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HUGO BOSS CONTINUES STRONG GROWTH TRAJECTORY IN Q2 AND RAISES FULL-YEAR 2023 OUTLOOK

- Currency-adjusted Group sales in Q2 increase 20% to EUR 1,026 million
- Double-digit growth across all brands, regions, and channels
- EBIT increases 21% to EUR 121 million in Q2; EBIT margin up 40 basis points to 11.8%
- FY 2023 outlook raised: Sales to grow between 12% and 15% to a level of EUR 4.1 billion and EUR 4.2 billion; EBIT to increase between 20% and 25%

"After our highly dynamic start to the year, we continued our strong performance also in the second quarter. Momentum once again exceeded our own high expectations, despite the overall challenging and uncertain market environment," says Daniel Grieder, Chief Executive Officer of HUGO BOSS. "Following our strategy update in June, both brands BOSS and HUGO successfully maintained their growth trajectory. We will make 2023 a new record year for HUGO BOSS, thus providing a robust foundation for achieving our updated 2025 financial ambition."

Following its strong start into fiscal year 2023, HUGO BOSS maintained its stellar momentum also in the second quarter, recording further significant top- and bottom-line improvements. As in previous quarters, growth was fueled by several brand, product, and distribution initiatives as part of the ongoing rigorous execution of the Company's "CLAIM 5" strategy. This led once more to record quarterly sales with broad-based growth across both brands, all regions, and all channels. Consequently, Group sales increased by 20% currency-adjusted to EUR 1,026 million (Q2 2022: EUR 878 million) and by 17% in Group currency, respectively. Revenues continued to significantly exceed pre-pandemic levels (+52% currency-adjusted), with growth further accelerating as compared to the first quarter. Fueled by the very robust top-line momentum, operating profit (EBIT) increased 21% in the second quarter, amounting to EUR 121 million (Q2 2022: EUR 100 million). On the back of these strong results, HUGO BOSS again raises its top- and bottom-line expectations for fiscal year 2023 following the former guidance increase in May.

Brand and product initiatives drive momentum for BOSS and HUGO

Fueled by the bold Spring/Summer 2023 campaigns, BOSS and HUGO continued their robust sales trajectory in the second quarter. As a result, both brands further expanded market shares worldwide, especially among younger consumers. This particularly reflects the ongoing success of the latest BOSS and HUGO collections, which led to strong sell-through rates

across all distribution channels. Consequently, BOSS Menswear, BOSS Womenswear, and HUGO posted significant double-digit sales improvements in the second quarter. Currency-adjusted revenues for BOSS Menswear were up 18% year over year, while revenues for BOSS Womenswear even expanded by 32%. At HUGO, currency-adjusted sales were up 21%.

Broad-based growth with double-digit improvements across regions

While the Group's business in EMEA and the Americas continued to benefit from both robust local consumer demand and a pick-up in tourist business, Asia/Pacific recorded superior growth in the second quarter. Sales in EMEA increased by 15% currency-adjusted in the three-month period. This performance was driven by double-digit improvements in key European markets such as Germany (+19%) and France (+15%), while momentum remained equally strong in the Middle East. Also in the Americas, HUGO BOSS successfully continued its double-digit growth trajectory with currency-adjusted sales up 20%, reflecting double-digit increases across all of the region's markets. The important U.S. market posted a noticeable increase of 16% currency-adjusted, with all consumer touchpoints contributing to growth. In Asia/Pacific, currency-adjusted revenues came in 41% above the prior-year level. This performance was driven by both sustained double-digit growth in South East Asia & Pacific as well as a further recovery in the business in China following the market's reopening in late 2022. Currency-adjusted revenues in China thus increased by 56% year over year.

