

Investor Meeting Presentation

May - July 2020



AGENDA

1 **First Quarter Results 2020**

2 General Information

GROUP SALES Q1 2020

EUR **555** MILLION

(17)%

CURRENCY-ADJUSTED



Pandemic weighs on business performance in the first quarter

(31) %*

Three weeks of strong double-digit growth in the run-up to **Chinese New Year**.

Q1 sales in China significantly affected by temporary store closures.

Encouraging and steady improvement in Mainland China since the end of March.

Online business with **ongoing strong momentum**, driven by strong double-digit sales growth on important partner websites.

Gradual recovery of
business in Mainland China

EUROPE**

(14) %*

Strong momentum from Q4/2019 continues in many key markets in January and February.

Store closures in mid-March lead to a decline in retail sales of 10% currency-adjusted.

Wholesale sales down 19% currency-adjusted, reflecting lower deliveries to partners as well as conversion effects.

Germany and Austria with selective store reopenings at the end of April.

Store closures weigh on sales performance in Europe

* Currency-adjusted

** Including Middle East and Africa

AMERICAS

(17) %*

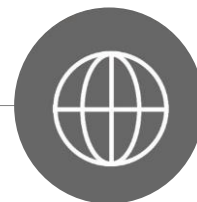
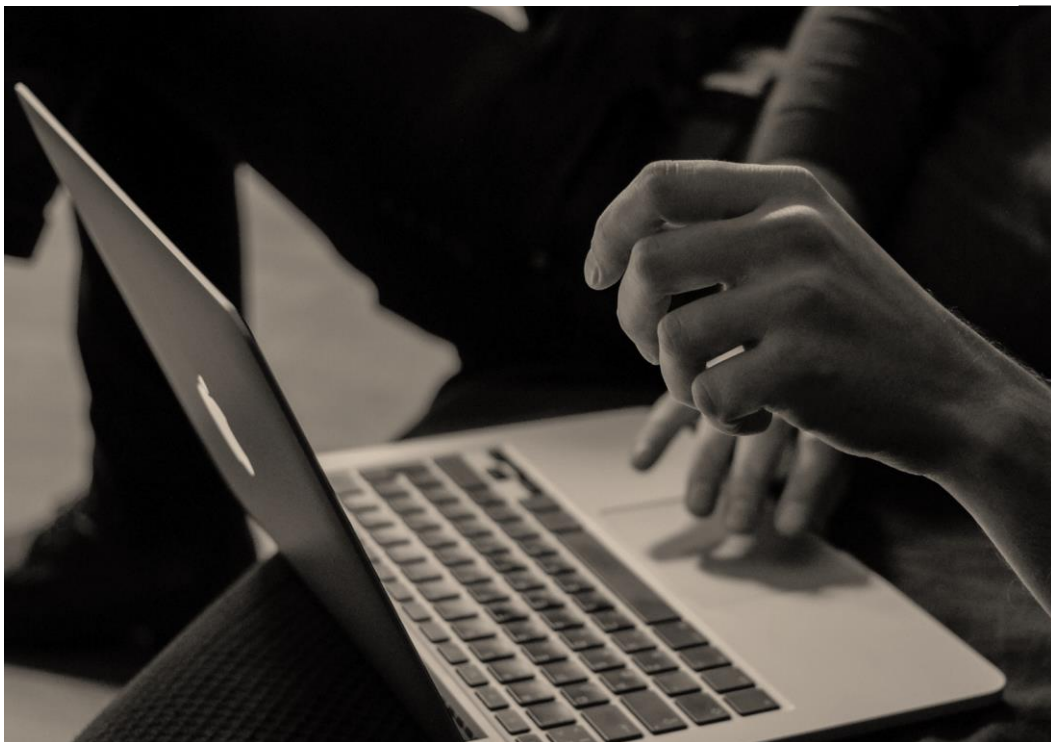
Encouraging sales development in January and February, with solid comp store sales improvements in the U.S. market.

Temporary store closures weigh on business in the **U.S.** and **Canada**, starting in mid-March.

Latin America records sales growth, as negative effects from pandemic weigh on business only later.

Positive momentum in the Americas halted by **COVID-19**

* Currency-adjusted



ONLINE

+ **39**%*

Online business records **tenth consecutive quarter** of strong double-digit growth.

