

H U G O B O S S



HUGO BOSS

First Quarter Results 2018

Yves Müller, Chief Financial Officer

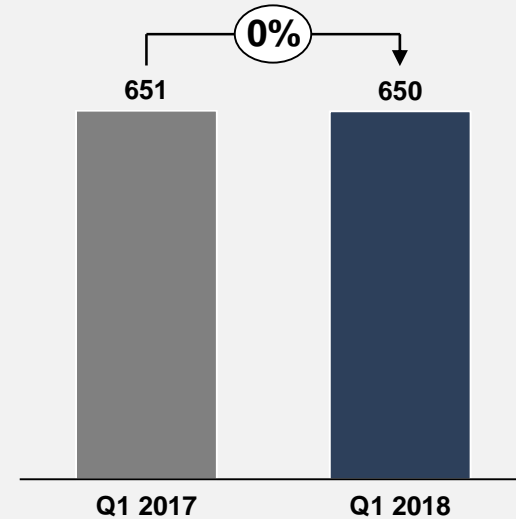
Metzingen – May 2, 2018

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



Group sales
(in EUR million)

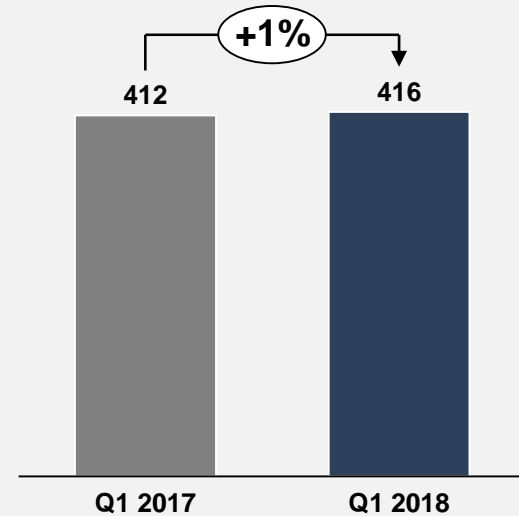
+5% fx-adjusted



European business grows despite difficult market conditions

- Sales in the UK up 12% on a currency-adjusted basis
- The Benelux markets and France grow solidly
- Business in Germany affected by challenging market conditions, down 5%

Europe sales
(in EUR million)
+3% fx-adjusted

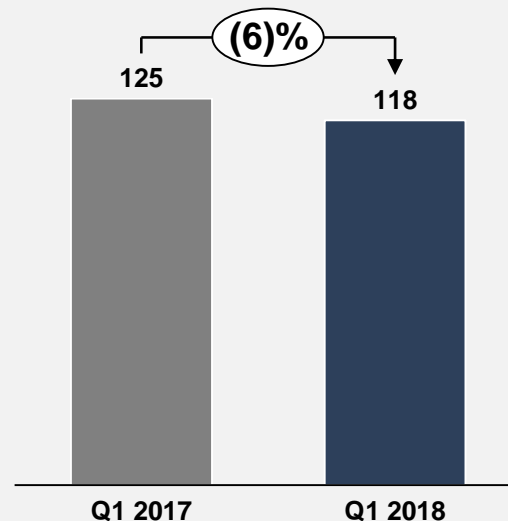


Comp store sales increase at a double-digit rate in the U.S.

- U.S. business up 6% on a currency-adjusted basis
- U.S. wholesale sales decline slightly
- Assortment changes and operational improvements drive growth in own retail

Americas sales (in EUR million)

+7% fx-adjusted

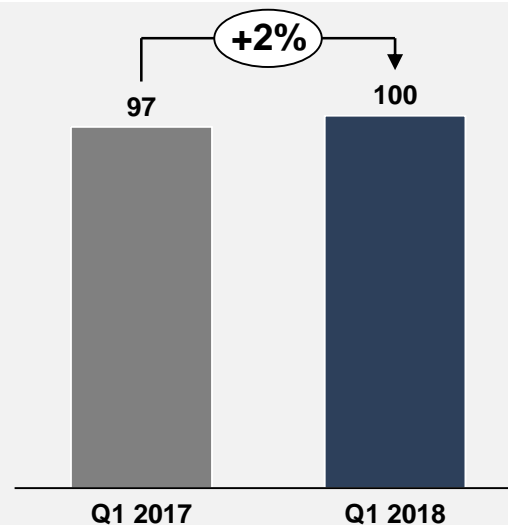


Broad-based sales growth in Asia/Pacific

- Sales in China increase 11% on a currency-adjusted basis
- Business in Hong Kong and Macau recovers strongly
- Japan and Southeast Asian markets grow at double-digit rates

