

SECOND QUARTER 2020 RESULTS PRESENTATION

AUGUST 4, 2020



YVES MÜLLER

SPOKESPERSON
OF THE MANAGING BOARD

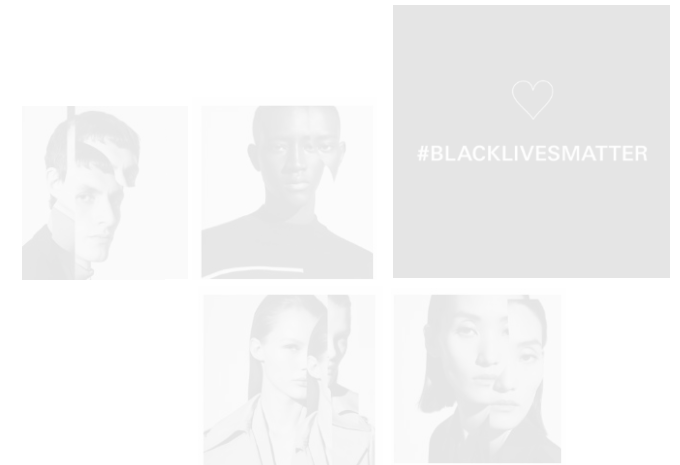


HUGO BOSS takes clear stance

during COVID-19 pandemic



**CORPORATE
RESPONSIBILITY**



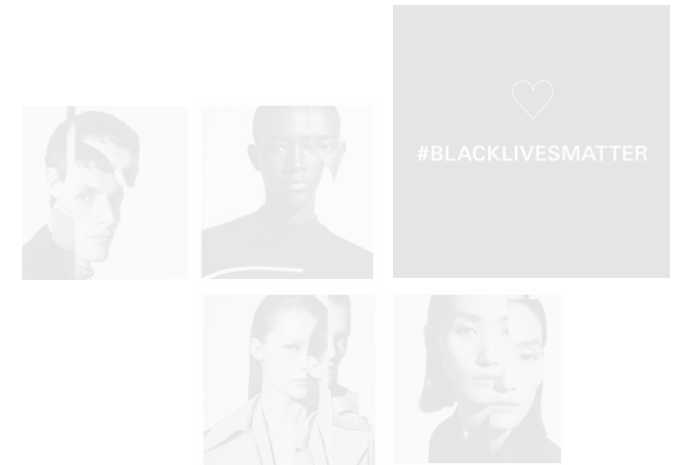
DIVERSITY



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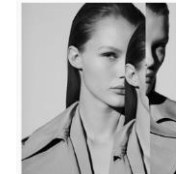
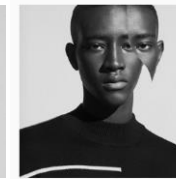
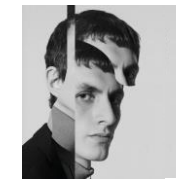
CORPORATE RESPONSIBILITY



DIVERSITY



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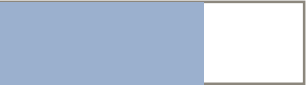





