

INVESTOR MEETING PRESENTATION

NOVEMBER 2020



AGENDA

1 Third Quarter Results 2020

2 Execution of Strategic Initiatives

3 General Information

HUGO BOSS



GROUP SALES
Q3 2020

EUR **533** MILLION

(24)%

CURRENCY-ADJUSTED



Gradual business recovery continues
in the third quarter

EUROPE SALES **

Solid **rebound in local demand**, in particular in France, Benelux and the UK

Sales recovery in Germany broadly in line with that of the region

Southern European markets negatively impacted by lower tourist flows



(21)%*

Europe records solid rebound in local demand

AMERICAS SALES

Robust business recovery continues in
Latin America

Temporary store closures due to local lockdowns in several key areas weighs on business recovery in the U.S.

U.S. business also impacted by ongoing **traffic declines** in brick-and-mortar retail and wholesale



(41)%*

Pandemic continues to weigh on business in the **Americas**

ASIA/PACIFIC SALES

Strong **momentum in mainland China** drives overall recovery in Asia/Pacific

Lower tourist flows continue to negatively impact business in **Hong Kong** and **Macao**

Local lockdowns and temporary store closures weigh on several markets such as **Australia**

(14)%*



Asia/Pacific with strong business recovery in Q3



Recovery in mainland China **continues**, with revenues up 27% in Q3

Strong improvements in **conversion rates** in brick-and-mortar retail

High double-digit online sales growth recorded in the third quarter

Momentum in **mainland China** further accelerates in Q3



RETAIL

(20)%*



(30)%*

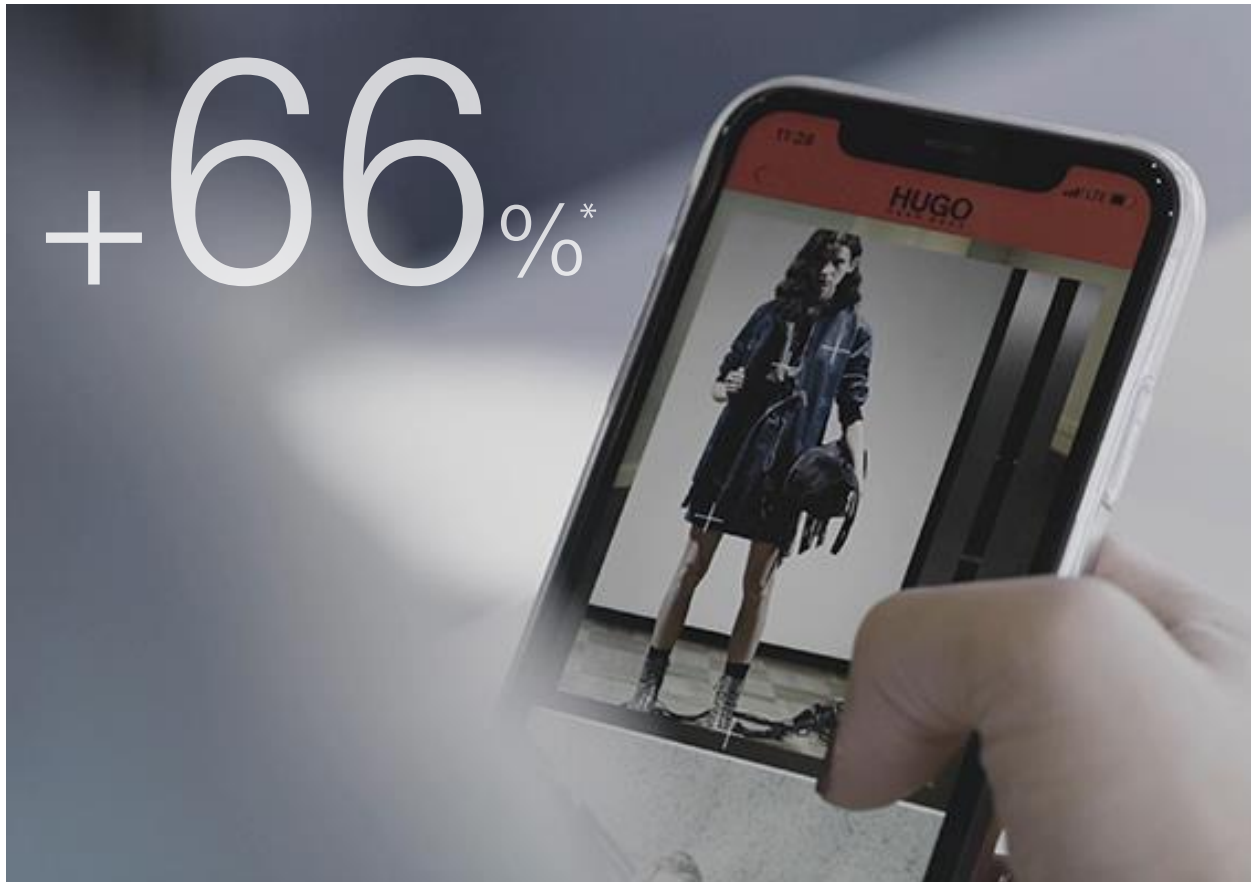
WHOLESALE

Robust recovery in own retail, supported by average **store opening rate of ~95%** in Q3

Local demand improves in key markets while travel restrictions continue to weigh on **business with tourists**

