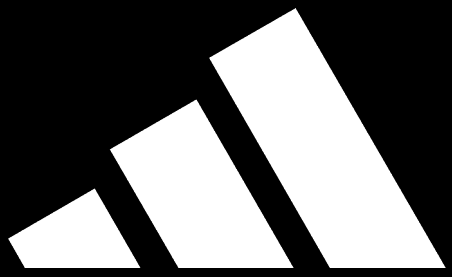
VGR

// 9M 2026



VGR MARKET INTELLIGENCE

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01

Executive Summary

Primary source: adidas AG, "adidas achieves record results in the third quarter of 2026 and increases full-year profit outlook", 29 October 2026. https://res.cloudinary.com/confirmed-web/image/upload/v1793254983/adidas-group/investors/financial-publications/2026/Q3/EN/adidas_AG_Q3_2026_Results_EN_Final_g9q4fz.pdf

The tariff refund is 74% of the rise in third-quarter operating profit

adidas AG reported third-quarter net sales of €7,252m, up 9.4% and 7% currency-neutral, and operating profit of €1,008m, up 37.0%. The company recorded a US tariff refund of around €200m in gross margin. Without it, VGR arithmetic gives operating profit of about €808m, up about 9.8%, an operating margin of about 11.1% against 11.1%, and a gross margin of about 51.6% against 51.8%.

The €200m rise in the outlook equals the refund

The operating profit outlook moved to around €2.5bn from around €2.3bn. The company describes the change as around €100m from higher profitability plus the refund of around €200m, less around €100m reinvested in the fourth quarter. The half-year report stated that potential refunds were not in the €2.3bn. Without the refund the outlook is about €2.3bn.

Currency-neutral growth halved between the second and third quarters

Currency-neutral growth was 14% in the second quarter and 7% in the third; nine months stand at 11%. Europe fell 4%. The company names a conservative sell-in and an SAP migration that moved shipments into the fourth quarter, without sizing the shift, and expects high-single-digit growth in Europe in that quarter.

Apparel supplied €515m of the €622m sales increase

Apparel grew 22%, and 19% currency-neutral, and rose to 40.0% of sales from 35.9%. Footwear grew 2% and was flat currency-neutral. DTC grew 20% and wholesale 4%. Performance rose 14% currency-neutral and Lifestyle 3%.

Inventories rose 4.9% against sales growth of 9.4%

Inventories were €5,739m, down 4% on June and up 2% currency-neutral on last September. Operating working capital rose 8.1%. Adjusted net borrowings were €4,646m against €4,787m, 1.3x EBITDA against 1.6x, after a €1bn buyback and a €491m dividend.

WHAT TO WATCH

Continuation: high-single-digit growth in Europe in the fourth quarter, as the company expects.

Break: fourth-quarter footwear growth below the flat currency-neutral rate printed in the third quarter.

VGR will publish the full-year analysis when the figures are released.

The period in figures

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ADIDAS AG · XETRA: ADS · NINE MONTHS 2026 · EUR AS PUBLISHED

FINANCIAL YEAR ENDS 31 DECEMBER 2026 · PERIOD ENDED 30 SEPTEMBER 2026 · REPORTED 29 OCTOBER 2026 · ANALYSIS 30 OCTOBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
+9.9%	**+11.7%**	**+20.9%**	**+22.5%**
20,587 vs 18,735	10,850 vs 9,717	2,287 vs 1,892	1,586 vs 1,295
	GROSS MARGIN	**OPERATING MARGIN**	**RoS**
	52.7%	**11.1%**	**7.7%**
	from 51.9%	from 10.1%	from 6.9%
Q3 NET SALES	**Q3 OP. MARGIN**	**INVENTORIES**	**NET DEBT/EBITDA**
€7,252m	**13.9%**	**€5,739m**	**1.3x**
from €6,630m	from 11.1%	from €5,471m	from 1.6x

€m, nine months against the same nine months a year earlier; including a tariff refund of around €200m

