

# HUGO BOSS

Quarterly Statement for Q2 2017

Metzingen, August 2, 2017

## **HUGO BOSS confirms full-year sales and earnings forecast – substantial progress made in implementing strategic realignment**

- **Currency-adjusted sales up 3% in the second quarter**
- **Retail comp store sales up 3%**
- **EBITDA before special items stable**
- **Full-year outlook confirmed**
- **Positive response by wholesale partners to Spring/Summer 2018 collection**

“Our strategic realignment is beginning to take effect. Business in the second quarter was encouraging. We made considerable headway in the United States and in online business in particular,” says **Mark Langer, Chief Executive Officer of HUGO BOSS AG**. “We are reaffirming our full-year outlook and facing the future beyond this year with confidence. The new brand strategy has been very positively received by wholesale partners. Consequently, we have passed an important milestone in our strategic realignment.”

HUGO BOSS made good progress in the second quarter of 2017. Comp store sales in its own retail business picked up significantly in all three regions, with online business likewise growing in the second quarter. Sales in the wholesale business fell short of the prior year due to delivery shifts as compared to the prior year. The core markets of Great Britain and China again performed well, while U.S. business expanded for the first time in two years. Despite increased marketing expenses and spending on the digital transformation of the business model, operating profit remained at the prior year’s level. On this basis, HUGO BOSS is confirming its target of stable full-year sales and earnings in 2017.

# HUGO BOSS

At today's Investor Day at its head office in Metzingen, the Company provides an update on the progress that it had achieved since announcing its strategic realignment last November. This is to generate sustained profitable growth from 2018. Main topic addressed at the Investor Day is the implementation of the two-brand strategy with the focus on BOSS and HUGO. The previously independently managed BOSS Orange and BOSS Green lines have been integrated into the BOSS core brand.

The Spring/Summer 2018 collections which were presented recently reflect the focus on the BOSS and HUGO brands for the first time. The increased profile of the two brands was showcased at impressive fashion shows: HUGO in June at Pitti Immagine Uomo in Florence, and BOSS in mid-July at the New York Fashion Week. A broad audience was able to follow the shows via livestreams provided on the website and on social media.

Wholesale partners reacted positively to the new Spring/Summer 2018 collections. Above all, they welcomed the increased clarity of the BOSS brand message. Orders for the brand's athleisure wear increased at double-digit rates, partly compensating for more difficult trends in the brand's businesswear. Orders for HUGO are up solidly compared to the prior year period, driven by a strong double-digit increase in casualwear in particular. Across both brands, order remained broadly stable year-over-year, outperforming the global wholesale market.

The first parts of the new collections will be available in stores from the end of this year. To tie in with this, the Company is also aligning its distribution activities more closely to customers' needs. Thus, HUGO BOSS is widening its range in the commercially important entry-level price ranges, continuing to expand its omnichannel services and systematically investing in sales staff training and development. In addition, it will be enhancing the shopping experience from Fall 2017 with the step-by-step roll-out of new store concepts for BOSS and HUGO.






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Against this backdrop, HUGO BOSS will be pursuing its goal of growing sales and earnings in 2018. Looking ahead to 2019 and beyond, HUGO BOSS assumes that sales will grow more strongly than the relevant market segment and that the operating margin will increase again.

Further details will be provided during the management presentations, which are being webcast live today from 9:30 CET on our website at [group.hugoboss.com](http://group.hugoboss.com), from which the accompanying documents can also be downloaded. After the event has concluded, it will be possible to view recordings of the presentations.

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## Q2 sales development by segment

	in EUR million	Change in %	Change in % currency-adjusted
Europe	 372	↘ (2)	→ 0
Americas	 148	↗ +5	↗ +3
Asia/Pacific	 98	↗ +11	↗ +10
Licenses	 18	↗ +27	↗ +27
<b>Group</b>	 <b>636</b>	↗ +2	↗ +3

