

H U G O B O S S

Deutsche Bank Global Consumer Conference

HUGO BOSS Company Handout

June 18, 2014

Mark Langer (CFO)

Agenda

Strategy review

First quarter results

Outlook

Agenda

Strategy review

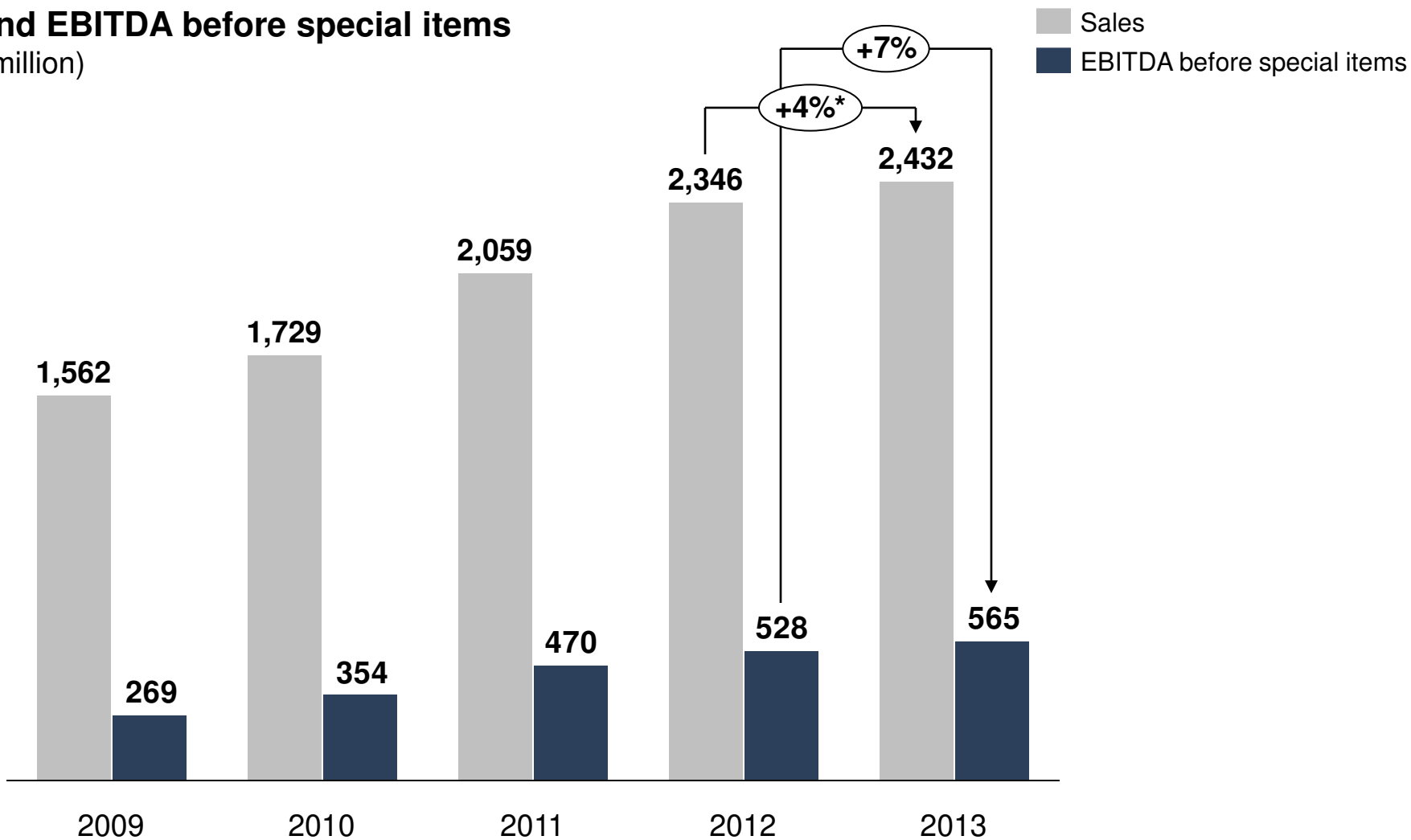
First quarter results

Outlook

2013 a year of good strategic and financial progress

Sales and EBITDA before special items

(in EUR million)

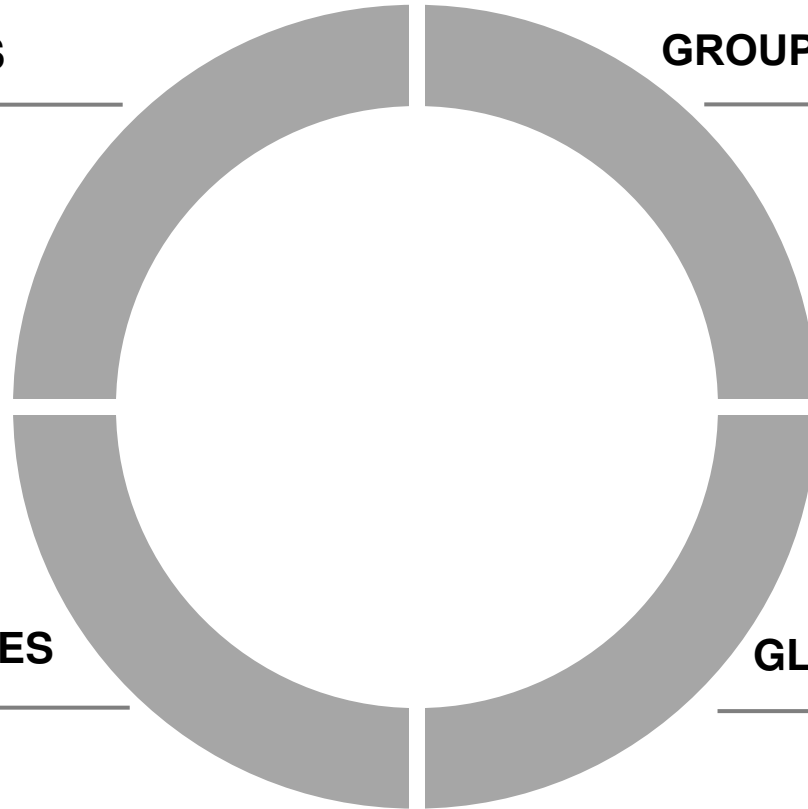


*+6% fx-adjusted.

Financial performance testifies to successful strategy execution

**MAXIMIZING
BRAND ATTRACTIVENESS**

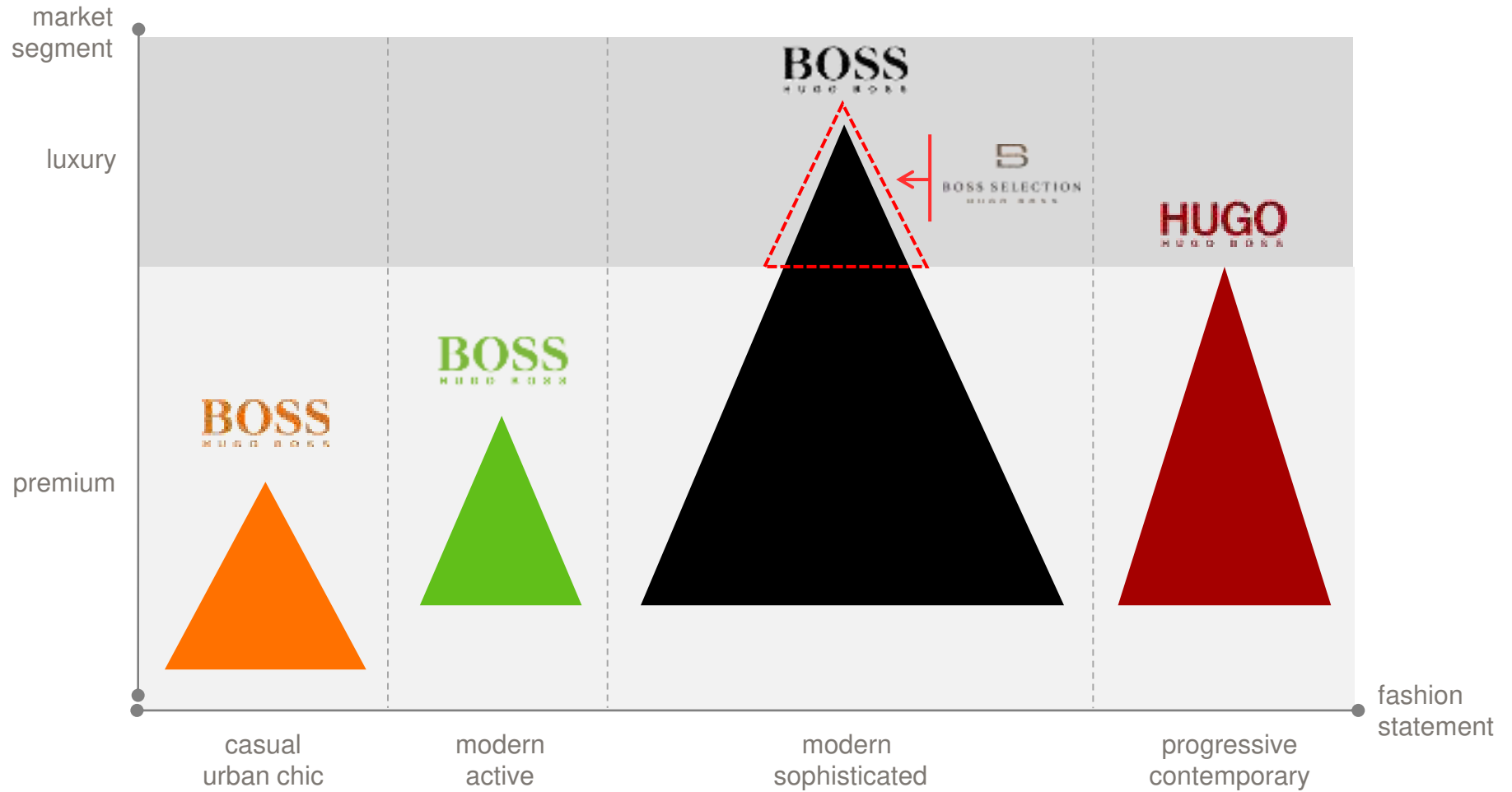
**GROWING THE
GROUP'S OWN RETAIL BUSINESS**



