CLAIM 5
STRATEGY

HUGO BOSS
BECOME THE PREMIUM TECH-DRIVEN FASHION PLATFORM WORLDWIDE.
WE LOVE FASHION, WE CHANGE FASHION

THE MISSION
€4 BILLION IN 2025
€5 BILLION IN 2026+
BECOME ONE OF THE
TOP-100 GLOBAL BRANDS

THE AMBITION
## Claim 5 Strategy

### Why

**Consumer First**

### What

1. Boost Brands
2. Product is King
3. Lead in Digital
4. Rebalance Omnichannel
5. Organize for Growth

### How

- Sustainable Throughout
- Rigorous Execution
- Empower People and Teams
CLAIM

OUR POSITION IN THE CONSUMERS’ MINDS
CONSUMER
ALWAYS VERY FIRST

WE AIM FOR FANS,
NOT JUST CONSUMERS
BUILD RELATIONSHIPS
VALUE

BUILD LOYALTY
AUTHENTICITY

BUILD AWARENESS
DESIRABILITY

ENGAGE CONSUMERS
EXCLUSIVITY

INCENTIVE TO INTERACT
REWARDS

DRIVE PURCHASES
ACCESS

CONSUMER/FANS
CLAIM

BOOST BRANDS

HUGO BOSS
BRAND PORTFOLIO STRATEGY

ONE HUGO BOSS PLATFORM WITH TWO BRANDS AND THE POSSIBILITY TO ADD MORE BUSINESSES TO IT

- Balanced and strong brand portfolio
- BOSS and HUGO as 2 lifestyle stories
- Premium lifestyle positioning
THE NEW BRAND WORLD

BOSS MENSWEAR
THE NEW BRAND WORLD
BOSS WOMENSWEAR
THE NEW BRAND WORLD

HUGO
OVERALL STRATEGY
BOSS MENSWEAR

- Foster brand positioning in premium/affordable luxury segment
- Dress consumers for every occasion 24/7 to enhance perception as a lifestyle brand
- Emotionalize the brand to attract additional & younger consumers
- Push digital channels to drive brand vitality; rebalance wholesale vs retail
OVERALL STRATEGY
BOSS WOMENSWEAR

- Drive brand strength among female consumers
- Increase visibility across all consumer touchpoints
- Establish BOSS womenswear as a 24/7 brand, capturing all wearing occasions
- Focus on digital and grow physical presence in key cities

2020
€ 0.1B

2025
~ € 0.4B

AMBITION
OVERALL STRATEGY

HUGO

- Become the first brand touchpoint for younger consumers
- Build HUGO brand power by focusing on brand values & a clear differentiation
- Grasp growth opportunity by balancing contemporary and commercial items
- Focus on digital and drive geographical expansion in metropolitan areas
MARKETING STRATEGY

- Step up in **marketing investments** and increase marketing efficiency
- Recognize BOSS and HUGO as ‘digital citizens’
- Ensure **every consumer touchpoint** is working in alignment
- Content that extends beyond advertising to become **part of culture**
- Communication leading with **purpose and values**
- **Create a hype** among consumers with exceptional **collaborations**
CLAIM

PRODUCT IS KING
24/7 BRAND

DRESS ALL AGES FROM HEAD TO TOE FOR EVERY OCCASION
## High Product Value and Competitive Pricing

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>01</strong></td>
<td>Ensure Premium Quality in all Our Products</td>
<td><strong>02</strong></td>
<td>Clear Point of Difference in all Our Products</td>
<td><strong>03</strong></td>
</tr>
</tbody>
</table>
# The Product Matrix

<table>
<thead>
<tr>
<th>Focus Label</th>
<th>The Foundation</th>
<th>Stay Relevant</th>
<th>Inspire</th>
<th>Grasp Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Boss</strong></td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td><strong>Boss</strong></td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
<tr>
<td><strong>Hugo</strong></td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
</tr>
</tbody>
</table>

- **~40%** Bestsellers
- **~20%** Create a Buzz
- **~20%** Inspirational
- **~20%** Growth Potential
THE PRODUCT STRATEGY

Quality, casual chic, and restrained elegance paired with understatement refined with a pinch of luxury.
THE PRODUCT STRATEGY

A broad range of commercial and contemporary pieces reflecting the authentic and unconventional HUGO style.

