

H U G O B O S S

HUGO BOSS First Quarter Results 2015

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Metzingen, May 6, 2015

Agenda

Financial Review First Quarter 2015

Strategic Outlook 2015

Financial Outlook 2015

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Financial Review First Quarter 2015

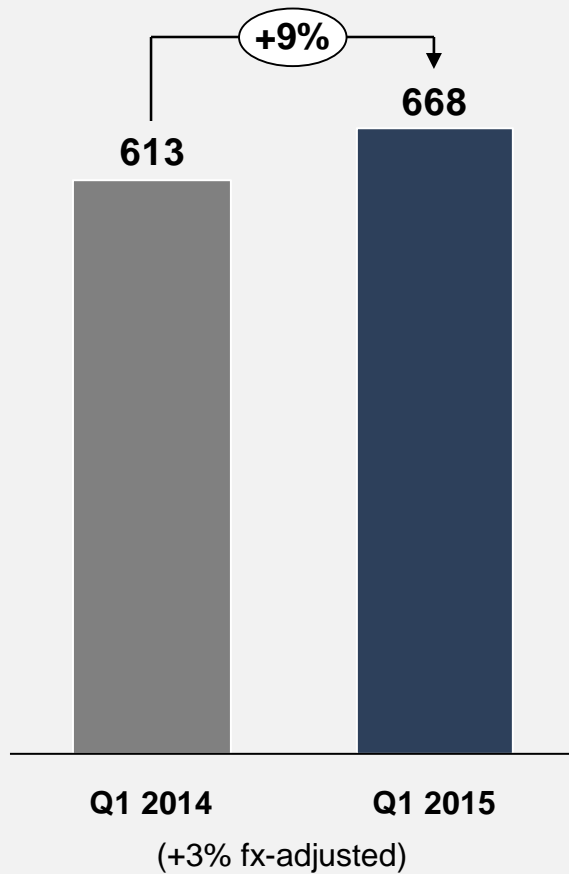
Strategic Outlook 2015

Financial Outlook 2015

HUGO BOSS grows top line whereas operating profit remains stable

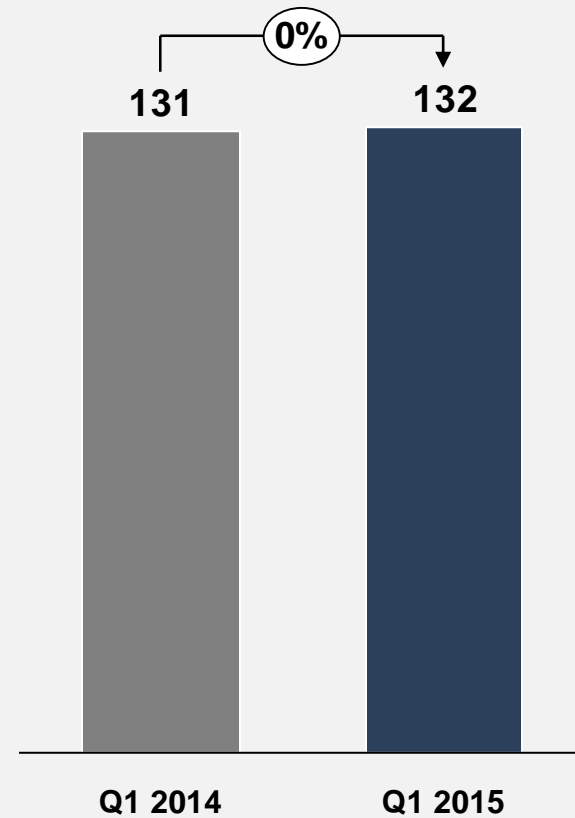
Sales

(in EUR million)

