

HUGO BOSS

INVESTOR MEETING PRESENTATION

Q3 2023





- 01** "CLAIM 5" STRATEGY
- 02** Q3 2023 RESULTS
- 03** OUTLOOK FY 2023
- 04** GENERAL INFORMATION

VISION



**BECOME THE
PREMIUM TECH-
DRIVEN FASHION
PLATFORM
WORLDWIDE**

MISSION



**WE LOVE
FASHION,
WE CHANGE
FASHION**

AMBITION

€5 BILLION SALES IN 2025
≥12% EBIT MARGIN IN 2025

**BECOME ONE OF
THE TOP 100
GLOBAL BRANDS**



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

LOOKING BACK

**WE HAVE
ACHIEVED
A LOT**



CLAIM 5 FINANCIAL PROGRESS REPORT WE HAVE KEPT OUR PROMISE...

Strong acceleration in top-line growth (8% CAGR 2019–2022)



€4 B sales target to be reached in 2023 (two years ahead of plan)



Gross margin at upper end of mid-term outlook despite external headwinds



Nearly €200 M incremental investments in digital and marketing (2022 vs. 2019)



Almost €200 M investments in store network (2021–2022)



More than €550 M absolute EBIT generated (2021–2022)



Strong FCF generation of around €730 M (2021–2022)

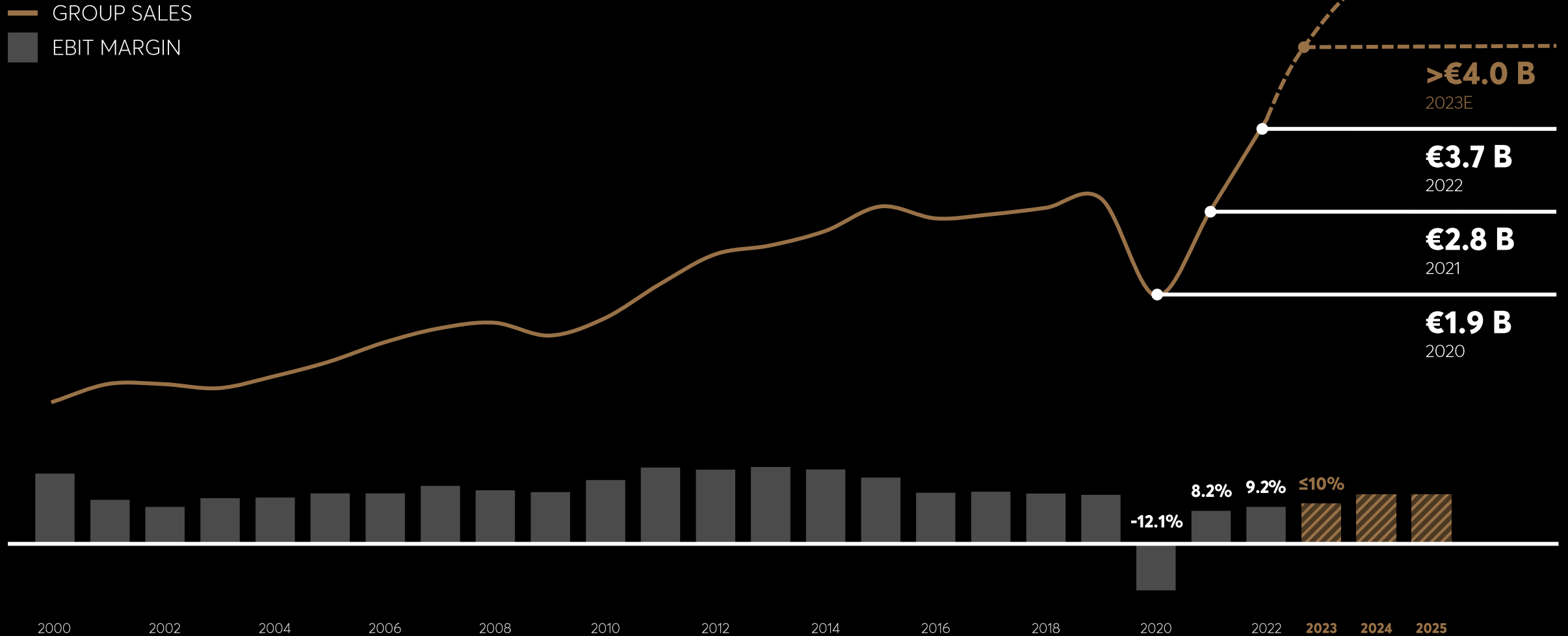


Strong investment-grade ratings received (BBB / Baa2)



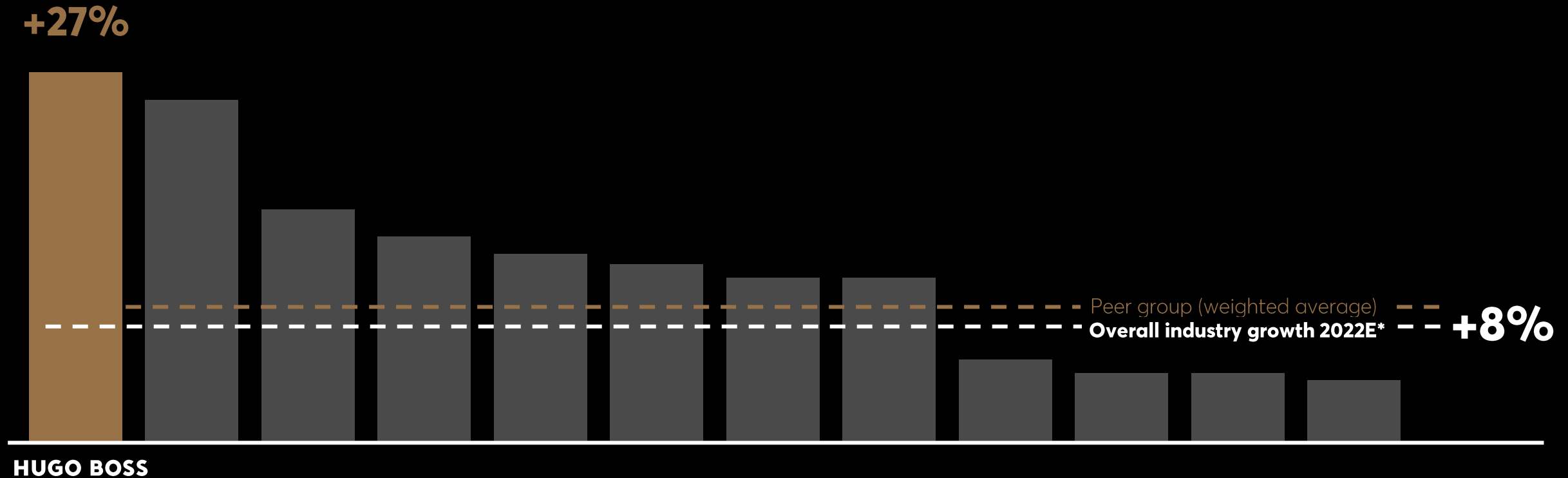
HUGO BOSS IS BACK ON GROWTH TRAJECTORY

STRONG ACCELERATION SINCE INTRODUCTION OF "CLAIM 5"



HUGO BOSS WITH SIGNIFICANT OUTPERFORMANCE VS. KEY COMPETITORS

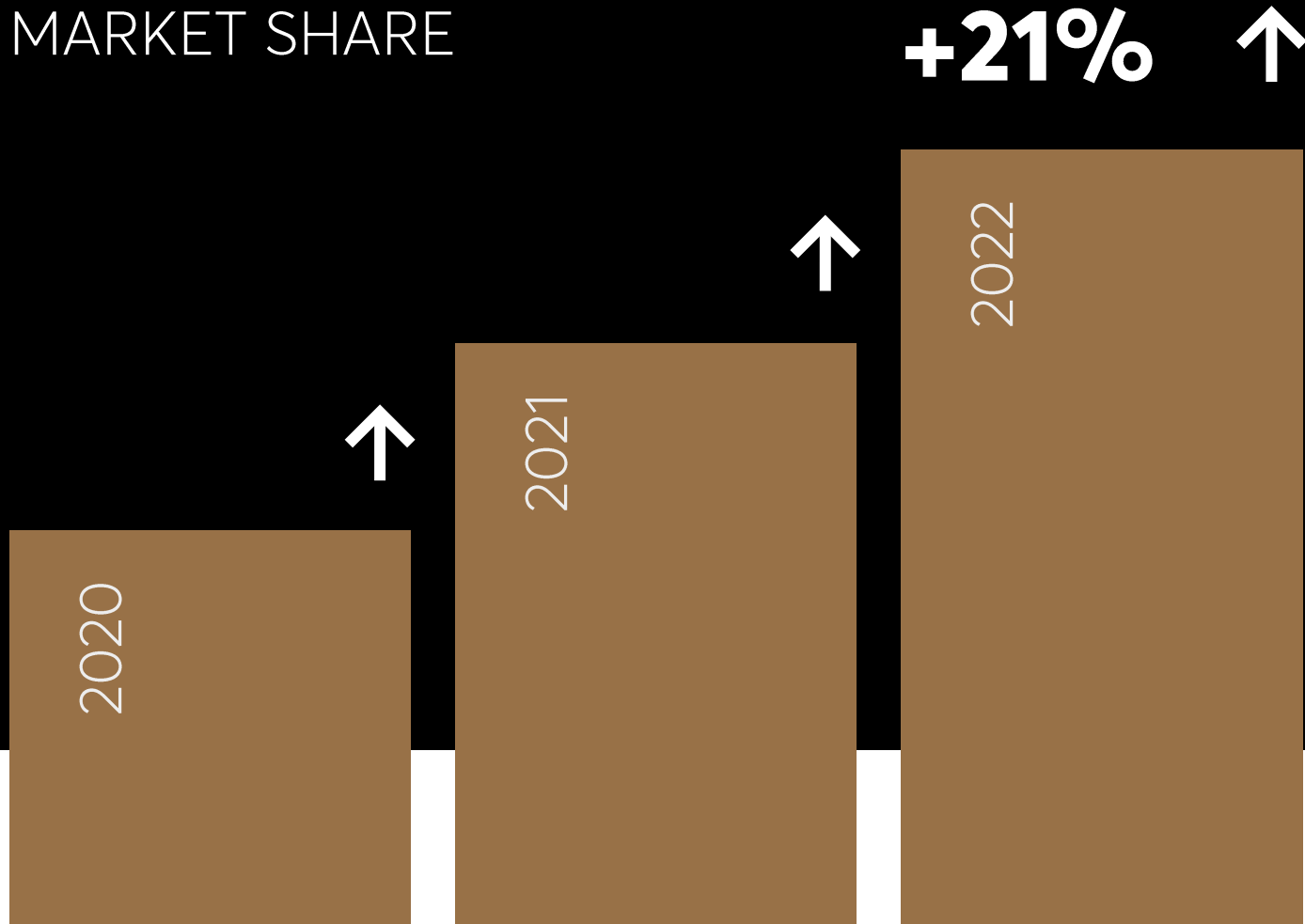
GROUP SALES DEVELOPMENT (CURRENCY-ADJUSTED CHANGE IN % VS. 2021)



* SOURCE: GLOBAL DATA 03/2023

SIGNIFICANT MARKET SHARE GAINS IN 2022

MARKET SHARE



HUGO BOSS

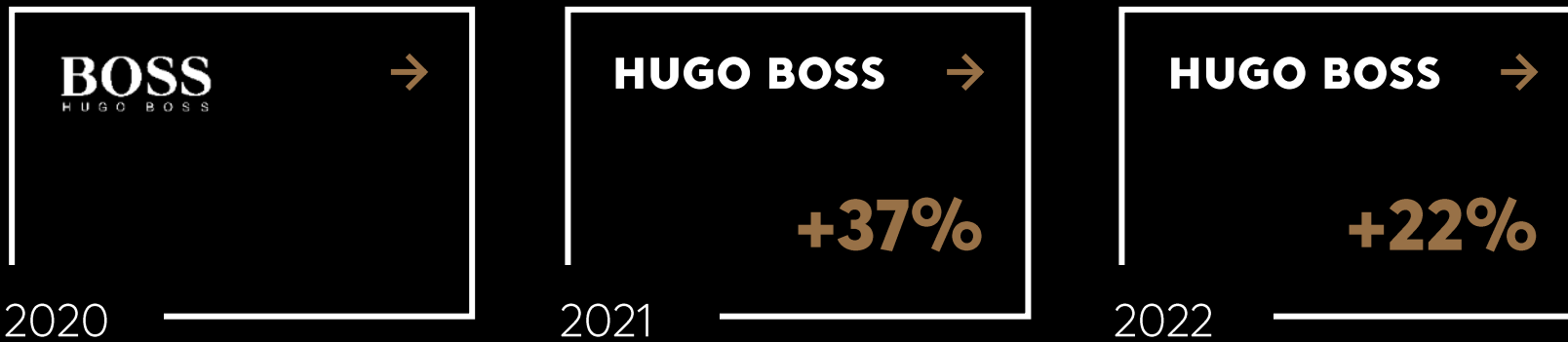


Note: Global Data excluding Russia & Ukraine
Source: Global Data 03/2023

SIGNIFICANT INCREASE IN BRAND VALUE

BEST GLOBAL BRANDS 2022

Interbrand



**BECOME
ONE OF THE
TOP 100
GLOBAL
BRANDS**

BOSS CLAIMS

**1ST PLACE
IN BRAND HEAT
RANKING FOR
THE FIRST TIME**

*THE BRAND HEAT INDEX IS AN INTERNAL RANKING DEVELOPED WITH MARKET RESEARCH FIRM IPSOS.



