FIRST HALF YEAR REPORT
JANUARY–JUNE 2024

HUGO BOSS

HUGO BOSS

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Due to rounding, numbers presented in this First Half Year Report may not add up precisely to the totals provided.

HUGO BOSS

KEY FIGURES

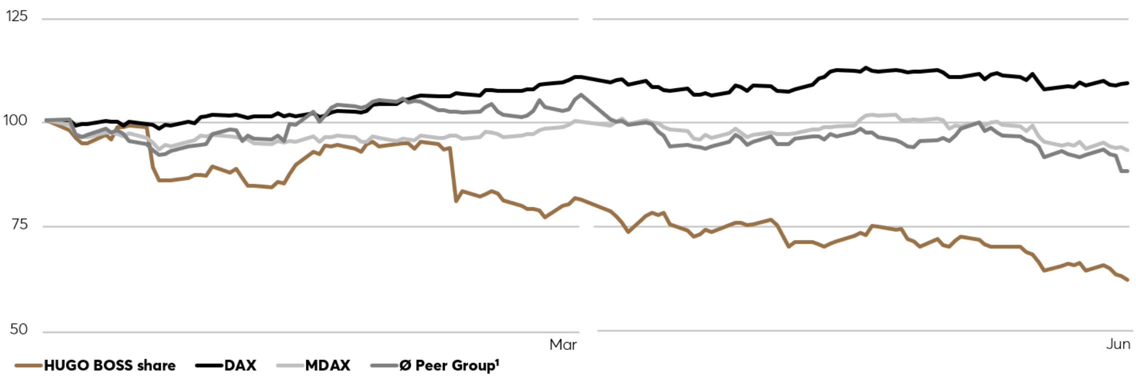
(in EUR million)	Jan. – June 2024	Jan. – June 2023	Change in %	Currency-adjusted change in %
Sales	2,029	1,993	2	3
Sales by brand				
BOSS Menswear	1,571	1,557	1	2
BOSS Womenswear	139	134	3	4
HUGO	319	303	5	6
Sales by segment				
EMEA	1,238	1,229	1	1
Americas	468	431	9	8
Asia/Pacific	273	285	(4)	0
Licenses	50	48	3	3
Sales by distribution channel				
Brick-and-mortar retail	1,055	1,065	(1)	0
Brick-and-mortar wholesale	540	506	7	7
Digital	384	374	3	3
Licenses	50	48	3	3
Results of operations				
Gross profit	1,261	1,233	2	
Gross margin in %	62.1	61.9	30 bp	
EBIT	139	186	(25)	
EBIT margin in %	6.9	9.3	(250) bp	
EBITDA	315	346	(9)	
EBITDA margin in %	15.5	17.3	(180) bp	
Net income attributable to equity holders of the parent company	75	110	(32)	
Net assets and liability structure as of June 30				
Trade net working capital	843	850	(1)	(1)
Trade net working capital in % of sales[1]	21.2	17.9	330 bp	
Non-current assets	1,814	1,522	19	
Equity	1,305	1,171	11	
Equity ratio in %	37	36	110 bp	
Total assets	3,527	3,257	8	
Financial position				
Capital expenditure	122	107	14	
Free cash flow	156	(60)	>100	
Depreciation/amortization	175	160	10	
Net financial liabilities (as of June 30)	1,157	988	17	
Additional key figures				
Employees (as of June 30)[2]	18,571	17,947	3	
Personnel expenses	505	461	10	
Shares (in EUR)				
Earnings per share	1.09	1.60	(32)	
Last share price (as of June 30)	41.77	71.54	(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).

OUR SHARE

Overall, global equity markets ended the first six months of 2024 on a positive note. One of the driving forces behind the solid performances across major global indices has been the global hype around artificial intelligence as well as soaring mega caps, especially in the U.S. On the other hand, and despite inflation gradually cooling, the Federal Reserve held rates steady in the first half year and penciled in just one cut in 2024. The European Central Bank lowered its key interest rate again for the first time in June, while it did not provide specific guidelines for the future course. Although disappointing speculation about future interest rate cuts and political uncertainties like the Middle East conflict, the snap elections in France, or the close race in the U.S. presidential election caused additional volatility on global equity markets, the general sentiment remained largely robust so far in 2024.

SHARE PRICE PERFORMANCE JANUARY-JUNE 2024 (INDEX: DECEMBER 31, 2023 = 100)



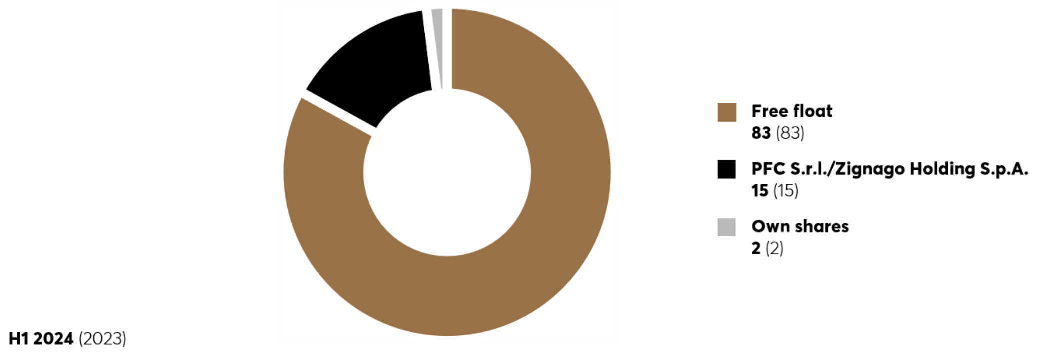
[1] Burberry Group plc, Capri Holdings Ltd., G-III Apparel Group, Guess Inc., Levi Strauss & Co., Moncler Group, PVH Corp., Ralph Lauren Corp., SMCP Group, Tapestry Inc., VF Corp.

While large caps outperformed mid- and small caps and U.S. equities beat European stocks, the consumer discretionary sector generally lagged the broader markets, mainly reflecting the overall subdued consumer sentiment as well as numerous rather cautious comments from key industry players, indicating that the slowdown of industry growth is set to continue. This is also fueling concerns that the premium apparel market might face a longer than initially anticipated slowdown, thus further weighing on sector sentiment.

In this context, Germany's major index DAX recorded a 9% gain in the first half of 2024, while the MDAX declined 7%. The MSCI World Textiles, Apparel & Luxury Goods Index, which reflects the share price performance of key companies in the apparel and luxury goods segment, recorded a decline of 8% in the first six months of 2024. At the same time, shares of our peer group, consisting of the eleven most important global competitors of BOSS and HUGO, declined 12% on average.

The overall difficult trading environment for consumer discretionary stocks, particularly for apparel companies, as well as the persistently challenging macroeconomic environment also weighed on the share price development of HUGO BOSS in the first half of 2024. Following a successful share price performance in the years 2021 to 2023 fueled by the relentless execution of our "CLAIM 5" growth strategy – leading to a five-year-high in mid 2023 – growing concerns about the ongoing slowdown of the sector could not be allayed, resulting in a reset of market expectations as well as profit taking. Against this backdrop, HUGO BOSS shares ended the first half of the year at EUR 41.77, representing a decline of 38%.

SHAREHOLDER STRUCTURE AS OF JUNE 30 (IN % OF SHARE CAPITAL)



During the first half of 2024, PFC S.r.l. and Zignago Holding S.p.A., each controlled by the Marzotto family, maintained their strategic investment in HUGO BOSS. Their voting rights total 15.45% according to the most recent voting right notifications of February 13, 2020. Both companies have pooled their shares through a shareholder agreement. HUGO BOSS itself holds 1,383,833 own shares, which were purchased as part of a share buyback program between 2004 and 2007. This corresponds to a share of 1.97% or EUR 1,383,833 of the share capital. The remaining 82.58% of the shares were held in free float. At the end of the first half year 2024, 7.99% of the voting rights pursuant to Sec. 34 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] were allocated to Michael Ashley according to the voting rights notification of June 24, 2024. In addition, he held a further 8.84% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG at that time (December 31, 2023: 0.99% of the voting rights pursuant to Sec. 34 WpHG and a further 7.08% of the voting rights pursuant to Sec. 38 (1) No. 2 WpHG).

