

H U G O B O S S



INVESTOR DAY 2017

Group Strategy

Mark Langer –
Chief Executive Officer

Metzingen – August 2, 2017

Where we come from...



...and where we are going



VISION //

Be the most desirable premium fashion
& lifestyle brand.

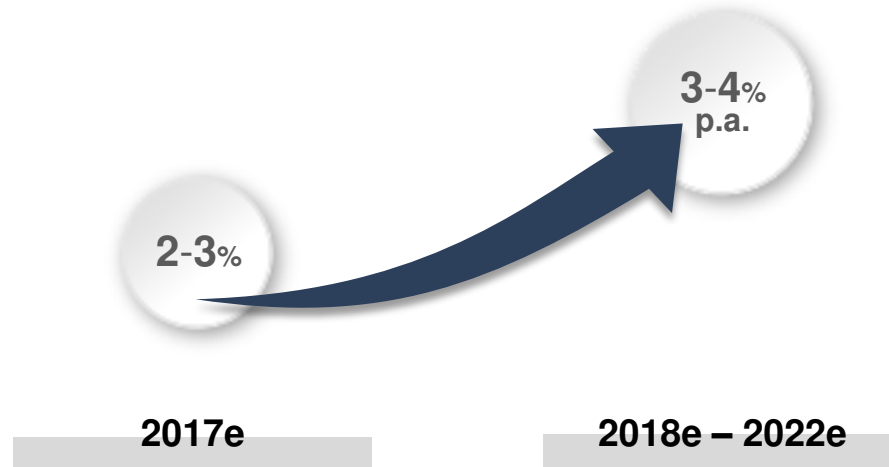
MISSION //

We inspire our customers' inner confidence with
impeccable style, superior quality and a captivating
brand experience.

Video streaming at the conference.

Industry environment marked by moderate growth and structural changes

Market growth outlook*



Structural changes and key trends

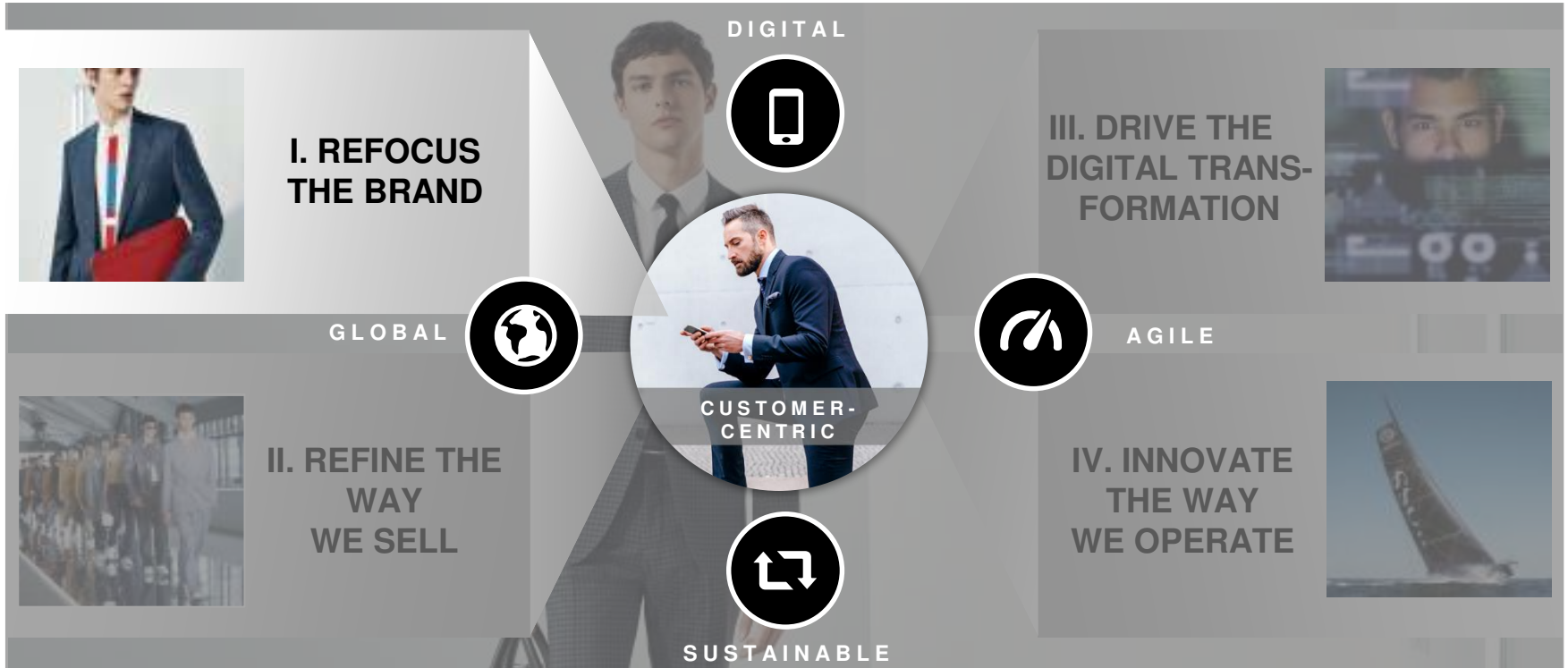
- Casualization of formalwear
- New ways of experiencing brands
- Immediacy and desire for constant newness
- Increasing online penetration