NEW 2025 FINANCIAL AMBITION

CLAIM 5 UPDATE

HUGO BOSS



EXECUTION OF **CLAIM 5** TO IMPACT FINANCIAL AMBITION



OUTLOOK **INVESTOR** **DAY 2023**

Continue superior top-line growth

Business operations platform to support gross margin

Further invest in marketing, digital, and logistics

Accelerate store portfolio refresh

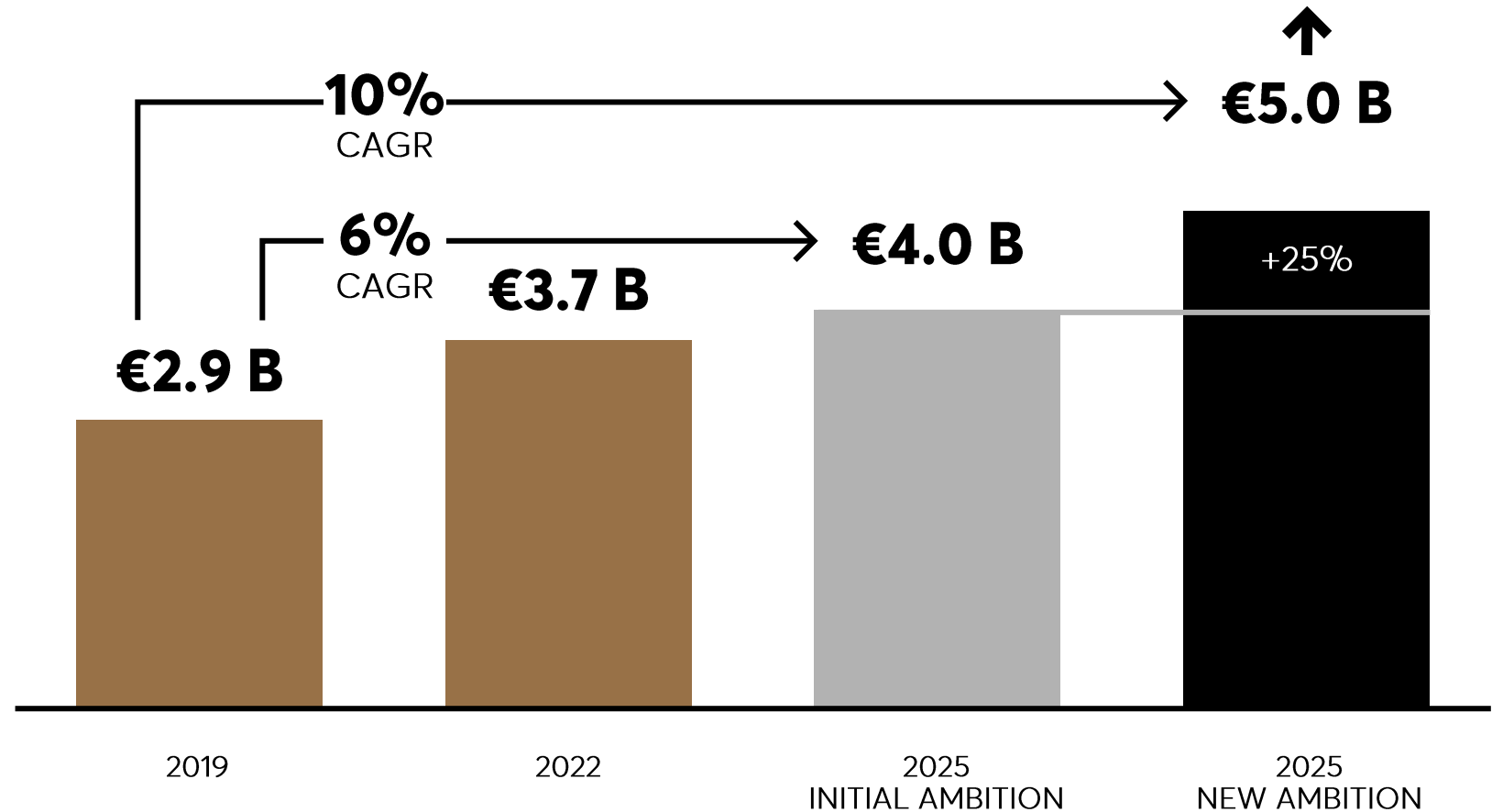
**VALUE
CREATION
SHIFTS TO
ABSOLUTE
PROFITABILITY
IMPROVEMENTS
AND FREE
CASH FLOW
GENERATION**

NEW 2025 FINANCIAL AMBITION

	2025 INITIAL	2025 NEW
GROUP SALES	€4 B in 2025	↑ €5 B in 2025
SALES GROWTH	6% CAGR 2019–2025	↑ 10% CAGR 2019–2025
EBIT	~ €480 M	↑ ≥ €600 M
EBIT MARGIN	~12% OF GROUP SALES	↑ ≥ 12% OF GROUP SALES
FCF GENERATION	~ €2 B 2021–2025	↑ ~ €2.5 B 2021–2025

TOP-LINE NEW 2025 SALES TARGET

- Building on regained brand momentum and leveraging global growth opportunities
- Balanced growth between space expansion, volume and price



**BALANCED
GROWTH
PROFILE TO
CONTINUE
ACROSS
BRANDS,
CHANNELS,
AND REGIONS**

BRANDS



CHANNELS



REGIONS

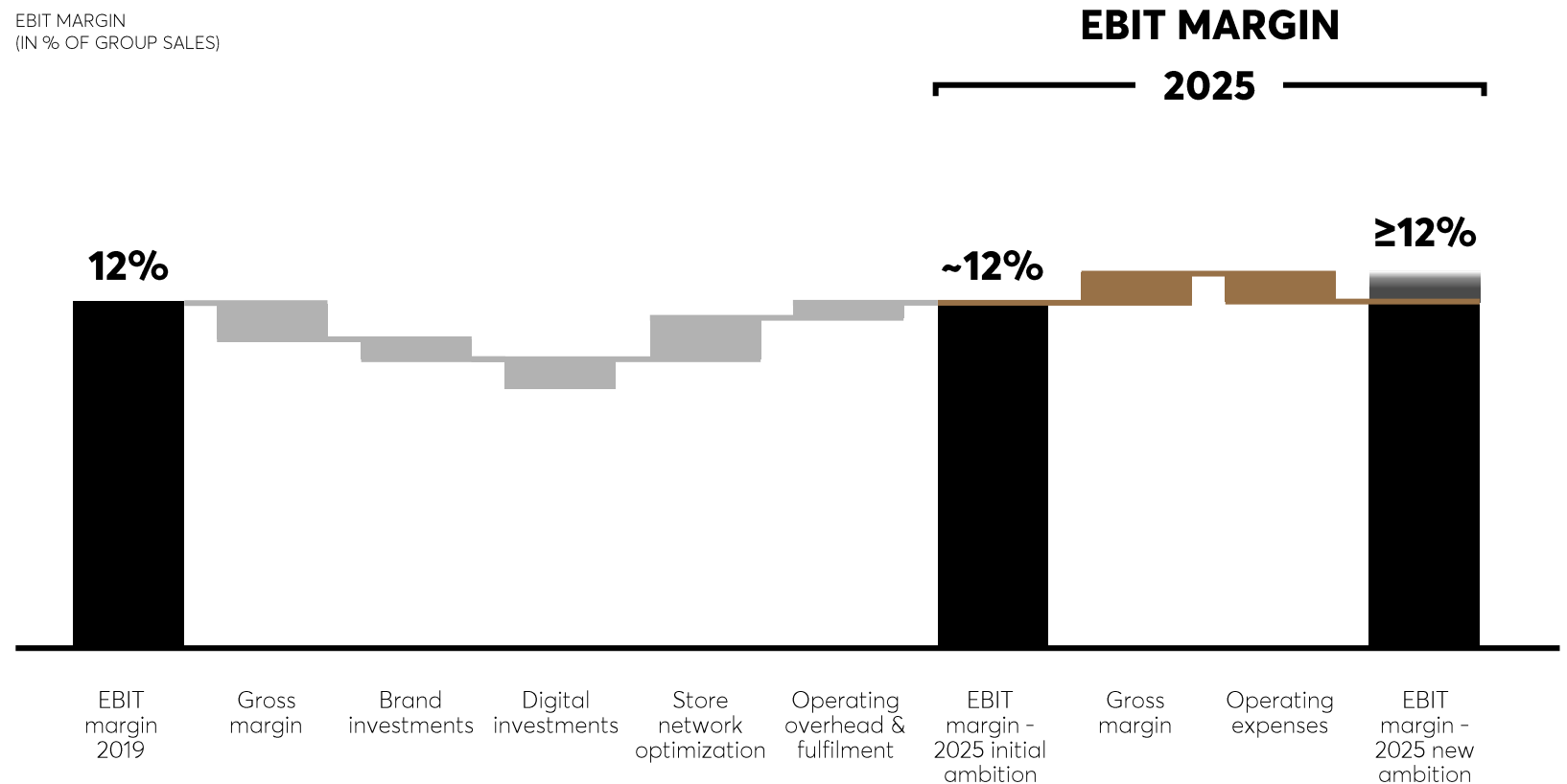


BOTTOM-LINE DEVELOPMENT

COMMITTED TO ACHIEVE $\geq 12\%$ EBIT MARGIN BY 2025

- Gross margin improvements to support EBIT margin development
- Investments in operating overhead and fulfilment to weigh on operating expenses

EBIT MARGIN
(IN % OF GROUP SALES)

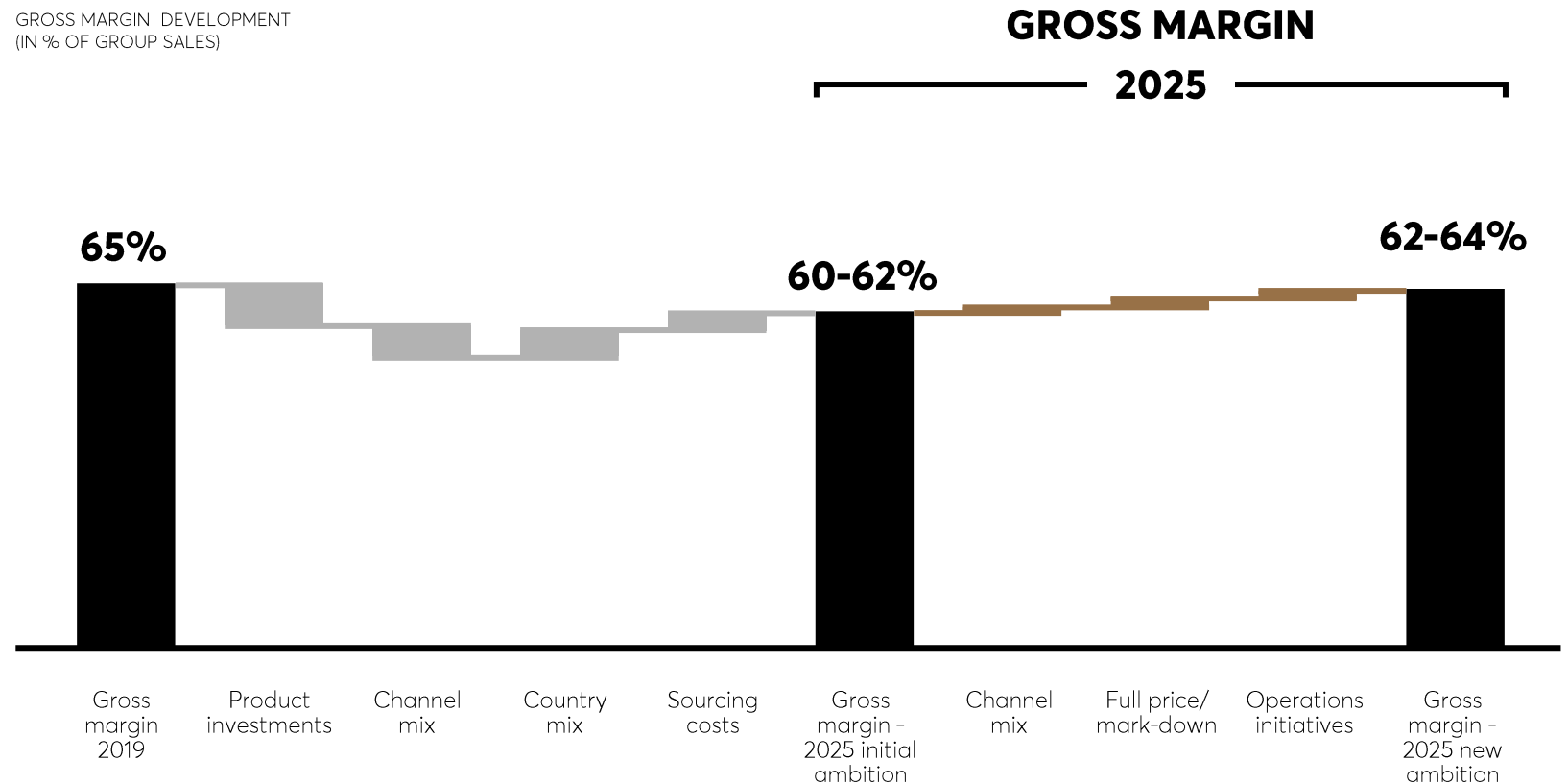


GROSS MARGIN

IMPROVEMENT IN GROSS MARGIN MAINLY REFLECTS SURGE IN BRAND MOMENTUM

- B&M retail expansion drives favorable channel mix
- Regained brand strength leads to higher full-price sales
- Business operations platform leads to sourcing efficiencies

GROSS MARGIN DEVELOPMENT
(IN % OF GROUP SALES)

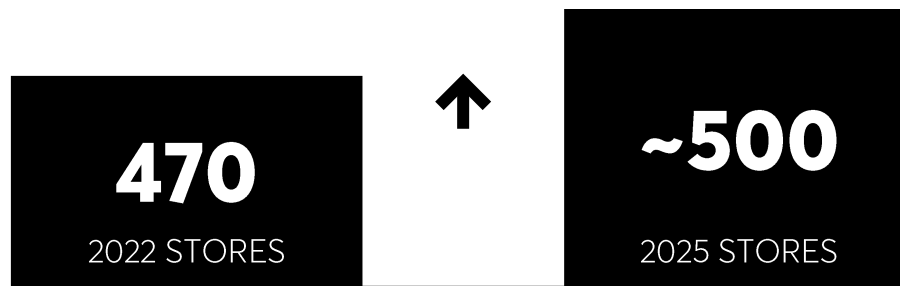


STORE NETWORK OPTIMIZATION

OPTIMIZATION AND SELECTIVE EXPANSION OF STORE NETWORK TO CAPITALIZE ON BRAND MOMENTUM

- Further optimizing store network remains key priority
- Store productivity to increase by at least 3% p.a. until 2025
- Selective expansion of B&M retail store network

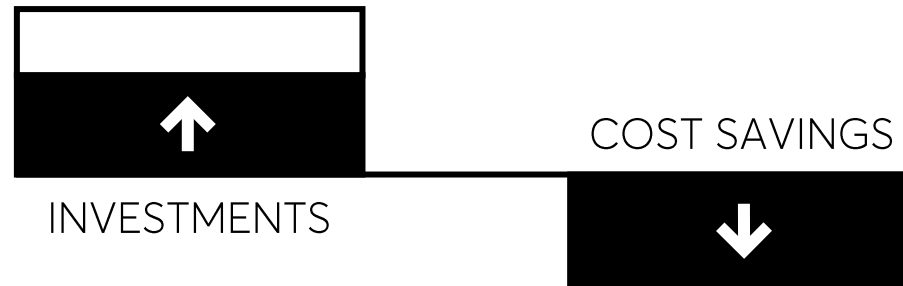
DEVELOPMENT OF FREESTANDING RETAIL STORES UNTIL 2025



OPERATING OVERHEAD COSTS AND FULFILMENT

FUTURE GROWTH AMBITION TO BE BACKED BY STRONG AND EFFICIENT ORGANIZATION

- Higher fulfilment costs to support top-line growth by 2025 and beyond
- Setting up best-in-class organization for future growth and profitability
- Overall cost inflation weighs on overhead costs



