |
| **VALUE ADDED** | **1086,6** | **1327,1** | **981,3** |
| Personnel costs | 583,70 | 640,50 | 562,00 |
| **EBITDA** | **502,9** | **686,6** | **419,3** |
| D&A | 275,70 | 246,40 | 81,50 |
| Impairment | 18,00 | 0,00 | 0,60 |
| **EBIT** | **209,2** | **440,2** | **337,2** |
| Net financial expenses | -46,90 | -22,60 | -24,00 |
| **EBT** | **162,3** | **417,6** | **313,2** |
| Tax | 39,20 | 108,60 | 83,60 |
| **NET INCOME** | **123,1** | **309** | **229,6** |

**Geox Consolidated Statement of Financial Position (IFRS) € in thousands**

| | Dec. 31, 2020 | Dec. 31, 2019 | Dec. 31, 2018 |
|---|---|---|---|
| **ASSET** | | | |
| Intangible assets | 35834 | 44131 | 50.161 |
| Property, plant and equipment | 50413 | 61231 | 65.826 |
| Right-of-use assets | 241808 | 298685 | - |
| Deferred tax assets | 42579 | 35500 | 32517 |
| Non-current financial assets | 24 | 24 | 22 |
| Non-current lease assets | 508 | - | - |
| Other non-current assets | 7935 | 9074 | 11651 |
| **Total non-current assets** | **379101** | **448645** | **160177** |
| Inventories | 267964 | 284589 | 312052 |
| Accounts receivable | 87718 | 122178 | 133090 |
| Other non-financial current assets | 35093 | 23458 | 30637 |
| Current financial assets | 4127 | 3648 | 10907 |
| Cash and cash equivalents | 83130 | 48449 | 40972 |
| **Current assets** | **478032** | **482322** | **527658** |
| **Total assets** | **857133** | **930967** | **687835** |
| **LIABILITIES AND EQUITY** | | | |
| Share capital | 25921 | 25921 | 25921 |
| Reserves | 269492 | 301536 | 320130 |
| Net income | -128205 | -24759 | -5291 |
| **Equity** | **167208** | **302698** | **340760** |
| Employee severance indemnities | 2834 | 2841 | 2557 |
| Provisions for liabilities and charges | 7015 | 5273 | 5497 |
| Long-term loans | 113832 | 10562 | 639 |
| Non-current lease liabilities | 202861 | 239008 | - |
| Other long-term payables | 2828 | 3800 | 5083 |
| **Total non-current liabilities** | **329370** | **261484** | **13776** |
| Trade payables | 178154 | 224046 | 236027 |
| Other non-financial current liabilities | 30498 | 34855 | 39579 |
| Taxes payable | 13057 | 10502 | 8723 |
| Current financial liabilities | 11323 | 1259 | 702 |
| Current lease liabilities | 65554 | 62376 | - |
| Bank borrowings and current portion of long-term loans | 61969 | 33747 | 48268 |
| **Current liabilities** | **360555** | **366785** | **333299** |
| **Total liabilities and equity** | **857133** | **930967** | **930967** |

**Geox Reclassified IS**

| | 2020 | 2019 | 2018 |
|---|---|---|---|
| Revenues | 534897 | 805858 | 827220 |
| Other operating income | 5784 | 5941 | 5884 |
| Royalty and commission income | - | - | - |
| **Total Revenues** | **540681** | **811799** | **833104** |
| Raw material | 303074 | 407030 | 413456 |
| **Gross Profit** | **237607** | **404769** | **419648** |
| Selling and distribution costs | 41395 | 44181 | 46416 |
| General and administrative expenses | 100896 | 117624 | 183180 |
| Advertising and promotion | 23049 | 26177 | 26652 |
| Reconstructing charges | 1134 | 3245 | 9847 |
| Other operating expenses | 166474 | 191227 | 266095 |
| **VALUE ADDED** | **71133** | **213542** | **153553** |
| Personnel costs | 84860 | 117290 | 115209 |
| **EBITDA** | **-13727** | **96252** | **38344** |
| D&A | 98357 | 102608 | 32984 |
| Impairment | 12436 | 9367 | 0 |
| **EBIT** | **-124520** | **-15723** | **5360** |
| Net financial expenses | 8129 | 8607 | 4792 |
| **EBT** | **-132649** | **-24330** | **568** |
| Taxes | 4444 | -429 | -5859 |
| **NET INCOME** | **-128205** | **-24759** | **-5291** |