Wholesale business impacted by **lower deliveries to partners**

Own retail business benefits
from higher store opening rate



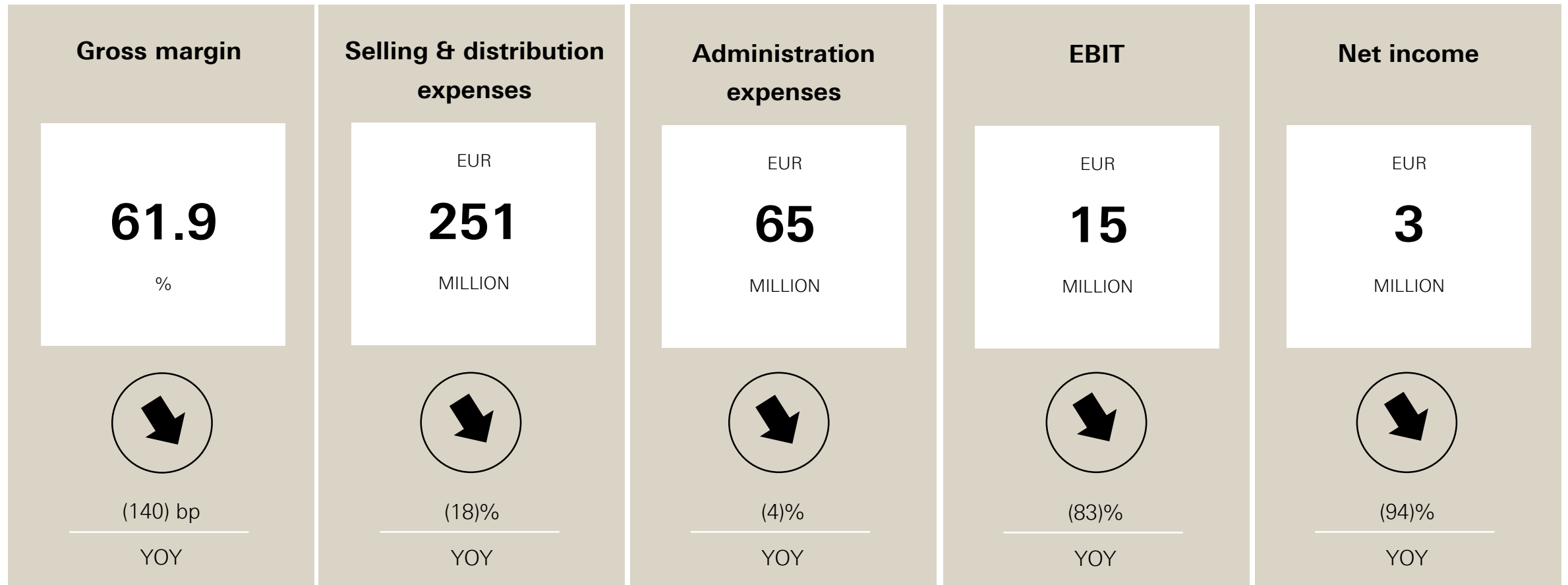
hugoboss.com and concession business record **strong improvements** in both traffic and conversion rates

Further **expansion of hugoboss.com** to 24 additional countries in June and August

12th consecutive quarter with strong **double-digit online sales growth**

Online business continues its double-digit growth trajectory

Profitability returns to positive territory in the third quarter





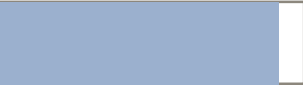



Inventory growth curbed, reflecting gradual business recovery and measures to reduce inventory inflow

Decrease in **trade net working capital** due to lower trade receivables and slightly higher trade payables

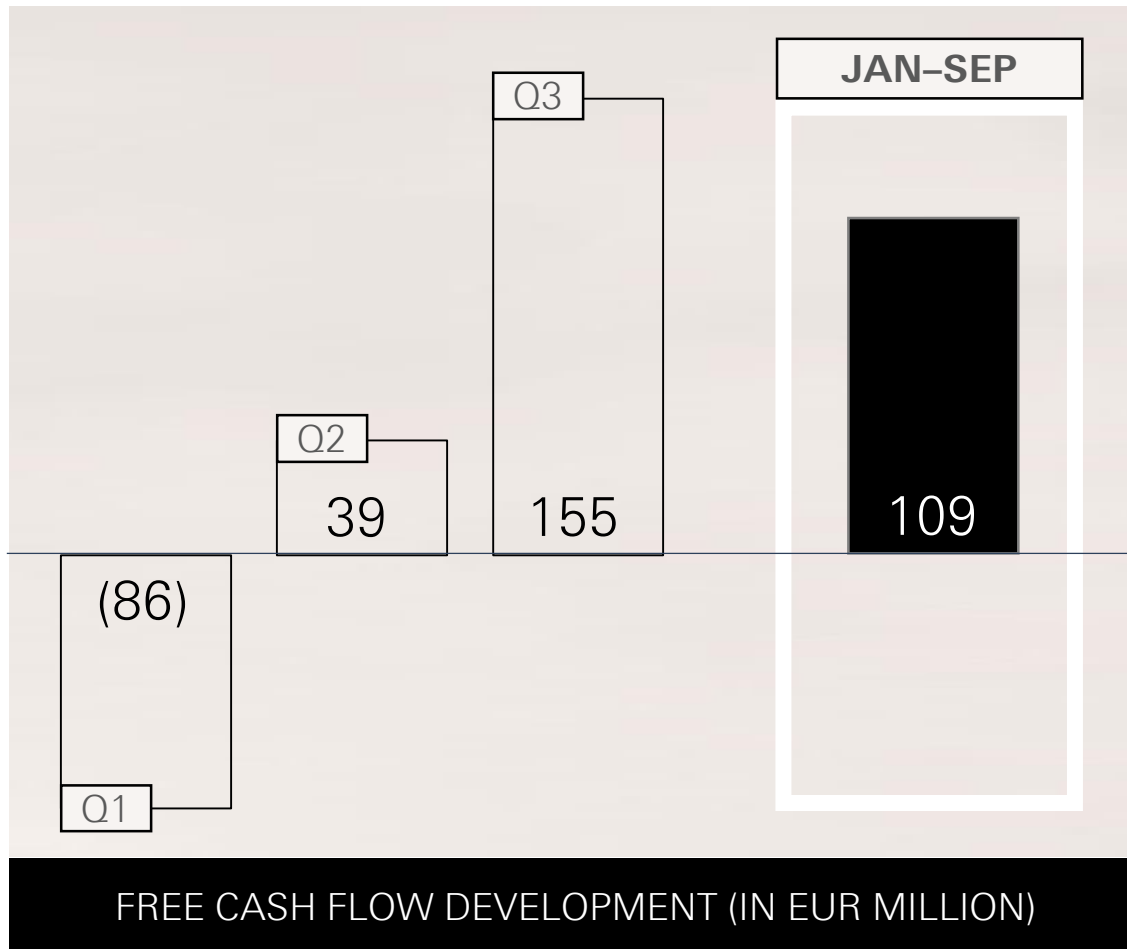
Lower **capital expenditure** to protect cash flow during the pandemic, with investments focused on retail and digital

