

**HUGO BOSS**

# INVESTOR MEETING PRESENTATION

**HUGO BOSS**

03/2024





AGENDA

- 01 "CLAIM 5" STRATEGY
- 02 FY 2023 RESULTS
- 03 FY 2024 OUTLOOK
- 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

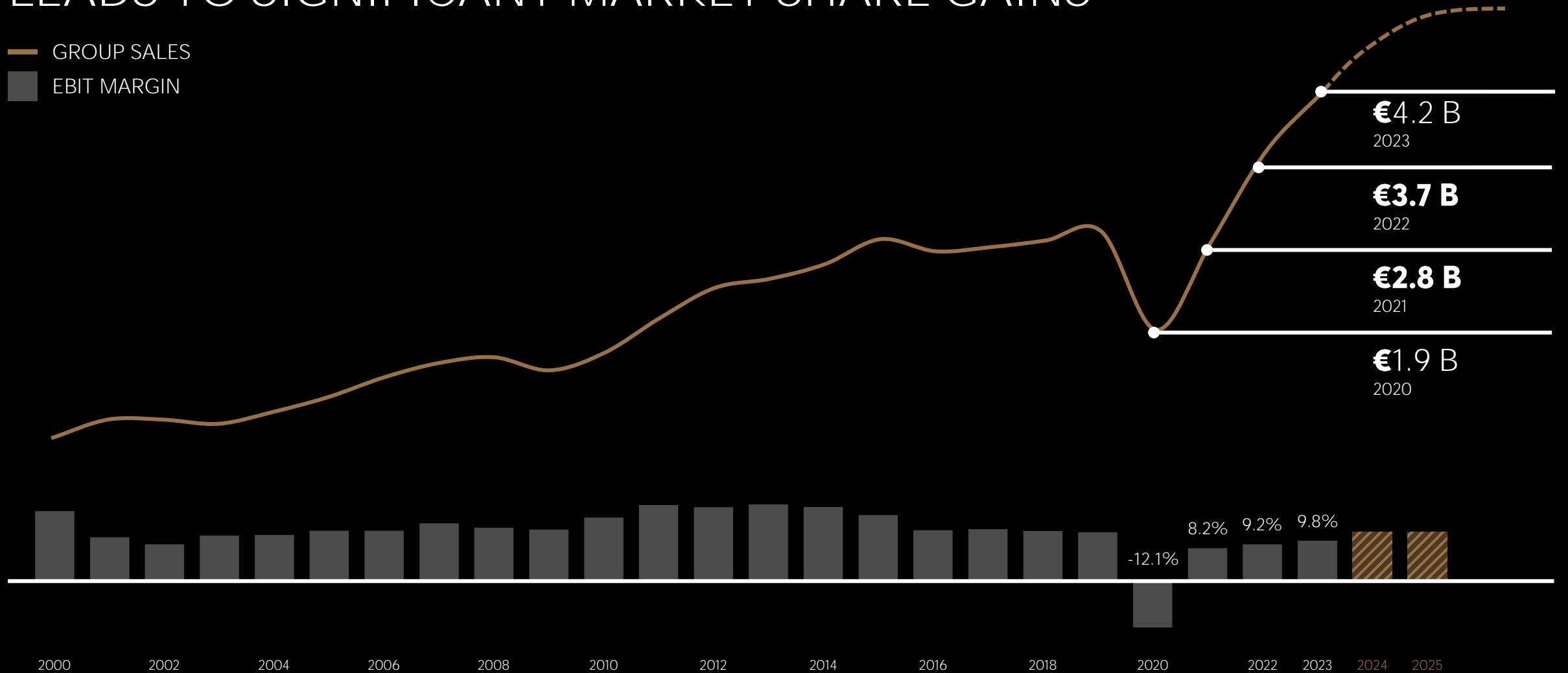
LOOKING BACK

WE HAVE  
ACHIEVED  
A LOT



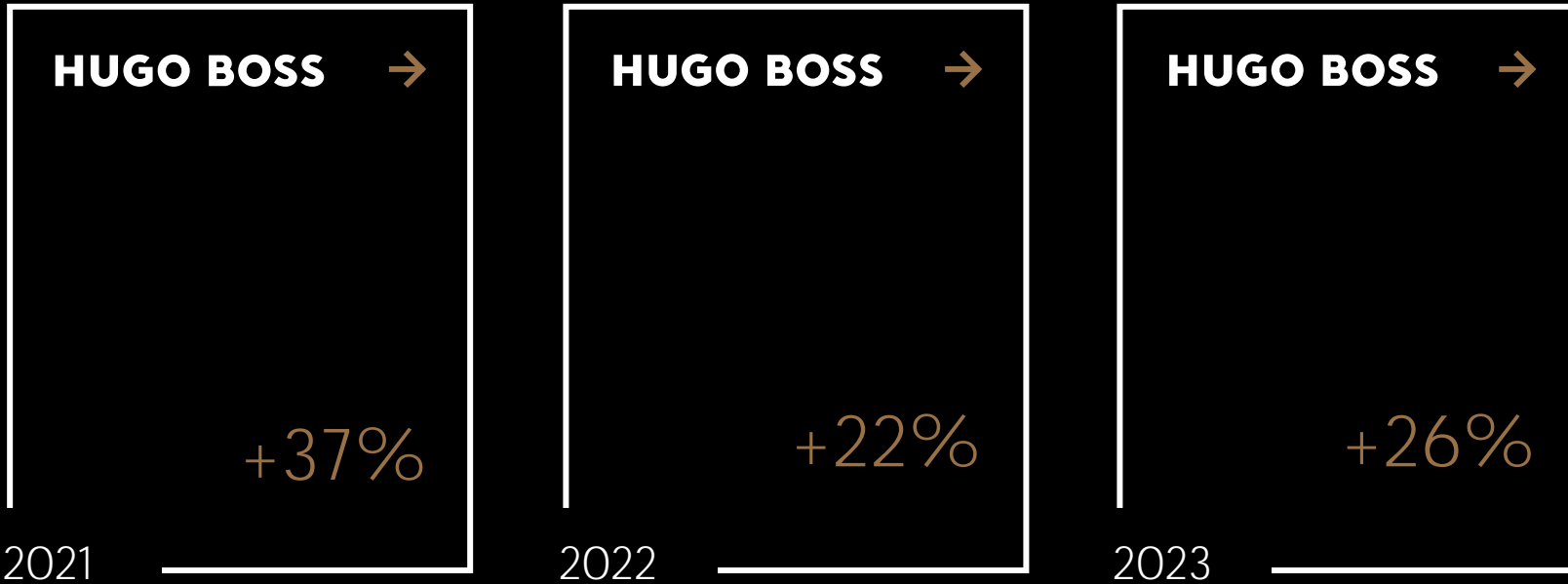
# STRONG ACCELERATION IN TOP-LINE GROWTH LEADS TO SIGNIFICANT MARKET SHARE GAINS

— GROUP SALES  
■ EBIT MARGIN



# SIGNIFICANT INCREASE IN BRAND VALUE BEST GLOBAL BRANDS 2023

Interbrand



BECOME  
ONE OF THE  
TOP 100  
GLOBAL  
BRANDS



BOSS MAINTAINS

1ST PLACE  
IN BRAND HEAT  
RANKING

ALSO IN 2023

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



# 2025 FINANCIAL AMBITION

CLAIM 5 UPDATE

**HUGO BOSS**



# EXECUTION OF CLAIM 5 TO IMPACT FINANCIAL AMBITION

→  
OUTLOOK  
INVESTOR  
DAY 2023

Continue  
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  
PROFITABILITY  
IMPROVEMENTS  
AND FREE  
CASH FLOW  
GENERATION

## NEW 2025 FINANCIAL AMBITION

	2025 INITIAL <sup>1</sup>	2025 NEW <sup>2</sup>
GROUP SALES	<b>€4 B</b> in 2025	↑ <b>€5 B</b> in 2025 <sup>3</sup>
SALES GROWTH	6% CAGR 2019–2025	↑ 10% CAGR 2019–2025
EBIT	~ <b>€480 M</b>	↑ ≥ <b>€600 M</b>
EBIT MARGIN	~12% OF GROUP SALES	↑ ≥ <b>12%</b> OF GROUP SALES

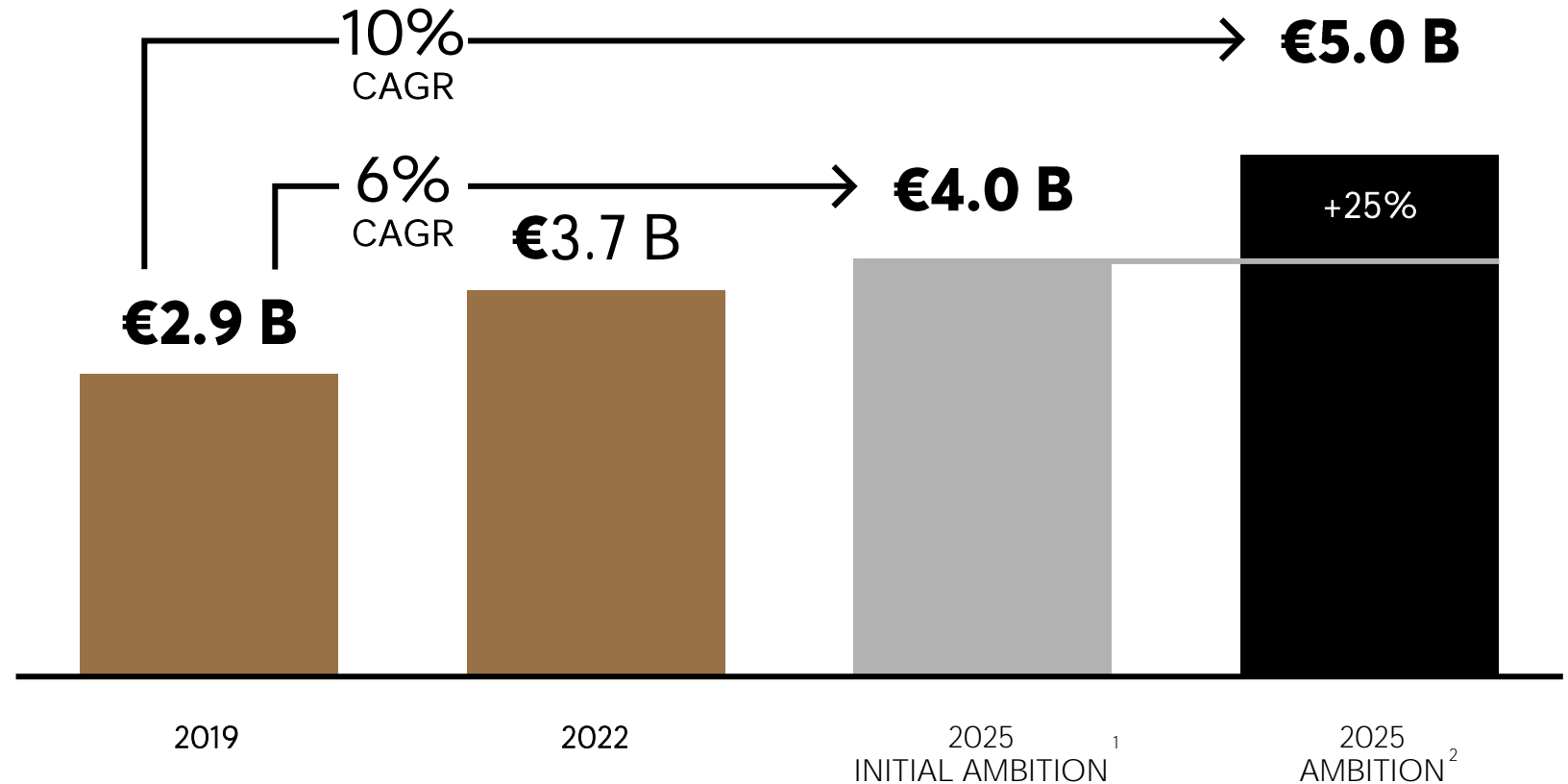
<sup>1</sup> Initial targets as provided in August 2021.

<sup>2</sup> Targets as provided in June 2023.

<sup>3</sup> As macroeconomic and geopolitical uncertainties have increased noticeably since providing the "CLAIM 5" update, HUGO BOSS might reach its sales ambition with a slight delay.

# TOP-LINE AMBITION

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



<sup>1</sup> Initial targets as provided in August 2021.

<sup>2</sup> Targets as provided in June 2023. As macroeconomic and geopolitical uncertainties have increased noticeably since providing the "CLAIM 5" update, HUGO BOSS might reach its sales ambition with a slight delay.