Momentum in digital business accelerates in the second quarter

All channels contributed to the strong top-line performance in the second quarter. In particular, momentum in the Group's digital business further accelerated, with revenues up 30% currency-adjusted compared to the prior-year level. This performance reflects double-digit improvements across all digital touchpoints, including the Group's digital flagship hugoboss.com as well as digital revenues generated with partners. Also in brick-and-mortar retail, HUGO BOSS drove robust double-digit sales improvements with revenues up 17% compared to the prior year. While additional selling space only had a minor impact on brick-and-mortar retail growth, the vast majority of the strong performance was related to further store productivity improvements in the second quarter. In brick-and-mortar wholesale, revenues also increased by 17% currency-adjusted, reflecting ongoing strong reception of the latest BOSS and HUGO collections among wholesale partners around the globe.





EBIT up 21% despite further investments into the business

In light of the strong top-line improvements, HUGO BOSS also significantly increased its EBIT in the second quarter, up 21% to EUR 121 million (Q2 2022: EUR 100 million). Consequently, the Group's EBIT margin increased 40 basis points to 11.8% (Q2 2022: 11.4%). Higher revenues compensated for a decline in gross margin, down 120 basis points to 62.3% (Q2 2022: 63.5%), as well as further investments into the business as part of "CLAIM 5."

HUGO BOSS raises outlook for full year 2023

On the back of the strong financial performance in the second quarter, HUGO BOSS once again raises its top- and bottom-line outlook for the current fiscal year. The Company now forecasts Group sales in fiscal year 2023 to increase between 12% and 15% to a new record level of between EUR 4.1 billion and EUR 4.2 billion (prior guidance: increase of around 10% to around EUR 4 billion). At the same time, EBIT is now expected to increase between 20% and 25% to a level of between EUR 400 million and EUR 420 million in 2023 (prior guidance: increase of between 10% to 20% to an amount of EUR 370 million to EUR 400 million). Fiscal year 2023 will thus mark another important milestone for HUGO BOSS towards achieving its updated 2025 financial ambition, which the Company only raised back in June. By 2025, HUGO BOSS is confident of generating revenues of EUR 5 billion and EBIT of at least EUR 600 million, representing an EBIT margin of at least 12%.

Q2 sales development by brand

		in EUR million	Change in %	Change in % currency-adjusted
BOSS Menswear		810	+16	+18
BOSS Womenswear	 67		+29	+32
HUGO	 148		+19	+21
Group	 1,026		+17	+20






- Across brands, growth in the second quarter was driven by ongoing high demand for the brands' Spring/Summer 2023 collections. Momentum remained strong across all wearing occasions, thus fully reflecting the brands' 24/7 lifestyle images. As a result, BOSS Menswear, BOSS Womenswear, and HUGO recorded double-digit revenue increases in the three-month period.
 - Currency-adjusted revenues for BOSS Menswear were up 18% year over year, while sales growth for BOSS Womenswear further accelerated to 32% currency-adjusted.
 - At HUGO, currency-adjusted sales were up 21% in the second quarter of 2023.

Q2 sales development by segment

	in EUR million	Change in %	Change in % currency-adjusted
EMEA	620	+13	+15
Americas	236	+18	+20
Asia/Pacific	144	+31	+41
Licenses	26	+33	+33
Group	1,026	+17	+20