**IMPROVING
OPERATIONAL PROCESSES**

**LEVERAGING
GLOBAL GROWTH POTENTIAL**

Further strengthening the brand portfolio



Unleashing the emotional power of the brand



Increased awareness to drive sales growth in womenswear



Womenswear visibility increasing at wholesale and in own retail



BOSS womenswear shop, Matsuya Ginza, Tokyo



BOSS womenswear shop, Printemps Haussmann, Paris



BOSS womenswear floor, Columbus Circle, New York

Expansion and productivity improvements to drive future retail growth

- Successful exploitation of white space opportunities in the past few years
- Around 50 new store openings expected in 2014
- Focus on sales productivity improvements



Stores Europe*

| | |
|-------|--------------|
| 2009: | 219 |
| 2013: | 576 |
| | + 357 |



Stores Americas

| | |
|-------|------------|
| 2009: | 108 |
| 2013: | 200 |
| | +92 |

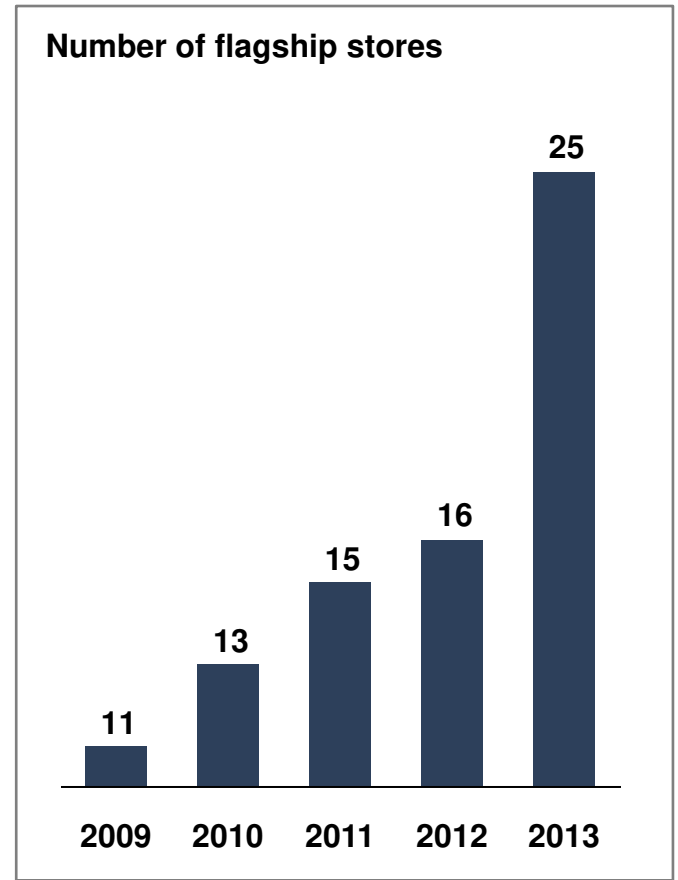


Stores Asia/Pacific

| | |
|-------|-------------|
| 2009: | 111 |
| 2013: | 234 |
| | +123 |

*Incl. Middle East and Africa.

Upgrade and expansion of retail store universe



Extended brand control in department stores



Improving frontline execution

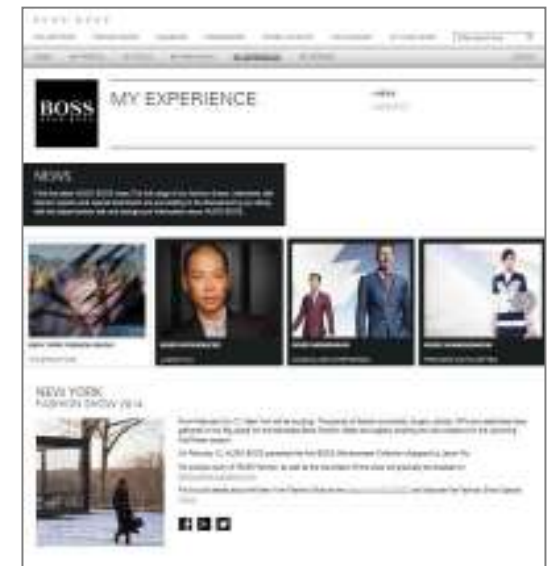
- Superior service levels in line with brand proposition
- Focus on ensuring high standards globally
- Strong emphasis on customer feedback and constant evaluation



Omnichannel main strategic focus in coming years



Rollout of myhugoboss.com started



Further operational process improvements offer significant long-term potential

- Retail merchandise planning tool provides integrated view of sales and inventories
- Positive impact on full-price sell-throughs
- Rollout in phases until end of 2015



Migration to new distribution center according to plan

- Migration under way and to be completed by the end of June
- Shorter time to market
- Efficiency gains through comprehensive automation and close upstream integration



Encouraging trends in Europe to continue

- Improving sentiment among customers and retail partners
- Ongoing business model transformation towards own retail
- Focus on lifting brand presence in multi-brand environments



Positive outlook for the Americas despite headwinds at the beginning of the year

- Sharp deceleration of overall market growth
- Very disciplined market approach to support long-term growth and profitability
- Positive womenswear reception adds to key strength in menswear



Asia remains Group's largest regional opportunity

- Important investments in retail presence and brand perception
- Franchise legacy thoroughly addressed
- Suiting competence a key competitive differentiator



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HUGO BOSS off to a good start in 2014

Sales

(in EUR million)



EBITDA before special items

(in EUR million)

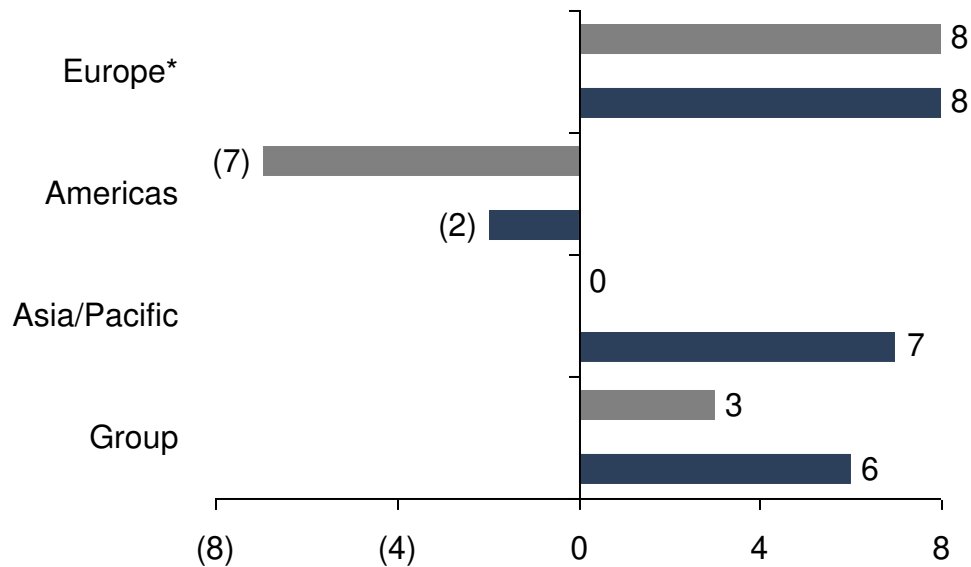


Good momentum in Europe drives Group sales increase

Sales growth by region, y-o-y

Q1 2014
(in %)

