

H U G O B O S S

HUGO BOSS Nine Months Results 2015

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Metzingen, November 3, 2015

Mark Langer (CFO)

Agenda

Financial Review First Nine Months 2015

Operational and Financial Outlook

Q&A

Agenda

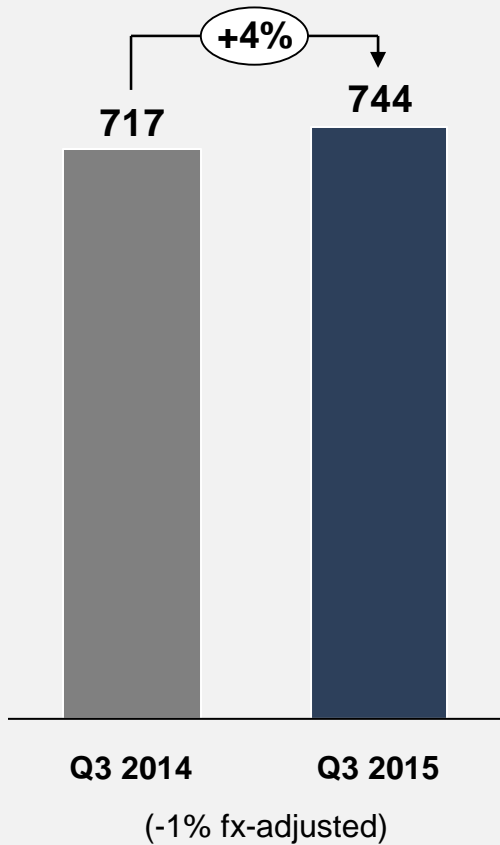
Financial Review First Nine Months 2015

Operational and Financial Outlook

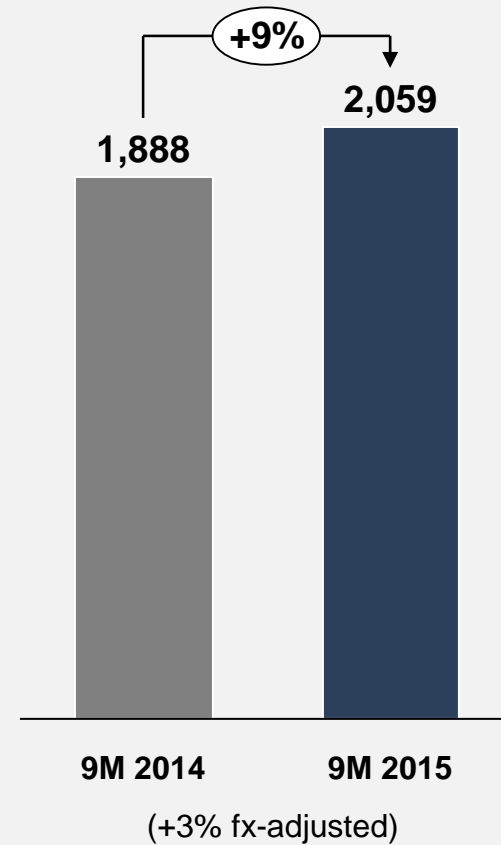
Q&A

Group sales development weakens in third quarter

Q3 Group sales development
(in EUR million)



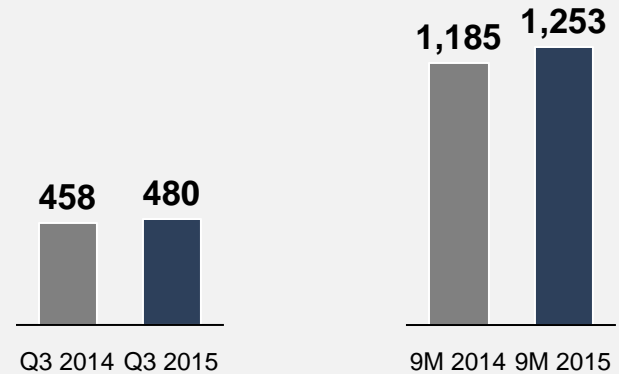
9M Group sales development
(in EUR million)



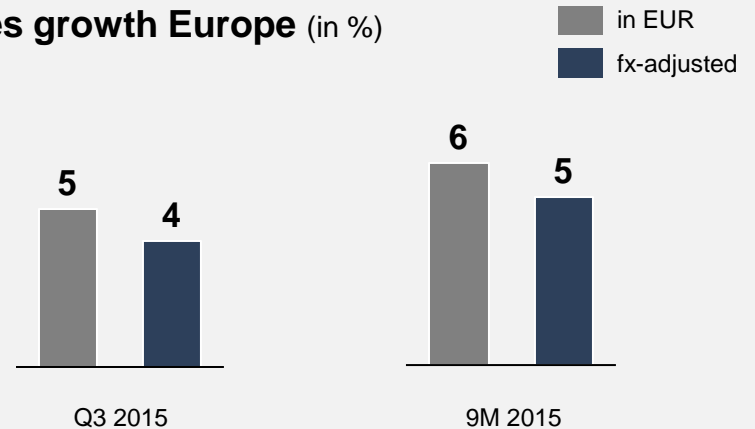
Europe remains strongest growing region

- UK continues growing at double-digit rates
- Solid performance in Germany and France
- Third quarter trends remain broadly unchanged compared to first half year

