



Financial Report

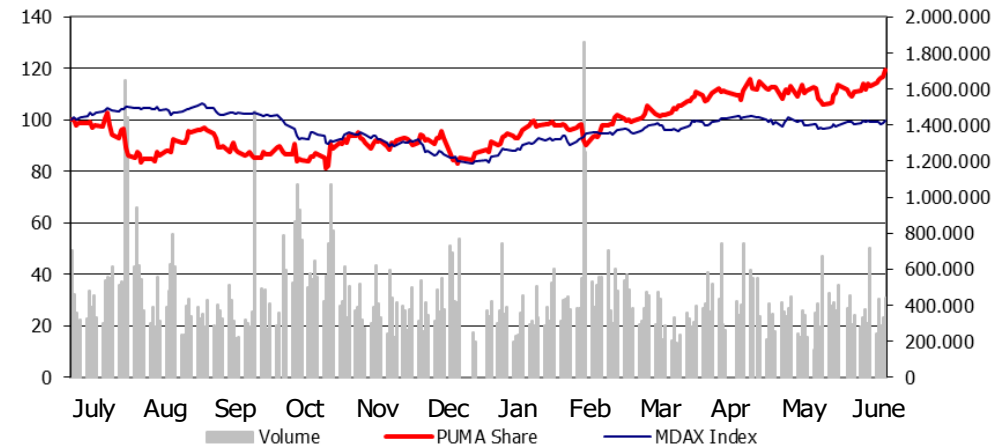
January – June 2019



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Development of the PUMA Share
Rebased Development incl. Trading Volume (Xetra)



PUMA carried out a share split at a ratio of 1 to 10 on June 10, 2019. The corresponding amendments to the Articles of Association were entered in the Commercial Register of the Local Court in Fürth on May 23, 2019.

In this report, the development of the PUMA share and the key figures per share in the prior period were adjusted retroactively to the share split.

Key Figures	1-6/2019 € million	1-6/2018 € million	Deviation
Sales	2.546,0	2.180,3	16,8%
Gross profit in %	49,2%	48,4%	
Operating result (EBIT)	222,8	169,8	31,2%
Net earnings	144,1	98,5	46,3%
- in %	5,7%	4,5%	
Total assets	4.156,5	3.099,8	34,1%
Equity ratio in %	42,9%	52,0%	
Working capital	792,9	685,2	15,7%
Cashflow - gross	344,0	186,5	84,5%
Free cashflow (before acquisitions) *	-104,4	-97,9	6,7%
Earnings per share (in €) **	0,96	0,66	46,3%
Cashflow - gross per share (in €) **	2,30	1,25	84,5%
Free cashflow per share (in €) (before acquisitions) **	-0,70	-0,65	6,7%
Share price at end of the period **	58,65	50,10	17,1%
Market capitalization at end of the period	8.769	7.488	17,1%
Investments in tangible and intangible assets (excluding goodwill)	120,7	44,4	171,6%

* Prior-year figures adjusted, see notes to the consolidated financial statements Dec. 31, 2018, chapter 27 (notes to the cash flow statement)

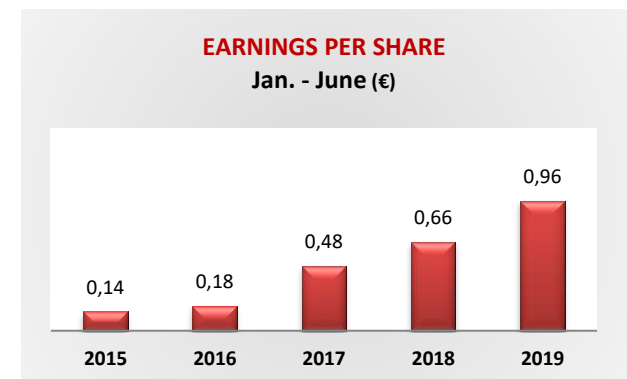
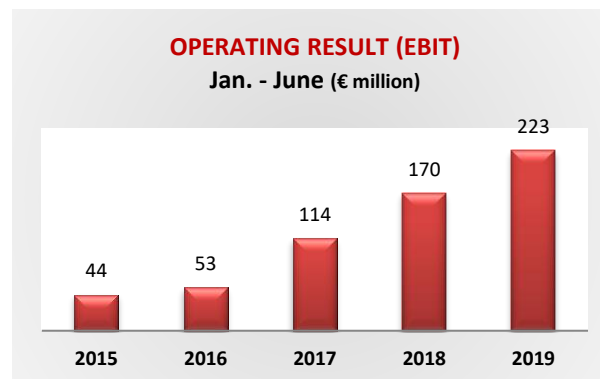
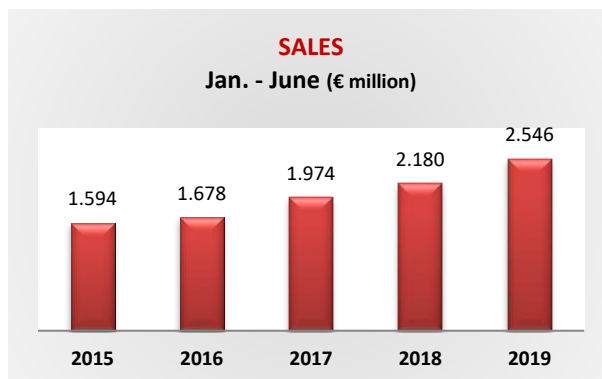
** The respective key figures per share for the prior period were adjusted retroactively to the 1:10 stock split carried out in the second quarter of 2019

Bjørn Gulden, CEO:

“The second quarter of 2019 developed very positively for us, with sales growing 15.7% currency-adjusted and EBIT increasing 39%. All divisions and all regions saw healthy improvement. New styles of footwear sold well, apparel continued to be strong, replenishment orders for both apparel and footwear developed well and our direct-to-consumer business also performed well.