■ in EUR
■ fx-adjusted



- UK and Germany strongest growing major markets in **Europe**
- Tough market environment weighs on sales development in the **Americas**
- Growth in **Asia/Pacific** backed by good performance in Australia and Japan

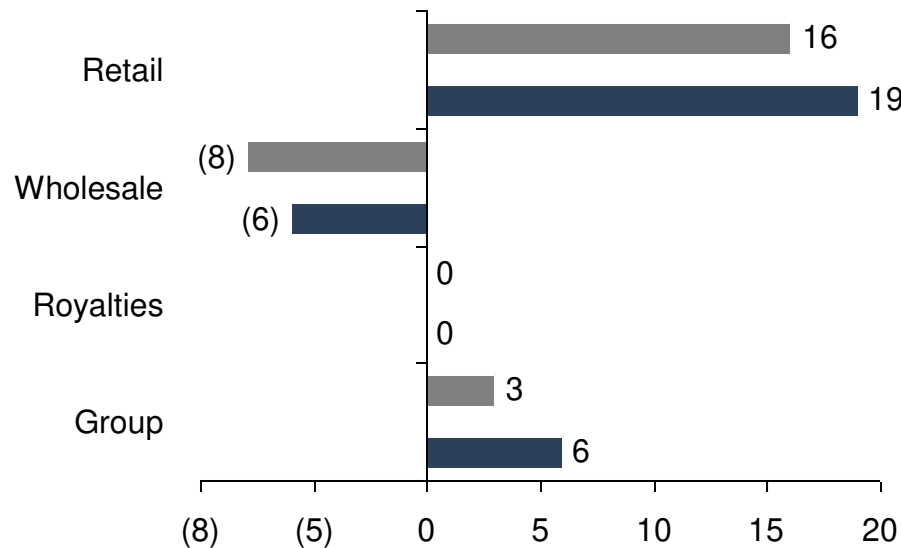
*incl. Middle East and Africa.

Like-for-like growth acceleration contributes to robust retail sales development

Sales growth by channel, y-o-y

Q1 2014
(in %)

■ in EUR
■ fx-adjusted



- Europe primary driver of 6% comp store sales increase supporting double-digit **retail** growth
- Cautious order behavior and takeover effects impact **wholesale** performance
- Solid performance of eyewear and watches supports development of **royalties** business

Growth investments weigh on short-term margin development

| in EUR million | Q1 2014 | Q1 2013* | Change in % |
|--------------------------------------|--------------|--------------|-------------|
| Net sales | 612.6 | 593.5 | 3 |
| Gross profit | 400.6 | 366.8 | 9 |
| in % of sales | 65.4 | 61.8 | 360 bp |
| Selling and distribution expenses | (232.5) | (196.5) | (18) |
| Administration costs | (60.9) | (59.0) | (3) |
| Other operating income/expenses | 1.5 | 0.1 | > 100 |
| Operating result (EBIT) | 108.7 | 111.4 | (2) |
| in % of sales | 17.7 | 18.8 | (110) bp |
| Financial result | (2.7) | (5.0) | 46 |
| Earnings before taxes | 106.0 | 106.4 | 0 |
| Income taxes | (24.4) | (24.4) | 0 |
| Net income | 81.6 | 82.0 | 0 |
| Attributable to: | | | |
| Equity holders of the parent company | 80.7 | 81.6 | (1) |
| Earnings per share (EUR)** | 1.17 | 1.18 | (1) |
| EBITDA before special items | 131.3 | 132.6 | (1) |
| in % of sales | 21.4 | 22.3 | (90) bp |

Investments in own retail, marketing and logistics main driver of higher **selling and distribution expenses**

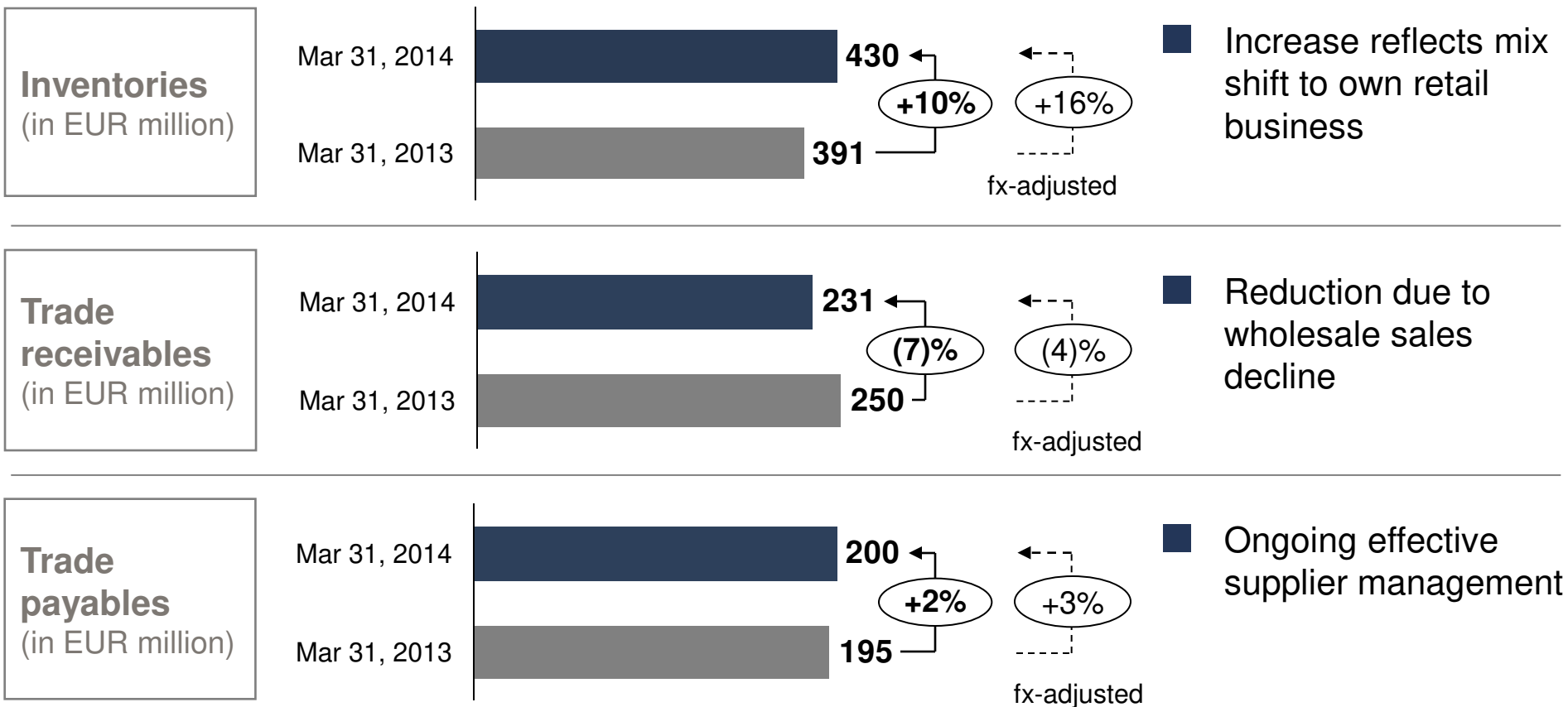
Adjusted EBITDA margin down 90 basis points due to increased operating expenses as a percentage of sales

Improvement of **financial result** helped by lower interest expenses

*Certain amounts shown here do not correspond to the figures published in prior years and reflect adjustments made.

