



PRESS RELEASE Q4 2017

PUMA exceeds 4 billion Euro Sales Mark for the first Time Profitability improves significantly in 2017

Herzogenaurach, February 12, 2018

2017 Fourth Quarter Facts

- Sales increase by 14.5% currency adjusted to € 1,040 million (+8.6% reported) with double-digit growth in all regions and footwear being the main growth driver
- Gross profit margin improves by 250 basis points to 47.1%
- Operating expenses (OPEX) increase by 11.7%, mainly driven by higher marketing and retail expenses
- Operating result (EBIT) more than doubles from € 14 million last year to € 30 million
- Together with Lewis Hamilton we launched 24/7 training campaign featuring the new IGNITE Flash shoe
- PUMA wins "Marketer of the Year" Award in the US by Footwear News magazine

2017 Full Year Facts

- Full-year sales increase by 15.9% currency adjusted to € 4,136 million (+14.0% reported), passing the 4 billion sales mark for the first time, all regions with double-digit growth
- Gross profit margin up 160 basis points at 47.3%
- Improved operating leverage with operating expenses (OPEX) increasing by only 11.7%
- Operating result (EBIT) improves significantly from € 128 million to € 245 million
- Net earnings more than double from € 62 million to € 136 million and EPS increase from € 4.17 to € 9.09
- Free Cashflow improves strongly from € 50 million to € 117 million
- One-off total dividend of € 12.50 per share for 2017 to be proposed
- New lacing technology NETFIT introduced for performance and sportstyle footwear
- PUMA Future Football boot with NETFIT technology launched for customizable fit
- Women's business continues to be strong, driven by HEART, FIERCE, and PLATFORM footwear styles

Bjørn Gulden, Chief Executive Officer of PUMA SE:

"2017 was a great year for us at PUMA. We grew 16% and achieved for the first time in the history sales above € 4 billion. We almost doubled our EBIT to € 245 million and showed progress in almost all areas. This momentum together with positive feedback from consumers and our retail partners makes us look positive into 2018. We expect to increase our sales around 10% in constant currencies in 2018 and we expect to increase our EBIT to between € 305 million to € 325 million (€ 245 million in 2017). We are also pleased by Kering's proposal to reduce their ownership in PUMA by a distribution of dividend in kind to its shareholders. PUMA will then be a public independent company with a much higher free float (55%) and with two strong anchor shareholders – Kering (16%) and Artemis (29%). This will allow us to continue our positive development and make PUMA the fastest sports brand in the world."

Sales Development:

Sales by regions and product segments	Fourth Quarter				Full Year			
	Q4		growth rates		1-12		growth rates	
€ million	2017	2016	Euro	currency adjusted	2017	2016	Euro	currency adjusted
Breakdown by regions								
EMEA	348,0	298,4	16,6%	18,5%	1.646,2	1.382,7	19,1%	19,5%
Americas	417,1	393,0	6,1%	14,4%	1.494,8	1.339,6	11,6%	14,3%
Asia/Pacific	275,1	266,8	3,1%	10,1%	994,9	904,5	10,0%	12,7%
Total	1.040,2	958,2	8,6%	14,5%	4.135,9	3.626,7	14,0%	15,9%
Breakdown by product segments								
Footwear	467,3	416,0	12,3%	19,2%	1.974,5	1.627,0	21,4%	23,5%
Apparel	388,5	366,6	6,0%	11,8%	1.441,4	1.333,2	8,1%	10,0%
Accessories	184,4	175,6	5,0%	9,4%	719,9	666,5	8,0%	9,2%
Total	1.040,2	958,2	8,6%	14,5%	4.135,9	3.626,7	14,0%	15,9%

Fourth Quarter 2017

Sales

PUMA's **sales** growth continued in the fourth quarter of 2017. Sales increased by 14.5% currency-adjusted to € 1,040.2 million (+8.6% reported), compared to € 958.2 million in the previous year. All regions supported the sales growth with a double-digit increase. The Footwear segment continued to be the main growth driver.

Gross Profit Margin and Operating Expenses

The **gross profit margin** grew by 250 basis points from 44.6% to 47.1% in the fourth quarter. The increase was due to further improvements in sourcing, higher sales of new products with a higher margin, a higher share of own retail sales and selective price adjustments.

Operating expenses (OPEX) rose by 11.7% to € 465.3 million in the fourth quarter, mainly caused by higher marketing investments to fuel both brand heat and sell-through. In addition, higher retail investments for new store openings and the modernization of existing stores supported the increase.