Sales Europe (in EUR million)



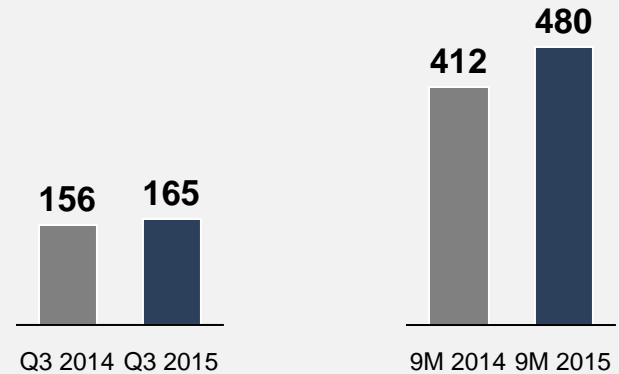
Sales growth Europe (in %)



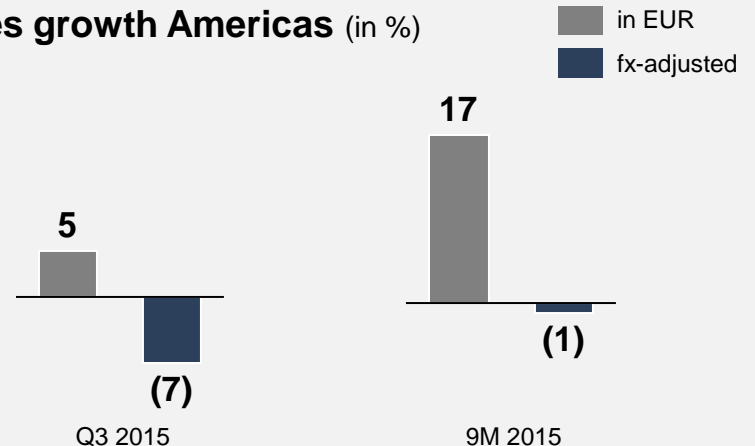
Region Americas turns more challenging in third quarter

- US business down 10% currency-adjusted in third quarter
- Footfall declines affect retail performance
- Stronger than expected decrease of wholesale business

Sales Americas (in EUR million)



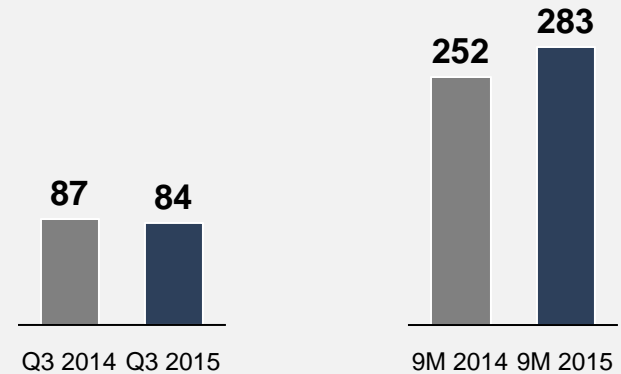
Sales growth Americas (in %)



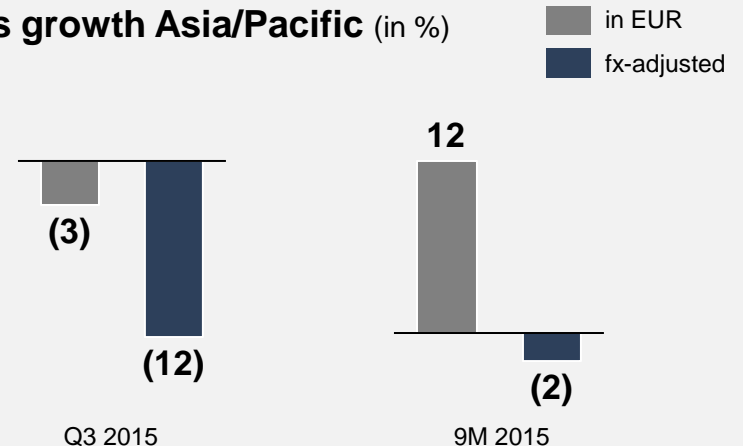
Performance in Asia/Pacific suffers from negative sales trends in China