Inventories remain broadly stable
year over year

Successful execution of comprehensive measures to protect financial stability

FY MEASURES IMPLEMENTED	INITIATIVES	PROGRESS IN Q3
<p>1 Strict cost management</p> <p>Additional cost savings of at least EUR 150 million</p>	<ul style="list-style-type: none"> • Significant payroll as well as rental savings achieved • Lower marketing spend due to postponement of events • Elimination of non-business-critical operating expenses 	
<p>2 Postponement of investments</p> <p>CAPEX budget cut by around EUR 50 million</p>	<ul style="list-style-type: none"> • Postponement of store openings and renovations • Non-essential IT investments halted 	
<p>3 Limitation of TNWC increase</p> <p>Reduction of inventory inflow by at least EUR 200 million</p>	<ul style="list-style-type: none"> • Cautious approach with regard to never-out-of-stock business • Own production adjusted to lower demand • Delivery of Fall/Winter collection shifted from Q2 into Q3 	
<p>4 Retention of net profit</p> <p>Suspension of dividend except for the minimum dividend of EUR 0.04</p>	<ul style="list-style-type: none"> • Retention of net profit strengthens financial flexibility 	

Strong free cash flow generation accelerates in the third quarter



Revolving **syndicated loan**, totaling EUR 633 million, only utilized in the amount of EUR 134 million as of September 30

Additional **credit commitments** of EUR 275 million not drawn at the end of Q3

Cash and cash equivalents total EUR 110 million at the end of September

AGENDA

1 Third Quarter Results 2020

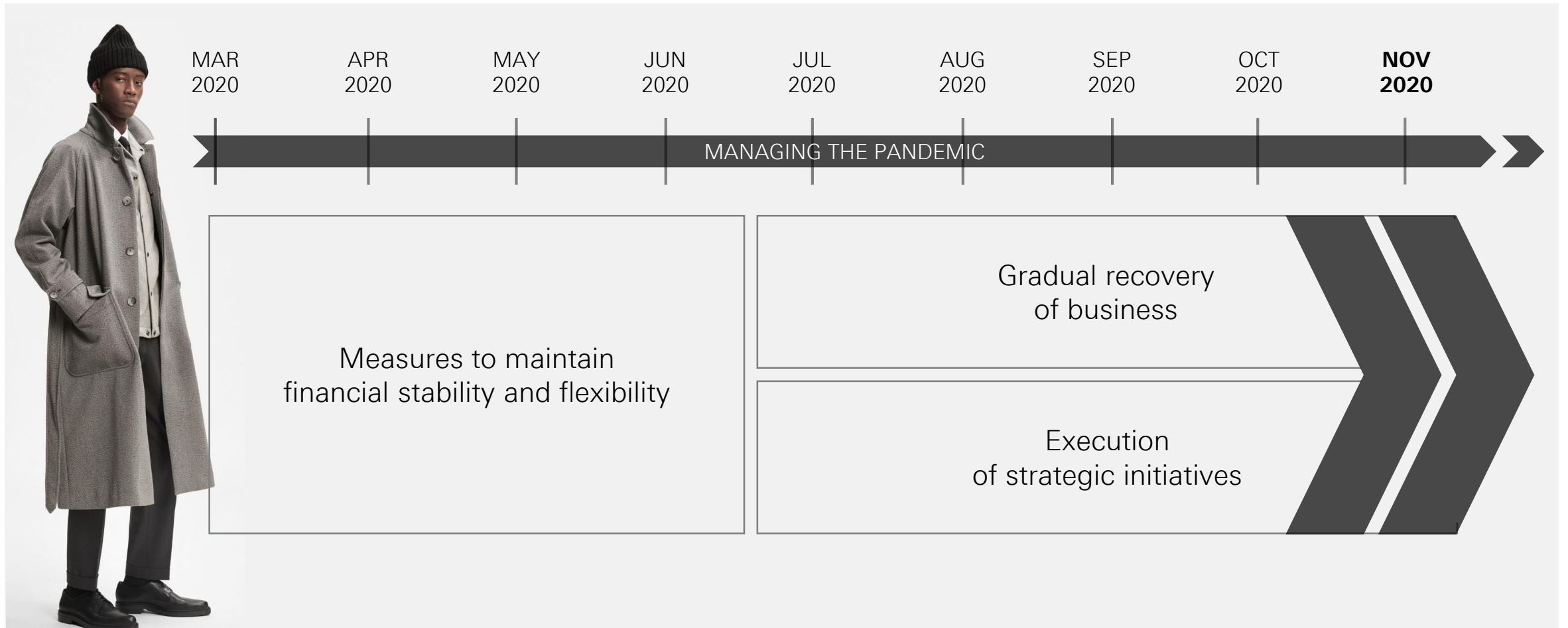
2 Execution of strategic initiatives

3 General Information



Key priorities

while managing the pandemic





Exploiting the full potential
of **mainland China**

HUGO BOSS

GROUP SALES

7%

BASED on FY 2019

**CAGR
2016-2019**

+10%

SALES ML CHINA

**CONTROLLED
DISTRIBUTION**

>95%

OWN RETAIL
SHARE

**"TAILORED"
SHARE**

>30%

OF
PRODUCT MIX

Local activation drives customer engagement



QIXI
CHINESE VALENTINE'S DAY
AUGUST 25, 2020

A man in a blue suit is speaking at a podium during a QIXI event. The background features a BOSS logo and heart graphics.