- Sales in **Europe** remained stable. However, the wholesale business was burdened by delivery shifts as compared to the prior year. In Great Britain and in the Benelux the Group's own retail business in particular provided for sales increases of 11% and of 4%, respectively. Especially Great Britain benefited from solid local demand and robust business with tourists. In contrast, sales decreased by 4% in Germany and by 11% in France. However, in Germany the Group's own retail business also posted gains.
- The increase in sales in the **Americas** is mainly due to a 2% growth in the U.S. market. This growth was underpinned likewise by the favorable development of the Group's own retail business and wholesale business. In the prior year, negative effects from measures to enhance distribution in the BOSS core brand had burdened wholesale sales. In Canada sales were also up but they decreased in Latin America.
- In the second quarter, sales in **Asia/Pacific** benefited again from the ongoing upswing on the Chinese market. Hence, sales rose by 14% in China. With double-digit sales growth on a like-for-like basis the Chinese mainland continued to perform significantly better than Hong Kong and Macau. Sales were also up in Japan.

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## Q2 sales development by channel

	in EUR million	Change in %	Change in % currency-adjusted
Retail	436	↗ + 5	↗ + 6
Wholesale	182	↘ (6)	↘ (6)
Licenses	18	↗ + 27	↗ + 27
<b>Group</b>	<b>636</b>	<b>↗ + 2</b>	<b>↗ + 3</b>

- Sales development in the **Group's own retail business** (including outlets and online stores) accelerated in the second quarter.
  - On a comp store and currency-adjusted basis, sales increased by 3%, mainly due to mid-single digit growth in Asia/Pacific. In Europe and the Americas sales rose at a low single-digit rate on a comp store and currency-adjusted basis.
  - Overall, sales in the Group's own retail business in Europe climbed by 4% to EUR 246 million (Q2 2016: EUR 242 million). Sales in the Americas amounted to EUR 100 million (Q2 2016: EUR 92 million). This is equivalent to a currency-adjusted increase of 6%. In Asia, sales grew by 12% in local currencies to EUR 90 million (Q2 2016: EUR 81 million).
  - Sales generated in freestanding stores and shops-in-shops were 2% and 7% respectively above the prior year's figures on a currency-adjusted basis. Outlet sales rose by 10%. In its online business, HUGO BOSS achieved a 9% increase in sales. Consequently, the measures focused on increasing customer footfall and commercially optimizing the hugoboss.com website showed first signs of success.
- In the **wholesale business**, delivery shifts as compared to the prior year burdened sales in Europe in particular.
  - At EUR 126 million, wholesale sales in Europe were 7% lower than in the prior year (Q2 2016: EUR 136 million). In the Americas, sales on a currency-adjusted basis fell by 3%. As in the prior year, they came to EUR 49 million (Q2 2016: EUR 49 million). The Asia/Pacific region recorded a decrease of 1% in local currencies with sales amounting to EUR 7 million (Q2 2016: EUR 7 million).

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- Sales in the **license business** grew substantially, rising by 27% to EUR 18 million in particular due to higher license income from fragrances (Q2 2016: EUR 14 million).

## Q2 sales development by brand and gender

	in EUR million	Change in %	Change in % currency-adjusted
<b>BOSS</b> <sup>1</sup> HUGO BOSS	545	↗ + 2	↗ + 2
<b>HUGO</b> HUGO BOSS	91	↗ + 6	↗ + 6
<b>Group</b>	636	↗ + 2	↗ + 3

<sup>1</sup> Including BOSS Green and BOSS Orange.

- Sales of the **BOSS** core brand particularly benefited from the double-digit growth in the athleisure offering, which in 2017 is still sold under the BOSS Green brand.
- A growing wholesale presence as well as growth in the Group's own retail business supported the sales performance of **HUGO**.

	in EUR million	Change in %	Change in % currency-adjusted
Menswear	568	↗ + 3	↗ + 3
Womenswear	68	↘ (3)	↘ (4)
<b>Group</b>	636	↗ + 2	↗ + 3

- **Menswear** benefited from the favorable performance of the HUGO brand and the BOSS Green brand line. **Womenswear** sales reflected declines in both BOSS and HUGO.

