

HUGO BOSS

FULL YEAR 2023 RESULTS

HUGO BOSS

2023





AGENDA

- 01 UPDATE ON "CLAIM 5"
- 02 FY 2023 RESULTS
- 03 FY 2024 OUTLOOK
- 04 Q&A

UPDATE
ON
"CLAIM 5"

DANIEL GRIEDER, CEO



2023

ANOTHER
RECORD YEAR
FOR HUGO BOSS

HUGO BOSS

GROUP SALES

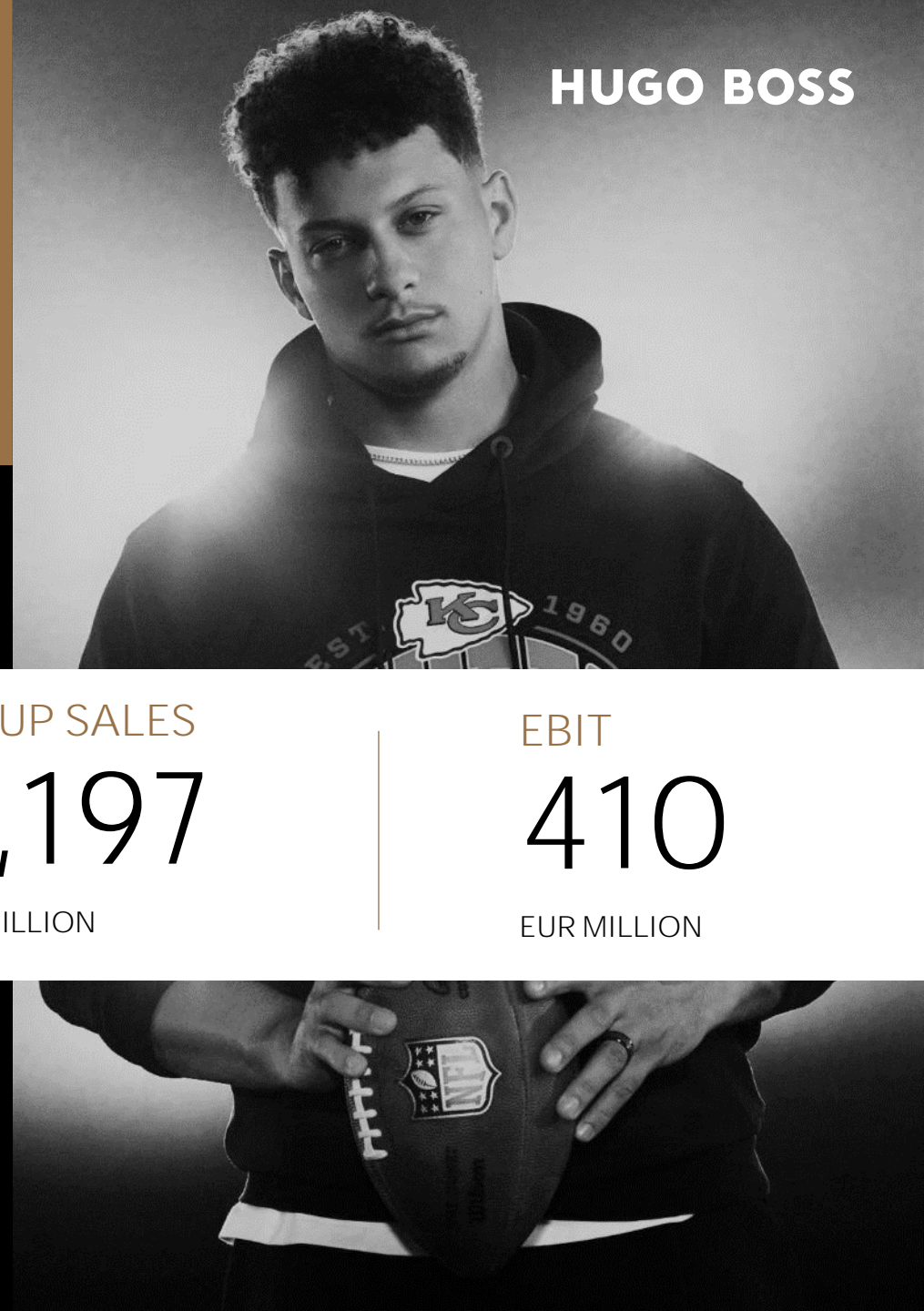
4,197

EUR MILLION

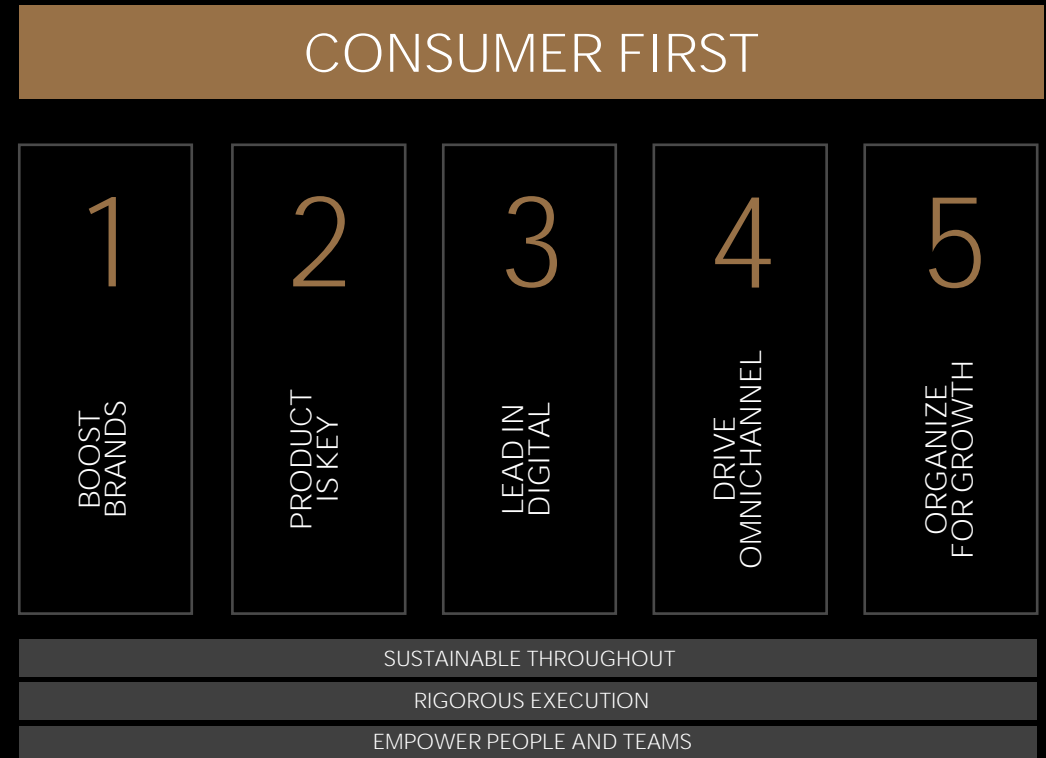
EBIT

410

EUR MILLION



"CLAIM 5" IS OUR WINNING FORMULA



CLAIM 5

ACCELERATE
BRAND RELEVANCE



LEVERAGE
BUSINESS PLATFORM

STRENGTHEN
BRANDS &
BOOST
AWARENESS

DRIVE
EFFICIENCIES &
PUSH
PROFITABILITY

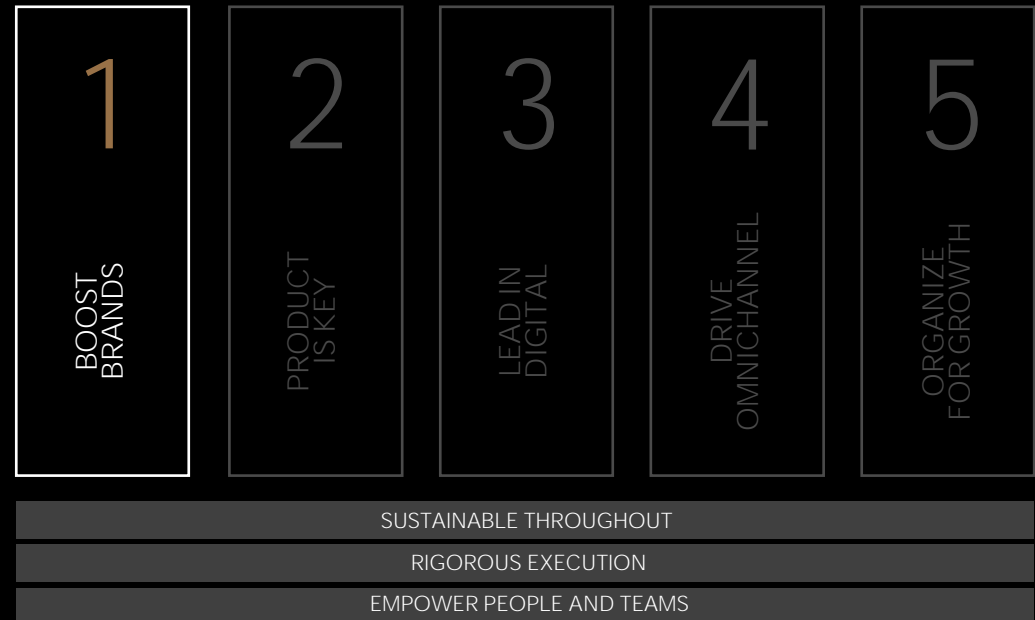
STRONG FOUNDATION FOR SUSTAINABLE
AND PROFITABLE GROWTH

CLAIM 5

CLAIM 1

BRAND
RELEVANCE
STRONGLY
INCREASED

CONSUMER FIRST



CLAIM 5

360° CAMPAIGNS WITH DIVERSE ALL-STAR CAST BOOST BRAND HEAT

BOOST BRANDS



SR24

**360°
CAMPAIGNS**

FW23



EXCITING BRANDS EVENTS DRIVE ATTRACTIVENESS OF BOSS AND HUGO

BOOST BRANDS

BOSS



HAHNENKAMM
RACE



MIAMI
FASHION SHOW



BOSS OPEN



MILAN
FASHION SHOW



HUGO X
FORMULA 1



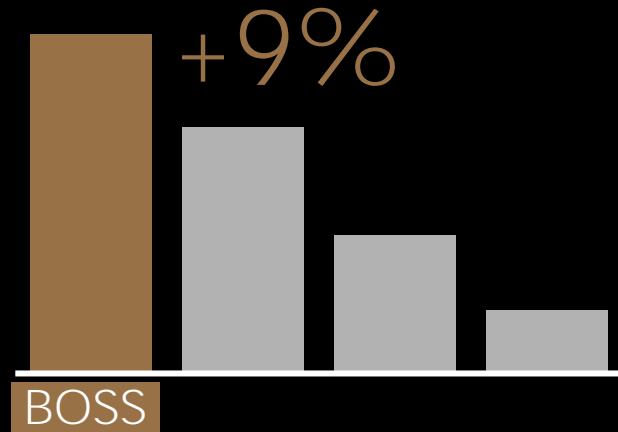
HUGO
NIGHTS



HUGO X
BELLA POARCH

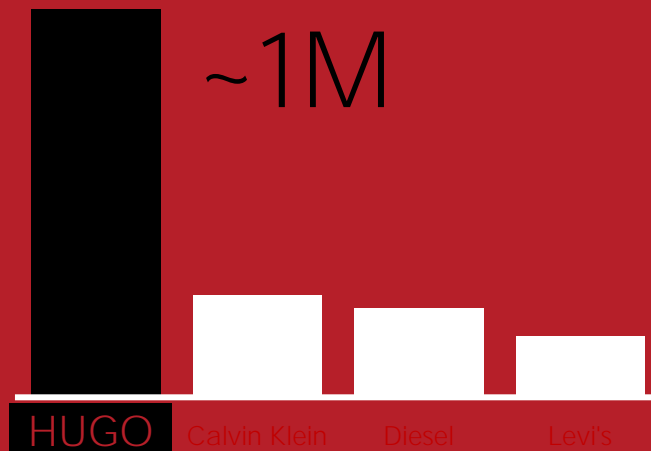
BOSS – FASTEST-GROWING BRAND ON INSTAGRAM VS. PEERS

FOLLOWER GROWTH
2023 VS. 2022



HUGO – MOST-VIEWED BRAND ON TIKTOK VS. PEERS

TOTAL TIKTOK VIEWS