CHINESE GOLDEN WEEK

OCTOBER 1-8, 2020



Leveraging sales opportunities in mainland China



1

Robust retail footprint
across tier 1 and tier 2 cities

2

White spot opportunities,
especially in tier 2 and tier 3 cities

3

Upsizing opportunities
in prime locations



1

Concession business on Tmall and JD
with strong double-digit growth

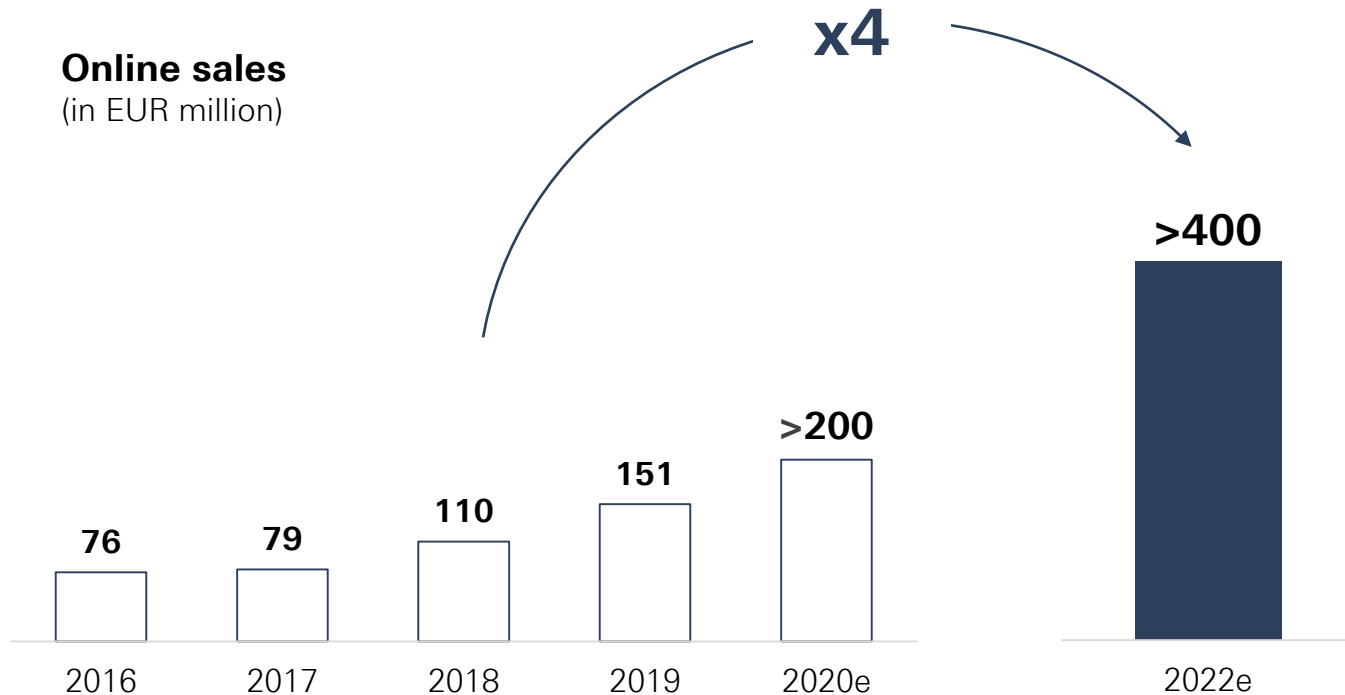
2

Tapping in to additional e-com opportunities
to support momentum

3

Implementation of WeChat Work
to exploit social commerce

Well on track to achieve 2022 online sales target

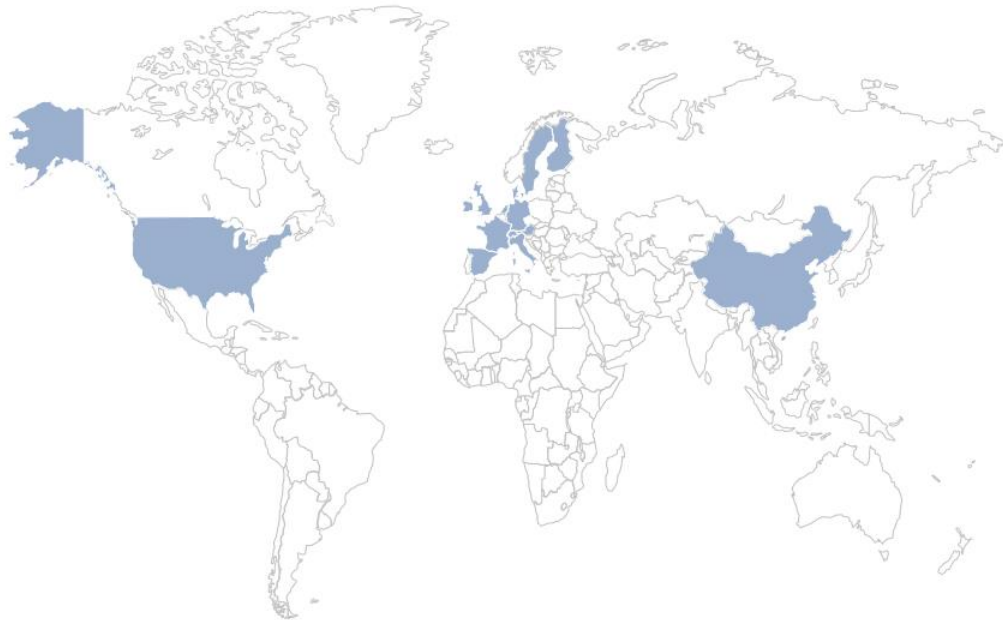


✓
Online sales to grow to more than
EUR 400 million by 2022

✓
EUR 200 million mark to be crossed
well before year-end 2020

✓
CAGR of >40% achieved
between 2018 and 2020

Geographical rollout of **hugoboss.com** in full swing



