HUGO BOSS

Quarterly Statement for Q2 2019

Metzingen, August 1, 2019

HUGO BOSS increases sales and operating profit in the second quarter

- **Currency-adjusted Group sales grow 2% in the second quarter**
- **Momentum in China accelerates: double-digit comp store sales increases**
- **Online business continues to grow at a double-digit rate**
- **Significant increase in efficiency: operating profit (EBIT) up 3%* in Q2**
- **Management expects full-year sales and earnings at the lower end of the existing outlook**

"In an ongoing challenging market environment, we have increased both our sales and operating profit in the second quarter," says **Mark Langer, Chief Executive Officer of HUGO BOSS AG**. "For the second half of the year, we are now expecting a significant acceleration in sales and operating profit development. This will make a decisive contribution to the achievement of our full-year targets. Key drivers will be our partnerships in the online business and the ongoing optimization of our store network."

In the second quarter, HUGO BOSS increased currency-adjusted sales by 2% to EUR 675 million. This represents an increase of 3% in the reporting currency. Sales performance in Asia/Pacific was once again particularly strong. Currency-adjusted sales growth accelerated there to 8%. In China, HUGO BOSS achieved double-digit comp store sales growth. In Europe, sales increases in Great Britain and France offset a decline in Germany. Overall, currency-adjusted sales in Europe were up 2%. Due to the persistently difficult market environment in the U.S., sales in the Americas were down 3% on the prior year. In particular, an easing of the positive effects of the tax

* Without taking into account the effects of IFRS 16. A detailed description of the effects of IFRS 16 on the Group's earnings in the second quarter can be found on page 8 of this quarterly statement.

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reform, a weaker business with tourists and a highly promotional market environment in general weighed on sales performance.

Group-wide retail sales in the second quarter increased 3% in total and 2% on a comp store basis, both adjusted for currency effects. The online business increased by 16% adjusted for currency effects, representing the seventh consecutive quarter of double-digit growth. Due to a highly disciplined markdown management, growth was, as expected, lower than in the prior quarters. The wholesale business developed stable, with sales in Europe and Asia/Pacific above the prior year level.

Operating profit (EBIT) increased by 3% in the second quarter to EUR 76 million.* In addition to higher sales, the increase in operating profit was also supported by consistent cost management. This allowed HUGO BOSS to compensate for a decline in the gross profit margin in the second quarter.

In total, HUGO BOSS recorded currency-adjusted sales growth of 1% in the first half of 2019. In the reporting currency, this is equivalent to a 3% sales increase to EUR 1,339 million. At EUR 130 million, EBIT was 9% below the prior year level.* The increase in operating profit in the second quarter partially offset the decline in the first quarter, which was mainly related to one-off effects.

Lower end of existing sales and earnings outlook expected

On the basis of the half-year results, HUGO BOSS confirms its outlook for the full year 2019. At the same time, management now expects sales and earnings to reach the lower end of the existing outlook. In doing so, HUGO BOSS takes into account the persisting challenges in the US market in particular. The Company expects that currency-adjusted sales growth will reach the lower end of the existing outlook (increase at a mid-single-digit percentage rate). The acceleration in sales in the second half of the year will be driven by the own retail business, which is forecast to achieve currency-adjusted sales growth in the mid to high single-digit percentage

* Without taking into account the effects of IFRS 16. A detailed description of the effects of IFRS 16 on the Group's earnings in the second quarter can be found on page 8 of this quarterly statement.

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range in full year 2019. In addition to an acceleration in comp store sales growth, the Company expects further growth stimuli for the second half of the year from intensified online partnerships under the concession model and from the ongoing optimization of its store network.

For the second half of the year, the Company also anticipates a significant acceleration in operating profit development. HUGO BOSS expects to achieve EBIT growth at the lower end of the existing outlook (increase at a high single-digit percentage rate) for the full year (excluding the expected effects of IFRS 16). In addition to a significant increase in gross profit expected for the second half of the year, the anticipated further improvement in cost efficiency should also contribute positively to operating profit development.

Execution of strategic priorities in full swing

In the second quarter, the Company has continued to make good progress in executing its strategic priorities. With the introduction of “BOSS Made for Me,” the Company has further expanded its personalized product offering. Customers can use this service to freely combine outer materials, lining and buttons on their new BOSS suit, thereby tailoring it individually to their preferences. The face of the accompanying campaign is the professional soccer player Mats Hummels. “BOSS Made for Me” is already offered in selected BOSS stores in Europe, including London, Paris and Munich. This service will be successively expanded in the coming months.

The renovation of strategically important BOSS stores is also progressing according to plan. In the second quarter, eight stores were reopened under the new store concept, including stores in Stockholm, Tokyo and Macau. Customers now have the opportunity to experience the BOSS collections in this new environment in more than 40 major cities. For the HUGO brand, three additional stores with a unique furniture concept opened in the same period in Tokyo, Singapore and Moscow. Today there are 26 HUGO stores globally presenting the brand to customers.

