HUGO BOSS

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Oddo BHF Roadshow

BRUSSELS MAY 23, 2018

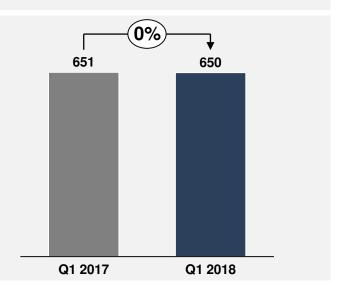




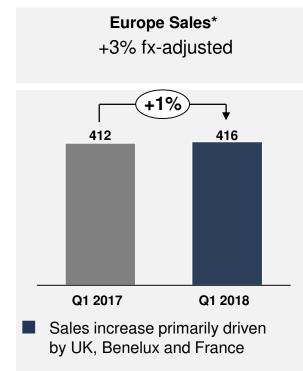
HUGO BOSS records solid currency-adjusted sales growth in the first quarter



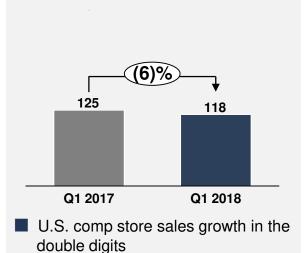




All regions contribute to currency-adjusted Group sales growth



Americas Sales* +7% fx-adjusted



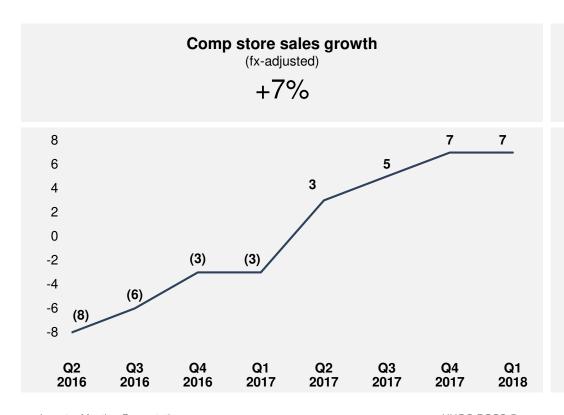
Asia/Pacific Sales* +12% fx-adjusted

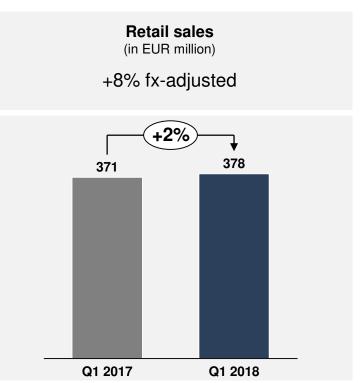


Strong recovery in Hong Kong and Macau contributes to sales increase in China

^{*}in EUR million

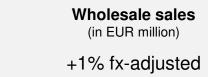
First quarter performance confirms good momentum in own retail

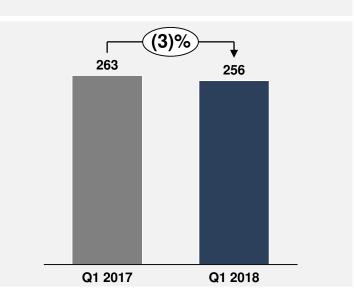




Mixed sales trends in the wholesale channel

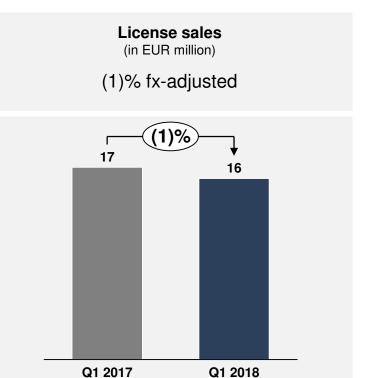
- Declines in the Americas offset by Europe
- Online outperforms the physical channel
- Challenging overall market conditions set to continue