hugoboss.com
markets 2019



hugoboss.com
markets 2021

Marketing initiatives to **drive brand desirability**



EVENTS



PERSONALITIES



COLLABORATIONS

Milan Fashion Show goes Shanghai with local brand experience



2.6 M

FOLLOWERS



BOSS x
CARO DAUR

11.5 M

FOLLOWERS



BOSS
x AJBXNG

21.4 M

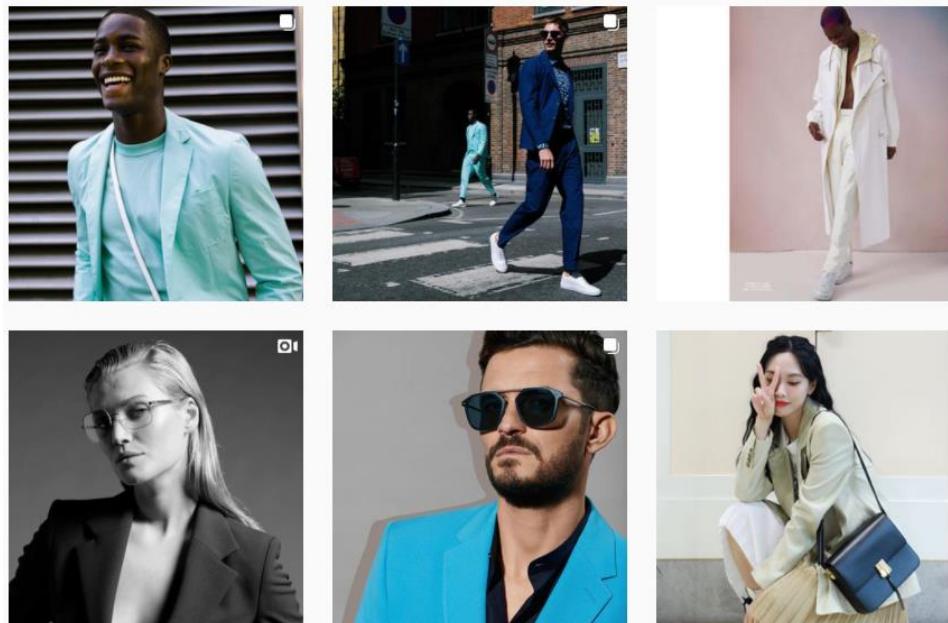
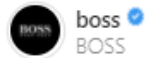
FOLLOWERS



HUGO x
LIAM PAYNE

Brand ambassadors
drive brand heat for BOSS and HUGO

Strong uplift in engagement on **social media**



AVERAGE NUMBER OF
LIKES PER POST

4x

Q3 2020 VS. Q3 2019

AVERAGE
ENGAGEMENT RATE

INCREASED BY

>60%

Q3 2020 VS. Q3 2019

BOSS teams up with Russell Athletic



BOSS X
RUSSELL ATHLETIC

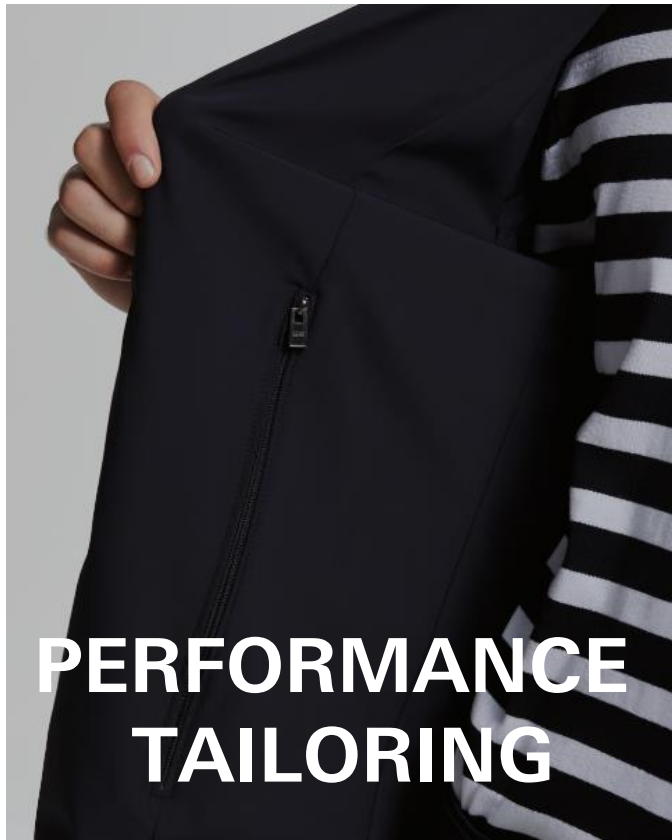
CAPSULE COLLECTION
WITH FOCUS
ON BOLD
CASUALWEAR