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Liam Payne and Mark Chao established as brand ambassadors

At the Berlin Fashion Week in early July, HUGO presented a jointly developed capsule collection together with the British singer and artist Liam Payne. The new styles were showcased digitally at an event in Berlin with a live appearance from Liam Payne, after which they were immediately made available online – exclusively on Instagram initially, then via hugo.com and in selected HUGO stores. As the global brand ambassador for HUGO, Liam Payne will continue to support important marketing campaigns and exclusive collections in the coming months. This is the first partnership of its kind for HUGO. Liam Payne is expected to raise the brand's profile globally and play a key role in further increasing HUGO's relevance in the dynamic contemporary fashion segment.

In addition, the partnership recently entered into with the Taiwanese-Canadian actor Mark Chao is intended to further increase desirability of the BOSS brand in Asia. In an initial step, a jointly developed capsule collection was launched on the Chinese market in April under the title "Luxury Travel." The response to the styles available in selected BOSS stores, via boss.com and a WeChat Mini Program was extremely positive. In his role as regional brand ambassador, Mark Chao will continue as the face of important marketing campaigns.

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Q2 sales development by segment

	in EUR million	Change in %	Change in % currency-adjusted
Europe	408	↗ +2	↗ +2
Americas	139	↗ +2	↘ (3)
Asia/Pacific	110	↗ +10	↗ +8
Licenses	18	↗ +8	↗ +8
Group	**675**	↗ **+3**	↗ **+2**

In the second quarter, sales development differed across regions. While HUGO BOSS increased its sales in Europe and especially in the Asia/Pacific region, the persistently difficult U.S. market environment negatively impacted business in the Americas.

- Sales development in **Europe** benefited from low single-digit growth in the second quarter, both in the own retail business and in the wholesale business. In France, the business performed especially positively. Growth in both distribution channels resulted in an overall sales increase of 6%. In Great Britain, sales were up 2%, while in the Benelux countries they remained stable. In an ongoing challenging market environment, sales in Germany were 5% below the prior year level. Both distribution channels saw a decline.
- In the second quarter, the challenging U.S. market environment continued to have a negative impact on sales development in the **Americas**. As a result, both distribution channels in the U.S. declined. Overall, currency-adjusted sales were down 5%. Sales in Canada also decreased by 5%. Growth in the wholesale business only partially compensated for a decline in the retail business. In Latin America, on the other hand, the Group recorded sales growth at a high single-digit percentage rate.
- Growth in the **Asia/Pacific** region accelerated in the second quarter. This was particularly true for the strategic growth market China, where currency-adjusted sales rose by 7%. On a comp store and currency-adjusted basis, China even achieved double-digit sales growth as a result of the persistently strong momentum in Mainland China. With double-digit growth, Japan and Southeast Asia also contributed to the acceleration in sales growth in the Asia/Pacific region.

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Q2 sales development by channel

	in EUR million	Change in %	Change in % currency-adjusted
Group´s own retail business	460	↗ +4	↗ +3
Wholesale	197	↗ +1	→ 0
Licenses	18	↗ +8	↗ +8
Group	**675**	↗ **+3**	↗ **+2**

- Sales in the **Group's own retail business** (including shop-in-shops, outlets and online stores) showed currency-adjusted growth of 3% in the second quarter.
  - On a comp store and currency-adjusted basis, sales growth came to 2%. While HUGO BOSS increased currency-adjusted comp store sales in the Asia/Pacific region at a double-digit rate, sales in Europe grew at a low single-digit rate. In the Americas, currency-adjusted comp store sales were stable in the second quarter.
  - Overall, sales in the own retail business in Europe were up 3% on a currency-adjusted basis and came to EUR 262 million (Q2 2018: EUR 256 million). Sales in the Americas amounted to EUR 97 million (Q2 2018: EUR 94 million). This represents a currency-adjusted sales decrease of 2%. In the Asia/Pacific region, the Company achieved a currency-adjusted increase in sales of 8% to EUR 101 million (Q2 2018: EUR 93 million).
  - With a currency-adjusted increase of 16%, the own online business once again recorded disproportionate sales growth in the second quarter. Due to a highly disciplined markdown management, growth was, as expected, lower than in the prior quarters.
- Sales in the **wholesale business** came in on the prior year level. Sales growth in Europe and Asia/Pacific offset the decline in the Americas.
  - At EUR 146 million, currency-adjusted sales with wholesale partners in Europe were 1% higher than in the prior year (Q2 2018: EUR 144 million). In the Americas, currency-adjusted sales declined by 7% to EUR 42 million (Q2 2018:

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EUR 43 million). The Asia/Pacific region saw a 14% increase in currency-adjusted sales to EUR 9 million (Q2 2018: EUR 7 million).

- Sales development in the **license business** was also positive in the second quarter, mainly due to significant sales growth in the fragrance and eyewear product groups.