With this development in the first half-year and the current expectations for the second half, we have slightly adapted our outlook for the full year, expecting revenues to now improve around 13% in constant currency and the full-year EBIT to come in between € 410 million and € 430 million.

We would also like to mention that we are extremely happy with the cooperation with our new partner Manchester City and the entire City Football Group. The launch of their kits has been very successful and the initial sales have been higher than we both expected.”





Interim Management Report

GENERAL ECONOMIC CONDITIONS

According to the summer forecast of the Kiel Institute for the World Economy (ifw Kiel) as of June 12, 2019, the expansion of the global economy accelerated temporarily at the beginning of 2019. However, according to the experts, the growth is probably overstating the underlying economic momentum. Global uncertainty remains high. Sentiment indicators for global economic activity continue to point downwards, indicating a weaker increase in production in the coming months.

BRAND AND STRATEGY UPDATE

With the announcement of several new partnerships, PUMA had an exciting first half of the year 2019.

In **Football**, PUMA signed its largest deal ever - both in terms of scope and ambition - teaming up with City Football Group, which includes reigning English Premier League champions Manchester City and a total of five teams on four continents. The new 2019/20 kits were successfully launched in July and exceeded any first day sales in the club's history. In addition to the club, PUMA signed Manchester City's iconic manager Pep Guardiola as a brand ambassador.

We also announced that in Spain, starting in the 2019/20 season, we will supply the official ball used in all professional matches of LaLiga Santander and LaLiga 1|2|3. To expand our presence in Spanish club football, we entered a long-term agreement with Valencia CF, one of Spain's most successful teams.

Together with its existing partnerships, these new deals ensure that PUMA has a title contending presence in each of the key European football leagues.

At the FIFA Women's World Cup in France, we sponsored quarter finalist Italy and 78 individual players. To celebrate women's football, PUMA launched the latest evolution of the PUMA ONE football boot as the PUMA ONE Trailblazer, exclusively worn by our leading female players.

In other **Teamsport** events, PUMA team Denmark took the title at the Handball World Championships and PUMA athletes Rasmus Lauge from Denmark and Bjarte Myrhol from Norway were named part of the event's All-Star team. Beyond that, PUMA team New Zealand won the Women's Netball World Championships in Liverpool.

In **Track & Field**, PUMA is already getting ready for the Olympic Games in Tokyo in 2020 and added several new athletes to its roster: world champion 400m hurdler Karsten Warholm, rising pole vault star Armand Duplantis, 2019 NCAA 100m and 200m champion Divine Oduduru, 2019 NCAA 100m hurdles champion Janeek Brown, long-jumper and sprinter Blessing Okagbare, high jumper Naoto Tobe and the Portuguese Athletics Federation.

In **Motorsport**, PUMA entered into a long-term contract with Porsche to become the exclusive technical partner for racing gear as well as shoes, caps and luggage. As part of our vision to bring the track to the street, PUMA launched a separate collaboration with Porsche Design, for co-branded footwear, apparel, and accessories, aimed at the higher end of the market.

We also partnered with W Series, the first racing competition for women, supplying high-performance racewear for all drivers.

Our athletes continued to perform well at the pinnacle of Motorsport, as PUMA teams won two of the most prestigious races on the calendar: Lewis Hamilton in the Mercedes AMG Petronas won the Formula 1 Monaco Grand Prix and Simon Pagenaud of Team Penske claimed victory at the Indianapolis 500.

Adding to its leading offering in Motorsport, PUMA became the official trackside retail partner for Formula 1.



PUMA's first full NBA **Basketball** season after the company's return to the sport last year saw the Toronto Raptors shooting guard Danny Green become the first PUMA athlete to win the NBA Championship since Isiah Thomas in 1990.

PUMA launched its debut basketball shoe, the Clyde Court, in several new colorways as well as its second performance basketball shoe, the Uproar. Both products were highly visible throughout the NBA Season, the All-Star Game, the Playoffs, and the NBA Finals. In addition, we brought back a key heritage basketball style: the Ralph Sampson. The Ralph Sampson is a shoe with street style appeal and the initial response was very encouraging.

In **Golf**, PUMA's latest signing Gary Woodland won the US Open as his first major title and created a lot of media echo with his "star-spangled" IGNITE PWRADAPT golf shoes.

In **Sportstyle**, the RS-X franchise continues to be a bestseller within the "chunky shoe category", supported by the launch of the RS-X Trophy at the beginning of the year as well as by collaborations with MTV and Motorola. The Cali and Cali Bold, presented by PUMA's ambassador Selena Gomez, were also among PUMA's best-selling franchises in the first half of the year.

On the operational side, we continued to invest in our **distribution** and **logistical** network as well as in **organizational processes**. In the first six months of 2019, PUMA added 33 (net) owned and operated retail stores while in China, our partners opened around 200 new PUMA retail locations. In August, we will open our New York flagship store on Fifth Avenue, which will be another milestone for our company. At the beginning of the year, we started working on our new multichannel distribution center in Geiselwind, Germany. Construction is on track and the center is expected to be operational in early 2021. In addition, PUMA North America announced the opening of a new distribution hub just outside of Indianapolis for 2020.