Sales decline in the quarter masks positive outlook for license business

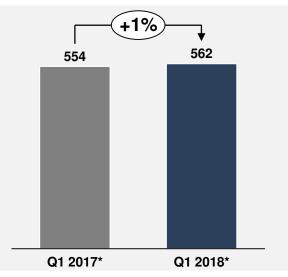




Casualwear grows disproportionately at both brands

- Collection upgrade drives growth of BOSS Casualwear
- Strategic distribution changes impact HUGO sales
- Menswear up 6%, womenswear down 3%







(6)% fx-adjusted

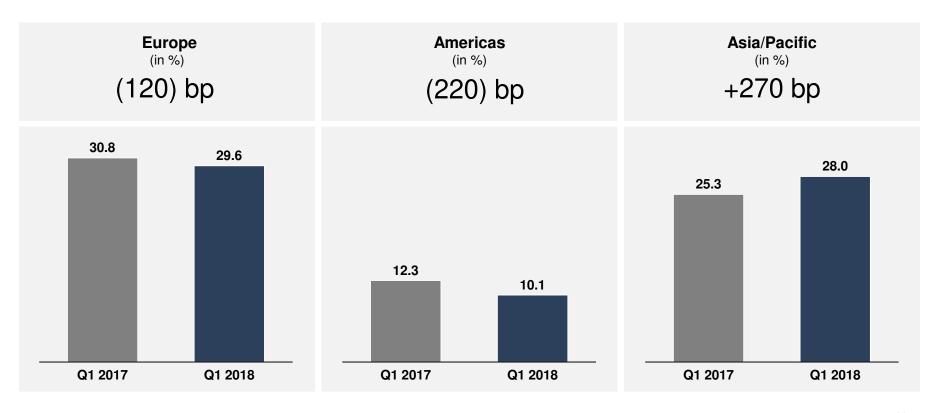


*in EUR million.

Operating expense decline supports EBITDA growth

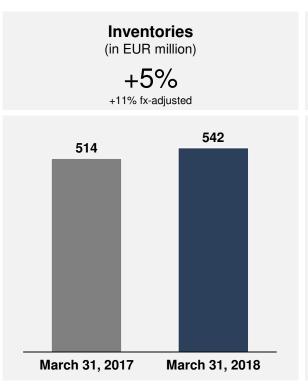


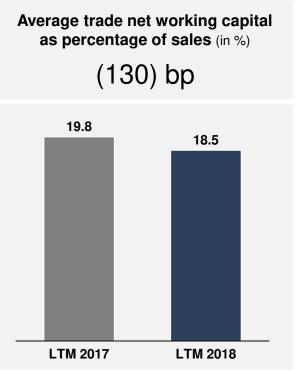
Margin in Asia/Pacific expands strongly



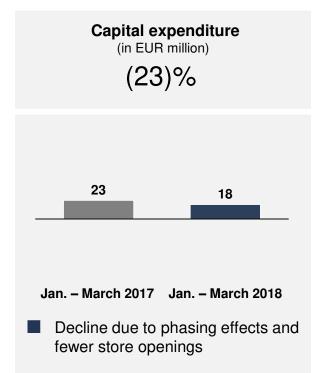
Inventory development normalizes following significant declines in 2017

- Inventory growth to support future sales increases in own retail
- Trade net working capital up 3% on a currency-adjusted basis
- Ratio of working capital to sales still significantly below prior-year level

