

**HUGO BOSS**

# INVESTOR MEETING PRESENTATION

**HUGO BOSS**

08/2024





AGENDA

- 01 "CLAIM 5" STRATEGY
- 02 Q2/H1 2024 RESULTS
- 03 FY 2024 OUTLOOK
- 04 GENERAL INFORMATION

# VISION



BECOME THE  
PREMIUM TECH-  
DRIVEN FASHION  
PLATFORM  
WORLDWIDE

# MISSION



WE LOVE  
FASHION,  
WE CHANGE  
FASHION

# FINANCIAL AMBITION

€5 BILLION SALES

≥12% EBIT MARGIN



# CLAIM 5 STRATEGY

WHY

CONSUMER FIRST

WHAT

1

BOOST  
BRANDS

2

PRODUCT  
IS KEY

3

LEAD IN  
DIGITAL

4

DRIVE  
OMNICHANNEL

5

ORGANIZE  
FOR GROWTH

HOW

SUSTAINABLE THROUGHOUT

RIGOROUS EXECUTION

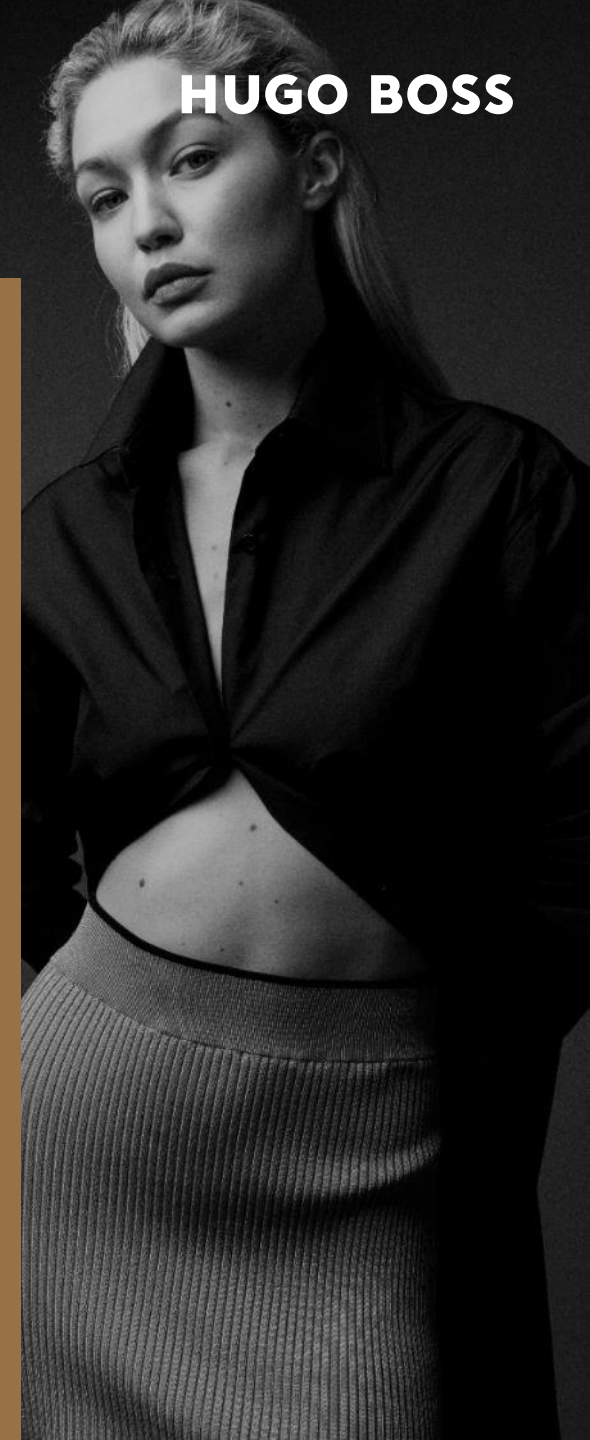
EMPOWER PEOPLE AND TEAMS

01

BOOST  
BRANDS

CLAIM 1

01  
01  
01  
01





WE REVITALIZED OUR  
BRAND PORTFOLIO  
STRATEGY AND BRAND  
ARCHITECTURE WITH

TWO CLEARLY  
DISTINGUISHED  
BRANDS

POSSIBILITY TO ADD MORE  
BUSINESSES WITH  
PREMIUM LIFESTYLE  
POSITIONING

## BE YOUR OWN BOSS

BOSS addresses customers in the premium segment who lead a self-determined life, show a clear attitude, and pursue ambitions with determination

BOSS offers the perfect outfit for every occasion – from business to leisure – with casualness and comfort being key attributes

HUGO BOSS

BOSS





## HUGO YOUR WAY

HUGO targets customers who consider their way of dressing as an expression of their individual personality and who see themselves as trendsetters

HUGO offers a broad range of trendy and modern products reflecting the brand's authentic and unconventional style

# HUGO

HUGO BOSS



# CLEARLY DISTINGUISHED MARKETING STRATEGIES

**BOSS**

**HUGO**

2 DIFFERENT  
LIFESTYLE  
BRANDS

2 DIFFERENT  
TARGET  
GROUPS

2 DIFFERENT  
MARKETING  
APPROACHES

## OVERALL MARKETING STRATEGY

- Marketing investments to remain at 7-8% of Group sales
- Activate consumers across all touchpoints
- Continue a digital-first marketing strategy
- Become culturally relevant through sports, music, arts, and collabs
- Sustainably connect with consumers through emotional storytelling



MAXIMIZE  
CONSUMER IMPACT

# SUCCESSFUL ACTIVATION OF MILLENNIALS AND GEN Z VIA FOCUS ON SOCIAL MEDIA

FOLLOWERS

NEW FOLLOWERS  
**>10**  
MILLION  
VS. 2021

IMPRESSIONS

IMPRESSIONS  
**~120**  
BILLION  
VS. 2021

ENGAGEMENTS

ENGAGEMENTS  
**~3**  
BILLION  
VS. 2021

CLAIMS

02

02

02

02

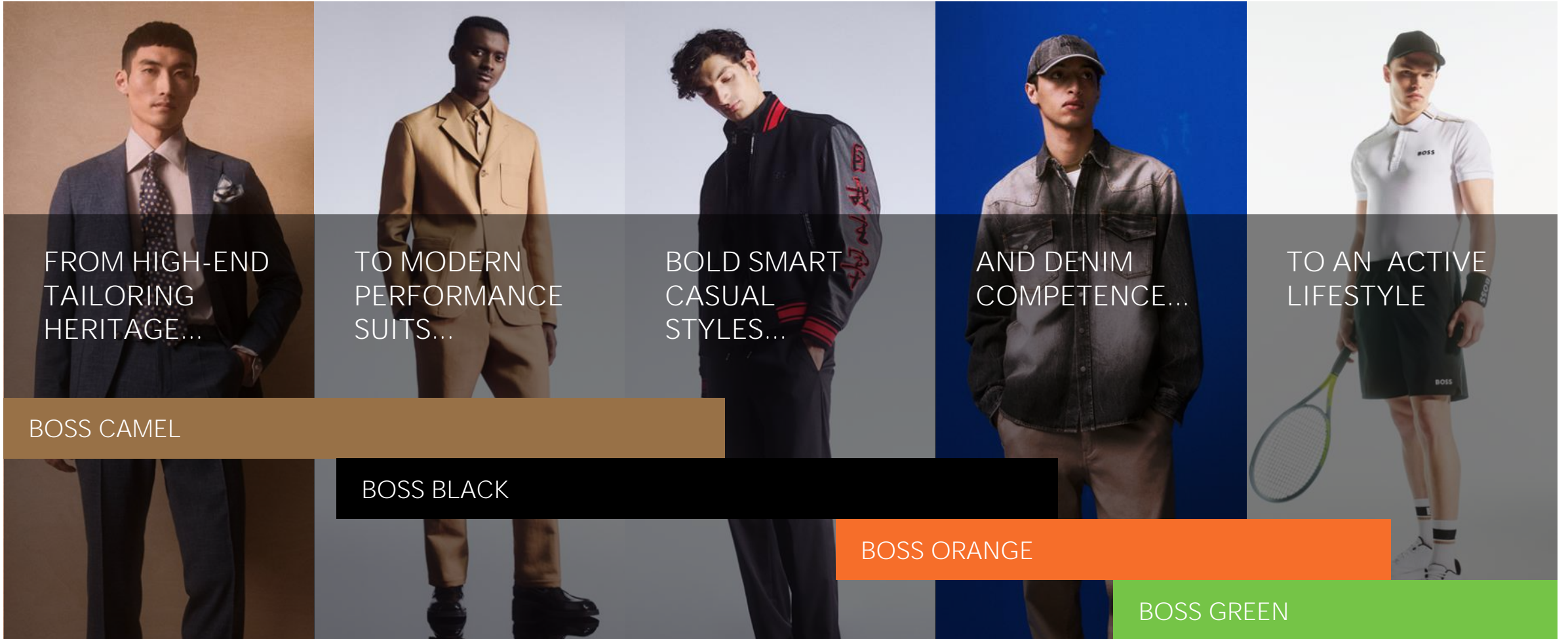
02

PRODUCT  
IS KEY

CLAIM 2



# BRAND LINES REFLECT BOSS MENSWEAR 24/7 LIFESTYLE PROMISE



FROM HIGH-END  
TAILORING  
HERITAGE...

TO MODERN  
PERFORMANCE  
SUITS...

BOLD SMART  
CASUAL  
STYLES...

AND DENIM  
COMPETENCE...

TO AN ACTIVE  
LIFESTYLE

BOSS CAMEL

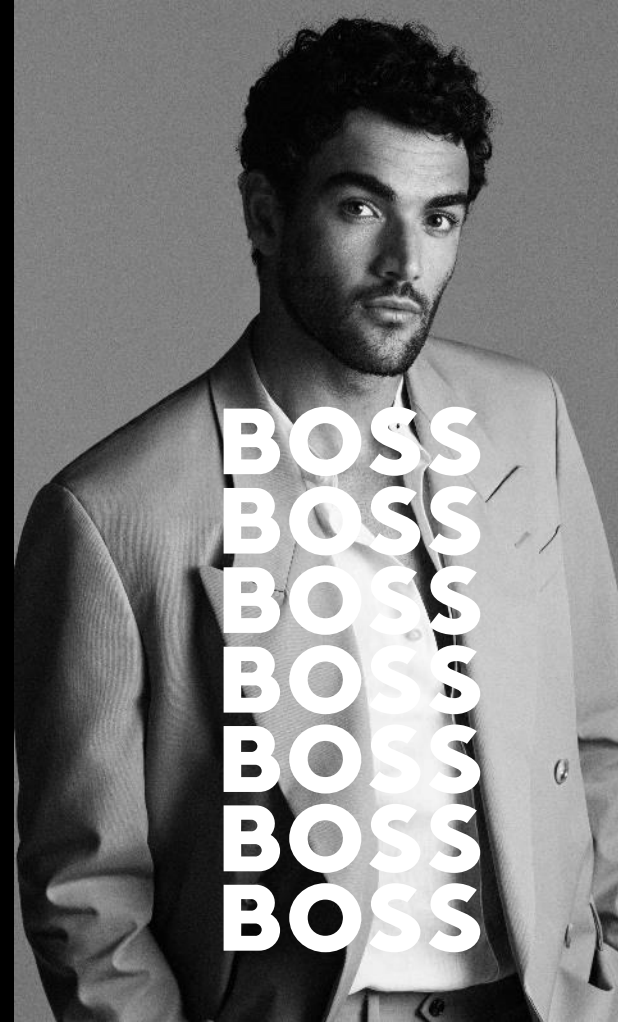
BOSS BLACK

BOSS ORANGE

BOSS GREEN

# PRODUCT STRATEGY BOSS MENSWEAR

- Amplify the brand DNA – own the heritage in suiting in a modern way
- Offer products to wear 24/7 from morning to evening
- Keep the momentum and sharpen the collection to consumer and regional needs
- Claim price-value leadership across categories
- Partner up with industry leaders to boost innovation and category competence



**HUGO BOSS**

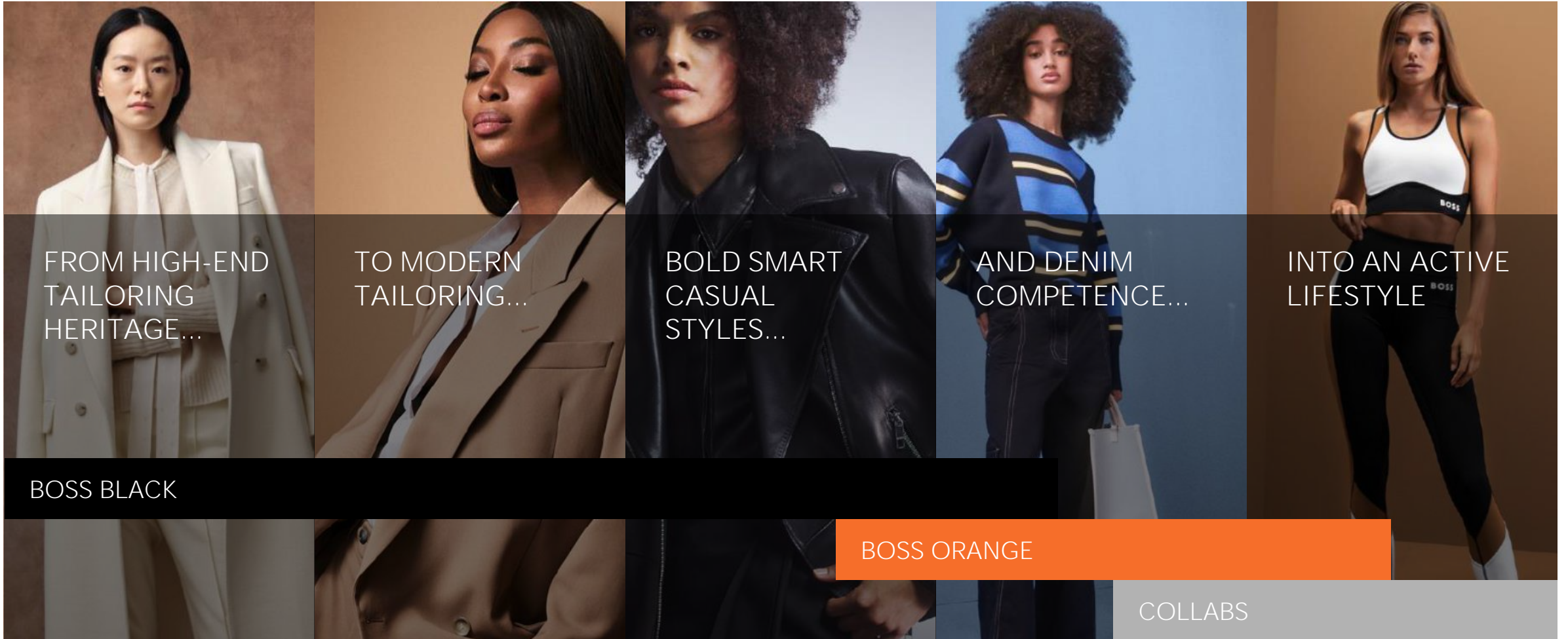
~ **€3.5 B**

AMBITION

~70%

OF GROUP SALES

# BRAND LINES REFLECT BOSS WOMENSWEAR 24/7 LIFESTYLE PROMISE



FROM HIGH-END  
TAILORING  
HERITAGE...