- From a regional perspective, growth in the second quarter was once more broad-based with all regions recording significant double-digit sales improvements.
 - In EMEA, currency-adjusted sales were up 15% year over year, reflecting robust growth with both local consumers as well as international tourists. Momentum was driven by key European markets, with Germany and France posting sales growth of 19% and 15%, respectively. Sales in the UK remained slightly below 2022 levels, performing against a particularly strong comparison base from the prior-year period. When compared to pre-pandemic levels, however, revenues in the UK were up strong double-digit, and thus broadly in line with the performance of other key European markets. Also in the Middle East, momentum remained strong in the second quarter, as reflected by double-digit growth compared to the prior-year level.
 - In the Americas, currency-adjusted sales increased 20% year over year. Growth was driven by double-digit sales improvements across all of the region's markets. In the U.S. market, revenues grew 16% currency-adjusted, with all consumer touchpoints contributing to growth. While sales in Canada were up 11%, HUGO BOSS recorded ongoing strong revenue increases in Latin America, up 38% in constant currency.
 - Currency-adjusted sales in the Asia/Pacific region further accelerated in the second quarter, expanding 41% versus the prior-year level. This performance was driven by both sustained double-digit growth in South East Asia & Pacific and a further recovery of the business in China following the market's reopening in late 2022. Currency-adjusted revenues in China thus increased by 56% year over year, being up on a two-year-stack basis also.
 - Currency-adjusted sales in the license business increased by 33% compared to the prior-year level. This performance was spurred by particularly robust growth in the important fragrance business, also reflecting the strong uptick in international tourism driving revenues in travel retail.

Q2 sales development by channel

		in EUR million	Change in %	Change in % currency-adjusted
Brick-and-mortar retail		580	+14	+17
Brick-and-mortar wholesale	 224		+14	+17
Digital	 196		+27	+30
Licenses	 26		+33	+33
Group		1,026	+17	+20

For details by channel and region, please refer to page 16.

- The Group's brick-and-mortar retail business (including freestanding stores, shop-in-shops, and outlets) recorded robust double-digit sales improvements, with revenues up 17% compared to the prior year. While additional selling space only had a minor impact on brick-and-mortar retail growth, the vast majority of the strong performance was related to further store productivity improvements in the second quarter. The latter mainly reflects the successful execution of various strategic initiatives to continuously optimize and modernize the Company's global store network.
- Currency-adjusted sales in brick-and-mortar wholesale also grew 17% in the second quarter, reflecting the ongoing strong reception of the latest BOSS and HUGO collections among wholesale partners around the globe. In particular, both brands further improved visibility across key wholesale partners in both Europe and the U.S.
- Momentum in the Group's digital business (including the Company's digital flagship hugoboss.com as well as digital revenues generated with partners) accelerated in the second quarter, with currency-adjusted sales up 30% compared to the prior-year level. This performance was supported by double-digit growth across all digital touchpoints, including hugoboss.com and digital revenues generated with partners.

Q2 earnings development

(in EUR million)	Q2 2023	Q2 2022	Change in %
Sales	1,026	878	17
Cost of sales	(386)	(320)	(21)
Gross profit	640	558	15
In % of sales	62.3	63.5	(120) bp
Operating expenses	(519)	(458)	(13)
In % of sales	(50.5)	(52.2)	160 bp
Thereof selling and marketing expenses	(410)	(363)	(13)
Thereof administration expenses	(108)	(95)	(14)
Operating result (EBIT)	121	100	21
In % of sales	11.8	11.4	40 bp
Financial result	(12)	(16)	23
Earnings before taxes	109	84	30
Income taxes	(30)	(23)	(30)
Net income	78	60	30
Attributable to:			
Equity holders of the parent company	75	58	31
Non-controlling interests	3	3	3
Earnings per share (in EUR) ¹	1.09	0.83	31
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

- At 62.3%, the gross margin in the second quarter came in 120 basis points below the prior-year level. Being up against a particularly strong comparison base, the decline in gross margin is mainly attributable to unfavorable currency effects, negative channel mix effects, and higher product costs. The latter reflects both quality investments as part of "CLAIM 5" and general cost inflation, which were only partly offset by recent price increases implemented for the Fall 2023 collections.
- Operating expenses were up 13%, largely reflecting further investments into the business as part of the Company's "CLAIM 5" strategy. However, as a percentage of sales, operating expenses decreased 160 basis points to a level of 50.5%, first and foremost reflecting further efficiency gains in brick-and-mortar retail.
 - Selling and marketing expenses increased 13% compared to the prior-year period, mainly reflecting an increase in fulfillment, variable rental, and payroll expenses in light of the strong top-line performance. Also marketing investments contributed to the increase, growing 16% year over year. At EUR 68 million (Q2 2022: EUR 58 million), marketing investments represented 6.6% of Group sales (Q2 2022: 6.6%). Selling expenses for the Group's brick-and-mortar retail business increased by 4% to EUR 214 million (Q2 2022: EUR 206 million), thus improving to a level of 20.8% of Group sales (Q2 2022: 23.5%). Overall, as a percentage of sales, selling and marketing expenses decreased by 130 basis points to a level of 40.0% (Q2 2022: 41.3%).
 - Administration expenses were up 14% as compared to the prior-year period, mainly reflecting additional investments into the business as part of the Company's strategic claim "Organize for Growth" as well as overall cost inflation. As a percentage of sales, however, administration expenses decreased to 10.5% (Q2 2022: 10.8%).