Share of online business increases to 11% of own retail revenues compared to 7% in the prior-year period.

Online business with **strong acceleration** in April.

Online continues its
double-digit growth trajectory

* Currency-adjusted



RETAIL
(17)%*



(18)%*

WHOLESALE

Retail comp store sales
down 20% in the first quarter.

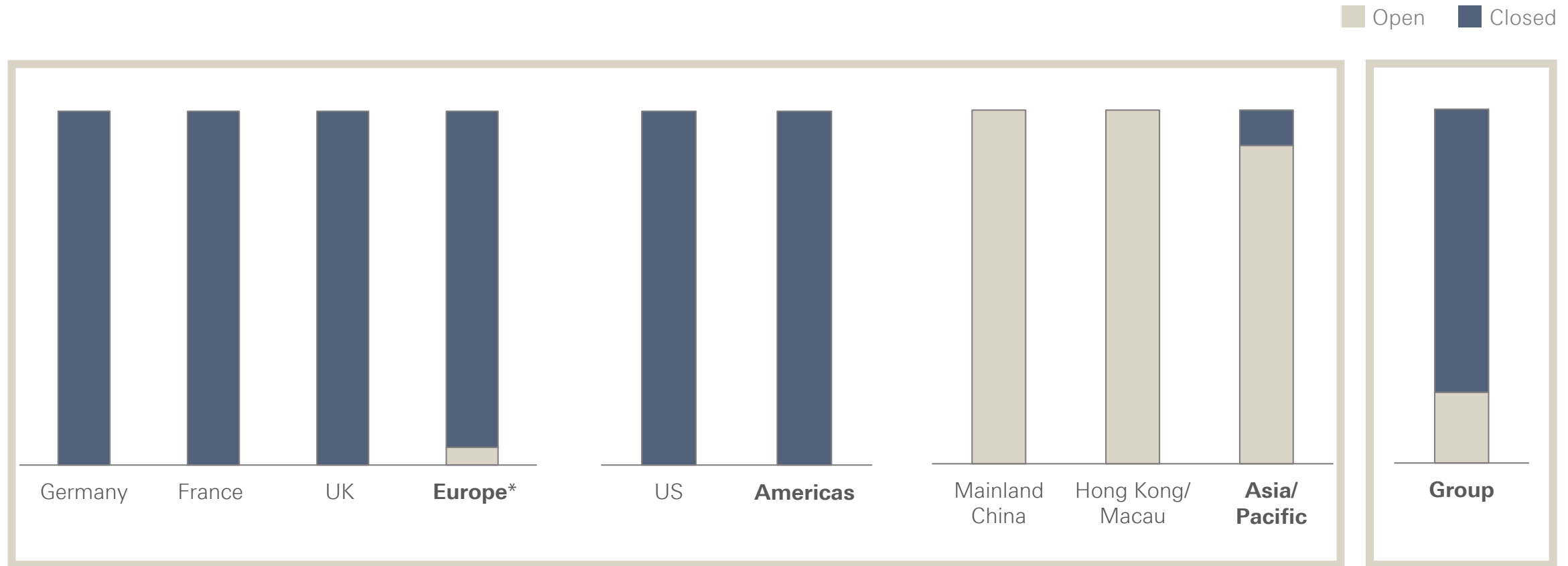
Non-like-for-like retail business
benefits from online expansion and store refurbishments in 2019.

Wholesale performance impacted by
lower deliveries to partners as well as
several conversion effects.

