



PRESS RELEASE Q2 2017

Strong Sales and EBIT growth continues in the Second Quarter Upgrade of the Full-Year Guidance for 2017

Herzogenaurach, July 26, 2017

2017 Second Quarter Facts

- Sales increase by 16% currency adjusted to € 969 million (+17% reported), with all regions showing double-digit growth and footwear being the main growth driver
- Gross profit margin up by 90 basis points to 46.5%
- OPEX increases by 11% caused by higher sales-related variable costs as well as higher marketing and retail investments
- Operating result (EBIT) improves to € 43 million (last year: € 12 million)
- Three major wins in football with Arsenal FC winning FA Cup, BVB Borussia Dortmund winning DFB cup and Chivas winning Mexican championship
- PUMA's new lacing technology NETFIT introduced across performance and sportstyle footwear

2017 Half-Year Facts

- Sales up by 16% currency adjusted to € 1,974 million (+18% reported) with double-digit growth in all regions
- Gross profit margin up 60 basis points at 46.8%
- Operating leverage with OPEX increasing only by 12%
- Operating result (EBIT) more than doubled from € 53 million last year to € 114 million
- Net earnings increase from € 27 million last year to € 72 million and earnings per share increase from € 1.84 last year to € 4.79 respectively
- Continued strong women business driven by BASKET HEART and FIERCE footwear styles
- Successful introduction of "Run the Streets" with IGNITE Limitless and TSUGI footwear styles featuring R&B star and style icon The Weeknd

Bjørn Gulden, Chief Executive Officer of PUMA SE:

“In another positive quarter, we achieved double-digit growth in all regions and in both footwear and apparel. This combined with a good sell-through in retail and a good orderbook for the next quarters made us raise the outlook for the full year. We now expect a currency adjusted sales growth for the full year between 12% and 14% and a full-year EBIT between € 205 million and 215 million.”

Sales Development:

Sales by regions and product segments	Second Quarter				First Half-Year			
	Q2		growth rates		1-6		growth rates	
€ million	2017	2016	Euro	currency adjusted	2017	2016	Euro	currency adjusted
Breakdown by regions								
EMEA	385,1	321,3	19,9%	20,1%	799,9	675,7	18,4%	17,9%
Americas	354,6	315,6	12,4%	10,5%	701,1	603,6	16,1%	13,6%
Asia/Pacific	229,0	189,6	20,8%	19,5%	472,9	399,0	18,5%	15,7%
Total	968,7	826,5	17,2%	16,3%	1.973,8	1.678,4	17,6%	15,8%
Breakdown by product segments								
Footwear	463,0	360,2	28,5%	27,2%	961,8	752,2	27,9%	25,9%
Apparel	334,8	299,1	11,9%	11,4%	661,2	589,2	12,2%	10,5%
Accessories	170,9	167,1	2,3%	1,3%	350,8	336,9	4,1%	2,6%
Total	968,7	826,5	17,2%	16,3%	1.973,8	1.678,4	17,6%	15,8%

Second Quarter 2017

PUMA's **sales** growth continued in the second quarter of 2017. Sales increased by 16.3% currency-adjusted to € 968.7 million (+17.2% reported), compared to € 826.5 million in the previous year. All regions contributed with double-digit increases. Footwear continued to be the main growth driver though Apparel also grew double-digit, while Accessories grew at a more modest rate.

The **gross profit margin** improved, despite negative currency effects, by 90 basis points from 45.6% in the second quarter last year to 46.5%.

Operating expenses (OPEX) rose by 11.4% to € 410.8 million in the second quarter. The increase of operating expenses in the quarter is mainly due to higher sales-related variable costs as well as further marketing and retail investments. Costs for other operating functions grew only moderately.

The **operating result (EBIT)** increased from € 11.9 million last year to € 43.4 million due to strong sales growth combined with an improved gross profit margin.

Net earnings increased from € 1.6 million to € 21.9 million and **earnings per share** were up correspondingly at € 1.46 compared to € 0.11 in the second quarter last year.

First Half-Year 2017

Sales for the first half-year 2017 improved by 15.8% currency adjusted to € 1,973.8 million (+17.6% reported) and were above expectations. All regions showed double-digit growth with Footwear being the main growth driver. Major gains were achieved by the Running and Training and Sportstyle categories, with Platform, Suede, BASKET HEART and IGNITE Limitless footwear styles performing well.