**SIMILARITY MATRIX DESIGN**:

| Strategic Item | Weight |
|---|---|
| Outsourcing/Supplier | 1 |
| Distribution | 0.33 |
| Sustainbaility | 1 |
| R&D/Innovation | 1 |
| Marketing & Brand Visibility | 0.67 |
| E-Commerce | 0.67 |
| Employee | 0.33 |
| Core Business | 5 |
| Total Weight | 10 |

| Score | Interval |
|---|---|
| H | 80% - 100% |
| M/H | 60% - 79,99% |
| M | 40% - 59,99% |
| M/L | 20% - 39,99% |
| L | 0% - 19,99% |

| Strategic Item | Weight | Puma_Score | Geox_Score | Airesis_Score | Basicnet_Score |
|---|---|---|---|---|---|
| Outsourcing/Supplier | 1 | H | M | L | L |
| Distribution | 0,33 | M/L | M/L | L | L |
| Sustainbaility | 1 | M/H | M/H | M | M/L |
| R&D/Innovation | 1 | H | H | M/L | M/L |
| Marketing & Brand Visibility | 0,67 | H | M/L | M/L | M/L |
| E-Commerce | 0,67 | M/H | M | M/L | L |
| Employee | 0,33 | H | H | L | L |
| Core Business | 5 | H | M | L | L |

| Parameters | Adidas | Puma | Geox | Airesis | Basicnet |
|---|---|---|---|---|---|
| Similarity index | 100% | 95% | 65% | 29% | 25% |
| Value Added Margin | 0,23 | 0,21 | 0,13 | 0,10 | 0,18 |
| Revenues from sales | 19844 | 5234,4 | 534,9 | 102,0 | 213,8 |

**INDICATORS**:

| | Adidas | | |
|---|---|---|---|
| | **2020** | **2019** | **2018** |
| **Net Profit Margin** | 2,21% | 8,29% | 7,71% |
| **ROE** | 6,59% | 28,02% | 26,76% |
| **ROI** | 5,71% | 21,88% | 28,42% |
| **D/E** | 0,96 | 0,72 | 0,31 |
| **s(actual tax rate)** | 76,83% | 77,33% | 71,64% |
| **r** | 2,71% | 2,00% | -0,51% |
| **ROE using ROI** | 6,61% | 28,02% | 26,76% |
| **Quick ratio** | 0,92 | 0,77 | 0,87 |
| **Inventory Turnover** | 6,36 | 5,79 | 4,51 |
| **DSO** | 35,9 | 40,53 | 40,27 |
| **DPO** | 87,32 | 86,95 | 79,56 |
| **Capex coverage** | 3,92 | 4,71 | 4,33 |

| | Puma | | | Geox | | |
|---|---|---|---|---|---|---|
| | **2020** | **2019** | **2018** | **2020** | **2019** | **2018** |
| **ROE** | 6,98% | 16,09% | 13,33% | -76,67% | -8,18% | -1,55% |
| **ROI** | 6,70% | 15,18% | 17,00% | -19,06% | -2,30% | 1,25% |
| **D/E** | 0,77 | 0,51 | 0,15 | 2,72 | 1,15 | 0,15 |
| **DSO** | 43,17 | 40,36 | 43,13 | 59,22 | 54,93 | 58,31 |
| **DPO** | 123,77 | 109,37 | 107,31 | 214,56 | 200,91 | 284,25 |
| **Capex coverage** | 3,38 | 3,02 | 2,77 | -1,46 | 3,61 | 0,83 |
| **Net Profit Margin** | 2,34% | 5,59% | 4,90% | -23,71% | -3,05% | -0,64% |
| **Quick ratio** | 0,53 | 0,44 | 0,39 | 0,65 | 0,54 | 0,58 |
| **Inventory Turnover** | 5,08 | 4,96 | 4,6 | 2,65 | 2,83 | 2,65 |

| | **Formula** |
|---|---|
| **Net Profit Margin** | Net Income/Total Revenues |
| **ROE** | Net Income/Total Equity |
| **ROI** | Wrote in th report |
| **D/E** | Wrote in th report |
| **s(actual tax rate)** | Wrote in th report |
| **r** | Wrote in th report |
| **ROE using ROI** | Wrote in th report |
| **Quick ratio** | (Cash + Short-term inv + Receivables)/Current |
| **Inventory Turnover** | Revnues/Inventory |
| **DSO** | Receivables/Net Sales*365 |
| **DPO** | Payables/cost of sales*365 |
| **Capex coverage** | CFFO/Capex |