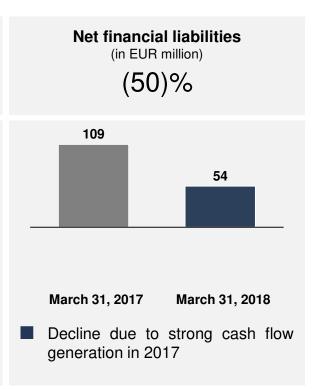




Working capital build-up affects free cash flow in seasonally small quarter

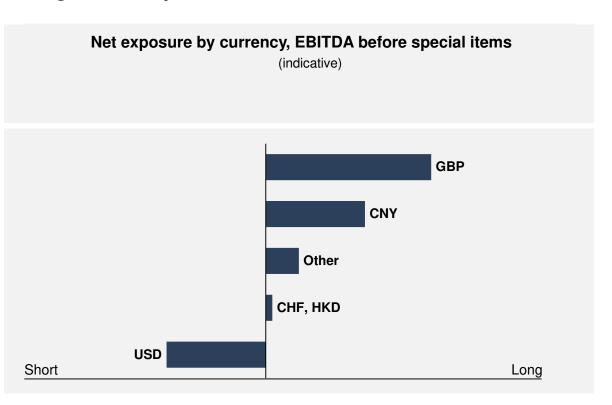






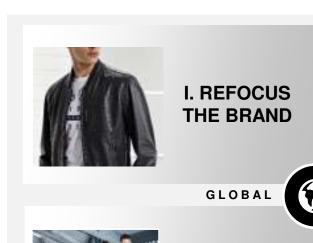
Exchange rate effects are impacting the Group's financial results

- Translation of foreign subsidiary results and split of sourcing operations create currency risks
- Impact from euro appreciation versus British pound and Chinese yuan
- Impact on EBITDA before special items amounted to around EUR 20 million in 2017, around EUR 10 million in 2018e





Group strategy focuses on four fields of action



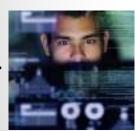


II. REFINE THE WAY **WE SELL**





III. DRIVE THE **DIGITAL TRANS-FORMATION**



AGILE

IV. INNOVATE THE WAY **WE OPERATE**



Strategic Fields of Action



Two brands: BOSS and HUGO

#THISISBOSS



TWO BRANDS

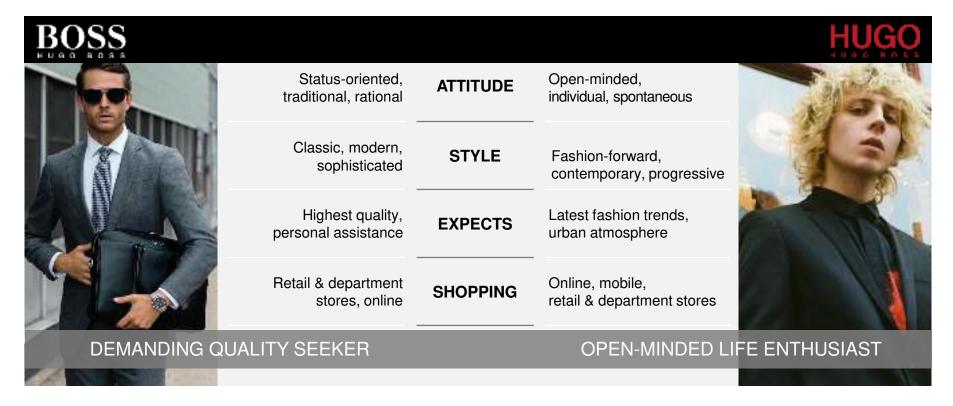
TWO TARGET CUSTOMERS

#IAMHUGO



TWO BRAND IDENTITIES

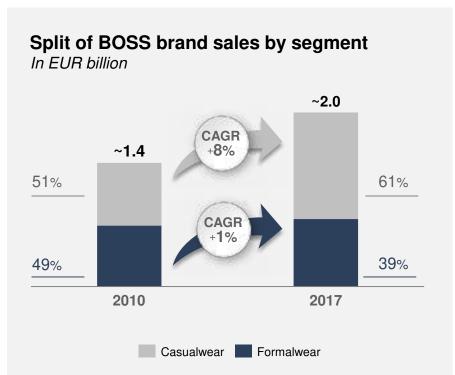
BOSS and HUGO customers have different attitudes towards fashion