- Operating profit (EBIT) increased by 21% to EUR 121 million in the second quarter of 2023, driven by the strong top-line performance, enabling the Company to generate strong operating leverage despite ongoing investments into the business. Accordingly, the Group's EBIT margin expanded by 40 basis points to a level of 11.8%.
- At EUR 12 million, net financial expenses (financial result) were 23% below the prior-year level.
- Consequently, net income amounted to EUR 78 million, up 30% against the prior-year level. Net income attributable to shareholders increased by 31% to EUR 75 million.

Net assets and financial position

June 30, 2023		in EUR million	Change in % ¹	Change in % currency-adjusted ¹
TNWC		850	68	76
Inventories		1,129	48	53
Net financial position ²	(229)		<(100)	

¹ Change compared to June 30, 2022.

² Excl. the impact of IFRS 16.

- Trade net working capital (TNWC) increased 76% on a currency-adjusted basis, reflecting higher inventory levels as well as an increase in trade receivables. The latter is mainly due to the Company's robust performance in wholesale. This was partly offset by higher trade payables, which are mainly attributable to increased utilization of the Company's supplier financing program. The moving average of TNWC as a percentage of sales based on the last four quarters amounted to 17.9%, thus above the level recorded in the prior-year period (Q2 2022: 13.8%).
- Year over year, inventories were up 53% currency-adjusted. Against the backdrop of last year's supply chain disruptions, already in 2022, HUGO BOSS intentionally increased its inventory coverage to ensure product availability for upcoming seasons. As in previous quarters, the vast majority of the Company's inventories reflects core merchandise as well as fresh merchandise for current and upcoming collections, aimed at supporting the ongoing strong top-line momentum across channels. Following the easing of global supply chain disruptions, the Company anticipates a gradual normalization of inventories starting in the second half of fiscal year 2023. Based on this, HUGO BOSS remains confident of improving inventories to a level below 20% of Group sales by 2025.
- Excluding the impact of IFRS 16, the net financial position of HUGO BOSS totaled minus EUR 229 million at the end of the second quarter of 2023 (June 30, 2022: plus EUR 123 million), mainly reflecting the development of free cash flow over the last four quarters. Including the impact of IFRS 16, the net financial position totaled minus EUR 988 million, representing a 44% increase against the prior-year level (June 30, 2022: minus EUR 687 million).

April – June 2023		in EUR million	Change in % ¹
Capital expenditure		66	56
Free cash flow		60	(39)

¹ Change compared to Q2 2022.

- In the second quarter of 2023, capital expenditure was up 56%, totaling EUR 66 million (Q2 2022: EUR 42 million). The step-up in capital expenditure aims to support the successful execution of "CLAIM 5" by accelerating the Company's investments in its global store network and further digitalizing its business model.
- Free cash flow amounted to EUR 60 million (Q2 2022: EUR 99 million), as improvements in EBIT were partly offset by the increase in inventories as well as the step-up in capital expenditure.

