

H U G O B O S S

HUGO BOSS

Second Quarter Results 2018

Metzingen – August 2, 2018

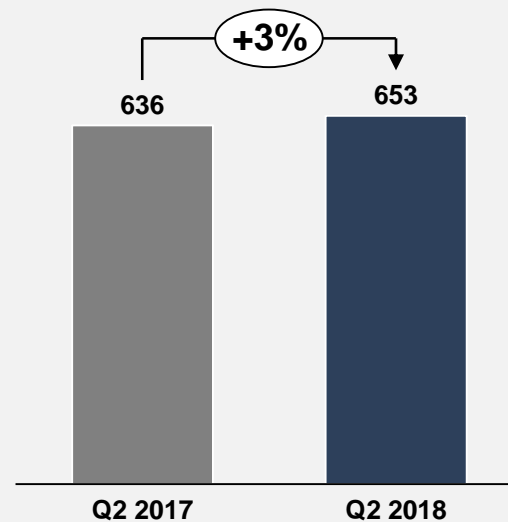


HUGO BOSS records robust sales growth in the second quarter



Group sales
(in EUR million)

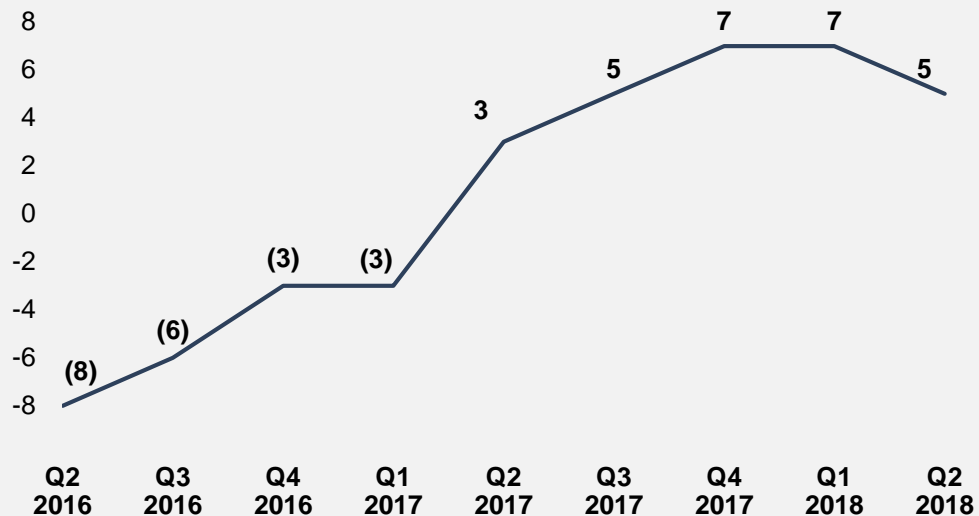
+6% fx-adjusted



Strong momentum in own retail continues

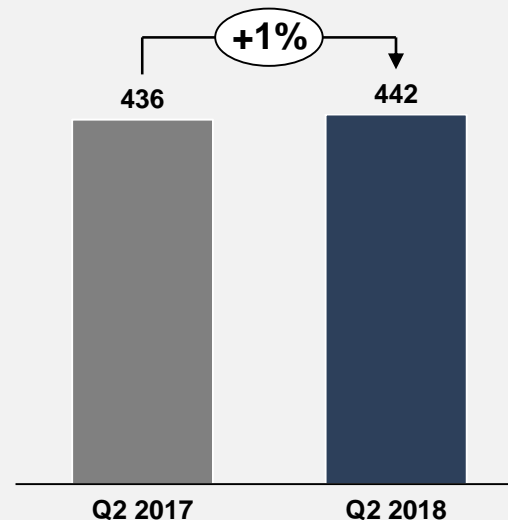
Comp store sales growth (fx-adjusted)