Q2 sales development by brand and gender

	in EUR million	Change in %	Change in % currency-adjusted
BOSS	587	↗ +3	↗ +2
HUGO	88	↗ +4	↗ +3
Group	**675**	**↗ +3**	**↗ +2**

- In the second quarter, the sales development of both brands was positive.
  - At **BOSS**, growth in both businesswear and casualwear led to higher sales, while performance in athleisurewear was stable.
  - **HUGO** continued to benefit from strong double-digit growth in casualwear. This was partly compensated by lower sales in businesswear.

	in EUR million	Change in %	Change in % currency-adjusted
Menswear	613	↗ +4	↗ +3
Womenswear	62	↘ (5)	↘ (6)
Group	**675**	**↗ +3**	**↗ +2**

- The sales development of **menswear** in particular benefited from growth in casualwear.
- The decline in sales in **womenswear** is mainly due to lower sales in businesswear and is primarily attributable to the reduction of retail space of the BOSS brand in freestanding stores in 2018.

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Q2 earnings development

Income statement (in EUR million)	Q2 2019 including IFRS 16	IFRS 16 impact	Q2 2019 excluding IFRS 16	Q2 2018	Change in % including IFRS 16	Change in % excluding IFRS 16
Sales	**675**	**0**	**675**	**653**	**3**	**3**
Cost of sales	(230)	0	(230)	(216)	(6)	(6)
Gross profit	**445**	**0**	**445**	**437**	**2**	**2**
In % of sales	66.0	0	66.0	66.9	(100) bp	(100) bp
Operating expenses	**(369)**	**0**	**(369)**	**(363)**	**(2)**	**(2)**
In % of sales	(54.7)	0	(54.7)	(55.6)	100 bp	90 bp
Thereof selling and distribution expenses	(297)	2	(298)	(289)	(3)	(3)
Thereof administration expenses	(72)	(1)	(71)	(73)	2	4
Thereof other operating income and expenses	-	-	-	(1)	-	-
Operating result (EBIT)	**76**	**0**	**76**	**74**	**3**	**3**
In % of sales	11.3	0	11.2	11.3	0 bp	(10) bp
Financial result	(9)	(5)	(4)	(2)	> 100	>100
Earnings before taxes	**67**	**(5)**	**72**	**72**	**(7)**	**(1)**
Income taxes	(17)	1	(19)	(18)	7	(1)
Net income	**50**	**(3)**	**53**	**54**	**(7)**	**(1)**
Income tax rate in %	**26**		**26**	**26**		

- The decline in **gross profit margin** in the second quarter is mainly attributable to inventory valuation effects that occurred in 2018. This effect is expected to reverse already in the third quarter. In addition, currency effects had a slightly negative impact on gross profit margin in the second quarter.
- **Operating expenses** were slightly above the prior year level, reflecting an increase in selling and distribution expenses. Currency effects also had a negative impact. However, as a percentage of sales, operating expenses were below the prior year level.
  - Positive effects related to efficiency measures in the own retail business limited the increase in **selling and distribution expenses** in the second quarter.
  - **Administration expenses** were below the prior year level. Thanks to consistent cost management, further investments into the digital transformation of the business model were more than offset.
- The increase in **operating profit (EBIT)** in the second quarter is a result of the positive sales performance and tight cost management. Currency effects did not have a significant impact on profit development in the past quarter. The **EBIT margin** was on the prior year level, taking into account the impact of IFRS 16. Excluding this impact, the EBIT margin was slightly below the prior year level.

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- Higher interest expenses resulting from the first-time adoption of IFRS 16 led to a significant increase in the **financial result**, defined as the net expense of the interest result and other financial items. Excluding the effects of IFRS 16, the financial result was also above the prior year level due to slightly negative currency effects.
- Due to the higher interest expenses resulting from the first-time adoption of IFRS 16, the **Group's net income** declined in the second quarter. Excluding the effects of IFRS 16, the Group's net income was only slightly below the prior year level.

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Q2 earnings development by segment

Segment profit	in EUR million	Change in %
Europe	108	↘ (6)
Americas	14	↘ (18)
Asia/Pacific	27	↗ +49
Licenses	15	↗ +13

- Starting in fiscal year 2019, **EBIT** replaces EBITDA before special items used by the Group up through 2018 as one of the key performance indicators. As such, from now on, segment profits will also be presented on the basis of EBIT. The corresponding prior year figures therefore deviate from the figures reported in 2018.
- The segment profit in **Europe** was below the prior year level. Higher sales only partially compensated for negative currency effects and an increase in operating expenses. As a result, the EBIT margin decreased by 210 basis points to 26.4% (Q2 2018: 28.6%). Excluding the effects of IFRS 16, EBIT also decreased by 6% to EUR 108 million, which corresponds to an EBIT margin of 26.4%.
- In the **Americas**, negative currency effects were the main reason for a decrease in segment profit. At 10.2%, the EBIT margin was down 250 basis points on the prior year (Q2 2018: 12.6%). Excluding the effects of IFRS 16, the EBIT of EUR 14 million was 17% below the prior year level. The corresponding EBIT margin was 10.3%.
- The segment profit for the **Asia/Pacific** region was significantly above the prior year level. The positive sales development more than offset an increase in operating expenses. At 24.2%, the EBIT margin was 650 basis points up on the prior year level (Q2 2018: 17.7%). Excluding the effects of IFRS 16, EBIT increased by 51% to EUR 27 million. This corresponds to an EBIT margin of 24.4%.
- The **license** segment profit was up on the prior year due to the increase in sales. The first-time adoption of IFRS 16 did not have any effect on the segment profit.