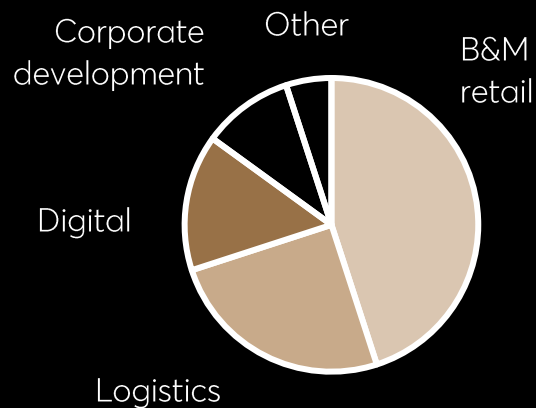
~(100)
BPS VS 2019

CAPITAL EXPENDITURE

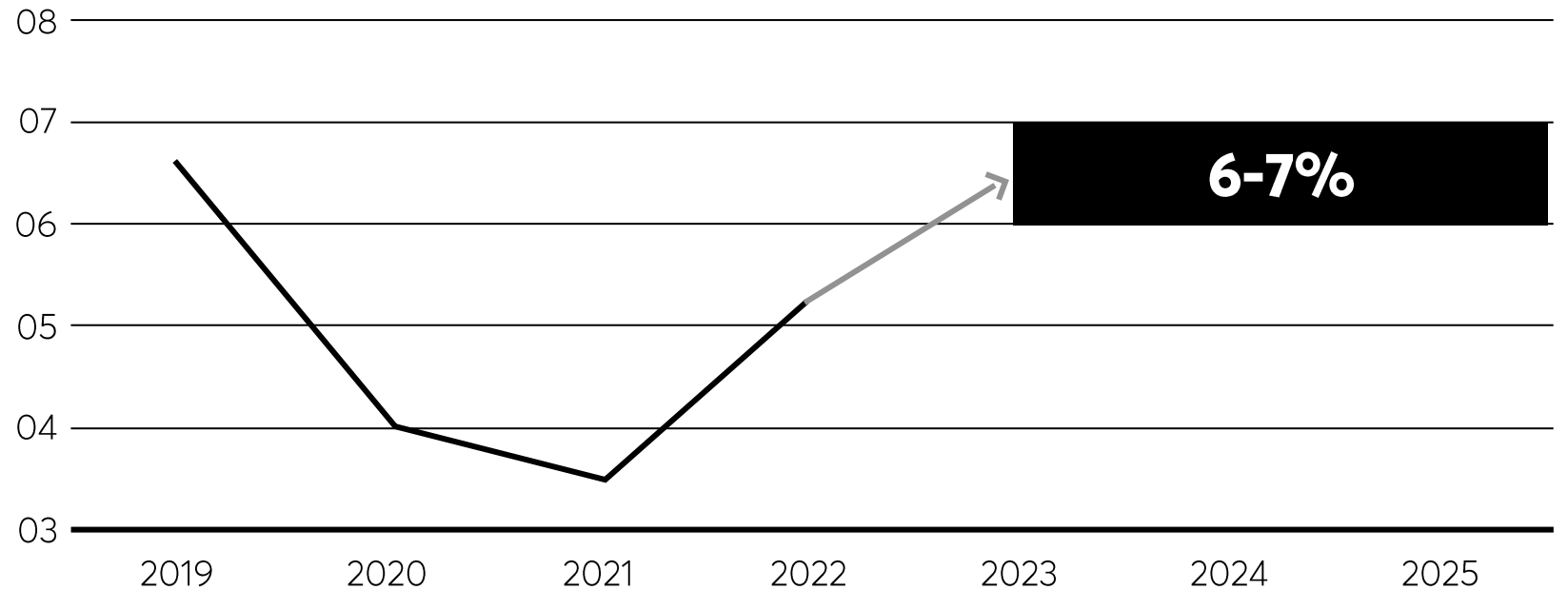
RATIO OF GROWTH VS. MAINTENANCE CAPEX OF AROUND 40/60

CAPEX 2023-2025

>80% of capital expenditure related to store network, logistics expansion, and digital excellence



CAPITAL EXPENDITURE (IN % OF GROUP SALES)

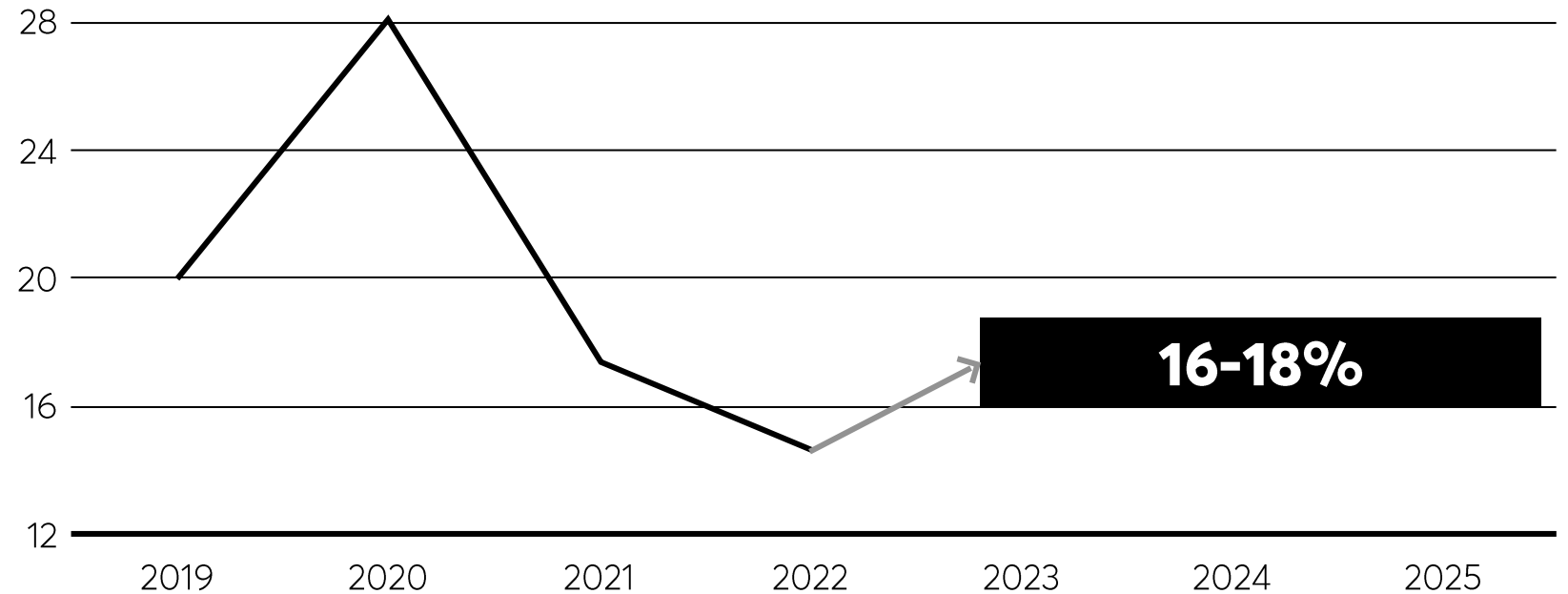


TRADE NET WORKING CAPITAL

TRADE NET WORKING CAPITAL TO REMAIN AT A STRONG LEVEL BETWEEN 16% AND 18%

- Inventory optimization initiatives and supplier financing program to support TNWC
- Inventories in % of sales to improve to a level of <20% by 2025

TNWC (IN % OF GROUP SALES)



DRIVING ORGANIC GROWTH TO GENERATE SHAREHOLDER RETURN

CAPITAL ALLOCATION FRAMEWORK

01 ↑

**REINVEST FOR
ORGANIC
GROWTH**

Investments

02 ↑

**PROGRESSIVE
ABSOLUTE
DIVIDEND
PAYMENTS**

Payout ratio
30-50%

03 ↑

**STRATEGIC
INVESTMENTS**

M&A

04 ↑

**RETURN EXCESS
LIQUIDITY TO
SHAREHOLDERS**

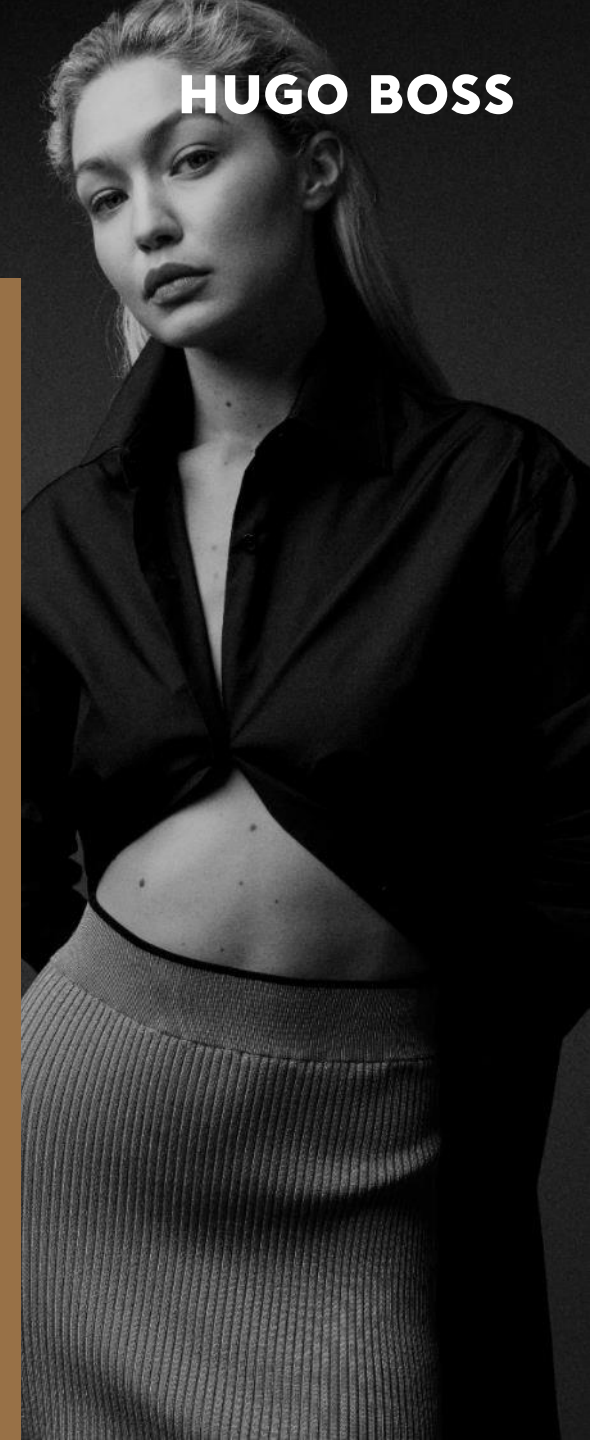
Special dividend
Share buyback

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



ATTRACTING YOUNGER AUDIENCES WHILE STAYING RELEVANT FOR EXISTING CUSTOMER BASE

+4 M

**FOLLOWERS ON
INSTAGRAM & TIKTOK
BETWEEN
18-34**

SINCE INTRODUCTION
OF CLAIM 5

+35%

**SHARE OF E-COM
& DOS SALES BY
MEMBERS UNDER 30**

2022 VS. 2021

HUGO BOSS



CONTINUOUS FOCUS ON BRAND BUILDING INITIATIVES TO FUEL RELEVANCE OF BOSS AND HUGO



REINFORCE
**TWO-BRAND
STRATEGY** IN
CONSUMERS'
MIND

LEVERAGE
FULL POTENTIAL
OF BOSS
AND HUGO
BRAND LINES

INTRODUCE
NEW WAYS
TO REACH
**YOUNGER
CONSUMERS**

CREATE **UNIQUE
BRAND
MOMENTS**
TO INCREASE
BRAND
RELEVANCE

BOOST BRANDS

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

02

02

02

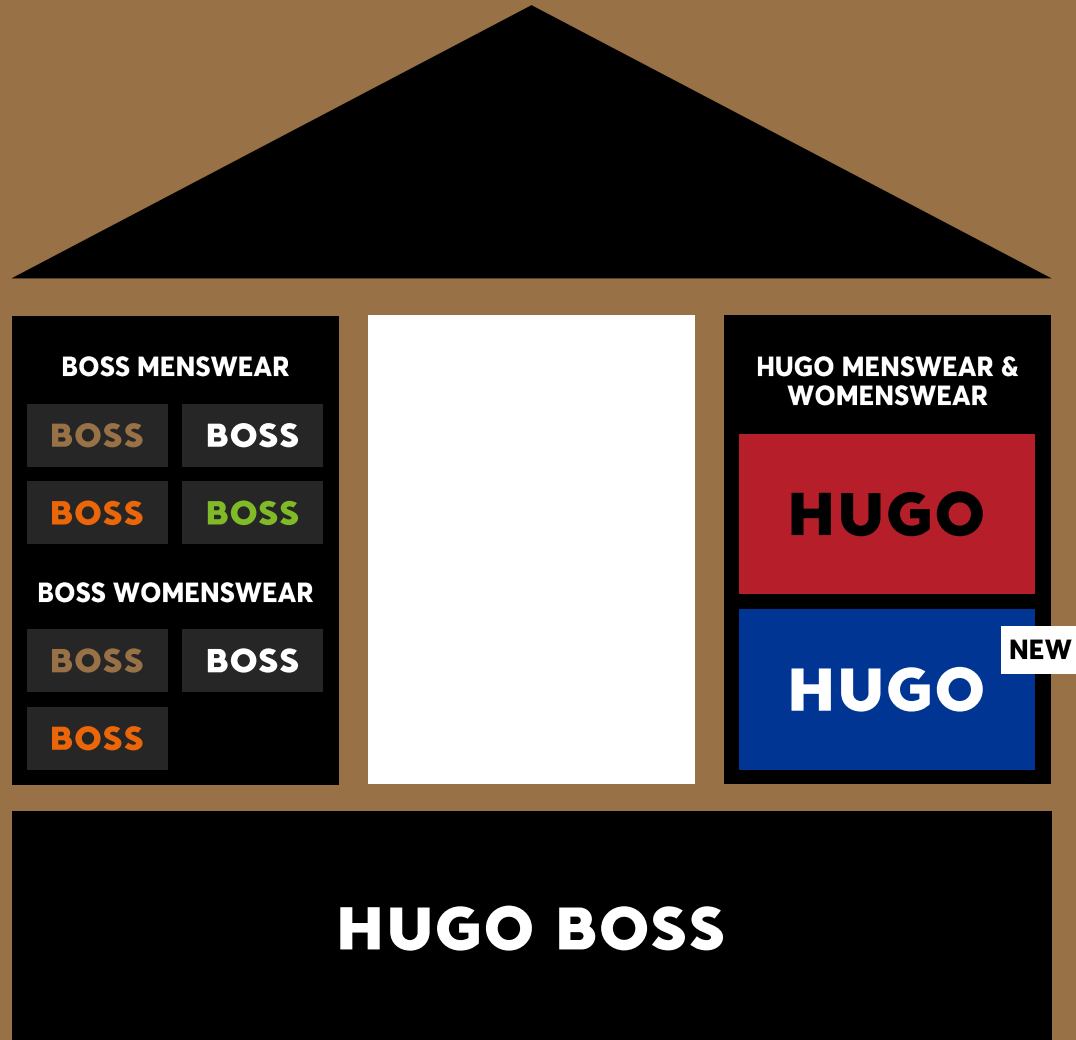
02

02

PRODUCT IS KEY

CLAIM 2





**STRONG COMMITMENT TO
TWO-BRAND STRATEGY
WITH MULTIPLE BRAND LINES**

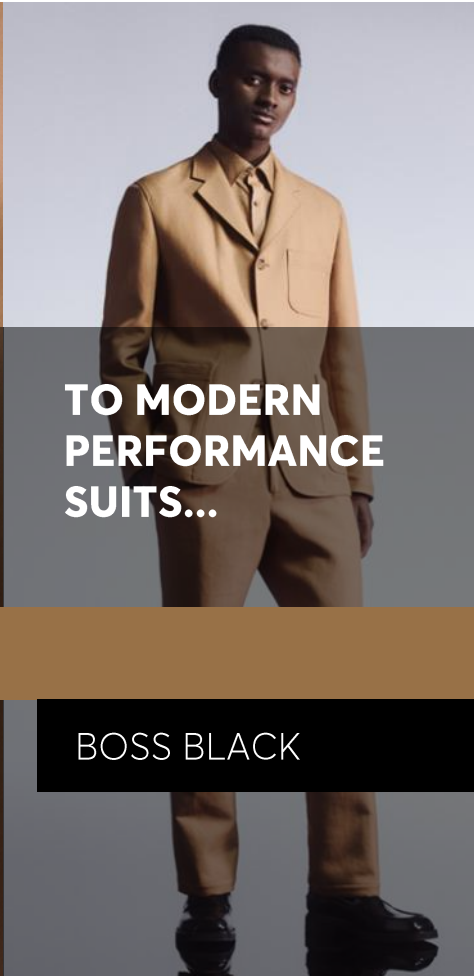
- BOSS** LUXURIOUS-WEAR
- BOSS** TAILORING & SMART CASUALWEAR
- BOSS** CASUALWEAR
- BOSS** ATHLEISUREWEAR
- HUGO** STREET TAILORING & CASUALWEAR
- HUGO** DENIMWEAR & BEYOND