Sales and Earnings Development

SECOND QUARTER 2019

Sales

PUMA's strong sales growth continued in the second quarter of 2019. Sales increased by 15.7% currency-adjusted to € 1,226.8 million (+16.9% reported). The Asia/Pacific and Americas regions continued to contribute with double-digit increases, while growth in the EMEA region was at a high single-digit rate. Both Apparel and Footwear showed strong growth in the second quarter, improving by 22.7% and 14.5% respectively, while Accessories grew moderately by 6.3%. PUMA experienced growth across the categories with Sportstyle, Motorsport and Golf showing the highest growth rates.

Gross Profit Margin

The gross profit margin improved to 49.3% in the second quarter (last year: 48.6%). Positive impacts from channel and product mix, lower discounts and positive currency impacts led to margin improvements.

Operating Expenses

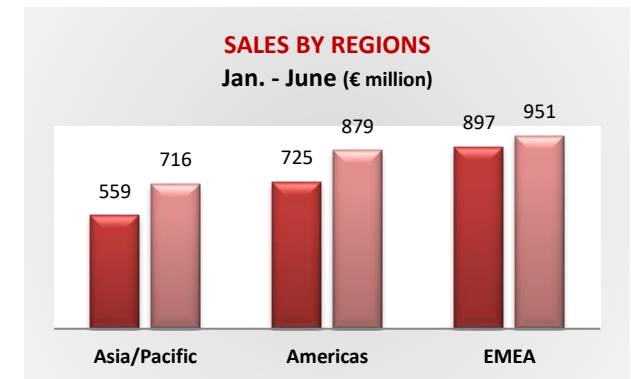
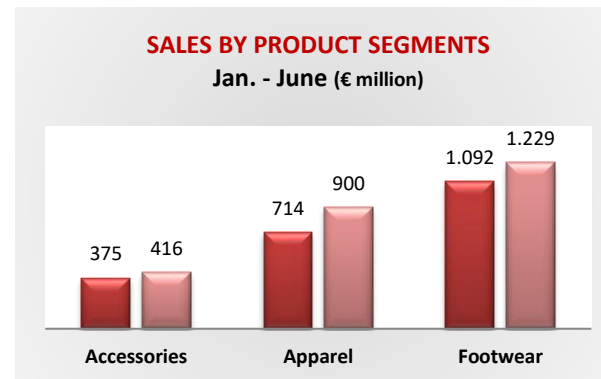
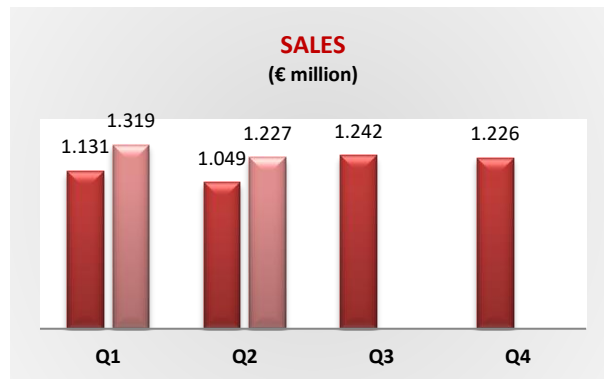
Operating expenses (OPEX) rose by 16.5% to € 531.6 million in the second quarter. The increase was mainly caused by higher sales-related variable costs, including logistics costs as well as higher marketing and retail investments.

Operating Result (EBIT)

The operating result (EBIT) increased by 39.4% from € 57.6 million last year to € 80.3 million due to a strong sales growth combined with an improved gross profit margin and a slight operating leverage.

Net Earnings and Earnings per Share

Net earnings increased from € 31.1 million to € 49.7 million and earnings per share were up from € 0.21 in the second quarter last year to € 0.33 correspondingly.





Second Quarter

First Half-Year

Sales by regions and product divisions		Q2		growth rates		1-6		growth rates	
€ million	2019	2018	Euro	currency adjusted	2019	2018	Euro	currency adjusted	
Breakdown by regions									
EMEA	449,2	416,0	8,0%	8,4%	950,9	896,7	6,0%	6,9%	
Americas	462,8	377,3	22,7%	19,7%	879,4	725,0	21,3%	18,1%	
Asia/Pacific	314,8	255,9	23,0%	21,6%	715,8	558,5	28,2%	25,4%	
Total	1.226,8	1.049,2	16,9%	15,7%	2.546,0	2.180,3	16,8%	15,5%	
Breakdown by product divisions									
Footwear	590,1	511,1	15,4%	14,5%	1.229,4	1.091,5	12,6%	11,7%	
Apparel	432,1	349,6	23,6%	22,7%	900,4	713,7	26,2%	24,8%	
Accessories	204,6	188,4	8,6%	6,3%	416,2	375,0	11,0%	8,6%	
Total	1.226,8	1.049,2	16,9%	15,7%	2.546,0	2.180,3	16,8%	15,5%	

FIRST HALF-YEAR 2019

Sales

Sales for the first half-year 2019 rose by 15.5% currency-adjusted to € 2,546.0 million (+16.8% reported). The strong sales development was largely driven by double-digit currency-adjusted growth rates in Asia/Pacific, where China continued to be the main growth driver, and the Americas. EMEA was at a more moderate level with a mid single-digit growth rate. From a product division perspective, the sales growth was driven by double-digit growth in Apparel with an increase of 24.8% as well as in Footwear, which grew by 11.7%.