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Net assets and financial position

June 30, 2019	in EUR million	Change in %[1]	Change in % currency-adjusted[1]
TNWC	575	↗ +7	↗ +6
Inventories	641	↗ +4	↗ +3
Net financial liabilities	1,198	↗ >100	

[1] Change compared to June 30, 2018.

- In addition to a temporary increase in trade receivables, the development of **trade net working capital (TNWC)** also reflects an increase in inventories. In terms of the latter, however, the Company was able to achieve a normalization and thus a significant improvement compared to the end of 2018 as a result of the continued strict focus on **inventory** management.
- The adoption of IFRS 16 led to a significant increase in **net financial liabilities** due to the first-time inclusion of leasing liabilities. Excluding the effects of IFRS 16, net financial liabilities amounted to EUR 201 million and were therefore up by 27% on the prior year level. This is mainly attributable to the development of free cash flow of the last twelve months.

April – June 2019	in EUR million	Change in %[1]
Capital expenditure	48	↗ +45
Free cash flow	132	↗ >100

[1] Change compared to Q2 2018.

- The focus of **investing activities** in the second quarter was the accelerated renovation of existing retail stores and the expansion of the IT infrastructure in the course of the further digitization of the business model.
- Taking into account the effects of IFRS 16, **free cash flow** came to EUR 132 million in the second quarter. Excluding the effects of IFRS 16, however, free cash flow slightly declined to EUR 72 million (Q2 2018: EUR 79 million), mainly reflecting the significantly higher capital expenditure compared to the prior year.

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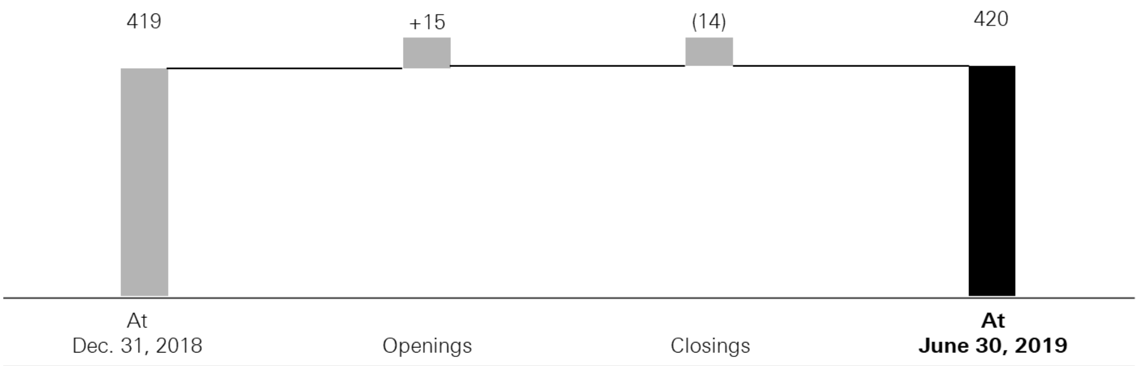
Network of freestanding retail stores



- The number of own **freestanding retail stores** remained virtually unchanged in the first half of the year.
  - Eleven newly opened **BOSS stores**, mainly in Asia, contrasted with the closures of 13 stores with expiring leases.
  - In the first half of the year, four **HUGO stores** with their own store concept opened. On the other hand, one store with an expiring lease has been closed.
- Including shop-in-shops and outlets, the **total selling space** of the own retail business was around 155,000 sqm at the end of June (December 31, 2018: 154,500 sqm).
- HUGO BOSS increased its **selling space productivity** in brick-and-mortar retail by 3% to around EUR 11,000 per sqm (January to December 2018: EUR 10,700 per sqm).