+5%

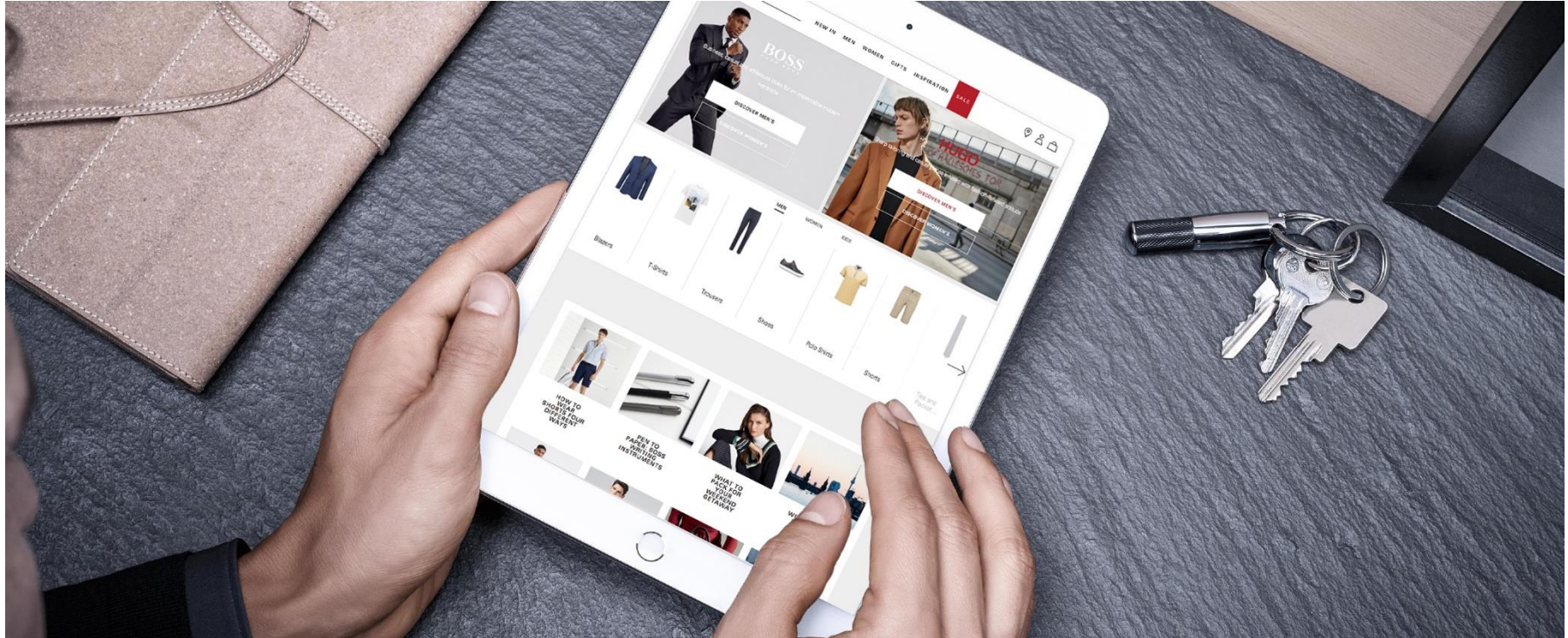


Retail sales (in EUR million)

+5% fx-adjusted



Online business continues to grow at a strong double-digit rate



New BOSS store concept improves in-store experience



BOSS Store
Munich, Germany

First HUGO store with new store concept opened



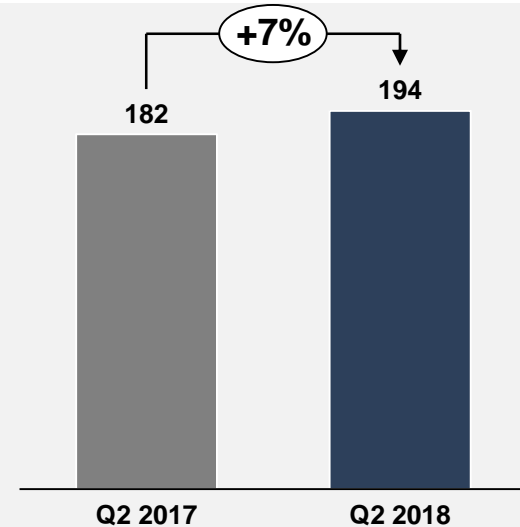
HUGO Store
Amsterdam, Netherlands

Wholesale revenues supported by strong replenishment business and delivery shifts

- Double-digit sales increases in Europe supported by strong replenishment business and delivery shifts
- Mid-single digit sales declines in the Americas reflect challenging market environment
- Online marketplaces continue to outperform physical retailing

Wholesale sales (in EUR million)

