

Metzingen, March 10, 2022

HUGO BOSS ACHIEVES STRONG COMEBACK IN 2021 SUCCESSFUL BRANDING REFRESH PAVES WAY FOR RECORD SALES IN 2022

Full year 2021

- Group sales grow 43% to EUR 2,786 million, thus returning to pre-pandemic levels
- EBIT significantly improves to EUR 228 million
- Free cash flow and net financial position hit record levels

Strategic highlights

- Successful branding refresh **spurs execution of "CLAIM 5,"** creating strong digital buzz
- Strong feedback on Spring/Summer 2022 collections, fully embodying the branding refresh
- Share of total digital sales reaches 20% for the first time

Outlook 2022

- **Execution of "CLAIM 5" growth strategy primary focus in 2022**
- Sales to grow to a record level of between EUR 3.1 billion and EUR 3.2 billion (+10% to +15%)
- EBIT to increase by +10% to +25% to a level of EUR 250 million to EUR 285 million

"At HUGO BOSS, we are deeply concerned by the terrible situation in Ukraine. Our deepest empathy and thoughts are with the millions of people affected by the war and suffering from this humanitarian crisis," says Daniel Grieder, Chief Executive Officer of HUGO BOSS. "To help the people in need, we support the German Red Cross and other institutions, standing in solidarity with each and every one calling for peace. We will continue to monitor the situation very closely and adapt our measures and financial support accordingly."

As pre-announced in January 2022, HUGO BOSS recorded significant top- and bottom-line improvements in fiscal year 2021, consequently exceeding its full year sales and earnings targets. Group sales amounted to EUR 2,786 million (2020: EUR 1,946 million), representing a strong currency-adjusted increase of 43% compared to the prior year, above the Company's guidance of a currency-adjusted sales increase of around 40%. Consequently, currency-adjusted sales effectively returned to pre-pandemic levels. Importantly, growth in fiscal year

2021 was broad-based in nature, with sales increasing for both brands, BOSS and HUGO, as well as across all regions and distribution channels. This development was driven by a noticeable pick-up in global consumer sentiment starting in the second quarter. In addition, the successful execution of several key brand, product, and sales initiatives as part of the Company's "CLAIM 5" strategy also fueled brand momentum and accelerated the business performance of HUGO BOSS in the second half of 2021.

EBIT significantly improves to EUR 228 million

In light of the strong top-line performance, the operating result (EBIT) also recorded a significant increase. Overall, EBIT amounted to EUR 228 million in fiscal year 2021 (2020: minus EUR 236 million) – above the Company's increased guidance of between EUR 175 million and EUR 200 million – representing an EBIT margin of 8.2% (2020: minus 12.1%). This development was also supported by improvements in gross margin as well as operating leverage. This means that efficiency gains, particularly in the Group's own retail business, as well as strict cost management enforced, in particular, during the first half of the year, largely compensated for a noticeable step-up in brand and digital investments as part of "CLAIM 5."

Free cash flow and net financial position hit record levels

As a result of the significant top- and bottom-line growth as well as noticeable improvements in trade net working capital, HUGO BOSS generated the strongest free cash flow in its history. At EUR 559 million, free cash flow in 2021 more than tripled compared to the prior year (2020: EUR 164 million). As a consequence, the net financial position of HUGO BOSS at the end of fiscal year 2021 totaled plus EUR 167 million (excl. the impact of IFRS 16), representing the strongest net financial position of HUGO BOSS to date (2020: minus EUR 141 million).

"With our strong comeback in 2021, we successfully kicked off our 'CLAIM 5' strategy," says Daniel Grieder. "Right from its start, our growth strategy fueled brand momentum around the globe. The highly successful branding refresh and ongoing investments will further drive relevance for BOSS and HUGO in the current year. We have everything it takes to reach record sales in 2022. As a team, we will take a big step closer towards our goal of becoming one of the top 100 global brands."

Successful branding refresh accompanied by record-breaking campaign launch

Starting in late January 2022, HUGO BOSS successfully initiated its bold branding refresh by means of the record-breaking launch of two star-studded global campaigns. Since then, the #BeYourOwnBOSS and #HowDoYouHUGO campaigns created tremendous digital buzz around the world, with a total of 6 billion impressions and more than 300 million engagements in the first six days. A unique cast of high-profile celebrities led to a wide-reaching digital activation, making the campaigns the most successful ones in HUGO BOSS history.