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Outlook 2019

- The Managing Board confirms the **financial outlook** for the full year. At the same time, management now expects sales and earnings to reach the lower end of the existing outlook. In doing so, HUGO BOSS takes into account the persisting challenges in the US market in particular.
- HUGO BOSS expects currency-adjusted **sales growth** to reach the lower end of the existing outlook (increase at a mid-single-digit percentage rate). The acceleration in sales in the second half of the year will be driven by the own retail business, which is forecast to achieve currency-adjusted sales growth in the mid to high single-digit percentage range in full year 2019. In addition to an acceleration in comp store sales growth, the Company expects further growth stimuli for the second half of the year from intensified online partnerships under the concession model and from the ongoing optimization of its store network.
- For the **Americas** region, HUGO BOSS now expects a slight decline in currency-adjusted sales for the full year (previous forecast: increase at a low to mid-single-digit percentage rate). For **Europe**, on the other hand, the Group continues to anticipate a currency-adjusted sales increase at a low to mid-single-digit percentage rate. For **Asia/Pacific**, an increase in currency-adjusted sales at a mid to high single-digit percentage rate is continued to be expected.
- HUGO BOSS expects to achieve **EBIT** growth at the lower end of the existing outlook (increase at a high single-digit percentage rate) for the full year (excluding the expected effects of IFRS 16). In addition to a significant increase in gross profit expected for the second half of the year, the anticipated further improvement in cost efficiency should also contribute positively to operating profit development. Growth of **net income** is also expected to come to the lower end of the existing outlook (increase at a high single-digit percentage rate).
- To facilitate comparison, the **effects of IFRS 16** have not been taken into account in the outlook statements for fiscal year 2019. Based on current information, the Group expects the operating result (EBIT) to decrease by a low single-digit million euro amount in fiscal year 2019 due to the first-time adoption of IFRS 16 (previous assumption: increase by a low double-digit million euro amount). At the same

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time, the Group's net income should decrease by a low double-digit million euro amount (previous assumption: decrease by a single-digit million euro amount). Further information on the updated assumptions relating to the effects of IFRS 16 can be found in the notes to the consolidated financial statements for the first half-year report for 2019.

- A detailed presentation of the outlook of HUGO BOSS for 2019 can be found in the Annual Report 2018.

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Financial calendar and contacts

November 5, 2019
Third Quarter Results 2019

March 5, 2020
Full Year Results 2019

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FINANCIAL INFORMATION

on Q2 and Jan. – June 2019

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

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Sales figures – quarter

(in EUR million)

	Q2 2019	Q2 2018	Change in %	Change in %[1]
Sales	**675**	**653**	**3**	**2**
Sales by segment				
Europe incl. Middle East and Africa	408	399	2	2
Americas	139	137	2	(3)
Asia/Pacific	110	100	10	8
Licenses	18	17	8	8
Sales by distribution channel				
Own retail business	460	442	4	3[2]
Wholesale	197	194	1	0
Licenses	18	17	8	8
Sales by brand				
BOSS	587	568	3	2
HUGO	88	85	4	3
Sales by gender				
Menswear	613	588	4	3
Womenswear	62	65	(5)	(6)

[1] currency-adjusted.

[2] on a comp store basis 2%.

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Further key figures – quarter

	Q2 2019 including IFRS 16	IFRS 16 impact	Q2 2019 excluding IFRS 16	Q2 2018	Change in %	Change in %
Results of operations (in EUR million)						
Sales	675	0	675	653	3	3
Gross profit	445	0	445	437	2	2
Gross profit margin in %	66.0	0	66.0	66.9	(100) bp	(100) bp
EBIT	76	0	76	74	3	3
EBIT margin in %[1]	11.3	0	11.2	11.3	0 bp	(10) bp
EBITDA	165	59	106	105	57	0
EBITDA margin in %[2]	24.5	880 bp	15.7	16.2	830 bp	(40) bp
Net income attributable to equity holders of the parent company	50	(3)	53	54	(7)	(1)
Financial position (in EUR million)						
Capital expenditure	48	0	48	33	45	45
Free cash flow	132	60	72	79	67	(9)
Depreciation/amortization	89	59	30	31	> 100	(5)
Additional key figures (in EUR million)						
Personnel expenses	164	0	164	159	3	3
Shares (in EUR)						
Earnings per share	0.72	(0.05)	0.77	0.77	(7)	(1)
Last share price (as of June 30)	58.50	0	58.50	77.76	(25)	(25)
Number of shares (as of June 30)	70,400,000	0	70,400,000	70,400,000	0	0

[1] EBIT/sales.

[2] EBITDA/sales.

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Sales figures – six months

(in EUR million)

	Jan. – June 2019	Jan. – June 2018	Change in %	Change in %[1]
Sales	**1,339**	**1,303**	**3**	**1**
Sales by segment				
Europe incl. Middle East and Africa	832	816	2	2
Americas	255	254	0	(6)
Asia/Pacific	216	200	8	6
Licenses	36	33	8	8
Sales by distribution channel				
Own retail business	857	820	5	3[2]
Wholesale	446	450	(1)	(2)
Licenses	36	33	8	8
Sales by brand				
BOSS	1,158	1,130	2	1
HUGO	181	173	5	4
Sales by gender				
Menswear	1,211	1,170	4	2
Womenswear	128	133	(4)	(5)

[1] currency-adjusted.

[2] on a comp store basis 3%.