FIRST BRAND TOUCHPOINT FOR YOUNGER CONSUMERS

SHARPEN THE PRODUCT RANGE BASED ON OWN BRAND IDENTITY

INCREASE SPEED AND SEIZE OPPORTUNITIES
CLAIM

LEAD IN DIGITAL
DIGITAL STRATEGY ALONG THE VALUE CHAIN
MULTIPLE MEASURES WITH FOCUS ON SPEED, PERSONALIZATION AND COSTS

DEMAND
- Trend detection

DESIGN
- Digitally developed collections

DEVELOPMENT
- 3D material library & sourcing

PRODUCTION & LOGISTICS
- Production optimization
- Personalized recommendations & virtual styling

MARKETING
- Digital showroom & online order tool
- Data-driven pricing & markdown mgmt

SALES

ORGANIZATION
- Remote workplace & digital workstation
THE DIGITAL CAMPUS

FRONT END
Consumer-facing
Product-orientated
Strategy and decision making on every aspect

BACK END
Analytical, technical, and executional capacity and capability

METZINGEN
PORTO
HUGO BOSS
DIGITAL CAMPUS
HUGO BOSS OMNICHANNEL JOURNEY

WHAT’S IN PLACE!

CLICK AND COLLECT
ORDER FROM STORE
RETURN & REPLACE
FIND IN STORE

WHAT’S NEXT!

CONNECTED RETAIL
PARTNER PROGRAMS
FRANCHISE INTEGRATION
VIRTUAL SELLING
SHIP FROM STORE
DIGITAL JOURNEY IN STORES
NEW WAYS OF CONSUMER INTERACTION
EXPLOIT DIGITAL

ACTIONS

- Refresh of hugoboss.com
- Complete roll-out of hugoboss.com
- Follow mobile-first approach
- Boost digital partner business
- Realize best-in-class customer journey
- Drive omnichannel sales

ENABLERS

- Use analytics insights for optimization of product and sales
- Enable data-driven decision-making
- Leverage best-in-class CRM

2020

€ 0.4B

2025

> € 1.0B
Partner business to represent more than 50% of digital sales

Drive traffic and relevance for BOSS and HUGO on partner websites

Flexible and scalable business model on partner-by-partner basis

> € 1.0B

> 50%

WHS.com
CON.com
HB.com
UNLEASH FULL RETAIL POTENTIAL

ACTIONS

Refresh retail network
Foster experience per sqm
Optimize retail footprint
Keep outlet sales share at ~ 20%
Increase productivity by ~ 3% p.a.

ENABLERS

Dedicated store excellence management
Defined digital journey in our stores
Investment in new store concept

2020

€1.1B

2025

~ €2.0B

AMBITION
**RECLAIM WHOLESALE**

**ACTIONS**

- Product and price value is key
- Regain market share in important categories
- Strengthen relationship with key partners
- Implement digital sales organization
- Roll out new digital showroom

**ENABLERS**

- Improved brand positioning and focused offer
- Elevate relationships based on customer and product insights

**AMBITION**

- **2020**
  - €0.5B

- **2025**
  - ~€1.0B
LOW TEENS GROWTH

CAGR
2019-2025

Further strengthen brand positioning
Step up game in physical retail
Boost digital business
Strongly expand travel business

SALES SHARE 2025

> 20%

EXPAND FOOTPRINT IN ASIA/PACIFIC
ACCELERATE GROWTH IN THE AMERICAS

MID-SINGLE-DIGIT GROWTH

CAGR
2019-2025

- Accelerate 24/7 brand image
- Leverage casualization trend
- Optimize store network
- Exploit wholesale opportunities

SALES SHARE 2025

~ 20%
LOW TO MID-SINGLE-DIGIT GROWTH

CAGR
2019-2025

Reclaim wholesale
Lead in key product categories
Refresh store fleet
Exploit online opportunity

- 55%

SALES SHARE 2025

*incl. Middle East and Africa.
KEY TRANSFORMATION AREAS TO BUILD THE PLATFORM FOR SPEED & GROWTH

MODULAR & DIGITAL CREATION

> 90% OF PRODUCTS CREATED DIGITALLY

SHORTER CREATION TRACKS

~ 30% REDUCTION OF E2E LEAD TIMES

FLEXIBLE PRODUCTION & LOGISTICS NETWORK

KEEP 2025 UNIT COGS AT 2019 LEVEL

SUPPLY CHAIN'S DIGITAL TWIN

> 90% ON-TIME AVAILABILITY
Increased E2E transparency
Faster response to in-season trends
Reduced excess inventory
Increased resilience
Contained cost of goods sold
CLAIM SUSTAINABLE THROUGHOUT
BALANCING IMPACT WITH CONSUMER ENGAGEMENT