BRAND LINES REFLECT BOSS MENSWEAR 24/7 LIFESTYLE PROMISE



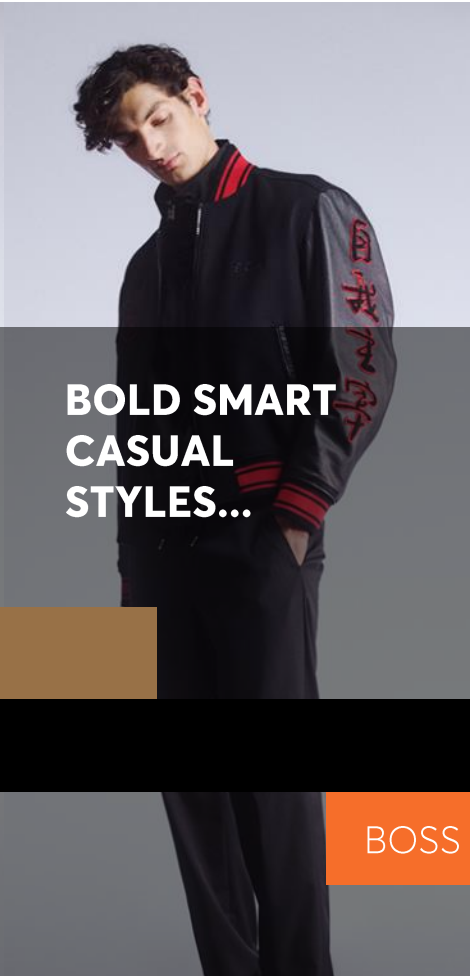
**FROM HIGH-END
TAILORING
HERITAGE...**

BOSS CAMEL

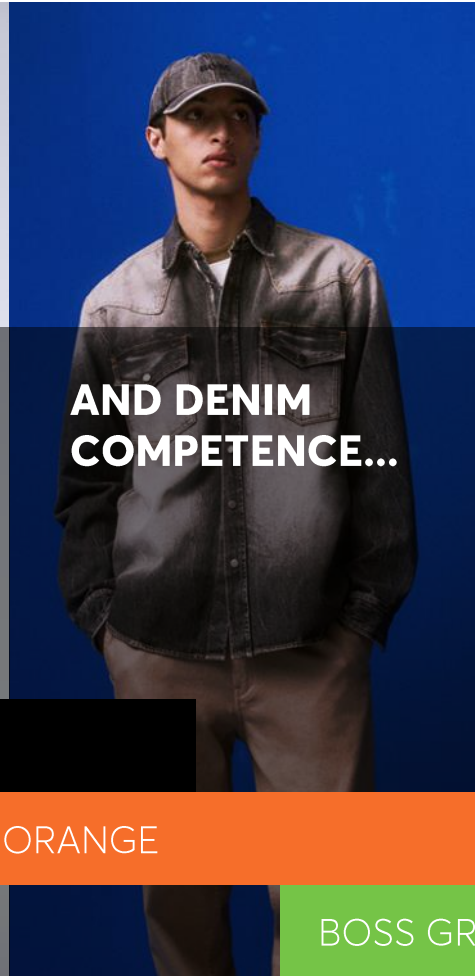


**TO MODERN
PERFORMANCE
SUITS...**

BOSS BLACK

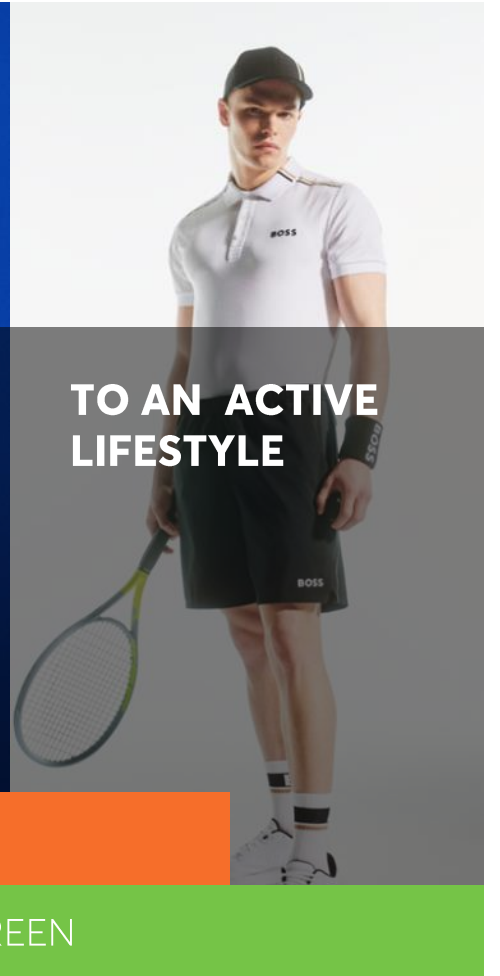


**BOLD SMART
CASUAL
STYLES...**



**AND DENIM
COMPETENCE...**

BOSS ORANGE

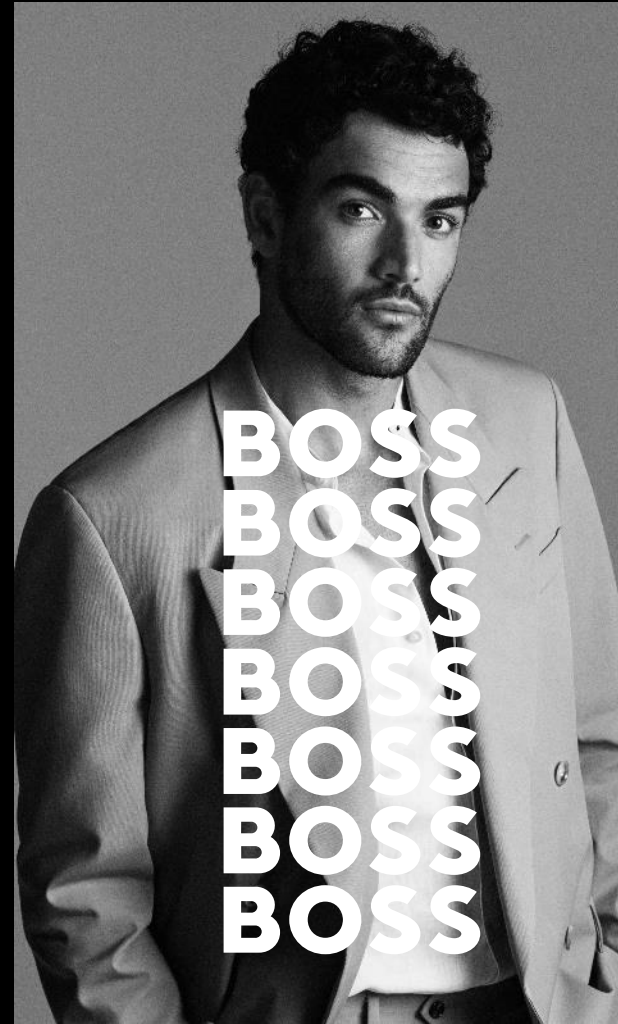


**TO AN ACTIVE
LIFESTYLE**

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
- Fully exploit the potential of **hero products**
- Partner up with **industry leaders** to **boost innovation** and **category competence**



HUGO BOSS

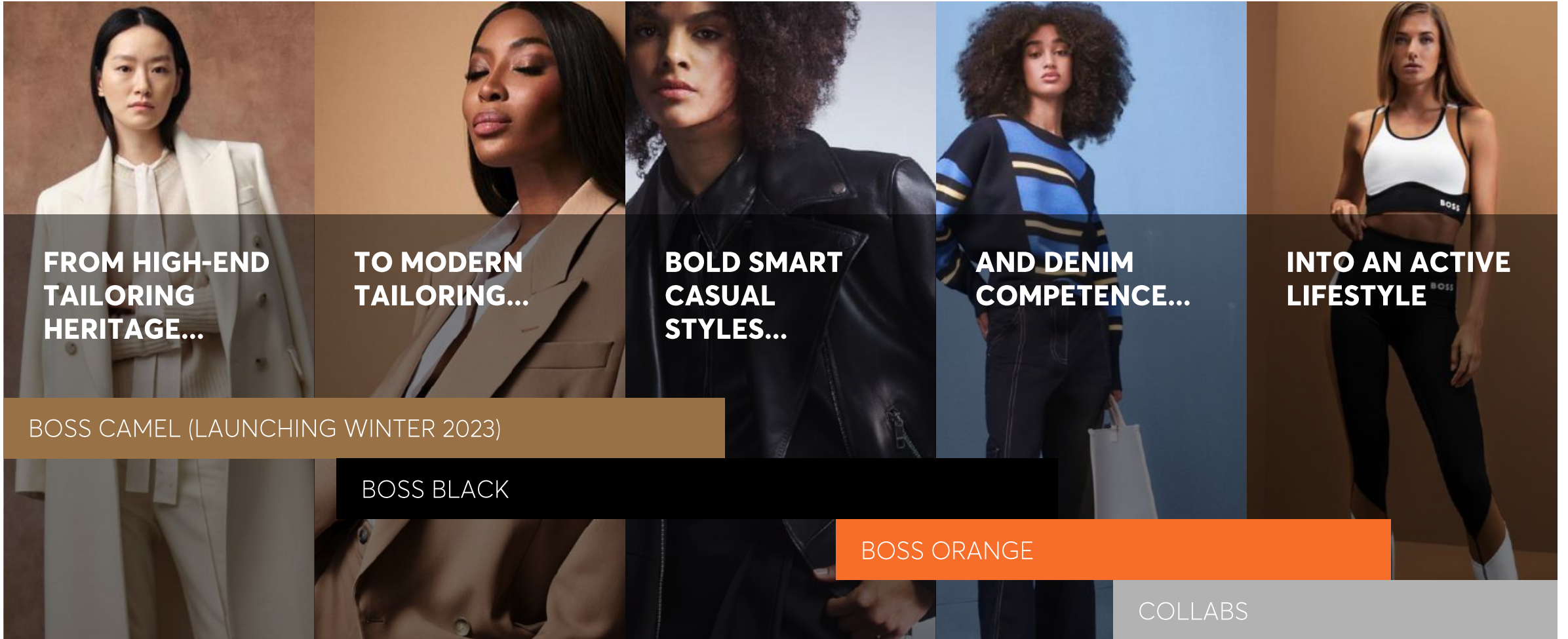
~ **€3.5 B**

2025 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 CAMEL (LAUNCHING WINTER 2023)

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 business wear** and create **true hero products**
- Further **establish BOSS Camel** and **BOSS Orange**
- Partner up with **industry leaders** to **boost innovation** and **category competence**
- **Strengthen athletic content** and install BOSS Green in the long-term



HUGO BOSS

~ €0.5 B

2025 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



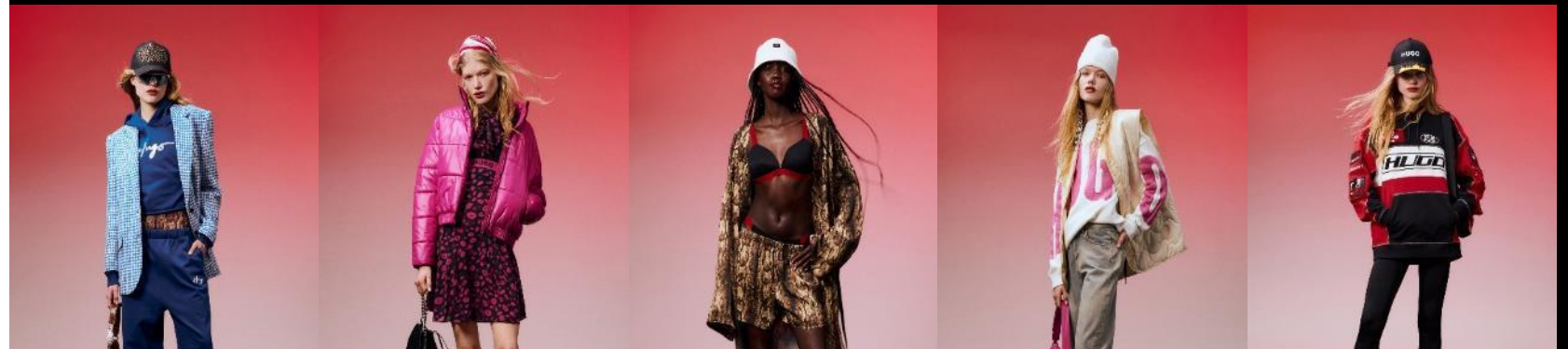
WORK

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**
- Fully leverage the **potential of hero products**



HUGO BOSS

~ **€1.0 B**

2025 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**

TARGETED ASSORTMENT PLAN FOR BOSS AND HUGO ALIGNING PRODUCT STRATEGY WITH COMMERCIAL OBJECTIVES

2022

~45%

CORE MERCHANDISE



(SEASONAL) BASIC



~40% THE FOUNDATION

↓
DRIVING SALES & PROFITABILITY

~10%

CAPSULE



COLLABS



QUICK RESPONSE



~20% STAY RELEVANT

↓
CREATE A BUZZ

~45%

SEASONAL FASHION

Showroomcollection














~40% INSPIRE

↓
CREATING NEWNESS & DRIVING SALES

TARGET

GLOBAL LICENSES BUSINESS EXTENDS 24/7 LIFESTYLE PROMISE

					
FRAGRANCES	EYEWEAR	WATCHES & JEWELRY	KIDSWEAR	HOME	
					
WRITING & GIFTS	DOG ACCESSORIES	GOLF APAC NEW LAUNCH (APR 2023)	CYCLING NEW LAUNCH (JUN 2023)	EQUESTRIAN NEW LAUNCH (AUG 2023)	LUGGAGE NEW LAUNCH (SEP 2023)