BOSS and HUGO are distinct brands based on a common set of values

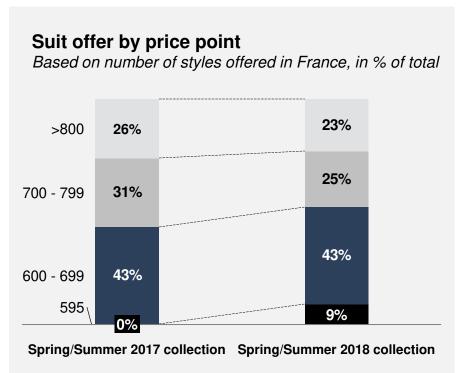


BOSS: Upgrade of casualwear and new interpretation of formalwear



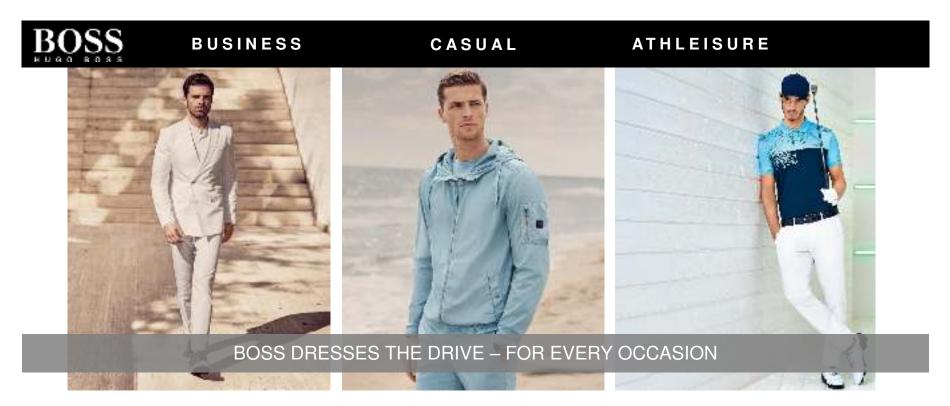


BOSS: Rebalanced offer takes advantage of BOSS core strength in upper premium





BOSS Menswear collection spans three wearing occasions



BOSS Womenswear collection consists of Business and Casual



Business and Casual form HUGO Menswear



HUGO IS THE PLATFORM OF SELF-EXPRESSION - FOR EVERY OCCASION

...and HUGO Womenswear collections



HUGO IS THE PLATFORM OF SELF-EXPRESSION - FOR EVERY OCCASION

Positive feedback on BOSS fashion shows

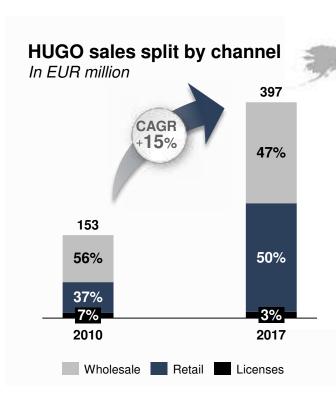




Florence fashion show marks the start of a new era for HUGO



HUGO has grown significantly above industry average in recent past

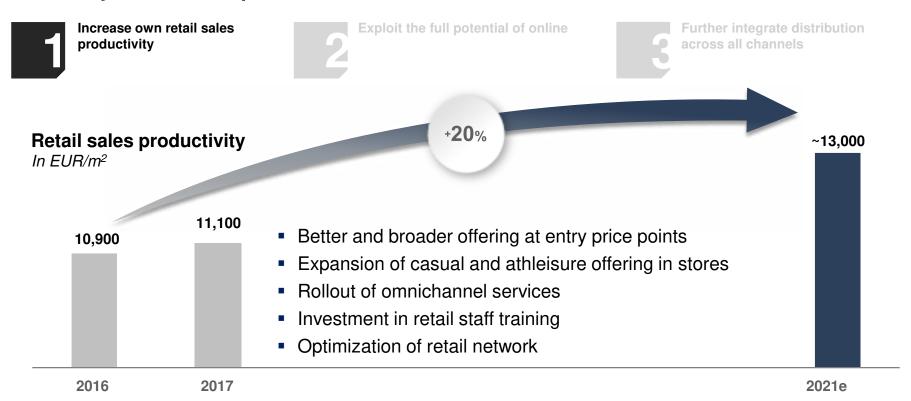


- Strong position in central European markets
- Short-term growth focus on other European markets
- Ambition to grow in the US and key Asian markets

