

H U G O B O S S

HUGO BOSS

Goldman Sachs Roadshow

Yves Müller, CFO

Paris, June 15, 2018



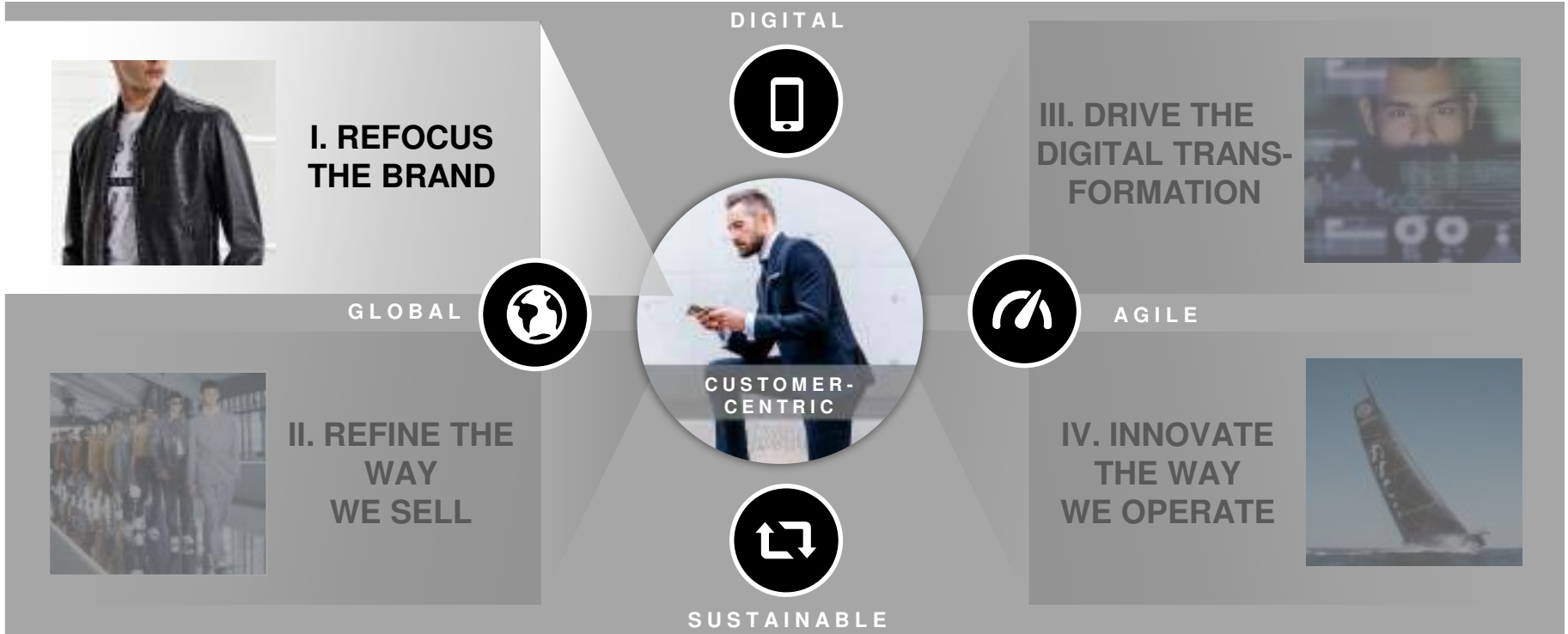


GROUP STRATEGY

Group strategy focuses on four fields of action



Strategic Fields of Action



Two brands: BOSS and HUGO

#THISISBOSS



TWO BRANDS





#IAMHUGO



TWO TARGET CUSTOMERS

TWO BRAND IDENTITIES

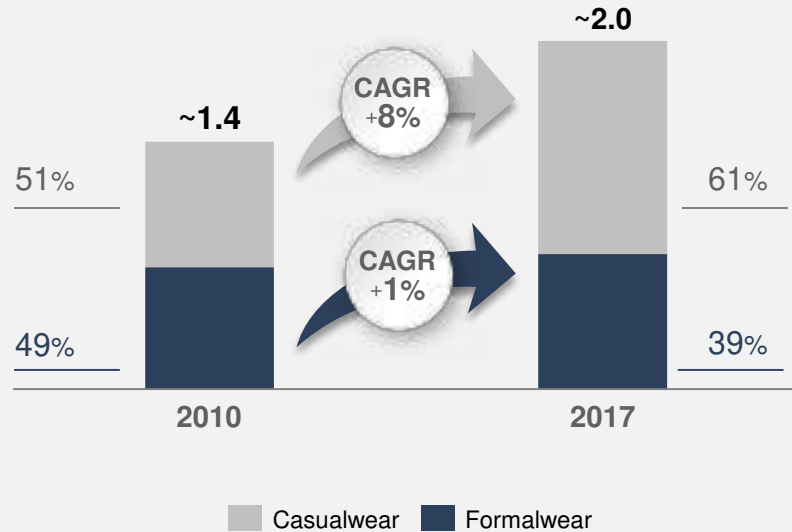
BOSS and HUGO customers have different attitudes towards fashion

| | | | | |
|--|---|---|---|---|
|  | | | |  |
|  | <p>Status-oriented, traditional, rational</p> | <p>ATTITUDE</p> | <p>Open-minded, individual, spontaneous</p> |  |
| | <p>Classic, modern, sophisticated</p> | <p>STYLE</p> | <p>Fashion-forward, contemporary, progressive</p> | |
| | <p>Highest quality, personal assistance</p> | <p>EXPECTS</p> | <p>Latest fashion trends, urban atmosphere</p> | |
| | <p>Retail & department stores, online</p> | <p>SHOPPING</p> | <p>Online, mobile, retail & department stores</p> | |
| <p>DEMANDING QUALITY SEEKER</p> | | <p>OPEN-MINDED LIFE ENTHUSIAST</p> | | |