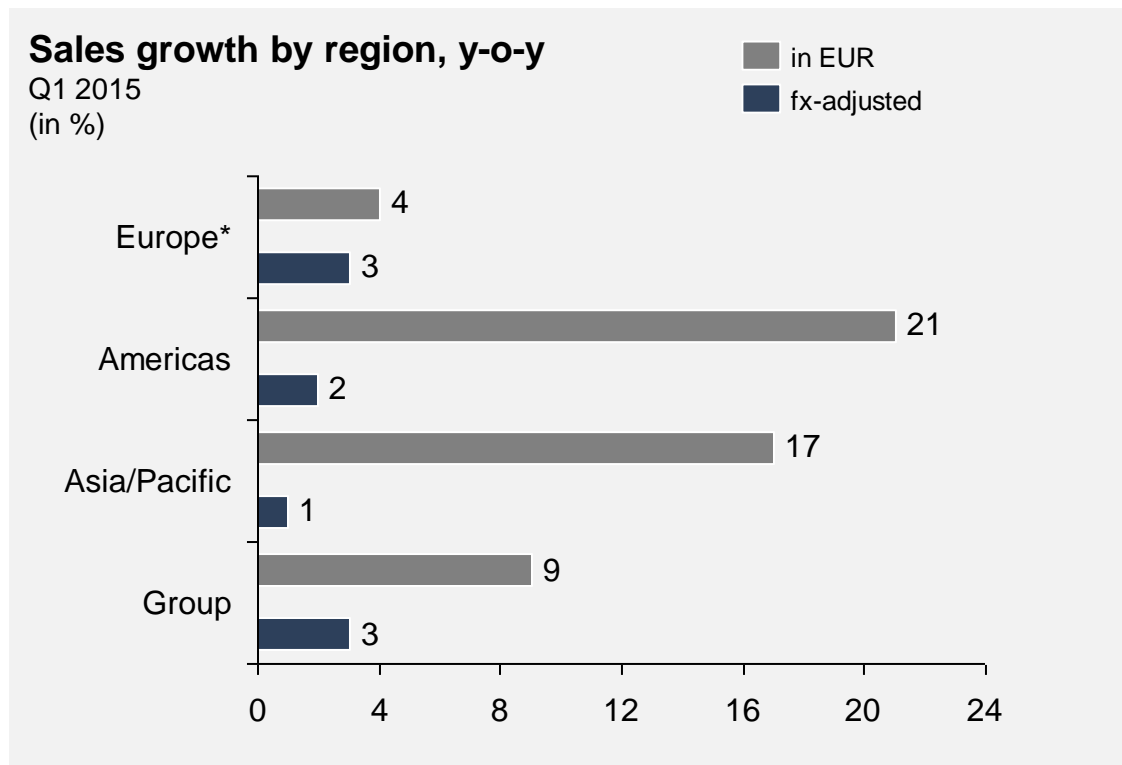


EBITDA before special items

(in EUR million)



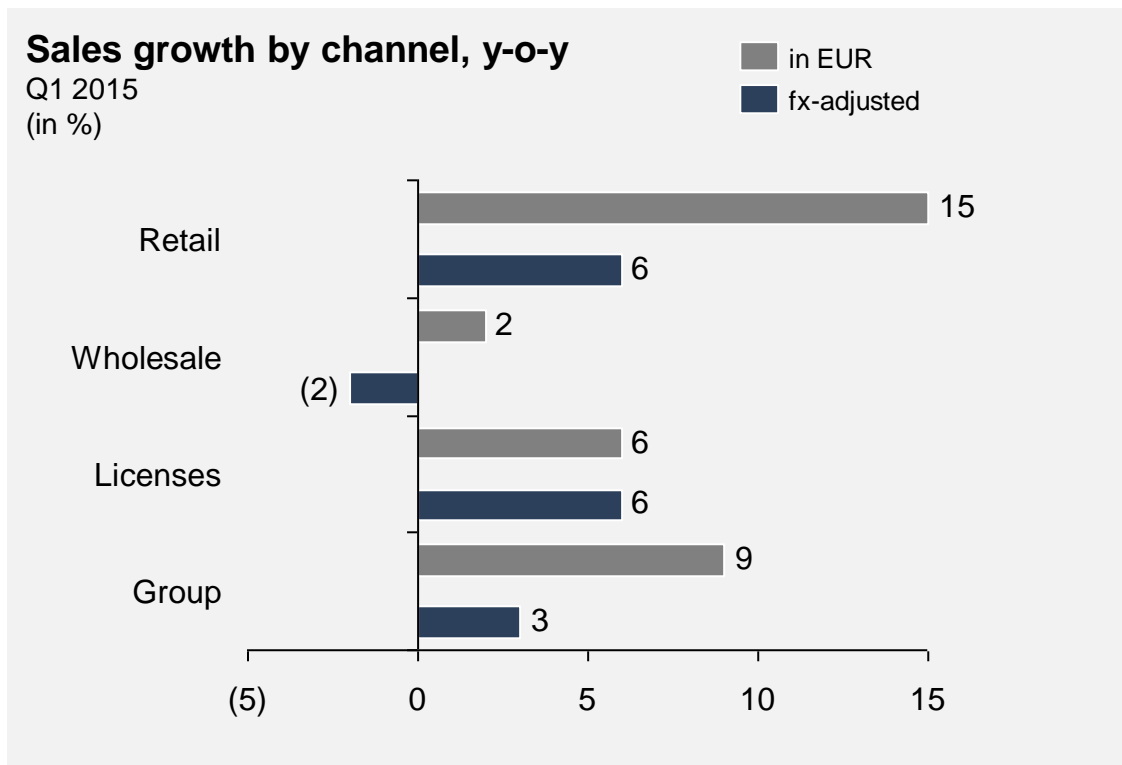
All three regions contribute to Group sales growth