IN 2023



HUGO BOSS

BOOST BRANDS

BOSS MAINTAINS
1ST PLACE
IN BRAND HEAT
RANKING

BOOST BRANDS

SUCCESSFUL EXPANSION OF MEMBER BASE

TURNING CONSUMERS INTO FANS

GROWTH OF MEMBER BASE
IN 2023

>30%

REST OF WORLD

>40%

U.S.



FANS

CLAIM 2

PRODUCT
OFFERING
SIGNIFICANTLY
IMPROVED

CONSUMER FIRST



CLAIM 5

LIVING UP TO OUR 24/7 PROMISE BY COVERING ALL WEARING OCCASIONS

PRODUCT IS KEY



LEVERAGE FULL
POTENTIAL OF
BRAND LINES



LAUNCH OF
HIGH-IMPACT
COLLABORATIONS



EXTENDING 24/7
APPROACH WITH
ADDITIONAL LICENSES



DRIVING PRODUCT INNOVATION WITH PARTICULAR FOCUS ON SUSTAINABILITY

LIMITED-EDITION CAPSULE COLLECTION
crafted with HeiQ AeonIQ fabric as part of
BOSS Fall/Winter 2023 fashion show in Milan

WE LOVE FASHION,
WE CHANGE FASHION.



HUGO BOSS

PRODUCT IS KEY

THE BOSS
THE CHANGE
WE CHANGE FASHION

This limited-edition, innovative product is part of THE CHANGE for the BOSS Fall/ Winter 2023 fashion show collection. With this you join our journey aiming to change the fashion industry.

The unique BOSS style leverages the technology of HeiQ AeonIQ revolutionary plant-based yarn. Our partnership with HeiQ allows us move the needle towards replacing fuel-based fibers, like polyester and nylon, with a natural alternative, thus eliminating microplastics.


