

HUGO BOSS

Quarterly Statement for Q3 2020

Metzingen, November 3, 2020

HUGO BOSS returns to profit in Q3 as gradual business recovery continues

- **Group sales decline limited to minus 24% (currency-adjusted)**
- **Online business continues double-digit growth trajectory – sales up 66%**
- **Momentum in mainland China accelerates with revenues up 27%**
- **EBIT returns to positive territory with plus EUR 15 million**
- **Strong free cash flow generation of EUR 155 million**

“We made further progress in the recovery of our business, with great contribution coming from Online and mainland China. Our profitability returned to positive territory, and we even accelerated our strong cash flow generation,” says

Yves Müller, Spokesperson of the Managing Board of HUGO BOSS AG.

“Further driving the global recovery of our business will remain a key priority for us as we approach year-end. At the same time, we will continue to push ahead with the execution of our strategic initiatives to return to our former growth trajectory.”

In the third quarter, HUGO BOSS successfully continued its gradual business recovery. With the vast majority of its own stores back in operation, particularly the Group’s own retail business recorded a considerably more robust performance as compared to the first half of the year, with own retail revenues down by 20%, currency-adjusted. While local demand in key markets picked up noticeably as compared to the previous quarter, business with tourists continued to suffer from international travel restrictions. Overall, Group sales amounted to EUR 533 million in the third quarter, representing a currency-adjusted decline of 24% against the prior-year period (Q3 2019: EUR 720 million). In reporting currency, this corresponds to a decrease of 26%.

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Online business continues its double-digit growth trajectory

The Group's own online business was able to maintain its strong momentum, with currency-adjusted sales up 66% in the third quarter. Supported by the accelerated consumer demand shift towards digital, sales on hugoboss.com and the Group's self-managed offerings on key partner websites recorded strong improvements in both traffic and conversion rates. The successful expansion of hugoboss.com to 24 additional markets in June and August also contributed to the increase. Thereby, the period from July to September marks the twelfth consecutive quarter with significant double-digit online sales growth for HUGO BOSS.

Momentum in mainland China further accelerates

While all three regions recorded a business recovery in the third quarter, the pace of recovery was most pronounced in Asia/Pacific, with currency-adjusted sales down 14%. Mainland China, a strategically important market for HUGO BOSS, stood out positively again. With revenues up 27% currency-adjusted, mainland China gained further momentum in the three-month period, thus successfully continuing its recovery that already started back in March. While this development is also supported by a repatriation of local demand, HUGO BOSS once again witnessed a strong improvement in conversion rates in brick-and-mortar retail as well as high double-digit online sales growth.

In Europe, currency-adjusted sales declined by 21% against the prior-year period. While the region saw a solid rebound of local demand in key markets such as the UK and France, the restraint in tourism continued to weigh on its overall business recovery. In the Americas, currency-adjusted sales were down 41%, as the negative implications of the pandemic continued to weigh on the Company's U.S. business, both in own retail and wholesale.

Profitability returns to positive territory in the third quarter

Despite the overall sales decline, the Group's operating profit (EBIT) returned to positive territory in the third quarter. This development was driven by tight cost

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control and the successful execution of the Company's expense-reduction measures. Consequently, HUGO BOSS generated a positive EBIT of EUR 15 million in the three-month period (Q3 2019: EUR 83 million).

Safeguarding the financial stability of HUGO BOSS continued to be a key priority in the past months. In this context, the Company made further progress in successfully executing its various measures regarding cash flow protection. As a result, the Group generated a strong free cash flow of EUR 155 million in the three-month period (Q3 2019: EUR 63 million). At the same time, the financial flexibility of HUGO BOSS remains sound. The Company's revolving syndicated loan, which totals EUR 633 million, was only utilized in the amount of EUR 134 million at the end of September. Additionally, the Group has not drawn on the additional credit commitments totaling EUR 275 million that it secured in the second quarter.

Further business recovery remains key priority

Based on its overall position of financial strength, HUGO BOSS will continue to focus on driving the further recovery of its business going forward. In this context, the Group will resolutely exploit its global sales opportunities during the important final quarter of the 2020 fiscal year, in particular with regard to its strategic growth drivers Online and China. At the same time, HUGO BOSS expects continuing uncertainty with regard to the further development of the pandemic. Many key markets are currently witnessing a surge in the number of COVID-19 infections, which in turn weighs on consumer behavior. Besides that, further countermeasures taken by governments to contain the spread of the virus are yet to be seen.