Fueled by this excitement, both BOSS and HUGO have undertaken a new, modern brand identity focused on a younger and more global demographic. Feedback on the brands' new Spring/Summer 2022 collections – the first ones to fully embody the branding refresh – so far has been overwhelmingly positive, both from consumers and wholesale partners. Sell-through rates in brick-and-mortar retail as well as online clearly exceed those of previous collections. The signature BOSS hoodie – emblazoned with the brand's new logo – quickly became the best-selling single style in the history of HUGO BOSS.

Execution of "CLAIM 5" growth strategy primary focus for 2022

Based on the acceleration in top-line momentum in fiscal year 2021, as well as the highly successful branding refresh, HUGO BOSS is confident that 2022 will mark another successful year for the Company and an important milestone towards becoming a top 100 global brand. The consequent execution of "CLAIM 5" will therefore take center stage among all the Company's initiatives in 2022, with a particular emphasis on further driving brand relevance. The ongoing step up in marketing investments – with a strong focus on social media, exciting events, and exceptional collaborations – will ensure both BOSS and HUGO continue to create buzz also going forward. At the same time, product investments to further drive casualness and comfort across all wearing occasions will strongly contribute to establishing BOSS as a true 24/7 lifestyle brand and HUGO as the first point of contact for younger customers.

In addition, in 2022, HUGO BOSS will continue to invest in the further digitalization of its business model and in the optimization and modernization of its global store network. Regarding the latter, HUGO BOSS is aiming to roll out its brand-new store concept to more than 100 points of sale in the current year. The opening of the Company's first global anchor store on London's iconic Oxford Street in the second quarter will mark a particular important milestone in this regard. At the same time, HUGO BOSS will continue to push ahead with its global digital business. The freshly relaunched online flagship hugoboss.com is of particular importance and is building a cornerstone of the Company's omnichannel strategy. For the first time, total digital sales added up to 20% of Group sales in 2021, marking a significant milestone for HUGO BOSS on its way to growing the digital penetration to a level of between 25% and 30% of Group sales by 2025.

Strong top- and bottom-line improvements anticipated for fiscal year 2022

Also in 2022, HUGO BOSS is confident of achieving strong top- and bottom-line improvements. At the same time, the Company faces ongoing uncertainties with regard to the further development of the COVID-19 pandemic. In addition, it is difficult to assess the implications of a potential further escalation of the war in Ukraine on overall economic and sector growth. As of March 9, HUGO BOSS has temporarily closed its stores and suspended all own retail and e-commerce business activities in Russia. Together with Ukraine, the market accounted for around 3% of Group sales in fiscal year 2021. The Company will provide all

impacted employees with financial and operational support and remain in close contact with its business partners.

Against this backdrop, Group sales are expected to increase between +10% and +15% to a new record level of between EUR 3.1 billion and EUR 3.2 billion, with all regions and both brands expected to contribute to this development. In addition, HUGO BOSS forecasts that it will increase EBIT in 2022 within a range of +10% to +25% to an amount of between EUR 250 million and EUR 285 million. This development will be driven by the anticipated strong top-line improvements. In addition to that, efficiency gains are expected to largely offset the investments planned for 2022 as part of "CLAIM 5" to strengthen products, brands, and digital expertise.

HUGO BOSS to resume dividend payments

In view of the strong operational and financial performance in 2021, the very solid financial position, and management's confidence in the successful execution of its "CLAIM 5" growth strategy, HUGO BOSS is planning to resume dividend payments. Consequently, the Managing Board and the Supervisory Board intend to propose to the Annual Shareholders' Meeting on May 24, 2022, a dividend of EUR 0.70 per share for fiscal year 2021 (2020: EUR 0.04). The proposal is equivalent to a payout ratio of 35% of the Group's net income attributable to shareholders in fiscal year 2021, thus fully in line with the Company's targeted payout range of between 30% to 50%.

Further information can be found at group.hugoboss.com. The Online Version of the HUGO BOSS Annual Report 2021 can also be found there.

