



**Strong sales and EBIT growth continues in the third Quarter
PUMA slightly adapts guidance for the full year 2019**

Herzogenaurach, October 24, 2019

2019 Third-Quarter Facts

- Sales increase by 17.0% currency adjusted to € 1,478 million (+19.0% reported) with continued growth in all regions and product divisions
- Gross profit margin improves to 49.7%
- Operating expenses (OPEX) increase 18% (reported) due to higher sales related costs as well as higher marketing and retail investments
- Operating result (EBIT) up by 25% to € 162 million
- PUMA opens its first ever North American flagship store on Fifth Avenue in New York
- At the World Athletics Championships in Doha (Qatar), PUMA athlete Karsten Warholm defends his title over 400m hurdles; overall, the 12 PUMA-sponsored federations and 115 athletes competing in Doha ensured a high level of visibility for the brand
- PUMA signs the Morocco national football federation
- PUMA adds RJ Barrett from the New York Knicks and Kyle Kuzma from the Los Angeles Lakers to its growing roster of NBA players

2019 Nine-Months Facts

- Sales increase by 16.0% currency adjusted to € 4,024 million (+17.6% reported)
- Gross profit margin up by 60 basis points at 49.4%
- Operating expenses (OPEX) increase by 17% (reported) at a slightly lower rate than reported sales
- Operating result (EBIT) improves by 28% from € 300 million to € 385 million and EBIT-margin increases from 8.8% to 9.6%
- Net earnings increase by 39% from € 176 million last year to € 245 million and earnings per share increase from € 1.18 last year to € 1.64 correspondingly

Bjørn Gulden, Chief Executive Officer of PUMA SE:

“The third quarter developed very positively for us and ended as the best quarter that PUMA has ever achieved - both in terms of revenue and EBIT. Double-digit sales growth in all divisions and almost in all regions (EMEA “only” 9.7%) underlines the favorable development of our brand. Especially positive for me was the 17% growth in Footwear, which shows the strong performance of the new styles, and EMEA’s growth of almost 10%, proving a good recovery in Europe. The fourth quarter will be the first quarter where the US tariffs on China will have an impact. Currently, without price increases, this is putting pressure on EBIT, at least in the short-term. Nevertheless, the good development in the third quarter and the outlook for the fourth quarter allows us to look at a sales growth of around 15% currency adjusted and an EBIT between € 420 million and € 430 million for the full year 2019.”

Sales Development:

Sales by regions and product divisions	Third Quarter				Nine Months			
	Q3		growth rates		1-9		growth rates	
€ million	2019	2018	Euro	currency adjusted	2019	2018	Euro	currency adjusted
Breakdown by regions								
EMEA	582.2	528.3	10.2%	9.7%	1,533.1	1,425.0	7.6%	8.0%
Americas	498.6	414.4	20.3%	17.9%	1,377.9	1,139.4	20.9%	18.0%
Asia/Pacific	396.8	299.0	32.7%	28.5%	1,112.6	857.5	29.7%	26.5%
Total	1,477.6	1,241.7	19.0%	17.0%	4,023.6	3,422.0	17.6%	16.0%
Breakdown by product divisions								
Footwear	660.1	558.2	18.2%	16.9%	1,889.4	1,649.7	14.5%	13.5%
Apparel	584.9	482.7	21.2%	18.7%	1,485.3	1,196.4	24.1%	22.4%
Accessories	232.6	200.8	15.9%	13.4%	648.9	575.8	12.7%	10.3%
Total	1,477.6	1,241.7	19.0%	17.0%	4,023.6	3,422.0	17.6%	16.0%

Third Quarter 2019

PUMA's strong sales growth continued in the third quarter of 2019. Sales increased by 17.0% currency adjusted to € 1,477.6 million (+19.0% reported). The Asia/Pacific and Americas regions continued to contribute with double-digit increases, while growth in the EMEA region was at a high single-digit rate. Footwear, Apparel and Accessories all showed strong growth in the third quarter, improving by 16.9%, 18.7% and 13.4% respectively. Sportstyle, Motorsport, Golf and Running and Training were the categories with the highest growth rates.

The gross profit margin improved to 49.7% in the third quarter (last year: 49.6%). Small positive mix effects as well as slightly beneficial hedging led to margin improvements.

Operating expenses (OPEX) rose by 18.1% to € 578.5 million in the third quarter. The increase was mainly caused by higher sales-related variable costs, including logistics costs as well as higher marketing and retail investments, while the remaining OPEX only rose moderately.

The **operating result (EBIT)** increased by 24.8% from € 129.9 million last year to € 162.2 million due to a strong sales growth combined with an improved gross profit margin and operating leverage. This corresponds to an improvement of the EBIT-margin from 10.5% last year to 11.0% in the third quarter 2019.