Strategic Fields of Action



Three key distribution priorities



Three key distribution priorities



Increase own retail sales productivity



Exploit the full potential of online



Further integrate distribution across all channels



Fulfillment Partner (insourced in 2016) hugoboss.com

onlinepureplay.com

departmentstore.com

Social commerce



Improvements to hugoboss.com site will propel growth of online business



Increase own retail sales productivity



Exploit the full potential of online



Further integrate distribution across all channels





Omnichannel services link online and physical retailing



Increase own retail sales productivity



Exploit the full potential of online



Further integrate distribution across all channels



Store renovations will upgrade own retail network



Openings

- 15-20 freestanding store openings will strengthen the network
- This includes the opening of around 10 HUGO stores



Closures

 Store closures based on expiration of rental contract



Renovations

- Renovations to account for the bulk of retail investments
- Around 150 POS renovations planned in 2018

Own retail selling space will remain largely stable going forward

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

HUGO will launch first fully digitally designed capsule



Production facility in Izmir is developing into a "smart factory"



Product and collection development | Sourcing and production | Distribution and logistics | Sales

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





Strategic Fields of Action



HUGO contributes to the transformation of the Group's culture

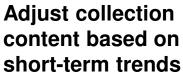


HUGO digital showroom rolled out in more European markets



Speed drives commercial success

Replenish sold-out bestsellers in-season





Become more flexible in our approach towards seasons

Demand-driven supply

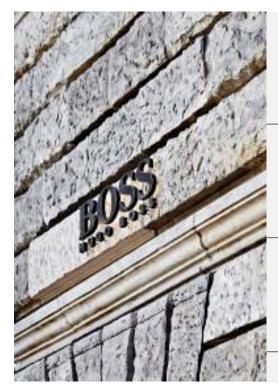
Supplement the regular collection development process with a fast track concept which reduces the time to market to weeks rather than months



Key principles of financial management reconfirmed



All regions and distribution channels will contribute to sales growth in 2018



Europe	Retail

Increase at a low to mid single-digit percentage rate

Increase at a mid single-digit percentage rate

Americas

Increase at a low single-digit percentage rate

Wholesale

Increase at a low single-digit percentage rate

Asia/Pacific

Increase at a mid to high single-digit percentage rate

Licenses

Increase at a mid single-digit percentage rate

Outlook 2018: Growth set to accelerate compared to 2017 levels



Group sales	Consolidated net income
Increase at a low to mid single-digit percentage rate (fx-adjusted)	Increase at a low to mid single-digit percentage rate
Gross profit margin	Capital expenditure
Largely stable	EUR 170 million to EUR 190 million
EBITDA (before special items)	Free cash flow

Strategy execution will drive profitable and sustainable growth

Profitable and sustainable growth

2019+

Stabilization

2017

Sales up 3%*, stable operating profit

2018

Acceleration

 Sales forecasted to increase in the low to mid single-digits*, broadly in line with the market, operating profit should remain approximately stable

 Grow sales stronger than market, increase operating profit stronger than sales



Sales by region and major markets

Share of Group sales*



Europe (incl. Middle East/Africa)

62%

Germany: 18%
Great Britain: 12%
France: 6%
Benelux: 5%
Other: 21%



Americas

21%

15%

Canada: 3% Central & South America: 3%

U.S.:



Asia/Pacific

14%

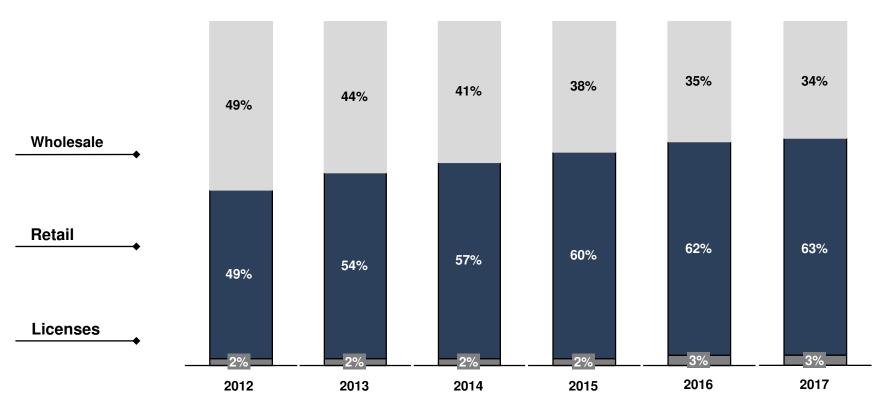
 China:
 8%

 Oceania:
 2%

 Japan:
 2%

 Other:
 2%

Sales by distribution channel



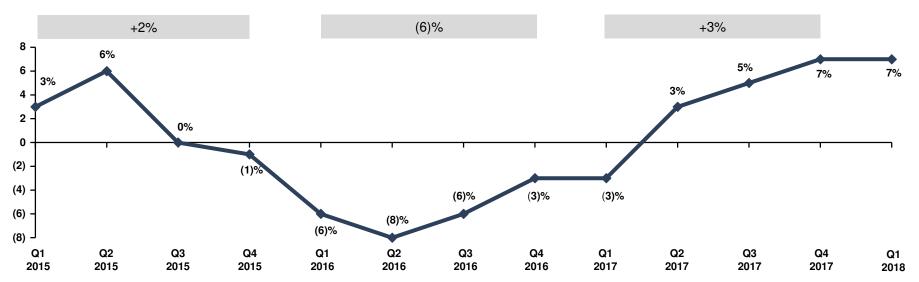
315

Number of Group's own retail stores by region



Retail comp stores sales

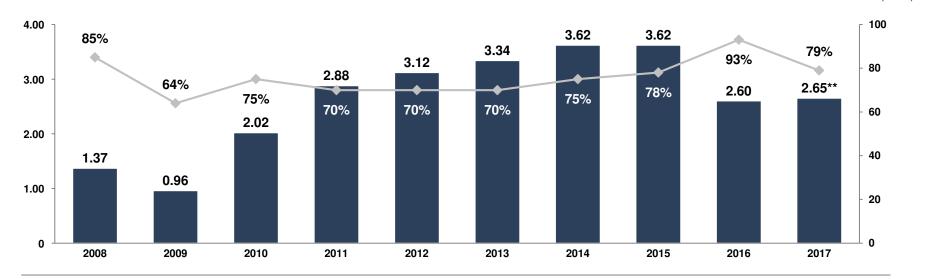
Retail I-f-I sales development*



Dividend policy

Dividend per share and payout ratio* (in EUR)

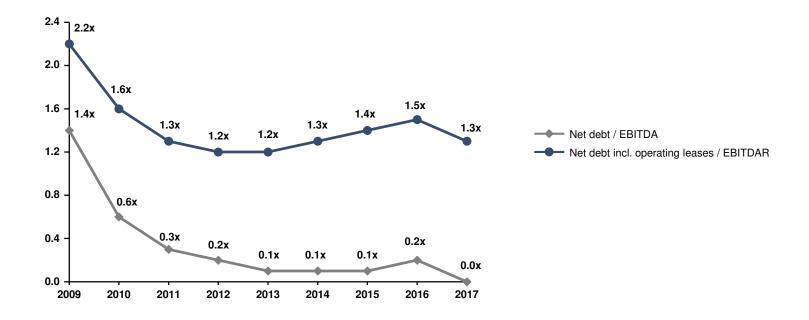
(in %)



▶ Dividend policy of paying out between 60% and 80% of consolidated net income reconfirmed

^{*} As a percentage of net income attributable to shareholders ** Proposal for fiscal year 2017

(Adjusted) financial leverage

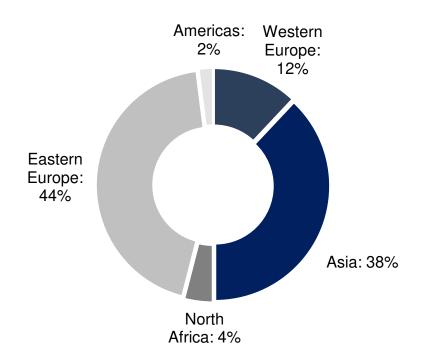


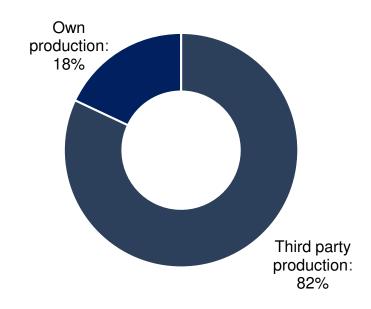
Operating leases EBITDAR

= Future committed operating lease obligations capitalized according to S&P methodology

