

COMMERCE

## Targeting 2025, Hugo Boss raises fiscal bar by \$1B

June 21, 2023



*An update on its overarching "Claim 5" strategy sees the company reporting significant market share gains since launching the initiative in 2022. Image credit: Hugo Boss*

By AMIRAH KEATON

German fashion house Hugo Boss is making attempts to keep the business' momentum rolling.

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

An update on its overarching "Claim 5" strategy sees the company reporting significant market share gains since launching the initiative in 2022. One year after rolling out a 360-degree rebrand, revenue projections for 2025 are up \$1 billion Hugo Boss will continue courting the younger cohorts currently bolstering sales.

"With Claim 5,' we have introduced the right strategy at the right time," said Daniel Grieder, CEO of Hugo Boss, in a statement.

"Thanks to the dedication and passion of our teams, we celebrated an impressive comeback and delivered exceptional results," Mr. Grieder said. "This will enable us to reach our mid-term financial ambition of 4 billion euros already this year, two years ahead of plan."

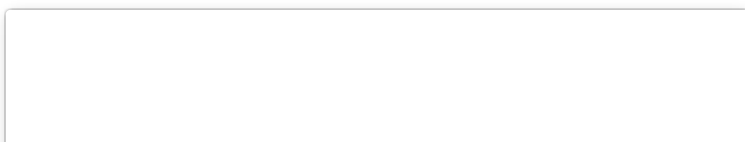
"Claim 5" catches on

Rumblings of a refresh first arose last January, as leaders shared plans to take Hugo Boss into a new era.

Involving five total pillars of transition, news of action on the "Claim 5" front spread quickly, as an inaugural phase involved the establishment of a two-brand structure. Splitting operations in half, the label's "HUGO" arm aimed to become a bastion of affordable luxury for Gen Zers, while "BOSS" would look to serve millennials.

This week, the apparel enterprise is reporting back on progress, providing ample notes on how the tectonic shifts enacted by those behind the scenes have deeply resonated on shop floors so far.

Initial results appear promising.



[View this post on Instagram](#)

A post shared by BOSS (@boss)

Executives say that both BOSS and HUGO have experienced accelerated top-line growth following the marketing effort, presenting strong improvements in brand value and a surge in global relevance backed by hefty earnings and heightened expectations.

In 2021, Hugo Boss set its sights on sales of 4 billion euros roughly \$4.37 billion at current conversion in four years.

The firm anticipates that revenues will reach the former benchmark this year, choosing instead to up future financial stakes by \$1 billion.

"We have everything needed to continue our success story," said Mr. Grieder, in a statement.

"That is why today we are increasing our top- and bottom-line ambition," he said. "We aim to achieve revenues of 5 billion euros and an EBIT margin of at least 12 percent by 2025."

As compared to the 3.7 billion euros realized in 2022, the jump represents a compound average growth rate (CAGR) of 11 percent, which Hugo Boss notes is well above industry forecasts.

[View this post on Instagram](#)

A post shared by BOSS (@boss)

In order to reach \$5 billion by 2025, Hugo Boss will continue to invest in "Claim 5," reflecting upon a number of the tactics that have delivered success in just a few years' time, in order to replicate them moving forward.

Next steps

Hugo Boss' most resonant messages seem to be landing with younger luxury consumers.

Offerings stemming from the company's remaining pillars have proven popular among millennial and Gen Z shoppers, who have boosted bottom lines over the last year, responding to moments such as Spring/Summer 2022's #BeYourOwnBOSS (see story) campaign.

The movement featured top models Kendall Jenner, Hailey Bieber and Joan Smalls, as well as world-famous American rapper Future, South Korean singer and actor Lee Minho and British professional boxer Anthony Joshua, among others.

The latest instalment of the BOSS Legends Series celebrates the icon that is @brucelee.#BruceLee advocated self-belief and the art of following your own flow, perfectly representing what it means to #BeYourOwnBOSS.

Learn more about the collection at: <https://t.co/2q61UNh2Hm> [pic.twitter.com/fk1Uermtxy](https://pic.twitter.com/fk1Uermtxy)

HUGO BOSS Corporate (@HUGOBOSS) April 5, 2023

Senegalese-Italian media personality Khaby Lame, the most followed star on TikTok, took center stage in a similar execution released in installments, the latest arriving at the top of 2023 (see story).

Hugo Boss has signaled that more exclusives are soon to come.

For instance, a few forthcoming items ladder up to the second pillar of "Claim 5," entitled "product is key."

Upcoming drops include the debut of Hugo Blue, a line dedicated to denim, in brand boutiques, online, and through wholesale and ecommerce partners, available for order season starting next summer.

The company's third pillar, "lead in digital" the brand's recently-unveiled Digital Campus (see story) slots in here hones in on data-driven insights and efficiencies, while omnichannel goals call for greater than 2.5 billion euros in revenue growth from bricks-and-mortar sources by 2025.

We are thrilled to announce the inauguration of the HUGO BOSS Digital Campus!

Together with Metyis, this hub is a key milestone on our journey in becoming the leading premium, tech-driven fashion platform worldwide.

Learn more: <https://t.co/EsQ9RtHdXj#HBDigitalCampus> [pic.twitter.com/h4g5LfiWP](https://pic.twitter.com/h4g5LfiWP)

HUGO BOSS Corporate (@HUGOBOSS) June 1, 2023

Whether leveraging the likeness of a popular cultural figure to drive buzz via ready-to-wear collections or pushing engagement by using familiar faces across owned digital channels, Hugo Boss' corporate teams (see story) are clearly cementing advances as the company inches closer to its centennial anniversary in 2024.

For now, laying a strong foundation for the celebration of fiscal milestones for the years beyond bodes well, as far as the brand's master plan is concerned.

"Our Claim 5' strategy provides us with a strong foundation for the sustainable, long-term success of Hugo Boss," said Mr. Grieder, in a statement.

"Thanks to our powerful organizational setup, our unwavering commitment to sustainability, and our highly motivated and passionate teams worldwide, we are all the more confident of driving significant top- and bottom-line improvements also in the coming years."

---

© 2023 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.