Athleisure influence runs through the core of the BOSS collection

Split of BOSS brand sales by segment

In EUR billion



Global pricing architecture implemented to ensure global brand positioning



Americas

- ▶ Pricing remained virtually unchanged

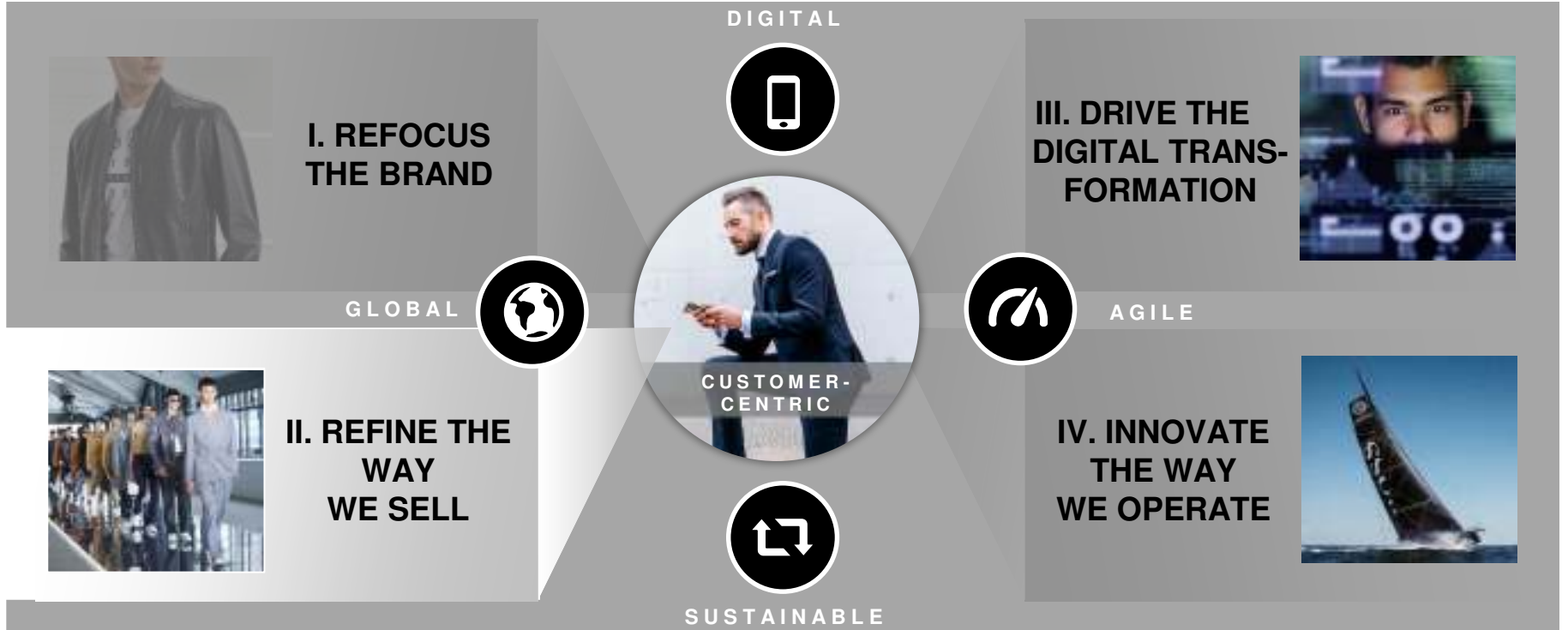
Europe

- ▶ All European countries now fully aligned

Asia

- ▶ Price gap narrowed to European levels

Strategic Fields of Action

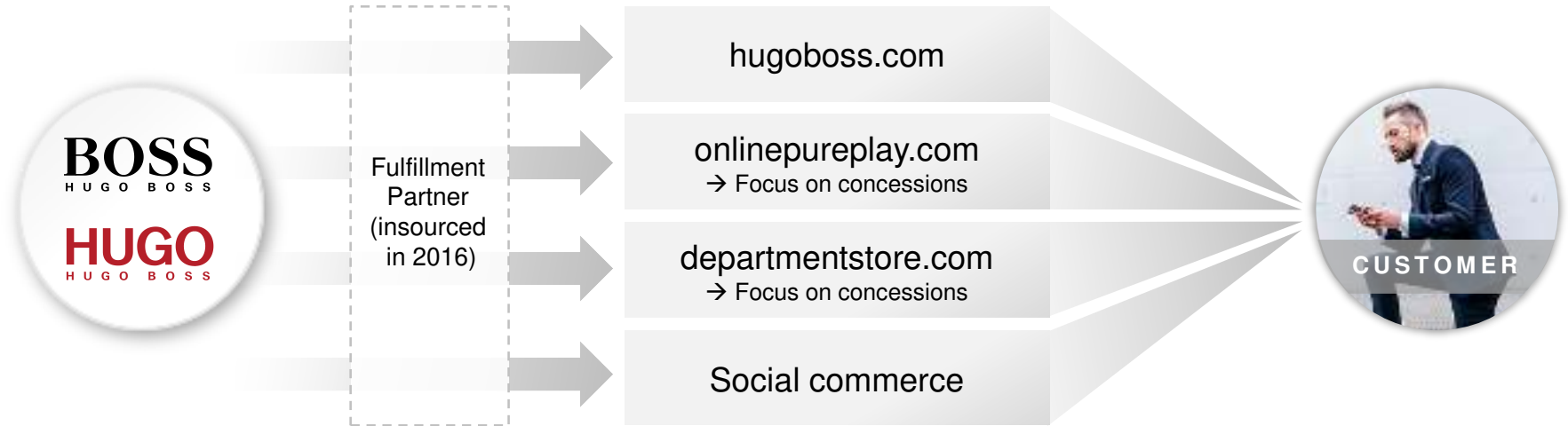


Three key distribution priorities

1 Exploit the full potential of online

2 Increase own retail sales productivity

3 Further integrate distribution across all channels



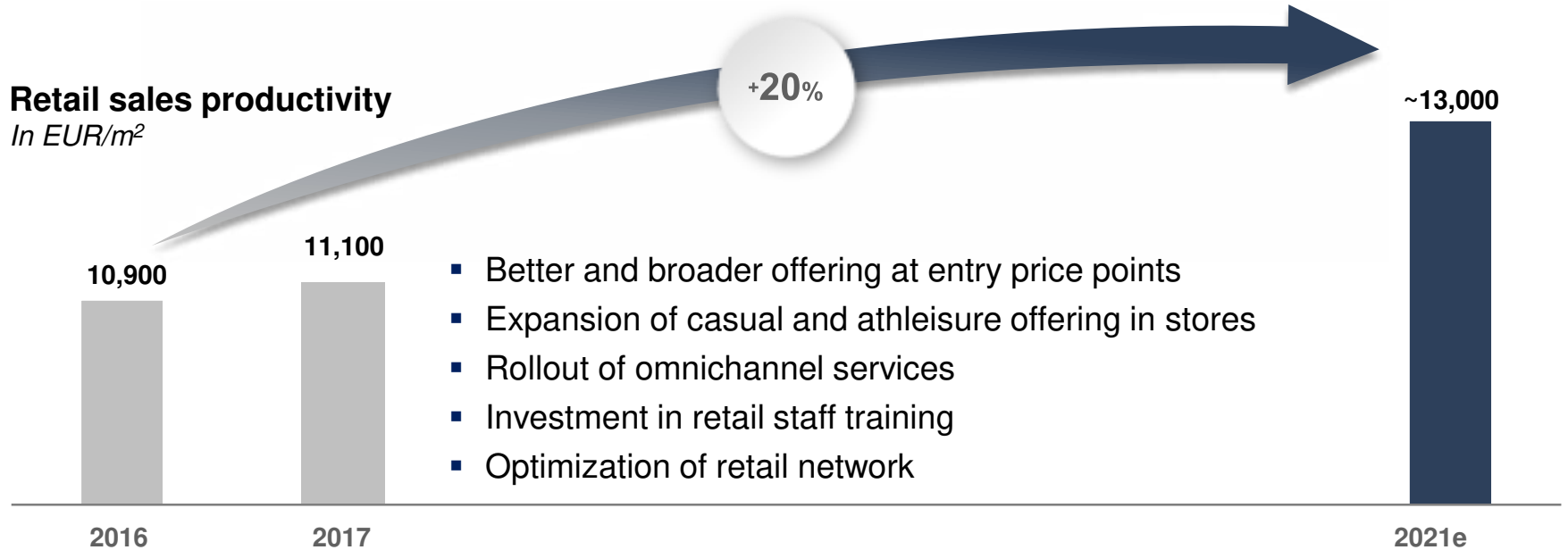
Three key distribution priorities

