

H U G O B O S S

First Quarter Results 2017

Mark Langer, CEO
Metzingen, May 3, 2017



HUGO BOSS starts the year with sales increase



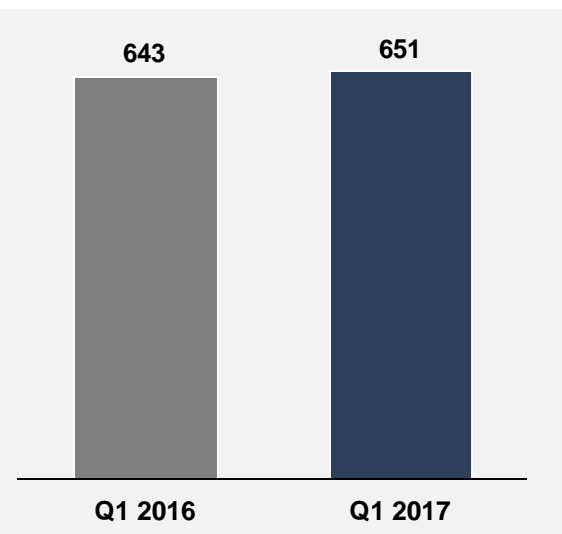
- Difficult market environment continues in Q1
- Good performance in core markets UK and China
- Sales growth in Europe and Asia more than compensates for declines in the Americas

HUGO BOSS Sales

(in EUR million)

1 %

1 % fx-adjusted



UK business drives overall sales increase in Europe



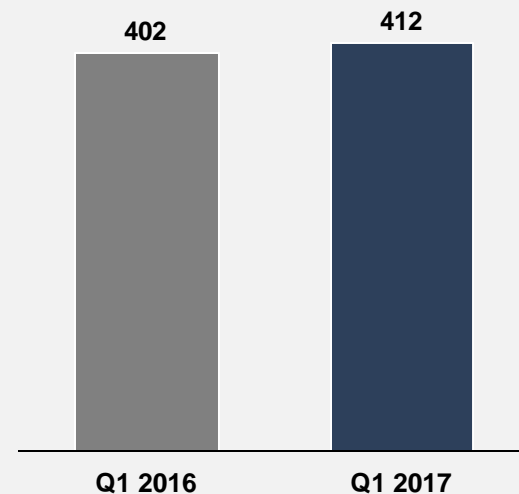
- Different timing of wholesale deliveries supports regional sales performance
- 7% growth in the UK due to solid local demand and growing tourist business
- Sales in Germany up slightly, France and the Benelux decline despite improving trends in February and March

HUGO BOSS Europe Sales

(in EUR million)

2 %

3 % fx-adjusted



Performance in the Americas continues to suffer from sales declines in the U.S.



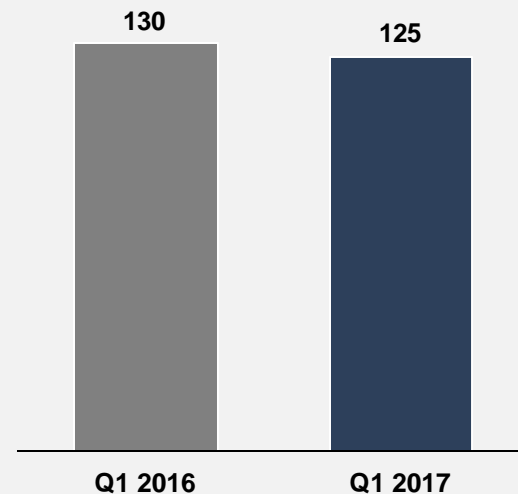
- Performance in the U.S. improves sequentially but sales still down year-on-year
- Discontinuation of off-price business in wholesale has started to support sales in own retail
- Canada and Latin America record sales declines

HUGO BOSS Americas Sales

(in EUR million)

(4) %

(7) % fx-adjusted



Growth in China more than offsets weaker trends in the rest of Asia/Pacific



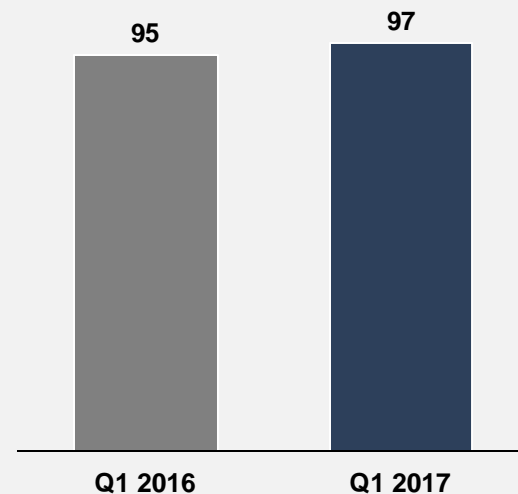
- Strong volume growth drives double-digit comp store sales increase in Mainland China
- Ongoing weakness in Hong Kong and Macau and prior year store closures limit sales growth in China to 3%
- Sales decline in smaller countries in the region