03 · THE REFUND BRIDGE

Without the refund, third-quarter operating margin is about flat

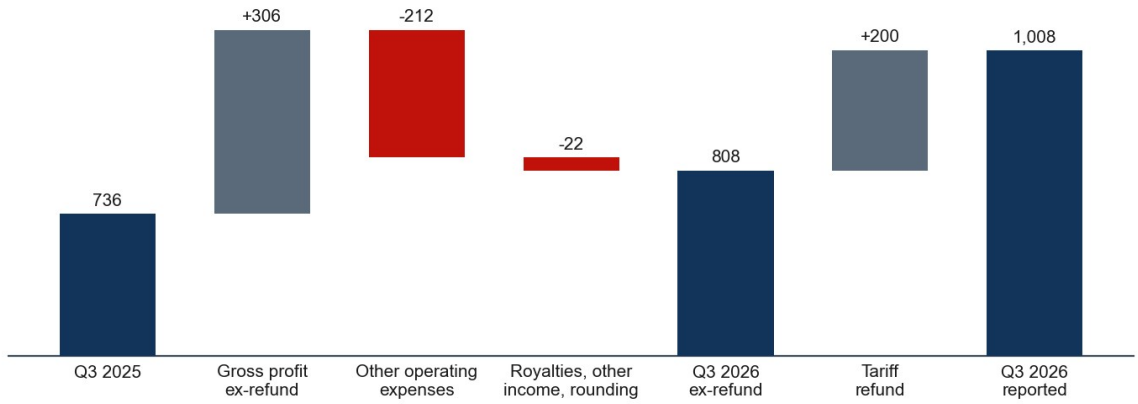
The company states the refund as "around € 200 million", so every figure in the middle column is approximate. Without it, gross margin is about 22bp below last year and operating profit grows about 9.8% instead of 37.0%. The ex-refund column keeps the currency and tariff costs the release names.

€M	REPORTED	EX-REFUND	A YEAR EARLIER
Q3 gross profit	3,941	about 3,741	3,435
Q3 gross margin	54.3%	about 51.6%	51.8%
Q3 operating profit	1,008	about 808	736
Q3 operating margin	13.9%	about 11.1%	11.1%
9M gross margin	52.7%	about 51.7%	51.9%
9M operating profit	2,287	about 2,087	1,892
9M operating margin	11.1%	about 10.1%	10.1%

Source: adidas AG, Q3 2026 results release, 29 October 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures. 9M keeps the second-quarter refund, whose amount is not disclosed.

The refund is 74% of the rise in third-quarter operating profit

adidas AG operating profit, third quarter 2026 against 2025 · €m



Source: adidas AG, Q3 2026 release. Refund stated as around €200m. Bridge: VGR arithmetic. Axis from €500m.

04 · GROWTH COMPOSITION

Five markets grew at least 12% and Europe fell 4%

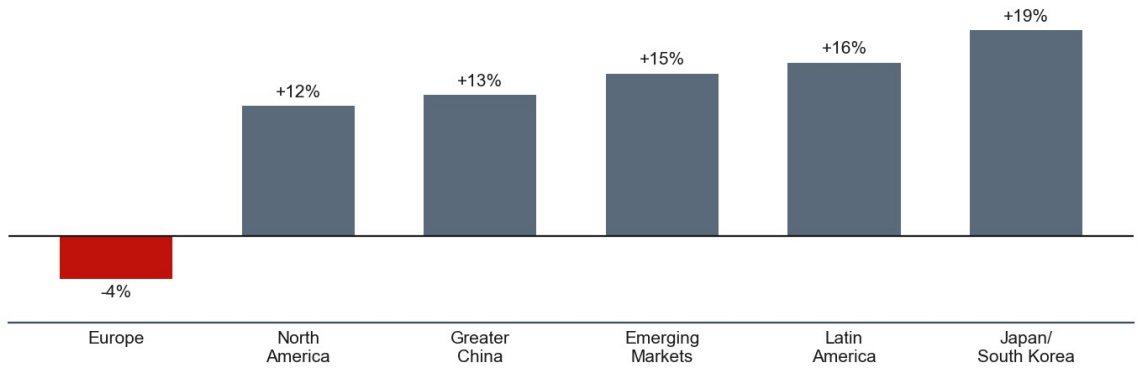
Net sales rose €622m. Latin America added €208m, Greater China €191m, North America €176m, Emerging Markets €140m and Japan/South Korea €53m; Europe subtracted €92m and is 30.8% of sales. The market lines sum to €7,262m against reported sales of €7,252m because of amounts not attributed to a segment.

NET SALES, €M	Q3 26	Q3 25	REPORTED	CURRENCY-NEUTRAL
Europe	2,236	2,328	**(4%)**	(4%)
North America	1,474	1,298	**+14%**	+12%
Greater China	1,138	947	**+20%**	+13%
Emerging Markets	1,075	935	**+15%**	+15%
Latin America	928	720	**+29%**	+16%
Japan/South Korea	411	358	**+15%**	+19%

Source: adidas AG, Q3 2026 results release, 29 October 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

Europe fell 4%; every other market grew at least 12%

adidas AG net sales by market, third quarter 2026 against 2025 · currency-neutral %



Source: adidas AG, Q3 2026 release.

