

Metzingen, November 4, 2021

## **HUGO BOSS RECORDS STRONG Q3 2021 RESULTS BASED ON SIGNIFICANTLY IMPROVED MOMENTUM EXECUTION OF 'CLAIM 5' GROWTH STRATEGY IN FULL SWING**

### **Operational highlights Q3 2021**

- **Currency-adjusted Group sales grow 40% to EUR 755 million; 7% above 2019 levels**
- **Momentum in Europe and the Americas accelerates – sales up 9% and 14% vs. Q3 2019**
- **Strong growth in own online business continues; sales up 127% vs. Q3 2019**
- **EBIT amounts to EUR 85 million in Q3; 3% above 2019 levels**
- **FY 2021 outlook: Currency-adjusted Group sales expected to increase by around 40% against the prior year; EBIT expected between EUR 175 million and EUR 200 million**

### **Strategic progress along CLAIM 5**

- **Digital-driven launch of second BOSS x Russell Athletic collection with one of the largest social media coverages in fashion week history – almost 4 billion impressions in 4 days**
- **HUGO BOSS Digital Campus fully operational; relaunch of hugoboss.com in early 2022**
- **Organizational structure further strengthened via important personnel changes**

"We look back on a very strong quarter with both sales and earnings exceeding pre-pandemic levels," says **Daniel Grieder, Chief Executive Officer of HUGO BOSS**. "We also made first great strides in successfully executing our CLAIM 5 strategy, particularly when it comes to boosting our brands among younger consumers. The spectacular launch of our second BOSS x Russell Athletic collection is a blueprint of how we will fully unlock our brands' great potential together as a team in the future."

In the third quarter of 2021, as pre-announced in October already, HUGO BOSS recorded a strong acceleration in its business recovery, with both sales and earnings exceeding pre-pandemic levels for the first time. Group sales amounted to EUR 755 million, representing a currency-adjusted increase of 40% against the prior-year period (Q3 2020: EUR 533 million). In Group currency, this corresponds to an increase of 42%. Consequently, on a two-year-stack basis, currency-adjusted sales were up 7% as compared to the third quarter of 2019 (Q3 2019: EUR 720 million). A global store opening rate of around 95% as well as a meaningful uplift in consumer sentiment – particularly across Europe and the Americas – contributed to strong

#### **HUGO BOSS AG**

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sales growth in the three-month period. Besides that, the Company successfully executed several key brand, product, and sales initiatives as part of its CLAIM 5 strategy, thereby driving brand relevancy for BOSS and HUGO and leveraging global business opportunities.

**Strength in casualwear continues with sales up double-digits versus 2019**

Both brands, BOSS and HUGO, posted strong double-digit growth in the third quarter with currency-adjusted sales up 38% and 51% against the prior-year period. Also compared to 2019 levels, sales increased 6% for BOSS and 14% for HUGO, both currency-adjusted. In particular, the brands' casualwear offerings continued their strong growth trajectory, with BOSS and HUGO each posting double-digit sales increases in casualwear as compared to 2019 levels. Also demand for the brands' formalwear offerings picked up noticeably in the third quarter, reflecting the reoccurrence of social events over the summer.

**Momentum in Europe and the Americas strongly accelerates**

With nearly all stores back in operation, Europe and the Americas recorded a particular strong performance in the third quarter. Consequently, as compared to Q3 2020, currency-adjusted sales in Europe increased 38%, translating into growth of 9% on a two-year-stack basis. In the Americas, revenues almost doubled versus the prior-year period, up 94% currency-adjusted, thereby exceeding 2019 levels by 14%. In the Asia/Pacific region, renewed COVID-19-related restrictions – including temporary store closures – weighed on consumer sentiment in various markets. As a result, revenues remained 1% below the prior-year level and 14% below that of 2019.

**Strong dynamic in own retail business with double-digit growth vs. 2019**

From a channel perspective, currency-adjusted revenues in the Company's own retail business were up 40% on the prior-year level, translating into growth of 13% on a two-year-stack basis. The Group's own online business continued its robust performance also in the third quarter of 2021, posting strong double-digit growth versus the prior-year period with currency-adjusted revenues up 37%. Compared to 2019, sales on hugoboss.com and on self-managed partner websites were up 127%, currency-adjusted. In the wholesale channel, currency-adjusted sales also grew 40% compared to the prior-year period. As a consequence, revenues in this channel remained only 1% below 2019 levels.

**Strong increase in EBIT in the third quarter**

In the third quarter of 2021, HUGO BOSS generated an operating profit (EBIT) of EUR 85 million, well above the prior-year level (Q3 2020: EUR 15 million). This development reflects the strong Group sales development as well as significant operating expense leverage, particularly within own retail. Both effects more than compensated for a slight decline in gross margin, down 20 basis points compared to the prior year, largely reflecting the overall rise in global freight and duty cost. Compared to pre-pandemic levels, EBIT was up 3% (Q3 2019: EUR 83 million).