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



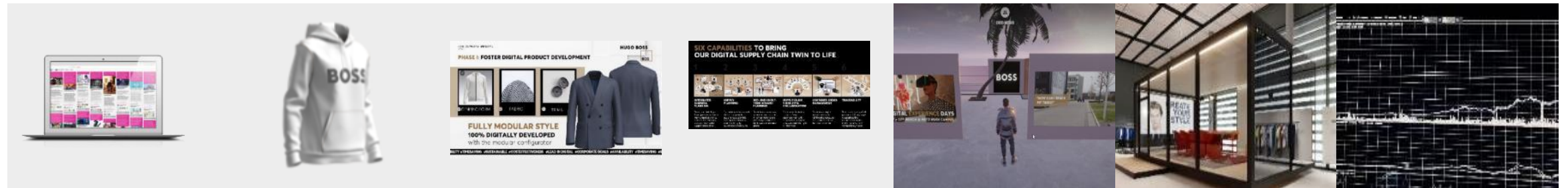
Metaverse experience



**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 &
DEVELOPMENT

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%

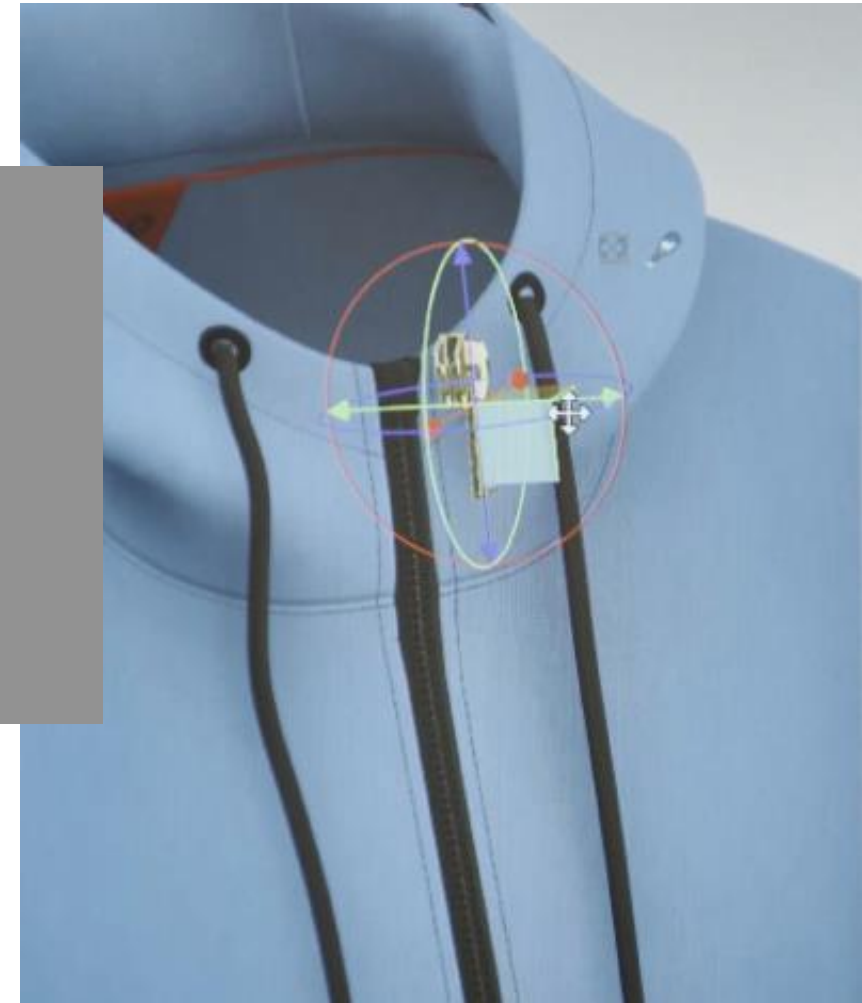
DIGITAL STYLE
CREATION
WINTER 2023

>30%

VS. WINTER 22

>90%

DIGITAL STYLES
TARGETED
BY 2025



DEMAND

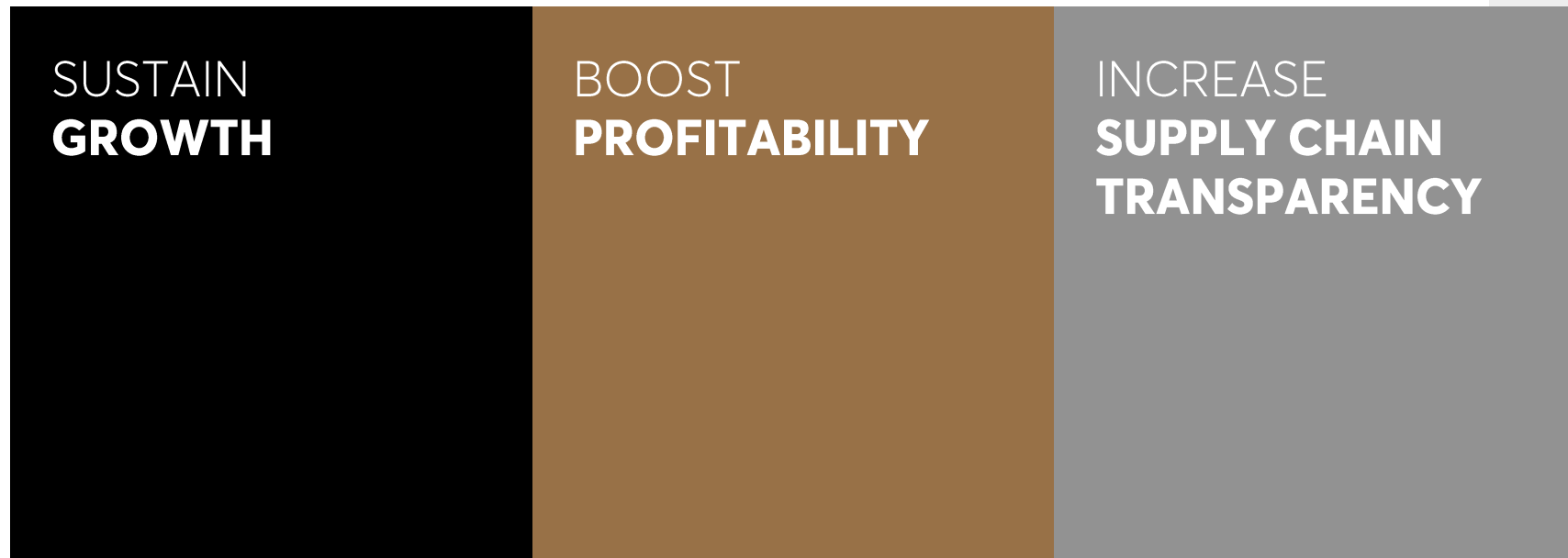
**DESIGN &
DEVELOPMENT**

PRODUCTION
& LOGISTICS

SALES &
MARKETING

LAUNCH OF A 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 SHOWROOM OFFERS A NEW WAY OF DIGITAL SELLING WITH STRONG INCREASE IN PLACED ORDERS

MATCH THE INCREASING DEMAND FOR A
FASTER AND MORE IMPACTFUL ORDER EXPERIENCE

17

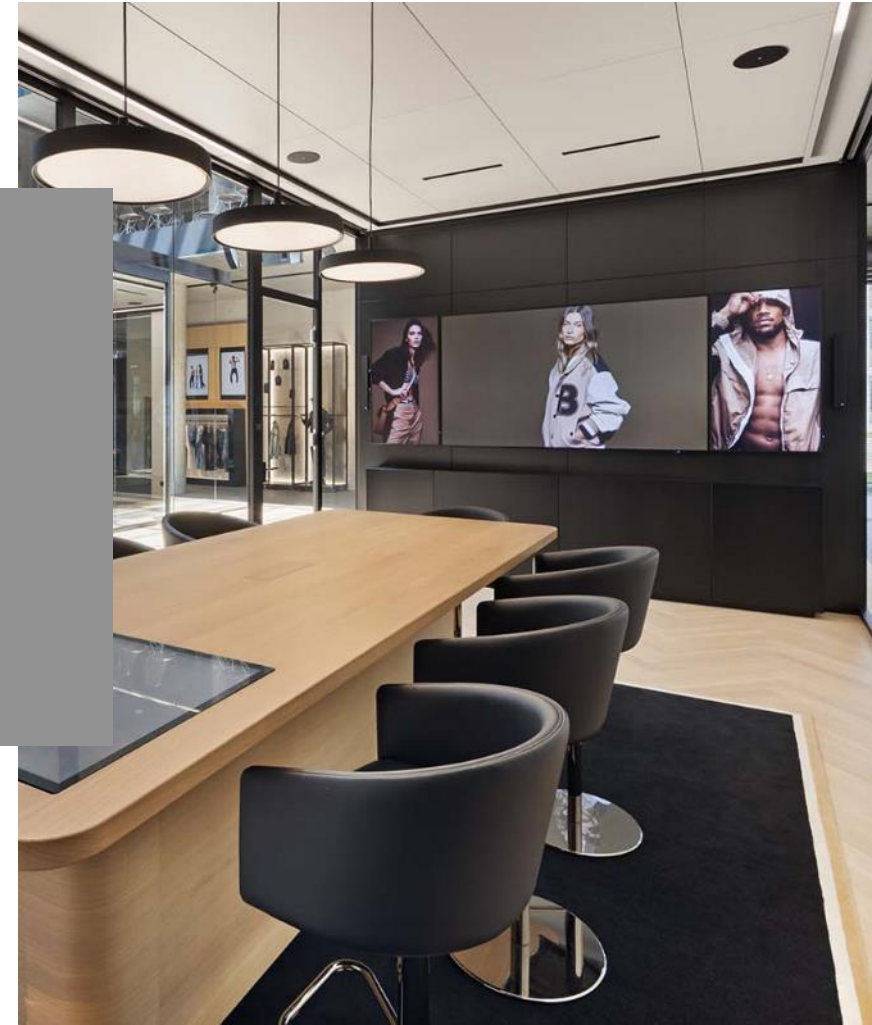
DIGITAL
SHOWROOM
LOCATIONS
GLOBALLY

~150

DIGITAL SELLING
POINTS

>25 K

ORDERS PLACED
IN 2022



DEMAND

DESIGN &
DEVELOPMENT

PRODUCTION
& LOGISTICS

**SALES &
MARKETING**

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

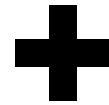


LEVERAGING DATA TO IMPROVE OUR MERCHANDISING PROCESSES AND INCREASE EFFICIENCY IN RETAIL MERCHANDISE OPERATIONS



ADVANCED MARKDOWN MANAGEMENT

Drive **efficient end-of-season pricing** by automatically finding optimal markdown.



DATA-DRIVEN INTER-STORE TRANSFER

Optimization and **automation of transfers between retail stores** to match inventory to forecasted demand.

DEMAND

DESIGN &
DEVELOPMENTPRODUCTION
& LOGISTICSSALES &
MARKETING

04

04
04
04
04

DRIVE OMNICHANNEL

CLAIM 4



WE MOVE TO WHERE CONSUMERS EXPECT US TO BE

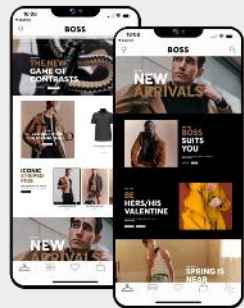
RETAIL



WHOLESALE



OMNICHANNEL



DIGITAL



METVERSE

LEVERAGING OUR HIGH-QUALITY CHANNEL MIX TO REFLECT NEW REALITIES

2025 AMBITION



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

> €2.5 B

AMBITION 2025

>8%

CAGR 2022-2025

>50%

SHARE OF
GROUP SALES

INVESTING UP
TO €600 M IN
STORE PORTFOLIO



↑
~25%

of stores refreshed
by end of 2022

↑
~80%

of stores to be refreshed
by end of 2025

HUGO BOSS

**NUMBER OF
FULL-PRICE STORES**

↑
470

2022

↑
~500

2025
AMBITION

INCREASE STORE PRODUCTIVITY BY AT LEAST 3% PER YEAR

STORE PRODUCTIVITY
(€/SQM)

≥3% PER YEAR ↑

11,900

2022

>13,000

2025 AMBITION

- Accelerate 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

~ €1.3 B

↑

AMBITION 2025

~12%

↑

CAGR 2022-2025

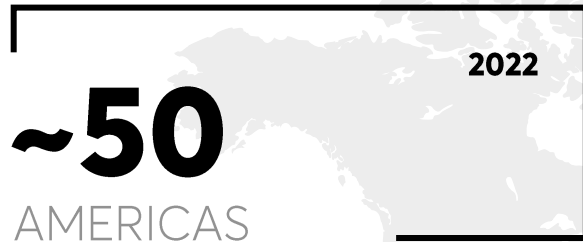
~25%

→

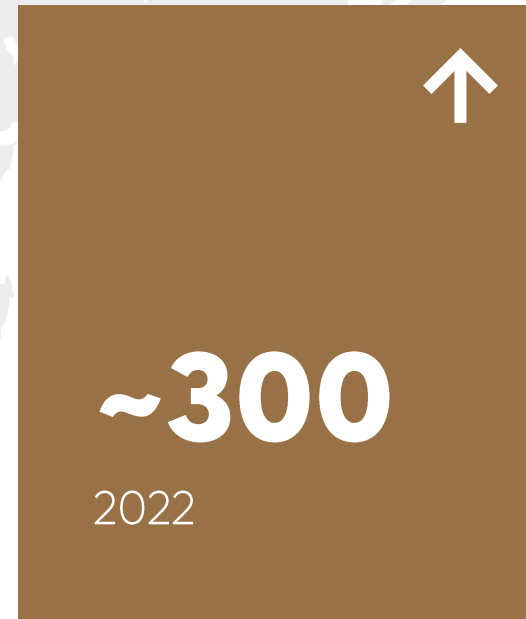
SHARE OF GROUP SALES

EXPLOIT THE FULL POTENTIAL OF OUR GLOBAL FRANCHISE BUSINESS

FOCUS ON EXPANDING
IN EMERGING MARKETS



NUMBER OF
FRANCHISE STORES



INSPIRATIONAL IN DIGITAL

ACTIONS

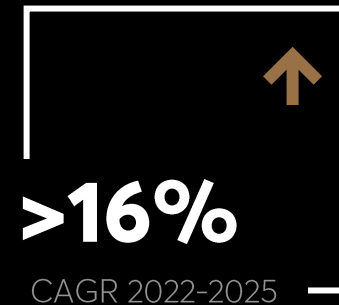


- **Expand and grow** hugoboss.com
- Improve **user experience** and push **mobile and social** commerce
- Grow with **strong** digital partners including **hybrid models**
- Continue to drive **community building** through **i-commerce**

ENABLERS

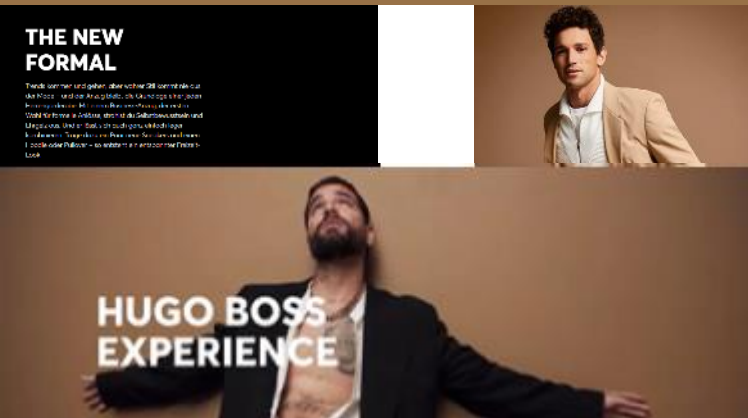


- **Localized** content and marketing
- Latest **app skills** and **AI-driven features**
- **Data-driven** decision-making and improvement of products and services
- Implemented **segmentation** strategy



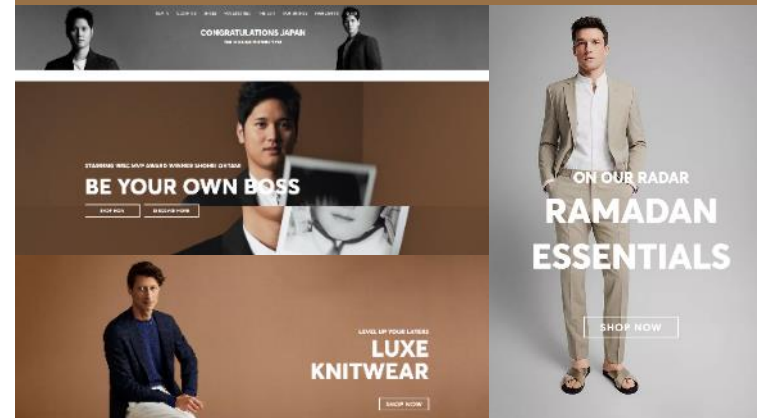
LEVERAGING POTENTIAL OF HUGOBOSS.COM BY DELIVERING NEXT-LEVEL DIGITAL EXPERIENCE

