

QUARTERLY STATEMENT Q3 2022



PUMA achieves another record Quarter in Sales and EBIT despite Geopolitical Tensions and Lockdown Measures

Herzogenaurach, October 26, 2022

2022 Third Quarter Facts

- Sales increase by 16.9% currency adjusted (ca) to € 2,354 million (+23.9% reported / Q3 2021: € 1,900 million)
- Gross profit margin decreases to 46.8% (Q3 2021: 47.4%)
- Operating expenses (OPEX) increase by 25.8% to € 853 million (Q3 2021: € 678 million)
- Operating result (EBIT) improves by 12.6% to € 258 million (Q3 2021: € 229 million), resulting in an EBIT margin of 10.9% (Q3 2021: 12.0%)
- Net earnings improve by 1.8% to € 146 million (Q3 2021: € 144 million)
- PUMA and Manchester City host their first-ever metaverse jersey launch on Roblox to unveil the new 3rd kit for 2022/23
- PUMA and WNBA star Breanna “Stewie” Stewart launch the Stewie 1, the first new women’s signature basketball sneaker in over a decade
- PUMA presents LaMelo Ball’s second signature shoe MB.02 following the sell-through success of the MB.01
- PUMA athletes win medals and set records at World and European Athletics Championships
- PUMA extends its roster of world class track & field athletes by signing Elaine Thompson-Herah, Abby Steiner, Emmanuel Korir and Mutaz Essa Barshim
- PUMA launches SEASONS, an elevated outdoor collection
- PUMA’s FUTUROGRADE show at New York Fashion Week blends past and present of the brand in virtual and real-life spectacle
- PUMA announces a long-term partnership with Skepta, a British-Nigerian rapper and record producer

- PUMA hosts Conference of the People, a global event to discuss solutions for a more sustainable fashion industry

2022 Nine Months Facts

- Sales increase by 18.2% (ca) to € 6,269 million (9M 2021: € 5,038 million)
- Gross profit margin decreases to 46.8% (9M 2021: 47.8%)
- Operating expenses (OPEX) increase by 22.2% to € 2,357 million (9M 2021: € 1,930 million)
- Operating result (EBIT) improves to € 600 million (9M 2021: € 492 million), resulting in an EBIT margin of 9.6% (9M 2021: 9.8%)
- Net earnings improve to € 352 million (9M 2021: € 302 million)

Bjørn Gulden, Chief Executive Officer of PUMA SE:

“Despite all the global uncertainties the third quarter was again a very good quarter for us. With sales being up 24% in Euro terms at € 2,354 million and EBIT up 13% to € 258 million, it was the best quarter in PUMA’s history. Improved product availability due to a more stable supply chain, better than expected sell-through and PUMA’s continued global brand momentum overcompensated all the negative external factors. During the first nine months, we achieved sales growth of 24% in Euro terms (18% ca) to € 6,269 million and an EBIT of € 600 million.

Our Performance categories like Running, Soccer and Basketball continue to do very well. We still see strong demand for Footwear, but we also observe that high inventory levels in the market, especially for Apparel, have led retailers to order more cautiously than a year ago. With almost all our markets up double-digit, we continue to see a strengthening of the PUMA brand and our sales globally.

We expect continued volatility in the market during the fourth quarter but are confident that we can deliver according to our full-year outlook.

We will also continue with our people-first approach and always prioritize the health and safety of our employees and not save on anything. At the moment, this is especially true for our people and their families in Ukraine who have our full sympathy and support. At the same

time, we will also continue to invest in our people, brand and infrastructure, as sales growth and higher market shares will be more important than short-term profit optimization.”