Free cash flow increased by 10% compared to the prior-year level, amounting to EUR 171 million in the third quarter of 2021 (Q3 2020: EUR 155 million). This development mainly reflects the strong increase in EBIT as well as further improvements in trade net working capital. Compared to 2019 levels, free cash flow generation even more than doubled.

**HUGO BOSS raises outlook for the full year 2021**

In light of the strong top- and bottom-line performance in the third quarter, HUGO BOSS increased its outlook for the current fiscal year. The Company now forecasts Group sales in fiscal year 2021 to increase by around 40% currency-adjusted (prior guidance: currency-adjusted increase of between 30% and 35%; 2020: EUR 1,946 million), with contributions expected from all regions. EBIT is now forecast to come to a level of between EUR 175 million and EUR 200 million in fiscal year 2021 (prior guidance: between EUR 125 million and EUR 175 million; 2020: minus EUR 236 million).

**Strong initial progress in executing the new CLAIM 5 growth strategy**

In September, and fully in line with the strong strategic pillar **'Boost Brands'** of the Company's new CLAIM 5 growth strategy, HUGO BOSS celebrated the spectacular phygital launch of the second BOSS x Russell Athletic collection. As part of Milan Fashion Week, the physical collection presentation in a baseball stadium featured numerous celebrities including Gigi Hadid, Irina Shayk, and TikTok star Khaby Lame, while setting the stage for extensive activation on social media. Several high-profile influencers including Chiara Ferragni, Fedez, and Fai Khadra as well as TikTok sensations Elevator Boys, and Younes Zarou, all shared their experiences of the day. The huge digital buzz created globally made this collection launch the largest social-first event in the history of HUGO BOSS, generating almost 4 billion impressions and over 25 million engagements across all social media channels in only 4 days.






The BOSS x Russell Athletic collaboration not only kicks off a new era when it comes to turning consumers into fans. It also strongly emphasizes the ambition of establishing BOSS as a true 24/7 lifestyle brand by strengthening its position in the crucial casualwear segment. The collection fully lives up to the strong claim that **'Product is King,'** uniting the unique tailoring expertise of BOSS with the sportswear aesthetic of Russell Athletic and ensuring a clear point of difference in every style offered. The 60 menswear and womenswear pieces celebrate team spirit and were designed to appeal to a whole new generation of BOSS fans around the world. Exceptional collaborations like this will continue to be decisive for creating a buzz among younger consumers and enabling HUGO BOSS to realize the full potential of its brands in the future.

CLAIM 5 also contains a strong commitment to **'Lead in Digital,'** enabling HUGO BOSS to deliver on its vision to become the premium tech-driven fashion platform worldwide. In this context, execution at the recently established HUGO BOSS Digital Campus – based in Metzingen, Germany and Porto, Portugal – is already in full swing. Intended to further drive the Company's global e-commerce business, CRM, and tech capabilities, one of the campus' first priorities is to successfully implement the global relaunch of hugoboss.com, scheduled for early 2022. The new online flagship for BOSS and HUGO will offer various state-of-the-art functionalities, all strongly enhancing the online customer journey and driving traffic as well as conversion. Following a clear mobile-first approach, the Company will establish a best-in-class e-commerce experience. Consumers around the world will also experience both brands in a completely new look and feel, thereby incorporating the new branding refresh for BOSS and HUGO.

Over the last several months, and in accordance with its strategic claim to **'Organize for Growth,'** HUGO BOSS has further strengthened its organizational structure. A number of personnel changes within the senior management team have been implemented, all aimed at successfully executing CLAIM 5 in the years to come. In sales, Judith Sun, Managing Director

Greater China, ensures HUGO BOSS will leverage the full potential of the important Chinese market, while Luigi Boiocchi, Managing Director Emerging Markets and Russia, leads the newly created Hub Emerging Markets & Russia. Strengthening the brand organization, Kristina Szász, Senior Vice President Business Unit BOSS Womenswear, drives the realignment of the important BOSS Womenswear business, while Christopher Körber, Managing Director Ticino and Business Unit Lead for Shoes & Leather Accessories, Bodywear & Hosiery, Knitwear, and Shirts, focuses on exploiting the full potential of several key business areas. In marketing, Miah Sullivan, Senior Vice President Global Marketing & Brand Communications, will strongly contribute to the Company-wide ambition of becoming a top 100 global brand by substantially growing brand value for BOSS and HUGO.







