

H U G O B O S S

Investor Day 2016 – Agenda

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|---------------------------------|-----------------------------------|
| ▶ Group Strategy | Mark Langer (CEO) |
| ▶ Brand Strategy | Ingo Wilts (CBO) |
| ▶ Sales & Distribution Strategy | Bernd Hake (CSO) |
| ▶ Digital Strategy | Richard Lloyd-Williams (Director) |
| ▶ UK Market Update | Stephan Born (MD) |
| ▶ US Market Update | Anthony Lucia (MD) |
| ▶ China Market Update | Marc le Mat (MD) |
| ▶ Wrap-Up & Outlook | Mark Langer (CEO) |



China Market Update

Marc le Mat

Managing Director China

Key market data

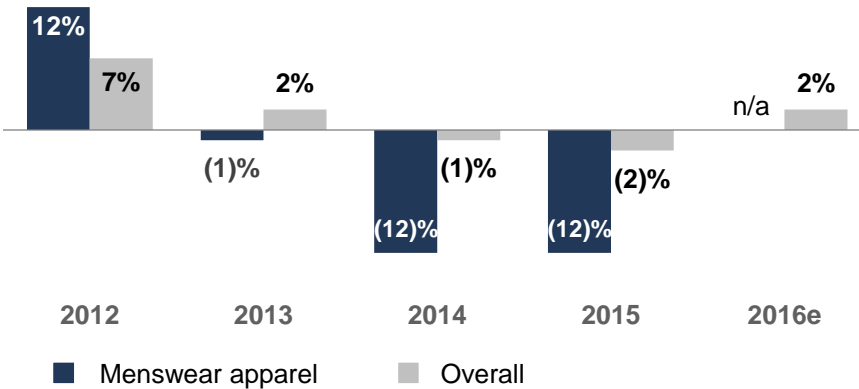


Market presence

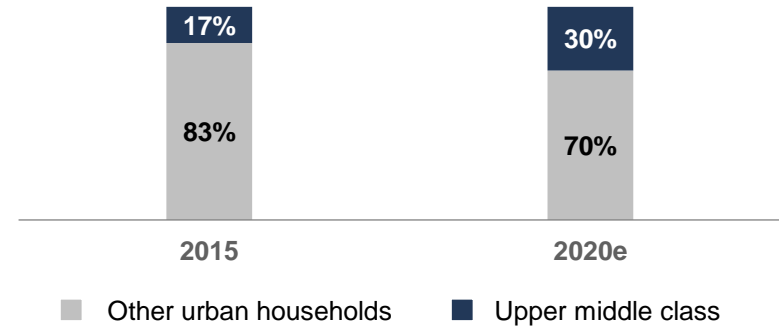


Chinese market offers attractive growth potential despite recent headwinds

Growth in Chinese luxury market¹ (in %)



Upper middle class households² (in %)

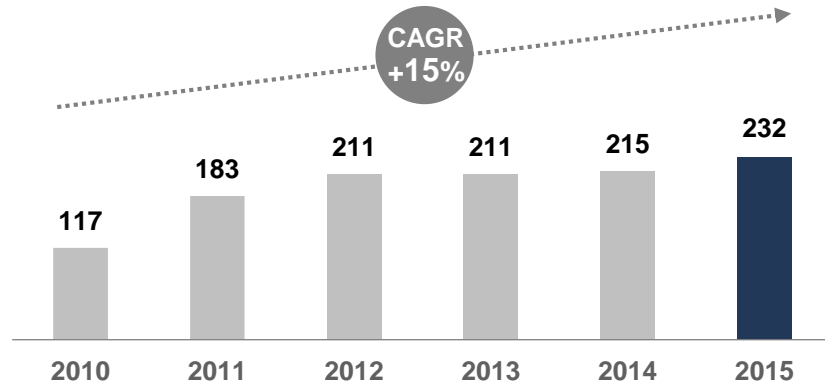


- Anti graft policy, economic slowdown and stock market volatility have dampened customer demand
- Retail expansion has slowed down
- Brands are aligning local prices more closely with the rest of the world

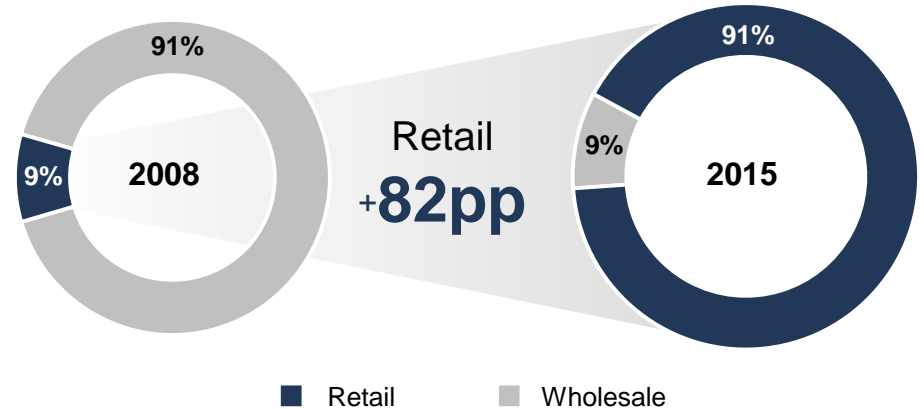
¹ Source: Bain & Company, 2015 China Luxury Market Study ² Source: BCG, The New China Playbook

