

H U G O B O S S

ANALYSTS' CONFERENCE 2014

Claus-Dietrich Lahrs (CEO) | Mark Langer (CFO)
Metzingen, March 13, 2014

Claus-Dietrich Lahrs (CEO)

Agenda

Strategic review 2013

Financial performance 2013

Outlook 2014 and beyond

Agenda

Strategic review 2013

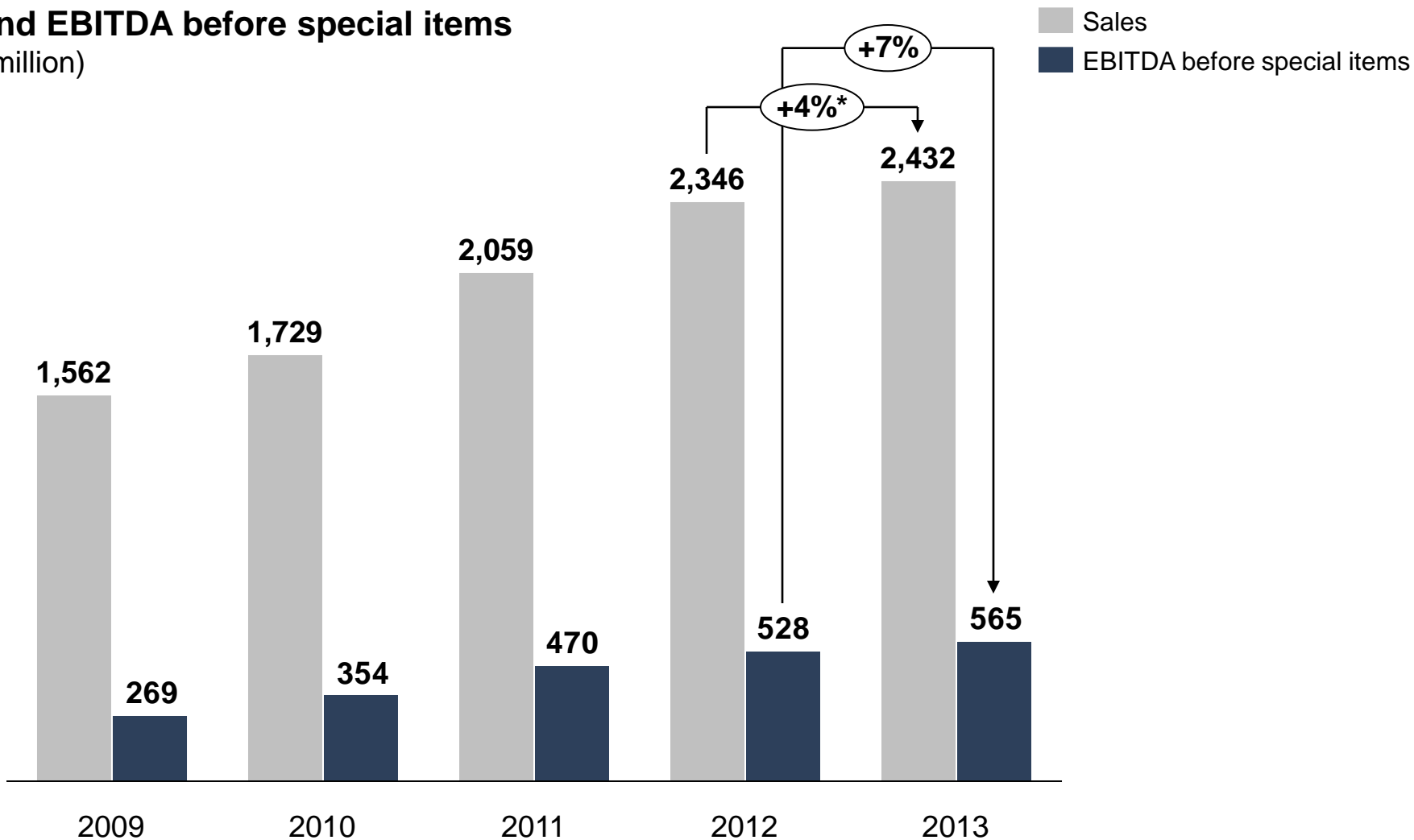
Financial performance 2013

Outlook 2014 and beyond

2013 a year of good strategic and financial progress

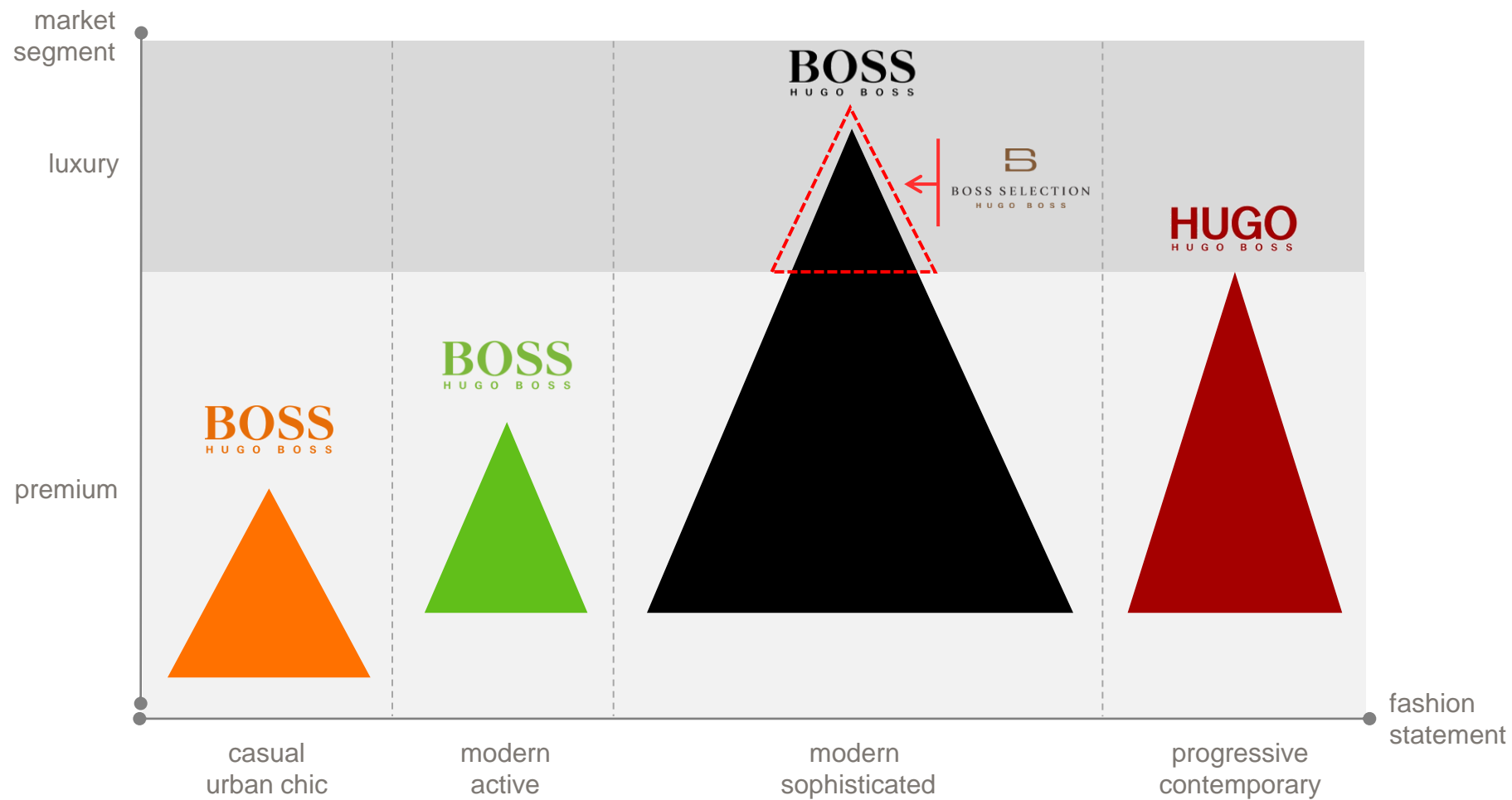
Sales and EBITDA before special items

(in EUR million)



*+6% fx-adjusted.

