

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) |



US Market Update

Anthony Lucia

President and CEO USA

Key market data



1 Largest market
for personal luxury goods
worldwide and for HUGO BOSS

+13% sales
CAGR 2010-2015

132 own retail stores

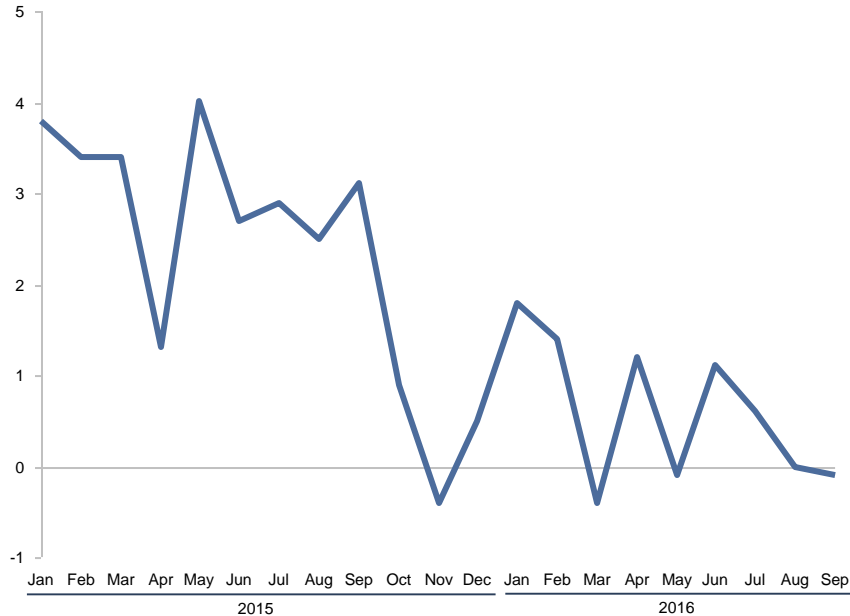
4 of the Group's top ten
wholesale partners located
in the US

Market presence



The US apparel market remains challenged

Personal consumption expenditures for clothing, y-o-y
(Change in %)¹



¹ Source: US Bureau of Economic Analysis

Key consumer trends:

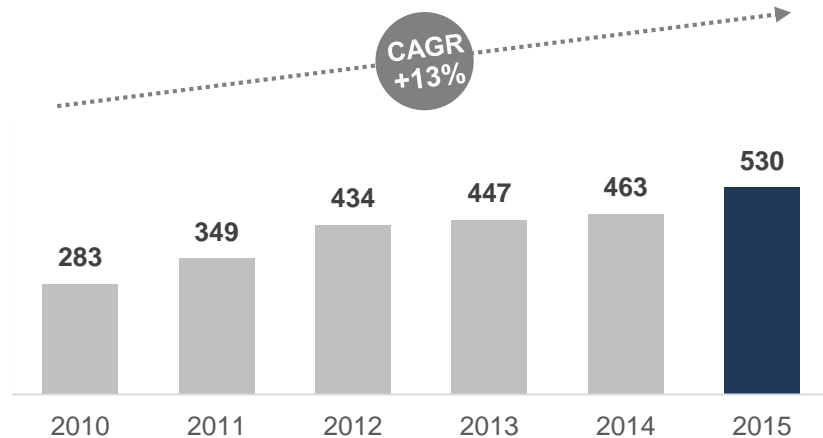
- The Millennial consumer is more relevant
- Digital services are crucial
- Decline in tourism remains

Key market trends:

- Traffic decline continues in brick & mortar whereas the online platform is becoming more significant
- Off-price outperforms full-price
- Department store closures continue

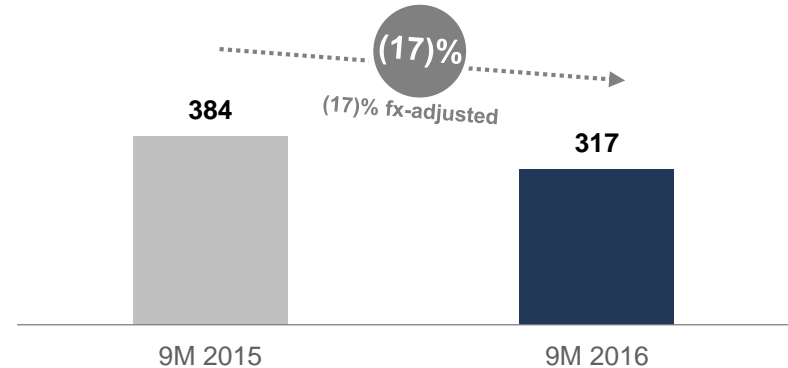
The Group's performance has declined after years of strong growth