Operating Result and Net Earnings

The **operating result (EBIT)** more than doubled from € 14.1 million to € 29.8 million in the fourth quarter 2017. The improvement in profitability was due to strong sales growth combined with an improved gross profit margin.

Net earnings in the fourth quarter improved to € 2.2 million (last year: € -4.6 million) and **earnings per share** increased correspondingly from € -0.31 last year to € 0.14.

Full Year 2017

Sales

In the financial year 2017, PUMA's **sales** increased by 15.9% currency adjusted to € 4,135.9 million (+14.0% reported), surpassing the 4 billion Euro sales mark for the first time in the company's history. As a consequence, PUMA exceeded the initial net sales guidance for 2017, which had anticipated a high-single digit increase.

Growth was particularly strong in the **EMEA** region, where sales rose by 19.5% currency adjusted to € 1,646.2 million (+19.1% reported). France, the DACH region (Germany, Austria and Switzerland) and the United Kingdom as well as Russia and South Africa delivered double-digit sales growth.

Sales in the **Americas** region went up by 14.3% currency adjusted to € 1,494.8 million (+11.6% reported), with both North and Latin America contributing with double-digit growth rates.

In the **Asia/Pacific** (APAC) region, sales rose by 12.7% currency adjusted to € 994.9 million (+10.0% reported). The main drivers of growth in the region were China followed by Australia, both with double-digit sales growth.

Footwear continued to be the product segment with the strongest growth rate, showing an improvement of sales for the fourteenth quarter in a row. Sales were up 23.5% currency adjusted to € 1,974.5 million (+21.4% reported). Running and Training as well as Sportstyle were the categories with the strongest growth rates.

In the **Apparel** segment, sales rose by 10.0% currency adjusted to € 1,441.4 million (+8.1% reported). The Sportstyle category, and especially Women's products, contributed to this increase.

Sales in **Accessories** grew by 9.2% currency adjusted to € 719.9 million (+8.0% reported). This increase is mainly driven by socks, underwear, headwear as well as bags and backpacks, while PUMA's Golf hardware business remained stable.

Including eCommerce, PUMA's own and operated **retail sales** rose by 22.9% currency adjusted to € 961.0 million. This represents a share of 23.2% of total sales in 2017 (21.9% in 2016). The reasons for this rise are a strong like-for-like sales growth in our retail stores, the extension of our retail store network and a strongly growing eCommerce business.

Gross Profit Margin and Operating Expenses

The **gross profit margin** improved by 160 basis points from 45.7% to 47.3% in 2017. This increase - despite negative currency impacts - was driven by further improvements in sourcing, higher sales share of new products with a higher margin, a higher share of own retail sales and selective price adjustments. This is particularly reflected in the Footwear segment, where margins increased from 42.5% to 45.5%. In addition, Apparel margins grew from 48.4% to 49.0% and the Accessories margins went up from 47.9% to 48.5% in 2017.

Operating expenses (OPEX) rose by 11.7% and amounted to € 1,725.6 million in 2017. This is mainly because of intensified marketing activities and investments in our own retail store network. The OPEX ratio in percentage of total net sales decreased from 42.6% to 41.7% in 2017, reflecting an improvement of operating leverage.

Operating Result and Net Earnings

The **operating result (EBIT)** improved by 91.7% from € 127.6 million to € 244.6 million in 2017, which is at the upper end of the revised EBIT guidance of € 235 million to € 245 million. This result is significantly above our initial EBIT guidance for 2017, which had anticipated a range between € 170 million and € 190 million and reflects major improvements in PUMA's operating performance and profitability, gross profit margin and operating leverage.

The **financial result** decreased from € -8.7 million to € -13.4 million due to higher financial expenses related to currency derivatives, while the income from associated companies increased slightly.

The tax rate for the full year 2017 came in at a normalized rate of 27.4% compared to 25.7% the year before, while the total **tax expense** went up to € 63.3 million in 2017 (2016: € 30.5 million).

Net earnings for the full year 2017 more than doubled to € 135.8 million (2016: € 62.4 million). This translates into **earnings per share** of € 9.09 compared to € 4.17 last year.

Working Capital

Our continued focus on working capital management and currency effects led to a decrease of 7.9% to € 493.9 million. **Inventories** grew only by 8.3% to € 778.5 million and **trade receivables** rose only slightly by 0.9% to € 503.7 million. **Trade payables** were up 11.3% to € 646.1 million.

Cashflow

The **free cash flow** improved significantly from € 49.7 million in 2016 to € 116.9 million in 2017. This achievement is a result of considerably higher earnings before taxes (EBT) combined with an improved working capital development in spite of the extended business volume and higher investments in fixed assets. As of December 31, 2017, PUMA's **cash position** amounted to € 415.0 million compared to € 326.7 million at the balance sheet date last year.