TO MODERN  
TAILORING...

BOLD SMART  
CASUAL  
STYLES...

AND DENIM  
COMPETENCE...

INTO AN ACTIVE  
LIFESTYLE

BOSS BLACK

BOSS ORANGE

COLLABS



## PRODUCT STRATEGY BOSS WOMENSWEAR

- Offer products to wear 24/7 from morning to evening
- Foster cohesive aesthetic between BOSS Menswear and Womenswear communication
- Amplify brand DNA – translate heritage in suiting into new businesswear and create true hero products
- Partner up with industry leaders to boost innovation and category competence
- Strengthen casual and athletic content



**HUGO BOSS**

~ **€0.5 B**

AMBITION

~10%

OF GROUP SALES

# HUGO CELEBRATES 24H SELF-EXPRESSION IN EVERY SITUATION

Modern and authentic  
HUGO style to gain relevance  
among younger and young-  
minded consumers

Balanced offer of commercial  
and contemporary pieces

Investment in new  
categories such as  
womenswear  
bodywear & hosiery



WORK

CELEBRATE

HANG OUT

EXPLORE

MOVE



# PRODUCT STRATEGY

## HUGO

- Foster cohesive aesthetic between Menswear and Womenswear
- Balance out commercial and more contemporary designs
- Mix tailoring and streetwear for HUGO RED and push clothing, jersey, and outerwear
- Leverage HUGO BLUE to grasp growth opportunity in denim



**HUGO BOSS**

~ **€1.0 B**

AMBITION

~20%

OF GROUP SALES

## TWO BRAND LINES WITH DEDICATED STYLES AND COMMON BRAND VALUES



HUGO RED WITH A  
STRONG FOCUS ON  
STREET TAILORING  
FOR FASHION-  
FORWARD  
CONSUMERS



HUGO BLUE  
EMPHASIZES  
COMMERCIAL  
STYLES WITH DENIM  
AT THE CORE

# GLOBAL LICENSES BUSINESS EXTENDS 24/7 LIFESTYLE PROMISE



FRAGRANCES



EYEWEAR



WATCHES &  
JEWELRY



KIDSWEAR



HOME



LUGGAGE



WRITING &  
GIFTS



DOG  
ACCESSORIES



GOLF APAC



CYCLING



EQUESTRIAN

BOSS  
BOSS  
BOSS  
BOSS  
BOSS

GO  
GO  
GO  
GO  
GO

03

03  
03  
03  
03

# LEAD IN DIGITAL

CLAIM 3



# CONSTANTLY DEVELOPING DIGITAL CAPABILITIES TO EMPHASIZE SPEED, PERSONALIZATION, AND COST EFFICIENCY



Trend detection



Product creation



Modular product development



Digital Twin



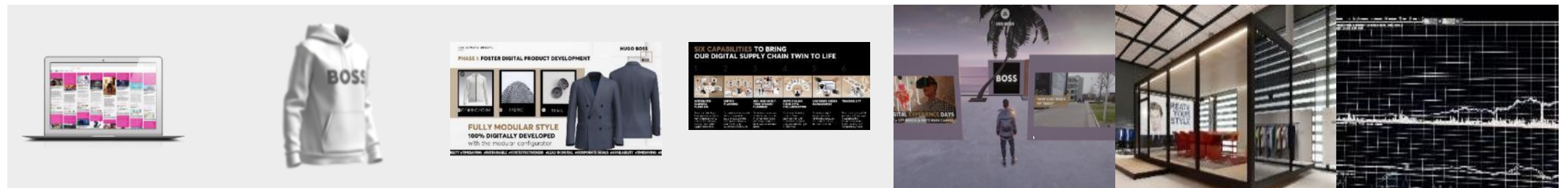
Metaverse experience



Digital Showroom  
RFID in Retail



Advanced analytics  
in merchandising



# SHIFTING TOWARDS TREND ANALYTICS BY THE HELP OF DATA INSIGHTS AND GENERATIVE AI

GENERATIVE AI CREATES  
NEW SPACES FOR CREATIVITY.

IDENTIFY  
KEY EMERGING  
TRENDS

IMPROVE  
TIME-TO-MARKET

WIN  
WITH RELEVANT  
CONSUMER  
GROUPS



DEMAND

DESIGN &  
VELOPMENT

PRODUCTION  
& LOGISTICS

SALES &  
MARKETING



# FOSTER DIGITAL PRODUCT CREATION TO ACCELERATE DESIGN AND DEVELOPMENT PROCESS

DIGITAL PRODUCT CREATION TO INCREASE EFFICIENCY,  
REDUCE COSTS, AND FURTHER OPTIMIZE QUALITY.

~55%

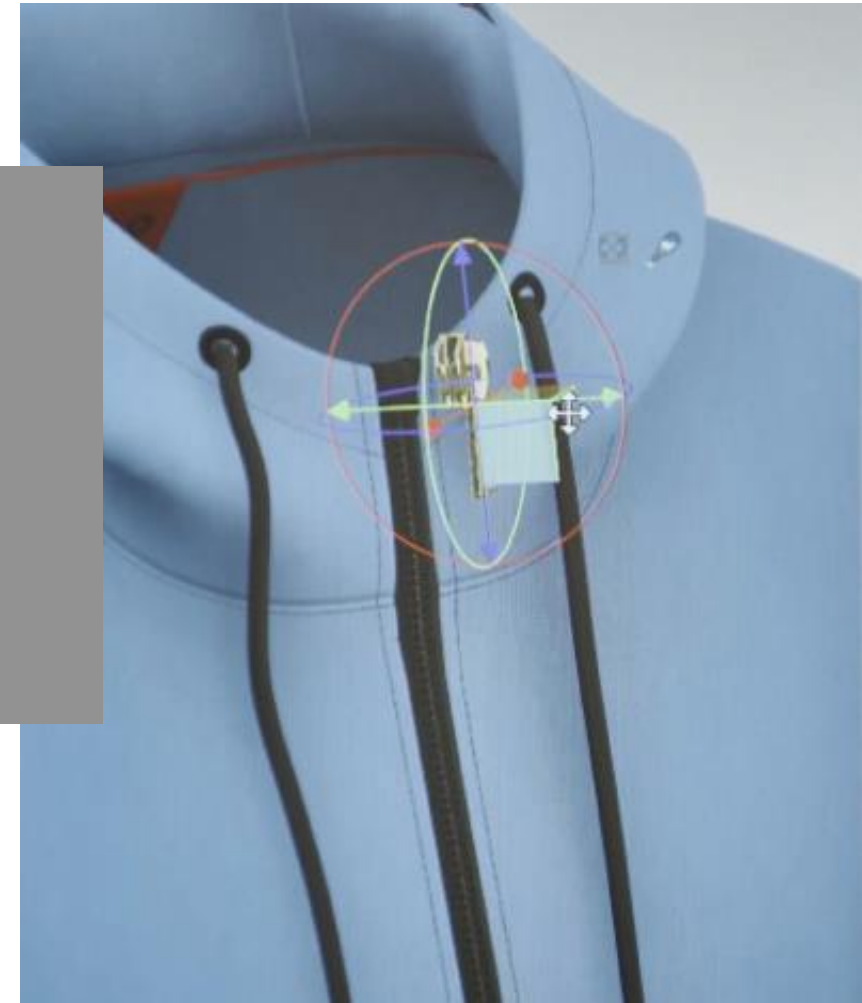
DIGITAL STYLE  
CREATION  
WINTER 2023

~65%

DIGITAL STYLE  
CREATION  
2023

>90%

DIGITAL STYLES  
TARGETED  
BY 2025



DEMAND

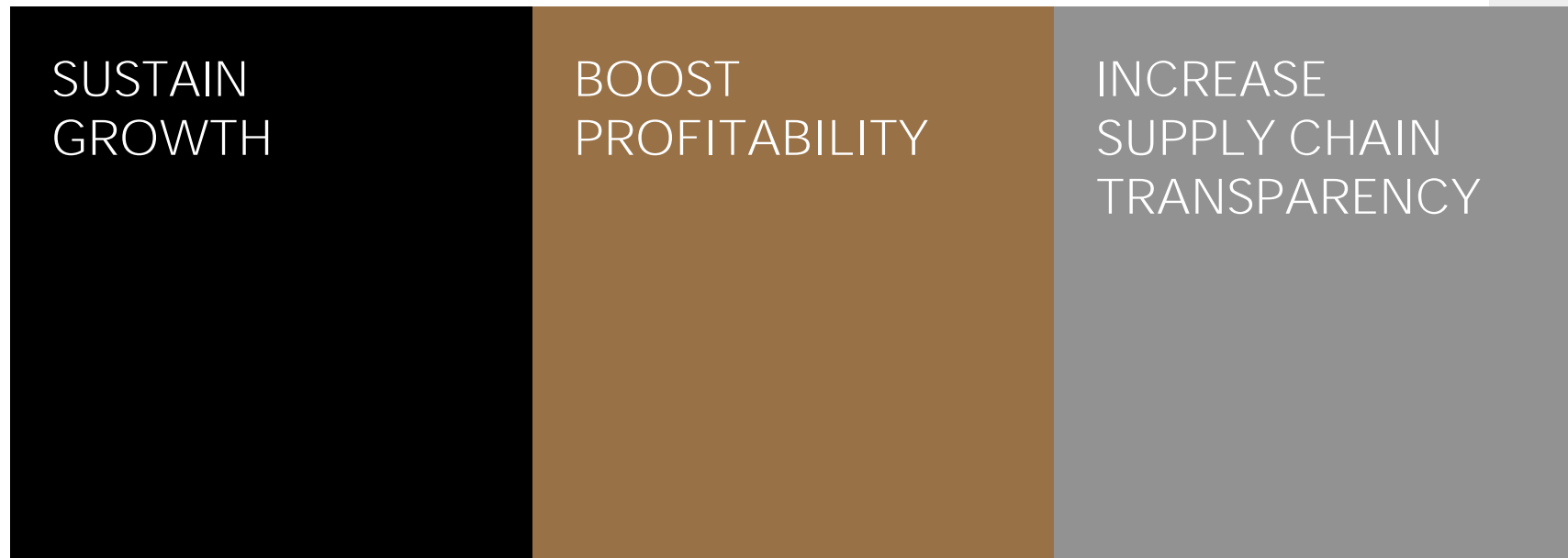
DESIGN &  
DEVELOPMENT

PRODUCTION  
& LOGISTICS

SALES &  
MARKETING

# LAUNCH OF THE DIGITAL TWIN TO BUILD THE BACKBONE OF FUTURE GROWTH

DIGITAL TWIN ENABLES SMART DECISION-MAKING BY  
CONNECTING PLANNING AND EXECUTION, FROM DEMAND TO SUPPLY.



# DIGITAL INNOVATION IN RETAIL AS AN INTEGRAL PART OF OUR GROWTH JOURNEY

## VIRTUAL STYLING

enabling virtual try-ons based on personalized mannequins

## IN-STORE DIGITALIZATION

adding new digital touchpoints into stores to create an attractive point of access to products and services

## RFID TECHNOLOGY

simplifying in-store day-to-day processes leading to an improved customer experience



04

04

04

04

04

DRIVE  
OMNICHANNEL

CLAIM 4



# WE MOVE TO WHERE CONSUMERS EXPECT US TO BE



KEEP  
RETAIL  
AT

>50%  
OF GROUP SALES



MAINTAIN  
WHOLESALE  
AT

~25%  
OF GROUP SALES



ADAPT  
DIGITAL  
TO

>20%  
OF GROUP SALES

# EXPERIENTIAL IN RETAIL

## ACTIONS



- Become THE **“place to be”** for our customers
- Enhance customer experience with a desirable look and feel
- Increase productivity by at least 3% per year
- Continue to refresh and optimize store portfolio

## ENABLERS



- Experiential store design, pop-ups, and digitalization at the POS
- Valuable hospitality concept
- Excellence in store management and service
- Improved merchandising strategy



KEEP  
RETAIL  
AT

>50%  
OF GROUP SALES

# INCREASE STORE PRODUCTIVITY BY AT LEAST 3% PER YEAR

STORE PRODUCTIVITY  
(€/SQM)

+4% vs. 2022



12,400

2023

>13,000

AMBITION

- Rollout of latest store concepts
- Continue store optimization program
- Constantly improve product offering at the POS

## WIN WITH THE WINNERS IN WHOLESALE

### ACTIONS



- Leverage brand lines
- Grow with existing strong partners
- Drive digital selling and automated replenishment
- Continue shop-in-shop refreshments and pop-ups
- Exploit potential of franchise business

### ENABLERS



- Strong positioning of brands and focused product offering
- Strong relationship based on customer and product insights
- Improved in-season management
- Implemented segmentation strategy



MAINTAIN  
**WHOLESALE**  
AT

**~25%**

OF GROUP SALES



# EXPLOIT THE FULL POTENTIAL OF OUR GLOBAL FRANCHISE BUSINESS

FOCUS ON EXPANDING  
IN EMERGING MARKETS



NUMBER OF  
FRANCHISE STORES



# INSPIRATIONAL IN DIGITAL

## ACTIONS



- Expand and grow hugoboss.com
- Improve user experience and push mobile and social commerce
- Grow with strong digital partners including hybrid models
- Continue to drive community building through i-commerce

## ENABLERS



- Localized content and marketing
- Latest app skills and AI-driven features
- Data-driven decision-making and improvement of products and services
- Implemented segmentation strategy