**Basic and diluted earnings per share.

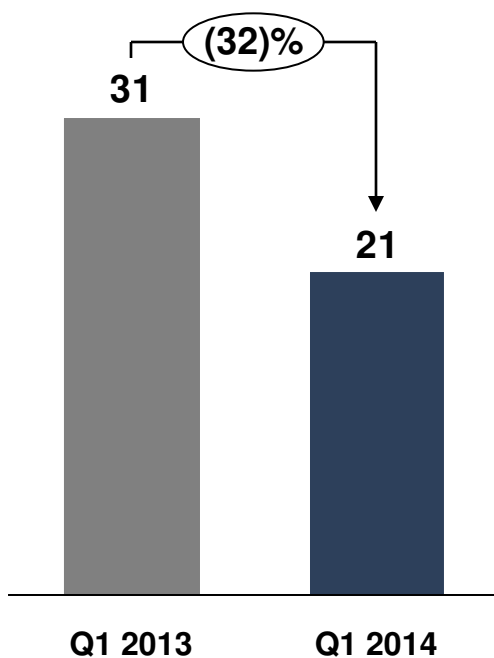
Higher working capital position due to inventory increase



➔ Trade net working capital up 4% to EUR 461 million

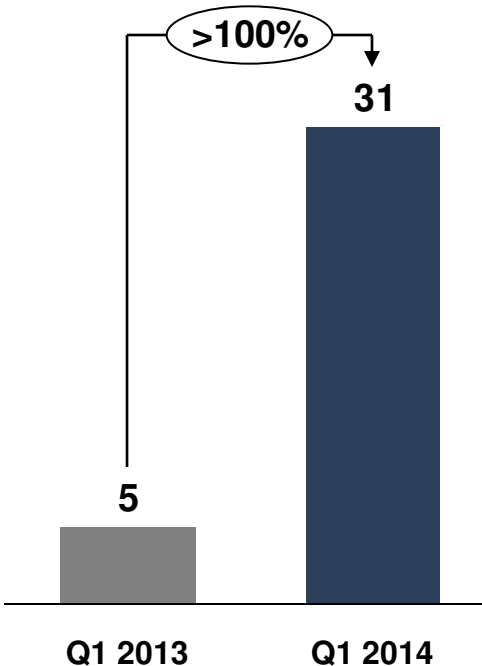
Strong free cash flow generation supports further net debt reduction

Investments (in EUR million)



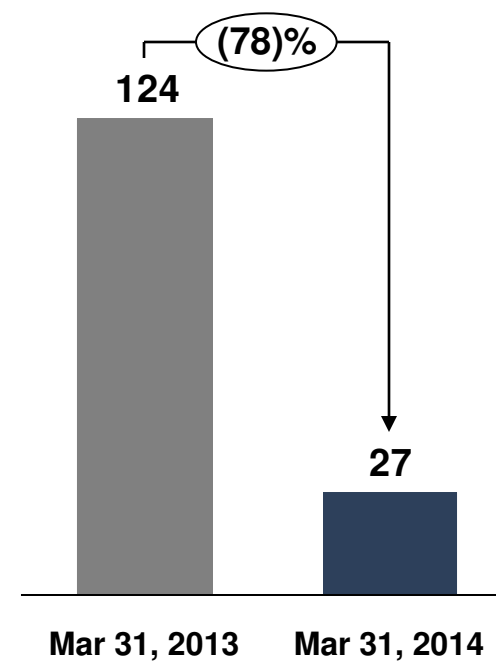
■ Moderation due to non-recurrence of prior year infrastructure investments

Free cash flow (in EUR million)



■ Cash generation supported by lower investments and working capital discipline

Net debt (in EUR million)

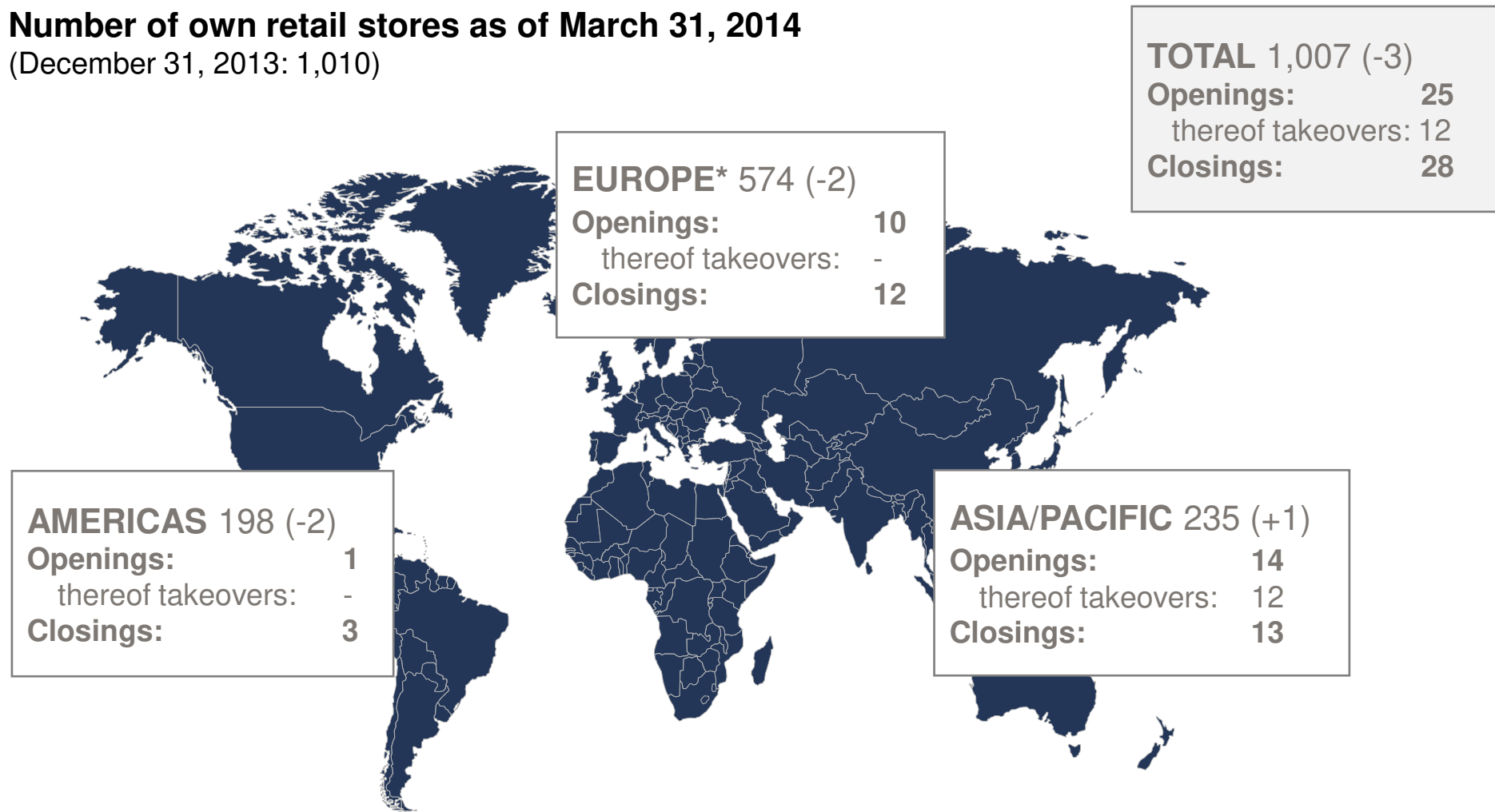


■ Strong cash flow development leads to further reduction

Several shop-in-shop closures mask underlying retail space expansion

Number of own retail stores as of March 31, 2014

(December 31, 2013: 1,010)



* incl. Middle East and Africa.

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Full year financial guidance reconfirmed

2014 Outlook

Sales growth (currency-adjusted)

High single-digit

Growth of EBITDA before special items

High single-digit

Capex

EUR 110 million - EUR 130 million

Own retail network

Around 50 organic openings

Positive outlook despite ongoing challenges in some key markets

- Strength in Europe to continue
- Uncertainties persist in the US and China
- Business model transformation and better wholesale business to support accelerated growth over the remainder of 2014