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

BRANDS



CHANNELS



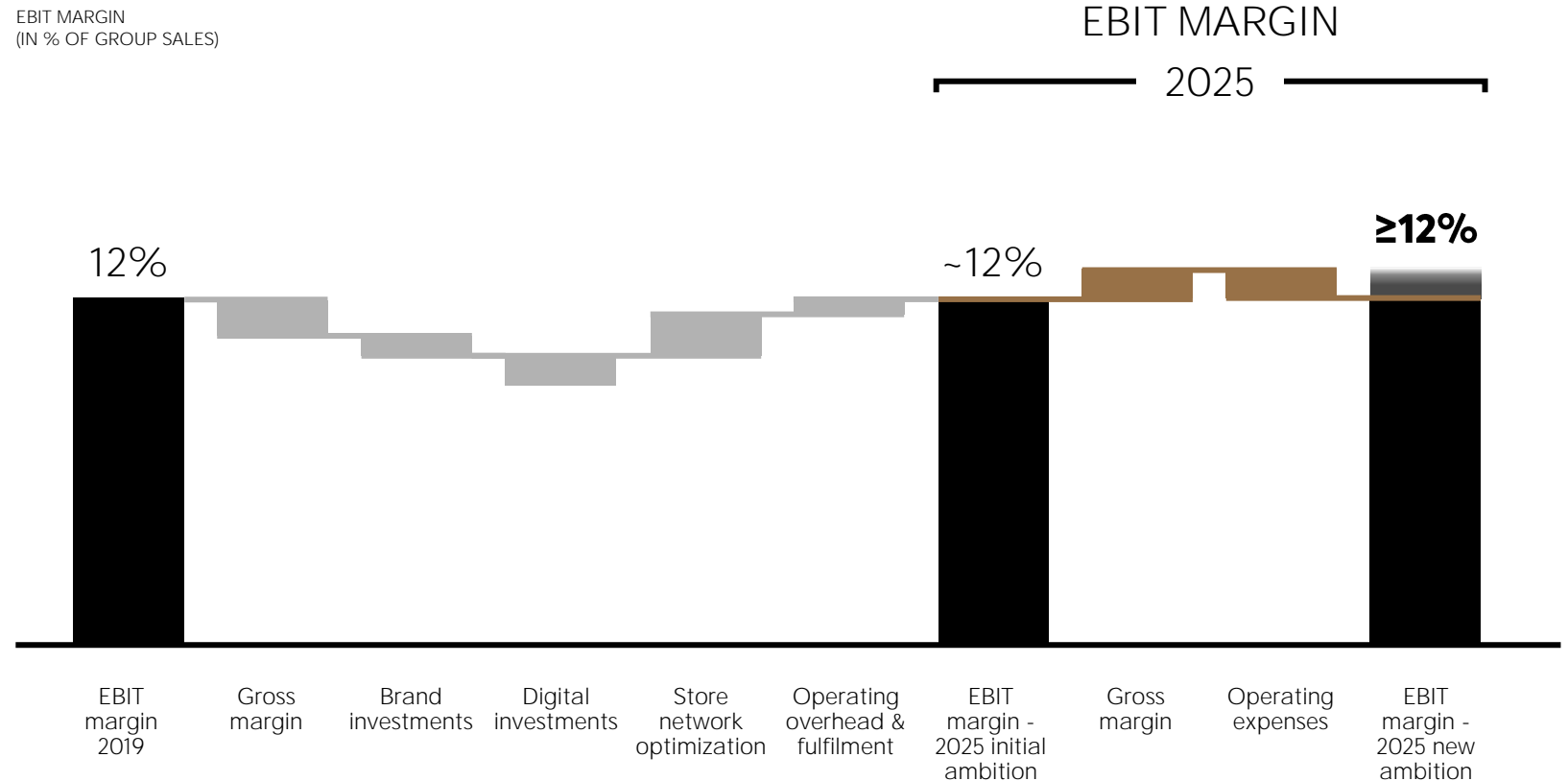
REGIONS



# 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

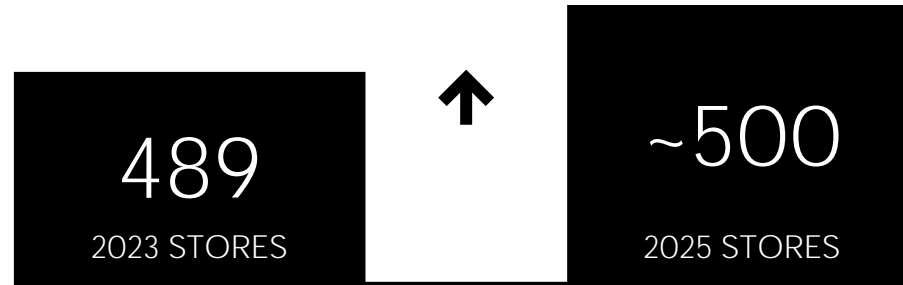


# STORE NETWORK OPTIMIZATION

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



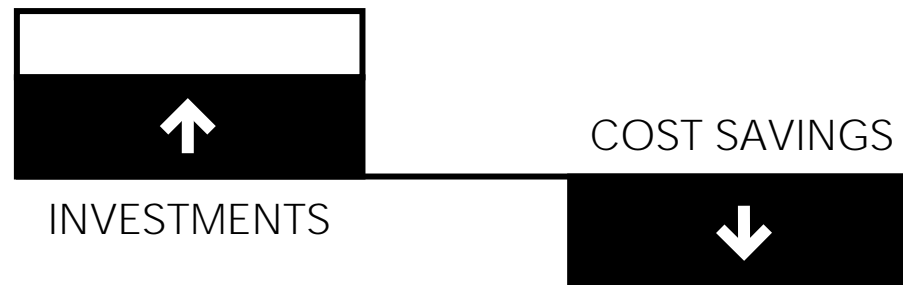
~ (600)  
BPS VS. 2019



# 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



~16%  
OF GROUP SALES 2019



~15%  
OF GROUP SALES 2025



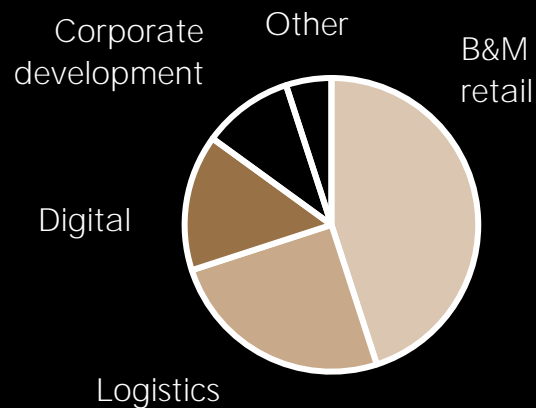
~ (100)  
BPS VS 2019

# CAPITAL EXPENDITURE

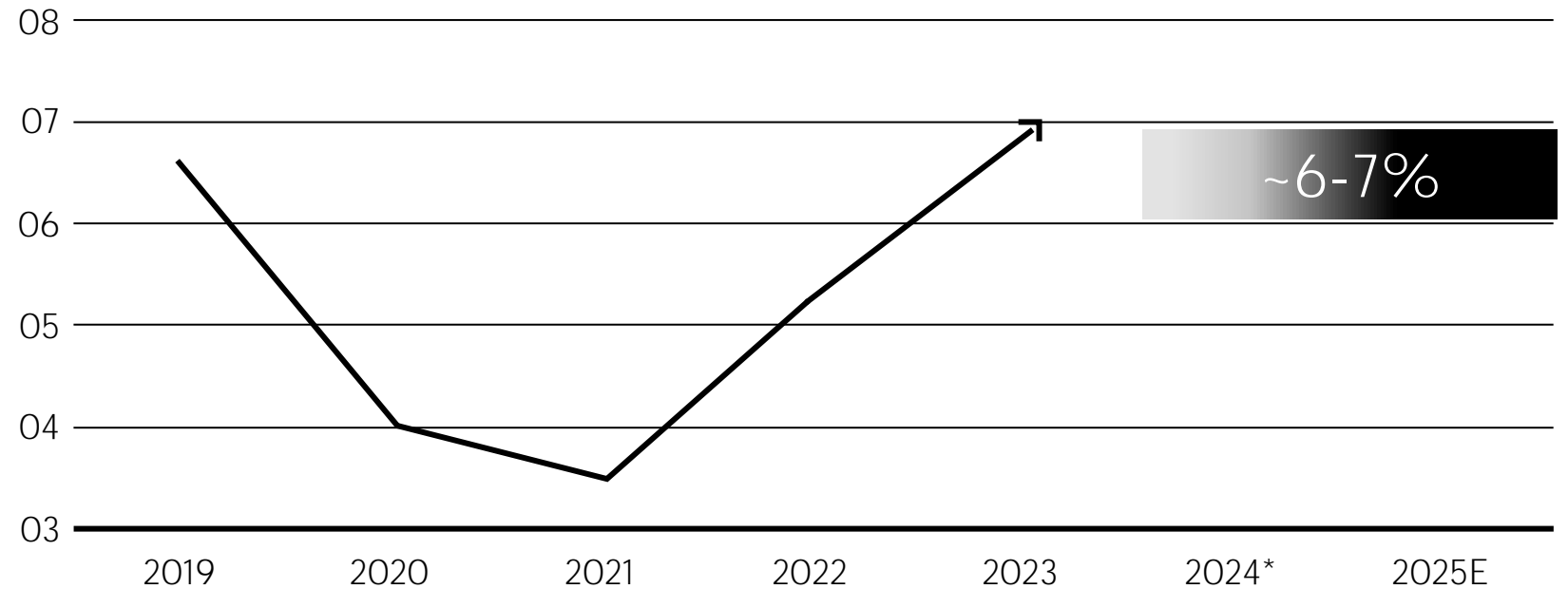
RATIO OF GROWTH VS. MAINTENANCE CAPEX OF AROUND 40/60

## CAPEX 2023-2025

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



CAPITAL EXPENDITURE (IN % OF GROUP SALES)



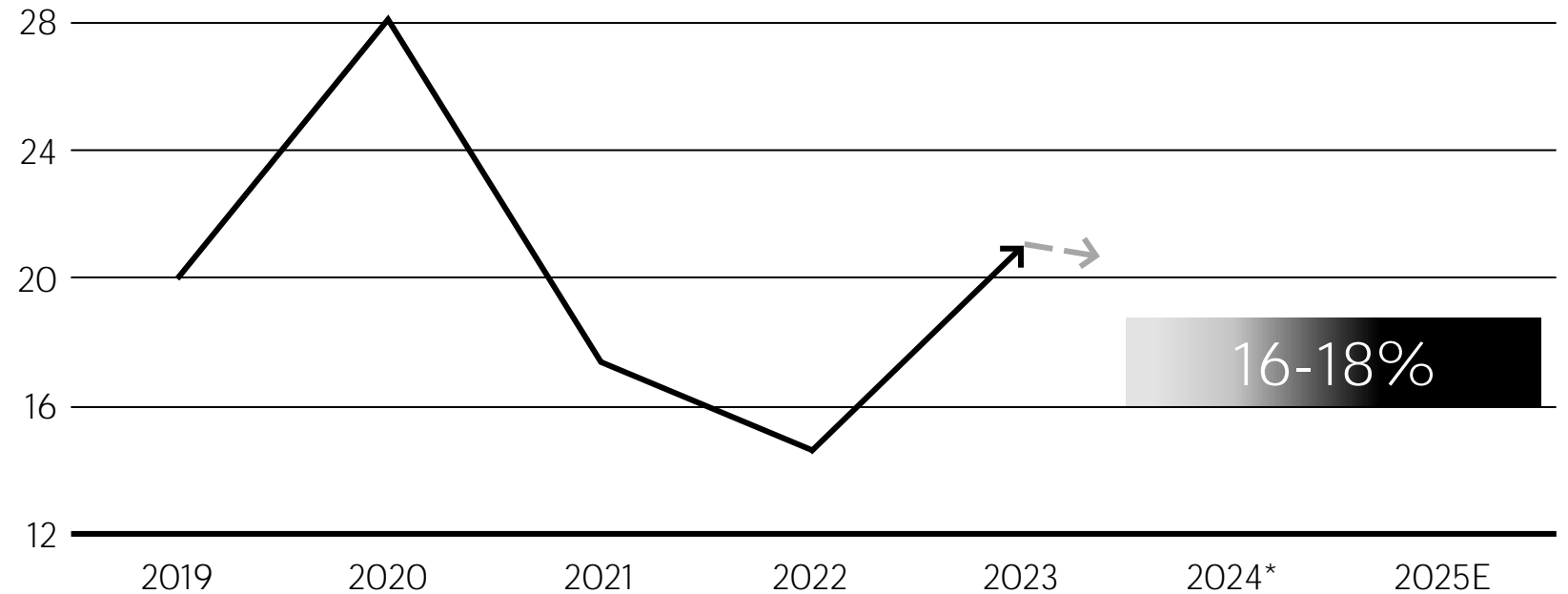
\*FY 2024 Guidance  
Increase to a level of EUR 300 million to EUR 350 million

# TRADE NET WORKING CAPITAL

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

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

TNWC (IN % OF GROUP SALES)



\*FY 2024 Guidance  
Improvement to a level approaching 20%

# 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

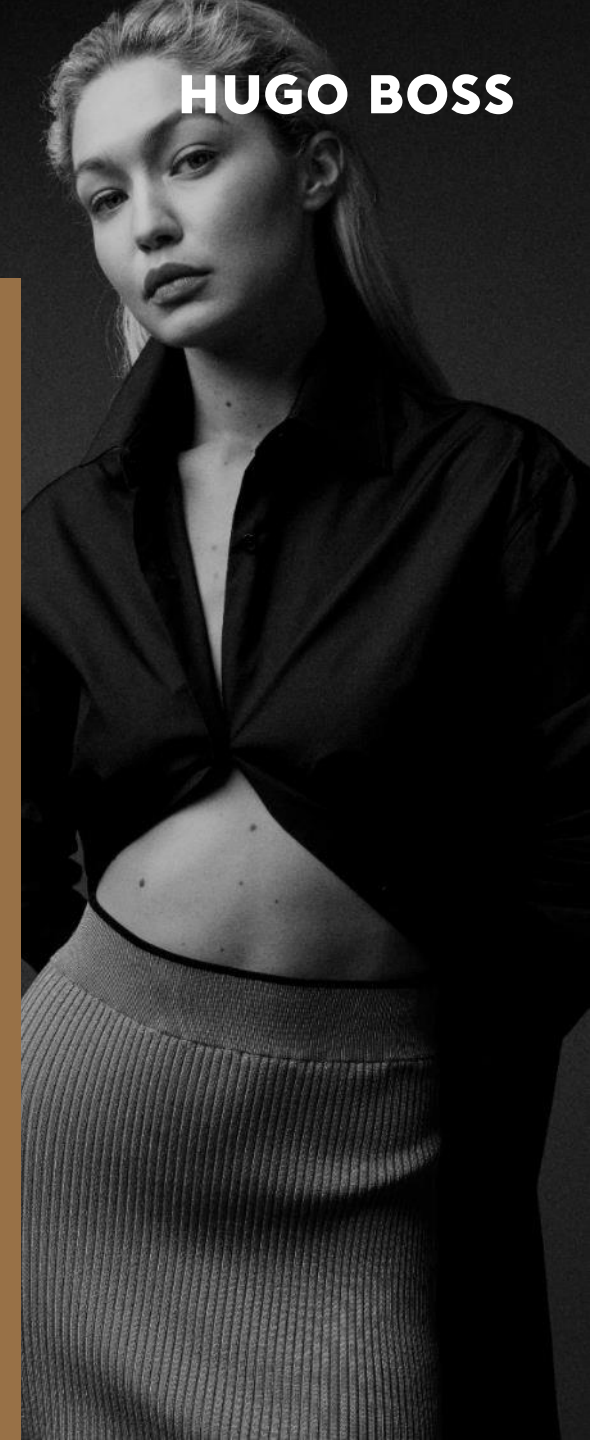
Special dividend  
Share buyback

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





# 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



# BRAND LINES REFLECT BOSS MENSWEAR 24/7 LIFESTYLE PROMISE



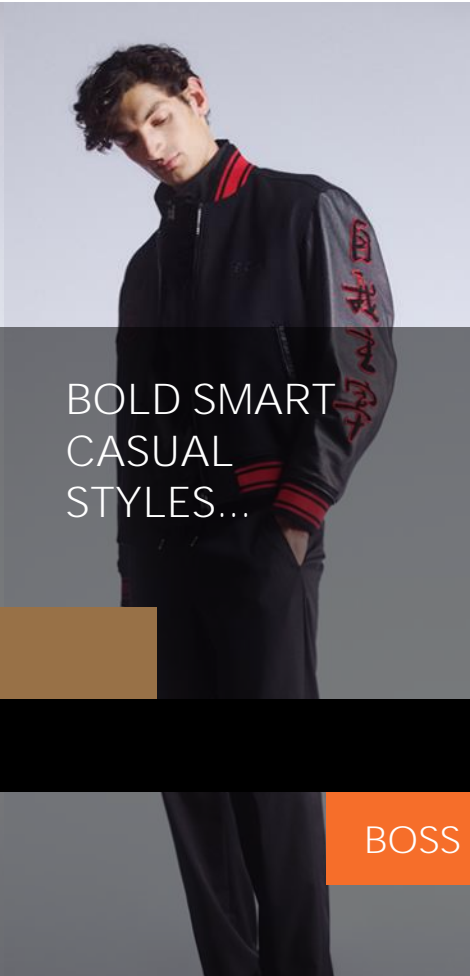
FROM HIGH-END  
TAILORING  
HERITAGE...