ADAPT  
DIGITAL  
TO

>20%  
OF GROUP SALES

# HUGO BOSS LAUNCHES INNOVATIVE CUSTOMER LOYALTY PROGRAM

+30%

YOY MEMBER GROWTH  
AS OF JUNE 30, 2024



~9.5M

TOTAL MEMBER BASE  
AS OF JUNE 30, 2024



SUCCESSFUL LAUNCH OF  
HUGO BOSS XP  
IN H1 2024

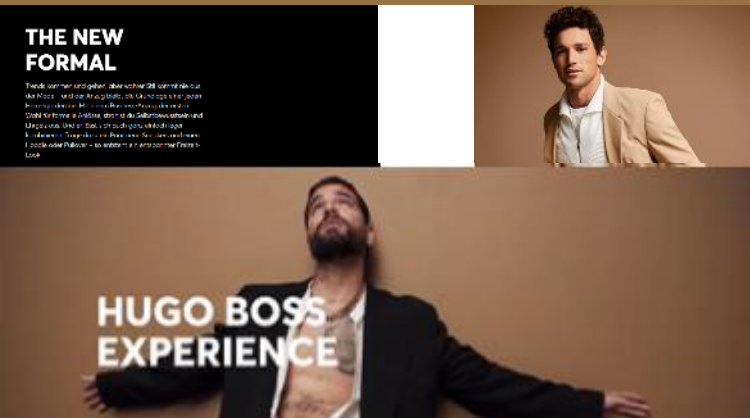
FURTHER ROLLOUT IN  
H2 2024 AND BEYOND



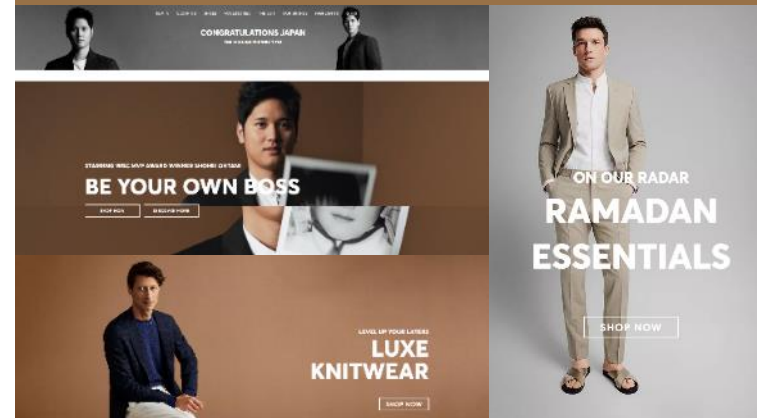
CLAIM

# LEVERAGING POTENTIAL OF HUGOBOSS.COM BY DELIVERING NEXT-LEVEL DIGITAL EXPERIENCE

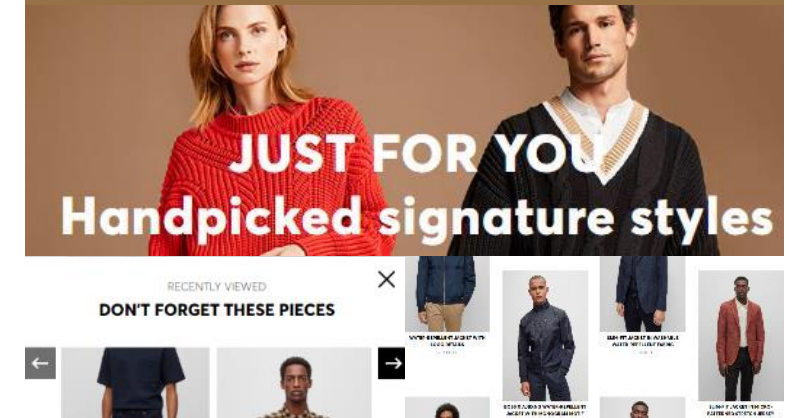
DESIRABLE  
STORYTELLING AND  
BRAND CONTENT



CONTENT DESIGNED  
AND ADAPTED TO  
LOCAL NEEDS



PERSONALIZED  
CUSTOMER JOURNEY  
LEVERAGING AI



INCREASED PAGE VALUE

HIGHER TRAFFIC

NEW CUSTOMERS

HIGHER CONVERSION

# KEEP GROWTH TRAJECTORY IN THE AMERICAS



~20%

AMBITION

## AMERICAS

- Continue to push 24/7 brand image in our single largest market, the U.S.
- Further expand visibility in U.S. department stores and roll out digital marketplaces
- Strengthen store network in Latin America



# EXPLOIT GROWTH MOMENTUM IN EMEA



>55%

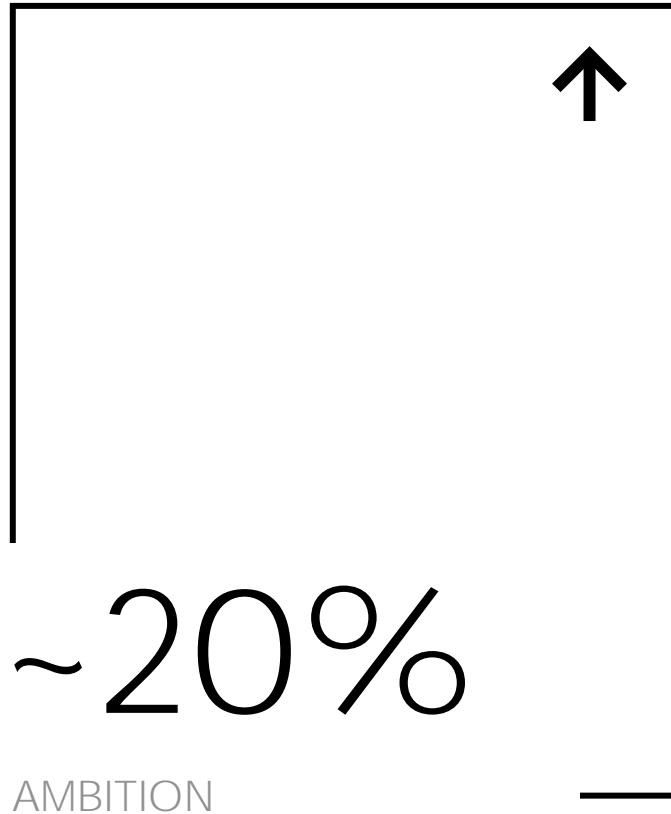
AMBITION

## EMEA

- Continue to enhance and upgrade distribution network
- Accelerate franchise development
- Capitalize on business opportunities across brand lines



# UNLEASH THE FULL POTENTIAL IN ASIA/PACIFIC



## APAC

- Secure affordable luxury position in China, Japan, and Korea
- Strengthen retail and drive wholesale in Southeast Asia & Pacific
- Boost digital commerce



05

05  
05  
05  
05

# ORGANIZE FOR GROWTH

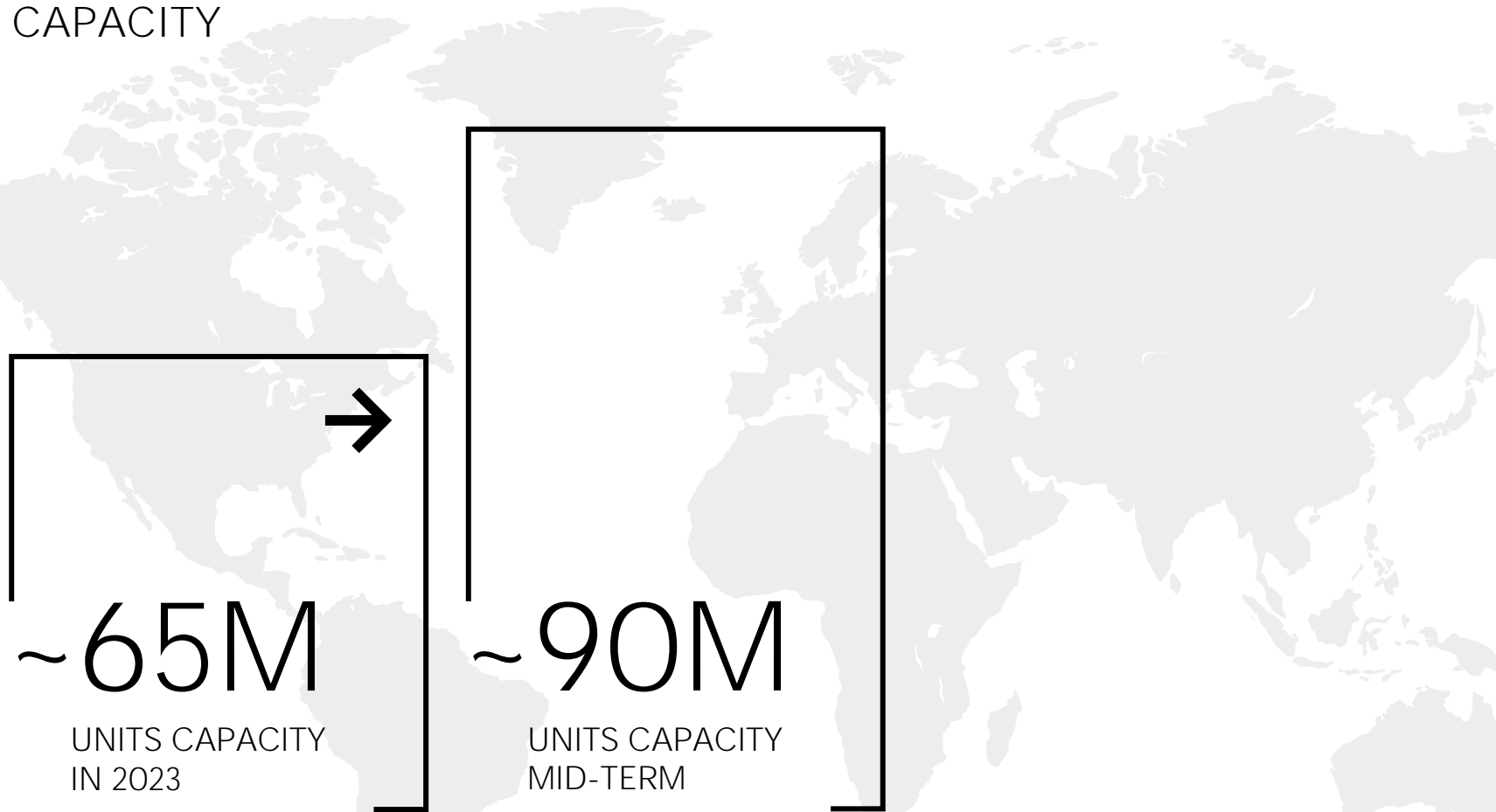
CLAIM 5





# STEPPING UP INVESTMENTS IN OUR LOGISTICS NETWORK TO SUPPORT GROWTH AMBITION

LOGISTICS  
CAPACITY



LOGISTICAL  
EXPANSIONS

OWN  
OPERATIONS

USA  
GERMANY

THIRD-PARTY  
PROVIDER

UK  
CHINA

# SUCCESSFUL EXPANSION OF OUR OWN PRODUCTION CAPACITIES

17%\*

OWN PRODUCTION  
THEREOF ~15%\* IN IZMIR, TURKEY

\* IN % OF TOTAL SOURCING AND PRODUCTION VOLUME

~20%

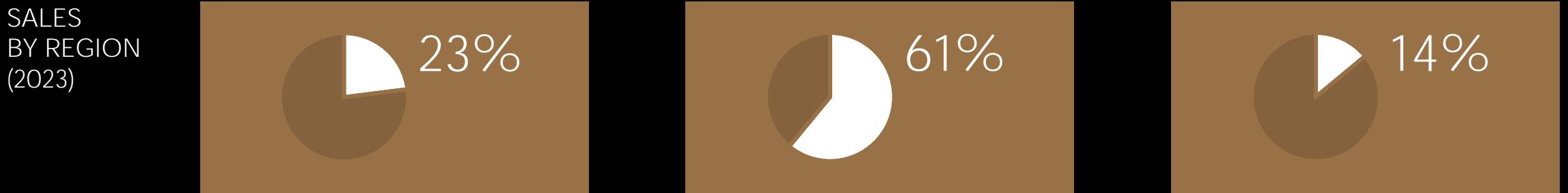
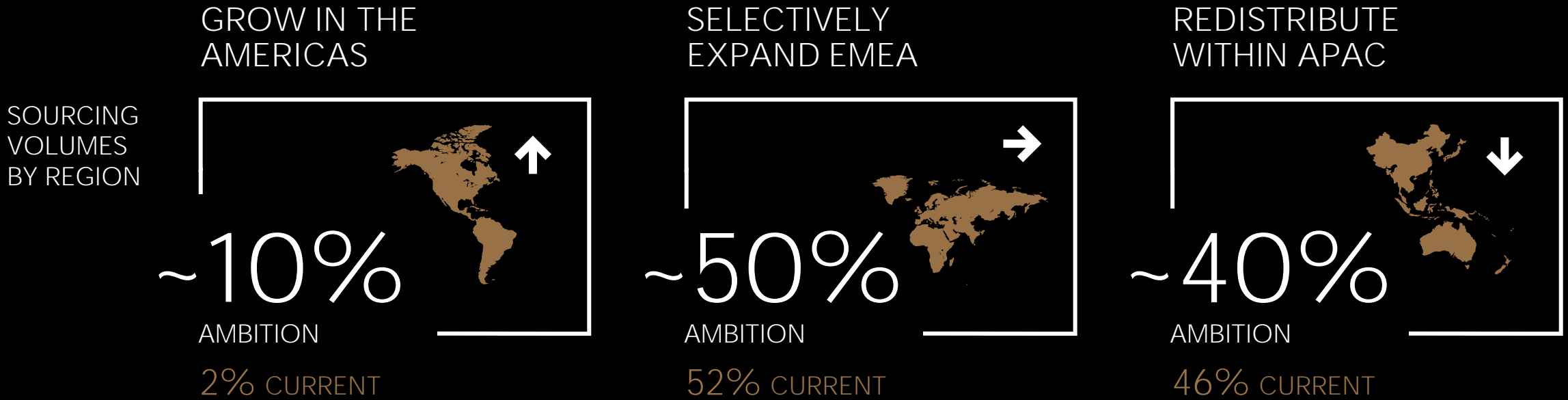
OF TOTAL  
PRODUCTION  
CAPACITY  
DEDICATED TO  
CASUALWEAR