Retail and wholesale
equally affected by COVID-19

* Currency-adjusted

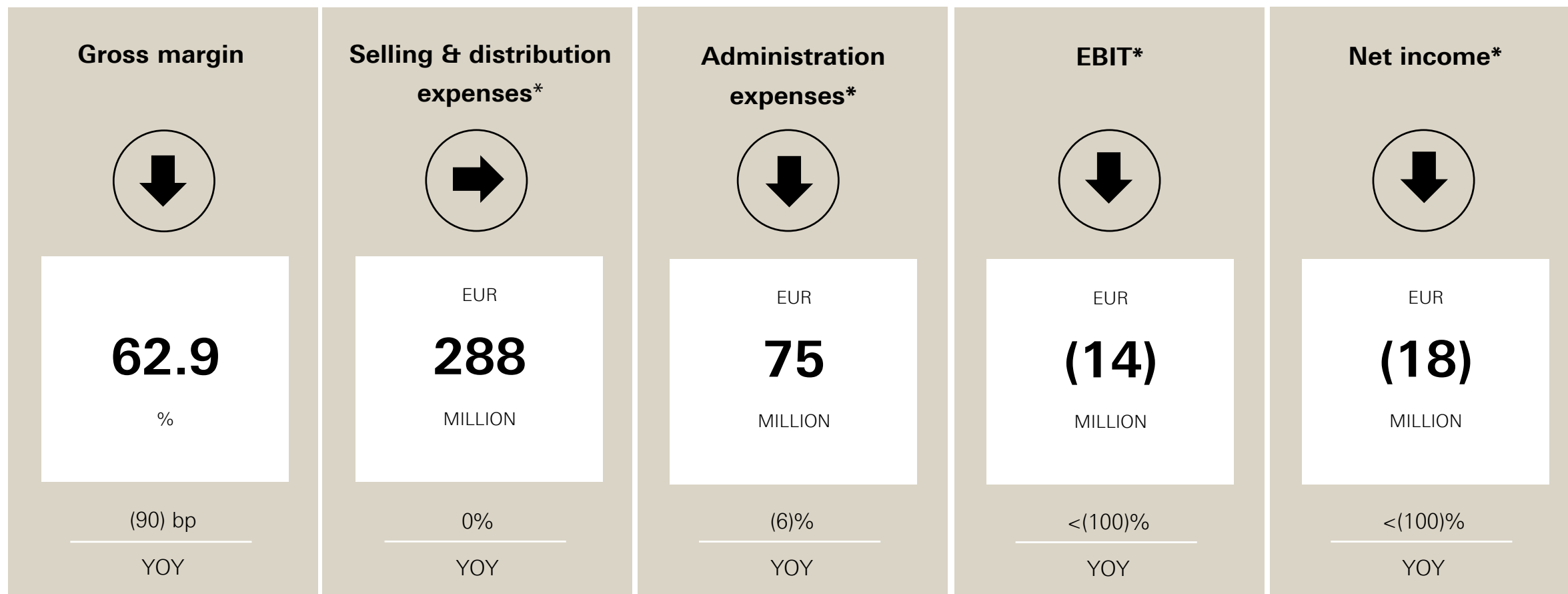
Temporary store closures to **protect customers and employees**



As of March 31, 2020

*Including Middle East and Africa

Top-line development weighs on bottom-line performance in the first quarter



* Currency-adjusted



Trade net working capital positively impacted by lower trade receivables.

Inventory growth of 6% reflects temporary store closures.

Lower capital expenditure due to suspension of store renovations and new openings.

Profit development
weighs on **free cash flow**

* Currency-adjusted

Comprehensive measures to secure **financial stability and flexibility**

1

Strict cost management

Additional cost savings of at
least EUR 150 million targeted

2

Postponement of investments

CAPEX budget cut
by around one third

3

Limitation of TNWC increase

Reduction of inventory inflow
by at least EUR 200 million

4

Retention of net profit

Suspension of the dividend for
fiscal year 2019 proposed

COVID-19 to weigh
on **top- and bottom-
line performance** in
the second quarter

Sales*

Q2 sales projected to be down at least 50%

EBIT

Q2 operating result estimated to be negative
by more than 100 million euros

* Currency-adjusted

AGENDA

1 First Quarter Results 2020

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Sales by region and major markets

Share of Group sales*



Europe
(incl. Middle
East/Africa)