Network of freestanding retail stores



- As of June 30, 2023, the number of own freestanding retail stores amounted to 476, representing a slight increase compared to December 31, 2022.
 - In the first six months of the year, a total of 17 BOSS stores were newly opened across all three regions, with a particular focus on China. In addition, one HUGO store opened its doors in São Paulo, Brazil.
 - At the same time, 12 stores with expiring leases across EMEA and the Americas were closed in the first half of 2023.
- Including shop-in-shops and outlets, the total selling space of the Group's own retail business increased 2% to around 180,000 sq m at the end of June (December 31, 2022: 177,000 sq m).
- HUGO BOSS increased its sales productivity in brick-and-mortar retail by 5% to around EUR 12,500 per sq m (January to December 2022: EUR 11,900 per sq m), thus significantly above pre-pandemic levels.

Outlook

	Results 2022	Initial outlook 2023	Increased outlook 2023 ¹	New outlook 2023
Group sales	EUR 3,651 million	Increase at a mid-single-digit percentage rate	Increase of ~10% (to a level of around EUR 4 billion)	Increase within a range of 12% to 15% to a level of between EUR 4.1 billion and EUR 4.2 billion
Sales by region				
EMEA	EUR 2,303 million	Increase in the low to mid-single-digit percentage range	-	Increase of between 10% and 15%
Americas	EUR 789 million	Increase in the low to mid-single-digit percentage range	-	Increase of between 10% and 15%
Asia/Pacific	EUR 467 million	Increase in the teens percentage range	-	Increase of between 25% and 30%
Operating result (EBIT)	EUR 335 million	Increase to a level of between EUR 350 million and EUR 375 million	Increase to a level of between EUR 370 million and EUR 400 million	Increase within a range of 20% to 25% to a level of between EUR 400 million and EUR 420 million
Group's net income	EUR 222 million	Increase within a range of 5% to 12%	Increase within a range of 10% to 20%	Increase within a range of 20% to 25%
Trade net working capital as a percentage of sales	15.0%	Increase to a level of around 17%	Increase to a level of around 17%	Increase to a level of between 18% and 19%
Capital expenditure	EUR 191 million	Increase to a level of between EUR 200 million and EUR 250 million	Increase to a level of between EUR 200 million and EUR 250 million	Increase to a level of between EUR 250 million and EUR 300 million

¹ Increase in sales, EBIT, and net income forecast in May 2023.

- On the back of the strong financial performance in the second quarter and the sustained brand momentum of both BOSS and HUGO, the Company has once more raised its 2023 top- and bottom-line outlook.
 - HUGO BOSS now forecasts Group sales in fiscal year 2023 to increase between 12% and 15% to a level of between EUR 4.1 billion and EUR 4.2 billion (prior guidance: increase of around 10% to around EUR 4 billion). For both EMEA and the Americas, HUGO BOSS now anticipates sales growth of between 10% and 15%. For the Asia/Pacific region, HUGO BOSS now targets revenue growth of between 25% and 30%.
 - In light of the anticipated top-line improvements in fiscal year 2023, HUGO BOSS now expects EBIT in 2023 to increase between 20% and 25% to a level of between EUR 400 million and EUR 420 million (prior: increase within a range of 10% to 20% to an amount of between EUR 370 million and EUR 400 million).
 - Broadly in line with EBIT growth, the **Group's net income** is now forecast to improve within a range of 20% to 25% in 2023 (prior: increase within a range of 10% to 20%).
 - Trade net working capital as a percentage of sales is now expected to increase to a level of between 18% and 19% (prior: increase to around 17%).
 - Capital expenditure is now forecast to total between EUR 250 million and EUR 300 million in fiscal year 2023 (prior: EUR 200 million and EUR 250 million).