1 Exploit the full potential of online

2 Increase own retail sales productivity

3 Further integrate distribution across all channels

Retail sales productivity *In EUR/m²*



Omnichannel services link online and physical retailing

1

Exploit the full potential of online



2

Increase own retail sales productivity



3

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

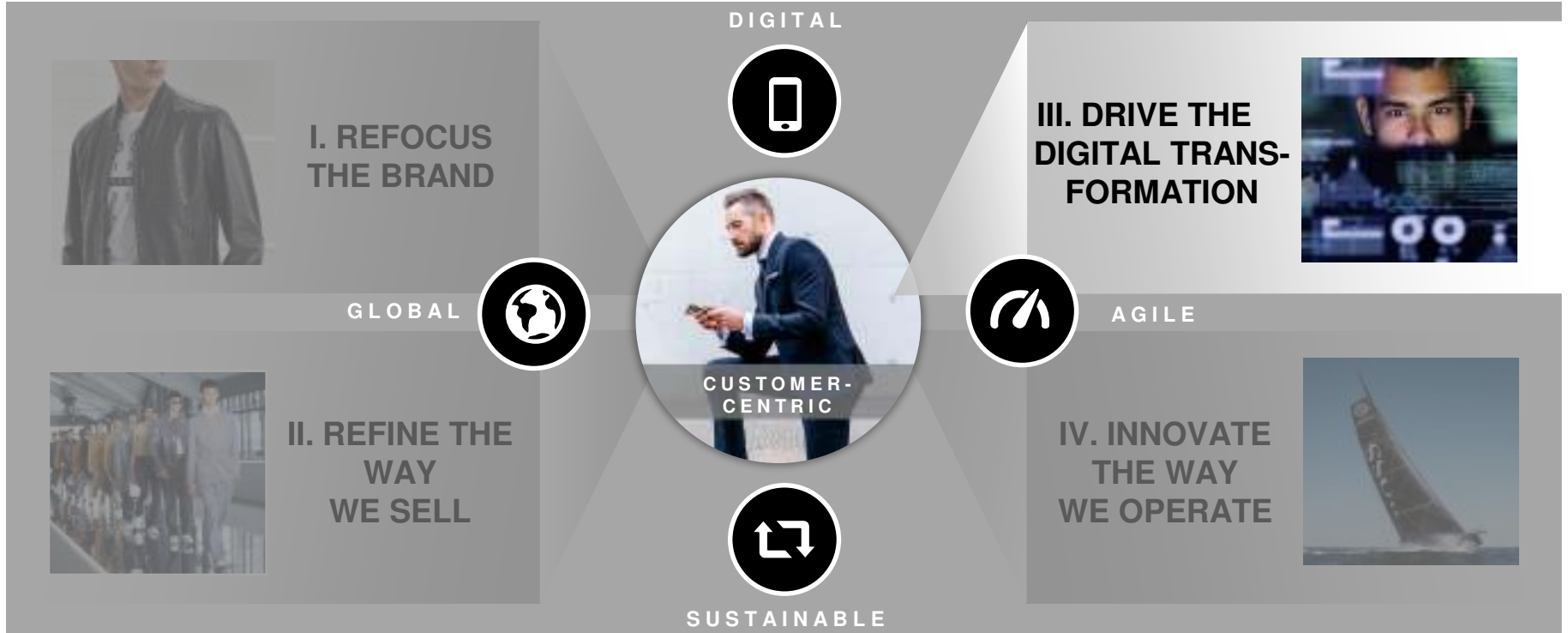


Renovations

- Renovations to account for the bulk of retail investments

► **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**

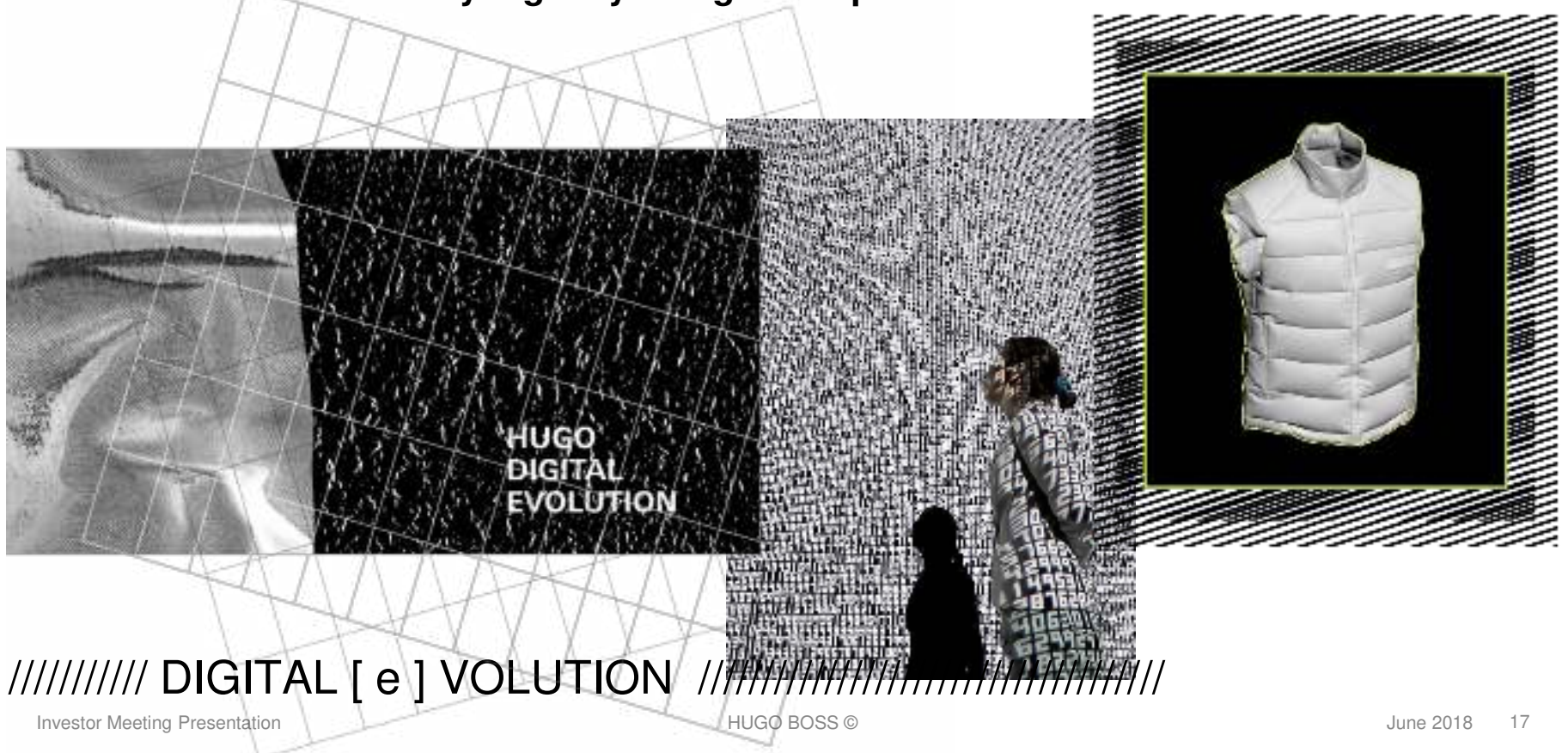


**Distribution
and logistics**



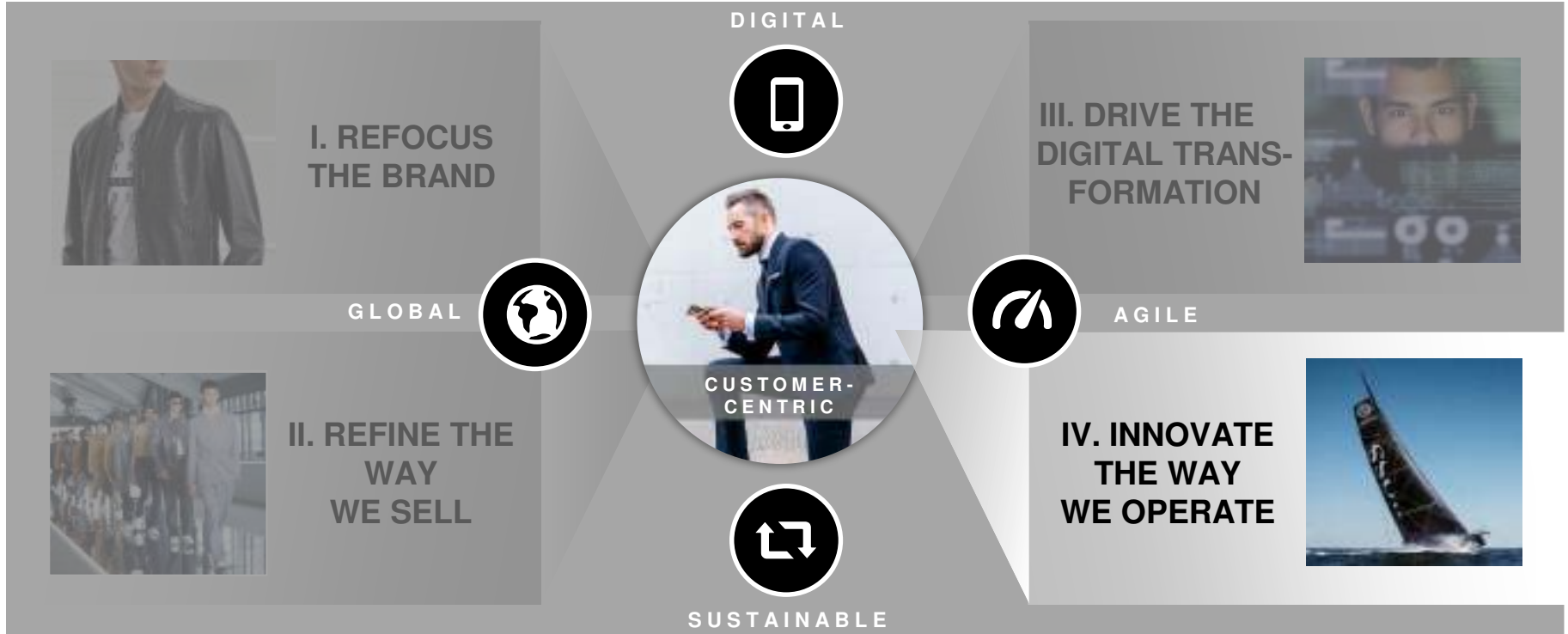
**Own retail and
wholesale distribution**

HUGO will launch first fully digitally designed capsule