BACKUP

Brand portfolio

BOSS
HUGO BOSS

71% of Group sales
modern / sophisticated



BOSS
HUGO BOSS

8% of Group sales
modern / active



BOSS
HUGO BOSS

12% of Group sales
casual / urban chic



HUGO
HUGO BOSS

9% of Group sales
progressive / contemporary



Sales by region 2013



Asia/Pacific

14%

Share of Group sales*



Europe

60%

24%

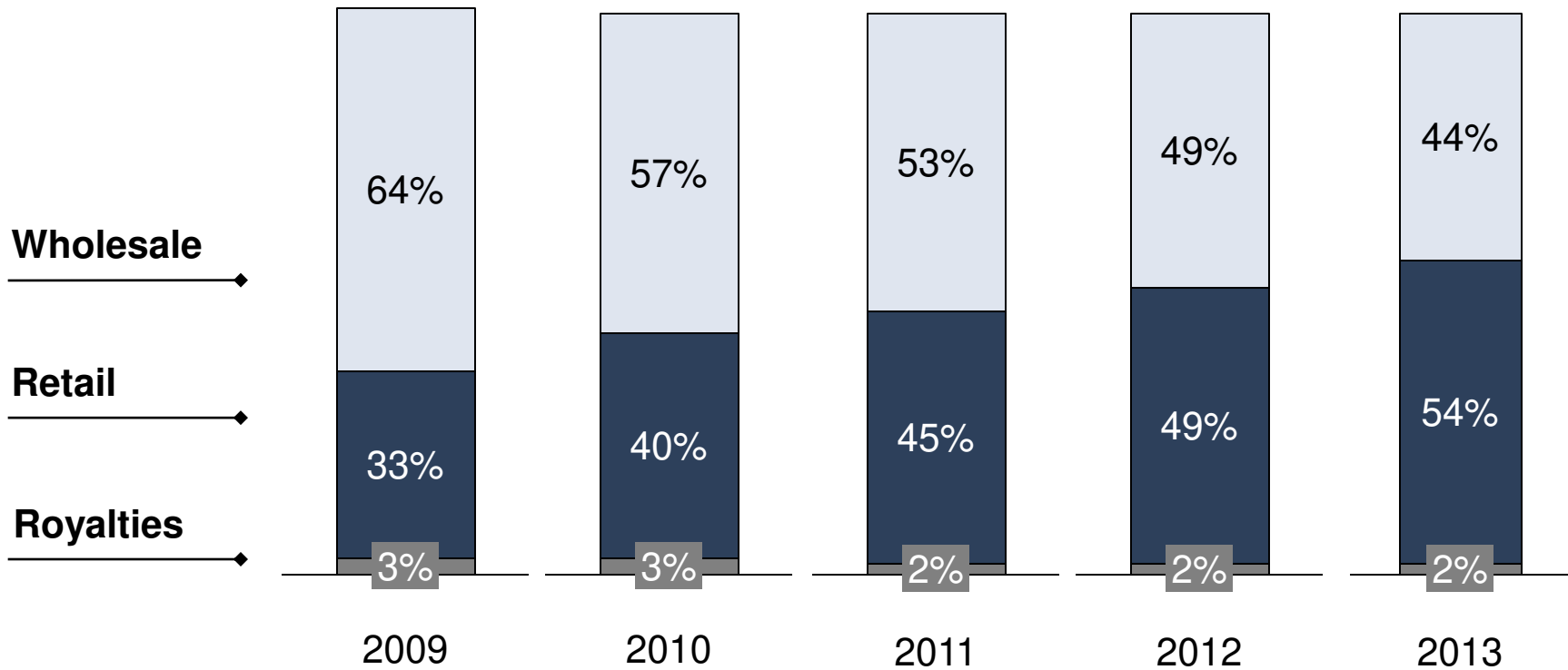


Americas

*+2% Royalties.

Sales split by distribution channel

Sales by distribution channel



Five year overview*

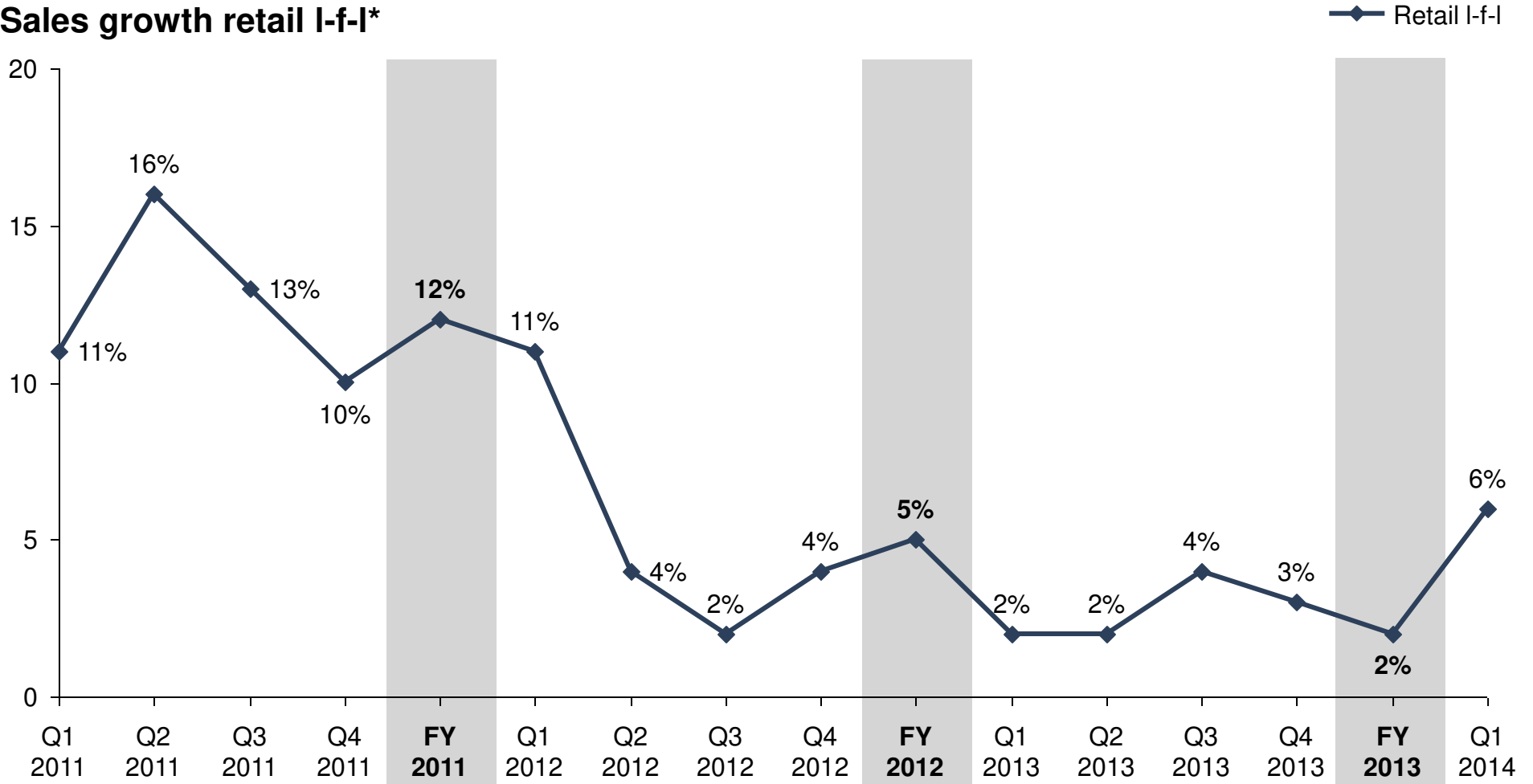
| in EUR million | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---------|---------|---------|---------|---------|
| Earnings Position | | | | | |
| Sales | 2,432.1 | 2,345.9 | 2,058.8 | 1,729.4 | 1,561.9 |
| Gross profit | 1,579.6 | 1,444.1 | 1,252.0 | 1,022.4 | 836.2 |
| EBITDA | 561.4 | 523.9 | 468.0 | 340.1 | 226.5 |
| EBITDA before special items | 564.7 | 528.1 | 469.5 | 353.7 | 269.2 |
| EBIT | 456.2 | 432.0 | 394.6 | 267.9 | 157.4 |
| Net income attributable to equity holders of the parent company | 329.0 | 306.5 | 284.9 | 188.9 | 105.5 |
| Financial Position and Dividend | | | | | |
| Free cash flow | 230.0 | 220.6 | 194.9 | 246.3 | 299.5 |
| Net debt | 57.0 | 130.4 | 149.1 | 201.1 | 379.1 |
| Capital expenditures | 185.3 | 165.8 | 108.5 | 55.6 | 48.3 |
| Depreciation/amortization | 105.3 | 91.9 | 73.4 | 72.2 | 69.1 |
| Dividend | 230.5 | 215.3 | 199.1 | 139.7 | 66.6 |
| Asset and Liability Structure | | | | | |
| Total assets | 1,501.3 | 1,577.2 | 1,419.6 | 1,342.8 | 1,065.4 |
| Shareholders' equity | 740.3 | 631.6 | 517.3 | 361.2 | 205.5 |
| Trade net working capital | 431.8 | 408.5 | 399.6 | 322.7 | 295.6 |
| Non-current assets | 611.5 | 587.7 | 503.2 | 454.5 | 435.0 |
| Key Ratios | | | | | |
| Gross profit margin in % | 64.9 | 61.6 | 60.8 | 59.1 | 53.5 |
| Adjusted EBITDA margin in % | 23.2 | 22.5 | 22.8 | 20.5 | 17.2 |
| Total leverage** | 0.1 | 0.2 | 0.3 | 0.6 | 1.4 |
| Equity ratio in % | 49.3 | 40.0 | 36.4 | 26.9 | 19.3 |

*Certain amounts shown here do not correspond to the figures published in prior years and reflect adjustments made.

**Net debt/EBITDA before special items and expenses for the "Stock Appreciation Rights Program".

Retail comp stores sales growth

Sales growth retail I-f-I*



*fx-adjusted.

