

H U G O B O S S

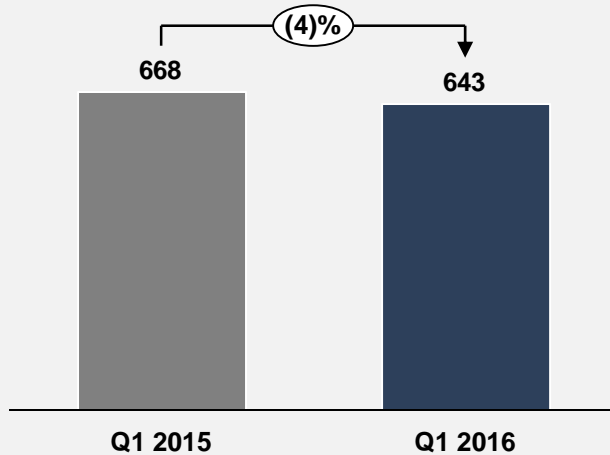
HUGO BOSS First Quarter Results 2016

Mark Langer (CFO)
Metzingen, May 3, 2016

Cautious customer spending and specific market challenges affect quarterly results

Sales

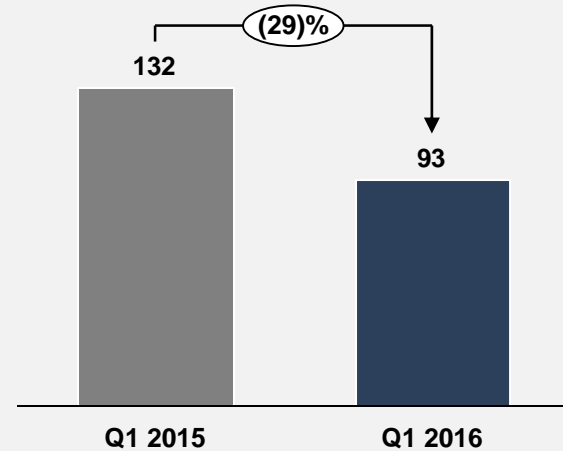
(in EUR million)



((3)% fx-adjusted)

EBITDA before special items

(in EUR million)

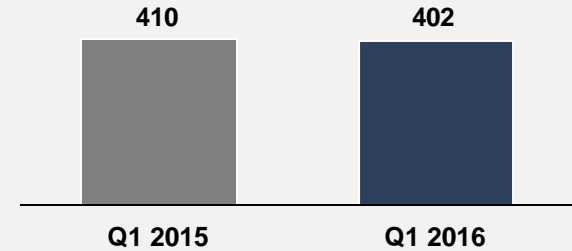


Mixed started to the year in Europe

- Weakness in tourism compounds moderation of local demand
- UK continues growing solidly despite more difficult market backdrop, Italy outperforming
- Sales decline in the Benelux markets and France

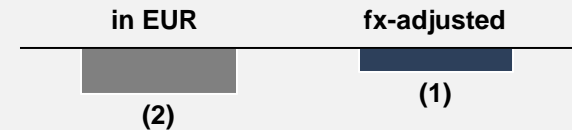
HUGO BOSS Europe sales

(in EUR million)



HUGO BOSS Europe sales

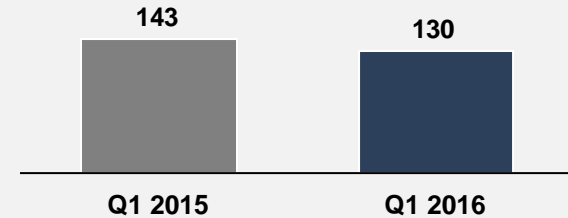
(change versus prior year, in %)



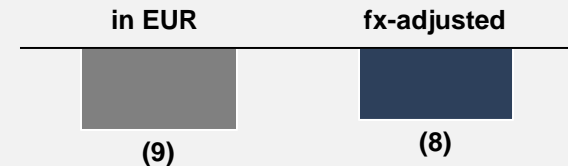
Weakness in the US drags down performance in the Americas