Including eCommerce, PUMA's own and operated **retail sales** increased by 21.8% currency adjusted to € 430.3 million. This represents a share of 21.8% of total sales for the first half of 2017 (20.5% in the previous year). The performance was achieved by positive like-for-like growth in our existing retail stores, strong growth in our eCommerce business and opening of new additional stores.

The **gross profit margin** improved, despite negative currency effects, by 60 basis points from 46.2% to 46.8% in the first half-year 2017. The increase was mainly due to further improvements in sourcing and selective price adjustments.

Operating expenses (OPEX) increased by 11.9% and amounted to € 817.6 million. The increase was driven by higher sales-related variable costs, intensified marketing activities and investments in own retail stores. Costs for other operating functions grew only moderately.

The **operating result (EBIT)** more than doubled from € 53.2 million last year to € 113.6 million in the first half of 2017 underlining the improved operating performance, with strong sales growth, a higher gross profit margin and an improved operating leverage.

Net earnings improved significantly in the first half-year and came in at € 71.5 million (last year: € 27.4 million). This result translates into **earnings per share** of € 4.79 compared to € 1.84 last year.

Working Capital

Despite the double-digit sales growth and a higher number of owned and operated retail stores, PUMA's **working capital** increased only moderately by 6.4% to € 700.1 million. **Inventories** were up 10.8% at € 850.6 million in order to ensure product availability and to support further growth as well as to meet the increased need for products due to our additional retail stores. **Trade receivables** rose by only 9.0% to € 561.8 million despite the strong sales growth. **Trade payables** were up 12.6% to € 645.1 million.

Cashflow

As a result of the working capital development and higher capital expenditures the **free cash flow** came in at € -117.9 million compared to € -107.3 million in the first half of 2016, while the **net cash position** improved from € 129.9 million as of June 30 to € 152.4 million.

Outlook 2017

In light of the strong second-quarter increase in sales and profitability as well as the positive business outlook for the current year 2017, PUMA raises the full-year guidance for its consolidated sales and operating result (EBIT). The Management now expects that currency adjusted sales will increase between 12% and 14% (previous guidance: currency adjusted increase at a low double-digit percentage rate). The operating result (EBIT) is now anticipated to come in between € 205 million and € 215 million (previous guidance: between € 185 million and € 200 million). In line with the previous guidance, the Management still expects that net earnings will improve significantly in 2017.

Brand and Strategy Update

The first six months of this year have been positive, both from a business point of view as well as with regards to the performance of our athletes and brand ambassadors:

The 2016/17 **Football** season ended for PUMA with grabbing some of the World's biggest

football trophies: while BVB Borussia Dortmund snatched the German DFB Cup, Arsenal FC claimed the FA Cup at the same weekend, and Mexico's Chivas won the 2017 Liga MX Clausura title. Last, but not least, the Cameroon national team won the 2017 Africa Cup of Nations. For the coming seasons, we have added two more football club assets to our roster of internationally renowned teams: with Olympique de Marseille and Borussia Mönchengladbach, PUMA signed two strategic long-term partnerships and strengthened its position, both in the German Bundesliga and the French Ligue 1, starting in the 2018/19 season.

With our female football stars Ada Hegerberg (Norway), Dzsenifer Marozsan (Germany), and Eugenie Le Sommer (France), we are perfectly set to ensure brand visibility on the pitches of the UEFA Women's Euro 2017 in the Netherlands. Altogether 67 players will be kicking in PUMA shoes, while 14 of them play for Germany. Last weekend, Dzsenifer Marozsan was voted Player of the Year by leading sports journalists following a poll by Germany's leading sports magazine "Kicker".

In **Running** all eyes are on the IAAF World Championships in London, which will start at the end of next week. The event will probably mark the end of the active career of living legend Usain Bolt. He will remain PUMA's brand ambassador beyond his active athletic career. Next to Usain, we expect a great performance from Canadian sprinter and PUMA ambassador Andre de Grasse, the reigning Pan American champion in the 100 metres and 200 metres. To maintain a strong presence in athletics, we have continued to increase our portfolio of Track and Field athletes by signing numerous Jamaican sprinters, among them Julian Forte and Shericka Jackson. Forte won gold with the Jamaican 4×100 metres relay team at the 2014 IAAF World Relays, while Jackson won the Bronze medal over 400 metres and silver in the 4x400 metres relay at the 2016 Summer Olympics in Rio de Janeiro.

In **Motorsport**, our three partnered F1 teams Mercedes AMG Petronas, Scuderia Ferrari and Red Bull Racing are currently at the top of the rankings of this year's competition, both in the drivers' and the constructors' standings. We have also extended our long-term partnership with BMW Motorsport as official licensing partner for products of BMW Motorsport and supplier of BMW race teams.

