HUGO BOSS

Quarterly Statement for Q2 2020

Metzingen, August 4, 2020

HUGO BOSS successfully executes its measures to protect cash flow

- **Temporary store closures weigh on Q2 financial performance**
- **Momentum in online business strongly accelerates – sales up 74% in Q2**
- **Sales in mainland China return to double-digit growth in June**
- **Strong free cash flow generation of EUR 39 million in the second quarter**
- **Operating result (EBIT), excluding non-cash impairment charges[1], amounts to minus EUR 124 million**

"The second quarter was as challenging as expected. Our relentless focus on executing our measures to protect the financial stability of HUGO BOSS has yielded strong cash flow generation in Q2," says **Yves Müller, Spokesperson of the Managing Board of HUGO BOSS AG**. "It is equally encouraging to see that the momentum along our strategic growth drivers China and Online has either returned quickly or further accelerated. Now, we will put all our effort behind the further recovery of our operations in order to return to top- and bottom-line growth as soon as possible."

In the second quarter of fiscal year 2020, both the retail sector and the apparel industry were severely impacted by the global spread of COVID-19. Temporary lockdowns resulting in widespread store closures, a sharp deterioration in consumer sentiment, as well as international travel restrictions weighed on global industry sales.

[1] HUGO BOSS recorded non-cash impairment charges in the amount of EUR 125 million in Q2, that were entirely attributable to the pandemic's negative impact on the Group's retail business.

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Temporary store closures weigh on Q2 sales performance

With approximately 50% of its global store network closed on average during the course of the second quarter, business of HUGO BOSS was significantly impacted by the pandemic. This was particularly evident in Europe and the Americas – by far the Company's largest regions. In both regions, the vast majority of the Company's stores and shop-in-shops were closed from mid-March until the end of May, thus significantly weighing on sales and earnings development. Besides the severe disruption of its own retail operations, the Group's global wholesale business also faced a challenging quarter. Large-scale temporary closures of wholesale points of sale resulted in significantly lower deliveries to wholesale partners, particularly during the months of April and May.

Consequently, Group sales declined to EUR 275 million in the second quarter, corresponding to a decrease of 59% against the prior-year period, both in reporting currency and currency-adjusted (Q2 2019: EUR 675 million). While own retail sales decreased 58%, wholesale revenues fell 64%, both currency-adjusted.

Momentum in the Group's own online business accelerates strongly

The Group's own online business, however, continued to enjoy very strong momentum in the second quarter. At a growth rate of 74%, currency-adjusted sales on hugoboss.com and self-managed offerings on important partner websites further accelerated in Q2. This development was due to significant double-digit sales improvements across all three regions – Europe, the Americas, and Asia/Pacific. In doing so, the period from April to June marks the strongest quarterly performance out of eleven consecutive quarters with significant double-digit online sales growth for HUGO BOSS.

Sales in mainland China return to double-digit growth trajectory

From a geographical perspective, the sales performance varied across regions as different markets were experiencing different stages of the pandemic. Currency-

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adjusted sales in Europe and the Americas declined 59% and 82%, respectively, as temporary store closures and sharp declines in tourism flows weighed on both regions. In addition, unrest and demonstrations in May and June put an additional strain on the Group’s U.S. business.

In Asia/Pacific, currency-adjusted sales were down 36%. While most of the region’s markets were also severely affected by the economic consequences of the pandemic, mainland China stood out positively, as it continued its gradual recovery that started already towards the end of March. After returning to growth in May, the month of June has seen a further acceleration with currency-adjusted sales in this strategically important market up double-digits. This development was driven by an overall improvement in consumer sentiment, a robust conversion in brick-and-mortar retail, as well as a strong performance in the market’s own online business, where sales more than doubled in the three-month period.