Driving brand heat through numerous product and marketing initiatives

Beyond the further recovery of the Group's overall business, elevating the desirability of its brands will continue to be a focal point for HUGO BOSS. To create awareness and strengthen the profile of BOSS and HUGO among younger target groups, future brand and marketing initiatives will be centered on emotional events as well as exclusive collaborations with brands and ambassadors. Social media will take center stage, with all communication initiatives build around it.

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In September, BOSS revealed its Spring/Summer 2021 Menswear and Womenswear collections with a live runway show at Milan Fashion Week, livestreamed on hugoboss.com, Instagram, and for the first time on TikTok. The show continued the decisive move towards casualization, revealing a sportier and younger version of the BOSS man and woman than ever before. A brand experience event took place simultaneously in Shanghai across Chinese digital platforms WeChat and T-Mall. The event concluded with the reveal of an exclusive collection of the upcoming holiday campaign BOSS x Justin Teodoro, which was offered to Chinese customers during an exclusive 48 hours “see now buy now” shopping experience.

Earlier in September, BOSS announced the partnership with German fashion influencer and entrepreneur Caro Daur on an exciting womenswear capsule. Staying true to the brand’s elegant aesthetic while fusing both parties’ individual approaches to style, the “BOSS curated by Caro Daur” styles are currently available in BOSS stores globally and online at hugoboss.com. The month of September also saw the launch of an exclusive BOSS menswear capsule co-created by British boxer Anthony Joshua. In a palette of navy and gold, the casual collection brings together Joshua’s unstoppable spirit with elegant BOSS style. For both collections, the Group has seen an affirmative response with regards to sales with many pieces sold-out on hugoboss.com shortly after their launch.

Another exciting collaboration will come to life during the upcoming Pre-Fall 2021 season, when BOSS will team up with the iconic American brand Russell Athletic. This unexpected capsule collection will range from apparel to shoes and accessories, with a clear focus on casualwear and athleisure wear, and become available from March 2021 onwards. The looks unite the best of both worlds – the expert tailoring and signature style of BOSS Menswear with the instantly recognizable aesthetic of the American sportswear pioneer – and will enable BOSS to further strengthen its positioning within casualwear.

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Q3 sales development by segment

	in EUR million	Change in %	Change in % currency-adjusted
Europe	369	↘ (22)	↘ (21)
Americas	73	↘ (46)	↘ (41)
Asia/Pacific	76	↘ (16)	↘ (14)
Licenses	14	↘ (35)	↘ (35)
Group	533	↘ (26)	↘ (24)

In the third quarter, HUGO BOSS successfully continued its gradual business recovery, which had already started during the second quarter post the lockdown in most markets. On the basis of an average store opening rate of approximately 95%, in particular the Group's own retail business recorded a considerably more robust performance as compared to the first half of 2020.

- In **Europe**, currency-adjusted sales were down 21% on the prior-year level. While lower tourism flows continued to weigh on the overall business recovery, the region benefitted from a solid rebound in local demand. The latter was particularly evident in the UK and France. On the other hand, sales in Germany lagged behind to some extent, reflecting the market's comparably high exposure to brick-and-mortar wholesale. From a channel perspective, sales in Europe's own retail business developed somewhat better than in wholesale. The latter was impacted by lower deliveries to partners mainly reflecting cautious order behavior in the wake of the pandemic.
- With currency-adjusted sales down 41%, the negative implications of the pandemic continued to weigh on business in the **Americas**. While revenues in Latin America recovered noticeably, sales across the U.S. and Canada were down by mid-double-digit percentage rates, reflecting ongoing traffic declines in physical retail and wholesale as well as local lockdowns and accompanying temporary store closures in several key areas.
- Currency-adjusted sales in the **Asia/Pacific** region decreased by 14%. With revenues up 27% currency-adjusted, mainland China gained further

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momentum in the third quarter, thus successfully continuing its recovery that started already back in March. Other markets in this region could not keep pace with this development. While business in Hong Kong and Macao continued to suffer from significantly lower tourism flows, some other markets had to cope with temporary store closures in the wake of renewed local lockdowns.