Wholesale continued to drive growth with an increase of 13.8% currency-adjusted, supported by a strong performance of our key accounts. PUMA's own and operated retail sales increased by 21.5% currency-adjusted to € 599.6 million including eCommerce. This represented a share of 23.6% of total sales for the first half of 2019 (22.5% in the previous year). The reasons for the rise are a like-for-like sales growth in our own retail stores, the expansion of our retail store network and a continued strong growth of our eCommerce business.

Gross Profit Margin

The gross profit margin improved by 80 basis points from 48.4% to 49.2% in the first half of 2019. Positive impacts from channel and product mix, lower discounts and positive currency impacts led to margin improvements.

Operating Expenses

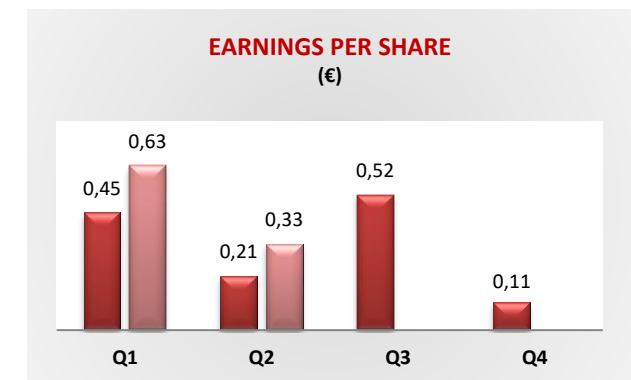
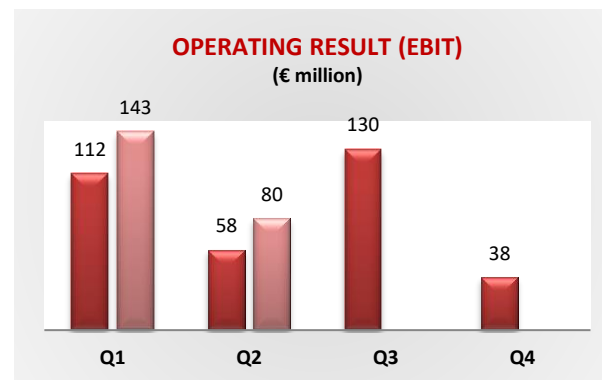
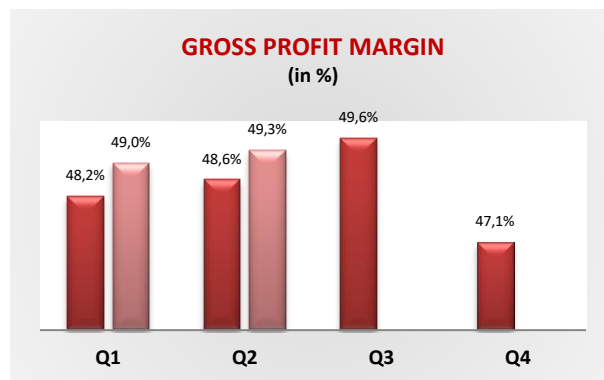
Operating expenses (OPEX) increased by 16.6% and amounted to € 1,042.3 million. The increase was driven by higher sales related variable costs as well as continued investments in IT-infrastructure, marketing and our own retail business.

Operating Result (EBIT)

The operating result (EBIT) grew by 31.2% from € 169.8 million last year to € 222.8 million in the first half of 2019 due to a strong sales growth combined with an increased gross profit margin and a slight operating leverage. This led to an improved EBIT-margin of 8.8% compared to 7.8% in the first half last year.

Net Earnings and Earnings per Share

Net earnings rose by 46.3% to € 144.1 million (last year: € 98.5 million). This translates into earnings per share of € 0.96 compared to € 0.66 in the first half of 2018.





Net Assets and Financial Position

Working Capital

Inventories were up by 19.4% at € 1,063.3 million due to the general sales growth, more retail stores as well as earlier receipts of products in order to balance supplier capacities and thereby avoid delivery issues. Trade receivables rose by only 11.2% to € 704.7 million. On the liabilities side, trade payables were up by 15.9% to € 740.1 million. This resulted in an increase of working capital by 15.7% to € 792.9 million.

Cashflow

The free cashflow in the first half of 2019 decreased slightly to € -104.4 million (1-6/2018: € -97.9 million). This development was a result of higher capital expenditures and an increase of working capital, while earnings before taxes (EBT) improved significantly. In addition, the first-time application of IFRS 16 Leases had a positive effect on the free cashflow. Please refer to the Notes of this Report for a detailed description of the effects of the first-time application of IFRS 16 Leases.



Outlook 2019

Global Economy

According to the summer forecast of the Kiel Institute for the World Economy (ifw Kiel) as of June 12, 2019, the expansion of the global economy will weaken only slightly in 2019. After global gross domestic product (GDP) growth of 3.7% in 2018, an increase of 3.2% is now expected for this year. This corresponds to a slight decrease of 0.2 percentage points compared to the last forecast (winter forecast 2018). However, uncertainty about future economic policy conditions is likely to remain high in the forecast period.

Investments

Investments in fixed assets of around € 220 million are planned for 2019. The increase compared to the investments in 2018 mainly relates to planned investments in our own distribution and logistics centers. Further investments will also be made in the expansion and modernization of the Group's own retail stores as well as in infrastructure in order to create the operative requirements for the planned long-term growth.