Financial calendar and contacts

November 2, 2023
Third Quarter Results 2023

March 7, 2024
Full Year Results 2023

May 2, 2024
First Quarter Results 2024

August 1, 2024
Second Quarter Results 2024 & First Half Year Report 2024

November 5, 2024
Third Quarter Results 2024

If you have any questions, please contact:

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HUGO BOSS

FINANCIAL INFORMATION

for Q2 2023 and Jan. – June 2023

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

Key figures – quarter

(in EUR million)	Q2 2023	Q2 2022	Change in %	Currency-adjusted change in %
Sales	1,026	878	17	20
Sales by brand				
BOSS Menswear	810	701	16	18
BOSS Womenswear	67	52	29	32
HUGO	148	125	19	21
Sales by segment				
EMEA	620	549	13	15
Americas	236	200	18	20
Asia/Pacific	144	110	31	41
Licenses	26	19	33	33
Sales by distribution channel				
Brick-and-mortar retail	580	508	14	17
Brick-and-mortar wholesale	224	197	14	17
Digital	196	154	27	30
Licenses	26	19	33	33
Results of operations				
Gross profit	640	558	15	
Gross margin in %	62.3	63.5	(120) bp	
EBIT	121	100	21	
EBIT margin in %	11.8	11.4	40 bp	
EBITDA	205	194	6	
EBITDA margin in %	20.0	22.1	(210) bp	
Net income attributable to equity holders of the parent company	75	58	31	
Financial position				
Capital expenditure	66	42	56	
Free cash flow	60	99	(39)	
Depreciation/amortization	84	94	(11)	
Additional key figures				
Personnel expenses	229	195	18	
Shares (in EUR)				
Earnings per share	1.09	0.83	31	
Last share price (as of June 30)	71.54	50.36	42	
Number of shares (as of June 30)	70,400,000	70,400,000	0	

Sales by region and distribution channel - quarter

EMEA

(in EUR million)	Q2 2023	Q2 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	297	279	7	8
Brick-and-mortar wholesale	174	153	14	18
Digital	149	118	26	28
Total	620	549	13	15

Americas

(in EUR million)	Q2 2023	Q2 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	161	137	18	20
Brick-and-mortar wholesale	44	40	11	11
Digital	31	24	31	33
Total	236	200	18	20

Asia/Pacific

(in EUR million)	Q2 2023	Q2 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	122	93	32	41
Brick-and-mortar wholesale	6	5	28	31
Digital	16	12	31	40
Total	144	110	31	41

Key figures – six months

(in EUR million)	Jan. – June 2023	Jan. – June 2022	Change in %	Currency-adjusted change in %
Sales	1,993	1,650	21	22
Sales by brand				
BOSS Menswear	1,557	1,305	19	21
BOSS Womenswear	134	104	29	30
HUGO	303	241	26	26
Sales by segment				
EMEA	1,229	1,054	17	18
Americas	431	334	29	27
Asia/Pacific	285	219	30	36
Licenses	48	42	16	16
Sales by distribution channel				
Brick-and-mortar retail	1,065	891	20	21
Brick-and-mortar wholesale	506	417	21	22
Digital	374	300	25	26
Licenses	48	42	16	16
Results of operations				
Gross profit	1,233	1,033	19	
Gross margin in %	61.9	62.6	(70) bp	
EBIT	186	140	33	
EBIT margin in %	9.3	8.5	90 bp	
EBITDA	346	310	12	
EBITDA margin in %	17.3	18.8	(140) bp	
Net income attributable to equity holders of the parent company	110	82	35	
Net assets and liability structure as of June 30				
Trade net working capital	850	507	68	76
Trade net working capital in % of sales ¹	17.9	13.8	410 bp	
Non-current assets	1,522	1,472	3	
Equity	1,171	1,006	16	
Equity ratio in %	35.9	35.3	60 bp	
Total assets	3,257	2,847	14	
Financial position				
Capital expenditure	107	61	75	
Free cash flow	(60)	100	<(100)	
Depreciation/amortization	160	170	(6)	
Net financial liabilities (as of June 30)	988	687	44	
Additional key figures				
Employees (as of June 30) ²	17,947	15,411	16	
Personnel expenses	461	383	20	
Shares (in EUR)				
Earnings per share	1.60	1.18	35	
Last share price (as of June 30)	71.54	50.36	42	
Number of shares (as of June 30)	70,400,000	70,400,000	0	

¹ Moving average on the basis of the last four quarters.