////////// DIGITAL [e] VOLUTION //////////////////////////////////////

Strategic Fields of Action



Speed drives commercial success





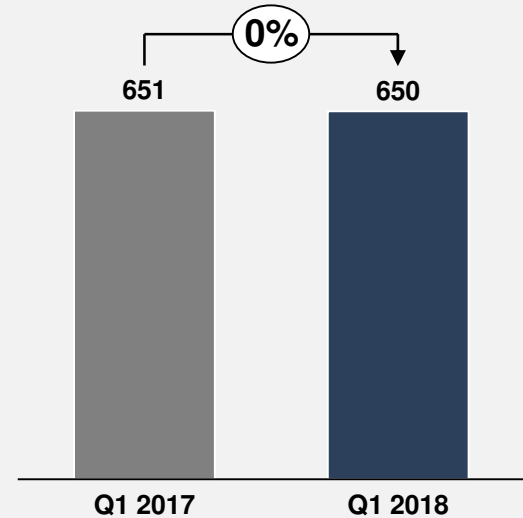
FINANCIAL PERFORMANCE Q1 2018

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



Group sales
(in EUR million)

+5% fx-adjusted

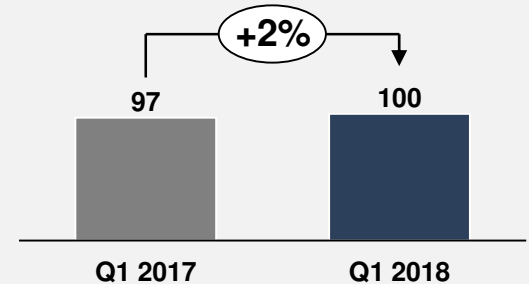
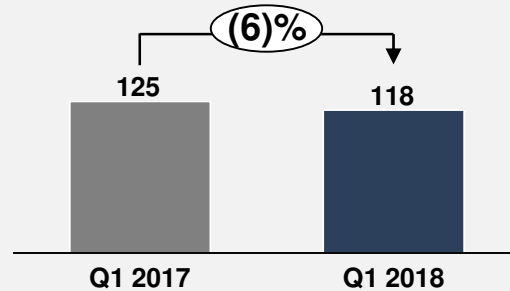
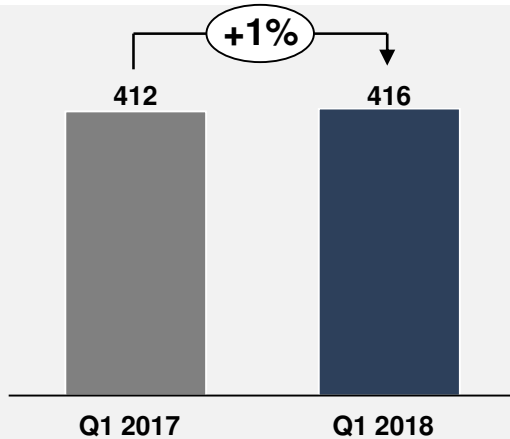


All regions contribute to currency-adjusted Group sales growth

Europe Sales*
+3% fx-adjusted

Americas Sales*
+7% fx-adjusted

Asia/Pacific Sales*
+12% fx-adjusted



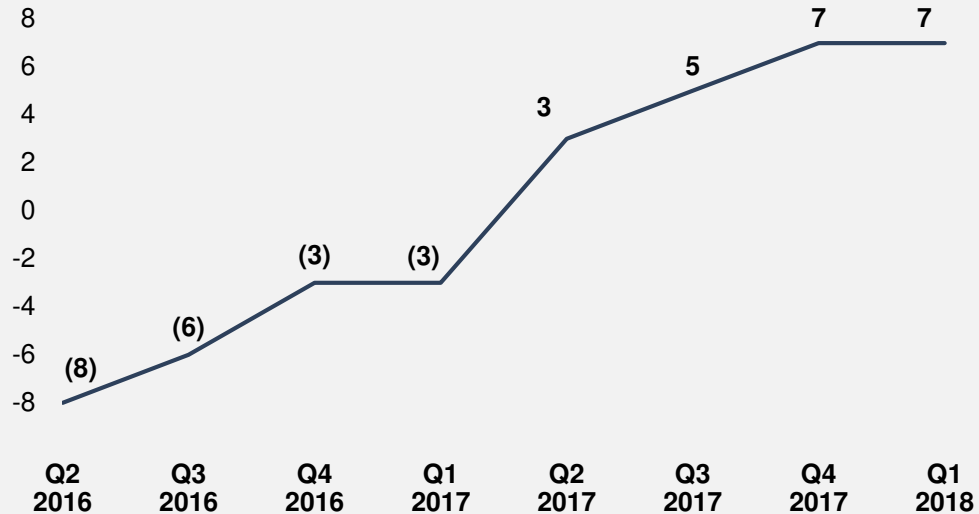
■ Sales increase primarily driven by UK, Benelux and France