LAUNCH ACCOMPANIED BY AN EXCLUSIVE CAMPAIGN
PRODUCED BY **HIGHSNOBIETY**

Driving casualization across all wearing occasions

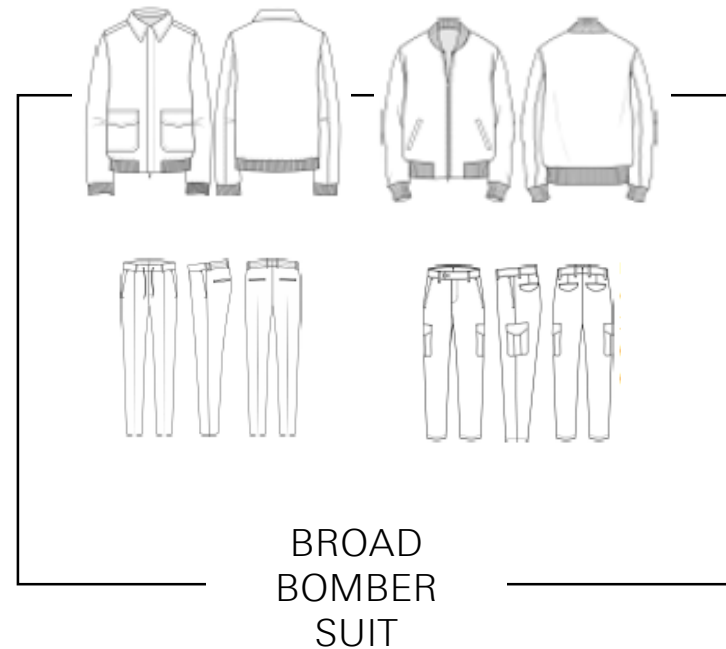


Push casual categories by focusing on casualized styles and casual tailoring



PRODUCT INNOVATION TO **FIT CUSTOMERS
NEEDS** IN TERMS OF WEARING EXPERIENCE

New interpretation of formalwear with **strong focus on casual tailoring**



AGENDA

1 Third Quarter Results 2020