Strategically, we have continued to focus on our five priorities: Creating further brand heat, increasing the pace and quality of our product launches, strengthening distribution by delivering results for our key retail partners, further accelerating speed in our organization

and growing our women's business across sports performance and sportstyle ranges. The improved financial results, better sell-through performance as well as the continued positive feedback from our retail partners confirm that PUMA is on the right track. To further fuel PUMA's **brand heat**, we have signed new sports assets as well as other cultural icons. Working with relevant influencers and letting them communicate on our behalf has become increasingly important. One of them is the cultural influencer, Grammy-nominated, multi-platinum recording artist Big Sean, whom we signed as our new Creative Collaborator and Global Ambassador. Big Sean will be working alongside PUMA's team to design an exclusive collection that's set to be released in Spring 2018 and we will see him as the face of the next PUMA Classics campaign this summer.

In our **Women's** category, we have continued our successful "Do You" campaign around celebrities such as Cara Delevingne, the New York City Ballet and Kylie Jenner by introducing new feminine styles. We have seen strong demand for the BASKET HEART, a classic silhouette with a unique feminine touch and for the FIERCE, one of the biggest drivers behind our women's footwear business. One highlight in women's apparel has been the Velvet Rope collection, which features tech-infused Sportstyle and Training pieces for women with the perfect mixture of performance and luxury, sport and fashion.

With our "Run The Streets" concept, we have offered **products** that cross the line between performance and style. We launched the IGNITE EVOKNIT, IGNITE Limitless and the brand-new sportstyle franchise TSUGI. All of them feature PUMA's proprietary IGNITE midsole technology, but at the same time they have a progressive fresh look inspired by urban culture and street style.

Our new, unique customizable lacing system NETFIT offers infinite performance and style options and will be worn by our world class athletes at the IAAF World Championships in London. The NETFIT technology allows runners to fully adapt to their individual needs based on foot shape and running style and allows consumers to express their individual style through various lacing techniques. NETFIT has been extended into the Sportstyle category and will also be used in our football shoes 365 NETFIT and FUTURE.

Our recently introduced football boot PUMA ONE suits all aspects a player needs - FIT, FAST and FEEL. Under the mantra of 'Play Perfect' we have combined the best and latest technologies to support technical players with the ideal equipment.

In **distribution** we remain absolutely dedicated to strengthen the relationships with our key retailers and to be a reliable partner for them. It is crucial for us that our retail partners earn money with our products. In this spirit, we have worked hard to fulfill their needs and maximize our contribution to their business. As the demand for our products has often exceeded expectations this year, our key account teams worked closely with our sourcing organization to ensure product availability of popular styles. Improved sell-through has led our retail partners to dedicate more shelf space to PUMA and to feature our products more prominently in their stores.

We have continued to upgrade our owned and operated retail store network with further openings and refurbishments, such as the full price store on Carnaby Street in London and also introduced a new store concept for factory outlets. In addition, we are relaunching our eCommerce presence 'puma.com' in a more modern and mobile-friendly format, and as a first step, we went live with our new European website in June.