BOSS CAMEL

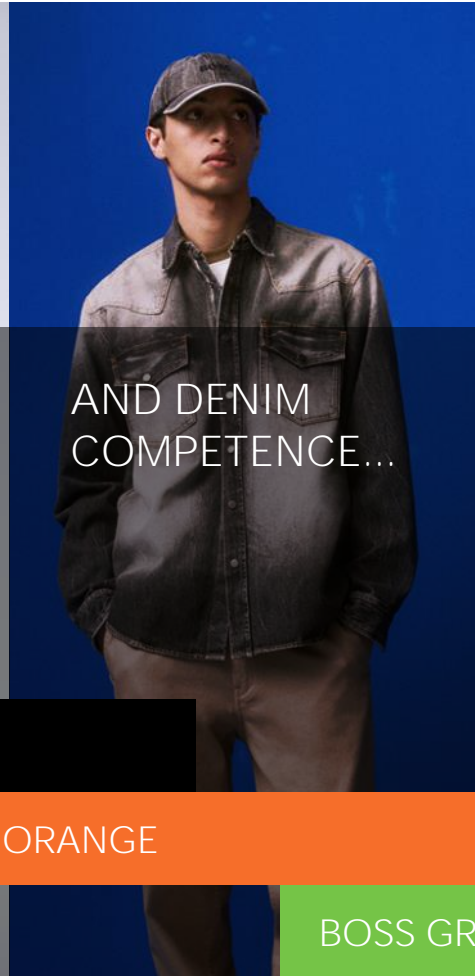


TO MODERN  
PERFORMANCE  
SUITS...

BOSS BLACK

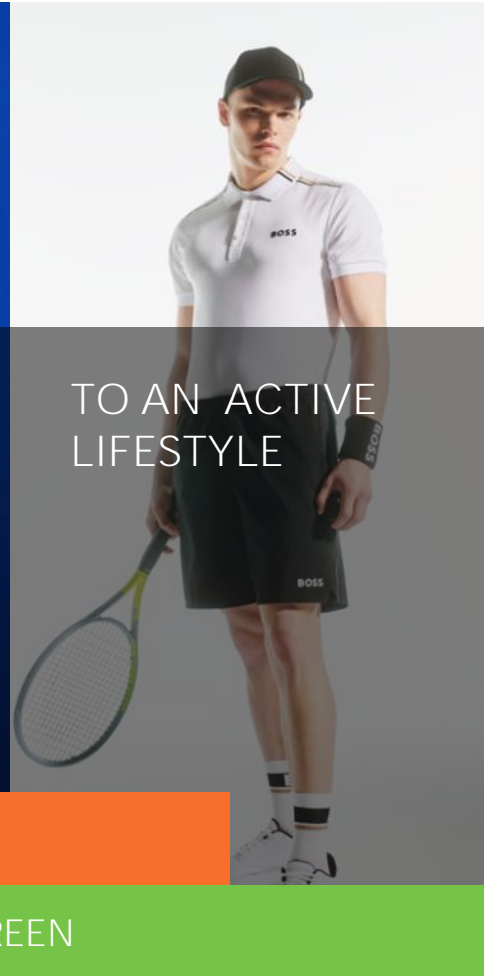


BOLD SMART  
CASUAL  
STYLES...



AND DENIM  
COMPETENCE...

BOSS ORANGE

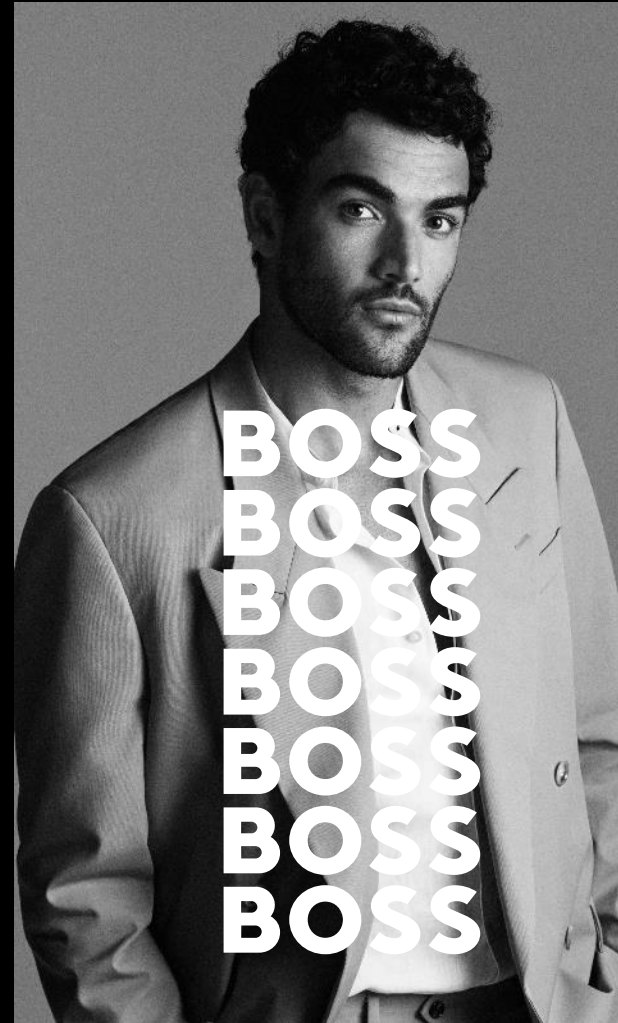


TO AN ACTIVE  
LIFESTYLE

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**

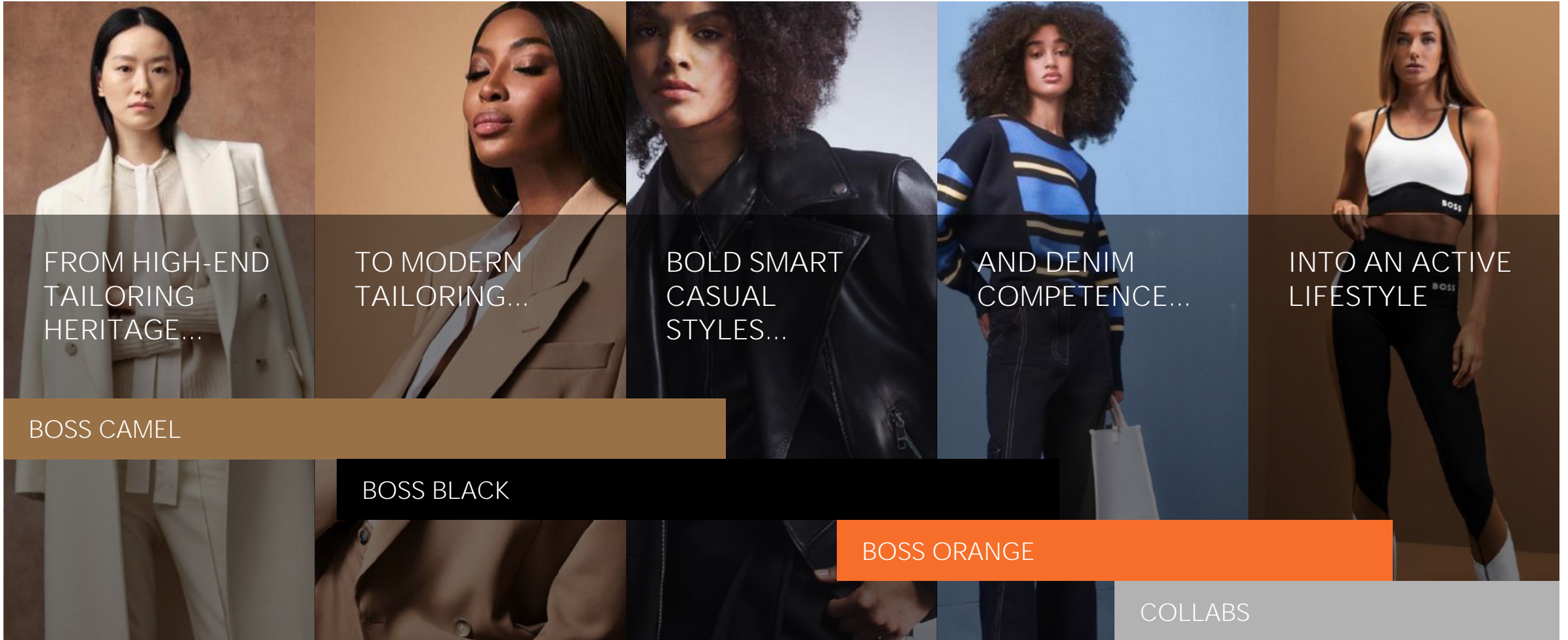
2025 AMBITION\*

~70%

OF GROUP SALES

\* Targets as provided in June 2023. As macroeconomic and geopolitical uncertainties have increased noticeably since providing the "CLAIM 5" update, HUGO BOSS might reach its sales ambition with a slight delay.

# 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

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

\* Targets as provided in June 2023. As macroeconomic and geopolitical uncertainties have increased noticeably since providing the "CLAIM 5" update, HUGO BOSS might reach its sales ambition with a slight delay.



# 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

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## 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

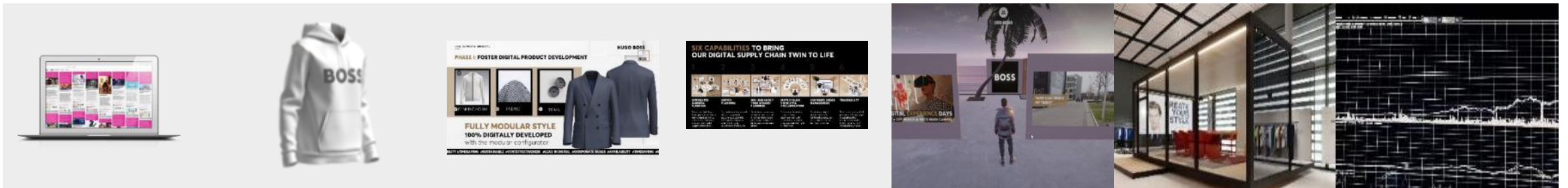
↓  
Modular product development

↓  
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%

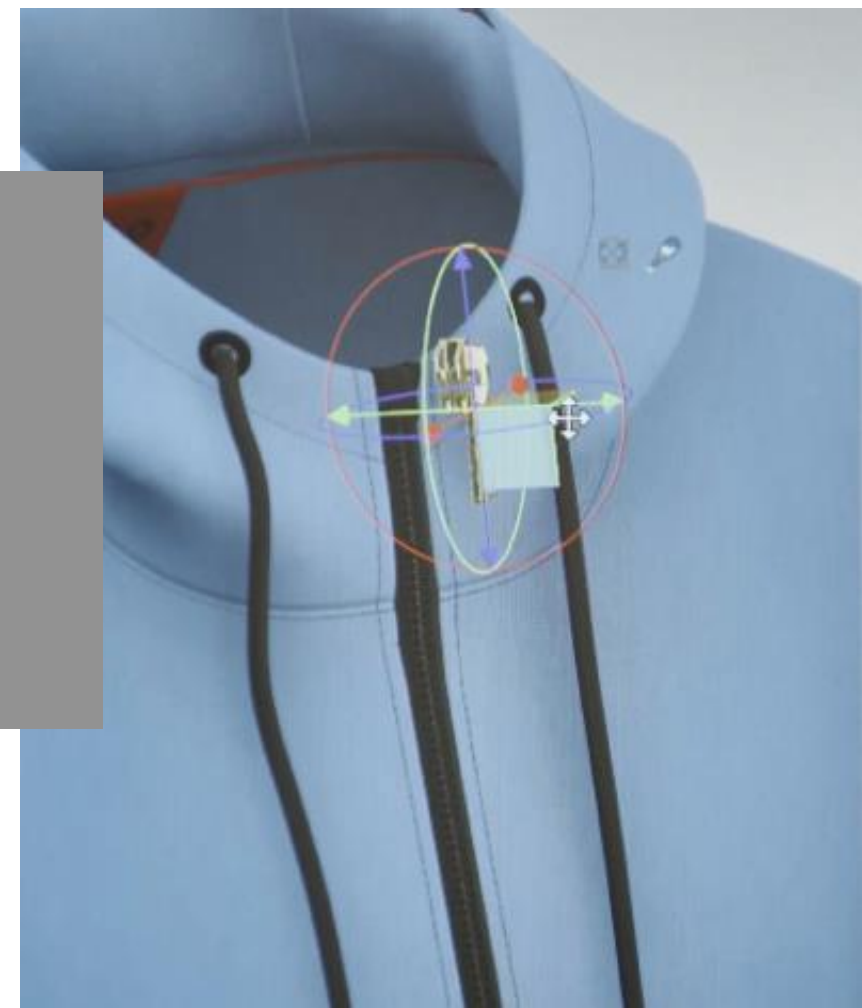
DIGITAL STYLE  
CREATION  
WINTER 2023

~65%

DIGITAL STYLE  
CREATION  
2023

>90%

DIGITAL STYLES  
TARGETED  
BY 2025



DEMAND

DESIGN &  
DEVELOPMENT

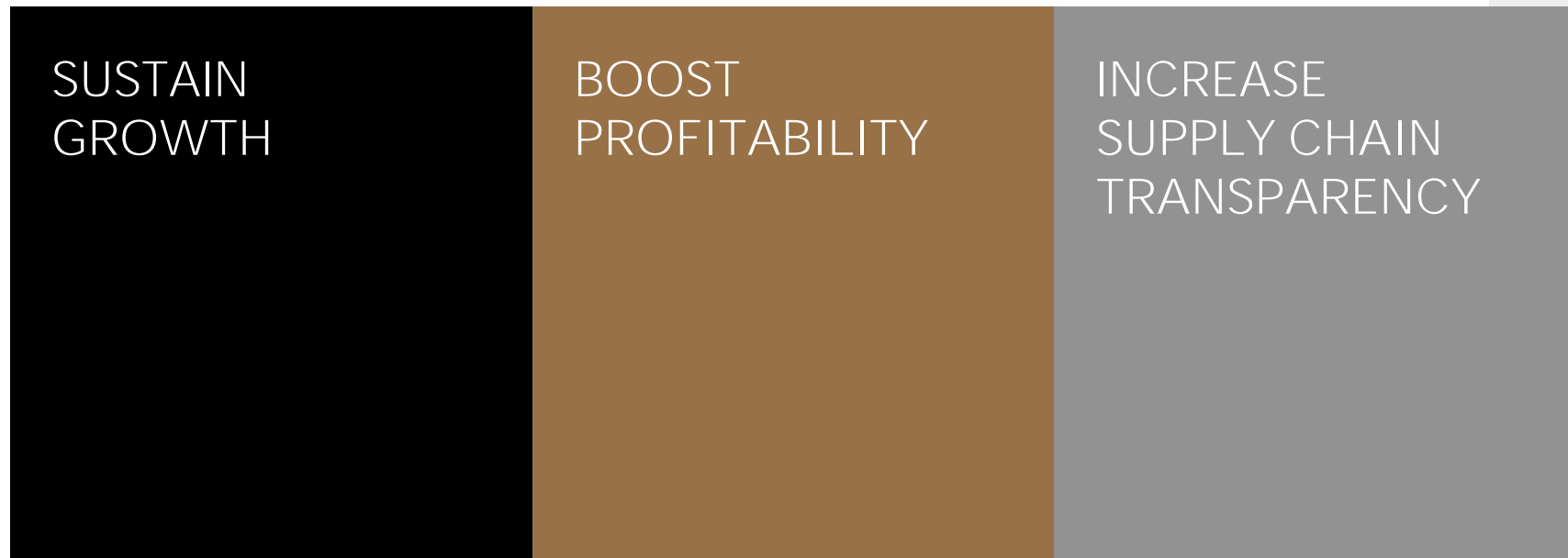
PRODUCTION  
& LOGISTICS

SALES &  
MARKETING



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

## VIRTUAL STYLING

enabling virtual try-ons based on personalized mannequins

## IN-STORE DIGITALIZATION

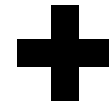
adding new digital touchpoints into stores to create an attractive point of access to products and services