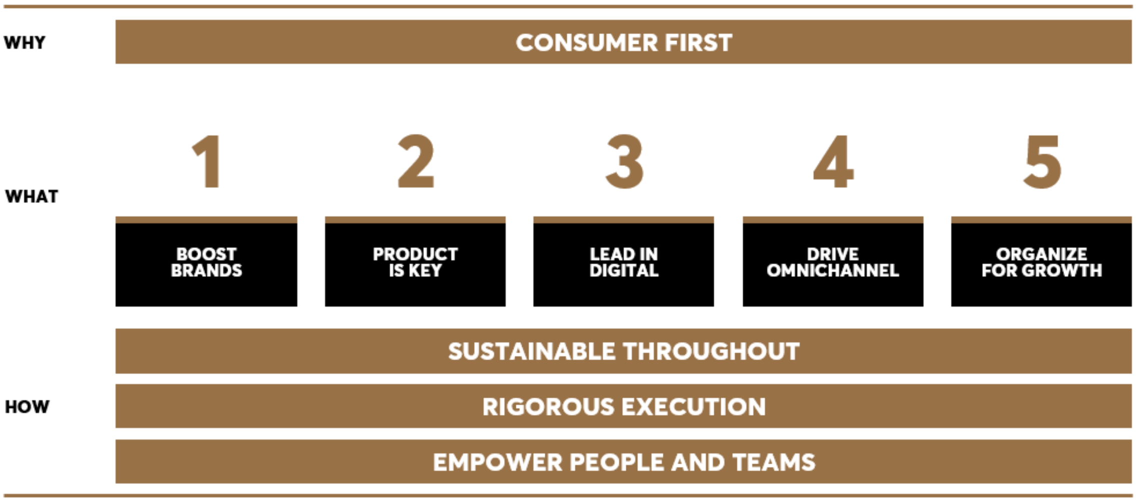
CHAPTER 1
CONSOLIDATED INTERIM MANAGEMENT REPORT

HUGO BOSS

GROUP STRATEGY

In August 2021, we introduced our **"CLAIM 5" growth strategy**, aimed at significantly increasing brand relevance of BOSS and HUGO among consumers, driving superior top-line growth, and thus strongly expanding market shares. HUGO BOSS aims at turning customers into true fans and retain their loyalty to our brands for as long as possible. "CLAIM 5" is based on five strategic pillars, while it also includes a bold commitment to sustainability, together with a strong executional road map, and a firm commitment on empowering people and teams. Three years after introducing "CLAIM 5," HUGO BOSS looks back on significant progress achieved across all five of its strategic priorities and has laid an important foundation for creating substantial shareholder value in the years to come.

GROWTH STRATEGY "CLAIM 5"



Further information on our "CLAIM 5" strategy can be found in our Annual Report 2023. > Learn more at annualreport-2023.hugoboss.com

Sustainability

Our strong commitment to sustainability is firmly anchored in "CLAIM 5" and is an integral part of all our strategic initiatives. Our clear intention is to make a positive contribution to the environment and the society. As part of our sustainability strategy, we are actively addressing our industry's biggest challenges: increasing circularity, driving digitization & data analytics, leveraging nature-positive materials, fighting microplastics, and pushing towards zero emissions. Through various initiatives and important measures along these five pillars, we aim to contribute to a planet free of waste and pollution. Further information can be found in our Sustainability Report 2023. > Learn more at sustainabilityreport-2023.hugoboss

GENERAL ECONOMIC SITUATION AND INDUSTRY DEVELOPMENT

General economic situation

In the first half of the year, the global economy continued to face numerous challenges and uncertainties. These include persistently high interest rate levels and geopolitical tensions, as well as overall weak global trade and investment flows. In addition, despite inflationary pressures somewhat easing, lingering concerns especially around services inflation forced central banks to remain rather vigilant, with both the Federal Reserve and the European Central Bank having maintained cautious monetary policies in the first half of 2024. Going forward, global economy growth will largely depend on the further pace of the disinflation trend and the successful calibration of monetary policy. At the same time, the further course of military conflicts such as those in Ukraine and the Middle East as well as the outcome of key elections have caused additional uncertainty and are likely to continue to do so.

Overall, however, the global economy is likely to prove quite resilient in 2024. In its forecast published in July, the International Monetary Fund (IMF) still assumes global economic growth of 3.2% for 2024, thus broadly in line with the prior-year level (2023: 3.3%). In the eurozone, economic growth is expected to slightly increase towards 0.9% in 2024 (2023: 0.5%), while the IMF predicts that the economy of the UK improves to 0.7% (2023: 0.1%). For the U.S., the IMF anticipates growth to increase only slightly to 2.6% in 2024 (2023: 2.5%), mainly reflecting the Fed's ongoing cautious monetary policy. For China, the IMF forecasts growth to slow towards a level of 5.0% in 2024 (2023: 5.2%).

Industry development

For the global apparel industry, the first half of 2024 continued to be dominated by the persistently high level of macroeconomic and geopolitical uncertainty and the associated slowdown in consumer sentiment that has become visible already in the course of 2023. Consequently, these factors weighed on industry growth in the first six months of 2024, with the extent varying by market. In particular in China, local demand remained subdued in the first half of 2024, reflecting high levels of economic uncertainty and ongoing soft consumer confidence, leading to significant increases in household savings. Also in Europe and the U.S., consumer confidence remained rather muted in light of elevated inflation levels of the past two years. In addition, the uncertain outcome of key elections has caused additional uncertainty both in the U.S. market as well as in Europe, weighing on consumer sentiment to some extent.

EARNINGS DEVELOPMENT

In the first half of 2024, the persistent macroeconomic and geopolitical challenges increasingly dampened global consumer demand, with the overall market environment in key markets such as the UK and China remaining particularly challenging. This contributed to a further slowdown of industry growth, also affecting the financial performance of HUGO BOSS in the first six months of the year. Against this backdrop, HUGO BOSS continued to consistently execute its **"CLAIM 5" strategy**, particularly focusing on further leveraging important growth initiatives. Consequently, revenues in the first half year increased by 3% currency-adjusted, while EBIT remained 25% below the prior-year level, reflecting the overall market uncertainty as well as higher operating expenses. Acquisitions or divestments had no material impact on the Group's financial performance in the reporting period.

Sales performance

HUGO BOSS recorded further top-line improvements in the first half of 2024 amid a challenging macroeconomic and geopolitical backdrop. Overall, currency-adjusted Group sales came in 3% above the prior-year level, amounting to EUR 2,029 million (H1 2023: EUR 1,993 million). In Group currency, revenues expanded by 2%, reflecting a slightly negative currency impact.

Sales by brand

SALES BY BRAND (IN EUR MILLION)

	Jan. – June 2024	In % of sales	Jan. – June 2023	In % of sales	Change in %	Currency-adjusted change in %
BOSS Menswear	1,571	77	1,557	78	1	2
BOSS Womenswear	139	7	134	7	3	4
HUGO	319	16	303	15	5	6
Total	2,029	100	1,993	100	2	3

In the first half of 2024, demand for BOSS and HUGO was driven by the successful execution of important brand, product, and distribution initiatives as part of "CLAIM 5." This also includes the launch of the Spring/Summer 2024 collections, which have once again been well received among consumers and wholesale partners alike. Two accompanying brand campaigns, innovative marketing activations around the globe, and impactful collaborations further fueled brand relevance in the six-month period. Altogether, these initiatives supported further revenue improvements across all brands and wearing occasions, with the latter reflecting the brands' 24/7 lifestyle images. Overall, currency-adjusted revenues for BOSS Menswear were up 2% year over year, while revenues for BOSS Womenswear expanded by 4%. At HUGO, currency-adjusted sales were up 6%, supported by the successful launch of its new, denim-focused brand line HUGO BLUE.

HUGO BOSS

Sales by region

SALES BY REGION (IN EUR MILLION)

	Jan. – June 2024	In % of sales	Jan. – June 2023	In % of sales	Change in %	Currency-adjusted change in %
EMEA	1,238	61	1,229	62	1	1
Americas	468	23	431	22	9	8
Asia/Pacific	273	13	285	14	(4)	0
Licenses	50	2	48	2	3	3
Total	2,029	100	1,993	100	2	3

From a geographical perspective, growth in the first half of 2024 varied across regions. In EMEA, currency-adjusted revenues increased by 1%, supported by sales improvements in Germany as well as double-digit growth in emerging markets. In the Americas, revenues were up 8% currency-adjusted with all markets contributing to growth. This also includes a high single-digit uptick in the important U.S. market. Sales in Asia/Pacific, on the other hand, remained on the prior-year level. While HUGO BOSS posted double-digit growth in Southeast Asia & Pacific, sales in China remained below the prior-year level, reflecting overall muted local demand.