>5%

OF GLOBAL  
CASUALWEAR  
SOURCING  
COMING FROM  
IZMIR



# ADVANCING WITH NEARSHORING TO BETTER ALIGN REGIONAL SOURCING ACTIVITIES WITH SALES MARKETS



—  
SUSTAINABLE  
THROUGHOUT

# STRONG ACHIEVEMENTS

IN THE AREAS OF SUSTAINABILITY

7X LISTED IN  
DOW JONES  
SUSTAINABILITY  
INDEX

STRATEGIC PARTNERSHIP  
HEIQ AEONIQ,  
A CELLULOSIC  
FILAMENT YARN

**HUGO BOSS**



# OUR STRATEGY IS ANCHORED IN THESE CORE PRINCIPLES

## OUR 5 STRATEGIC SUSTAINABILITY PILLARS



1  
INCREASE  
CIRCULARITY

2  
DRIVE DIGITIZATION &  
DATA ANALYTICS

3  
LEVERAGE NATURE  
POSITIVE MATERIALS

4  
FIGHT  
MICROPLASTICS

5  
PUSH ZERO  
EMISSIONS

A STRONG ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) BASIS

# THERE IS A DEDICATED GOAL BEHIND EACH STRATEGIC PILLAR

## OUR 5 STRATEGIC SUSTAINABILITY PILLARS



80%

CIRCULAR products  
by 2030

90%

products  
will be developed  
digitally  
by 2025

100%

natural materials  
according to  
regenerative  
principles or closed-  
loop recycling  
by 2030

0%

polyester & nylon  
by 2030

-50%

CO<sub>2</sub>  
emissions  
by 2030

# OUR 5 STRATEGIC PILLARS ARE BACKED BY A STRONG ESG-BASIS

## HUMAN RIGHTS & SOCIAL COMPLIANCE

- The upholding of human rights for our employees and suppliers is given top priority
- We are committed to protecting labor standards and promoting healthy workplaces
- We set binding frameworks, based on international standards

[→ LEARN MORE](#)

## EMPLOYEE DEVELOPMENT

- We offer our employees excellent development programs
- We help employees achieve a good work-life balance

[→ LEARN MORE](#)

## ANIMAL WELFARE

- HUGO BOSS adheres to recognized animal welfare standards
- We do not use: fur and angora wool
- We only use: leather as a by-product of the food industry, down without live plucking and forced feeding

[→ LEARN MORE](#)

## ENVIRONMENTAL COMPLIANCE

- We have comprehensive standards for our own buildings and in the supply chain, covering water, waste, and chemicals
- In addition to our strategic approach to climate protection, they are part of our general understanding of environmental protection and a prerequisite for environmental compliance

[→ LEARN MORE](#)

## PACKAGING STANDARDS

- We use sustainably designed packaging made of certified and/or recycled material
- HUGO BOSS supports ending deforestation esp. in the choice of our packaging materials

[→ LEARN MORE](#)



HUGO BOSS

SECOND  
QUARTER  
2024  
RESULTS

AUGUST 1, 2024

2024

## MARKET ENVIRONMENT FURTHER DETERIORATES IN SECOND QUARTER

Macroeconomic and geopolitical challenges weigh on global consumer sentiment

Slowdown in sector development continues during the second quarter

Retail sentiment particularly challenging in key markets such as China and the UK



# PERFORMANCE IN SECOND QUARTER IMPACTED BY OVERALL MARKET UNCERTAINTY

**GROUP SALES**  
AS PRE-RELEASED ON JULY 15

**1,015**  
EUR MILLION

VS. Q2 2023  
**(1)%**

IN GROUP CURRENCY  
& CURRENCY-ADJUSTED

**EBIT**  
AS PRE-RELEASED ON JULY 15

**70**  
EUR MILLION

VS. Q2 2023  
**(42)%**



# ONGOING BRAND STRENGTH SUPPORTED BY RELENTLESS EXECUTION OF "CLAIM 5"

STRONG  
BOOST TO  
BRAND  
RELEVANCE  
FOR BOSS  
AND HUGO



RELATIVE  
OUTPERFOR-  
MANCE DRIVES  
MARKET  
SHARE GAINS



SUCCESSFUL  
EXPANSION OF  
FOLLOWERS  
AND MEMBER  
BASE



CLAIM 5



# SUCCESSFUL EXECUTION OF "CLAIM 5" LEADS TO ONGOING RELATIVE OUTPERFORMANCE

HUGO BOSS

GROUP SALES  
DEVELOPMENT  
VS. Q2 2023

(1)%

PEER GROUP AVERAGE

GROUP SALES  
DEVELOPMENT  
VS. Q2 2023

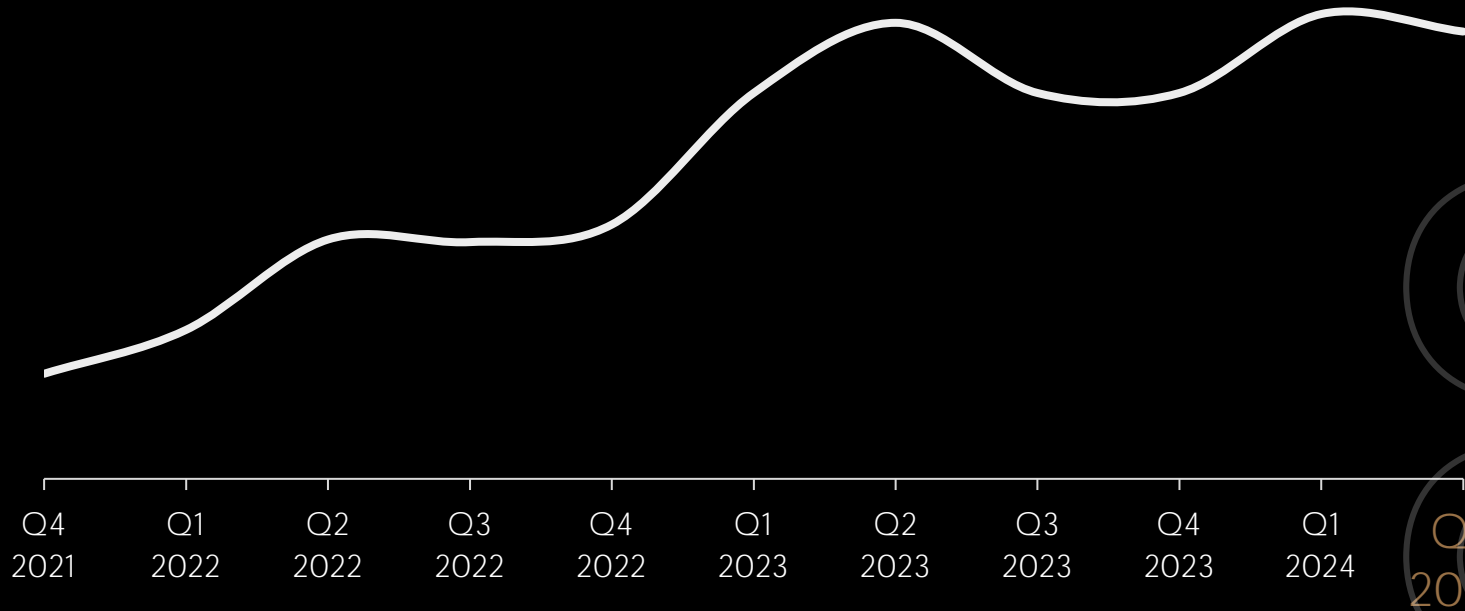
(4)%\*

\*Weighted average based on actual results and Bloomberg consensus as of August 1; Peer Group consists of Burberry, Capri, G-III Apparel, Guess, Levi Strauss, Moncler, PVH, Ralph Lauren, SMCP, Tapestry, VF



# HUGO BOSS Q2 REVENUES CONTINUE TO SIGNIFICANTLY EXCEED 2019 LEVELS

SUCCESSFUL EXECUTION OF "CLAIM 5"



+51%

CURRENCY-ADJUSTED GROUP SALES DEVELOPMENT IN % VS. 2019



# H1 GROUP SALES UP 3% CURRENCY-ADJUSTED DESPITE PREVAILING MARKET CONDITIONS

## BRANDS

BOSS MENSWEAR	+2%
BOSS WOMENSWEAR	+4%
HUGO	+6%



BRAND AND PRODUCT INITIATIVES  
SUPPORT MOMENTUM AT  
BOSS AND HUGO

## REGIONS

EMEA	+1%
AMERICAS	+8%
ASIA/PACIFIC	0%



SUBDUED CONSUMER SENTIMENT  
IN KEY MARKETS WEIGHS ON  
REGIONAL PERFORMANCE

## CHANNELS

B&M RETAIL	0%
B&M WHOLESALE	+7%
DIGITAL	+3%
LICENSES	+3%

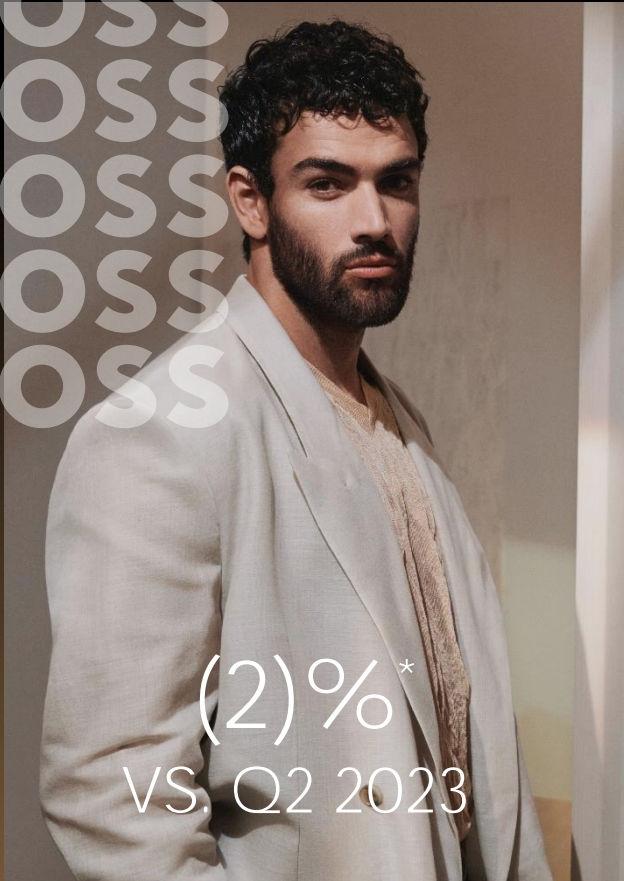


GROWTH TRAJECTORY IN B&M  
WHOLESALE AND DIGITAL CONTINUES;  
DECLINE IN TRAFFIC WEIGHS ON  
B&M RETAIL

# MUTED CONSUMER SENTIMENT WEIGHS ON REVENUE PERFORMANCE ACROSS BRANDS IN Q2

HUGO  
HUGO  
HUGO  
HUGO  
HUGO

BOSS  
BOSS  
BOSS  
BOSS  
BOSS



(2)%<sup>\*</sup>  
VS. Q2 2023

BOSS  
MENSWEAR



+2%<sup>\*</sup>  
VS. Q2 2023

BOSS  
WOMENSWEAR



+3%<sup>\*</sup>  
VS. Q2 2023

HUGO



# GROWTH IN THE AMERICAS LARGELY COMPENSATES FOR SOFTNESS IN EMEA AND ASIA/PACIFIC IN Q2

## AMERICAS

+5%\*

VS. Q2 2023

Increase reflects the brands' successful 24/7 lifestyle images

Growth trajectory in U.S. market continues; Latin America records double-digit increase in Q2

## EMEA

(2)%\*

VS. Q2 2023

Slowdown in sector development continues in Q2; weakness in the UK persists throughout the quarter

Emerging markets continue to drive double-digit revenue improvements

## ASIA/PACIFIC

(4)%\*

VS. Q2 2023

Muted local demand weighs on retail consumption in China

Southeast Asia & Pacific up high-single digit, driven by strong performance in Japan

# LOWER STORE TRAFFIC WEIGHS ON B&M RETAIL PERFORMANCE IN Q2

## B&M RETAIL

(2)%\*

VS. Q2 2023

Increase in conversion rates more than offset by decline in store traffic

## B&M WHOLESALE

+5%\*

VS. Q2 2023

Performance reflects robust demand from partners for BOSS and HUGO collections

## DIGITAL

(4)%\*

VS. Q2 2023

Revenue improvements at hugoboss.com (+3%), while partner business remains below prior year

\*CURRENCY-ADJUSTED

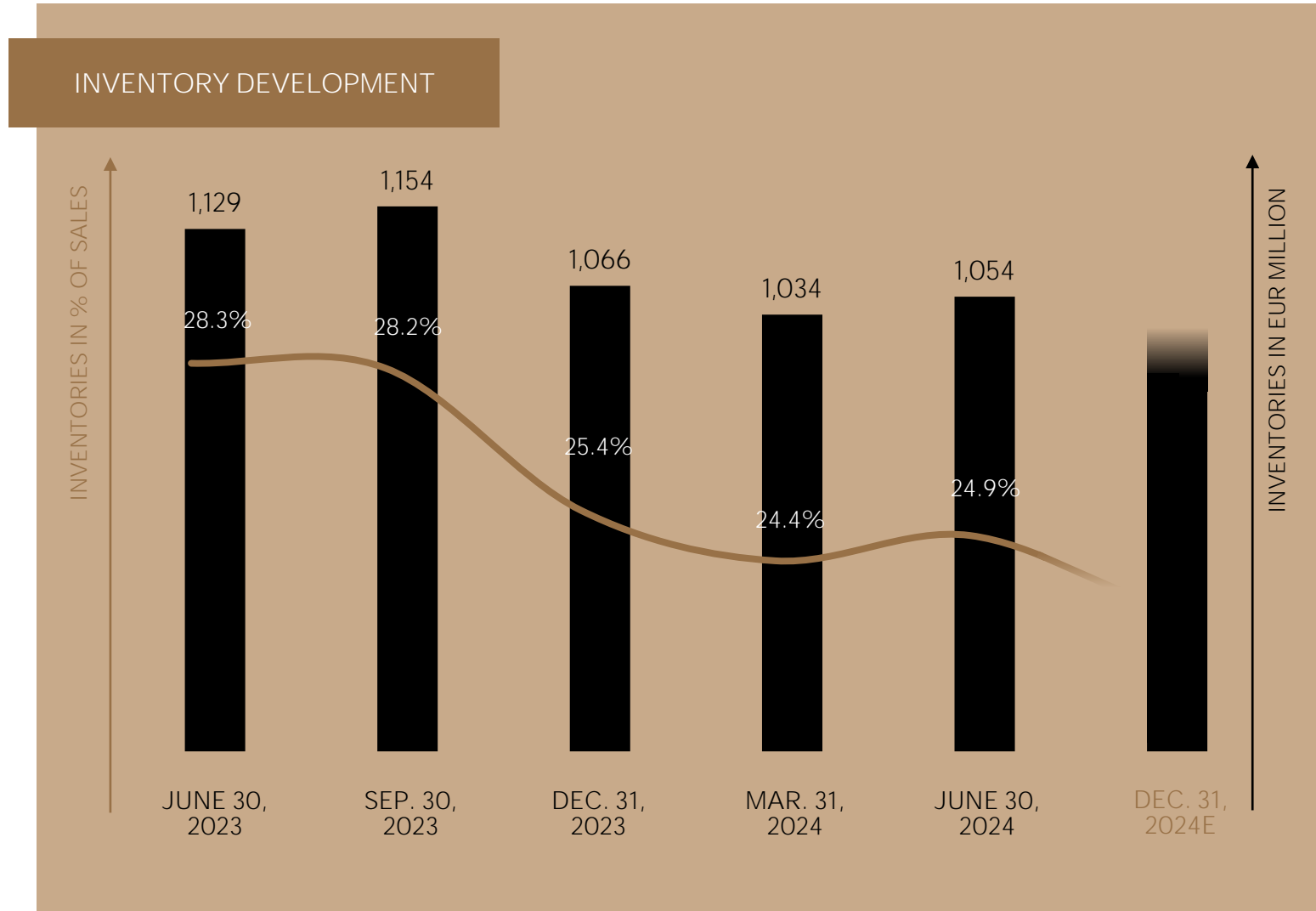


## OVERALL MARKET UNCERTAINTY AND HIGHER OPERATING EXPENSES WEIGH ON BOTTOM-LINE PERFORMANCE

	Q2 2024	CHANGE	H1 2024	CHANGE
GROSS MARGIN	62.9%	+50 BP	62.1%	+30 BP
OPERATING EXPENSES (IN % OF SALES)	55.9%	+540 BP	55.3%	+270 BP
EBIT	70 EUR MILLION	(42)%	139 EUR MILLION	(25)%
EBIT MARGIN	6.9%	(490) BP	6.9%	(250) BP
NET INCOME (ATTRIBUTABLE TO SHAREHOLDERS)	39 EUR MILLION	(50)%	80 EUR MILLION	(31)%
EARNINGS PER SHARE	0.54 EUR	(51)%	1.09 EUR	(32)%