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Further key figures – six months

	Jan. – June 2019 including IFRS 16	**IFRS 16 impact**	**Jan. – June 2019 excluding IFRS 16**	Jan. – June 2018	Change in % including IFRS 16	Change in % excluding IFRS 16
Results of operations (in EUR million)						
Sales	1,339	0	1,339	1,303	3	3
Gross profit	869	0	869	853	2	2
Gross profit margin in %	64.9	0	64.9	65.5	(60) bp	(60) bp
EBIT	130	(1)	130	143	(9)	(9)
EBIT margin in %[1]	9.7	0	9.7	11.0	(130) bp	(130) bp
EBITDA	308	119	189	204	51	(7)
EBITDA margin in %[2]	23.0	890 bp	14.1	15.6	730 bp	(150) bp
Net income attributable to equity holders of the parent company	84	(9)	92	103	(19)	(11)
Net assets and liability structure as of June 30 (in EUR million)						
Trade net working capital	575	0	575	535	7	7
Trade net working capital in % of sales[3]	19.9	0	19.9	18.8	100 bp	100 bp
Non-current assets	1,695	985	710	656	> 100	8
Equity	944	58	886	843	12	5
Equity ratio in %	33.4	(1.470) bp	48.0	48.5	(1.510) bp	(40) bp
Total assets	2,830	985	1,845	1,739	63	6
Financial position (in EUR million)						
Capital expenditure	79	0	79	51	53	53
Free cash flow	134	122	12	31	> 100	(61)
Depreciation/amortization	178	119	59	61	> 100	(3)
Net financial liabilities (as of June 30)	1,198	998	201	158	> 100	27
Total leverage (as of June 30)[4]	n.a.	n.a.	0.4	0.3	n.a.	35
Additional key figures						
Employees (as of June 30)	14,464	0	14,464	14,201	2	2
Personnel expenses (in EUR million)	336	0	336	315	7	7
Shares (in EUR)						
Earnings per share	1.22	(0.12)	1.34	1.49	(19)	(11)
Last share price (as of June 30)	58.50	0	58.50	77.76	(25)	(25)
Number of shares (as of June 30)	70,400,000	0	70,400,000	70,400,000	0	0

[1] EBIT/sales.

[2] EBITDA/sales.

[3] Moving average on the basis of the last four quarters.

[4] Net financial liabilities/EBITDA before special items.

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Consolidated income statement – quarter

(in EUR million)

	Q2 2019 including IFRS 16	IFRS 16 impact	Q2 2019 excluding IFRS 16	Q2 2018	Change in % including IFRS 16	Change in % excluding IFRS 16
Sales	**675**	**0**	**675**	**653**	**3**	**3**
Cost of sales	(230)	0	(230)	(216)	(6)	(6)
Gross profit	**445**	**0**	**445**	**437**	**2**	**2**
In % of sales	66.0	0	66.0	66.9	(100) bp	(100) bp
Operating expenses	**(369)**	**0**	**(369)**	**(363)**	**(2)**	**(2)**
In % of sales	(54.7)	0	(54.7)	(55.6)	100 bp	90 bp
Thereof selling and distribution expenses	(297)	2	(298)	(289)	(3)	(3)
Thereof administration expenses	(72)	(1)	(71)	(73)	2	4
Thereof other operating income and expenses	-	-	-	(1)	-	-
Operating result (EBIT)	**76**	**0**	**76**	**74**	**3**	**3**
In % of sales	11.3	0	11.2	11.3	0 bp	(10) bp
Financial result	(9)	(5)	(4)	(2)	> 100	> 100
Earnings before taxes	**67**	**(5)**	**72**	**72**	**(7)**	**(1)**
Income taxes	(17)	1	(19)	(18)	7	(1)
Net income	**50**	**(3)**	**53**	**54**	**(7)**	**(1)**
Earnings per share (in EUR)[1]	**0.72**	**(0,05)**	**0.77**	**0.77**	**(7)**	**(1)**
Income tax rate in %	**26**		**26**	**26**		

[1] Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)

	Q2 2019 including IFRS 16	IFRS 16 impact	Q2 2019 excluding IFRS 16	Q2 2018	Change in % including IFRS 16	Change in % excluding IFRS 16
EBIT	**76**	**0**	**76**	**74**	**3**	**3**
In % of sales	11.3	0	11.2	11.3	0 bp	(10) bp
Depreciation and amortization	(89)	(59)	(30)	(31)	> 100	5
EBITDA	**165**	**(59)**	**106**	**105**	**57**	**0**
In % of sales	24.5	880 bp	15.7	16.2	830 bp	(40) bp

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Consolidated income statement – six months

(in EUR million)