Earnings development for the full year of 2021

INCOME STATEMENT (in EUR million)

	Jan. – Dec. 2021	Jan. - Dec. 2020	Change in %
Sales	2,786	1,946	43
Cost of sales	(1,065)	(759)	(40)
Gross profit	1,721	1,187	45
In % of sales	61.8	61.0	80 bp
Operating expenses	(1,493)	(1,423)	(5)
In % of sales	(53.6)	(73.1)	1,950 bp
Thereof selling and distribution expenses	(1,191)	(1,138)	(5)
Thereof impairment charges ¹	(32)	(110)	71
Thereof administration expenses	(302)	(285)	(6)
Operating result (EBIT)	228	(236)	>100
In % of sales	8.2	(12.1)	2,030 bp
Financial result	(31)	(38)	17
Earnings before taxes	197	(273)	>100
Income taxes	(53)	54	<(100)
Net income	144	(219)	>100
Attributable to:			
Equity holders of the parent company	137	(220)	>100
Non-controlling interests	7	0	>100
Earnings per share (in EUR) ²	1.99	(3.18)	>100
Income tax rate in %	27	20	

¹ In fiscal year 2020, HUGO BOSS recorded material 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.

- Group sales increased by 43% currency-adjusted to EUR 2,786 million in 2021, thus remaining only 1% below pre-pandemic levels.
 - Currency-adjusted revenues in the Americas were up a strong 78%, driven by robust local demand as a result of a noticeable pick-up in consumer sentiment post lockdowns. In particular in the U.S. market, HUGO BOSS benefited from the successful execution of key initiatives to strengthen its product offerings at the point of sale, and from the expansion of the shop-in-shop network at important retail partners. Overall, currency-adjusted sales in the Americas exceeded pre-pandemic levels by 4%. Sales in Europe increased 41% on a currency-adjusted basis, driven by strong growth across key markets such as the UK, Germany, and France. Despite being affected by long-lasting lockdowns and temporary store closures in key markets, in particular the first half of the year, regional sales remained only 2% below 2019 levels. In Asia/Pacific, momentum also picked up noticeably in 2021, as reflected by currency-adjusted sales growth of 22%. Consequently, sales remained 3% below 2019 levels, as pandemic-related restrictions and lower tourism flows weighed on consumer sentiment in various markets. Thanks to overall robust local demand, revenues in China grew 24% as compared to 2019.
 - Overall, sales in brick-and-mortar retail recorded a currency-adjusted increase of 43%, with around 90% of the Group's own retail stores being open on average during the course of the year. On a two-year-stack basis, the currency-adjusted decline in sales was thus limited to 9%. In brick-and-mortar wholesale, currency-adjusted sales grew 37% in 2021, mainly reflecting the strong demand from partners for the BOSS and

HUGO collections. Consequently, compared to pre-pandemic levels, the currency-adjusted decline in brick-and-mortar wholesale sales was limited to 16%. The digital business of HUGO BOSS continued its strong double-digit growth trajectory also in 2021, with total digital sales up 55% currency-adjusted compared to the prior year. This represents a currency-adjusted strong growth of 85% on a two-year-stack basis, with all digital distribution channels contributing to growth and posting significant double-digit sales increases.

- From a brand perspective, both BOSS Menswear (+42%) and BOSS Womenswear (+46%) as well as HUGO (+45%) recorded significant double-digit sales improvements, driven by strong growth across all wearing occasions. Across both brands, growth was driven by ongoing strong momentum in casualwear, while formalwear sales also recovered noticeably in fiscal year 2021. Compared to 2019 levels, currency-adjusted sales were down 2% for BOSS Menswear and down 6% for BOSS Womenswear, while HUGO already returned to growth, posting an increase of 6%.
- At 61.8%, the gross margin in fiscal year 2021 was 80 basis points above the prior-year level. This development mainly reflects non-recurring negative inventory valuation effects in the prior-year period, which more than compensated for an increase in sourcing costs in 2021. The latter is primarily due to pandemic-related shortages in global production and logistics capacities as well as the related increase in material, production, and freight costs.
- Operating expenses increased by a total of 5% in fiscal year 2021. As a percentage of sales, however, operating expenses decreased significantly to a level of 53.6%. A step-up in brand and digital investments as part of "CLAIM 5" was largely offset by efficiency gains, particularly in the Group's own retail business, as well as strict cost management, which was enforced, in particular, in the first half of the year.
 - Selling and distribution expenses increased by 5%. While expenses for the own retail business remained slightly below the prior-year level, marketing investments increased by a strong 29% to EUR 204 million in fiscal year 2021. This primarily reflects the execution of key initiatives as part of "CLAIM 5," aimed at increasing brand relevance. As a percentage of Group sales, marketing investments thus totaled 7.3% , fully in line with the Company's target corridor of 7% to 8%, as set out in "CLAIM 5."
 - Administration expenses were 6% above the prior-year level, mainly reflecting higher personnel expenses as a result of the robust business performance.
- In light of the strong top-line improvement, the operating result (EBIT) also recorded a significant increase. Overall, EBIT amounted to EUR 228 million in fiscal year 2021, driven by improvements in gross margin as well as operating overhead leverage. Consequently, the EBIT margin in 2021 amounted to 8.2%.
- At minus EUR 31 million, net financial expenses in fiscal year 2021 were 17% below the prior-year level. The improvement primarily reflects a decrease in interest expenses in connection with lower leasing and financial liabilities.
- Against the backdrop of the strong business performance in 2021, the Group tax rate normalized to a level of 27%. Accordingly, the **Group's net income** for fiscal year 2021 amounted to EUR 144 million.