Transformation of business model completed successfully

Sales (in EUR million)

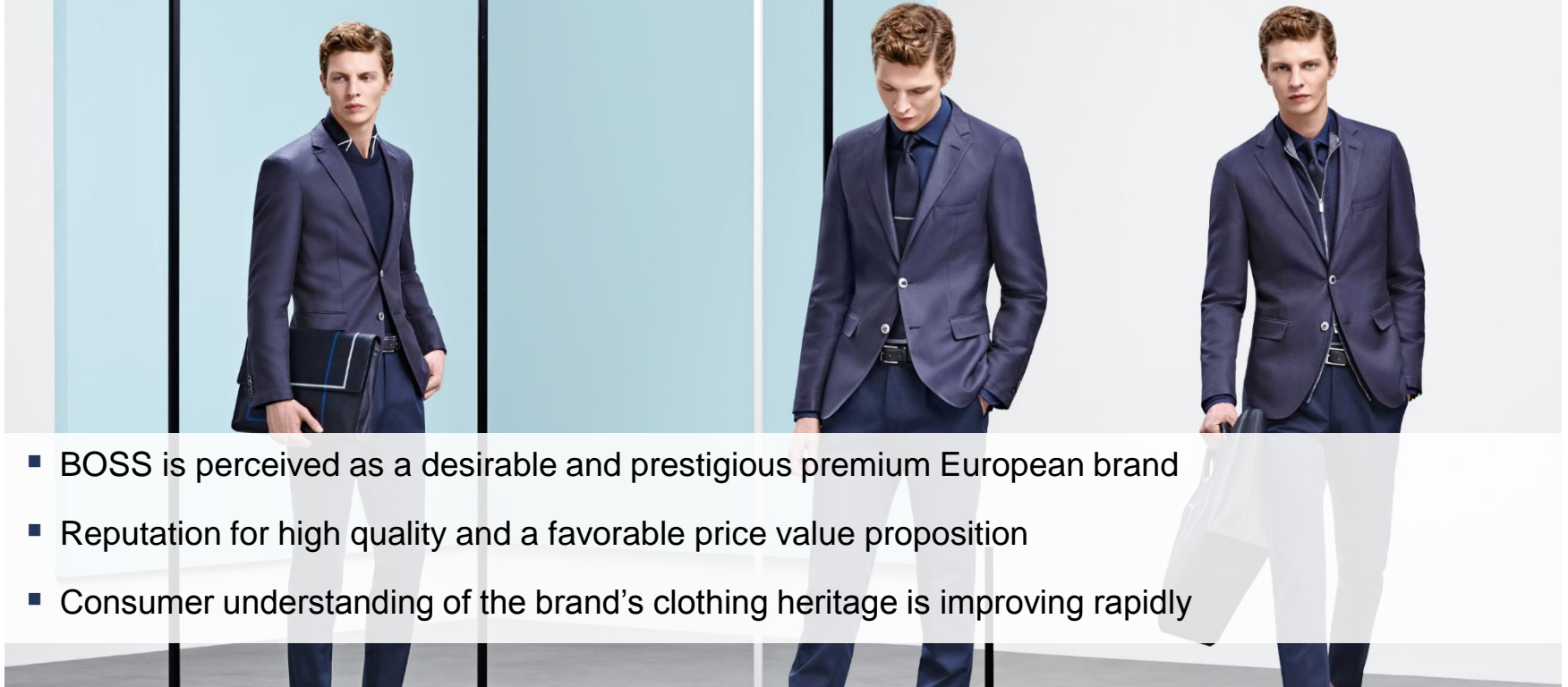


Sales by distribution channel (in %)



- Market entrance through franchise partners more than twenty years ago
- Establishment of on-the-ground operations and opening of first retail stores from 2008 onwards
- 85 franchise stores taken over between 2010 and 2015

BOSS is perceived as a leading premium menswear apparel brand in China



- BOSS is perceived as a desirable and prestigious premium European brand
- Reputation for high quality and a favorable price value proposition
- Consumer understanding of the brand's clothing heritage is improving rapidly