Q3 sales development by segment

		in EUR million	Change in %	Change in % currency-adjusted
Europe		512	+39	+38
Americas	 144		+96	+94
Asia/Pacific	 77		+2	(1)
Licenses	 21		+48	+48
<b>Group</b>		<b>755</b>	<b>+42</b>	<b>+40</b>

- In the third quarter of 2021, HUGO BOSS recorded a strong acceleration in its business recovery, with currency-adjusted revenues up 40% against the prior-year period. On a two-year-stack basis, currency-adjusted sales were up 7% as compared to the third quarter of 2019. A higher store opening rate as well as a meaningful uplift in consumer sentiment – particularly across Europe and the Americas – contributed to strong sales growth in the three-month period.
  - In **Europe**, with nearly all stores back in operation, currency-adjusted sales increased 38% on the prior-year level. Consequently, on a two-year-stack basis, revenues were up 9% as compared to 2019 levels. A strong rebound in local demand particularly supported the business development in the UK and France where sales increased 9% and 19%, respectively, both on a two-year-stack basis. Revenues in Germany also exceeded pre-pandemic levels for the first time, with revenues up 2% compared to Q3 2019.
  - With currency-adjusted sales up 94%, revenues in the **Americas** nearly doubled in the third quarter of 2021. As a result, currency-adjusted sales increased 14% on a two-year-stack basis. With all own retail stores back in operation, the Company recorded strong growth across all of the region's key markets. In the U.S., revenues increased 8% compared to 2019 levels, driven by double-digit improvements in own retail. This reflects very robust local demand more than compensating for the persistent absence of international tourism. While Latin America posted another quarter of mid-double-digit sales growth on a two-year-stack-basis, also revenues in Canada returned to growth.
  - Sales in the **Asia/Pacific** region decreased by 1%, translating into a decline of 14% on a two-year-stack basis, both currency-adjusted. Renewed COVID-19-related restrictions, including temporary store closures, weighed on consumer sentiment in various markets. Sales in mainland China decreased 9% against the prior-year period,

but were up 15% on a two-year-stack basis. While business in Hong Kong, Macao, and Singapore continued to be significantly impacted by lower tourism flows, other markets such as Australia had to cope with long-lasting store closures in the wake of local lockdowns. Overall, around 10% of the Company's store network in Asia/Pacific was temporarily closed during the third quarter.

### Q3 sales development by channel




		in EUR million	Change in %	Change in % currency-adjusted
Group's own retail business		475	+42	+40
Brick and mortar retail		408	+42	+40
Own online business		67	+39	+37
Wholesale		259	+42	+40
Licenses		21	+48	+48
<b>Group</b>		<b>755</b>	<b>+42</b>	<b>+40</b>

- The **Group's own retail business** (including freestanding stores, shop-in-shops, outlets, and online stores) recorded strong momentum in the third quarter, with currency-adjusted revenues up 40% compared to the prior-year period. This translates into growth of 13% on a two-year-stack basis.
  - Revenues in brick and mortar retail were up 40% against the prior-year level, while they increased 4% on a two-year-stack, both currency-adjusted.
  - The Group's own online business continued its robust performance with currency-adjusted sales up 37% in the third quarter. On a two-year-stack basis, revenues generated on hugoboss.com and on self-managed partner websites increased by 127%, reflecting strong growth across all regions.
  - Overall, sales in the own retail business increased by 39% in Europe on a currency-adjusted basis and amounted to EUR 296 million (Q3 2020: EUR 212 million). Compared to 2019, this implies currency-adjusted growth of 17%. At EUR 109 million (Q3 2020: EUR 53 million), own retail sales in the Americas grew 102% on a currency-adjusted basis, translating into a strong increase of 25% on a two-year-stack basis. In Asia/Pacific, own retail sales declined by 4% on a currency-adjusted basis to EUR 70 million (Q3 2020: EUR 70 million), reflecting a 15% decrease compared to the third quarter of 2019.




- Currency-adjusted sales in the **wholesale business** increased 40% compared to the prior-year period, reflecting partners' strong demand for the brands' Fall/Winter 2021 collections. This performance translates into a slight decline of 1% compared to the third quarter of 2019. Within wholesale, momentum was particularly strong with online partners – including digital pure players, leading marketplaces as well as bricks and clicks – as reflected by strong double-digit sales growth versus 2019 levels.
  - At EUR 216 million, currency-adjusted wholesale revenues in Europe came in 36% above the prior-year level (Q3 2020: EUR 157 million), implying an increase of 1% compared to the three-month period in 2019. In the Americas, currency-adjusted sales grew 73% compared to the prior-year period (Q3 2020: EUR 20 million). Consequently, currency-adjusted wholesale revenues decreased 10% compared to the third quarter of 2019. Asia/Pacific recorded a 42% increase in currency-adjusted wholesale sales to EUR 8 million (Q3 2020: EUR 5 million), translating into a decrease of 11% on a two-year-stack basis.
- Sales in the **license business** increased by 48% compared to the prior-year level, currency-adjusted, reflecting strong double-digit growth across all major product groups including fragrances, eyewear, and watches. On a two-year-stack basis, currency-adjusted revenues remained 4% below 2019 levels as the lack of international travel continued to weigh on sales in travel retail.



