HUGO BOSS

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First Half Year Results 2016

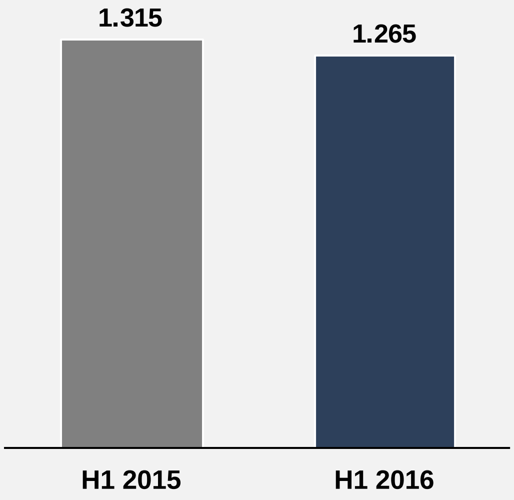
Mark Langer, CEO • Metzingen, August 5, 2016

Pricing discipline and cost savings limit sales-driven earnings decline

Sales
(in EUR million)

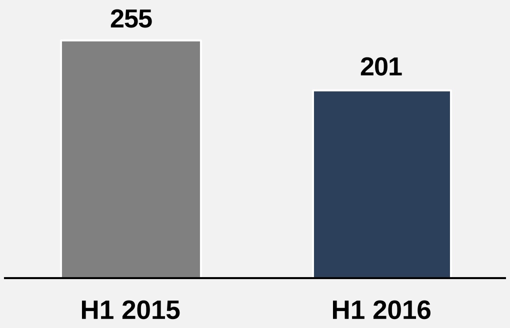
(4) %

(2) % fx-adjusted



EBITDA before special items
(in EUR million)

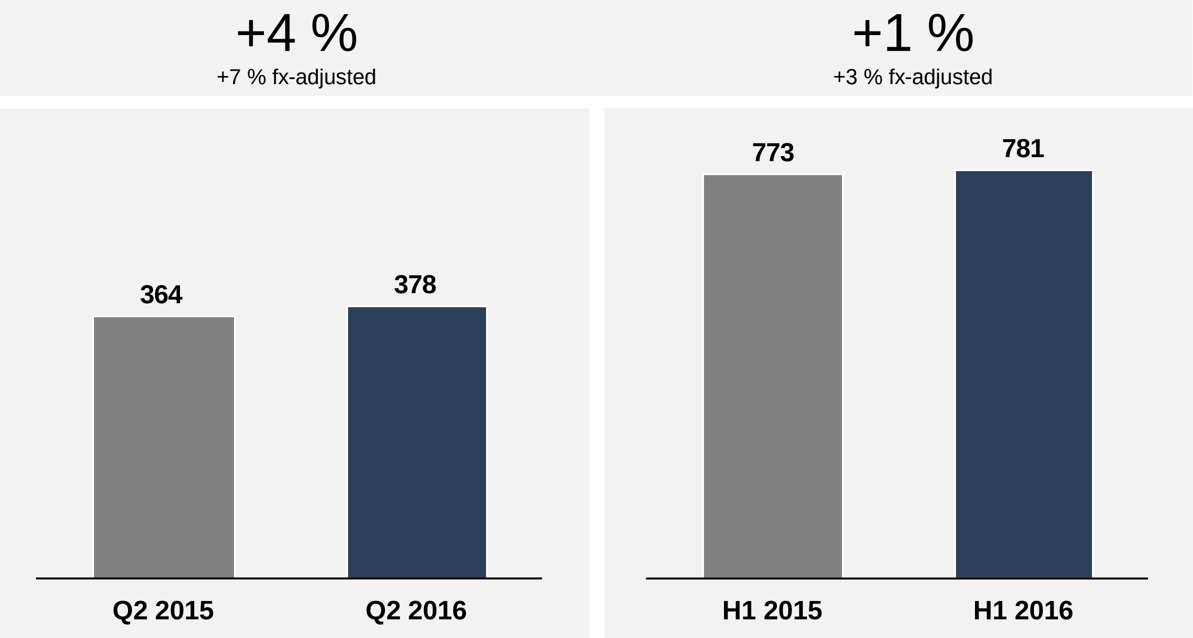
(21) %



Performance in Europe improves in the second quarter

- Strength in the UK, Scandinavia and Italy and positive timing effect in wholesale drive improvement in second quarter
- UK business unaffected by Brexit referendum to date
- Decline of tourist demand impacts business in France and other markets

