

H U G O B O S S

HUGO BOSS First Half Year Results 2015

Mark Langer (CFO)
Metzingen, August 4, 2015

Agenda

Financial Review First Half Year 2015

Strategy Update

Financial Outlook 2015

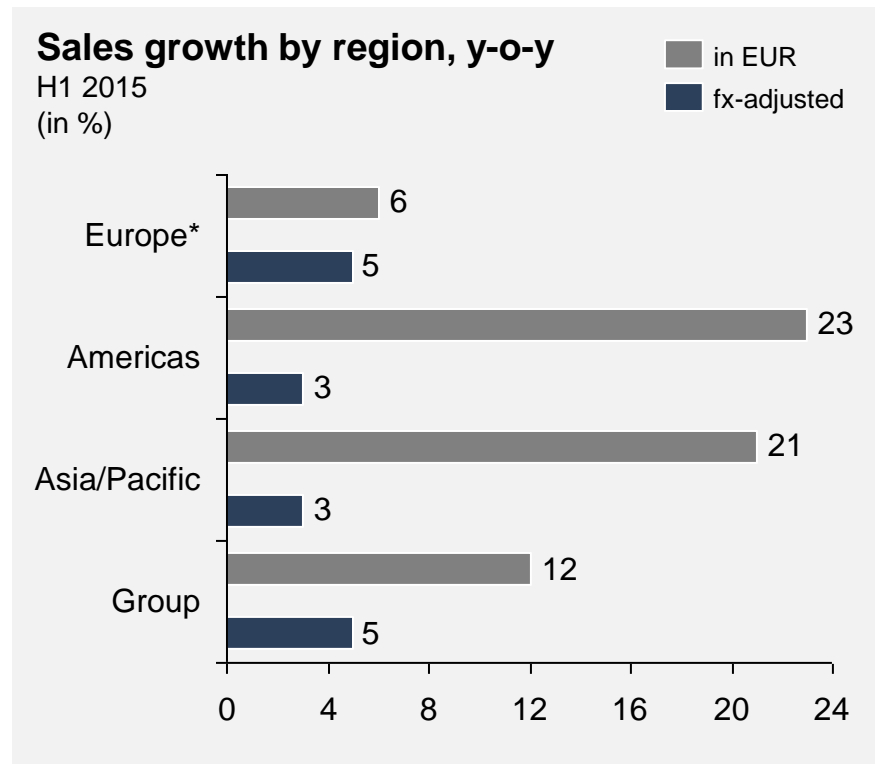