Q3 sales development by channel

	in EUR million	Change in %	Change in % currency-adjusted
Group's own retail business	335	↘ (22)	↘ (20)
Brick and mortar retail	287	↘ (29)	↘ (27)
Own online business	48	↗ +62	↗ +66
Wholesale	183	↘ (31)	↘ (30)
Licenses	14	↘ (35)	↘ (35)
Group	533	↘ (26)	↘ (24)

- Currency-adjusted sales in the **Group's own retail business** (including freestanding stores, shop-in-shops, outlets, and online stores) continued their gradual recovery in the third quarter and were down 20% on the prior-year level.
 - On a comp store and currency-adjusted basis, sales decreased 23%, with Asia/Pacific showing a more robust performance as compared to Europe and the Americas.
 - The Group's own online business maintained its strong momentum with currency-adjusted sales up 66% in the third quarter. This development was supported by strong increases in both traffic and conversion. In addition, the successful expansion of hugoboss.com to 24 additional markets in June and August contributed positively to the development.
 - Overall, sales in the own retail business declined 17% in Europe on a currency-adjusted basis, and amounted to EUR 212 million (Q3 2019: EUR 257 million). At EUR 53 million (Q3 2019: EUR 94 million), own retail sales in the Americas

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decreased by 38%. In the Asia/Pacific region, own retail sales declined by 11% on a currency-adjusted basis to EUR 70 million (Q3 2019: EUR 82 million).

- Sales in the **wholesale business** were down 30% in the third quarter. Cautious ordering behavior in the wake of the pandemic resulted in lower deliveries to wholesale partners, in particular in Europe and the U.S.
 - At EUR 157 million, currency-adjusted sales with wholesale partners in Europe were 26% below the prior-year level (Q3 2019: EUR 214 million). In the Americas, currency-adjusted sales declined by 48% to EUR 20 million (Q3 2019: EUR 42 million). The Asia/Pacific region saw a 37% decrease in currency-adjusted sales to EUR 5 million (Q3 2019: EUR 9 million).
- The difficult market environment also weighed on sales in the **license business**, which were down 35% on the prior-year level, currency-adjusted. In particular, a decline in sales generated with fragrances, watches, and eyewear, reflecting a softer travel retail business, weighed on the performance.

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Q3 sales development by brand and gender

	in EUR million	Change in %	Change in % currency-adjusted
BOSS <small>HUGO BOSS</small>	456	↘ (26)	↘ (24)
HUGO <small>HUGO BOSS</small>	77	↘ (27)	↘ (25)
Group	533	↘ (26)	↘ (24)

- At **BOSS**, all three wearing occasions decreased by low double-digit percentage rates. However, the brand's casualwear and athleisure wear offerings once again showed a more robust performance compared to formalwear, reflecting the ongoing trend towards a more casual lifestyle.
- Also for **HUGO**, casualwear proved to be more resilient than formalwear. Consequently, casualwear sales were only down by a mid-single-digit percentage rate.

	in EUR million	Change in %	Change in % currency-adjusted
Menswear	484	↘ (26)	↘ (24)
Womenswear	49	↘ (29)	↘ (28)
Group	533	↘ (26)	↘ (24)

- **Menswear** and **womenswear** performed broadly in line in the third quarter.

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Q3 earnings development

(in EUR million)			
	Q3 2020	Q3 2019	Change in %
Sales	533	720	(26)
Cost of sales	(203)	(264)	23
Gross profit	330	456	(28)
In % of sales	61.9	63.3	(140) bp
Operating expenses	(315)	(373)	15
In % of sales	(59.2)	(51.8)	(740) bp
Thereof selling and distribution expenses	(251)	(306)	18
Thereof administration expenses	(65)	(67)	4
Operating result (EBIT)	15	83	(83)
In % of sales	2.7	11.5	(880) bp
Financial result	(10)	(8)	(29)
Earnings before taxes	5	75	(94)
Income taxes	(1)	(20)	93
Net income	3	56	(94)
Earnings per share (in EUR)¹	0.06	0.81	(93)
Tax rate in %	28	26	

¹ Basic and diluted earnings per share.