HUGO BOSS Europe sales
(in EUR million)



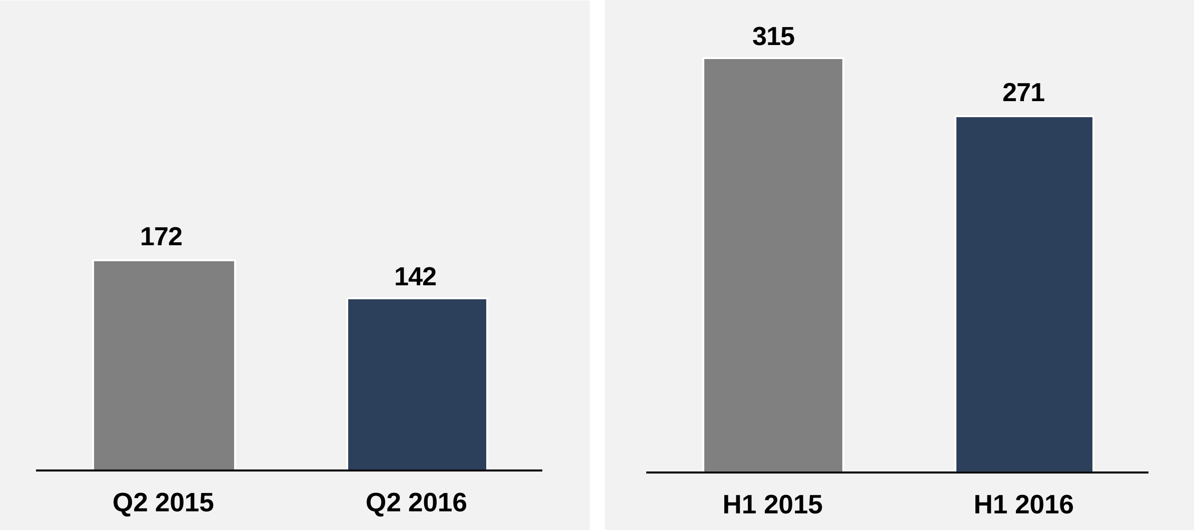
Decline of US business impacts regional performance in the Americas

- Sales in Canada as well as Central and South America up at double-digit rates
- US business impacted by the tightening of BOSS distribution in the wholesale channel, a difficult market environment as well as traffic declines in own retail
- Customer service and omnichannel offerings expanded significantly

HUGO BOSS Americas sales
(in EUR million)