DELIVER MEASURABLE IMPACT

ENTHUSE CONSUMERS TO CONTRIBUTE TO OUR VISION
SHARE OF RESPONSIBLE STYLES* IN SPRING/SUMMER 2022

* RESPONSIBLE styles contain at least 60% more sustainable raw materials in line with our RESPONSIBLE Product Policy while meeting further strict environmental and social requirements for processing, transport and packaging.
OUR VISION TOWARDS A TRULY CIRCULAR BUSINESS MODEL

01 TODAY
   REPURPOSE
   RECYCLE
   (OPEN LOOP)

02 SHORT-TERM
   REPAIR
   RESALE
   COLLECT & DISCHARGE

03 LONG-TERM
   RECYCLE
   (CLOSED LOOP)
   BIODEGRADATION

▶ 8 OUT OF 10 PRODUCTS WILL BE CIRCULAR BY 2030
2030
CLIMATE-NEUTRALITY WITHIN OUR OWN AREA OF RESPONSIBILITY

2045
CLIMATE-NEUTRALITY THROUGHOUT WHOLE VALUE CHAIN
MEASURES TO REACH NET ZERO

ENERGY EFFICIENCY

- Optimize transport & logistics
- Use of efficient technologies

ENERGY CONSUMPTION

RENEWABLE ENERGY

- Own photovoltaic systems
- Certified green electricity

COMPENSATION

- Compensation through CO₂ reduction projects
**Execution of Claim 5 to Impact Financial Ambition**

<table>
<thead>
<tr>
<th>Acceleration in Top-Line Growth</th>
<th>Product Investments to Fuel Price-Value Proposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Brand and Digital Capabilities</td>
<td>Refresh of Store Portfolio</td>
</tr>
<tr>
<td>Value Creation Shifts to Absolute Profitability Improvements and Free Cash Flow Generation</td>
<td></td>
</tr>
</tbody>
</table>
TOP-LINE AMBITION 2025

GROUP SALES €4B BY 2025

GROUP SALES GROWTH

6% CAGR 2019 - 2025

16% CAGR 2020 - 2025
GROWTH AMBITION BY CHANNEL

GROUP SALES BY CHANNEL

- **6% CAGR**
  - 2019: €2.9B
  - 2020: €1.9B
  - 2025: ~2.0

- **16% CAGR**
  - 2019: €2.9B
  - 2020: €1.9B
  - 2025: ~2.0

- **Retail B&M**
- **Wholesale B&M**
- **Digital**
- **Licenses**

HUGO BOSS

- €4.0B
GROWTH AMBITION BY REGION

GROUP SALES BY REGION

€ 2.9B

6% CAGR

€ 1.9B

16% CAGR

2019

2020

2025

HUGO BOSS

€ 4.0B

~ 55%

> 20%

~ 20%

Europe

Asia/Pacific

Americas

Licenses

CAGR 6%

CAGR 16%
BOTTOM-LINE AMBITION 2025

EBIT GROWTH

6%

CAGR
2019 - 2025

EBIT MARGIN

~12%

BY 2025
BOTTOM-LINE DEVELOPMENT

EFFICIENCY GAINS TO COMPENSATE FOR INVESTMENTS

Operating margin (in % of group sales)

- Operating margin 2019
- Gross margin
- Brand investments
- Digital investments
- Store network optimization
- Operating overhead leverage
- Operating margin 2025

12% ~ 12%
GROSS MARGIN DEVELOPMENT

PRODUCT INVESTMENTS TO FURTHER OPTIMIZE THE PRICE-VALUE PROPOSITION

GROSS MARGIN (IN % OF GROUP SALES)

<table>
<thead>
<tr>
<th></th>
<th>Gross margin 2019</th>
<th>Product investments</th>
<th>Channel mix</th>
<th>Country mix</th>
<th>Sourcing costs</th>
<th>Gross margin 2025</th>
</tr>
</thead>
</table>

HUGO BOSS

65%

60-62%
STEP-UP IN BRAND INVESTMENTS

INCREMENTAL MARKETING SPENDING 2025 VS. 2019

areas of incremental marketing spending

> €100M

ONLINE TRAFFIC

BRANDING

2019 ~ 6% OF GROUP SALES

2025 ~ 7-8% OF GROUP SALES

> 100 BPS VS 2019
STEP-UP IN DIGITAL INVESTMENTS

- Online business
- Digital campus
- IT capabilities

Incremental Digital Investments 2025 vs. 2019

- Online business: ~400 BPS
- Digital campus: ~4% of Group Sales, ~8% of Group Sales