- UK and Germany strongest growing major markets in **Europe**
- US market up 4% currency-adjusted, exceeding overall growth in the **Americas**
- Australia and Japan drive growth in **Asia/Pacific**, sales in China decline 3% currency-adjusted

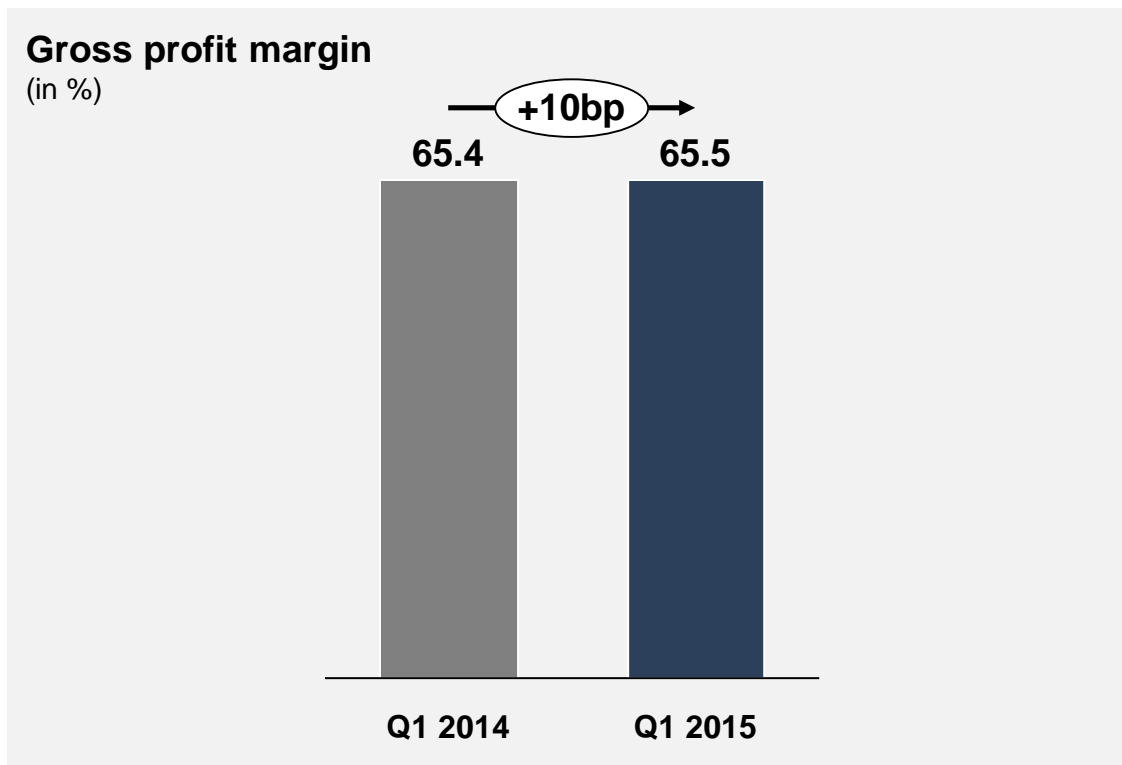
*Incl. Middle East and Africa

Like-for-like growth acceleration drives solid retail sales development



- Improved comp store sales growth of 3% contributes to **retail** sales increase
- Cautious ordering and takeover effects impact **wholesale** performance
- Eyewear and watches support strong development of **license business**