	Jan. – June 2019 including IFRS 16	IFRS 16 impact	Jan. – June 2019 excluding IFRS 16	Jan. - June 2018	Change in % including IFRS 16	Change in % excluding IFRS 16
Sales	**1,339**	**0**	**1,339**	**1,303**	**3**	**3**
Cost of sales	(470)	0	(470)	(450)	(4)	(4)
Gross profit	**869**	**0**	**869**	**853**	**2**	**2**
In % of sales	64.9	0	64.9	65.5	(60) bp	(60) bp
Operating expenses	**(740)**	**(1)**	**(739)**	**(710)**	**(4)**	**(4)**
In % of sales	(55.3)	0	(55.2)	(54.5)	(70) bp	(70) bp
Thereof selling and distribution expenses	(587)	0	(587)	(562)	(4)	(4)
Thereof administration expenses	(153)	(1)	(152)	(147)	(4)	(3)
Thereof other operating income and expenses	-	-	-	(1)	-	-
Operating result (EBIT)	**130**	**(1)**	**130**	**143**	**(9)**	**(9)**
In % of sales	9.7	0	9.7	11.0	(130) bp	(130) bp
Financial result	(17)	(11)	(6)	(4)	<(100)	(45)
Earnings before taxes	**113**	**(12)**	**125**	**139**	**(19)**	**(11)**
Income taxes	(29)	3	(32)	(36)	19	11
Net income	**84**	**(9)**	**92**	**103**	**(19)**	**(11)**
Earnings per share (in EUR)[1]	**1.22**	**(0,12)**	**1.34**	**1.49**	**(19)**	**(11)**
Income tax rate in %	**26**		**26**	**26**		

[1] Basic and diluted earnings per share.

EBIT and EBITDA – six months

(in EUR million)

	Jan. – June 2019 including IFRS 16	IFRS 16 impact	Jan. – June 2019 excluding IFRS 16	Jan. - June 2018	Change in % including IFRS 16	Change in % excluding IFRS 16
EBIT	**130**	**(1)**	**130**	**143**	**(9)**	**(9)**
In % of sales	**9.7**	**0**	**9.7**	**11.0**	**(130) bp**	**(130) bp**
Depreciation and amortization	(178)	(119)	(59)	(61)	<(100)	3
EBITDA	**308**	**119**	**189**	**204**	**51**	**(7)**
In % of sales	23.0	890 bp	14.1	15.6	730 bp	(150) bp

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Consolidated statement of financial position – assets

(in EUR million)	**June 30, 2019 including IFRS 16**	**IFRS 16 impact**	**June 30, 2019 excluding IFRS 16**	June 30, 2018	December 31, 2018
Property, plant and equipment	406	0	406	359	389
Intangible assets	189	0	189	180	185
Right-of-use assets	990	990	0	0	0
Deferred tax assets	87	(5)	92	98	90
Non-current financial assets	21	0	21	18	19
Other non-current assets	2	0	2	1	3
Non-current assets	**1,695**	**985**	**710**	**656**	**686**
Inventories	641	0	641	615	618
Trade receivables	207	0	207	190	214
Current tax receivables	40	0	40	45	39
Current financial assets	28	0	28	30	32
Other current assets	114	0	114	104	123
Cash and cash equivalents	106	0	106	99	147
Current assets	**1,135**	**0**	**1,135**	**1,083**	**1,172**
TOTAL	**2,830**	**985**	**1,845**	**1,739**	**1,858**

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Consolidated statement of financial position – equity and liabilities

(in EUR million)	June 30, 2019 including IFRS 16	IFRS 16 impact	June 30, 2019 excluding IFRS 16	June 30, 2018	December 31, 2018
Subscribed capital	70	0	70	70	70
Own shares	(42)	0	(42)	(42)	(42)
Capital reserve	0	0	0	0	0
Retained earnings	881	58	823	791	926
Accumulated other comprehensive income	35	0	35	24	26
Equity attributable to equity holders of the parent company	**944**	**58**	**886**	**843**	**981**
Non-controlling interests	0	0	0	0	0
Group equity	**944**	**58**	**886**	**843**	**981**
Non-current provisions	79	0	79	71	69
Non-current financial liabilities	187	0	187	154	83
Non-current lease liabilities	800	797	3	4	0
Deferred tax liabilities	14	1	13	13	13
Other non-current liabilities	0	(60)	60	55	61
Non-current liabilities	**1,080**	**738**	**342**	**297**	**225**
Current provisions	89	0	89	96	98
Current financial liabilities	119	0	119	107	93
Current lease liabilities	202	201	1	1	0
Income tax payables	29	0	29	19	44
Trade payables	272	0	272	270	295
Other current liabilities	95	(11)	106	106	123
Current liabilities	**806**	**190**	**616**	**599**	**653**
TOTAL	**2,830**	**985**	**1,845**	**1,739**	**1,858**

Trade net working capital (TNWC)

(in EUR million)	June 30, 2019	June 30, 2018	Change in %	Currency-adjusted change in %
Inventories	641	615	4	3
Trade receivables	207	190	9	9
Trade payables	(272)	(270)	1	0
Trade net working capital (TNWC)	**575**	**535**	**7**	**6**

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Consolidated statement of cash flows

(in EUR million)