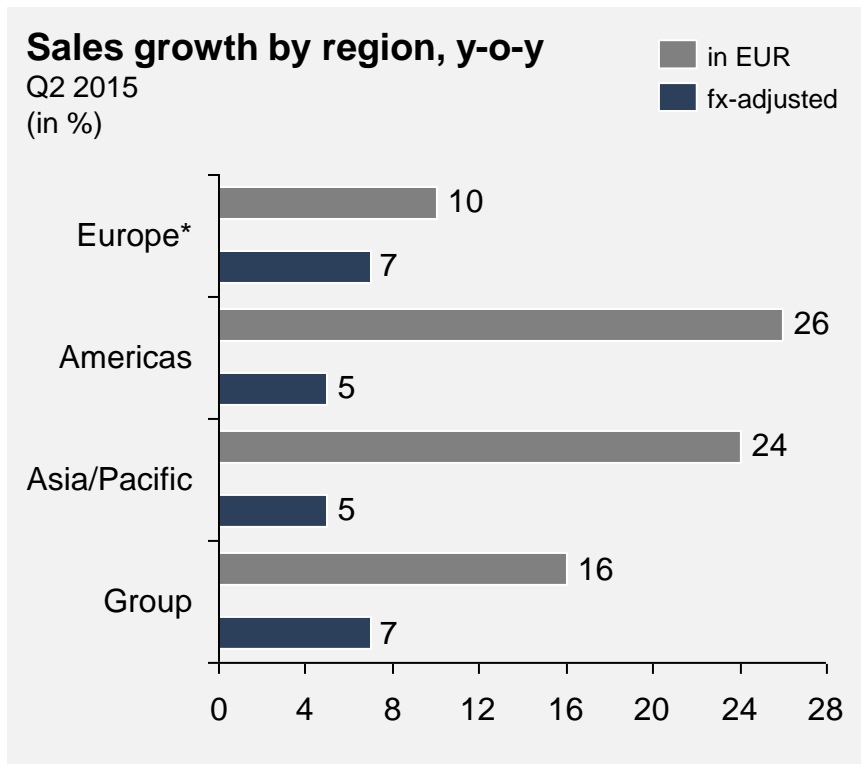
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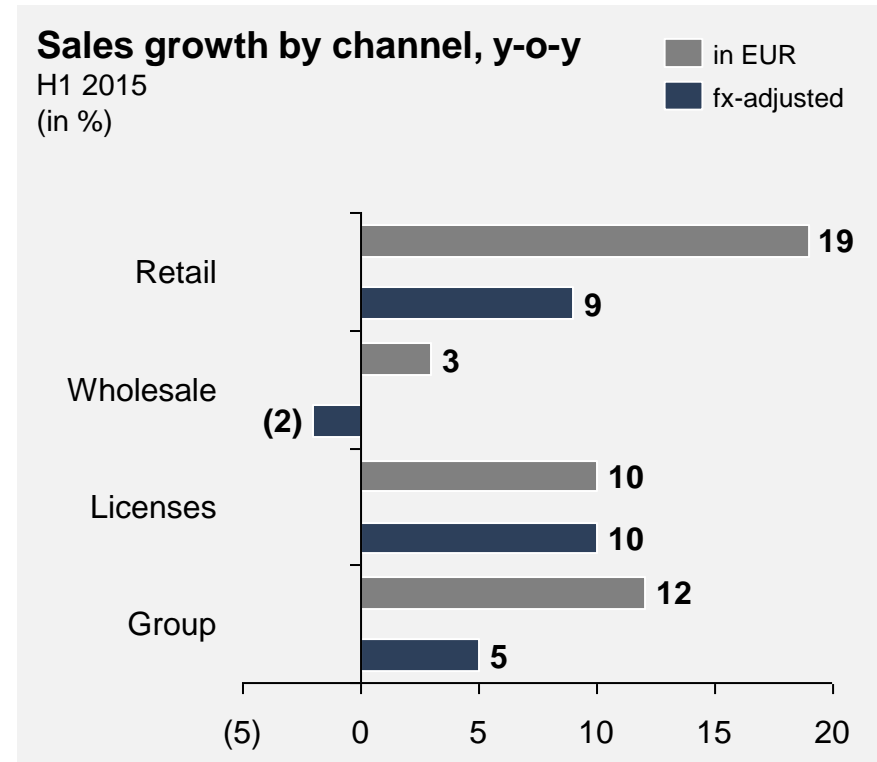
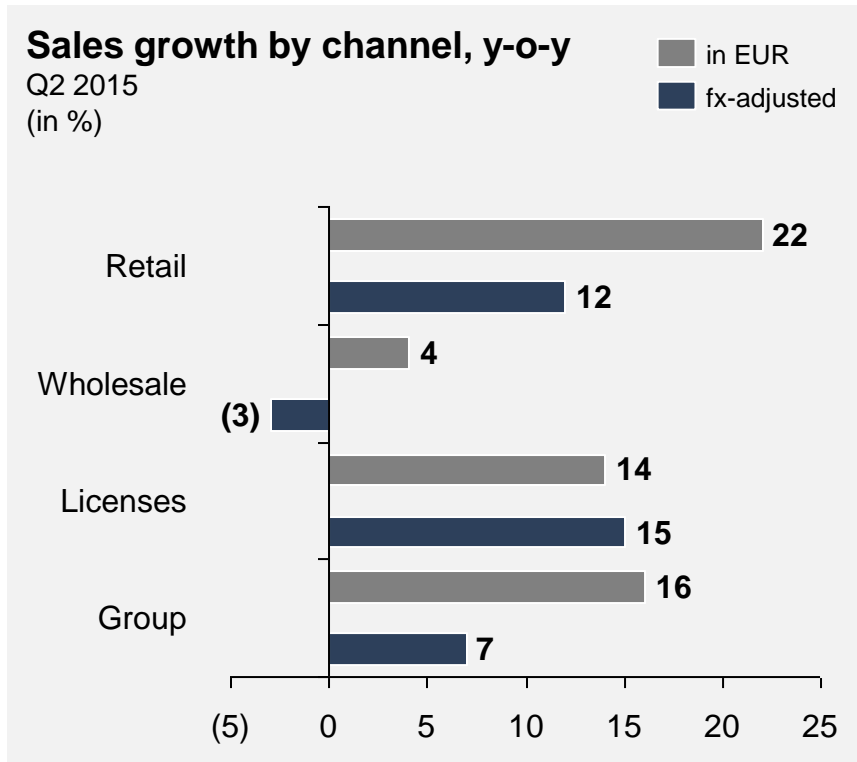
Sales momentum improves across all regions in second quarter