# HUGO BOSS

## Q2 earnings development

Condensed income statement (in EUR million)			
	Q2 2017	Q2 2016	Change in %
<b>Sales</b>	<b>636.0</b>	<b>622.1</b>	<b>2</b>
Cost of sales	(205.7)	(201.8)	(2)
<b>Gross profit</b>	<b>430.3</b>	<b>420.3</b>	<b>2</b>
In % of sales	67.7	67.6	10 bp
Selling and distribution expenses	(286.9)	(281.9)	(2)
Administration expenses	(69.1)	(65.6)	(5)
Other operating income and expenses	6.3	(57.4)	> 100
<b>Operating result (EBIT)</b>	<b>80.6</b>	<b>15.4</b>	<b>&gt; 100</b>
<b>Net income</b>	<b>57.6</b>	<b>11.1</b>	<b>&gt; 100</b>
<b>EBITDA before special items</b>	<b>107.7</b>	<b>107.7</b>	<b>0</b>
In % of sales	16.9	17.3	(40) bp

- The slight increase in the **gross profit margin** resulted from the rising share of sales in the Group's own retail business. Negative currency effects associated with the devaluation of the British pound, however, offset this effect to some extent.
- The unchanged strict cost management limited the increase in **operating expenses**. In the course of this, reduced expansion activity and positive effects from renegotiated leases in the Group's own retail business ensured stable selling expenses. An expansion of brand communication activities led to an increase in marketing expenses of 5% as compared to the prior year. Higher personnel expenses and higher depreciation and amortization following prior year's IT infrastructure investments resulted in an increase in administration expenses.
- The net income arising from **other operating expenses and income** is related to the store closures agreed upon as part of the Group's catalog of measures. The company was able to achieve more favorable conditions compared to the original plans for the early termination of leases. Consequently, it was possible to reduce the provisions that had been recognized in the second quarter of 2016.
- **EBIT** and the **Group's net income** were thus substantially above prior year levels.
- **EBITDA before special items** was unchanged over the prior-year period. The increase in gross profit was offset by higher operating expenses.

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## Q2 earnings development by segment

Segment earnings	in EUR million	Change in %
Europe	106	↘ (6)
Americas	36	↗ + 6
Asia/Pacific	23	↗ + 30
Licenses	13	↗ + 14

- Segment profit in **Europe** was lower due to wholesale sales burdened by delivery shifts as compared to the prior year. Operating expenses were stable. The adjusted EBITDA margin contracted by 140 basis points to 28.6% (Q2 2016: 30.0%).
- In the **Americas**, higher sales and a limitation of the increase in operating expenses resulted in a higher profit. At 24.0%, the adjusted EBITDA margin was 30 basis points up on the prior-year figure (Q2 2016: 23.7%).
- Segment profit in **Asia/Pacific** benefited from sales growth as well as a disproportionately low increase in selling and distribution expenses. At 23.3%, the adjusted EBITDA margin was up 340 basis points on the prior year (Q2 2016: 19.9%).
- Earnings in the **license** segment also exceeded the prior year's level thanks to the positive sales development.



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## Net assets and financial position

June 30, 2017	in EUR million	Change in % <sup>1</sup>	Change in % currency-adjusted <sup>1</sup>
TNWC	484	↘ (9)	↘ (8)
Inventories	542	↘ (4)	↘ (3)
Net financial liabilities	166	↘ (41)	

<sup>1</sup> Change compared to June 30, 2016.

- As compared to the prior year, **trade net working capital (TNWC)** was reduced substantially. The positive development of **inventories** was primarily attributable to declines in the Americas and in Asia/Pacific.
- The increase in free cash flow over the last twelve months led to a decline in **net financial liabilities** compared with the prior year.