## 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.

04

04

04

04

04

DRIVE  
OMNICHANNEL

CLAIM 4



# WE MOVE TO WHERE CONSUMERS EXPECT US TO BE

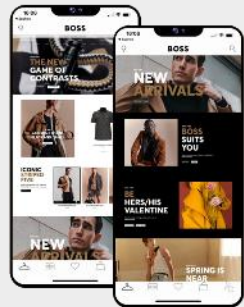
RETAIL



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

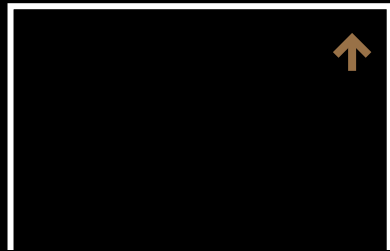
\* Targets as provided in June 2023. As macroeconomic and geopolitical uncertainties have increased noticeably since providing the “CLAIM 5” update, HUGO BOSS might reach its sales ambition with a slight delay.

INVESTING UP  
TO €600 M IN  
STORE PORTFOLIO



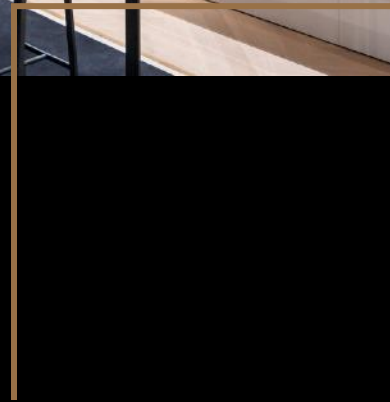
~25%

of stores refreshed  
by end of 2022



~40%

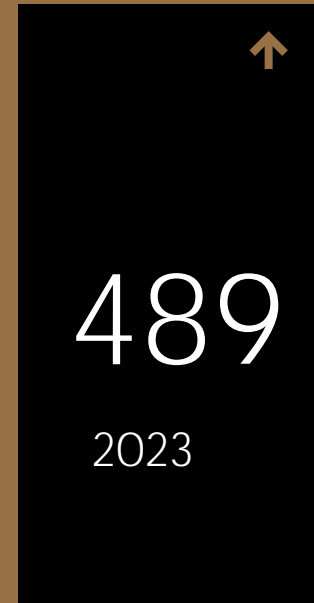
of stores refreshed  
by end of 2023



~80%

of stores to be refreshed  
by end of 2025

NUMBER OF  
FULL-PRICE STORES





# INCREASE STORE PRODUCTIVITY BY AT LEAST 3% PER YEAR

STORE PRODUCTIVITY  
(€/SQM)

+4% vs. 2022



12,400

2023

>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

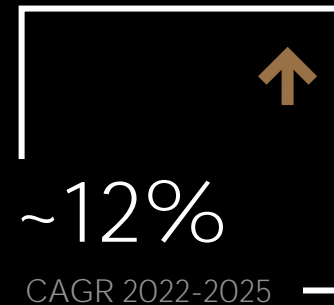


- Leverage brand lines
- Grow with existing strong partners
- Drive digital selling and automated replenishment
- Continue shop-in-shop refreshments and pop-ups
- Exploit potential of franchise business

## ENABLERS



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



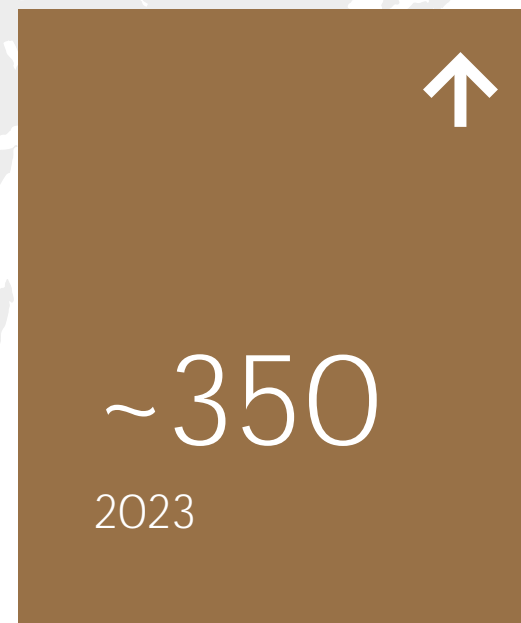
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# EXPLOIT THE FULL POTENTIAL OF OUR GLOBAL FRANCHISE BUSINESS

FOCUS ON EXPANDING  
IN EMERGING MARKETS



NUMBER OF  
FRANCHISE STORES



# INSPIRATIONAL IN DIGITAL

## ACTIONS

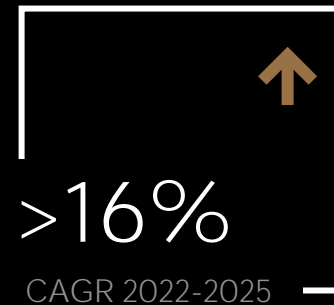


- Expand and grow hugoboss.com
- Improve user experience and push mobile and social commerce
- Grow with strong digital partners including hybrid models
- Continue to drive community building through i-commerce

## ENABLERS



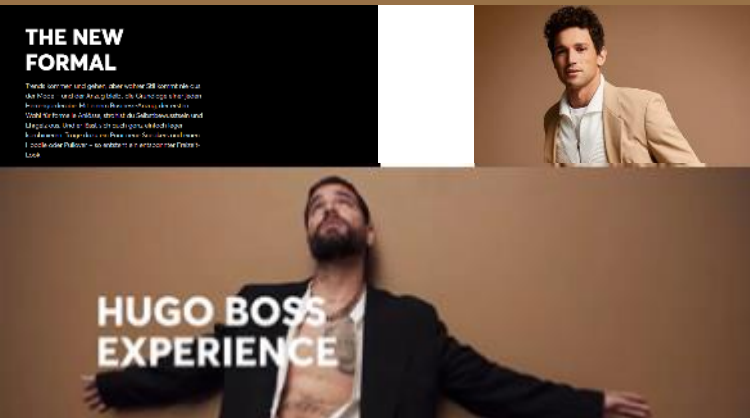
- Localized content and marketing
- Latest app skills and AI-driven features
- Data-driven decision-making and improvement of products and services
- Implemented segmentation strategy



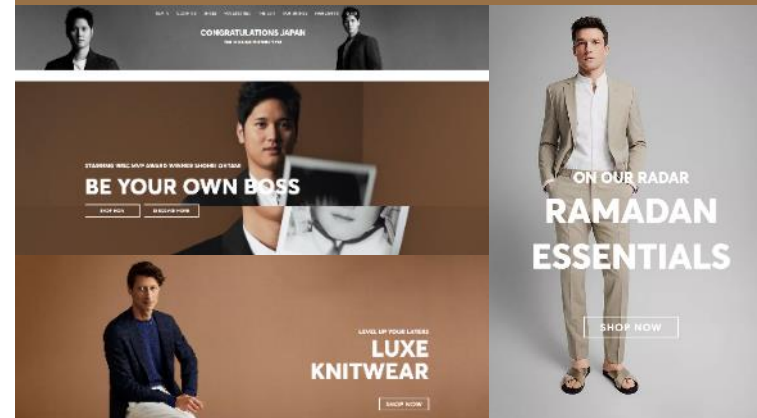
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# LEVERAGING POTENTIAL OF HUGOBOSS.COM BY DELIVERING NEXT-LEVEL DIGITAL EXPERIENCE

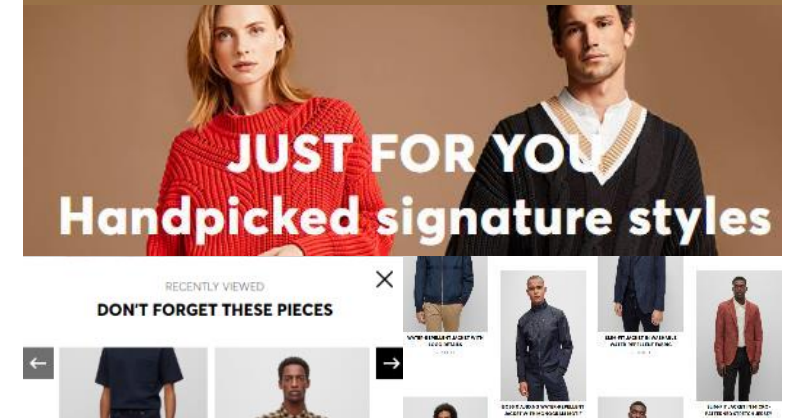
DESIRABLE  
STORYTELLING AND  
BRAND CONTENT



CONTENT DESIGNED  
AND ADAPTED TO  
LOCAL NEEDS



PERSONALIZED  
CUSTOMER JOURNEY  
LEVERAGING AI



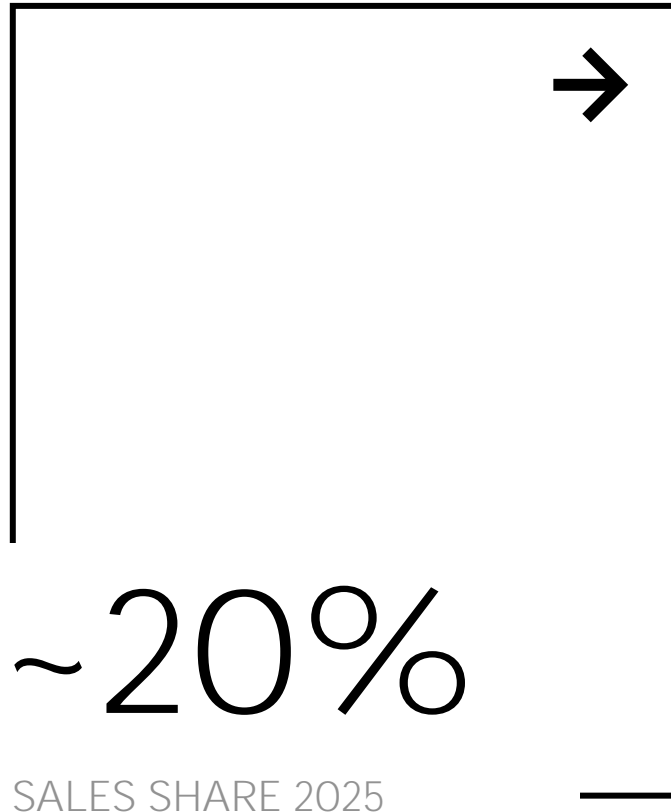
INCREASED PAGE VALUE

HIGHER TRAFFIC

NEW CUSTOMERS

HIGHER CONVERSION

# KEEP GROWTH TRAJECTORY IN THE AMERICAS



## 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

\* Targets as provided in June 2023. As macroeconomic and geopolitical uncertainties have increased noticeably since providing the "CLAIM 5" update, HUGO BOSS might reach its sales ambition with a slight delay.



# EXPLOIT GROWTH MOMENTUM IN EMEA



>55%

SALES SHARE 2025

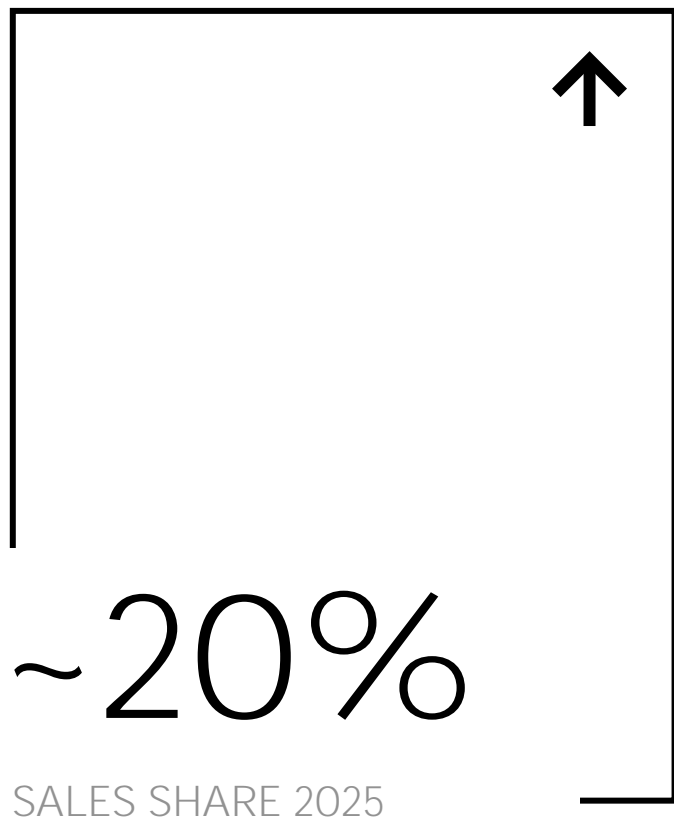
MID TO HIGH  
SINGLE-DIGIT  
GROWTH  
CAGR 2022–2025\*

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



\* Targets as provided in June 2023. As macroeconomic and geopolitical uncertainties have increased noticeably since providing the "CLAIM 5" update, HUGO BOSS might reach its sales ambition with a slight delay.

# 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



\* Targets as provided in June 2023. As macroeconomic and geopolitical uncertainties have increased noticeably since providing the "CLAIM 5" update, HUGO BOSS might reach its sales ambition with a slight delay.



