

Q1 2024



PUMA delivers Q1 results fully in line with expectations

Herzogenaurach, 08 May 2024

Key developments Q1 2024

- Currency-adjusted (ca) sales increase by 0.5% to € 2,102 million, reflecting a negative currency impact of approximately € 100 million (-3.9% reported)
- Gross profit margin improves by 100 basis points to 47.5% despite major currency headwinds
- Operating expenses (OPEX) decrease by 0.4% to € 845 million
- Operating result (EBIT) declines by 9.4% to € 159 million, mainly due to negative currency effects on sales, gross profit margin and OPEX ratio
- 2024 Outlook confirmed: currency-adjusted sales growth at mid-single-digit percentage rate and EBIT in a range between € 620 million and € 700 million
- PUMA launches first global brand campaign in 10 years

Arne Freundt, Chief Executive Officer of PUMA SE:

“We delivered our first quarter results fully in line with expectations. While the market continues to be volatile, we delivered growth and gross profit margin improvement despite significant currency headwinds and high prior year comparables. Our retail partners are still working through elevated stock levels, but as our sell-through was higher than our sell-ins, we jointly improved the inventory levels in the wholesale channel. We expect that we will improve sell-in in course of Q2. Our double-digit growth in DTC with fewer discounts confirms the continued strong demand for the brand and thus continued good sell-through.

Our strong momentum in performance categories driven by exciting innovations and newness is ongoing and we are further growing our market shares. For our Sportstyle category, 2024 is a transition year to build the future success in the elevated distribution. Our go-to-market and demand creation processes are starting to improve and are crucial as a foundation for the success in Sportstyle. We already see that sales of our trending terrace and skate styles Palermo and Suede XL are accelerating month over month and we are very excited to launch our vintage running franchise Easy Rider and low profile shoes Mostro, Speedcat and Inhale this year. With our good order book for the second half of the year and the great start of our brand campaign, I feel very confident about our sequential quarter-over-quarter improvement in 2024.

We are focusing our efforts on building the foundation for the next chapter of growth based on increased brand desirability. The launch of our first brand campaign in a decade was an important first step and the first results came in above our expectations. I could not imagine a better year than the 2024 Year of Sport to advance PUMA's brand elevation journey. We are looking forward to celebrating this summer's events with our employees, consumers, retail partners and brand ambassadors."

Sales Development:

Sales by regions and product divisions		Q1		growth rates	
€ million	2024	2023	Euro	currency adjusted	
Breakdown by regions					
EMEA	855.7	883.8	-3.2%	0.0%	
Americas	790.0	827.9	-4.6%	1.0%	
Asia/Pacific	456.6	476.0	-4.1%	0.6%	
Total	2,102.3	2,187.7	-3.9%	0.5%	
Breakdown by product divisions					
Footwear	1,181.5	1,210.4	-2.4%	3.1%	
Apparel	608.1	647.7	-6.1%	-2.4%	
Accessories	312.7	329.5	-5.1%	-3.2%	
Total	2,102.3	2,187.7	-3.9%	0.5%	

First Quarter 2024

Sales increased by 0.5% (ca) to € 2,102.3 million from a strong quarter in the previous year (Q1 2023 grew +14.4% ca and reported). Currencies have continued to be a major headwind since Q2 2023, negatively impacting sales in euro terms by approximately € 100 million in Q1 2024 (-3.9% reported).

The **Americas** region recorded positive sales growth for the first time in four quarters, growing by 1.0% (ca) to € 790.0 million, with the U.S. showing a sequential improvement. Sales in the **Asia/Pacific** region increased by 0.6% (ca) to € 456.6 million, driven by continued growth in Greater China. In the **EMEA** region, sales were flat (ca) at € 855.7 million, with Europe coming in better than expected.

PUMA's **wholesale** business declined by 2.9% (ca) to € 1,608.1 million, reflecting the continued focus on good sell-through and prudent sell-in to improve inventory levels in the market. Our **Direct-to-Consumer (DTC)** business grew by 13.5% (ca) to € 494.2 million, driven by continued brand momentum and scaled back promotions. This resulted in an increased DTC share of 23.5% (Q1 2023: 21.3%), in line with expectations.

Sales in **Footwear** were up 3.1% (ca), largely driven by continued strong demand for our Football and other performance categories. Sales in **Apparel** and **Accessories** declined by 2.4% and 3.2% (ca) respectively.

The **gross profit margin** improved by 100 basis points to 47.5% (Q1 2023: 46.5%). Significant headwinds from currencies were more than offset by lower sourcing and freight costs as well as a favourable product and distribution channel mix.