DIVERSITY



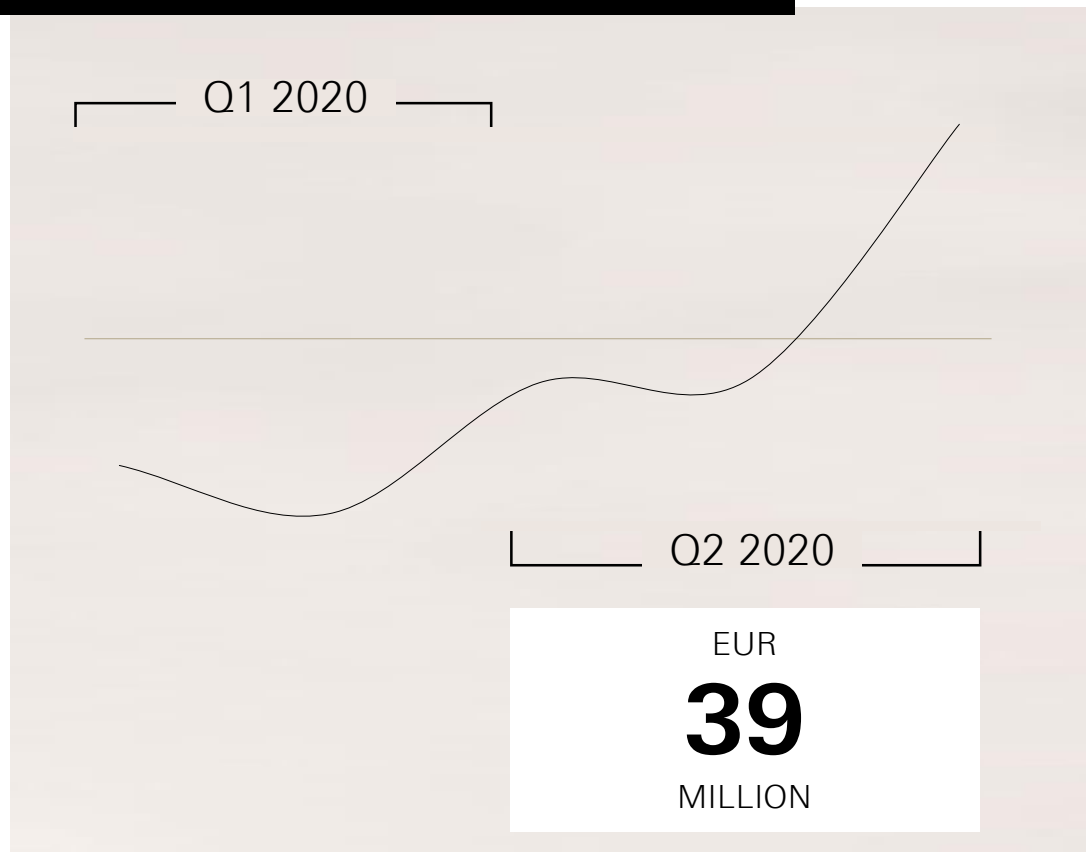
LOVE
IS
LOVE

Successful execution of comprehensive measures to protect financial stability

FY MEASURES IMPLEMENTED	INITIATIVES DURING Q2	PROGRESS IN Q2
<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 in the second quarter

FREE CASH FLOW DEVELOPMENT



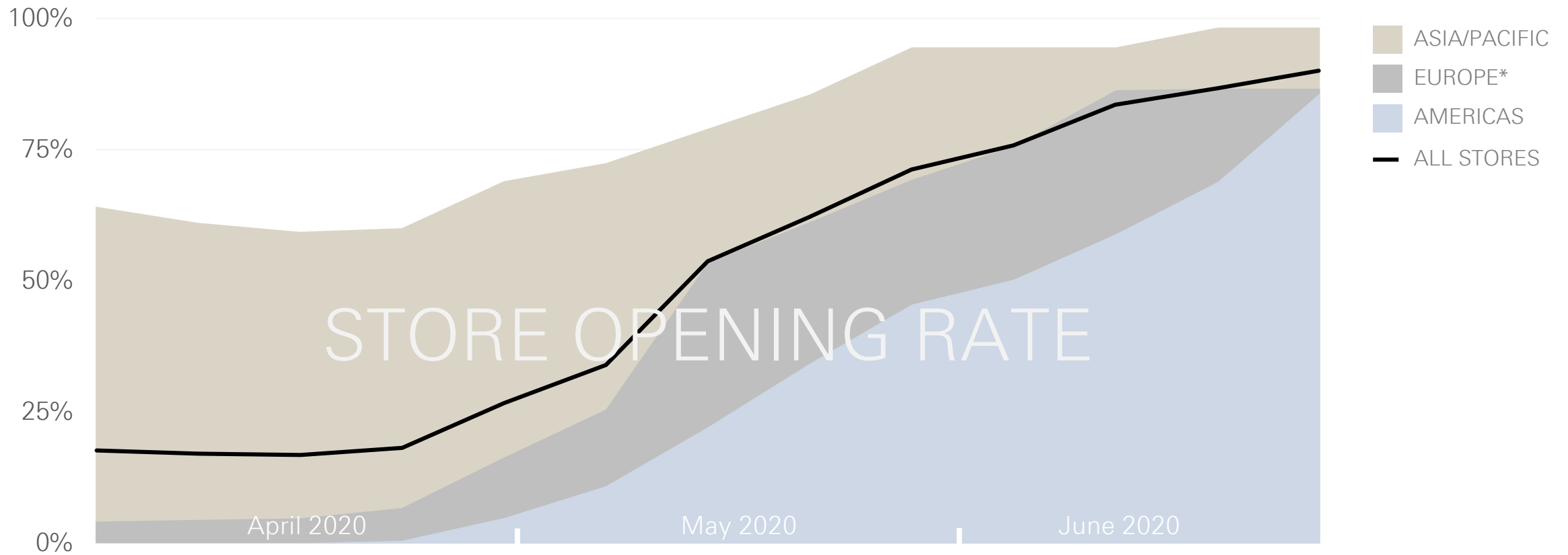
Positive free cash flow of EUR 39 million in Q2