HUGO BOSS Asia/Pacific Sales

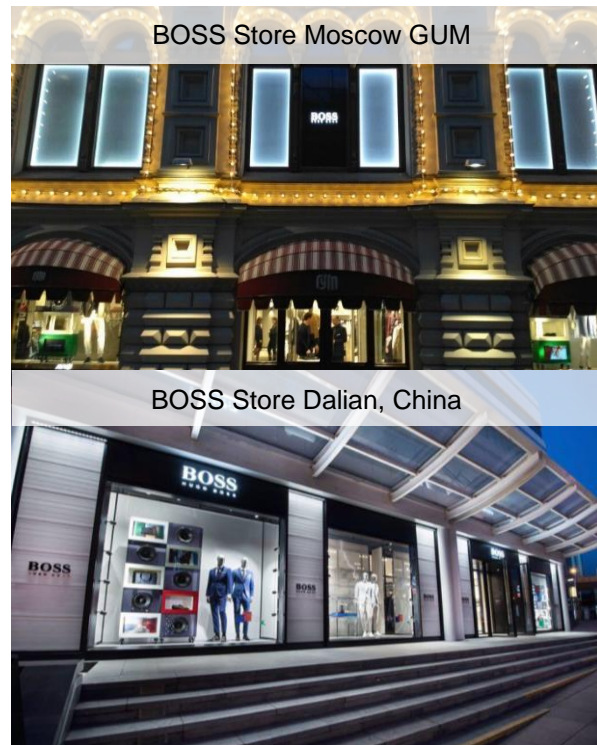
(in EUR million)

3 %

1 % fx-adjusted



Stable sales trends in own retail



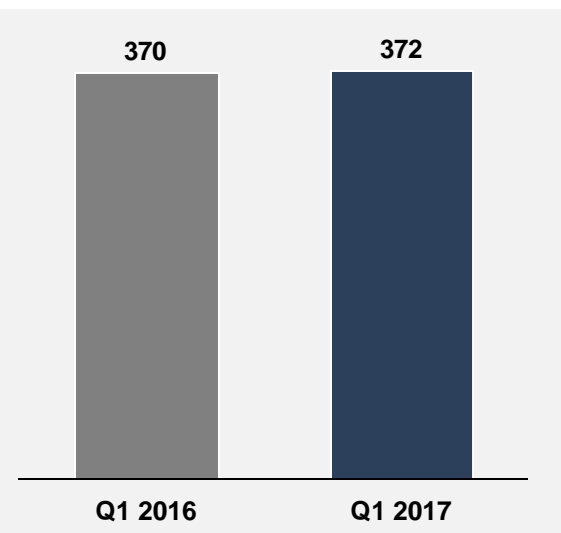
- Own retail sales down 3% on a comp store basis
- Trends improve over the course of the quarter
- Overall retail store count remains virtually unchanged

HUGO BOSS Retail Sales

(in EUR million)

