

OVERALL STATEMENT ON THE BUSINESS PERFORMANCE AND SITUATION OF THE GROUP

Fiscal year 2025 was characterized by persistent **macroeconomic and geopolitical uncertainty**, which noticeably dampened consumer sentiment and industry development globally. Muted consumer confidence and softer store traffic weighed on several key markets, with demand in China remaining particularly subdued. Against this backdrop, HUGO BOSS remained focused on **advancing key brand, product, and sales initiatives**, to further strengthen the long-term positioning of its brands. Particular highlights included the successful launch of several BOSS and HUGO brand campaigns, the drop of the first two Beckham x BOSS collections, as well as the BOSS Spring/Summer 2026 Fashion Show in Milan. Together, these initiatives further elevated global brand relevance and supported top-line development throughout the year. At the same time, the Company maintained a strong focus on driving efficiency gains through **disciplined and sustainable cost management**. > [Earnings Development](#), > [Comparison of Actual and Forecast Business Performance](#)

As a result, HUGO BOSS **achieved its full-year sales and earnings guidance** in fiscal year 2025. Currency-adjusted **Group sales** increased 2% compared to the prior year. In Group currency, revenues slightly decreased by 1% to EUR 4,270 million (2024: EUR 4,307 million), reflecting adverse currency effects in the reporting period. Driven by the Company's rigorous focus on operational excellence and cost efficiency, **operating profit (EBIT)** was up 8%, amounting to EUR 391 million in fiscal year 2025 (2024: EUR 361 million). Accordingly, the Group's EBIT margin increased by 80 basis points to a level of 9.2% (2024: 8.4%). At the same time, HUGO BOSS generated strong **free cash flow** of EUR 499 million in 2025, slightly above the prior-year level (2024: EUR 497 million) and thus underlining the cash-generative nature of our business model.

Beyond delivering on its financial targets, HUGO BOSS laid a solid foundation for long-term business success. With the launch of **CLAIM 5 TOUCHDOWN** in December, the Company has established a clear strategic framework until 2028, designed to strengthen brand equity and drive sustainable, profitable growth. Building on the achievements of the Company's CLAIM 5 strategy, initially launched in 2021, HUGO BOSS will increasingly rebalance growth towards stronger profitability and cash generation, forming the basis for long-term value creation and future shareholder returns. To deliver against this ambition, execution will center on **three key fields of excellence: brand, distribution, and operations**. Over the medium to long term, HUGO BOSS aims to outgrow the market and achieve an EBIT margin of around 12%. In line with this ambition, the next years will mark a phase of further strengthening the Company's operational and financial base. > [Group Strategy](#)

For HUGO BOSS, fiscal year **2026 will play a crucial role in this journey. Serving as a year of targeted brand and channel realignment**, 2026 is designed to elevate BOSS and HUGO and strengthen their long-term positioning. This deliberate realignment reflecting a more selective distribution approach, including targeted store closures, to enhance the productivity and quality of the global distribution footprint, as well as more focused and elevated product assortments across brands, with a particular emphasis on BOSS Womenswear and HUGO. Against this backdrop, currency-adjusted **Group sales** are expected to decline mid- to high-single digits in 2026, before returning to growth in 2027. Reflecting the anticipated decrease in top-line development, **EBIT** is expected to amount to between EUR 300 million and EUR 350 million in 2026, while targeted gross margin improvements alongside ongoing cost discipline are expected to support EBIT development. > **Outlook**

HUGO BOSS remains confident in its long-term growth opportunities and its continued ability to generate significantly positive free cash flow in the future. In this context, to further strengthen shareholder value creation, HUGO BOSS plans to **buy back shares in an amount of up to EUR 200 million** until December 31, 2027. At the same time, HUGO BOSS remains fully committed to preserving the financial flexibility required to consistently execute its strategy, invest in future growth, and further strengthen its balance sheet amid an ongoing volatile environment. Consequently, and reflecting a disciplined capital allocation approach, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 21, 2026, to only pay the legal minimum dividend of EUR 0.04 per share for fiscal year 2025 (2024: EUR 1.40). In view of its healthy balance sheet structure and strong free cash flow generation, the Group remains in an **exceedingly solid economic situation** at the time of preparing this report. > **Outlook**

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HUGO BOSS AG
The Managing Board

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