

# HUGO BOSS VIRTUAL **ANNUAL SHAREHOLDERS' MEETING**

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MAY 27, 2020





**MARK LANGER**

CHIEF EXECUTIVE OFFICER



## AGENDA

- 1 Business performance 2019
- 2 Current situation and measures
- 3 Foundation for long-term success



# Adjusted full year 2019 targets achieved

GROUP SALES 2019

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EUR **2.9** BILLION

**+2%**

CURRENCY-ADJUSTED





ONLINE

+35%\*



**Successful expansion**

of own online store hugoboss.com to Scandinavia and Ireland

**Intensification of online**

**partnerships** contributes strongly to overall sales growth

Online business records  
**strong double-digit growth**

\* Currency-adjusted.

RETAIL  
PRODUCTIVITY

+4%



**Further optimization** of global store network achieved

**New store concept** meanwhile implemented in more than 100 BOSS stores

Own retail stores with  
**increase in retail productivity**

HUGO

+5%\*



**HUGO casualwear** with strong double-digit sales increases

**Logo-inspired products** very well received by fashion-conscious HUGO customers

HUGO records **over-proportionate sales growth** in 2019

\* Currency-adjusted.

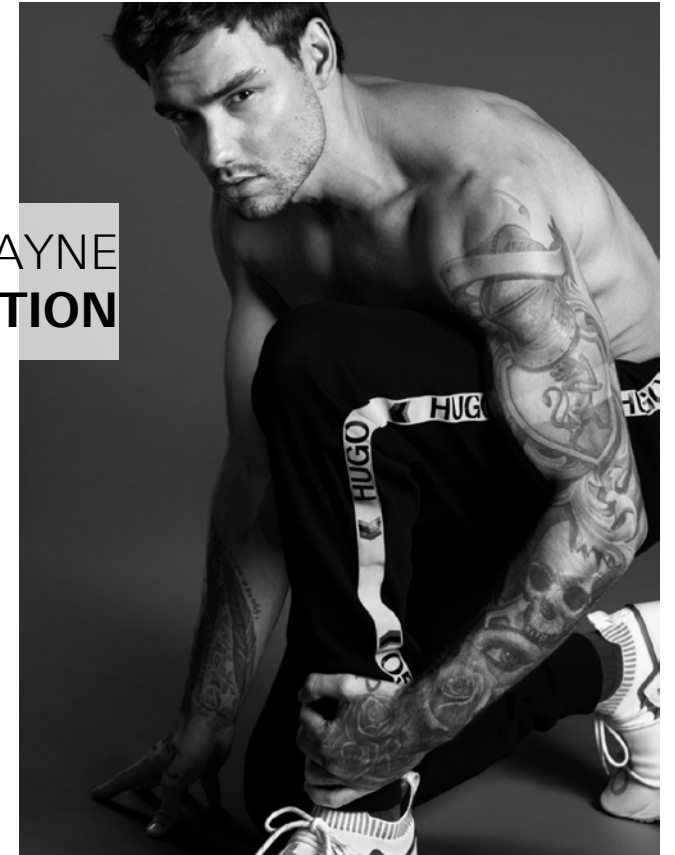
# Collaboration with Liam Payne successfully initiated



HUGO X LIAM PAYNE  
**BERLIN EVENT**

HUGO

HUGO X LIAM PAYNE  
**CAPSULE COLLECTION**





ASIA/  
PACIFIC

+5%\*



Double-digit comp store sales growth in **Mainland China** continues

**Japan, South Korea, and Singapore** with robust growth

**Business in Hong Kong** impacted by political unrest

Asia/Pacific with **over-proportionate sales increase** in 2019

\* Currency-adjusted.