Free cash flow in H1 2020 amounts to minus EUR 46 million

Increase option of existing syndicated loan successfully exercised, now totalling EUR 633 million

Further credit commitments of EUR 275 million secured, maturing in June 2022

~50% of global store network closed on average in the second quarter



*INCLUDING MIDDLE EAST AND AFRICA



RETAIL

(58)%***(64)**%*

WHOLESALE

Currency-adjusted retail comp store sales down 59% in the second quarter

Decline in own retail in Asia/Pacific less pronounced due to higher store opening rate

Wholesale performance burdened by store closures resulting in significantly lower deliveries to partners

Temporary store closures
weigh on brick-and-mortar business



Pandemic weighs strongly on
Group sales in Q2

EUROPE SALES **

Double-digit sales declines in all key markets

Revenue declines in Germany less pronounced as stores reopened in early May

Long-lasting store closures and significantly lower tourist flows burden sales in France, Italy, and Spain

Great Britain lags behind as stores only reopened towards the end of Q2



(59)%*

Business in **Europe** impacted by store closures and decline in tourism

AMERICAS SALES

All of the region's key markets affected by temporary store closures in Q2

Average store closure rate in the second quarter amounts to 70%, thus exceeding all other regions

Unrest and demonstrations in May and June put an additional strain on consumer sentiment in the U.S.



(82)%*

Lockdown and demonstrations weigh on business in the **Americas**

ASIA/PACIFIC SALES

Mainland China returns to growth in Q2

Significantly lower tourist flows weigh on business in Hong Kong and Macao

Southeast Asia and Japan affected by high degree of store closures in the second quarter