Successful execution of comprehensive measures to protect cash flow

In the wake of COVID-19, protecting its financial flexibility and stability was a top priority for HUGO BOSS in the second quarter. Already back in May, the Company therefore announced comprehensive measures with a total volume of around EUR 600 million to secure its cash flow. Over the course of the second quarter, HUGO BOSS has made significant progress in implementing these measures by strongly focusing on reducing operating expenses, postponing all non-essential investments, and substantially reducing inventory inflow. Overall, this strongly contributed to the generation of free cash flow amounting to EUR 39 million in the second quarter, hence significantly cushioning the impact of the sales and earnings decline on free cash flow (Q2 2019: EUR 133 million).

In addition, HUGO BOSS has taken further steps to safeguard its financial flexibility as it has successfully exercised the increase option of its existing revolving syndicated loan. The latter now totals EUR 633 million, of which EUR 212 million was utilized at the end of June. In this context, the Company has also agreed with its syndicate banks to suspend the financial covenant under the syndicated loan until the end of

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June 2021. On top of that, HUGO BOSS has secured further credit commitments totaling EUR 275 million, provided by six international banks and partially backed by KfW, Germany's state-owned development bank. The credit commitments have a maturity until June 2022. At the end of the reporting period, these credit facilities were not drawn.

Economic consequences of COVID-19 weigh on EBIT development in Q2

Besides the severe sales decline, substantial inventory valuation effects impacted the Group's earnings development. In addition, impairment charges in the amount of EUR 125 million entirely related to the pandemic's impact on the Group's retail business weighed on the operating result (EBIT). The impairment charges, however, are non-cash in nature and do not affect the Company's liquidity. When excluding those impairment charges, EBIT amounted to minus EUR 124 million (Q2 2019: plus EUR 80 million). Various expense-reduction measures initiated at an early stage enabled HUGO BOSS to considerably cut its operating expenses in the second quarter, thereby cushioning the earnings decline to some extent. When including the impairment charges, EBIT for the second quarter amounted to minus EUR 250 million.

HUGO BOSS expects gradual improvement for the second half of 2020

As the further development of the pandemic in many key markets remains uncertain, HUGO BOSS is not able to provide a reliable sales and earnings forecast for full year 2020. Nevertheless, the Company remains optimistic that the global retail environment will continue to gradually improve. This should also positively impact the Group's sales and earnings development in the second half of the year and allow HUGO BOSS to make further progress along its overall recovery, which has started at the beginning of May. Retail sales trends during the second quarter have shown a sequential improvement month by month. This positive trend has also continued so far in Q3, as HUGO BOSS has recorded further improvements in its global retail operations during the month of July.

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Q2 sales development by segment

	in EUR million	Change in %	Change in % currency-adjusted
Europe	168	(59)	(59)
Americas	25	(82)	(82)
Asia/Pacific	69	(37)	(36)
Licenses	12	(35)	(35)
Group	**275**	**(59)**	**(59)**

- In the second quarter of fiscal year 2020, both the retail sector and the apparel industry were severely impacted by the global spread of COVID-19. Widespread temporary store closures, a sharp deterioration in consumer sentiment, as well as international travel restrictions heavily weighed on global industry sales. With approximately 50% of its global store network closed on average during the course of the second quarter, business of HUGO BOSS was significantly impacted by the negative implications of the pandemic.
  - In **Europe**, currency-adjusted sales were down 59% on the prior-year level. All key markets posted double-digit sales declines. In Germany, where first stores reopened already at the beginning of May, revenue declines were less pronounced than in the region’s other key markets. On the other hand, Great Britain lagged behind as stores only reopened towards the end of the second quarter. Overall, sales development in the retail channel was comparable to that in the wholesale channel.
  - With currency-adjusted sales down 82%, the decline in the **Americas** region was more pronounced than in Europe. While the pandemic and the corresponding temporary store closures weighed strongly on the region’s overall performance, unrest and demonstrations in May and June put an additional strain on the Group’s U.S. business. The extent of the revenue decline was quite similar across the region’s key markets, including the U.S., Canada, and Latin America.