Gross profit margin improves moderately



- Tough comparison base
- Positive distribution channel mix partly offset by negative inventory valuation effects
- Neutral impact from rebate management

Group EBITDA remains stable compared to the prior year

in EUR million	Q1 2015	Q1 2014	Change in %
Sales	667.5	612.6	9
Gross profit	436.9	400.6	9
In % of sales	65.5	65.4	10 bp
Selling and distribution expenses	(264.3)	(232.5)	(14)
Administration expenses	(68.4)	(60.9)	(12)
Other operating income and expenses	(1.4)	1.5	>(100)
Operating result (EBIT)	102.8	108.7	(5)
In % of sales	15.4	17.7	(230) bp
Financial result	(4.6)	(2.7)	(70)
Earnings before taxes	98.2	106.0	(7)
Income taxes	(22.6)	(24.4)	7
Net income	75.6	81.6	(7)
Attributable to:			
Equity holders of the parent company	75.6	80.7	(6)
Earnings per share (EUR)*	1.10	1.17	(6)
EBITDA before special items	131.5	131.3	0
In % of sales	19.7	21.4	(170) bp

- Currency translation effects impact operating expense development
- Retail and marketing expenses grow at double-digit rates
- Special items and higher depreciation charges weigh on EBIT
- Net financial result impacted by negative currency effects