- Trends differ significantly by market, Australia and Japan outperforming
- Market deterioration impacts business in China, down 20% in Q3
- Chinese tourism drives sales in rest of Asia and Europe

Sales Asia/Pacific (in EUR million)



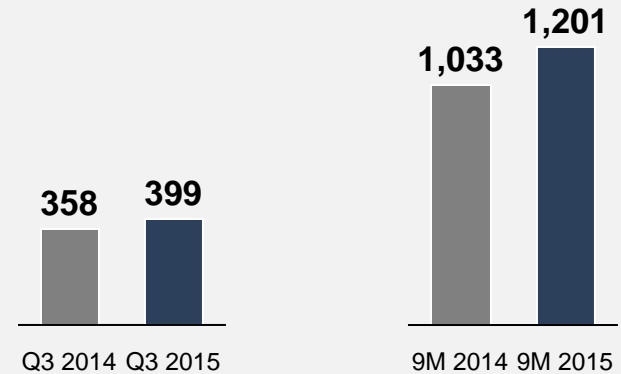
Sales growth Asia/Pacific (in %)



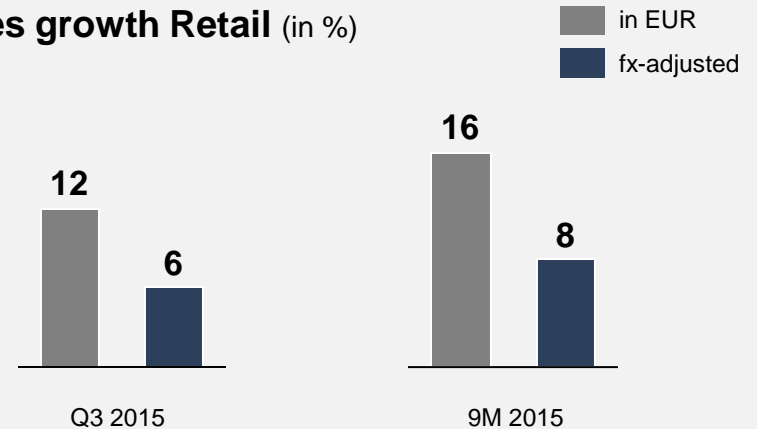
Retail sales momentum weakens over the course of the third quarter

- Comp store sales up 3% year-to-date, stable versus prior year in Q3
- Third quarter momentum deteriorates after strong start
- Continued strong performance of online business, up 22% year-to-date

Sales Retail (in EUR million)



Sales growth Retail (in %)



New openings and takeovers contribute to own retail store expansion

Number of own retail stores as of September 30, 2015

(December 31, 2014: 1,041)

TOTAL	1,105 (+64)
Openings	130
thereof takeovers	70
Closings	66

Europe*	602 (+7)
Openings	50
thereof takeovers	9
Closings	43

Americas	221 (+17)
Openings	23
thereof takeovers	16
Closings	6

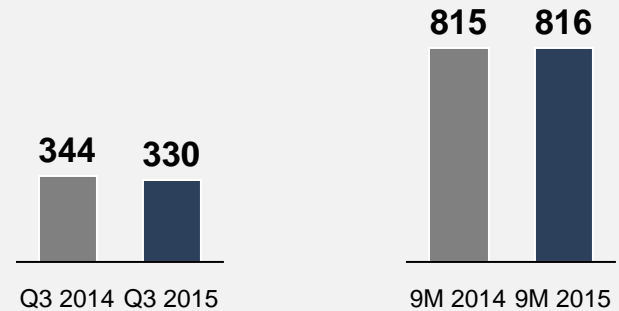
Asia/Pacific	282 (+40)
Openings	57
thereof takeovers	45
Closings	17

*Incl. Middle East and Africa

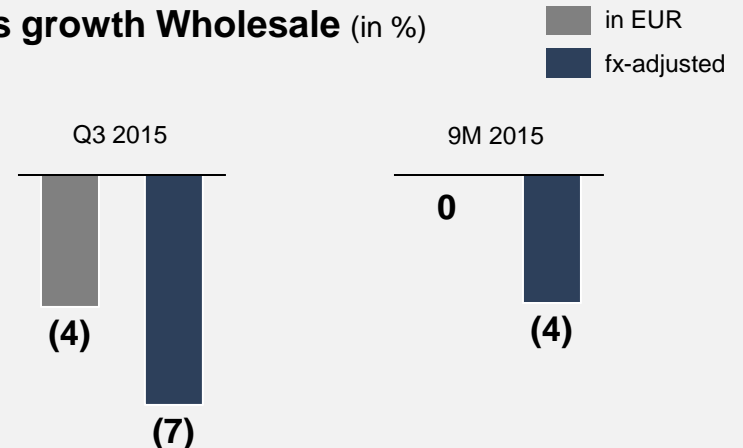
Wholesale sales decline 7% currency-adjusted in the third quarter