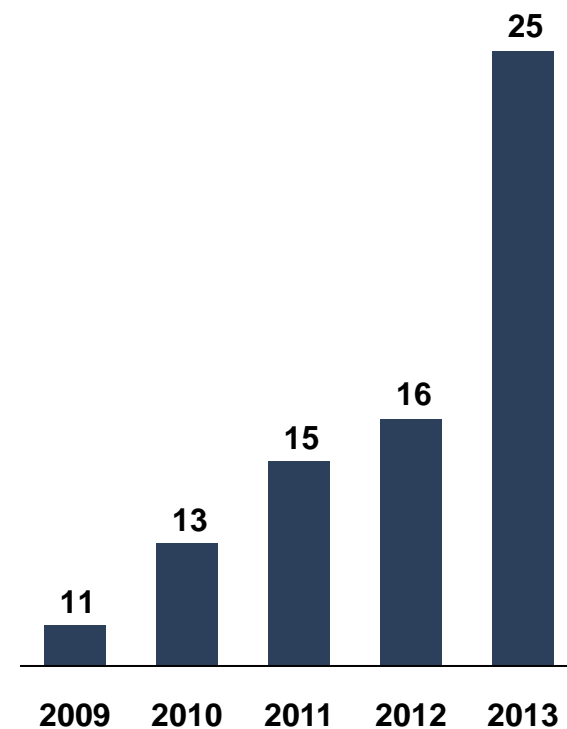
Brand portfolio streamlined and sharpened



Retail store universe upgraded and expanded



Number of flagship stores

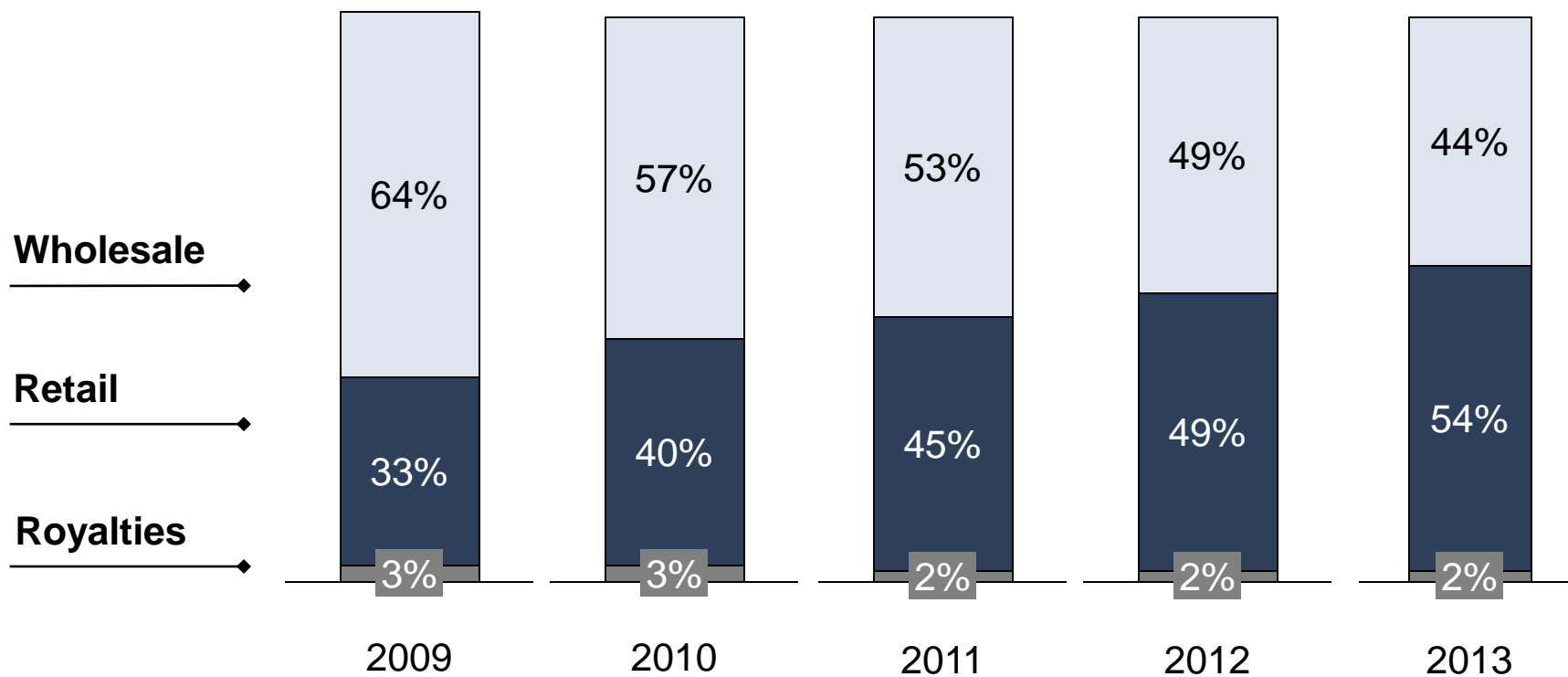


Extended brand control in department stores

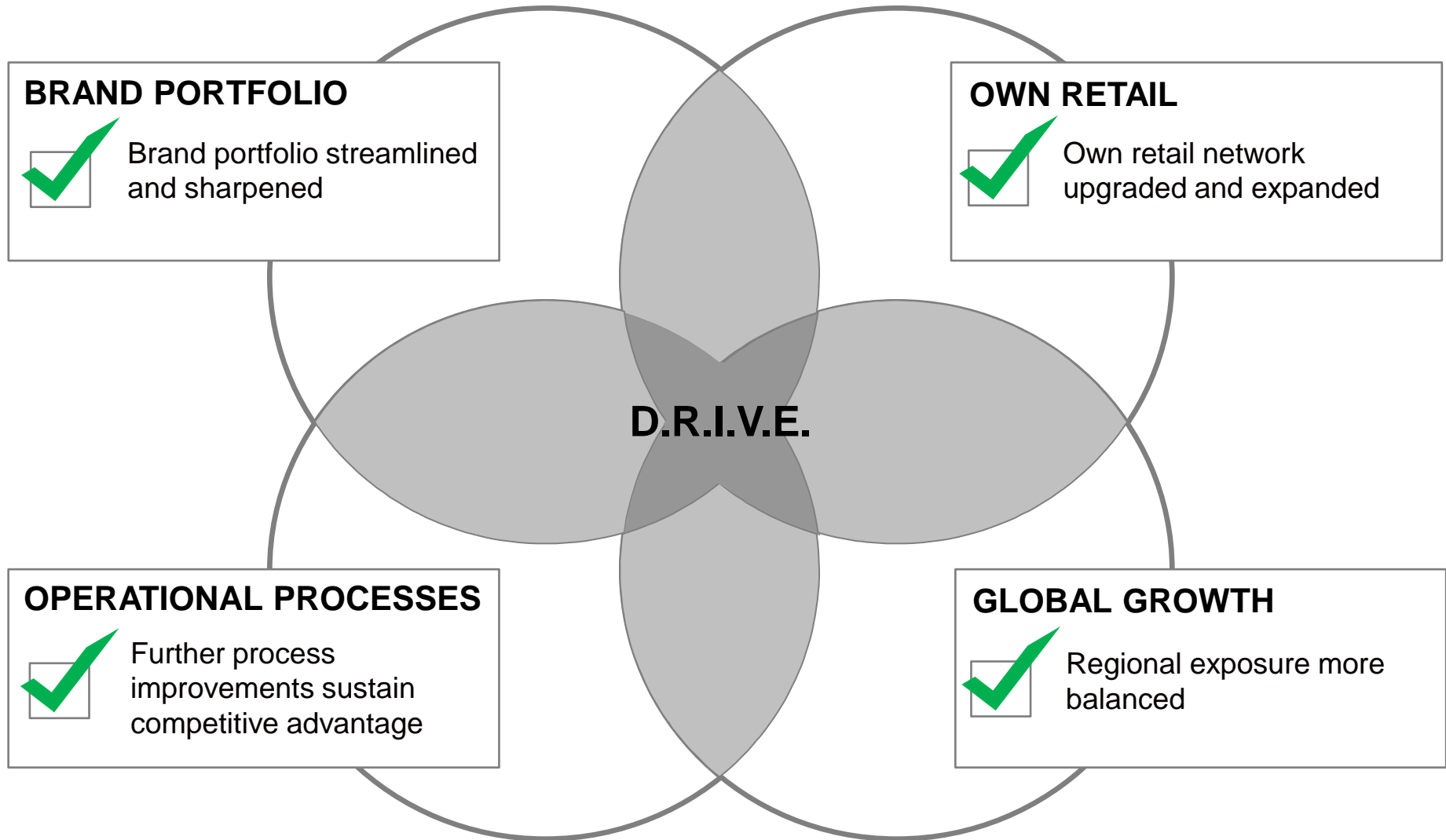


Faster than expected business model transformation

Sales by distribution channel



Main elements of 2010 growth agenda implemented



Mark Langer (CFO)