Operating expenses (OPEX) decreased by 0.4% to € 845.3 million (Q1 2023: € 848.3 million). While marketing investments remained at 10% of sales, strict cost discipline in non-demand generating areas mostly offset warehouse ramp-up costs, investments in digital infrastructure and inflationary pressures. The OPEX ratio increased by 140 basis points to 40.2% (Q1 2023: 38.8%), mainly as a result of a higher DTC share and currency headwinds.

The **operating result (EBIT)** decreased by 9.4% to € 159.0 million (Q1 2023: € 175.5 million), mainly due to currency headwinds on sales, gross profit margin and OPEX ratio. As a result, the EBIT margin declined 50 basis points to 7.6% (Q1 2023: 8.0%).

The **financial result** decreased to € -26.8 million (Q1 2023: € -7.8 million) due to lower gains related to forward exchange transactions (“swap points”) and higher interest rates.

Consequently, **net income** decreased by 25.5% to € 87.3 million (Q1 2023: € 117.3 million) and **earnings per share** amounted to € 0.58 (Q1 2023: € 0.78).

Working Capital

The **working capital** increased by 5.4% to € 1,845.7 million (31 March 2023: € 1,751.5 million). **Inventories** decreased by 16.8% to € 1,785.6 million (31 March 2023: € 2,147.3 million), mainly due to the elevated comparative base of the previous year, and remain at a healthy level. **Trade receivables** increased by 12.2% to € 1,432.5 million (31 March 2023: € 1,276.9 million) due to timing and the regional mix. On the liabilities side, **trade payables** decreased by 4.7% to € 1,222.8 million (31 March 2023: € 1,282.7 million).

Outlook 2024

In line with our expectations, the year 2024 has started with geopolitical and macroeconomic challenges as well as currency volatility. In this environment, we continued to make further progress on our strategic priorities of brand elevation, product excellence and distribution quality, particularly in the key markets U.S. and China.

2024 is not only the year of sports, with major events such as the UEFA Euro 2024, CONMEBOL Copa América and the Olympic and Paralympic Games providing the perfect platform to showcase our strong product innovation and credibility as a performance brand. It is also the year in which PUMA has started to invest into its first global brand campaign in 10 years to sharpen its positioning as the fastest sports brand in the world.

Supported by the continued brand momentum and despite ongoing geopolitical and macroeconomic challenges, PUMA expects to achieve **mid-single-digit currency-adjusted sales growth** and an **operating result (EBIT) in the range of € 620 million to € 700 million** for the financial year 2024 (2023: € 621.6 million). We expect net income (2023: € 304.9 million) to change in 2024 in line with the operating result.

As in previous years, PUMA will continue to focus on managing short-term challenges without compromising the brand's medium- and long-term momentum. Our sales growth and market share gains will take priority over short-term profitability. The exciting product newness and innovation for 2024/2025 as well as the very good feedback from retail partners and consumers give us confidence for the medium and long term success and continued growth of PUMA.

Q1 Brand & Product Update

Ongoing Momentum in Performance

- PUMA launches exciting innovation with its new football boot Future 7
- 4th kits of Manchester City and AC Milan released and sold out in record time
- PUMA launches first-ever signature lifestyle shoe LaFrancé for LaMelo Ball and third signature performance shoe for Breanna Stewart
- All-Pro Nitro becomes the shoe of NXTPRO Hoops, one of the leading basketball circuits in the US
- Running shoe Fast-R NITRO Elite 2 recently awarded the prestigious Spanish CORREDOR award for the best new shoe of 2024
- Pre-Released Deviate Elite NITRO 3 running shoes make PUMA athletes reach podium of World Marathon Majors for the first time in decades

Building Up Traction with Sportstyle Newness

- Continued newness of PUMA's terrace lead model Palermo and skate lead model Suede XL builds up further momentum

- Latest FENTY x PUMA drops of Avanti Pony Hair and Creeper Phatty Earth Tone create great consumer engagement
- Success of recent launches of Mostro and Speedcat confirm emerging low profile trend
- A\$AP Rocky's Collection and low profile shoe Inhale create great buzz around F1 Grand Prix in Miami
- Exciting product newness with Easy Rider, Speedcat, Mostro and Inhale to launch in course of this year

