

GENERAL ECONOMIC SITUATION AND INDUSTRY DEVELOPMENT

2025 marked by elevated
macroeconomic and
geopolitical volatility

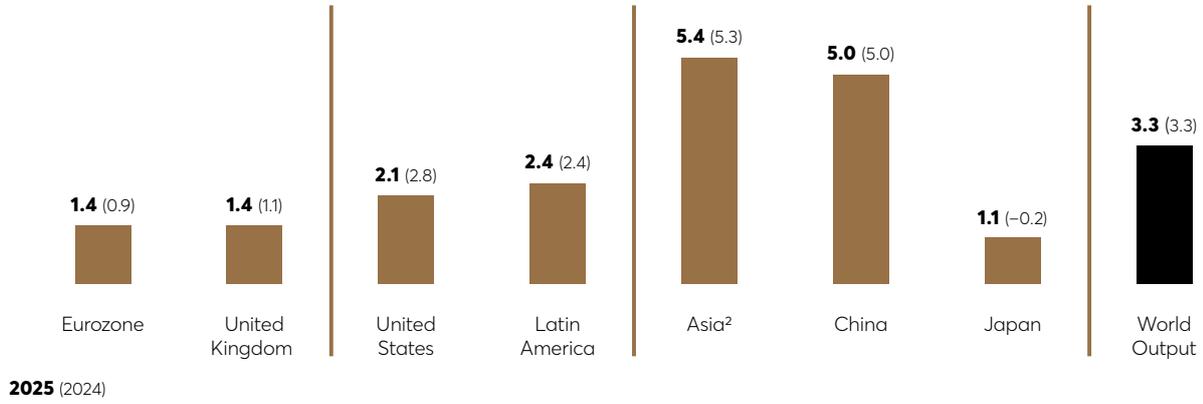
Subdued consumer
demand weighs on global
apparel industry in 2025

Muted industry growth
particularly visible in
Europe and the U.S.

General economic situation

Fiscal year 2025 was marked by **challenging global economic conditions**, characterized by **elevated uncertainty and volatility**. Although inflation eased in most regions, supported by monetary policy decisions from the U.S. Federal Reserve (Fed) and the European Central Bank (ECB), global trade remained constrained. Economic momentum was uneven over the course of the year: growth proved relatively robust in the first half, supported in part by front-loaded consumption as businesses and consumers anticipated higher tariffs, while the second half of the year saw a noticeable slowdown. Investment flows remained subdued despite a more stimulative fiscal stance in several major economies, continuing to weigh on economic growth. Geopolitical tensions, including the conflicts in Ukraine and the Middle East, as well as higher tariffs, further heightened volatility and spilled over into financial markets. While subsequent agreements and policy adjustments moderated some extremes, economies and markets continued to adapt to a more protectionist and increasingly fragmented environment. In its latest forecast, published in January 2026, the International Monetary Fund (IMF) estimates **global economic growth** for 2025 at 3.3%, on par with the previous year (2024: 3.3%).

GROWTH OF THE GLOBAL ECONOMY¹ (IN %)



¹ Estimates IMF.
² Without Japan.

According to IMF estimates, economic growth in the **eurozone** continued to recover, improving to 1.4% in 2025 (2024: 0.9%). While most major European economies recorded weaker outputs compared to 2024, including France at 0.8% (2024: 1.1%), Germany managed to reverse a negative trend and return to modest growth of 0.2% (2024: minus 0.5%). Although the ECB's restrictive monetary policies helped ease inflation pressures, uncertainty and volatility persisted. In the **United Kingdom**, economic growth increased slightly to 1.4% in 2025 (2024: 1.1%), while inflation remained sticky amid continued uncertainty.

The **U.S. economy** was shaped by several developments over the course of the year, including the change in administration, the introduction of new policies, and newly imposed tariffs. Despite a challenging environment marked by elevated inflation and subdued consumer demand, the U.S. continued to outperform other major economies, supported by several Fed rate cuts and robust stock market performance. Nevertheless, economic growth slowed to 2.1% in 2025 (2024: 2.8%). Despite global uncertainties and higher trade barriers, **Latin America** demonstrated a degree of resilience, recording growth of 2.4% in 2025, in line with the prior-year level (2024: 2.4%).

China recorded stable economic growth of 5.0% in 2025 (2024: 5.0%), supported in part by a front-loaded increase in exports. The economy faced several headwinds, including ongoing challenges in the property market and subdued consumer confidence, while government stimulus measures provided only limited support. Trade tensions, including tariffs, continued to influence trade dynamics, but overall growth remained resilient. The broader **Asia region (excluding Japan)** grew 5.4% in 2025 (2024: 5.3%), driven by stronger output in India. In **Japan**, the economy rebounded strongly, recording growth of 1.1% in 2025 (2024: minus 0.2%), primarily fueled by robust exports.

Industry development

For the **global apparel industry**, fiscal year 2025 was shaped by persistent macroeconomic and geopolitical uncertainty, elevated inflation, and increased tariffs that disrupted global supply chains. These factors reshaped global trade flows and forced brands and suppliers to adapt through price adjustments, shifts in sourcing, and efficiency gains, while consumer sentiment remained muted and demand for discretionary spending subdued. According to a joint study by The Business of Fashion and McKinsey & Company, published in November 2025, **growth for the global apparel industry** (excluding the luxury segment) is estimated at 1.5% to 2.5% for fiscal year 2025, and thus slightly below the prior-year level (2024: 2% to 3%).

In **Europe**, the apparel industry (excluding the luxury segment) continued to face weak consumer demand in 2025, leading to a further slowdown in revenue growth to a range of 1% to 2% (2024: 2%). Although inflationary pressures eased modestly, persistent economic uncertainty and geopolitical tensions kept personal savings rates elevated, constraining retail spending. In the **U.S.**, consumer sentiment was particularly challenging in 2025, with the U.S. Consumer Confidence Index (CCI) falling to its lowest level since 2020 following announcements of new tariffs. Monetary policy decisions, combined with heightened geopolitical uncertainty, added further volatility, while a robust stock market performance, spurred by AI, provided some support. Against this backdrop, the apparel industry (excluding the luxury segment) recorded revenue growth of 2% to 3%, slightly below the prior-year level (2024: 3%), while the U.S. luxury market faced particular pressure. **China** also faced economic headwinds driven by the ongoing property market downturn and elevated youth unemployment, which contributed to higher household savings and restrained consumption. Conditions improved only gradually, and targeted government stimulus measures provided limited support to consumer sentiment. As a result, industry growth (excluding the luxury segment) increased only slightly to 2% to 3% (2024: 2%), remaining modest compared to historical levels.

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

2025 marked by volatile industry backdrop and muted consumer sentiment

Successful execution of strategic initiatives supports business performance

Sales and earnings for fiscal year 2025 within guidance ranges

Fiscal year 2025 was characterized by persistent **macroeconomic and geopolitical uncertainty**, which noticeably dampened consumer sentiment and industry development globally. Muted consumer confidence and softer store traffic weighed on several key markets, with demand in China remaining particularly subdued. Against this backdrop, HUGO BOSS remained focused on **advancing key brand, product, and sales initiatives** to further strengthen the long-term positioning of its brands. Particular highlights included the successful launch of several BOSS and HUGO brand campaigns, the drop of the first two Beckham x BOSS collections, as well as the BOSS Spring/Summer 2026 Fashion Show in Milan. Together, these initiatives further elevated global brand relevance and supported top-line development throughout the year. At the same time, the Company maintained a strong focus on driving efficiency gains through **disciplined and sustainable cost management**. As a result, HUGO BOSS **achieved its full-year sales and earnings guidance**, recording Group sales of EUR 4.3 billion and operating profit of EUR 391 million in 2025. Beyond delivering on its financial targets, the Company laid the groundwork for long-term business success. In December, HUGO BOSS launched CLAIM 5 TOUCHDOWN, providing a clear strategic framework until 2028, designed to strengthen brand equity and drive sustainable, profitable growth as well as long-term shareholder value.

