Sales development impacted by macroeconomic uncertainties

Group sales
(in EUR million)

Q3 2018: 710
Q3 2019: 720

Change: 0%*

*Currency-adjusted
Challenging market environment in North America continues in Q3

**Americas sales**
(in EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>142</td>
<td>135</td>
</tr>
</tbody>
</table>

**North America** impacted by general softness in local demand and lower tourism spend.

**U.S. wholesale** business declines at a double-digit rate.

Revenues in **Latin America** slightly below prior year level.

*Currency-adjusted*
Strong momentum in Mainland China partly offset by declines in Hong Kong.

**Mainland China** with double-digit comp store sales increases.

Situation in **Hong Kong** weighs on sales growth in Asia/Pacific.

Revenues in **Japan** grow at a high single-digit rate in Q3.

**Asia/Pacific sales**

(in EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mainland China</strong></td>
<td>87</td>
<td>91</td>
</tr>
</tbody>
</table>

*Currency-adjusted*
**Europe sales**

(in EUR million)

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Germany</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>France</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UK</strong></td>
<td>462</td>
<td>471</td>
</tr>
</tbody>
</table>

Robust momentum in the **UK** continues, supported by comp store sales increases.

**France** records comp store sales improvements in Q3.

Business in **Germany** declines, reflecting lower sales in both retail and wholesale.

Sales growth in Europe driven by **ongoing momentum in the UK**

*Currency-adjusted
New BOSS Outlet in Germany opens its doors
Retail sales (in EUR million)

Q3 2018: 415
Q3 2019: 433

3%* Comp store sales growth driven by mid-single-digit increase in Asia-Pacific.

Sales growth benefits from ongoing modernization of store network and further expansion of online concessions.

Online growth of 36%* driven by ongoing expansion of e-concessions and further rollout of hugoboss.com.

Retail comp store sales grow 2%* in the third quarter

*Currency-adjusted
BOSS celebrates reopening of its flagship store on the Champs-Élysées
Wholesale performance impacted by U.S. market weakness

**Wholesale sales**
(in EUR million)

- **Q3 2018**: 276
- **Q3 2019**: 265

**U.S. market weakness** weighs on overall wholesale sales development in Q3.

Continued strong momentum with **online marketplaces**.

**Brick-and-mortar** wholesale business suffers from traffic declines.

(*Currency-adjusted*)
License sales (in EUR million)

Launch of “BOSS The Scent Absolute” supports sales growth in **fragrance business**.

License for **eyewear business** renewed in Q3.

License business with strong momentum in Q3
Growth in Europe and Asia/Pacific more than offset by declines in the U.S.*

*Currency-adjusted
BOSS fashion shows in Milan and Shanghai attract worldwide attention
Momentum at HUGO accelerates, as casualwear grows double digit

Sales in EUR million

Q3 2018: 98
Q3 2019: 105

6%*
**EBIT development in Q3**
impacted by increase in operating expenses

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td>63.3%</td>
</tr>
<tr>
<td>Operating expenses*</td>
<td>+80 bp</td>
</tr>
<tr>
<td>Operating expenses in % of sales*</td>
<td>+7%</td>
</tr>
<tr>
<td>+260 bp</td>
<td>52.1%</td>
</tr>
<tr>
<td>EBIT*</td>
<td>(13)%</td>
</tr>
<tr>
<td>Net income*</td>
<td>(12)%</td>
</tr>
</tbody>
</table>

*Excluding IFRS 16 impact
Increase in operating expenses reflects higher own retail and marketing expenses

<table>
<thead>
<tr>
<th>Operating expenses Q3 2018</th>
<th>Own retail</th>
<th>Marketing investments</th>
<th>Management changes</th>
<th>Currency effects</th>
<th>Cost savings</th>
<th>Operating expenses Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2018</td>
<td>351</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>375*</td>
</tr>
</tbody>
</table>

(in EUR million)

*Excluding IFRS 16 impact
Inventory growth yoy
(in % currency-adjusted)

Further reduction in inventory growth reflects ongoing strict focus on inventory management.

TNWC remains stable in absolute terms, as compared to the prior year; in % of sales TNWC increases 110 basis points.
Free cash flow at around prior year level, reflecting decline in EBIT and higher capital expenditure.

Higher capital expenditure reflects ongoing initiatives to optimize store network as well as further investments in IT.
Adjusted outlook for the full year 2019*

Group sales

Increase at a low single-digit percentage rate

Europe
Increase at a low to mid-single-digit percentage rate

Americas
Decrease at a mid- to high single-digit percentage rate

Asia/Pacific
Increase at a mid-single-digit percentage rate

*Currency-adjusted
E-concessions and store optimizations to drive growth in Q4 2019
## Adjusted outlook for the full year 2019

<table>
<thead>
<tr>
<th>Outlook 2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group sales</strong> (currency-adjusted)</td>
<td>Increase at a low single-digit percentage rate</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>Largely stable</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>EUR 330 million to EUR 340 million</td>
</tr>
<tr>
<td><strong>Consolidated net income</strong></td>
<td>Decrease at a mid- to high single-digit percentage rate</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>EUR 180 million to EUR 190 million</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>EUR 160 million to EUR 180 million</td>
</tr>
</tbody>
</table>

*Excluding IFRS 16 impact*
Relentless focus on executing against strategic initiatives

+36%*  |  +3%  |  +2%*  |  +6%*

ONLINE  | RETAIL PRODUCTIVITY  | ASIA  | HUGO

*Currency-adjusted
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.