*HUGO BOSS estimate of relevant target market growth based on McKinsey/Business of Fashion: Global Fashion Index 2016, Bain/Altagamma: Luxury Spring Update 2017, BCG/Altagamma: The True-Luxury Global Consumer Insight 2017, Euromonitor

Strategic Fields of Action



Strategic Fields of Action



Two brands: BOSS vs. HUGO

#THISISBOSS



TWO BRANDS

TWO TARGET CUSTOMERS

#IAMHUGO

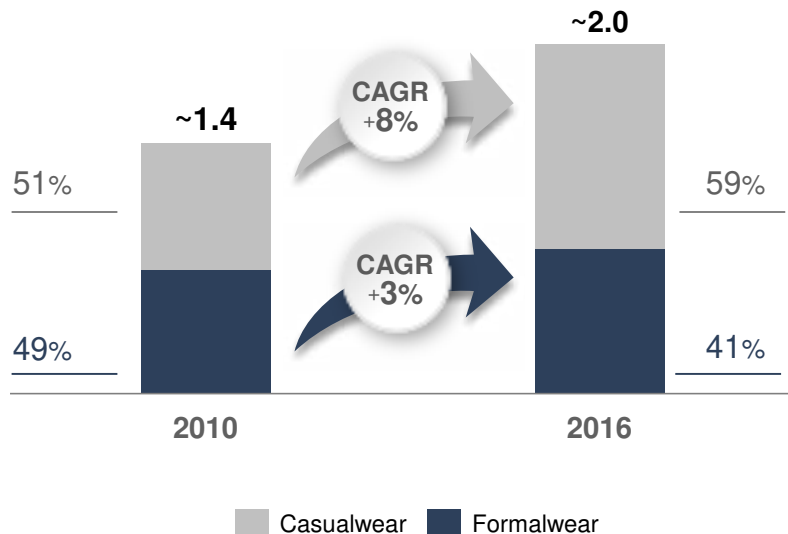


TWO BRAND IDENTITIES

BOSS: Upgrade of casualwear and new interpretation of formalwear

Split of BOSS brand sales by segment

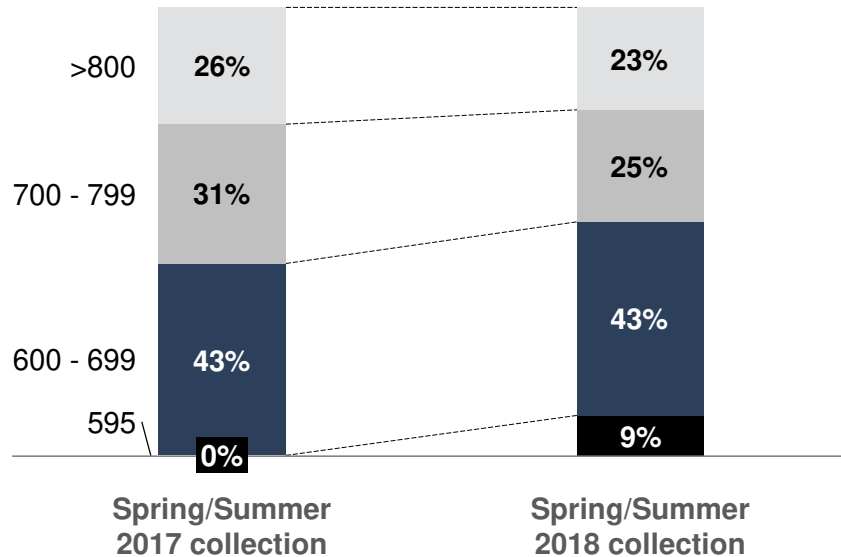
In EUR billion



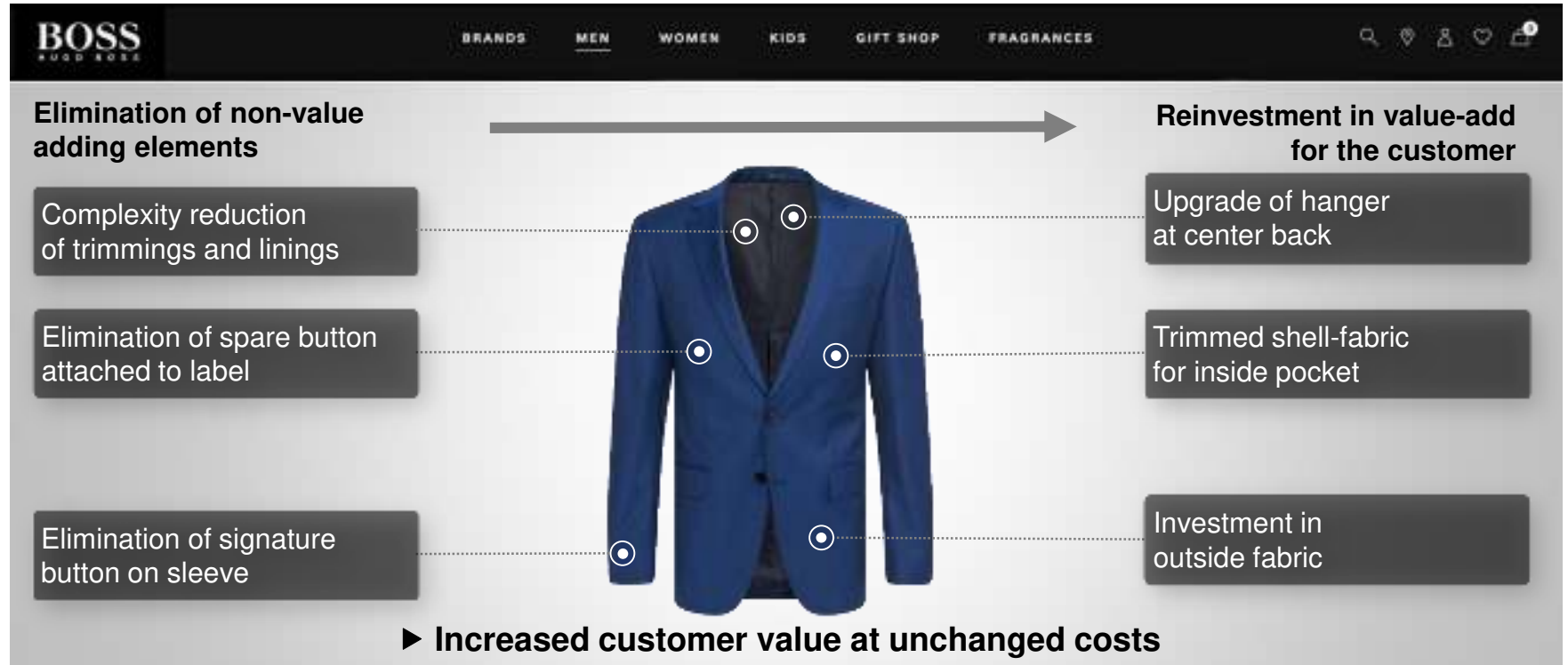
BOSS: Rebalanced offer takes advantage of BOSS core strength in upper premium

Suit offer by price point