63%

Germany: 14%

Great Britain: 13%

France: 6%

Benelux: 5%

Other: 25%



Americas

19%

U.S.: 14%

Canada: 3%

Central & South America: 2%



Asia/Pacific

15%

China: 8%

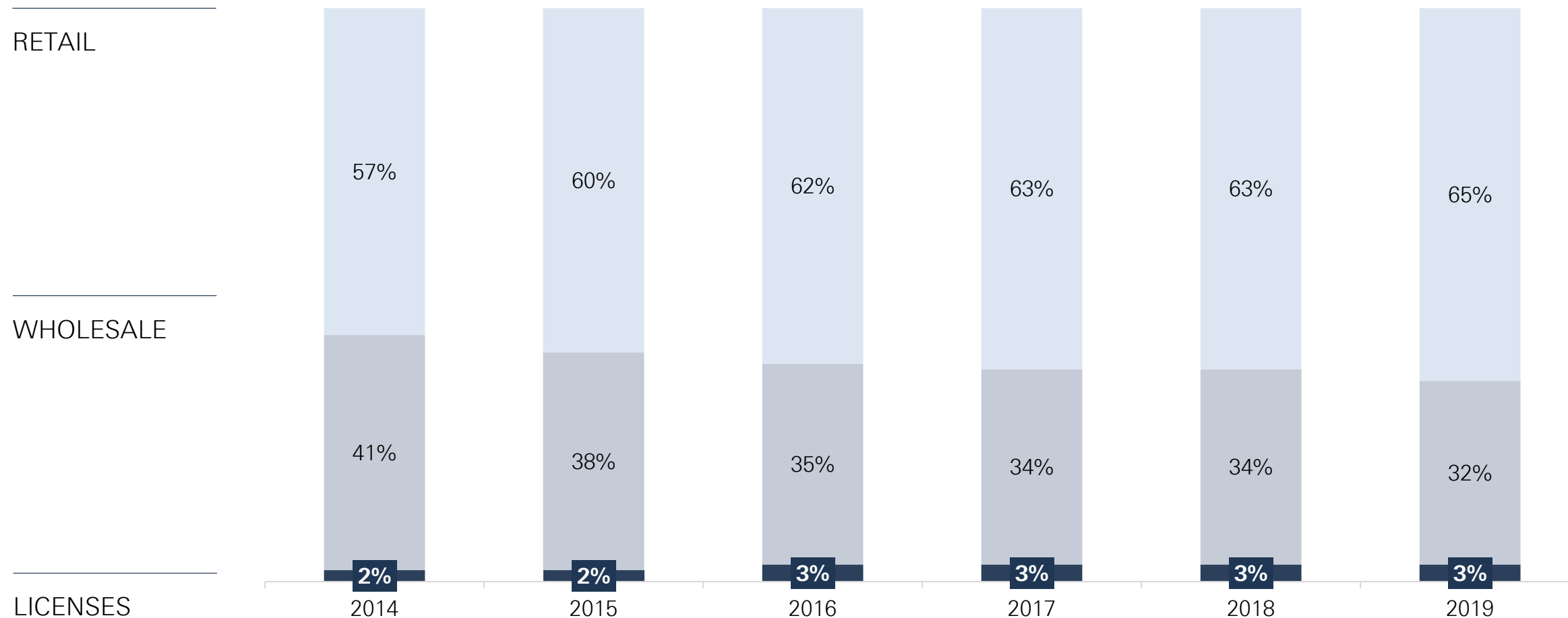
Oceania: 2%

Japan: 2%

Other: 3%

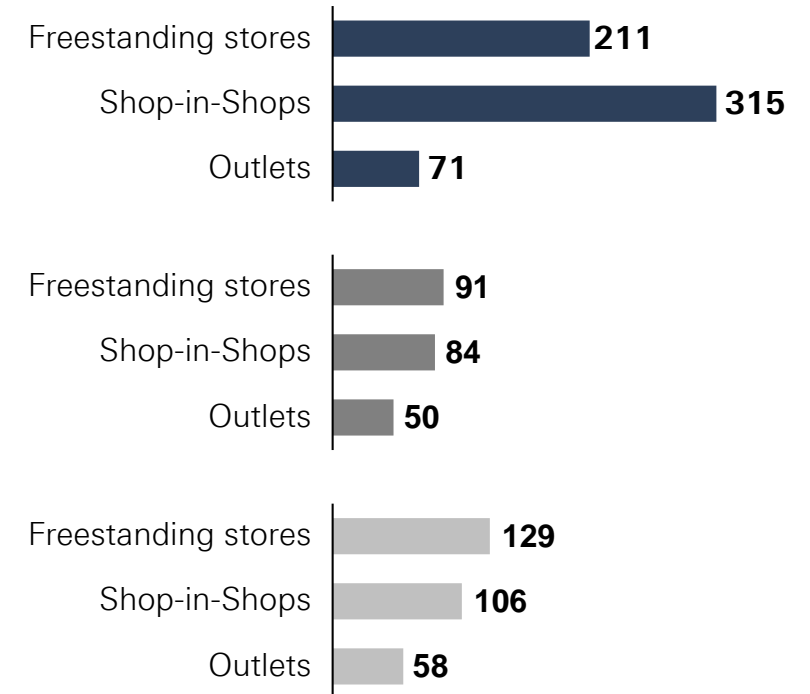
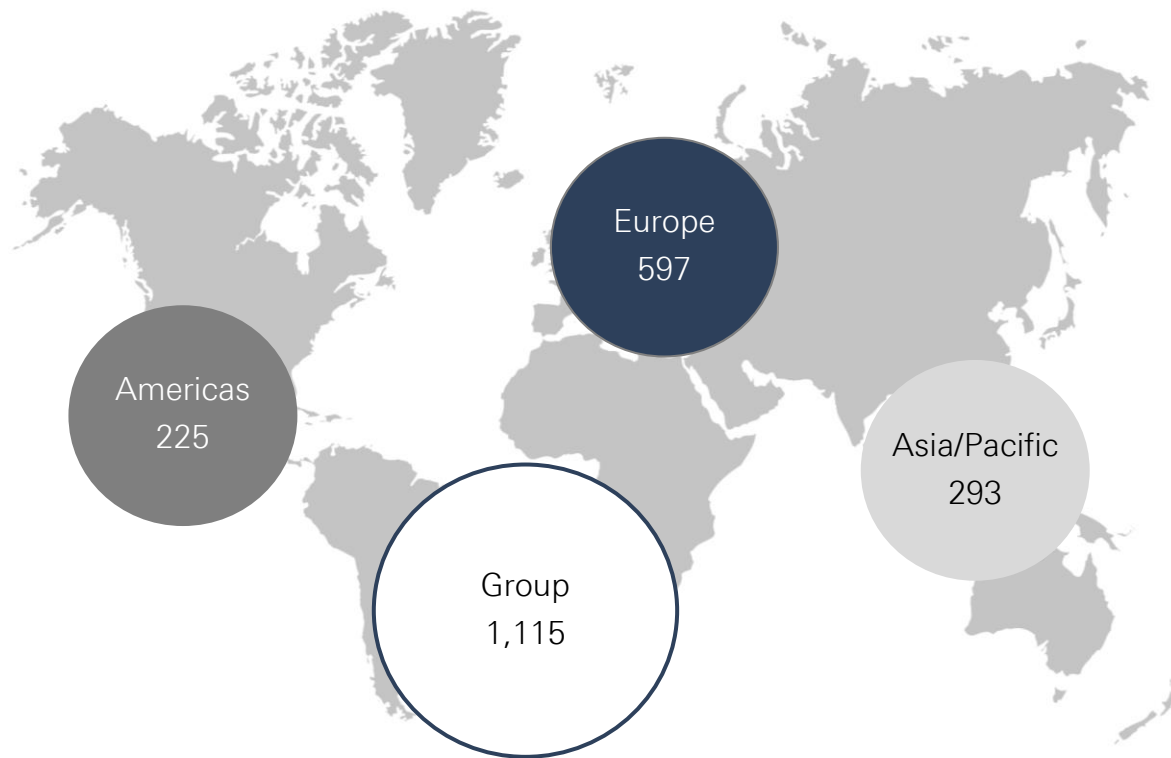
* = as of 2019; 3% licenses