(18) %
(14) % fx-adjusted

(14) %
(11) % fx-adjusted



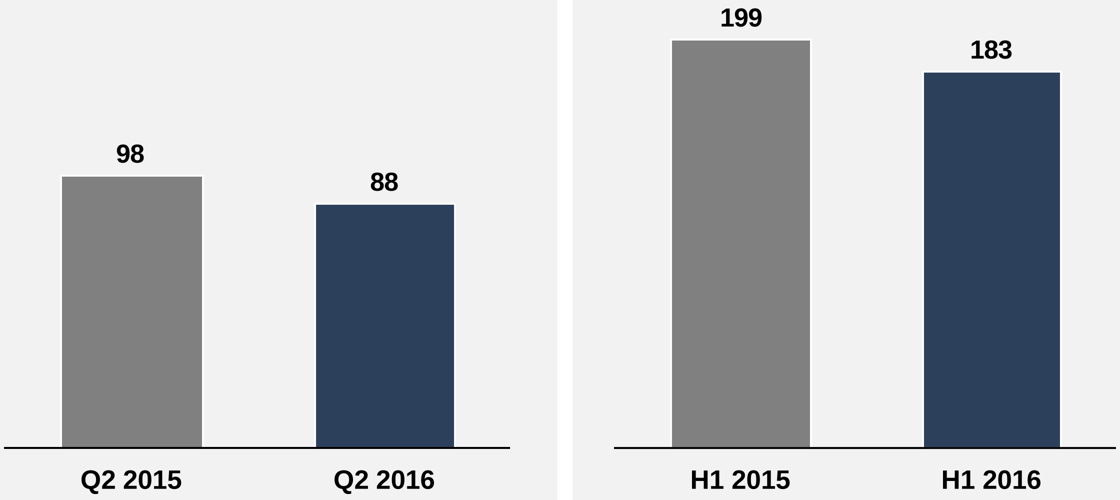
Price adjustments yield encouraging results in Mainland China

- Substantial double-digit declines in Hong Kong and Macau drag down performance of Greater China
- Price adjustments and operational improvements strongly support store traffic and unit growth in China
- Upgrade of store network in China ongoing

HUGO BOSS Asia/Pacific sales
(in EUR million)

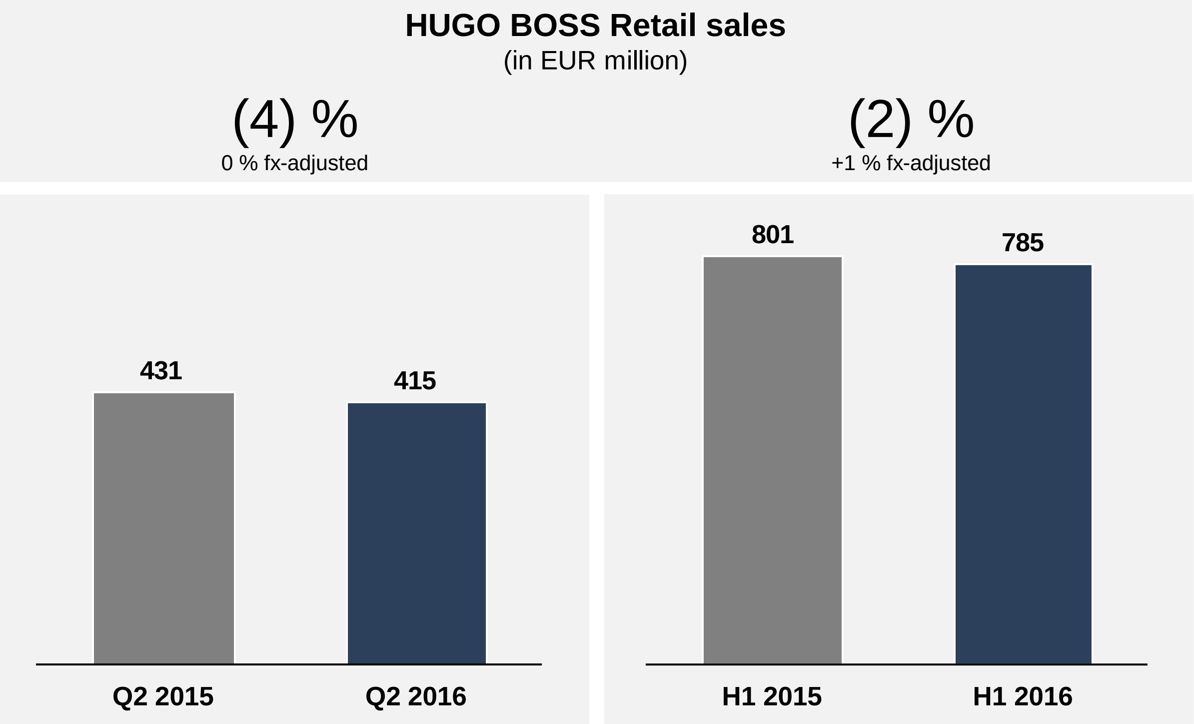
(10) %
(6) % fx-adjusted

(8) %
(6) % fx-adjusted



Traffic declines continue to weigh on comp store sales performance in own retail

- Sales contribution from new space offsets comp store sales decline of 8% in Q2 and of 7% in H1
- Higher net sales per transaction partly compensate for traffic declines on comparable floor space
- Online performance behind expectations in the second quarter