Sales by distribution channel

SALES BY DISTRIBUTION CHANNEL (IN EUR MILLION)

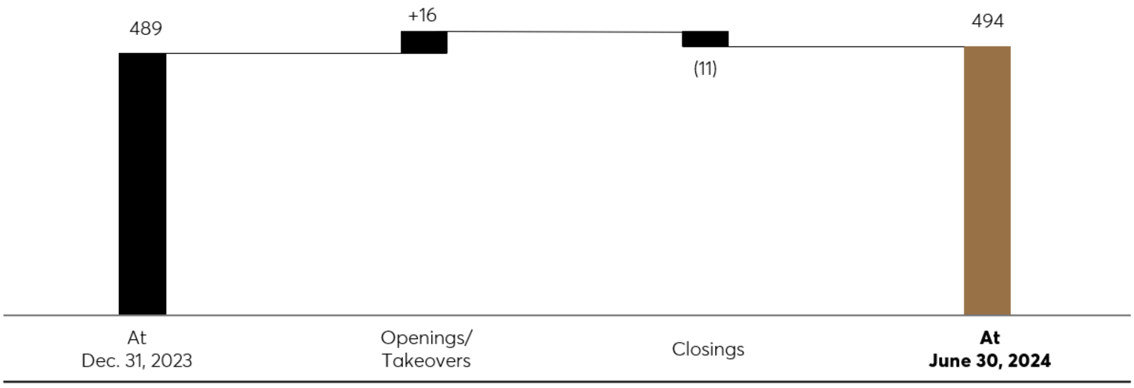
	Jan. – June 2024	In % of sales	Jan. – June 2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	1,055	52	1,065	53	(1)	0
Brick-and-mortar wholesale	540	27	506	25	7	7
Digital	384	19	374	19	3	3
Licenses	50	2	48	2	3	3
Total	2,029	100	1,993	100	2	3

From a channel perspective, growth was driven by brick-and-mortar wholesale and the Group's digital business, while currency-adjusted revenues in the Group's brick-and-mortar retail business (including freestanding stores, shop-in-shops, and outlets) remained on the prior-year level. An increase in conversion rates was largely offset by a slight decline in store traffic in particular in markets such as the UK and China, reflecting muted consumer sentiment. Currency-adjusted sales in brick-and-mortar wholesale expanded by 7% in the six-month period, reflecting robust demand for the latest BOSS and HUGO collections among wholesale partners. This, in turn, enabled both BOSS and HUGO to further improve visibility and penetration at key department stores. At the same time, also the Group's digital business continued its growth trajectory with currency-adjusted sales up 3%, reflecting improvements at hugoboss.com as well as an increase in digital sales generated with partners. Sales in the license business increased 3% currency-adjusted, supported by strong improvements in the eyewear business.

HUGO BOSS

Network of own retail stores

NUMBER OF OWN FREESTANDING RETAIL STORES



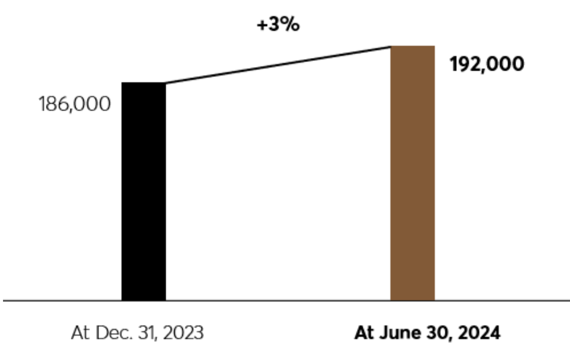
As of June 30, 2024, the number of own freestanding retail stores amounted to 494, representing a slight increase compared to December 31, 2023. In the first six months of the year, a total of 13 BOSS stores were newly opened across all three regions. At the same time, three HUGO stores have been added to the Group's own store network following a franchise takeover in Poland. On the other hand, 11 stores with expiring leases across EMEA and Asia/Pacific were closed in the first half of 2024 as part of the ongoing optimization of our global distribution network.

NUMBER OF OWN RETAIL STORES

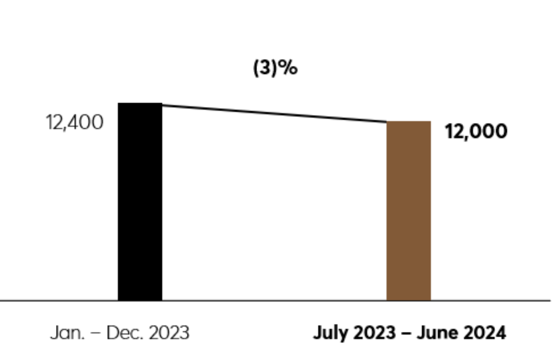
June 30, 2024	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	591	524	375	1,490
thereof freestanding retail stores	213	121	160	494
Dec. 31, 2023				
Number of own retail points of sale	587	456	375	1,418
thereof freestanding retail stores	212	115	162	489

Including shop-in-shops and outlets, the total number of own retail points of sale worldwide increased to 1,490 as of June 30, 2024. Besides the slight increase in freestanding retail stores, this development primarily reflects a further expansion of the Company's shop-in-shop business to strengthen the brands' presence with key retail partners, first and foremost in the U.S. market.

TOTAL SELLING SPACE AS OF JUNE 30
(in square meter)



BRICK-AND-MORTAR SALES PRODUCTIVITY
(in EUR per square meter)



The total selling space **of the Group's own retail business** increased by 3%, totaling around 192,000 sq m at the end of June (December 31, 2023: around 186,000 sq m). At the same time, brick-and-mortar sales productivity decreased by 3% to a level of around EUR 12,000 per sq m, mainly reflecting the sales performance in brick-and-mortar retail (January to December 2023: around EUR 12,400 per sq m).

HUGO BOSS

Income statement

(in EUR million)	Jan. – June 2024	Jan. - June 2023	Change in %
Sales	2,029	1,993	2
Cost of sales	(768)	(760)	(1)
Gross profit	1,261	1,233	2
In % of sales	62.1	61.9	30 bp
Operating expenses	(1,121)	(1,047)	(7)
In % of sales	(55.3)	(52.5)	(270) bp
Thereof selling and marketing expenses	(892)	(825)	(8)
Thereof administration expenses	(229)	(222)	(3)
Operating result (EBIT)	139	186	(25)
In % of sales	6.9	9.3	(250) bp
Financial result	(28)	(24)	(16)
Earnings before taxes	111	162	(31)
Income taxes	(31)	(45)	31
Net income	80	116	(31)
Attributable to:			
Equity holders of the parent company	75	110	(32)
Non-controlling interests	5	6	(18)
Earnings per share (in EUR)[1]	1.09	1.60	(32)
Income tax rate in %	28	28	

[1] Basic and diluted earnings per share.

In the first half of 2024, HUGO BOSS recorded a robust improvement in its gross margin, up 30 basis points to a level of 62.1%. Efficiency gains in sourcing, coupled with more favorable product and freight costs, provided substantial tailwinds to gross margin development. This, in turn, more than compensated for adverse channel mix effects, unfavorable currency effects, as well as an overall promotional environment.

Operating expenses were up 7% in the first six months of 2024, with both selling and marketing expenses as well as administration expenses contributing to the increase. As a percentage of sales, operating expenses increased by 270 basis points to a level of 55.3%.

- Selling and marketing expenses increased 8% in the first half of 2024. As part of this, marketing investments grew 1% year over year to EUR 158 million (H1 2023: EUR 157 million), representing 7.8% of Group sales (H1 2023: 7.9%). Selling expenses for the Group's brick-and-mortar retail business expanded by 12% to EUR 457 million, thus increasing to a level of 22.5% of Group sales (H1 2023: EUR 408 million; 20.5%). Overall, as a percentage of sales, selling and marketing expenses increased by 260 basis points to a level of 44.0% (H1 2023: 41.4%).

- Administration expenses were up 3% against the prior-year period, as benefits from further enhancing organizational productivity were more than compensated by higher digital investments and overall cost inflation. As a percentage of sales, administration expenses slightly increased to 11.3% (H1 2023: 11.2%).

In the first half year of 2024, operating profit (EBIT) decreased by 25% to EUR 139 million, as further sales and gross margin improvements were more than offset by higher operating expenses.

Accordingly, the Group's EBIT margin decreased by 250 basis points to a level of 6.9%. Currency effects also had a slightly negative impact on EBIT in the first half of 2024.

At EUR 28 million, net financial expenses (financial result) came in 16% above the prior-year level, reflecting higher interest expenses year over year.

Consequently, the Group's net income amounted to EUR 80 million, down 31% against the prior-year level. Net income attributable to shareholders decreased by 32% to EUR 75 million, resulting in earnings per share of EUR 1.09, also down 32% year over year. Currency effects also had a slightly negative impact on the Group's net income in the first half of 2024.

HUGO BOSS

Sales and earnings development of the business segment

EMEA

Sales in the EMEA region (Europe, Middle East, and Africa) were up 1% currency-adjusted in the first half of 2024. From a channel perspective, this performance was driven by an increase in both brick-and-mortar wholesale and in the Group's digital business. Growth in these channels more than compensated for a slight decline in brick-and-mortar retail, reflecting lower store traffic.