Net earnings increased by 29.7% from € 77.5 million to € 100.5 million and **earnings per share** were up from € 0.52 in the third quarter last year to € 0.67 correspondingly.

Nine Months 2019

Sales in the first nine months of 2019 rose by 16.0% currency adjusted to € 4,023.6 million (+17.6% reported). The strong sales development was largely driven by double-digit growth rates in Asia/Pacific, where China continued to be the main growth driver, and the Americas. EMEA grew at a high single-digit rate. The growth was driven by double-digit growth in all divisions: Footwear grew 13.5%, Apparel expanded by 22.4%, and Accessories increased by 10.3%.

Wholesale continued to drive growth with an increase of 14.5% currency adjusted, supported by a strong performance of our key accounts. PUMA's **direct-to-consumer sales** (owned and operated retail stores and eCommerce) increased by 21.3% currency adjusted to € 947.3 million. This was driven by like-for-like sales growth in our own stores, the expansion of our retail store network and a continued strong growth of our eCommerce business. Direct-to-consumer sales represented a share of 23.5% of total sales for the first nine months of 2019 (22.5% in the previous year).

The **gross profit margin** improved by 60 basis points from 48.8% to 49.4% in the first nine months of 2019. Positive impacts from regional, channel and product mix, lower discounts as well as slightly positive currency impacts led to margin improvements.

Operating expenses (OPEX) increased by 17.2% and amounted to € 1,620.7 million. The increase was driven by higher sales-related variable costs as well as continued investments in IT infrastructure, marketing and our own retail business.

The **operating result (EBIT)** grew by 28.4% from € 299.8 million last year to € 385.0 million in the first nine months of 2019 due to a strong sales growth combined with an increased gross profit margin and a slight operating leverage. This led to an improved EBIT-margin of 9.6% compared to 8.8% in the first nine months last year.

Net earnings rose by 39.0% to € 244.6 million (last year: € 176.0 million). This translates into **earnings per share** of € 1.64 compared to € 1.18 in the first nine months of 2018.

Working Capital

Inventories were up by 28.4% at € 1,140.8 million. Earlier purchase of products to balance supplier capacities and secure product availability, more retail stores in operation and the general sales growth led to the increase. In the third quarter, the latest currency developments as well as an increased front-loading of product for the United States prior to tariff increases further added to the development. **Trade receivables** rose by 13.1% to € 794.8 million. On the liabilities side, **trade payables** were up by 23.0% to € 722.1 million. This resulted in an increase of **working capital** by 20.1% to € 915.7 million.

Outlook 2019

The third quarter saw a continued strong increase in sales and profitability. Based on this and our expectations for the fourth quarter, we slightly adapt our guidance for the full year 2019. PUMA now expects that currency adjusted sales will increase around 15% (previous guidance:

currency adjusted increase of around 13%). The gross profit margin is still anticipated to improve slightly (2018: 48.4%) and we continue to expect that operating expenses (OPEX) will increase at a slightly lower rate than sales. As a consequence, we expect the operating result (EBIT) to come in between € 420 million and € 430 million, despite the negative impact from new tariffs in the fourth quarter in the United States (previous guidance: between € 410 million and € 430 million). In line with the previous guidance, management expects that net earnings will improve significantly in 2019.

Third Quarter

Nine Months

Income Statement	Third Quarter			Nine Months		
	Q3/2019 € million	Q3/2018 € million	Devi- ation	1-9/2019 € million	1-9/2018 € million	Devi- ation
Sales	1,477.6	1,241.7	19.0%	4,023.6	3,422.0	17.6%
Cost of sales	-742.8	-625.9	18.7%	-2,036.8	-1,750.6	16.3%
Gross profit	734.8	615.8	19.3%	1,986.8	1,671.3	18.9%
- in % of consolidated sales	49.7%	49.6%		49.4%	48.8%	
Royalty and commission income	5.9	3.9	51.0%	18.9	11.8	59.9%
Other operating income and expenses	-578.5	-489.7	18.1%	-1,620.7	-1,383.4	17.2%
Operating result (EBIT)	162.2	129.9	24.8%	385.0	299.8	28.4%
- in % of consolidated sales	11.0%	10.5%		9.6%	8.8%	
Financial result / Income from associated companies	-11.8	-9.3	26.7%	-16.8	-22.7	-25.9%
Earnings before taxes (EBT)	150.4	120.6	24.7%	368.2	277.1	32.9%
- in % of consolidated sales	10.2%	9.7%		9.2%	8.1%	
Taxes on income	-39.1	-33.1	18.3%	-97.9	-76.6	27.9%
- Tax rate	26.0%	27.4%		26.6%	27.6%	
Net earnings attributable to non-controlling interests	-10.8	-10.1	6.7%	-25.6	-24.5	4.4%
Net earnings	100.5	77.5	29.7%	244.6	176.0	39.0%
Earnings per share (€) *	0.67	0.52	29.7%	1.64	1.18	39.0%
Earnings per share (€) - diluted *	0.67	0.52	29.7%	1.64	1.18	39.0%
Weighted average shares outstanding (million) *				149.51	149.46	0.0%
Weighted average shares outstanding - diluted (million) *				149.51	149.46	0.0%