HeiQ AeonIQ™



CLAIM 4

CUSTOMER
EXPERIENCE
FURTHER
ELEVATED

CONSUMER FIRST



CLAIM 5

ROLLOUT OF LATEST STORE CONCEPT IN FULL SWING



HUGO BOSS

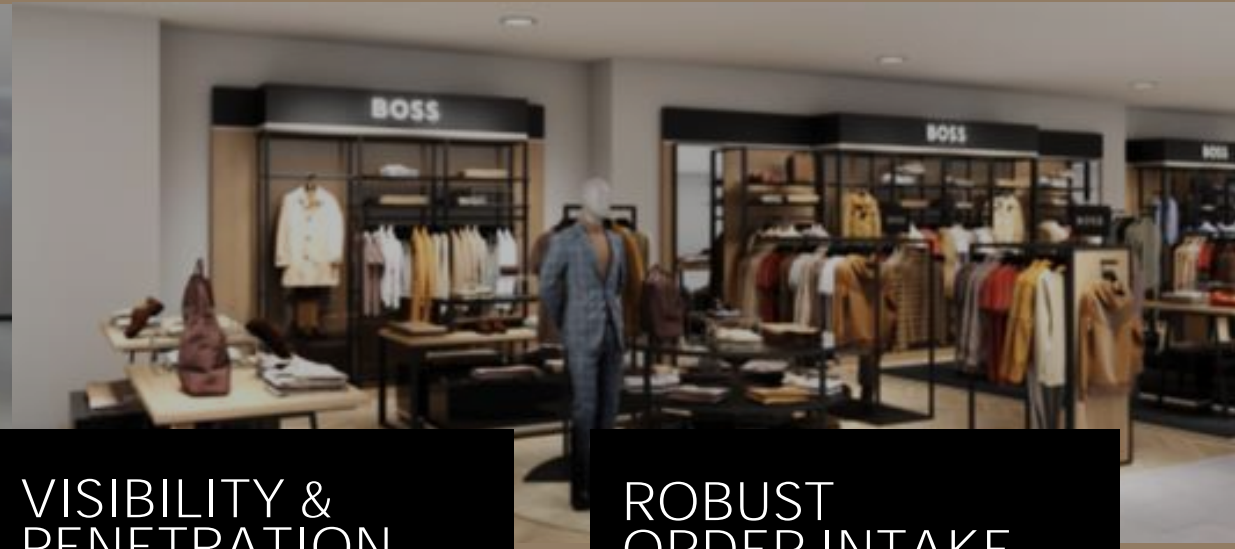
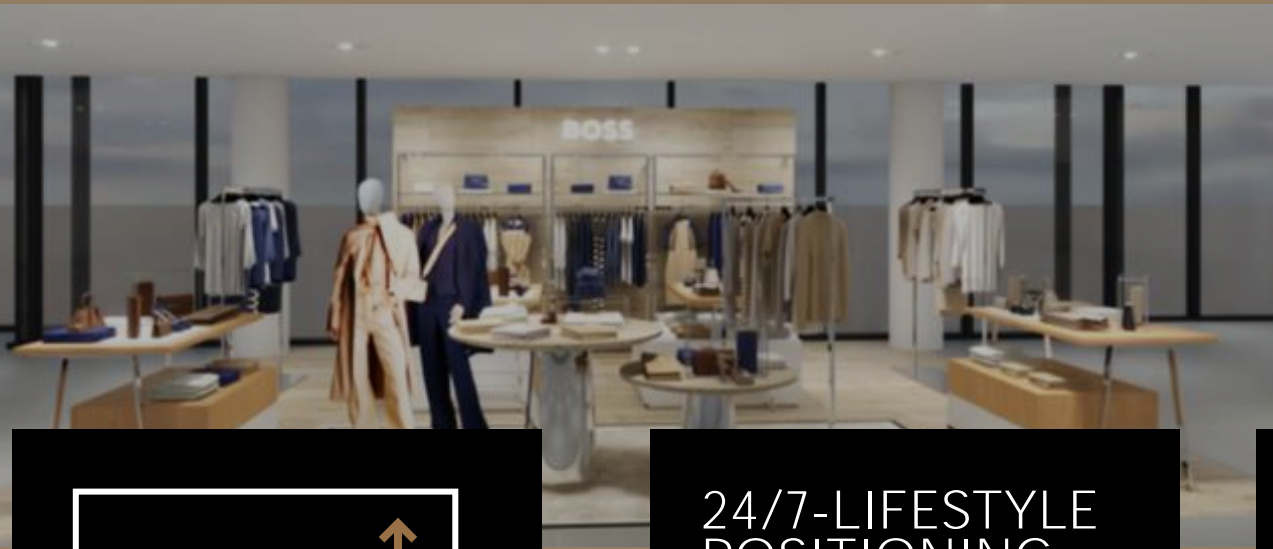
DRIVE OMNICHANNEL

STORE PRODUCTIVITY
(EUR/SQ M)



LEVERAGING WHOLESALE POTENTIAL THROUGH IMPROVED BRAND VISIBILITY

DRIVE OMNICHANNEL



↑
~6,400 POS
Incl. 350 franchise stores

24/7-LIFESTYLE
POSITIONING

successfully
fostered with
key partners

VISIBILITY &
PENETRATION

of BOSS and
HUGO strongly
improved

ROBUST
ORDER INTAKE

from wholesale
partners underpins
success of
collections

FURTHER ENHANCING THE DIGITAL JOURNEY ACROSS CONSUMER TOUCHPOINTS

DRIVE OMNICHANNEL

DIGITAL ACHIEVEMENTS

Digital presence expanded across consumer touchpoints

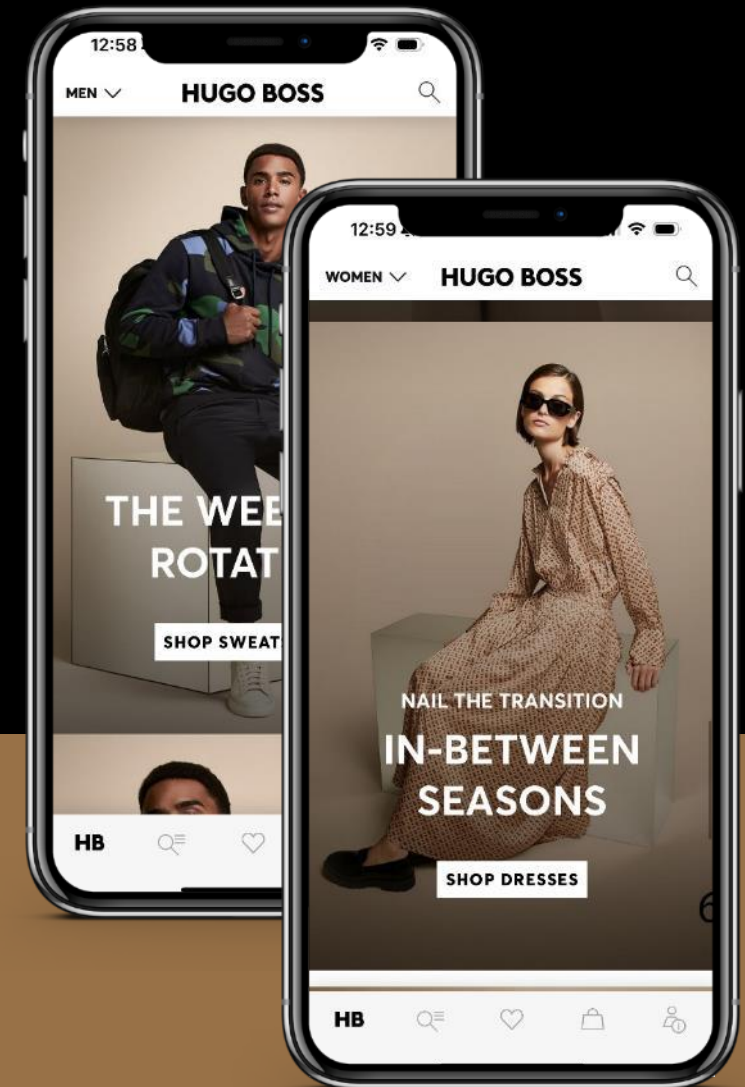
Digital experience enhanced to drive traffic and conversion