DESIRABLE
STORYTELLING AND
BRAND CONTENT



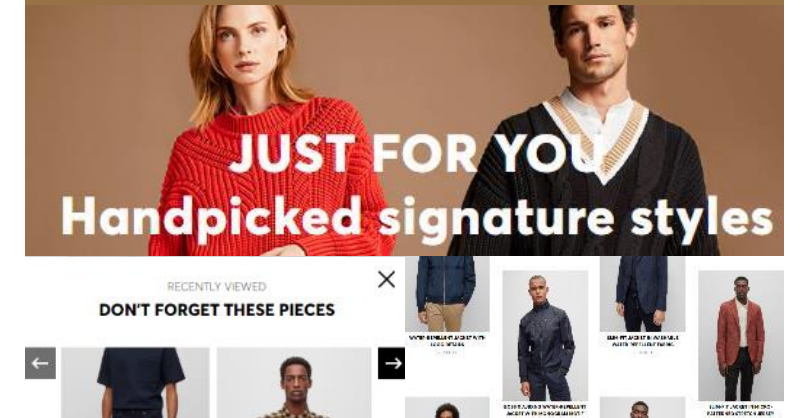
INCREASED PAGE VALUE

CONTENT DESIGNED
AND ADAPTED TO
LOCAL NEEDS



HIGHER TRAFFIC

PERSONALIZED
CUSTOMER JOURNEY
LEVERAGING AI



NEW CUSTOMERS

HIGHER CONVERSION

KEEP GROWTH TRAJECTORY IN THE AMERICAS



~20%

SALES SHARE 2025

HIGH SINGLE-DIGIT GROWTH CAGR 2022–2025

- 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%

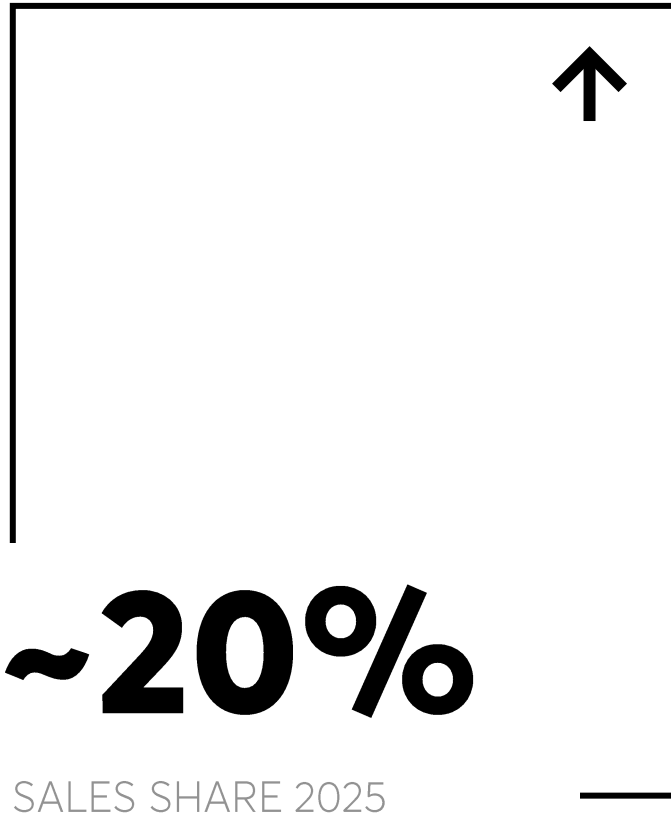
SALES SHARE 2025

MID TO HIGH SINGLE-DIGIT GROWTH CAGR 2022–2025

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



UNLEASH THE FULL POTENTIAL IN ASIA/PACIFIC



LOW DOUBLE-DIGIT GROWTH CAGR 2022–2025

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



05

ORGANIZE FOR GROWTH

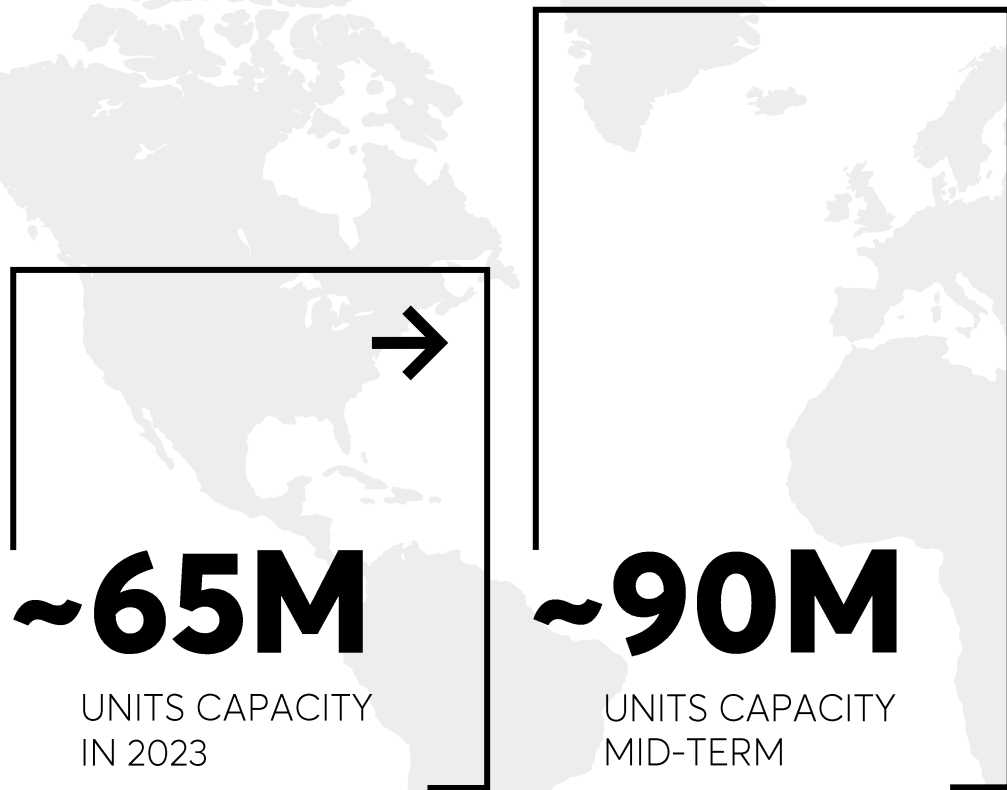
CLAIM 5

05
05
05
05



STEPPING UP INVESTMENTS IN OUR LOGISTICS NETWORK TO SUPPORT GROWTH AMBITION

LOGISTICS CAPACITY



PLANNED LOGISTICAL EXPANSIONS

OWN OPERATIONS

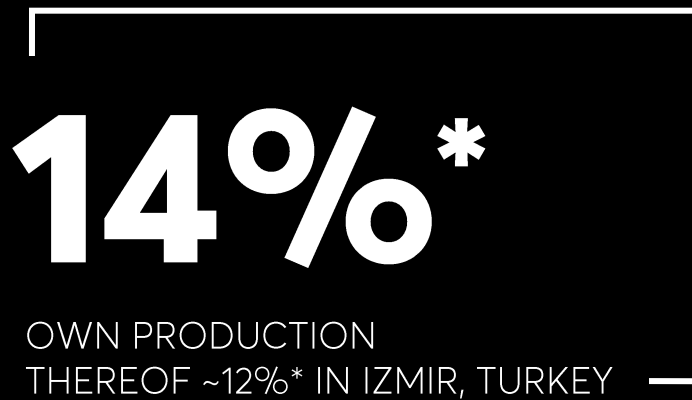
USA
GERMANY

THIRD-PARTY PROVIDER

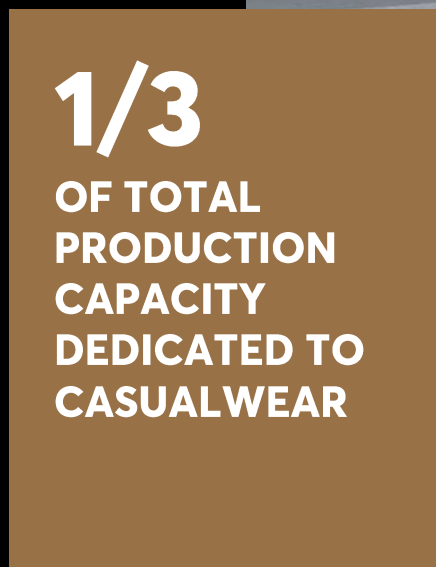
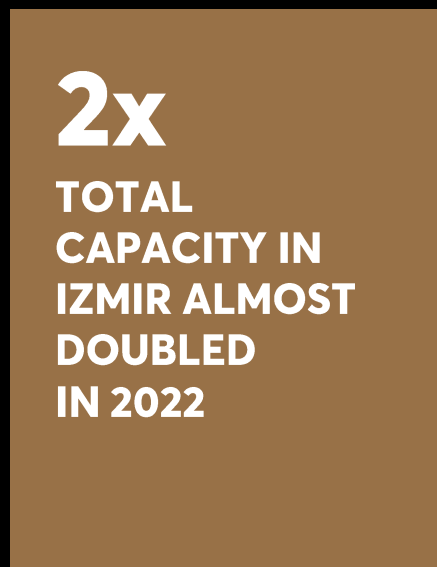
UK
CHINA

SUCCESSFUL EXPANSION OF OUR OWN PRODUCTION CAPACITIES

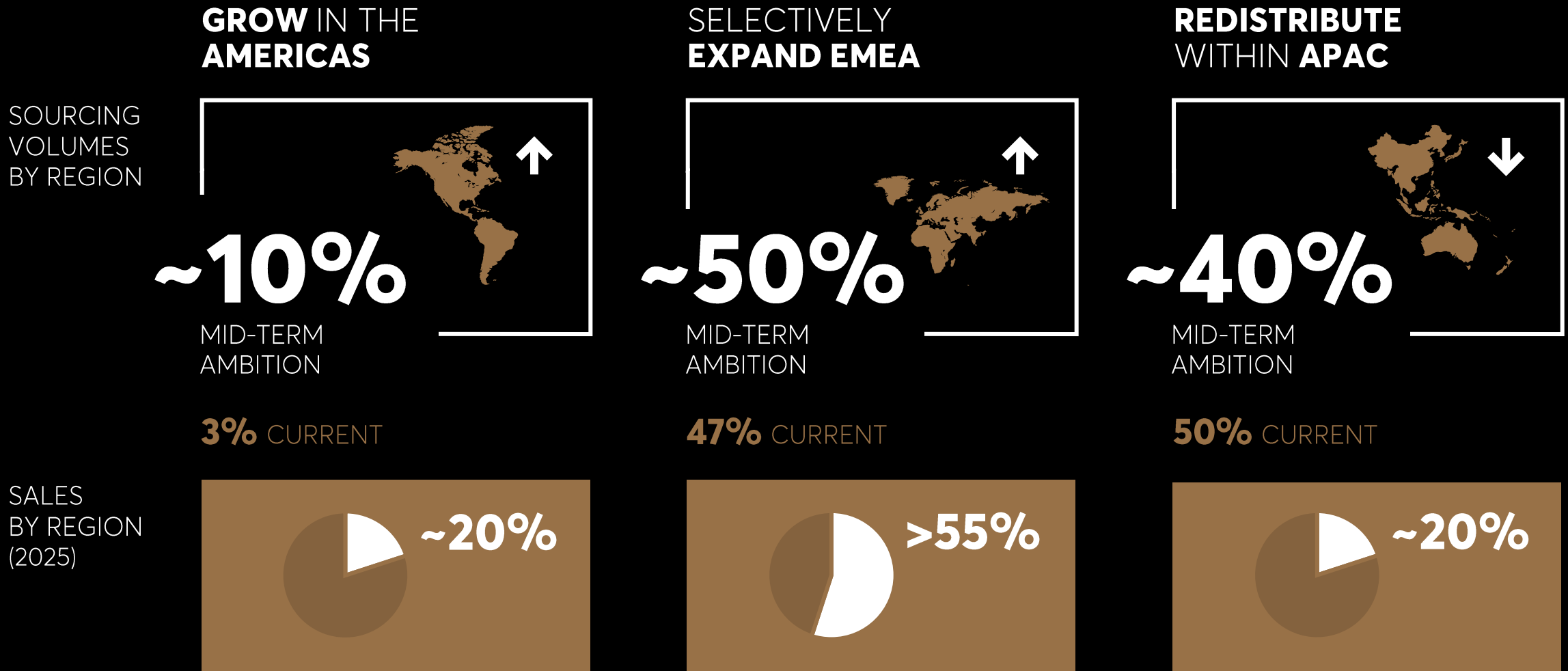
IZMIR FACTS & FIGURES



* IN % OF TOTAL SOURCING AND PRODUCTION VOLUME



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



BUILDING THE BACKBONE FOR FUTURE GROWTH BY INTRODUCING THE DIGITAL TWIN

SUSTAIN
GROWTH

01

SUPPORT
PROFITABILITY


02

DRIVE
SUSTAINABILITY

03

ENABLING SMART DECISION-MAKING
THROUGH A TECH-DRIVEN BUSINESS
OPERATIONS PLATFORM



A close-up photograph of cotton bolls on a branch. The bolls are white and fluffy, with some showing the brown, dried husks. The background is a soft-focus field of more cotton plants.

**SUSTAINABLE
THROUGHOUT**

STRONG ACHIEVEMENTS

IN THE AREAS OF SUSTAINABILITY

6X LISTED IN

**DOW JONES
SUSTAINABILITY
INDEX**

STRATEGIC PARTNERSHIP

**HEIQ AEONIQ,
A CELLULOSIC
FILAMENT YARN**



FUTURE

HUGO BOSS

WE LOVE FASHION, WE CHANGE FASHION.

At HUGO BOSS, we are committed to protecting our planet and ensuring a liveable future for the generations to come.

Overconsumption, water scarcity and CO₂ emissions are currently driving our industry. We want to make a difference: for us, sustainability means **caring for a planet free of waste and pollution.**

Our commitment to the planet is reflected in **our five strategic pillars** of the sustainability strategy. The strategy is built on a **strong environmental, social and governance basis.**

FUTURE
FUTURE
FUTURE

THIS IS WHY WE BELIEVE IN A FASHION INDUSTRY...

...WHERE RESOURCES ARE NOT WASTED

We aim to provide circular products that are made with **renewable/recycled materials**, are **recyclable**, and are **designed for longevity** to **keep resources in a cycle** for as long as possible.

...WHERE DIGITIZATION HELPS REDUCE RESOURCE CONSUMPTION

We use **digital product development** and will make use of smart data to **avoid waste and reduce emissions**.

...WHERE WE WORK IN HARMONY WITH NATURE

With **materials from regenerative agriculture**, we help **increase biodiversity**, improve soil health, reduce chemical use, and safeguarding water quality.

...WHERE NO MICROPLASTICS ARE SHED

In order to **phase out polyester and nylon** from our products, we are looking for **innovative alternatives** such as the **HeiQ AeoniQ™ yarn**.

...WHERE CO₂ EMISSIONS ARE REDUCED

We are working with our partners along the entire value chain to **reduce our CO₂ emissions** and, ultimately, to **achieve net-zero emissions** together.