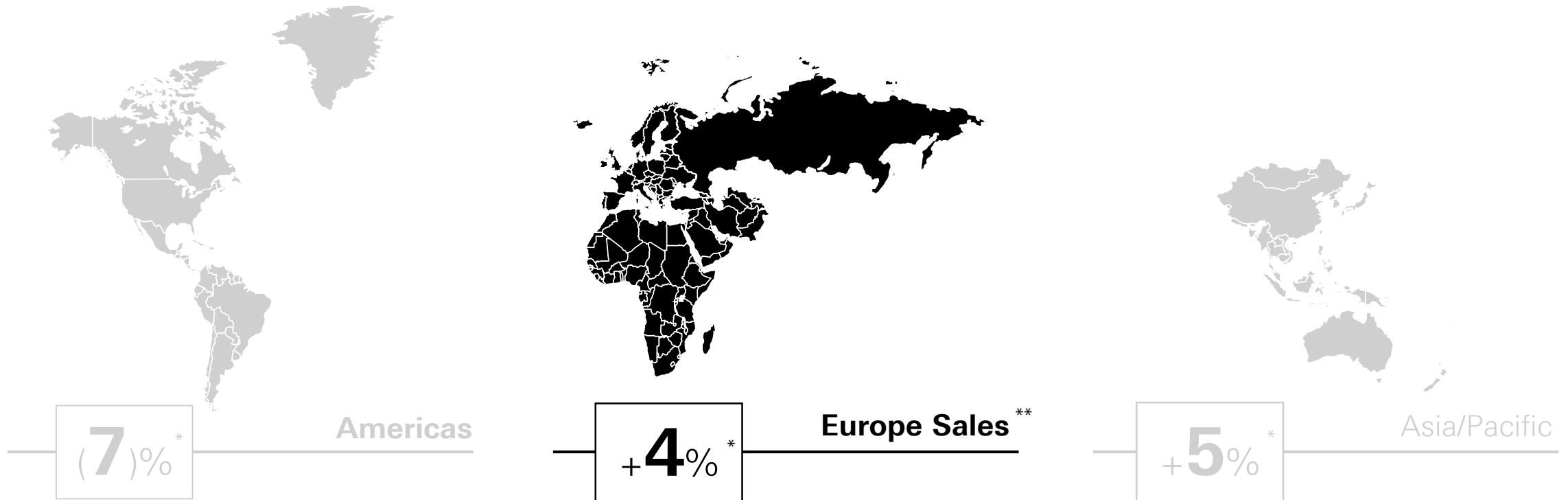


BOSS

Li Yifeng named new  
**BOSS Brand Ambassador**

# Strong momentum in the UK

## drives sales growth in Europe



- Sales increases in the **UK and France**
- Important foundation laid for future growth in **Germany**

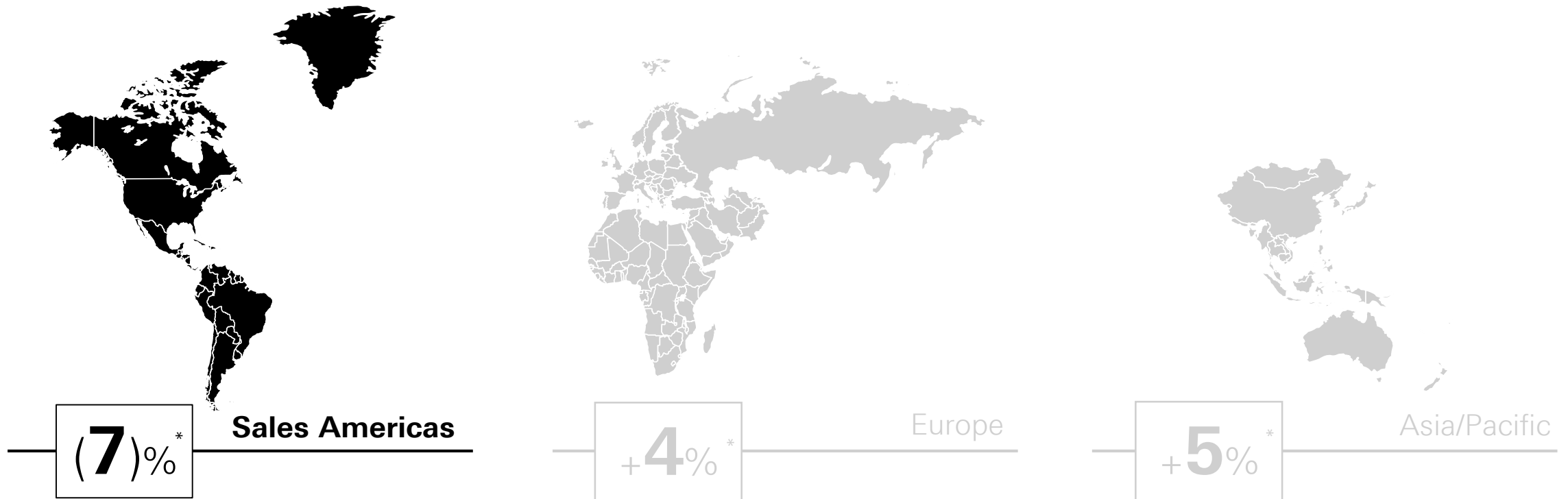
\* Currency-adjusted.  
\*\* Including Middle East and Africa.