# FURTHER PROGRESS IN OPTIMIZING INVENTORY POSITION

- ➔ Inventories decline 7% currency-adjusted year over year
- ➔ Inventories as a percentage of sales well below prior-year level
- ➔ Tight inventory management remains key priority



# OPTIMIZATION IN INVENTORIES TO FURTHER SUPPORT TNWC AND FREE CASH FLOW GENERATION



Outlook reflects ongoing optimization of inventory position

Increased focus on driving CapEx efficiency to support profitability and FCF

FCF generation to further accelerate due to optimization of TNWC and CapEx efficiencies

# OUTLOOK 2024



# 2024 SALES OUTLOOK\*

Full-year 2024 outlook adjusted to account for ongoing macroeconomic uncertainties

HUGO BOSS confident to maintain relative outperformance in fiscal year 2024

Solid order intake and more favorable comparison base to support H2 top-line development

+1% TO +4%  
IN GROUP CURRENCY



4.197

EUR BILLION  
2023

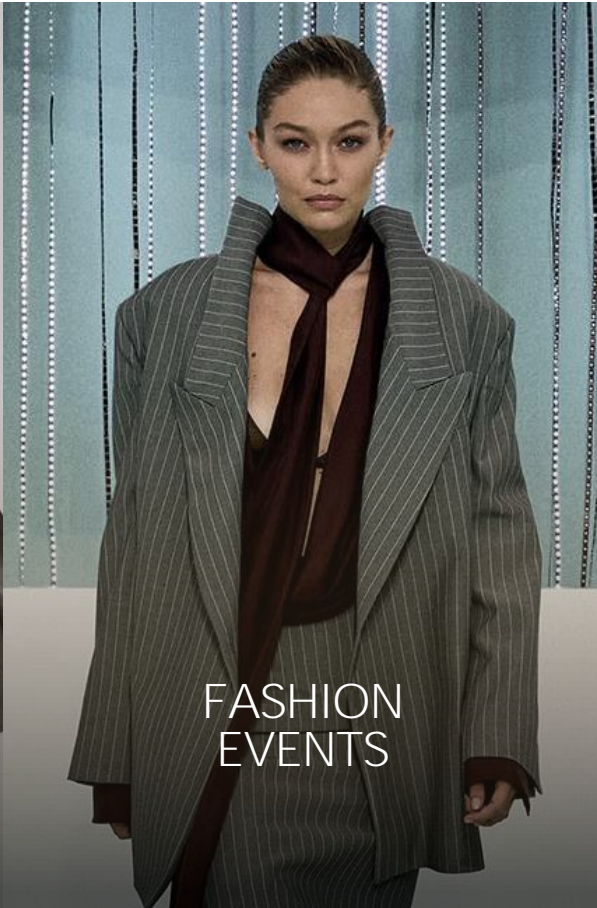
~4.20-  
4.35

EUR BILLION  
2024E

# SEVERAL BRAND AND PRODUCT INITIATIVES TO TAKE PLACE IN H2 2024



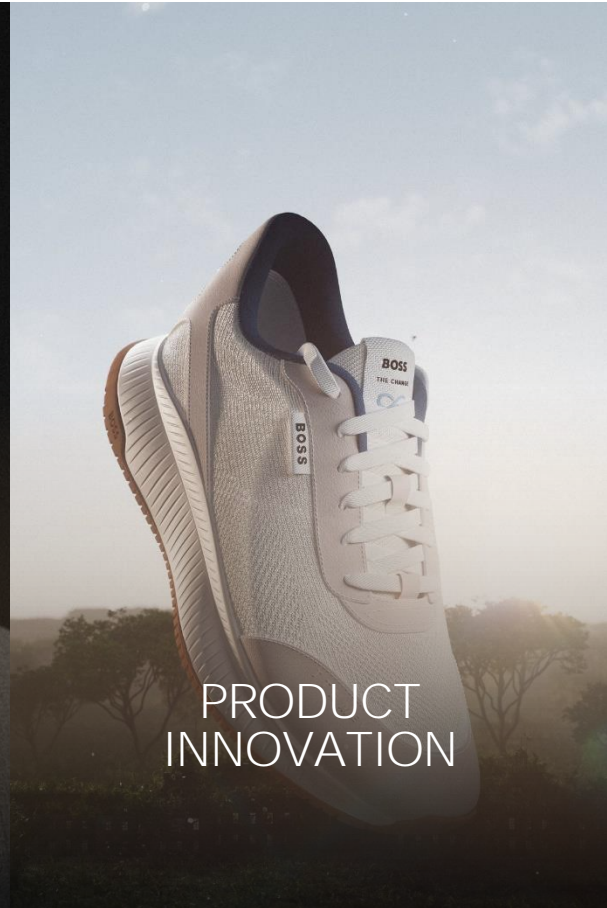
WINTER 2024  
BOSS CAMPAIGN



FASHION  
EVENTS



PARTNERSHIP WITH  
DAVID BECKHAM



PRODUCT  
INNOVATION



# 2024 EBIT OUTLOOK\*

Full-year 2024 outlook adjusted,  
taking into account the overall market uncertainty

Important cost measures implemented in H1/24  
to support profitability going forward

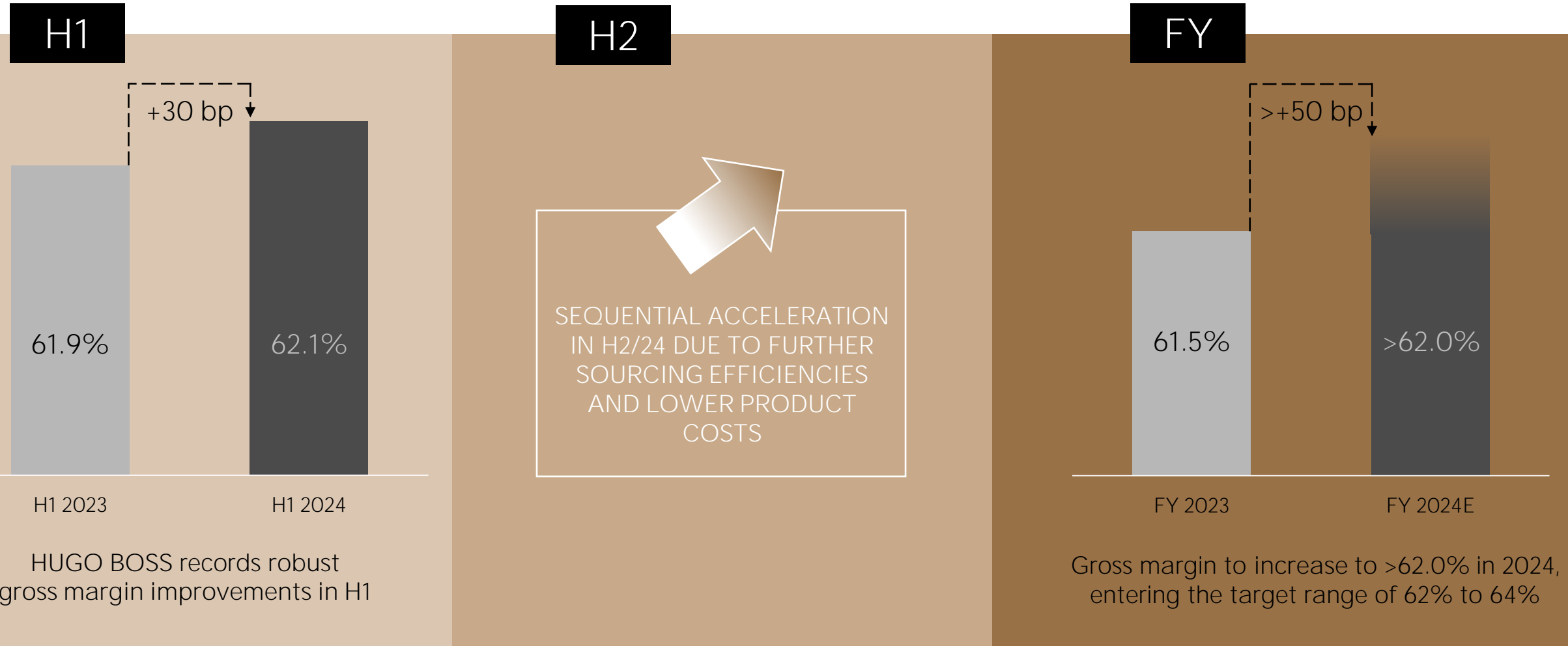
Bottom-line performance to accelerate in H2/24,  
due to stronger focus on operational and  
organizational efficiency

410  
EUR MILLION  
2023

-15% TO +5%

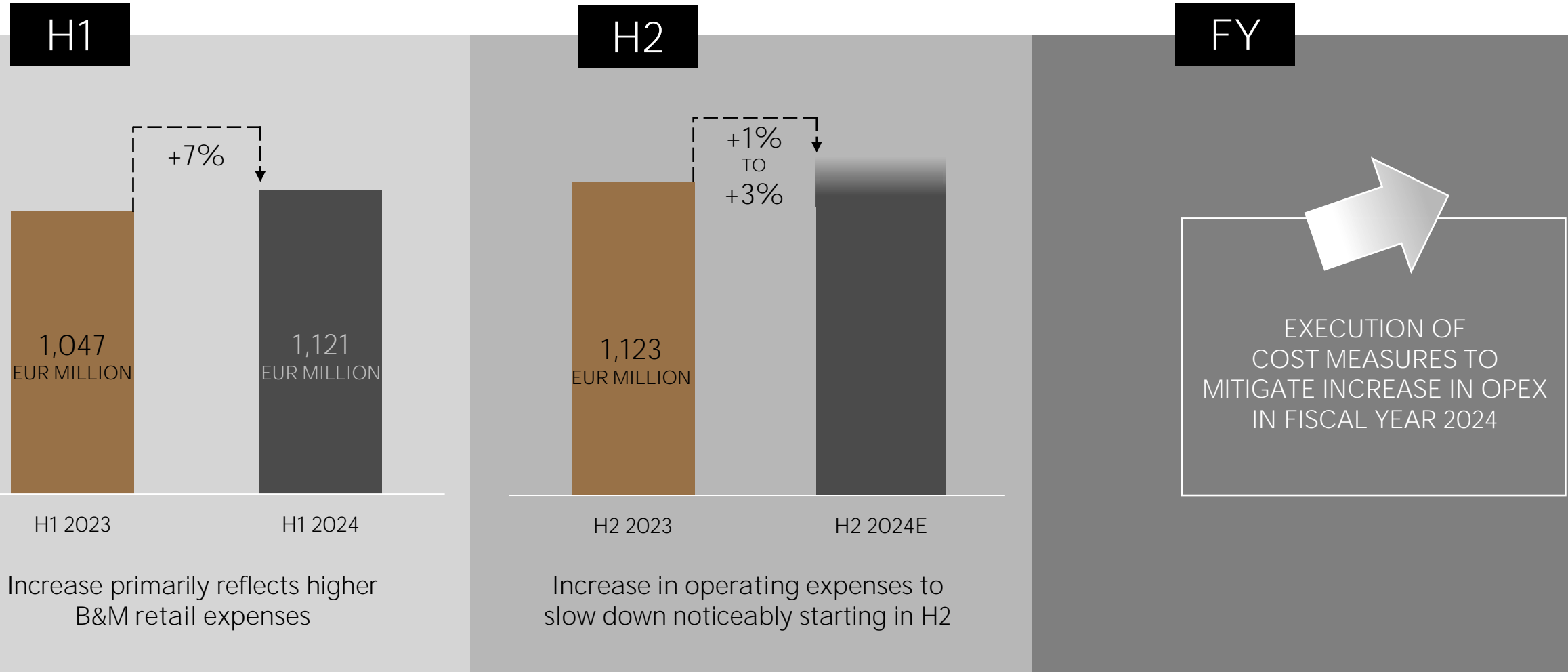
350-  
430  
EUR MILLION  
2024E

# CAPITALIZING ON OPERATIONAL PLATFORM TO REALIZE FURTHER SOURCING EFFICIENCY GAINS



## GROSS MARGIN DEVELOPMENT

# ACCELERATING OUR COST DISCIPLINE AGAINST ONGOING VOLATILE MACRO ENVIRONMENT



## OPERATING EXPENSES DEVELOPMENT

# SEVERAL COST MEASURES IMPLEMENTED TO MITIGATE INCREASE IN OPERATING EXPENSES



Measures to enhance efficiency and effectiveness implemented during the course of H1/24

Cost measures to noticeably mitigate increase in OpEx and safeguard profitability starting in H2/24

# OUTLOOK FOR FISCAL YEAR 2024

	Results 2023
Group sales	EUR 4,197 million
Sales by region	
EMEA	EUR 2,562 million
Americas	EUR 955 million
Asia/Pacific	EUR 576 million
Operating result (EBIT)	EUR 410 million
<b>Group's</b> net income	EUR 270 million
Trade net working capital as a percentage of sales	20.8%
Capital expenditure	EUR 298 million
Free cash flow	EUR 96 million

Initial outlook 2024
Increase within a range of 3% to 6%
Increase in the low to mid single-digit percentage range
Increase in the mid- to high single-digit percentage range
Increase in the high single- to low double-digit percentage range
Increase within 5% and 15% to around EUR 430 million to EUR 475 million
Increase within a range of 5% and 15%
Improvement to a level approaching 20%
Increase to a level of EUR 300 million to EUR 350 million
Around EUR 500 million

New outlook 2024 <sup>1</sup>
Increase within a range of 1% to 4% to between EUR 4.20 billion and EUR 4.35 billion
Increase in the low single-digit percentage range
Increase in the mid- to high single-digit percentage range
Moderate decrease
Develop within minus 15% to plus 5% to between EUR 350 million and EUR 430 million
Develop within minus 15% to plus 5%
Improvement to a level approaching 20%
Around EUR 300 million
Around EUR 500 million

<sup>1</sup> Sales and EBIT forecast adjusted on July 15, 2024.