Q3 sales development by brand and gender

	in EUR million	Change in %	Change in % currency-adjusted
<b>BOSS</b>	 638	+40	+38
<b>HUGO</b>	 117	+53	+51
<b>Group</b>	 <b>755</b>	<b>+42</b>	<b>+40</b>

- Both brands, **BOSS** and **HUGO**, posted strong double-digit growth in the third quarter, with currency-adjusted sales up 38% and 51% against the prior-year period. On a two-year-stack basis, currency-adjusted sales for BOSS and HUGO grew 6% and 14%, respectively.
  - Within **casualwear**, both brands continued their strong growth trajectory with BOSS and HUGO each posting double-digit sales increases as compared to 2019 levels. Besides leveraging the overall casualization trend, the successful execution of key initiatives to boost brand relevancy further supported momentum in casualwear.
  - In the third quarter, also demand for the brands' **formalwear** offerings picked up noticeably, reflecting the reoccurrence of social events over the summer.

	in EUR million	Change in %	Change in % currency-adjusted
Menswear	 681	+41	+39
Womenswear	 74	+52	+51
<b>Group</b>	 <b>755</b>	<b>+42</b>	<b>+40</b>

- Momentum for both **menswear** and **womenswear**, strongly accelerated in the third quarter with revenues up at strong double-digit rates, each. On a two-year-stack basis, currency-adjusted sales increased 7% for menswear and 9% for womenswear, respectively.

Q3 earnings development

(in EUR million)			
	Q3 2021	Q3 2020	Change in %
<b>Sales</b>	<b>755</b>	<b>533</b>	<b>42</b>
Cost of sales	(289)	(203)	(43)
<b>Gross profit</b>	<b>466</b>	<b>330</b>	<b>41</b>
In % of sales	61.7	61.9	(20) bp
<b>Operating expenses</b>	<b>(381)</b>	<b>(315)</b>	<b>(21)</b>
In % of sales	(50.4)	(59.2)	880 bp
Thereof selling and distribution expenses	(299)	(251)	(19)
Thereof administration expenses	(82)	(65)	(26)
<b>Operating result (EBIT)</b>	<b>85</b>	<b>15</b>	<b>&gt; 100</b>
In % of sales	11.3	2.7	860 bp
Financial result	(11)	(10)	(7)
<b>Earnings before taxes</b>	<b>75</b>	<b>5</b>	<b>&gt; 100</b>
Income taxes	(21)	(1)	< (100)
<b>Net income</b>	<b>54</b>	<b>3</b>	<b>&gt; 100</b>
Attributable to:			
Equity holders of the parent company	53	4	> 100
Non-controlling interests	1	(1)	> 100
<b>Earnings per share (in EUR)<sup>1</sup></b>	<b>0.76</b>	<b>0.06</b>	<b>&gt; 100</b>
<b>Tax rate in %</b>	<b>28</b>	<b>28</b>	

<sup>1</sup> Basic and diluted earnings per share.

- The slight decline in **gross margin**, down 20 basis points compared to the prior year, mainly reflects the overall rise in global freight and duty costs, which more than offset a positive impact from lower markdown activity in the three-month period. Overall, the gross profit margin remained 160 basis points below the level of the third quarter of 2019 (Q3 2019: 63.3%).
- **Operating expenses** were up 21% in the third quarter of 2021 with both selling and distribution as well as administration expenses above the prior-year level. However, in relation to sales, operating expenses totaled 50.4%, thus significantly below the prior-year level (Q3 2020: 59.2%). Compared to 2019 levels, operating expenses slightly increased by 2%, but were down 140 basis points in relation to sales (Q3 2019: 51.8%).
  - **Selling and distribution expenses** were up 19% compared to the prior-year period. This development is mainly attributable to a gradual normalization in rental and payroll cost in own retail, with the vast majority of the Company's stores back in operations during the three-month period. Besides that, HUGO BOSS recorded higher marketing investments, reflecting key initiatives as part of CLAIM 5, aimed at driving brand relevancy for BOSS and HUGO. On a two-year-stack basis, selling and distribution expenses declined 2% overall (Q3 2019: EUR 306 million).
  - **Administration expenses** increased 26% as compared to the prior-year period. This development is mainly attributable to higher payroll costs, also in connection with accrued expenses reflecting recent business performance against initial expectations.

Overall, this translates into administration expenses being up 21% on a two-year-stack basis (Q3 2019: EUR 67 million).

- Consequently, **operating profit (EBIT)** totaled EUR 85 million in the third quarter, well above the prior-year level (Q3 2020: EUR 15 million). This development reflects the strong top-line development as well as significant operating expense leverage generated during the third quarter. Compared to pre-pandemic levels, EBIT was up 3% (Q3 2019: EUR 83 million).
- **Net income** attributable to shareholders amounted to EUR 53 million (Q3 2020: EUR 4 million), and thus remained slightly below 2019 levels of EUR 56 million.

**Net assets and financial position**

September 30, 2021		in EUR million	Change in % <sup>1</sup>	Change in % currency-adjusted <sup>1</sup>
TNWC	██████████	474	(15)	(11)
Inventories	██████████	588	(9)	(6)
Net financial liabilities	██████████	855	(17)	

<sup>1</sup> Change compared to September 30, 2020.