Sales (in EUR million)



Expansion over the last six years resulted in the doubling of sales

Sales (in EUR million)



The 2016 decline is attributed to restructuring the wholesale channel and weak retail comp store sales

Three key focus areas identified to improve performance going forward

HUGO BOSS has alienated its core customer through brand elevation. Consequently, the brand's core has been diluted



Reestablish BOSS in the menswear upper premium segment



HUGO BOSS has failed to engage with the next generation of consumers



Build demand and brand desirability among younger customers



Rapid expansion resulted in over-exposure in brick & mortar while the online business is underdeveloped



Realign distribution across all channels



Brand restoration starts with a strong core

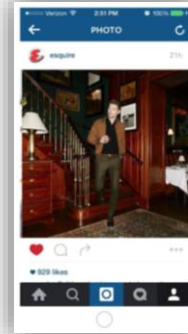
The brand continues to be perceived well across multiple dimensions



Key priorities

- Focus on key menswear categories
- Restore accessible, entry level price points
- Strengthen the brand's value proposition

Realign marketing investments to drive brand awareness



DIGITAL MEDIA

Shift marketing spend into digital channels

PR

Engage with relevant brand influencers

SOCIAL MEDIA

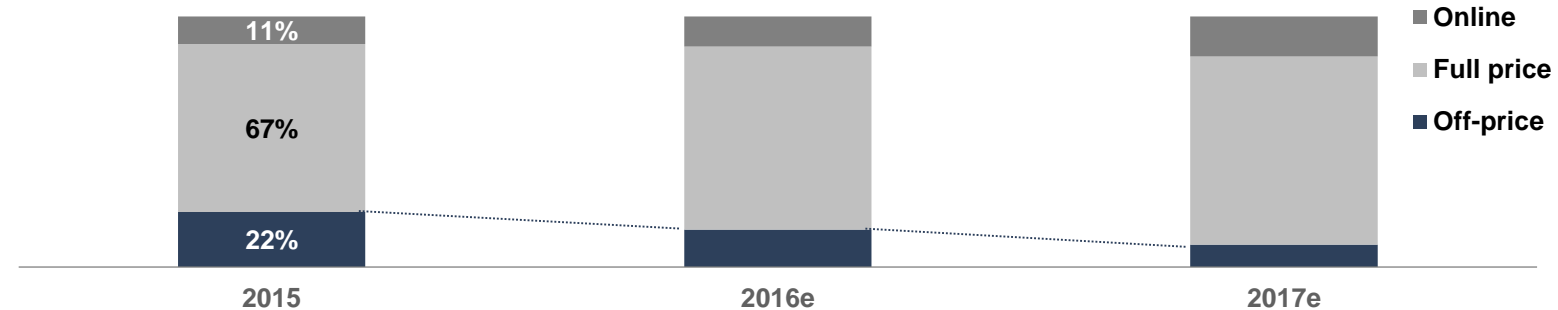
Expand reach to include Millennial customers

CRM

Develop a personal experience with our customers across all channels

Continue to restructure the wholesale distribution channel

- **Off price** Will move from 22% in 2015 to single-digit in 2017
- **Full price** Focus on full-price retailers
- **Online** Upgrade and expand brand presence in relevant online channels



Composition of US wholesale business, FY 2015 - 2017 (in %)

► **As a result, wholesale business is expected to decline at a low-double-digit rate in 2017**

Focus on growth of directly operated stores

Maximize productivity by
rebalancing the assortments

Optimize the network by
closing five stores in 2017



Expand omnichannel
services

Grow own e-commerce
with improved site
usability

Invest in retail talent

Key messages



Base

HUGO BOSS has a solid foundation to revive growth

Digital

Digital commerce and communication will play key roles going forward

Upgrade

Structural upgrade of distribution to support performance in the medium- and long-term

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