Net assets and financial position for the full year of 2021

December 31, 2021		in EUR million	Change in %	Change in % currency-adjusted
TNWC	██████████	376	(24)	(31)
Inventories	████████████████████	606	(2)	(7)

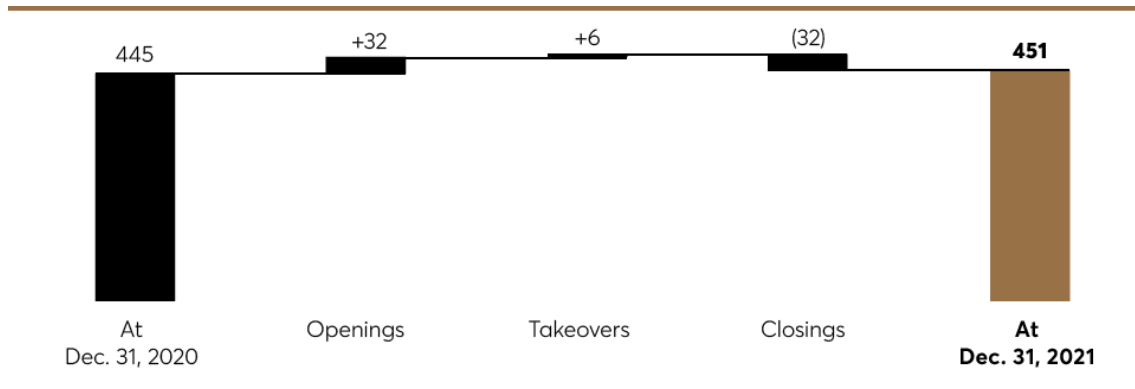
- Trade net working capital (TNWC) decreased by 31% on a currency-adjusted basis, mainly reflecting lower inventories as well as a significant increase in trade payables. The latter primarily reflects an increased utilization of the supplier financing program established by HUGO BOSS in 2020. The moving average of TNWC as a percentage of sales based on the last four quarters amounted to 17.2%, reflecting a significant improvement compared to the prior-year level (2020: 28.7%).
- At year-end, currency-adjusted inventories were 7% below the prior-year level, mainly reflecting the acceleration in sales momentum in fiscal year 2021.

2021		in EUR million	Change in %
Capital expenditure	██████████	104	+30
Free cash flow	████████████████████	559	>100
Net financial position ¹	██████████	167	>100

¹ Excl. the impact of IFRS 16.

- In 2021, capital expenditure grew 30% as compared to the prior-year level. The increase reflects, above all, the suspension of non-business-critical investments in the prior-year period, which HUGO BOSS had implemented to secure free cash flow at an early stage of the pandemic. The focus of investment activity in fiscal year 2021 continued to be on the further optimization and modernization of the own store network as well as the further digitalization of the business model.
- As a result of the significant recovery of its global business, in 2021, HUGO BOSS achieved the strongest free cash flow in its history. At EUR 559 million, free cash flow more than tripled compared to the prior year (2020: EUR 164 million). The strong increase mainly reflects the significant top- and bottom-line growth as well as the noticeable improvement in TNWC.
- Excluding the impact of IFRS 16, the net financial position of HUGO BOSS at the end of fiscal year 2021 totaled plus EUR 167 million, representing the strongest net financial position in the Company's history (2020 excluding IFRS 16: minus EUR 141 million). This mainly reflects the strong free cash flow development in fiscal year 2021 as well as a lower utilization of the Company's credit lines. Including the impact of IFRS 16, the net financial position at the end of fiscal year 2021 totaled minus EUR 628 million, representing a significant decrease of 37% versus the prior year (December 31, 2020: minus EUR 1,004 million).