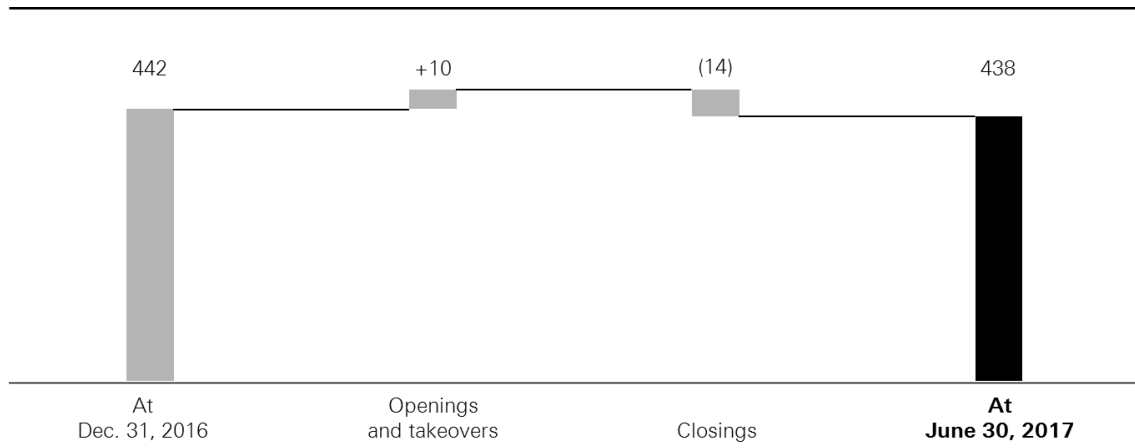
Three months	in EUR million	Change in % <sup>1</sup>
Capital expenditure	33	↘ (20)
Free cash flow	125	↗ >100

<sup>1</sup> Change compared to Q2 2016.

- The modernization of the Group's own retail network, spending on selected new openings and investments in the IT infrastructure formed the focus of **capital expenditure** in the second quarter. The decline compared to the prior year primarily results from a different phasing of the investment budget.
- In addition to the substantial increase in earnings, reduced capital expenditure as well as the decline in trade net working capital resulted in an increase of **free cash flow**.

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## Network of freestanding retail stores



- In the first half of the year, the number of the Group's own **freestanding retail stores** declined by a net figure of four to 438 (December 31, 2016: 442). As at June 30, 2017, five of the around 20 store closures agreed upon in fiscal year 2016 had been completed.
  - In **Europe**, new stores were opened in Moscow and Newcastle amongst others. There were a total of four new openings and six closures. In most cases, the Group made use of expiring leases.
  - In the **Americas** region, the number of freestanding retail stores decreased as a result of two closures in the United States. In comparison, there was one new opening in Mexico.
  - The size of the store network in **Asia/Pacific** was also reduced by one store. There were five new openings in Korea and Singapore among other places and six closures in various markets.
- Including shop-in-shops and outlets, **total selling space** of the Group's own retail business rose slightly to around 155,000 sqm (December 31, 2016: 154,000 sqm).
- **Selling-space productivity** in the Group's own retail business amounted to around EUR 11,000 per sqm in the past twelve months (December 31, 2016: EUR 10,900 per sqm).

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## Report on forecast changes

	Outlook 2017	Change compared to previous outlook
Group Sales (currency-adjusted)	Largely stable development	→
Gross profit margin	Slight increase	→
EBITDA before special items	Development within a range of -3% to +3%	→
Consolidated net income	Increase at low double-digit percentage rate	→
Capital expenditure	EUR 130 million to EUR 150 million	↘
Free cash flow	Increase to around EUR 250 million	↗

- The Managing Board reconfirms the full-year **outlook for sales and earnings**.
- With the stepwise introduction of a new store concept from fall 2017, HUGO BOSS postpones part of the renovation of its own retail stores originally planned for 2017 to the next year. Consequently, HUGO BOSS now expects **capital expenditure** of between EUR 130 million and EUR 150 million in 2017 (previously: EUR 150 million to EUR 170 million).
- In this connection, the Group now projects an increase in **free cash flow** over the prior year to around EUR 250 million (previously: more or less stable compared to the prior year, 2016: EUR 220 million).
- A detailed presentation of the outlook for 2017 can be found in the [Annual Report 2016](#).

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## **Financial calendar and contacts**

### **November 2, 2017**

Third Quarter Results 2017

### **March 8, 2018**

Full Year Results 2017 & Press and Analysts' Conference

### **May 2, 2018**

First Quarter Results 2018

### **May 3, 2018**

Annual Shareholders' Meeting

### **August 2, 2018**

Second Quarter Results 2018 & First Half Year Report 2018

### **November 6, 2018**

Third Quarter Results 2018

If you have any questions, please contact:

Dr. Hjördis Kettenbach

Head of Corporate Communications

Phone: +49 7123 94-83377

Fax: +49 7123 94-80237

Dennis Weber

Head of Investor Relations

Phone: +49 7123 94-86267

Fax: +49 7123 94-886267

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**FINANCIAL INFORMATION**

for Q2 2017 and Jan. – June 2017

# HUGO BOSS

## Key figures – quarter

	Q2 2017	Q2 2016	Change in %	Change in % <sup>1</sup>
<b>Net sales (in EUR million)</b>	<b>636.0</b>	<b>622.1</b>	<b>2</b>	<b>3</b>
Net sales by segments				
Europe incl. Middle East and Africa	371.8	378.4	(2)	0
Americas	148.5	141.5	5	3
Asia/Pacific	97.7	88.1	11	10
Licenses	18.0	14.1	27	27
Net sales by distribution channel				
Group's own retail business	436.0	415.0	5	6 <sup>2</sup>
Wholesale	182.0	193.0	(6)	(6)
Licenses	18.0	14.1	27	27
Net sales by brand				
BOSS	545.4	536.5	2	2
HUGO	90.6	85.6	6	6
Net sales by gender				
Menswear	567.6	551.2	3	3
Womenswear	68.4	70.9	(3)	(4)
<b>Results of operations (in EUR million)</b>				
Gross profit	430.3	420.3	2	
Gross profit margin in %	67.7	67.6	10 bp	
EBITDA	114.0	56.6	> 100	
EBITDA before special items	107.7	107.7	0	
Adjusted EBITDA margin in % <sup>3</sup>	16.9	17.3	(40) bp	
EBIT	80.6	15.4	> 100	
Net income attributable to equity holders of the parent company	57.6	11.1	> 100	
<b>Financial position (in EUR million)</b>				
Capital expenditure	33.2	41.5	(20)	
Free cash flow	125.0	58.7	> 100	
Depreciation/amortization	33.4	41.2	(19)	
<b>Additional key figures</b>				
Personnel expenses (in EUR million)	151.5	151.4	0	
<b>Shares (in EUR)</b>				
Earnings per share	0.83	0.16	> 100	
Last share price (as of June 30)	61.30	50.90	20	
Number of shares (as of June 30)	70,400,000	70,400,000	0	

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

<sup>2</sup> on a comp store basis 3%.

<sup>3</sup> EBITDA before special items/sales.

# HUGO BOSS

## Key figures – six months

	Jan. – June 2017	Jan. – June 2016	Change in %	Change in % <sup>1</sup>
<b>Net sales (in EUR million)</b>	<b>1,287.0</b>	1,264.7	2	2
Net sales by segments				
Europe incl. Middle East and Africa	783.7	780.8	0	2
Americas	273.8	271.3	1	(2)
Asia/Pacific	195.1	182.8	7	5
Licenses	34.4	29.8	16	16
Net sales by distribution channel				
Group's own retail business	807.6	785.3	3	3 <sup>2</sup>
Wholesale	445.0	449.6	(1)	(2)
Licenses	34.4	29.8	16	16
Net sales by brand				
BOSS	1,099.7	1,096.2	0	0
HUGO	187.3	168.5	11	11
Net sales by gender				
Menswear	1,144.7	1,122.2	2	2
Womenswear	142.3	142.5	0	(1)
<b>Results of operations (in EUR million)</b>				
Gross profit	849.5	832.2	2	
Gross profit margin in %	66.0	65.8	20 bp	
EBITDA	211.6	142.9	48	
EBITDA before special items <sup>3</sup>	205.1	201.2	2	
Adjusted EBITDA margin in %	15.9	15.9	0 bp	
EBIT	145.1	69.1	> 100	
Net income attributable to equity holders of the parent company	105.6	49.5	> 100	
<b>Net assets and liability structure as of June 30 (in EUR million)</b>				
Trade net working capital	484.3	533.0	(9)	(8)
Trade net working capital in % of net sales <sup>4</sup>	19.2	19.6	(40) bp	
Non-current assets	719.1	776.1	(7)	
Equity	801.7	734.9	9	
Equity ratio in %	47.7	42.4	530 bp	
Total assets	1,679.2	1,734.0	(3)	
<b>Financial position (in EUR million)</b>				
Capital expenditure	56.7	79.1	(28)	
Free cash flow	131.9	53.8	> 100	
Depreciation/amortization	66.5	73.8	(10)	
Net financial liabilities (as of June 30)	165.7	281.0	(41)	
Total leverage (as of June 30) <sup>5</sup>	0.3	0.5		
<b>Additional key figures</b>				
Employees (as of June 30)	13,539	13,572	0	
Personnel expenses (in EUR million)	303.2	309.0	(2)	
Number of Group's own retail stores	1,128	1,122	1	
thereof freestanding retail stores	438	443	(1)	
<b>Shares (in EUR)</b>				
Earnings per share	1.53	0.72	> 100	
Last share price (as of June 30)	61.30	50.90	20	
Number of shares (as of June 30)	70,400,000	70,400,000	0	

