HUGO BOSS

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Investor Meeting Presentation

Q22018

FINANCIAL PERFORMANCE Q2 2018



HUGO BOSS records robust sales growth in the second quarter



Strong momentum in own retail continues



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



New BOSS store concept improves in-store experience



First HUGO store with new store concept opened



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
- I Online marketplaces continue to outperform physical retailing



License business negatively impacted by timing effects





(6)% fx-adjusted



Europe and Asia/Pacific drive Group sales growth



BOSS and HUGO benefit from trend towards casualization



- Strategic distribution changes continue to impact HUGO sales
- Menswear sales up 7%; womenswear sales down 2% due to reduction of retail selling space



Gross margin negatively impacted by channel mix effect



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



Working capital build-up temporarily affects free cash flow development



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



FINANCIAL AND OPERATIONAL OUTLOOK



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	
Development within a range of -2% to +2%	EUR 150 million to EUR 200 million	

Key principles of financial management reconfirmed



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Strategy execution will drive profitable and sustainable growth



GROUP STRATEGY

Group strategy focuses on four fields of action



Strategic Fields of Action



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Two brands: BOSS and HUGO

#THISISBOSS

#IAMHUGO



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BOSS and HUGO customers have different attitudes towards fashion

BOSS				HUGO
	Status-oriented, traditional, rational	ATTITUDE	Open-minded, individual, spontaneous	
	Classic, modern, sophisticated	STYLE	Fashion-forward, contemporary, progressive	13
	Highest quality, personal assistance	EXPECTS	Latest fashion trends, urban atmosphere	
	Retail & department stores, online	SHOPPING	Online, mobile, retail & department stores	
DEMANDING QU	ALITY SEEKER		OPEN-MINDED LI	FE ENTHUSIAST

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



BOSS: Upgrade of casualwear and new interpretation of formalwear

Split of BOSS brand sales by segment In EUR billion ~2.0 CAGR ~1.4 +8% 51% 61% CAGR +1% 49% 39% 2010 2017 Casualwear Formalwear



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



Spring/Summer 2017 collection Spring/Summer 2018 collection



HUGO has grown significantly above industry average in recent past



Strategic Fields of Action



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Three key distribution priorities



Exploit the full potential of online





Further integrate distribution across all channels



Three key distribution priorities



Omnichannel services link online and physical retailing



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

Own retail selling space will remain largely stable going forward

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Strategic Fields of Action



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

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



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

Key elements of logistics infrastructure upgraded or renewed



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Strategic Fields of Action



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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 Adjust collection content based on short-term trends

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

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Backup

Sales by region and major markets

Share of Group sales*



62%

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



Americas

21%	
U.S.: Canada: Central &	15% 3%
South America:	3%



Asia/Pacific

14%

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

*as of 2017, +3% Licenses Investor Meeting Presentation

Sales by distribution channel



Number of Group's own retail stores by region



Retail comp stores sales

Retail I-f-I sales development*



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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

(Adjusted) financial leverage



Operating leases EBITDAR

= EBITDA + minimum rents + contingent rents

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Sourcing and production structure*



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Multi-Year overview

2.733 1.808	2.693 1.777	2.809	2.572	2.432
	1 777			
	1.///	1.853	1.699	1.580
66,2	66,0	66,0	66,1	64,9
499	433	590	572	561
491	493	594	591	565
18,0	18,3	21,2	23,0	23,2
341	263	448	449	456
231	194	319	333	329
459	524	528	503	432
662	752	765	660	612
915	888	956	844	740
53	49	53	51	49
1.720	1.799	1.800	1.662	1.501
294	220	208	268	230
7	113	82	36	57
128	157	220	135	185
158	170	142	123	105
0,0	0.2	0.1	0 1	0,1
	v, _			•,•
	53 1.720 294 7 128 158	53 49 1.720 1.799 294 220 7 113 128 157 158 170	53 49 53 1.720 1.799 1.800 294 220 208 7 113 82 128 157 220 158 170 142	53 49 53 51 1.720 1.799 1.800 1.662 294 220 208 268 7 113 82 36 128 157 220 135 158 170 142 123

1 EBITDA before special items/Sales.

2 Net financial liabilities/EBITDA before special items.

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
Morgan Stanley	Elena Mariani
Oddo BHF	Leopold Authie
RBC	Piral Dadhania
Société Générale	Thierry Cota
UBS	Fred Speirs

Shareholder structure*

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



Financial Calendar and Investor Relations contact

Date	Event
November 6, 2018	Third Quarter Results 2018
November 15, 2018	Investor Day in London
March 7, 2019	Full Year Results 2018
May 2, 2019	First Quarter Results 2019
May 16, 2019	Annual Shareholders' Meeting

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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