Relaunch of the HUGOBOSS.COM APP as one connected touchpoint

+20%
TRAFFIC GROWTH
2023 VS. 2022



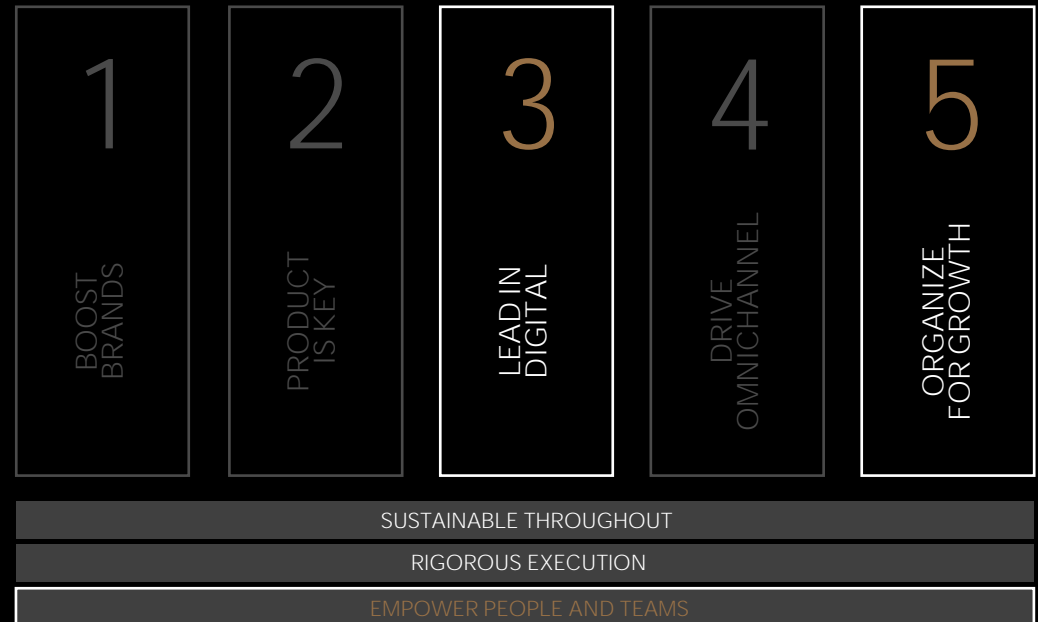
~20%
OF GROUP SALES
2023



ROBUST BUSINESS
PLATFORM

FURTHER
STRENGTHEN
OPERATIONAL
EXECUTION

CONSUMER FIRST



CLAIM 5

EMPOWERING PEOPLE AND TEAMS TRUST AS THE BASIS OF OUR CORPORATE CULTURE

ROBUST BUSINESS
PLATFORM

A WINNING CULTURE
DRIVEN BY STRONG VALUES

ENTREPRENEURIAL
SPIRIT

PERSONAL
OWNERSHIP

TEAM
MENTALITY

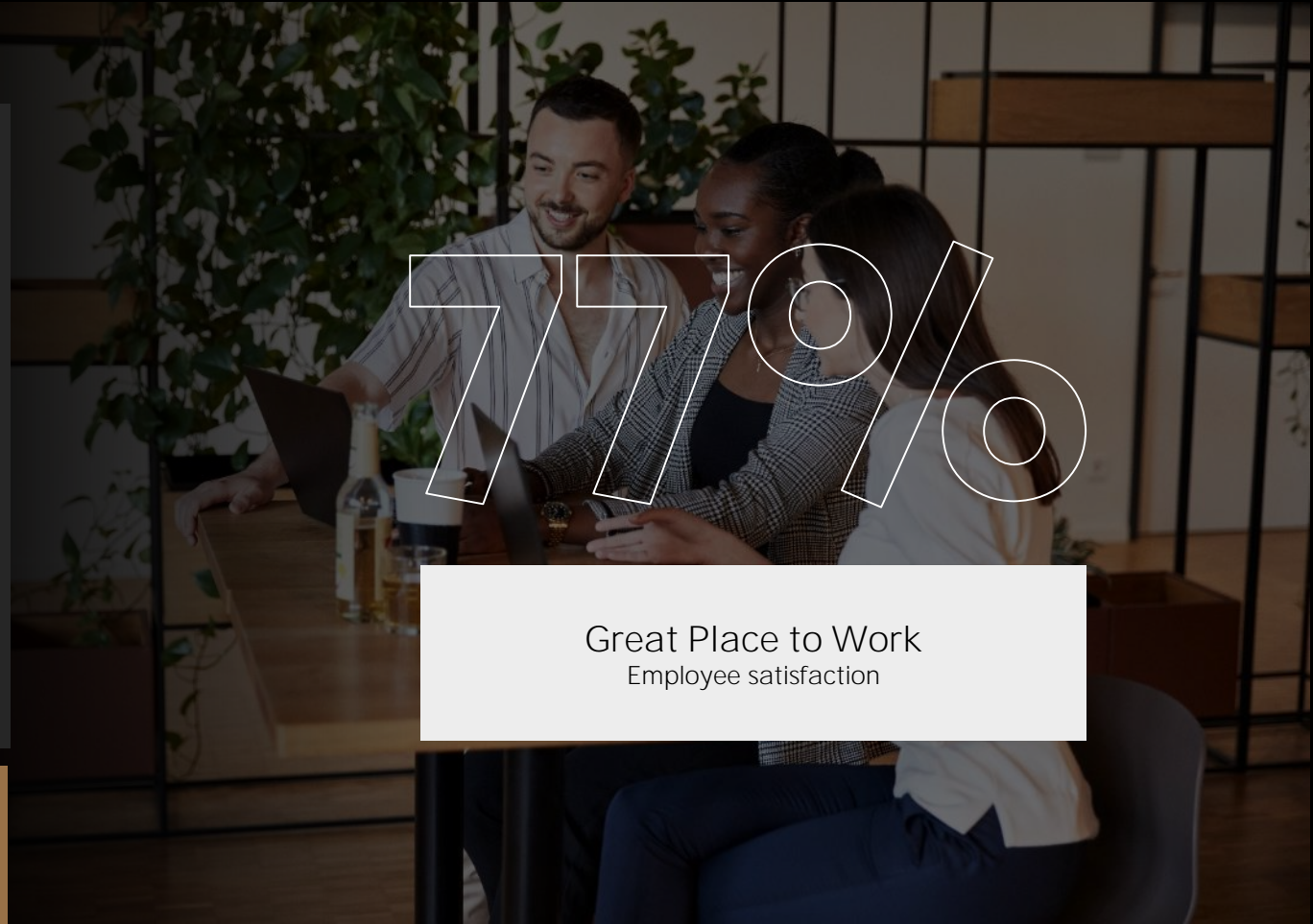
SIMPLICITY
& QUALITY

YOUTHFUL
SPIRIT

TRUST

77%

Great Place to Work
Employee satisfaction



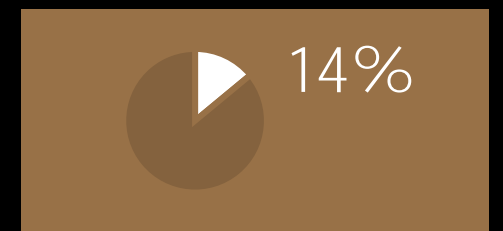
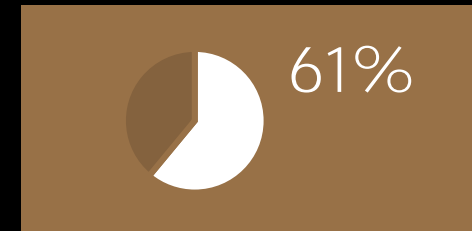
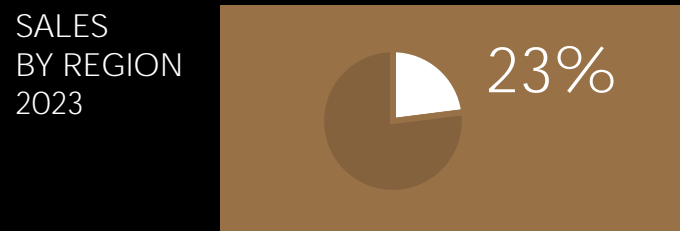
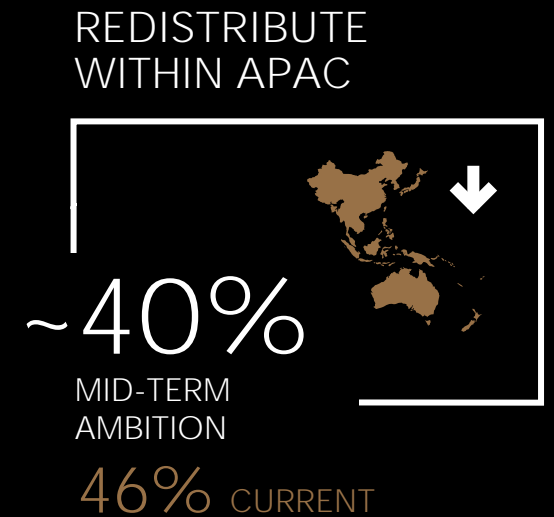
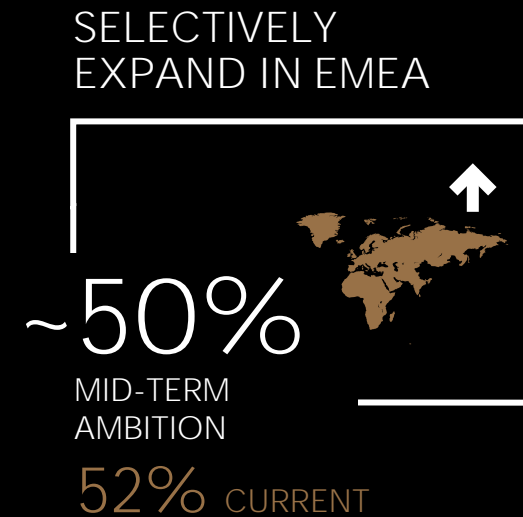
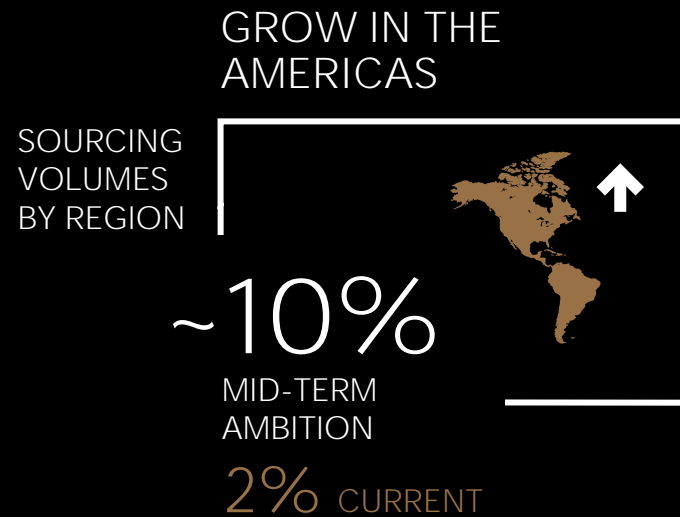
BALANCED SOURCING FOOTPRINT TO ENHANCE RESILIENCE AND FLEXIBILITY