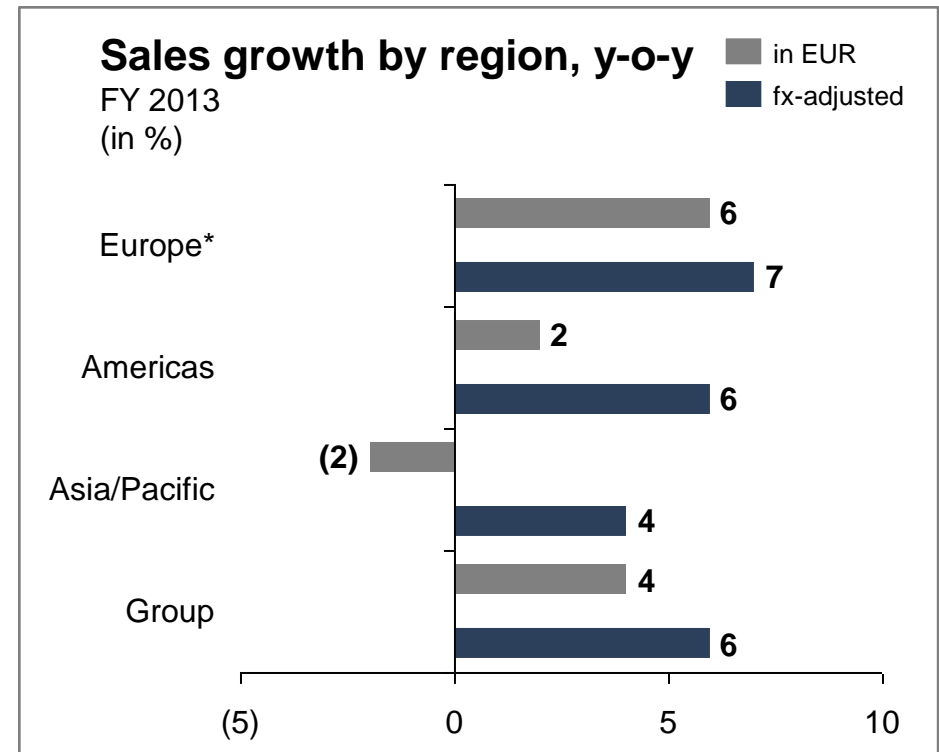
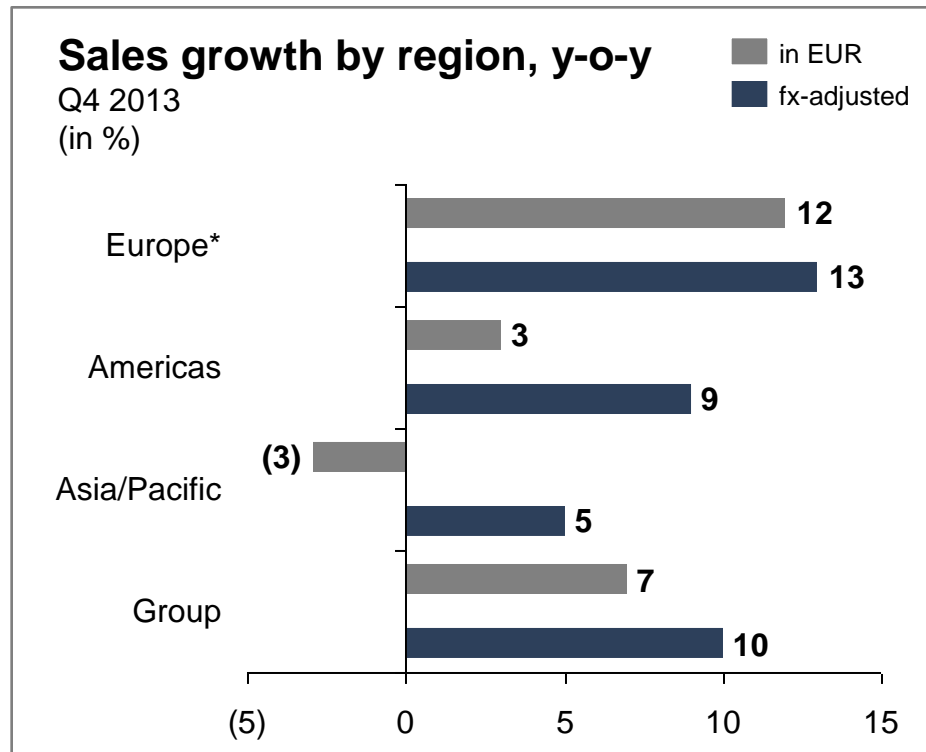
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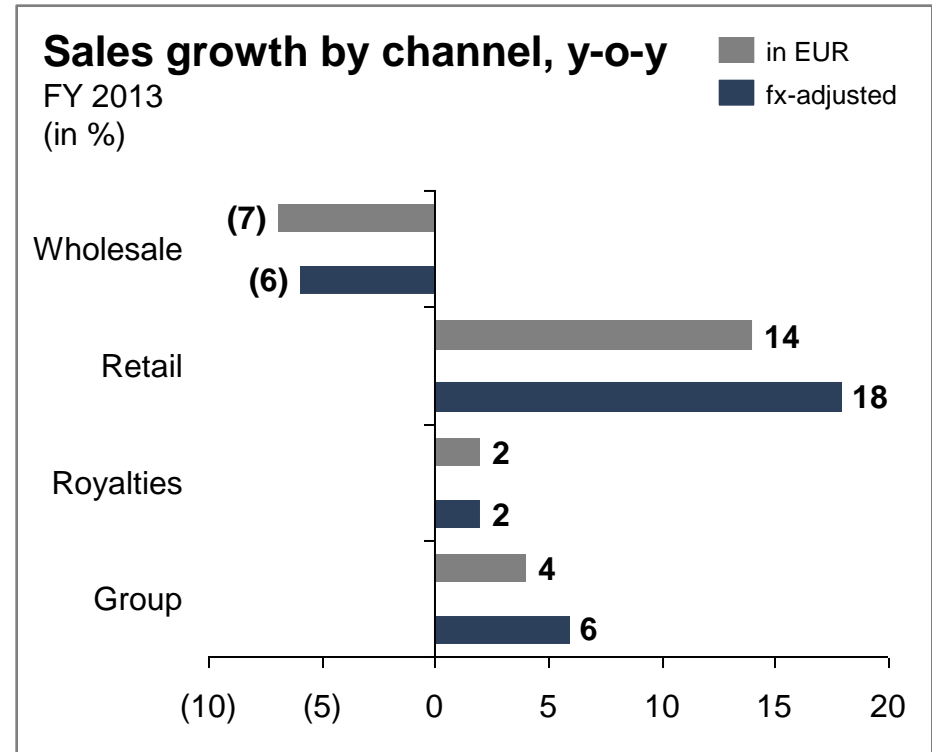
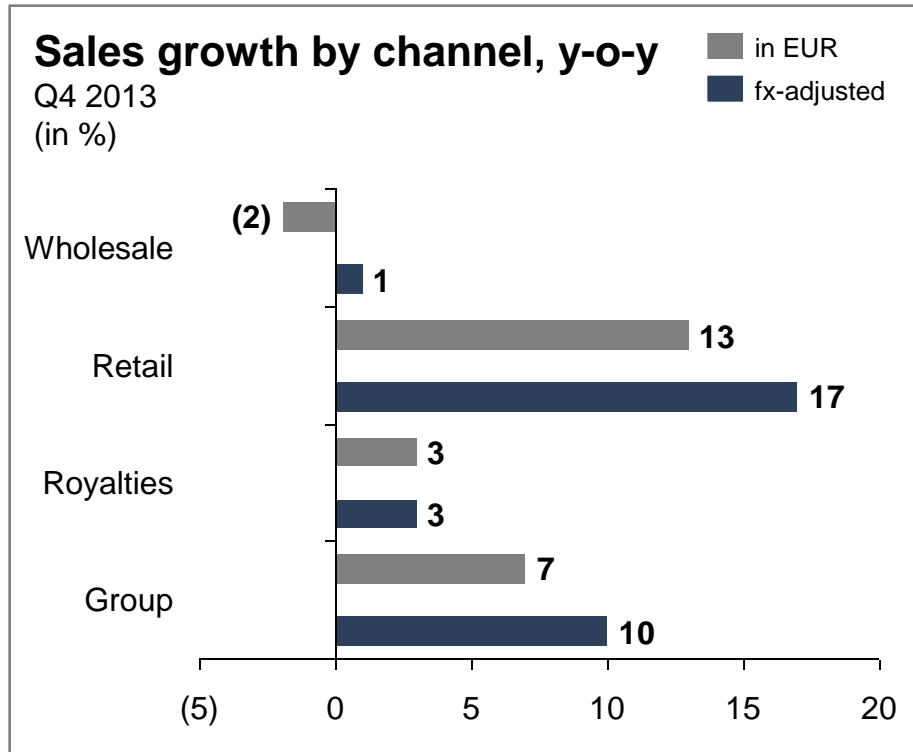
All regions contribute to Group sales growth in 2013



- Improving trends in the second half year make **Europe** the strongest growing region
- Performance in the **Americas** weakens towards year-end
- Growth in **Asia/Pacific** still muted by difficult trading environment in China

*Incl. Middle East and Africa.