2 Execution of strategic initiatives

3 General Information

HUGO BOSS



Sales by region and major markets

Share of Group sales*



63%

Germany: 14%

Great Britain: 13%

France: 6%

Benelux: 5%

Other: 25%



19%

U.S.: 14%

Canada: 3%

Central & South America: 2%



15%

China: 8%

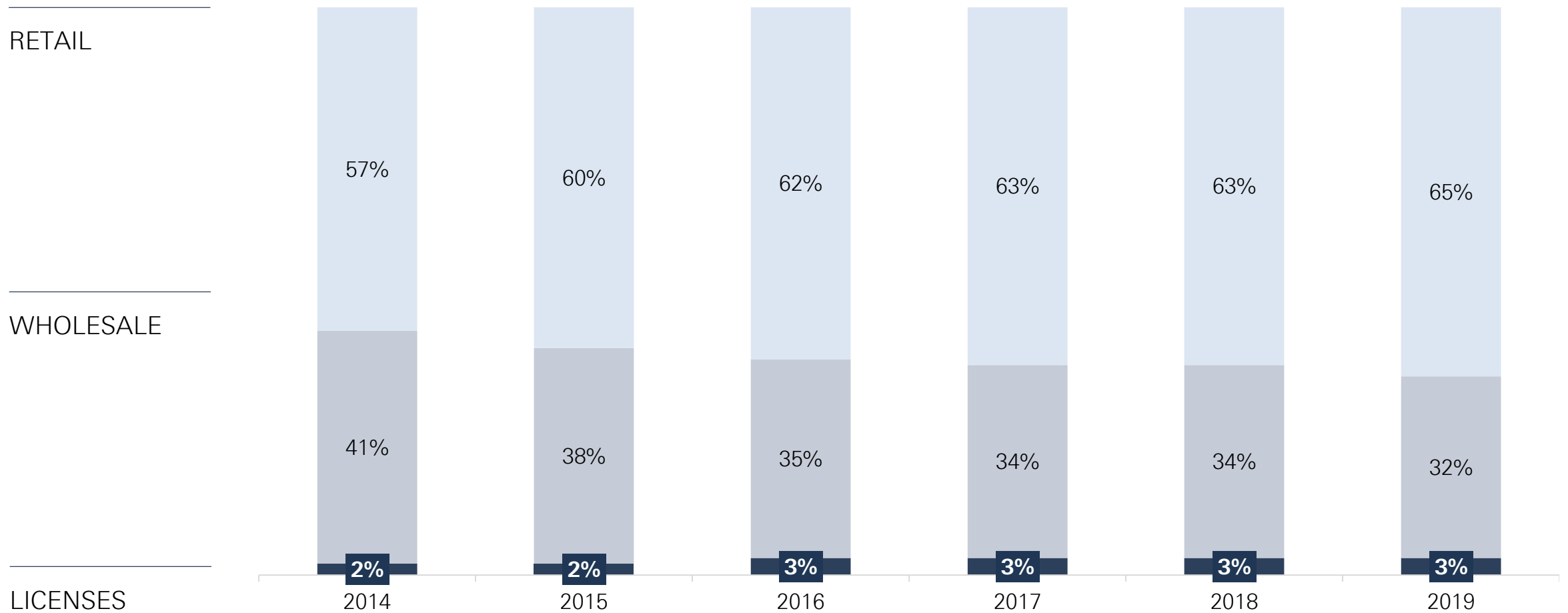
Oceania: 2%

Japan: 2%

Other: 3%

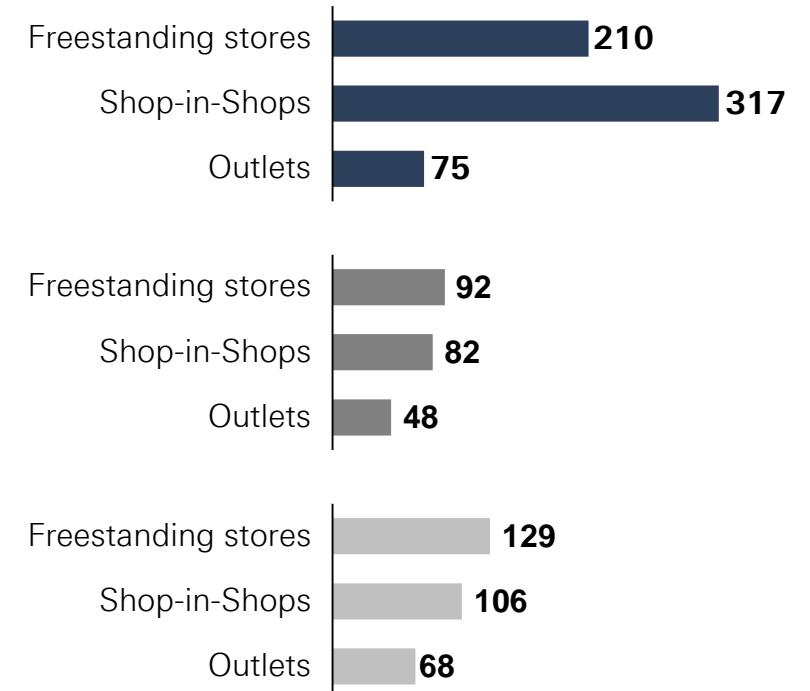
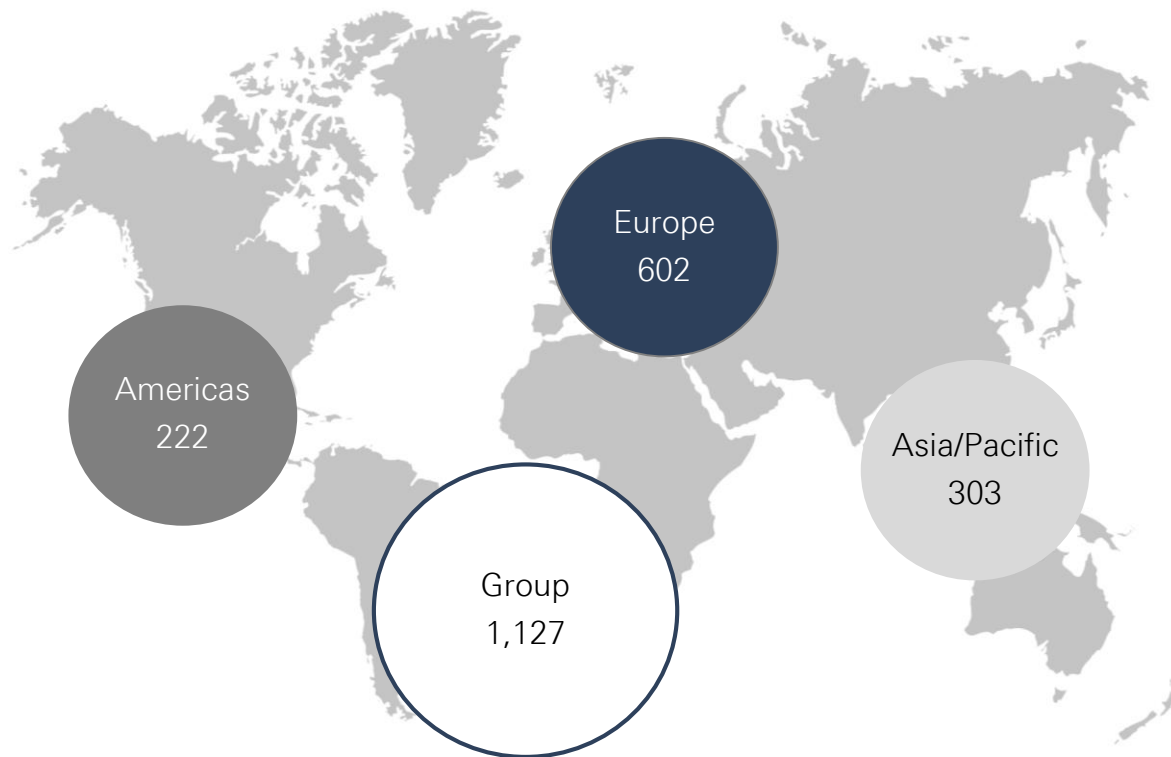
* = as of 2019; 3% licenses