- Weaker than expected sales development in the Americas in the third quarter
- Sales shifts from takeovers have negative impact
- Positive retailer feedback and customer acceptance of category migration strategy in Europe

Sales Wholesale (in EUR million)



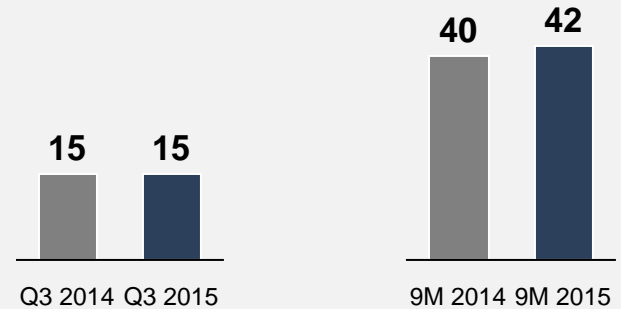
Sales growth Wholesale (in %)



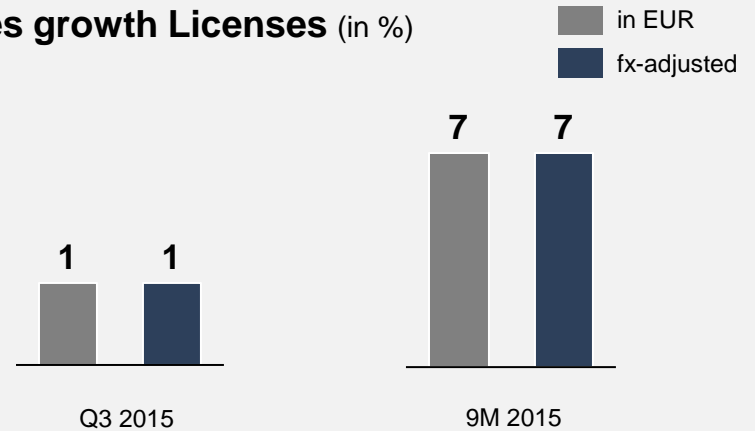
Watches, eyewear and BOSS The Scent launch drive License business



Sales Licenses (in EUR million)



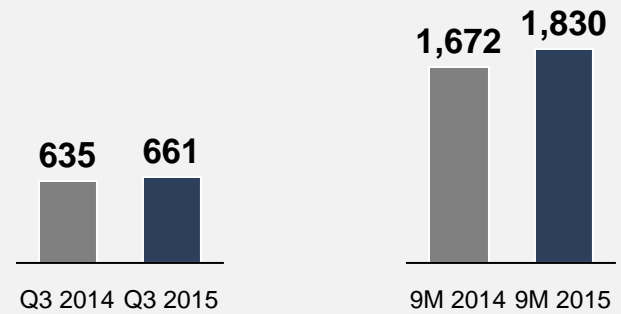
Sales growth Licenses (in %)



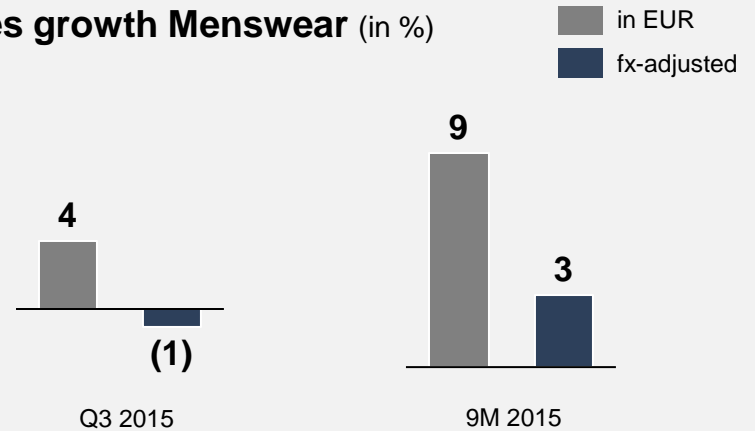
Solid growth in menswear business



Sales Menswear (in EUR million)



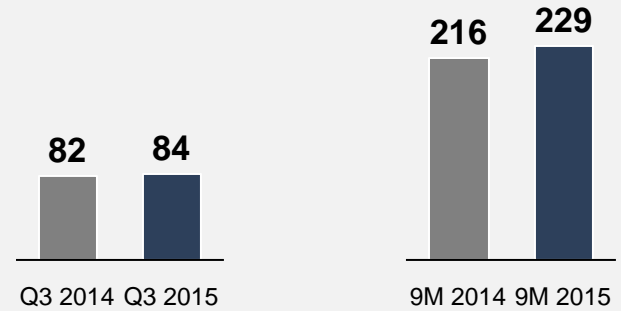
Sales growth Menswear (in %)