# New outlet successfully opened in Metzingen



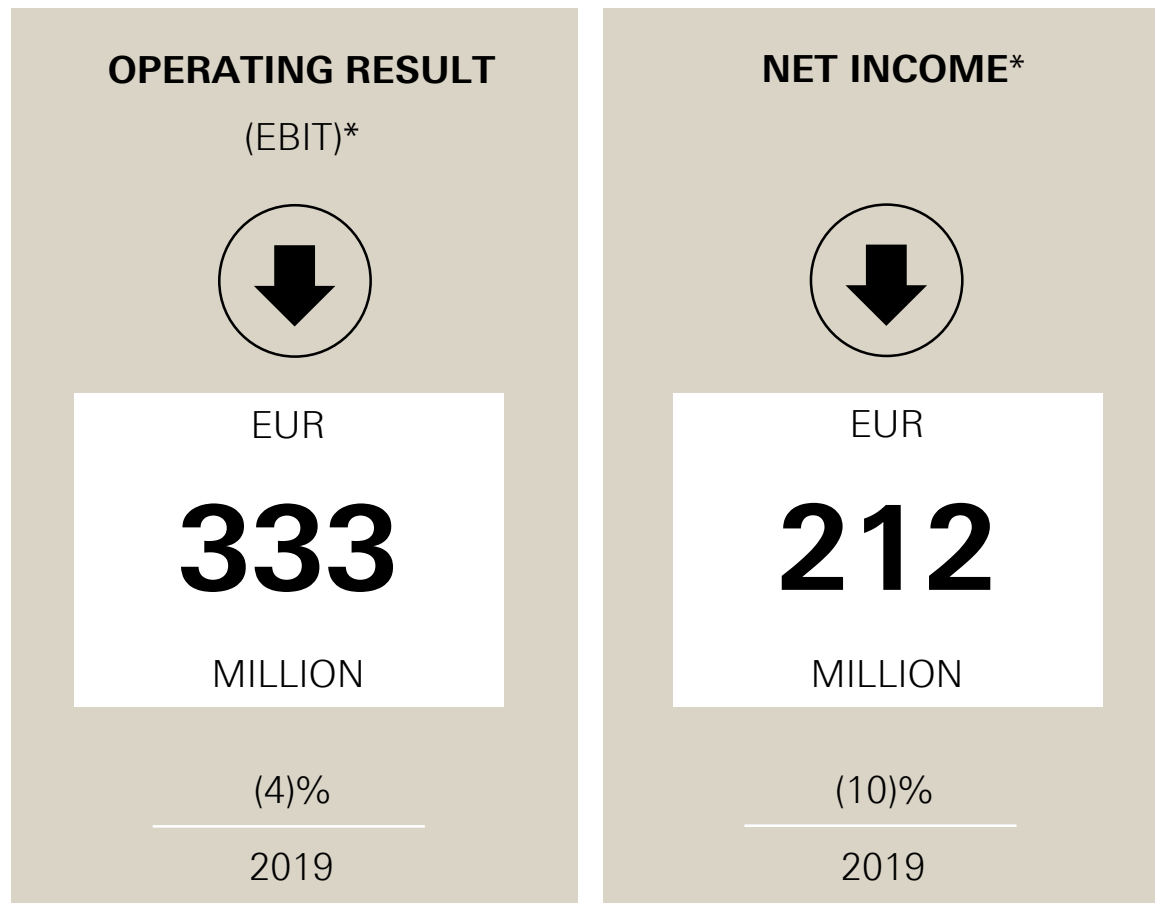
# Challenging market environment in North America