- Robust sales growth in Canada and Central & Latin America
- US business declines across wholesale and own retail channels
- Measures to upgrade distribution in the wholesale channel under way – reduction of off-price business, category migration, expansion of concession business model

HUGO BOSS Americas sales
(in EUR million)



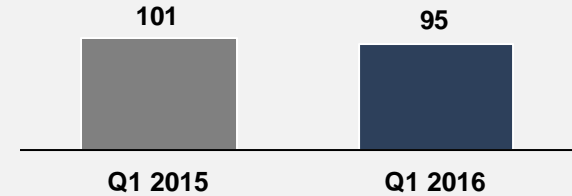
HUGO BOSS Americas sales
(change versus prior year, in %)



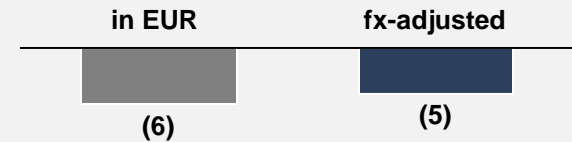
Encouraging consumer reception of price changes in China and Asia

- Solid growth in Japan, momentum in South Korea improves significantly
- Sales in Hong Kong and Macau decline substantially
- Price adjustment and digital marketing focus support strong volume increase in China

HUGO BOSS Asia/Pacific sales
(in EUR million)



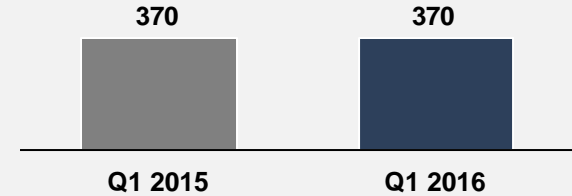
HUGO BOSS Asia/Pacific sales
(change versus prior year, in %)



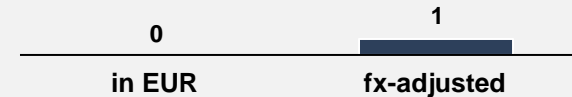
Own retail business grows moderately due to sales contribution from new space

- Comp store sales down 6% on a currency-adjusted basis in the first quarter
- Growth of online business in line with the rest of own retail, insourcing of fulfillment in Europe completed successfully
- Pace of store expansion forecast to moderate in 2016

HUGO BOSS Retail sales
(in EUR million)



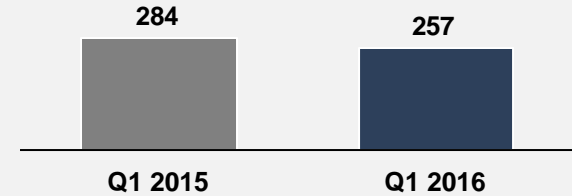
HUGO BOSS Retail sales
(change versus prior year, in %)



Cautious ordering behavior and takeover effects impact wholesale sales

- US wholesale business declines at a double-digit rate
- Cautious retailer sentiment also in Europe
- Takeovers cause shift of sales into own retail business

HUGO BOSS Wholesale sales
(in EUR million)



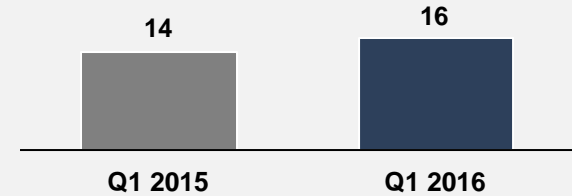
HUGO BOSS Wholesale sales
(change versus prior year, in %)



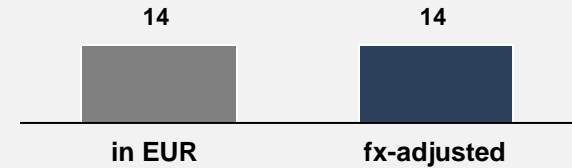
Double-digit growth of fragrance business drives increase of license sales