Retail continues to drive Group sales increases



- **Wholesale** development affected by difficult market environment as well as takeover effects
- Double-digit growth in **own retail** supported by store expansion as well as comp store sales growth (up 3% in Q4, up 2% year-to-date)
- **Royalties** sales increase driven by double-digit increases in eyewear

Shop-in-shop takeovers main driver of considerable store count increase

Number of own retail stores as of December 31, 2013

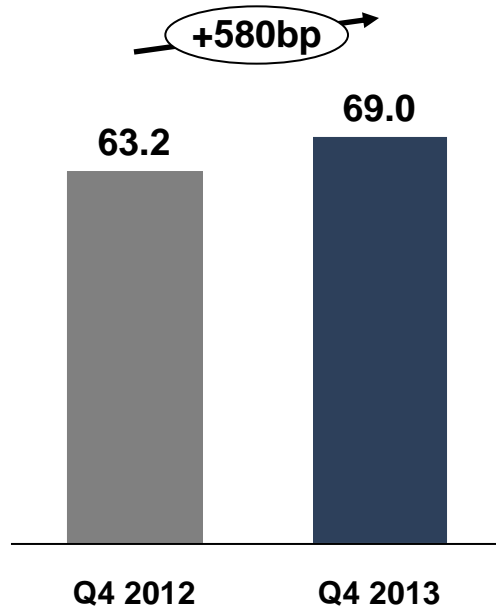
(December 31, 2012: 840)



*Incl. Middle East and Africa.

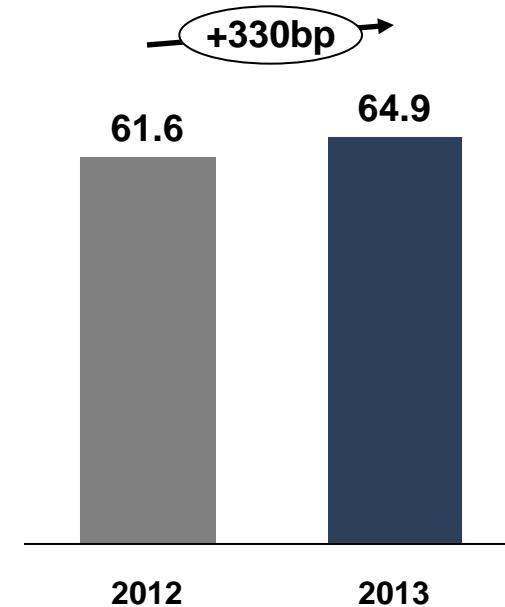
Robust gross profit margin improvements

Fourth quarter



- Reduced markdowns
- Positive distribution channel mix
- Non-recurrence of prior year inventory devaluation effects

Full year



- Positive distribution channel mix
- Reduced markdowns
- Non-recurrence of prior year inventory devaluation effects

Gross profit margin increase supports operating margin expansion

in EUR million	2013	2012*	Change in %
Net sales	2,432.1	2,345.9	4
Gross profit	1,579.6	1,444.1	9
in % of sales	64.9	61.6	330 bp
Selling and distribution expenses	(891.6)	(791.9)	(13)
Administration costs	(228.5)	(216.0)	(6)
Other operating income/expenses	(3.3)	(4.2)	21
Operating result (EBIT)	456.2	432.0	6
in % of sales	18.7	18.4	30 bp
Financial result	(22.7)	(23.8)	5
Earnings before taxes	433.5	408.2	6
Income taxes	(100.1)	(97.6)	(3)
Net income	333.4	310.6	7
Attributable to:			
Equity holders of the parent company	329.0	306.5	7
Earnings per share (EUR)**	4.77	4.44	7
EBITDA before special items	564.7	528.1	7
in % of sales	23.2	22.5	70 bp

■ Own retail expansion main driver of higher **selling and distribution expenses**

■ Sales increase as well as strong gross margin development lead to improvement of **adjusted EBITDA margin** to 23.2%

■ Exchange rate effects negatively impact **financial result**

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

**Basic and diluted earnings per share.

Americas further narrow margin gap to other regions

Segment profit

in EUR million	2013	in % of sales	2012*	in % of sales	Change in %
Europe**	498.0	34.2	475.0	34.5	5
Americas	152.0	26.7	140.4	25.1	8
Asia/Pacific	117.3	33.8	118.8	33.7	(1)
Royalties	49.3	85.2	50.4	89.2	(2)
Segment profit operating segments	816.7	33.6	784.6	33.4	4
Corporate units/consolidation	(252.0)		(256.5)		2
EBITDA before special items	564.7	23.2	528.1	22.5	7

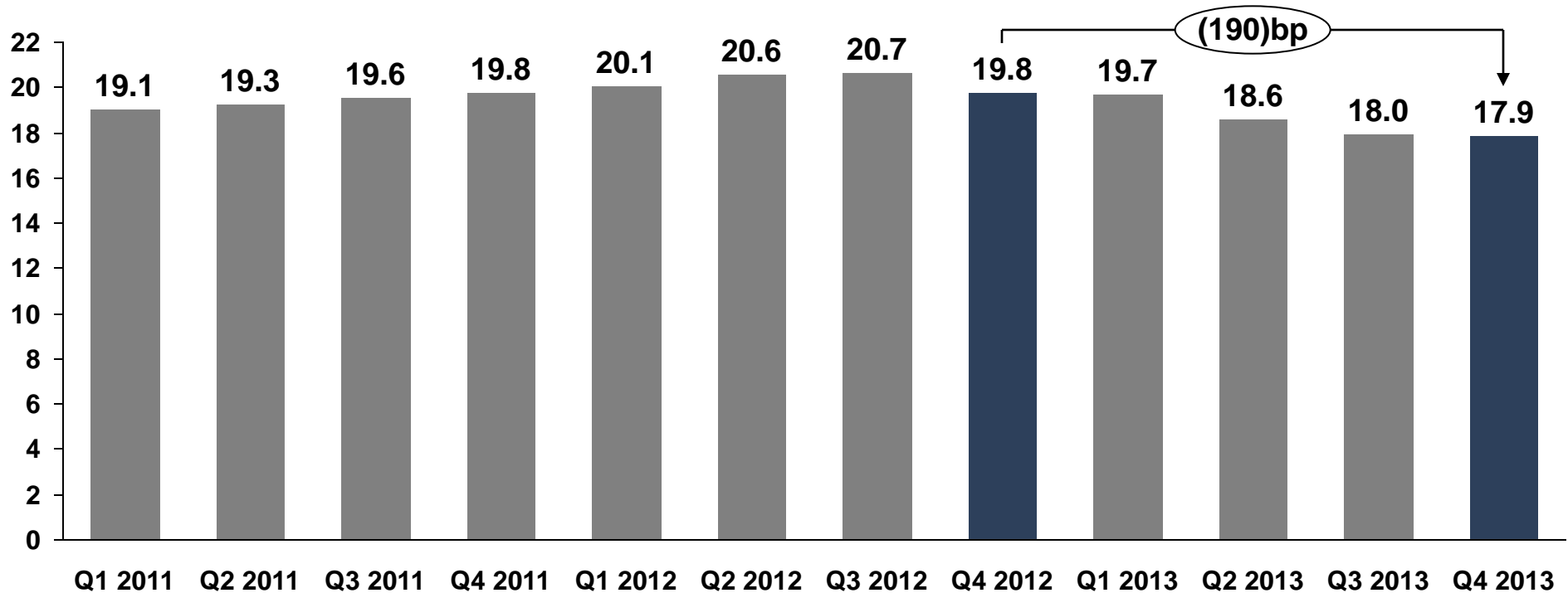
- Higher selling and distribution expenses dilute operating margin in **Europe**
- Lower markdowns drive profitability increases in the **Americas**
- Margin improvement in **Asia/Pacific** due to strict discount and inventory management

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**Incl. Middle East and Africa.