*Basic and diluted earnings per share

Currency translation effects distort regional profitability development

Segment profit

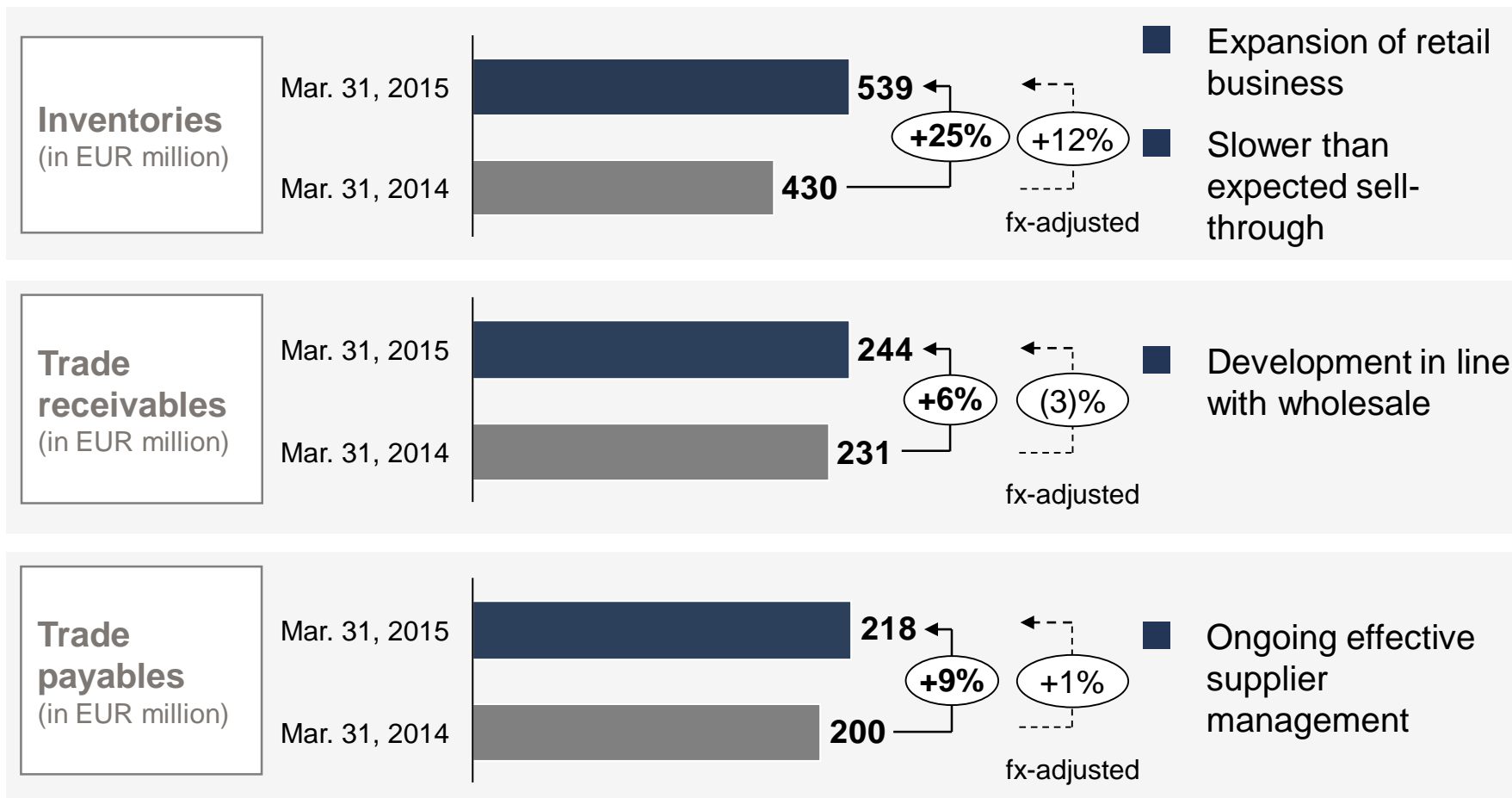
in EUR million

	Q1 2015	in % of sales	Q1 2014	in % of sales	Change in %
Europe*	131.3	32.0	136.6	34.6	(4)
Americas	32.1	22.4	25.0	21.0	28
Asia/Pacific	31.2	31.0	26.5	30.7	18
Licenses	10.7	78.0	10.7	82.8	0
Segment profit operating segments	205.3	30.8	198.8	32.5	3
Corporate units/consolidation	(73.8)		(67.5)		(9)
EBITDA before special items	131.5	19.7	131.3	21.4	0

- Margin decline in **Europe** due to adverse currency effects and higher selling and distribution expenses
- Margin improvement in the **Americas** due to positive currency translation effects
- Positive currency effects in **Asia/Pacific** partly offset by higher retail expenses

*Incl. Middle East and Africa

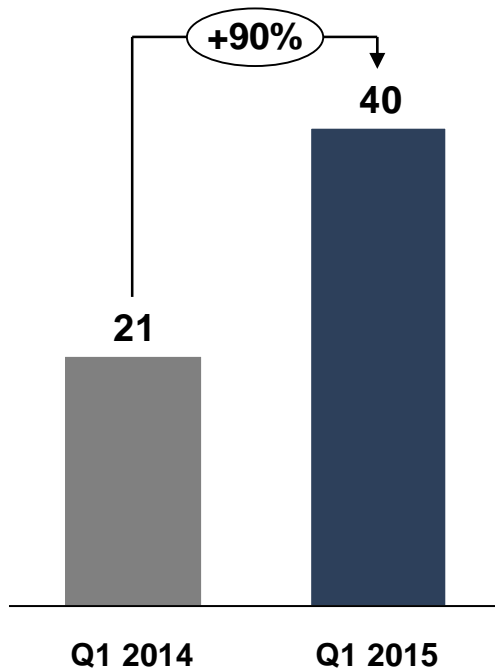
Increase of trade net working capital mainly due to higher inventories



Trade net working capital up 23% to EUR 566 million, up 9% on a currency-adjusted basis

