



## QUARTERLY STATEMENT Q3 2021

### **PUMA's continued Brand Momentum and operational Flexibility resulted in strong Sales and EBIT growth in the third Quarter**

Herzogenaurach, October 27, 2021

#### **2021 Third Quarter Facts**

- Sales increase by 20% currency adjusted (ca) to € 1,900 million (Q3 2020: € 1,583 million)
- Gross profit margin improves to 47.4% (Q3 2020: 47.0%)
- Operating expenses (OPEX) increase to € 678 million (Q3 2020: € 560 million)
- Operating result (EBIT) improves to € 229 million (Q3 2020: € 190 million)
- Net earnings improve to € 144 million (Q3 2020: € 114 million)
- PUMA athletes win 75 medals at the Tokyo Olympic and Paralympic Games
- PUMA athlete Karsten Warholm wins Gold medal and sets new 400m hurdles World Record
- PUMA athlete Molly Seidel wins marathon Bronze medal in Tokyo wearing the new PUMA DEVIATE NITRO running shoe
- PUMA athlete LaMelo Ball debuts his PUMA MB.01 signature basketball shoe, which is set to launch in December
- PUMA announces the signing of French NBA player Killian Hayes
- PUMA announces a long-term partnership with U.S. soccer player Christian Pulisic
- PUMA launches first lifestyle collection with Neymar Jr.
- PUMA introduces a new shoebox design which will save 2,800 tons of cardboard every year
- PUMA included in DAX40, Germany's stock market index of largest companies

## **2021 Nine Months Facts**

- Sales increase by 39% (ca) to € 5,038 million (9M 2020: € 3,714 million)
- Gross profit margin improves to 47.8% (9M 2020: 46.5%)
- Operating expenses (OPEX) increase to € 1,930 million (9M 2020: € 1,596 million)
- Operating result (EBIT) improves to € 492 million (9M 2020: € 146 million)
- Net earnings improve to € 302 million (9M 2020: € 54 million)

### **Bjørn Gulden, Chief Executive Officer of PUMA SE:**

“The third quarter was another very strong quarter for us. Despite a lot of operational problems, we grew our sales by 20% and were able to increase our EBIT from € 190 million to € 229 million in the quarter.

A COVID-19 related lockdown of production in South Vietnam, an overheated global freight market with high rates and a lack of capacity, port congestion and a very difficult market situation in China were hurdles we had to overcome in the quarter. Demand for our products was high, our teams worked very hard to deliver as much product as possible and we continued to be as flexible and service-minded for our partners as we could be.

We foresee the high demand for our products to continue, but we also see supply constraints continue to be a problem for the rest of the year.

We will continue to maneuver through the operational problems as well as possible, but we will also continue to invest in our brand, products and infrastructure for the mid and long term.

The outlook for our industry in general and for PUMA in particular is in my opinion very positive.”

## Sales Development:

Sales by regions and product divisions	Q3		growth rates		1-9		growth rates	
	2021	2020	Euro	currency adjusted	2021	2020	Euro	currency adjusted
<b>Breakdown by regions</b>								
EMEA	813.7	664.1	22.5%	22.3%	1,958.4	1,490.8	31.4%	32.7%
Americas	700.1	546.8	28.0%	31.2%	1,909.6	1,227.7	55.5%	64.8%
Asia/Pacific	386.6	372.5	3.8%	1.7%	1,170.3	995.8	17.5%	18.6%
<b>Total</b>	<b>1,900.4</b>	<b>1,583.4</b>	<b>20.0%</b>	<b>20.4%</b>	<b>5,038.3</b>	<b>3,714.3</b>	<b>35.6%</b>	<b>39.1%</b>
<b>Breakdown by product divisions</b>								
Footwear	846.9	700.5	20.9%	21.6%	2,408.6	1,726.6	39.5%	43.9%
Apparel	735.2	607.0	21.1%	21.3%	1,790.0	1,333.1	34.3%	37.0%
Accessories	318.3	275.9	15.4%	15.2%	839.7	654.6	28.3%	30.9%
<b>Total</b>	<b>1,900.4</b>	<b>1,583.4</b>	<b>20.0%</b>	<b>20.4%</b>	<b>5,038.3</b>	<b>3,714.3</b>	<b>35.6%</b>	<b>39.1%</b>