05

05  
05  
05  
05

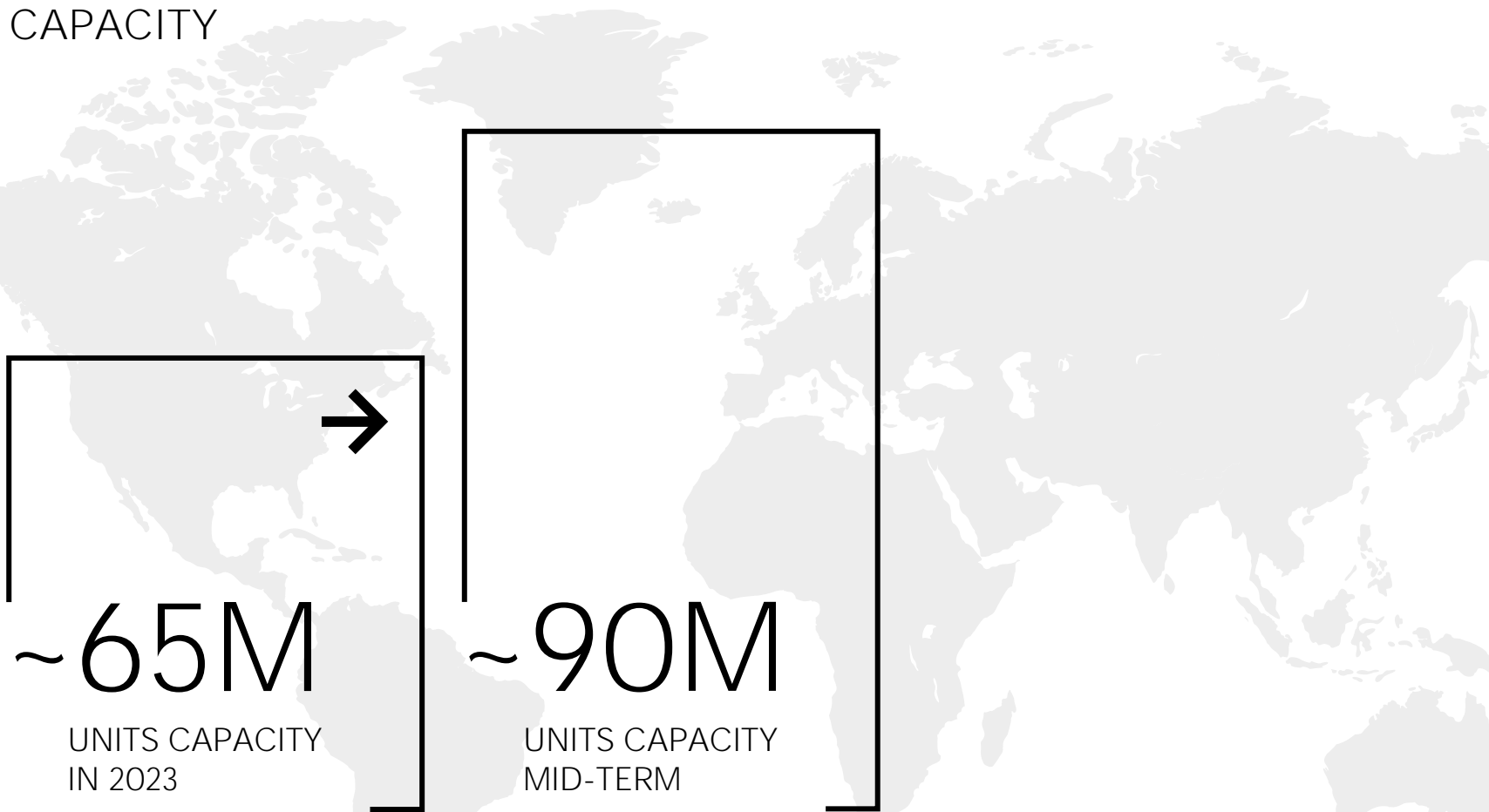
# ORGANIZE FOR GROWTH

CLAIM 5



# 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

17%\*  
OWN PRODUCTION  
THEREOF ~15%\* IN IZMIR, TURKEY

\* IN % OF TOTAL SOURCING AND PRODUCTION VOLUME

~20%  
OF TOTAL  
PRODUCTION  
CAPACITY  
DEDICATED TO  
CASUALWEAR

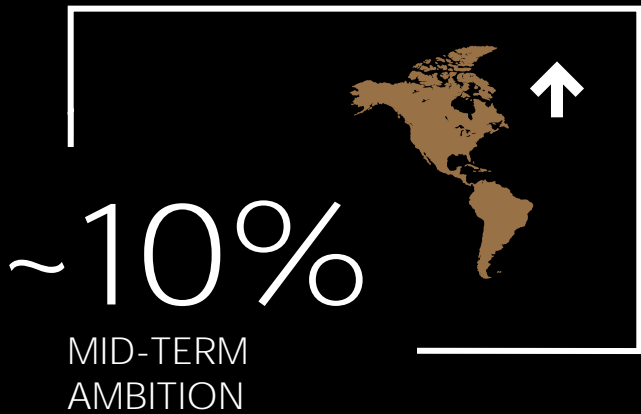
>5%  
OF GLOBAL  
CASUALWEAR  
SOURCING  
COMING FROM  
IZMIR



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

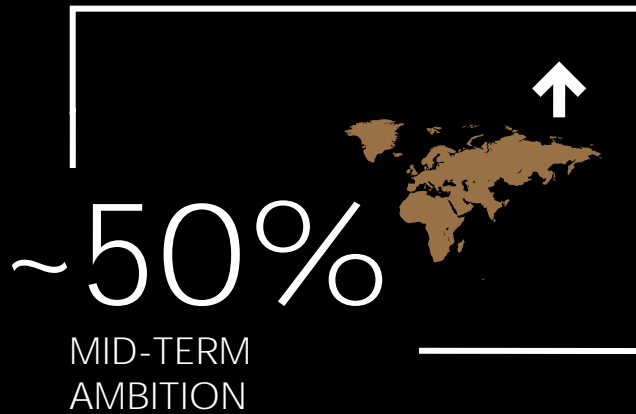
SOURCING VOLUMES BY REGION

### GROW IN THE AMERICAS



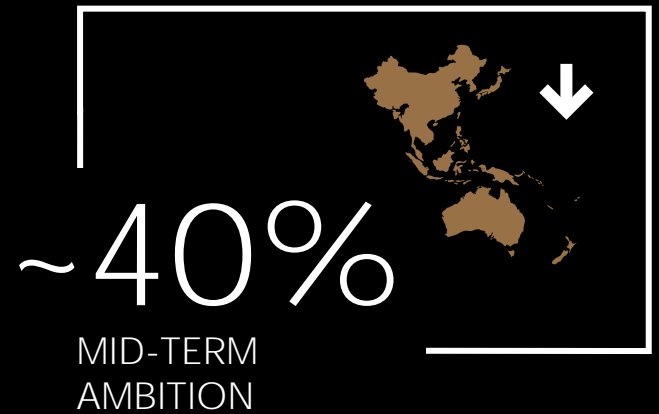
2% CURRENT

### SELECTIVELY EXPAND EMEA



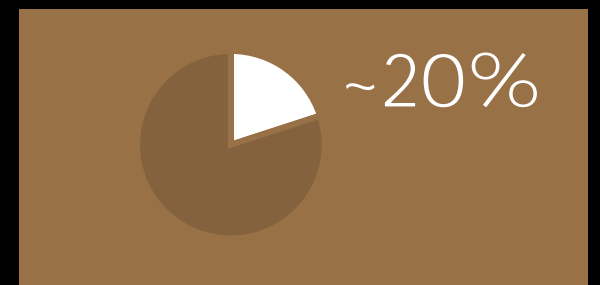
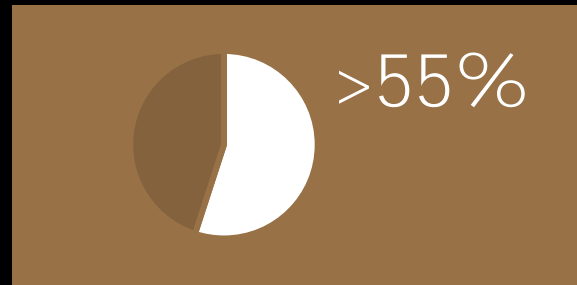
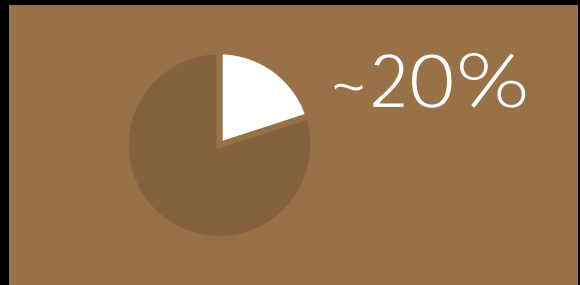
52% CURRENT

### REDISTRIBUTE WITHIN APAC



46% CURRENT

SALES BY REGION (2025)



—  
SUSTAINABLE  
THROUGHOUT

# STRONG ACHIEVEMENTS

IN THE AREAS OF SUSTAINABILITY

7X LISTED IN  
DOW JONES  
SUSTAINABILITY  
INDEX

STRATEGIC PARTNERSHIP  
HEIQ AEONIQ,  
A CELLULOSIC  
FILAMENT YARN



# 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

## EMPLOYEE DEVELOPMENT

## ANIMAL WELFARE

## ENVIRONMENTAL COMPLIANCE

## PACKAGING STANDARDS

- 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

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

- 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

- 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

- 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](#)

[→ LEARN MORE](#)

[→ LEARN MORE](#)

[→ LEARN MORE](#)

[→ LEARN MORE](#)

# FULL YEAR 2023 RESULTS



# 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

Acquisitions or divestments had no material impact on the Group's financial performance in 2023.