² Full-time equivalent (FTE).

Sales by region and distribution channel – six months

EMEA

(in EUR million)	Jan. – June 2023	Jan. – June 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	537	480	12	13
Brick-and-mortar wholesale	402	333	21	22
Digital	290	241	20	21
Total	1,229	1,054	17	18

Americas

(in EUR million)	Jan. – June 2023	Jan. – June 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	285	225	27	25
Brick-and-mortar wholesale	89	70	27	24
Digital	58	40	45	44
Total	431	334	29	27

Asia/Pacific

(in EUR million)	Jan. – June 2023	Jan. – June 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	243	186	31	37
Brick-and-mortar wholesale	15	13	13	13
Digital	26	20	35	41
Total	285	219	30	36

Consolidated income statement – quarter

(in EUR million)	Q2 2023	Q2 2022	Change in %
Sales	1,026	878	17
Cost of sales	(386)	(320)	(21)
Gross profit	640	558	15
In % of sales	62.3	63.5	(120) bp
Operating expenses	(519)	(458)	(13)
In % of sales	(50.5)	(52.2)	160 bp
Thereof selling and marketing expenses	(410)	(363)	(13)
Thereof administration expenses	(108)	(95)	(14)
Operating result (EBIT)	121	100	21
In % of sales	11.8	11.4	40 bp
Financial result	(12)	(16)	23
Earnings before taxes	109	84	30
Income taxes	(30)	(23)	(30)
Net income	78	60	30
Attributable to:			
Equity holders of the parent company	75	58	31
Non-controlling interests	3	3	3
Earnings per share (in EUR) ¹	1.09	0.83	31
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)	Q2 2023	Q2 2022	Change in %
EBIT	121	100	21
In % of sales	11.8	11.4	40 bp
Depreciation and amortization	(84)	(94)	11
EBITDA	205	194	6
In % of sales	20.0	22.1	(210) bp

Consolidated income statement – six months

(in EUR million)	Jan. – June 2023	Jan. - June 2022	Change in %
Sales	1,993	1,650	21
Cost of sales	(760)	(617)	(23)
Gross profit	1,233	1,033	19
In % of sales	61.9	62.6	(70) bp
Operating expenses	(1,047)	(894)	(17)
In % of sales	(52.5)	(54.2)	160 bp
Thereof selling and marketing expenses	(825)	(707)	(17)
Thereof administration expenses	(222)	(187)	(19)
Operating result (EBIT)	186	140	33
In % of sales	9.3	8.5	90 bp
Financial result	(24)	(19)	(25)
Earnings before taxes	162	120	35
Income taxes	(45)	(34)	(35)
Net income	116	86	35
Attributable to:			
Equity holders of the parent company	110	82	35
Non-controlling interests	6	5	28
Earnings per share (in EUR) ¹	1.60	1.18	35
Income tax rate in %	28	28	

¹ Basic and diluted earnings per share.

EBIT and EBITDA – six months

(in EUR million)	Jan. – June 2023	Jan. - June 2022	Change in %
EBIT	186	140	33
In % of sales	9.3	8.5	90 bp
Depreciation and amortization	(160)	(170)	6
EBITDA	346	310	12
In % of sales	17.3	18.8	(140) bp