■ U.S. comp store sales growth in the double digits

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

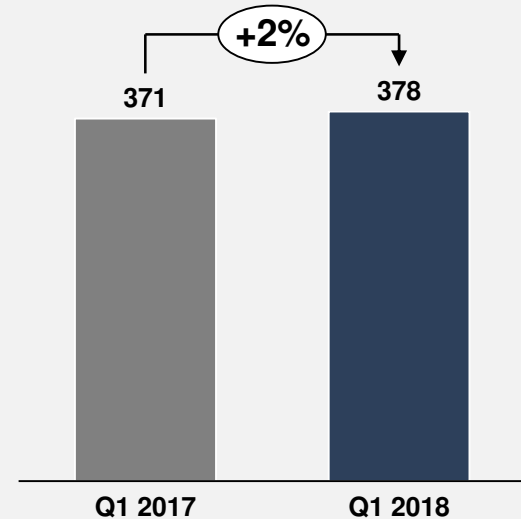
First quarter performance confirms good momentum in own retail

Comp store sales growth
(fx-adjusted)
+7%



Retail sales
(in EUR million)

+8% fx-adjusted



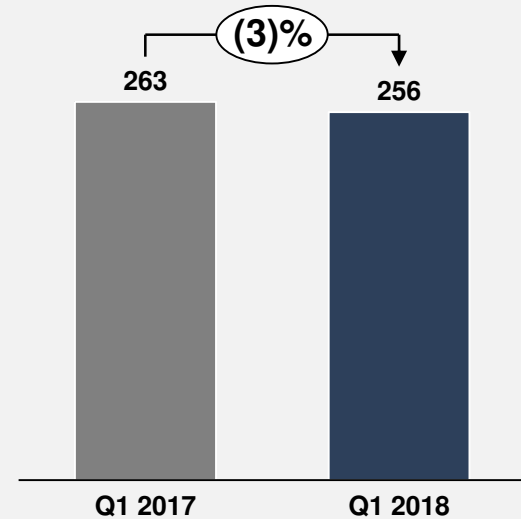
Mixed sales trends in the wholesale channel

- Wholesale sales decline in the U.S. due to shop-in-shop takeovers now accounted for as own retail
- Online outperforms the physical channel



Wholesale sales (in EUR million)

+1% fx-adjusted

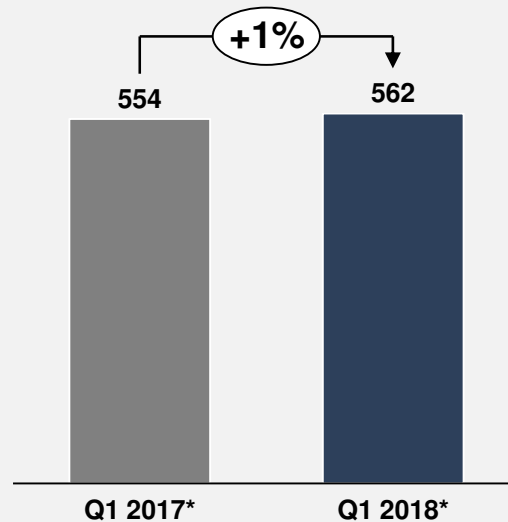


Casualwear grows disproportionately at both brands

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

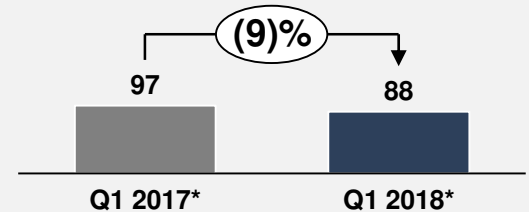
BOSS
HUGO BOSS

+7% fx-adjusted



HUGO
HUGO BOSS

(6)% fx-adjusted



*in EUR million.

Operating expense decline supports EBITDA growth

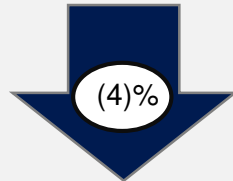
Gross margin

64.0 %



Selling & distribution expenses

272 EUR million



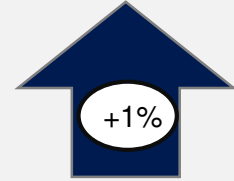
Administration expenses

74 EUR million



EBITDA (before special items)

99 EUR million



EBIT

70 EUR million



Net income

50 EUR million





FINANCIAL AND OPERATIONAL OUTLOOK

Outlook 2018 reconfirmed



Group sales

Increase at a low to mid single-digit percentage rate (fx-adjusted)

Consolidated net income

Increase at a low to mid single-digit percentage rate

Gross profit margin

Largely stable

Capital expenditure

EUR 170 million to EUR 190 million

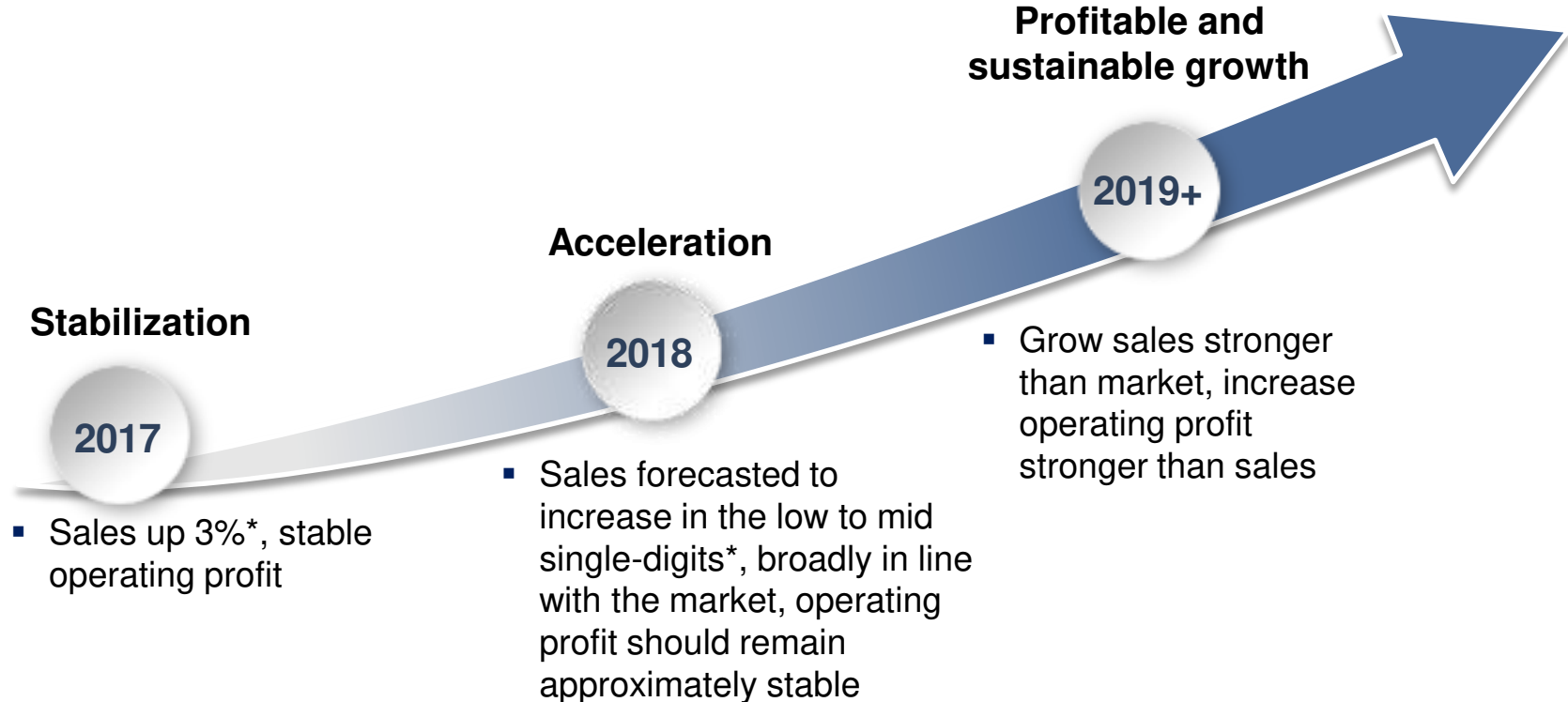
EBITDA (before special items)