SALES DEVELOPMENT EMEA (IN EUR MILLION)

	Jan. – June 2024	In % of sales	Jan. – June 2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	524	42	537	44	(2)	(2)
Brick-and-mortar wholesale	416	34	402	33	4	4
Digital	297	24	290	24	2	3
Total	1,238	100	1,229	100	1	1

In the first half of 2024, performance in EMEA varied by market. While Germany posted further top-line improvements in the six-month period, revenues in France remained slightly below the prior-year level. Also in the UK, revenues declined year over year, reflecting persistently soft consumer sentiment. On the other hand, momentum in emerging markets, including Eastern Europe and the Middle East, remained robust, as reflected by double-digit revenue improvements.

At EUR 287 million, segment earnings in EMEA came in 5% below the prior-year level (H1 2023: EUR 301 million). Accordingly, the EBIT margin decreased to 23.2% (H1 2023: 24.5%) in the six-month period as further sales and gross margin improvements were more than offset by higher operating expenses. The latter mainly reflects higher fulfilment expenses as well as an increase in brick-and-mortar-retail expenses.

Americas

In the Americas, HUGO BOSS recorded currency-adjusted revenue growth of 8%. From a channel perspective, growth was broad-based as reflected by further revenue improvements in brick-and-mortar retail, brick-and-mortar wholesale, and the Group's digital business. The double-digit increase in brick-and-mortar wholesale emphasizes the improved visibility of BOSS and HUGO at key department stores, particularly in the important U.S. market.

HUGO BOSS

SALES DEVELOPMENT AMERICAS (IN EUR MILLION)

	Jan. – June 2024	In % of sales	Jan. – June 2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	303	65	285	66	6	6
Brick-and-mortar wholesale	102	22	89	21	15	14
Digital	63	13	58	13	10	9
Total	468	100	431	100	9	8

All key markets contributed to growth in the first half of 2024. In the United States, the largest market for HUGO BOSS, sales increased at a high-single digit percentage rate, with all consumer touchpoints posting revenue improvements. While sales in Canada were also up year over year, HUGO BOSS continued to record particularly strong momentum in Latin America as reflected by double-digit growth in the six-month period.

Segment earnings in the Americas were down 13% to EUR 50 million (H1 2023: EUR 58 million), corresponding to an EBIT margin of 10.7% (H1 2023: 13.4%). Improvements in sales and gross margin were more than offset by higher operating expenses, including a step-up in brick-and-mortar retail expenses.

Asia/Pacific

Currency-adjusted sales in the Asia/Pacific region remained on par with the prior-year level. Growth in brick-and-mortar wholesale compensated for declines in brick-and-mortar retail and the Group's digital business, particularly reflecting ongoing muted local demand in China.

SALES DEVELOPMENT ASIA/PACIFIC (IN EUR MILLION)

	Jan. – June 2024	In % of sales	Jan. – June 2023	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	228	84	243	85	(6)	(2)
Brick-and-mortar wholesale	21	8	15	5	41	43
Digital	24	9	26	9	(11)	(8)
Total	273	100	285	100	(4)	0

Also across Asia/Pacific, key markets recorded a mixed performance in the six-month period. Sales in China remained below the prior-year level, being affected by muted consumer confidence weighing on domestic retail consumption. On the other hand, Southeast Asia & Pacific posted double-digit sales improvements in the first half of 2024, supported by particularly strong growth in Japan.

At EUR 39 million, segment earnings in the Asia/Pacific region remained 42% below the prior-year level (H1 2023: EUR 67 million), translating into an EBIT margin of 14.3% (H1 2023: 23.4%). This performance mainly reflects a softer sales performance as well as an increase in operating expenses, including higher administration expenses and marketing investments.

Licenses

Sales in the license business increased 3% currency-adjusted, supported by strong improvements in the eyewear business. Also those lifestyle categories newly established as part of "CLAIM 5" over the past few years, including equestrian and cycling, contributed to growth in the six-month period.

Consequently, the license segment profit increased by 6% to EUR 43 million (H1 2023: EUR 41 million).

NET ASSETS

CONDENSED STATEMENT OF FINANCIAL POSITION (IN EUR MILLION)

	June 30, 2024	June 30, 2023	December 31, 2023
Property, plant and equipment, intangible assets, and right-of-use assets	1,649	1,363	1,521
Inventories	1,054	1,129	1,066
Trade receivables	319	299	376
Other assets	373	332	363
Cash and cash equivalents	106	108	118
Assets held for sale[1]	25	27	27
Assets	3,527	3,257	3,472
Group equity	1,305	1,171	1,311
Provisions and deferred taxes	208	205	220
Lease liabilities	873	759	793
Trade payables	530	577	572
Other liabilities	192	173	216
Financial liabilities	400	349	340
Liabilities held for sale[1]	18	24	19
Equity and liabilities	3,527	3,257	3,472

[1] In 2023, HUGO BOSS revisited its business model in Russia, aiming to convert it into a wholesale business. Accordingly, the Company has classified all respective assets and liabilities as assets and liabilities held for sale. More information can be found on page 32.

Total assets at the end of the reporting period increased 2% compared to December 31, 2023. Compared to June 30, 2023, total assets grew by 8%, mainly due to higher property, plant and equipment, intangible assets, and right-of-use assets reflecting an increase in capital expenditure and moderate space expansion in brick-and-mortar retail.

The share of current assets decreased to 49% at the end of June 2024 (December 31, 2023: 52%). Accordingly, the share of non-current assets as of June 30, 2024, increased to 51% (December 31, 2023: 48%). The Group's equity ratio decreased slightly to 37% at the end of the first half of 2024 (December 31, 2023: 38%).

TRADE NET WORKING CAPITAL (IN EUR MILLION)

	June 30, 2024	June 30, 2023	Change in %	Currency-adjusted change in %
Inventories	1,054	1,129	(7)	(7)
Trade receivables	319	299	7	7
Trade payables	530	577	(8)	(9)
Trade net working capital	843	850	(1)	(1)

Trade net working capital (TNWC) decreased 1% on a currency-adjusted basis. As part of this, currency-adjusted inventories were down 7% year over year, reflecting the successful execution of the Company's measures to further optimize inventory levels. Consequently, at 24.9%, inventories as a percentage of sales came in 340 basis points below the prior-year level (June 30, 2023: 28.3%), while also further improving compared to the end of fiscal year 2023 (December 31, 2023: 25.4%). The increase in trade receivables is mainly due to the Company's ongoing robust performance in wholesale. Trade payables, on the other hand, came in somewhat below the prior-year level, primarily reflecting lower order volumes for inventories to adapt to the overall slowdown in industry growth. The moving average of TNWC as a percentage of sales based on the last four quarters amounted to 21.2%, thus above the level recorded in the prior-year period (June 30, 2023: 17.9%).

HUGO BOSS

FINANCIAL POSITION

Statement of cash flows and free cash flow

STATEMENT OF CASH FLOWS[1] (IN EUR MILLION)

	Jan. – June 2024	Jan. – June 2023
Cash flow from operating activities	279	46
Cash flow from investing activities	(123)	(106)
Cash flow from financing activities	(169)	23
Change in cash and cash equivalents	(12)	(39)
Cash and cash equivalents at the beginning of the period	118	147
Cash and cash equivalents at the end of the period	106	108

[1] As the statement of cash flows is presented on a currency-adjusted basis, the values cannot be derived from the statement of financial position.

Free cash flow generation strongly accelerated in the first half of 2024, amounting to plus EUR 156 million (H1 2023: minus EUR 60 million), supported by the Company's progress made in optimizing inventory levels. Free cash flow is calculated as the sum of cash flow from operating activities and cash flow from investing activities.

Cash flow from operating activities came in well above the prior-year level, largely reflecting the improvements in inventory management. The slight increase in cash flow from investing activities reflects a step-up in capital expenditure in the first half of 2024. The development of cash flow from financing activities mainly reflects lower additional utilization of the Company's credit lines year over year.

Net financial liabilities

Excluding the impact of IFRS 16, the net financial position of HUGO BOSS totaled minus EUR 284 million at the end of the reporting period (June 30, 2023: minus EUR 229 million). Including the impact of IFRS 16, the net financial position totaled minus EUR 1,157 million, representing a 17% increase against the prior-year level (June 30, 2023: minus EUR 988 million).

Capital expenditure

In the first half of 2024, capital expenditure increased by 14% to EUR 122 million (H1 2023: EUR 107 million). The step-up in investment activity mainly reflects the ongoing expansion of the Company's global logistics capacities. At the same time, HUGO BOSS continued to invest in the modernization and moderate expansion of its global distribution network as well as the ongoing digitalization of its business model. From a geographical perspective, 26% of capital expenditure was attributable to the EMEA region (H1 2023: 34%), while the Americas and Asia/Pacific accounted for 17% and 11%, respectively (H1 2023: 23% and 14%). The remaining 47% were related to corporate units (H1 2023: 30%).