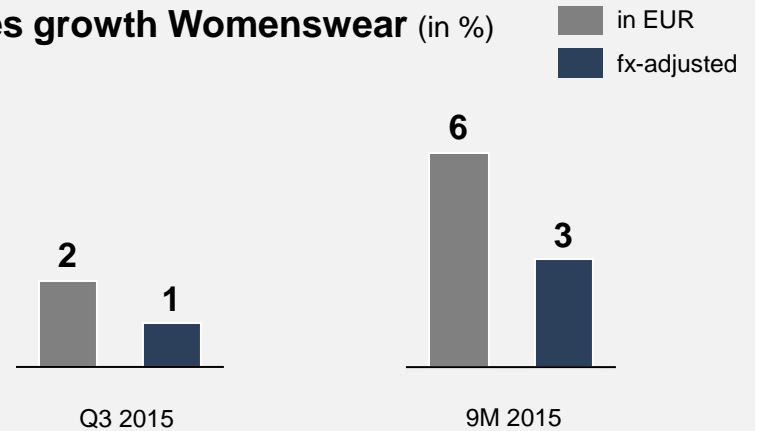
Womenswear fashion show underscores BOSS feminine take on tailoring



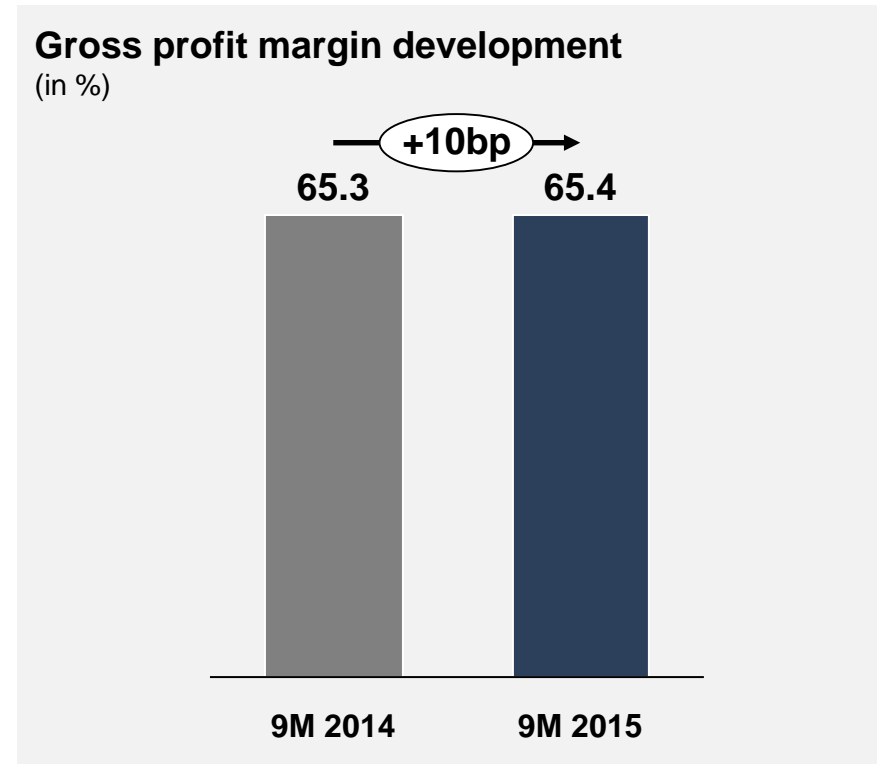
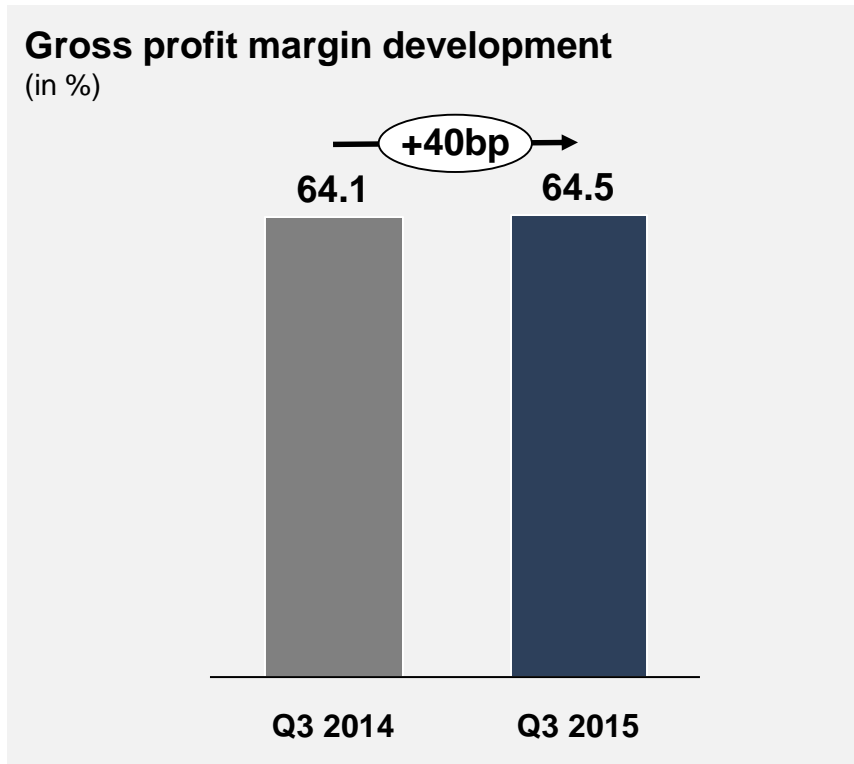
Sales Womenswear (in EUR million)