- Growth accelerates across almost all markets in **Europe** in the second quarter
- Key US market up 2% currency-adjusted in H1, trails performance of rest of region **Americas**
- Strong performance in Australia and Japan as well as takeovers drive growth in **Asia/Pacific**

*Incl. Middle East and Africa

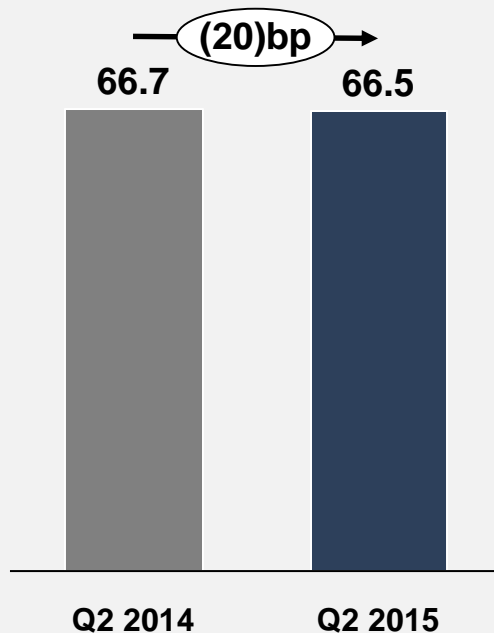
Like-for-like growth acceleration drives robust retail sales increase in Q2



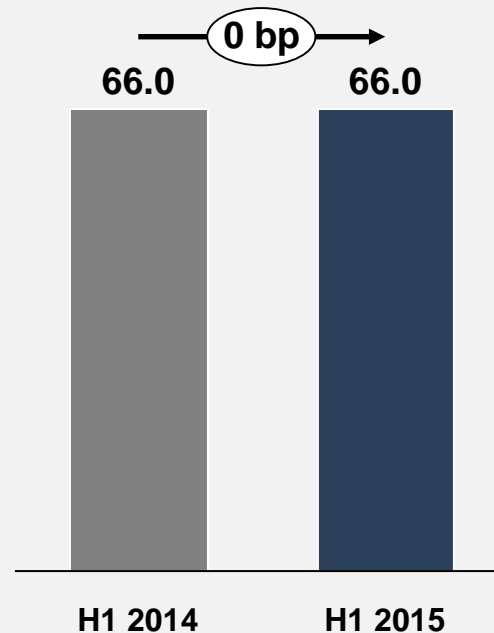
- Improved comp store sales growth of 6% in Q2 (H1: 5%) contributes to **retail** sales increase
- Wholesale** affected by takeover-related sales shifts
- Eyewear and watches support strong development of **license business**

Gross profit margin remains stable in first half year

Gross profit margin development
(in %)



Gross profit margin development
(in %)



- Positive distribution channel mix supports margin development in the first half year
- Rebates increase in the second quarter
- Negative inventory valuation effect moderates in the second quarter