+10% fx-adjusted

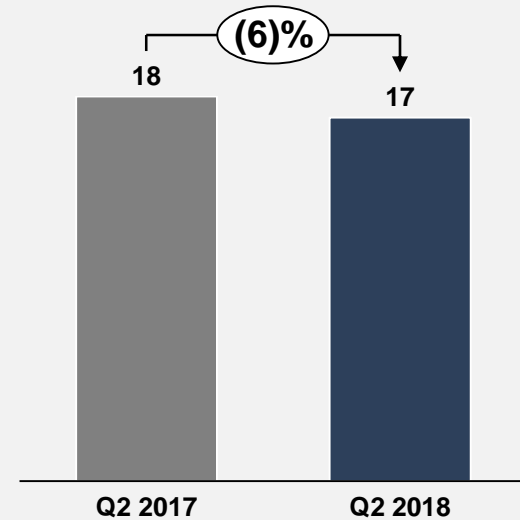


License business negatively impacted by timing effects



License sales
(in EUR million)

(6)% fx-adjusted

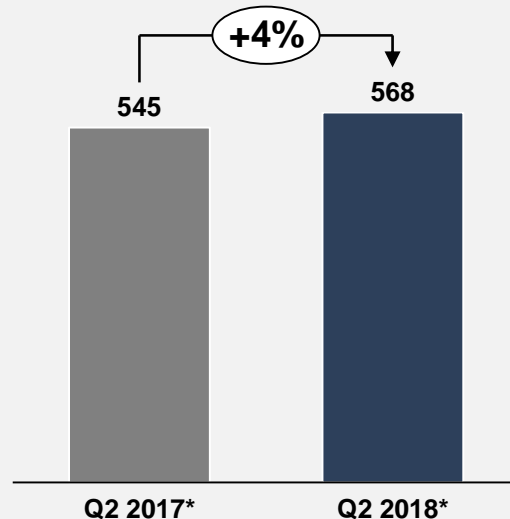


BOSS and HUGO benefit from trend towards casualization

- Collection upgrade drives growth at both BOSS Casualwear and Businesswear
- Strategic distribution changes continue to impact HUGO sales
- Menswear sales up 7%; womenswear sales down 2% due to reduction of retail selling space

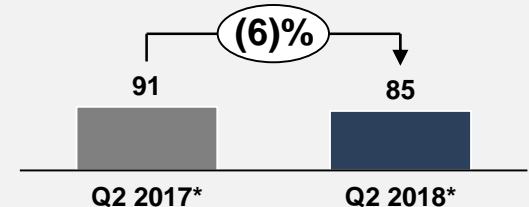
BOSS
HUGO BOSS

+8% fx-adjusted



HUGO
HUGO BOSS

(4)% fx-adjusted



*in EUR million.

Fashion show in Berlin creates buzz for HUGO

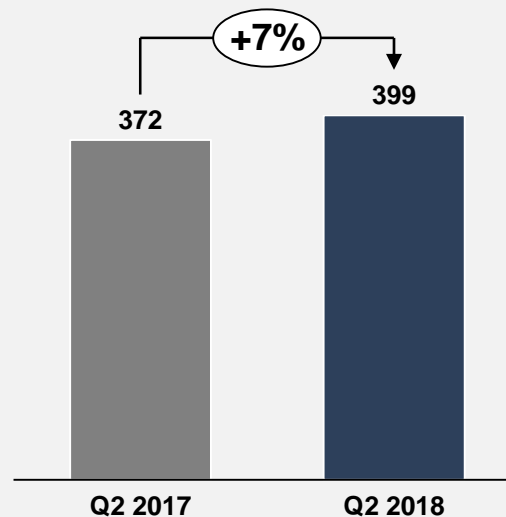


Strong sales growth in Europe continues

- Sales in the UK up 12% on a currency-adjusted basis
- Sales in the Benelux markets and France increase 11% and 5%, respectively
- Business in Germany returns to growth, with sales up 2%

Europe sales (in EUR million)

+9% fx-adjusted

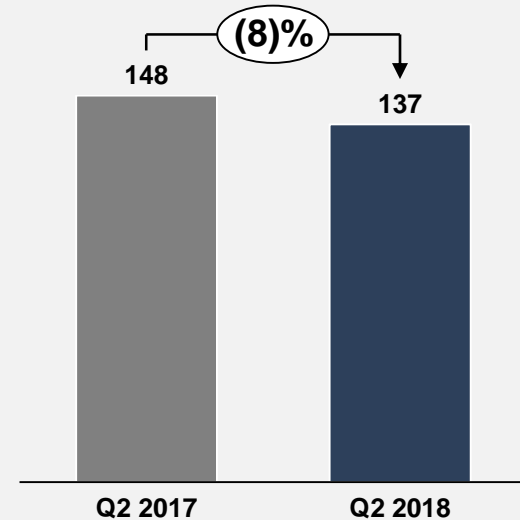


Sales in the Americas remain broadly unchanged

- U.S. business down 1% on a currency-adjusted basis, reflecting sales declines in the wholesale channel
- U.S. own retail sales increase 2%, supported by low single digit comp store sales growth
- Merchandise changes and operational improvements support underlying brand momentum