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- Currency-adjusted sales in the **Asia/Pacific** region decreased by 36%. While mainland China successfully continued its gradual recovery, resulting in a 4%-increase in the second quarter, most of the region's other markets recorded double-digit sales declines. In particular, business in Hong Kong and Macau severely suffered from significantly lower tourist flows. In addition, Southeast Asia and Japan were affected by a large degree of temporary store closings throughout the second quarter.

Q2 sales development by channel

	in EUR million	Change in %	Change in % currency-adjusted
Group´s own retail business	192	(58)	(58)
Brick and mortar retail	137	(68)	(68)
Own online business	55	+73	+74
Wholesale	71	(64)	(64)
Licenses	12	(35)	(35)
Group	**275**	**(59)**	**(59)**

- Currency-adjusted sales in the **Group's own retail business** (including freestanding stores, shop-in-shops, outlets, and online stores) declined by 58%, largely reflecting the temporary store closures during the second quarter.
  - On a comp store and currency-adjusted basis, sales decreased 59%. The decline in Asia/Pacific was less pronounced than in Europe and the Americas, due to a generally higher store opening rate as compared to the other two regions.
  - Overall, sales in the own retail business in Europe declined 60% on a currency-adjusted basis and amounted to EUR 103 million (Q2 2019: EUR 262 million). At EUR 22 million (Q2 2019: EUR 97 million), own retail sales in the Americas decreased by 77%. In the Asia/Pacific region, own retail sales declined by 34% on a currency-adjusted basis to EUR 66 million (Q2 2019: EUR 101 million).

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    - Momentum in the Group's own online business saw a strong acceleration in the second quarter, with currency-adjusted sales up 74%. This development was driven by strong double-digit sales improvements across all three regions, with both traffic and conversion well above the prior-year levels.
- Sales in the **wholesale business** were down 64% in the second quarter, as large-scale temporary closures of wholesale points of sale resulted in significantly lower deliveries to wholesale partners, in particular in Europe and North America.
    - At EUR 65 million, currency-adjusted sales with wholesale partners in Europe were 55% below the prior-year level (Q2 2019: EUR 146 million). In the Americas, currency-adjusted sales declined by 93% to EUR 3 million (Q2 2019: EUR 42 million). The Asia/Pacific region saw a 64% decrease in currency-adjusted sales to EUR 3 million (Q2 2019: EUR 9 million).
- Sales in the **license business** were also negatively impacted by the economic consequences of the pandemic. Currency-adjusted sales were down 35% on the prior year.

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Q2 sales development by brand and gender

	in EUR million	Change in %	Change in % currency-adjusted
BOSS	231	↘ (61)	↘ (60)
HUGO	44	↘ (50)	↘ (50)
Group	**275**	**↘ (59)**	**↘ (59)**

- The negative implications of the pandemic weighed on sales of both brands.
  - While all major wearing occasions for **BOSS** ended the second quarter below the prior-year level, the sales decline in casualwear and athleisure wear was less pronounced than in formalwear. Product categories that proved their resilience included t-shirts, polo shirts, trousers, body wear and lounge wear.
  - Also for **HUGO**, casualwear proved to be more resilient than formalwear, as casualwear sales only fell by a low double-digit percentage rate. Styles that resonated particularly well with the brand's customers included those designed in close collaboration with HUGO's global brand ambassador, British singer and songwriter Liam Payne.

	in EUR million	Change in %	Change in % currency-adjusted
Menswear	247	↘ (60)	↘ (59)
Womenswear	28	↘ (55)	↘ (55)
Group	**275**	**↘ (59)**	**↘ (59)**

- **Menswear** and **womenswear** performed broadly in line in the second quarter.