Sales Development

Sales by regions and product divisions		Q3		growth rates		1-9		growth rates	
€ million		2022	2021	Euro	currency adjusted	2022	2021	Euro	currency adjusted
Breakdown by regions									
EMEA		971.7	813.7	19.4%	18.5%	2,386.7	1,958.4	21.9%	21.4%
Americas		931.8	700.1	33.1%	18.8%	2,688.3	1,909.6	40.8%	28.1%
Asia/Pacific		450.9	386.6	16.6%	9.8%	1,193.4	1,170.3	2.0%	-3.7%
Total		2,354.4	1,900.4	23.9%	16.9%	6,268.5	5,038.3	24.4%	18.2%
Breakdown by product divisions									
Footwear		1,192.5	846.9	40.8%	33.2%	3,141.0	2,408.6	30.4%	24.0%
Apparel		855.0	735.2	16.3%	9.9%	2,159.5	1,790.0	20.6%	14.7%
Accessories		306.8	318.3	-3.6%	-10.2%	968.0	839.7	15.3%	8.9%
Total		2,354.4	1,900.4	23.9%	16.9%	6,268.5	5,038.3	24.4%	18.2%

Third Quarter 2022

Sales increased by 16.9% (ca) to € 2,354.4 million (+23.9% reported), representing the highest quarterly sales in PUMA's history. The **Americas** region recorded a strong sales growth of 18.8% (ca). Sales in **EMEA** were up 18.5% (ca), driven by strong growth across almost all key markets in Europe. The **Asia/Pacific** region recorded sales growth for the first time this year (+9.8% ca). While COVID-19 related lockdown measures still impacted the business in Greater China, other key markets in Asia/Pacific delivered strong growth. Sales in **Footwear** were up 33.2% (ca) and **Apparel** grew 9.9% (ca), driven by continued strong demand for our Performance categories like Running & Training, Teamsports and Basketball, as well as for Sportstyle. Sales in **Accessories** were down 10.2% (ca) because of a softer leg- and bodywear-business, especially in North America.

PUMA's **Wholesale** business increased by 19.9% (ca) to € 1,864.6 million and the **Direct-to-Consumer (DTC)** business was up by 6.5% (ca) to € 489.7 million. Sales in owned & operated retail stores increased 4.2% (ca) and e-commerce increased 11.8% (ca). We continued to focus on our strategy of being the best partner for our retailers, which supported the strong growth in our Wholesale distribution channel. At the same time, better product availability led to stronger growth in DTC, predominantly in e-commerce.

The **gross profit margin** decreased by 60 basis points to 46.8%, mainly caused by higher sourcing prices due to raw materials and freight rates as well as an unfavorable channel mix, while price adjustments and currencies had a positive impact.

Operating expenses (OPEX) increased by 25.8% to € 853.2 million as a result of higher marketing expenses, a higher number of retail stores in operation as well as higher sales-related distribution costs. Because of ongoing operational inefficiencies due to COVID-19, especially in supply chain and warehousing, the OPEX ratio increased to 36.2% (Q3 2021: 35.7%).

The **operating result (EBIT)** increased by 12.6% to € 257.7 million (Q3 2021: € 228.9 million) and the EBIT margin came in at 10.9% (Q3 2021: 12.0%).

Net earnings increased by 1.8% to € 146.4 million (Q3 2021: € 143.8 million), reflecting a decrease in the financial result due to currency effects. Consequently, **earnings per share** amounted to € 0.98 (Q3 2021: € 0.96).

Nine Months 2022

Sales increased by 18.2% (ca) to € 6,268.5 million (+24.4% reported). **Americas** led the growth with a 28.1% (ca) increase in sales, followed by the **EMEA** region with all key markets in Europe contributing strong growth to a 21.4% (ca) increase in sales. Sales in the **Asia/Pacific** region were down 3.7% (ca) due to geopolitical tensions and COVID-19 related lockdown measures in Greater China, while other major markets in Asia/Pacific recorded strong growth. All product divisions delivered a solid growth, with **Footwear** being up 24.0% (ca), **Apparel** up 14.7% (ca) and **Accessories** up 8.9% (ca).

