

## **HUGO BOSS AG**

### HUGO BOSS AG: HUGO BOSS ANNOUNCES PRELIMINARY SECOND QUARTER RESULTS AND UPDATES ITS FULL-YEAR 2024 OUTLOOK

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### HUGO BOSS ANNOUNCES PRELIMINARY SECOND QUARTER RESULTS AND UPDATES ITS FULL-YEAR 2024 OUTLOOK

HUGO BOSS updates its financial outlook for full year 2024, factoring in the persistent macroeconomic and geopolitical challenges that are dampening global consumer demand. These headwinds contributed to a further slowdown of industry growth, affecting the top- and bottom-line performance of HUGO BOSS in the second quarter. The overall market environment remained particularly challenging in key markets such as the UK and China.

On a preliminary basis, currency-adjusted Group sales in the second quarter remained 1% below the prior-year level. Also in Group currency, sales declined 1%, amounting to EUR 1,015 million (Q2 2023: EUR 1,026 million). At the same time, operating profit (EBIT) in the second quarter amounted to EUR 70 million on a preliminary basis (Q2 2023: EUR 121 million). Besides the overall softer sales trends, additional marketing investments (+21% to EUR 82 million; Q2 2023: EUR 68 million) and higher brick-and-mortar retail costs (+12% to EUR 238 million; Q2 2023: EUR 213 million) also contributed to the decline in EBIT. These factors were partially compensated by a robust improvement in gross margin in the second quarter (+50 basis points to a level

of 62.9%; Q2 2023: 62.3%), as HUGO BOSS continues to successfully drive efficiencies along its global sourcing activities.

From a balance sheet perspective, HUGO BOSS further improved its cash position, with free cash flow amounting to EUR 143 million in the second quarter (Q2 2023: EUR 60 million). This development mainly reflects a further optimization of inventory levels, down 7% currency-adjusted year over year. Consequently, at 24.9%, inventories as a percentage of Group sales came in 340 basis points below the prior-year level (June 30, 2023: 28.3%). At the same time, capital expenditure was up 14% totaling EUR 76 million in the three-month period (Q2 2023: EUR 66 million).

Against the backdrop of the second quarter performance as well as ongoing uncertainties regarding the future development of global consumer sentiment, HUGO BOSS adjusts its financial outlook for fiscal year 2024. Management now 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 (previously: sales to increase between +3% and +6% to around EUR 4.30 billion to EUR 4.45 billion). This includes the expectation of currencies having a slightly negative impact on top-line development in 2024. At the same time, HUGO BOSS now expects EBIT for full year 2024 to develop in a range of -15% to +5%, amounting to around EUR 350 million to EUR 430 million (previously: EBIT to increase by +5% to +15% to around EUR 430 million to EUR 475 million), thus taking into account the overall market volatility.

HUGO BOSS will publish its full set of second quarter results on August 1, 2024.

If you have any questions, please contact:

Christian Stöhr

Senior Vice President Investor Relations

Phone: +49 7123 94-87563

E-mail: christian\_stoehr@hugoboss.com

End of Inside Information

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