Based on number of styles offered in France, in % of total



BOSS: Strictly customer-centric approach in collection development



BOSS: Uncompromising focus on superior quality

- Better fabrics and trimmings
- Expansion of Made in Germany suit offering
- Strict quality controls throughout the entire product life cycle



Two brands: BOSS vs. HUGO

#THISISBOSS



#IAMHUGO

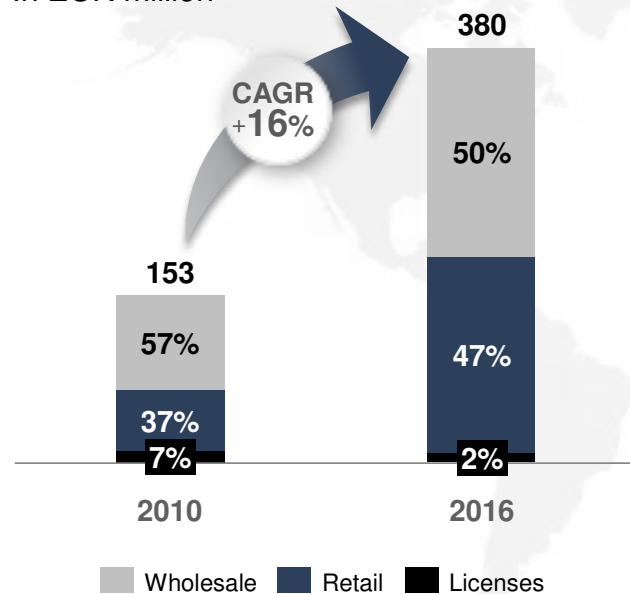


TWO BRANDS | TWO TARGET CUSTOMERS | TWO BRAND IDENTITIES

HUGO: Growth significantly above industry average in recent past

HUGO sales split by channel

In EUR million




- Strong position in central European markets
- Short-term growth focus on other European markets
- Ambition to grow in the US and key Asian markets