# FINANCIAL CALENDAR & INVESTOR RELATIONS CONTACT

NOVEMBER

5

2024

THIRD QUARTER 2024  
RESULTS

CONTACT

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# GENERAL INFORMATION

BASED ON FY 2023

## FIVE STRONG REASONS FOR AN INVESTMENT IN HUGO BOSS

1

### TWO STRONG BRANDS

BOSS and HUGO are two strong brands that are clearly distinguished by their fashionable style but meet the same high standards of quality and fit, innovation and sustainability. A 24/7 approach ensures that customers are well dressed across all different wearing occasions with casualization and comfort being key. Two clearly distinguished marketing strategies create excitement among consumers and unleash the full potential of BOSS and HUGO.

2

### "CLAIM 5" GROWTH STRATEGY

Our growth strategy aims at driving sustainable and broad-based growth across both brands, all regions and consumer touchpoints. We aim to increase sales to EUR 5 billion, claim our position in consumers' minds, and keep winning market share. The strategy aims to deliver on our vision of becoming the premium tech-driven fashion platform worldwide.

3

### PROFITABILITY IMPROVEMENTS

We target an EBIT margin of at least 12%. The anticipated improvements in profitability primarily reflect our robust organizational and operational platform built in recent years, which will enable us to further strengthen our operational execution and enhance effectiveness, realizing strong efficiency gains going forward.

4

### STRONG FREE CASH FLOW GENERATION

Driven by the ongoing focus on further top- and bottom-line improvements, we aim to generate strong free cash flow, which will be either reinvested into the business or distributed to shareholders through regular dividend payments. The payout ratio until 2025 will be in a range of between 30% and 50% of net income attributable to shareholders.

5

### STRONG COMMITMENT TO SUSTAINABILITY

Sustainability is firmly anchored in our Group strategy. Our ambitious sustainability targets include decreasing CO<sub>2</sub> emissions by at least 50% until 20230 and aiming for „net zero“ footprint by 2050. Amongst others, we also put particular emphasis on driving circularity and thus aim to enable 80% of our products to become circular by 2030.





# HUGO BOSS AT A GLANCE

4.2

EUR BILLION  
SALES

410

EUR MILLION  
EBIT

9.8%

EBIT  
MARGIN

96

EUR MILLION  
FREE CASH  
FLOW

131

COUNTRIES

~19,000

EMPLOYEES

19%

SHARE OF  
DIGITAL SALES

6,400

POINTS  
OF SALE

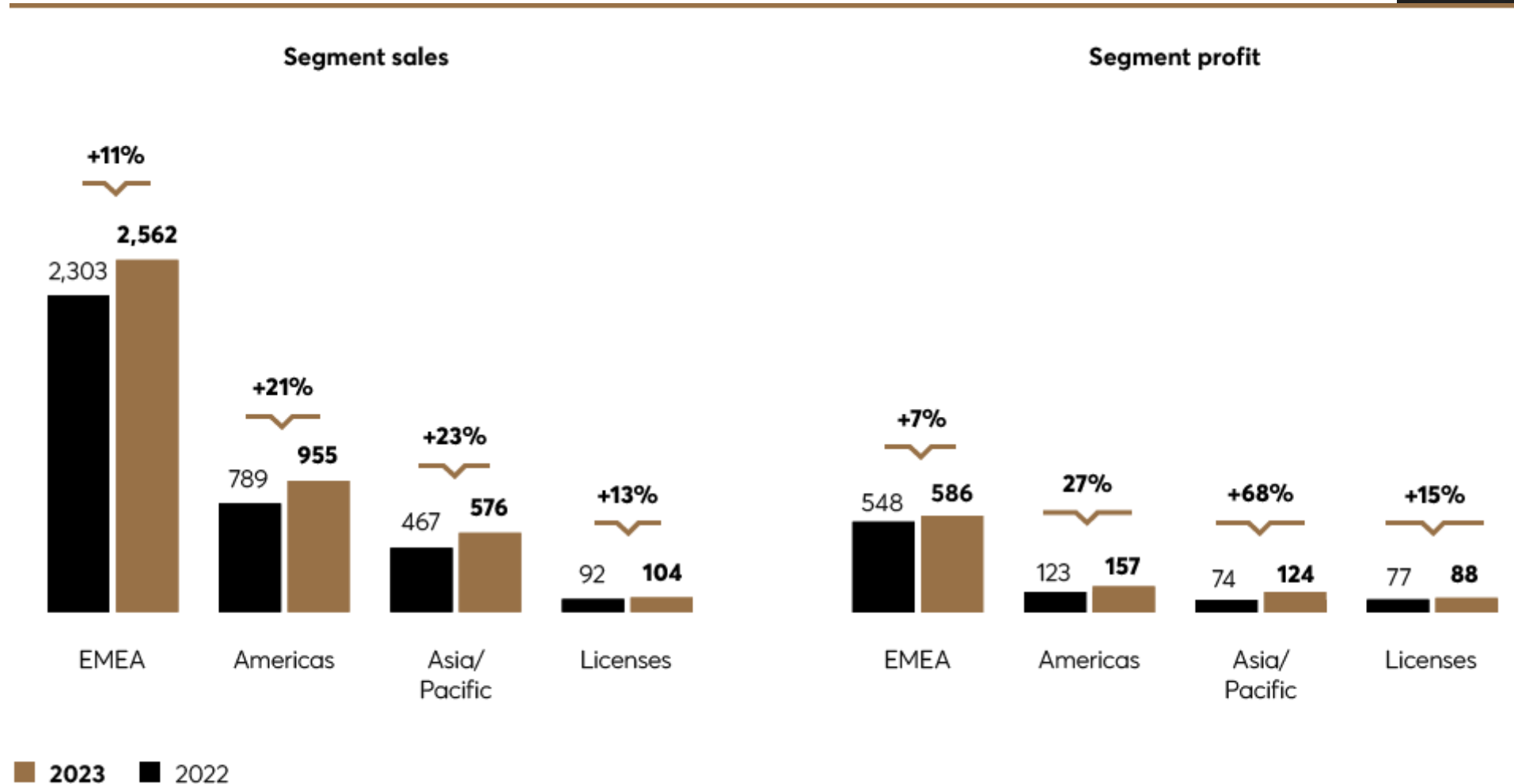
2023

## COMPARISON OF ACTUAL AND FORECAST 2023 BUSINESS PERFORMANCE

	Results 2022	Initial forecast 2023	Latest forecast 2023	Results 2023
Group sales	EUR 3,651 million	Increase at a mid-single-digit percentage rate	Increase of 12% to 15% to EUR 4.1 billion to EUR 4.2 billion	+15% (+18% FX adj.) to EUR 4.2 billion
Sales by segment				
EMEA	EUR 2,303 million	Increase in the low to mid-single-digit percentage range	Increase of 10% to 15%	+11% (+13% FX adj.) to EUR 2,562 million
Americas	EUR 789 million	Increase in the low to mid-single digit percentage range	Increase of 10% to 15%	+21% (+23% FX adj.) to EUR 955 million
Asia/Pacific	EUR 467 million	Increase in the teens percentage range	Increase of 25% to 30%	+23% (+32% FX adj.) to EUR 576 million
Operating result (EBIT)	EUR 335 million	EUR 350 million to EUR 370 million	Increase of 20% to 25% to EUR 400 million to EUR 420 million	+22% to EUR 410 million
<b>Group's</b> net income	EUR 222 million	Increase of 5% to 12%	Increase of 20% to 25%	+22% to EUR 270 million
Trade net working capital as a percentage of sales	15.0%	~17%	18% to 19%	+580 bp to 20.8%
Capital expenditure	EUR 192 million	EUR 200 million to EUR 250 million	EUR 250 million to EUR 300 million	+55% to EUR 298 million

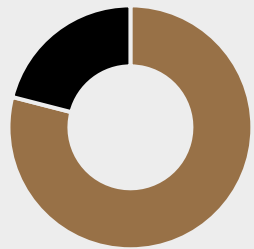
The forecast for TNWC as a percentage of sales was updated to "increase to a level of around 20%" with the publication of third quarter results in November 2023. Acquisitions or divestments had no material impact on the Group's financial performance in 2023.

## SALES AND EARNINGS DEVELOPMENT OF THE BUSINESS SEGMENTS IN 2023



# SALES BY BRAND 2023

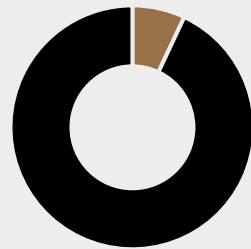
BOSS  
MENSWEAR



78%  
of Sales

3,256  
EUR MILLION

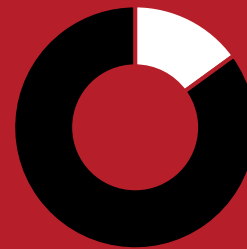
BOSS  
WOMENSWEAR



7%  
of Sales

288  
EUR MILLION

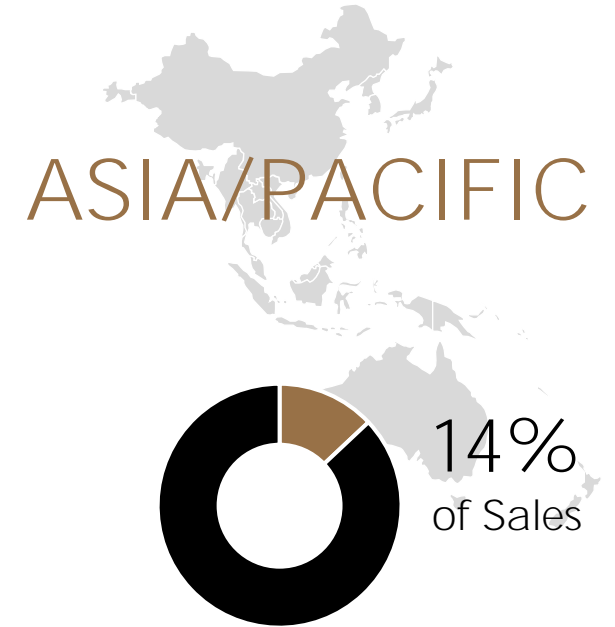
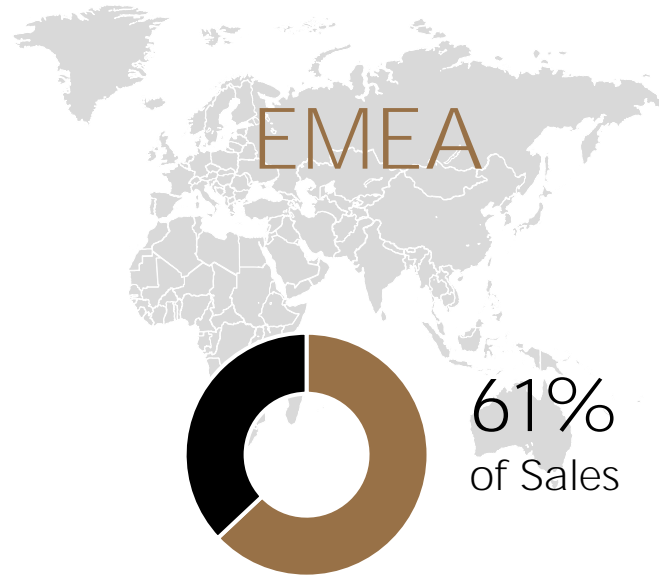
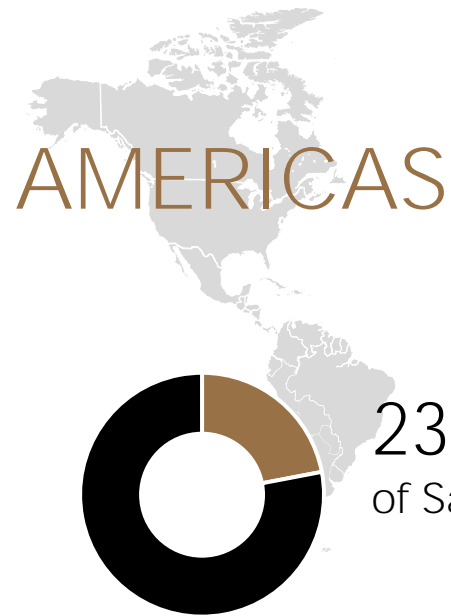
HUGO