The **Wholesale** business was up 21.8% (ca) to € 4,956.0 million and the **Direct-to-Consumer business (DTC)** increased by 6.4% (ca) to € 1,312.5 million with growth in owned & operated retail stores (+11.1% ca) and a decline in e-commerce (-2.1% ca).

The **gross profit margin** decreased by 100 basis points to 46.8% (9M 2021: 47.8%). This was mainly caused by an unfavorable geographical and channel mix as well as higher sourcing prices due to raw materials and freight rates, which were partially offset by currencies and price adjustments.

Operating expenses (OPEX) increased by 22.2% to € 2,357.3 million (9M 2021: € 1,929.5 million). Higher marketing expenses, a higher number of retail stores in operation, higher sales-related distribution and warehousing costs, as well as operational inefficiencies due to COVID-19 contributed to this increase. However, the respective OPEX ratio decreased to 37.6% (9M 2021: 38.3%) as a result of higher sales growth and continued OPEX control.

The **operating result (EBIT)** increased by 22.0% to € 600.1 million (9M 2021: € 492.1 million) due to strong sales growth and continued OPEX control. Consequently, the EBIT margin came in at 9.6% (9M 2021: 9.8%).

Net earnings increased by 16.7% to € 352.1 million (9M 2021: € 301.7 million) and **earnings per share** were € 2.35 (9M 2021: € 2.02).

Working Capital

The **working capital** increased by 86.2% to € 1,339.0 million (September 30, 2021: € 719.0 million). **Inventories** were up by 72.3% to € 2,350.2 million (September 30, 2021: € 1,363.9 million). The current inventory level is strongly impacted by currency effects, higher raw material prices and freight rates as well as earlier product purchasing. In addition, the third quarter last year was comparably low due to COVID-19 related factory closures in South Vietnam. **Trade receivables** increased by 21.9% to € 1,290.3 million (September 30, 2021: € 1,058.6 million), mainly as a result of strong sales growth. On the liabilities side, **trade payables** increased by 50.5% to € 1,810.2 million (September 30, 2021: € 1,202.8 million).

Outlook 2022

PUMA achieved record sales and EBIT in the first nine months of 2022 based on continued brand momentum, successful product launches and the best possible service to our retail partners and consumers.

While the first nine months of the year have been strong for PUMA, we continue to navigate in a highly uncertain geopolitical, macroeconomic and competitive environment. The situation in Ukraine, a global energy crisis, persistent inflation and rising interest rates are leading to uncertain consumer behavior and volatile demand. COVID-19-related restrictions are still impacting business in Greater China, and higher freight rates and raw material prices continue to put pressure on margins. At the same time, the overall inventory levels have increased at both retailers and brands. The higher inventory levels, combined with uncertainty and volatility in the markets, are leading to increased promotional activity and retailers ordering later and more conservatively.

Despite the highly uncertain environment, PUMA reiterates its 2022 outlook for **currency adjusted mid-teens sales growth**, and an **operating result (EBIT) in a range of € 600 million to € 700 million** (2021: € 557 million). PUMA's net earnings are expected to improve accordingly. The development of the gross profit margin and OPEX-ratio will continue to depend largely on the extent and duration of the negative impacts described above.

In line with previous expectations, PUMA estimates that inflationary pressures from higher freight rates and raw material prices, as well as operational inefficiencies due to COVID-19 and the Ukraine crisis will dilute the profitability in 2022.

In line with the strategy, PUMA will continue to focus on managing short-term challenges without compromising the mid-term momentum of the brand. Consequently, sales growth and market share gains will have priority over short-term profitability. The strong and profitable growth in the first nine months of the year, a strong order book, an exciting product line-up as well as very good feedback from retailers and consumers make us confident for the mid-term success and growth of PUMA.