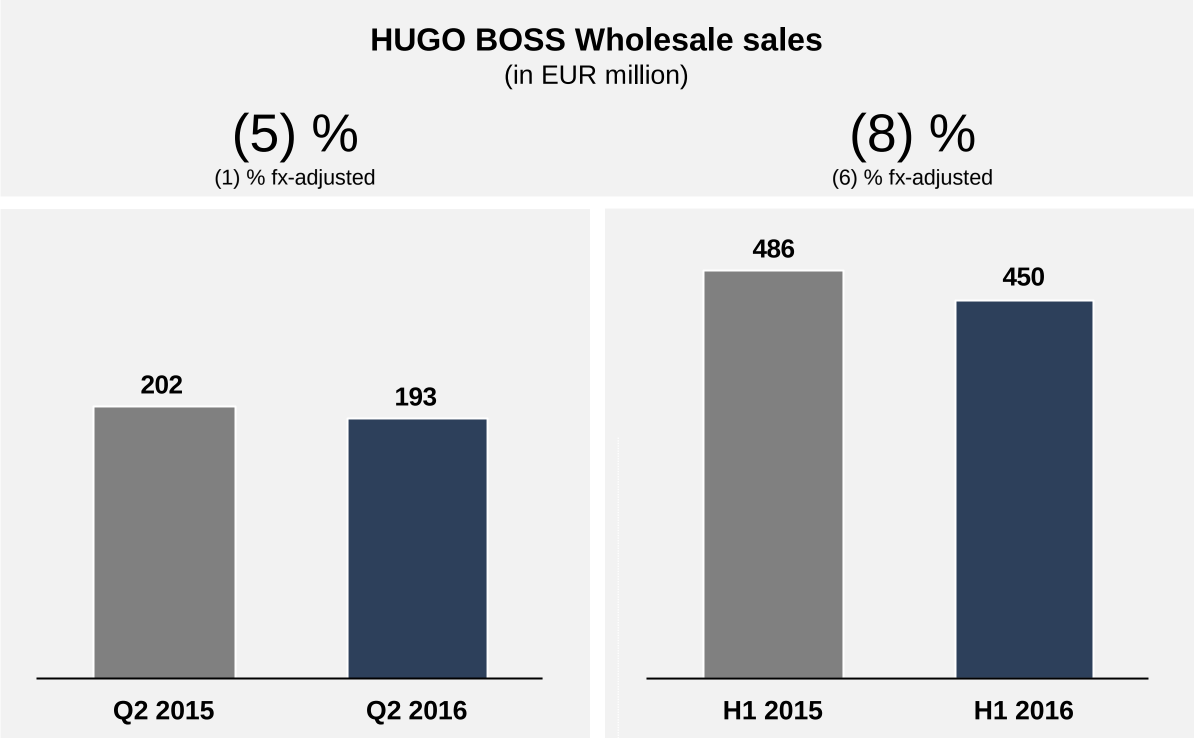
Moderate store network expansion in the first half year

Streamlining of store network to support profitability in 2017 and beyond

- Around twenty freestanding stores to be closed until the end of 2017
- Stores diluted the Group’s EBITDA margin by 60 basis points in 2015
- One-time costs of EUR 52 million accepted in return for positive impact on Group profits starting in 2017

Wholesale sales affected by cautious demand and structural changes in the US

- Substantial declines in the US only partly offset by growth in Europe
- Second quarter sales benefit from a different timing of Fall collection deliveries compared to the prior year
- Excluding the effect, Q2 sales declined at a mid- to high-single-digit rate on a currency-adjusted basis