Network of freestanding retail stores



- In fiscal year 2021, the number of the Group's own freestanding retail stores increased by a net six to 451 (2020: 445).
 - A total of 26 BOSS stores, mainly in Asia and Europe, as well as six HUGO stores were opened during the year. Following business takeovers, six BOSS stores, including three in Thailand, have now also been added to the Group's own store network. On the other hand, 32 stores with expiring leases were closed globally reflecting the ongoing optimization of the Company's global store network.
- Total selling space of the own brick-and-mortar retail business increased 4%, amounting to around 168,000 sqm at the end of the year (December 31, 2020: 161,000 sqm). The noticeable business recovery in brick-and-mortar retail led to an increase in retail sales productivity of 39% to around EUR 9,200 per square meter (2020: around EUR 6,600 per square meter).

Outlook 2022

OUTLOOK FOR FISCAL YEAR 2022

	Results 2021	Outlook 2022
Group sales	Increase by 43% to EUR 2,786 million	Increase within a range of +10% to +15% (to EUR 3.1 billion to EUR 3.2 billion)
Sales by region		
Europe	Increase by 42% to EUR 1,742 million	Increase in the low to mid-teens percentage range
Americas	Increase by 77% to EUR 543 million	Increase in the mid- to high single-digit percentage range
Asia/Pacific	Increase by 23% to EUR 423 million	Increase in the mid- to high teens percentage range
Operating result (EBIT)	Increase by >100% to EUR 228 million	Increase within a range of +10% to +25% (to EUR 250 million to EUR 285 million)
Group's net income	Increase by >100% to EUR 144 million	Increase to a level of between EUR 150 million and EUR 180 million
Trade net working capital as a percentage of sales	Decrease by 1,160 basis points to 17.2%	Increase to a level of between 18% and 19%
Capital expenditure	EUR 104 million	EUR 200 million to EUR 230 million

- For HUGO BOSS, fiscal year 2022 represents an important milestone in achieving its 2025 financial targets as set out in "CLAIM 5." All initiatives in 2022 are aimed at further strengthening the accelerated top-line momentum in 2021 and increasing Group sales to EUR 4 billion by 2025. At the same time, HUGO BOSS wants to make further progress in 2022 towards its 2025 financial target of an EBIT margin of around 12%.
- HUGO BOSS is confident to achieve strong top- and bottom-line improvements in 2022. At the same time, the Company faces ongoing uncertainties with regard to the further development of the COVID-19 pandemic. In addition, it is difficult to assess the implications of a potential further escalation of the war in Ukraine on overall economic and sector growth.
- Against this backdrop, HUGO BOSS expects to increase Group sales in 2022 between +10% and +15% to a record level of between EUR 3.1 billion and EUR 3.2 billion (2021: EUR 2.8 billion), with all regions expected to contribute to this development.
 - In the Americas, the strong momentum of the prior year is expected to continue in fiscal year 2022. As a result, HUGO BOSS expects growth in the mid- to high single-digit range. For Europe, HUGO BOSS anticipates sales growth in the low- to mid-teens range. While, in particular, the first half of 2021 was characterized by long-lasting lockdowns and temporary store closures in many important markets, the Company expects demand to pick up during the course of 2022. In the Asia/Pacific region, the Company intends to fully exploit all growth opportunities also in 2022 and, assuming overall robust regional economic development, expects sales growth in the mid to high-teens range.