(36)%*



Decline in **Asia/Pacific** less pronounced than in Europe and the Americas

MAINLAND CHINA

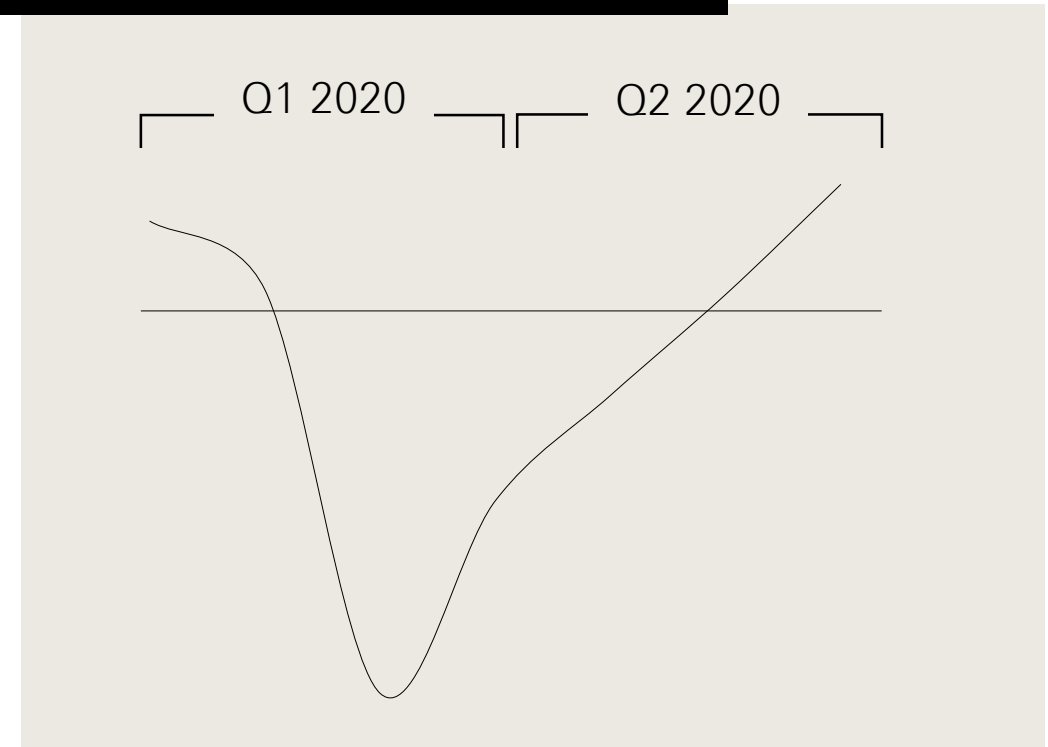
+4%*

Strong improvement in consumer engagement

Double-digit sales increase in June marks return to pre-COVID-19 growth rates

Online business more than doubles in the second quarter

SALES DEVELOPMENT H1 2020*



Sales in mainland China return to **double-digit growth trajectory**



ONLINE

+74%*

Strong double-digit sales improvements across all three regions