Product and channel

Apparel added €515m, 83% of the increase, against €76m from footwear. DTC added €486m and wholesale €184m, which takes DTC to 40.0% of sales from 36.5%. In DTC, footwear grew 6%. The release says wholesale sell-in was kept conservative, especially in Europe.

NET SALES, €M	Q3 26	Q3 25	REPORTED	CURRENCY-NEUTRAL
Footwear	3,827	3,751	**+2%**	0%
Apparel	2,898	2,383	**+22%**	+19%
Accessories and gear	527	496	**+6%**	+5%
Wholesale	4,375	4,191	**+4%**	+2%
Direct-to-consumer	2,903	2,417	**+20%**	+17%

Source: adidas AG, Q3 2026 results release, 29 October 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

05 · THE ESTATE

Own retail grew 16% currency-neutral and e-commerce 18%

The release describes like-for-like growth as double-digit across all store formats and gives no percentage. It gives no store count, so DTC growth cannot be divided between new space and existing stores from this document.

MEASURE	REPORTED	CURRENCY-NEUTRAL	BASIS
Own retail, Q3	+19%	+16%	Release
E-commerce, Q3	+21%	+18%	Release
Like-for-like	not disclosed	not disclosed	"Double-digit", no figure
Store count	not disclosed	not disclosed	Not in the release

Source: adidas AG, Q3 2026 results release, 29 October 2026.

06 · MARGIN ARCHITECTURE

Gross margin rose 253bp, of which the refund is about 275bp

The company names full-price sales and channel mix as positives, and currency and higher US tariffs as negatives; it does not size any of the four. Marketing fell 50bp as a share of sales after the World Cup. Overhead rose 9.0%, which the release attributes to e-commerce shipping and DTC growth.

SHARE OF SALES	Q3 26	Q3 25	CHANGE
Gross margin	54.3%	51.8%	**+253bp**

SHARE OF SALES	Q3 26	Q3 25	CHANGE
Gross margin ex-refund	about 51.6%	51.8%	about (22bp)
Marketing and point-of-sale	11.5%	12.0%	(0.5pts)
Operating overhead	29.2%	29.3%	(0.1pts)
Operating margin	13.9%	11.1%	+280bp

Source: adidas AG, Q3 2026 results release, 29 October 2026. Changes, margins and contributions are VGR arithmetic on the disclosed figures.

2026 BY QUARTER	Q1	Q2	Q3
Gross margin	51.1%	52.5%	54.3%
Operating margin	10.7%	8.5%	13.9%
Currency-neutral growth	about +13%	+14%	+7%

Source: adidas AG, Q1, H1 and Q3 2026 reports. The second quarter included a refund of undisclosed size.

07 · INVENTORY

Inventories fell 4% on June and rose 4.9% on last September

Inventories were €5,739m against €5,471m a year earlier, or +2% currency-neutral. Days of inventory on reported third-quarter cost of sales were 156.0 against 154.1. The refund lowers reported cost of sales: on about €3,511m without it, days are about 147.1, so the first pair is the wider of the two readings. The chief executive says the lifestyle footwear market has "too much inventory and too much discounting"; the release states that current or future season products are the vast majority of the company's own stock.

08 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE

Working capital rose 8.1% and net borrowings fell 2.9%

€M	30 SEP 26	30 SEP 25	CHANGE
Cash	1,651	1,030	+621
Accounts receivable	3,661	3,428	+233
Inventories	5,739	5,471	+268
Operating working capital	6,682	6,179	+503
Average OWC, % of sales	23.9%	21.9%	+2.0pts
Adjusted net borrowings	4,646	4,787	(141)
Adjusted net borrowings / EBITDA	1.3x	1.6x	(0.3x)

Source: adidas AG, Q3 2026 results release, 29 October 2026.

Average operating working capital of 23.9% sits above the 22% to 23% range given in the half-year report. The release carries no cash flow statement, so operating cash flow and free cash flow cannot be stated.

09 · CAPITAL ALLOCATION

€1.49bn went to shareholders in nine months

The company paid a €491m dividend and completed a €1bn buyback. It repurchased 6.3m shares, cancelled 6.0m and had 172.4m outstanding. Long-term borrowings rose to €2,489m from €1,902m a year earlier. Without a cash flow statement the release does not show how far operations funded the €1.49bn.