- In addition, HUGO BOSS forecasts that it will increase EBIT in 2022 within a range of +10% to +25% to an amount of between EUR 250 million and EUR 285 million (2021: EUR 228 million). This development will be driven by the anticipated strong top-line improvements. In addition to that, efficiency gains are expected to largely offset the investments planned for 2022 as part of "CLAIM 5" to strengthen products, brands, and digital expertise.
- At the same time, the Company expects the **Group's net income** to improve to a level of between EUR 150 million and EUR 180 million (2021: EUR 144 million).
- Following the very positive development of trade net working capital as a percentage of sales in 2021, HUGO BOSS now expects gradual normalization for fiscal year 2022, and a related increase to a level of between 18% and 19% (2021: 17.2%). The anticipated development is fully in line with the Company's target range of between 16% and 19% as set out in "CLAIM 5."
- Capital expenditures are expected to total between EUR 200 million and EUR 230 million in 2022 (2021: EUR 104 million), thus also in line with the target range of between 6% and 7% of Group sales set out in "CLAIM 5". The expected increase compared to the prior-year level mainly reflects the accelerated modernization and further optimization of the global store network. In particular, HUGO BOSS will push ahead with the global rollout of its new store concepts in 2022, fully embodying the branding refresh. In addition to that, the Company will continue to invest in the ongoing digitalization of its business model, with the recently established HUGO BOSS Digital Campus coordinating and driving all digital initiatives.
- Further information on the outlook for 2022 can be found in the [Annual Report 2021](#).

Financial calendar and contacts

May 4, 2022

First Quarter Results 2022

May 24, 2022

Virtual Annual Shareholders' Meeting

August 3, 2022

Second Quarter Results 2022 & First Half Year Report 2022

November 3, 2022

Third Quarter Results 2022

If you have any questions, please contact:

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HUGO BOSS

FINANCIAL INFORMATION

for Q4 2021 and Jan. – Dec. 2021

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

Key figures – quarter

(in EUR million)	Q4 2021	Q4 2020	Change in %	Change in % ¹
Sales	905	583	55	51
Sales by segment				
Europe incl. Middle East and Africa	546	327	67	64
Americas	197	110	78	71
Asia/Pacific	141	124	14	9
Licenses	22	22	1	1
Sales by distribution channel ²				
Brick-and-mortar retail	539	338	59	55
Brick-and-mortar wholesale	177	105	68	65
Digital	167	118	42	37
Licenses	22	22	1	1
Sales by brand ²				
BOSS Menswear	710	463	53	49
BOSS Womenswear	63	39	62	59
HUGO	132	81	63	59
Results of operations				
Gross profit	569	358	59	
Gross margin in %	62.9	61.4	150 bp	
EBIT	100	13	>100	
EBIT margin in %	11.0	2.2	880 bp	
EBITDA	209	85	>100	
EBITDA margin in %	23.1	14.6	850 bp	
Net income attributable to equity holders of the parent company	70	(20)	>100	
Financial position				
Capital expenditure	34	27	28	
Free cash flow	285	55	>100	
Depreciation/amortization	109	72	52	
Additional key figures				
Personnel expenses	177	149	19	
Shares (in EUR)				
Earnings per share	1.02	(0.30)	>100	
Last share price (as of Dec. 31)	53.50	27.29	96	
Number of shares (as of Dec. 31)	70,400,000	70,400,000	0	

¹ Currency-adjusted.

² As compared to the previous year, presentation has been aligned to the 2025 targets set out in the "CLAIM 5" strategy.

Key figures – full year 2021

(in EUR million)	2021	2020 ¹	Change in %	Change in % ²
Sales	2,786	1,946	43	43
Sales by segment				
Europe incl. Middle East and Africa	1,742	1,231	42	41
Americas	543	308	77	78
Asia/Pacific	423	343	23	22
Licenses	77	64	20	20
Sales by distribution channel ³				
Brick-and-mortar retail	1,512	1,057	43	43
Brick-and-mortar wholesale	647	472	37	37
Digital	549	352	56	55
Licenses	77	64	20	20
Sales by brand ³				
BOSS Menswear	2,181	1,530	43	42
BOSS Womenswear	192	131	46	46
HUGO	413	285	45	45
Results of operations				
Gross profit	1,721	1,187	45	
Gross margin in %	61.8	61.0	80 bp	
EBIT	228	(236) ⁴	>100	
EBIT margin in %	8.2	(12.1) ⁵	2,030 bp	
EBITDA	568	230	>100	
EBITDA margin in %	20.4	11.8	860 bp	
Net income attributable to equity holders of the parent company	137	(220) ⁶	>100	
Net assets and liability structure as of Dec. 31				
Trade net working capital	376	491	(24)	(31)
Trade net working capital in % of sales ⁷	17.2	28.7	1,160 bp	
Non-current assets	1,458	1,516	(4)	
Equity	940	760	24	
Equity ratio in %	34	30	400 bp	
Total assets	2,736	2,570	6	
Financial position				
Capital expenditure	104	80	30	
Free cash flow	559	164	>100	
Depreciation/amortization	339	465 ⁸	(27)	
Net financial liabilities (as of Dec. 31)	628	1,004	(37)	
Additional key figures				
Employees (as of Dec. 31) ⁹	14,041	13,759	2	
Personnel expenses	627	570	10	
Shares (in EUR)				
Earnings per share	1.99	(3.18) ¹⁰	>100	
Dividend per share ¹¹	0.70	0.04	>100	
Last share price (as of Dec. 31)	53.50	27.29	96	
Number of shares (as of Dec. 31)	70,400,000	70,400,000	0	