Asia/Pacific sales (in EUR million)

+12% fx-adjusted



First quarter performance confirms good momentum in own retail

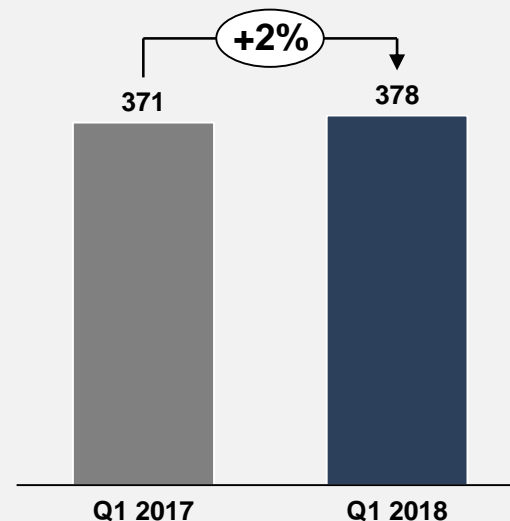
Comp store sales growth (fx-adjusted)

+7%



Retail sales (in EUR million)

+8% fx-adjusted



New store concept upgrades retail network



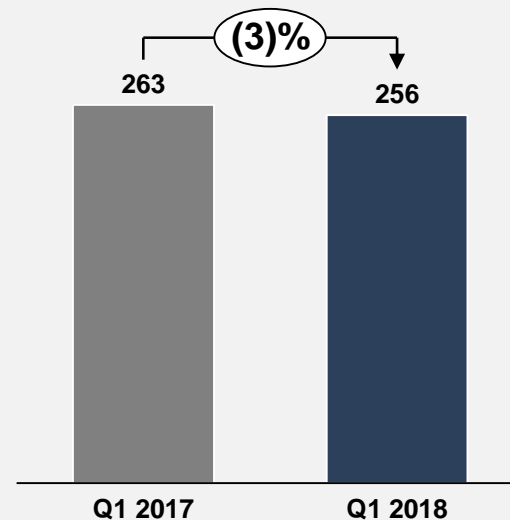
Mixed sales trends in the wholesale channel

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

Wholesale sales

(in EUR million)

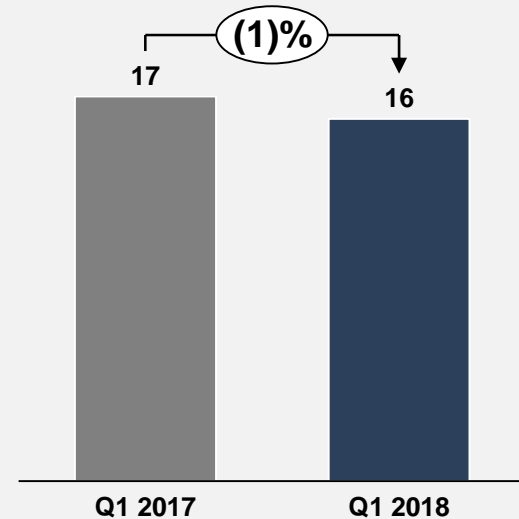
+1% fx-adjusted



Sales decline in the quarter masks positive outlook for license business



License sales
(in EUR million)
(1)% fx-adjusted

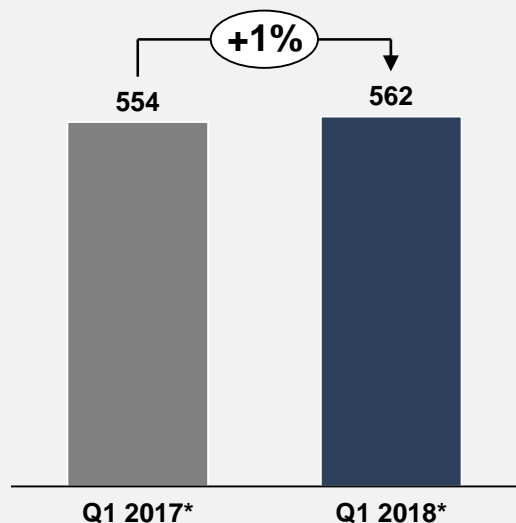


Casualwear grows disproportionately at both brands

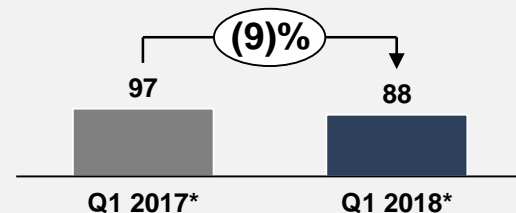
- Collection upgrade drives growth of BOSS Casualwear
- Strategic distribution changes impact HUGO sales
- Menswear up 6%, womenswear down 3%