HUGO BOSS License sales
(in EUR million)



HUGO BOSS License sales
(change versus prior year, in %)

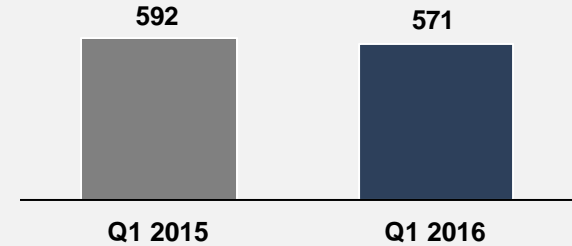


Renewed focus on core menswear business

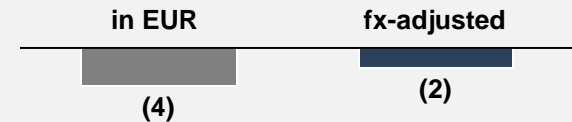
- Dedicated Board responsibility for brand and creative management established
- Menswear marketing spend to be increased
- Expansion of floor space allocation in own retail



HUGO BOSS Menswear sales
(in EUR million)



HUGO BOSS Menswear sales
(change versus prior year, in %)

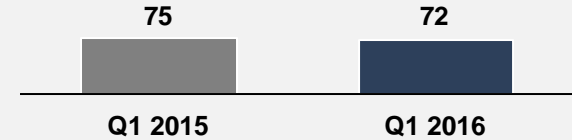


Womenswear remains strategic growth opportunity

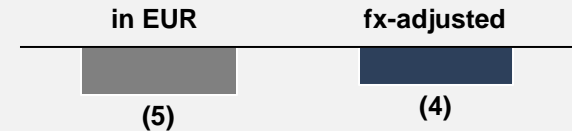
- BOSS Womenswear business has improved significantly under Jason Wu's artistic direction
- Group committed to invest in long-term growth
- BOSS Womenswear continues performing better than overall segment



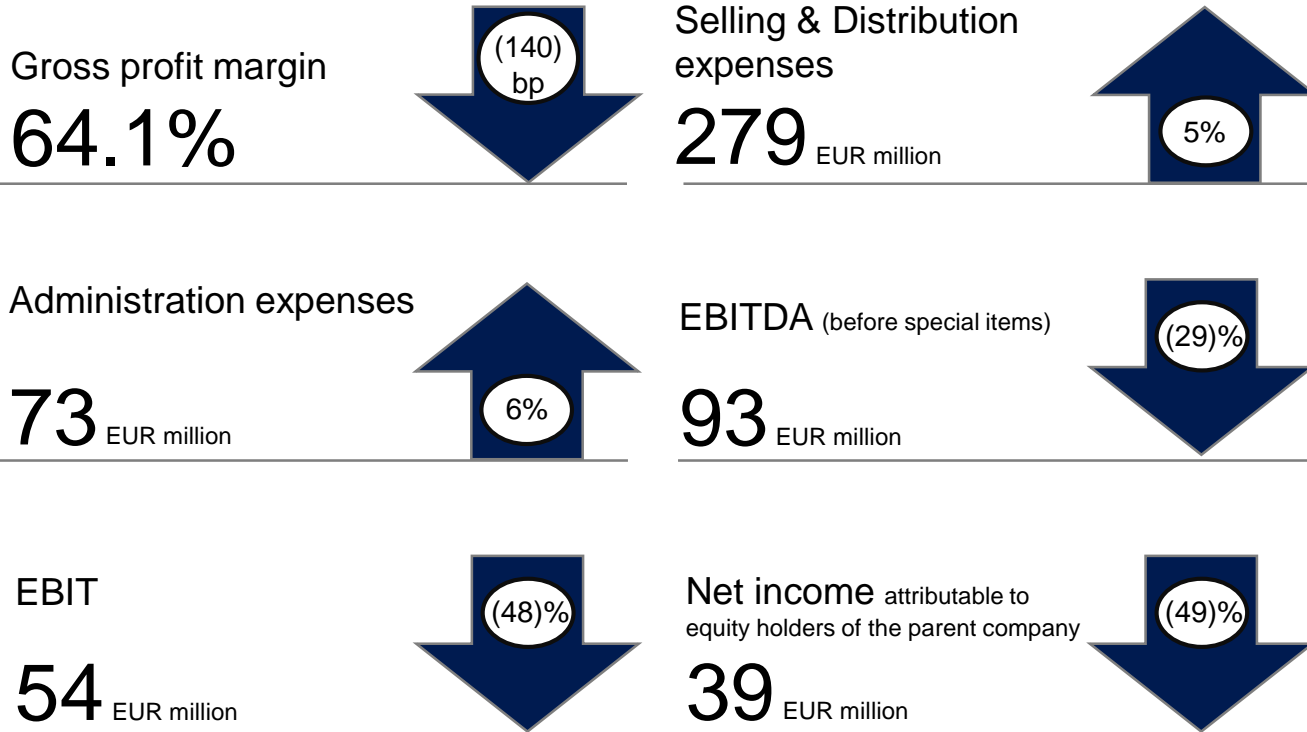
HUGO BOSS Womenswear sales (in EUR million)