Consolidated statement of financial position

(in EUR million)			
	June 30, 2023	June 30, 2022	December 31, 2022
Assets			
Property, plant and equipment	508	427	471
Intangible assets	175	167	177
Right-of-use assets	680	699	708
Deferred tax assets	131	152	151
Non-current financial assets	26	26	26
Other non-current assets	1	1	2
Non-current assets	1,522	1,472	1,535
Inventories	1,129	760	974
Trade receivables	299	228	256
Current tax receivables	19	19	23
Current financial assets	33	14	41
Other current assets	122	111	150
Cash and cash equivalents	108	243	147
Assets held for sale ¹	27	0	0
Current assets	1,735	1,375	1,592
Total	3,257	2,847	3,127
Equity and liabilities			
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Capital reserve	3	0	2
Retained earnings	1,065	897	1,022
Accumulated other comprehensive income	56	69	65
Equity attributable to equity holders of the parent company	1,152	994	1,117
Non-controlling interests	18	12	19
Group equity	1,171	1,006	1,135
Non-current provisions	86	86	92
Non-current financial liabilities	285	105	89
Non-current lease liabilities	571	611	605
Deferred tax liabilities	7	15	10
Other non-current liabilities	2	0	2
Non-current liabilities	950	817	798
Current provisions	112	113	123
Current financial liabilities	64	42	33
Current lease liabilities	188	199	199
Income tax payables	7	29	20
Trade payables	577	482	617
Other current liabilities	164	159	201
Liabilities held for sale ¹	24	0	0
Current liabilities	1,136	1,024	1,193
Total	3,257	2,847	3,127

¹ HUGO BOSS is currently revisiting its business model in Russia, which includes considerations to convert it into a wholesale business. Accordingly, the Company classified all respective assets and liabilities as assets and liabilities held for sale as of June 30, 2023.

Trade net working capital (TNWC)

(in EUR million)				
	June 30, 2023	June 30, 2022	Change in %	Currency-adjusted change in %
Inventories	1,129	760	48	53
Trade receivables	299	228	31	35
Trade payables	(577)	(482)	20	20
Trade net working capital (TNWC)	850	507	68	76

Consolidated statement of cash flows

(in EUR million)	Jan. – June 2023	Jan. – June 2022
Net income	116	86
Depreciation/amortization	160	170
Gains or losses on the monetary positions under IAS 29	0	0
Unrealized net foreign exchange gain/loss	11	(21)
Other non-cash transactions	3	12
Income tax expense/income	45	34
Interest expense/income	19	11
Change in inventories	(163)	(140)
Change in receivables and other assets	(12)	22
Change in trade payables and other liabilities	(76)	0
Result from disposal of non-current assets	(5)	(2)
Change in provisions for pensions	(5)	1
Change in other provisions	(9)	12
Income taxes paid	(39)	(24)
Cash flow from operating activities	46	162
Investments in property, plant and equipment	(92)	(45)
Investments in intangible assets	(15)	(15)
Investment in financial assets	0	(2)
Effects from changes in basis of consolidation	0	0
Cash receipts from disposal of property, plant and equipment and intangible assets	0	0
Interest received	1	1
Cash flow from investing activities¹	(106)	(62)
Dividends paid to equity holders of the parent company	(69)	(48)
Dividends paid to non-controlling interests	(6)	(8)
Cash receipts from current financial liabilities	32	0
Repayment of current financial liabilities	(49)	(4)
Cash receipts from non-current financial liabilities	246	8
Repayment of current and non-current lease liabilities	(113)	(94)
Interest paid	(18)	(11)
Cash flow from financing activities¹	23	(158)
Exchange rate related changes in cash and cash equivalents	(3)	16
Change in cash and cash equivalents	(39)	(42)
Cash and cash equivalents at the beginning of the period	147	285
Cash and cash equivalents at the end of the period	108	243

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

Free cash flow

(in EUR million)	Jan. – June 2023	Jan. – June 2022
Cash flow from operating activities	46	162
Cash flow from investing activities	(106)	(62)
Free cash flow	(60)	100

Number of own retail stores

June 30, 2023	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	583	412	358	1,353
thereof freestanding retail stores	211	110	155	476
Dec. 31, 2022				
Number of own retail points of sale	581	383	352	1,316
thereof freestanding retail stores	212	106	152	470