Sales by distribution channel



Number of Group's own retail stores by region

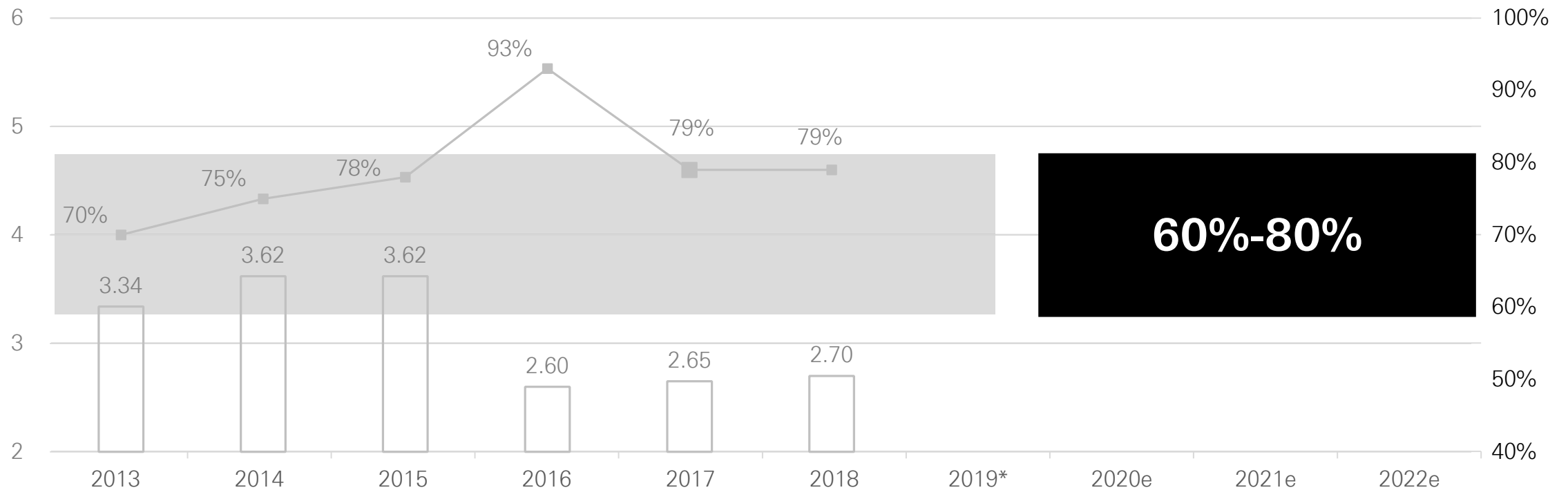
As of 30/09/2020



Shareholder return

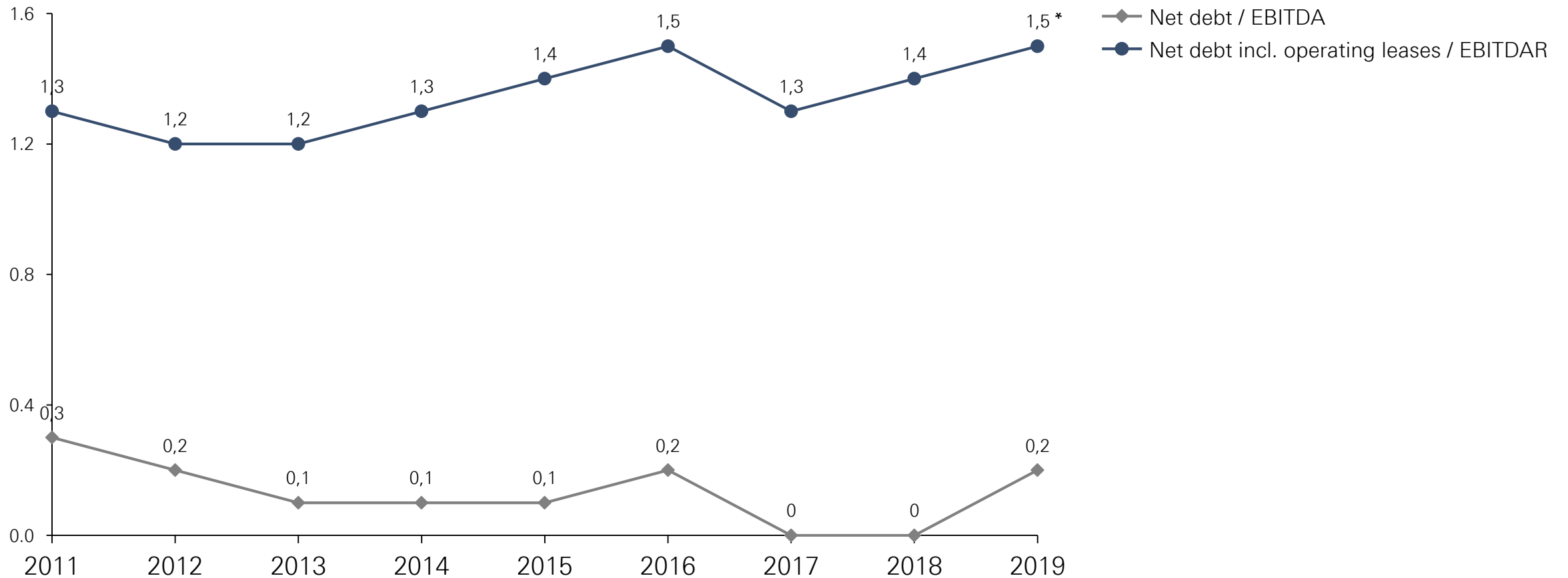
Strong commitment to profit-based dividend policy

Dividend payout ratio in % of net income, dividend in EUR



* Suspension of the dividend payment – except for the legal minimum dividend of 0.04 cent per share.

(Adjusted) financial leverage



Operating leases
EBITDAR

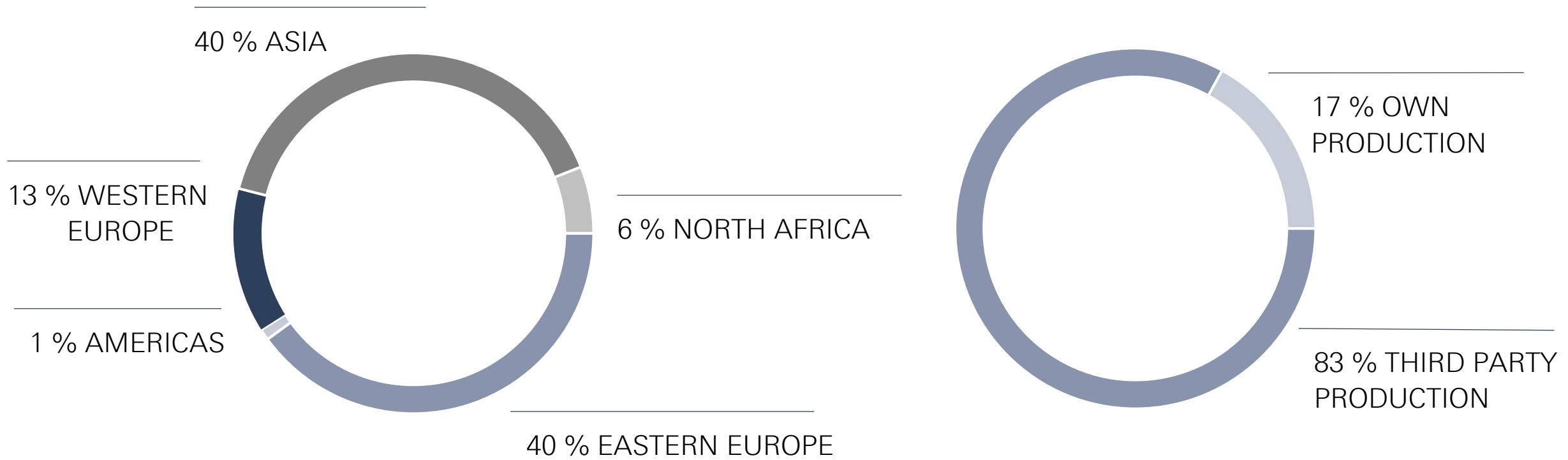
*

= Future committed operating lease obligations capitalized according to S&P methodology

= EBITDA + minimum rents + contingent rents

= Net debt / EBITDA including the impact of IFRS 16

Sourcing and production structure*



* = as of 2019, in value terms

Multi-Year overview

	2019	2018	2017	2016	2015
Sales	2,884	2,796	2,733	2,693	2,809
Gross profit	1,875	1,824	1,808	1,777	1,853
Gross profit margin in %	65.0	65.2	66.2	66.0	66.0
EBITDA	467	476	499	433	590
EBIT	333	347	341	263	448
EBIT margin in %	11.5	12.4	12.5	9.8	15.9
Net income	212	236	231	194	319
Trade net working capital in % of sales	20.1	19.7	18.6	19.8	19.5
Non-current assets	831	686	662	752	765
Shareholders equity	1,009	981	915	888	956
Total assets	1,993	1,858	1,720	1,799	1,800
Free cash flow	207	170	294	220	208
Net debt	83	22	7	113	82
Capex	192	155	128	157	220
Depreciation/amortization	134	129	158	170	142
Total leverage ¹	0.2	0.0	0.0	0.2	0.1
Dividend per share	2.75 ²	2.70	2.65	2.60	3.62

¹ Net financial liabilities/EBITDA before special items.

² Proposal.

Financial Calendar & Investor Relations contact

MARCH

11

2021

Full Year Results
2020

**Christian
Stöhr**

Senior Head of
Investor Relations

E-Mail: Christian_Stoehr@hugoboss.com

Phone: +49 (0) 7123 94 - 80903

MAY

5

2021

First Quarter Results
2021

Frank Böhme

Senior Investor
Relations Manager

E-Mail: Frank_Boehme@hugoboss.com

Phone: +49 (0) 7123 94 - 80903

Forward-looking statements contain risks

This document contains forward-looking statements that reflect management's current views with respect to future events. The words “anticipate”, “assume”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan”, “project”, “should”, and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