HUGO BOSS Womenswear sales (change versus prior year, in %)



Significant operating deleverage despite tighter cost management



Operating profits decline in all regions

Segment profit

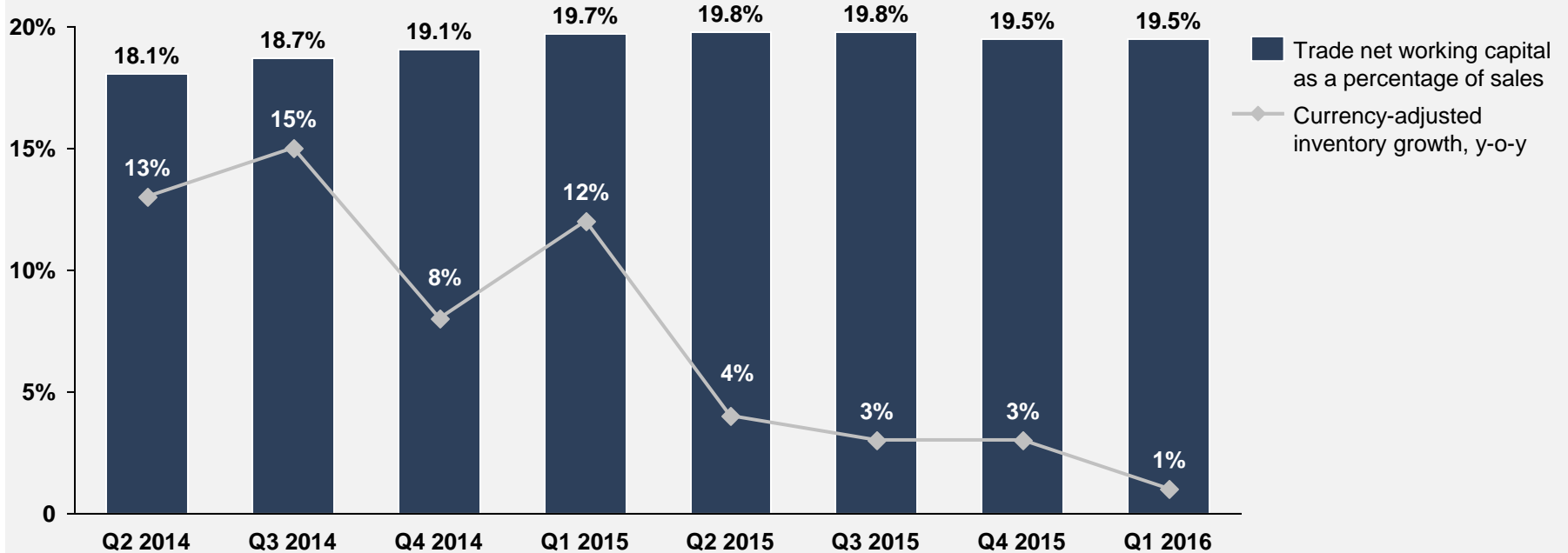
In EUR million	Q1 2016	In % of sales	Q1 2015	In % of sales	Change in %
Europe*	117.9	29.3	131.3	32.0	(10)
Americas	26.5	20.4	32.1	22.4	(17)
Asia/Pacific	17.5	18.4	31.2	31.0	(44)
Licenses	13.4	85.3	10.7	78.0	25
Segment profit operating segments	175.3	27.3	205.3	30.8	(15)
Corporate units/consolidation	(81.8)		(73.8)		(11)
EBITDA before special	93.5	14.5	131.5	19.7	(29)