16%  
of Sales

653  
EUR MILLION

# HUGO BOSS GLOBAL MARKET PRESENCE

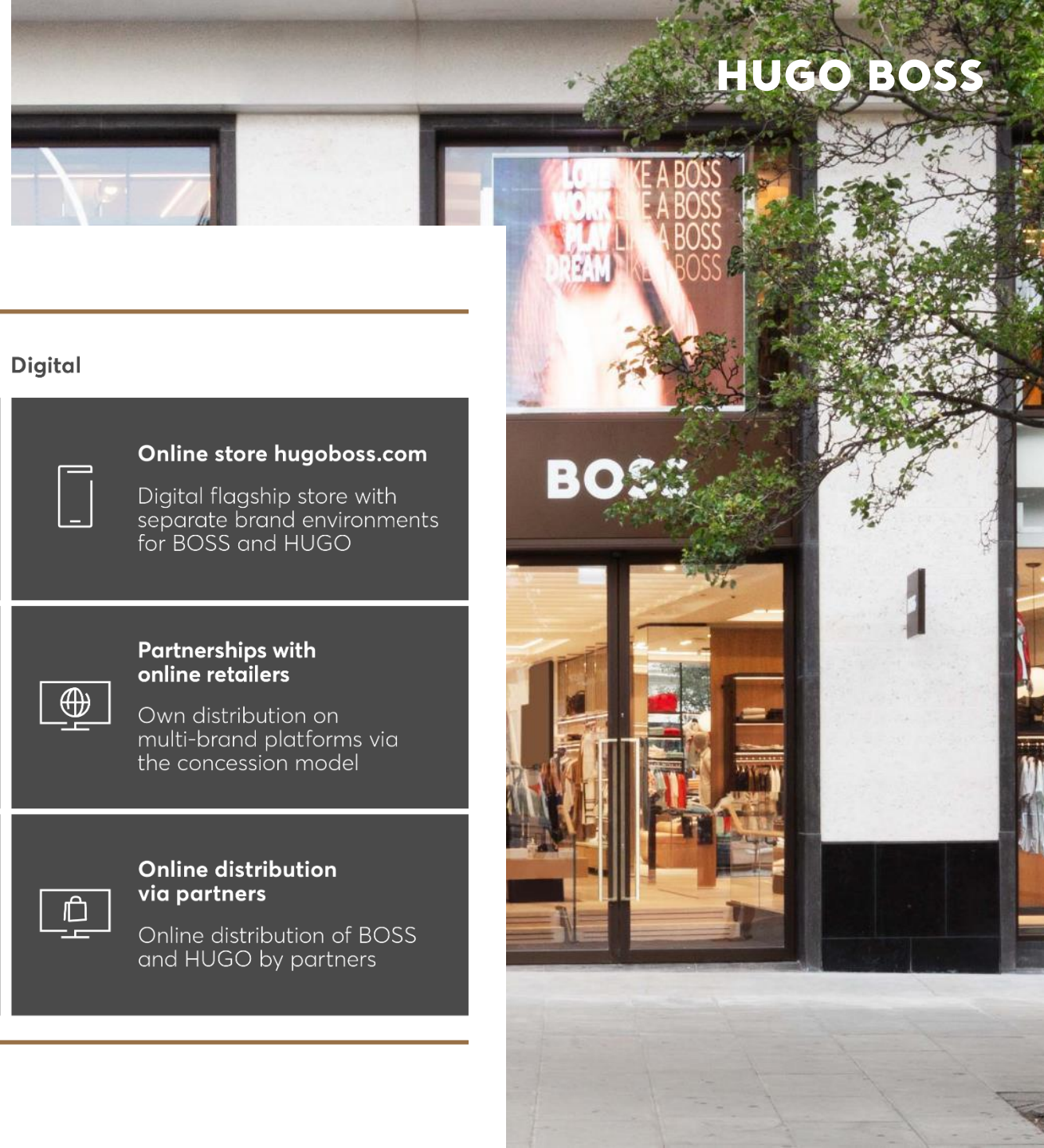


**955** EUR million Sales  
~1,900 Points of sale  
115 Freestanding retail stores  
14% Employees

**2,562** EUR million Sales  
~5,300 Points of sale  
212 Freestanding retail stores  
73% Employees

**576** EUR million Sales  
~600 Points of sale  
162 Freestanding retail stores  
13% Employees









# DISTRIBUTION CHANNELS



## Brick-and-mortar retail

## Brick-and-mortar wholesale

## Digital

 <p><b>Freestanding stores</b> Self-operated full-price stores in prime locations</p>	 <p><b>Multi-brand points of sale</b> General selling space in multi-brand stores</p>	 <p><b>Online store hugoboss.com</b> Digital flagship store with separate brand environments for BOSS and HUGO</p>
 <p><b>Shop-in-shops</b> Self-operated full-price shops on retail space of partners</p>	 <p><b>Shop-in-shops</b> BOSS and HUGO shops operated by partners</p>	 <p><b>Partnerships with online retailers</b> Own distribution on multi-brand platforms via the concession model</p>
 <p><b>Factory outlets</b> Sale of prior season's merchandise in specialist stores in high-traffic peripheral zones</p>	 <p><b>Franchise business</b> Full-price BOSS and HUGO stores operated by partners</p>	 <p><b>Online distribution via partners</b> Online distribution of BOSS and HUGO by partners</p>

# SALES BY DISTRIBUTION CHANNEL

## Sales by distribution channel

### SALES BY DISTRIBUTION CHANNEL (IN EUR MILLION)

	2023	In % of sales	2022	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	2,262	54	2,016	55	12	15
Brick-and-mortar wholesale	1,033	25	895	25	15	18
Digital	798	19	648	18	23	26
Licenses	104	2	92	3	13	13
<b>Total</b>	<b>4,197</b>	<b>100</b>	<b>3,651</b>	<b>100</b>	<b>15</b>	<b>18</b>

# RETAIL STORE NETWORK

## NUMBER OF OWN RETAIL POINTS OF SALES

2023	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	587	456	375	1,418
Thereof freestanding retail stores	212	115	162	489
2022				
Number of own retail points of sale	581	383	352	1,316
Thereof freestanding retail stores	212	106	152	470

TOTAL  
NUMBER OF  
RETAIL POINTS  
OF SALE

1,418

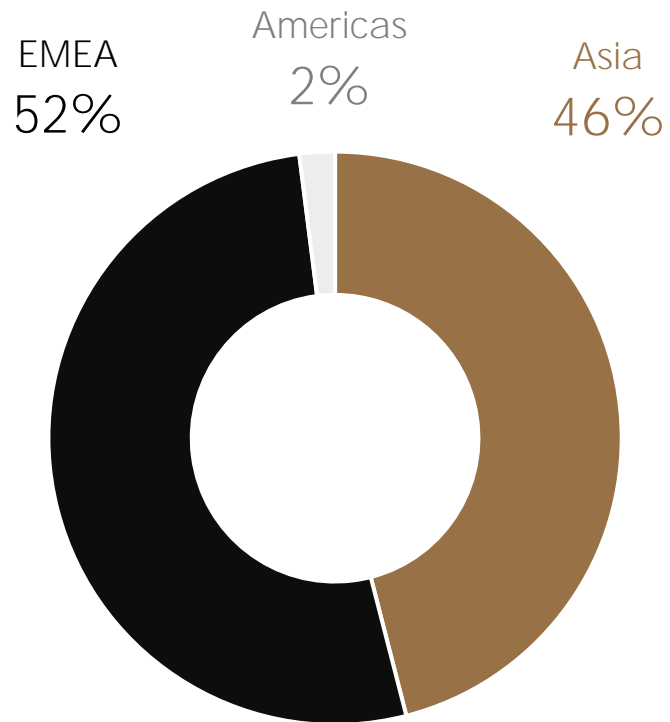
INCLUDING FREE-  
STANDING STORES,  
SHOP-IN-SHOPS AND  
OUTLETS



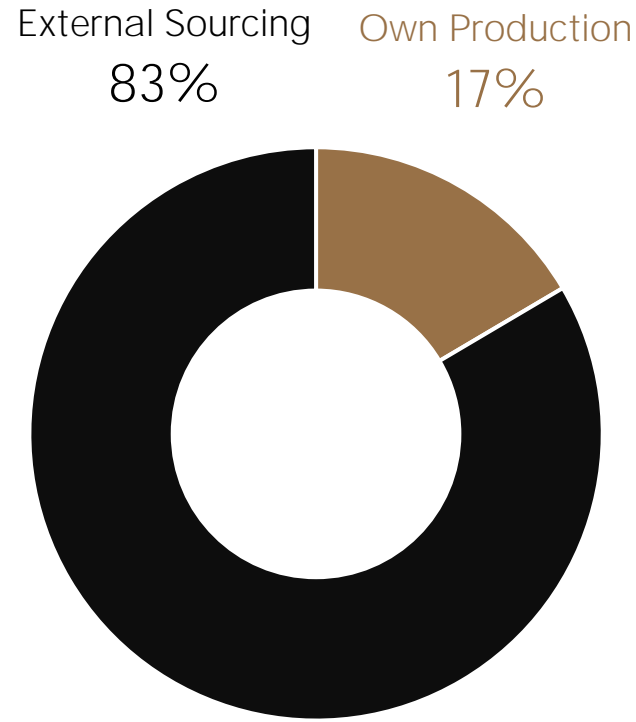
# SOURCING FOOTPRINT

## WELL BALANCED REGIONAL SOURCING & PRODUCTION MIX

REGIONALLY BALANCED STRATEGIC SOURCING MIX



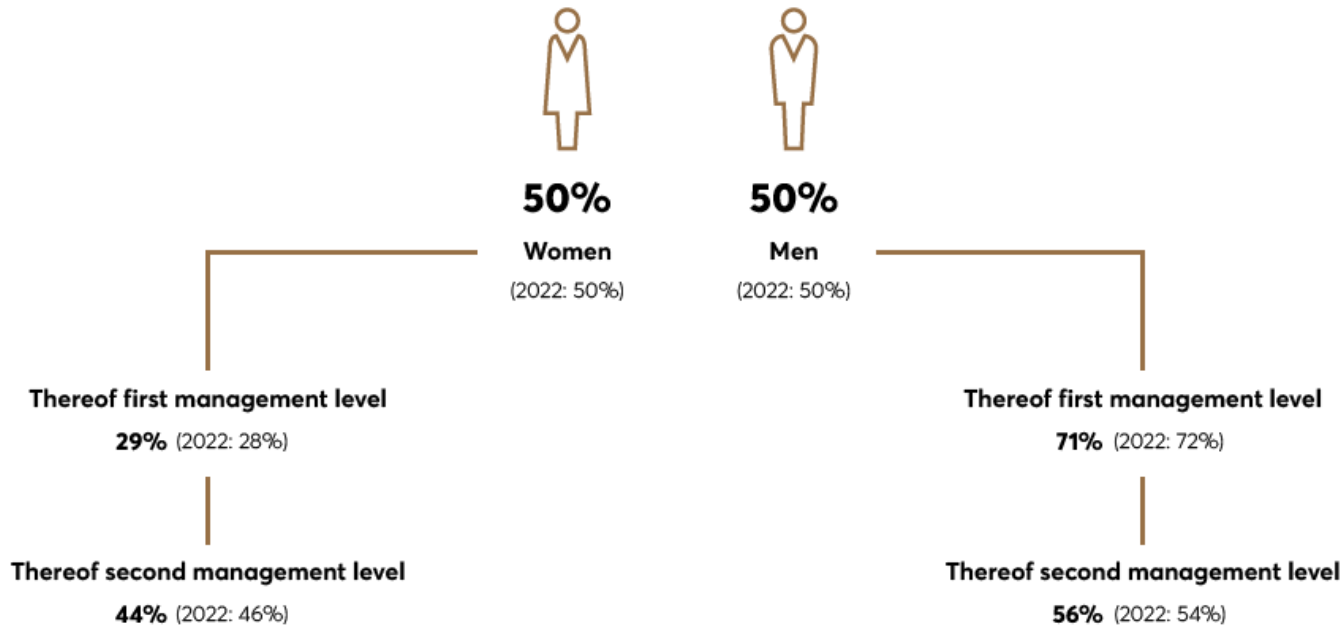
OWN PRODUCTION COMPLEMENTS THIRD-PARTY SOURCING ACTIVITIES



15%  
Izmir, Turkey  
(Largest single source of production)

# STRONG ORGANIZATIONAL SET-UP

## EMPLOYEES IN MANAGEMENT (2023)



## EMPLOYEE SATISFACTION

# 77%

CONDUCTED ANNUALLY WITH GREAT PLACE TO WORK® GERMANY



# COMPENSATION SYSTEM

## STRONGLY SUPPORTING LONG-TERM TARGETS

Components

### STI

Short-term variable compensation

### LTI

Long-term variable compensation

Performance Targets

EBIT

SALES

Trade net working capital (TNWC)

Relative total shareholder return (RTSR)

Return on capital employed (ROCE)

Employee satisfaction

Performance in Sustainability

Weight

40%

30%

30%

1/3

1/3

1/6

1/6

Comment

STI FOCUS ON:

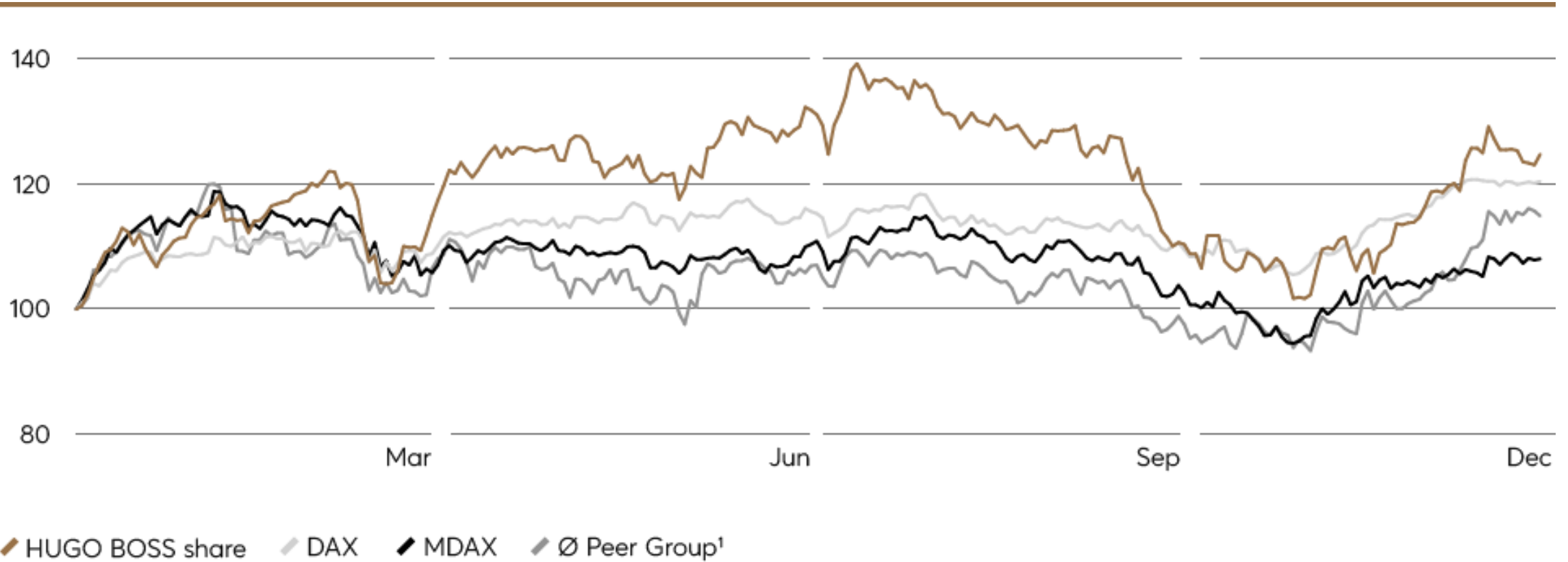
Stable free cash flow generation by optimizing the most important value drivers