Development within a range of -2% to +2%

Free cash flow

EUR 150 million to EUR 200 million

Strategy execution will drive profitable and sustainable growth



HUGO BOSS

Backup



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%

| | |
|-----------------------------|-----|
| U.S.: | 15% |
| Canada: | 3% |
| Central & South America: | 3% |



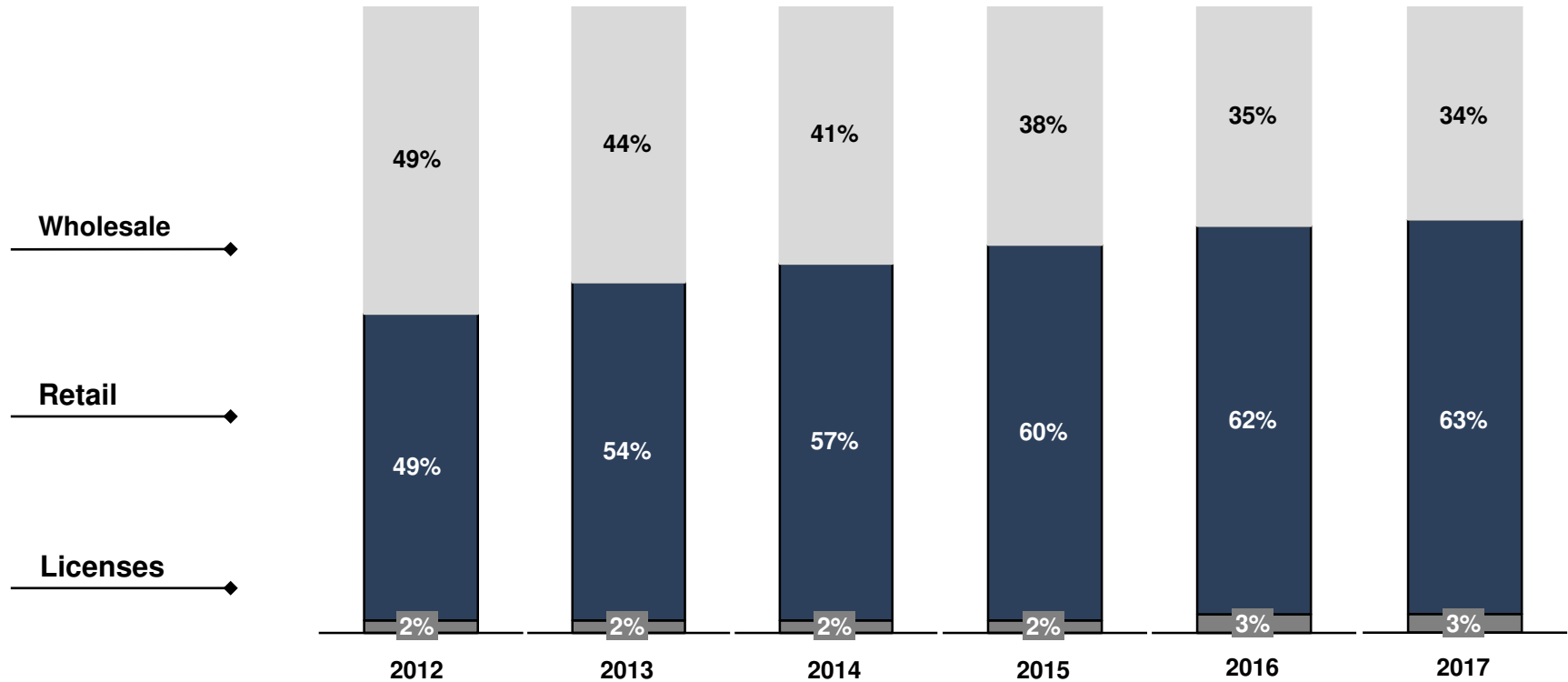
Asia/Pacific

14%

| | |
|----------|----|
| China: | 8% |
| Oceania: | 2% |
| Japan: | 2% |
| Other: | 2% |

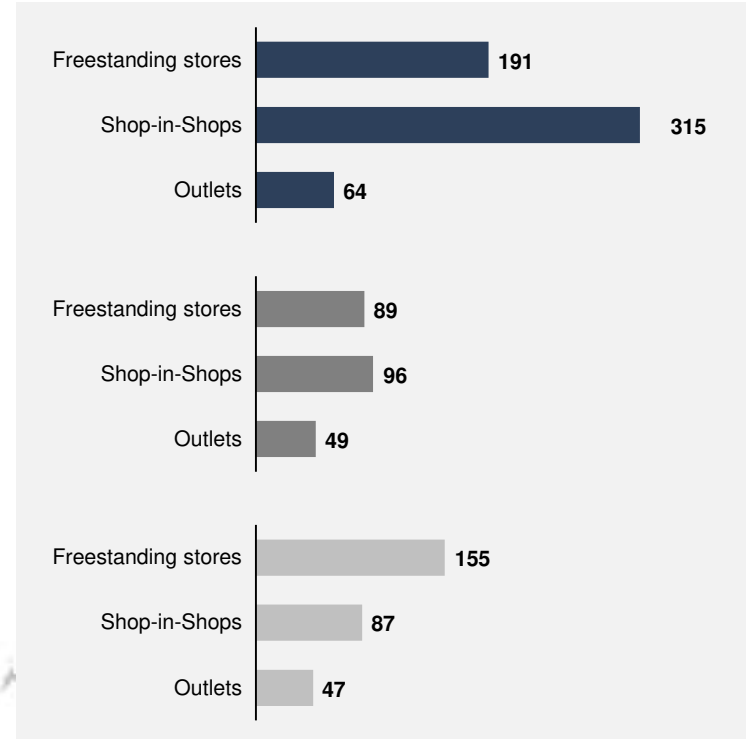
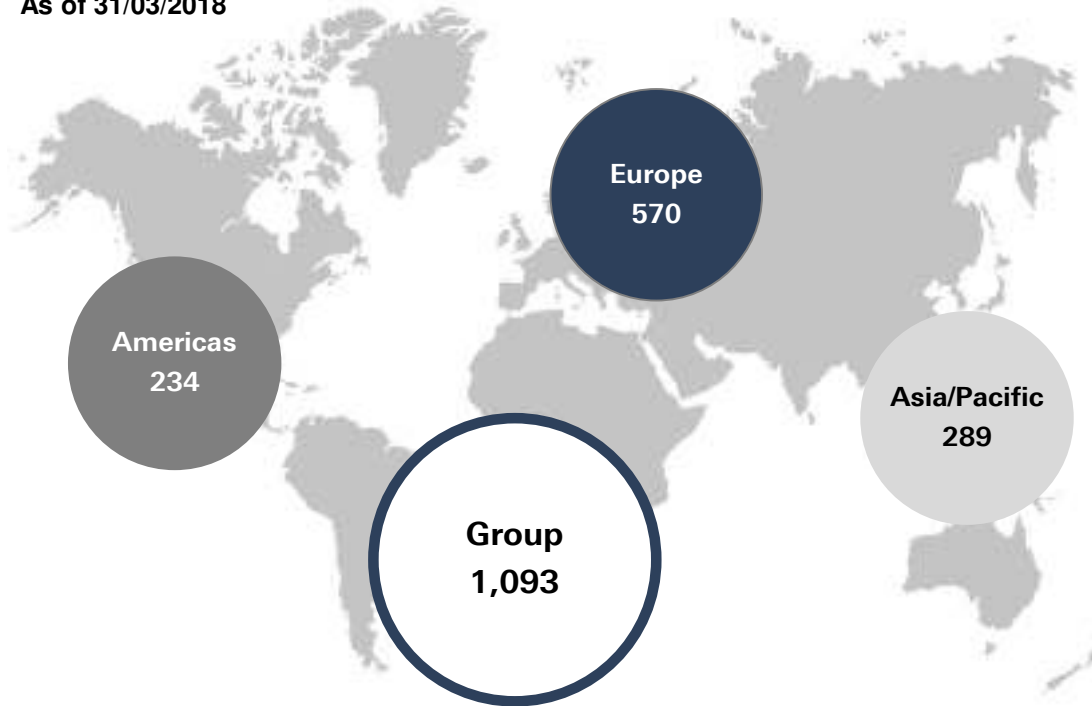
*as of 2017, +3% Licenses