10 · EARNINGS QUALITY

Without the refund, attributable net income rose about 20.6%

Net income attributable to shareholders rose 53.1% to €706m in the quarter. Applying the 25.0% tax rate to the refund gives about €556m without it, up about 20.6%. EPS from continuing operations rose 58.0%, helped by the lower share count. The net financial result improved to €60m of expense from €86m, and that includes around €10m of interest income related to US tariffs. Non-controlling interests fell to €9m from €23m.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

The outlook implies fourth-quarter operating profit of about €213m

GUIDE	PREVIOUS	CURRENT	VGR CHECK
FY currency-neutral sales	+9% to +10%	+9% to +10%	9M +11%
FY sales growth	n/a	Almost €2.5bn	About €27.3bn
FY operating profit	Around €2.3bn	Around €2.5bn	Ex-refund about €2.3bn
FY marketing ratio	n/a	Below 12.4%	9M 12.2%
Q4 sales	not disclosed	not disclosed	About €6,724m, about +10.7%
Q4 operating profit	not disclosed	not disclosed	About €213m, against €164m
Q4 operating margin	not disclosed	not disclosed	About 3.2%, against 2.7%

Source: adidas AG, Q3 2026 results release, 29 October 2026. Implied figures: VGR arithmetic on FY2025 sales of €24,811m and operating profit of €2,056m. The outlook was first raised on 20 October 2026.

The implied fourth quarter asks for sales growth of about 10.7%, after 9.4% in the third, and includes the around €100m reinvestment. Its size depends on the shipments moved from Europe, which are not stated.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Seven measures are not reported in the release

METRIC	STATUS	WHAT IT WOULD SETTLE
Exact refund amount	not disclosed	The ex-refund margin to the basis point
Claims still outstanding	not disclosed	Size of any further refund
Size of the SAP shift	not disclosed	Underlying Europe wholesale decline
Like-for-like percentage	not disclosed	Division of DTC growth between space and existing stores
Store count	not disclosed	Contribution of openings to own retail
Cash flow statement	not disclosed	Funding of the €1.49bn returned
Content of the €100m reinvestment	not disclosed	Whether the cost repeats in 2027

Source: adidas AG, Q3 2026 results release, 29 October 2026.

13 · THE COMPANY'S ACCOUNT, TESTED

Two of five claims are fully supported by the disclosed figures

CLAIM	TEST	DISPOSITION
"the highest quarterly profit on record"	No multi-year series in the release; about €808m without the refund	Not verifiable from the disclosure.
Gross margin "reflecting tariff refund as well as healthy full-price sales"	About 51.6% against 51.8% without the refund	The disclosed figures show a different weighting.
"Marketing investments normalizing as planned after World Cup"	11.5% of sales against 12.0%; spend +4.5% against sales +9.4%	Supported by the disclosed figures.
"Inventory position reduced as planned"	Down 4% on June; up 4.9% on last September	Partially supported.
"All markets, with the exception of Europe, grew double digit"	Currency-neutral +12% to +19%	Supported by the disclosed figures.

Source: adidas AG, Q3 2026 results release, 29 October 2026.

14 · METHOD, SOURCES AND PRECISION

Method, sources and precision

All current-period figures come from the release named in the Executive Summary. FY2025 figures, prior-quarter comparatives and the half-year statement on refunds come from the VGR record of the company's Q1 and H1 2026 reports. Margins are calculated from figures in millions.

ITEM	PRECISION	NOTE
Margins, growth and contributions	Exact	Calculated from disclosed figures
All ex-refund figures	Bounded	Refund stated as "around € 200 million"
Q4 and FY implied figures	Bounded	"Around" and "almost" wording
Net income ex-refund	Bounded	Q3 tax rate applied to the refund
Size of the SAP shift	Not calculable	Amount not disclosed

VGR precision register.

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Analysis by Pau Almar, VGR.

METHODOLOGY

VGR Standardised Financial Analysis Methodology v5. Arithmetic before language; every finding names the disclosure that would settle it.

PRIMARY SOURCE

adidas AG (XETRA: ADS), "adidas achieves record results in the third quarter of 2026 and increases full-year profit outlook", 29 October 2026. https://res.cloudinary.com/confirmed-web/image/upload/v1793254983/adidas-group/investors/financial-publications/2026/Q3/EN/adidas_AG_Q3_2026_Results_EN_Final_g9q4fz.pdf

WORKING RECORD

Adidas_9M_2026_Source_Figures.md, with company-disclosed figures, VGR arithmetic, the claims register and metrics not reported in separate parts, alongside the source file in _src.

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