Solid increase of adjusted Group EBITDA despite double-digit cost growth

in EUR million			
	H1 2015	H1 2014	Change in %
Sales	1,314.6	1,171.5	12
Gross profit	867.3	773.6	12
In % of sales	66.0	66.0	0 bp
Selling and distribution expenses	(532.2)	(460.4)	(16)
Administration expenses	(138.0)	(120.8)	(14)
Other operating income and expenses	0.1	(0.8)	
Operating result (EBIT)	197.2	191.6	3
In % of sales	15.0	16.4	(140) bp
Financial result	(7.3)	(4.0)	(83)
Earnings before taxes	189.9	187.6	1
Income taxes	(43.7)	(43.2)	(1)
Net income	146.2	144.4	1
Attributable to:			
Equity holders of the parent company	146.1	143.2	2
Earnings per share (EUR)*	2.12	2.07	2
EBITDA before special items	254.8	241.5	6
In % of sales	19.4	20.6	(120) bp
Special items	0.1	(0.8)	

- Currency translation effects impact overall operating expense development
- Selling and distribution expenses grow due to marketing and retail upgrades and expansion
- Administration expense increase reflects ongoing business model transformation
- Only stable gross margin development and cost growth weigh on EBITDA margin development

*Basic and diluted earnings per share

Currency translation effects distort regional profitability development

Segment profit

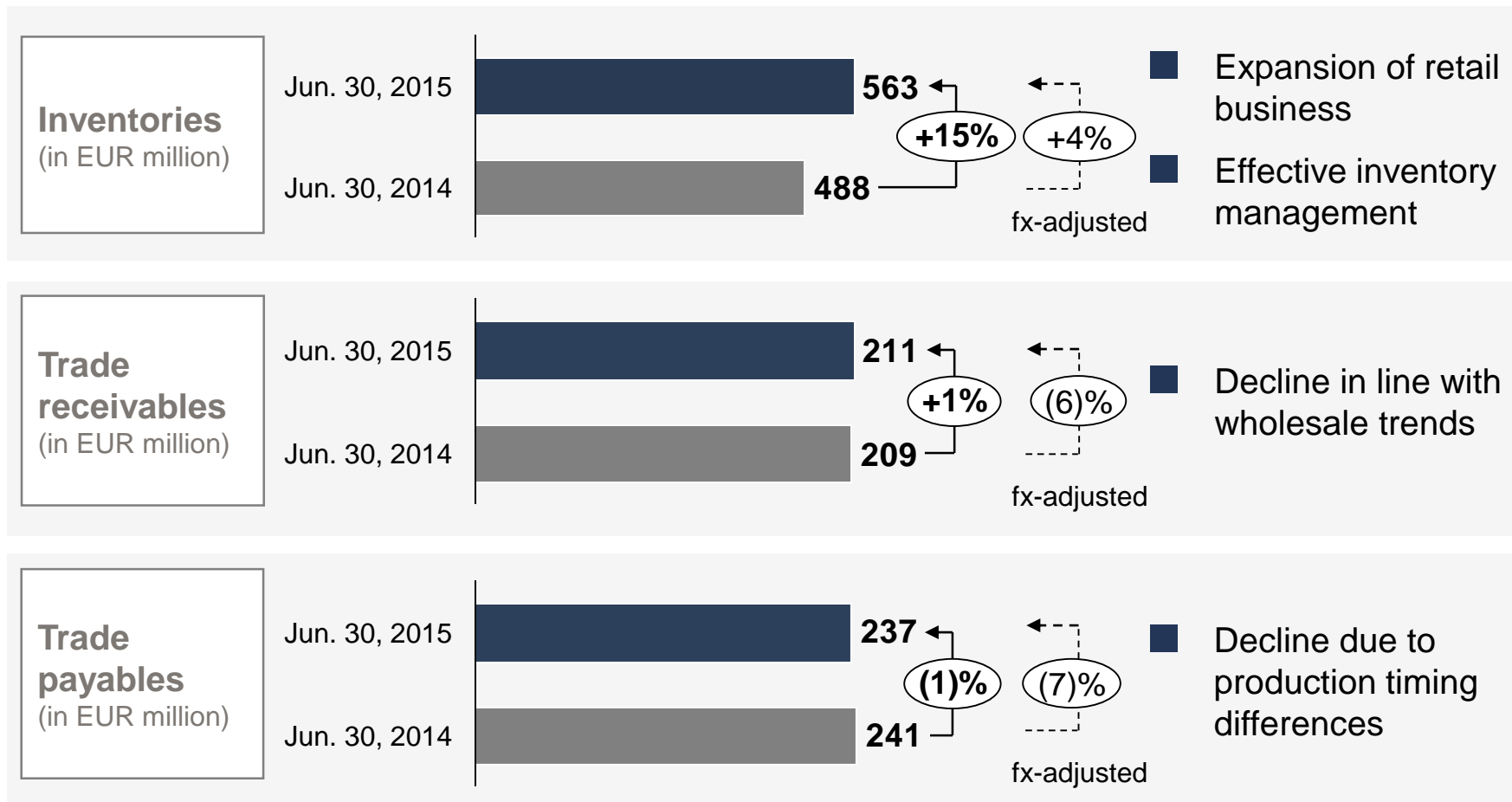
in EUR million

	H1 2015	In % of sales	H1 2014	In % of sales	Change in %
Europe*	244.1	31.6	243.0	33.5	0
Americas	81.6	25.9	61.3	24.0	33
Asia/Pacific	53.4	26.8	50.0	30.3	7
Licenses	21.9	80.2	20.4	82.5	7
Segment profit operating segments	401.0	30.5	374.7	32.0	7
Corporate units/consolidation	(146.2)		(133.2)		(10)
EBITDA before special items	254.8	19.4	241.5	20.6	6

- Margin decline in **Europe** due to currency effects and higher selling and distribution expenses
- Positive currency translation effects more than offset higher rebates in the **Americas**
- Mixed sales trends, takeovers and higher selling and distribution expenses impact margins in **Asia/Pacific**

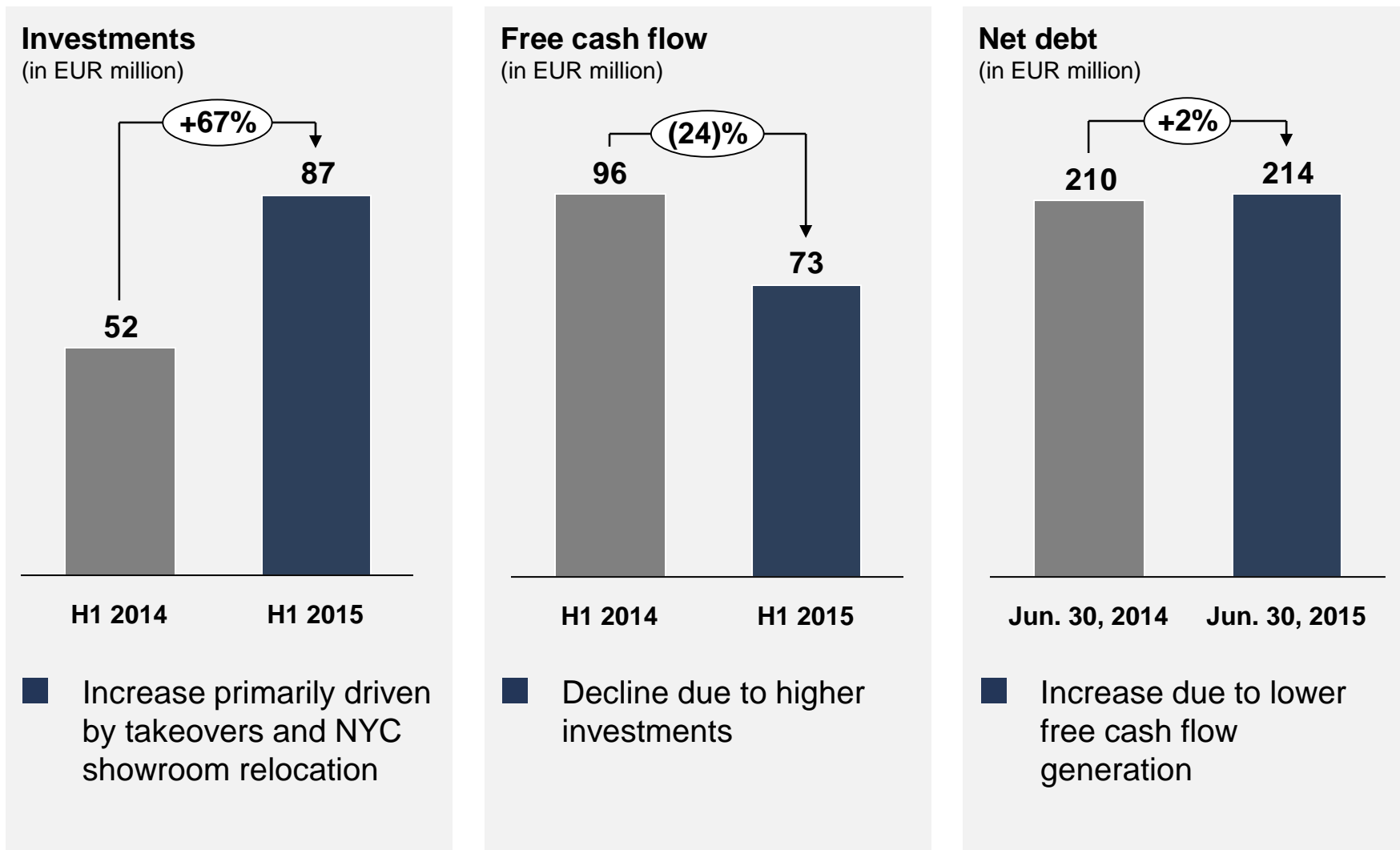
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Inventory growth moderates significantly compared to previous quarters