- Declining **local demand** and business with **tourists**
- **Own retail business** stabilizes during the course of the year

\*Currency-adjusted.

# Bottom-line development falls short of own expectations



- Difficult and promotional market environment in North America weighs on earnings development
- Investments in own retail lead to an increase in selling and distribution expenses

\* Excluding the impact of IFRS 16.



# Focus remains on further **executing strategic initiatives**

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ONLINE



RETAIL  
PRODUCTIVITY



ASIA



HUGO

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# HUGO BOSS takes **corporate responsibility seriously**

**CROSS-FUNCTIONAL CRISIS  
TEAM ESTABLISHED**



**WORKING REMOTELY FROM  
HOME** ENABLED FOR ALL  
CORPORATE EMPLOYEES

## HUGO BOSS with **meaningful contribution to society**

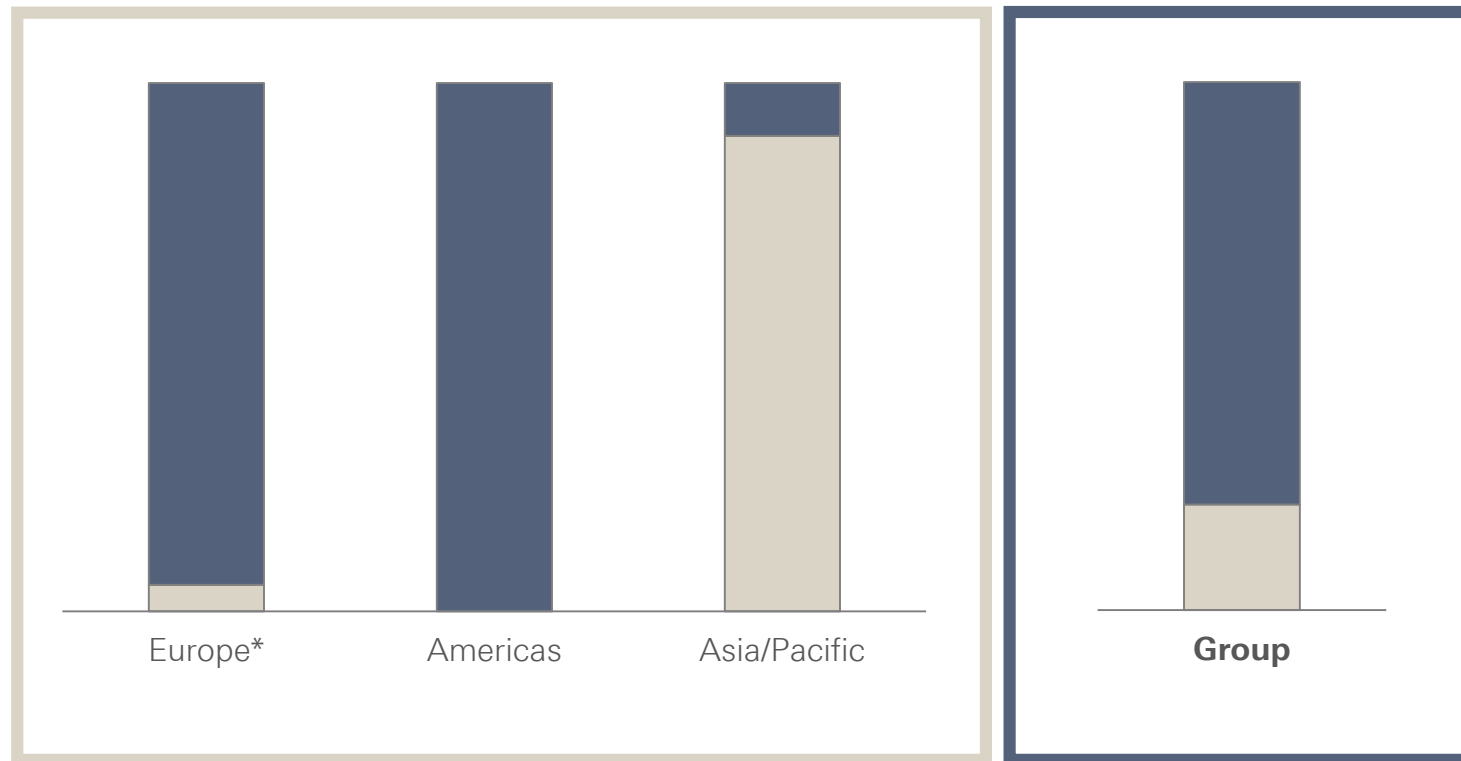


PRODUCTION OF REUSABLE  
**FACE MASKS, PPE, & VISORS**



# Temporary store closures

## to protect customers and employees



As of March 31, 2020

■ Open

■ Closed

- Around 75% of own retail network closed at the end of March
- Remaining stores largely operate with shorter opening times
- Strict compliance and implementation of legal directives

\* Including Middle East and Africa.

GROUP SALES Q1 2020

EUR **555** MILLION

**(17)**%

CURRENCY-ADJUSTED



Pandemic weighs on business performance **in the first quarter**

# HUGO BOSS WELL POSITIONED TO WEATHER THE CURRENT CRISIS

# Measures to secure **financial stability and flexibility**

1

## **Strict cost management**

Additional cost savings of at  
least EUR 150 million

2

## **Postponement of investments**

CAPEX budget cut  
by around one third

3

## **Limitation of TNWC increase**

Reduction of inventory inflow  
by at least EUR 200 million

4

## **Retention of net profit**

Suspension of the dividend for  
2019 fiscal year proposed



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# UPDATE

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Expectations for the  
second quarter & full year 2020