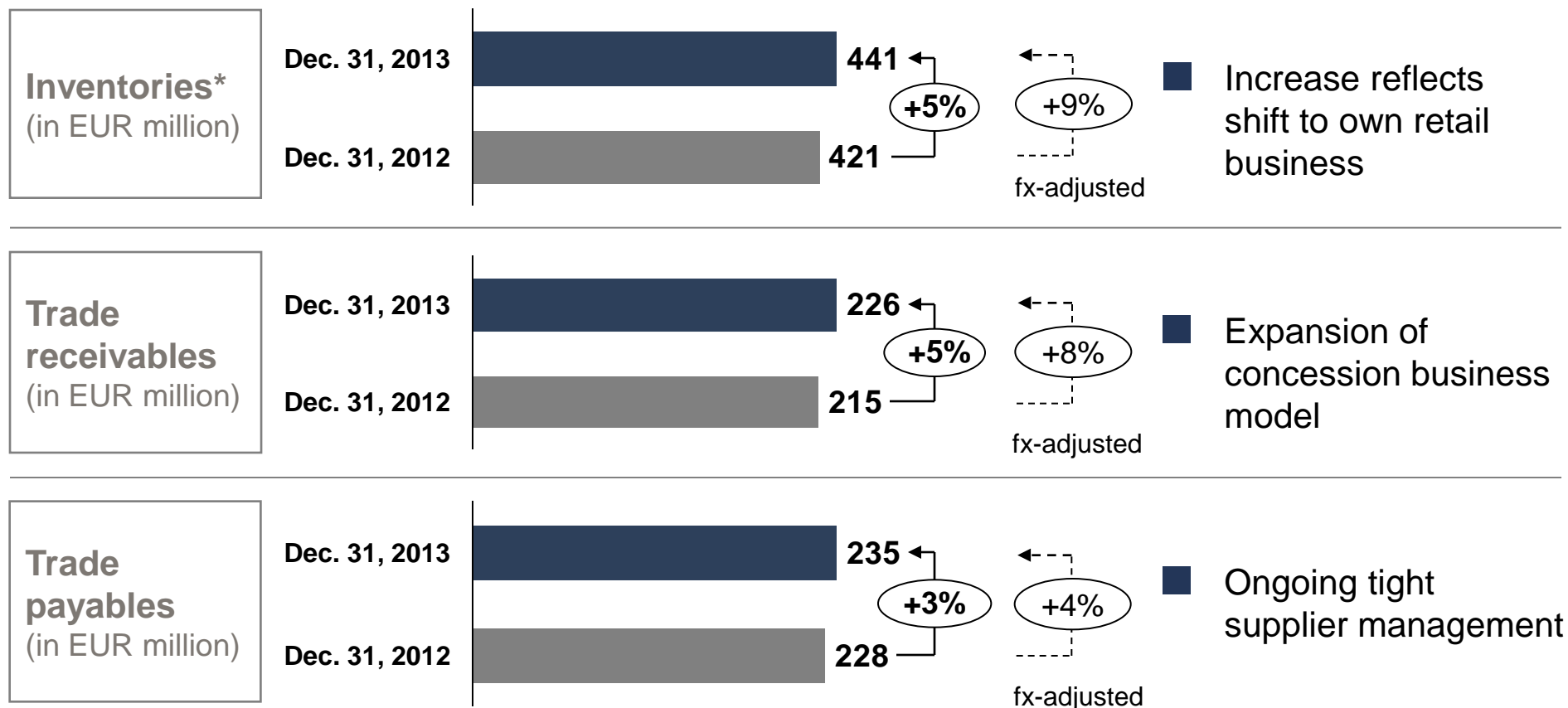
2013 a year of major working capital progress

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.

Healthy working capital position solid basis for future profitable growth

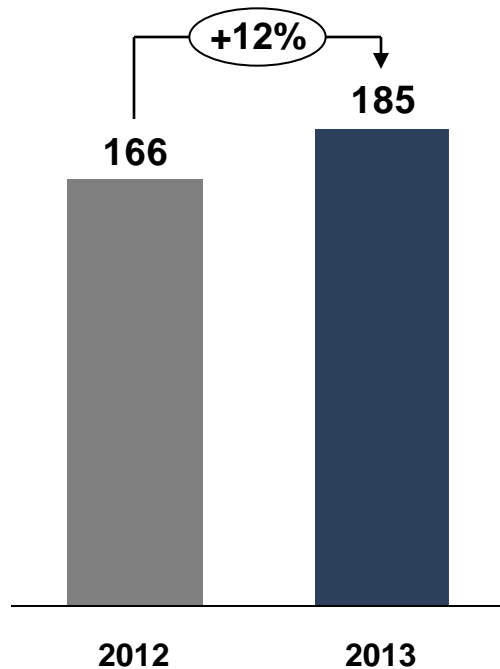


Trade net working capital up 6% to EUR 432 million

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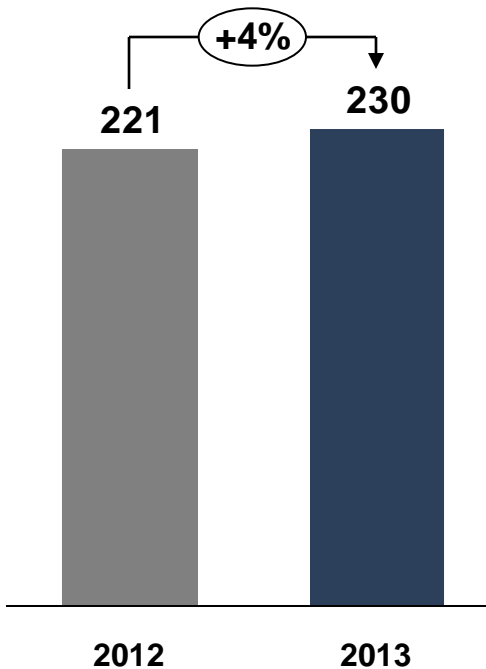
Free cash flow increases despite higher investments

Investments (in EUR million)



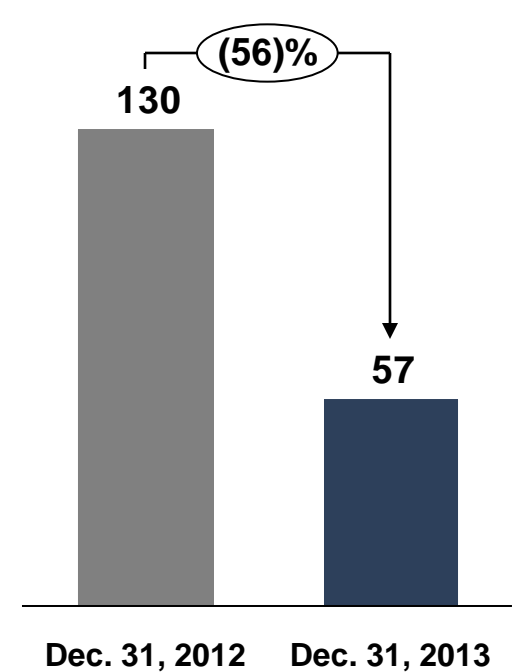
■ Own retail expansion and infrastructure projects drive increase

Free cash flow (in EUR million)