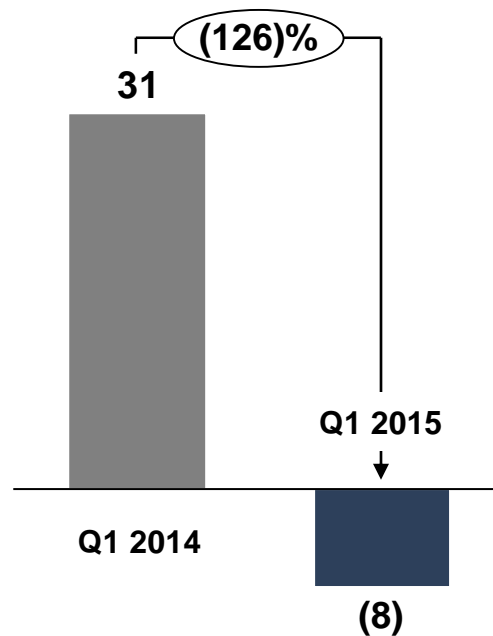
Higher investments affect free cash flow development

Investments
(in EUR million)



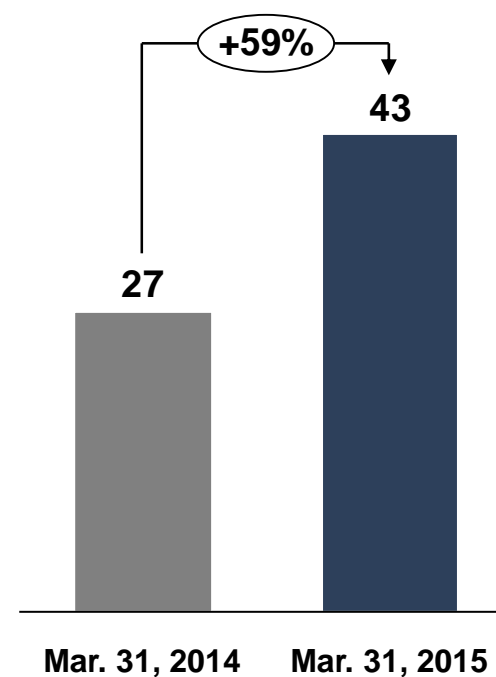
■ Increase primarily driven by higher retail investments

Free cash flow
(in EUR million)



■ Decline due to lower profits and higher investments

Net debt
(in EUR million)



■ Increase due to negative free cash flow development

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Growth strategy 2020 defines 2015 priorities