* Earnings per share and the number of outstanding shares for the prior period were adjusted retroactively to the 1:10 stock split carried out in the second quarter of 2019

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Balance Sheet	Sep. 30,'19 € million	Sep. 30,'18 € million	Deviation	Dec. 31,'18 € million
ASSETS				
Cash and cash equivalents	447.4	367.4	21.8%	463.7
Inventories	1,140.8	888.4	28.4%	915.1
Trade receivables	794.8	702.7	13.1%	553.7
Other current assets (working capital)	208.9	183.7	13.7%	187.7
Other current assets	95.4	63.0	51.3%	72.6
Current assets	2,687.3	2,205.2	21.9%	2,192.8
Deferred taxes	215.5	188.5	14.4%	207.6
Right-of-use assets *	720.3	0.0	-	0.0
Other non-current assets	931.7	777.0	19.9%	806.8
Non-current assets	1,867.5	965.5	93.4%	1,014.4
Total Assets	4,554.8	3,170.7	43.7%	3,207.2
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current financial liabilities	287.9	117.3	145.5%	20.5
Trade payables	722.1	586.9	23.0%	705.3
Other current liabilities (working capital)	506.7	425.7	19.0%	447.3
Current lease liabilities *	139.9	0.0	-	0.0
Other current liabilities	37.7	13.7	175.5%	22.1
Current liabilities	1,694.4	1,143.6	48.2%	1,195.2
Deferred taxes	49.1	41.4	18.8%	47.7
Pension provisions	30.2	30.4	-0.7%	28.9
Non-current lease liabilities *	607.9	0.0	-	0.0
Other non-current liabilities	206.7	247.9	-16.6%	213.1
Non-current liabilities	893.9	319.7	179.6%	289.7
Shareholders' Equity	1,966.6	1,707.5	15.2%	1,722.2
Total Liabilities and Shareholders' Equity	4,554.8	3,170.7	43.7%	3,207.2

* Right-of-use assets/ lease liabilities from the first-time application of IFRS 16 Leases as of January 1, 2019

Rounding differences may be observed in the percentage and numerical values expressed in millions of Euro since the underlying calculations are always based on thousands of Euro.

Financial Calendar:

February 19, 2020 Financial Results FY 2019

The financial releases and other financial information are available on the Internet at "about.puma.com".

Media Relations:

Kerstin Neuber – Senior Head of Corporate Communications - PUMA SE - +49 9132 81 2984 - kerstin.neuber@puma.com

Investor Relations:

Johan-Philip Kuhlo - Head of Investor Relations - PUMA SE - +49 9132 81 2589 - investor-relations@puma.com

Notes to the editors:

- The financial reports are posted on www.about.puma.com.
- PUMA SE stock symbol:
Reuters: PUMG.DE, Bloomberg: PUM GY,
Börse Frankfurt: ISIN: DE0006969603– WKN: 696960

Notes relating to forward-looking statements:

This document contains forward-looking statements about the Company's future financial status and strategic initiatives. The forward-looking statements are based on the current expectations and assumptions of the management team. These are subject to a certain level of risk and uncertainty including, but not limited to those described above or in other disclosures, in particular in the chapter Risk and Opportunity Management in the Group Management Report. In the event that the expectations and the assumptions do not materialize or unforeseen risks arise, the Company's actual results can differ significantly from expectations. Therefore, we cannot assume responsibility for the correctness of these statements.

PUMA

PUMA is one of the world's leading Sports Brands, designing, developing, selling and marketing footwear, apparel and accessories. For 70 years, PUMA has relentlessly pushed sport and culture forward by creating fast products for the world's fastest athletes. PUMA offers performance and sport-inspired lifestyle products in categories such as Football, Running and Training, Basketball, Golf, and Motorsports. It collaborates with renowned designers and brands to bring sport influences into street culture and fashion. The PUMA Group owns the brands PUMA, Cobra Golf and stichd. The company distributes its products in more than 120 countries, employs more than 13,000 people worldwide, and is headquartered in Herzogenaurach/Germany.