360° marketing engagement to exploit the brand's full potential

- Develop holistic marketing approach, stories such as Man of Today and Euro2016
- Capitalize on strong editorial coverage
- Enrich drive-to-store marketing strategy and events



Digital focus to amplify brand reach

Mall customer communities

~6 million contacts

Weibo

~210 thousand followers



CRM database

~390 thousand contacts

WeChat

~120 thousand followers

► Year-to-date reach of around 150 million consumers

Price adjustment strategy has delivered positive results



- Effective communication due to focus on staff training and digital communication
- Sharp increase of units sold and conversion rates
- Continuously strong momentum in high end collections

Optimization of retail network ongoing



- Store closures and relocations in response to structural traffic changes
- Increasing number of store renovations
- Rental renegotiations boost profitability
- Future expansion focused on 18 key cities

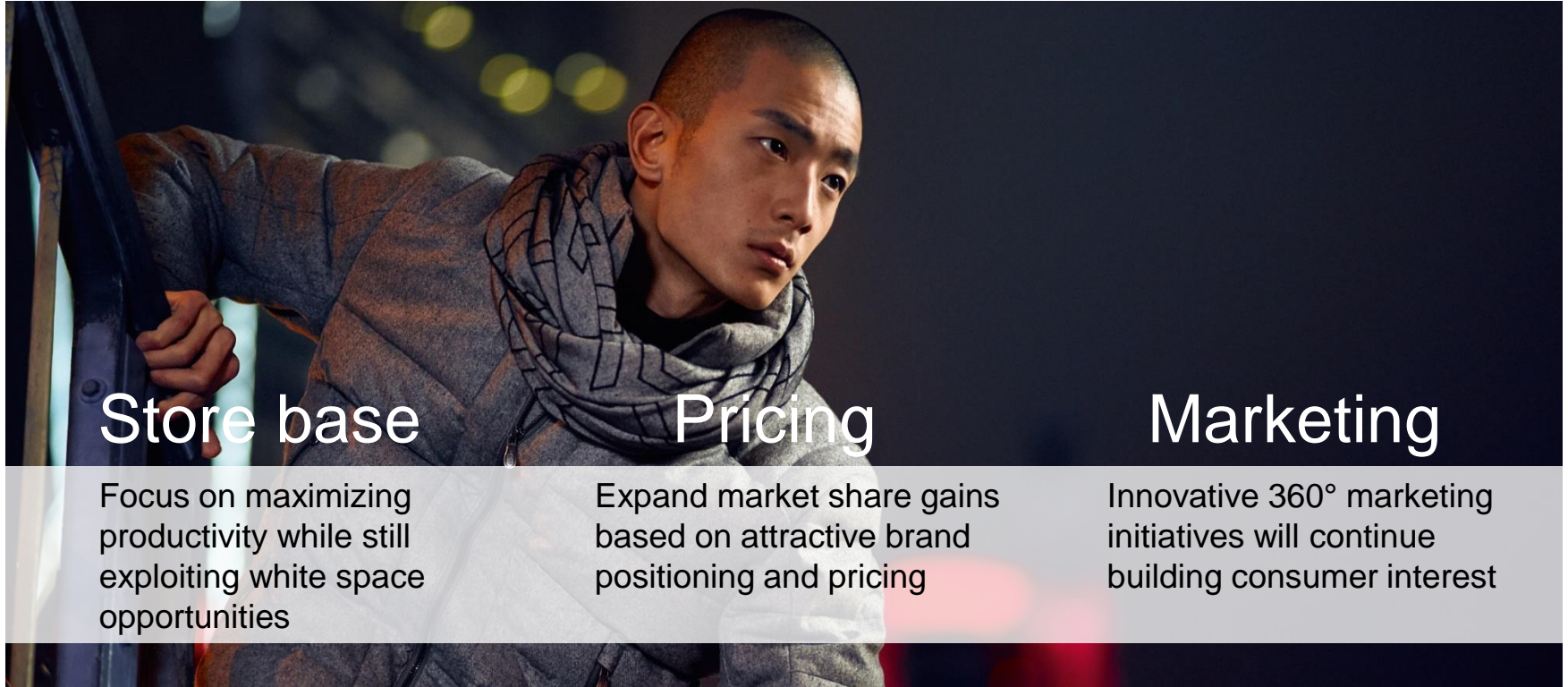


Bubble size = Size of retail market
Figure = Current number of stores

Building a high-performance retail business



Key messages

A man with a short haircut, wearing a grey quilted jacket and a grey scarf, is leaning on a dark metal railing. He is looking off to the side with a serious expression. The background is dark with some blurred lights, suggesting an urban setting at night.

Store base	Pricing	Marketing
Focus on maximizing productivity while still exploiting white space opportunities	Expand market share gains based on attractive brand positioning and pricing	Innovative 360° marketing initiatives will continue building consumer interest

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