> [Group Strategy](#), > [Earnings Development](#)

COMPARISON OF ACTUAL AND FORECAST BUSINESS PERFORMANCE

	Results 2024	Forecast 2025	Results 2025
Group sales (reported)	EUR 4,307 million	Between EUR 4.2 billion and EUR 4.4 billion (-2% to +2%)	Decrease by 1% to EUR 4,270 million
Sales development by segment (reported)			
EMEA	EUR 2,625 million	Remain around the prior-year level	Increase by 2% to EUR 2,664 million
Americas	EUR 1,020 million	Remain around the prior-year level ¹	Decrease by 3% to EUR 993 million
Asia/Pacific	EUR 553 million	Moderate decrease	Decrease by 8% to EUR 509 million
Operating result (EBIT)	EUR 361 million	Between EUR 380 million and EUR 440 million (+5% to +22%)	Increase by 8% to EUR 391 million
Group's net income	EUR 224 million	Increase in line with EBIT	Increase by 16% to EUR 259 million
Trade net working capital (TNWC) as a percentage of sales	19.6%	Between 19% and 20%	Increase by 40 basis points to 20.0%
Capital expenditure	EUR 286 million	Between EUR 200 million and EUR 250 million	Decrease by 32% to EUR 195 million

¹ Adjusted with the publication of the first half-year results in August 2025. Initial outlook as published in March: increase in the low single-digit percentage range.

HUGO BOSS capitalized on key growth opportunities in 2025, while persistent macroeconomic headwinds and subdued consumer sentiment weighed on global industry development. Currency-adjusted **Group sales** in fiscal year 2025 increased 2% compared to the prior year. In Group currency, revenues slightly decreased by 1% to EUR 4,270 million (2024: EUR 4,307 million), reflecting adverse currency effects in the reporting period. Revenues were thus in line with the guidance range, which projected sales in reported terms to develop between minus 2% and plus 2%. > **Earnings Development, Sales Performance**

Driven by the Company's rigorous focus on operational excellence and cost efficiency, **operating profit (EBIT)** was up 8%, amounting to EUR 391 million in fiscal year 2025 (2024: EUR 361 million). Consequently, EBIT was in line with the guidance range of between EUR 380 million and EUR 440 million. As a result, the Group's EBIT margin increased by 80 basis points to a level of 9.2% (2024: 8.4%). The **Group's net income** increased by 16% to EUR 259 million in fiscal year 2025 (2024: EUR 224 million), supported by reduced net financial expenses and a lower tax rate. > **Earnings Development, Income Statement**

Trade net working capital (TNWC) as a percentage of sales increased by 40 basis points to a level of 20.0% (2024: 19.6%), thus at the upper end of the guided range of 19% to 20%. While our inventory-to-sales ratio improved notably compared to the prior year, this development mainly reflects higher trade receivables as well as lower trade payables. > **Net Assets**

In 2025, **capital expenditure** decreased by 32% to EUR 195 million, thus at around the lower end of the Company's guidance range of EUR 200 million to EUR 250 million (2024: EUR 286 million). This mainly reflects the Company's strategic focus on driving CapEx efficiency, following substantial investments in prior years, in particular in retail and logistics. > **Financial Position, Capital Expenditure**

In fiscal year 2025, **free cash flow** amounted to EUR 499 million, slightly above the prior-year level (2024: EUR 497 million) and thus underlining the cash-generative nature of our business model. This development was primarily driven by a reduction in cash outflows from investing activities, reflecting an increased focus on capital expenditure efficiency, which more than offset lower cash inflows from operating activities.

> **Financial Position, Statement of Cash Flows and Free Cash Flow**

FIVE-YEAR OVERVIEW OF KEY PERFORMANCE INDICATORS (IN EUR MILLION)

	2025	2024	2023	2022	2021
Group sales	4,270	4,307	4,197	3,651	2,786
Operating result (EBIT)	391	361	410	335	228
TNWC as a percentage of sales	20.0%	19.6%	20.8%	15.0%	17.2%
Capital expenditure	195	286	298	192	104

EARNINGS DEVELOPMENT

Currency-adjusted sales growth supported by brand-building initiatives

Strong focus on driving cost efficiency results in lower operating expenses

Increase in operating result (EBIT) supported by disciplined cost management

Fiscal year 2025 was characterized by persistent macroeconomic and geopolitical uncertainty, which noticeably dampened consumer sentiment and industry development globally. Against this backdrop, HUGO BOSS remained focused on advancing key brand, product, and sales initiatives, while driving efficiency gains through disciplined and sustainable cost management. As a result, HUGO BOSS **achieved its full-year sales and earnings guidance**, recording Group sales of EUR 4.3 billion and operating profit of EUR 391 million in 2025. Acquisitions or divestments had no material impact on the Group's financial performance in the reporting period.

Sales performance

Despite persistent macroeconomic headwinds and subdued consumer sentiment weighing on global industry development, HUGO BOSS successfully capitalized on key growth opportunities. Consequently, currency-adjusted **Group sales** in fiscal year 2025 increased 2% compared to the prior year. In Group currency, revenues slightly decreased by 1% to EUR 4,270 million (2024: EUR 4,307 million), mainly reflecting the devaluation of the U.S. dollar against the euro in the reporting period.

Sales by brand

SALES BY BRAND (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
BOSS Menswear	3,346	78	3,329	77	1	3
BOSS Womenswear	280	7	297	7	(6)	(5)
HUGO	644	15	682	16	(6)	(4)
Total	4,270	100	4,307	100	(1)	2

Performance across brands varied in 2025. HUGO BOSS continued to leverage the strong positioning of its BOSS Menswear business. Highlights included the successful launch of 360-degree brand campaigns, the Beckham x BOSS collections introduced during the course of the year, as well as the BOSS Spring/Summer 2026 Fashion Show in Milan. These initiatives resulted in strong global engagement, particularly across social media channels, and further strengthened brand relevance. Consequently, currency-adjusted revenues for **BOSS Menswear** came in 3% above the prior-year level, demonstrating the brand's resilience

and appeal even in a volatile environment. In contrast, and in line with its long-term strategic ambition, HUGO BOSS took proactive steps during the course of the year to sharpen the positioning and improve the long-term performance of BOSS Womenswear and HUGO. Strategic initiatives, such as streamlining the product assortments and refining distribution activities, are designed to enhance efficiency and drive profitable growth over time. Reflecting the deliberate nature of these measures, currency-adjusted sales for **BOSS Womenswear** and **HUGO** declined 5% and 4%, respectively, in fiscal year 2025. > [Group Strategy, Brand Excellence](#)

Sales by region

SALES BY REGION (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
EMEA	2,664	62	2,625	61	2	2
Americas	993	23	1,020	24	(3)	3
Asia/Pacific	509	12	553	13	(8)	(5)
Licenses	104	2	109	3	(5)	(5)
Total	4,270	100	4,307	100	(1)	2

From a geographical perspective, growth in EMEA and the Americas compensated for a decline in Asia/Pacific in 2025. In **EMEA**, currency-adjusted revenues increased by 2%, mainly driven by revenue gains in key European markets such as Germany and France. In the **Americas**, currency-adjusted revenues grew by 3%, reflecting a slight increase in the U.S. market as well as double-digit growth in Latin America. In **Asia/Pacific**, sales decreased 5% currency-adjusted, mainly reflecting subdued local demand in China. > [Earnings Development, Sales and Earnings Development of the Business Segments](#)