Q2 marks strongest quarterly performance out of eleven consecutive quarters

Millennials represent the fastest-growing customer group online

Momentum in own online business further accelerates in Q2

Pandemic weighs on sales development of **BOSS** and **HUGO**



Focus on driving the **casualization of formalwear**

NEW INTERPRETATION

OF FORMALWEAR

WITH STRONG FOCUS

ON CASUAL TAILORING

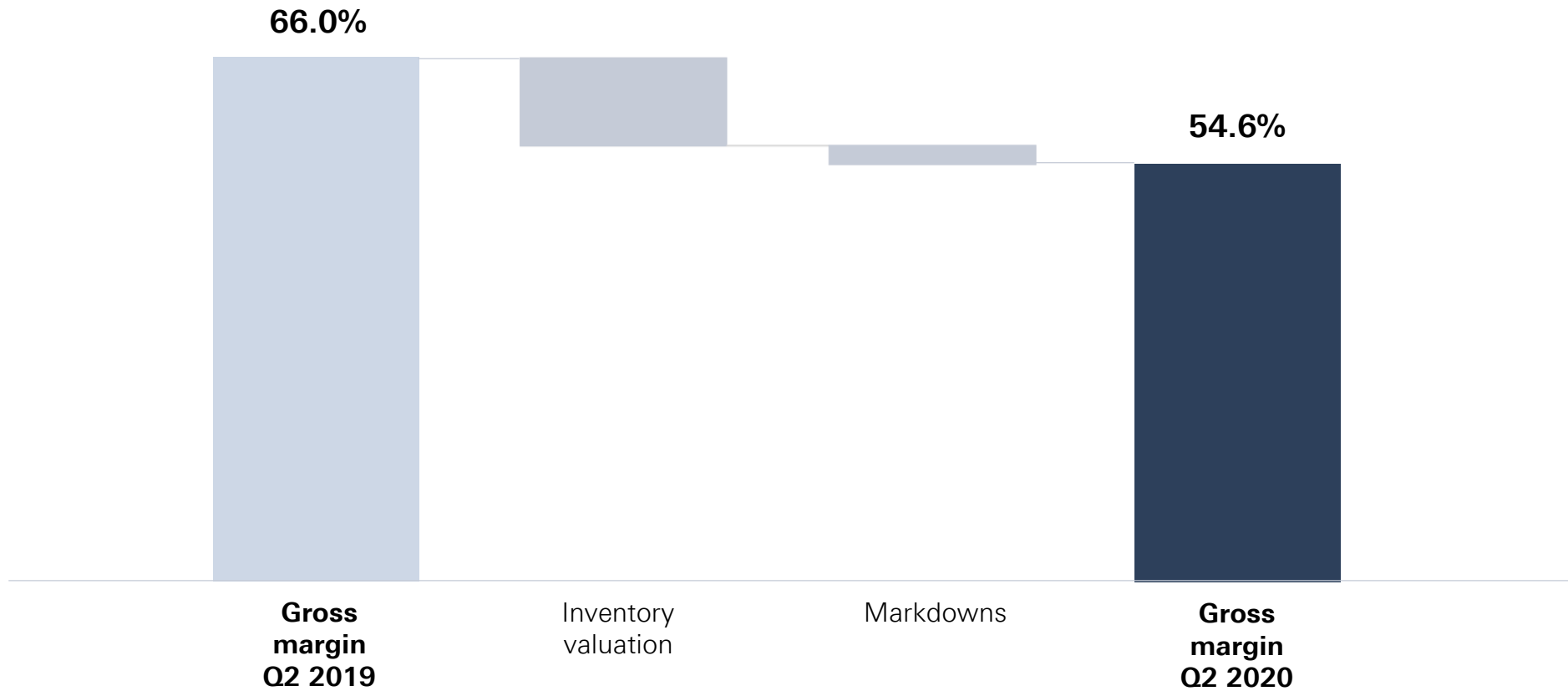


Leveraging strength in casualwear to capture consumer behaviour

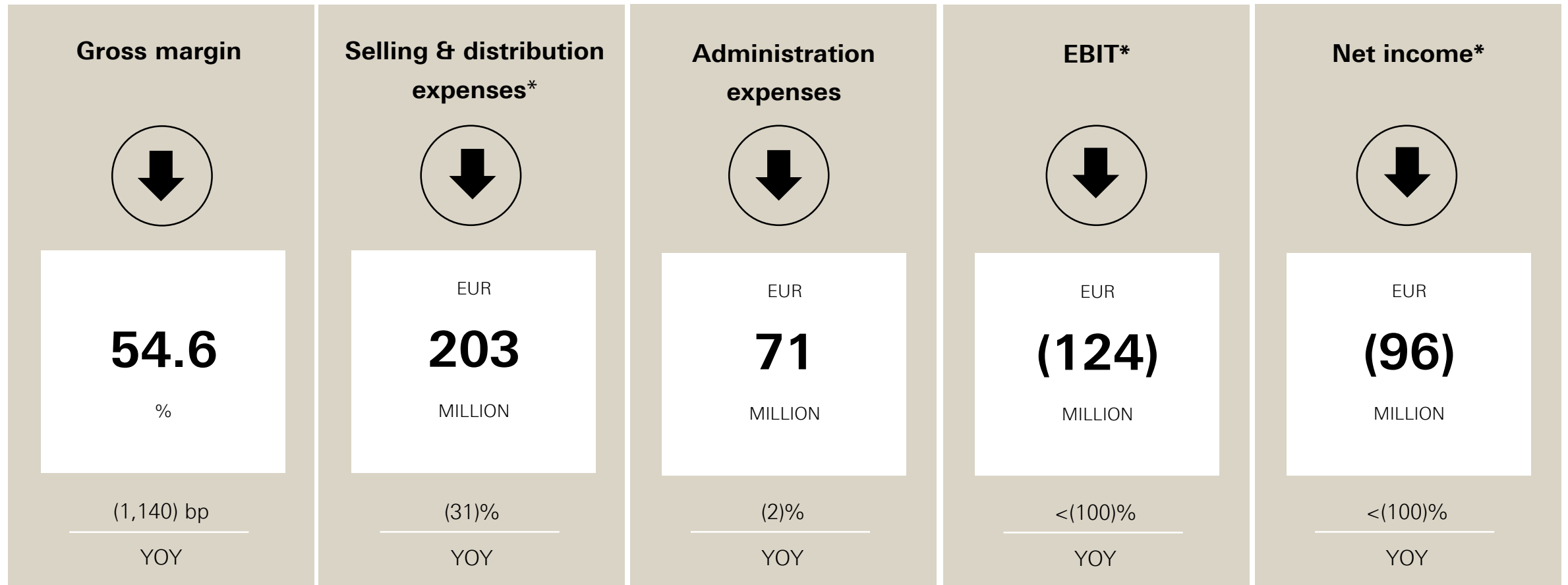