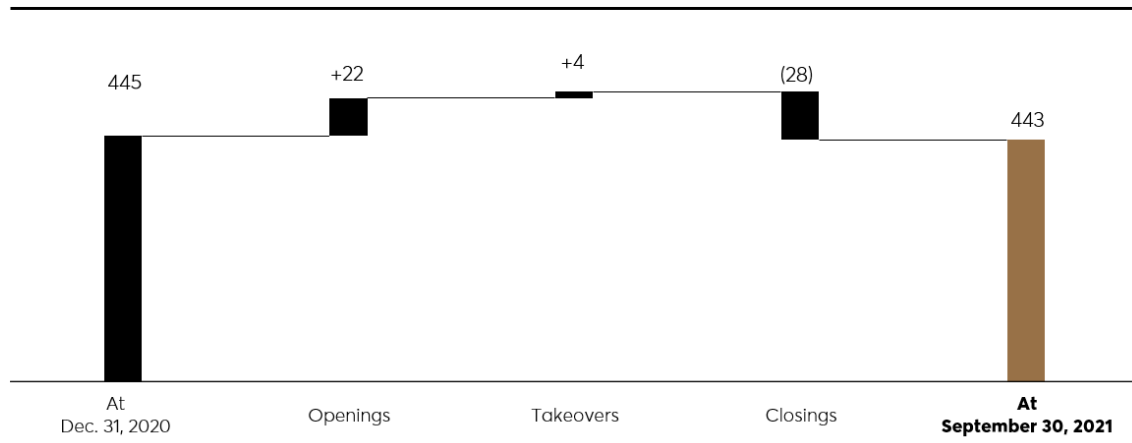
- Adjusted for currency effects, **trade net working capital (TNWC)** was down 11% as compared to the prior-year level. A lower inventory position as well as higher trade payables more than compensated for higher trade receivables in the third quarter.
- **Inventories** decreased 6% currency-adjusted, mainly reflecting the strong acceleration in sales growth in the third quarter of 2021.
- **Net financial liabilities** amounted to EUR 855 million, representing a 17% decrease against the prior-year level (September 30, 2020: EUR 1,032 million). Excluding the impact of IFRS 16, net financial liabilities amounted to EUR 20 million (September 30, 2020: EUR 167 million). HUGO BOSS was thus nearly debt-free at the end of the quarter. At the end of September, only EUR 48 million of the Group's **syndicated loan**, which totals EUR 633 million, had been drawn (September 30, 2020: EUR 134 million).

July – September 2021		in EUR million	Change in % <sup>1</sup>
Capital expenditure	██████████	26	+40
Free cash flow	██████████	171	+10

<sup>1</sup> Change compared to Q3 2020.

- **Capital expenditure** increased by 40% compared to the prior-year level, amounting to EUR 26 million in the three-month period (Q3 2020: EUR 18 million). Investment activity was once again focused on further optimizing and modernizing the Group's own retail network, as well as on expanding the Group's digital capabilities across the entire value chain.
- **Free cash flow** amounted to EUR 171 million, up 10% on the prior-year level (Q3 2020: EUR 155 million). This development mainly reflects the strong bottom-line performance as well as further improvements in trade net working capital. Compared to 2019 levels, free cash flow generation even more than doubled.

Network of freestanding retail stores



- As of September 30, 2021, the number of own **freestanding retail stores** amounted to 443, representing a slight decrease compared to December 31, 2020.
  - In the first nine months of the year, a total of 18 BOSS stores and four HUGO stores were newly **opened** across all three regions.
  - Following business **takeovers** in the first half of 2021, four BOSS stores in Thailand and Russia have now also been added to the Group's own store network.
  - At the same time, 28 stores with expiring leases were **closed** in the nine-month period.

**Outlook**

- In light of the strong top- and bottom-line performance in the third quarter, HUGO BOSS increased its outlook for the current fiscal year in mid-October already:
  - HUGO BOSS now anticipates **Group sales** in fiscal year 2021 to increase by around 40% currency-adjusted (prior guidance: currency-adjusted increase between 30% and 35%; 2020: EUR 1,946 million), with contribution expected from all regions.
  - **Operating profit (EBIT)** is now forecast to come to a level of between EUR 175 million and EUR 200 million in fiscal year 2021 (prior guidance: between EUR 125 million and EUR 175 million; 2020: minus EUR 236 million).
- The Company continues to expect **capital expenditure** to increase to a level of between EUR 100 million and EUR 130 million (2020: EUR 80 million).
- **Trade net working capital** as a percentage of sales is now expected to improve to a level of between 19% and 20% in fiscal year 2021 (prior guidance: between 21% and 23%; 2020: 28.7%).