Americas sales (in EUR million)

0% fx-adjusted

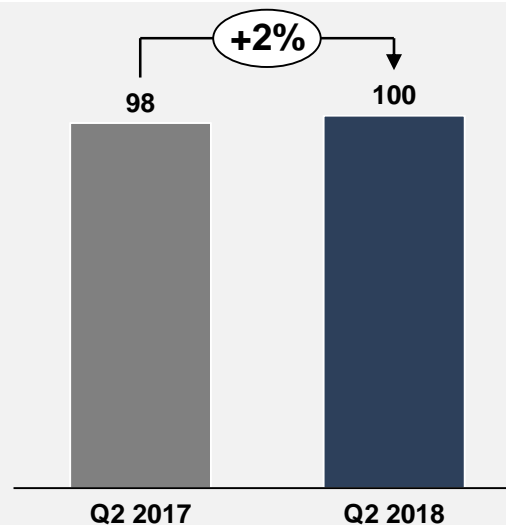


Broad-based sales growth in Asia/Pacific continues

- Sales in China increase 8% on a currency-adjusted basis
- Mainland China records high single digit growth, supported by ongoing strong local demand
- Business in Hong Kong and Macau continues to grow strongly, with sales up double-digits

Asia/Pacific sales (in EUR million)

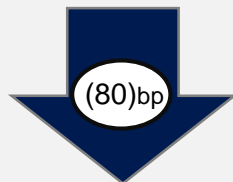
+7% fx-adjusted



Gross margin negatively impacted by channel mix effect

Gross margin

66.9 %



Selling & distribution
expenses

289 EUR million



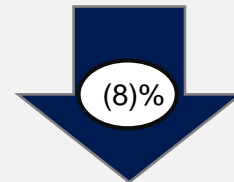
Administration expenses

73 EUR million



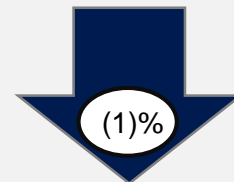
EBIT

74 EUR million



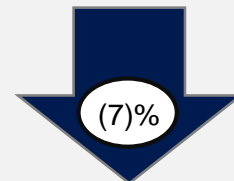
EBITDA (before special items)

106 EUR million



Net income

54 EUR million

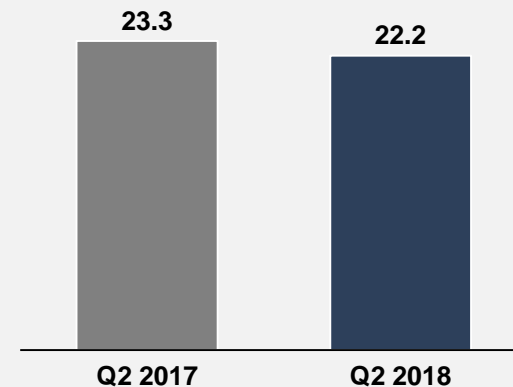
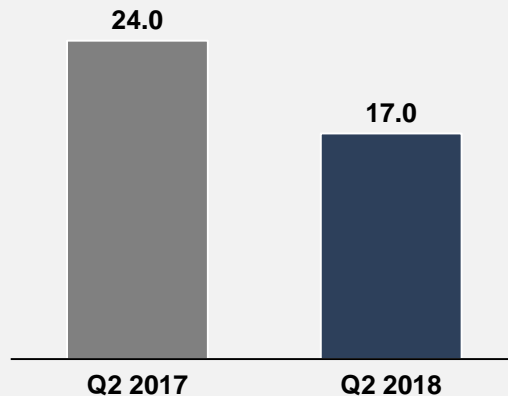
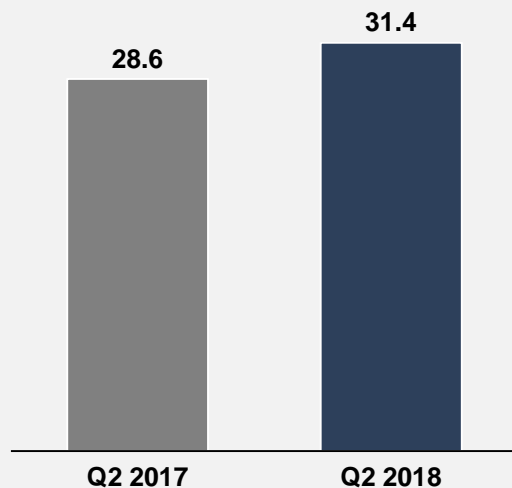