Proposal of one-off total Dividend of € 12.50

Based on PUMA's positive business development with a significant improvement of profitability and cash flow, the Managing Directors and the Administrative Board will propose a **one-off total dividend** of € 12.50 per share for the financial year 2017 at the Annual General Meeting. In the previous year, PUMA paid € 0.75 per share as a regular dividend.

Brand and Strategy Update

2017 was a good year both for our athletes and for our business. Since we implemented our turnaround strategy in 2014, our sales have grown almost 40%. For the first time in our company's history, we managed to exceed the four billion Euro mark in sales. Product sell-through, both in our retail stores and those of our key retail partners has improved. We have received very positive feedback on our product ranges, particularly from our retail partners. All this proves that we are heading in the right direction.

Our strategy has continued to focus on five priorities: increased **brand heat**, a competitive **product** range, a leading offer for **women**, improved quality of **distribution**, and **organizational** speed.

In 2017, PUMA's credibility as a sports brand was strengthened by capitalizing upon partnerships with world-class athletes and teams. Our **Teamsports** business was marked by our partnered teams winning some of the world's most prestigious titles: BVB Borussia Dortmund claimed the German DFB Cup, Arsenal F.C. won the FA Cup and Mexico's Chivas secured the 2017 Liga MX Clausura title, while Argentina's iconic team Independiente

Buenos Aires celebrated the victory of the Copa Sudamericana. Our roster of individual players also showed exceptional performances: Arsenal's Olivier Giroud won the FIFA Puskas Award for "Goal of the Year" of 2017 and Sergio Agüero broke the goal scoring record for his club Manchester City. On the product side, we launched two completely new football footwear franchises, PUMA ONE and PUMA FUTURE, solidifying our status as a leading sports performance brand.

A major highlight in our **Running** category was the 2017 IAAF World Championships and Usain Bolt's final race. The competition put the spotlight on other PUMA athletes such as Frenchman Pierre-Ambroise Bosse, who won the gold medal in the 800 meters. We also delivered notable product innovations, such as the revolutionary NETFIT footwear range, whose unique customizable lacing system offers infinite performance and style options in one shoe. We also surprised with our brand-new JAMMING technology, whose e-TPU beads provide high comfort and energy return.

Motorsport celebrated another fantastic Formula 1 season, with our three partnered teams MERCEDES AMG PETRONAS, Scuderia FERRARI and RED BULL RACING dominating the Constructors' Championship and PUMA brand ambassador Lewis Hamilton winning the fourth F1 champion title in his career. We also extended our long-term partnership with MERCEDES AMG PETRONAS as official licensing partner for MERCEDES AMG PETRONAS products and supplier of its F1 team.

2017 was also a successful year for PUMA's **Golf** business, where we continued to deliver stylish, performance-ready golf apparel, footwear and accessories to the market, while Cobra Golf introduced technology-rich, game-changing equipment. A real breakthrough was the launch of KING F7 & F7+, smart drivers with an embedded sensor, allowing golfers to track automatically the distance and accuracy of each drive. Rickie Fowler captured a win at the Honda Classic, and landed a record-breaking win at the 2017 Hero World Challenge, while Lexi Thompson won two LPGA tournaments together with the Vare Trophy for best scoring average and the season-long Race to the Globe.

Our **Women's** business, another focus of our strategy, was one of the best performers in the industry last year. Together with powerful ambassadors like Cara Delevingne and the New York City Ballet, we opened another chapter of our "Do You" campaign, which aims to inspire confidence in women around the world. Our Women's Creative Director Rihanna

presented two exquisite seasonal collections of her “FENTY PUMA by Rihanna” line, which has established itself amongst the most anticipated shows of the Paris and New York Fashion Weeks. And just recently, singer, actress and producer Selena Gomez presented the PHENOM and EN POINTE fitness footwear lines, that received positive media echo and already delivered promising results in retail.

PUMA has continued to improve the quality of its **distribution** and expanded its presence in key Sports Performance and Sportstyle accounts around the world. We have further strengthened our relationships with key retailers and proven to be a reliable partner and one that maximizes the brand’s contribution to their business. It is our clear objective to create win-win situations for our partners and ourselves, enabling our retail partners to make money with PUMA’s products. Through improved sell-through, PUMA gained more shelf space in retail stores in 2017. Furthermore, we continued to upgrade our owned-and-operated retail store network with further openings and refurbishments. We relaunched our eCommerce presence ‘www.puma.com’ into a more modern and mobile-friendly format, which went initially live in Europe in June.