¹ In fiscal year 2020, HUGO BOSS recorded non-cash impairment charges related to the negative impact of COVID-19 on the Group's retail business in the amount of EUR 110 million.

² Currency-adjusted.

³ As compared to the previous year, presentation has been aligned to the 2025 targets set out in the "CLAIM 5" strategy.

⁴ 2020: Excluding non-cash impairment charges, EBIT amounted to minus EUR 126 million.

⁵ 2020: Excluding non-cash impairment charges, EBIT margin amounted to (6.5)%.

⁶ 2020: Excluding non-cash impairment charges, net income attributable to equity holders of the parent company amounted to minus EUR 131 million.

⁷ Moving average on the basis of the last four quarters

⁸ 2020: Excluding non-cash impairment charges, depreciation and amortization amounted to EUR 355 million.

⁹ Full-time equivalent (FTE).

¹⁰ 2020: Excluding non-cash impairment charges, EPS amounted to minus EUR 1.90.

¹¹ 2021: Dividend proposal: 2020: legal minimum dividend of EUR 0.04 per share in the wake of the COVID-19 pandemic.

Consolidated income statement – quarter

(in EUR million)

	Q4 2021	Q4 2020	Change in %
Sales	905	583	55
Cost of sales	(336)	(225)	(49)
Gross profit	569	358	59
In % of sales	62.9	61.4	150 bp
Operating expenses	(470)	(345)	(36)
In % of sales	(51.9)	(59.2)	730 bp
Thereof selling and distribution expenses	(391)	(271)	(44)
Thereof administration expenses	(79)	(74)	(6)
Operating result (EBIT)	100	13	>100
In % of sales	11.0	2.2	880 bp
Financial result	(1)	(8)	83
Earnings before taxes	98	5	>100
Income taxes	(24)	(49)	52
Net income	73	(19)	>100
Attributable to:			
Equity holders of the parent company	70	(20)	>100
Non-controlling interests	3	2	78
Earnings per share (in EUR) ¹	1.02	(0.30)	>100

¹ Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)

	Q4 2021	Q4 2020	Veränderung in %
EBIT	100	13	>100
In % of sales	11.0	2.2	880 bp
Depreciation and amortization	(109)	(72)	(52)
EBITDA	209	85	>100
In % of sales	23.1	14.6	850 bp

Consolidated income statement – full year 2021

(in EUR million)			
	Jan. – Dec. 2021	Jan. - Dec. 2020	Change in %
Sales	2,786	1,946	43
Cost of sales	(1,065)	(759)	(40)
Gross profit	1,721	1,187	45
In % of sales	61.8	61.0	80 bp
Operating expenses	(1,493)	(1,423)	(5)
In % of sales	(53.6)	(73.1)	1,950 bp
Thereof selling and distribution expenses	(1,191)	(1,138)	(5)
Thereof impairment charges ¹	(32)	(110)	71
Thereof administration expenses	(302)	(285)	(6)
Operating result (EBIT)	228	(236)	>100
In % of sales	8.2	(12.1)	2,030 bp
Financial result	(31)	(38)	17
Earnings before taxes	197	(273)	>100
Income taxes	(53)	54	<(100)
Net income	144	(219)	>100
Attributable to:			
Equity holders of the parent company	137	(220)	>100
Non-controlling interests	7	0	>100
Earnings per share (in EUR) ²	1.99	(3.18)	>100
Income tax rate in %	27	20	