## Third Quarter 2021

**Sales** increased by 20.4% (ca) to € 1,900.4 million (+20.0% reported). The Americas reported the strongest growth of 31.2% (ca), driven by continued high demand for the PUMA brand in the North American and Latin American markets. EMEA recorded growth of 22.3% (ca), which was driven by strong demand in Europe and emerging markets such as Russia, Turkey and South Africa. Asia/Pacific grew 1.7% (ca) despite a difficult market environment in Greater China and COVID-19 related lockdowns in markets such as Japan, South East Asia and Australia. In terms of product divisions, Footwear was up by 21.6% (ca), based on continued strong demand for our Performance and Sportstyle categories. Apparel (+21.3% ca) and Accessories (+15.2% ca) also showed double-digit growth in the third quarter of 2021. Compared to the third quarter of 2019, total sales were up 35.4% (ca).

PUMA's **Wholesale** business grew by 22.6% (ca) to € 1,470.5 million and the **Direct-to-Consumer (DTC)** business increased by 13.3% (ca) to € 429.9 million, with growth across owned & operated retail stores (+18.0% ca) and e-commerce (+4.0% ca). In line with our strategy to be a good and reliable partner for our wholesale accounts, we continued to prioritize them when supply was limited.

The **gross profit margin** in the third quarter improved by 40 basis points to 47.4% (Q3 2020: 47.0% / Q3 2019: 49.7%). The improvement in gross profit margin was driven by better sell-through and less promotional activity, while currency, geographical and channel mix effects as well as higher freight rates had a negative impact.

**Operating expenses (OPEX)** increased by 21.2% to € 678.0 million (Q3 2020: € 559.6 million / Q3 2019: € 578.5 million) as a result of higher marketing expenses, more retail stores operating as well as higher sales-related distribution and warehousing costs. PUMA continued to face operating inefficiencies especially in our supply chain in the third quarter due to COVID-19. Consequently, the OPEX ratio increased from 35.3% in the third quarter of 2020 to 35.7% in the third quarter of 2021 (Q3 2019: 39.2%).

The **operating result (EBIT)** in the third quarter increased to € 228.9 million (Q3 2020: € 189.5 million / Q3 2019: € 162.2 million) due to strong sales growth, improved gross profit margin and continued OPEX control. This resulted in an EBIT margin of 12.0% in the third quarter of 2021 (Q3 2020: 12.0% / Q3 2019: 11.0%).

**Net earnings** increased from € 113.6 million to € 143.8 million and **earnings per share** improved from € 0.76 in the third quarter of 2020 to € 0.96 in the third quarter of 2021.

### **Nine Months 2021**

**Sales** increased by 39.1% (ca) to € 5,038.3 million (+35.6% reported). The strong sales development was driven by double-digit growth rates in all regions and product divisions. Compared to the first nine months of 2019, PUMA's sales grew 32.0% (ca).

The **Wholesale** business was up 42.0% (ca) to € 3,872.5 million while the **Direct-to-Consumer business (DTC)** increased by 30.3% (ca) to € 1,165.8 million with growth in owned & operated retail stores (+35.0% ca) as well as e-commerce (+22.5% ca).

The **gross profit margin** in the first nine months of 2021 improved by 130 basis points to 47.8% (9M 2020: 46.5% / 9M 2019: 49.4%). The improvement in gross profit margin was driven by better sell-through and less promotional activity, while geographical and channel mix effects had a negative impact.