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 %



Administration expenses

74 EUR million



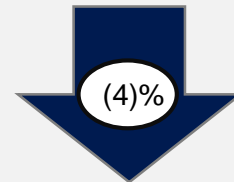
EBIT

70 EUR million



Selling & distribution expenses

272 EUR million



EBITDA (before special items)

99 EUR million



Net income

50 EUR million



Margin in Asia/Pacific expands strongly

Europe
(in %)
(120) bp

Americas
(in %)
(220) bp

Asia/Pacific
(in %)
+270 bp

30.8

29.6

Q1 2017

Q1 2018

12.3

10.1

Q1 2017

Q1 2018

25.3

28.0

Q1 2017

Q1 2018

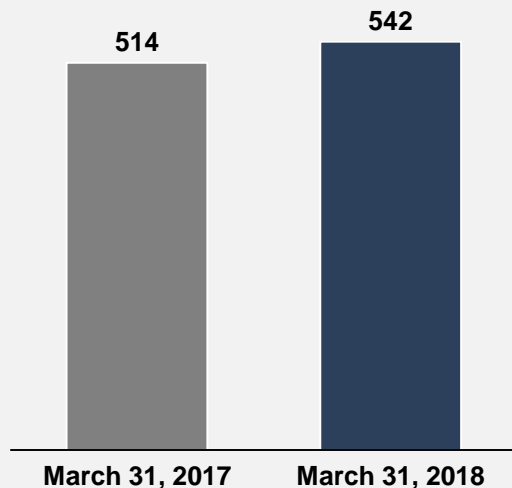
Inventory development normalizes following significant declines in 2017

- 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

Inventories (in EUR million)

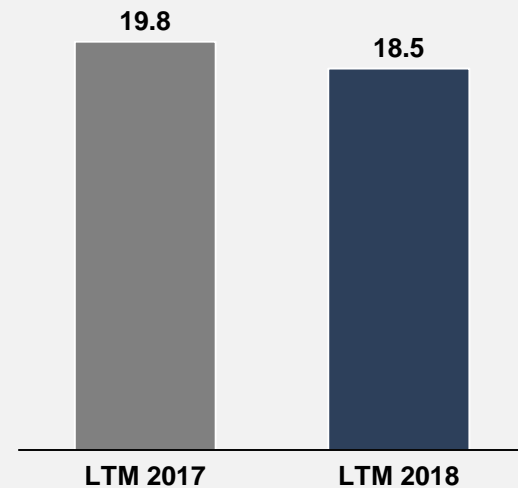
+5%

+11% fx-adjusted



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

(130) bp

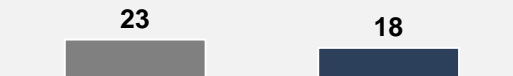


Working capital build-up affects free cash flow in seasonally small quarter

Capital expenditure

(in EUR million)

(23)%



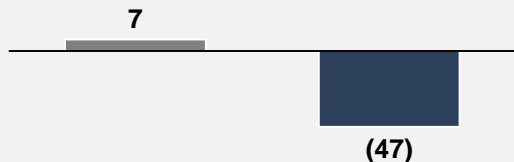
Jan. – March 2017 Jan. – March 2018

■ Decline due to phasing effects and fewer store openings

Free cash flow

(in EUR million)

<(100)%



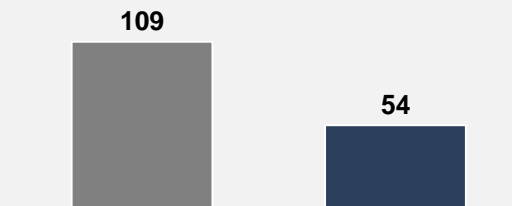
Jan. – March 2017 Jan. – March 2018

■ Working capital increase weighs on cash flow generation

Net financial liabilities

(in EUR million)

(50)%



March 31, 2017 March 31, 2018

■ Decline due to strong cash flow generation in 2017

HUGO BOSS confirms full year expectations



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

The Group's return to profitable growth is making good progress

**Broad-based sales increase
marks good start to 2018**

**Consumers respond positively
to new collections**

**Investments are starting
to pay off**





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.

H U G O B O S S