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Q2 earnings development

(in EUR million)

	Q2 2020	Q2 2019	Change in %
Sales	**275**	**675**	**(59)**
Cost of sales	(125)	(230)	46
Gross profit	**150**	**445**	**(66)**
In % of sales	54.6	66.0	(1,140) bp
Operating expenses	**(399)**	**(365)**	**(9)**
In % of sales	(145.4)	(54.1)	(9,130) bp
Thereof selling and distribution expenses	(329)	(293)	(12)
Thereof impairment charges[1]	(125)	0	<(100)
Thereof administration expenses	(71)	(72)	2
Operating result (EBIT)	**(250)**	**80**	**<(100)**
In % of sales	(90.9)	11.8	(10,270) bp
Financial result	(9)	(9)	7
Earnings before taxes	**(258)**	**71**	**<(100)**
Income taxes	72	(18)	>100
Net income	**(186)**	**52**	**<(100)**
Earnings per share (in EUR)[2]	**(2.69)**	**0.76**	**<(100)**
Tax rate in %	**28**	**26**	

[1] Non-cash impairment charges related to the negative impact of COVID-19 on the Group's retail business.

[2] Basic and diluted earnings per share.

- The decline in **gross profit margin** is mainly attributable to inventory valuation effects predominately relating to the Spring/Summer 2020 collection. The sale of this collection was significantly affected by temporary store closures in the wake of the COVID-19 pandemic. Besides that, slightly higher markdowns also contributed to the decline in gross profit margin.
- Comprehensive expense-reduction measures initiated at an early stage enabled HUGO BOSS to considerably cut its underlying **operating expenses** in the second quarter. However, impairment charges totaling EUR 125 million weighed on selling and distribution expenses. Those non-cash impairments charges were entirely attributable to the pandemic's negative impact on the Group's retail business, as they primarily relate to impairments for right-of-use assets in the amount of EUR 88 million and fixed store assets in the amount of EUR 33 million. Excluding the impairment charges, operating expenses decreased by 25% to EUR 274 million (Q2 2019: EUR 365 million).

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  - The increase in **selling and distribution expenses** is purely attributable to the impairment charges. Excluding those, underlying selling and distribution expenses were down by a strong 31% to EUR 203 million, driven by the comprehensive cost-saving measures that HUGO BOSS had implemented in the wake of the pandemic (Q2 2019: EUR 293 million). In particular, the Company was able to significantly reduce its rental and payroll costs, while also recording lower marketing expense.
  - Despite one-off expenses in the mid-single-digit million euro range, primarily relating to changes in the Managing Board, **administration expenses** were below the prior-year level. This mainly reflects positive effects from the initiated cost-saving measures. The latter primarily related to reducing payroll as well as eliminating non-business-critical expenses.
- The severe sales decline as well as the lower gross margin inevitably weighed on the Group’s earnings development. While the **operating result (EBIT)** for the second quarter amounted to minus EUR 250 million, this partly reflects the non-cash impairment charges. When excluding the latter, EBIT amounted to minus EUR 124 million (Q2 2019: plus EUR 80 million). The various expense-reduction measures implemented at an early stage cushioned the earnings decline to some extent.
- The **Group’s net income** amounted to minus EUR 186 million. When excluding the impairment charges, net income totaled minus EUR 96 million in the second quarter (Q2 2019: plus EUR 52 million). The decline was less pronounced than that of EBIT, reflecting a tax credit as a result of the pretax loss for the second quarter.

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Net assets and financial position

June 30, 2020	in EUR million	Change in %[1]	Change in % currency-adjusted[1]
TNWC	600	↗ +4	↗ +7
Inventories	644	→ 0	↗ +2
Net financial liabilities	1,210	↗ +1	

[1] Change compared to June 30, 2019.

- A slightly higher inventory position as well as lower trade payables led to an increase in **trade net working capital (TNWC)** of 7%, currency-adjusted. Lower trade receivables, reflecting the decline in wholesale sales, only partly offset the the increase in trade net working capital.
- The development of **inventories** was supported by the successful execution of the Group's measures to significantly limit inventory inflow. Besides that, the write-down of inventories for the Spring/Summer 2020 season also curbed inventory growth in the second quarter.
- In light of the successful execution of measures aimed at safeguarding cash flow, **net financial liabilities** remained broadly stable against the prior-year level.

April – June 2020	in EUR million	Change in %[1]
Capital expenditure	16	↘ (66)
Free cash flow	39	↘ (70)

[1] Change compared to Q2 2019.