## **QUARTERLY STATEMENT FOR Q3 2021**

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### **Financial calendar and contacts**

**March 10, 2022**

**Full Year Results 2021**

**May 4, 2022**

**First Quarter Results 2022**

**August 3, 2022**

**Second Quarter Results 2022 & First Half Year Report 2022**

**November 3, 2022**

**Third Quarter Results 2022**

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# **HUGO BOSS**

## **FINANCIAL INFORMATION**

**for Q3 2021 and Jan. – Sep. 2021**

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



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### Key figures – quarter

(in EUR million)

	Q3 2021	Q3 2020	Change in %	Change in % <sup>1</sup>
<b>Sales</b>	<b>755</b>	<b>533</b>	<b>42</b>	<b>40</b>
<b>Sales by segment</b>				
Europe incl. Middle East and Africa	512	369	39	38
Americas	144	73	96	94
Asia/Pacific	77	76	2	(1)
Licenses	21	14	48	48
<b>Sales by distribution channel</b>				
Own retail business	475	335	42	40 <sup>2</sup>
Wholesale	259	183	42	40
Licenses	21	14	48	48
<b>Sales by brand</b>				
BOSS	638	456	40	38
HUGO	117	77	53	51
<b>Sales by gender</b>				
Menswear	681	484	41	39
Womenswear	74	49	52	51
<b>Results of operations</b>				
Gross profit	466	330	41	
Gross margin in %	61.7	61.9	(20) bp	
EBIT	85	15	> 100	
EBIT margin in %	11.3	2.7	860 bp	
EBITDA	164	100	64	
EBITDA margin in %	21.8	18.8	300 bp	
Net income attributable to equity holders of the parent company	53	4	> 100	
<b>Financial position</b>				
Capital expenditure	26	18	40	
Free cash flow	171	155	10	
Depreciation/amortization	79	86	(8)	
<b>Additional key figures</b>				
Personnel expenses	165	138	20	
<b>Shares (in EUR)</b>				
Earnings per share	0.76	0.06	> 100	
Last share price (as of Sep. 30)	52.08	21.37	> 100	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

<sup>1</sup> Currency-adjusted.

<sup>2</sup> On a comp store basis 34%.

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# HUGO BOSS

### Key figures – nine months

(in EUR million)

	Jan. – Sep. 2021	Jan. – Sep. 2020 <sup>1</sup>	Change in %	Change in % <sup>2</sup>
<b>Sales</b>	<b>1,881</b>	<b>1,363</b>	<b>38</b>	<b>39</b>
<b>Sales by segment</b>				
Europe incl. Middle East and Africa	1,197	904	32	33
Americas	347	197	76	83
Asia/Pacific	282	219	29	29
Licenses	55	42	30	30
<b>Sales by distribution channel</b>				
Own retail business	1,173	860	36	38 <sup>3</sup>
Wholesale	652	460	42	43
Licenses	55	42	30	30
<b>Sales by brand</b>				
BOSS	1,601	1,159	38	39
HUGO	280	203	38	39
<b>Sales by gender</b>				
Menswear	1,698	1,229	38	39
Womenswear	183	133	37	39
<b>Results of operations</b>				
Gross profit	1,151	829	39	
Gross margin in %	61.2	60.8	40 bp	
EBIT	128	(249) <sup>4</sup>	> 100	
EBIT margin in %	6.8	(18.3) <sup>5</sup>	2,510 bp	
EBITDA	359	145	> 100	
EBITDA margin in %	19.1	10.6	850 bp	
Net income attributable to equity holders of the parent company	67	(199) <sup>6</sup>	> 100	
<b>Net assets and liability structure as of Sep. 30</b>				
Trade net working capital	474	554	(15)	(11)
Trade net working capital in % of sales <sup>7</sup>	20.6	26.0	(540) bp	
Non-current assets	1,471	1,531	(4)	
Equity	852	782	9	
Equity ratio in %	33.5	30.3	320 bp	
Total assets	2,543	2,585	(2)	
<b>Financial position</b>				
Capital expenditure	69	53	32	
Free cash flow	274	111 <sup>8</sup>	> 100	
Depreciation/amortization	230	393 <sup>9</sup>	(41)	
Net financial liabilities (as of Sep. 30)	855	1,032	(17)	
<b>Additional key figures</b>				
Employees (as of Sep. 30) <sup>10</sup>	13,468	13,538	(1)	
Personnel expenses	450	421	7	
<b>Shares (in EUR)</b>				
Earnings per share	0.97	(2.88) <sup>11</sup>	> 100	
Last share price (as of Sep. 30)	52.08	21.37	> 100	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

<sup>1</sup> 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 in 2020.

<sup>2</sup> Currency-adjusted.

<sup>3</sup> On a comp store basis 33%.

<sup>4</sup> 2020: Excluding non-cash impairment charges, EBIT amounted to minus EUR 123 million.

<sup>5</sup> 2020: Excluding non-cash impairment charges, EBIT margin amounted to (9.0)%.

<sup>6</sup> 2020: Excluding non-cash impairment charges, net income attributable to equity holders of the parent company amounted to minus EUR 109 million.

<sup>7</sup> Moving average on the basis of the last four quarters.

<sup>8</sup> The amount shown differs from that reported in the previous year due to reclassifications.