Profit & loss statement

| in EUR million | Q1 2014 | Q1 2013* | Change in % | 2013 | 2012* | Change in % |
|--------------------------------------|--------------|--------------|-------------|----------------|----------------|-------------|
| Net sales | 612.6 | 593.5 | 3 | 2,432.1 | 2,345.9 | 4 |
| Cost of sales | (212.0) | (226.7) | 6 | (852.5) | (901.8) | 5 |
| Gross profit | 400.6 | 366.8 | 9 | 1,579.6 | 1,444.1 | 9 |
| in % of sales | 65.4 | 61.8 | 360 bp | 64.9 | 61.6 | 330 bp |
| Selling and distribution expenses | (232.5) | (196.5) | (18) | (891.6) | (791.9) | (13) |
| Administration costs | (60.9) | (59.0) | (3) | (228.5) | (216.0) | (6) |
| Other operating income/expenses | 1.5 | 0.1 | > 100 | (3.3) | (4.2) | 21 |
| Operating result (EBIT) | 108.7 | 111.4 | (2) | 456.2 | 432.0 | 6 |
| in % of sales | 17.7 | 18.8 | (110) bp | 18.7 | 18.4 | 30 bp |
| Net interest income/expense | (0.6) | (3.9) | 85 | (14.4) | (18.0) | 20 |
| Other financial items | (2.1) | (1.1) | (91) | (8.3) | (5.8) | (43) |
| Financial result | (2.7) | (5.0) | 46 | (22.7) | (23.8) | 5 |
| Earnings before taxes | 106.0 | 106.4 | 0 | 433.5 | 408.2 | 6 |
| Income taxes | (24.4) | (24.4) | 0 | (100.1) | (97.6) | (3) |
| Net income | 81.6 | 82.0 | (0) | 333.4 | 310.6 | 7 |
| Attributable to: | | | | | | |
| Equity holders of the parent company | 80.7 | 81.6 | (1) | 329.0 | 306.5 | 7 |
| Non-controlling interests | 0.9 | 0.4 | > 100 | 4.4 | 4.1 | 7 |
| Earnings per share (EUR)** | 1.17 | 1.18 | (1) | 4.77 | 4.44 | 7 |
| EBITDA before special items | 131.3 | 132.6 | (1) | 564.7 | 528.1 | 7 |
| in % of sales | 21.4 | 22.3 | (90) bp | 23.2 | 22.5 | 70 bp |

*Certain amounts shown here do not correspond to the figures published in prior years and reflect adjustments made.

**Basic and diluted earnings per share.

Segment profitability

Segment profit

| in EUR million | Q1 2014 | in % of sales | Q1 2013* | in % of sales | Change in % |
|--|--------------|---------------|--------------|---------------|-------------|
| Europe** | 136.6 | 34.6 | 123.1 | 33.6 | 11 |
| Americas | 25.0 | 21.0 | 29.6 | 23.2 | (16) |
| Asia/Pacific | 26.5 | 30.7 | 29.2 | 33.8 | (9) |
| Royalties | 10.7 | 82.8 | 11.0 | 85.1 | (3) |
| Segment profit operating segments | 198.8 | 32.5 | 192.9 | 32.5 | 3 |
| Corporate units/consolidation | (67.5) | | (60.3) | | (12) |
| EBITDA before special items | 131.3 | 21.4 | 132.6 | 22.3 | (1) |

- Solid operating margin increase in **Europe** due to sales productivity improvements as well as lower rebates
- Robust gross profit margin developments in the **Americas** and **Asia** offset by operational deleverage

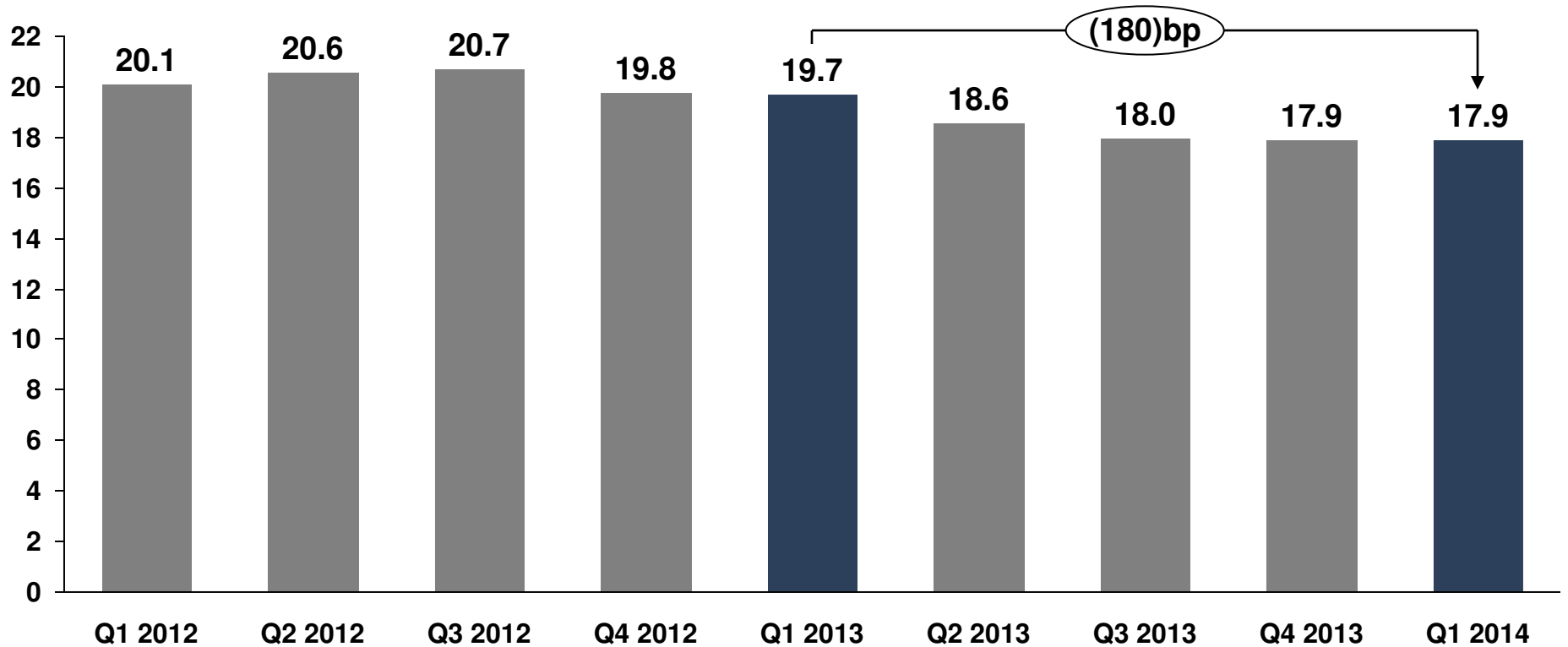
*Certain amounts shown here do not correspond to the figures published in prior years and reflect adjustments made.