Elevate the BOSS core brand by engaging consumers emotionally



Leverage the brand's potential in womenswear and shoes & accessories



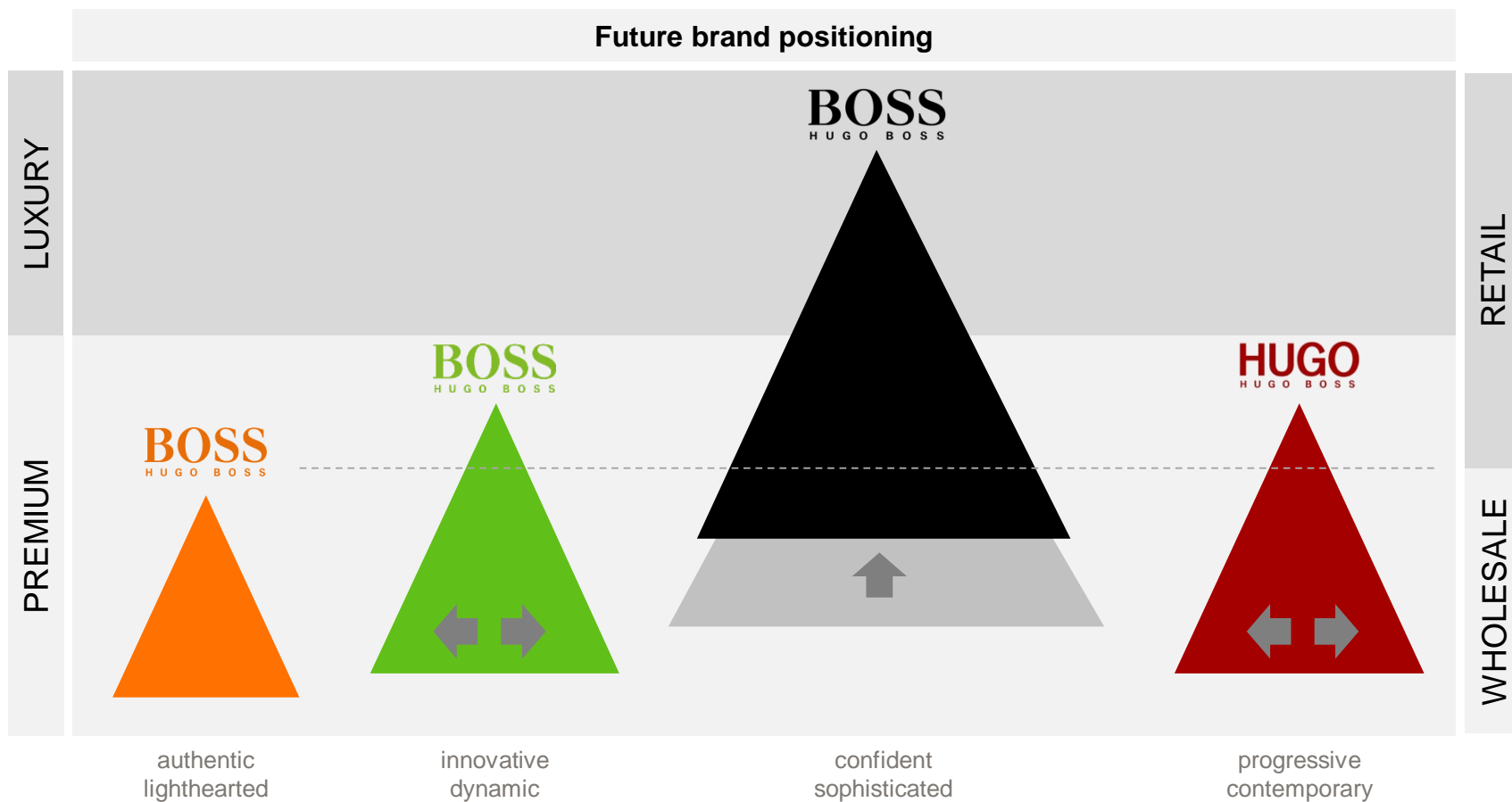
Build omnichannel to drive own retail online and offline



Exploit growth opportunities in under-penetrated markets

Further build the Group's operational strength to enable key strategy implementation

New HUGO and BOSS Green offerings receive strong feedback



Category migration one important lever to narrow global price gaps

- Euro devaluation has widened global price gaps most recently
- BOSS brand elevation in Europe and the Americas as well as collection upgrades in China will narrow global price gaps
- Further gradual refinements of global pricing architecture to be implemented in the medium- and long-term



BOSS Store Hong Kong, Canton Road

BOSS Womenswear maintains strong momentum



BOSS Womenswear sales up 11% currency-adjusted

Continuous expansion and upgrade of retail store portfolio

Number of own retail stores as of March 31, 2015

(December 31, 2014: 1,041)