HUGO BOSS  
well positioned to  
**succeed in the  
long term.**

HUGO BOSS



# Two strong brands – BOSS and HUGO

**BOSS**  
HUGO BOSS



**HUGO**  
HUGO BOSS

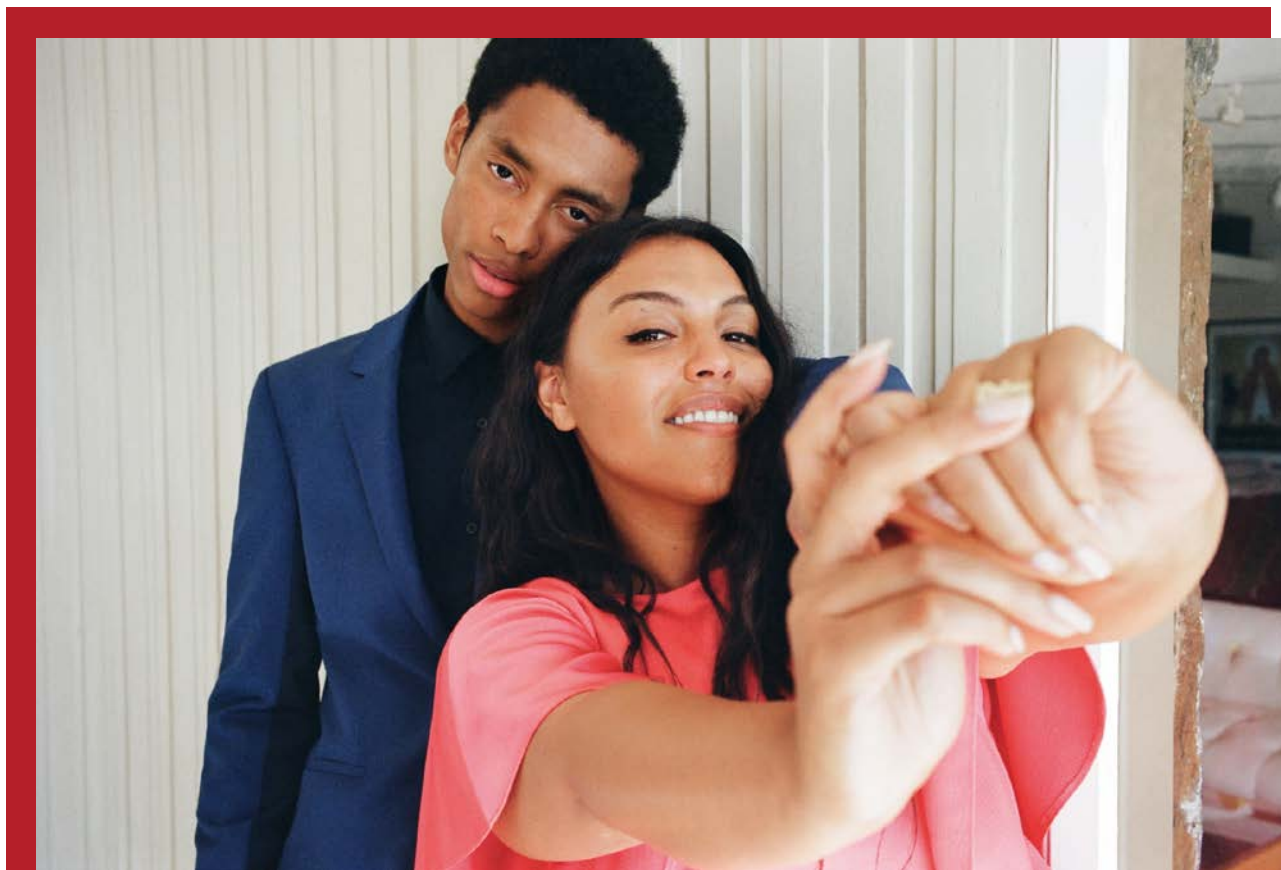




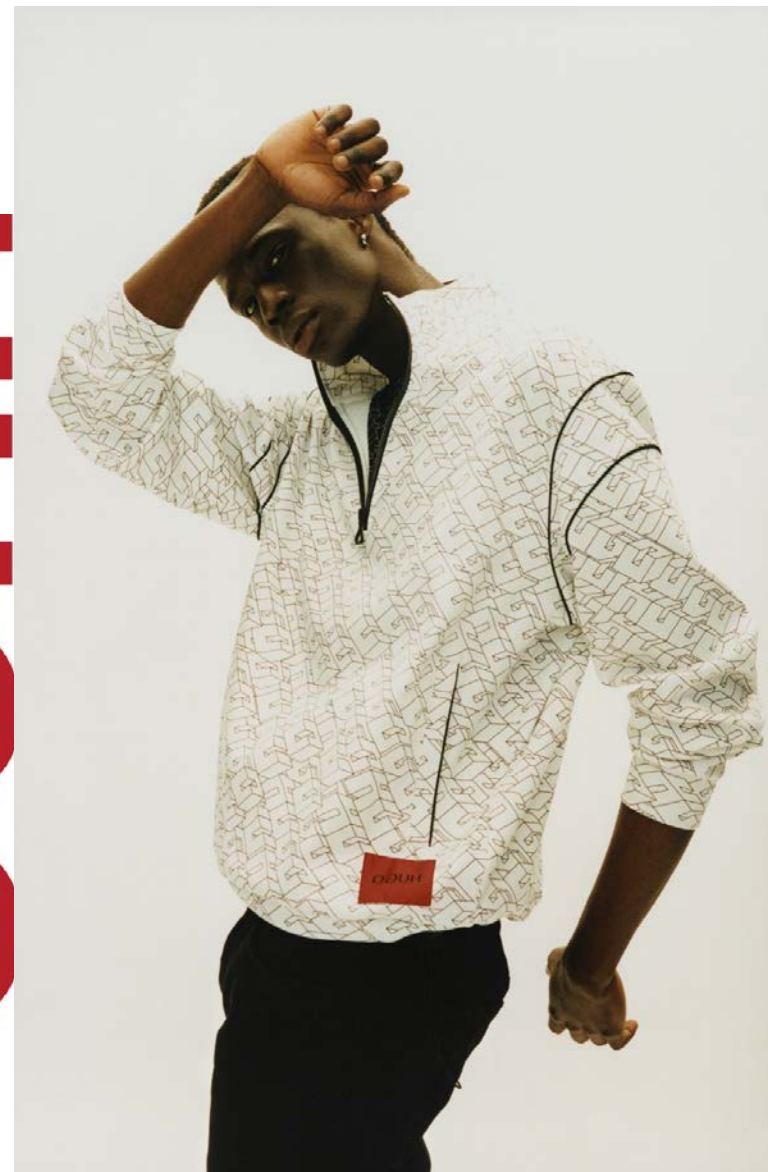
# #thisisBOSS



#iamHUGO



HUGO





**Sustainability**  
forms integral  
part of our  
activities

HUGO BOSS

HUGO BOSS  
included in the  
**DJSI World**  
for the third  
consecutive year





# TRACEABLE WOOL COLLECTION

SUCCESSFULLY LAUNCHED