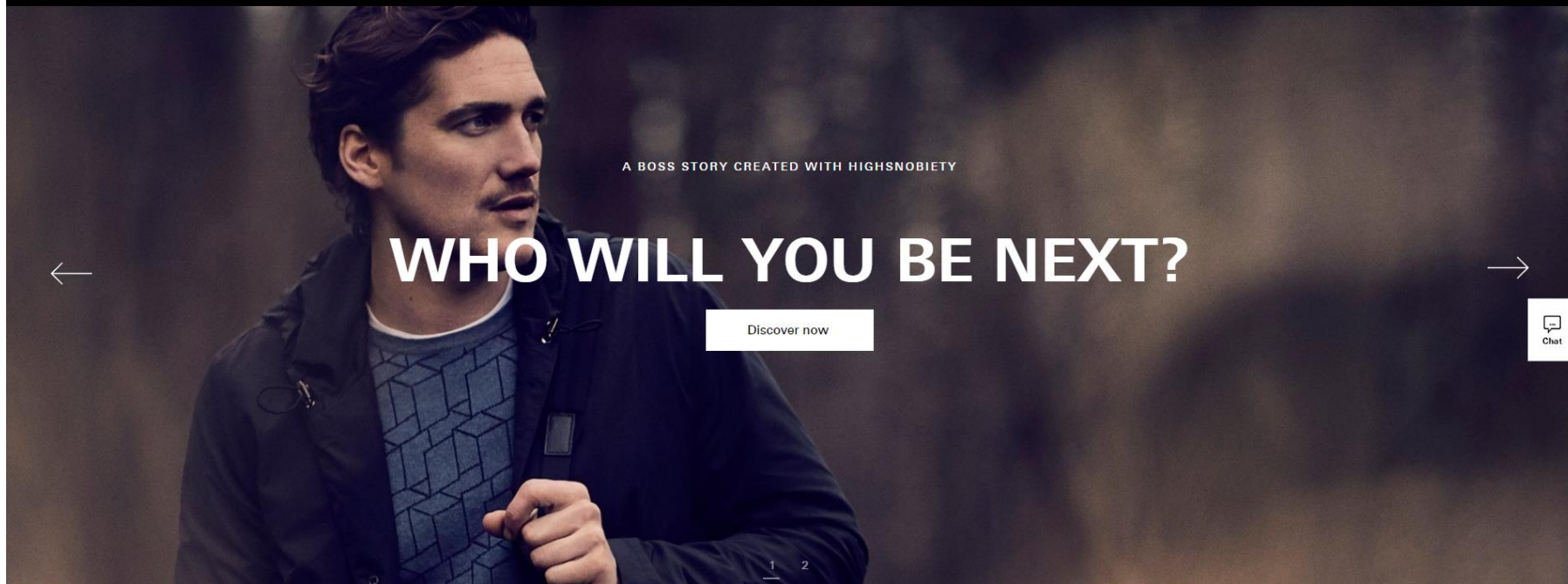
0 %

0 % fx-adjusted



Online business set to return to growth after disappointing start to the year

Search engine optimization • CRM • Mobile • Page load performance • User experience • Merchandising



Wholesale business up in the first quarter



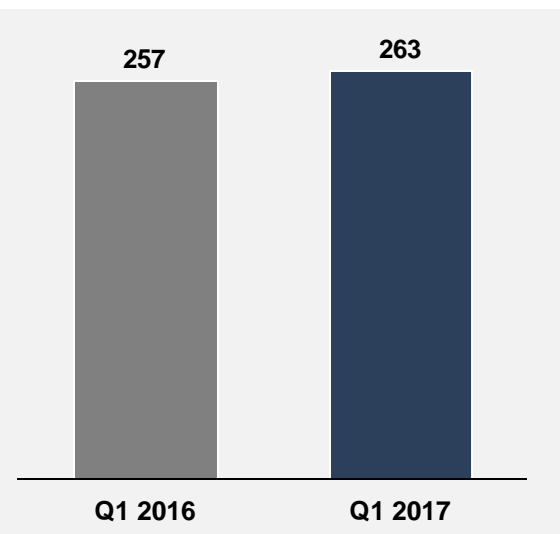
- Wholesale sales benefit from delivery shift effect in Europe
- Solid underlying trends in Europe
- Pressure from distribution restructuring in the U.S. expected to fade gradually over the further course of the year

HUGO BOSS Wholesale Sales

(in EUR million)

3 %

2 % fx-adjusted



Fragrances drive growth in license business

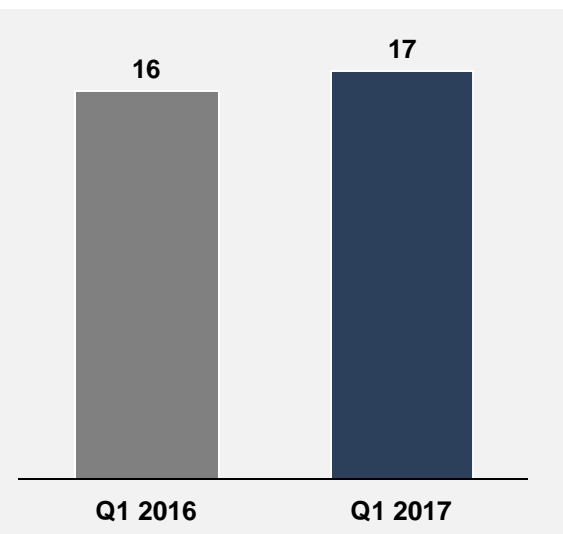


- Fragrance business up double-digits
- Successful launches drive performance
- Watches grow solidly, eyewear more difficult