ROBUST BUSINESS
PLATFORM

Promote nearshoring initiatives to accelerate speed-to-market capabilities

Leverage own production facilities to increase flexibility

Expand logistics network to increase global storage capacity



LEVERAGING THE POWER OF DATA

Driving meaningful insights and efficiencies along our value chain

USE OF DATA ANALYTICS

ROLLOUT OF DIGITAL SHOWROOMS

EXPANSION OF DIGITAL TWIN INITIATIVE

ENHANCED FLEXIBILITY AND TRANSPARENCY

DIGITAL JOURNEY

ROBUST BUSINESS
PLATFORM

GOING FORWARD

DRIVE
ADDITIONAL
EFFICIENCIES
BY DIGITALIZING
BUSINESS MODEL

FULL YEAR 2023 RESULTS

FINANCIAL REVIEW
YVES MÜLLER, CFO/COO



DOUBLE-DIGIT TOP- AND BOTTOM-LINE IMPROVEMENTS

GROUP SALES

4,197

EUR MILLION

+18% +15%

CURRENCY-ADJUSTED

IN GROUP CURRENCY

VS. FY 2022

EBIT

410

EUR MILLION

+22%

VS. FY 2022

STRONG BRAND MOMENTUM DRIVES REVENUES FOR BOSS AND HUGO

BOSS
BOSS
BOSS
BOSS
BOSS



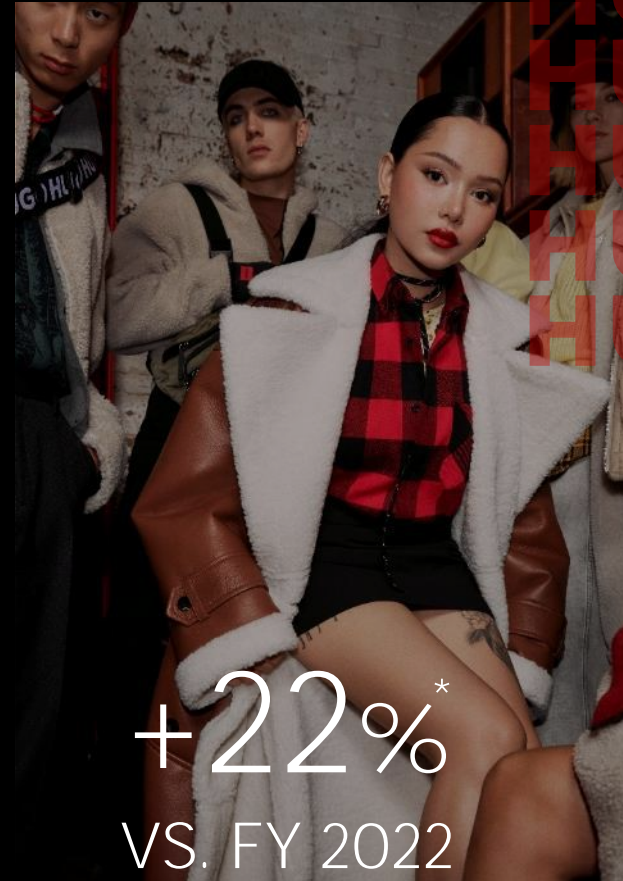
+16%*
VS. FY 2022

BOSS
MENSWEAR



+24%*
VS. FY 2022

BOSS
WOMENSWEAR



+22%*
VS. FY 2022

HUGO

HUGO
HUGO
HUGO
HUGO
HUGO

DOUBLE-DIGIT REVENUE GROWTH ACROSS ALL REGIONS



AMERICAS

+23%*

VS. FY 2022

Double-digit growth across key markets leads to additional market share gains

Further progress in establishing BOSS and HUGO as 24/7 lifestyle brands



EMEA

+13%*

VS. FY 2022

Momentum in European markets supported by pick-up in business with tourists

Strong performance in emerging markets, including Middle East



ASIA/PACIFIC

+32%*

VS. FY 2022

Business recovery in Greater China continues, with double-digit growth in 2023

Ongoing momentum in Southeast Asia & Pacific, as reflected by double-digit increases

ALL CONSUMER TOUCHPOINTS RECORD STRONG SALES IMPROVEMENTS

B&M RETAIL

+15%*

VS. FY 2022

Growth driven by comp store sales increases as well as moderate space expansion

B&M WHOLESALE

+18%*

VS. FY 2022

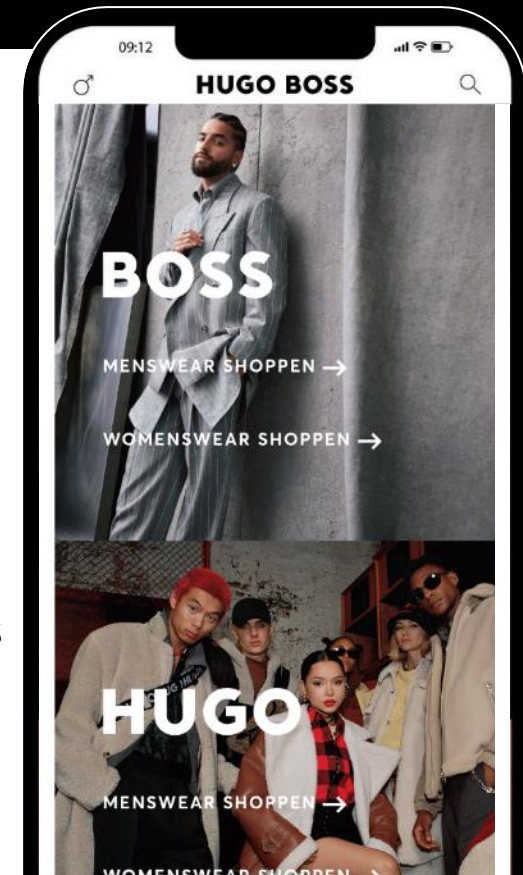
Strong momentum with strategic partners, supported by expansion of franchise business