= EBITDA + minimum rents + contingent rents

Sourcing and production structure*





Multi-Year overview

	2017	2016	2015	2014	2013
Sales	2.733	2.693	2.809	2.572	2.432
Gross profit	1.808	1.777	1.853	1.699	1.580
Gross profit margin in %	66,2	66,0	66,0	66,1	64,9
EBITDA	499	433	590	572	561
EBITDA before special items	491	493	594	591	565
Adjusted EBITDA margin in %1	18,0	18,3	21,2	23,0	23,2
EBIT	341	263	448	449	456
Net income	231	194	319	333	329
Trade net working capital	459	524	528	503	432
Non-current assets	662	752	765	660	612
Shareholders equity	915	888	956	844	740
Equity ratio in %	53	49	53	51	49
Total assets	1.720	1.799	1.800	1.662	1.501
Free cash flow	294	220	208	268	230
Net debt	7	113	82	36	57
Сарех	128	157	220	135	185
Depreciation/amortization	158	170	142	123	105
Total leverage ²	0,0	0,2	0,1	0,1	0,1
Dividend	183 ³	179	250	250	231

¹ EBITDA before special items/Sales.

² Net financial liabilities/EBITDA before special items.

³ Dividend proposal.

Analyst coverage

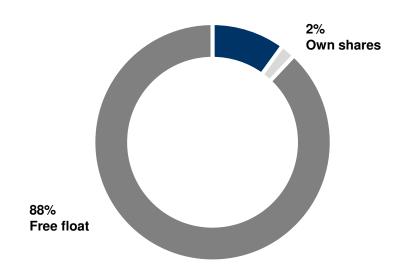
The HUGO BOSS AG share is covered by the following financial analysts:

Institution	Analyst		
Baader Bank	Volker Bosse		
Bankhaus Lampe	Peter Steiner		
Bank of America Merrill Lynch	Ashley Wallace		
Berenberg Bank	Zuzanna Pusz		
Bloomberg Intelligence	Chris Chaviaras		
Bryan Garnier	Cédric Rossi		
Citigroup	Thomas Chauvet		
Commerzbank	Andreas Riemann		
Credit Suisse	Guillaume Gauville		
Deutsche Bank	Warwick Okines		
DZ Bank	Herbert Sturm		
equinet	Mark Josefson		
Equita	Fabio Fazzari		
Evercore ISI	Omar Saad		
Exane BNP Paribas	Luca Solca		
Goldman Sachs	Alberto D'Agnano		
Hamburger Sparkasse	Christian Hamann		

Institution	Analyst		
Hauck & Aufhäuser	Christian Salis		
HSBC	Antoine Belge		
Intermonte	Daniele Alibrandi		
Invest Securities	Peter Farren		
J.P. Morgan	Melanie Flouquet		
Kepler Cheuvreux	Jürgen Kolb		
LBBW	Thomas Hofmann		
M.M. Warburg	Jörg Philipp Frey		
Macquarie	Andreas Inderst		
MainFirst	John Guy		
Mirabaud Securities	Alessandro Migliorini		
Morgan Stanley	Elena Mariani		
Oddo BHF	Nicolas Kieffer		
RBC	Piral Dadhania		
Société Générale	Thierry Cota		
UBS	Fred Speirs		

Shareholder structure*

10% PFC S.r.l. / Zignago Holding S.p.A.



Financial Calendar 2018 and Investor Relations contact

Date	Event
August 2, 2018	Second Quarter Results 2018 & First Half Year Report 2018
November 6, 2018	Third Quarter Results 2018
November 15, 2018	Investor Day in London

Investor Relations Contact

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Forward looking statements contain risks

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