Outlook 2019

The second quarter of 2019 saw a continued strong increase of sales and profitability. As a consequence and based on our expectations for the remainder of the year, we slightly adapt our guidance for the full year 2019. PUMA now expects that currency-adjusted sales will increase around 13% (previous guidance: currency-adjusted increase of around 10%). The gross profit margin is still anticipated to improve slightly (2018: 48.4%) and we continue to expect that operating expenses (OPEX) will increase at a slightly lower rate than sales. The operating result (EBIT) is now expected to come in between € 410 million and € 430 million (previous guidance: between € 395 million and € 415 million). In line with the previous guidance, management expects that net earnings will improve significantly in 2019.

Balance Sheet	June 30,'19	June 30,'18	Devi- ation	Dec. 31,'18
	€ million	€ million		€ million
ASSETS				
Cash and cash equivalents	366,2	360,0	1,7%	463,7
Inventories	1.063,3	890,5	19,4%	915,1
Trade receivables	704,7	633,6	11,2%	553,7
Other current assets (working capital)	201,6	187,8	7,4%	187,7
Other current assets	49,9	48,3	3,2%	72,6
Current assets	2.385,7	2.120,3	12,5%	2.192,8
Deferred taxes	212,3	202,3	4,9%	207,6
Other non-current assets	1.558,5	777,2	100,5%	806,8
Non-current assets	1.770,8	979,6	80,8%	1.014,4
Total Assets	4.156,5	3.099,8	34,1%	3.207,2
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current financial liabilities	188,2	271,2	-30,6%	20,5
Trade payables	740,1	638,4	15,9%	705,3
Other current liabilities (working capital)	436,6	388,4	12,4%	447,3
Other current liabilities	159,0	20,3	-	22,1
Current liabilities	1.523,9	1.318,2	15,6%	1.195,2
Deferred taxes	46,4	42,1	10,3%	47,7
Pension provisions	29,5	29,9	-1,3%	28,9
Other non-current liabilities	772,8	96,2	-	213,1
Non-current liabilities	848,7	168,2	-	289,7
Shareholders' Equity	1.783,8	1.613,4	10,6%	1.722,2
Total Liabilities and Shareholders' Equity	4.156,5	3.099,8	34,1%	3.207,2

Second Quarter

First Half-Year

Income Statement	Q2/ 2019 € million	Q2/ 2018 € million	Devi- ation	1-6/ 2019 € million	1-6/ 2018 € million	Devi- ation
Sales	1.226,8	1.049,2	16,9%	2.546,0	2.180,3	16,8%
Cost of sales	-621,6	-539,1	15,3%	-1.294,0	-1.124,7	15,1%
Gross profit	605,2	510,0	18,7%	1.252,0	1.055,6	18,6%
- in % of consolidated sales	49,3%	48,6%		49,2%	48,4%	
Royalty and commission income	6,7	3,9	73,1%	13,1	7,9	64,3%
Other operating income and expenses	-531,6	-456,3	16,5%	-1.042,3	-893,7	16,6%
Operating result (EBIT)	80,3	57,6	39,4%	222,8	169,8	31,2%
- in % of consolidated sales	6,5%	5,5%		8,8%	7,8%	
Financial result / Income from associated companies	-1,0	-2,9	-65,6%	-5,0	-13,4	-62,3%
Earnings before taxes (EBT)	79,3	54,7	45,0%	217,8	156,5	39,2%
- in % of consolidated sales	6,5%	5,2%		8,6%	7,2%	
Taxes on income	-21,4	-15,4	38,9%	-58,8	-43,5	35,2%
- Tax rate	27,0%	28,2%		27,0%	27,8%	
Net earnings attributable to non-controlling interests	-8,1	-8,1	0,0%	-14,8	-14,4	2,7%
Net earnings	49,7	31,1	59,7%	144,1	98,5	46,3%
Earnings per share (€) *	0,33	0,21	59,7%	0,96	0,66	46,3%
Earnings per share (€) - diluted *	0,33	0,21	59,7%	0,96	0,66	46,3%
Weighted average shares outstanding (million) *				149,51	149,46	0,0%
Weighted average shares outstanding - diluted (million) *				149,51	149,46	0,0%

* Earnings per share and the number of outstanding shares for the prior period were adjusted retroactively to the 1:10 stock split carried out in the second quarter of 2019

Statement of Comprehensive Income	After tax	Tax impact	Before tax	After tax	Tax impact	Before tax
	2019	2019	2019	2018	2018	2018
	€ million	€ million	€ million	€ million	€ million	€ million
Net earnings before attribution	159,0		159,0	113,0		113,0
Currency changes	6,1		6,1	-4,1		-4,1
Neutral effects hedge accounting	-33,7	1,8	-35,6	72,2	-4,2	76,4
Share in other comprehensive income of at equity accounted investments	0,0		0,0	-0,2		-0,2
Items expected to be reclassified to the income statement in the future	-27,6	1,8	-29,4	67,9	-4,2	72,1
Remeasurements of the net defined benefit liability	0,0		0,0	0,0		0,0
Neutral effects financial assets through other comprehensive income (FVTOCI)	1,5		1,5	-7,3		-7,3
Items not expected to be reclassified to the income statement in the future	1,5	0,0	1,5	-7,3	0,0	-7,3
Other result	-26,1	1,8	-27,9	60,7	-4,2	64,9
Comprehensive income	132,9	1,8	131,1	173,6	-4,2	177,8
attributable to:						
Non-controlling interest	15,0		15,0	14,7		14,7
Equity holders of the parent	117,9	1,8	116,1	158,9	-4,2	163,1