*Incl. Middle East and Africa

Rate of inventory growth continues to improve

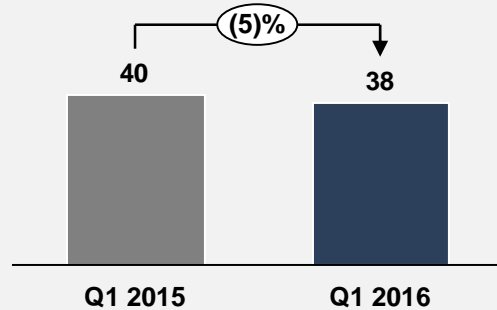
Average trade net working capital as a percentage of sales (in %)

Currency-adjusted inventory growth, y-o-y



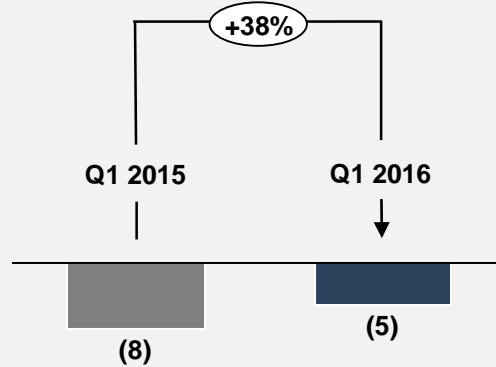
Investments start moderating in the first quarter

Investments
(in EUR million)



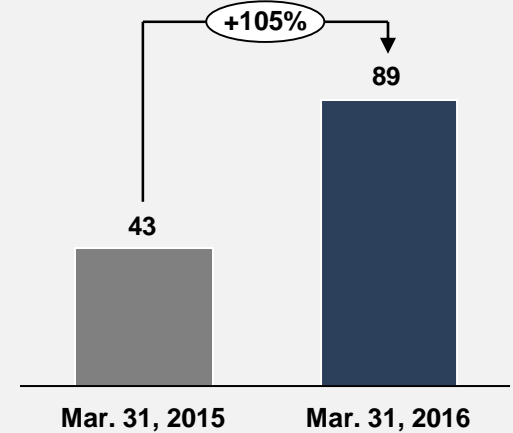
■ Own retail expansion and renovations focal point of investment activity

Free cash flow
(in EUR million)



■ Working capital improvements and lower investments more than offset earnings decline

Net debt
(in EUR million)



■ Net debt remains at low levels despite year-over-year increase

Free cash flow targeted to exceed prior year level despite earnings decline

Outlook 2016

Sales (currency adjusted)	Low single-digit percentage increase
Gross margin	Stable performance
EBITDA before special items	Low double-digit percentage decrease
Capex	EUR 160 million to EUR 180 million
Free cash flow	Increase

The work on the return to long-term profitable growth has started

- Depressed market environment compounds company-specific challenges
- Multiple measures initiated to increase cost efficiency, improve global brand and price positioning and drive digital transformation
- Organization ready to bring back HUGO BOSS on growth track



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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