HUGO: Refined brand positioning receives strong feedback



HUGO: Refined brand positioning receives strong feedback



“The HUGO show was sheer perfection.”

Huffington Post US, June 15, 2017

“The way this collection was focusing on wide cuts and light fabrics really resonated with us!”

Moritz & Oliver Lips, Social Influencer

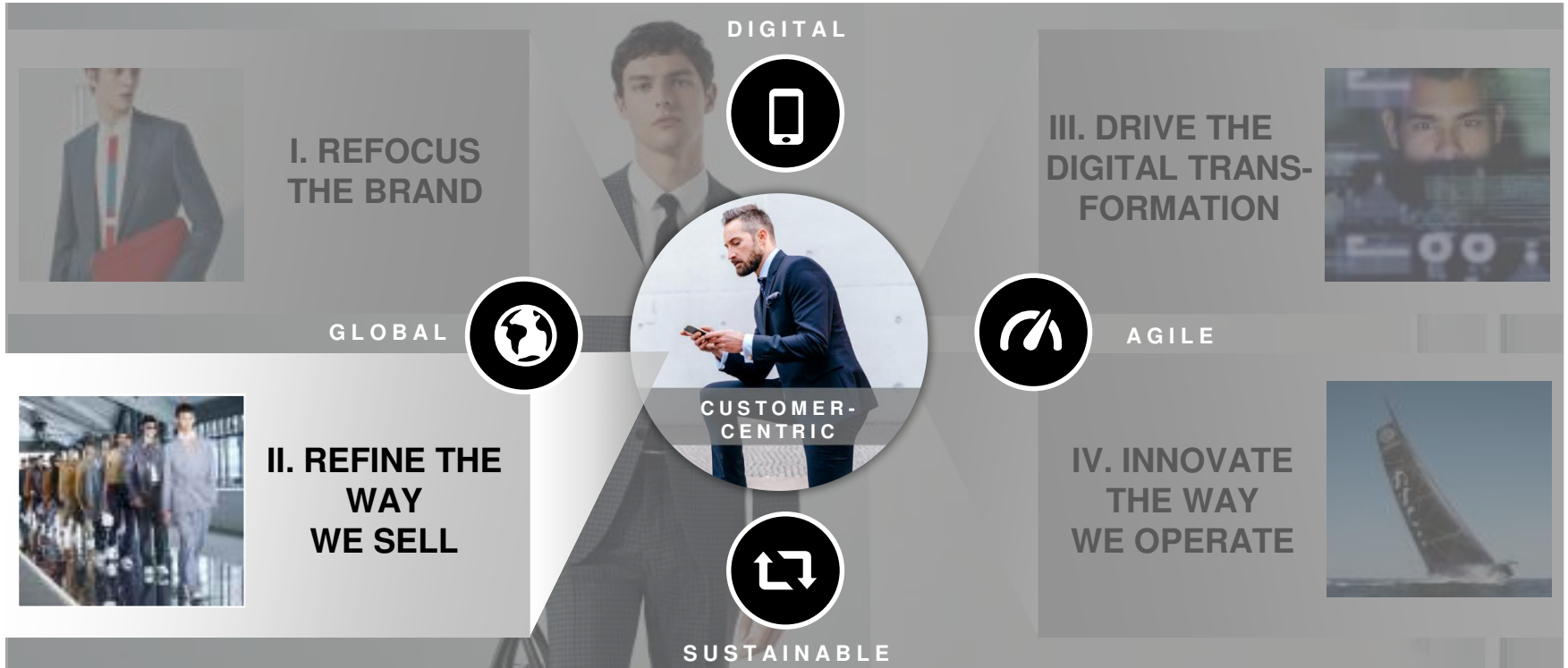
“It’s a divisive look, but at a time when men’s fashion is getting more feminine, it isn’t impossible to picture a downtown guy trying out that look.”