STRONG BRAND MOMENTUM  
DRIVES REVENUES FOR BOSS AND HUGO

BOSS  
BOSS  
BOSS  
BOSS  
BOSS



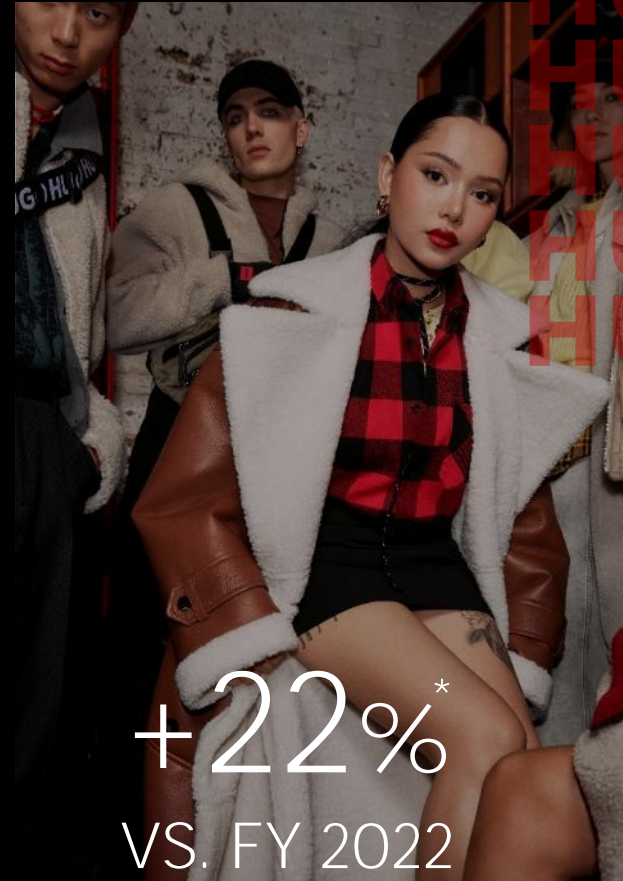
+16%\*  
VS. FY 2022

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

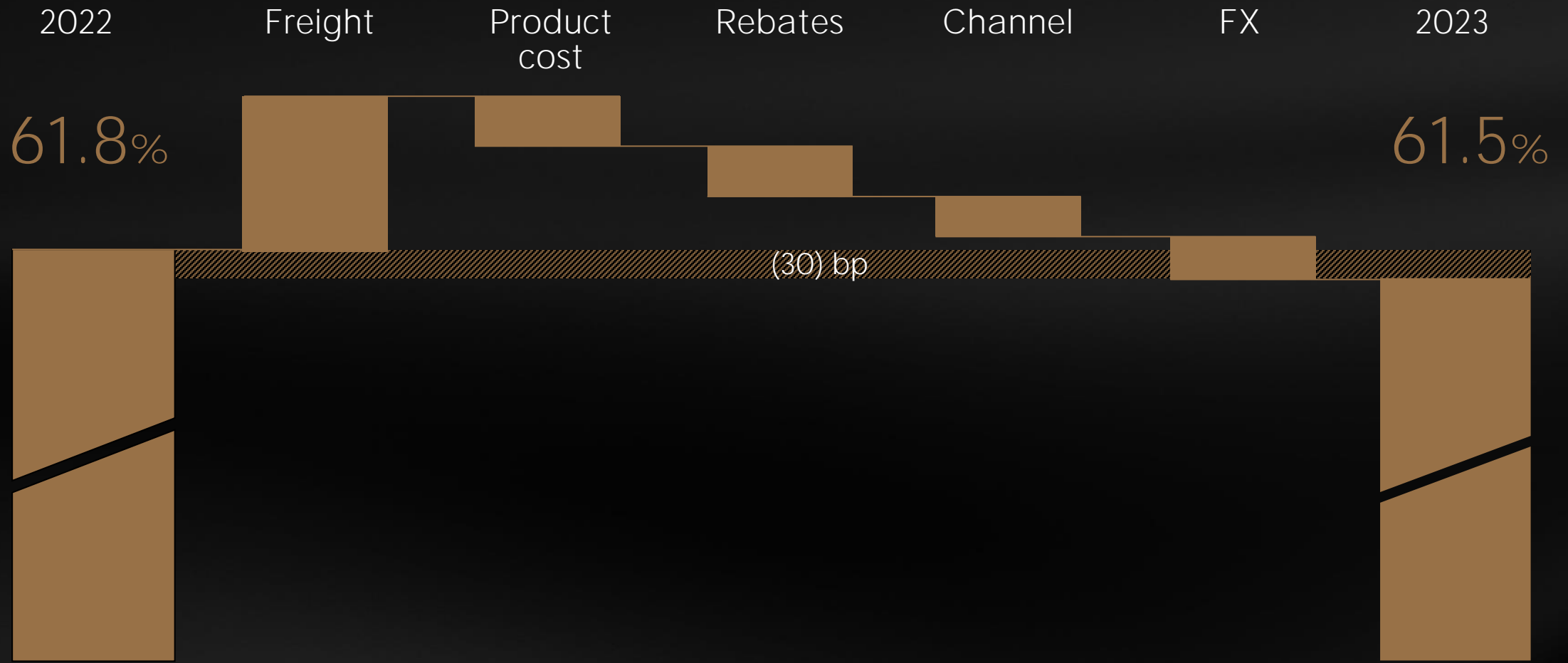
+26%\*

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



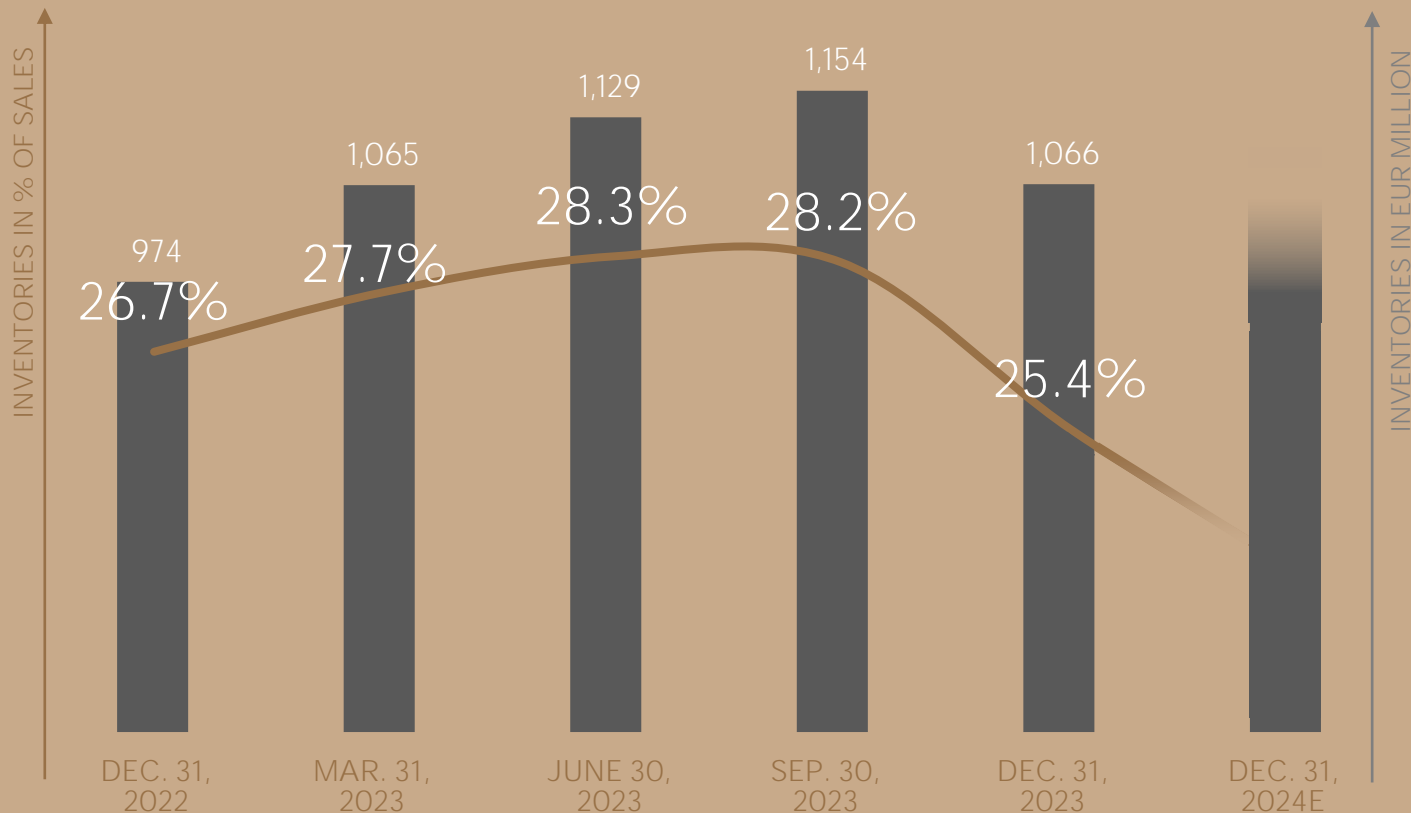
## STRONG BOTTOM-LINE IMPROVEMENTS DESPITE ONGOING INVESTMENTS INTO BUSINESS

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

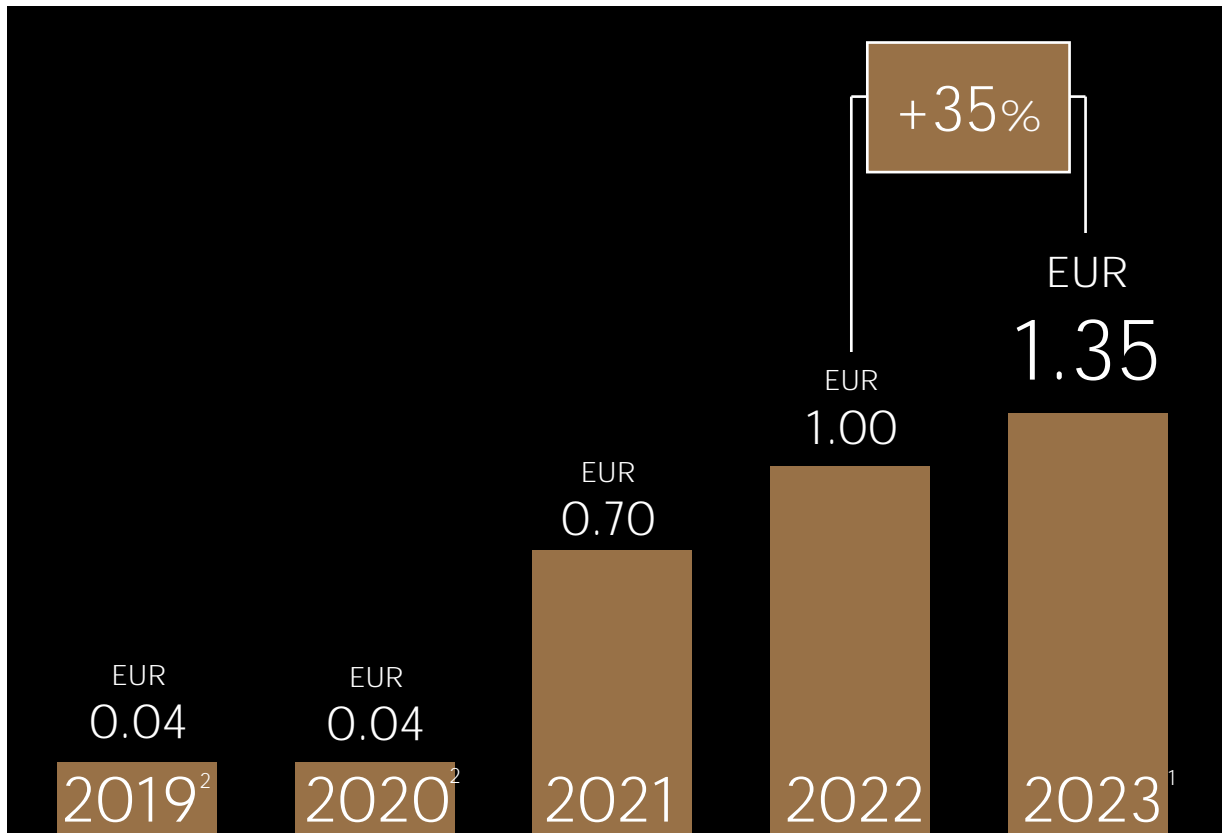


Increase mainly reflects higher inventory position, increase in trade receivables, and lower trade payables

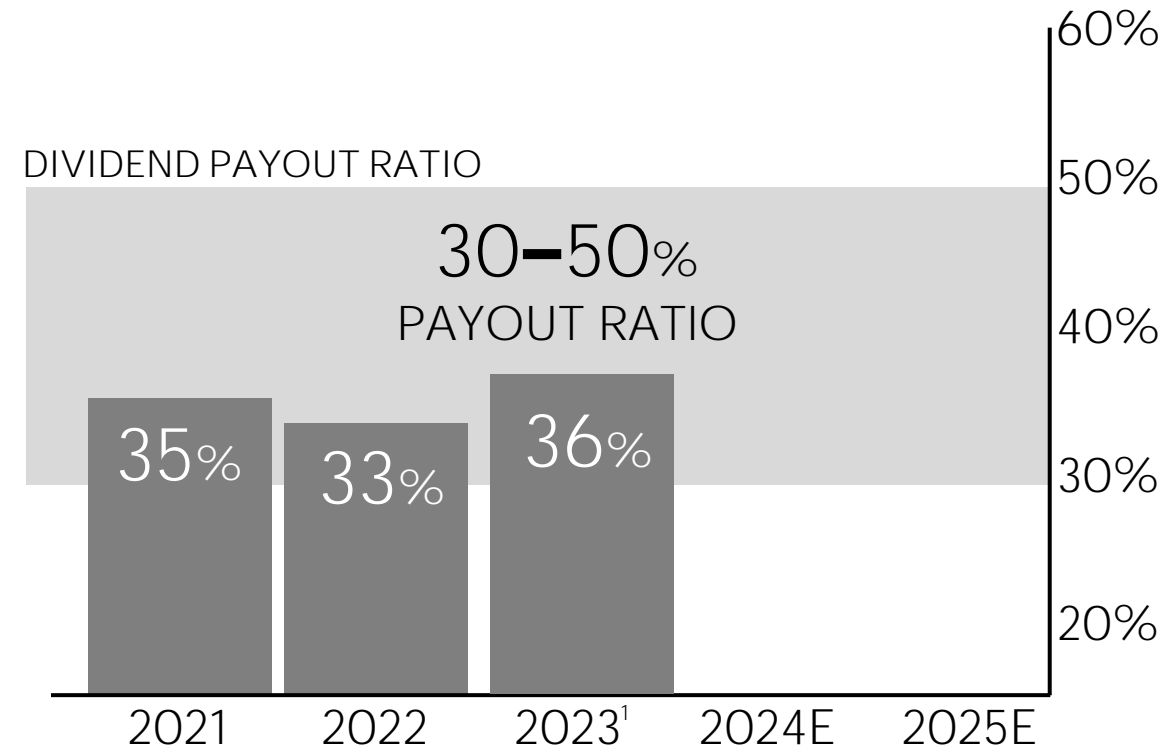
Step-up reflects optimization of store network, digitalization of business model, and logistics expansion

Reacceleration in cash flow generation anticipated for fiscal year 2024

# OVERPROPORTIONATE INCREASE IN DIVIDEND PROPOSAL COMPARED TO NET INCOME DEVELOPMENT



DIVIDEND PER SHARE



<sup>1</sup> Dividend proposal.

<sup>2</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.

# OUTLOOK 2024



# OUTLOOK FOR FISCAL YEAR 2024

	Results 2023	Outlook 2024
Group sales	Increase by 15% to EUR 4,197 million	Increase within a range of 3% to 6%
Sales by region		
EMEA	Increase by 11% to EUR 2,562 million	Increase in the low to mid single-digit percentage range
Americas	Increase by 21% to EUR 955 million	Increase in the mid- to high single-digit percentage range
Asia/Pacific	Increase by 23% to EUR 576 million	Increase in the high single- to low double-digit percentage range
Operating result (EBIT)	Increase by 22% to EUR 410 million	Increase within a range of 5% and 15% to a level of around EUR 430 million to EUR 475 million
<b>Group's</b> net income	Increase by 22% to EUR 270 million	Increase within a range of 5% and 15%
Trade net working capital as a percentage of sales	20.8%	Improvement to a level approaching 20%
Capital expenditure	Increase by 55% to EUR 298 million	Increase to a level of EUR 300 million to EUR 350 million