¹ In fiscal year 2020, HUGO BOSS recorded material 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 – full year 2021

(in EUR million)			
	Jan. – Dec. 2021	Jan. - Dec. 2020	Veränderung in %
EBIT	228	(236)	>100
In % of sales	8.2	(12.1)	2,030 bp
Depreciation and amortization	(339)	(465)	27
EBITDA	568	230	>100
In % of sales	20.4	11.8	860 bp

Consolidated statement of financial position

(in EUR million)		
	December 31, 2021	December 31, 2020
Assets		
Property, plant, and equipment ¹	418	404
Intangible assets	164	170
Right-of-use assets ¹	695	748
Deferred tax assets	160	171
Non-current financial assets	20	21
Other non-current assets	1	1
Non-current assets	1,458	1,516
Inventories	606	618
Trade receivables	235	172
Current tax receivables	15	18
Current financial assets	27	21
Other current assets	111	100
Cash and cash equivalents	285	125
Current assets	1,278	1,055
Total	2,736	2,570
Equity and liabilities		
Subscribed capital	70	70
Own shares	(42)	(42)
Capital reserve	0	0
Retained earnings	850	706
Accumulated other comprehensive income	47	19
Equity attributable to equity holders of the parent company	925	754
Non-controlling interests	14	6
Group equity	940	760
Non-current provisions	102	91
Non-current financial liabilities	103	196
Non-current lease liabilities	601	649
Deferred tax liabilities	11	13
Other non-current liabilities	1	2
Non-current liabilities	818	951
Current provisions ¹	99	79
Current financial liabilities	32	85
Current lease liabilities	193	213
Income tax payables	28	42
Trade payables	464	299
Other current liabilities ¹	161	142
Current liabilities	978	860
Total	2,736	2,570

¹ Amounts shown differ from those reported in the previous year due to reclassifications.

Trade net working capital (TNWC)

(in EUR million)				
	December 31, 2021	December 31, 2020	Change in %	Currency-adjusted change in %
Inventories	606	618	(2)	(7)
Trade receivables	235	172	36	26
Trade payables	464	299	55	51
Trade net working capital (TNWC)	376	491	(24)	(31)

Consolidated statement of cash flows

(in EUR million)	Jan. – Dec. 2021	Jan. – Dec. 2020
Net income	144	(219)
Depreciation/amortization	339	465
Unrealized net foreign exchange gain/loss	3	21
Other non-cash transactions	6	(1)
Income tax expense/income	53	(54)
Interest expense/income	21	26
Change in inventories	35	(5)
Change in receivables and other assets	(74)	65
Change in trade payables and other liabilities ¹	197	(6)
Result from disposal of non-current assets	(8)	(2)
Change in provisions for pensions	(3)	(8)
Change in other provisions ¹	(3)	(11)
Income taxes paid	(51)	(32)
Cash flow from operating activities	658	240
Investments in property, plant, and equipment	(81)	(58)
Investments in intangible assets	(20)	(20)
Acquisition of subsidiaries and other business entities	(3)	2
Impact from change in basis of consolidation	0	0
Cash receipts from sales of property, plant, and equipment and intangible assets	5	0
Cash flow from investing activities	(99)	(76)
Dividends paid to equity holders of the parent company	(3)	(3)
Change in current financial liabilities	(174)	(57)
Change in non-current financial liabilities	0	105
Repayment of lease liabilities	(211)	(187)
Interest paid	(21)	(28)
Interest received	1	2
Cash flow from financing activities	(408)	(167)
Exchange-rate related changes in cash and cash equivalents	8	(4)
Change in cash and cash equivalents	159	(7)
Cash and cash equivalents at the beginning of the period	125	133
Cash and cash equivalents at the end of the period	285	125

¹ Amounts shown differ from those reported in the previous year due to reclassifications.

Free cash flow

(in EUR million)	Jan. – Dec. 2021	Jan. – Dec. 2020
Cash flow from operating activities	658	240
Cash flow from investing activities	(99)	(76)
Free cash flow	559	164

Number of own retail stores

Dec. 31, 2021	Europe	Americas	Asia/Pacific	Total
Number of own retail points of sale	579	310	339	1,228
thereof freestanding retail stores	206	98	147	451
Dec. 31, 2020				
Number of own retail points of sale	589	251	317	1,157
thereof freestanding retail stores	212	92	141	445