Vogue Runway, June 23, 2017

HUGO: Full calendar of events to drive brand excitement



Strategic Fields of Action



Three key distribution priorities

1

Increase own retail sales productivity

2

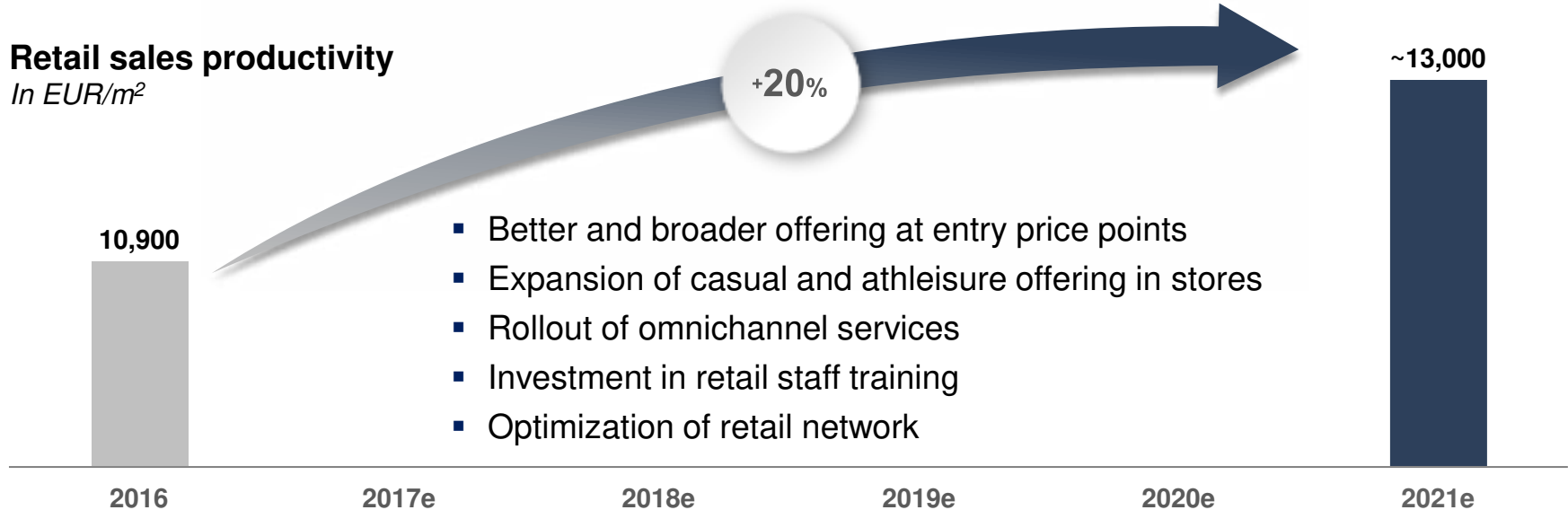
Exploit the full potential of online

3

Further integrate distribution across all channels

Retail sales productivity

In EUR/m²



Three key distribution priorities

1

Increase own retail sales productivity

2

Exploit the full potential of online

3

Further integrate distribution across all channels



Three key distribution priorities



Increase own retail sales
productivity



Exploit the full potential of online

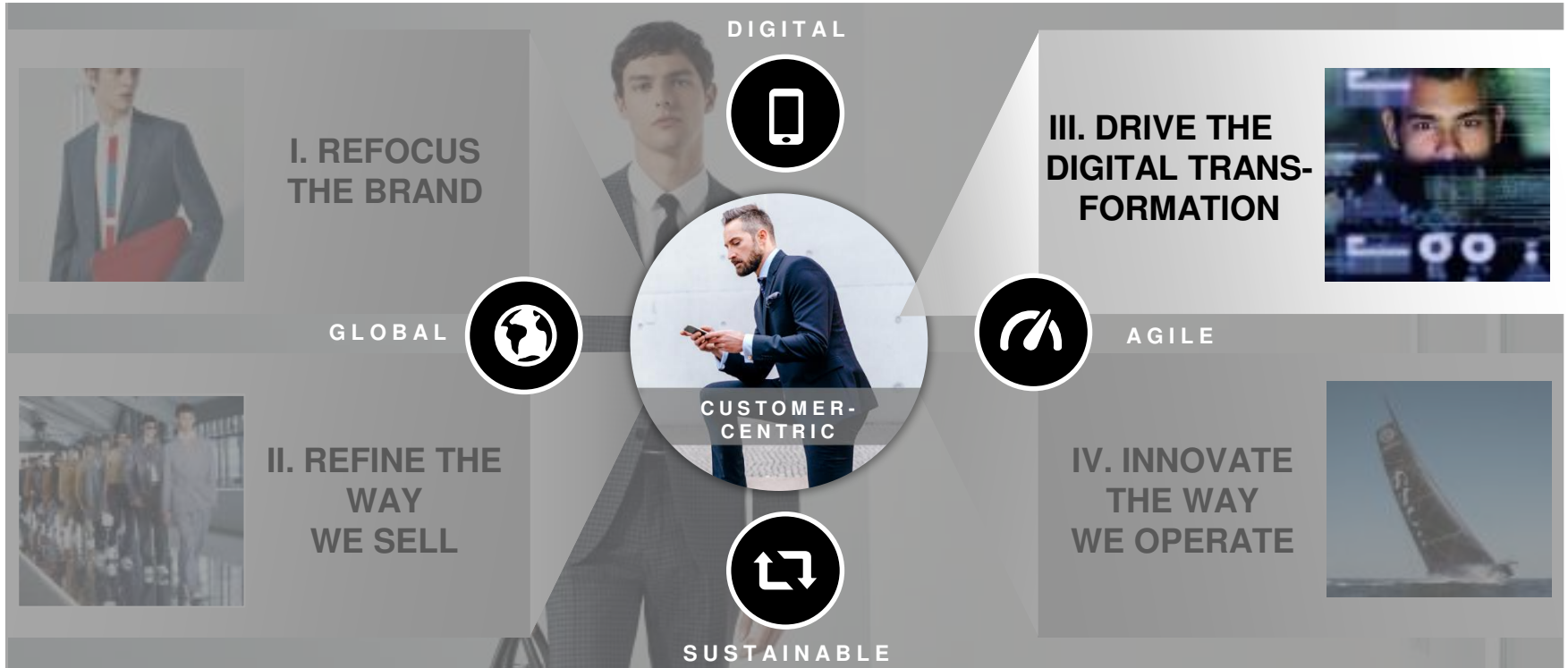


Further integrate distribution
across all channels

90

% of European retail business omnichannel-enabled

Strategic Fields of Action



Digital transformation comprises the entire value chain



**Product & collection
development**



**Sourcing
and production**



**Distribution
and logistics**