HUGO BOSS

OUTLOOK

Subsequent events

Between the end of the first half of fiscal year 2024 and the preparation of this report on July 19, 2024, there were no material macroeconomic, socio-political, industry-related, or Company-specific changes that the Management expects to have a significant impact on the Group's earnings, net assets, or financial position.

Outlook

Against the backdrop of ongoing uncertainties regarding the future development of global consumer sentiment, HUGO BOSS adjusted its financial outlook for fiscal year 2024 on July 15. In doing so, the Company factors in the persistent macroeconomic and geopolitical challenges, which are expected to continue weighing on global consumer demand and thus on industry growth for the time being. By building on the increased brand relevance of BOSS and HUGO, the ongoing determined execution of "CLAIM 5," and its robust operational and organizational platform built in prior years, HUGO BOSS aims to continue driving above-trend growth, while at the same time focusing even more on driving efficiency and effectiveness across the organization.

Overall, HUGO BOSS expects Group sales to increase by +1% to +4% in Group currency to an amount of around EUR 4.20 billion to EUR 4.35 billion, with currencies anticipated to have a slightly negative impact on revenues. This development will be supported by a robust wholesale order intake for the upcoming Winter 2024 and Spring 2025 seasons as well as several brand, product, and sales initiatives planned for the remainder of the year. Sales in the EMEA region are expected to grow in the low single-digit percentage range, while sales in the Americas are forecast to increase at a mid- to high single-digit percentage rate, building on the strongly improved 24/7 lifestyle images of BOSS and HUGO. For Asia/Pacific, HUGO BOSS expects revenues to decline moderately in 2024, reflecting ongoing muted local demand in China.

At the same time, HUGO BOSS expects EBIT for the full year 2024 to develop in a range of −15% to +5%, amounting to around EUR 350 million to EUR 430 million, thus taking into account the overall market uncertainty. This implies the expectation of the Company's bottom-line performance accelerating in the second half of the year, supported by an increased focus on driving cost efficiency. In particular, HUGO BOSS has implemented several cost measures, aimed at noticeably limiting growth in operating expenses and supporting the Company's profitability, starting in the second half of 2024 already. Besides putting strong emphasis on further enhancing marketing effectiveness – prioritizing brand initiatives with the highest return – the Company targets productivity gains particularly in its global sales and admin functions. This includes adapting the overall cost structure in retail towards current traffic trends and removing spend in non-business-critical areas. At the same time, the Company continues to drive efficiency gains along its global supply chain activities. The latter will enable HUGO BOSS to realize further gross margin improvements during the course of the second half of 2024. Broadly in line with EBIT growth, HUGO BOSS expects net income to develop within a range of −15% to +5% in 2024.

HUGO BOSS

Trade net working capital as a percentage of sales is expected to improve slightly, approaching a level of 20% in 2024. This development will mainly be driven by further optimizations in the Company's inventory management. The Company expects capital expenditure to amount to a level of around EUR 300 million in 2024, and thus at the lower end of its initial guidance range, reflecting an increased focus on CapEx efficiency to support profitability in 2024 and beyond.

OUTLOOK FOR THE FISCAL YEAR 2024

	Results 2023	Initial outlook 2024	New outlook 2024[1]
Group sales	EUR 4,197 million	Increase within a range of 3% to 6%	Increase within a range of 1% to 4% to a level of between EUR 4.20 billion and EUR 4.35 billion
Sales by region			
EMEA	EUR 2,562 million	Increase in the low to mid-single-digit percentage range	Increase in the low single-digit percentage range
Americas	EUR 955 million	Increase in the mid- to high single-digit percentage range	Increase in the mid- to high single-digit percentage range
Asia/Pacific	EUR 576 million	Increase in the high single-digit to low double-digit percentage range	Moderate decrease
Operating result (EBIT)	EUR 410 million	Increase within a range of 5% and 15% to a level of around EUR 430 million to EUR 475 million	Develop within a range of minus 15% to plus 5% to a level of between EUR 350 million and EUR 430 million
Group's net income	EUR 270 million	Increase within a range of 5% and 15%	Develop within a range of minus 15% to plus 5%
Trade net working capital as a percentage of sales	20.8%	Improvement to a level approaching 20%	Improvement to a level approaching 20%
Capital expenditure	EUR 298 million	Increase to a level of EUR 300 million to EUR 350 million	Around EUR 300 million

1 Sales and EBIT forecast adjusted on July 15, 2024.

RISKS AND OPPORTUNITIES

HUGO BOSS has a comprehensive risk management system enabling Management to identify and analyze opportunities and risks as well as to take appropriate measures at an early stage. During the reporting period, the Company has not identified any further material risks and opportunities besides those presented in its Annual Report for fiscal year 2023. The statements included therein regarding risks and opportunities continue to be valid. At present, no risks have been identified that either individually or in combination with other risks could endanger the Company's ability to continue as a going concern.

SUMMARY ON EARNINGS, NET ASSETS, AND FINANCIAL POSITION

In view of its healthy balance sheet structure and the ongoing positive free cash flow generation, HUGO BOSS continues to be in an exceedingly solid economic situation at the time of preparing this report.

Metzingen, July 19, 2024

HUGO BOSS AG
The Managing Board

Daniel Grieder
Yves Müller
Oliver Timm

CHAPTER 2
CONSOLIDATED INTERIM FINANCIAL STATEMENTS

HUGO BOSS

CONSOLIDATED INCOME STATEMENT

for the period from January 1 to June 30, 2024

Consolidated income statement (in EUR million)

	2024	2023
Sales	2,029	1,993
Cost of sales	(768)	(760)
Gross profit	1,261	1,233
In % of sales	62.1	61.9
Selling and marketing expenses	(892)	(825)
Administration expenses	(229)	(222)
Operating result (EBIT)	139	186
Net interest income/expenses	(27)	(19)
Other financial items	(1)	(5)
Financial result	(28)	(24)
Earnings before taxes	111	162
Income taxes	(31)	(45)
Net income	80	116
Attributable to:		
Equity holders of the parent company	75	110
Non-controlling interests	5	6
Earnings per share (EUR)[1]	1.09	1.60

[1] Basic and diluted earnings per share.

HUGO BOSS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to June 30, 2024

Consolidated statement of comprehensive income (in EUR million)

	2024	2023
Net income	80	116
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	0	2
Items to be reclassified subsequently to profit or loss		
Currency differences	6	(8)
Gains/losses from cash flow hedges	0	(1)
Other comprehensive income, net of tax	6	(7)
Total comprehensive income	86	109
Attributable to:		
Equity holders of the parent company	80	103
Non-controlling interests	6	6
Total comprehensive income	86	109

HUGO BOSS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of June 30, 2024

Consolidated statement of financial position (in EUR million)

Assets	June 30, 2024	June 30, 2023	Dec. 31, 2023
Property, plant and equipment	645	508	604
Intangible assets	207	175	196
Right-of-use assets	797	680	722
Deferred tax assets	133	131	130
Non-current financial assets	30	26	27
Other non-current assets	2	1	2
Non-current assets	1,814	1,522	1,681
Inventories	1,054	1,129	1,066
Trade receivables	319	299	376
Current tax receivables	27	19	23
Current financial assets	46	33	54
Other current assets	136	122	127
Cash and cash equivalents	106	108	118
Assets held for sale	25	27	27
Current assets	1,713	1,735	1,791
Total	3,527	3,257	3,472

Equity and liabilities	June 30, 2024	June 30, 2023	Dec. 31, 2023
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Other capital reserve	5	3	4
Retained earnings	1,182	1,065	1,201
Accumulated other comprehensive income	65	56	60
Equity attributable to equity holders of the parent company	1,281	1,152	1,293
Non-controlling interests	24	18	18
Group equity	1,305	1,171	1,311
Non-current provisions	91	86	109
Non-current financial liabilities	366	285	316
Non-current lease liabilities	687	571	624
Deferred tax liabilities	18	7	19
Other non-current liabilities	3	2	2
Non-current liabilities	1,166	950	1,071
Current provisions	99	112	92
Current financial liabilities	33	64	24
Current lease liabilities	186	188	169
Income tax payables	7	7	7
Trade payables	530	577	572
Other current liabilities	181	164	207
Liabilities held for sale	18	24	19
Current liabilities	1,056	1,136	1,090
Total	3,527	3,257	3,472

HUGO BOSS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to June 30, 2024

Consolidated statement of changes in equity (in EUR million)