ENABLING CONSUMERS TO
DRESS IN A SPORTY STYLE
WITHOUT COMPROMISING
ON VALUE OR QUALITY

Decrease in **gross margin** mainly attributable to inventory valuation effects

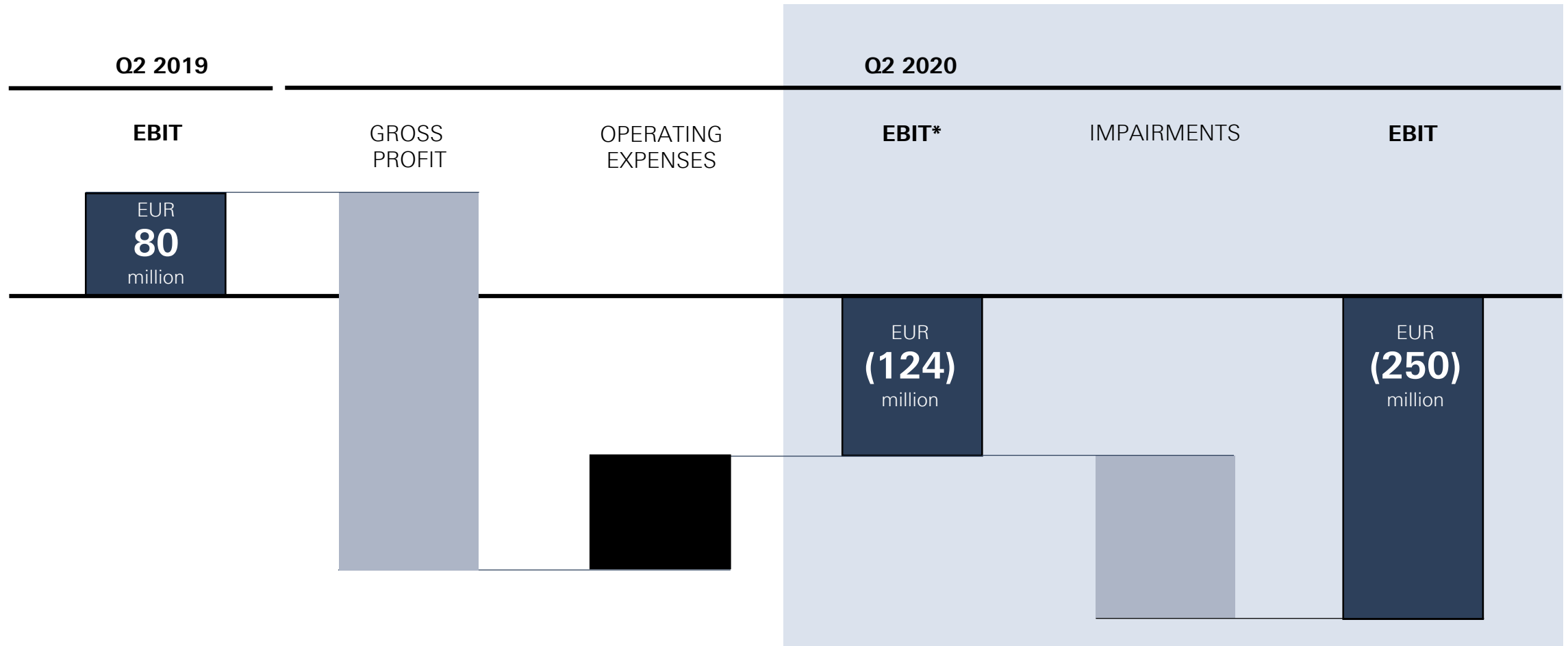


Economic consequences of COVID-19 weigh on **EBIT development** in Q2



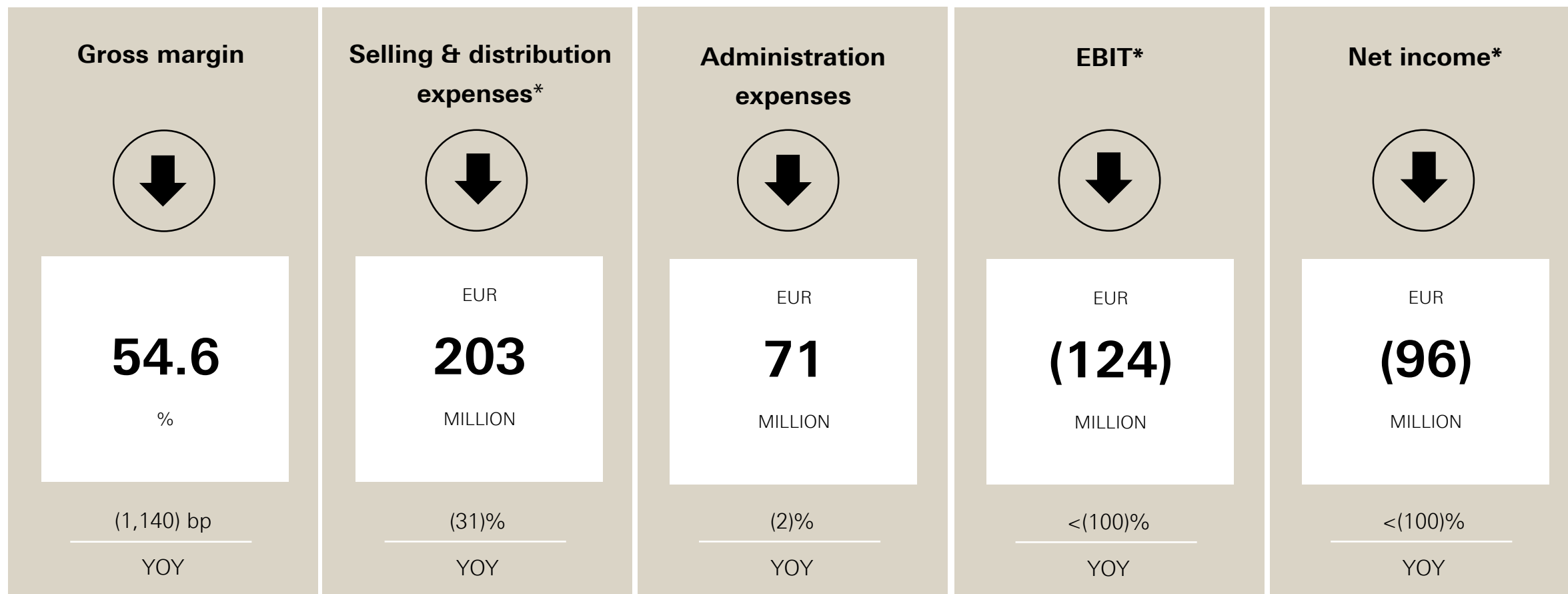
* EXCL. NON-CASH IMPAIRMENT CHARGES OF EUR 125 MILLION

Significant cost savings partly offset gross profit decline in Q2



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Economic consequences of COVID-19 weigh on **EBIT development** in Q2



* EXCL. NON-CASH IMPAIRMENT CHARGES OF EUR 125 MILLION



Inventory growth curbed due to reduction in merchandise inflow for upcoming collections and inventory write-downs

Increase in trade net working capital reflects slightly higher inventories as well as lower trade payables

Strong decline in capital expenditure due to postponement of non-business-critical investments

Solid balance sheet despite challenging market environment

UPDATE ON
H2 2020

Q&A

HUGO BOSS