- The decline in **gross profit margin** is mainly attributable to an overall more promotional retail environment, in particular in Europe and the U.S, caused by the pandemic. A slightly positive channel mix reflecting the higher share of retail sales in the three-month period only partly compensated for these negative effects.
- Thanks to tight cost control and further progress in executing the various expense-reduction measures initiated at an early stage of the pandemic, HUGO BOSS cut its underlying **operating expenses** by a strong 15% in the third quarter.
 - The significant decrease in **selling and distribution expenses** mainly reflects a reduction in rental and payroll costs in own retail. Besides that, HUGO BOSS recorded lower marketing expenses in the third quarter.
 - **Administration expenses** were also well below the prior-year level. This is mainly attributable to consistent cost management as well as positive effects from the implemented cost-saving measures. The latter primarily relate to the elimination of non-business-critical expenses.
- Consequently, the **operating result (EBIT)** returned to positive territory in the third quarter, totaling EUR 15 million in the three-month period (Q3 2019: EUR 83 million).
- The **Group's net income** also returned to positive territory and amounted to EUR 3 million (Q3 2019: EUR 56 million).

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Net assets and financial position

September 30, 2020	in EUR million	Change in % ¹	Change in % currency-adjusted ¹
TNWC	554	↘ (11)	↘ (7)
Inventories	644	↘ (1)	↗ +2
Net financial liabilities	1,032	↘ (16)	

¹ Change compared to September 30, 2019.

- Adjusted for currency effects, **trade net working capital (TNWC)** was 7% below the prior-year level. In particular, lower trade receivables, mainly reflecting lower deliveries to wholesale partners in the third quarter, had a positive impact on trade net working capital. Slightly higher trade payables also contributed to the decline.
- **Inventories** remained broadly stable against the prior-year level. This development reflects the successful execution of the Group's measures to significantly limit inventory inflow, as well as the overall gradual business recovery.
- **Net financial liabilities** amounted to EUR 1,032 million, representing a 16% decrease against the prior-year level. This reduction is mainly attributable to the strong free cash flow generation in the third quarter.

July – September 2020	in EUR million	Change in % ¹
Capital expenditure	18	↘ (65)
Free cash flow	155	↗ >100

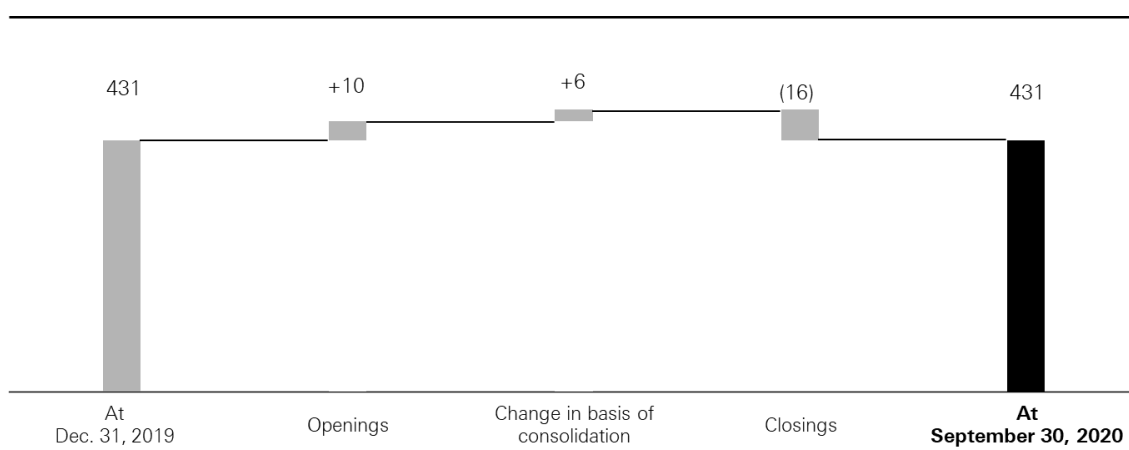
¹ Change compared to Q3 2019.