**Operating expenses (OPEX)** increased by 20.9% to € 1,929.5 million (9M 2020: € 1,596.4 million / 9M 2019: € 1,620.7 million). Higher marketing expenses, a higher number of retail stores in operation, higher sales-related distribution and warehousing costs, as well as operating inefficiencies due to COVID-19 contributed to this increase. However, the respective OPEX ratio decreased from 43.0% in the first nine months of 2020 to 38.3% in the first nine months of 2021 (9M 2019: 40.3%) due to higher sales growth and continued OPEX control.

The **operating result (EBIT)** in the first nine months of 2021 increased significantly to € 492.1 million (9M 2020: € 145.9 million / 9M 2019: € 385.0 million) due to strong sales growth, higher gross profit margin and continued OPEX control. This led to an improved EBIT margin of 9.8% in the first nine months of 2021 (9M 2020: 3.9% / 9M 2019: 9.6%).

**Net earnings** increased from € 54.2 million to € 301.7 million and **earnings per share** were up from € 0.36 in the first nine months of 2020 to € 2.02 in the first nine months of 2021.

### **Working Capital**

The **working capital** increased by only 2.3% to € 719.0 million (September 30, 2020: € 703.2 million / September 30, 2019: € 915.7 million). **Inventories** which include Goods in Transit were up by 11.6% to € 1,363.9 million. The COVID-19 related lockdown in South Vietnam and corresponding delays restricted the product supply and consequently limited inventory levels at the end of the third quarter. As a result of the strong sales development in the third quarter, **trade receivables** rose by 39.0% to € 1,058.6 million. On the liabilities side, **trade payables** were up by 28.4% to € 1,202.8 million.

### **Outlook 2021**

2021 started with an all-time high of COVID-19 cases globally and continued restrictions for our operations in numerous markets as well as supply chain constraints due to container shortages and port congestion. In addition to the implications from the COVID-19 pandemic, political tensions in some of our key markets also had a significant impact on our business.

Despite the uncertainty, PUMA has maneuvered well throughout the first nine months of the year, based on continued brand momentum, successful product launches with high sell-through and a strong focus on flexibility in our operations.

Considering the strong financial performance in the first nine months of the year, PUMA further specifies its outlook and now expects the currency-adjusted sales to increase at least 25% (previous outlook: at least 20% currency-adjusted sales growth) in the financial year 2021. The operating result (EBIT) is now expected to be in a range between € 450 million and € 500 million (previous outlook: between € 400 and € 500 million). In line with the previous outlook, PUMA does not provide a detailed outlook on the gross profit margin and OPEX development. The net earnings are still expected to improve significantly in 2021.

As a result of the longer-than-expected lockdown in South Vietnam as well as port congestion and container shortages, the industry faces delays, which are having a negative impact on PUMA's product supply in the short-term. PUMA will continue to maneuver through these challenges by building on its brand momentum and operational flexibility. The strong and profitable growth in the first nine months of 2021, a strong product line up as well as very good feedback from retail partners and consumers make us confident for the mid-term success and growth of PUMA.