**Incl. Middle East and Africa.

Trade net working capital

Average trade net working capital as a percentage of sales by quarter*

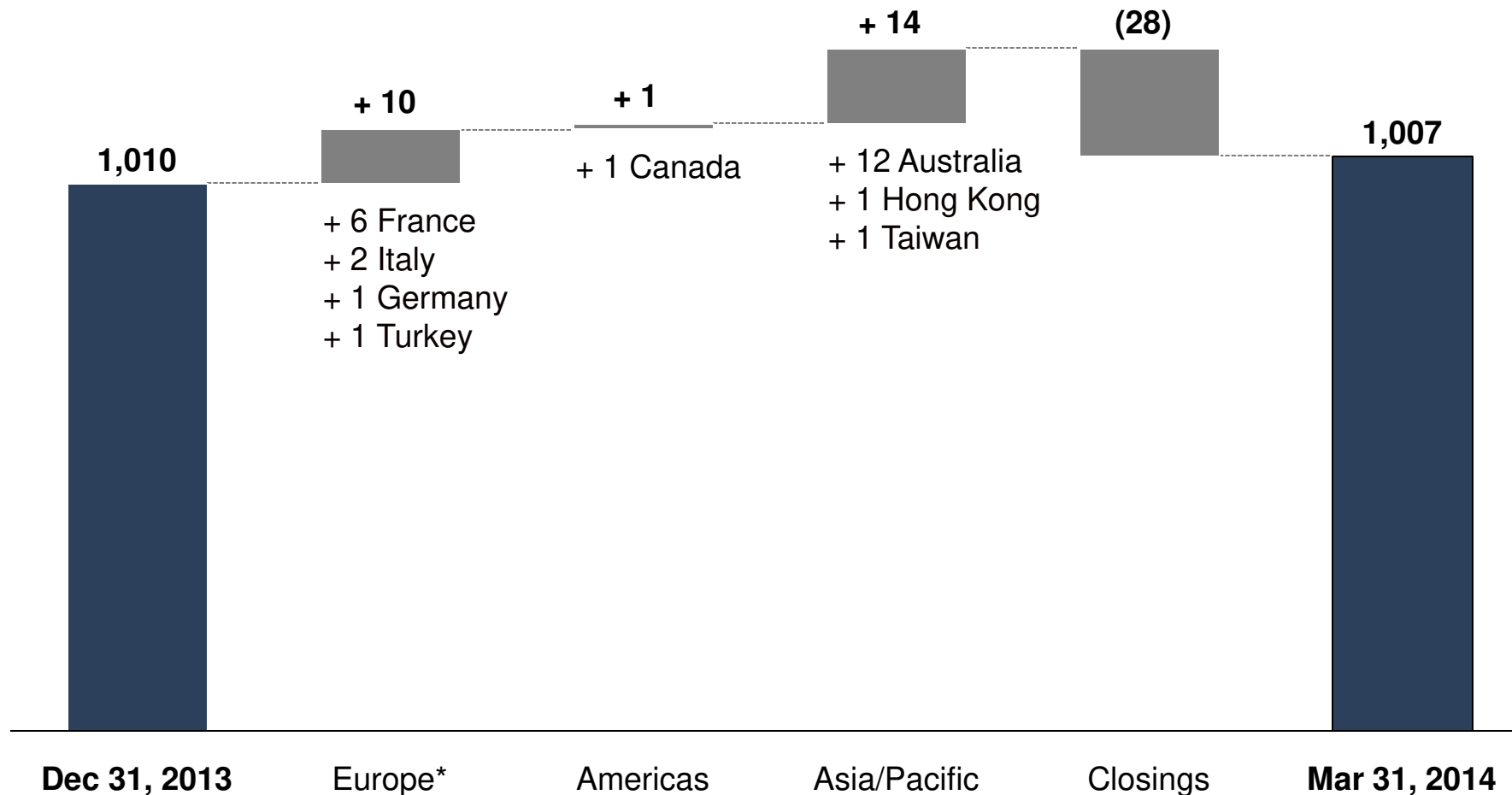
(in %)



*Certain amounts shown here do not correspond to the figures published in prior years and reflect adjustments made.

Retail network

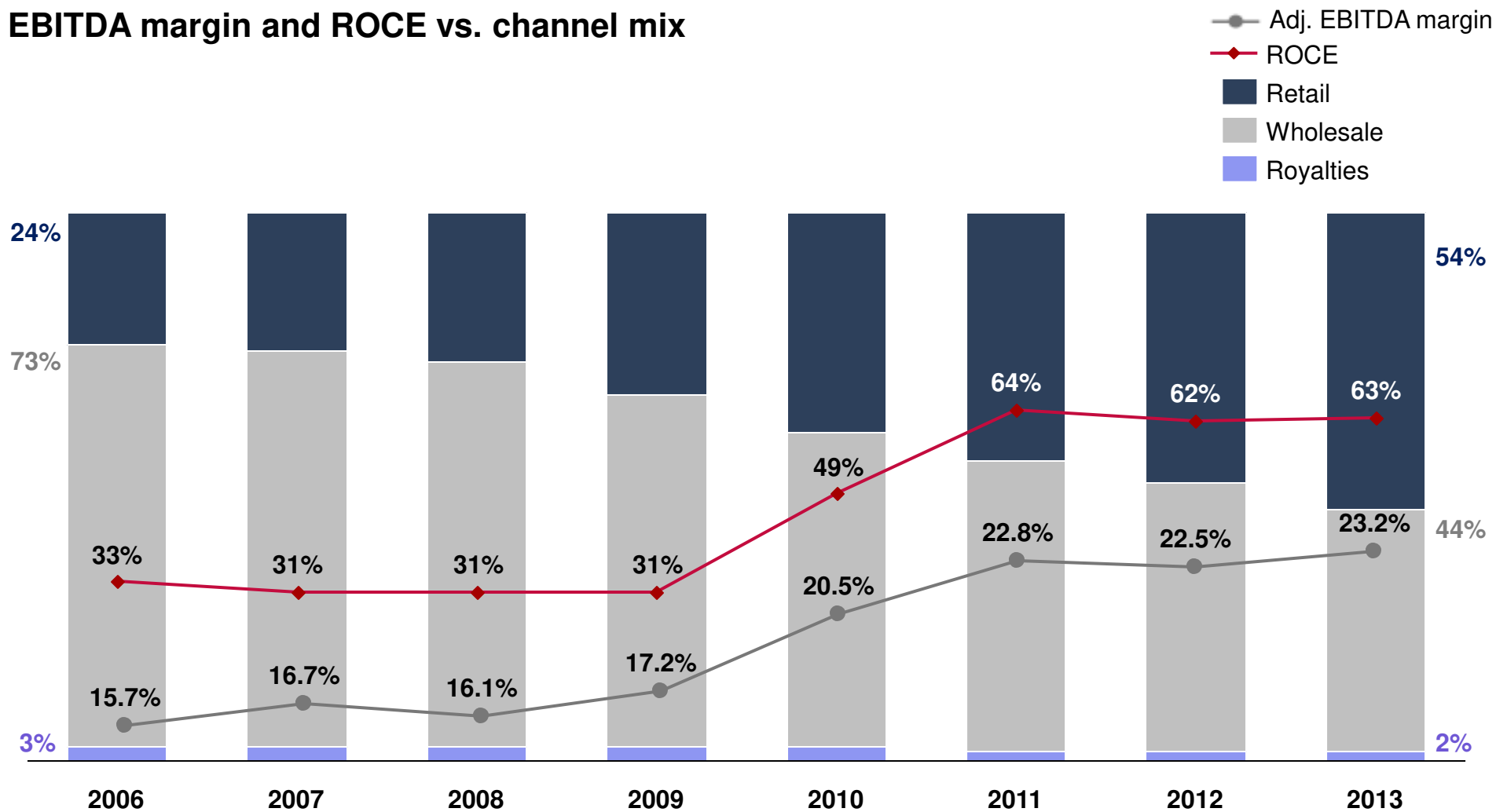
Number of own retail stores:



*Europe incl. Middle East and Africa.