Sales by distribution channel

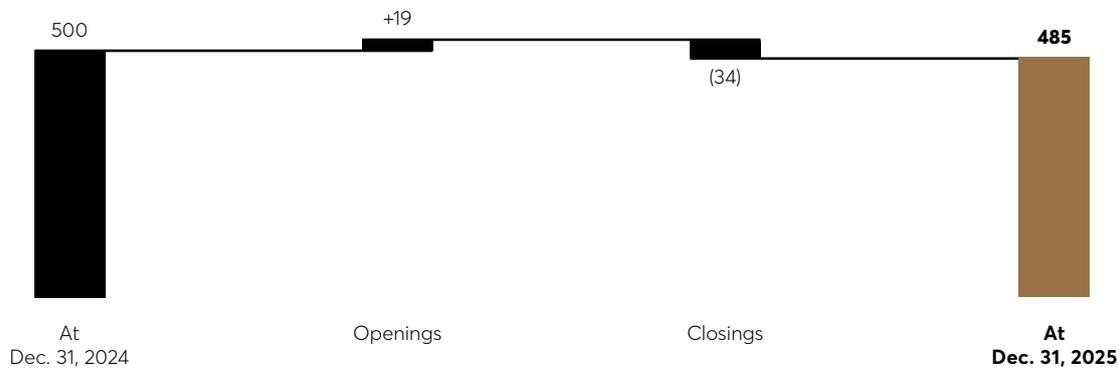
SALES BY DISTRIBUTION CHANNEL (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	2,167	51	2,241	52	(3)	0
Brick-and-mortar wholesale	1,108	26	1,111	26	0	2
Digital	891	21	846	20	5	7
Licenses	104	2	109	3	(5)	(5)
Total	4,270	100	4,307	100	(1)	2

From a channel perspective, performance varied across touchpoints. In the Group's **brick-and-mortar retail** business, including freestanding stores, shop-in-shops, and outlets, currency-adjusted revenues remained on the prior-year level. This reflects the overall muted consumer sentiment throughout the year, which dampened store and mall traffic in several key markets, including the U.S. and China. On the other hand, currency-adjusted sales in **brick-and-mortar wholesale** increased 2% compared to the prior year, supported by the successful delivery of collections to wholesale partners. In addition, the ongoing expansion of the Company's global franchise business contributed positively to this development. Also our **digital business** successfully continued its growth trajectory in 2025, with sales up 7% currency-adjusted. Growth was primarily driven by a robust increase in digital sales generated with partners – comprising both wholesale and concession revenues, – which rose by 13% currency-adjusted to EUR 659 million (2024: EUR 588 million). In contrast, sales via hugoboss.com declined by 9% currency-adjusted to EUR 232 million (2024: EUR 258 million), reflecting the challenging market environment and our deliberate focus on driving full-price sales, which both weighed on conversion rates. Currency-adjusted sales in the **license business** remained 5% below the prior-year level. This development primarily reflects a tough prior-year comparison, as fiscal year 2024 had benefited from several contract renewals, and was further compounded by the overall challenging market environment in 2025. > [Consumer Touchpoints](#)

Network of own retail stores

NUMBER OF OWN FREESTANDING RETAIL STORES



At the end of fiscal year 2025, the number of **own freestanding retail stores** amounted to 485 (2024: 500), representing a slight decline compared to December 31, 2024. This development reflects the ongoing optimization of the Group's global store network in line with its strategic direction. A total of 34 stores with expiring leases, mainly across EMEA and Asia/Pacific, were **closed** during the year, while 19 stores were newly **opened**. > [Consumer Touchpoints](#)

NUMBER OF OWN RETAIL POINTS OF SALES

2025	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	540	558	364	1,462
Thereof freestanding retail stores	185	148	152	485
2024				
Number of own retail points of sale	572	579	381	1,532
Thereof freestanding retail stores	199	139	162	500

Including shop-in-shops and outlets, the **total number of own retail points of sale** amounted to 1,462 as of December 31, 2025 (2024: 1,532). Besides the slight reduction in freestanding retail stores, this development also reflects the closure of several shop-in-shops in Canada, following the exit of a local partner from the market. The **total selling space** in own retail declined 2% to around 191,000 sq m at year-end (December 31, 2024: around 195,000 sq m). At the same time, **sales productivity in brick-and-mortar retail** amounted to around EUR 11,200 per sq m in fiscal year 2025, thus broadly on the prior-year level (2024: around EUR 11,400 per sq m).

Income statement

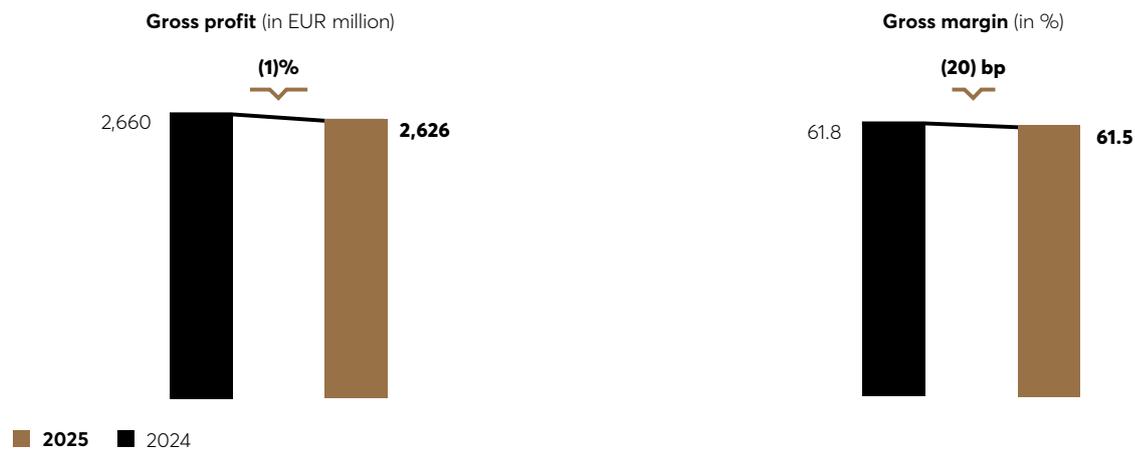
INCOME STATEMENT (IN EUR MILLION)

	Jan.–Dec. 2025	Jan.–Dec. 2024	Change in %
Sales	4,270	4,307	(1)
Cost of sales	(1,643)	(1,648)	0
Gross profit	2,626	2,660	(1)
In % of sales	61.5	61.8	(20) bp
Operating expenses	(2,236)	(2,299)	3
In % of sales	(52.4)	(53.4)	100 bp
Thereof selling and marketing expenses	(1,805)	(1,868)	3
Thereof administration expenses	(431)	(431)	0
Operating result (EBIT)	391	361	8
In % of sales	9.2	8.4	80 bp
Financial result	(46)	(59)	23
Earnings before taxes	345	302	14
Income taxes	(86)	(78)	(10)
Net income	259	224	16
Attributable to:			
Equity holders of the parent company	249	213	17
Non-controlling interests	10	10	(3)
Earnings per share (in EUR)¹	3.61	3.09	17
Income tax rate in %	25	26	

¹ Basic and diluted earnings per share.