Trade net working capital up 18% to EUR 537 million, up 5% currency-adjusted

Free cash flow declines due to higher capital expenditures



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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



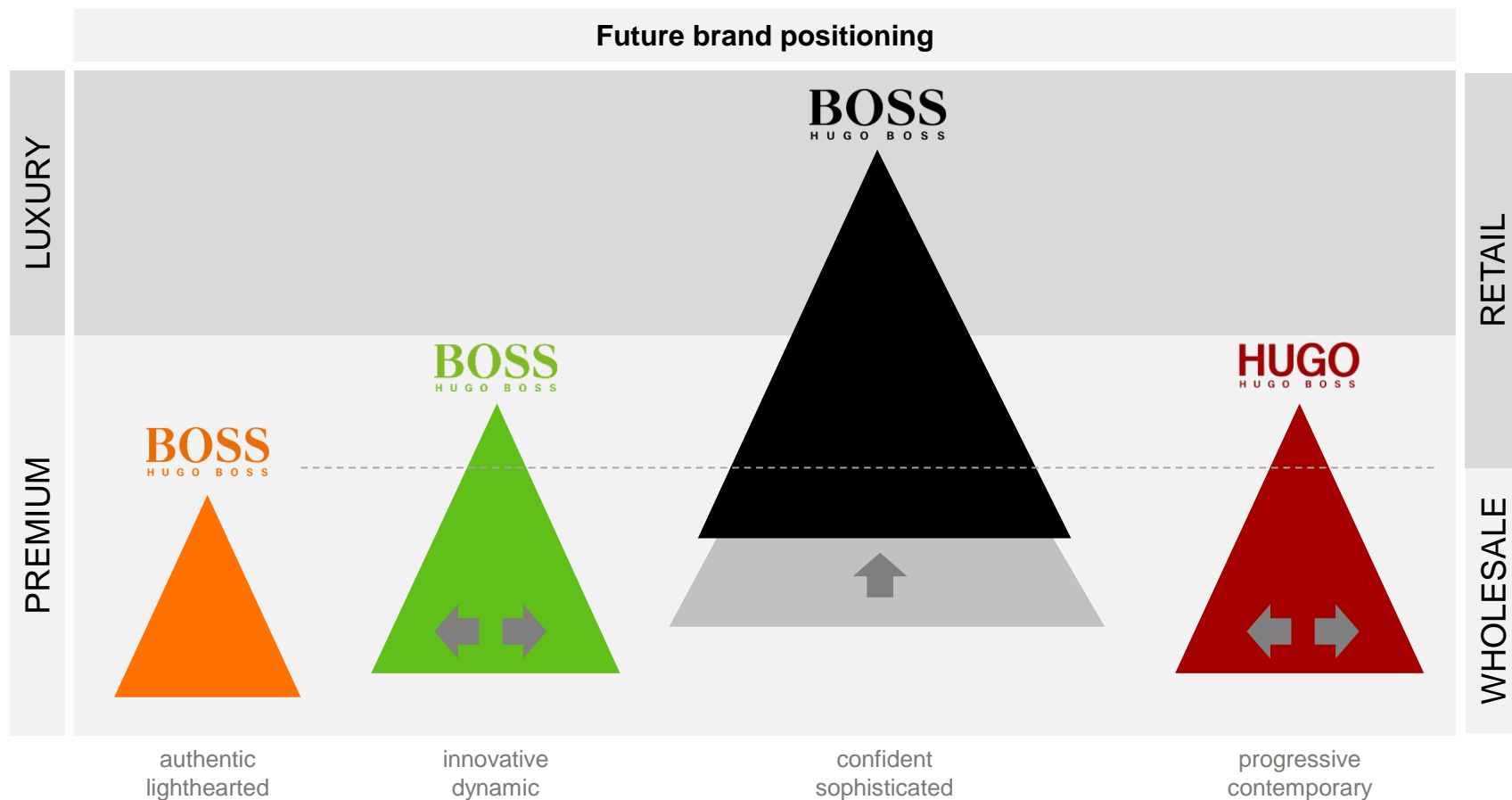
Build omnichannel to drive own retail online and offline