Cashflow Statement	1-6/2019 € million	1-6/2018*	Devi- ation
Earnings before taxes (EBT)	217,8	156,5	39,2%
Financial result and non cash effected expenses and income	126,2	30,0	-
Cashflow - gross	344,0	186,5	84,5%
Change in net working capital	-246,4	-183,8	34,0%
Tax payments and dividends received	-82,2	-56,2	46,4%
Cashflow from operating activities	15,3	-53,5	-128,6%
Payments for acquisitions	0,0	0,0	-
Payments for investments in fixed assets	-120,7	-44,4	171,6%
Other investing activities	0,9	0,1	-
Cashflow from investing activities	-119,7	-44,3	170,1%
Free Cashflow	-104,4	-97,9	6,7%
Free Cashflow (before acquisitions)	-104,4	-97,9	6,7%
Dividends paid to equity holders of the parent company	-52,3	-186,8	-72,0%
Dividends paid to non-controlling interests	-18,4	-30,0	-38,7%
Proceeds from borrowings	164,4	259,7	-36,7%
Other changes	-87,0	-7,5	-
Cashflow from financing activities	6,7	35,4	-81,2%
Effect of exchange rates on cash	-0,0	7,5	-100,2%
Change in cash and cash equivalents	-97,8	-55,0	77,8%
Cash and cash equivalents at beginning of financial year	463,9	415,0	11,8%
Cash and cash equivalents end of the period	366,2	360,0	1,7%

* Prior-year figures adjusted, see notes to the consolidated financial statements Dec. 31, 2018, chapter 27 (notes to the cash flow statement)

Statement of Changes in Equity	Subscribed capital	Group reserves					Retained earnings	Treasury stock	Equity before non-controlling interests	Non-controlling interests	Total Equity
		Capital reserve	Revenue reserves	Difference from currency conversion	Cashflow hedges	At equity accounted investments					
€ million											
Dec. 31, 2017	38,6	192,6	115,3	-212,6	-44,8	0,2	1.566,1	-30,0	1.625,5	31,2	1.656,7
Net earnings before attribution							98,5		98,5	14,4	113,0
Net income directly recognized in equity			-7,3	-4,5	72,3	-0,2			60,4	0,3	60,7
Comprehensive income			-7,3	-4,5	72,3	-0,2	98,5		158,9	14,7	173,6
Dividends paid to equity holders of the parent company / non-controlling interests							-186,8		-186,8	-30,0	-216,9
June 30, 2018	38,6	192,6	108,1	-217,1	27,6	0,0	1.477,8	-30,0	1.597,5	15,9	1.613,4
Dec. 31, 2018	38,6	193,6	144,7	-225,6	34,1	0,0	1.546,7	-28,9	1.703,3	18,9	1.722,2
Net earnings before attribution							144,1		144,1	14,8	159,0
Net income directly recognized in equity			1,5	5,8	-33,6				-26,2	0,1	-26,1
Comprehensive income			1,5	5,8	-33,6		144,1		117,9	15,0	132,9
Dividends paid to equity holders of the parent company / non-controlling interests							-52,3		-52,3	-18,4	-70,7
Reduction of subscribed capital of non-controlling interests									0,0	-0,5	-0,5
Capital increase from the company's own funds	112,2	-112,2							0,0		0,0
June 30, 2019	150,8	81,4	146,3	-219,8	0,5	0,0	1.638,6	-28,9	1.768,9	15,0	1.783,8

Operating Segments 1-6/2019

Regions

	External Sales		EBIT		Investments	
	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million
Europe	601,5	590,0	96,4	102,3	3,6	3,5
EEMEA	292,2	244,6	46,4	47,1	6,1	2,8
North America	630,0	513,1	88,4	72,4	12,6	1,7
Latin America	240,7	204,1	37,1	23,7	3,7	4,2
Greater China	357,7	235,3	135,8	70,8	7,7	5,4
Asia/ Pacific (without Greater China)	285,7	264,5	34,5	43,4	4,0	3,8
Dobotex	138,2	128,8	47,2	42,3	2,5	0,3
Operating segments in total	2.546,0	2.180,3	485,9	402,0	40,3	21,8

	Depreciation*		Inventories		Trade Receivables (3rd party)	
	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million
Europe	19,0	3,6	308,1	270,7	191,1	174,9
EEMEA	16,3	3,5	158,1	123,7	83,6	92,3
North America	23,2	5,2	300,0	229,4	147,3	128,8
Latin America	7,6	3,2	102,8	98,3	121,1	111,6
Greater China	15,2	6,9	101,6	68,2	60,6	35,3
Asia/ Pacific (without Greater China)	14,3	3,5	121,1	96,2	49,6	48,4
Dobotex	3,2	1,3	53,3	59,6	41,7	36,8
Operating segments in total	98,8	27,0	1.145,0	946,1	694,9	628,0

	Long term assets*	
	1-6/2019 € million	1-6/2018 € million
Europe	197,0	40,2
EEMEA	109,2	25,7
North America	441,5	179,9
Latin America	79,4	45,7
Greater China	69,9	34,6
Asia/ Pacific (without Greater China)	160,4	60,3
Dobotex	163,4	141,0
Operating segments in total	1.220,7	527,3

Product

	External Sales		Gross Profit Margin	
	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million
Footwear	1.229,4	1.091,5	46,4%	45,9%
Apparel	900,4	713,7	52,5%	51,7%
Accessories	416,2	375,0	50,0%	49,6%
Total	2.546,0	2.180,3	49,2%	48,4%

Reconciliations

	EBIT	
	1-6/2019 € million	1-6/2018 € million
Operating segments in total	485,9	402,0
Central Units	-109,4	-106,2
Central marketing expenses	-153,7	-126,0
Consolidation	0,0	0,0
EBIT	222,8	169,8
Financial Result	-5,0	-13,4
EBT	217,8	156,5