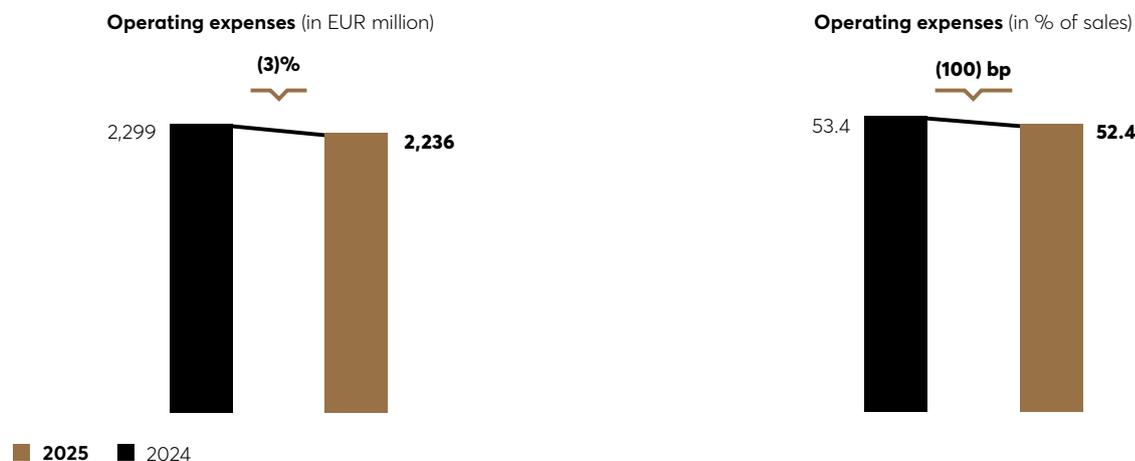
At 61.5%, **gross margin** in fiscal year 2025 remained 20 basis points below the prior-year level. This development primarily reflects various external market headwinds, including unfavorable currency effects and an overall promotional market environment. In addition, adverse channel mix effects weighed on the gross margin development. These factors more than offset continued efficiency gains in sourcing and lower global freight rates, which provided meaningful tailwinds to gross margin development in fiscal year 2025. > **Business Operations**

DEVELOPMENT OF GROSS PROFIT AND GROSS MARGIN



In fiscal year 2025, HUGO BOSS continued to successfully execute various cost-efficiency measures, thereby streamlining and optimizing key business areas such as sales, marketing, and administration. As a result, **operating expenses** declined 3%, improving by 100 basis points to 52.4% of Group sales. This development particularly reflects lower selling and marketing expenses, while administration expenses remained broadly on the prior-year level. > **Notes to the Consolidated Financial Statements, Notes 2, 3, and 9**

DEVELOPMENT OF OPERATING EXPENSES



Selling and marketing expenses were down 3% compared to the prior year. As a percentage of sales, selling and marketing expenses improved by 110 basis points to a level of 42.3% (2024: 43.4%), reflecting ongoing cost discipline and efficiency gains. As part of that, selling expenses for the Group's **brick-and-mortar retail business** decreased by 5% to EUR 943 million, representing 22.1% of Group sales (2024: EUR 989 million; 23.0%). This development mainly reflects improved cost structures in line with overall traffic trends as well as lower non-cash impairment charges. At the same time, **marketing investments** declined 2% to a level of EUR 303 million, representing 7.1% of Group sales (2024: EUR 309 million; 7.2%). This primarily reflects the Company's increased focus on marketing efficiency by prioritizing brand initiatives with the highest return.

> [Notes to the Consolidated Financial Statements, Note 2](#), > [Group Strategy, Brand Excellence](#)

Administration expenses remained on the prior-year level, supported by efficient overhead cost management. As a percentage of sales, administration expenses increased slightly, up by 10 basis points to a level of 10.1% (2024: 10.0%). As part of that, EUR 344 million, **general administration** expenses were up slightly compared to the prior year (2024: EUR 341 million), reflecting higher payroll cost and overall cost inflation, while **research and development** expenses incurring in the collection development remained 4% below 2024 levels, amounting to EUR 87 million (2024: EUR 90 million). > [Notes to the Consolidated Financial Statements, Note 3](#), > [Product Development and Innovation](#)

Driven by the Company's rigorous focus on fostering cost efficiency, **operating profit (EBIT)** was up 8%, amounting to EUR 391 million in fiscal year 2025. Accordingly, the Group's **EBIT margin** increased by 80 basis points to a level of 9.2%, reflecting the cost leverage in selling and marketing expenses. Currency effects had a notably negative impact on EBIT in fiscal year 2025.

DEVELOPMENT OF EBIT AND EBIT MARGIN

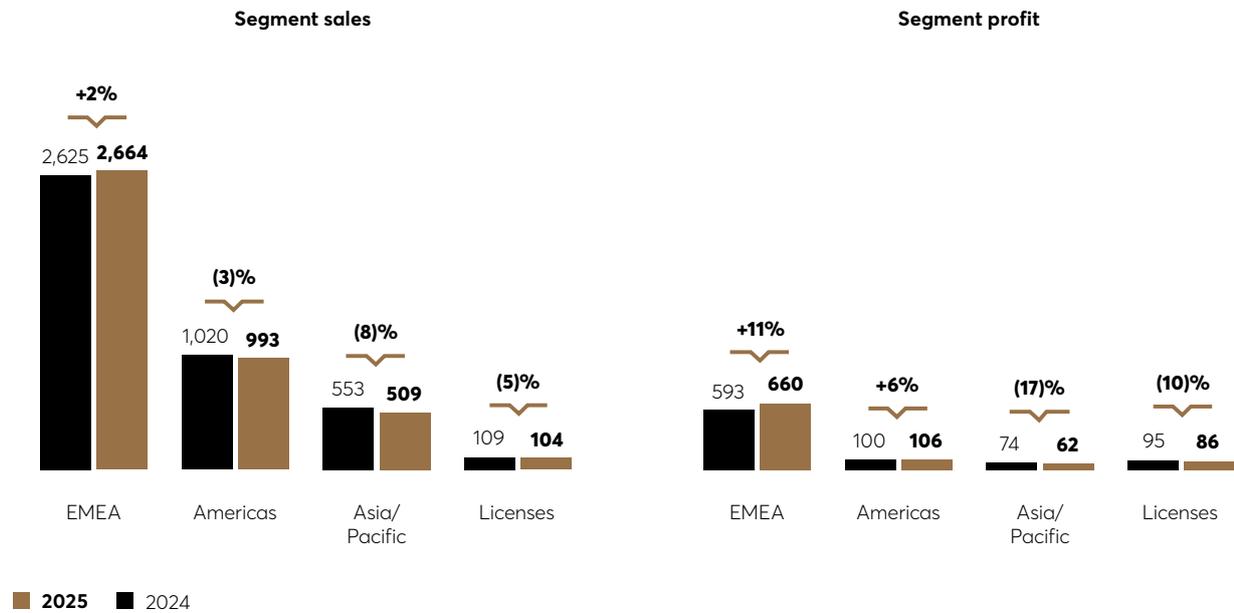


Depreciation and amortization came in 6% below the prior-year level, amounting to EUR 391 million (2024: EUR 414 million). This development is driven by lower **non-cash impairment charges**, totaling EUR 29 million (2024: EUR 47 million), and related to impairments of fixed store assets and right-of-use assets. > [Notes to the Consolidated Financial Statements, Note 7](#)

At EUR 46 million, **net financial expenses (financial result)** in fiscal year 2025 were 23% below the prior year (2024: EUR 59 million), reflecting both favorable currency effects as well as lower interest expenses. At a level of 25%, the **Group tax rate** was slightly below the prior year (2024: 26%). Accordingly, the **Group's net income** for fiscal year 2025 amounted to EUR 259 million, 16% above the prior-year level (2024: EUR 224 million). As part of this, net income attributable to shareholders increased by 17% to EUR 249 million (2024: EUR 213 million), resulting in **earnings per share** of EUR 3.61 (2024: EUR 3.09). Overall, currency effects had a modestly negative impact on the Group's net income in fiscal year 2025. > [Notes to the Consolidated Financial Statements, Note 4 and 5](#)

Sales and earnings development of the business segments

DEVELOPMENT OF SEGMENT SALES AND SEGMENT PROFIT (IN EUR MILLION)



EMEA

Sales in the **EMEA region** (Europe, Middle East, and Africa) were up 2% currency-adjusted in fiscal year 2025. This performance was primarily driven by revenue gains in **Germany** and **France**, which more than offset slightly lower sales in the **UK**.

SALES DEVELOPMENT EMEA (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	1,093	41	1,108	42	(1)	0
Brick-and-mortar wholesale	859	32	860	33	0	1
Digital	712	27	657	25	8	9
Total	2,664	100	2,625	100	2	2

From a **channel** perspective, growth in EMEA was driven by currency-adjusted sales increases in the Group's digital and brick-and-mortar wholesale businesses. At the same time, revenues in brick-and-mortar retail remained at the prior-year level, reflecting muted store traffic in key markets.