- In order to secure free cash flow, HUGO BOSS adjusted its **capital expenditure** for the third quarter. Consequently, investments amounted to EUR 18 million, representing a 65% decrease versus the prior year (Q3 2019: EUR 52 million). Investment activity was again focused on optimizing and modernizing the Group's own retail network, as well as the Company's IT infrastructure.
- HUGO BOSS made further progress in successfully executing its various measures all aimed at protecting cash flow. As a result, HUGO BOSS generated a strong **free cash flow** of EUR 155 million in the third quarter (Q3 2019: EUR 63 million),

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mainly reflecting the positive development of trade net working capital as well as the lower capital expenditure.

Network of freestanding retail stores



- As of September 30, 2020, the number of own **freestanding retail stores** remained unchanged compared to December 31, 2019.
 - In the first nine months of the year, nine **BOSS stores** were newly opened. In addition, five BOSS stores in the United Arab Emirates have been added to the Group's own store network following a change in the basis of consolidation. On the other hand, thirteen BOSS stores with expiring leases were closed globally.
 - The first nine months of the 2020 fiscal year saw the opening of one **HUGO store** in Moscow. The change in the basis of consolidation resulted in the addition of one HUGO store in Dubai. By contrast, three HUGO stores with expiring leases were closed in the U.S. and Japan.

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Financial calendar and contacts

March 11, 2021

Full Year Results 2020

May 5, 2021

First Quarter Results 2021

May 11, 2021

Annual Shareholders' Meeting

August 4, 2021

Second Quarter Results 2021 & First Half Year Report 2021

November 4, 2021

Third Quarter Results 2021

If you have any questions, please contact:

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FINANCIAL INFORMATION

for Q3 2020 and Jan. – Sep. 2020

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

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Key figures – quarter

(in EUR million)				
	Q3 2020	Q3 2019	Change in %	Change in % ¹
Sales	533	720	(26)	(24)
Sales by segment				
Europe incl. Middle East and Africa	369	471	(22)	(21)
Americas	73	135	(46)	(41)
Asia/Pacific	76	91	(16)	(14)
Licenses	14	22	(35)	(35)
Sales by distribution channel				
Own retail business	335	433	(22)	(20) ²
Wholesale	183	265	(31)	(30)
Licenses	14	22	(35)	(35)
Sales by brand				
BOSS	456	614	(26)	(24)
HUGO	77	105	(27)	(25)
Sales by gender				
Menswear	484	650	(26)	(24)
Womenswear	49	69	(29)	(28)
Results of operations				
Gross profit	330	456	(28)	
Gross profit margin in %	61.9	63.3	(140) bp	
EBIT	15	83	(83)	
EBIT margin in %	2.7	11.5	(880) bp	
EBITDA	100	173	(42)	
EBITDA margin in %	18.8	24.0	(520) bp	
Net income	3	56	(94)	
Financial position				
Capital expenditure	18	52	(65)	
Free cash flow	155	63	> 100	
Depreciation/amortization	86	90	(5)	
Additional key figures				
Personnel expenses	138	160	(14)	
Shares (in EUR)				
Earnings per share	0.06	0.81	(93)	
Last share price (as of Sep. 30)	21.37	49.15	(57)	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

¹ Currency-adjusted.

² On a comp store basis (23)%.

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Key figures – nine months

(in EUR million)

	Jan. – Sep. 2020 ¹	Jan. – Sep. 2019	Change in %	Change in % ²
Sales	1,363	2,059	(34)	(33)
Sales by segment				
Europe incl. Middle East and Africa	904	1,304	(31)	(30)
Americas	197	390	(49)	(48)
Asia/Pacific	219	307	(29)	(28)
Licenses	42	58	(27)	(27)
Sales by distribution channel				
Own retail business	860	1,290	(33)	(33) ³
Wholesale	460	711	(35)	(35)
Licenses	42	58	(27)	(27)
Sales by brand				
BOSS	1,159	1,772	(35)	(34)
HUGO	203	286	(29)	(28)
Sales by gender				
Menswear	1,229	1,861	(34)	(33)
Womenswear	133	198	(33)	(32)
Results of operations				
Gross profit	829	1,325	(37)	
Gross profit margin in %	60.8	64.3	(350) bp	
EBIT	(249) ⁴	220	< (100)	
EBIT margin in %	(18.3) ⁵	10.7	(2,900) bp	
EBITDA	145	481	(70)	
EBITDA margin in %	10.6	23.3	(1,270) bp	
Net income	(200) ⁶	145	< (100)	
Net assets and liability structure as of Sep. 30				
Trade net working capital	554	624	(11)	(7)
Trade net working capital in % of sales ⁷	26.0	20.5	540 bp	
Non-current assets	1,531	1,686	(9)	
Equity	782	947	(17)	
Equity ratio in %	30.3	33.2	(290) bp	
Total assets	2,585	2,853	(9)	
Financial position				
Capital expenditure	53	131	(60)	
Free cash flow	109	198	(45)	
Depreciation/amortization	393 ⁸	260	51	
Net financial liabilities (as of Sep. 30)	1,032	1,222	(16)	
Additional key figures				
Employees (as of Sep. 30) ⁹	13,538	14,436	(6)	
Personnel expenses	421	496	(15)	
Shares (in EUR)				
Earnings per share	(2.88) ¹⁰	2.10	< (100)	
Last share price (as of Sep. 30)	21.37	49.15	(57)	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