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- Seamless traceability along the supply chain
- Styles for men and women globally available



{ *PETA* - APPROVED  
VEGAN }

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FULLY

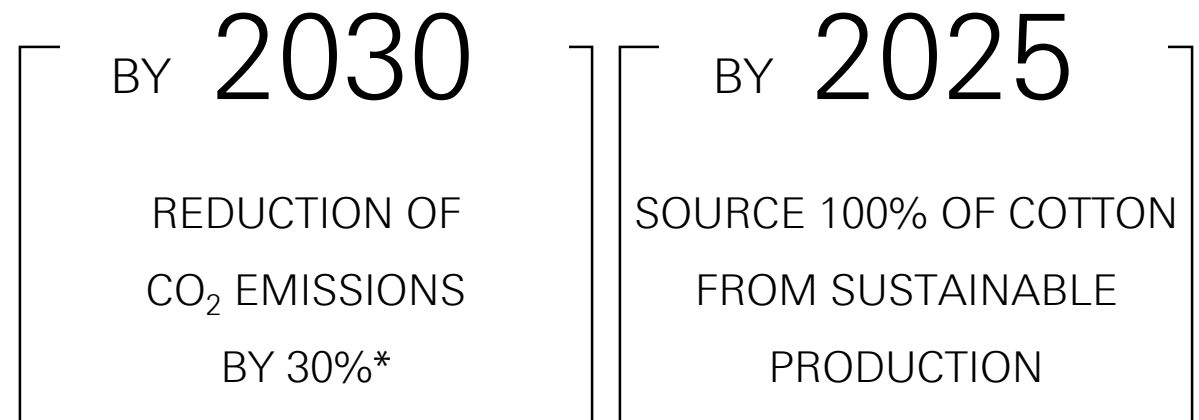
**VEGAN SUIT**

SUCCESSFULLY INTRODUCED



# AMBITIOUS SUSTAINABILITY TARGETS

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\* Base year 2018, according to methods of science-based targets.