TOTAL	1,060 (+19)
Openings	49
thereof takeovers	28
Closings	30

Europe*	596 (+1)
Openings	22
thereof takeovers	5
Closings	21

Americas	201 (-3)
Openings	1
thereof takeovers	-
Closings	4

Asia/Pacific	263 (+21)
Openings	26
thereof takeovers	23
Closings	5

*Incl. Middle East and Africa

Takeovers remain important part of retail expansion

South Korea

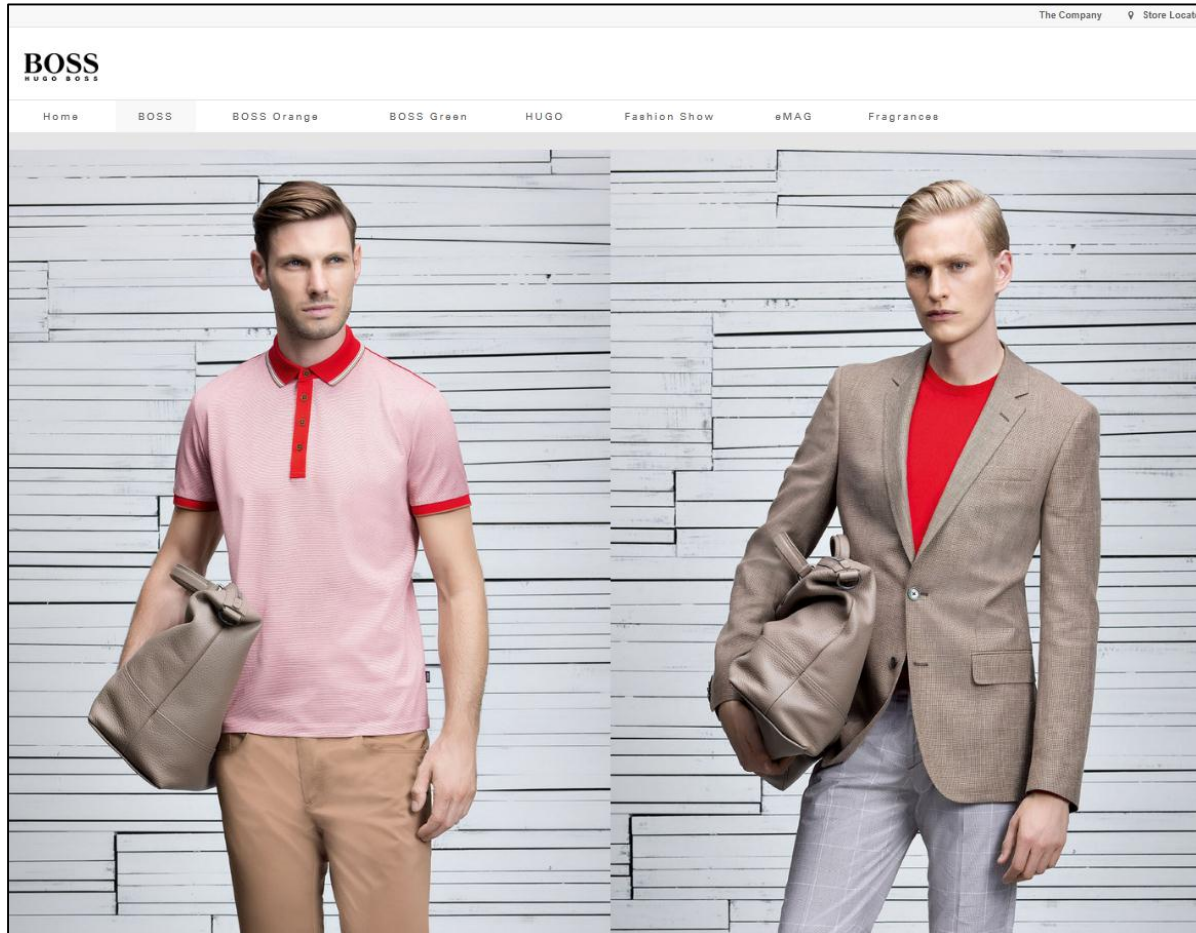
- Key fashion and trend-setting market in Southeast Asia
- Takeover effective March 1, 2015
- 17 freestanding stores
- Direct management of 6 duty free stores to tap full potential of travel retail business

China

- Takeover of last remaining franchise partner allows full brand control and simplifies distribution structure
- Takeover effective April 1, 2015
- 21 freestanding stores

 Stronger brand presentation in Asia/Pacific to drive brand perception and sales

Momentum in online business accelerates



▶ Online sales up 14% currency-adjusted in the first quarter

Mixed regional outlook

Europe*



- Challenging market environment persists
- Group outperforms overall market

Americas



- Promotional retail environment continues
- Improving retail execution
- Upgrade of logistical infrastructure

Asia/Pacific



- Good momentum in Australia and Japan
- Chinese market remains challenging

*Incl. Middle East and Africa

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2015 financial outlook reconfirmed

Outlook 2015

Sales growth (currency-adjusted)

Mid-single-digit rate

Growth of
EBITDA before special items

5% - 7%

Capex

EUR 200 million – EUR 220 million

Own retail network

Around 50 openings (excl. takeovers)

HUGO BOSS to be one of the winning brands in a tough environment

- Apparel industry in tough competition for share of consumer's wallet
- Maximization of emotional brand appeal a key focus
- Retail excellence and omnichannel to increasingly differentiate HUGO BOSS from competitors



BOSS Store Tokyo, Omotesando

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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