				Retained earnings		Accumulated other comprehensive income		Group equity		
	Subscribed capital	Own shares	Other Capital reserves	Legal reserve	Other reserves	Currency translation	Gains/ losses from cash flow hedges	Total before non-controlling interests	Non-controlling interests	Group equity
January 1, 2023	70	(42)	2	7	1,016	64	0	1,117	19	1,135
Net income					110			110	6	116
Other income					2	(7)	(1)	(7)		(7)
Comprehensive income					112	(7)	(1)	103	6	109
Dividend payment					(69)			(69)	(6)	(75)
Share based payments			1					1		1
Changes in basis of consolidation					0			0	0	0
June 30, 2023	70	(42)	3	7	1,059	57	(1)	1,152	18	1,171
January 1, 2024	70	(42)	4	7	1,194	60	0	1,293	18	1,311
Net income					75			75	5	80
Other income					0	5	0	5	1	6
Comprehensive income					75	5	0	80	6	86
Dividend payment					(93)			(93)		(93)
Share based payments			1					1		1
June 30, 2024	70	(42)	5	7	1,176	65	0	1,281	24	1,305

HUGO BOSS

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to June 30, 2024

Consolidated statement of cash flows (in EUR million)

	2024	2023
Net income	80	116
Depreciation/amortization	175	160
Gains or losses on the monetary positions under IAS 29	(2)	0
Unrealized net foreign exchange gain/loss	(5)	11
Other non-cash transactions	1	3
Income tax expense/income	31	45
Interest expense/income	27	19
Change in inventories	15	(163)
Change in receivables and other assets	61	(12)
Change in trade payables and other liabilities	(58)	(76)
Result from disposal of non-current assets	1	(5)
Change in provisions for pensions	0	(5)
Change in other provisions	(9)	(9)
Income taxes paid	(38)	(39)
Cash flow from operating activities	279	46
Investments in property, plant and equipment	(99)	(92)
Investments in intangible assets	(24)	(15)
Cash receipts from disposal of property, plant and equipment and intangible assets	(1)	0
Interest received	0	1
Cash flow from investing activities	(123)	(106)
Dividends paid to equity holders of the parent company	(93)	(69)
Dividends paid to non-controlling interests	0	(6)
Cash receipts from current financial liabilities	14	32
Repayment of current financial liabilities	(2)	(49)
Cash receipts from non-current financial liabilities	51	246
Repayment of current and non-current lease liabilities	(114)	(113)
Interest paid	(23)	(18)
Cash flow from financing activities	(169)	23
Exchange rate related changes in cash and cash equivalents	0	(3)
Change in cash and cash equivalents	(12)	(39)
Cash and cash equivalents at the beginning of the period	118	147
Cash and cash equivalents at the end of the period	106	108

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1| General information

The interim financial statements of HUGO BOSS AG as of June 30, 2024, were prepared pursuant to Sec. 115 WpHG [*Wertpapierhandelsgesetz*: Securities Trading Act] in accordance with the International Financial Reporting Standards (IFRS) and their interpretations applicable as of the reporting date. In particular, the regulations of IAS 34 on interim financial reporting were applied.

This interim management report and the interim consolidated financial statements were neither audited in accordance with Sec. 317 HGB [*Handelsgesetzbuch*: German Commercial Code] nor reviewed by a person qualified to audit financial statements.

In a resolution dated July 19, 2024, the interim management report and the condensed interim financial statements were authorized for issue to the Supervisory Board by the Managing Board. Before they were published, the interim management report and the condensed interim financial statements were also discussed with the Audit Committee of the Supervisory Board.

2| Accounting policies

All the interim financial statements of the companies included in the interim consolidated financial statements were prepared in accordance with the IFRS effective on the reporting date, as published by the IASB and applicable in the EU in accordance with uniform accounting and measurement methods.

The accounting, valuation, and consolidation policies applied correspond to those applied during the prior fiscal year unless changes have been stated.

Estimation uncertainties and judgments

Inventories were measured taking into account risk provisions appropriate to the current business environment. The accounting estimate applied in the valuation technique on inventories takes a seasonal approach, which reflects a better devaluation factor. The carrying amount of inventories as a result of this devaluation is reflected in the statement of financial position and in the income statement.

HUGO BOSS

The recoverability of trade receivables is assessed by valuing trade receivables that are not overdue using the expected default risk. In addition, the value of trade receivables is attributed on the basis of the estimated likelihood of default. The calculation of the potential receivable default risk is based on past, current, and future default risks. All subsidiaries of HUGO BOSS have to prepare an analysis of the aging structure of their trade receivables and to follow uniform rules, for example, with regard to credit assessment or handling of doubtful receivables.

The preparation of the interim consolidated financial statements was based on estimates and assumptions taking into account the changes in the business environment, which affected the disclosures and the amount of assets and liabilities as well as income and expenses. Estimates and underlying assumptions with material impacts were made, particularly in the following aspects:

- Impairment testing of assets with a definite or indefinite useful life, including goodwill
- Valuation of inventories
- Recoverability of receivables – in particular trade receivables

Although great care has been taken in making these estimates and assumptions, actual measurements may deviate in individual cases, especially considering further developments of the situation and corresponding sanctions. The Company is closely monitoring and assessing the developments accordingly.

Assets and liabilities held for sale

In 2023, HUGO BOSS revisited its business model in Russia, aiming to convert it into a wholesale business. Accordingly, the Company classified the respective assets and liabilities as assets and liabilities held for sale. As of June 30, 2024, HUGO BOSS reviewed the subsequent measurements of the assets and liabilities held for sale, resulting in net assets of EUR 7 million (December 31, 2023: EUR 8 million), which relate to the EMEA segment. In April 2024, HUGO BOSS announced its agreement to sell the Russian business to its long-standing wholesale partner Stockmann JSC. The transaction is expected to be executed in the course of the third quarter of this year.

HUGO BOSS

3| Currency translation

The most important exchange rates applied in the interim financial statements developed as follows in relation to the euro:

	Currency	Average rate			Closing rate		
	1 EUR =	June 2024	June 2023	Dec. 2023	June 30, 2024	June 30, 2023	Dec. 31, 2023
Canada	CAD	1.4752	1.4422	1.4662	1.4670	1.4503	1.4642
China	CNY	7.8086	7.7453	7.7934	7.7748	7.9140	7.8509
Dubai	AED	3.9530	3.9783	4.0075	3.9355	3.9934	4.0603
Mexico	MXN	19.4962	18.7341	18.7799	19.5654	18.6836	18.7231
Switzerland	CHF	0.9631	0.9759	0.9445	0.9634	0.9783	0.9260
Turkey	TRY	34.9495	25.3477	31.7068	35.1284	28.1540	32.5739
United Kingdom	GBP	0.8471	0.8583	0.8620	0.8464	0.8640	0.8691
U.S.	USD	1.0766	1.0836	1.0917	1.0705	1.0938	1.1050

4| Basis of consolidation

In line with the Company's strategic claim "Organize for Growth," HUGO BOSS implemented an organizational change within the first six months of fiscal year 2024, merging HUGO BOSS International Markets AG into HUGO BOSS Ticino S.A.

As a result, the number of consolidated companies decreased from 65 to 64 in the reporting period of January 1 to June 30, 2024 as compared to the consolidated financial statements as of December 31, 2023.

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5| Selected notes to the consolidated income statement

Sales

(in EUR million)	Jan. – June 2024	Jan. – June 2023
Brick-and-mortar retail	1,055	1,065
Brick-and-mortar wholesale	540	506
Digital	384	374
Licenses	50	48
Total	2,029	1,993

Cost of sales

(in EUR million)	Jan. – June 2024	Jan. – June 2023
Cost of purchase	689	685
Thereof cost of materials	652	658
Cost of conversion	79	75
Total	768	760

The acquisition costs for purchased goods included in the cost of sales primarily relate to the cost of materials for the goods sold as well as incoming freight and customs costs.

Selling and marketing expenses

(in EUR million)	Jan. – June 2024	Jan. – June 2023
Expenses for own retail business and sales organization	643	591
Thereof brick-and-mortar retail expenses	457	408
Marketing expenses	158	157
Thereof expenses	160	160
Thereof income from re-invoicing of marketing expenses	(2)	(3)
Logistics expenses	91	77
Total	892	825
Thereof sundry taxes	3	2

The expenses for the own retail business and the sales organization mostly relate to personnel and lease expenses for wholesale and retail distribution. They also include sales-related commission, freight-out, customs costs, credit card charges, and impairment losses on receivables.

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Administration expenses

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
General administrative expenses	183	181
Research and development costs	46	41
Thereof personnel expenses	35	30
Thereof depreciation and amortization	2	1
Thereof other operating expense	10	10
Total	229	222
Thereof sundry taxes	2	2

Administration expenses mainly comprise rent for premises, maintenance expenses, IT expenses, and legal and consulting fees, as well as personnel expenses in these functions. Research and development costs primarily relate to the collection development.