■ Increase due to profit growth and working capital discipline

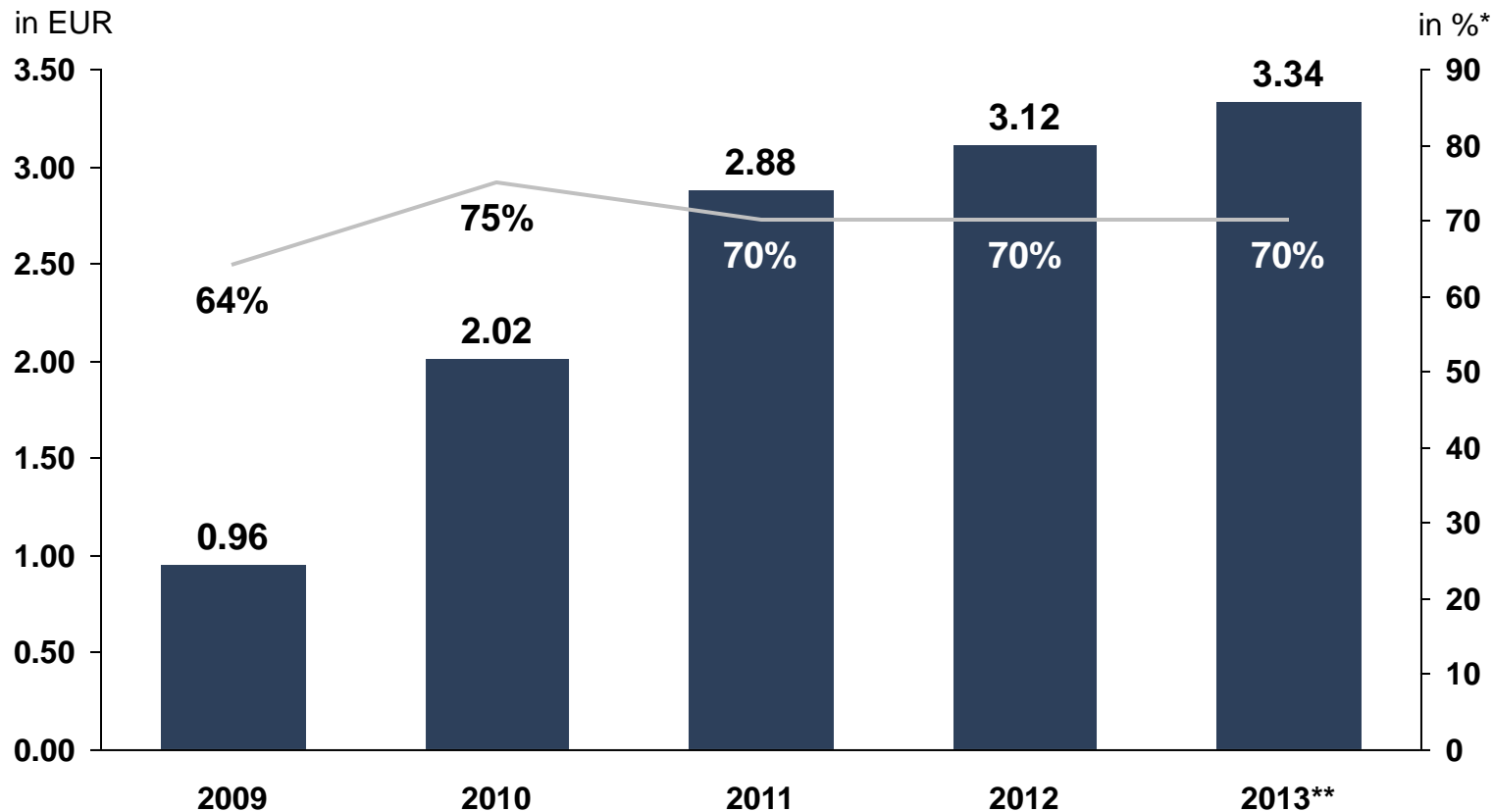
Net debt (in EUR million)



■ FCF generation and deconsolidation effects lead to reduction

Dividend to grow in line with consolidated net income

Dividend and payout ratio



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

*As a percentage of net profit attributable to the shareholders of the parent company. // **2013: Dividend proposal.

Claus-Dietrich Lahrs (CEO)

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Strategic review 2013

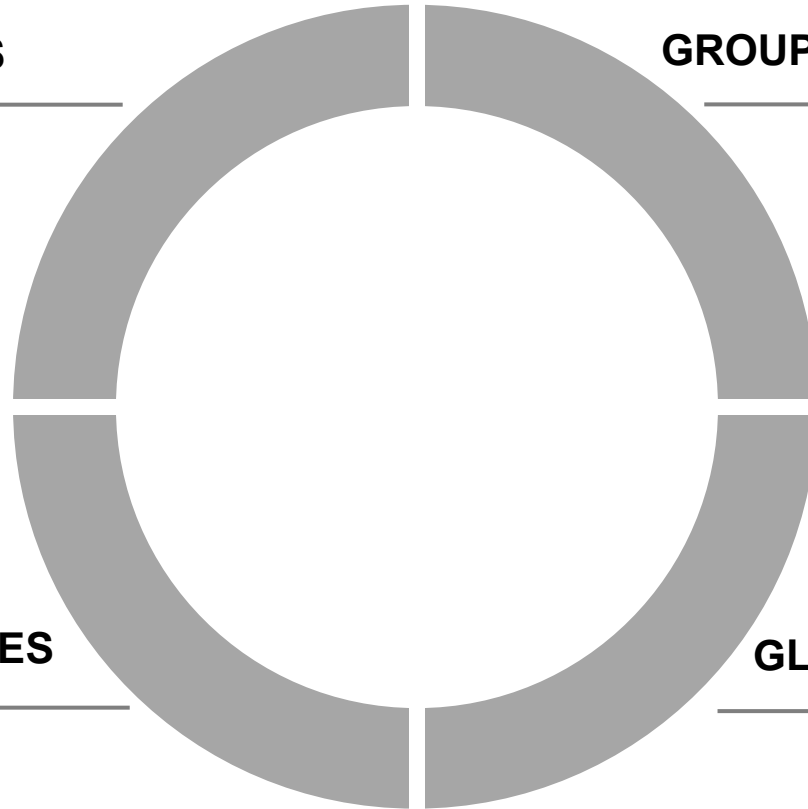
Financial performance 2013

Outlook 2014 and beyond

Financial performance testifies to successful strategy execution

**MAXIMIZING
BRAND ATTRACTIVENESS**

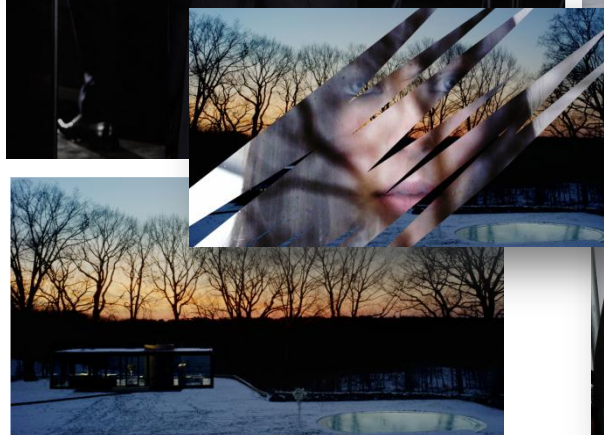
**GROWING THE
GROUP'S OWN RETAIL BUSINESS**



**IMPROVING
OPERATIONAL PROCESSES**

**LEVERAGING
GLOBAL GROWTH POTENTIAL**

Unleashing the emotional power of the brand



Jason Wu has established clear signature at BOSS Woman



BOSS Woman makes impressive debut at New York Fashion Week



BOSS Womenswear Fashion Show, New York



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



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Expansion and productivity improvements to drive future retail growth

- Successful exploitation of white space opportunities
- Around fifty new store openings expected in 2014
- Focus on sales productivity improvements



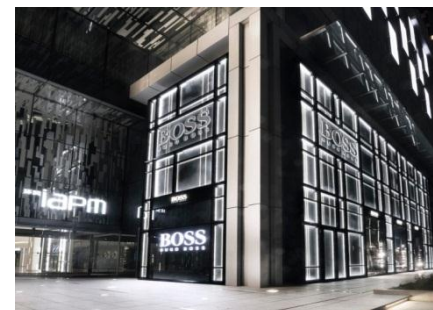
Stores Europe*

2009:	219
2013:	576
	+ 357



Stores Americas

2009:	108
2013:	200
	+92



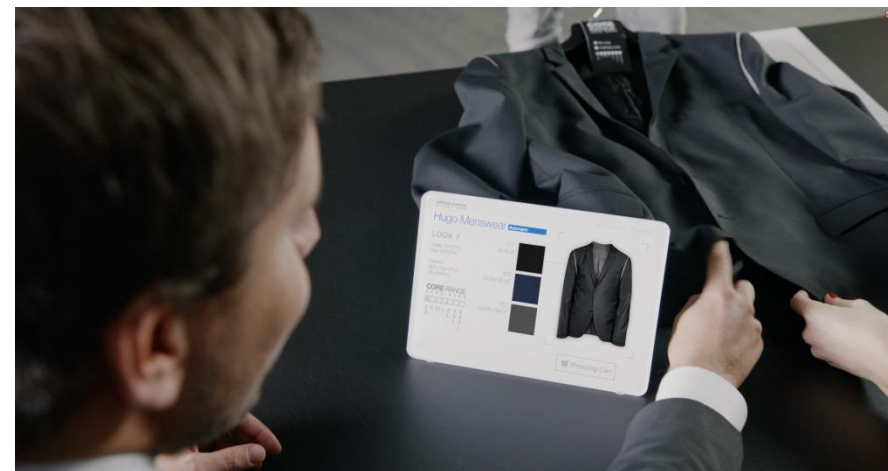
Stores Asia/Pacific

2009:	111
2013:	234
	+123

*Incl. Middle East and Africa.