**Digitization of  
business model**  
a decisive factor for  
long-term success.



## Digital product development allows faster response to latest trends

- Major parts of product development for HUGO already fully digitized
- Customer demand is met even more quickly
- Successful launch of digital material database



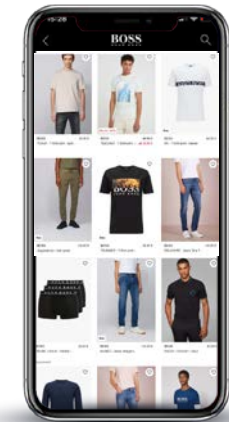
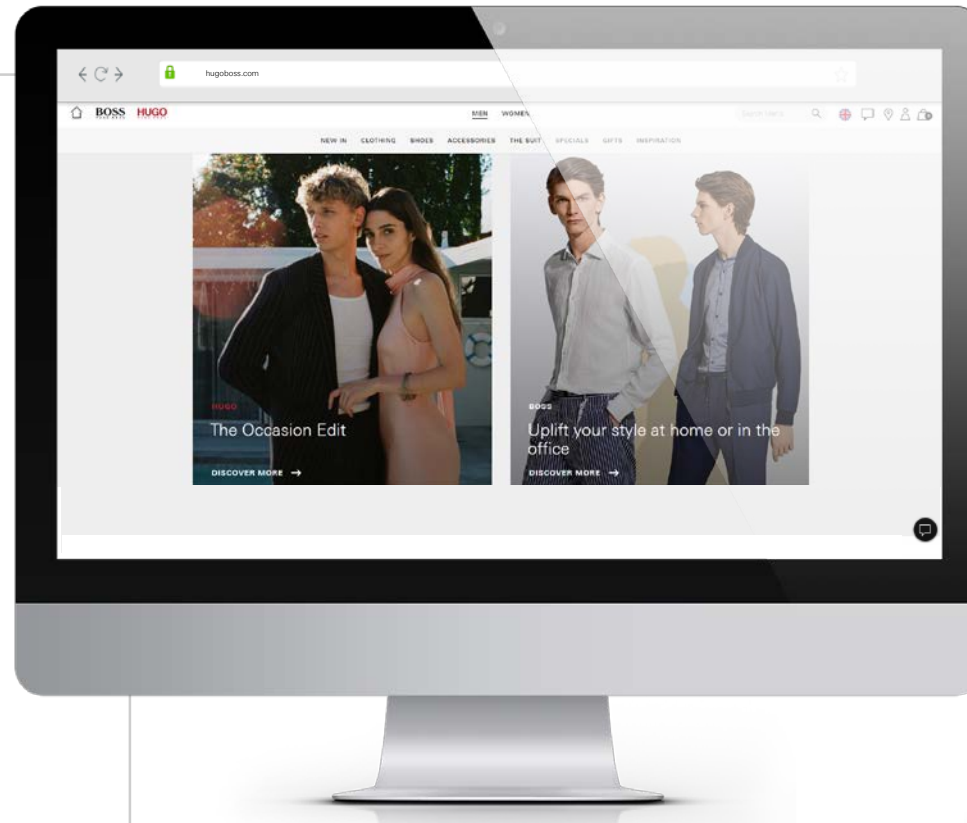
## Digitization opens new doors for **production facilities**

- Digitization of own facility in Turkey continues
- Real-time tracking of production data made possible
- Usage of artificial intelligence optimizes processes



# Successful expansion of **own online business**

- Establishment of hugoboss.com as a digital flagship store proceeds
- Variety of services further enhances shopping experience
- Strategic online partnerships significantly intensified



## Targeted customer approach and **focus on digital marketing**

- Customer relationship management professionalized and expanded
- Personalized customer approach elevates shopping experience
- Digital marketing increases proximity to customer



## Digital showroom offers swift and simple order process to partners

- Already today 100% digital distribution of HUGO products
- Digital showroom to be expanded to the BOSS brand
- Reduction of physical prototypes made possible





BUSINESS MODEL OF HUGO BOSS  
GEARED FOR

**LONG-TERM SUCCESS  
& SUSTAINABLE GROWTH**

**Thank you**  
for your  
attention!