DIGITAL

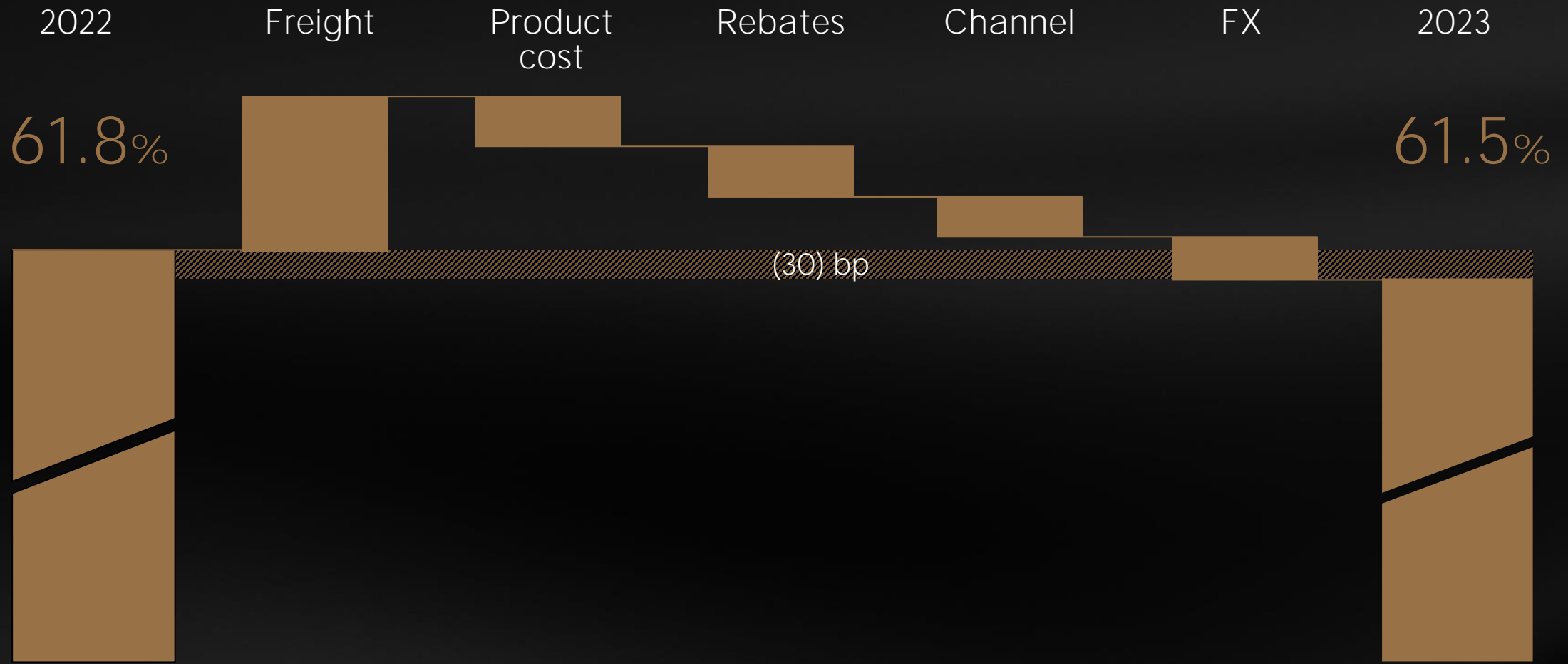
+26%*

VS. FY 2022

Double-digit revenue increases at hugoboss.com as well as partner business



GROSS MARGIN SLIGHTLY BELOW PRIOR-YEAR LEVEL DESPITE SUPPORT FROM LOWER FREIGHT COSTS IN 2023

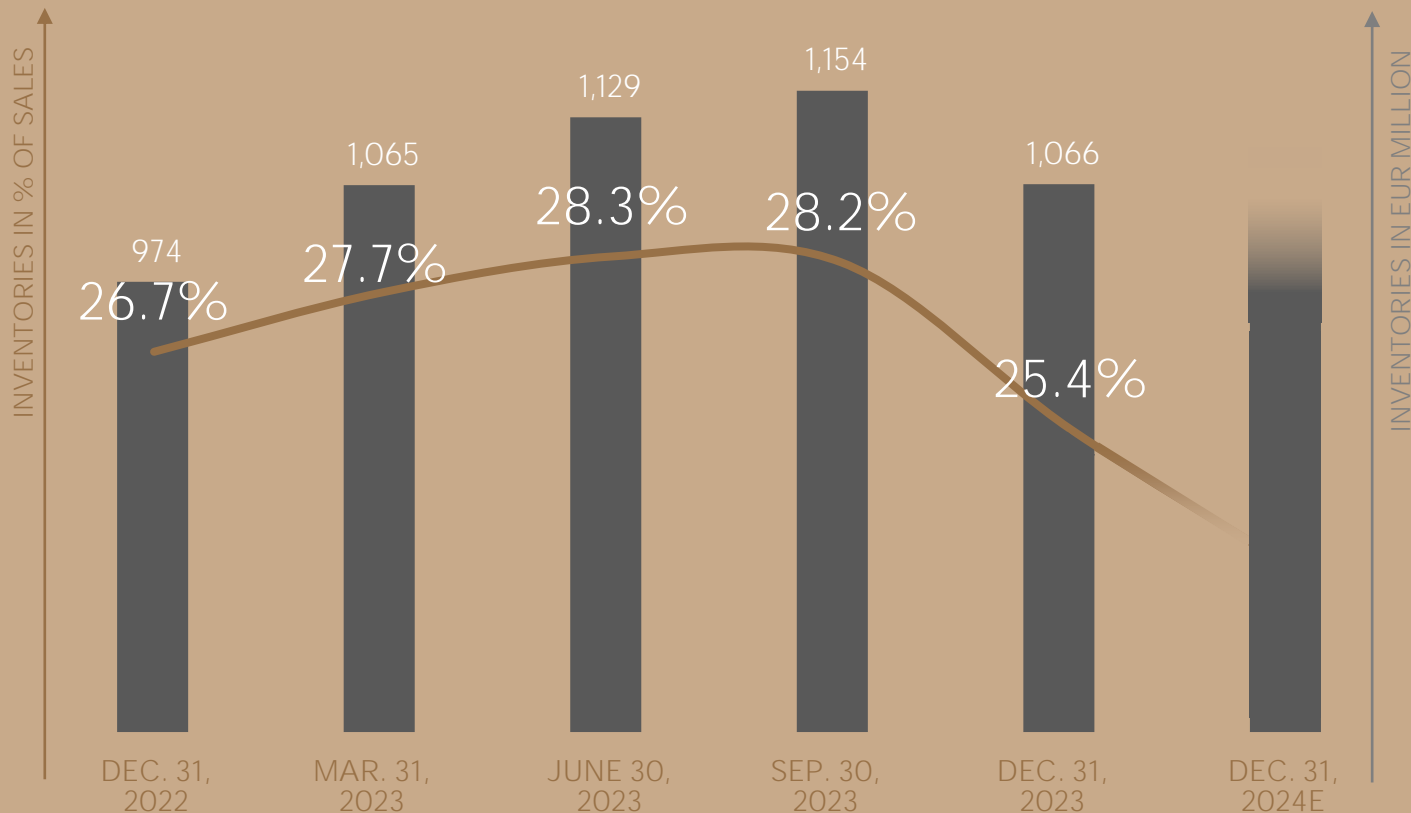


STRONG BOTTOM-LINE IMPROVEMENTS DESPITE ONGOING INVESTMENTS INTO BUSINESS

	FY 2023	CHANGE
GROSS MARGIN LOWER FREIGHT COSTS LARGELY OFFSET BY HIGHER PRODUCT COSTS AND REBATES	61.5%	(30) BP
OPERATING EXPENSES (IN % OF SALES) IMPROVEMENT DRIVEN BY FURTHER EFFICIENCY GAINS IN B&M RETAIL	51.7%	(90) BP
EBIT GROWTH MAINLY REFLECTS STRONG TOP-LINE PERFORMANCE	410 EUR MILLION	+22%
EBIT MARGIN INCREASE REFLECTS OPERATING LEVERAGE	9.8%	+60 BP
NET INCOME (ATTRIBUTABLE TO SHAREHOLDERS) INCREASE SUPPORTED BY FINANCIAL RESULT DEVELOPMENT	258 EUR MILLION	+23%

NORMALIZATION IN INVENTORIES SUCCESSFULLY INITIATED

ABSOLUTE AND RELATIVE DEVELOPMENT OF INVENTORIES



Year over year, inventories increased by 11% currency-adjusted

Majority of inventories related to core and fresh merchandise, aimed to support top-line growth

Gradual normalization of inventories initiated in Q4 2023



**INVENTORIES TO IMPROVE
TO A LEVEL OF <20% OF
GROUP SALES BY 2025**

STEP-UP IN CAPITAL EXPENDITURE WEIGHS ON FREE CASH FLOW DEVELOPMENT

FY 2023
TRADE NET
WORKING CAPITAL

870 | **20.8%**
EUR MILLION | IN % OF SALES

+46%* | +580BP

Increase mainly reflects higher inventory position, increase in trade receivables, and lower trade payables