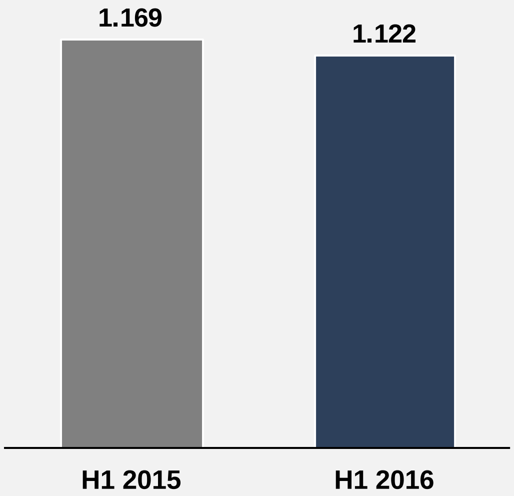


Sales trends broadly similar across menswear and womenswear

- Renewed focus on core menswear business
- Positive momentum in BOSS Womenswear continues
- Chief Brand Officer Ingo Wilts to join the Managing Board on August 15

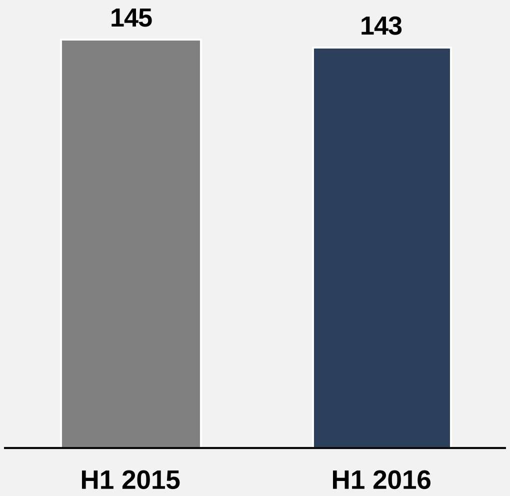
HUGO BOSS Menswear sales
(in EUR million)

(4) %
(2) % fx-adjusted

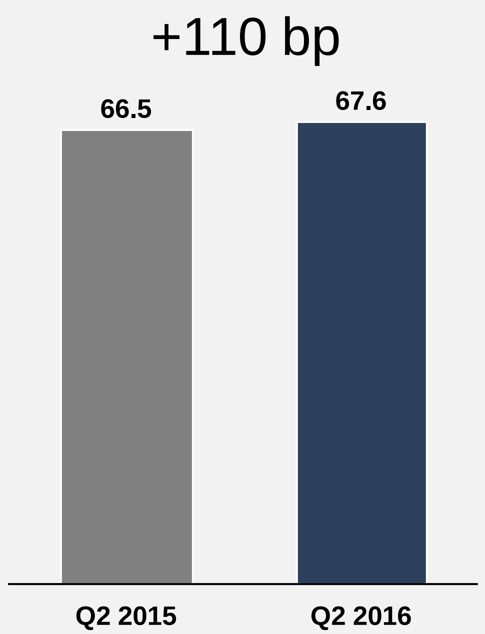


HUGO BOSS Womenswear sales
(in EUR million)

(2) %
0 % fx-adjusted

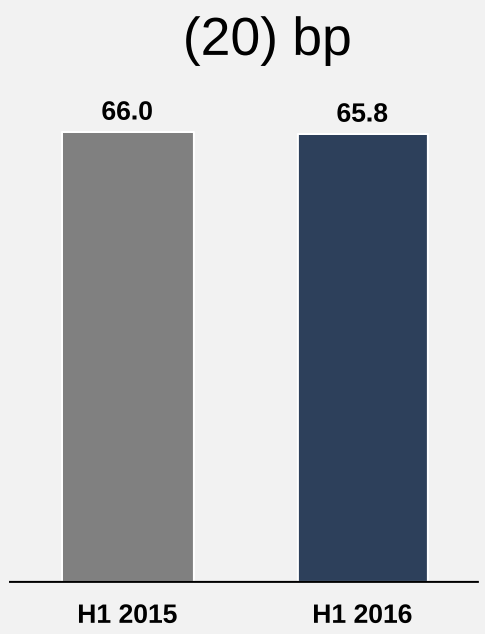


Gross profit margin development improves sequentially



- Strict inventory management and lower rebates drive gross margin improvement in the quarter