FX effects weigh on margins in the Americas and Asia/Pacific

Europe
(in %)
+280 bp


Americas
(in %)
(700) bp

Asia/Pacific
(in %)
(110) bp



Half-year sales and earnings in line with full-year guidance

Group sales* (H1 2018)

1,303 EUR million  **+5%**
+1% reported

EBITDA (before special items)

205 EUR million  **0%**

Net income

103 EUR million  **(2)%**

*On a currency-adjusted basis.

Sales by region* (H1 2018)

Europe



+6%
+4% reported

Americas



+3%
(7)% reported

Asia/Pacific



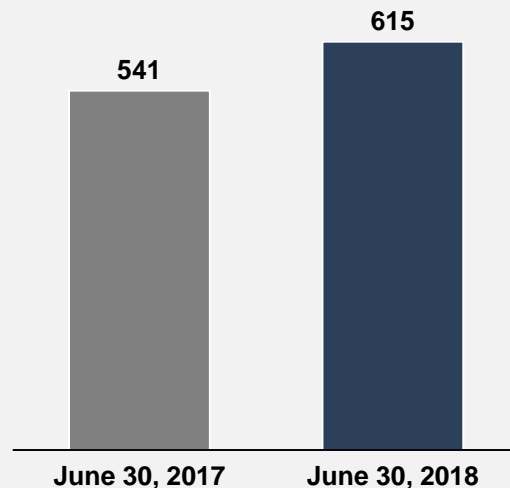
+9%
+2% reported

Elevated inventory levels weigh on trade net working capital

- Inventory levels expected to normalize during the remainder of 2018
- Trade net working capital up 12% on a currency-adjusted basis
- Average trade net working capital to sales ratio below prior-year level

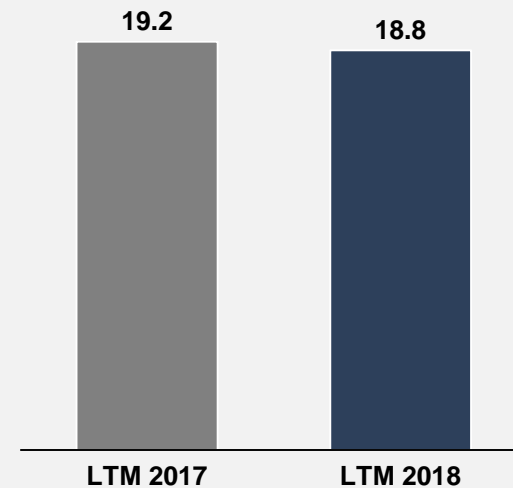
Inventories
(in EUR million)

+13%
+16% fx-adjusted



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

(40) bp

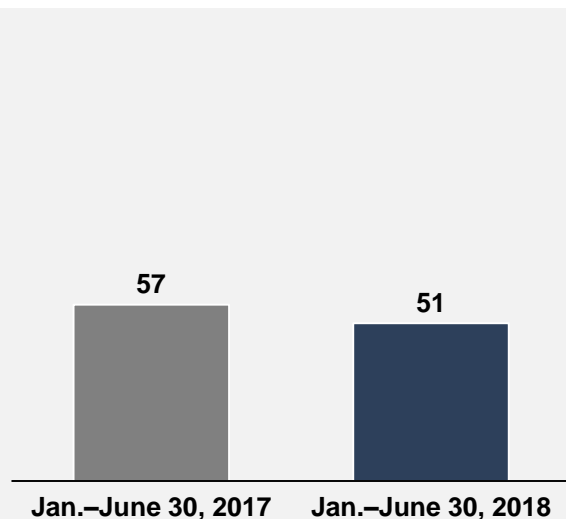


Working capital build-up temporarily affects free cash flow development

- Decline in capex due to phasing effects and fewer store openings
- Working capital increase weighs on free cash flow generation
- Free cash flow development to improve in the second half of 2018

