Puma confirms guidance for busy sports year

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German sportswear firm Puma confirmed on Friday a cautious outlook for sales and profitability in 2016, saying a busy sports calendar and a booming women’s business should help it offset the negative currency impacts.

Puma said quarterly net profit rose 4 percent to 25.8 million euros (20 million pounds), while sales rose a currency-adjusted 7.3 percent to 852 million euros, slightly shy of average analyst forecasts for 27 million and 858 million respectively.

The firm confirmed it expects sales to grow by a high single-digit percentage this year, while it sees its gross profit margin remaining flat from last year’s 45.5 percent, with operating earnings between 115 million and 125 million euros.

Puma’s sales forecast is similar to that given by the world’s biggest sportswear firm, Nike (NKE.N), last month for its fiscal year ending May 2017, which missed analyst expectations after a strong dollar hurt sales from some of its overseas markets.

Both Nike and Puma are currently being outflanked by Adidas (ADSGn.DE), which this week raised its 2016 outlook, forecasting currency-adjusted sales to grow by about 15 percent and net profit from continuing operations up by 15 to 18 percent.

Puma Chief Executive Bjorn Gulden said currency effects had slowed growth in sales and profitability in the first
quarter although the women's business, helped by products designed by singer Rihanna, had started to show "excellent results".

For the rest of the year, the Rio Olympics, European soccer championships and Copa America should help showcase Puma's products, he said.