> €150M
STORE NETWORK OPTIMIZATION

- Store closings/relocations
- Rightsizing of stores
- Renegotiation of contracts

2019 ~ 26% of group sales

2025 ~ 19% of group sales

~ 450 stores 2020

~ 400 stores 2025

+ ~ 50
- ~ 100

~ (700) BPS VS 2019

DEVELOPMENT OF FREESTANDING RETAIL STORES UNTIL 2025
OPERATING OVERHEAD LEVERAGE

- Push digitalization
- Roll out shared services
- Lean organizational setup

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost Savings</th>
<th>Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~ (200) BPS</td>
<td>~ 16% of Group Sales</td>
</tr>
<tr>
<td>2025</td>
<td>~ 14%</td>
<td>~ 14% of Group Sales</td>
</tr>
</tbody>
</table>
CAPITAL EXPENDITURE

4 OUT OF 5 STORES TO BE REFRESHED BETWEEN 2022-24

CAPITAL EXPENDITURE (IN % OF GROUP SALES)
IMPROVING AVERAGE INVENTORY TURN TO 2.0X

2019: 1.6x

16-19%
CASH-GENERATIVE BUSINESS MODEL

~ € 2B

2021 2025

FREE CASH FLOW DEVELOPMENT (INCL. IFRS 16)

CLAIM 5 LEADING TO STRONG FREE CASH FLOW GENERATION
# Clear Prioritization of Cash Usage

Capital Allocation Framework

## Balanced Approach to Growth Investments and Shareholder Returns

<table>
<thead>
<tr>
<th>No.</th>
<th>Activity</th>
<th>Investments</th>
<th>Payout Ratio</th>
<th>M&amp;A</th>
<th>Special Dividend Share Buyback</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Reinvest for organic growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>Progressive dividend</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>03</td>
<td>Strategic investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>04</td>
<td>Return excess liquidity to shareholders</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q3 2021
RESULTS
HUGO BOSS
Momentum accelerates across all brands, channels, and key regions

Sales and earnings exceed pre-pandemic levels
**BUSINESS RECOVERY STRONGLY ACCELERATES IN Q3**

<table>
<thead>
<tr>
<th>GROUP SALES</th>
<th>EUR 755 MILLION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+40%* VS. Q3 2020</td>
</tr>
</tbody>
</table>

(CURRENCY-ADJUSTED)
STRONG LOCAL DEMAND DRIVES BUSINESS IN EUROPE

EUROPE SALES INCL. MIDDLE EAST AND AFRICA

Rebound in local demand spurs overall momentum in the region

Revenues in key markets such as the UK, France, and Germany exceed 2019 levels

+38%*  
VS. Q3 2020

+9%*  
VS. Q3 2019

*CURRENCY-ADJUSTED
MOMENTUM IN THE AMERICAS FURTHER ACCELERATES

AMERICAS SALES

+94%* VS. Q3 2020

+14%* VS. Q3 2019

Strong growth across all of the region’s key markets, driven by robust local demand

U.S. retail business grows double-digits as compared to pre-pandemic levels

*CURRENCY-ADJUSTED
CONSUMER SENTIMENT IMPACTED BY PANDEMIC-RELATED RESTRICTIONS

ASIA/PACIFIC SALES

Temporary store closures weigh on various markets in Southeast Asia

- (1)\%* VS. Q3 2020
- (14)\%* VS. Q3 2019

Consumer sentiment in mainland China reaccelerates towards the end of Q3

* CURRENCY-ADJUSTED
### STRONG DYNAMIC ACROSS ALL CHANNELS

<table>
<thead>
<tr>
<th>OWN RETAIL</th>
<th>ONLINE</th>
<th>WHOLESALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>+40%</td>
<td>+37%</td>
<td>+40%</td>
</tr>
<tr>
<td>VS. Q3 2020</td>
<td>VS. Q3 2020</td>
<td>VS. Q3 2020</td>
</tr>
<tr>
<td>+13%</td>
<td>+127%</td>
<td>(1)%</td>
</tr>
<tr>
<td>VS. Q3 2019</td>
<td>VS. Q3 2019</td>
<td>VS. Q3 2019</td>
</tr>
</tbody>
</table>

- Brick and mortar retail business returns to growth, up +4% vs. 2019
- Strong double-digit growth across all regions
- Revenues with online partners grow strong double-digits vs. 2019