- To secure free cash flow, HUGO BOSS had adjusted its **capital expenditure** to the current situation at an early stage. Investments in the second quarter therefore amounted to EUR 16 million and were thus well below the prior-year level (Q2 2019: EUR 48 million). Investment activity was again focused on continuously optimizing and modernizing the own retail network. This also includes the relocation of the important BOSS store in New York's SoHo district.

- Despite the challenging circumstances, HUGO BOSS generated **free cash flow** of EUR 39 million in the second quarter (Q2 2019: EUR 133 million). Thanks to the successful execution of its comprehensive measures aimed at protecting its cash flow, the Company was able to significantly cushion the impact of the sales and earnings decline on free cash flow.

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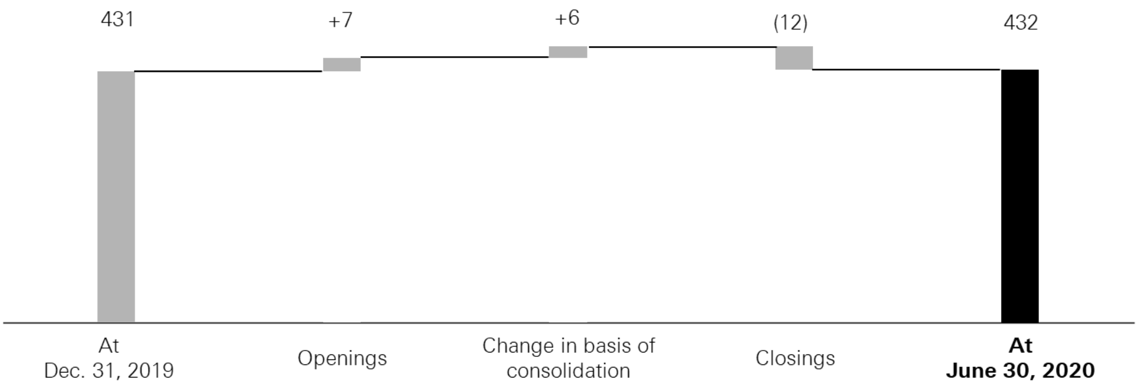
Network of freestanding retail stores



- As of June 30, 2020, the number of own **freestanding retail stores** remained broadly stable as compared to December 31, 2019.
  - In addition to six newly opened BOSS stores, five BOSS stores in the United Arab Emirates have now also been added to the Group´s own store network following a change in the basis of consolidation. In the first six months of the year, nine BOSS stores with expiring leases were closed globally.
  - The first half year saw the opening of one HUGO store in Moscow. The change in the basis of consolidation resulted in the addition of one HUGO store in Dubai. By contrast, three HUGO stores with expiring leases were closed in the U.S. and Japan.
- Including shop-in-shops and outlets, the **total selling space** of the own retail business was around 158,000 sqm at the end of June (December 31, 2019: 156,000 sqm). The slight increase reflects the addition of several points of sale to the Group´s own store network over the course of the last six months, including six stores in the United Arab Emirates.
- The negative implications of the COVID-19 pandemic led to a decrease in **selling space productivity** in brick-and-mortar retail by 22% to around EUR 8,700 per sqm for the period from July 2019 to June 2020 (January to December 2019: EUR 11,100 per sqm).

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Financial calendar and contacts

November 3, 2020
Third Quarter Results 2020

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FINANCIAL INFORMATION

for Q2 2020 and Jan. – June 2020

Due to rounding, some numbers may not add up precisely to the totals provided.