Exploit growth opportunities in under-penetrated markets

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

BOSS brand elevation upgrades the offering and drives retail sales growth



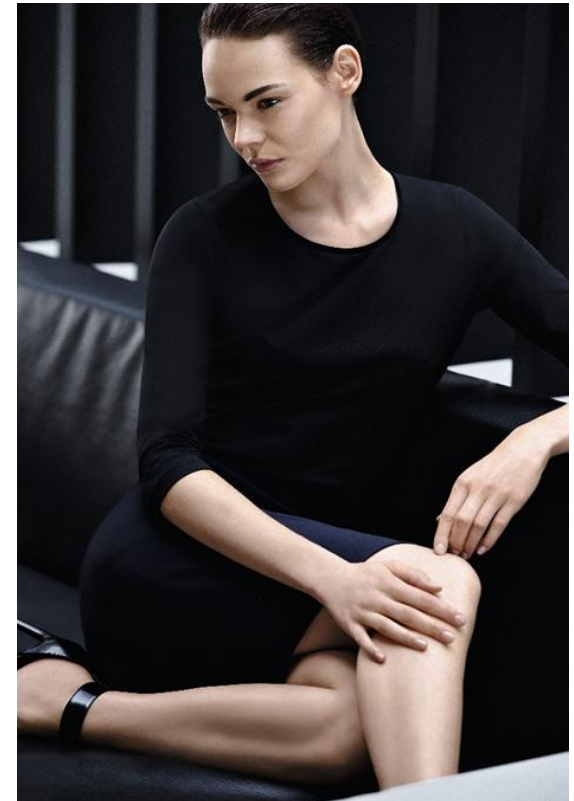
Category migration in European wholesale progressing as planned

- HUGO and BOSS Green substitute BOSS Menswear in multi-brand category spaces in wholesale
- Migration process completed in Germany, roll-out in rest of Europe ongoing
- Retailer feedback and order intake in line with original expectations



BOSS Store Frankfurt, Börsenstraße

Double-digit growth of BOSS Womenswear partly offset by other brands



BOSS Womenswear sales up 12% currency-adjusted in H1, overall womenswear +5%

Iconic BOSS Bespoke Bag launches with Fall/Winter 2015 collection



Launch reflects importance of S&A in defining brand identity and driving brand desirability

Continuous expansion and upgrade of retail store portfolio

Number of own retail stores as of June 30, 2015

(December 31, 2014: 1,041)

TOTAL	1,088 (+47)
Total selling space	147,000 sqm (+4%)
Openings	86
thereof takeovers	51
Closings	39