Improving frontline execution

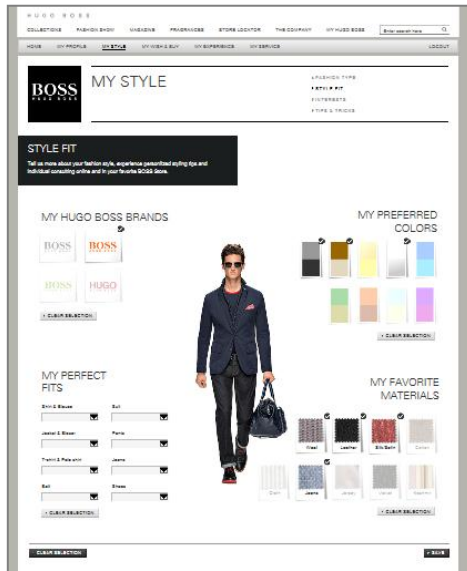
- Superior service levels in line with brand proposition
- Focus on ensuring high standards globally
- Strong emphasis on customer feedback and constant evaluation



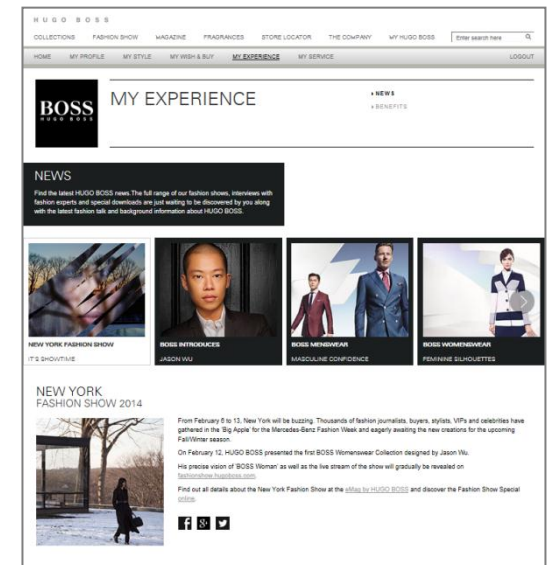
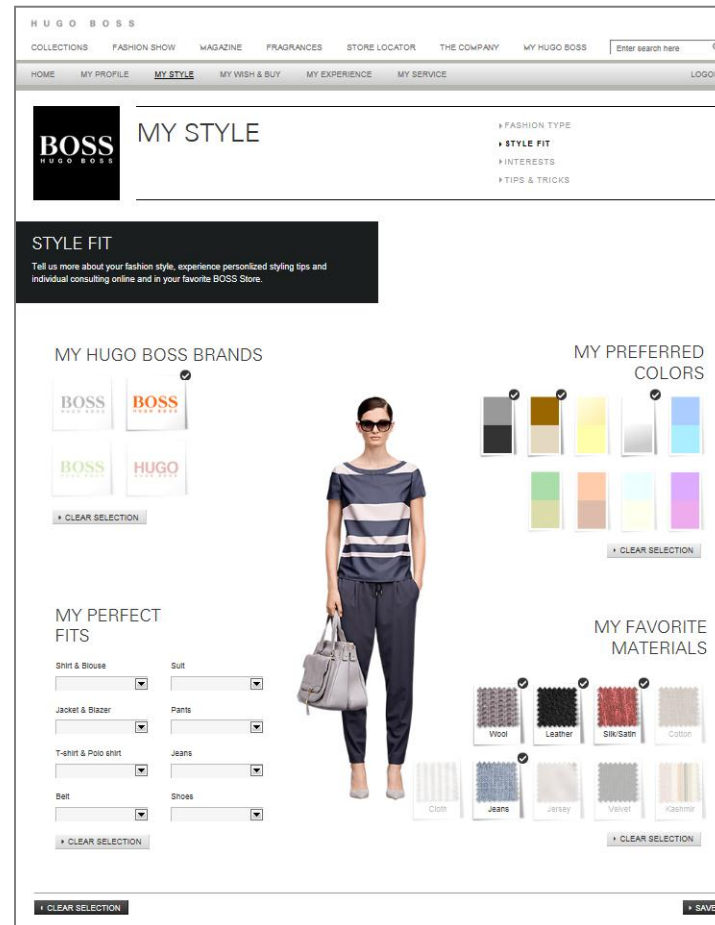
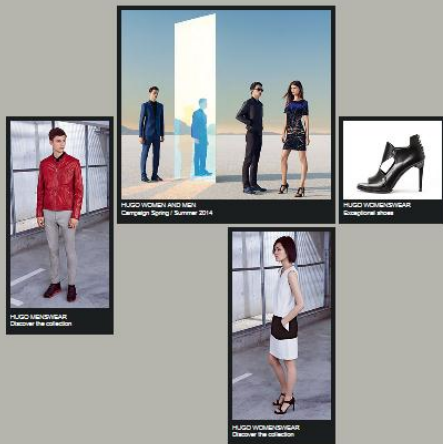
Omnichannel main strategic focus in coming years



Rollout of myhugoboss.com under way



MY HUGO BOSS WORLD



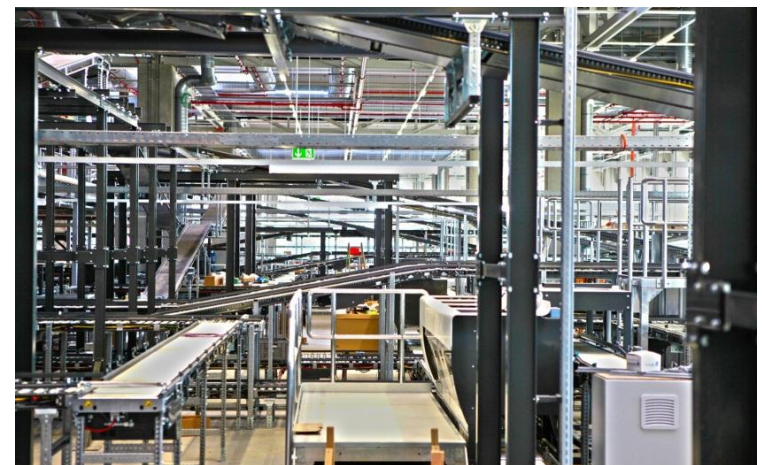
Further operational process improvements offer significant long-term potential