<b>Income Statement</b>	<b>Q3/2021</b>	<b>Q3/2020</b>	<b>Devi-</b>	<b>1-9/2021</b>	<b>1-9/2020</b>	<b>Devi-</b>
	<b>€ million</b>	<b>€ million</b>	<b>ation</b>	<b>€ million</b>	<b>€ million</b>	<b>ation</b>
<b>Sales</b>	<b>1,900.4</b>	<b>1,583.4</b>	20.0%	<b>5,038.3</b>	<b>3,714.3</b>	35.6%
Cost of sales	-999.6	-838.4	19.2%	-2,631.5	-1,985.8	32.5%
<b>Gross profit</b>	<b>900.8</b>	<b>745.0</b>	20.9%	<b>2,406.8</b>	<b>1,728.5</b>	39.2%
- in % of consolidated sales	47.4%	47.0%		47.8%	46.5%	
Royalty and commission income	6.1	4.2	45.1%	14.8	13.8	7.5%
Other operating income and expenses	-678.0	-559.6	21.2%	-1,929.5	-1,596.4	20.9%
<b>Operating result (EBIT)</b>	<b>228.9</b>	<b>189.5</b>	20.8%	<b>492.1</b>	<b>145.9</b>	237.3%
- in % of consolidated sales	12.0%	12.0%		9.8%	3.9%	
Financial result	-10.5	-17.6	-40.2%	-31.8	-38.7	-17.7%
<b>Earnings before taxes (EBT)</b>	<b>218.3</b>	<b>171.9</b>	27.0%	<b>460.3</b>	<b>107.2</b>	329.3%
- in % of consolidated sales	11.5%	10.9%		9.1%	2.9%	
Taxes on income	-55.7	-44.7	24.6%	-117.4	-27.9	321.0%
- Tax rate	25.5%	26.0%		25.5%	26.0%	
Net earnings attributable to non-controlling interests	-18.8	-13.6	38.7%	-41.2	-25.1	64.2%
<b>Net earnings</b>	<b>143.8</b>	<b>113.6</b>	26.6%	<b>301.7</b>	<b>54.2</b>	456.4%
<b>Earnings per share (€)</b>	<b>0.96</b>	<b>0.76</b>	26.5%	<b>2.02</b>	<b>0.36</b>	456.3%
<b>Earnings per share (€) - diluted</b>	<b>0.96</b>	<b>0.76</b>	26.5%	<b>2.02</b>	<b>0.36</b>	456.3%
Weighted average shares outstanding (million)				149.58	149.55	0.0%
Weighted average shares outstanding - diluted (million)				149.58	149.55	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.

<b>Balance Sheet</b>	<b>Sep. 30,'21</b> € million	Sep. 30,'20 € million	Devi- ation	Dec. 31,'20 € million
<b>ASSETS</b>				
Cash and cash equivalents	749.4	380.9	96.7%	655.9
Inventories	1,363.9	1,222.4	11.6%	1,138.0
Trade receivables	1,058.6	761.5	39.0%	621.0
Other current assets (working capital)	199.3	170.2	17.1%	174.5
Other current assets	84.4	33.9	149.2%	23.7
<b>Current assets</b>	<b>3,455.6</b>	<b>2,568.9</b>	34.5%	<b>2,613.0</b>
Deferred taxes	278.1	274.6	1.3%	277.5
Right-of-use assets	934.9	847.2	10.4%	877.6
Other non-current assets	996.3	898.5	10.9%	916.0
<b>Non-current assets</b>	<b>2,209.3</b>	<b>2,020.2</b>	9.4%	<b>2,071.0</b>
<b>Total Assets</b>	<b>5,664.9</b>	<b>4,589.1</b>	23.4%	<b>4,684.1</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current financial liabilities	3.9	146.5	-97.3%	121.4
Trade payables	1,202.8	937.0	28.4%	941.5
Other current liabilities (working capital)	700.0	513.9	36.2%	526.2
Current lease liabilities	166.0	154.4	7.5%	156.5
Other current liabilities	35.6	50.8	-30.0%	127.2
<b>Current liabilities</b>	<b>2,108.2</b>	<b>1,802.6</b>	17.0%	<b>1,872.8</b>
Deferred taxes	40.5	51.2	-20.9%	40.6
Pension provisions	39.3	33.4	17.5%	38.2
Non-current lease liabilities	840.5	733.7	14.6%	775.2
Other non-current liabilities	419.7	168.3	149.5%	193.4
<b>Non-current liabilities</b>	<b>1,340.1</b>	<b>986.6</b>	35.8%	<b>1,047.4</b>
<b>Shareholders' Equity</b>	<b>2,216.6</b>	<b>1,799.9</b>	23.2%	<b>1,763.9</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>5,664.9</b>	<b>4,589.1</b>	23.4%	<b>4,684.1</b>

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 23, 2022	Financial Results FY 2021
April 27, 2022	Quarterly Statement Q1 2022
May 11, 2022	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 <https://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**

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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 14,300 people worldwide, and is headquartered in Herzogenaurach/Germany. For more information, please visit <https://about.puma.com>.