¹ Including non-cash impairment charges in the amount of EUR 125 million related to the negative impact of COVID-19 on the Group's retail business that HUGO BOSS recorded in the second quarter of 2020.

² Currency-adjusted.

³ On a comp store basis (35)%.

⁴ Excluding non-cash impairment charges, EBIT amounted to minus EUR 123 million.

⁵ Excluding non-cash impairment charges, EBIT margin amounted to (9.0)%.

⁶ Excluding non-cash impairment charges, net income amounted to minus EUR 110 million.

⁷ Moving average on the basis of the last four quarters.

⁸ Excluding non-cash impairment charges, depreciation and amortization amounted to EUR 268 million.

⁹ Full-time equivalent (FTE).

¹⁰ Excluding non-cash impairment charges, EPS amounted to minus EUR 1.58.

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Consolidated income statement – quarter

(in EUR million)			
	Q3 2020	Q3 2019	Change in %
Sales	533	720	(26)
Cost of sales	(203)	(264)	23
Gross profit	330	456	(28)
In % of sales	61.9	63.3	(140) bp
Operating expenses	(315)	(373)	15
In % of sales	(59.2)	(51.8)	(740) bp
Thereof selling and distribution expenses	(251)	(306)	18
Thereof administration expenses	(65)	(67)	4
Operating result (EBIT)	15	83	(83)
In % of sales	2.7	11.5	(880) bp
Financial result	(10)	(8)	(29)
Earnings before taxes	5	75	(94)
Income taxes	(1)	(20)	93
Net income	3	56	(94)
Earnings per share (in EUR)¹	0.06	0.81	(93)
Tax rate in %	28	26	

¹ Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)			
	Q3 2020	Q3 2019	Veränderung in %
EBIT	15	83	(83)
In % of sales	2.7	11.5	(880) bp
Depreciation and amortization	(86)	(90)	(5)
EBITDA	100	173	(42)
In % of sales	18.8	24.0	(520) bp

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Consolidated income statement – nine months

(in EUR million)

	Jan. – Sep. 2020	Jan. - Sep. 2019	Change in %
Sales	1,363	2,059	(34)
Cost of sales	(534)	(734)	27
Gross profit	829	1,325	(37)
In % of sales	60.8	64.3	(350) bp
Operating expenses	(1,078)	(1,105)	2
In % of sales	(79.1)	(53.6)	(2,540) bp
Thereof selling and distribution expenses	(867)	(885)	2
Thereof impairments ¹	(125)	0	< (100)
Thereof administration expenses	(210)	(219)	4
Operating result (EBIT)	(249)	220	< (100)
In % of sales	(18.3)	10.7	(2,900) bp
Financial result	(29)	(24)	20
Earnings before taxes	(278)	196	< (100)
Income taxes	78	(51)	> 100
Net income	(200)	145	< (100)
Earnings per share (in EUR)²	(2.88)	2.10	< (100)
Income tax rate in %	28	26	

¹ In the second quarter of 2020, the Group recorded non-cash impairment charges related to the negative impact of COVID-19 on the Group's retail business.

² Basic and diluted earnings per share.