Key figures – quarter

(in EUR million)

	Q2 2020[1]	Q2 2019	Change in %	Change in %[2]
Sales	275	675	(59)	(59)
Sales by segment				
Europe incl. Middle East and Africa	168	408	(59)	(59)
Americas	25	139	(82)	(82)
Asia/Pacific	69	110	(37)	(36)
Licenses	12	18	(35)	(35)
Sales by distribution channel				
Own retail business	192	460	(58)	(58)[3]
Wholesale	71	197	(64)	(64)
Licenses	12	18	(35)	(35)
Sales by brand				
BOSS	231	587	(61)	(60)
HUGO	44	88	(50)	(50)
Sales by gender				
Menswear	247	613	(60)	(59)
Womenswear	28	62	(55)	(55)
Results of operations				
Gross profit	150	445	(66)	
Gross profit margin in %	54.6	66.0	(1,140) bp	
EBIT	(250)[4]	80	<(100)	
EBIT margin in %	(90.9)[5]	11.8	(10,270) bp	
EBITDA	(34)	165	<(100)	
EBITDA margin in %	(12.5)	24.5	(3,700) bp	
Net income	(186)[6]	52	<(100)	
Financial position				
Capital expenditure	16	48	(66)	
Free cash flow	39	132	(70)	
Depreciation/amortization	215[7]	86	> 100	
Additional key figures				
Personnel expenses	119	164	(27)	
Shares (in EUR)				
Earnings per share	(2.69)[8]	0.76	<(100)	
Last share price (as of June 30)	26.90	58.50	(54)	
Number of shares (as of June 30)	70,400,000	70,400,000	0	

[1] Including non-cash impairment charges in the amount of EUR 125 million related to the negative impact of COVID-19 on the Group's retail business.
[2] Currency-adjusted.
[3] On a comp store basis (59)%.
[4] Excluding non-cash impairment charges, EBIT amounted to minus EUR 124 million.
[5] Excluding non-cash impairment charges, EBIT margin amounted to (45.2)%.
[6] Excluding non-cash impairment charges, net income amounted to minus EUR 96 million.
[7] Excluding non-cash impairment charges, depreciation and amortization amounted to EUR 90 million.
[8] Excluding non-cash impairment charges, EPS amounted to minus EUR 1.38.

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Key figures – six months

(in EUR million)

	Jan. – June 2020[1]	Jan. – June 2019	Change in %	Change in %[2]
Sales	830	1,339	(38)	(38)
Sales by segment				
Europe incl. Middle East and Africa	535	832	(36)	(36)
Americas	124	255	(51)	(52)
Asia/Pacific	143	216	(34)	(34)
Licenses	28	36	(21)	(21)
Sales by distribution channel				
Own retail business	525	857	(39)	(39)[3]
Wholesale	277	446	(38)	(38)
Licenses	28	36	(21)	(21)
Sales by brand				
BOSS	704	1,158	(39)	(39)
HUGO	126	181	(30)	(30)
Sales by gender				
Menswear	746	1,211	(38)	(39)
Womenswear	84	128	(34)	(35)
Results of operations				
Gross profit	499	869	(43)	
Gross profit margin in %	60.1	64.9	(470) bp	
EBIT	(263)[4]	137	<(100)	
EBIT margin in %	(31.7)[5]	10.3	(4,200) bp	
EBITDA	44	308	(86)	
EBITDA margin in %	5.4	23.0	(1,760) bp	
Net income	(204)[6]	89	<(100)	
Net assets and liability structure as of June 30				
Trade net working capital	600	575	4	7
Trade net working capital in % of sales[7]	24.7	20.5	420 bp	
Non-current assets	1,622	1,638	(1)	
Equity	790	886	(11)	
Equity ratio in %	29.4	31.9	(250) bp	
Total assets	2,690	2,773	(3)	
Financial position				
Capital expenditure	34	79	(56)	
Free cash flow	(46)	136	<(100)	
Depreciation/amortization	308[8]	170	81	
Net financial liabilities (as of June 30)	1,210	1,198	1	
Additional key figures				
Employees (as of June 30)	13,728	14,464	(5)	
Personnel expenses	283	336	(16)	
Shares (in EUR)				
Earnings per share	(2.95)[9]	1.29	<(100)	
Last share price (as of June 30)	26.90	58.50	(54)	
Number of shares (as of June 30)	70,400,000	70,400,000	0	

[1] Including non-cash impairment charges in the amount of EUR 125 million related to the negative impact of COVID-19 on the Group's retail business.

[2] Currency-adjusted.