	Investments		Depreciation*	
	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million
Operating segments in total	40,3	21,8	98,8	27,0
Central Units	73,6	31,8	14,8	10,7
Consolidation	0,0	0,0	0,0	0,0
Total	113,9	53,6	113,7	37,7

	Inventories		Trade Receivables (3rd party)		Long term assets*	
	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million	1-6/2019 € million	1-6/2018 € million
Operating segments in total	1.145,0	946,1	694,9	628,0	1.220,7	527,3
Not allocated to the operating segments	-81,7	-55,6	9,8	5,6	251,1	164,4
Total	1.063,3	890,5	704,7	633,6	1.471,8	691,7

* 2019 includes the depreciation and the carrying amount of the 'Right of Use' from leasing contracts (IFRS 16)

Notes to the Financial Report for the First Six Months of 2019

GENERAL REMARKS

Under the "PUMA" brand name, PUMA SE and its subsidiaries (the "PUMA group") are engaged in the development and sales of a broad range of sport and sportlifestyle products including footwear, apparel and accessories. The company's registered head office is in Herzogenaurach, Federal Republic of Germany; its responsible court of registration is at Fürth (Bavaria).

ACCOUNTING STANDARDS

The unaudited financial report of PUMA SE and its subsidiaries (which together form the PUMA group) was prepared according to IAS 34 "Interim Financial Reporting" and should be read in connection with the annual financial statements as of December 31, 2018. The information contained in the consolidated financial statements as of December 31, 2018, apply to the financial reports for 2019, unless changes have been explicitly referred to.

The financial report corresponds to all committing standards and interpretations applied and explained in the annual financial statements as of December 31, 2018. An exception to this is the leasing standard IFRS 16, which is to be applied for the first time as of January 1, 2019.

This financial report is partly based on assumptions and estimates which have an impact on the amounts and on the breakdown of the reported assets and liabilities as well as of the revenues and expenses. The actual values may, in some exceptional cases, differ from these assumptions and estimates at a later date. The corresponding changes if and when they occur will be considered as soon as the findings are revised.

NEW IFRS STANDARDS

With regard to the first-time application of the new IFRS lease standard (IFRS 16, to be applied as of January 1, 2019), we refer to the notes to the consolidated financial statements as of December 31, 2018.

In addition, the effects of the first-time application of IFRS 16 on PUMA's consolidated financial statements are presented in the following.

Reconciliation of the obligations from operating leases as of December 31, 2018 to the leasing liabilities recognized as of January 1, 2019:

	€ million
Obligations from operating leases as of Dec. 31, 2018	875.2
Discounting at the average incremental borrowing rate of 4.6% at the date of first-time application of IFRS 16	-113.2
Liabilities from finance leases as of Dec. 31, 2018	8.3
(less) short-term leases and leases of low-value assets that are recognized as an expense on a straight-line basis	-8.2
Operating lease agreements with commencement date after Jan. 1, 2019	-270.2
Differences from the exercise of extension options	132.0
Leasing liability recognized on Jan. 1, .2019	623.9

The 'rights of use' recognized in the balance sheet relate to the following classes of assets:

	June 30, 2019 € million	Jan. 1, 2019 € million
Land and buildings - Retail stores	405.0	409.6
Land and buildings - Warehouses & Offices	253.6	188.9
Others (technical equipment and machines and motor vehicles)	19.0	17.1
Total rights of use	677.5	615.7

The change in accounting policies affected the balance sheet as of January 1, 2019 as follows:

	Jan. 1, 2019 € million
Decrease in property, plant and equipment	-8.3
Increase in rights of use	+615.7
Decrease in advance payments made	-3.2
Increase in balance sheet total assets	+604.2
Increase in lease liabilities	+615.6
Decrease in trade payables	-9.9
Decrease in other non-current liabilities	-1.3
Decrease in other current liabilities	-0.2
Increase in balance sheet total liabilities and shareholders' equity	+604.2

There was no impact on retained earnings as of January 1, 2019.

The change in accounting policies had the following effects on the income statement in the first half of 2019:

	June 30, 2019 (without application of IFRS 16) € million	Effects from first-time application of IFRS 16 € million	June 30, 2019 as reported € million
Other operating income and expenses	-921.7	+8.9	-912.8
Operating result (EBIT)	213.9	+8.9	222.8
Financial result	8.7	-13.8	-5.0
Earnings before taxes (EBT)	222.6	-4.9	217.8
Taxes on income	-60.1	+1.3	-58.8
Net earnings	162.5	-3.5	159.0

The depreciation of 'rights of use' in the first half of 2019 relates to the following classes of assets:

	1-6/2019 € million
Depreciation of land and buildings - Retail stores	43.0
Depreciation of land and buildings - Warehouses & Offices	22.0
Depreciation Others	3.9
Total depreciation of rights of use	68.9

Expenses for short-term leases and leases of low-value assets amounted to € 4.4 million in the first half of 2019. Expenses for variable lease payments amounted to € 13.4 million in the first half of 2019.

There was no income from subleases.

The interest expense from the compounding of the lease liability amounted to € 13.8 million in the first half of 2019.

The change in accounting policies had the following effects on the cashflow statement in the first half of 2019:

	June 30, 2019 (without application of IFRS 16) € million	Effects from first-time application of IFRS 16 € million	June 30, 2019 as reported € million
Cashflow from operating activities	-54.3	+69.6	15.3
Cashflow from investing activities	-119.7		-119.7
Cashflow from financing activities	76.3	-69.6	6.7
Cash and cash equivalents	-97.7	-	-97.7

SEASONAL VARIANCE

The group's sales fluctuate with the seasons. Consequently, the sales and resulting earnings vary in the course of a year.