	Jan. – June 2019 including IFRS 16	IFRS 16 impact	Jan. – June 2019 excluding IFRS 16	Jan. – June 2018
Net income	84	(9)	92	103
Depreciation/amortization	178	119	59	61
Unrealized net foreign exchange gain/loss	2	1	1	7
Other non-cash transactions	1	7	(6)	0
Income tax expense/income	29	(3)	32	36
Change in inventories	(19)	0	(19)	(77)
Change in receivables and other assets	26	0	26	32
Change in trade payables and other liabilities	(37)	4	(41)	(26)
Change in provisions for pensions	12	0	12	(1)
Change in other provisions	(8)	0	(8)	(9)
Income taxes paid	(56)	3	(59)	(45)
Cash flow from operating activities	**212**	**122**	**90**	**81**
Investments in property, plant and equipment	(63)	0	(63)	(40)
Investments in intangible assets	(15)	0	(15)	(11)
Cash receipts from disposal of property, plant and equipment and intangible assets	0	0	0	1
Cash flow from investing activities	**(78)**	**0**	**(78)**	**(50)**
Dividends paid to equity holders of the parent company	(186)	0	(186)	(183)
Change in current financial liabilities	25	0	25	38
Cash receipts from non-current financial liabilities	111	0	111	96
Repayment of non-current financial liabilities	(4)	0	(4)	(1)
Repayment of current and non-current lease liabilities	(111)	(111)	0	0
Interest income and expenses	(10)	(11)	1	1
Interest paid	(1)	0	(1)	(1)
Interest received	1	0	1	1
Cash flow from financing activities	**(175)**	**(122)**	**(53)**	**(49)**
Exchange-rate related changes in cash and cash equivalents	1	0	1	1
Change in cash and cash equivalents	**(40)**	**0**	**(40)**	**(17)**
Cash and cash equivalents at the beginning of the period	147	0	147	116
Cash and cash equivalents at the end of the period	**106**	**0**	**106**	**99**

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Free cash flow

(in EUR million)

	Jan. – June 2019 including IFRS 16	IFRS 16 impact	Jan. – June 2019 excluding IFRS 16	Jan. – June 2018
Cash flow from operating activities	212	122	90	81
Cash flow from investing activities	(78)	0	(78)	(50)
Free cash flow	**134**	**122**	**12**	**31**

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Segment earnings[1] – quarter

(in EUR million)

	Q2 2019 including IFRS 16	In % of sales including IFRS 16	Q2 2018[1]	In % of sales[1]	Change in %
Europe	108	26.4	114	28.6	(6)
Americas	14	10.2	17	12.6	(18)
Asia/Pacific	27	24.2	18	17.7	49
Licenses	15	82.5	13	79.2	13
Earnings of operating segments	**164**	**24.2**	**163**	**24.9**	**1**
Corporate units / consolidation	(88)		(89)		1
EBIT	**76**	**11.3**	**74**	**11.3**	**3**

[1] Starting in fiscal year 2019, EBIT will replace EBITDA before special items used by the Group up through 2018 as one of the key performance indicators. As such, from now on, segment profits will also be presented on the basis of EBIT. The corresponding prior year's figures therefore deviate from the figures reported in 2018.

Segment earnings[1] – six months

(in EUR million)

	Jan. – June 2019 including IFRS 16	In % of sales including IFRS 16	Jan. – June 2018[1]	In % of sales[1]	Change in %
Europe	214	25.7	226	27.8	(6)
Americas	18	7.0	25	9.8	(29)
Asia/Pacific	52	23.9	42	21.0	24
Licenses	29	82.0	27	81.1	9
Earnings of operating segments	**313**	**23.3**	**321**	**24.6**	**(2)**
Corporate units / consolidation	(183)		(178)		(3)
EBIT	**130**	**9.7**	**143**	**11.0**	**(9)**

[1] Starting in fiscal year 2019, EBIT will replace EBITDA before special items used by the Group up through 2018 as one of the key performance indicators. As such, from now on, segment profits will also be presented on the basis of EBIT. The corresponding prior year's figures therefore deviate from the figures reported in 2018.

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Number of own retail stores

June 30, 2019	Freestanding stores	Shop-in-shops	Outlets	TOTAL
Europe	200	310	67	**577**
Americas	91	83	50	**224**
Asia/Pacific	129	109	57	**295**
TOTAL	**420**	**502**	**174**	**1,096**
Dec. 31, 2018[1]				
Europe	200	303	67	**570**
Americas	89	85	52	**226**
Asia/Pacific	130	112	54	**296**
TOTAL	**419**	**500**	**173**	**1,092**

[1] The prior year's figures were adjusted retrospectively as of December 31, 2018. As part of a redefinition of the criteria for differentiating freestanding stores and shop-in-shops, a number of points of sale in the Asia/Pacific region that were previously designated as freestanding stores were reclassified as shop-in-shops. In addition, in the course of the two brand strategy, individual points of sale of the BOSS brand within certain department stores were combined numerically into one shop-in-shop, mainly in Europe and the Americas. Both measures have no impact on the Group's total selling space.

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