[3] On a comp store basis (41)%.

[4] Excluding non-cash impairment charges, EBIT amounted to minus EUR 138 million.

[5] Excluding non-cash impairment charges, EBIT margin amounted to (16.6)%.

[6] Excluding non-cash impairment charges, net income amounted to minus EUR 113 million.

[7] Moving average on the basis of the last four quarters.

[8] Excluding non-cash impairment charges, depreciation and amortization amounted to EUR 182 million.

[9] Excluding non-cash impairment charges, EPS amounted to minus EUR 1.64.

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Consolidated income statement – quarter

(in EUR million)

	Q2 2020	Q2 2019	Change in %
Sales	**275**	**675**	**(59)**
Cost of sales	(125)	(230)	46
Gross profit	**150**	**445**	**(66)**
In % of sales	54.6	66.0	(1,140) bp
Operating expenses	**(399)**	**(365)**	**(9)**
In % of sales	(145.4)	(54.1)	(9,130) bp
Thereof selling and distribution expenses	(329)	(293)	(12)
Thereof impairment charges[1]	(125)	0	<(100)
Thereof administration expenses	(71)	(72)	2
Operating result (EBIT)	**(250)**	**80**	**<(100)**
In % of sales	(90.9)	11.8	(10,270) bp
Financial result	(9)	(9)	7
Earnings before taxes	**(258)**	**71**	**<(100)**
Income taxes	72	(18)	>100
Net income	**(186)**	**52**	**<(100)**
Earnings per share (in EUR)[2]	**(2.69)**	**0.76**	**<(100)**
Tax rate in %	**28**	**26**	

[1] Non-cash impairment charges related to the negative impact of COVID-19 on the Group's retail business

[2] Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)

	Q2 2020	Q2 2019	Change in %
EBIT	**(250)**	**80**	**<(100)**
In % of sales	(90.9)	11.8	(10,270) bp
Depreciation and amortization	(215)	(86)	<(100)
EBITDA	**(34)**	**165**	**<(100)**
In % of sales	(12.5)	24.5	(3,700) bp

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Consolidated income statement – six months

(in EUR million)

	Jan. – June 2020	Jan. - June 2019	Change in %
Sales	**830**	**1,339**	**(38)**
Cost of sales	(331)	(470)	30
Gross profit	**499**	**869**	**(43)**
In % of sales	60.1	64.9	(470) bp
Operating expenses	**(763)**	**(732)**	**(4)**
In % of sales	(91.9)	(54.6)	(3,720) bp
Thereof selling and distribution expenses	(617)	(580)	(6)
Thereof impairment charges[1]	(125)	0	<(100)
Thereof administration expenses	(146)	(152)	4
Operating result (EBIT)	**(263)**	**137**	**<(100)**
In % of sales	(31.7)	10.3	(4,200) bp
Financial result	(20)	(17)	(16)
Earnings before taxes	**(283)**	**121**	**<(100)**
Income taxes	79	(31)	> 100
Net income	**(204)**	**89**	**<(100)**
Earnings per share (in EUR)[2]	**(2.95)**	**1.29**	**<(100)**
Income tax rate in %	**28**	**26**	

[1] Non-cash impairment charges related to the negative impact of COVID-19 on the Group's retail business.

[2] Basic and diluted earnings per share.

EBIT and EBITDA – six months

(in EUR million)

	Jan. – June 2020	Jan. - June 2019	Change in %
EBIT	**(263)**	**137**	**<(100)**
In % of sales	(31.7)	10.3	(4,200) bp
Depreciation and amortization	(308)	(170)	(81)
EBITDA	**44**	**308**	**(86)**
In % of sales	5.4	23.0	(1,760) bp

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HUGO BOSS

Consolidated statement of financial position

(in EUR million)