We have continued to speed up our **operational** processes and systems by further enhancing PUMA’s International Trading Organization, which manages global order and invoice flows centrally, the roll-out of new product development tools, further standardization of ERP systems and improvements to the overall IT infrastructure.

Our achievements on and off the pitch last year have laid solid foundations for a successful year to come.

Our global marketing activities will again be centered around our brand ambassadors and fastest athletes, including sprinters André de Grasse, Jimmy Vicaut and Asafa Powell, star footballers like Sergio Agüero, Antoine Griezmann and Marco Reus, Formula One Champion Lewis Hamilton, Golfstars Rickie Fowler and Lexi Thompson. Key ambassadors featured on the entertainment side will be Rihanna, top model Cara Delevingne, the R&B star and style icon “The Weeknd” and the newest addition to our roster, singer, actress and producer Selena Gomez.

We are looking forward to the upcoming World Cup in Russia, where three of our sponsored national teams – Switzerland, Uruguay and Senegal – along with many individual players, will make sure that the brand will be very visible on the pitch. Not to forget two new clubs, that will join PUMA starting the 2018/19 season: Olympique de Marseille and Borussia Mönchengladbach. Both teams are great assets to strengthen our position in the French Ligue 1 and the German Bundesliga.

We are also excited that we have just announced an official long-term partnership with one of the most legendary and iconic football clubs in the world: AC MILAN. Effective July 1, 2018, PUMA will become the global technical supplier and official licensing partner of AC MILAN. Through its 119- year-old heritage, AC MILAN won 18 officially recognised UEFA™ and FIFA™ titles, including 7 UEFA European Cup / Champions League™ titles. AC MILAN is the most successful Italian club at international level and one of the best in the Football history.

In 2018, we will also continue to work very closely with our retail partners. Our improved **product offering** includes recently launched lines such as the NETFIT, TSUGI, MUSE and PHENOM as well as our key 2018 launches HYBRID, DEFY, MANTRA and RS-0.

The year 2018 will also mark two important anniversaries: 70 years of PUMA and 50 years of its iconic Suede sneaker. The latter will be celebrated through unique drops representing the varied cultures of which the iconic sneaker has been a significant part such as music, fashion, street and pop culture.

Outlook 2018

Based on the positive business development in 2017 with strong sales growth and a significant improvement in profitability, the management is confident that 2018 will be another positive year for the company and that PUMA is well positioned to carry forward the brand's momentum.

For the full year 2018, we expect that currency-adjusted net sales will increase by approximately 10%. The gross profit margin is forecasted to improve slightly (2017: 47.3%). Operating expenses (OPEX) are expected to increase at a mid to high single-digit rate, as PUMA will continue to invest in marketing, retail and IT.

At the current exchange rate levels, PUMA's management expects that the operating result (EBIT) in 2018 will improve significantly due to higher sales and a slightly improved gross profit margin. The EBIT is therefore expected to come in between € 305 million and € 325 million (2017: € 244.6 million). Net earnings will also continue to improve significantly in 2018.

Planned Proposal to distribute in kind PUMA shares to Kering shareholders

On January 11th, Kering Board of Directors unanimously proposed to its shareholders to distribute in kind around 70% of PUMA shares outstanding, out of the 86.3% currently owned by Kering.

Post transaction, Kering would retain approximately 16% of PUMA shares outstanding. Artémis, which holds 40.9% of Kering's shares, would become a long-term strategic shareholder of PUMA with an ownership of about 29%. PUMA's free float would be increased to approximately 55%.

PUMA Capital Markets Day

PUMA will hold a Capital Markets Day on March 20th, 2018 in London. At this occasion, PUMA intends to provide further details on its future strategy.