**Own retail and
wholesale distribution**

Increasing use of virtual prototyping accelerates collection development

- Improved communication flow with suppliers
- Reduction of mock-ups and prototypes
- 100% of HUGO shirt, neckwear and knitwear offering digitalized



Production facility in Izmir is developing into a “smart factory”



Key elements of logistics infrastructure upgraded or renewed

European flat-packed goods
distribution center
Filderstadt, Germany

New construction
completed in 2014



US distribution center
**Midway (Georgia),
United States**

SAP implementation
completed in 2017



2014

2016

2017

European e-Com and
B-pool distribution center
**Wendlingen,
Germany**

Refurbishment
completed in 2016



New store concepts create strong link between physical and digital retailing



New store concepts create strong link between physical and digital retailing



HUGO
HUGO BOSS

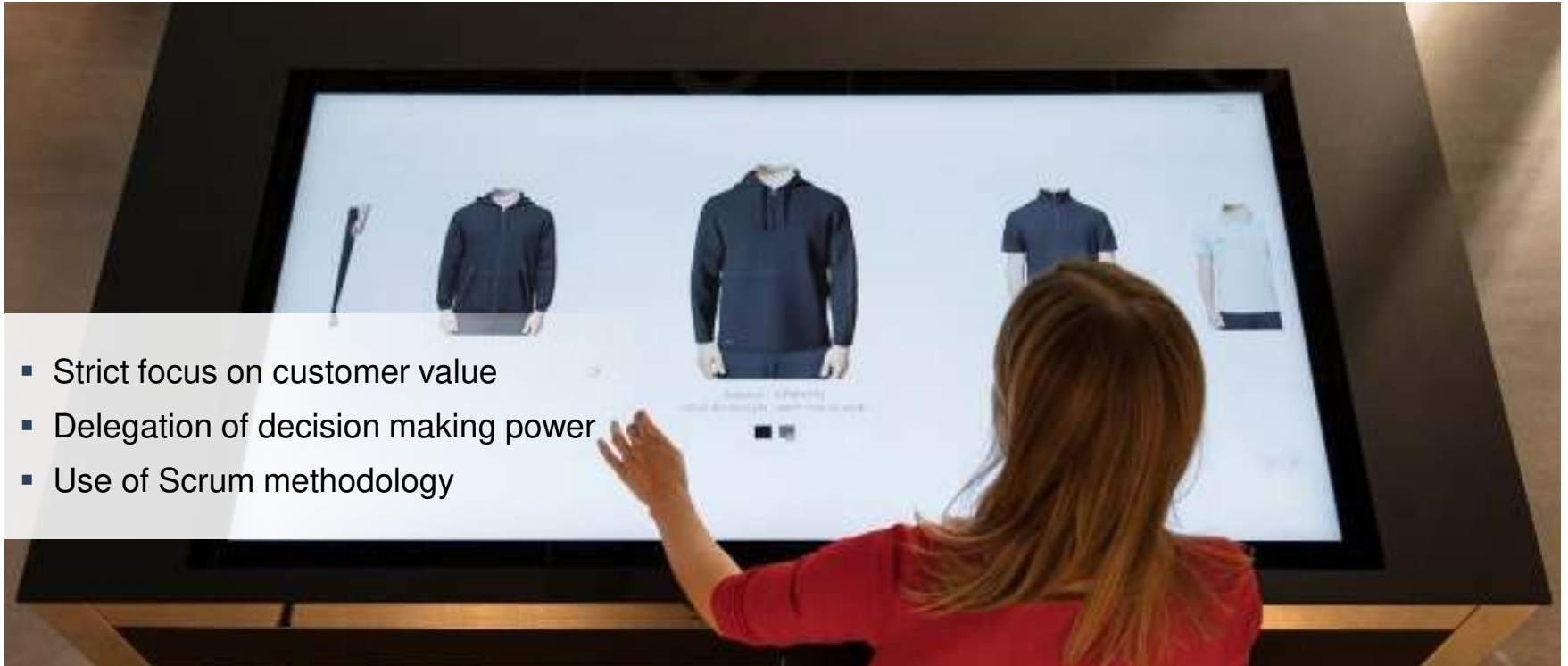
HUGO digital showroom with full order functionality starting October 2017