- 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 current headwinds

- 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

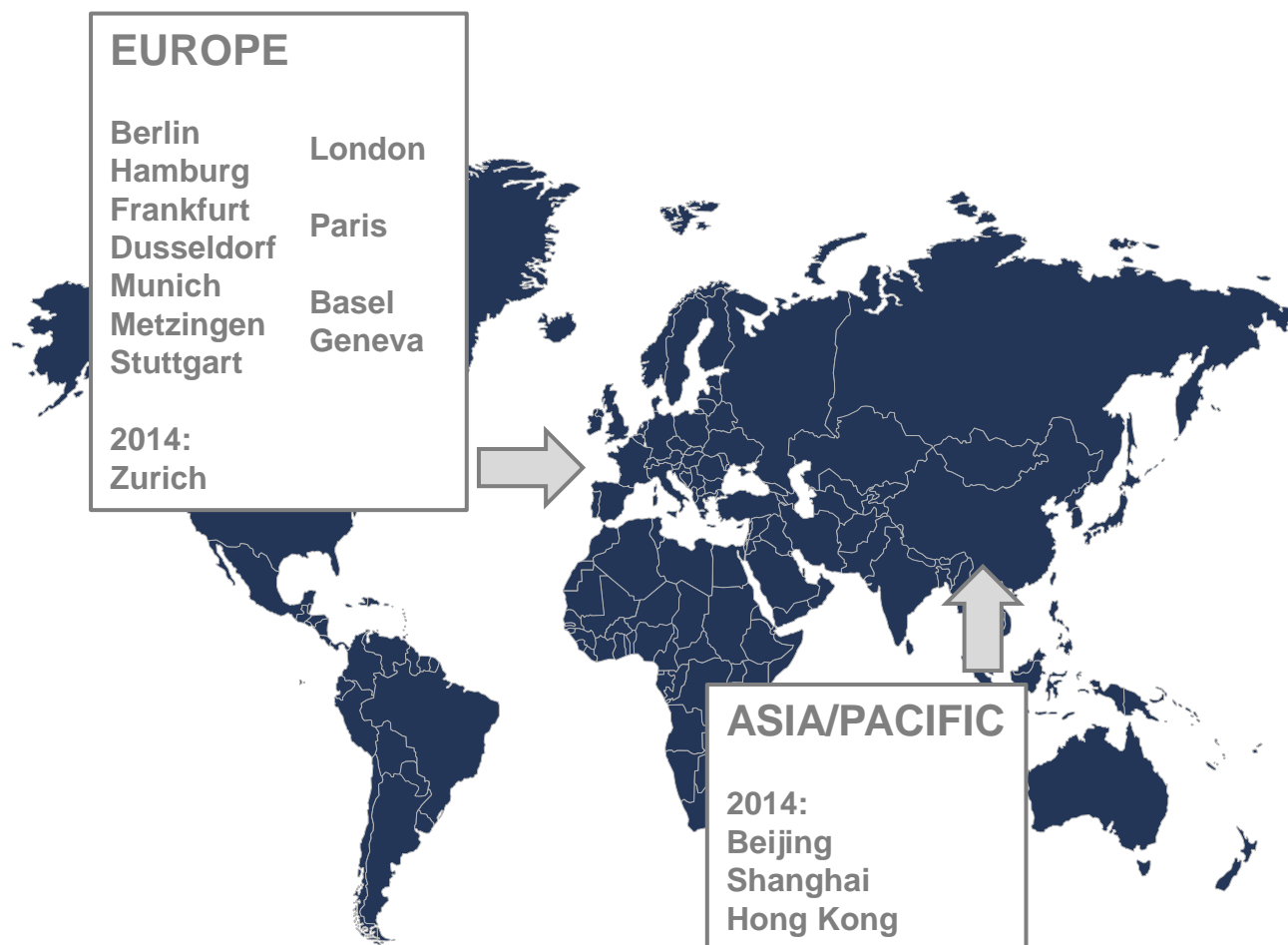
- Important investments in retail presence and brand perception
- Franchise legacy thoroughly addressed
- Suiting competence a key competitive differentiator



“Art of Tailoring” exhibition tours Asia



Made to Measure rollout emphasizes high-end tailoring competence



Positive outlook for 2014

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

Building the business for long-term sustainable growth

- 2013 a year of solid financial performance and good strategic progress
- Clear plan in place to accelerate growth in 2014
- Long-term focus areas defined
 - Brand elevation and emotionalization
 - Omnichannel
 - Retail excellence



QUESTIONS & ANSWERS

BACKUP

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".

Profit & loss statement

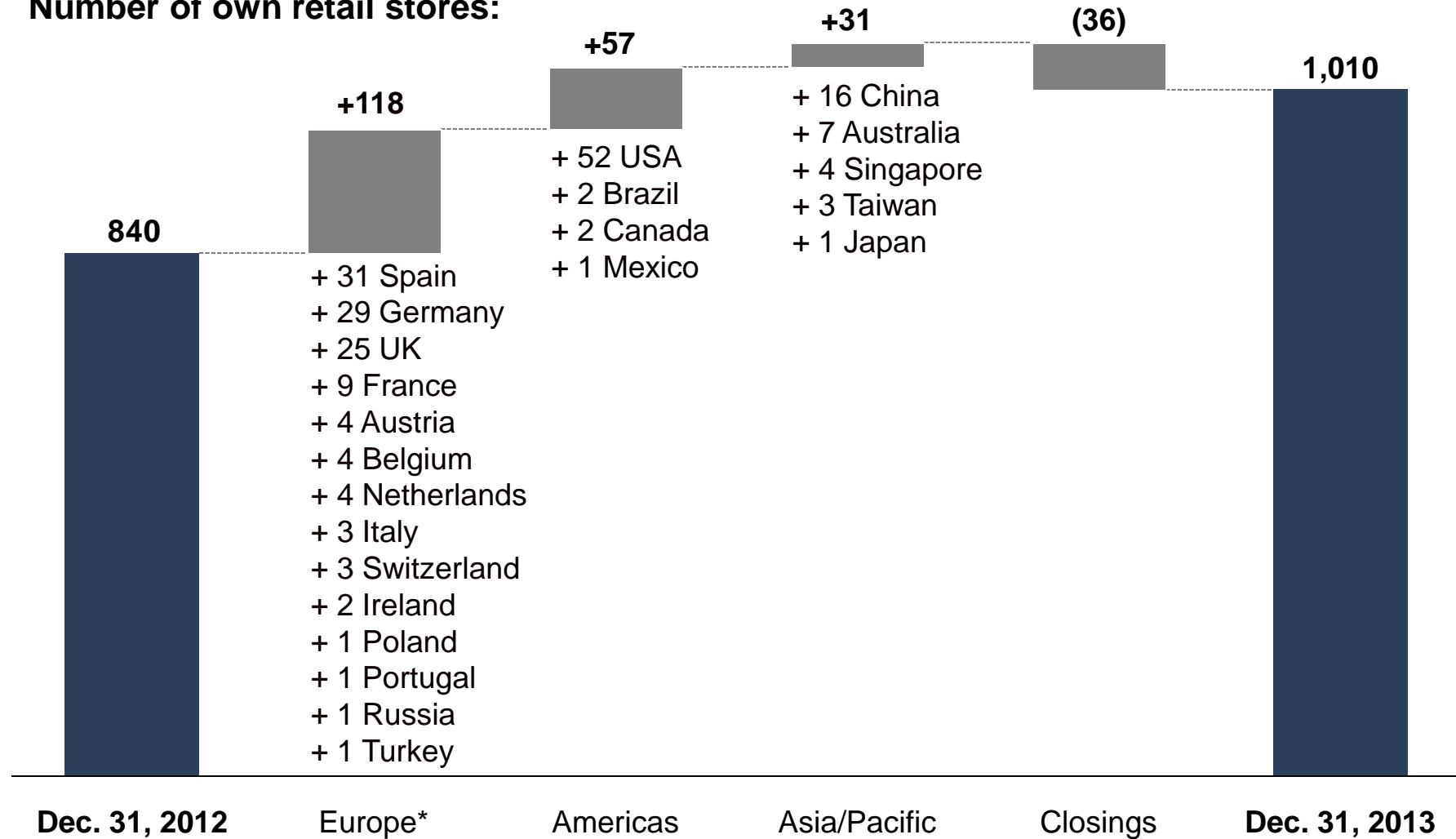
in EUR million	Q4 2013	Q4 2012*	Change in %	2013	2012*	Change in %
Net sales	649.0	607.4	7	2,432.1	2,345.9	4
Cost of sales	(200.9)	(223.6)	10	(852.5)	(901.8)	5
Gross profit	448.1	383.8	17	1,579.6	1,444.1	9
in % of sales	69.0	63.2	580 bp	64.9	61.6	330 bp
Selling and distribution expenses	(264.5)	(229.1)	(15)	(891.6)	(791.9)	(13)
Administration costs	(64.9)	(55.1)	(18)	(228.5)	(216.0)	(6)
Other operating income/expenses	0.1	(1.4)	> 100	(3.3)	(4.2)	21
Operating result (EBIT)	118.8	98.2	21	456.2	432.0	6
in % of sales	18.3	16.2	210 bp	18.7	18.4	30 bp
Net interest income/expense	(4.5)	(4.5)	0	(14.4)	(18.0)	20
Other financial items	(2.5)	(4.4)	43	(8.3)	(5.8)	(43)
Financial result	(7.0)	(8.9)	21	(22.7)	(23.8)	5
Earnings before taxes	111.8	89.3	25	433.5	408.2	6
Income taxes	(26.1)	(21.2)	(23)	(100.1)	(97.6)	(3)
Net income	85.7	68.1	26	333.4	310.6	7
Attributable to:						
Equity holders of the parent company	84.4	66.9	26	329.0	306.5	7
Non-controlling interests	1.3	1.2	8	4.4	4.1	7
Earnings per share (EUR)**	1.22	0.97	26	4.77	4.44	7
EBITDA before special items	157.3	134.1	17	564.7	528.1	7
in % of sales	24.2	22.1	210 bp	23.2	22.5	70 bp

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**Basic and diluted earnings per share.

Retail Network

Number of own retail stores:



*Incl. Middle East and Africa.

Financial calendar 2014

Date	Event
March 13, 2014	Press and Analysts' Conference
May 7, 2014	First Quarter Results
May 13, 2014	Annual Shareholders' Meeting
July 31, 2014	First Half Year Results
November 4, 2014	Nine Months Results

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.

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