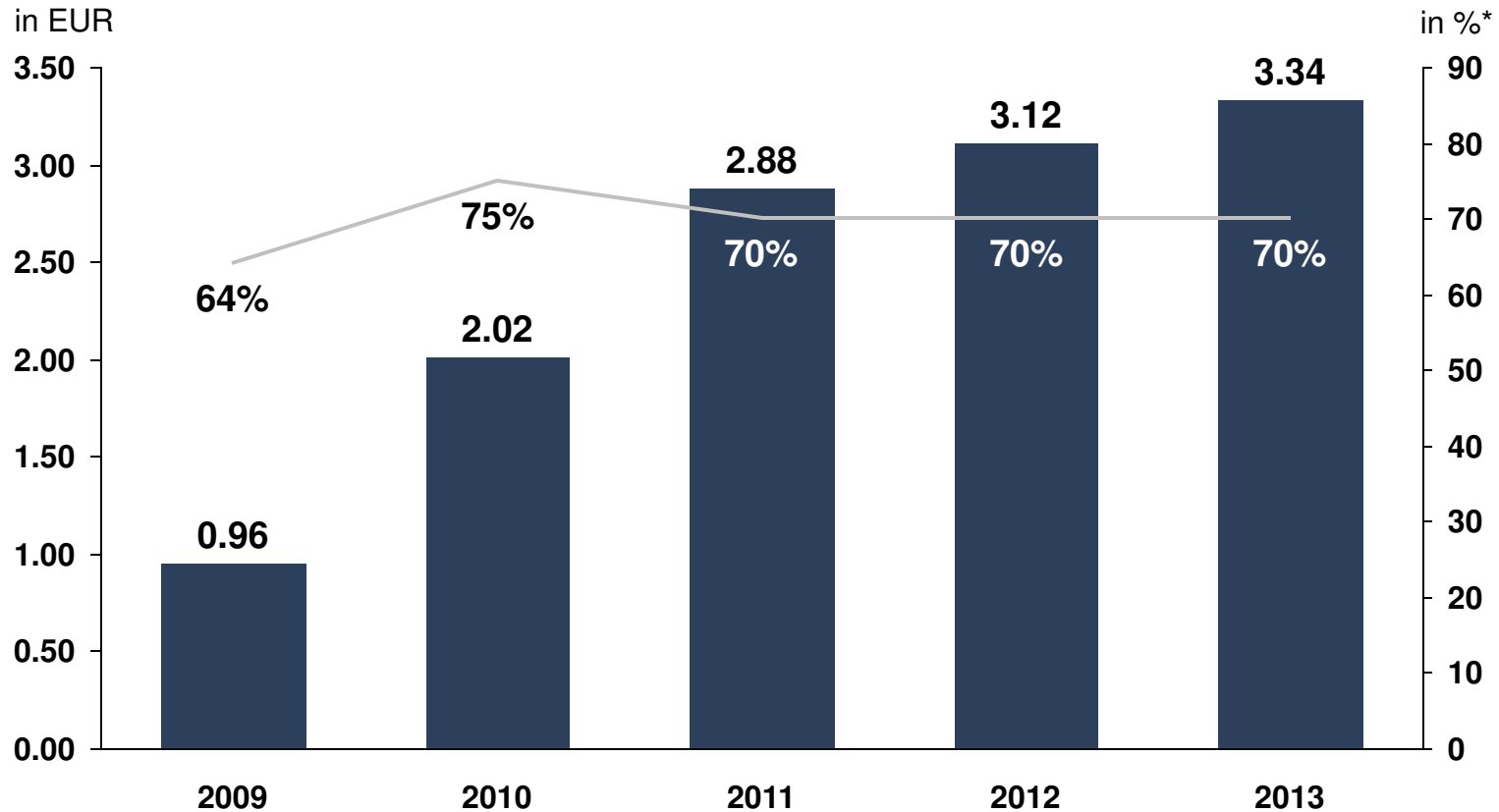
ROCE development

EBITDA margin and ROCE vs. channel mix



Dividends

Dividend and payout ratio

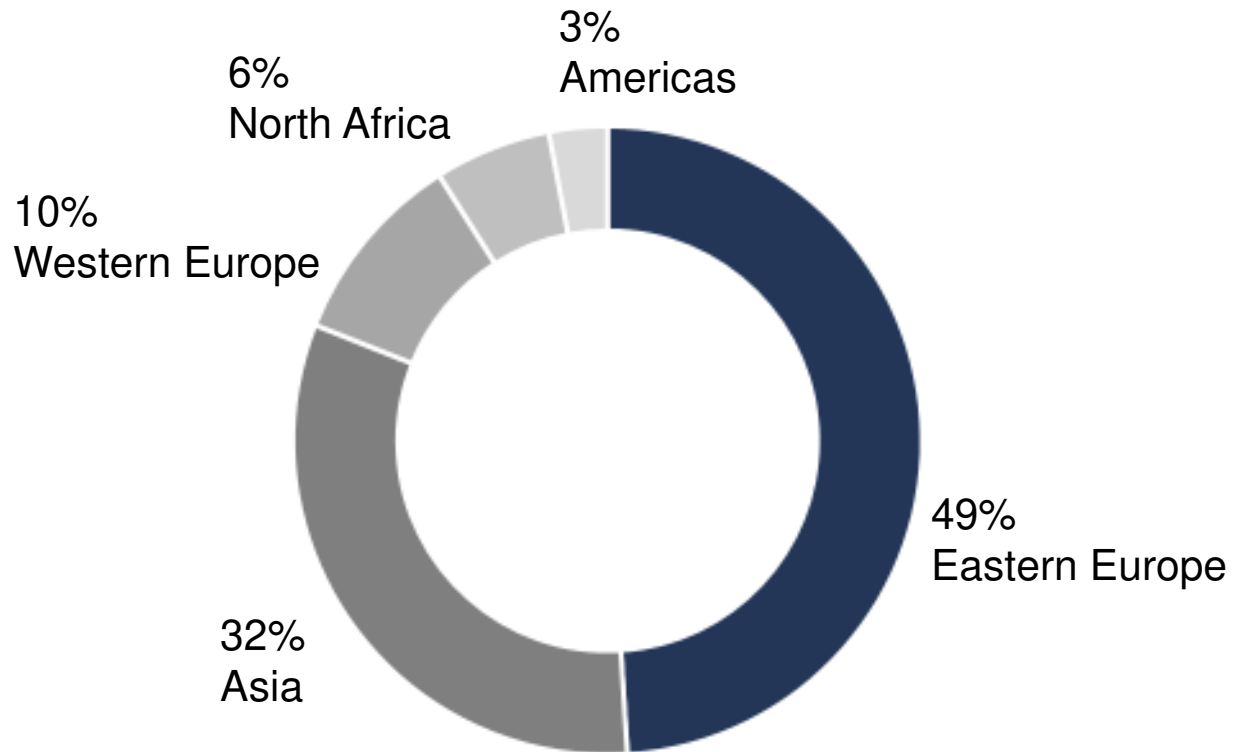


Proposal in line with dividend policy of 60% to 80% payout of consolidated net profit

*As a percentage of net income attributable to the shareholders of the parent company.

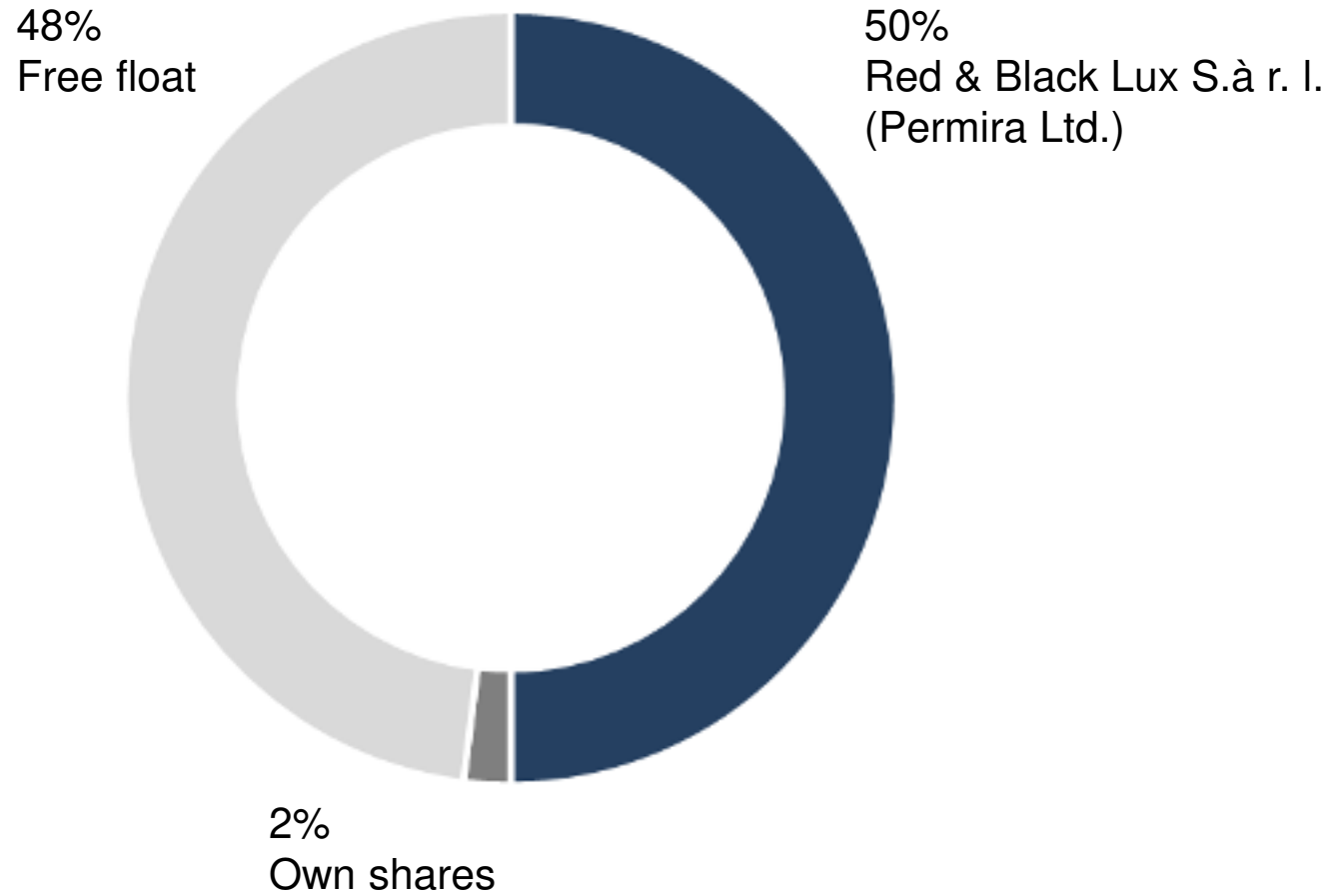
Sourcing structure

Regional split of sourcing and production volume 2013*



*80% Third party production
20% Own production

Shareholder structure*



*Source: Share register.

Financial calendar 2014

| Date | Event |
|------------------|-------------------------|
| July 31, 2014 | First Half Year Results |
| November 4, 2014 | Nine Months Results |

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Forward looking statements contain risks

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