<sup>9</sup> 2020: Excluding non-cash impairment charges, depreciation and amortization amounted to EUR 268 million.

<sup>10</sup> Full-time equivalent (FTE).

<sup>11</sup> 2020: Excluding non-cash impairment charges, EPS amounted to minus EUR 1.58.

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# HUGO BOSS

### Consolidated income statement – quarter

(in EUR million)

	Q3 2021	Q3 2020	Change in %
<b>Sales</b>	<b>755</b>	<b>533</b>	<b>42</b>
Cost of sales	(289)	(203)	(43)
<b>Gross profit</b>	<b>466</b>	<b>330</b>	<b>41</b>
In % of sales	61.7	61.9	(20) bp
<b>Operating expenses</b>	<b>(381)</b>	<b>(315)</b>	<b>(21)</b>
In % of sales	(50.4)	(59.2)	880 bp
Thereof selling and distribution expenses	(299)	(251)	(19)
Thereof administration expenses	(82)	(65)	(26)
<b>Operating result (EBIT)</b>	<b>85</b>	<b>15</b>	<b>&gt; 100</b>
In % of sales	11.3	2.7	860 bp
Financial result	(11)	(10)	(7)
<b>Earnings before taxes</b>	<b>75</b>	<b>5</b>	<b>&gt; 100</b>
Income taxes	(21)	(1)	< (100)
<b>Net income</b>	<b>54</b>	<b>3</b>	<b>&gt; 100</b>
Attributable to:			
Equity holders of the parent company	53	4	> 100
Non-controlling interests	1	(1)	> 100
<b>Earnings per share (in EUR)<sup>1</sup></b>	<b>0.76</b>	<b>0.06</b>	<b>&gt; 100</b>
<b>Tax rate in %</b>	<b>28</b>	<b>28</b>	

<sup>1</sup> Basic and diluted earnings per share.

### EBIT and EBITDA – quarter

(in EUR million)

	Q3 2021	Q3 2020	Change in %
<b>EBIT</b>	<b>85</b>	<b>15</b>	<b>&gt; 100</b>
In % of sales	11.3	2.7	860 bp
Depreciation and amortization	(79)	(86)	8
<b>EBITDA</b>	<b>164</b>	<b>100</b>	<b>64</b>
In % of sales	21.8	18.8	300 bp

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### Consolidated income statement – nine months

(in EUR million)

	Jan. – Sep. 2021	Jan. - Sep. 2020	Change in %
<b>Sales</b>	<b>1,881</b>	<b>1,363</b>	<b>38</b>
Cost of sales	(729)	(534)	(37)
<b>Gross profit</b>	<b>1,151</b>	<b>829</b>	<b>39</b>
In % of sales	61.2	60.8	40 bp
<b>Operating expenses</b>	<b>(1,023)</b>	<b>(1,078)</b>	<b>5</b>
In % of sales	(54.4)	(79.1)	2,470 bp
Thereof selling and distribution expenses	(800)	(867)	8
Thereof impairments <sup>1</sup>	(1)	(125)	99
Thereof administration expenses	(223)	(210)	(6)
<b>Operating result (EBIT)</b>	<b>128</b>	<b>(249)</b>	<b>&gt; 100</b>
In % of sales	6.8	(18.3)	2,510 bp
Financial result	(30)	(29)	(1)
<b>Earnings before taxes</b>	<b>99</b>	<b>(278)</b>	<b>&gt; 100</b>
Income taxes	(28)	78	< (100)
<b>Net income</b>	<b>71</b>	<b>(200)</b>	<b>&gt; 100</b>
Attributable to:			
Equity holders of the parent company	67	(199)	> 100
Non-controlling interests	4	(1)	> 100
<b>Earnings per share (in EUR)<sup>2</sup></b>	<b>0.97</b>	<b>(2.88)</b>	<b>&gt; 100</b>
<b>Income tax rate in %</b>	<b>28</b>	<b>28</b>	

<sup>1</sup> Non-cash impairment charges related to the negative impact of COVID-19 on the Group's retail business.

<sup>2</sup> Basic and diluted earnings per share.

### EBIT and EBITDA – nine months

(in EUR million)

	Jan. – Sep. 2021	Jan. - Sep. 2020	Change in %
<b>EBIT</b>	<b>128</b>	<b>(249)</b>	<b>&gt; 100</b>
In % of sales	6.8	(18.3)	2,510 bp
Depreciation and amortization	(230)	(393)	41
<b>EBITDA</b>	<b>359</b>	<b>145</b>	<b>&gt; 100</b>
In % of sales	19.1	10.6	850 bp

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# HUGO BOSS

### Consolidated statement of financial position

(in EUR million)