HUGO BOSS License Sales (in EUR million)

5 %

5 % fx-adjusted



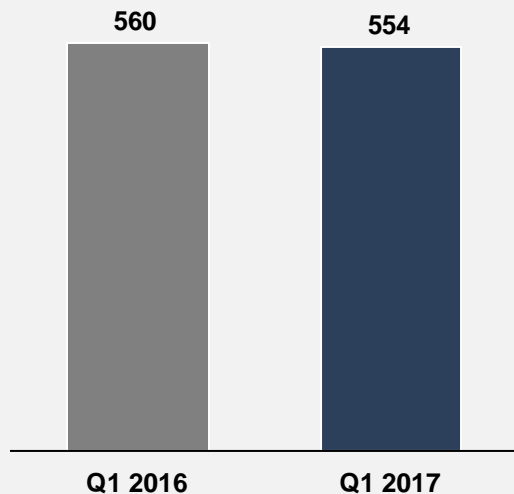
HUGO sales grow at strong double-digit rate

BOSS Brand Sales

(in EUR million)

(1) %

(1) % fx-adjusted



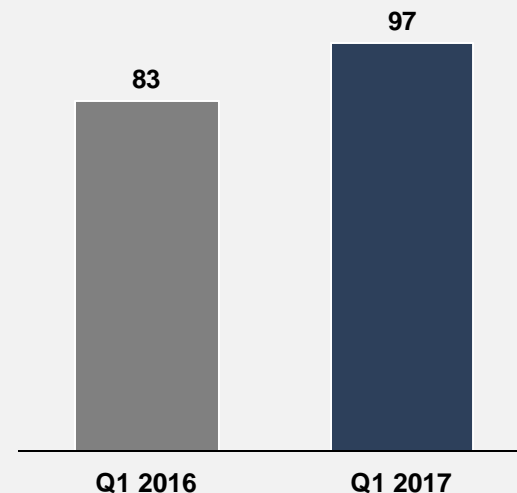
- BOSS Green sales increase at double-digit rate, BOSS core brand sales affected by more restrictive distribution in wholesale
- HUGO benefits from space gains in the wholesale channel and growth in own retail
- Womenswear grows slightly stronger than menswear

HUGO Brand Sales

(in EUR million)

17 %

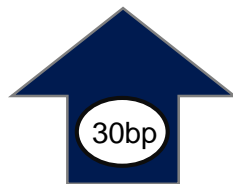
16 % fx-adjusted



Non-recurrence of prior year special items and strict cost discipline drive profit growth

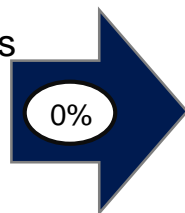
Gross margin

64.4 %



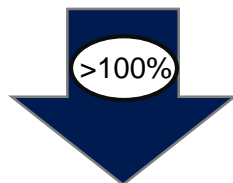
Administration expenses

72 EUR million



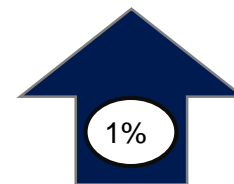
Special items

(0.2) EUR million



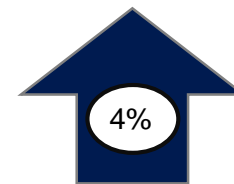
Selling & Distribution expenses

283 EUR million



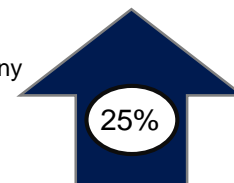
EBITDA (before special items)