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

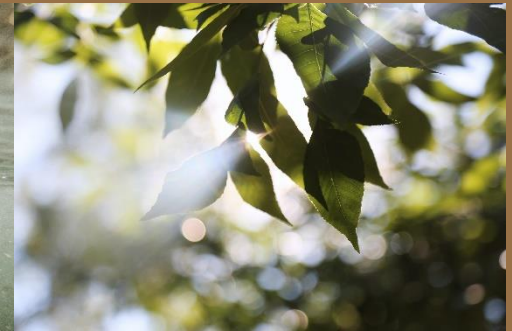
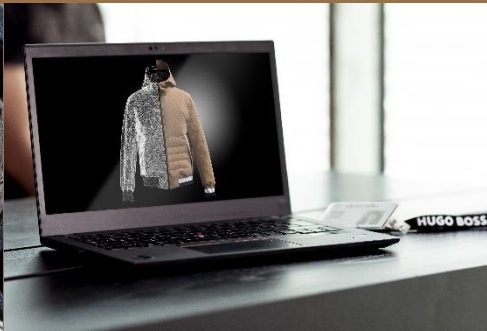
4
FIGHT
MICROPLASTICS

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%

**CO₂
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](#)

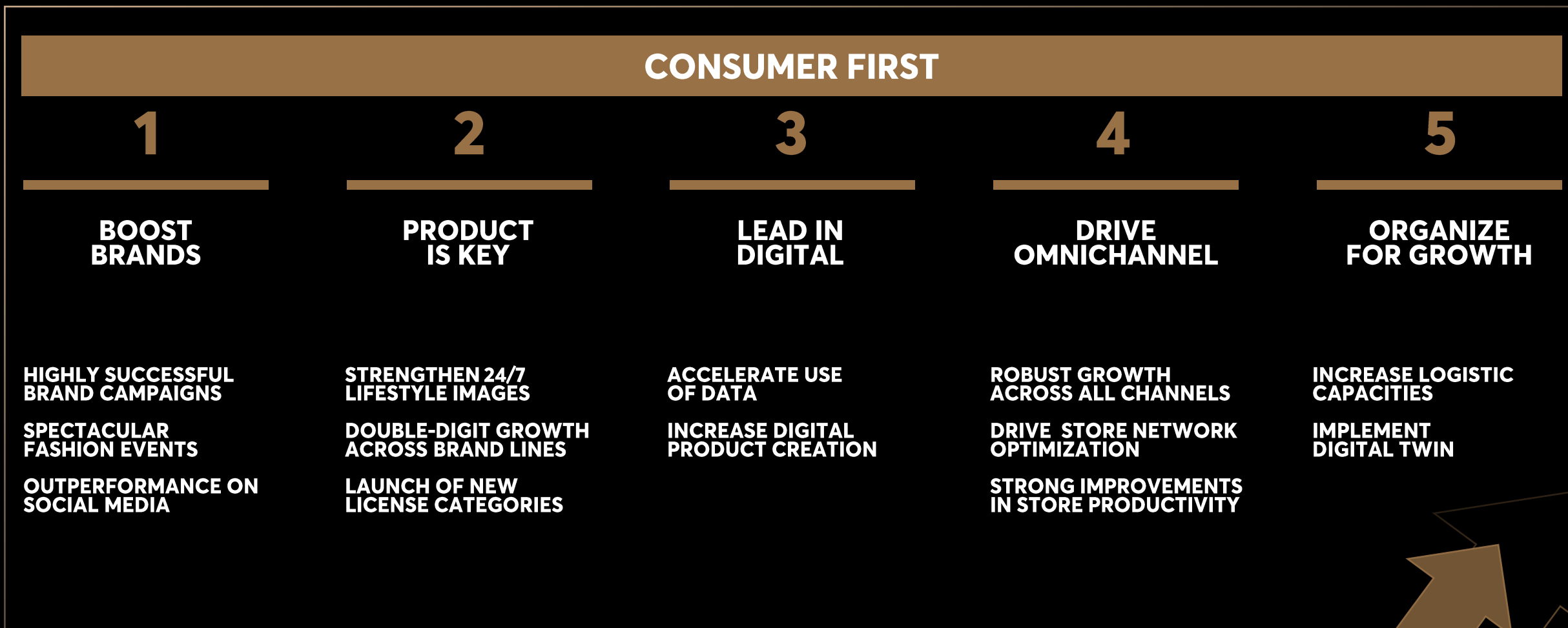
HUGO BOSS

THIRD QUARTER RESULTS

NOVEMBER 2, 2023



RIGOROUS EXECUTION OF "CLAIM 5" STRATEGY WITH STRONG PROGRESS ALONG ALL STRATEGIC CLAIMS



GROWTH TRAJECTORY CONTINUES IN Q3 WITH STRONG TOP- AND BOTTOM-LINE IMPROVEMENTS

€1,027 M

GROUP SALES

VS. Q3 2022:

+10%

IN GROUP CURRENCY

+15%

CURRENCY-ADJUSTED



€103 M

EBIT

VS. Q3 2022:

+12%



10.0%

EBIT MARGIN

VS. Q3 2022:

+20 BP



ONGOING BRAND ACTIVATION DRIVES AWARENESS AND INTERACTION FOR BOSS AND HUGO

BOOST BRANDS



**BOSS
FW23 CAMPAIGN**



**HUGO
FW23 CAMPAIGN**

LAUNCH OF FW 2023
CAMPAIGNS SPURS
BRAND MOMENTUM



ENGAGEMENTS
VS. FW22

**BOSS FASHION SHOW IN MILAN
FUELS BRAND MOMENTUM IN Q3**

BOOST BRANDS

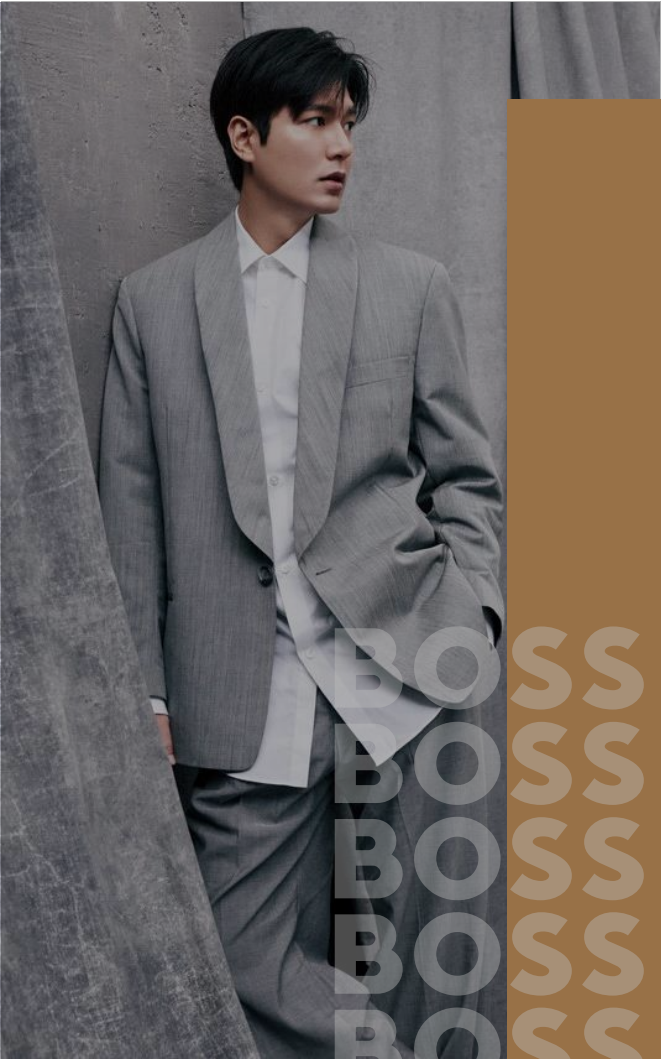
~ 30 M
LIVESTREAM VIEWS

3x

**VS. BOSS FASHION
SHOW IN MIAMI**



DOUBLE-DIGIT GROWTH TRAJECTORY CONTINUES ACROSS ALL BRANDS AND WEARING OCCASIONS



MENSWEAR

VS. Q3 2022

+12%*

WOMENSWEAR

VS. Q3 2022

+24%*

HUGO

VS. Q3 2022

+25%*



*CURRENCY-ADJUSTED

ALL CHANNELS RECORD ROBUST SALES IMPROVEMENTS IN THIRD QUARTER



DIGITAL

+25%*

VS. Q3 2022

Double-digit growth
across all digital
touchpoints

WHOLESALE

+21%*

VS. Q3 2022

Double-digit growth in
both order intake and
replenishment business

RETAIL

+8%*

VS. Q3 2022

Robust growth driven by
strong improvements in
store productivity

MODERNIZATION AND OPTIMIZATION OF STORE NETWORK IN FULL SWING

DRIVE OMNICHANNEL

RENOVATIONS

>90 POS

YTD 2023



STORE PRODUCTIVITY

+7%

VS. Q3 2022

12,400

(EUR/SQ M)



BOSS STORE AMSTERDAM



REOPENING
MID-OCT. 2023



BOSS STORE DUBAI MALL



REOPENING
END OF SEP. 2023

BROAD-BASED GROWTH WITH DOUBLE-DIGIT IMPROVEMENTS ACROSS ALL REGIONS

AMERICAS

+22%*

VS. Q3 2022

Momentum further accelerates driven by **double-digit growth across all markets**

U.S. market up +20% in Q3, with all consumer touchpoints contributing to growth

EMEA

+12%*

VS. Q3 2022

All **European key markets** record robust growth with Germany (+8%), UK (+5%), and France (+4%)

All channels contribute to growth, with particular strong support coming from digital and B&M wholesale

ASIA/PACIFIC

+21%*

VS. Q3 2022

Business recovery in **China (+17%)** continues with double-digit growth

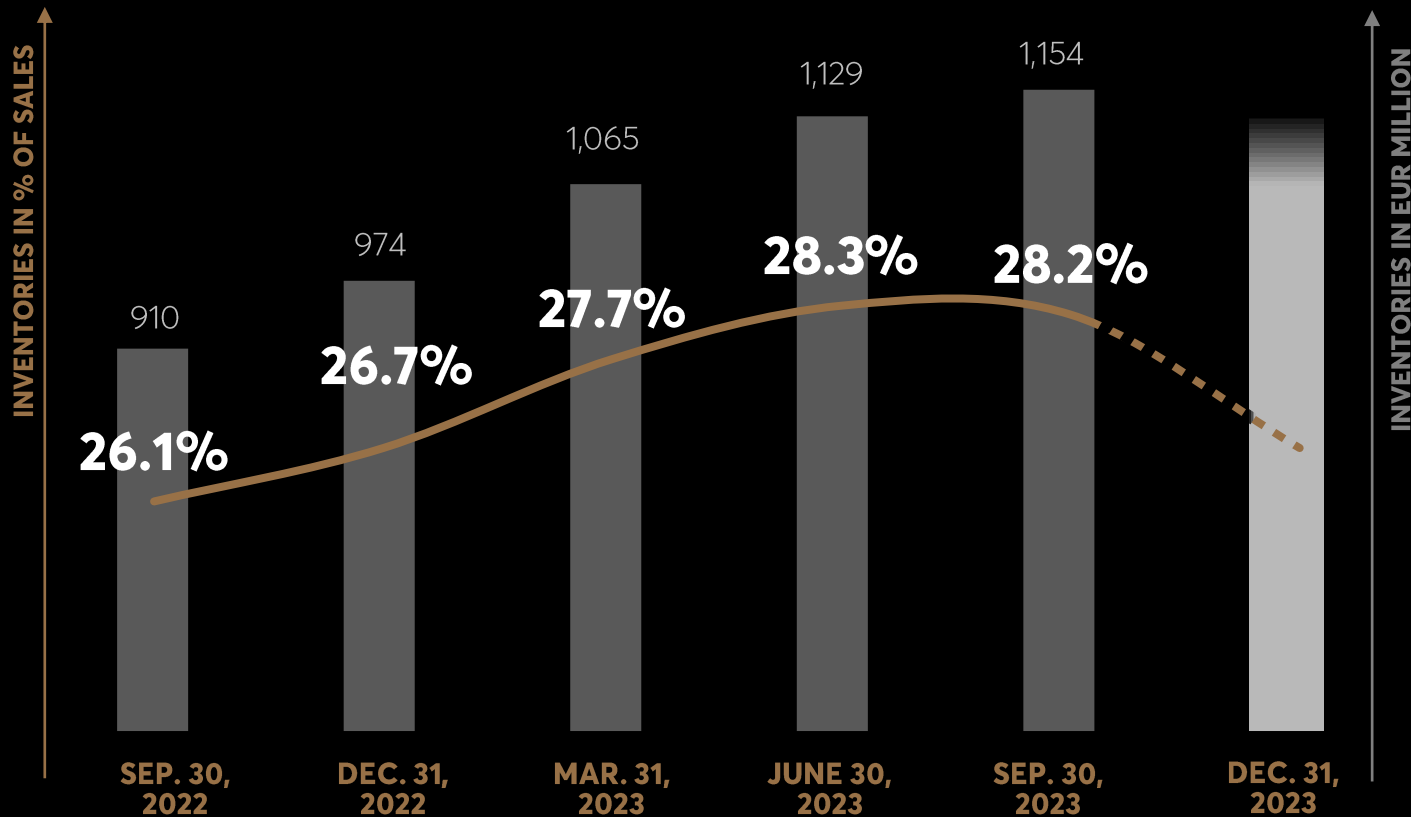
Sustained double-digit improvements in **South East Asia & Pacific**, with Japan being particularly strong

ROBUST BOTTOM-LINE IMPROVEMENTS IN Q3 DESPITE ONGOING INVESTMENTS

	Q3 2023	CHANGE
GROSS MARGIN LOWER FREIGHT COSTS COMPENSATE FOR CHANNEL MIX AND FX EFFECTS	60.7%	(10) BP
OPERATING EXPENSES (IN % OF SALES) LEVERAGE REFLECTS FURTHER EFFICIENCY GAINS IN B&M RETAIL	50.6%	(30) BP
EBIT INCREASE DRIVEN BY ROBUST TOP-LINE PERFORMANCE	103 EUR MILLION	+12%
EBIT MARGIN EXPANSION REFLECTS OPERATING LEVERAGE DESPITE ONGOING INVESTMENTS	10.0%	+20 BP
NET INCOME (ATTRIBUTABLE TO SHAREHOLDERS) EBIT IMPROVEMENTS PARTLY OFFSET BY HIGHER INTEREST EXPENSES	63 EUR MILLION	+9%

INVENTORY MANAGEMENT REMAINS KEY PRIORITY

ABSOLUTE AND RELATIVE DEVELOPMENT OF INVENTORIES



Year over year, inventories increased by 32% currency-adjusted

Composition of inventories remains healthy and of high quality

Gradual normalization of inventories anticipated, starting in Q4 2023



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

FREE CASH FLOW DEVELOPMENT IMPACTED BY INCREASE IN TNWC AND HIGHER CAPEX

SEP. 30, 2023
TNWC
(IN % OF SALES)

19.8%

+570 BP

Increase mainly reflects higher **inventory position** and **increase in trade receivables**

JULY-SEP. 2023
CAPITAL
EXPENDITURE

70
EUR MILLION

+64%

Step-up reflects ongoing **investments in store network** and **digitalization**

JULY-SEP. 2023
FREE
CASH FLOW

(22)
EUR MILLION

<(100)%

Improvements in EBIT more than offset by **increase in TNWC and CapEx**

2023

HUGO BOSS CONFIRMS OUTLOOK FOR FY 2023

+12% TO +15%

GROUP SALES

4.1 TO 4.2

EUR BILLION

+20% TO +25%

EBIT

400 TO 420

EUR MILLION



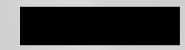
FINANCIAL CALENDAR & INVESTOR RELATIONS CONTACT

**MARCH
7
2024**

**FULL YEAR 2023
RESULTS**

CHRISTIAN STÖHR

VICE PRESIDENT INVESTOR RELATIONS
E-MAIL Christian_stoehr@hugoboss.com
PHONE +49 7123 94 80903



GENERAL INFORMATION

BASED ON FY 2022

HUGO BOSS AT A GLANCE

3.7
EUR BILLION
SALES

335
EUR MILLION
EBIT

9.2%
EBIT
MARGIN

166
EUR MILLION
**FREE CASH
FLOW**

132
COUNTRIES

~17,000
EMPLOYEES

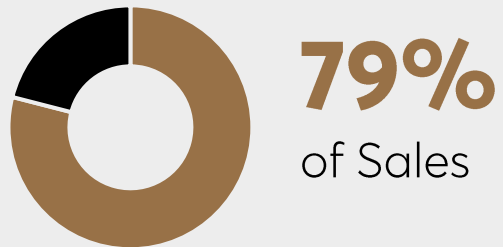
~20%
SHARE OF
DIGITAL SALES

7,400
**POINTS
OF SALE**

2022

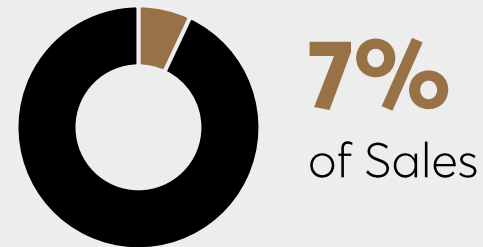
SALES BY BRAND 2022

BOSS MENSWEAR



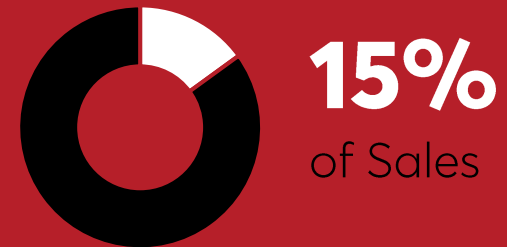
2,868
EUR MILLION

BOSS WOMENSWEAR



239
EUR MILLION

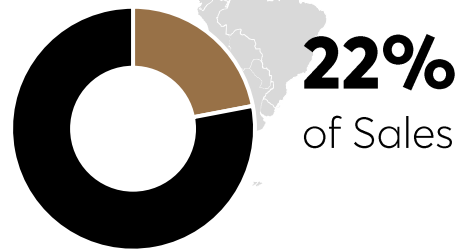
HUGO



545
EUR MILLION

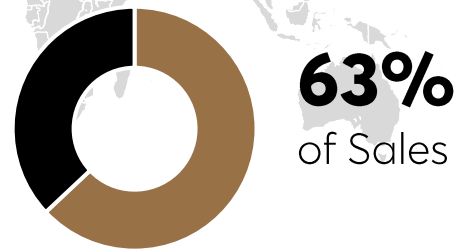
HUGO BOSS GLOBAL MARKET PRESENCE

AMERICAS



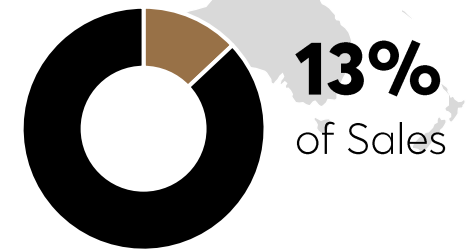
789 EUR million Sales
~1,800 Points of sale
106 Freestanding retail stores
13% Employees