At EUR 660 million, **segment earnings** in EMEA came in 11% above the prior-year level (2024: EUR 593 million). Accordingly, the EBIT margin increased 220 basis points to a level of 24.8% (2024: 22.6%), mainly reflecting operating expense leverage driven by lower own retail expenses and disciplined administrative cost management. > **Notes to the Consolidated Financial Statements, Note 24**

Americas

In the **Americas**, HUGO BOSS recorded currency-adjusted revenue growth of 3% in 2025. This performance mainly reflects a slight increase in the **United States**, despite subdued demand from both domestic consumers and international tourists, particularly at the beginning of the year, which resulted in softer mall and store traffic. At the same time, **Latin America** delivered double-digit growth in 2025, while sales in **Canada** remained moderately below the prior-year level, impacted by the exit of a local partner from the market.

SALES DEVELOPMENT AMERICAS (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	650	65	676	66	(4)	2
Brick-and-mortar wholesale	210	21	207	20	2	7
Digital	133	13	137	13	(3)	2
Total	993	100	1,020	100	(3)	3

From a **channel** perspective, currency-adjusted growth in the Americas was broad-based in 2025, with all touchpoints – brick-and-mortar retail, brick-and-mortar wholesale, and the digital business – contributing to this development.

Segment earnings in the Americas increased by 6% to EUR 106 million (2024: EUR 100 million), corresponding to an EBIT margin of 10.7%, up 90 basis points year over year (2024: 9.8%). This development mainly reflects strict cost management across key business functions, more than offsetting the decline in reported sales.

> **Notes to the Consolidated Financial Statements, Note 24**

Asia/Pacific

In the **Asia/Pacific** region, currency-adjusted revenues remained 5% below the prior year, reflecting persistently subdued demand in **China**. On the other hand, revenues in **Southeast Asia & Pacific** increased slightly compared to the prior-year level, supported by a robust performance in **Japan**.

SALES DEVELOPMENT ASIA/PACIFIC (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	424	83	457	83	(7)	(4)
Brick-and-mortar wholesale	39	8	44	8	(11)	(7)
Digital	45	9	52	9	(13)	(10)
Total	509	100	553	100	(8)	(5)

The challenging market environment in China impacted the sales performance across all **channels** in Asia/Pacific, with brick-and-mortar retail proving slightly more resilient.

Segment earnings in the Asia/Pacific region amounted to EUR 62 million, 17% below the prior-year level (2024: EUR 74 million), translating into an EBIT margin decline of 140 basis points to 12.1% (2024: 13.5%). This development mainly reflects the softer sales development, which was only partly offset by lower operating expenses. > **Notes to the Consolidated Financial Statements, Note 24**

Licenses

Sales in our **license business** decreased 5% currency-adjusted to EUR 104 million in fiscal year 2025 (2024: EUR 109 million). This development primarily reflects a tough prior-year comparison, as fiscal year 2024 had benefited from several contract renewals, and was further compounded by the overall challenging market environment in 2025. > **Earnings Development, Sales by Distribution Channel**

Consequently, the **license segment earnings** decreased by 10% to EUR 86 million (2024: EUR 95 million).

> **Notes to the Consolidated Financial Statements, Note 24**

Five-year overview of business segments

DEVELOPMENT OF SEGMENT SALES (IN EUR MILLION)

	2025	2024	2023	2022	2021
EMEA	2,664	2,625	2,562	2,303	1,742
Americas	993	1,020	955	789	543
Asia/Pacific	509	553	576	467	423
Licenses	104	109	104	92	77

DEVELOPMENT OF SEGMENT PROFIT (IN EUR MILLION)

	2025	2024	2023	2022	2021
EMEA	660	593	586	548	347
Americas	106	100	157	123	61
Asia/Pacific	62	74	124	74	74
Licenses	86	95	88	77	63

NET ASSETS

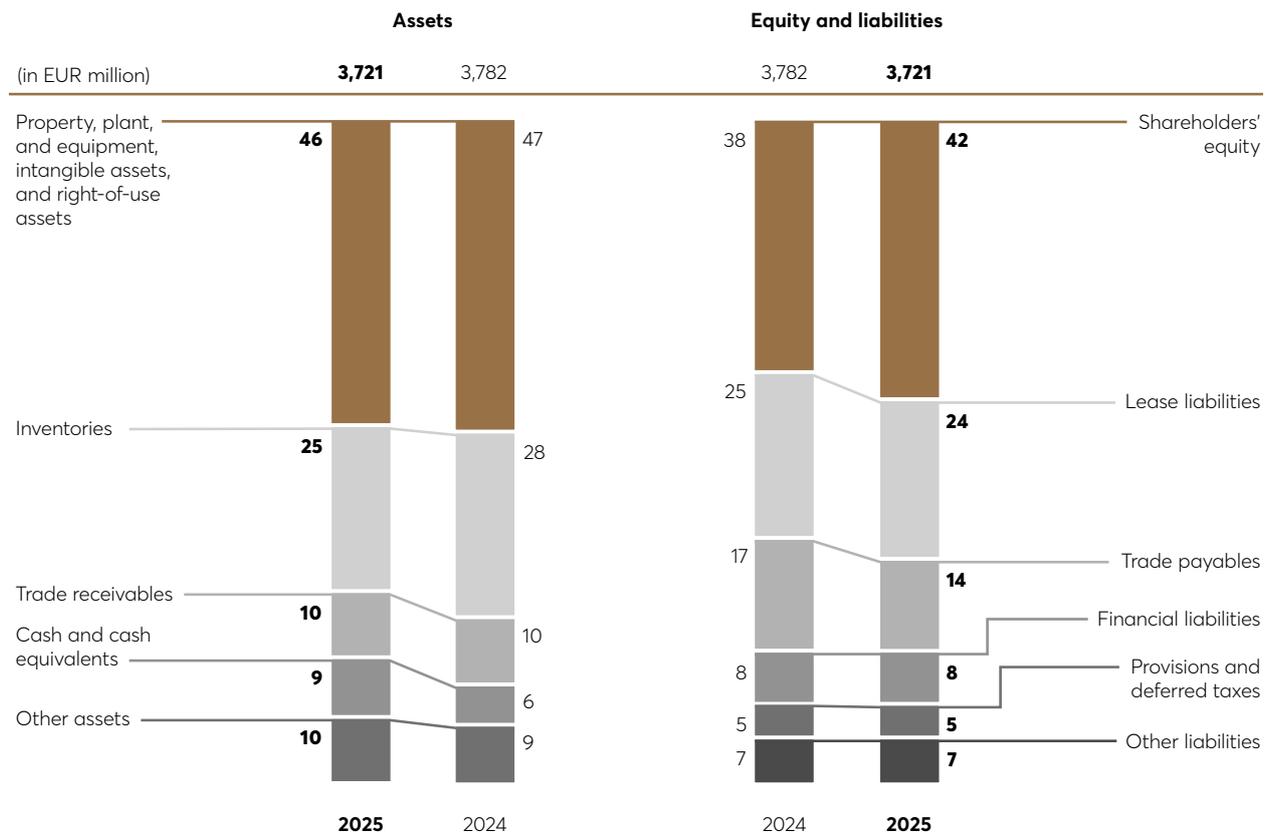
Decrease of totals assets reflects lower inventory position and CapEx efficiency

Trade net working capital as a percentage of sales amounts to 20.0%

Equity ratio increases to a level of 42%

Total assets decreased by 2% to EUR 3,721 million at the end of fiscal year 2025 (December 31, 2024: EUR 3,782 million). This development is mainly attributable to a lower inventory position as well as a decline in property, plant, and equipment and right-of-use assets, which more than offset an increase in cash and cash equivalents.

STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31 (IN %)



The **share of current assets** slightly increased to 50% as of December 31, 2025 (December 31, 2024: 49%), mainly reflecting an increase in cash and cash equivalents. Accordingly, the **share of non-current assets** also amounted to 50% at the end of fiscal year 2025 (December 31, 2024: 51%). The **equity ratio** amounted to 42%, thus above the prior-year level (December 31, 2024: 38%). > **Consolidated Financial Statements, Consolidated Statement of Financial Position**

TRADE NET WORKING CAPITAL AS OF DECEMBER 31 (IN EUR MILLION)

	2025	2024	Change in %	Currency-adjusted change in %
Inventories	918	1,072	(14)	(10)
Trade receivables	386	362	7	10
Trade payables	529	643	(18)	(17)
Trade net working capital	775	791	(2)	5

Trade net working capital (TNWC) increased by 5% currency-adjusted, mainly due to lower trade payables. **Inventories** were down 10% currency-adjusted year-over-year, reflecting disciplined inventory management alongside robust top-line momentum in the fourth quarter of 2025. As a percentage of Group sales, inventories stood at 21.5%, and thus well below the level at the end of fiscal year 2024 (December 31, 2024: 24.9%). At the same time, **trade receivables** were up 10%, mainly reflecting our robust performance in both brick-and-mortar and digital wholesale in the final quarter of 2025. **Trade payables**, on the other hand, came in well below the prior-year level. This development primarily reflects lower order volumes as part of our measures to reduce core merchandise inflow going forward. The moving average of **TNWC as a percentage of sales** based on the last four quarters amounted to 20.0%, thus 40 basis points above the level recorded in the prior year (December 31, 2024: 19.6%). > **Notes to the Consolidated Financial Statements, Notes 12 and 13**

Property, plant, and equipment, intangible assets, and right-of-use assets declined by 4% compared to the prior-year level, totaling EUR 1,700 million at year-end (December 31, 2024: EUR 1,775 million). This development primarily reflects the Company's focus on capital expenditure efficiency, resulting in lower investment levels in fiscal year 2025, as well as a reduction in right-of-use assets following selective store closures, which more than offset new store openings. **Cash and cash equivalents** amounted to EUR 343 million at the end of fiscal year 2025, well above the prior-year level (December 31, 2024: EUR 211 million), reflecting the particularly strong cash flow generation in the fourth quarter. > **Notes to the Consolidated Financial Statements, Notes 8 and 14, > Financial Position, Statement of Cash Flows and Free Cash Flow**

Total **current and non-current lease liabilities**, primarily related to the rental of retail store locations as well as logistics and administration properties, decreased by 8% to EUR 887 million as of the reporting date (December 31, 2024: EUR 959 million). This development was mainly driven by a moderate reduction of our global store footprint, primarily through the utilization of expiring lease contracts. **Current and non-current financial liabilities**, at EUR 296 million, remained largely on the prior-year level (December 31, 2024: EUR 297 million). **Provisions and deferred tax liabilities** increased 8% to EUR 202 million (December 31, 2024: EUR 187 million), mainly reflecting higher deferred taxes. > **Notes to the Consolidated Financial Statements, Notes 9, 17, 19, and 20, > Financial Position, Capital Structure and Financing**

FINANCIAL POSITION

Flexible and diversified financing structure supports strategy execution

New ESG-linked revolving syndicated loan provides strong financial flexibility

Strong free cash flow generation supported by CapEx efficiency

Principles and goals of financial management

Group-wide financial management is centrally coordinated by the Group Treasury department, with the primary objectives of securing financial stability and flexibility, ensuring liquidity at all times, and managing financial risks. The scope covers Group financing, cash and liquidity management, market price risk management, and counterparty risk management. Group-wide **treasury principles** govern matters such as banking relationships, financing agreements, liquidity and asset management, as well as the management of currency and interest rate risks.

Within **Group financing**, factors such as market capacity, financing costs, covenants, and maturities are considered when selecting instruments. External loans are raised centrally, primarily in euros, and allocated to Group companies through intercompany loans in local currencies. This **"inhouse bank"** approach increases economies of scale and reduces capital costs. Where legally or operationally necessary, subsidiaries may also arrange local credit lines. Group financial liabilities are generally unsecured and may be subject to customary market obligations, reviewed on a quarterly basis.

Operating cash flow remains the Group's primary source of liquidity. Treasury centrally monitors and optimizes payment flows through its **cash and liquidity management**, with excess liquidity of individual companies used to meet the needs of others via cash-pooling and intercompany financing, reducing external funding requirements and overall interest costs.

To mitigate **market price risks**, HUGO BOSS uses hedging instruments such as foreign exchange forwards, swaps, plain-vanilla options, and interest rate swaps to limit the impact of currency and interest rate fluctuations. **Counterparty risk** is managed by diversifying exposures and conducting transactions only with highly rated counterparties, in line with internal Treasury guidelines. > [Report on Risks and Opportunities, Currency Risks](#)

Capital structure and financing

HUGO BOSS maintains **investment-grade ratings** from the leading rating agencies Standard & Poor's (S&P) and Moody's, underscoring its strong financial position and the cash-generative nature of its business model. Moody's assigns HUGO BOSS a credit rating of "Baa2," which was reaffirmed in 2025. S&P currently rates the Company "BBB-," following a one-notch adjustment in December 2025, against the backdrop of a less supportive financial policy including a leverage target of 1.0–2.0x. Overall, these ratings continue to position HUGO BOSS among the highest-rated companies in the global premium apparel industry, reflecting the Company's strong brand perception, sound financial profile, and financing flexibility.

The cornerstone of HUGO BOSS' financing structure is a EUR 600 million **ESG-linked revolving syndicated loan**, providing strong financial flexibility to support the execution of the Company's strategic initiatives. The facility, concluded in December 2025, replaces the previous syndicated loan from November 2021 and is available for general corporate purposes. It has a five-year term and includes two one-year extension options, as well as an option to increase the credit volume by up to EUR 300 million. Compared to the prior facility, the new loan no longer includes financial covenants. It is based on variable interest rates, with applicable credit margins linked to the external credit rating and the achievement of predefined ESG criteria. At the end of fiscal year 2025, utilization amounted to EUR 8 million, used exclusively for bank guarantees (December 31, 2024: EUR 11 million).

In May 2025, HUGO BOSS successfully established a **commercial paper (CP) program**, enabling the issuance of short-term, unsecured notes with an aggregate volume of up to EUR 500 million. The program further enhances the Company's financial flexibility and expands access to capital markets beyond traditional bank financing. Commercial papers can be issued in various currencies and are intended for general corporate purposes. As of December 31, 2025, no commercial papers were outstanding.

In addition, HUGO BOSS issued a **Schuldschein loan** of EUR 175 million in 2023, comprising four tranches with three- and five-year maturities, offered at both fixed and variable interest rates. Proceeds are used for general corporate purposes, primarily supporting strategic investments, including the expansion of the Group's global logistics network. Furthermore, HUGO BOSS secured **real estate financing** of EUR 43 million in 2024 to support the expansion of its headquarters in Metzingen (Germany). This financing comprises two amortizing loans with fixed interest rates in the amount of EUR 10 million and EUR 33 million, each with a maturity of ten years. As of December 31, 2025, EUR 1 million of the total amount was utilized (December 31, 2024: EUR 0 million). > **Financial Position, Capital Expenditure**

Since 2020, HUGO BOSS operates a **supplier financing program** to support the financial stability of its suppliers. To meet the ongoing strong demand for its supplier financing program, HUGO BOSS operates a comprehensive solution comprising a single-bank program and a bank-independent platform. The aggregated credit limit of both programs amounts to EUR 255 million, with EUR 110 million utilized at the end of 2025 (December 31, 2024: aggregated credit limit of EUR 268 million, with EUR 148 million utilized).