Assets	September 30, 2021	September 30, 2020 <sup>1</sup>	December 31, 2020
Property, plant and equipment	405	438	408
Intangible assets	164	166	170
Right-of-use assets	713	714	744
Deferred tax assets	169	190	171
Non-current financial assets	20	22	21
Other non-current assets	0	1	1
<b>Non-current assets</b>	<b>1,471</b>	<b>1,531</b>	<b>1,516</b>
Inventories	588	644	618
Trade receivables	218	182	172
Current tax receivables	19	14	18
Current financial assets	19	13	21
Other current assets	114	90	100
Cash and cash equivalents	113	110	125
<b>Current assets</b>	<b>1,072</b>	<b>1,054</b>	<b>1,055</b>
<b>TOTAL</b>	<b>2,543</b>	<b>2,585</b>	<b>2,570</b>
Equity and liabilities	September 30, 2021	September 30, 2020 <sup>1</sup>	December 31, 2020
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Retained earnings	776	727	706
Accumulated other comprehensive income	37	22	19
<b>Equity attributable to equity holders of the parent company</b>	<b>841</b>	<b>777</b>	<b>754</b>
Non-controlling interests	11	5	6
<b>Group equity</b>	<b>852</b>	<b>782</b>	<b>760</b>
Non-current provisions	97	88	91
Non-current financial liabilities	113	199	196
Non-current lease liabilities	630	698	649
Deferred tax liabilities	7	13	13
Other non-current liabilities	2	1	2
<b>Non-current liabilities</b>	<b>848</b>	<b>999</b>	<b>951</b>
Current provisions	123	108	118
Current financial liabilities	33	82	85
Current lease liabilities	206	166	213
Income tax payables	37	67	42
Trade payables	333	272	299
Other current liabilities	112	108	104
<b>Current liabilities</b>	<b>843</b>	<b>804</b>	<b>860</b>
<b>TOTAL</b>	<b>2,543</b>	<b>2,585</b>	<b>2,570</b>

<sup>1</sup> Some amounts shown differ from those reported in the previous year due to reclassifications.

### Trade net working capital (TNWC)

(in EUR million)

	September 30, 2021	September 30, 2020	Change in %	Currency-adjusted change in %
Inventories	588	644	(9)	(6)
Trade receivables	218	182	20	21
Trade payables	(333)	(272)	22	21
<b>Trade net working capital (TNWC)</b>	<b>474</b>	<b>554</b>	<b>(15)</b>	<b>(11)</b>

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# HUGO BOSS

### Consolidated statement of cash flows

(in EUR million)

	Jan. – Sep. 2021	Jan. – Sep. 2020 <sup>1</sup>
Net income	71	(200)
Depreciation/amortization	230	393
Unrealized net foreign exchange gain/loss	0	22
Other non-cash transactions	3	0
Income tax expense/income	28	(78)
Interest expense/income	18	20
Change in inventories	36	(27)
Change in receivables and other assets	(55)	75
Change in trade payables and other liabilities	28	(65)
Result from disposal of non-current assets	(1)	2
Change in provisions for pensions	0	(1)
Change in other provisions	15	16
Income taxes paid	(35)	5
<b>Cash flow from operating activities</b>	<b>339</b>	<b>160</b>
Investments in property, plant and equipment	(54)	(39)
Investments in intangible assets	(12)	(13)
Acquisition of subsidiaries and other business entities less cash and cash equivalents acquired	(3)	2
Cash receipts from disposal of property, plant and equipment and intangible assets	5	1
<b>Cash flow from investing activities</b>	<b>(65)</b>	<b>(50)</b>
Dividends paid to equity holders of the parent company	(3)	(3)
Change in current financial liabilities	(135)	(44)
Cash receipts from non-current financial liabilities	0	105
Repayment of current and non-current lease liabilities	(135)	(170)
Interest paid	(19)	(20)
Interest received	1	2
<b>Cash flow from financing activities</b>	<b>(291)</b>	<b>(130)</b>
Exchange rate related changes in cash and cash equivalents	5	(3)
<b>Change in cash and cash equivalents</b>	<b>(12)</b>	<b>(23)</b>
Cash and cash equivalents at the beginning of the period	125	133
<b>Cash and cash equivalents at the end of the period</b>	<b>113</b>	<b>110</b>

<sup>1</sup> Amounts shown differ from those reported in the previous year due to reclassifications.

### Free cash flow

(in EUR million)

	Jan. – Sep. 2021	Jan. – Sep. 2020 <sup>1</sup>
Cash flow from operating activities	339	160
Cash flow from investing activities	(65)	(50)
<b>Free cash flow</b>	<b>274</b>	<b>111</b>

<sup>1</sup> Amounts shown differ from those reported in the previous year due to reclassifications.

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**HUGO BOSS****Number of own retail stores**

<b>Sep. 30, 2021</b>	Europe	Americas	Asia/Pacific	<b>TOTAL</b>
Number of own retail points of sale	579	301	332	<b>1,212</b>
thereof freestanding retail stores	203	94	146	<b>443</b>
Dec. 31, 2020				
Number of own retail points of sale	589	251	317	<b>1,157</b>
thereof freestanding retail stores	212	92	141	<b>445</b>