Personnel expenses

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Wages and salaries	432	400
Social security	71	62
Expenses and income for retirement and other employee benefits	2	(1)
Total	505	461

Employees

	June 30, 2024	Dec. 31, 2023
Industrial employees	6,212	6,249
Commercial and administrative employees	15,084	14,493
Total	21,296	20,742

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Ordinary Depreciation/amortization

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Non-current assets		
Property, plant and equipment	59	50
Intangible assets	13	14
Right-of-use assets	105	103
Total	177	167

Impairments/write-ups

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Brick-and-mortar retail	2	0
Intangible assets incl. goodwill	0	0
Right-of-use assets	0	7
Total	2	7

*Impairment losses are shown negative (-); Reversals on Impairments losses are shown positive (+)

HUGO BOSS

6| Selected notes to the consolidated statement of financial position

Leases

Leases in the balance sheet

Additions, depreciation, and changes in the right-of-use assets of lease objects are divided between the assets underlying the leases as at June 30, 2024, as follows:

(in EUR million)	Stores	Warehouses	Offices and others	Total
Carrying amount as of January 1, 2024	621	36	65	722
Additions	108	36	29	173
Depreciation	(90)	(6)	(9)	(105)
Impairment	0	0	0	0
Write-up	0	0	0	0
Disposal	0	0	0	0
Transfer	(1)	0	0	(1)
FX differences	8	0	1	9
Carrying amount as of June 30, 2024	646	66	86	797
Carrying amount as of January 1, 2023	592	40	77	708
Additions	226	8	6	239
Depreciation	(182)	(11)	(17)	(210)
Impairment	(1)	0	0	(1)
Write-up	10	0	0	10
Disposal	(3)	0	0	(3)
Transfers	(15)	0	0	(15)
FX differences	(5)	0	(1)	(6)
Carrying amount as of December 31, 2023	621	36	65	722

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The amounts included in the income statement as of June 30, 2024, applicable to the leases are shown in the following table:

Leases in the income statement

(in EUR million)

	Jan. - June 2024	Jan. - June 2023
IFRS 16 relevant expenses	(120)	(107)
Depreciation of right-of-use assets	(105)	(103)
Impairment/write ups of right-of-use assets	0	7
Net income from disposal of right-of-use assets	1	5
Interest expenses for lease liabilities	(17)	(14)
Income/expenses from foreign exchange differences on lease liabilities	1	(2)
Non-IFRS 16 relevant expenses	(150)	(136)
Expenses from variable lease payments	(91)	(93)
Expenses for short-term leases	(9)	(3)
Expenses for leases of low-value assets	(3)	(2)
Income from subleases	0	0
Lease expenses for software	(18)	(14)
Other expenses (service costs)	(29)	(23)
Total expenses from lease agreements	(270)	(243)

Cash outflows from lease liabilities amounted to EUR 280 million in the first half of 2024 (June 30, 2023: EUR 262 million), of which EUR 114 million relates to the repayment of lease liabilities (June 30, 2023: EUR 113 million).

Inventories

(in EUR million)

	June 30, 2024	Dec. 31, 2023
Finished goods and merchandise	976	994
Raw materials and supplies	66	63
Work in progress	12	9
Total	1,054	1,066

The carrying amount of inventories recorded at net realizable value is EUR 184 million (December 31, 2023: EUR 192 million).

Trade receivables

(in EUR million)

	June 30, 2024	Dec. 31, 2023
Trade receivables, gross	336	393
Accumulated allowance	(17)	(18)
Trade receivables, net	319	376

HUGO BOSS

Financial liabilities

All interest-bearing and non-interest-bearing obligations as of the respective reporting date are reported under financial liabilities. They break down as follows:

(in EUR million)

	June 30, 2024	With remaining term up to 1 year	Dec. 31, 2023	With remaining term up to 1 year
Financial liabilities due to banks	390	23	331	14
Lease liabilities	873	186	793	169
Other financial liabilities	10	10	9	9
Thereof: non IFRS 16 relevant rental contracts for own retail	9	9	9	9
Total	1,273	219	1,133	193

Other financial liabilities include negative market values from derivative financial instruments amounting to EUR 1 million (December 31, 2023: EUR 1 million).

HUGO BOSS has a revolving syndicated loan of EUR 600 million at its disposal, providing additional financial flexibility for the successful execution of "CLAIM 5." The proceeds of the facility can be used for general corporate purposes. Concluded in November 2021, it has a term of three years, including two options for extending the term by one year each and an option to increase the credit volume by up to EUR 300 million. Both extension options have already been exercised successfully.

At the end of the first six months, the syndicated loan was drawn in the amount of EUR 124 million as a money market loan (December 31, 2023: EUR 83 million). In addition, the syndicated loan was utilized for guarantees issued amounting to EUR 11 million (December 31, 2023: EUR 9 million).

In October 2023, a Schuldschein loan was recognized at a settlement amount of EUR 175 million. The funds were used for general corporate purposes. It is divided into four tranches with different maturities and with floating-rate or fixed-rate coupons: two tranches totaling EUR 87.5 million maturing in October 2026, and two tranches totaling EUR 87.5 million maturing in October 2028.

7| Earnings per share

There were no shares outstanding that could have diluted earnings per share as of June 30, 2024 or June 30, 2023.

	Jan. – June 2024	Jan. – June 2023
Net income attributable to equity holders of the parent company (in EUR million)	75	110
Average number of shares outstanding[1]	69,016,167	69,016,167
Earnings per share (EPS) (in EUR)[2]	1.09	1.60

[1] Not including own shares.

[2] Basic and diluted earnings per share.

8| Provisions

Provisions for personnel expenses

Provisions for personnel expenses mainly relate to short- and medium-term profit sharing and bonuses, severance payment claims, phased retirement arrangements, and overtime.

The majority of personnel-related provisions arise from the long-term incentive (LTI) program for members of the Managing Board and eligible senior management of HUGO BOSS, which are recognized at their fair value on the reporting date. There are four tranches of the program at present. The latest plan was issued on January 1, 2024.

Each plan has a total duration of four years, split into a performance term of three years and a qualifying period of one year. This means that the plan issued in fiscal year 2021 will be paid out in fiscal year 2025 and is therefore included with EUR 20 million in the current personnel-related provisions as of June 30, 2024. For the other three plans, the non-current provisions as of June 30, 2024 amount to a total of EUR 15 million.

9| Provisions for pensions and similar obligations

Provisions for pensions as of June 30, 2024 remained unchanged at EUR 33 million compared to December 31, 2023. The actuarial calculation of the present value of the defined benefit obligation includes service cost, net interest expenses, and other relevant parameters.

Actuarial assumptions underlying the calculation of the present value of pension obligations as of June 30, 2024

The following assumptions were applied:

Actuarial assumptions	June 30, 2024	Dec. 31, 2023
Discount rate		
Germany	3.85%	3.75%
Switzerland	1.50%	1.40%
Future pension increases		
Germany	2.50%	2.50%
Switzerland	0.00%	0.00%
Future salary increases		
Germany	3.00%	3.00%
Switzerland	3.00%	3.00%

In comparison to December 31, 2023, the actuarial discount rate parameter in Germany and Switzerland increased. The pension trend and expected salary increase parameters remained unchanged in the first six months of 2024.

Breakdown of pension expenses in the period

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Current service cost	3	7
Past service cost	0	0
Net interest costs	2	1
Pension expenses recognized in the consolidated income statement	5	8
Return from plan assets (without interest effects)	0	0
Recognized actuarial (gains)/losses	0	(2)
Asset ceiling (without interest effects of asset ceiling)	0	0
Remeasurement of the carrying amount recognized in the consolidated statement of comprehensive income	0	(2)

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10| Additional disclosures on financial instruments

Carrying amounts and fair values by category of financial instruments

(in EUR million)

		June 30, 2024		Dec. 31, 2023	
Assets	IFRS 9 category	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	AC	106	106	118	118
Trade receivables	AC	319	319	376	376
Financial assets		75	75	81	81
Thereof:					
Equity investments	FVTPL	4	4	4	4
Undesignated derivatives	FVTPL	1	1	0	0
Derivatives subject to hedge accounting	Hedge Accounting	0	0	0	0
Other financial assets	AC	70	70	76	76
Liabilities					
Financial liabilities due to banks	AC	390	398	331	342
Trade and other payables	AC	530	530	572	572
thereof Reverse Factoring	AC	117	117	107	107
Lease Liabilities	n.a.	873	873	793	793
Other financial liabilities		10	10	9	9
Thereof:					
Undesignated derivatives	FVTPL	1	1	1	1
Derivatives subject to hedge accounting	Hedge Accounting	0	0	0	0
Other financial liabilities	AC	9	9	9	9

HUGO BOSS supports its suppliers with a supplier financing program. Under this program, outstanding trade payables can be settled with the supplier before maturity via the use of a credit institution. Within the program, the original liability owed to the supplier remains unaffected on the basis of an unchanged acknowledgment of debt and is shown as a trade payable. In this context, the credit institution pays the invoice amount less a discount to the supplier, whereas HUGO BOSS pays the full invoice amount when due to the credit institution.