Income Statement	Fourth Quarter			Full Year		
	Q4/2017 € million	Q4/2016 € million	Devi- ation	1-12/2017 € million	1-12/2016 € million	Devi- ation
Sales	1.040,2	958,2	8,6%	4.135,9	3.626,7	14,0%
Cost of sales	-549,9	-531,0	3,6%	-2.181,5	-1.970,3	10,7%
Gross profit	490,3	427,2	14,8%	1.954,3	1.656,4	18,0%
- in % of consolidated sales	47,1%	44,6%		47,3%	45,7%	
Royalty and commission income	4,8	3,6	34,2%	15,8	15,7	1,1%
Other operating income and expenses	-465,3	-416,6	11,7%	-1.725,6	-1.544,5	11,7%
Operating result (EBIT)	29,8	14,1	111,1%	244,6	127,6	91,7%
- in % of consolidated sales	2,9%	1,5%		5,9%	3,5%	
Financial result / Income from associated companies	-7,5	-2,0	-	-13,4	-8,7	52,9%
Earnings before taxes (EBT)	22,3	12,2	83,5%	231,2	118,9	94,5%
- in % of consolidated sales	2,1%	1,3%		5,6%	3,3%	
Taxes on income	-4,2	0,4	-	-63,3	-30,5	107,4%
- Tax rate	18,7%	-3,2%		27,4%	25,7%	
Net earnings attributable to non-controlling interests	-16,0	-17,2	-6,7%	-32,2	-26,0	23,7%
Net earnings	2,2	-4,6	-147,0%	135,8	62,4	117,7%
Earnings per share (€)	0,14	-0,31	-147,0%	9,09	4,17	117,7%
Earnings per share (€) - diluted	0,14	-0,31	-147,0%	9,09	4,17	117,7%
Weighted average shares outstanding (million)				14,943	14,940	0,0%
Weighted average shares outstanding - diluted (million)				14,943	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	Dec. 31,'17 € million	Dec. 31.'16 € million	Devi- ation
ASSETS			
Cash and cash equivalents	415,0	326,7	27,0%
Inventories	778,5	718,9	8,3%
Trade receivables	503,7	499,2	0,9%
Other current assets (Working Capital related)	164,0	141,4	15,9%
Other current assets	23,6	79,2	-70,2%
Current assets	1.884,8	1.765,4	6,8%
Deferred taxes	207,9	229,5	-9,4%
Other non-current assets	761,1	770,2	-1,2%
Non-current assets	969,0	999,7	-3,1%
Total Assets	2.853,8	2.765,1	3,2%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current financial liabilities	29,0	25,3	14,5%
Trade payables	646,1	580,6	11,3%
Other current liabilities (Working Capital related)	306,1	242,3	26,3%
Other current liabilities	75,2	46,6	61,3%
Current liabilities	1.056,5	894,9	18,1%
Deferred taxes	37,6	63,1	-40,4%
Pension provisions	29,7	31,6	-5,8%
Other non-current liabilities	73,3	53,3	37,6%
Non-current liabilities	140,7	148,0	-4,9%
Shareholders' Equity	1.656,7	1.722,2	-3,8%
Total Liabilities and Shareholders' Equity	2.853,8	2.765,1	3,2%

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	1-12/2017 € million	1-12/2016 € million	Devi- ation
Earnings before taxes (EBT)	231,2	118,9	94,5%
Financial result and non cash effected expenses and income	99,7	64,1	55,6%
Cashflow - gross	330,9	182,9	80,9%
Change in net working capital	-50,6	-0,2	-
Taxes and interest payments	-53,1	-51,6	2,9%
Cashflow from operating activities	227,2	131,1	73,3%
Payments for acquisitions	0,0	-6,8	-
Payments for investments in fixed assets	-122,9	-84,3	45,7%
Other investing activities	12,7	9,8	29,3%
Cashflow from investing activities	-110,3	-81,4	35,5%
Free Cashflow	116,9	49,7	135,2%
Free Cashflow (before acquisitions)	116,9	56,5	106,8%
Dividends paid to equity holders of the parent company	-11,2	-7,5	50,0%
Dividends paid to non-controlling interests	-13,4	-19,3	-30,8%
Other changes	1,2	-34,3	-103,4%
Cashflow from financing activities	-23,4	-61,1	-61,7%
Effect on exchange rates on cash	-5,3	-0,7	-
Change in cash and cash equivalents	88,3	-12,1	-
Cash and cash equivalents at beginning of financial year	326,7	338,8	-3,6%
Cash and cash equivalents end of the period	415,0	326,7	27,0%

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.

Financial Calendar FY 2018:

February 12, 2018	Financial Results FY 2017
April 12, 2018	Annual General Meeting
April 24, 2018	Quarterly Statement Q1 2018
July 26, 2018	Interim Report Q2 2018
October 23, 2018	Quarterly Statement Q3 2018

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

Media Relations:

Kerstin Neuber - Corporate Communications - PUMA SE - +49 9132 81 2984 - kerstin.neuber@puma.com

Investor Relations:

Johan-Philip Kuhlo - Head of Investor Relations - PUMA SE - +49 9132 81 2589 - investor-relations@puma.com

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 13,000 people worldwide, and is headquartered in Herzogenaurach/Germany. For more information, please visit <http://www.puma.com>