97 EUR million



Net income attributable to equity holders of the parent company

48 EUR million



Profitability in Asia/Pacific improves significantly

Segment earnings

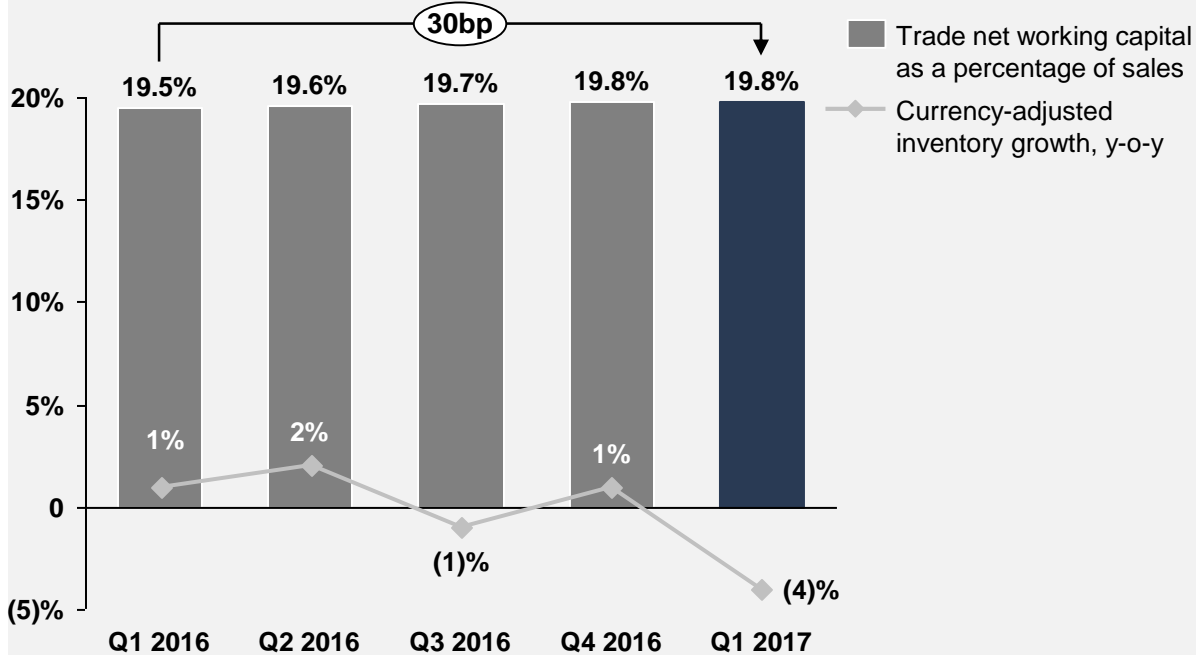
In EUR million	Q1 2017	In % of sales	Q1 2016	In % of sales	Change in %
Europe*	126.8	30.8	117.9	29.3	8
Americas	15.4	12.3	26.5	20.4	(42)
Asia/Pacific	24.7	25.3	17.5	18.4	41
Licenses	14.0	84.9	13.4	85.3	5
Earnings of operating segments	180.9	27.8	175.3	27.3	3
Corporate units/consolidation	(83.5)		(81.8)		(2)
EBITDA before special items	97.4	15.0	93.5	14.5	4

*Incl. Middle East and Africa.

Group inventories continue to be well controlled

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

Currency-adjusted inventory growth, y-o-y

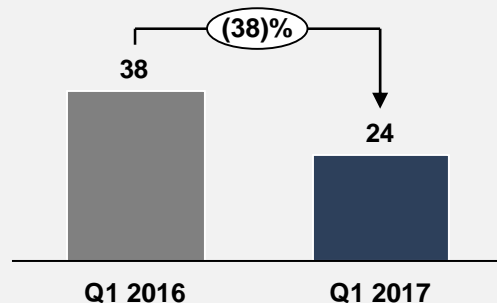


- Trade net working capital down 1% in currency-adjusted terms
- Inventories decrease in all three regions
- Double-digit inventory declines in the Americas and Asia/Pacific

Different timing of investments supports free cash flow performance

Capital expenditure

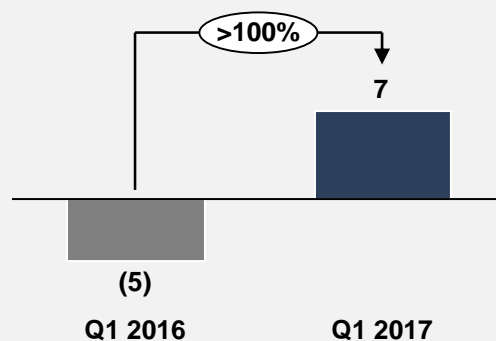
(in EUR million)



■ Decline reflects different timing of retail projects compared to the prior year

Free cash flow

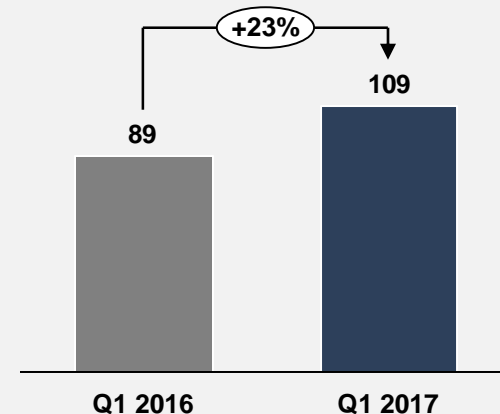
(in EUR million)