Sales growth Womenswear (in %)



Slight increase of gross profit margin in the first nine months

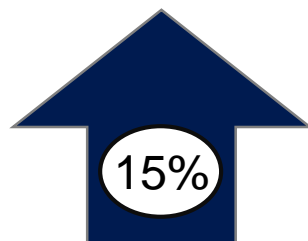


- Positive distribution channel mix supports margin development in the first nine months
- Inventory valuation effects turn neutral in the third quarter
- Higher rebates also in the third quarter limit gross margin expansion

Weaker than expected sales and gross margin growth weighs on profits

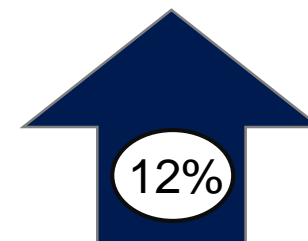
Selling & Distribution Expenses

813 EUR million



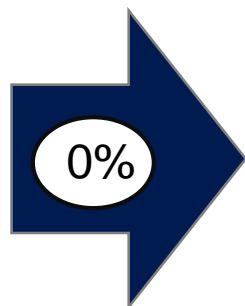
Administration Expenses

201 EUR million



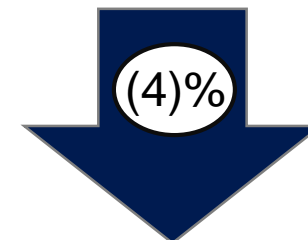
EBITDA (before special items)

423 EUR million



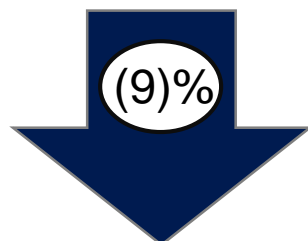
EBIT

330 EUR million



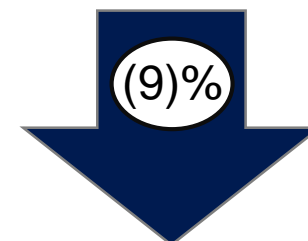
Net Income attributable to equity holders of the parent company

235 EUR million



Earnings per share

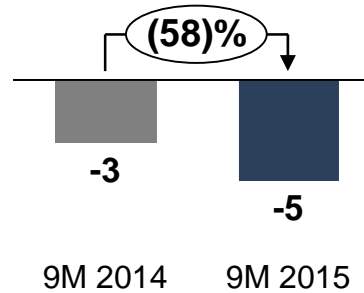
3.40 EUR



Adverse currency effects weigh on financial result in the third quarter

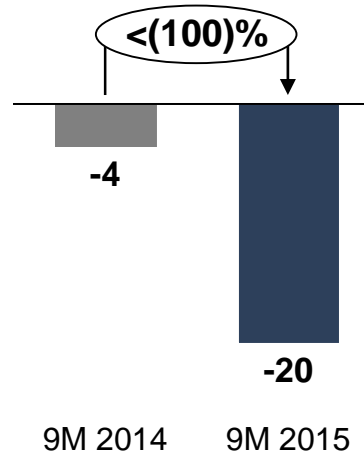
Financial result

Interest income / expenses



- Group's syndicated loan successfully refinanced
- Negative low-single-digit million euro effect in to be incurred in fourth quarter
- Attractive terms drive future reduction of interest expenses

Other financial items



- EUR 16 million negative impact in Q3 related to negative exchange rate movements
- Measures taken to mitigate future risk