Making Progress in Brand Elevation

- PUMA launches its first Brand Campaign in 10 years in Paris in April
- Brand Campaign demonstrates that PUMA's superpower is Speed, creating a strong emotional connection between the consumer and PUMA brand mantra FOREVER. FASTER.
- Biggest media investment ever for PUMA with a 360 media mix
- Brand campaign is visible worldwide and will cover the whole year 2024 with specific executions for UEFA Euro 2024, CONMEBOL Copa América, Olympics, Paralympics and NBA season start
- PUMA unveils 17 Track and Field Federation Kits and its Fireglow shoe colorway for the competitions in the "Year of Sport"

Income Statement	Q1/2024 € million	Q1/2023 € million	Devi- ation
Sales	2,102.3	2,187.7	-3.9%
Cost of sales	-1,103.3	-1,170.7	-5.8%
Gross profit	999.0	1,016.9	-1.8%
- in % of sales	47.5%	46.5%	+1.0 pp
Royalty and commission income	5.2	6.9	-24.5%
Other operating income and expenses	-845.3	-848.3	-0.4%
Operating result (EBIT)	159.0	175.5	-9.4%
- in % of sales	7.6%	8.0%	-0.5 pp
Financial result	-26.8	-7.8	>100%
Earnings before taxes (EBT)	132.2	167.7	-21.2%
- in % of sales	6.3%	7.7%	-1.4 pp
Taxes on income	-33.0	-41.9	-21.2%
- Tax rate	25.0%	25.0%	-
Net income attributable to non-controlling interests	-11.8	-8.5	38.2%
Net income	87.3	117.3	-25.5%
- in % of sales	4.2%	5.4%	-1.2 pp
Earnings per share (€)	0.58	0.78	-25.6%
Earnings per share (€) - diluted	0.58	0.78	-25.6%
Weighted average shares outstanding (million shares)	149.92	149.79	0.1%
Weighted average shares outstanding - diluted (million shares)	149.96	149.80	0.1%

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.

Balance Sheet	Mar. 31,'24	Mar. 31,'23	Devi-	Dec. 31,'23
	€ million	€ million	ation	€ million
ASSETS				
Cash and cash equivalents	294.5	288.8	2.0%	552.9
Inventories *	1,785.6	2,147.3	-16.8%	1,804.4
Trade receivables *	1,432.5	1,276.9	12.2%	1,118.4
Other current assets *	453.3	348.5	30.1%	385.6
Other current assets	96.6	83.2	16.1%	69.8
Current assets	4,062.5	4,144.7	-2.0%	3,931.1
Deferred tax assets	290.6	317.0	-8.3%	296.1
Right-of-use assets	1,072.4	1,095.0	-2.1%	1,087.7
Other non-current assets	1,366.3	1,209.3	13.0%	1,325.6
Non-current assets	2,729.4	2,621.3	4.1%	2,709.3
Total Assets	6,791.8	6,766.0	0.4%	6,640.4
LIABILITIES AND EQUITY				
Current borrowings	537.0	635.4	-15.5%	145.9
Trade payables *	1,222.8	1,282.7	-4.7%	1,499.8
Other current liabilities *	602.9	738.5	-18.4%	631.3
Current lease liabilities	210.6	199.1	5.8%	212.4
Other current liabilities	25.5	62.8	-59.4%	47.7
Current liabilities	2,598.8	2,918.4	-11.0%	2,537.2
Non-current borrowings	357.4	126.5	182.5%	426.1
Deferred tax liabilities	22.0	41.4	-46.9%	12.4
Pension provisions	23.1	21.9	5.6%	22.5
Non-current lease liabilities	995.4	1,015.0	-1.9%	1,020.0
Other non-current liabilities	30.0	35.1	-14.6%	40.0
Non-current liabilities	1,427.9	1,239.9	15.2%	1,520.9
Equity	2,765.2	2,607.6	6.0%	2,582.3
Total Liabilities and Equity	6,791.8	6,766.0	0.4%	6,640.4

* included in working capital

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:

22 May 2024	Annual General Meeting
07 August 2024	Interim Report Q2 2024
06 November 2024	Quarterly Statement Q3 2024

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 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 statements about the future business development and strategic direction of the Company. The forward-looking statements are based on management's current expectations and assumptions. They are subject to certain risks and fluctuations as described in other publications, in particular in the risk and opportunities management section of the combined management report. If these expectations and assumptions do not apply or if unforeseen risks arise, the actual course of business may differ significantly from the expected developments. We therefore assume no liability for the accuracy of these forecasts.

PUMA

PUMA is one of the world's leading sports brands, designing, developing, selling and marketing footwear, apparel and accessories. For 75 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 about 20,000 people worldwide and is headquartered in Herzogenaurach/Germany. For more information, please visit <https://about.puma.com>.