Assets	June 30, 2020	June 30, 2019	December 31, 2019
Property, plant and equipment	452	406	517
Intangible assets	189	189	197
Right-of-use assets	777	924	877
Deferred tax assets	181	96	98
Non-current financial assets	21	21	22
Other non-current assets	2	2	2
Non-current assets	**1,622**	**1,638**	**1,713**
Inventories	644	641	627
Trade receivables	168	207	216
Current tax receivables	27	40	33
Current financial assets	14	28	32
Other current assets	100	114	123
Cash and cash equivalents	115	106	133
Current assets	**1,068**	**1,135**	**1,164**
TOTAL	**2,690**	**2,773**	**2,877**

Equity and liabilities	June 30, 2020	June 30, 2019	December 31, 2019
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Capital reserve	0	0	0
Retained earnings	726	823	932
Accumulated other comprehensive income	30	35	41
Equity attributable to equity holders of the parent company	**784**	**886**	**1,002**
Non-controlling interests	6	0	0
Group equity	**790**	**886**	**1,002**
Non-current provisions	85	79	87
Non-current financial liabilities	304	187	106
Non-current lease liabilities	783	800	789
Deferred tax liabilities	11	15	11
Other non-current liabilities	1	0	0
Non-current liabilities	**1,184**	**1,081**	**994**
Current provisions	93	89	92
Current financial liabilities	75	119	112
Current lease liabilities	166	202	168
Income tax payables	61	29	66
Trade payables	211	272	315
Other current liabilities	110	95	130
Current liabilities	**716**	**806**	**882**
TOTAL	**2,690**	**2,773**	**2,877**

Trade net working capital (TNWC)

(in EUR million)

	June 30, 2020	June 30, 2019	Change in %	Currency-adjusted change in %
Inventories	644	641	0	2
Trade receivables	168	207	(19)	(17)
Trade payables	(211)	(272)	(22)	(23)
Trade net working capital (TNWC)	**600**	**575**	**4**	**7**

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Consolidated statement of cash flows

(in EUR million)

	Jan. – June 2020	Jan. – June 2019
Net income	(204)	89
Depreciation/amortization	308	170
Unrealized net foreign exchange gain/loss	13	1
Other non-cash transactions	(1)	1
Income tax expense/income	(79)	31
Interest expense/income	14	12
Change in inventories	(19)	(20)
Change in receivables and other assets	86	25
Change in trade payables and other liabilities	(125)	(42)
Result from disposal of non-current assets	(5)	(1)
Change in provisions for pensions	1	1
Change in other provisions	2	(8)
Income taxes paid	(5)	(47)
Cash flow from operating activities	**(13)**	**214**
Investments in property, plant and equipment	(25)	(63)
Investments in intangible assets	(9)	(15)
Cash receipts from disposal of property, plant and equipment and intangible assets	1	0
Cash flow from investing activities	**(33)**	**(78)**
Dividends paid to equity holders of the parent company	(3)	(186)
Change in current financial liabilities	(46)	26
Cash receipts from non-current financial liabilities	206	111
Repayment of non-current financial liabilities	0	(4)
Repayment of current and non-current lease liabilities	(115)	(112)
Interest paid	(14)	(12)
Interest received	1	1
Cash flow from financing activities	**29**	**(176)**
Changes in scope of consolidation	2	0
Exchange rate related changes in cash and cash equivalents	(3)	1
Change in cash and cash equivalents	**(18)**	**(40)**
Cash and cash equivalents at the beginning of the period	133	147
Cash and cash equivalents at the end of the period	**115**	**106**

Free cash flow

(in EUR million)

	Jan. – June 2020	Jan. – June 2019
Cash flow from operating activities	(13)	214
Cash flow from investing activities	(33)	(78)
Free cash flow	**(46)**	**136**

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Number of own retail stores

June 30, 2020	Freestanding stores	Shop-in-shops	Outlets	TOTAL
Europe	212	315	73	**600**
Americas	91	84	49	**224**
Asia/Pacific	129	107	61	**297**
TOTAL	**432**	**506**	**183**	**1,121**
Dec. 31, 2019				
Europe	203	311	70	**584**
Americas	94	84	50	**228**
Asia/Pacific	134	109	58	**301**
TOTAL	**431**	**504**	**178**	**1,113**

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