> **Combined Non-financial Statement, Business Conduct**

To further secure liquidity, HUGO BOSS maintains committed and uncommitted **bilateral credit lines** totaling EUR 258 million (December 31, 2024: EUR 208 million), of which EUR 118 million was utilized at the end of fiscal year 2025 (December 31, 2024: EUR 108 million). In addition, **cash and cash equivalents** amounted to EUR 343 million at year end (December 31, 2024: EUR 211 million). > [Notes to the Consolidated Financial Statements, Note 14](#), > [Financial Position, Statement of Cash Flows and Free Cash Flow](#)

Overall, the Group's **liabilities** totaled EUR 2,163 million at the end of fiscal year 2025 (December 31, 2024: EUR 2,332 million), representing 58% of total assets (December 31, 2024: 62%). Of this amount, EUR 887 million related to **current and non-current lease liabilities** (December 31, 2024: EUR 959 million), primarily attributable to rental agreements of retail store locations as well as logistics and administrative properties. **Current and non-current financial liabilities** totaled EUR 296 million at the end of fiscal year 2025 (December 31, 2024: EUR 297 million). > [Net Assets](#), > [Notes to the Consolidated Financial Statements, Notes 9 and 20](#)

Statement of cash flows and free cash flow

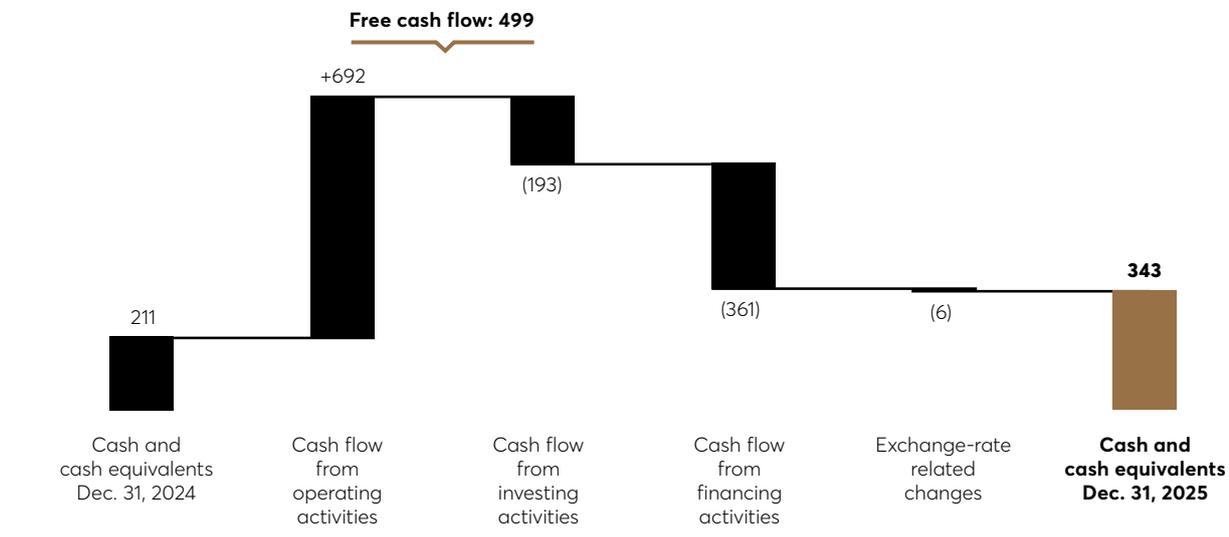
STATEMENT OF CASH FLOWS¹ (IN EUR MILLION)

	2025	2024
Cash flow from operating activities	692	786
Cash flow from investing activities	(193)	(289)
Cash flow from financing activities	(361)	(405)
Change in cash and cash equivalents	133	92
Cash and cash equivalents at the beginning of the period	211	118
Cash and cash equivalents at the end of the period	343	211

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

Free cash flow amounted to EUR 499 million in fiscal year 2025, slightly above the prior-year level (2024: EUR 497 million) and thus underlining the cash-generative nature of our business model. This development was primarily driven by reduced cash outflows from investing activities, reflecting an increased focus on capital expenditure efficiency, which more than offset lower cash inflows from operating activities. Free cash flow is defined as the sum of cash flow from operating activities (excluding lease expenses under IFRS 16) and cash flow from investing activities. > [Net Assets](#)

CHANGE IN CASH AND CASH EQUIVALENTS (IN EUR MILLION)



Cash flow from operating activities declined 12% compared to the prior year, amounting to EUR 692 million (2024: EUR 786 million). The increase in EBIT and improvements in inventory were more than offset by lower trade payables. **Cash flow from investing activities** remained 33% below the prior year, amounting to EUR 193 million (2024: EUR 289 million). This development predominantly reflects the reduced capital expenditure. > [Net Assets](#), > [Financial Position](#), [Capital Expenditure](#)

At EUR 361 million, **cash flow from financing activities** decreased 11% year over year (2024: EUR 405 million), mainly reflecting lower debt repayments in 2025 compared to the prior year. > [Financial Position](#), [Capital Structure and Financing](#)

Net financial position

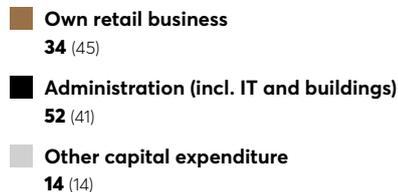
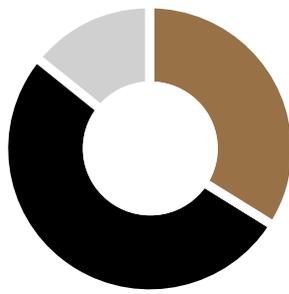
The **net financial position** is measured as the total of all financial and lease liabilities less cash and cash equivalents. **Including lease liabilities under IFRS 16**, the net financial position of HUGO BOSS totaled minus EUR 839 million (December 31, 2024: minus EUR 1,038 million). **Excluding lease liabilities under IFRS 16**, this corresponds to a total of plus EUR 48 million at the end of fiscal year 2025 (December 31, 2024: minus EUR 78 million), reflecting the strong free cash flow generation as well as the related lower utilization of the Company's credit facilities. > [Financial Position](#), [Capital Structure and Financing](#), > [Notes to the Consolidated Financial Statements](#), [Note 9](#)

Capital expenditure

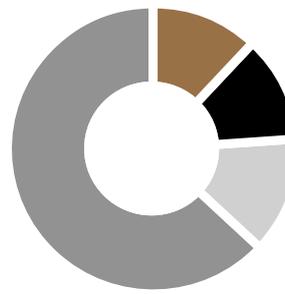
In fiscal year 2025, HUGO BOSS invested EUR 195 million in **property, plant, and equipment, and intangible assets**, representing a decrease of 32% as compared to the prior year (2024: EUR 286 million). This development reflects the Company's increased focus on CapEx efficiency, following several years of elevated investments, while still supporting the Group's strategic priorities. In 2025, we continued to invest in our global store network, the further digitalization of our business model, and the expansion of our logistics capacities and headquarters.

CAPITAL EXPENDITURE (IN %)

By functional area



By region



2025 (2024)

HUGO BOSS is committed to delivering a premium shopping experience and a best-in-class omnichannel journey to consumers worldwide, with our own retail business remaining a key pillar of this ambition. Consequently, also in 2025 we put strong emphasis on the targeted **optimization and modernization** of our global store network, including the implementation of **innovative store concepts**. As the majority of our freestanding BOSS and HUGO stores have already been comprehensively refreshed in recent years, investments increasingly reflect a disciplined and selective approach, with a clear focus on prime retail destinations. As a result, capital expenditure in own retail amounted to EUR 67 million in fiscal year 2025, significantly below the prior-year level (2024: EUR 129 million). As part of this, investments in the continuous **optimization and modernization of existing locations** totaled EUR 46 million (2024: EUR 82 million), while EUR 22 million related to the selective **opening of new retail points of sale** (2024: EUR 47 million), including new BOSS stores in Barcelona, Bangkok, and Macao. > [Consumer Touchpoints](#)

Capital expenditure on **administration** amounted to EUR 101 million in the past fiscal year (2024: EUR 117 million). This includes investments of EUR 59 million in our global **IT infrastructure** (2024: EUR 62 million), primarily supporting the further digitalization of our business model, including the Company-wide rollout of our next-generation ERP system as part of a multiyear project. At the same time, EUR 42 million was allocated to capital expenditure on **buildings** (2024: EUR 54 million), including investments into the further expansion of our headquarters in Metzingen (Germany) and our central distribution center for flat-packed goods in Filderstadt (Germany). **Other capital expenditure** on production, distribution, and research and development amounted to EUR 27 million in 2025 and was thus also below the prior-year level (2024: EUR 40 million).