Income Statement	Q3/2022 € million	Q3/2021 € million	Devi- ation		1-9/2022 € million	1-9/2021 € million	Devi- ation
Sales	2,354.4	1,900.4	23.9%		6,268.5	5,038.3	24.4%
Cost of sales	-1,251.9	-999.6	25.2%		-3,333.0	-2,631.5	26.7%
Gross profit	1,102.4	900.8	22.4%		2,935.5	2,406.8	22.0%
- in % of consolidated sales	46.8%	47.4%			46.8%	47.8%	
Royalty and commission income	8.5	6.1	39.8%		21.9	14.8	47.7%
Other operating income and expenses	-853.2	-678.0	25.8%		-2,357.3	-1,929.5	22.2%
Operating result (EBIT)	257.7	228.9	12.6%		600.1	492.1	22.0%
- in % of consolidated sales	10.9%	12.0%			9.6%	9.8%	
Financial result	-36.9	-10.5	>100%		-62.9	-31.8	97.6%
Earnings before taxes (EBT)	220.8	218.3	1.1%		537.2	460.3	16.7%
- in % of consolidated sales	9.4%	11.5%			8.6%	9.1%	
Taxes on income	-56.3	-55.7	1.1%		-137.0	-117.4	16.7%
- Tax rate	25.5%	25.5%			25.5%	25.5%	
Net earnings attributable to non-controlling interests	-18.1	-18.8	-4.1%		-48.2	-41.2	16.8%
Net earnings	146.4	143.8	1.8%		352.1	301.7	16.7%
Earnings per share (€)	0.98	0.96	1.8%		2.35	2.02	16.7%
Earnings per share (€) - diluted	0.98	0.96	1.8%		2.35	2.02	16.7%
Weighted average shares outstanding (million)					149.63	149.58	0.0%
Weighted average shares outstanding - diluted (million)					149.64	149.58	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,'22 € million	Sep. 30,'21 € million	Devi- ation	Dec. 31,'21 € million
ASSETS				
Cash and cash equivalents	407.0	749.4	-45.7%	757.5
Inventories *	2,350.2	1,363.9	72.3%	1,492.2
Trade receivables *	1,290.3	1,058.6	21.9%	848.0
Other current assets *	341.0	199.3	71.1%	268.7
Other current assets	349.5	84.4	-	123.3
Current assets	4,738.1	3,455.6	37.1%	3,489.8
Deferred taxes	294.9	278.1	6.0%	279.9
Right-of-use assets	1,033.2	934.9	10.5%	940.5
Other non-current assets	1,205.1	996.3	21.0%	1,018.0
Non-current assets	2,533.2	2,209.3	14.7%	2,238.4
Total Assets	7,271.3	5,664.9	28.4%	5,728.3
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current financial liabilities	168.8	3.9	-	68.5
Trade payables *	1,810.2	1,202.8	50.5%	1,176.5
Other current liabilities *	832.3	700.0	18.9%	704.6
Current lease liabilities	200.2	166.0	20.6%	172.4
Other current liabilities	55.3	35.6	55.5%	42.6
Current liabilities	3,066.9	2,108.2	45.5%	2,164.5
Deferred taxes	58.2	40.5	43.7%	48.8
Pension provisions	23.3	39.3	-40.7%	31.9
Non-current lease liabilities	939.7	840.5	11.8%	851.0
Other non-current liabilities	285.9	419.7	-31.9%	353.5
Non-current liabilities	1,307.1	1,340.1	-2.5%	1,285.3
Shareholders' Equity	2,897.3	2,216.6	30.7%	2,278.5
Total Liabilities and Shareholders' Equity	7,271.3	5,664.9	28.4%	5,728.3

* included in working capital.

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Financial Calendar:

March 01, 2023	Financial Results FY 2022
April 26, 2023	Quarterly Statement Q1 2023
May 24, 2023	Annual General Meeting
July 26, 2023	Interim Report Q2 2023
October 24, 2023	Quarterly Statement Q3 2023

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 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 more than 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 about 16,000 people worldwide, and is headquartered in Herzogenaurach/Germany. For more information, please visit <https://about.puma.com>.