



QUARTERLY STATEMENT Q3 2020

PUMA's Sales and Profitability rebound in the Third Quarter

PUMA remains cautious for the Fourth Quarter because of COVID-19

Herzogenaurach, October 28, 2020

2020 Third Quarter Facts

- Sales increase by 13.3% currency adjusted to € 1,583 million (+7.2% reported)
- Gross profit margin declines to 47.0% mainly caused by negative currency impacts, more promotional activities and an unfavorable regional mix
- Operating expenses (OPEX) decrease by 3.3% due to various cost saving measures
- Operating result (EBIT) up by 16.8% to € 190 million
- PUMA signs long-term partnership with Brazilian football star Neymar Jr
- PUMA successfully launches the football boot ULTRA and the basketball shoe RS DREAMER
- PUMA basketball athletes Danny Green and Kyle Kuzma win the 2020 NBA Championship with the Los Angeles Lakers
- PUMA partners with top NBA 2020 draft prospect LaMelo Ball
- PUMA and Cobra golf athlete Bryson DeChambeau wins the 2020 U.S. Open Championship
- Free float of PUMA shares increases after Kering sells 5.9% stake

2020 Nine Months Facts

- Sales decrease by 5.1% currency adjusted to € 3,714 million (-7.7% reported)
- Gross profit margin declines to 46.5% (last year: 49.4%), mainly caused by negative currency impacts, more promotional activities and higher inventory provisions
- Operating expenses (OPEX) decrease by 1.5% to € 1,596 million due to various cost savings in the second and third quarter
- Operating result (EBIT) at a profit of € 146 million (last year: € 385 million)
- Net earnings amounted to € 54.2 million and earnings per share to € 0.36

- To be prepared for a potentially longer-lasting impact of the COVID-19 pandemic, PUMA secures additional € 900 million revolving credit facility in May, which has not been utilized
- PUMA announces new sustainability targets 10FOR25, underlining its sustainability ambitions until 2025

Bjørn Gulden, Chief Executive Officer of PUMA SE:

“The third quarter developed much better than I expected. Retail stores reopened, sports events resumed, consumer confidence improved and our sales increased week by week. I feel this strong performance confirms the strength of both PUMA as a brand and the sporting goods industry in general.

Despite a very promotional market environment and currency developments that put pressure on our margins, we were even able to improve our EBIT compared to last year. This was achieved by continued strong cost control that we initiated in the extremely weak second quarter and through less but more efficient marketing activities.

October started well, but the recent development of COVID-19 and the number of infections we are seeing globally make us cautious for the rest of year.

We will continue to maneuver through this pandemic in the short-term without hindering PUMA’s mid-term momentum. Investments in new partnerships with Neymar Jr and LaMelo Ball underline our belief in the strong future of our brand.”

Sales Development:

Sales by regions and product divisions		Q3		growth rates		1-9		growth rates	
€ million		2020	2019	Euro	currency adjusted	2020	2019	Euro	currency adjusted
Breakdown by regions									
EMEA		664.1	582.2	14.1%	17.7%	1,490.8	1,533.1	-2.8%	-1.0%
Americas		546.8	498.6	9.7%	20.7%	1,227.7	1,377.9	-10.9%	-6.5%
Asia/Pacific		372.5	396.8	-6.1%	-1.9%	995.8	1,112.6	-10.5%	-9.1%
Total		1,583.4	1,477.6	7.2%	13.3%	3,714.3	4,023.6	-7.7%	-5.1%
Breakdown by product divisions									
Footwear		700.5	660.1	6.1%	13.9%	1,726.6	1,889.4	-8.6%	-5.4%
Apparel		607.0	584.9	3.8%	8.8%	1,333.1	1,485.3	-10.3%	-8.0%
Accessories		275.9	232.6	18.6%	23.0%	654.6	648.9	0.9%	2.2%
Total		1,583.4	1,477.6	7.2%	13.3%	3,714.3	4,023.6	-7.7%	-5.1%

Third Quarter 2020

PUMA's **sales** rebounded in the third quarter of 2020 and increased by 13.3% currency adjusted to € 1,583.4 million (+7.2% reported). Supported by additional demand following a weak second quarter (-30.7% currency adjusted), sales accelerated throughout the third quarter and were better than expected. This development was led by a strong sales increase in the Americas (+20.7%) and EMEA (+17.7%). Sales in Asia/Pacific declined by 1.9%, caused by slower growth in Greater China and a sales decline in India, Korea and South East Asia. Footwear, Apparel and Accessories all showed strong growth in the third quarter, improving by 13.9%, 8.8% and 23.0% respectively. Performance categories such as Basketball, Motorsport, Golf and Teamsport showed the highest growth rates.