Strategic Fields of Action



Digital showroom development demonstrates adoption of new ways of working



- Strict focus on customer value
- Delegation of decision making power
- Use of Scrum methodology

Senior management changes bring new expertise to the company



Filippo Bernasconi
Director Brand & Creative Management
Shoes and Leather
(formerly at Bally)



Tony Lucia
President and CEO, USA
(G-Star, Escada)



Linda Dauriz
Director Customer Experience & Corporate Development
(McKinsey & Company)



Neil Melgaard-Lewty
Senior Head of Design
Menswear Smart Casual
(Tommy Hilfiger, MEXX)

Dr. Marcus Meyer
Managing Director
Central Markets
(Navyboot, Geox)



Richard Lloyd-Williams
Director of Digital Transformation
(NET-A-PORTER)



Yves Müller appointed Chief Financial Officer



Responsibilities // Controlling, Finance, Central Services,
Investor Relations and IT

2006 – 2017: CFO at Tchibo

1999 – 2006: Head of group accounting and IT at Tchibo

1994 – 1999: Auditor at Arthur Andersen

HUGO BOSS will further strengthen its position in the premium apparel industry

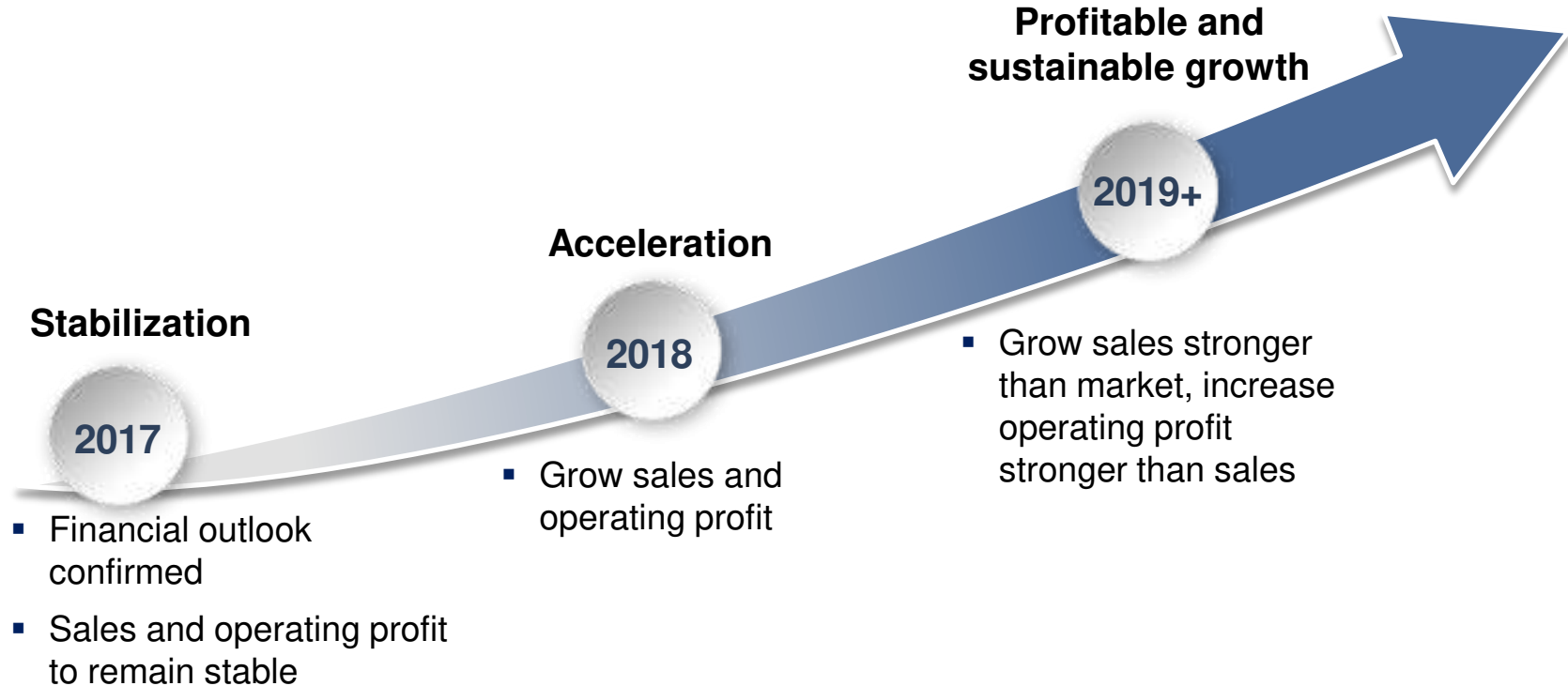


BOSS and HUGO will outgrow their respective market segments

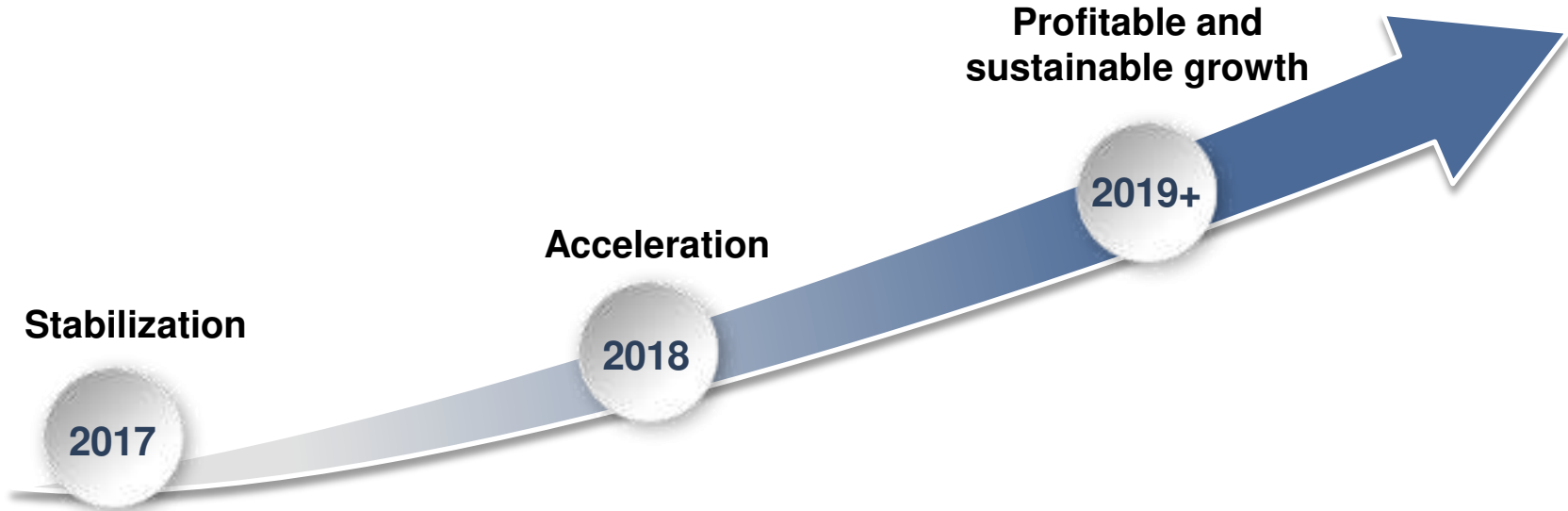
Refined strategy will elevate brand desirability and customer experience

Agility will become key feature of the operating model

Strategy execution will drive profitable and sustainable growth



Strategy execution will drive profitable and sustainable growth



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