LTI PROVIDES STRONG INCENTIVES FOR:

- The successful execution of the group strategy
- The value creation and long-term development
- The increase of employee satisfaction and trust
- The achievement of ambitious sustainably goals

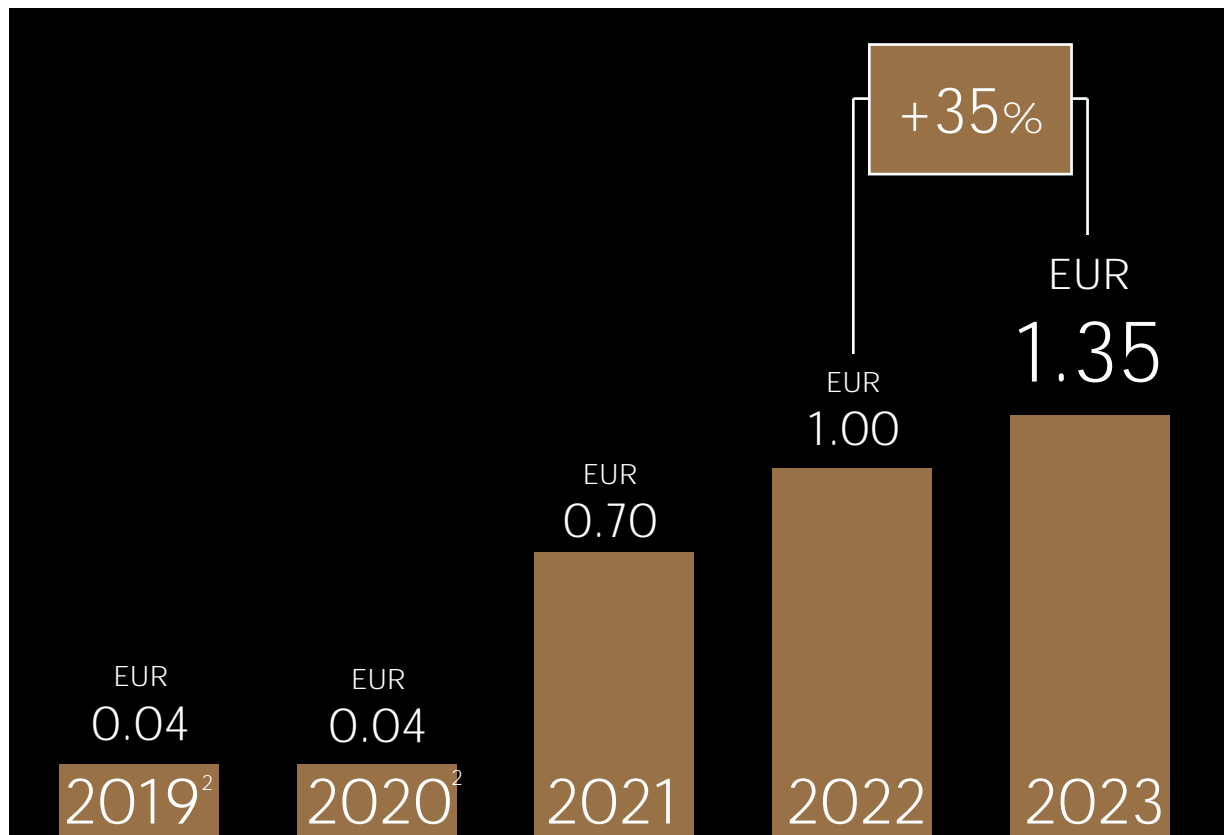
PERFORMANCE-RELATED COMPENSATION SYSTEM

# SHARE PRICE PERFORMANCE IN 2023

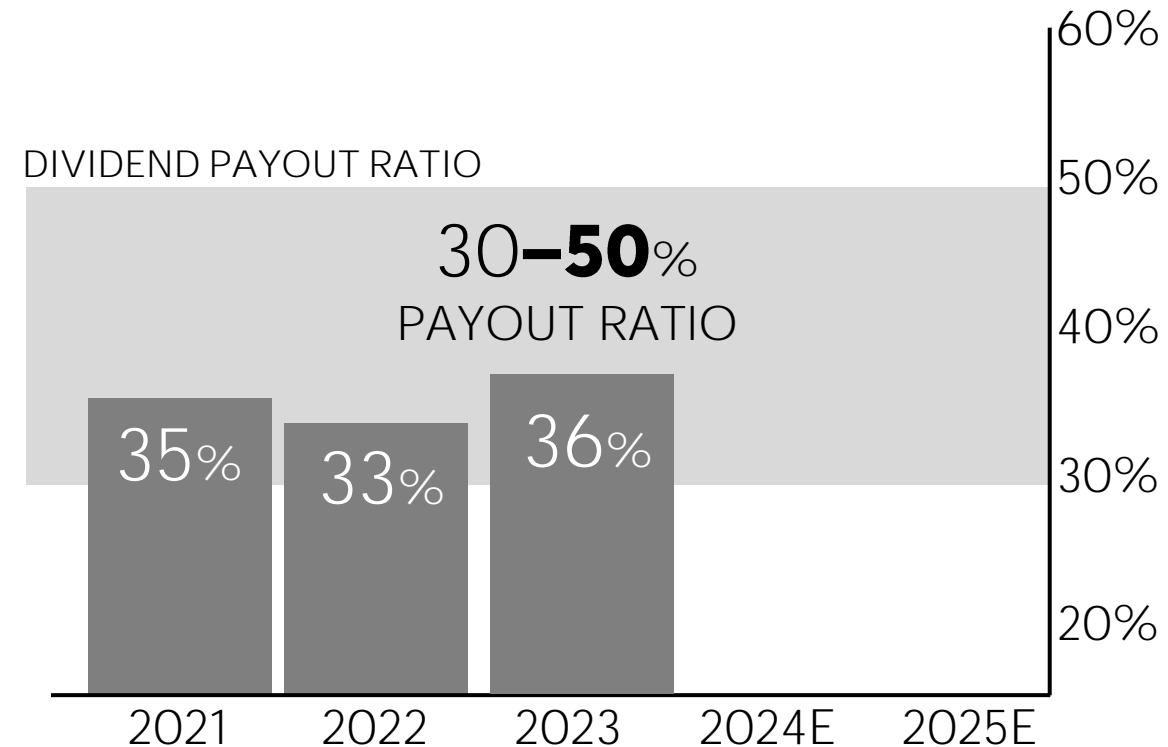


<sup>1</sup> Burberry Group plc, Capri Holdings Ltd., G-III Apparel Group, Guess Inc., Levi Strauss & Co., Moncler Group, PVH Corp., Ralph Lauren Corp., SMCP Group, Tapestry Inc., VF Corp.

# OVERPROPORTIONATE INCREASE IN DIVIDEND COMPARED TO NET INCOME DEVELOPMENT



DIVIDEND PER SHARE

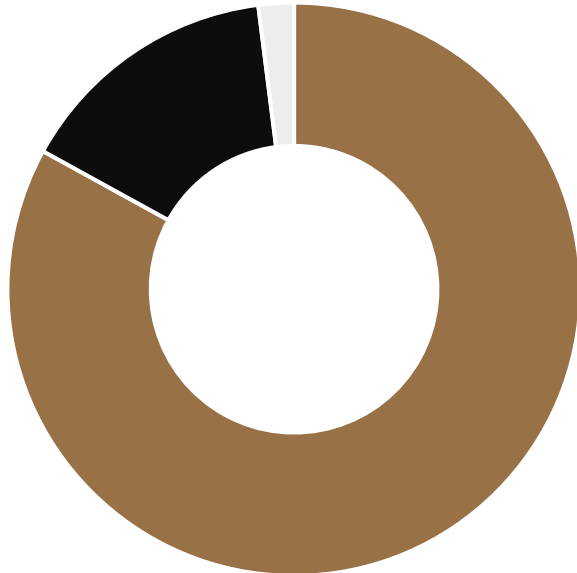


<sup>1</sup> Due to the COVID-19 pandemic, HUGO BOSS had suspended its dividend payment for fiscal year 2019 and 2020, with the exception of the legal minimum dividend of EUR 0.04 per share.

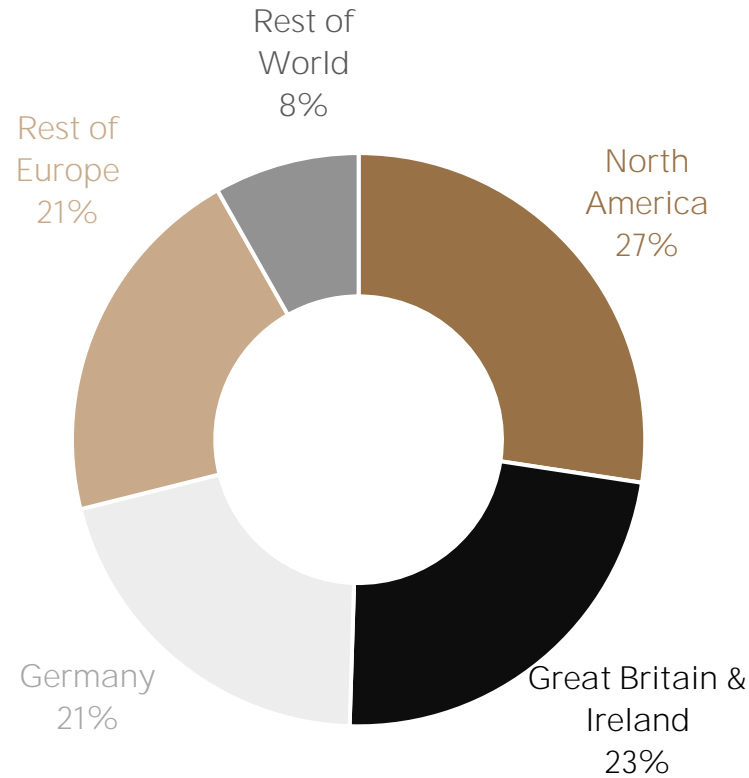
# SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE  
AS OF JUNE 30, 2024  
(IN % OF SHARE CAPITAL)

PFC S.r.l./Zignago Holding S.p.A. 15%    Own shares 2%    Free float 83%



INSTITUTIONAL INVESTORS  
(FREE FLOAT) BY REGION  
AS OF JUNE 30, 2024 (IN %)



~43,000

TOTAL NUMBER OF  
SHAREHOLDERS

~10%

OF SHARES HELD BY  
PRIVATE SHAREHOLDERS

# CONDENSED STATEMENT OF FINANCIAL POSITION

(IN EUR MILLION)

Assets	December 31, 2023	December 31, 2022
Property, plant, and equipment, intangible assets, right-of-use assets	1,521	1,356
Inventories	1,066	974
Trade receivables	376	256
Other assets	363	393
Cash and cash equivalents	118	147
Assets held for sale <sup>1</sup>	27	0
<b>Assets</b>	<b>3,472</b>	<b>3,127</b>
Equity and Liabilities	December 31, 2023	December 31, 2022
Group equity	1,311	1,135
Provisions and deferred taxes	220	225
Financial liabilities	340	122
Lease liabilities	793	804
Trade payables	572	617
Other liabilities	216	223
Liabilities held for sale <sup>1</sup>	19	0
<b>Equity and liabilities</b>	<b>3,472</b>	<b>3,127</b>

<sup>1</sup> In 2023, HUGO BOSS revisited its business model in Russia, aiming to convert it into a wholesale business. Accordingly, the Company has classified all respective assets and liabilities as assets and liabilities held for sale.

## MULTI-YEAR-OVERVIEW SALES

	2023	2022	2021	2020	2019	2018	2017
Sales (in EUR million)	4,197	3,651	2,786	1,946	2,884	2,796	2,733
Sales by brand							
BOSS Menswear	3,256	2,868	2,181	1,530	2,488	2,422	2,336
BOSS Womenswear	288	239	192	131			
HUGO	653	545	413	285	396	374	397
Sales by segments							
EMEA	2,562	2,303	1,742	1,231	1,803	1,736	1,681
Americas	955	789	543	308	560	574	577
Asia/Pacific	576	467	423	343	438	410	396
Licenses	104	92	77	64	84	76	79
Sales by distribution channel							
Brick-and-mortar retail	2,262	2,016	1,512	1,057	1,869	1,768	1,732
Brick-and-mortar wholesale	1,033	895	647	472	931	952	922
Digital	798	648	549	352	-	-	-
Licenses	104	92	77	64	84	76	79

For full details around the multi-year overview please refer to the Annual Report 2023.



## MULTI-YEAR-OVERVIEW

### P&L, BALANCE SHEET AND OTHER KEY FIGURES

	2023	2022	2021	2020	2019	2018	2017
Results of operations (in EUR million)							
Gross profit	2,581	2,256	1,721	1,187	1,875	1,823	1,808
Gross margin in %	61.5	61.8	61.8	61.0	65.0	65.2	66.2
EBIT	410	335	228	(236)	344	347	341
EBIT margin in %	9.8	9.2	8.2	(12.1)	11.9	12.4	12.5
EBITDA	752	680	568	230	707	476	499
Net income attributable to equity holders of the parent company	258	209	137	(220)	205	236	231
Net assets and liability structure as of December 31 (in EUR million)							
Trade net working capital	870	613	376	491	528	537	459
Non-current assets	1,681	1,535	1,458	1,516	1,713	686	662
Equity	1,311	1,135	940	760	1,002	981	915
Equity ratio in %	38	36	34	30	35	53	53
Total assets	3,472	3,127	2,736	2,570	2,877	1,858	1,720
Financial position and dividend (in EUR million)							
Free cash flow	96	166	560	164	457	170	294
Net financial liabilities (as of December 31)	1,006	767	628	1,004	1,040	22	7
Capital expenditure	298	191	104	80	192	155	128
Depreciation/amortization	342	345	339	465	362	129	158
Total leverage (as of December 31)	1.3	1.1	1.1	(6.7)	0.2	0.0	0.0
Amount distributed	93	69	48	3	3	186	183
Additional key figures							
Employees (as of December 31)	18,738	16,930	14,041	13,795	14,633	14,685	13,985
Personnel expenses (in EUR million)	918	794	627	570	640	629	604
Number of Group's own retail points of sale	1,418	1,316	1,228	1,157	1,113	1,092	1,139
Shares (in EUR)							
Earnings per share	3.74	3.04	1.99	(3.18)	2.97	3.42	3.35
Dividend per share	1.35	1.00	0.70	0.04	0.04	2.70	2.65
Last share price (as of December 31)	67.46	54.16	53.50	27.29	43.26	53.92	70.94
Number of shares (as of December 31)	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000	70,400,000

For full details around the multi year overview please refer to the Annual Report 2023.

## 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.