The **Wholesale** business increased by 12.3% currency adjusted to € 1,202.5 million. PUMA's **Direct to Consumer business (DTC)**, which includes owned and operated retail stores as well as e-commerce, increased by 16.7% currency adjusted to € 380.9 million, driven by a strong growth in e-commerce of 60.9%.

The **gross profit margin** declined by 270 basis points to 47.0% mainly caused by negative currency impacts, more promotional activities and an unfavorable regional mix effect.

Operating expenses (OPEX) decreased by 3.3% to € 559.6 million. The continuation of various cost saving measures initiated at the end of the first and during the second quarter resulted in operating leverage in the third quarter.

The **operating result (EBIT)** increased by 16.8% from € 162.2 million last year to € 189.5 million due to strong sales growth combined with operating leverage and despite a lower gross profit margin. This corresponds to an improvement of the EBIT margin from 11.0% last year to 12.0% in the third quarter of 2020.

Net earnings increased by 13.0% from € 100.5 million to € 113.6 million and **earnings per share** were up from € 0.67 in the third quarter last year to € 0.76 correspondingly.

Nine Months 2020

PUMA started the year with a very positive order book for 2020, with strong and balanced growth in all regions. In China, after a good start to the year with double-digit growth in wholesale, e-commerce and owned and operated stores, the Chinese market shut down in the last week of January. Over the following six weeks, the whole business in China, except for e-commerce, basically disappeared. As China started to recover in mid-March, COVID-19 spread globally and by the end of the month, around 80% of PUMA's owned and operated retail stores and those of our retail partners were closed. As a result, sales in April declined sharply by 55% compared to last year. With an increasing number of stores reopening over the course of May, first in EMEA and later in North America, sales improved in May, but remained 38% below the previous year. More store openings in June and a generally more positive sentiment led to a substantial improvement and a monthly sales decline of only 6%. At the end of June, 85% of PUMA's owned and operated stores were open.

In the third quarter, the business environment continued to improve. Sales grew by 13.3% currency adjusted and developed better than expected, led by a very strong recovery in the Americas and EMEA. Most of the brick and mortar stores - owned and operated as well as those of our retail partners - were open throughout the quarter, but were still limited by many local restrictions. While store traffic remained below last year's levels, conversion rates continued to be high.

Our Direct to Consumer business continued to improve throughout the quarter, again led by a strong e-commerce business that grew by 60.9% currency adjusted. Our Wholesale business developed very positively during the third quarter, with sales growth of 12.3% currency adjusted. Good sell-through and successful new launches of PUMA products, combined with increased confidence among our retail partners, caused this positive development.

Overall, **sales** in the first nine months of 2020 decreased by 5.1% currency adjusted to € 3,714.3 million (-7.7% reported). Despite the sales growth in the third quarter, all regions showed a decline in sales on a nine month basis, with EMEA being down 1.0% currency adjusted, Americas 6.5% and Asia/Pacific 9.1%. Sales in Footwear declined by 5.4% currency adjusted and in Apparel by 8.0%, while sales in Accessories grew by 2.2%.

The **Wholesale** business decreased by 6.8% currency adjusted to € 2,791.8 million. PUMA's **Direct to Consumer business (DTC)**, which includes owned and operated retail stores as well as e-commerce, increased by 0.4% currency adjusted to € 922.5 million. This represented a share of 24.8% of total sales for the first nine months of 2020 (share of 23.5% in the previous year). Supported by an intensified shift into performance marketing and successful promotions, our e-commerce business increased strongly by 66.5% currency adjusted.

The **gross profit margin** declined by 280 basis points from 49.4% to 46.5% in the first nine months of 2020, mainly caused by negative currency impacts but also due to more promotional activities as well as higher inventory provisions due to the impact of COVID-19.

As a result of the cost savings in the second and the third quarter, **operating expenses (OPEX)** decreased by 1.5% on a nine months basis and amounted to € 1,596.4 million.

The **operating result (EBIT)** decreased from € 385.0 million last year to € 145.9 million in the first nine months of 2020 due to the negative result in the first half of 2020, caused by the COVID-19 pandemic.

Therefore, **net earnings** declined to € 54.2 million (last year: € 244.6 million). This translated into **earnings per share** of € 0.36 compared to € 1.64 in the first nine months of 2019.

Working Capital

We were able to decrease our **working capital** by 23.2% to € 703.2 million (last year: € 915.7 million). Despite the negative impact of COVID-19 on our sales, our **inventories** only increased by 7.1% to € 1,222.4 million, while **trade receivables** declined by 4.2% to € 761.5 million. On the liabilities side, **trade payables** increased by 29.8% to € 937.0 million due to extended payment terms with our suppliers.