Sales by distribution channel



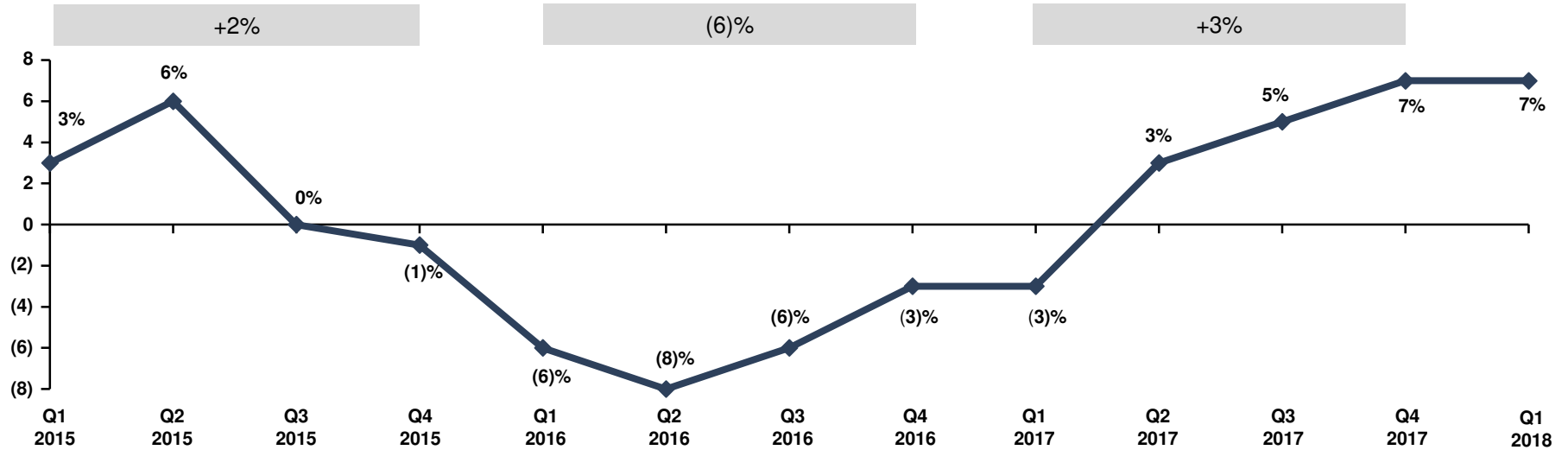
Number of Group's own retail stores by region

