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HUGO BOSS PROVIDES STRATEGIC UPDATE TO PAVE THE WAY FOR PROFITABLE GROWTH

- Next strategic phase to realign, simplify, and strengthen the business
- Clear execution focus: brand, distribution, and operational excellence through 2028
- Strong free cash flow of around EUR 300 million annually targeted until 2028¹
- 2026 as year of brand and channel realignment for long-term efficiency improvements
- Currency-adjusted Group sales expected to decline mid- to high-single digits in 2026
- EBIT expected between EUR 300 million and EUR 350 million in 2026 as top-line development will outweigh targeted gross margin improvements and cost efficiency
- Return to profitable growth expected from 2027 onward
- Long-term potential: Outgrow the market and drive EBIT margin to a level of around 12%

"Since 2021, we have repositioned our Company with CLAIM 5, creating a strong foundation for the future. We have refreshed our two brands and invested extensively in our organizational platform," says **Daniel Grieder, Chief Executive Officer of HUGO BOSS**.

"Following the successes of recent years, we are now deliberately taking a step back to prepare for tomorrow's growth. Our focus in the coming years will be on the ongoing optimization in the areas of brand, distribution, and operations with the clear ambition to transform them from great to excellent. Next to strong cash generation, this will drive sustainable profitable growth and long-term value for our shareholders. Our vision is clear: to be the premium, tech-driven, customer-centric global fashion platform."

Today, HUGO BOSS launches CLAIM 5 TOUCHDOWN, setting the course through 2028 and paving the way for sustainable, profitable growth. Amid a challenging market environment, this strategy builds on the successes of CLAIM 5 since 2021. Both brands, BOSS and HUGO, delivered strong growth (CAGR 2020-2024: +22%) and global market share gains, while structural investments have created a robust business platform for the future.

Moving forward, HUGO BOSS' strategic direction remains unchanged, but the focus sharpens. 2026 will serve as a year of realignment, strengthening the business by streamlining processes, refining assortments, and optimizing the distribution network. At the same time, HUGO BOSS will significantly accelerate free cash flow generation, forming the foundation for continued

¹ Average annual free cash flow target stated excluding the impact of IFRS 16. Including IFRS 16, this corresponds to around EUR 500 million.

shareholder returns. To deliver against this, execution will center on three key fields of excellence: brand, distribution, and operations. These priorities will boost efficiency and set the stage for renewed top- and bottom-line growth from 2027 onward.

Brand Excellence

HUGO BOSS is committed to driving Brand Excellence by further elevating BOSS and HUGO, strengthening brand relevance, and deepening customer loyalty. While BOSS Menswear will continue to leverage its strong 24/7 lifestyle positioning, the Company is improving the long-term performance of BOSS Womenswear and HUGO. BOSS Womenswear will focus on a refined product assortment built around essential products, to strengthen resonance with female consumers. HUGO will sharpen its identity with a refined positioning and a more accessible product range centered even more on contemporary tailoring. A new organizational setup with two dedicated powerhouses for menswear and womenswear will unlock synergies across the two brands. Marketing spendings are targeted at around 7% of Group sales, with priority on high-return initiatives, including key partnerships like Beckham x BOSS and product-led campaigns that drive conversion.

Distribution Excellence

A clear focus on Distribution Excellence will elevate the brand experience across all touch-points, with a more targeted, higher-quality distribution footprint. HUGO BOSS will continue to optimize its own store portfolio for an even better customer experience while enhancing sales productivity and retail efficiency. In brick-and-mortar wholesale, the Company will foster strategic partnerships, adopt a more selective assortment approach, and expand its franchise business. HUGO BOSS will strengthen its digital business by further advancing seamless brand and customer experiences across platforms. From a regional perspective, the Company will further build on its position in the U.S. and China, with a particular focus on optimizing its distribution and tailoring brand activities to local needs. HUGO BOSS will leverage its strong presence in Europe for further market share gains and it will also capture new business opportunities in emerging markets.

Operational Excellence

HUGO BOSS will elevate Operational Excellence across the value chain by leveraging its past investments to fuel long-term growth, profitability, and cash generation. Key priorities include driving further sourcing efficiency through ongoing vendor optimization, a sea-freight-first approach, and shorter lead times. In parallel, the Company will enhance its planning capabilities and enable faster, smarter decisions through technology and artificial

intelligence. HUGO BOSS will also maximize the benefits of its expanded automated logistics network and strengthen back-end efficiency through streamlined processes and automation.

Financial ambition centered on profitability and cash generation

CLAIM 5 TOUCHDOWN builds on past successes and centers on efficiency for future sustainable growth. Over the medium to long term, the Company aims to outgrow the market and achieve an EBIT margin of around 12%. Against this ambition, the next years will mark a phase of deliberate refocus and realignment, as HUGO BOSS further strengthens its operational and financial base. Free cash flow is targeted at around EUR 300 million annually, nearly tripling as compared to recent years². This will be supported by lower capital expenditure (3% to 4% of Group sales) and strict trade net working capital management (18% to 20% of Group sales). Inventory levels are expected to be reduced steadily, approaching 20% of sales by 2028.

"2026 will be a year of consolidation and realignment and an important step toward positioning HUGO BOSS for long-term profitable growth," says **Yves Müller, Chief Financial Officer and Chief Operating Officer of HUGO BOSS**. "While we expect a temporary decline in sales, we will continue to drive our efficiency agenda along the value chain to safeguard margins and strongly accelerate cash flow generation. With this stronger financial foundation, we are well positioned to return to top- and bottom-line growth from 2027 onward and progress toward our long-term EBIT margin ambition of around 12%, reinforcing our commitment to delivering value to all shareholders."

Refocus in 2026 to pave the way for renewed profitable growth in 2027

Against the backdrop of deliberate brand and channel realignment, currency-adjusted sales are expected to decline mid- to high-single digits in 2026, before returning to growth in 2027, and accelerating in 2028. Gross margin improvements are expected in 2026 and beyond, supported by sourcing efficiencies, selective price adjustments, and even stronger full-price sell-through. Against the backdrop of ongoing cost discipline, EBIT is expected between EUR 300 million and EUR 350 million in 2026, with profitability improving from 2027 onward.

² Average annual free cash flow target stated excluding the impact of IFRS 16. Including IFRS 16, this corresponds to around EUR 500 million.

Capital allocation framework with firm commitment to shareholder returns

As part of CLAIM 5 TOUCHDOWN, the Company's capital allocation framework is designed to balance investment, value creation, and resilience. The framework emphasizes continued investments into the business to support long-term profitable growth, while also including a firm commitment to delivering continued shareholder returns via dividends and/or share buybacks. At the same time, HUGO BOSS will continue to further strengthen its balance sheet over the coming years, aiming to reduce financial leverage while remaining within its target corridor and maintaining strong investment-grade ratings from S&P ("BBB") and Moody's ("Baa2"). The Company will also preserve the strategic flexibility needed to pursue future M&A opportunities.

From Great to Excellent

CLAIM 5 TOUCHDOWN serves to sharpen focus, discipline, and execution across the business. With clear priorities, a performance-driven culture, and fully committed teams, HUGO BOSS is ready to navigate today's challenges, by turning strategic focus into tangible results for tomorrow. Backed by its strong cash flow profile and a clear trajectory toward sustainable, profitable growth, HUGO BOSS is firmly committed to driving long-term shareholder value.

HUGO BOSS will present its detailed outlook for fiscal year 2026 including details on shareholder returns on March 10, 2026, as part of its full-year 2025 results release.

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