FY 2023
CAPITAL
EXPENDITURE

298
EUR MILLION

+55%

Step-up reflects optimization of store network, digitalization of business model, and logistics expansion

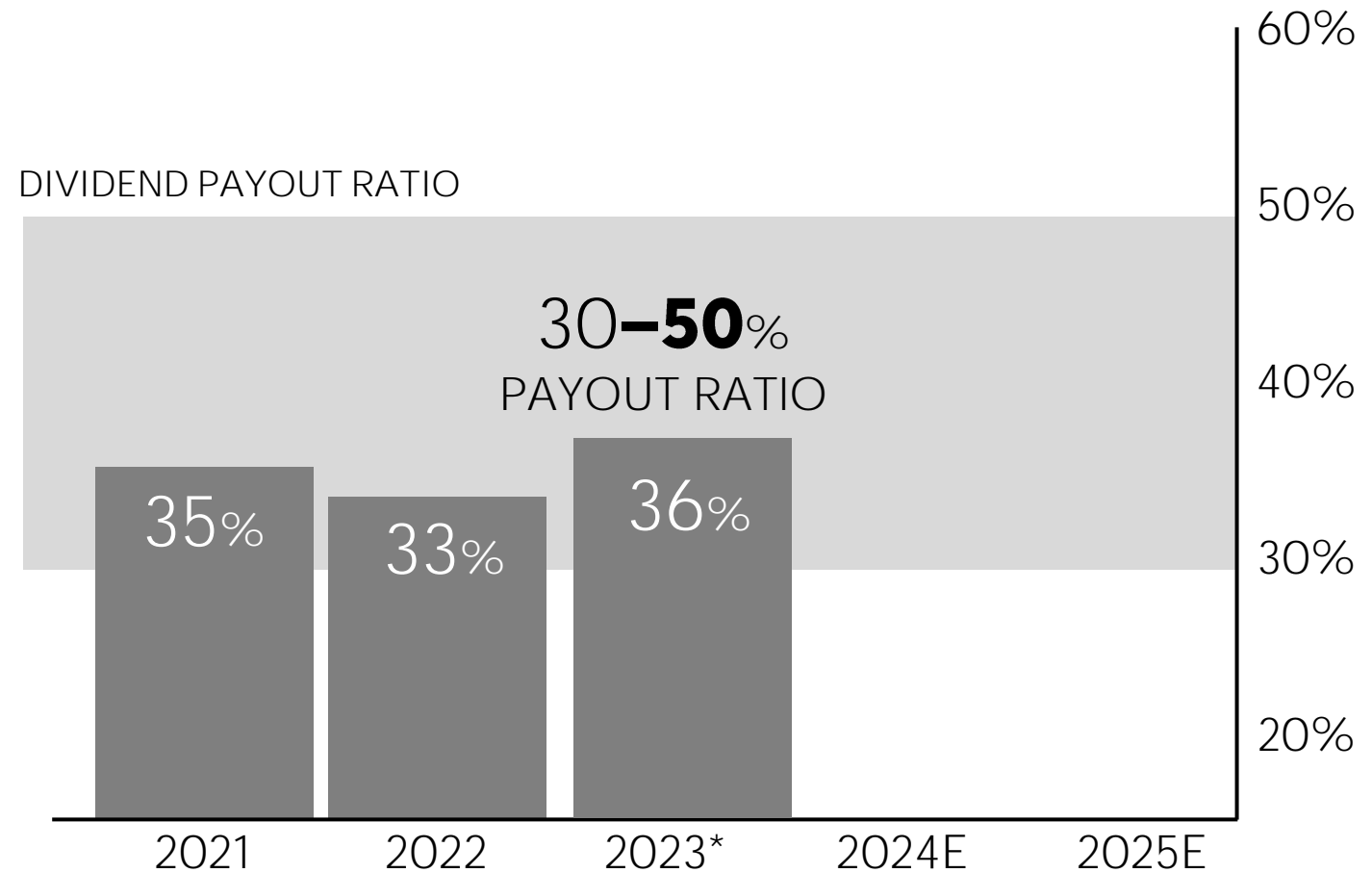
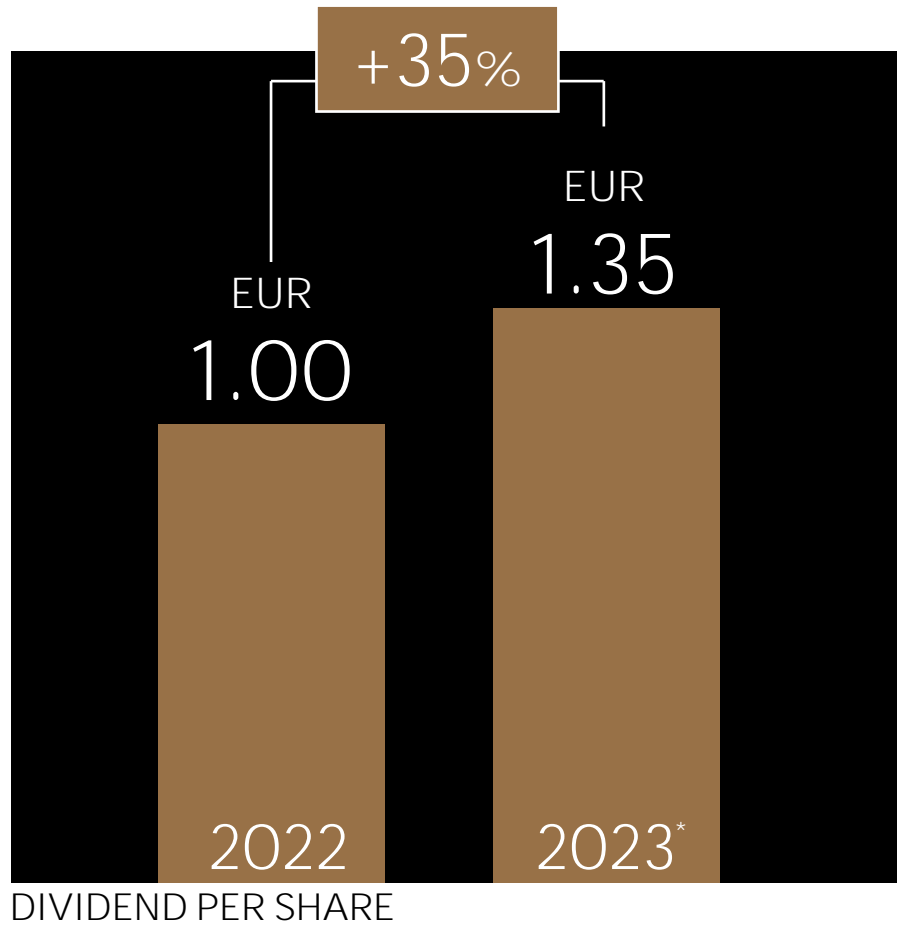
FY 2023
FREE CASH
FLOW

96
EUR MILLION

(42)%

Reacceleration in cash flow generation anticipated for fiscal year 2024

OVERPROPORTIONATE INCREASE IN DIVIDEND PROPOSAL COMPARED TO NET INCOME DEVELOPMENT



*DIVIDEND PROPOSAL

OUTLOOK 2024



SALES OUTLOOK

Execution of "CLAIM 5" strategy
remains primary focus in 2024

Further market share gains
targeted for the fiscal year 2024

Macroeconomic and geopolitical
uncertainties to weigh on consumer
sentiment in the short term

4.2

EUR BILLION
2023



+3% TO +6%

4.30 TO 4.45

EUR BILLION
2024E



SALES OUTLOOK BY REGION

ALL GEOGRAPHIES EXPECTED TO GROW IN 2024



AMERICAS

MID- TO HIGH
SINGLE-DIGIT

VS. FY 2023

Further market share gains targeted in the important U.S. market

Robust momentum in Latin America expected to continue



EMEA

LOW- TO MID-
SINGLE-DIGIT

VS. FY 2023

Muted consumer sentiment in several European markets

Untapped business potential in emerging markets



ASIA/PACIFIC

HIGH SINGLE- TO
LOW DOUBLE-DIGIT

VS. FY 2023

Long-term business potential in Greater China remains unchanged

Momentum in Southeast Asia & Pacific expected to remain robust

2025 EBIT MARGIN AMBITION RECONFIRMED
SALES TARGET MIGHT BE SLIGHTLY DELAYED

SALES
BY 2025+

€5 BN

EBIT MARGIN
BY 2025

≥12%



EBIT OUTLOOK

Further profitability improvements
targeted in 2024

EBIT margin to improve to a level of
10.0% to 10.7% in 2024

Realizing efficiency gains
through increased focus on
operational flexibility
and execution