# 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

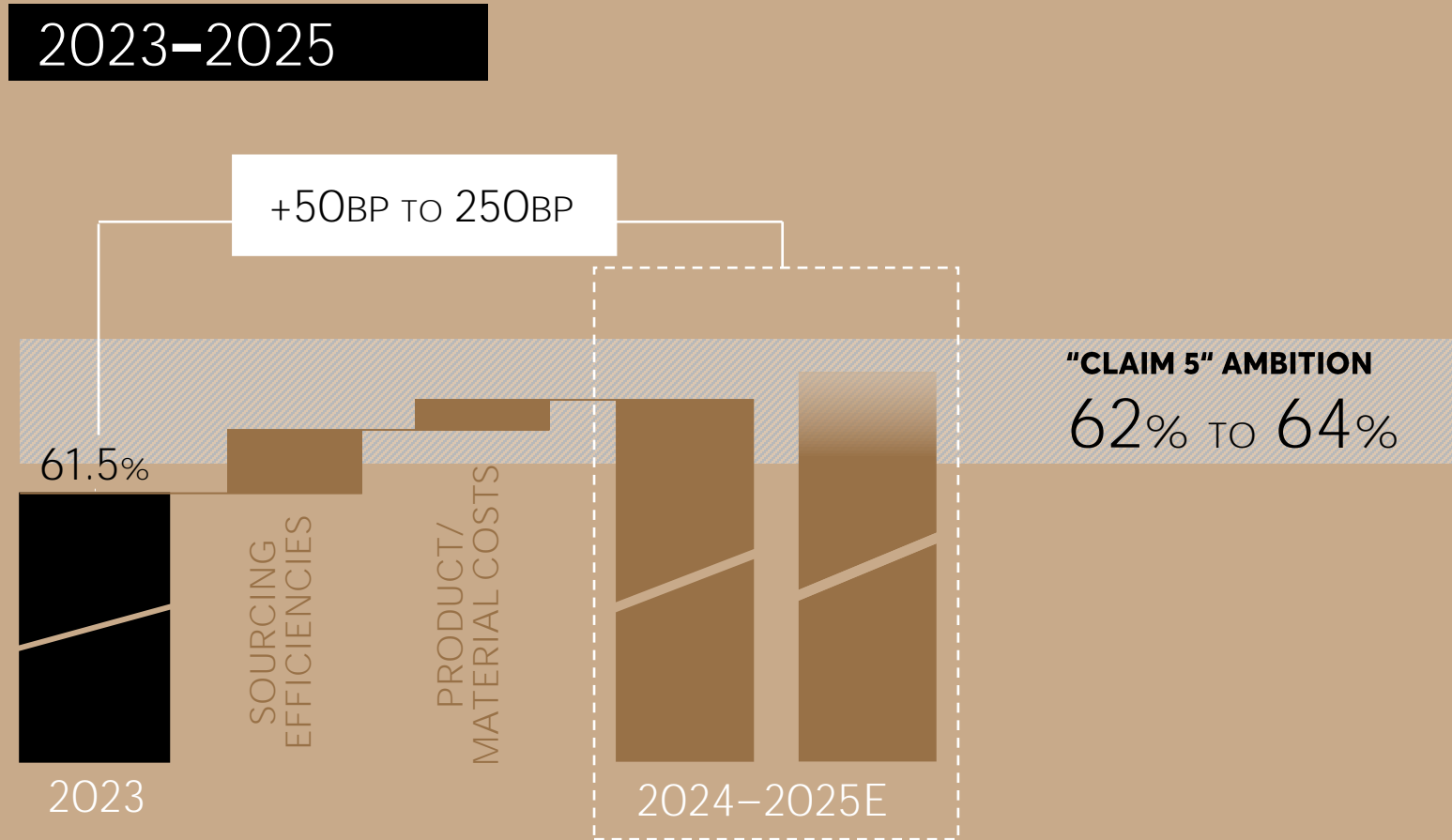
EUR MILLION  
2024E

2024

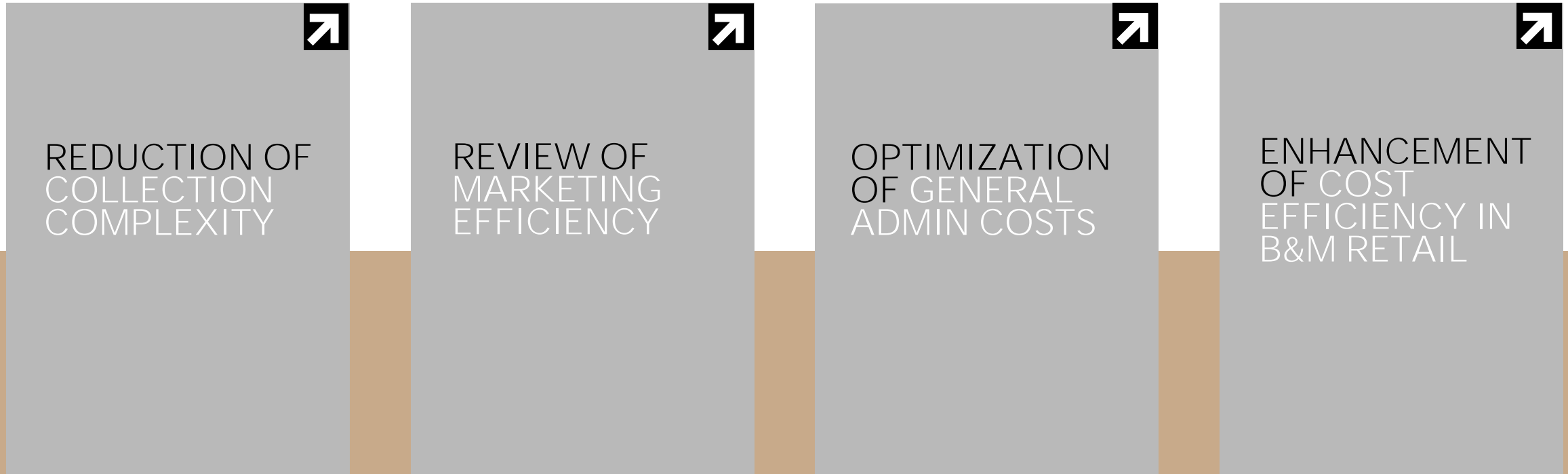


# GROSS MARGIN DEVELOPMENT SUPPORTED BY INCREASED SOURCING EFFICIENCY

- 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



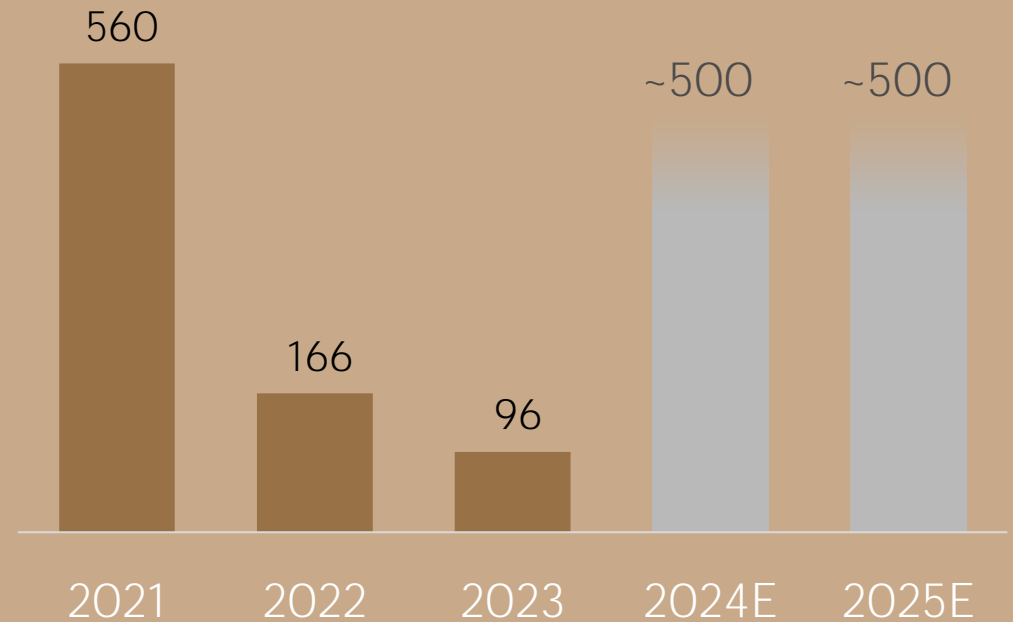
2025 EBIT-MARGIN TARGET OF **≥12%**  
SUPPORTED BY OPERATING LEVERAGE

# 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



# FINANCIAL CALENDAR & INVESTOR RELATIONS CONTACT

MAY  
**2**  
2024

FIRST QUARTER 2024  
RESULTS

MAY  
**14**  
2024

ANNUAL GENERAL  
MEETING

## CONTACT

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SENIOR VICE PRESIDENT INVESTOR RELATIONS  
E-MAIL [christian\\_stoehr@hugoboss.com](mailto:christian_stoehr@hugoboss.com)  
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LENA BIBERACHER  
SENIOR INVESTOR RELATIONS MANAGER  
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PHONE +49 7123 94 84272

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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 and ambition of becoming the premium tech-driven fashion platform worldwide, and one of the top 100 global brands.

3

### PROFITABILITY IMPROVEMENTS

We target an EBIT margin of at least 12% by 2025. 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 2023 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

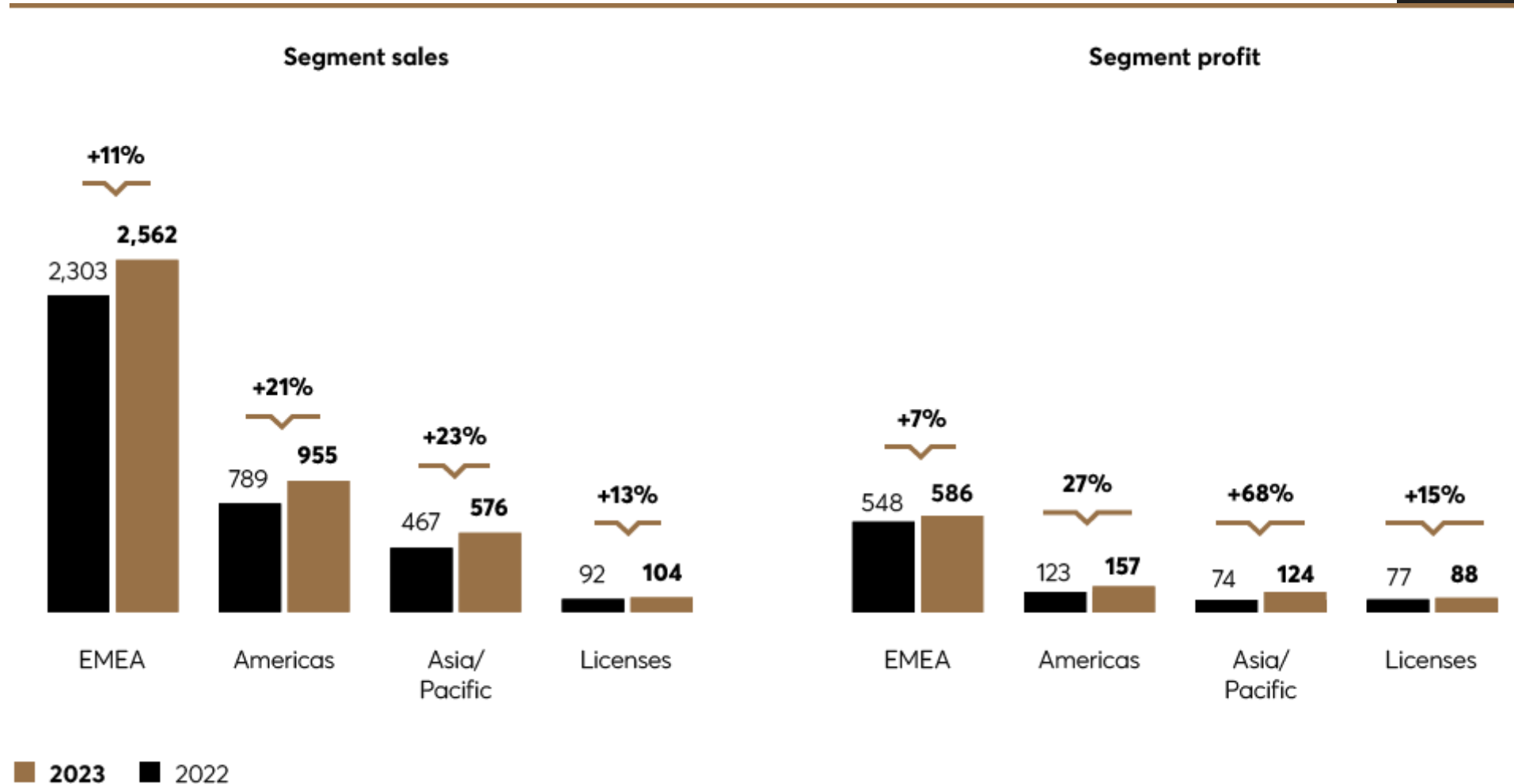
2023

## COMPARISON OF ACTUAL AND FORECAST 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

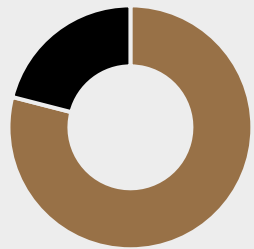
The forecast for TNWC as a percentage of sales was updated to "increase to a level of around 20%" with the publication of third quarter results in November 2023. Acquisitions or divestments had no material impact on the Group's financial performance in 2023.

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



# SALES BY BRAND 2023

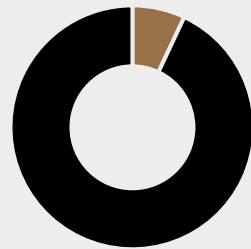
BOSS  
MENSWEAR



78%  
of Sales

3,256  
EUR MILLION

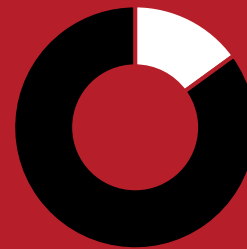
BOSS  
WOMENSWEAR



7%  
of Sales

288  
EUR MILLION

HUGO

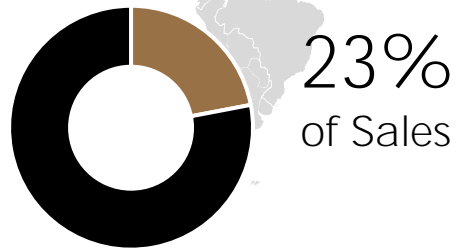


16%  
of Sales

653  
EUR MILLION

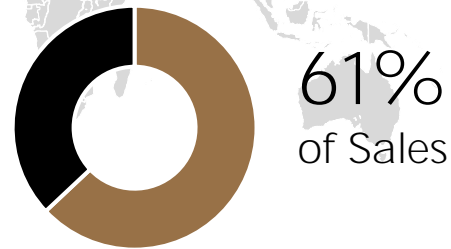
# HUGO BOSS GLOBAL MARKET PRESENCE

## AMERICAS



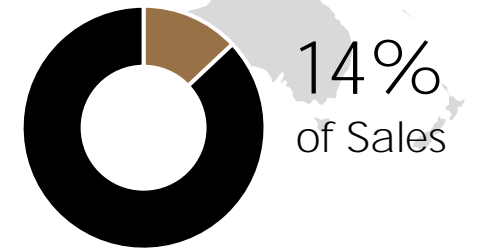
**955** EUR million Sales  
~1,900 Points of sale  
115 Freestanding retail stores  
14% Employees

## EMEA



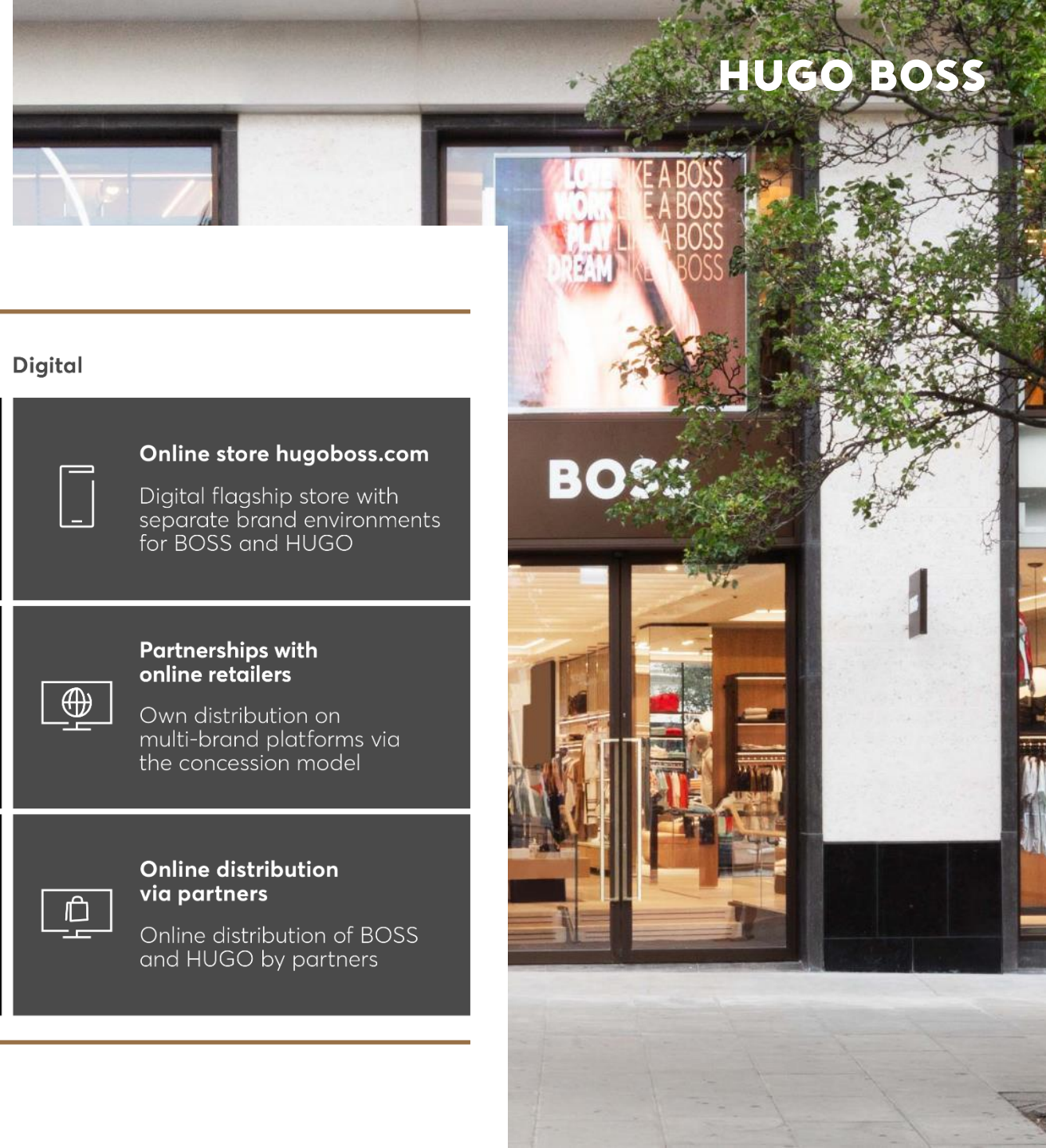
**2,562** EUR million Sales  
~5,300 Points of sale  
212 Freestanding retail stores  
73% Employees