- Higher rebates and effect from price reductions in Asia offset positive channel mix effect in the first half year



Successful execution of cost efficiency program limits operating expense increase

Selling & Distribution expenses

560 EUR million

5%

Administration expenses

138 EUR million

0%

EBITDA (before special items)

201 EUR million

(21)%

Special Items

65 EUR million

>100%

EBIT

69 EUR million

(65)%

Net income attributable to equity holders of the parent company

50 EUR million

(66)%

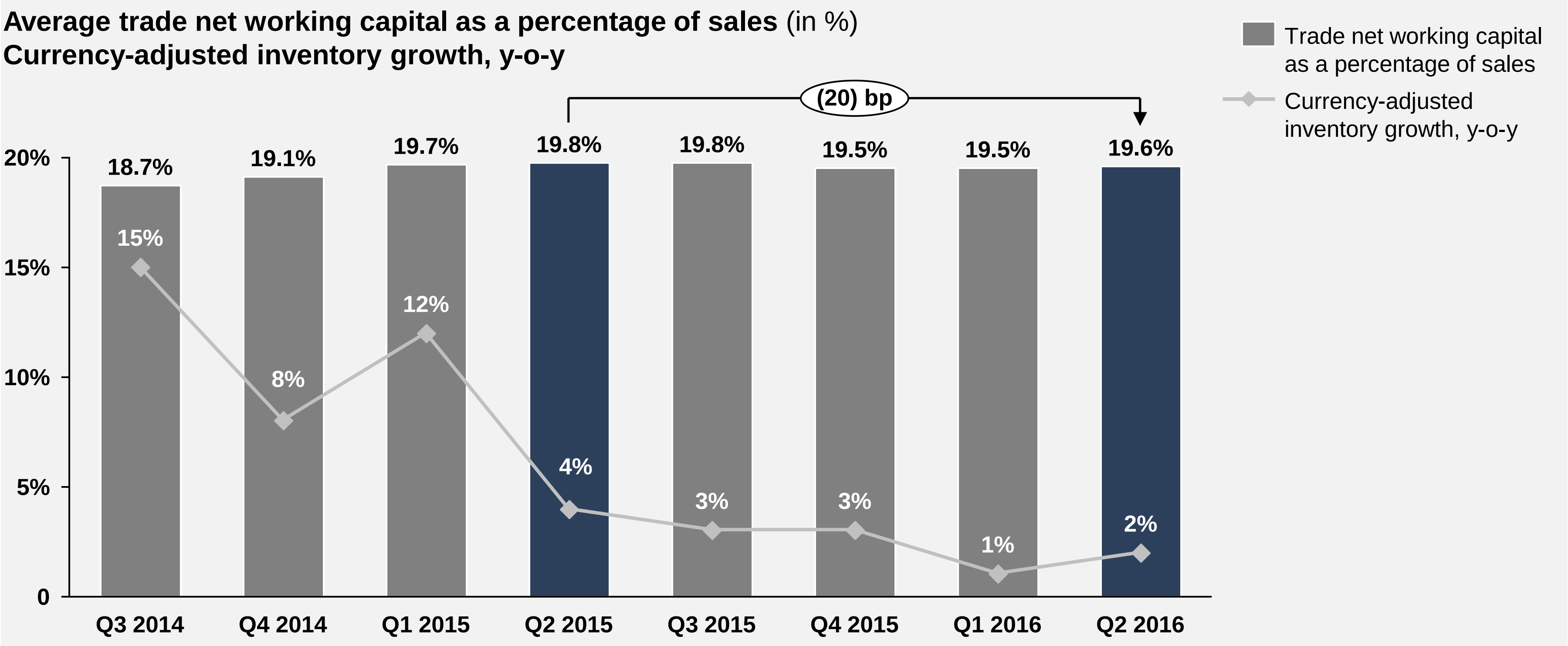
Profitability continues to hold up relatively well in Europe