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

<sup>2</sup> on a comp store basis (3)%.

<sup>3</sup> EBITDA before special items/sales.

<sup>4</sup> moving average on the basis of the last four quarters.

<sup>5</sup> Net financial liabilities/EBITDA before special items.

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## Consolidated income statement – quarter

(in EUR million)			
	Q2 2017	Q2 2016	Change in %
<b>Sales</b>	<b>636.0</b>	<b>622.1</b>	<b>2</b>
Cost of sales	(205.7)	(201.8)	(2)
<b>Gross profit</b>	<b>430.3</b>	<b>420.3</b>	<b>2</b>
In % of sales	67.7	67.6	10 bp
Selling and distribution expenses	(286.9)	(281.9)	(2)
Administration expenses	(69.1)	(65.6)	(5)
Other operating income and expenses	6.3	(57.4)	> 100
<b>Operating result (EBIT)</b>	<b>80.6</b>	<b>15.4</b>	<b>&gt; 100</b>
In % of sales	12.7	2.5	1,020 bp
Financial result	(4.8)	(0.8)	< (100)
<b>Earnings before taxes</b>	<b>75.8</b>	<b>14.6</b>	<b>&gt; 100</b>
Income taxes	(18.2)	(3.5)	< (100)
<b>Net income</b>	<b>57.6</b>	<b>11.1</b>	<b>&gt; 100</b>
<b>Earnings per share (EUR)<sup>1</sup></b>	<b>0.83</b>	<b>0.16</b>	<b>&gt; 100</b>

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

## EBITDA before special items – quarter

(in EUR million)			
	Q2 2017	Q2 2016	Change in %
<b>EBIT</b>	<b>80.6</b>	<b>15.4</b>	<b>&gt; 100</b>
Depreciation and amortization	(33.4)	(41.2)	(19)
<b>EBITDA</b>	<b>114.0</b>	<b>56.6</b>	<b>&gt; 100</b>
EBITDA related special items	6.3	(51.1)	> 100
<b>EBITDA before special items</b>	<b>107.7</b>	<b>107.7</b>	<b>0</b>
In % of sales	16.9	17.3	(40) bp



# HUGO BOSS

## Consolidated income statement – six months

(in EUR million)			
	Jan. - June 2017	Jan. - June 2016	Change in %
<b>Sales</b>	<b>1,287.0</b>	<b>1,264.7</b>	<b>2</b>
Cost of sales	(437.5)	(432.5)	(1)
<b>Gross profit</b>	<b>849.5</b>	<b>832.2</b>	<b>2</b>
In % of sales	66.0	65.8	20 bp
Selling and distribution expenses	(569.6)	(560.3)	(2)
Administration expenses	(141.3)	(138.2)	(2)
Other operating income and expenses	6.5	(64.6)	> 100
<b>Operating result (EBIT)</b>	<b>145.1</b>	<b>69.1</b>	<b>&gt; 100</b>
In % of sales	11.3	5.5	580 bp
Financial result	(6.1)	(3.9)	(56)
<b>Earnings before taxes</b>	<b>139.0</b>	<b>65.2</b>	<b>&gt; 100</b>
Income taxes	(33.4)	(15.7)	< (100)
<b>Net income</b>	<b>105.6</b>	<b>49.5</b>	<b>&gt; 100</b>
<b>Earnings per share (EUR)<sup>1</sup></b>	<b>1.53</b>	<b>0.72</b>	<b>&gt; 100</b>