Currency translation effects distort regional profitability development

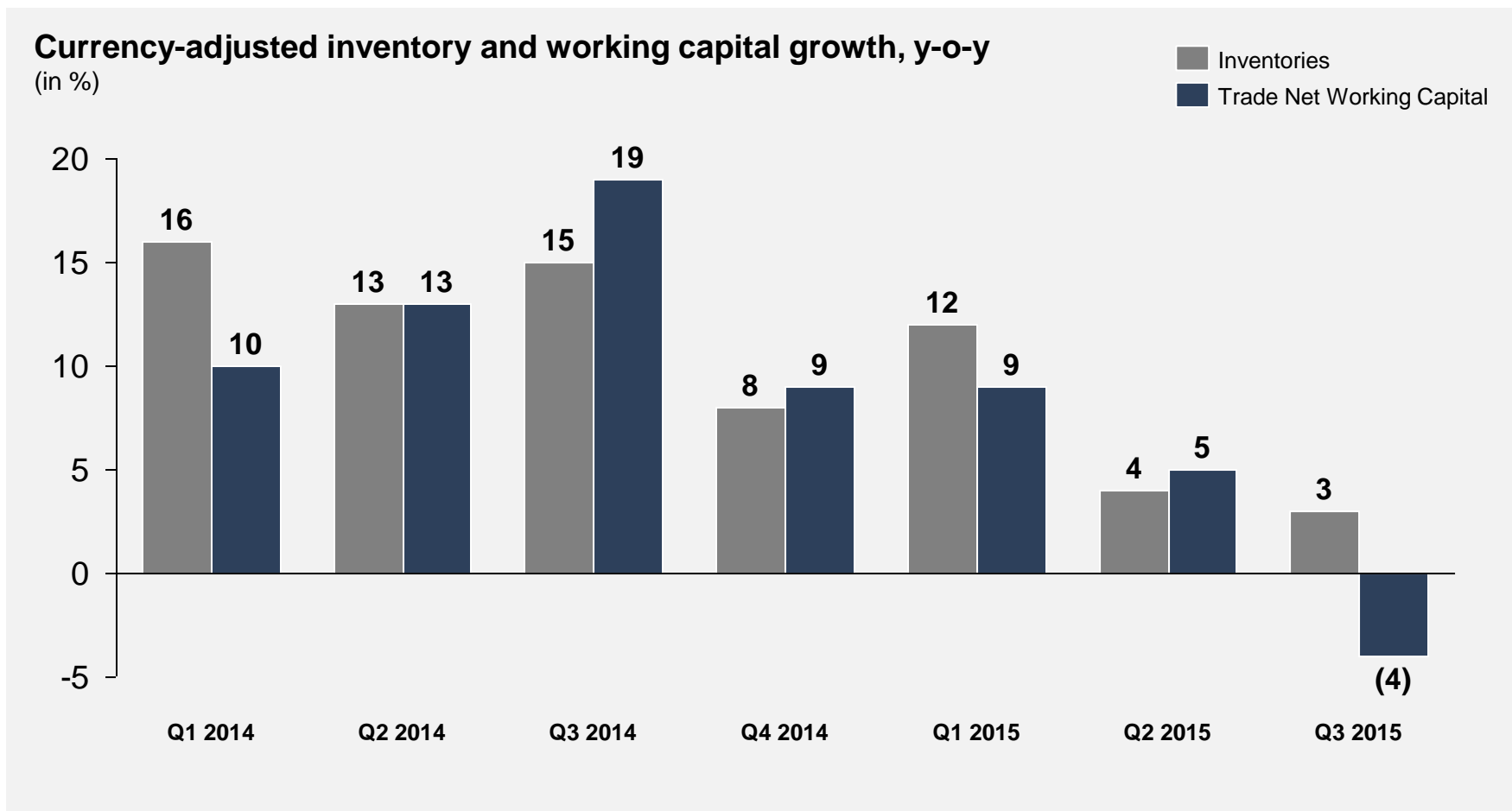
Segment profit

in EUR million	9M 2015	In % of sales	9M 2014	In % of sales	Change in %
Europe*	403.9	32.2	415.8	35.1	(3)
Americas	130.1	27.1	98.4	23.9	32
Asia/Pacific	70.3	24.8	72.9	28.9	(4)
Licenses	34.6	81.7	33.1	83.5	4
Segment profit operating segments	638.9	31.0	620.2	32.8	3
Corporate units/consolidation	(216.0)		(196.8)		(10)
EBITDA before special items	422.9	20.5	423.4	22.4	0