Sales by distribution channel



Number of Group's own retail stores by region

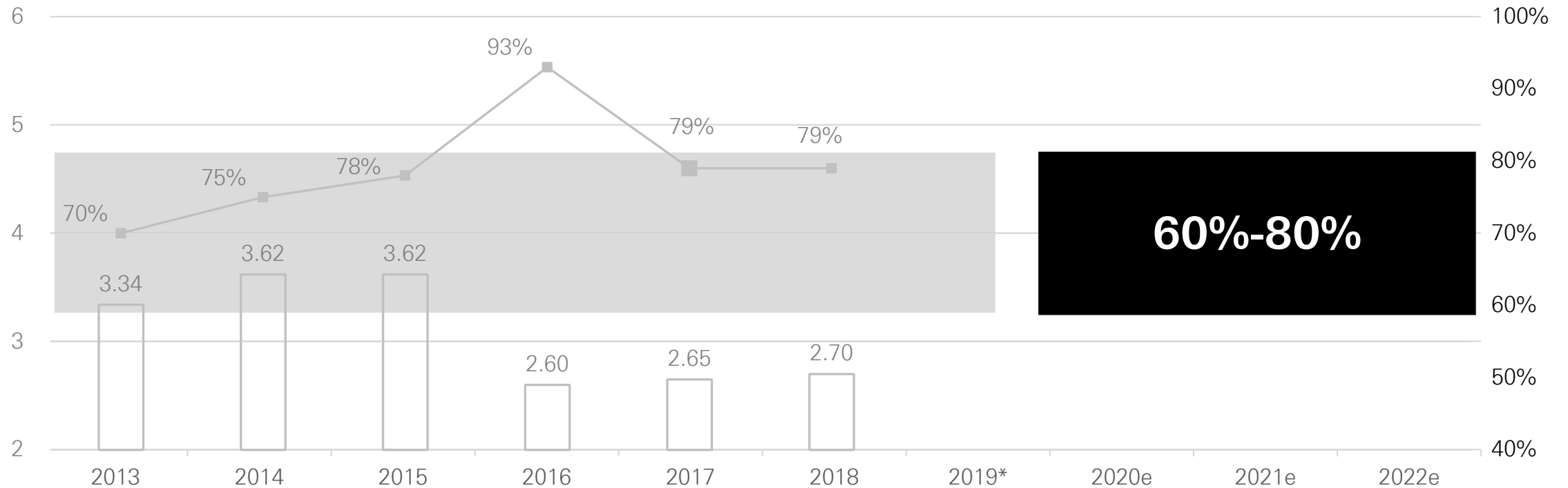
As of 31/03/2020



Shareholder return

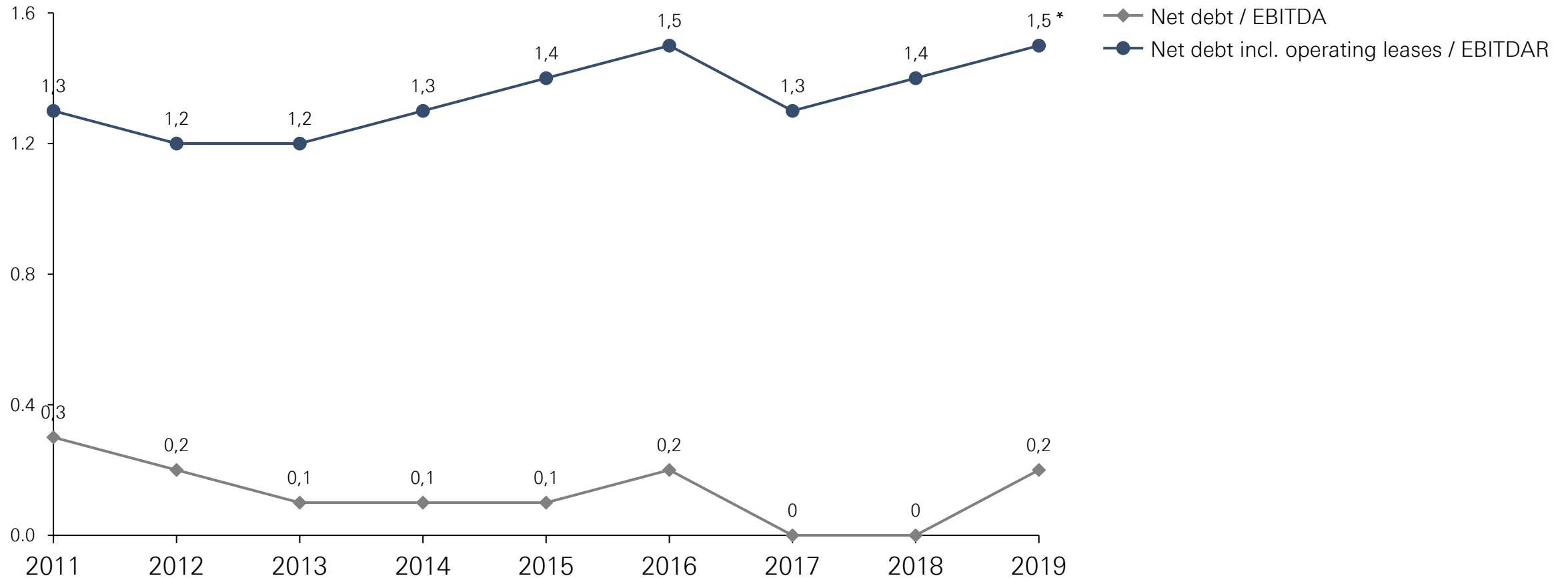
Strong commitment to profit-based dividend policy

Dividend payout ratio in % of net income, dividend in EUR



* Suspension of the dividend payment – except for the legal minimum dividend of 0.04 cent per share – for fiscal year 2019 proposed.