All figures are currency-adjusted.
### Significant Bottom-Line Improvements in Q3

<table>
<thead>
<tr>
<th>Category</th>
<th>VS. Q3 2020</th>
<th>VS. Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Sales</td>
<td>EUR 755M</td>
<td>+42%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>EUR 466M</td>
<td>+41%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>61.7%</td>
<td>(20) bp</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>EUR 381M</td>
<td>+21%</td>
</tr>
<tr>
<td>(in % of sales)</td>
<td>50.4%</td>
<td>(880) bp</td>
</tr>
<tr>
<td>Selling &amp; Distribution Expenses</td>
<td>EUR 299M</td>
<td>+19%</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>EUR 82M</td>
<td>+26%</td>
</tr>
<tr>
<td>EBIT</td>
<td>EUR 85M</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>11.3%</td>
<td>860 bp</td>
</tr>
<tr>
<td>Net Income Attributable to Shareholders</td>
<td>EUR 53M</td>
<td>&gt;100%</td>
</tr>
</tbody>
</table>
**STRONG IMPROVEMENT IN FREE CASH FLOW DEVELOPMENT**

**Inventories** decrease 6%* as a result of the strong sales growth in the third quarter.

Increase in **capital expenditure** mainly reflects the further store network optimization.

**Free cash flow** more than doubles as compared to pre-pandemic levels.

<table>
<thead>
<tr>
<th></th>
<th>TNWC</th>
<th>CAPITAL EXPENDITURE</th>
<th>FREE CASH FLOW</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEPTEMBER 30, 2021</strong></td>
<td>EUR 474 MILLION</td>
<td>EUR 26 MILLION</td>
<td>EUR 171 MILLION</td>
</tr>
<tr>
<td><strong>(11)%</strong></td>
<td></td>
<td><strong>+40%</strong></td>
<td><strong>+10%</strong></td>
</tr>
</tbody>
</table>

*Currency-adjusted
SPECTACULAR PHYGITAL LAUNCH OF BOSS X RUSSELL ATHLETIC 2.0

BOOST BRANDS

25 MILLION SOCIAL ENGAGEMENTS

4 BILLION IMPRESSIONS IN 4 DAYS
BRANDING REFRESH
VISIBLE AS OF JANUARY 2022

BOOST BRANDS
BOSS BECOMES THE OFFICIAL PARTNER OF THE HAHNENKAMM RACES
LONG-TERM PARTNERSHIP AND CAPSULE COLLECTION WITH MATTEO BERRETTINI

BOOST BRANDS
24/7 LIFESTYLE BRAND

TURNING CONSUMERS INTO FANS
CREATING BUZZ AMONG YOUNGER CONSUMERS
FURTHER STRENGTHENING CASUALWEAR

PRODUCT IS KING
RELAUNCH OF HUGOBOSS.COM IN EARLY 2022

LEAD IN DIGITAL
BOSS STORE
LONDON
OXFORD STREET
OPENING EARLY 2022

REBALANCE OMNICHANNEL
EXPANSION OF OWN PRODUCTION IN IZMIR

- Adding further capacity to meet growing Casualwear demand
- Strengthening near-shoring for the European Sales Market
ORGANIZATIONAL STRUCTURE
FURTHER STRENGTHENED

ORGANIZE FOR GROWTH

BUSINESS UNITS
KRISTINA SZÁSZ
CHRISTOPHER KÖRBER

MARKETING
MIAH SULLIVAN
LUIGI BOIOCCHI

SALES
JUDITH SUN
JESPER REISMANN
HUGO BOSS INCREASES OUTLOOK FOR FY 2021

<table>
<thead>
<tr>
<th>Metric</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP SALES*</td>
<td>INCREASE BY ~40%</td>
</tr>
<tr>
<td>EBIT</td>
<td>BETWEEN EUR 175 MILLION AND EUR 200 MILLION</td>
</tr>
<tr>
<td>TNWC (IN % OF SALES)</td>
<td>IMPROVE TO A LEVEL OF 19% - 20%</td>
</tr>
<tr>
<td>CAPEX</td>
<td>BETWEEN EUR 100 MILLION AND EUR 130 MILLION</td>
</tr>
</tbody>
</table>

*CURRENCY-ADJUSTED
FINANCIAL CALENDAR & INVESTOR RELATIONS CONTACT

MARCH 10 2022

FULL YEAR RESULTS 2021

CHRISTIAN STÖHR

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

HUGO BOSS
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.