■ Increase due to profit growth, working capital improvements and lower investments

Net financial liabilities

(in EUR million)



■ Increase due to dividend payment in May 2016

Group sales remain largely stable in 2017

Sales by region*



Europe

Stable



Americas

Slight
decline



**Asia/
Pacific**

Slight
increase



Sales by channel*



Retail

Increase of up to mid
single-digit percentage
rate, comp store
sales -3% to +3%



Wholesale

Decline at a low
to mid single-digit
percentage rate



Licenses

Solid
growth



* On a currency-adjusted basis.

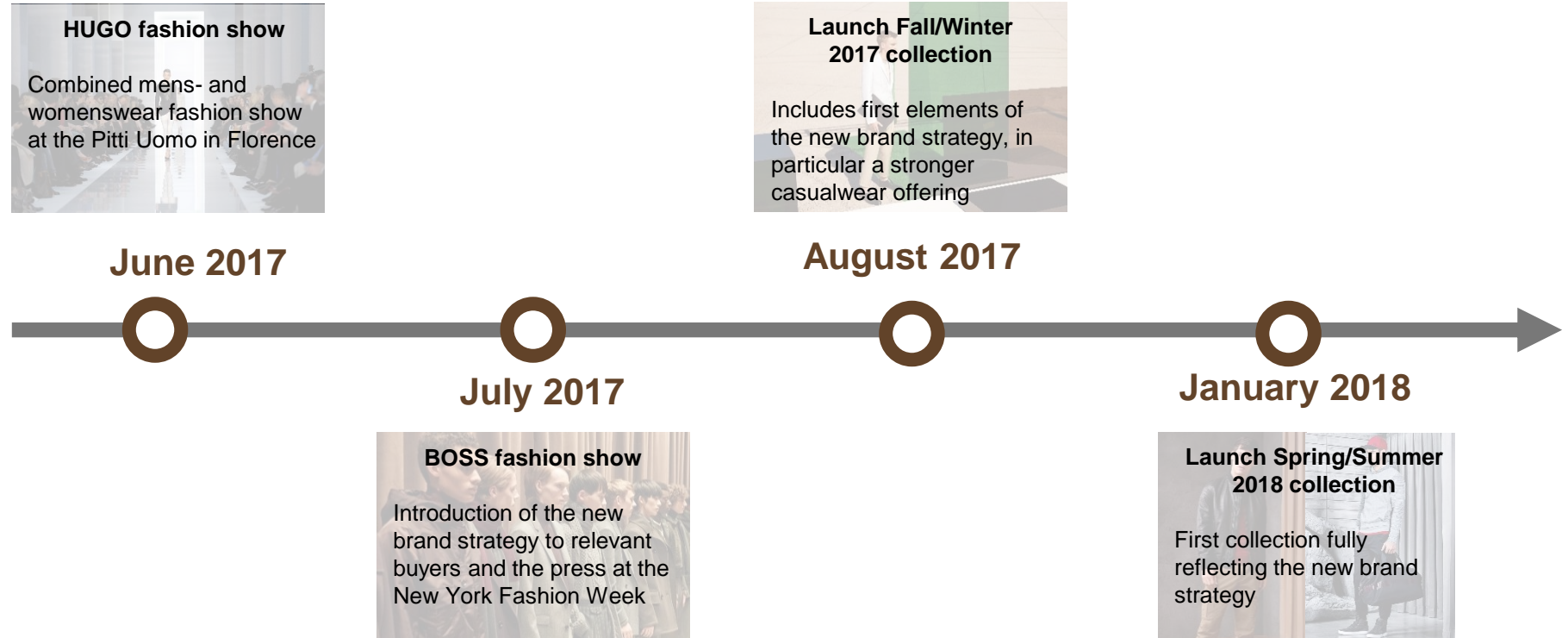
Full-year profit outlook reconfirmed



Sales*	Largely stable
Gross profit margin	Slight increase
EBITDA before special items	-3% to +3%
Consolidated net income	Low double-digit percentage rate increase
Capex	EUR 150 million to EUR 170 million
Free cash flow	Largely stable

* On a currency-adjusted basis.

Important milestones of new strategy implementation ahead



HUGO BOSS

Q&A



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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