(Adjusted) financial leverage



Operating leases
EBITDAR

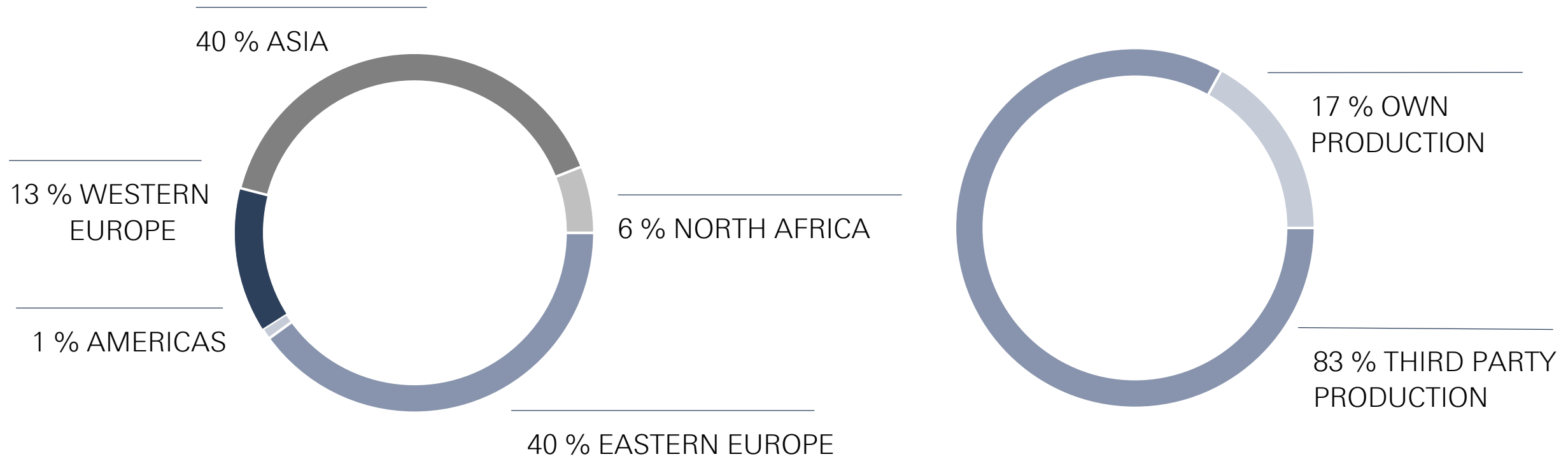
*

= Future committed operating lease obligations capitalized according to S&P methodology

= EBITDA + minimum rents + contingent rents

= Net debt / EBITDA including the impact of IFRS 16

Sourcing and production structure*



* = as of 2019, in value terms

Multi-Year overview

	2019	2018	2017	2016	2015
Sales	2,884	2,796	2,733	2,693	2,809
Gross profit	1,875	1,824	1,808	1,777	1,853
Gross profit margin in %	65.0	65.2	66.2	66.0	66.0
EBITDA	467	476	499	433	590
EBIT	333	347	341	263	448
EBIT margin in %	11.5	12.4	12.5	9.8	15.9
Net income	212	236	231	194	319
Trade net working capital in % of sales	20.1	19.7	18.6	19.8	19.5
Non-current assets	831	686	662	752	765
Shareholders equity	1,009	981	915	888	956
Total assets	1,993	1,858	1,720	1,799	1,800
Free cash flow	207	170	294	220	208
Net debt	83	22	7	113	82
Capex	192	155	128	157	220
Depreciation/amortization	134	129	158	170	142
Total leverage ¹	0.2	0.0	0.0	0.2	0.1
Dividend per share	2.75 ²	2.70	2.65	2.60	3.62

1 Net financial liabilities/EBITDA before special items.

2 Proposal.

Financial Calendar & Investor Relations contact

MAY
27
2020

Virtual AGM

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AUGUST
4
2020

Q2 2020 Results Release

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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.