Outlook 2020

The year 2020 has been, and will continue to be, a very difficult year for the sporting goods industry due to the COVID-19 pandemic. PUMA's mantra is to manage this crisis short-term without hindering our positive mid-term momentum. Following a weak second quarter, we saw a very strong development in sales and EBIT in the third quarter. We feel this confirms the strength of the PUMA brand and are optimistic about our mid- and long-term perspective. Even though the business in the third quarter developed better than we had expected, the uncertainty for the fourth quarter remains very high. Globally, the number of COVID-19 infections is at the highest level since the outbreak of the pandemic, many regions are re-implementing restrictions and the consumer sentiment is again turning negative. As the development for the coming weeks continues to be unpredictable, we cannot provide a reliable financial outlook for the full year 2020.

Income Statement	Third Quarter			Nine Months		
	Q3/2020 € million	Q3/2019 € million	Devi- ation	1-9/2020 € million	1-9/2019 € million	Devi- ation
Sales	1,583.4	1,477.6	7.2%	3,714.3	4,023.6	-7.7%
Cost of sales	-838.4	-742.8	12.9%	-1,985.8	-2,036.8	-2.5%
Gross profit	745.0	734.8	1.4%	1,728.5	1,986.8	-13.0%
- in % of consolidated sales	47.0%	49.7%		46.5%	49.4%	
Royalty and commission income	4.2	5.9	-28.8%	13.8	18.9	-27.2%
Other operating income and expenses	-559.6	-578.5	-3.3%	-1,596.4	-1,620.7	-1.5%
Operating result (EBIT)	189.5	162.2	16.8%	145.9	385.0	-62.1%
- in % of consolidated sales	12.0%	11.0%		3.9%	9.6%	
Financial result	-17.6	-11.8	49.8%	-38.7	-16.8	130.2%
Earnings before taxes (EBT)	171.9	150.4	14.3%	107.2	368.2	-70.9%
- in % of consolidated sales	10.9%	10.2%		2.9%	9.2%	
Taxes on income	-44.7	-39.1	14.2%	-27.9	-97.9	-71.5%
- Tax rate	26%	26%		26%	27%	
Net earnings attributable to non-controlling interests	-13.6	-10.8	26.1%	-25.1	-25.6	-1.9%
Net earnings	113.6	100.5	13.0%	54.2	244.6	-77.8%
Earnings per share (€)	0.76	0.67	13.0%	0.36	1.64	-77.8%
Earnings per share (€) - diluted	0.76	0.67	13.0%	0.36	1.64	-77.8%
Weighted average shares outstanding (million)				149.55	149.51	0.0%
Weighted average shares outstanding - diluted (million)				149.55	149.51	0.0%

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,'20 € million	Sep. 30,'19 € million	Devia- tion	Dec. 31,'19 € million
ASSETS				
CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	380.9	447.4	-14.9%	518.1
Inventories	1,222.4	1,140.8	7.1%	1,110.2
Trade receivables	761.5	794.8	-4.2%	611.7
Other current assets (working capital)	170.2	208.9	-18.5%	196.0
Other current assets	33.9	95.4	-64.5%	45.2
Current assets	2,568.9	2,687.3	-4.4%	2,481.2
RIGHT-OF-USE ASSETS				
Deferred taxes	274.6	215.5	27.4%	237.7
Right-of-use assets	847.2	720.3	17.6%	719.0
Other non-current assets	898.5	931.7	-3.6%	940.3
Non-current assets	2,020.2	1,867.5	8.2%	1,897.0
Total Assets	4,589.1	4,554.8	0.8%	4,378.2
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Current financial liabilities	146.5	287.9	-49.1%	10.2
Trade payables	937.0	722.1	29.8%	843.7
Other current liabilities (working capital)	513.9	506.7	1.4%	524.9
Current lease liabilities	154.4	139.9	10.4%	144.8
Other current liabilities	50.8	37.7	34.7%	35.3
Current liabilities	1,802.6	1,694.4	6.4%	1,558.9
NON-CURRENT LIABILITIES				
Deferred taxes	51.2	49.1	4.2%	53.0
Pension provisions	33.4	30.2	10.8%	34.1
Non-current lease liabilities	733.7	607.9	20.7%	600.5
Other non-current liabilities	168.3	206.7	-18.6%	211.4
Non-current liabilities	986.6	893.9	10.4%	899.0
Shareholders' Equity	1,799.9	1,966.6	-8.5%	1,920.3
Total Liabilities and Shareholders' Equity	4,589.1	4,554.8	0.8%	4,378.2

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Financial Calendar:

February 24, 2021	Financial Results FY 2020
April 28, 2021	Quarterly Statement Q1 2021
May 5, 2021	Annual General Meeting

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

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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.