HUGO BOSS

Transcript – Q&A Session

March 10, 2026

Please note that the transcript has been edited to enhance comprehensibility. Please also use the webcast replay to listen to the Q&A session on the day of earnings publication.

Manjari Dhar (RBC Capital Markets): Could you give more color on the phasing of the actions you are taking this year to deliberately reduce sales and improve products and quality of sales? How should we think about the quarterly impact through the year?

Secondly, on gross margin: in the past you mentioned around 62% with potential to move beyond that. Should we expect it to go above that level this year?

Yves Müller (CFO/COO of HUGO BOSS): As we move into the execution phase of our CLAIM 5 TOUCHDOWN strategy, we are deliberately taking steps across product assortment and distribution to focus on higher-quality revenues. This also includes actions such as the clean start to 2026 on inventories. From a quarterly perspective, we expect the sales decline to be more pronounced in Q1 and Q4 of 2026, also considering tougher comparables versus 2025. In addition, there will be a currency effect in Q1 and a technical effect from around EUR 20 million of pre-deliveries to wholesale partners that were shifted from Q1 2026 into Q4 2025.

On gross margin, we start from a solid base after the slight decline of 20 basis points in 2025 and a healthier inventory position. Several factors should support improvement. First, sourcing efficiencies and lower freight costs. These initiatives already progressed during 2025 and will continue in 2026. Vendor consolidation, larger sourcing volumes and the reduction in collection complexity all support better sourcing conditions. We also aim to reduce air freight further from the current high single-digit level, making it more the exception going forward.

Daniel Grieder (CEO of HUGO BOSS): In addition, we implemented price increases in Q4 2025, in the low to mid-single-digit range, which will carry through into 2026. We also plan selective price increases aligned with the ongoing elevation of our brand positioning. Finally, our guidance for a mid- to high single-digit decline in sales reflects a deliberate shift toward higher full-price sell-through and fewer discounts. The focus on higher-quality revenues should also support gross margin development. These are the main drivers we see for the year ahead.

Jürgen Kolb (Kepler Cheuvreux): Can you give an update on the HUGO restructuring, including the collection streamlining and the positioning of HUGO Red and HUGO

Blue? Do you expect this to be largely implemented in the first half, or will it take longer through the year?

Secondly, on air freight: should we assume the share eventually goes to zero, with air freight used only in exceptional cases, or will there still be some residual impact beyond 2027?

Daniel Grieder (CEO of HUGO BOSS): We already started taking action in the second half of the year. One key step was the creation of two powerhouses, a men's powerhouse and a women's powerhouse, each bringing together both brands, BOSS and HUGO. This is an important structural step, especially to accelerate the development of Womenswear across the Company. In addition, we hired Kerstin Dorst, a very experienced Womenswear specialist who joined around two months ago. With the new powerhouse structure and the strengthened expertise, we believe we have a strong setup to drive the next phase. For HUGO specifically, we have started to adjust the collection. In recent years, the brand was pushed more toward a Gen Z audience. We are now adjusting the assortment with a stronger contemporary offer, including more suiting options for both men and women. This reconnects with the heritage of HUGO, where for many consumers the first suit after university was a HUGO suit before moving later into BOSS. This contemporary suiting focus has already been introduced in the current collection, and the sell-through we are seeing at the point of sale is encouraging. We will continue to scale this in the coming months. At the same time, we are further optimizing the size and efficiency of the HUGO Red and HUGO Blue collections, both in terms of product and distribution, supported by the new powerhouse structure.

Yves Müller (CFO/COO of HUGO BOSS): On air freight, we reduced the share from mid-teens in 2024 to high-single-digits in 2025. Strategically, the aim over the mid-to-long term is to bring this down to zero and use air freight only as an exception. As we already reached high-single-digit levels, the impact on the P&L will naturally become less pronounced going forward compared to the improvements seen between 2024 and 2025. However, we will continue to work on further reductions.

Thomas Chauvet (Citi): Brick-and-mortar retail delivered +2% growth in brick-and-mortar in Q4, including a return to like-for-like growth, suggesting a strong holiday season. Could you give more color on retail performance in December and how the first weeks of the new year compare to that +2%? Also, how should we think about the revenue outlook by channel this year?

Secondly, on inventories and promotions: you significantly reduced inventory in Q4, mainly through outlets and wholesale. Are you seeing consumers trading down toward outlets in the premium apparel market in the U.S. and Europe? And how has the consumer responded to the mid-single-digit price increases implemented for the Spring 2026 collection? Are similar increases planned for Fall/Winter?

Yves Müller (CFO/COO of HUGO BOSS): We are pleased with the sequential improvement in brick-and-mortar retail during 2025. Performance moved from -4% in Q1 to -1% in Q2, 0% in Q3 and +2% in Q4. The fourth quarter benefited from a strong holiday season and major commercial moments such as Black Friday, Singles' Day and the holiday period. Campaigns like "Be the Next BOSS" and collaborations such as Steiff helped us to capitalize on these moments with the right product and collections in place. For 2026, our overall approach in retail remains prudent. The decline we guide for the year will be less pronounced in retail compared to other channels, but we also have to consider the space effect. Selling space was down about 2% year over year at the end of 2025, which will have some impact going forward.

On inventories, we deliberately used the strong commercial period in Q4 to reduce stock levels across channels. Compared to last year, inventories declined by more than EUR 150 million. Our inventory-to-sales ratio improved by almost 350 basis points year over year to 21.5%, moving closer to our target of around 20%. This was a deliberate step to enter 2026 with a clean inventory base as we move into the execution phase of CLAIM 5 TOUCHDOWN, focusing on higher-quality revenues.