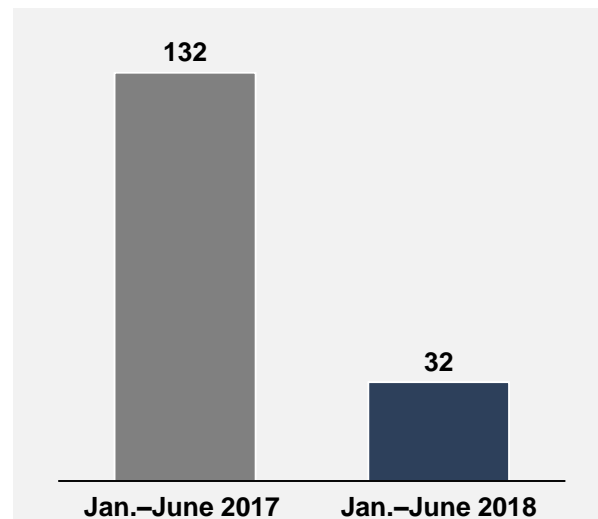
Capital expenditure
(in EUR million)

(10)%



Free cash flow
(in EUR million)

(76)%



Outlook 2018 confirmed



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

Further progress in strategy execution

Realigning brand portfolio successfully completed

Investing into brands and organization

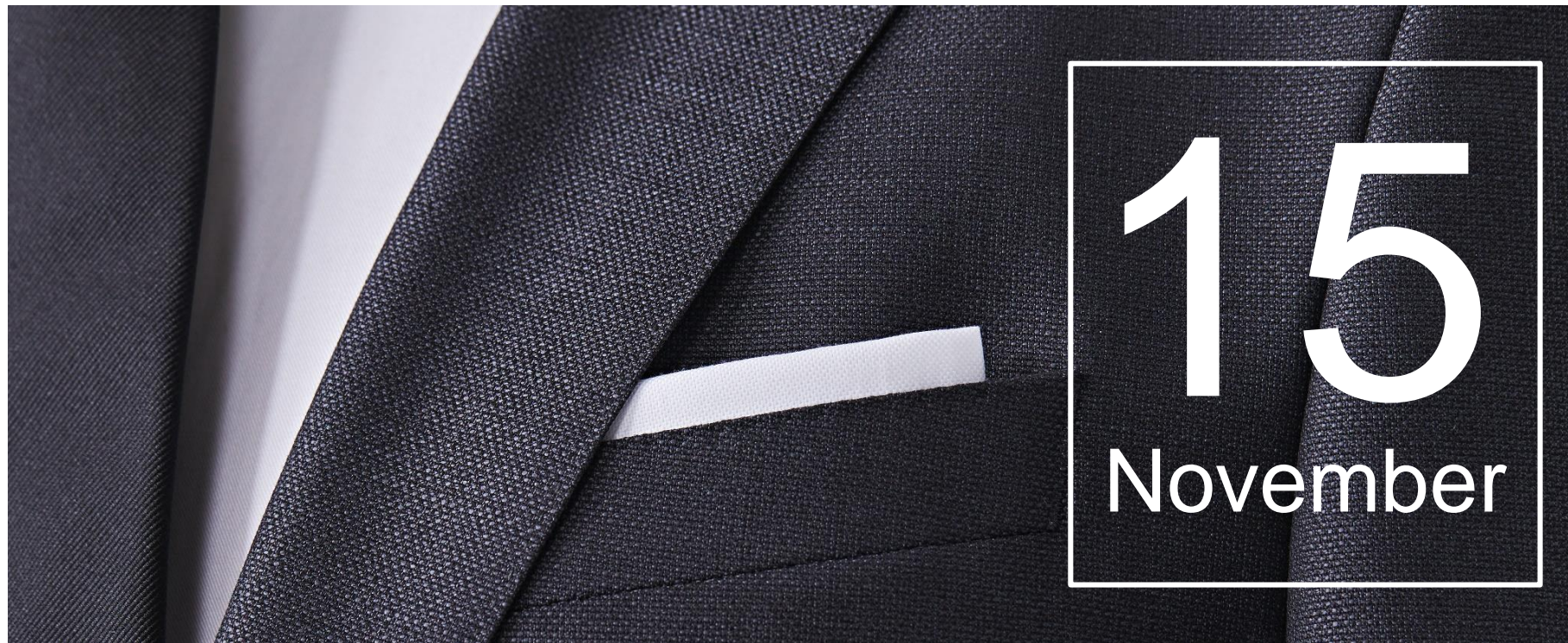
Driving the digitization of our business model

Exploiting the full potential of online

Improving retail sales productivity



Investor Day 2018 in London (Andaz Hotel, 40 Liverpool Street)



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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