EBIT and EBITDA – nine months

(in EUR million)

	Jan. – Sep. 2020	Jan. - Sep. 2019	Veränderung in %
EBIT	(249)	220	< (100)
In % of sales	(18.3)	10.7	(2,900) bp
Depreciation and amortization	(393)	(260)	(51)
EBITDA	145	481	(70)
In % of sales	10.6	23.3	(1,270) bp

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Consolidated statement of financial position

(in EUR million)

Assets	September 30, 2020	September 30, 2019	December 31, 2019
Property, plant and equipment	438	428	517
Intangible assets	186	193	197
Right-of-use assets	694	941	877
Deferred tax assets	190	100	98
Non-current financial assets	22	22	22
Other non-current assets	1	2	2
Non-current assets	1,531	1,686	1,713
Inventories	644	650	627
Trade receivables	182	223	216
Current tax receivables	14	39	33
Current financial assets	13	22	32
Other current assets	90	133	123
Cash and cash equivalents	110	100	133
Current assets	1,054	1,167	1,164
TOTAL	2,585	2,853	2,877
Equity and liabilities	September 30, 2020	September 30, 2019	December 31, 2019
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Capital reserve	0	0	0
Retained earnings	727	873	932
Accumulated other comprehensive income	22	46	41
Equity attributable to equity holders of the parent company	777	947	1,002
Non-controlling interests	5	0	0
Group equity	782	947	1,002
Non-current provisions	88	89	87
Non-current financial liabilities	199	145	106
Non-current lease liabilities	698	809	789
Deferred tax liabilities	13	12	11
Other non-current liabilities	1	1	0
Non-current liabilities	999	1,056	994
Current provisions	108	99	92
Current financial liabilities	82	153	112
Current lease liabilities	166	216	168
Income tax payables	67	33	66
Trade payables	272	249	315
Other current liabilities	108	100	130
Current liabilities	804	850	882
TOTAL	2,585	2,853	2,877

Trade net working capital (TNWC)

(in EUR million)

	September 30, 2020	September 30, 2019	Change in %	Currency-adjusted change in %
Inventories	644	650	(1)	2
Trade receivables	182	223	(18)	(16)
Trade payables	(272)	(249)	9	10
Trade net working capital (TNWC)	554	624	(11)	(7)

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Consolidated statement of cash flows

(in EUR million)

	Jan. – Sep. 2020	Jan. – Sep. 2019
Net income	(200)	145
Depreciation/amortization	393	260
Unrealized net foreign exchange gain/loss	22	(4)
Other non-cash transactions	0	1
Income tax expense/income	(78)	51
Interest expense/income	20	18
Change in inventories	(27)	(19)
Change in receivables and other assets	75	(3)
Change in trade payables and other liabilities	(65)	(64)
Result from disposal of non-current assets	2	(1)
Change in provisions for pensions	(1)	6
Change in other provisions	16	4
Income taxes paid	5	(65)
Cash flow from operating activities	160	329
Investments in property, plant and equipment	(39)	(106)
Investments in intangible assets	(13)	(24)
Cash receipts from disposal of property, plant and equipment and intangible assets	1	0
Cash flow from investing activities	(52)	(131)
Dividends paid to equity holders of the parent company	(3)	(186)
Change in current financial liabilities	(44)	62
Cash receipts from non-current financial liabilities	105	72
Repayment of non-current financial liabilities	0	(7)
Repayment of current and non-current lease liabilities	(170)	(169)
Interest paid	(20)	(19)
Interest received	2	1
Cash flow from financing activities	(130)	(247)
Changes in scope of consolidation	2	0
Exchange rate related changes in cash and cash equivalents	(3)	1
Change in cash and cash equivalents	(23)	(47)
Cash and cash equivalents at the beginning of the period	133	147
Cash and cash equivalents at the end of the period	110	100

Free cash flow

(in EUR million)

	Jan. – Sep. 2020	Jan. – Sep. 2019
Cash flow from operating activities	160	329
Cash flow from investing activities	(52)	(131)
Free cash flow	109	198

HUGO BOSS

Number of own retail stores

	Freestanding stores	Shop-in-shops	Outlets	TOTAL
Sep. 30, 2020				
Europe	210	317	75	602
Americas	92	82	48	222
Asia/Pacific	129	106	68	303
TOTAL	431	505	191	1,127
Dec. 31, 2019				
Europe	203	311	70	584
Americas	94	84	50	228
Asia/Pacific	134	109	58	301
TOTAL	431	504	178	1,113