Income Statement	Second Quarter			First Half-Year		
	Q2/2017 € million	Q2/2016 € million	Deviation	1-6/2017 € million	1-6/2016 € million	Deviation
Sales	968,7	826,5	17,2%	1.973,8	1.678,4	17,6%
Cost of sales	-517,9	-449,8	15,1%	-1.049,8	-902,9	16,3%
Gross profit	450,8	376,7	19,7%	924,0	775,5	19,2%
- in % of consolidated sales	46,5%	45,6%		46,8%	46,2%	
Royalty and commission income	3,4	4,0	-16,1%	7,2	8,2	-12,1%
Other operating income and expenses	-410,8	-368,8	11,4%	-817,6	-730,5	11,9%
Operating result (EBIT)	43,4	11,9	263,8%	113,6	53,2	113,5%
- in % of consolidated sales	4,5%	1,4%		5,8%	3,2%	
Financial result / Income from associated companies	-3,1	-4,0	-21,0%	-2,5	-5,5	-55,1%
Earnings before taxes (EBT)	40,2	8,0	405,8%	111,1	47,7	133,1%
- in % of consolidated sales	4,2%	1,0%		5,6%	2,8%	
Taxes on income	-11,1	-2,3	377,3%	-30,8	-13,6	126,8%
- Tax rate	27,6%	29,2%		27,7%	28,5%	
Net earnings attributable to non-controlling interests	-7,3	-4,0	81,8%	-8,8	-6,6	32,5%
Net earnings	21,9	1,6	> 1.000%	71,5	27,4	160,5%
Earnings per share (€)	1,46	0,11	> 1.000%	4,79	1,84	160,5%
Earnings per share (€) - diluted	1,46	0,11	> 1.000%	4,79	1,84	160,5%
Weighted average shares outstanding (million)				14,940	14,940	0,0%
Weighted average shares outstanding - diluted (million)				14,940	14,940	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	June 30,'17 € million	June 30,'16 € million	Devi- ation	Dec. 31,'16 € million
ASSETS				
Cash and cash equivalents	258,6	261,7	-1,2%	326,7
Inventories	850,6	768,0	10,8%	718,9
Trade receivables	561,8	515,6	9,0%	499,2
Other current assets (Working Capital related)	171,0	166,1	3,0%	141,4
Other current assets	23,3	37,8	-38,4%	79,2
Current assets	1.865,4	1.749,2	6,6%	1.765,4
Deferred taxes	218,5	221,5	-1,4%	229,5
Other non-current assets	749,6	722,8	3,7%	770,2
Non-current assets	968,1	944,2	2,5%	999,7
Total Assets	2.833,5	2.693,4	5,2%	2.765,1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current financial liabilities	35,6	32,7	8,8%	25,3
Trade payables	645,1	572,9	12,6%	580,6
Other current liabilities (Working Capital related)	238,4	218,6	9,0%	242,3
Other current liabilities	116,0	147,7	-21,5%	46,6
Current liabilities	1.034,9	971,9	6,5%	894,9
Deferred taxes	61,0	56,6	7,8%	63,1
Pension provisions	31,2	21,7	43,7%	31,6
Other non-current liabilities	62,3	42,1	48,2%	53,3
Non-current liabilities	154,6	120,4	28,4%	148,0
Shareholders' Equity	1.644,0	1.601,1	2,7%	1.722,2
Total Liabilities and Shareholders' Equity	2.833,5	2.693,4	5,2%	2.765,1

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.

Cashflow Statement	1-6/2017 € million	1-6/2016 € million	Devi- ation
Earnings before taxes (EBT)	111,1	47,7	133,1%
Financial result and non cash effected expenses and income	50,5	34,8	45,1%
Cashflow - gross	161,5	82,5	95,9%
Change in net working capital	-204,4	-136,5	49,8%
Taxes and interest payments	-31,5	-19,8	59,5%
Cashflow from operating activities	-74,4	-73,8	0,8%
Payments for acquisitions	0,0	-6,8	-
Payments for investments in fixed assets	-43,8	-31,0	41,1%
Other investing activities	0,2	4,3	-
Cashflow from investing activities	-43,5	-33,5	29,9%
Free Cashflow	-117,9	-107,3	9,9%
Free Cashflow (before acquisitions)	-117,9	-100,5	17,3%
Dividends paid to equity holders of the parent company	-11,2	-7,5	50,0%
Dividends paid to non-controlling interests	-9,3	-8,9	4,4%
Proceeds from short-term borrowings	51,7	24,3	112,4%
Other changes	19,2	21,7	-11,6%
Cashflow from financing activities	50,4	29,7	69,9%
Effect on exchange rates on cash	-0,5	0,6	-
Change in cash and cash equivalents	-68,1	-77,1	-11,7%
Cash and cash equivalents at beginning of financial year	326,7	338,8	-3,6%
Cash and cash equivalents end of the period	258,6	261,7	-1,2%

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Financial Calendar FY 2017:

February 9, 2017	Financial Results FY 2016
April 12, 2017	Annual General Meeting
April 25, 2017	Quarterly Statement Q1 2017
July 26, 2017	Interim Report Q2 2017
October 24, 2017	Quarterly Statement Q3 2017

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 over 65 years, PUMA has established a history of making fast product designs for the fastest athletes on the planet. PUMA offers performance and sport--inspired lifestyle products in categories such as Football, Running and Training, Golf, and Motorsports. It engages in exciting collaborations with renowned design brands to bring innovative and fast designs to the sports world. The PUMA Group owns the brands PUMA, Cobra Golf and Dobotex. The company distributes its products in more than 120 countries, employs more than 10,000 people worldwide, and is headquartered in Herzogenaurach/Germany. For more information, please visit <http://www.puma.com>