EMPLOYEES

	2019	2018
Number of employees at the beginning of the period	12,894	11,787
Number of employees at the end of the period	13,142	12,064
Average number of employees	12,902	11,869

EARNINGS PER SHARE

Earnings per share are calculated according to IAS 33 by dividing the result for the period by the weighted average number of outstanding shares. The repurchased shares reduced the number of outstanding shares as well as the diluted number of shares. In principle, outstanding stock options from the Management Incentive Program can result in a dilution of earnings per share.

	2019	2018 *
Earnings per share	€ 0.96	€ 0.66
Diluted earnings per share	€ 0.96	€ 0.66

* Earnings per share in the prior-year period were adjusted retroactively to the 1:10 stock split in the second quarter of 2019

DIVIDEND

On April 18, 2019, the Annual General Meeting approved a dividend of € 3.50 per share for the fiscal year 2018 (previous year: one-time dividend of € 12.50 per share). The total amount distributed is € 52.3 million. The dividend was paid to the shareholders in the days following the Annual General Meeting.

SHAREHOLDERS' EQUITY

Subscribed Capital

By resolution of the Annual General Meeting on April 18, 2019, the company was authorized to carry out a capital increase from company funds and a share split in the ratio 1 to 10.

Therefore, the Company's subscribed capital of € 38.6 million (divided into 15,082,464 no-par value shares, which corresponds to a pro rata amount of € 2.56 per share) was increased from capital reserves by € 112.2 million to € 150.8 million.

The subscribed capital amounts to € 150.8 million as of the balance sheet date and is divided into 150,824,640 no-par value shares after the share split was effective on June 10, 2019. This corresponds to a pro rata amount of € 1.00 per share.

Treasury Stock

The resolution adopted by the Annual General Meeting on May 6, 2015, authorized the company to purchase until May 5, 2020, its own shares to a value of up to ten percent of the share capital.

The company did not add shares to the treasury stock during the first six months.

At the end of June, the company held a total of 1,309,940 shares. This represents 0.9% of the total subscribed capital.

Development Number of Shares

	2019	2018
Number of shares at the beginning of the period	15,082,464	15,082,464
Issue of new shares in connection with the share split on June 10, 2019	+135,742,176	-
Number of shares at the end of the period	150,824,640	15,082,464
Thereof own shares/ treasury stocks	-1,309,940	-136,108
Shares outstanding at the end of the period	149,514,700	14,946,356
Weighted average number of shares, outstanding	149,514,700	14,946,356
Diluted number of shares	149,514,700	14,946,356

SEGMENT REPORTING

Segment reporting is based on geographical regions in accordance with our internal reporting structure. The geographical region forms the business segment. Sales revenues, operating result (EBIT) and other segment information are allocated to the corresponding geographical regions according to the registered office of the respective Group company.

The internal management reporting includes the following reporting segments: Europe, EEMEA (Eastern Europe, Middle East and Africa), North America, Latin America, Greater China, Rest of Asia Pacific (excluding Greater China) and Dobotex. These are reported as reportable business segments in accordance with the criteria of IFRS 8.

The reconciliation includes information on assets, liabilities, expenses and income in connection with centralized functions that do not meet the definition of business segments in IFRS 8. Central expenses and income include in particular global sourcing, central treasury, central marketing and other global functions of the company headquarters.

The company's chief operating decision-maker is defined as the entire Management Board of PUMA SE.

With the exception of Dobotex's sales of products amounting to € 18.1 million (previous year: € 13.9 million), there are no significant internal sales between the business segments, which are therefore not included in the presentation.

The operating result (EBIT) of the business segments is defined as gross profit less the attributable other operating expenses plus royalty and commission income and other operating income, but not taking into account the costs of the central departments and the central marketing expenses.

Since PUMA is only active in one business field, the sporting goods industry, products are additionally allocated according to the footwear, apparel and accessories product segments in accordance with the internal reporting structure.

EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date which may have a material effect on the financial situation and earnings position as of June 30, 2019.

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year."

Herzogenaurach, July 31, 2019

The Management Board of PUMA SE



Management Board

Bjørn Gulden

(CEO, Chief Executive Officer)

Michael Laemmermann

(CFO, Chief Financial Officer)

Anne-Laure Descours (since February 1, 2019)

(CSO, Chief Sourcing Officer)

Lars Radoor Sørensen (until January 31, 2019)

(COO, Chief Operating Officer)

Supervisory Board

Jean-François Palus

(Chairman)

Thore Ohlsson

Héloïse Temple-Boyer (since April 18, 2019)

Fiona May (since April 18, 2019)

Jean-Marc Duplaix (until April 18, 2019)

Béatrice Lazat (until 18. April 2019)

Martin Koepfel

Employees' Representative

Bernd Illig

Employees' Representative

Financial Calendar FY 2019

February 14, 2019	Financial Results FY 2018
April 18, 2019	Annual General Meeting
April 26, 2019	Quarterly Statement Q1 2019
July 31, 2019	Interim Report Q2 2019
October 24, 2019	Quarterly Statement Q3 2019

Published by

PUMA SE
PUMA Way 1
D-91074 Herzogenaurach

Tel.: +49 (0)9132 81-0
email: investor-relations@puma.com
Internet: <http://www.puma.com>

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

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 70 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, Basketball, 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.