410

EUR MILLION
2023



+5% TO +15%

430 TO 475

EUR MILLION
2024E

2024



STRONG ORGANIZATIONAL AND OPERATIONAL PLATFORM

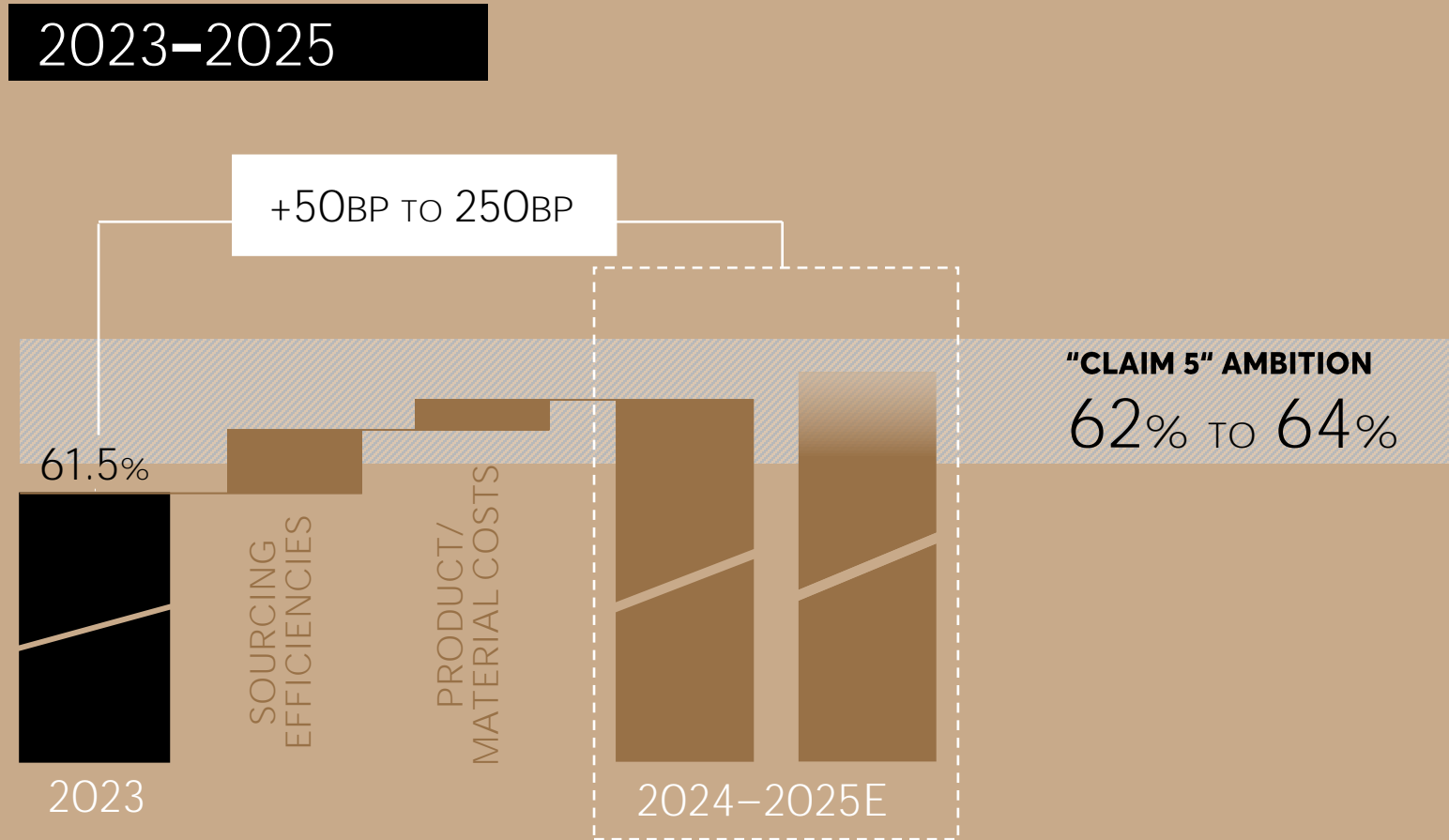
AS BACKBONE FOR
PROFITABLE GROWTH



NOTABLE
EFFICIENCY
IMPROVEMENTS
TARGETED

GROSS MARGIN DEVELOPMENT SUPPORTED BY INCREASED SOURCING EFFICIENCY

- Gross margin to range between 62% and 64% in 2024 and 2025
- Strong efficiency gains by leveraging global sourcing activities
- Product/material costs to benefit from lower commodity prices



ONGOING OPTIMIZATION OF COST BASE TO DRIVE FURTHER OPERATING LEVERAGE



REDUCTION OF
COLLECTION
COMPLEXITY



REVIEW OF
MARKETING
EFFICIENCY



OPTIMIZATION
OF GENERAL
ADMIN COSTS



ENHANCEMENT
OF COST
EFFICIENCY IN
B&M RETAIL



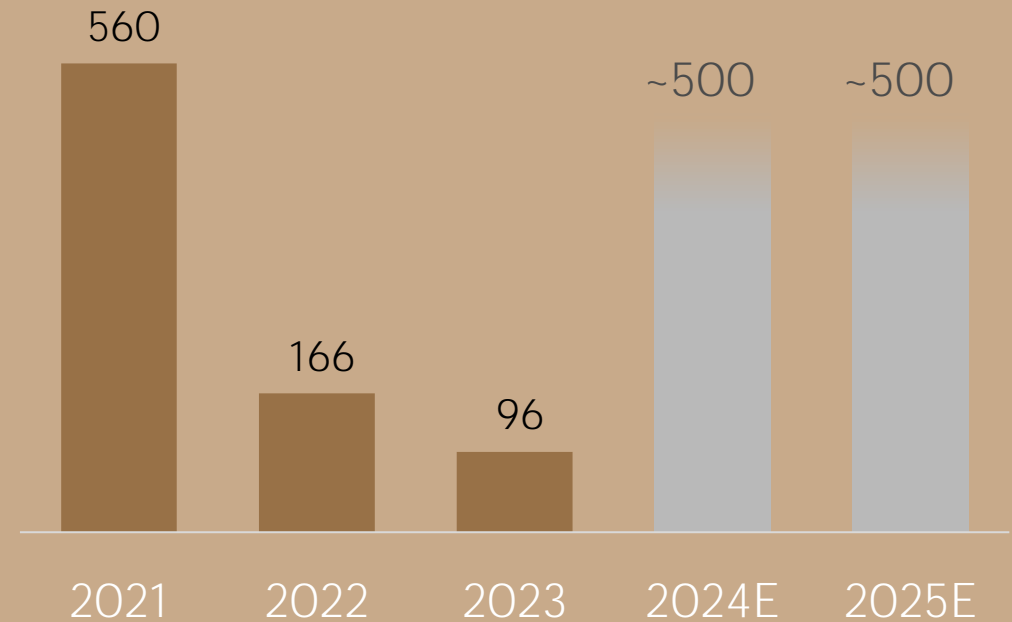
2025 EBIT-MARGIN TARGET OF **≥12%**
SUPPORTED BY OPERATING LEVERAGE

FREE CASH FLOW DEVELOPMENT 2024–2025

- Cash-generative business model in place
- Reacceleration in FCF generation targeted, starting in fiscal year 2024
- Optimization in TNWC and increased CapEx efficiency to fuel FCF development

2021–2025

FREE CASH FLOW in EUR MILLION



OUR COMMITMENT

LEVERAGING GROWTH
OPPORTUNITIES WHILE
DRIVING EFFICIENCIES
AND PROFITABILITY





**IF YOU'D LIKE TO ASK A
QUESTION,
PRESS * FOLLOWED BY 1**

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.