## ASIA/PACIFIC



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

# DISTRIBUTION CHANNELS



## Brick-and-mortar retail



### Freestanding stores

Self-operated full-price stores in prime locations



### Shop-in-shops

Self-operated full-price shops on retail space of partners



### Factory outlets

Sale of prior season's merchandise in specialist stores in high-traffic peripheral zones

## Brick-and-mortar wholesale



### Multi-brand points of sale

General selling space in multi-brand stores



### Shop-in-shops

BOSS and HUGO shops operated by partners



### Franchise business

Full-price BOSS and HUGO stores operated by partners

## Digital



### Online store hugoboss.com

Digital flagship store with separate brand environments for BOSS and HUGO



### Partnerships with online retailers

Own distribution on multi-brand platforms via the concession model



### Online distribution via partners

Online distribution of BOSS and HUGO by partners

# 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

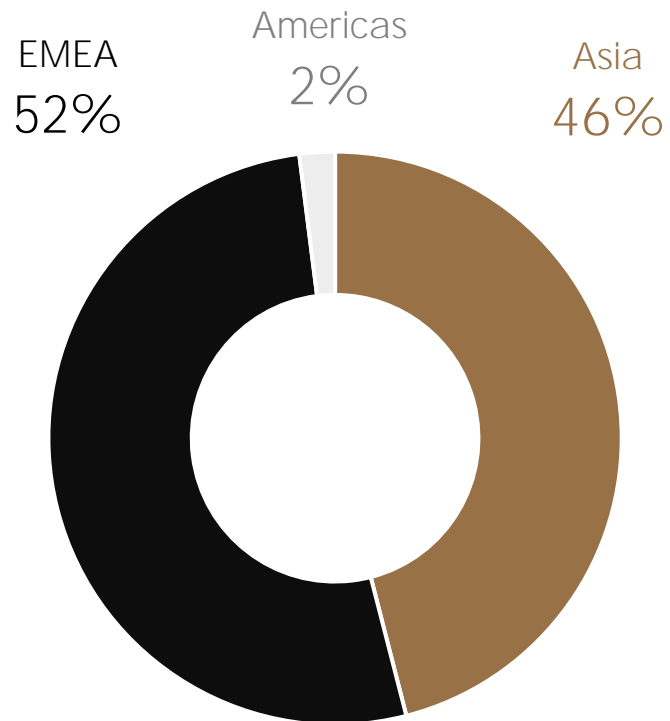
INCLUDING FREE-  
STANDING STORES,  
SHOP-IN-SHOPS AND  
OUTLETS



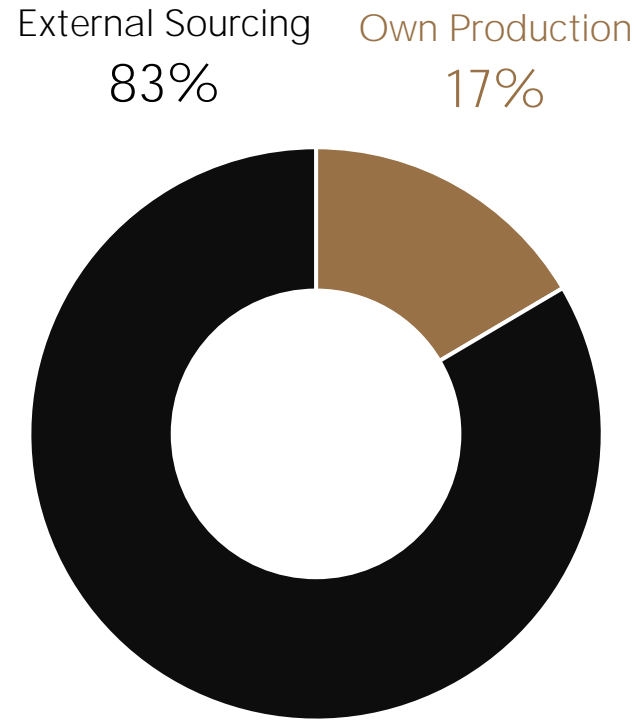
# SOURCING FOOTPRINT

## WELL BALANCED REGIONAL SOURCING & PRODUCTION MIX

REGIONALLY BALANCED  
STRATEGIC SOURCING MIX



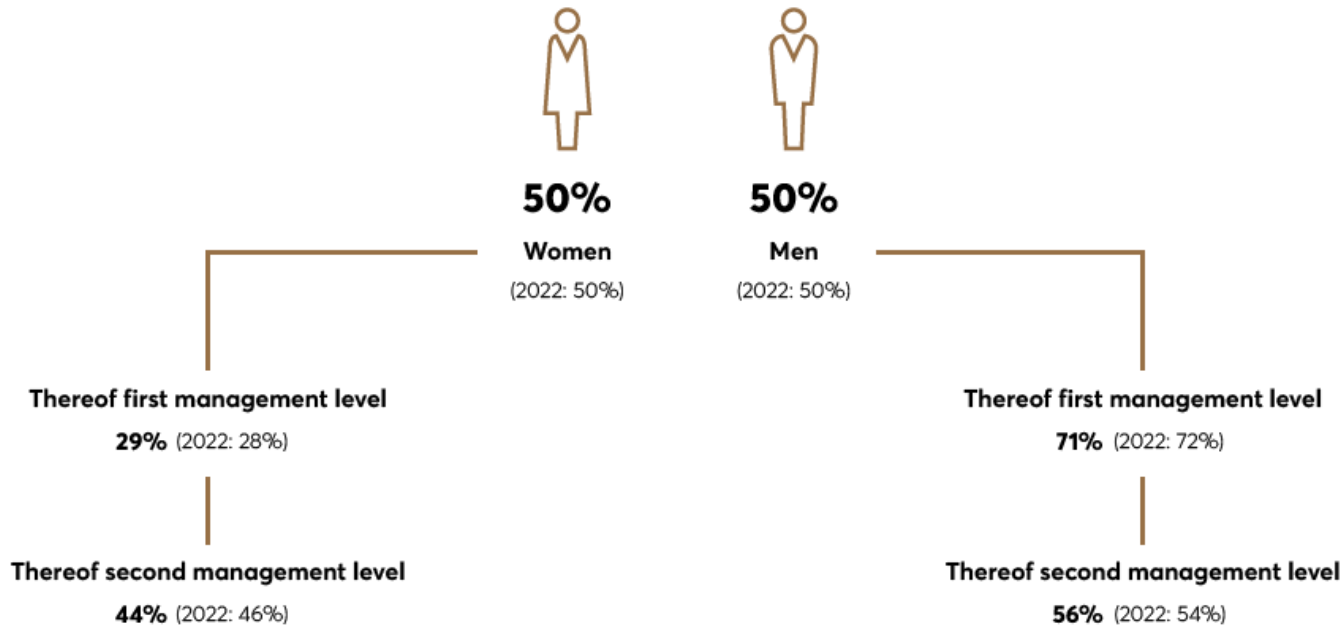
OWN PRODUCTION COMPLEMENTS  
THIRD-PARTY SOURCING ACTIVITIES



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:

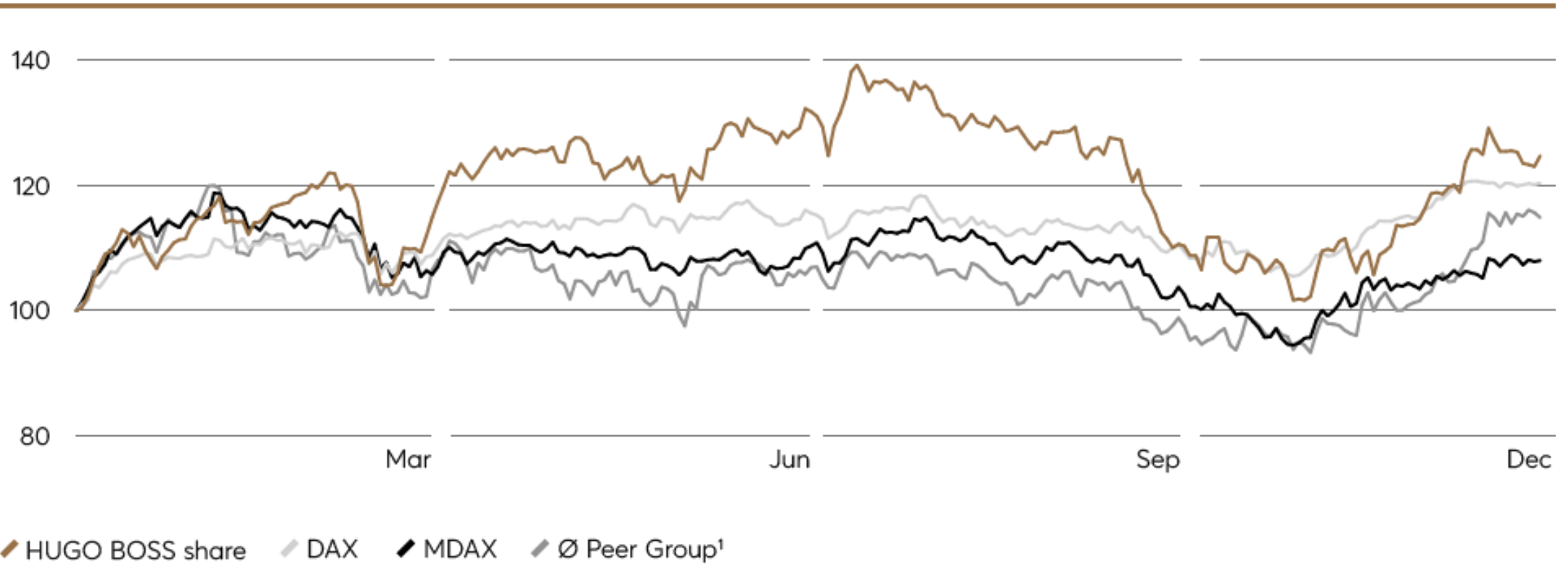
Stable free cash flow generation by optimizing the most important value drivers

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.

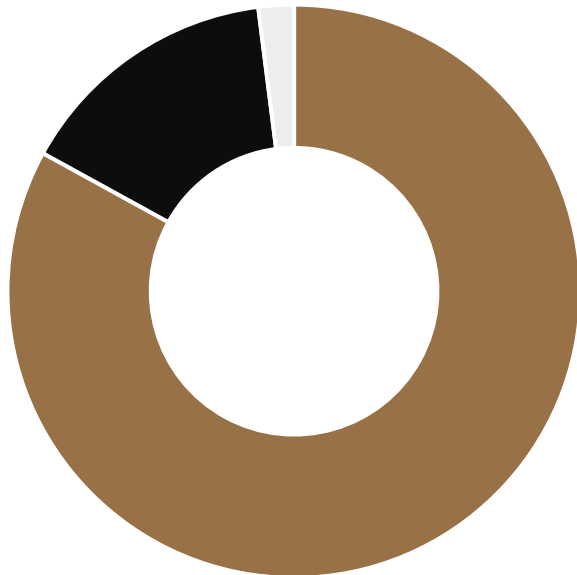
# SHAREHOLDER STRUCTURE

SHAREHOLDER STRUCTURE  
AS OF DEC 31, 2023  
(IN % OF SHARE CAPITAL)

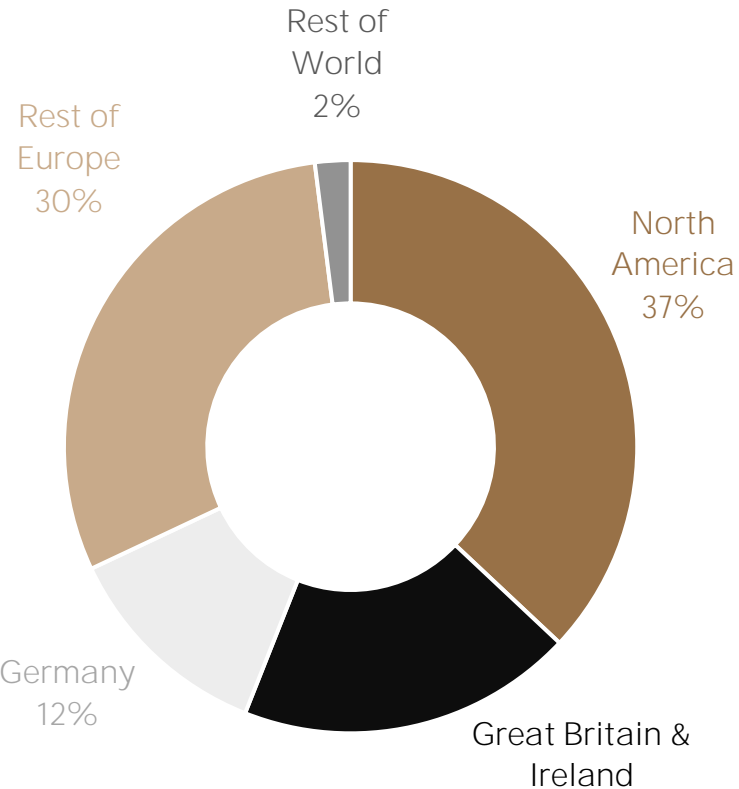
PFC S.r.l./Zignago  
Holding S.p.A. 15%

Own shares 2%

Free float 83%



INSTITUTIONAL INVESTORS  
(FREE FLOAT) BY REGION  
AS OF DEC 31, 2023 (IN %)



~40,000

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> HUGO BOSS is currently revisiting its business model in Russia, which includes considerations to convert it into a wholesale business. Accordingly, the Company classified all respective assets and liabilities as assets and liabilities held for sale as of December 31, 2023.

## 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.