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

## EBITDA before special items – six months

(in EUR million)			
	Jan. - June 2017	Jan. - June 2016	Change in %
<b>EBIT</b>	<b>145.1</b>	<b>69.1</b>	<b>&gt; 100</b>
Depreciation and amortization	(66.5)	(73.8)	10
<b>EBITDA</b>	<b>211.6</b>	<b>142.9</b>	<b>48</b>
EBITDA related special items	6.5	(58.3)	> 100
<b>EBITDA before special items</b>	<b>205.1</b>	<b>201.2</b>	<b>2</b>
In % of sales	15.9	15.9	0 bp

# HUGO BOSS

## Consolidated statement of financial position

(in EUR million)			
	June 30, 2017	June 30, 2016	December 31, 2016
<b>Assets</b>			
Intangible assets	185.5	180.5	185.4
Property, plant and equipment	393.3	438.8	416.3
Deferred tax assets	117.8	129.7	124.7
Non-current financial assets	20.4	23.1	21.0
Non-current tax receivables	0.0	0.6	0.1
Other non-current assets	2.1	3.4	4.2
<b>Non-current assets</b>	<b>719.1</b>	<b>776.1</b>	<b>751.7</b>
Inventories	541.7	565.5	568.0
Trade receivables	188.0	192.1	228.2
Current tax receivables	37.8	29.6	42.6
Current financial assets	18.8	31.7	28.3
Other current assets	80.8	89.4	96.3
Cash and cash equivalents	93.0	49.6	83.5
<b>Current assets</b>	<b>960.1</b>	<b>957.9</b>	<b>1,046.9</b>
<b>TOTAL</b>	<b>1,679.2</b>	<b>1,734.0</b>	<b>1,798.6</b>
<b>Equity and Liabilities</b>			
Subscribed capital	70.4	70.4	70.4
Own shares	(42.3)	(42.3)	(42.3)
Capital reserve	0.4	0.4	0.4
Retained earnings	742.2	667.2	813.3
Accumulated other comprehensive income	31.4	38.4	44.8
<b>Equity attributable to equity holders of the parent company</b>	<b>802.1</b>	<b>734.1</b>	<b>886.6</b>
Non-controlling interests	(0.4)	0.8	1.0
<b>Group equity</b>	<b>801.7</b>	<b>734.9</b>	<b>887.6</b>
Non-current provisions	77.6	79.9	78.6
Non-current financial liabilities	189.1	237.4	134.1
Deferred tax liabilities	9.8	9.1	9.2
Other non-current liabilities	46.8	44.8	49.3
<b>Non-current liabilities</b>	<b>323.3</b>	<b>371.2</b>	<b>271.2</b>
Current provisions	115.8	138.7	148.6
Current financial liabilities	80.7	106.1	77.1
Income tax payables	10.0	25.3	27.3
Trade payables	245.4	224.6	271.7
Other current liabilities	102.3	133.2	115.1
<b>Current liabilities</b>	<b>554.2</b>	<b>627.9</b>	<b>639.8</b>
<b>TOTAL</b>	<b>1,679.2</b>	<b>1,734.0</b>	<b>1,798.6</b>

## Trade Net Working Capital (TNWC)

(in EUR million)				
	June 30, 2017	June 30, 2016	Change in %	Currency- adjusted change in %
Inventories	541.7	565.5	(4)	(3)
Trade receivables	188.0	192.1	(2)	(1)
Trade payables	(245.4)	(224.6)	9	11
<b>TNWC</b>	<b>484.3</b>	<b>533.0</b>	<b>(9)</b>	<b>(8)</b>