EMEA



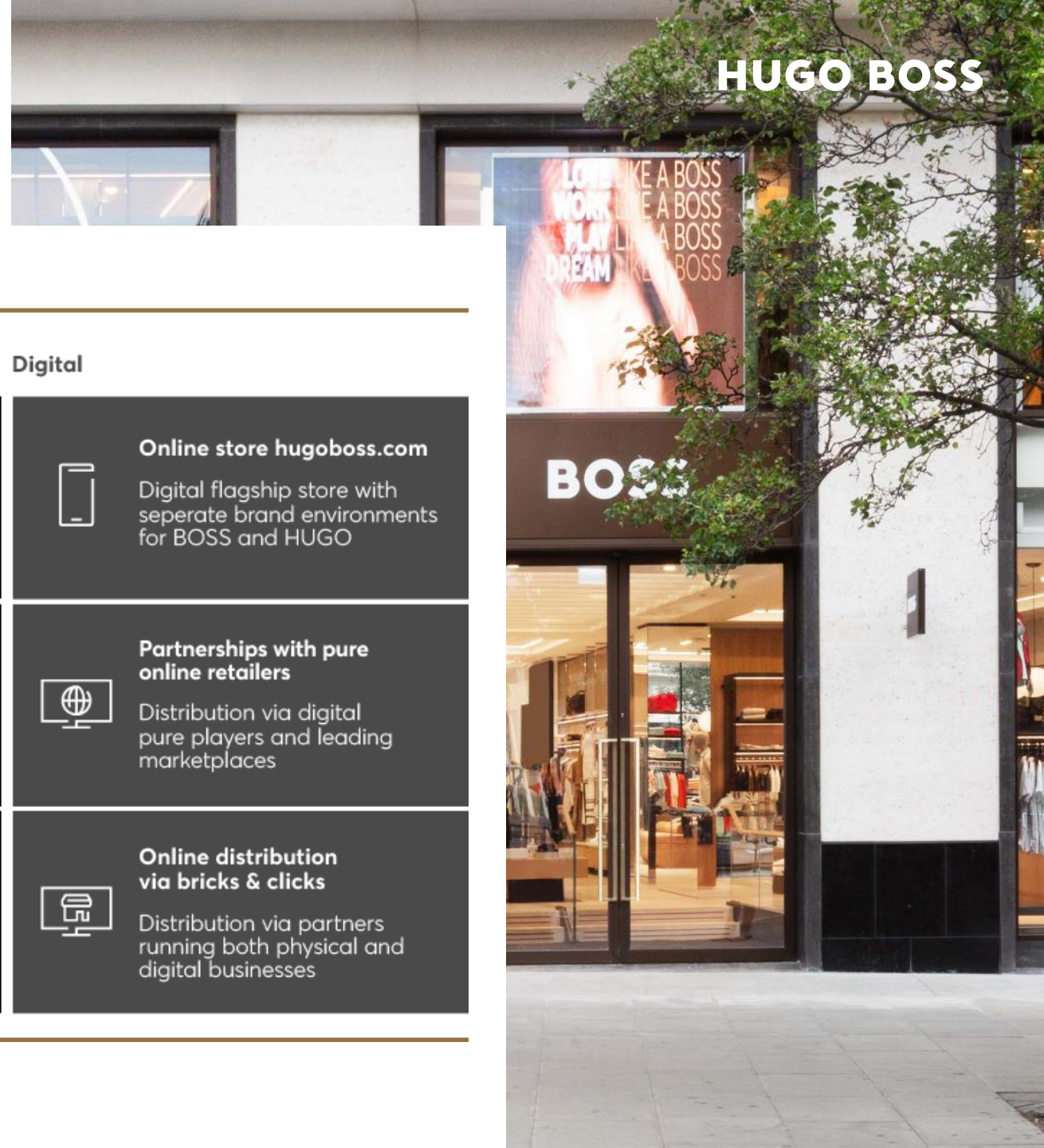
2,303 EUR million Sales
~5,050 Points of sale
212 Freestanding retail stores
74% Employees

ASIA/PACIFIC



467 EUR million Sales
~550 Points of sale
152 Freestanding retail stores
13% Employees










DISTRIBUTION CHANNELS



Brick-and-mortar retail

Brick-and-mortar wholesale

Digital

 <p>Freestanding stores Freestanding stores operated by the Group in prime locations</p>	 <p>Multi-brand points of sale General selling space in multi-brand stores</p>	 <p>Online store hugoboss.com Digital flagship store with separate brand environments for BOSS and HUGO</p>
 <p>Shop-in-shops Shops operated by the Group on retail space of partners</p>	 <p>Shop-in-shops BOSS and HUGO shops operated by partners</p>	 <p>Partnerships with pure online retailers Distribution via digital pure players and leading marketplaces</p>
 <p>Factory outlets Sale of prior season's merchandise in specialist stores in high-traffic peripheral zones</p>	 <p>Franchise business Freestanding BOSS and HUGO stores operated by partners</p>	 <p>Online distribution via bricks & clicks Distribution via partners running both physical and digital businesses</p>

SALES BY DISTRIBUTION CHANNEL

SALES BY DISTRIBUTION CHANNEL (in EUR million)

	2022	In % of sales	2021	In % of sales	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	2,016	55	1,512	54	33	29
Brick-and-mortar wholesale	895	25	647	23	38	33
Digital	648	18	549	20	18	15
Licenses	92	3	77	3	19	19
Total	3,651	100	2,786	100	31	27

RETAIL STORE NETWORK

NUMBER OF OWN RETAIL POINTS OF SALES

2022	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	581	383	352	1,316
Thereof freestanding retail stores	212	106	152	470
2021				
Number of own retail points of sale	579	310	339	1,228
Thereof freestanding retail stores	206	98	147	451

**TOTAL
NUMBER OF
RETAIL POINTS
OF SALE**

1,316

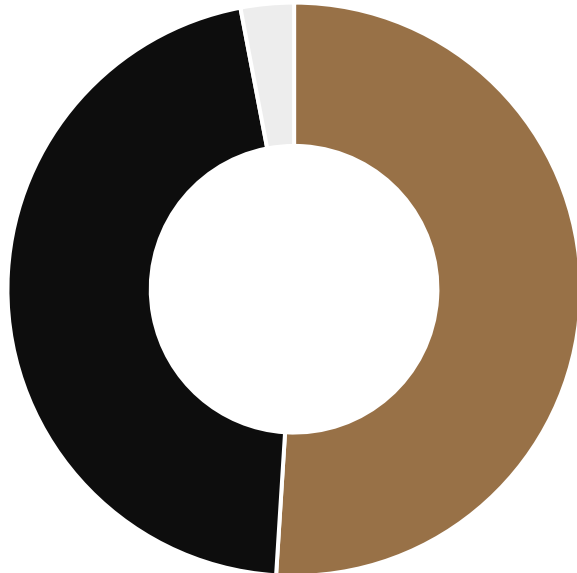
INCLUDING FREE-
STANDING STORES,
SHOP-IN-SHOPS AND
OUTLETS

SOURCING FOOTPRINT

WELL BALANCED REGIONAL SOURCING & PRODUCTION MIX

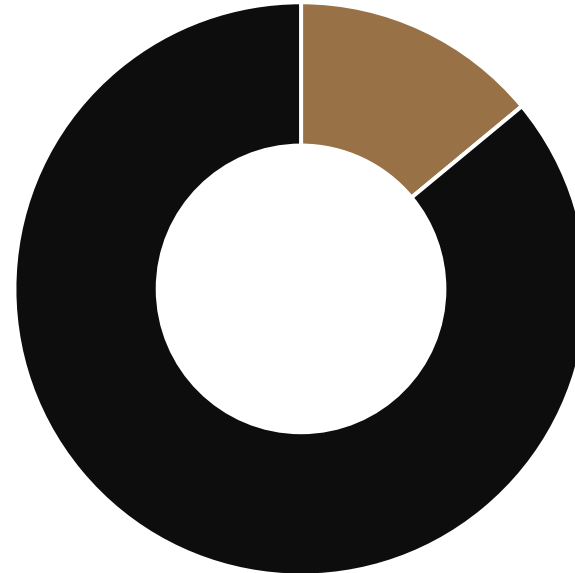
REGIONALLY BALANCED STRATEGIC SOURCING MIX

EMEA **46%** Americas **3%** Asia **51%**



OWN PRODUCTION COMPLEMENTS THIRD-PARTY SOURCING ACTIVITIES

External Sourcing **86%** Own Production **14%**



12%

Izmir, Turkey
(Largest single source of production)

STRONG ORGANIZATIONAL SET-UP

EMPLOYEES IN MANAGEMENT (2022)



50%
Women
(2021: 50%)



50%
Men
(2021: 50%)

Thereof first management level
28% (2021: 29%)

Thereof second management level
46% (2021: 45%)

Thereof first management level
72% (2021: 71%)

Thereof second management level
54% (2021: 55%)



EMPLOYEE SATISFACTION

78%

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:

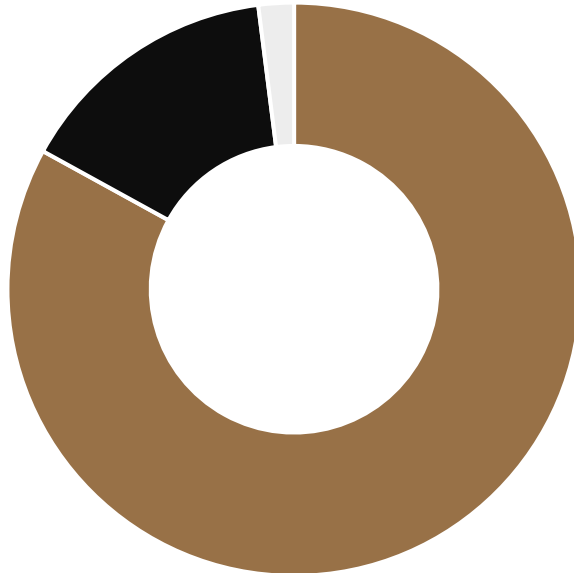
- The **successful execution** of the group strategy
- The **value creation** and **long-term development**
- The increase of **employee satisfaction** and **trust**
- The achievement of ambitious **sustainably goals**

PERFORMANCE-RELATED COMPENSATION SYSTEM

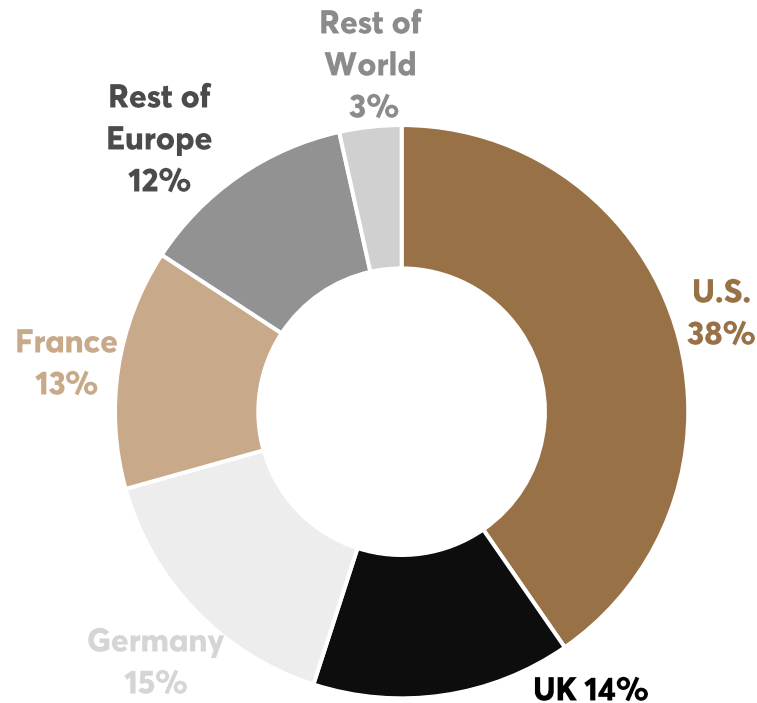
SHAREHOLDER STRUCTURE

**SHAREHOLDER STRUCTURE
AS OF SEP 30, 2023**
(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 SEP 30, 2023 (IN %)**



~37,000

**TOTAL NUMBER OF
SHAREHOLDERS**

~10%

**OF SHARES HELD BY
PRIVATE SHAREHOLDERS**

MULTI-YEAR-OVERVIEW SALES

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

For full details around the multi year overview please refer to the Annual Report 2021.

MULTI-YEAR-OVERVIEW

P&L, BALANCE SHEET AND OTHER KEY FIGURES

	2022	2021	2020	2019	2018	2017
Results of operations (in EUR million)						
Gross profit	2,256	1,721	1,187	1,875	1,823	1,808
Gross margin in %	61.8	61.8	61.0	65.0	65.2	66.2
EBIT	335	228	(236)	344	347	341
EBIT margin in %	9.2	8.2	(12.1)	11.9	12.4	12.5
EBITDA	680	568	230	707	476	499
Net income attributable to equity holders of the parent company	209	137	(220)	205	236	231
Net assets and liability structure as of December 31 (in EUR million)						
Trade net working capital	613	376	491	528	537	459
Non-current assets	1,535	1,458	1,516	1,713	686	662
Equity	1,135	940	760	1,002	981	915
Equity ratio in %	36	34	30	35	53	53
Total assets	3,127	2,736	2,570	2,877	1,858	1,720
Financial position and dividend (in EUR million)						
Free cash flow	166	560	164	457	170	294
Net financial liabilities (as of December 31)	767	628	1,004	1,040	22	7
Capital expenditure	191	104	80	192	155	128
Depreciation/amortization	345	339	465	362	129	158
Total leverage (as of December 31) ¹⁰	1.1	1.1	(6.7)	0.2	0.0	0.0
Amount distributed ¹¹	69	48	3	3	186	183
Additional key figures						
Employees (as of December 31) ¹²	16,930	14,041	13,795	14,633	14,685	13,985
Personnel expenses (in EUR million)	794	627	570	640	629	604
Number of Group's own retail points of sale	1,316	1,228	1,157	1,113	1,092	1,139
Shares (in EUR)						
Earnings per share	3.04	1.99	(3.18)	2.97	3.42	3.35
Dividend per share ¹¹	1.00	0.70	0.04	0.04	2.70	2.65
Last share price (as of December 31)	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

For full details around the multi year overview please refer to the Annual Report 2021.

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.