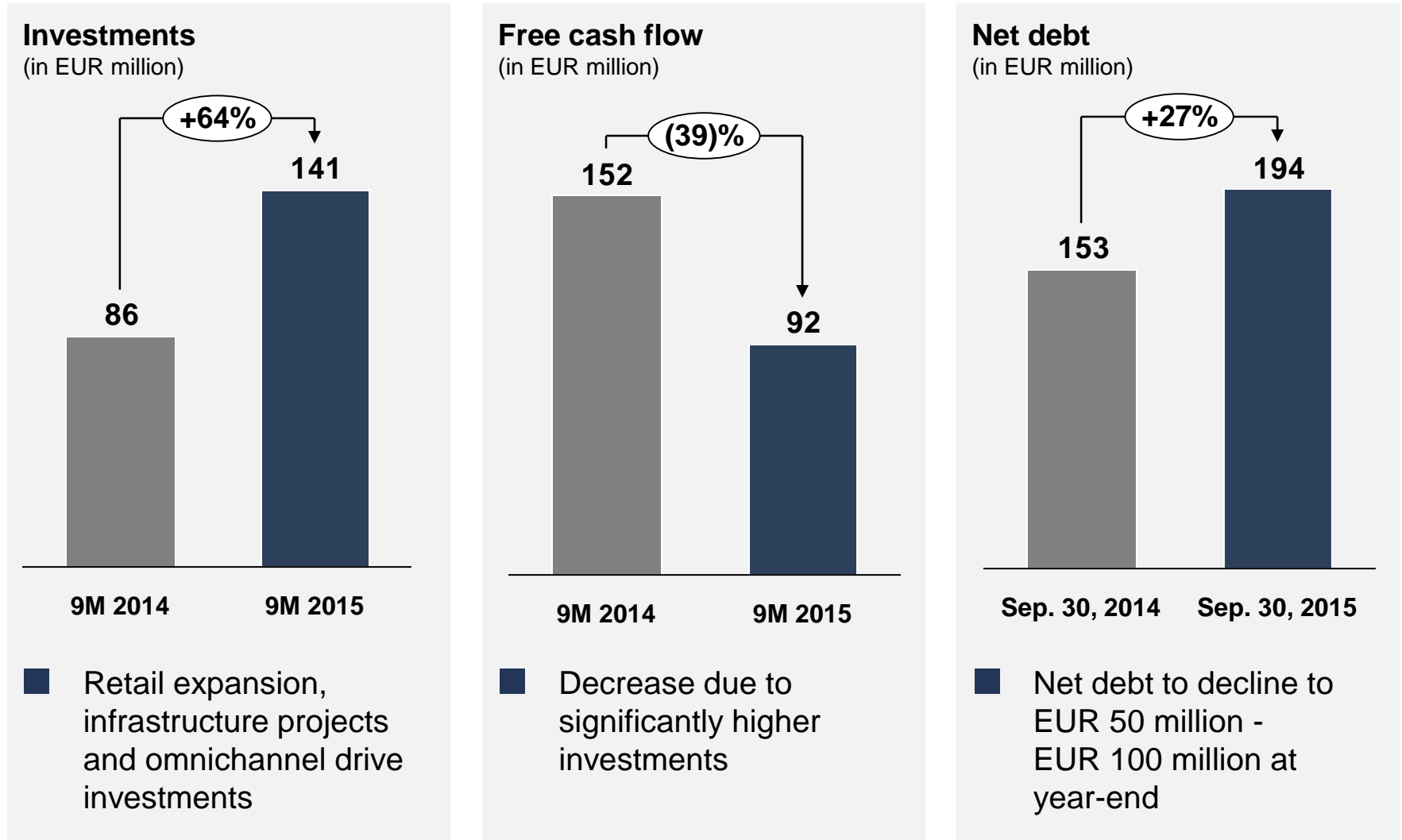
- Currency effects cause margin decline in **Europe**
- Positive currency translation effects offset underlying gross margin pressure in the **Americas**
- Deteriorating sales trends, takeovers and higher selling and distribution expenses impact margins in **Asia/Pacific**

*Incl. Middle East and Africa

Working capital management improves sequentially



Free cash flow declines due to higher capital expenditures



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Region Europe to lead the Group's growth in 2015

Europe*



- Solid growth expected to continue
- Comparison base eases
- Ongoing strength in the UK in particular

Americas



- Recent weakness expected to persist into the fourth quarter
- Focus on inventory management, upgrade of wholesale distribution and retail execution

Asia/Pacific



- Premium apparel market in China to remain pressured
- Brand equity and quality of retail management key to long-term growth

*Incl. Middle East and Africa

2015 financial outlook revised in October

Outlook 2015

Sales growth (currency-adjusted)

3% - 5%

Growth of
EBITDA before special items

3% - 5%

Capex

EUR 220 million – EUR 240 million

Own retail network

Around 65 openings (excl. takeovers)

HUGO BOSS forecasts a year of solid growth in 2015

- Speed and extent of performance deterioration in China and the US unforeseeable
- Rapid changes in operating environment require organization to become faster and even more customer-centric
- Better sales and earnings trends expected in the fourth quarter



BOSS Store Verona, Italy

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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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