> **Group Strategy, Operational Excellence, > Business Operations**

Accumulated depreciation and amortization on property, plant, and equipment, and intangible assets, including own capitalized cost, totaled EUR 1,349 million in fiscal year 2025 (2024: EUR 1,321 million). Existing **obligations from investment projects** amounted to EUR 5 million as of December 31, 2025 (December 31, 2024: EUR 18 million). > **Notes to the Consolidated Financial Statements, Note 8**

HUGO BOSS AG

HUGO BOSS AG is the parent company of HUGO BOSS Group

Operational performance driven by service agreements with subsidiaries

Annual financial statements prepared in accordance with HGB provision

HUGO BOSS AG is the **parent company of HUGO BOSS Group**. Its annual financial statements are prepared in accordance with the provisions of HGB ["Handelsgesetzbuch": German Commercial Code]. In addition to the operating business, the results of HUGO BOSS AG are predominately driven by the management of the central functions. A material item in this context is the allocation of costs for services rendered to Group companies.

Earnings development

INCOME STATEMENT HUGO BOSS AG (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %
Sales	2,273	100.0	2,264	100.0	0
Cost of sales	(1,475)	(64.9)	(1,469)	(64.9)	0
Gross profit	798	35.1	795	35.1	0
Distribution expenses	(487)	(21.4)	(480)	(21.2)	1
General administrative expenses	(169)	(7.4)	(155)	(6.8)	9
Other operating income	56	2.5	52	2.3	8
Other operating expenses	(103)	(4.5)	(89)	(3.9)	15
Operating result	96	4.2	123	5.4	(22)
Income from investments	22	1.0	0	0.0	>100
Net interest income/expenses	(10)	(0.5)	(11)	(0.5)	(9)
Income from profit and loss transfer agreements	79	3.5	94	4.1	(16)
Taxes on income and other taxes	(32)	(1.4)	(35)	(1.6)	(9)
Net income	154	6.8	170	7.5	(9)
Transfer to (-)/from (+) other revenue reserves	(77)	(3.4)	(85)	(3.8)	9
Accumulated income previous year	34	1.5	46	2.0	(25)
Unappropriated income	111	4.9	131	5.8	(14)

Sales of HUGO BOSS AG primarily comprise brick-and-mortar retail, brick-and-mortar wholesale, and digital revenues generated in Germany, Austria, and Poland, as well as intercompany sales with its international subsidiaries.

SALES BY REGION (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %
EMEA	1,869	82	1,860	82	0
Americas	278	12	264	12	5
Asia/Pacific	126	6	140	6	(10)
Total	2,273	100	2,264	100	0

In fiscal year 2025, revenues of HUGO BOSS AG remained broadly at the prior-year level. Revenues in **EMEA** remained largely on par with 2024 levels, supported by slight sales growth in Germany. The **Americas**, on the other hand, recorded robust top-line improvements in fiscal year 2025, which compensated for a decline in revenues with subsidiaries in **Asia/Pacific**. The latter is also related to an adjustment in intercompany pricing, reflecting current external market factors.

SALES BY BRAND (IN EUR MILLION)

	2025	In % of sales	2024	In % of sales	Change in %
BOSS	1,600	70	1,566	69	2
HUGO	401	18	413	18	(3)
Other services	272	12	285	13	(4)
Total	2,273	100	2,264	100	0

Performance across brands varied in 2025. **BOSS** recorded moderate top-line improvements, primarily driven by the strong positioning of its Menswear business. On the other hand, revenues at **HUGO** remained below the prior-year level, reflecting proactive measures taken to sharpen the brand's positioning and enhance its long-term performance. **Sales from other services** also declined moderately compared to 2024, mainly due to lower intercompany charges to subsidiaries, particularly related to service and IT.

At 35.1%, the **gross margin** of HUGO BOSS AG remained on the prior-year level (2024: 35.1%). **Distribution expenses** also remained broadly on 2024 levels, while **general administration expenses** increased 9% year over year, mainly reflecting higher payroll cost and overall cost inflation. **Other operating income** and **other operating expenses** increased by 8% and 15%, respectively, mainly due to unfavorable currency effects. The **income from investments** of EUR 22 million is mainly attributable to an intragroup dividend income from an affiliated company in Turkey (2024: EUR 0 million). The **income from profit and loss transfer agreements** of EUR 79 million is attributable to HUGO BOSS Internationale Beteiligungs-GmbH (2024: EUR 94 million).

Net assets and financial position

Property, plant, and equipment, and intangible assets of HUGO BOSS AG increased by 7% year over year, totaling EUR 1,188 million (December 31, 2024: EUR 1,115 million). This development mainly reflects investments in the expansion of the Company's headquarters in Metzingen (Germany), its distribution center for flat-packed goods in Filderstadt (Germany), and the Group-wide rollout of a next-generation ERP system. To a minor extent, the increase also reflects the merger of ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG into HUGO BOSS AG, effective September 1, 2025.

TRADE NET WORKING CAPITAL (IN EUR MILLION)

	2025	2024	Change in %
Inventories	206	288	(28)
Trade receivables	111	91	22
Trade payables	227	284	(20)
Trade net working capital	90	95	(5)

The decrease in **inventories** mainly reflects disciplined inventory management alongside robust top-line momentum in the fourth quarter of 2025. HUGO BOSS AG is the main supplier for the Group's global distribution companies. **Trade receivables** of HUGO BOSS AG came in above the prior-year level, mainly reflecting a strong performance in both brick-and-mortar and digital wholesale in the final quarter of 2025. At the same time, the Company recorded a decrease in **trade payables**, primarily reflecting lower order volumes as part of the Company's measures to reduce core merchandise inflow going forward. Consequently, **trade net working capital (TNWC)** of HUGO BOSS AG ended fiscal year 2025 slightly below the prior-year level.

At EUR 105 million, **receivables from affiliated companies** at the end of fiscal year 2025 were 7% above the prior-year level (December 31, 2024: EUR 98 million). **Liabilities to affiliated companies** increased 11% to EUR 104 million, mainly driven by transfer pricing adjustments resulting in higher intercompany balances (December 31, 2024: EUR 94 million). **Provisions** remained broadly on the prior-year level, amounting to EUR 164 million at the end of the year (December 31, 2024: EUR 163 million). At EUR 218 million, **liabilities to credit institutions** were also broadly on the prior-year level (December 31, 2024: EUR 219 million).

As of December 31, 2025, **cash and cash equivalents**, defined as the total of cash on hand and bank balances, amounted to EUR 8 million (December 31, 2024: EUR 7 million), with the slight increase mainly reflecting a higher **cash flow from operating activities**.

Outlook, risks, and opportunities

Due to its close relationships with the Group companies and its relevance for the Group, the **expectations** for HUGO BOSS AG are largely reflected in the Group's outlook. In this context, the **net income** of HUGO BOSS AG, which represents the Company's key performance indicator, is expected to decrease moderately in fiscal year 2026. There are no specific particularities regarding HUGO BOSS AG. In addition, the business performance of HUGO BOSS AG is, to a large degree, also subject to the same **risks and opportunities** as those faced by the Group. Consequently, the statements within the Group's Report on Risks and Opportunities also apply to HUGO BOSS AG. > [Outlook](#), > [Report on Risks and Opportunities](#)