In addition to its existing single-bank program, HUGO BOSS launched a separate bank-independent platform in 2023. The nature of the trade payables is assessed to remain unaffected under this program. HUGO BOSS has included the amounts from the reverse factoring program in working capital. The total reverse factoring credit limit as of the reporting date amounts to EUR 261 million (December 31, 2023: 251 million).

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Fair value hierarchy

The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade receivables, other financial assets, trade payables, and other current liabilities are close to their carrying amounts, mainly due to the short-term maturities of these instruments.

The fair value of loans from banks and other financial liabilities, obligations under finance leases, and other non-current financial liabilities is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risks, and remaining maturities.

As of June 30, 2024, the mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to the derivative counterparty's default risk. The credit risk of the counterparty did not lead to any significant effects.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value and are not based on observable market data

As of June 30, 2024, all financial instruments measured at fair value in the category FVTPL and derivatives designated to a hedge relationship were assigned to Level 2. During the first six months of 2024, there were no transfers between Level 1 and Level 2 or from Level 3. The financial instruments measured at fair value comprised of forward exchange contracts and currency swaps. The assets amounted to EUR 1 million (December 31, 2023: EUR 0 million) and the liabilities to EUR 1 million (December 31, 2023: EUR 1 million). The fair value of financial instruments carried at amortized cost in the statement of financial position was also determined using the Level 2 method.

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Interest risks and currency risks

To hedge against interest risks and currency risks, HUGO BOSS occasionally enters into hedging transactions in some areas to mitigate the risks.

As of the reporting date, no variable interest financial liabilities was hedged through interest rate swaps (December 31, 2023: EUR 0 million). Moreover, no future cash flows in foreign currencies were designated as an effective hedging instrument (December 31, 2023: EUR 0 million). Therefore, no change in unrealized gains/losses from mark-to-market hedges was recognised in other comprehensive income (December 31, 2023: EUR 0 million).

Offsetting of financial instruments

(in EUR million)

	Gross amounts recognized assets	Gross amounts offset liabilities	Net asset amounts disclosed in statement of fin. pos.	Liabilities not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
June 30, 2024						
Trade receivables	347	(28)	319	0	0	319
Other financial assets	75	0	75	0	0	75
Thereof derivatives	1	0	1	0	0	1
Total	422	(28)	395	0	0	395
Dec. 31, 2023						
Trade receivables	396	(20)	376	0	0	376
Other financial assets	81	0	81	0	0	81
Thereof derivatives	0	0	0	0	0	0
Total	477	(20)	456	0	0	456

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(in EUR million)

	Gross amounts recognized liabilities	Gross amounts offset assets	Net liabilities amounts disclosed in statement of fin. pos.	Assets not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
June 30, 2024						
Trade payables	563	(33)	530	0	0	530
Other financial liabilities	10	0	10	0	0	10
Thereof derivatives	1	0	1	0	0	1
Total	573	(33)	540	0	0	540
Dec. 31, 2023						
Trade payables	606	(34)	572	0	0	572
Other financial liabilities	9	0	9	0	0	9
Thereof derivatives	1	0	1	0	0	1
Total	615	(34)	581	0	0	581

As of the reporting date, liabilities of EUR 28 million netted in trade receivables represent outstanding credit notes to customers (December 31, 2023: EUR 20 million). The assets of EUR 33 million netted in trade payables represent receivables in the form of outstanding credit notes from suppliers (December 31, 2023: EUR 34 million).

Master agreements for financial future contracts are in place between HUGO BOSS and its counterparties governing the offsetting of derivatives. These prescribe that derivative assets and derivative liabilities with the same counterparty can be combined into a single offsetting receivable or liability.

11| Notes to the statement of cash flows

The statement of cash flows of HUGO BOSS shows the change in cash and cash equivalents over the reporting period using cash transactions. In accordance with IAS 7, the sources and applications of cash flows are categorized by operating, investing, or financing activities. Cash flows from operating activities are calculated indirectly on the basis of the Group's net income for the period. By contrast, cash flows from investing and financing activities are directly derived from the cash inflows and outflows. The changes in the items of the statement of financial position presented in the statement of cash flows cannot be derived directly from the statement of financial position on account of exchange rate translations.

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12| Segment reporting

(in EUR million)

	EMEA	Americas	Asia/Pacific	Licenses	Total operating segments
Jan. – June 2024					
Sales	1,238	468	273	50	2,029
Segment profit	287	50	39	43	419
In % of sales	23.2	10.7	14.3	86.5	20.7
Segment assets	498	379	223	21	1,121
Capital expenditure	28	20	13	0	61
Impairments	2	0	0	0	2
Thereof property, plant and equipment	0	0	0	0	0
Thereof intangible assets	0	0	0	0	0
Thereof right-of-use assets	0	0	0	0	0
Thereof write-ups	2	0	0	0	2
Depreciation/amortization	(79)	(35)	(35)	0	(149)
Jan. – June 2023					
Sales	1,229	431	285	48	1,993
Segment profit	301	58	67	41	466
In % of sales	24.5	13.4	23.4	84.1	23.4
Segment assets	401	387	218	22	1,028
Capital expenditure	33	25	15	0	73
Impairments	7	0	0	0	7
Thereof property, plant and equipment	0	0	0	0	0
Thereof intangible assets	0	0	0	0	0
Thereof right-of-use assets	0	0	0	0	0
Thereof write-ups	7	0	0	0	7
Depreciation/amortization	(71)	(30)	(33)	0	(134)

Reconciliation

Sales

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Sales - operating segments	2,029	1,993
Corporate units	0	0
Consolidation	0	0
Total	2,029	1,993

Segment earnings

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Segment profit (EBIT) – operating segments	419	466
Corporate units	(280)	(280)
Consolidation	0	0
Operating income (EBIT) – HUGO BOSS	139	186
Net interest income/expenses	(27)	(19)
Other financial items	(1)	(5)
Earnings before taxes HUGO BOSS	111	162

Segment assets

(in EUR million)

	June 30, 2024	June 30, 2023	Dec. 31, 2023
Segment assets – operating segments	1,121	1,028	1,149
Corporate units	252	399	293
Consolidation	0	0	0
Current tax receivables	27	19	23
Current financial assets	46	33	54
Other current assets	136	122	127
Cash and cash equivalents	106	108	118
Assets held for sale	25	27	27
Current assets HUGO BOSS	1,713	1,735	1,791
Non-current assets	1,814	1,522	1,681
Total assets HUGO BOSS	3,527	3,257	3,472

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Capital expenditure

(in EUR million)

	June 30, 2024	June 30, 2023	Dec. 31, 2023
Capital expenditure – operating segments	61	73	171
Corporate units	61	35	127
Consolidation	0	0	0
Total	122	107	298

Ordinary depreciation/amortization

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Ordinary depreciation/amortization – operating segments	149	134
Corporate units	28	32
Consolidation	0	0
Total	177	167

Impairment/write-ups

(in EUR million)

	Jan. – June 2024	Jan. – June 2023
Impairment/Write-ups – operating segments	2	7
Corporate units	0	0
Consolidation	0	0
Total	2	7

*Impairment losses are shown negative (-); Reversals on Impairments losses are shown positive (+)

Geographic information

(in EUR million)

	Third party sales		Non-current assets	
	Jan. – June 2024	Jan. – June 2023	June 30, 2024	Dec. 31, 2023
Germany	271	269	557	507
Other EMEA markets	1,016	1,009	609	575
U.S.	297	278	269	235
Other North and Latin American markets	171	152	46	41
China	122	144	59	65
Other Asian/Pacific markets	151	141	116	105
Total	2,029	1,993	1,656	1,528

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13| Subsequent events

Between the end of the first half of fiscal year 2024 and the preparation of this report on July 19, 2024, there were no material macroeconomic, sociopolitical, industry-related, or company-specific changes that the management expects to have a significant impact on the Group's earnings, net assets, or financial position.

CHAPTER 3
FURTHER INFORMATION

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the year.

Metzingen, July 19, 2024

HUGO BOSS AG
The Managing Board

Daniel Grieder
Yves Müller
Oliver Timm

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect management's current views with respect to future events. The words "anticipate", "assume", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should", and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties. If any of these or other risks or uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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FINANCIAL CALENDAR

November 5, 2024
Third Quarter Results 2024

March 13, 2025
Full Year Results 2024

May 6, 2025
First Quarter Results 2025

August 5, 2025
Second Quarter Results 2025 & First Half Year Report 2025

November 4, 2025
Third Quarter Results 2025