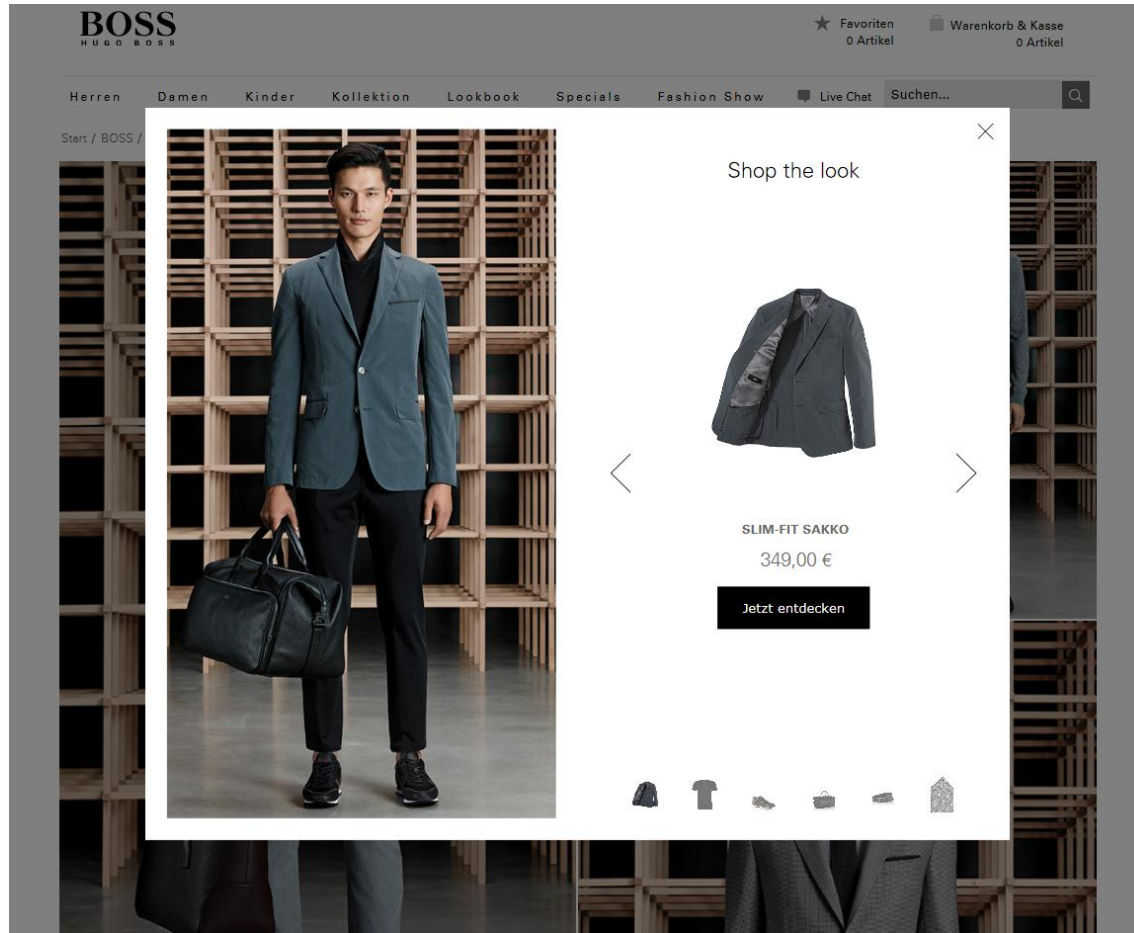
Europe*	603 (+8)
Openings	31
thereof takeovers	6
Closings	23

Americas	204 (0)
Openings	5
thereof takeovers	1
Closings	5

Asia/Pacific	281 (+39)
Openings	50
thereof takeovers	44
Closings	11

*Incl. Middle East and Africa

Online sales growth acceleration reflects progress on road to omnichannel



Online sales up 34% currency-adjusted in the second quarter, +23% in H1

Region Europe to lead the Group's growth in 2015

Europe*



- Ongoing strength in the UK, other major markets improving
- Tourism adds to pick up of domestic demand

Americas



- Promotional environment warrants cautious approach to US wholesale business
- Retail improvements under way

Asia/Pacific



- Good momentum in Australia and Japan
- Focus on brand and retail management to partly offset market decline in China

*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 220 million – EUR 240 million

Own retail network

Around 65 openings (excl. takeovers)

Focus on long-term growth irrespective of current market challenges

- Solid first half year performance in a tough market environment
- Group on track for achievement of full year targets
- HUGO BOSS committed to invest in long-term growth



BOSS Store Düsseldorf, Breidenbacher Hof

QUESTIONS & ANSWERS

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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