# HUGO BOSS

## Consolidated statement of cash flows

(in EUR million)	Jan. – June 2017	Jan. – June 2016
Net income	105.6	49.5
Depreciation/amortization	66.5	73.8
Unrealized net foreign exchange gain/loss	13.1	(5.0)
Other non-cash transactions	0.2	6.7
Income tax expense/refund	33.4	15.7
Interest income and expenses	1.3	1.2
Change in inventories	9.7	(8.9)
Change in receivables and other assets	61.5	51.4
Change in trade payables and other liabilities	(30.9)	(31.5)
Result from disposal of non-current assets	(0.5)	(2.2)
Change in provisions for pensions	(3.0)	1.3
Change in other provisions	(24.3)	36.1
Income taxes paid	(42.9)	(56.3)
<b>Cash flow from operations</b>	<b>189.7</b>	<b>131.8</b>
Interest paid	(1.3)	(1.1)
Interest received	1.1	0.4
<b>Cash flow from operating activities</b>	<b>189.5</b>	<b>131.1</b>
Investments in property, plant and equipment	(40.5)	(66.5)
Investments in intangible assets	(9.0)	(10.2)
Acquisition of subsidiaries and other business entities less cash and cash equivalents acquired	(7.3)	(2.9)
Change in scope of consolidation	(1.1)	0.0
Cash receipts from disposal of property, plant and equipment and intangible assets	0.3	2.3
<b>Cash flow from investing activities</b>	<b>(57.6)</b>	<b>(77.3)</b>
Dividends paid to equity holders of the parent company	(179.4)	(249.8)
Change in current financial liabilities	5.6	64.2
Cash receipts from non-current financial liabilities	56.2	100.8
<b>Cash flow from financing activities</b>	<b>(117.6)</b>	<b>(84.8)</b>
Change in cash and cash equivalents from changes in scope of consolidation	(1.6)	0.0
Exchange-rate related changes in cash and cash equivalents	(3.2)	(0.8)
<b>Change in cash and cash equivalents</b>	<b>9.5</b>	<b>(31.8)</b>
Cash and cash equivalents at the beginning of the period	83.5	81.4
<b>Cash and cash equivalents at the end of the period</b>	<b>93.0</b>	<b>49.6</b>

## Free cash flow

(in EUR million)	Jan. – June 2017	Jan. – June 2016
Cash flow from operating activities	189.5	131.1
Cash flow from investing activities	(57.6)	(77.3)
<b>Free cash flow</b>	<b>131.9</b>	<b>53.8</b>

# HUGO BOSS

## Segment earnings – quarter

(in EUR million)					
	<b>Q2 2017</b>	In % of sales	Q2 2016	In % of sales	Change in %
Europe	106.4	28.6	113.4	30.0	(6)
Americas	35.7	24.0	33.5	23.7	6
Asia/Pacific	22.8	23.3	17.5	19.9	30
Licenses	12.9	71.7	11.3	80.1	14
<b>Earnings of operating segments</b>	<b>177.8</b>	<b>28.0</b>	<b>175.7</b>	<b>28.2</b>	<b>1</b>
Corporate units / consolidation	(70.1)		(68.0)		3
<b>EBITDA before special items</b>	<b>107.7</b>	<b>16.9</b>	<b>107.7</b>	<b>17.3</b>	<b>0</b>

## Segment earnings – six months

(in EUR million)					
	<b>Jan. – June 2016</b>	In % of sales	Jan. – June 2016	In % of sales	Change in %
Europe	233.2	29.8	231.3	29.6	1
Americas	51.1	18.6	60.0	22.1	(15)
Asia/Pacific	47.5	24.3	35.0	19.1	36
Licenses	26.9	78.2	24.7	82.8	9
<b>Earnings of operating segments</b>	<b>358.7</b>	<b>27.9</b>	<b>351.0</b>	<b>27.8</b>	<b>2</b>
Corporate units / consolidation	(153.6)		(149.8)		3
<b>EBITDA before special items</b>	<b>205.1</b>	<b>15.9</b>	<b>201.2</b>	<b>15.9</b>	<b>2</b>

## Number of Group's own retail stores

	Freestanding stores	Shop-in-shops	Outlets	<b>TOTAL</b>
<b>June 30, 2017</b>				
Europe	189	344	63	<b>596</b>
Americas	93	105	49	<b>247</b>
Asia/Pacific	156	87	42	<b>285</b>
<b>TOTAL</b>	<b>438</b>	<b>536</b>	<b>154</b>	<b>1,128</b>
<b>Dec. 31, 2016</b>				
Europe	191	354	63	<b>608</b>
Americas	94	89	49	<b>232</b>
Asia/Pacific	157	90	37	<b>284</b>
<b>TOTAL</b>	<b>442</b>	<b>533</b>	<b>149</b>	<b>1,124</b>