Segment profit

In EUR million	H1 2016	In % of sales	H1 2015	In % of sales	Change in %
Europe*	231.3	29.6	244.1	31.6	(5)
Americas	60.0	22.1	81.6	25.9	(26)
Asia/Pacific	35.0	19.1	53.4	26.8	(35)
Licenses	24.7	82.8	21.9	80.2	13
Segment profit operating segments	**351.0**	**27.8**	**401.0**	**30.5**	**(12)**
Corporate units/consolidation	**(149.8)**		**(146.2)**		**(2)**
EBITDA before special items	**201.2**	**15.9**	**254.8**	**19.4**	**(21)**

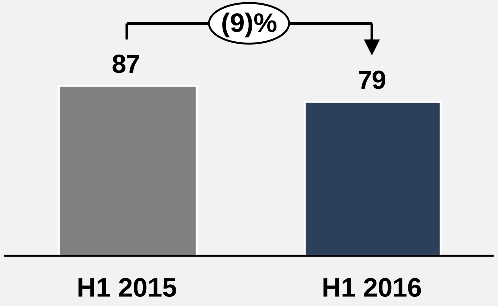
*Incl. Middle East and Africa

Inventory growth continues to be tightly controlled



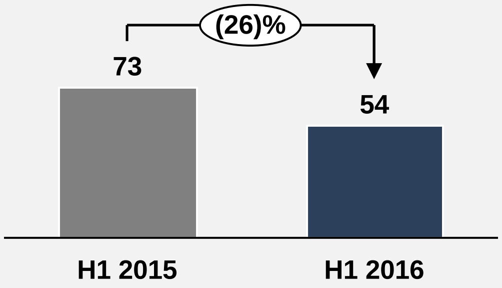
Investment activity moderates compared to the prior year

Investments
(in EUR million)



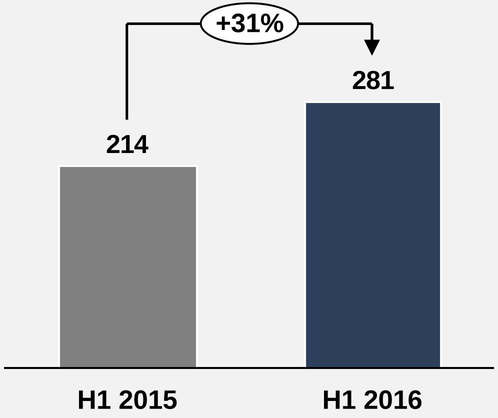
- Decline due to non-recurrence of prior year one-time investments

Free cash flow
(in EUR million)



- Working capital improvements and capex decline not enough to offset profit decrease

Net debt
(in EUR million)



- Increase reflects lower free cash flow generation

HUGO BOSS adjusts sales outlook and specifies EBITDA forecast for 2016

Sales (currency adjusted)	Stable or decline by up to 3%
Gross margin	Stable
EBITDA before special items	Decrease between 17% and 23%
Capex	EUR 160 million to EUR 180 million
Free cash flow	Slight decrease

- Sales outlook adjusted due to the negative first half year performance and step-up of distribution changes in the US
- Group wholesale sales now expected to decrease by up to 10% as a result of distribution clean-up in the US
- Second half year comp store sales performance assumed to be on par with H1 or better

HUGO BOSS has taken first steps to return to profitable growth

- Effective cost management will limit margin impact from weaker than expected top line development in 2016
- Management committed to do what is right for the long term
- Future strategy to revolve around rendering the company more customer-centric, faster und more flexible

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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