As of 31/03/2018



Retail comp stores sales

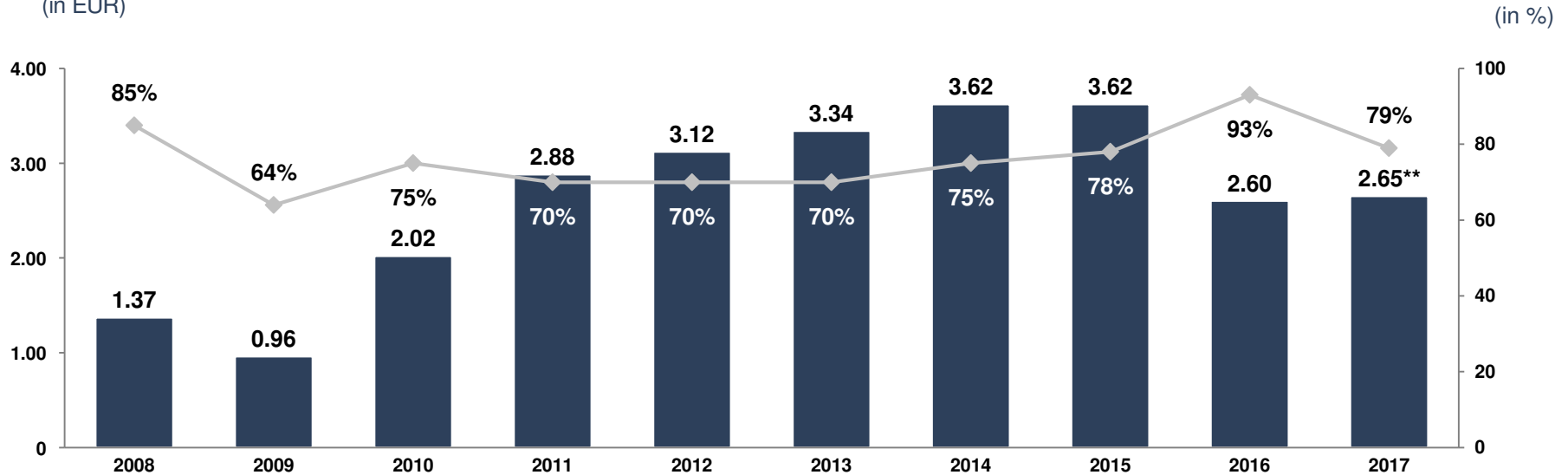
Retail I-f-I sales development*



*FX-adjusted

Dividend policy

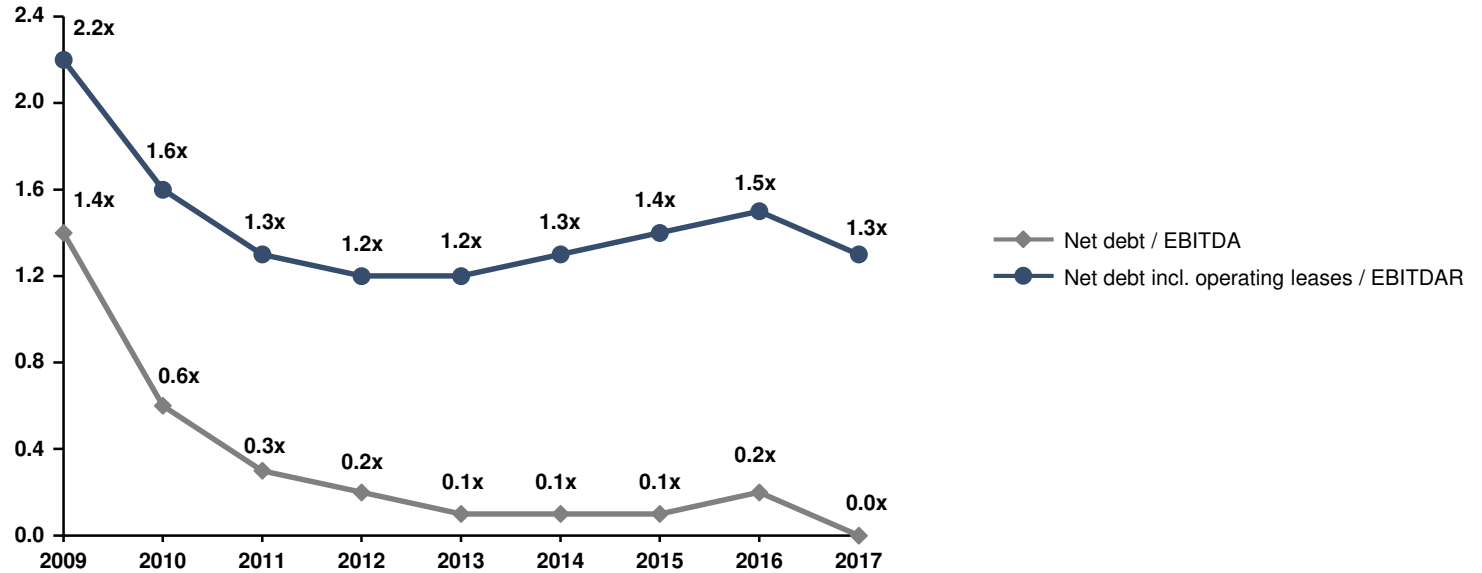
Dividend per share and payout ratio*
(in EUR)



► 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

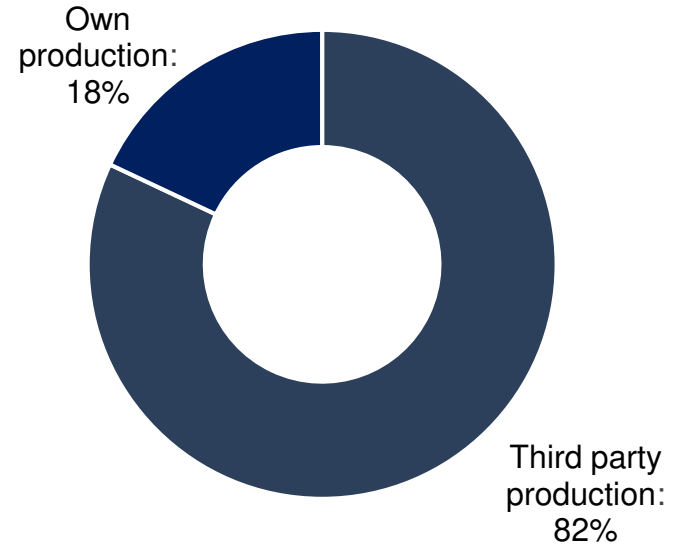
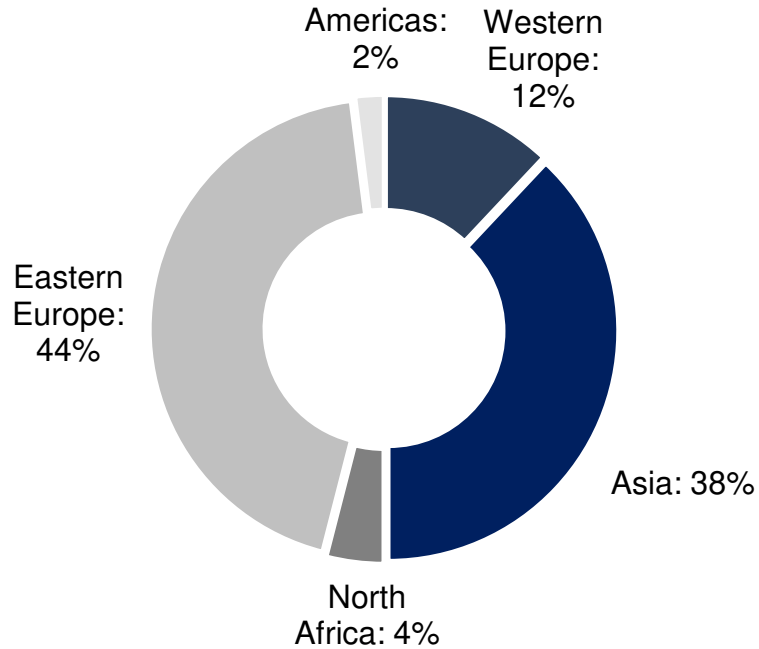
(Adjusted) financial leverage



**Operating leases
EBITDAR**

= Future committed operating lease obligations capitalized according to S&P methodology
= EBITDA + minimum rents + contingent rents

Sourcing and production structure*



*as of 2017, in value terms

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 |
| Capex | 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.

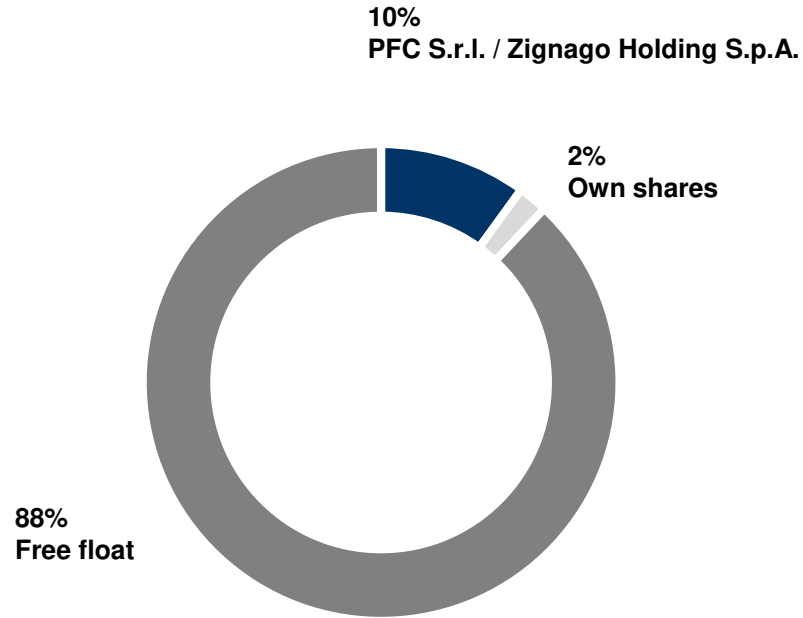
Analyst coverage

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*



*Source: Share register, voting rights notifications (as of May 2018)

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

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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