Daniel Grieder (CEO of HUGO BOSS): In retail, we also focused strongly on improving the customer experience in the second half of 2025. With traffic declining in many markets, we concentrated on optimizing consumer touchpoints, from assortment presentation to in-store journeys and window concepts, especially during the holiday season. At the same time, our HUGO BOSS XP loyalty program continued to gain momentum. Total number of members increased by around 20%, and they spend about 50% more than non-members. Combined with stronger store execution, this helped increase conversion rates despite lower traffic.

On inventories, the reduction is not just a one-off measure. We have significantly improved planning and transparency through better data usage and digital tools. This allows us to manage orders and delivery flows more precisely with our partners and should support more efficient inventory management going forward.

Regarding current trading, the start of the year has been broadly in line with our expectations. We also confirmed our guidance with a stronger than anticipated Q4, which now creates a higher comparison base for 2026.

Daria Nasledysheva (Bank of America): Your 2026 outlook is unchanged versus December despite a stronger-than-expected Q4. Have recent events, particularly in the Middle East, changed your thinking around any line items in the outlook? How much of the current volatility is already reflected in your guidance?

Secondly, regarding consumer behavior: are you seeing stronger seasonality around promotional events such as Black Friday or Singles' Day? Given your focus on improving full-price sell-through, how should we think about the impact of promotions on gross margin and the seasonality of sales?

Daniel Grieder (CEO of HUGO BOSS): We confirmed the currency-adjusted revenue outlook of a mid- to high single-digit decline we communicated in early December, even after the stronger Q4. At this stage it is still too early to assess the full impact of the situation in the Middle East. We monitor developments closely because the situation can change from day to day. So far, the main effect has been on store operations. When shopping centers close, our stores have to close as well, and the reduction in tourist traffic also affects performance in those locations. In terms of deliveries and logistics, we have not seen any impact so far. Given the current uncertainty, we continue to monitor the situation and adjust our actions accordingly.

Regarding consumer behavior, the key promotional events were positive for us. We had a strong holiday season and a good Black Friday. Chinese New Year also contributed positively, with some impact in December and additional momentum in January. Consumer sentiment improved somewhat toward the end of the year, although the current geopolitical situation introduces additional uncertainty. We continue to manage the business very closely and adjust our actions as the situation evolves.

Daria Nasledysheva (Bank of America): Could the situation in the Middle East lead to higher freight or cost of goods?

Daniel Grieder (CEO of HUGO BOSS): At the moment we do not see a direct impact on freight or deliveries. If the situation were to persist for a longer period, it could potentially have implications, but for now it is too early to assess.

Michael Kuhn (Deutsche Bank): On BOSS Womenswear: you recently introduced the new powerhouse structure and Kerstin Dorst joined at the beginning of the year. When should we start to see her influence on the collections, and when could Womenswear begin to outperform Menswear so that BOSS no longer underperforms in this category?

Secondly, on capital allocation: could the shift from dividends toward share buybacks be more of a transition for 2026 and 2027, with a potential return to dividends later, or is it too early to say?

Daniel Grieder (CEO of HUGO BOSS): The new powerhouse structure gives us a much stronger focus on Womenswear across the Company. Over the past few years we already made progress, tripling Womenswear sales, but we still see significant potential. Kerstin Dorst joined about two months ago and has already started reviewing the collections and identifying where adjustments are needed. The products currently in stores are not yet influenced by her, but over the next two collections you will gradually begin to see her handwriting. In addition, we plan to use quick-response capabilities to introduce a few selected items toward the end of the year that already reflect the new direction. With the dedicated men's and women's powerhouses and the strengthened organization across BOSS and HUGO, we are confident that

Womenswear can move closer to its full potential and play a stronger role in the business.

On capital allocation, it is still too early to give a definitive view for outer years. The current approach gives us more flexibility, which is particularly important in the current environment as we focus on executing our strategy and realigning the business in 2026. With that flexibility, we keep all options open and will update the market once appropriate.

Andreas Riemann (Oddo BHF): First, on the U.S. market: many brands implemented price increases in the second half of 2025. How would you describe the development of promotions and volumes in the U.S. after these price increases?

Second, on HUGO: in 2026 you plan further streamlining in Womenswear and HUGO. Are there also adjustments planned for BOSS Menswear? If not, would the performance of BOSS Menswear in 2026 be a good proxy for the underlying development of the Company?

Daniel Grieder (CEO of HUGO BOSS): We continue to see robust performance in the U.S. market. The initiatives we implemented last year delivered positive results, and we also expanded distribution for both BOSS and HUGO. In particular, we gained additional space in the U.S. market with our BOSS sublines and with HUGO. The U.S. market is generally very promotion-driven, but we deliberately moved in the opposite direction with a less discount-driven approach. Even with fewer promotions, our results have remained strong, which supports our strategy going forward.

Within Menswear, our BOSS Black line continues to perform very well with strong sell-through. Over the past years, we invested significantly in product quality, which allowed us to adjust pricing while improving the price-value proposition. BOSS Camel, which we introduced more recently, has also been well received and positions us closer to the affordable luxury segment. BOSS Green is currently showing particularly strong momentum, driven by the broader athleisure trend. The line benefits from its positioning across tennis, golf and athleisure, which is a strong market trend at the moment. In addition, collaborations such as BOSS x Beckham are performing well. David Beckham is a highly relevant global ambassador for the brand across regions and demographics. We also continue to grow the Menswear offer through shoes and accessories, supporting consistent growth and strong performance in these categories. Menswear remains the DNA of our brand and continues to deliver strong results. With that foundation in place, we are now applying the same approach to further develop the Womenswear business and unlock its potential for both BOSS and HUGO.