Annual Shareholders’ Meeting

HUGO BOSS

Welcome
Annual Shareholders’ Meeting
2019

Mark Langer
Chief Executive Officer
May 16, 2019
AGENDA

1. Review 2018
2. Strategic business plan 2022
3. Outlook 2019
AGENDA

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HUGO BOSS ACHIEVES TARGETS FOR 2018
Industry growth at prior year level

GROWTH IN THE UPPER PREMIUM SEGMENT OF THE APPAREL INDUSTRY

2018

+4%

* Source: McKinsey Global Fashion Index (MGFI)
Group sales
(in EUR million)

2016: 2,693
2017: 2,733
2018: 2,796

Implementation of strategic initiatives accelerates sales growth

* Currency-adjusted
Sales growth in all regions

Europe (in EUR million)

\[1,681 \rightarrow 1,736\]
\[+4\%\]¹

Americas (in EUR million)

\[577 \rightarrow 574\]
\[+4\%\]¹

Asia/Pacific (in EUR million)

\[396 \rightarrow 410\]
\[+7\%\]¹

¹ Currency-adjusted
EBITDA (before special items)
(in EUR million)

2017: 491
2018: 489

Operating income at prior year level
Successful realignment of BOSS and HUGO
Successful realignment of BOSS and HUGO
Driving brand excitement
BOSS fashion show in New York City
Focus on contemporary fashion
HUGO fashion show in Berlin
Own online sales
> EUR 100 million in 2018

- Enhanced online presence pays off
- Online concession model further extended
- Additional cooperations planned for 2019 and beyond
BOSS store concept rolled out successfully
HUGO store concept successfully implemented
Outlet Metzingen
Reopening in September 2019
Digitization of business model in full swing

- Shorter product lead times allow faster response to trends
- HUGO as a pioneer of digital product development
- HUGO digital showroom rolled out in Europe and the Americas
Commitment to sustainability awarded with renewed inclusion in the DJSI World
Signing of the Fashion Industry Charter for Climate Action
“Tamil Nadu” initiative starts activities
Introduction of the first sustainable capsule collection
Clear focus on **Online Annual Report**
Strong commitment to profit-based **dividend policy**

Dividend payout ratio in % of consolidated net income

- **2014**: 3.62 EUR
- **2015**: 3.62 EUR
- **2016**: 2.60 EUR
- **2017**: 2.65 EUR
- **2018**: 2.70 EUR
- **2019**: 60-80%
- **2020**:
- **2021**:
- **2022**:

*Proposal for fiscal year 2018*
HUGO BOSS share develops in line with DAX and MDAX.

(Index: December 31, 2017 = 100)

DEC. 31, 2018

EUR 53.92
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OUR VISION

BE THE MOST DESIRABLE PREMIUM FASHION AND LIFESTYLE BRAND
Personalization and Speed as priorities along the strategic fields of action

PERSONALIZATION

- REFOCUS THE BRANDS
- REFINE THE WAY WE SELL

SPEED

- DRIVE THE DIGITAL TRANSFORMATION
- INNOVATE THE WAY WE OPERATE

BRAND DESIRABILITY
Personalization: Driving customer engagement
Speed: Winning customers with industry-leading responsiveness
Group sales
(in EUR billion)

2016 2017 2018 2022E
2.7 2.7 2.8

Four sales growth drivers identified

* Currency-adjusted
Online: Own online business to quadruple until 2022

Online sales
(in EUR million)

- 2016: 76
- 2017: 79
- 2018: 110

2022E: ~ x 4

1. **Expand** online partnerships
2. **Exploit** full potential of hugoboss.com
3. **Enlarge** personalized online offerings
Retail productivity (in EUR/m²)

- 2016: 10,500
- 2017: 10,600
- 2018: 10,700
- 2022e: 10,700

CAGR 4%

Retail: Further improving retail sales productivity

1. **Optimize** store network
2. **Renovate** selected BOSS stores
3. **Enlarge** omnichannel services
4. **Improve** the product range
Asia/Pacific: Sales to increase at a double-digit rate

Share of Asia
(in % of Group sales)

2018

Asia/Pacific: 15%

2022e

Asia/Pacific: 20%

1. Expand retail footprint in China
2. Optimize retail network
3. Cooperate with local online partners
HUGO: Overproportionate growth in contemporary fashion segment

- **Focus** on casualwear
- **Expand** HUGO store network
- **Leverage** social media presence
- **Partner** with global brand ambassador

**HUGO sales**
(in EUR million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (EUR million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>380</td>
</tr>
<tr>
<td>2017</td>
<td>397</td>
</tr>
<tr>
<td>2018</td>
<td>374</td>
</tr>
</tbody>
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**2022e**

CAGR >5-7%*

* Currency-adjusted
EBIT margin expected to increase to 15%
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Outlook 2019

**Group Sales***
- Increase at a mid-single-digit percentage rate

**Operating result (EBIT)**
- Increase at a high single-digit percentage rate

**Consolidated net income**
- Increase at a high single-digit percentage rate

* Currency-adjusted
** Excluding IFRS 16 impact
Q1 2019
Strategic growth drivers on course

GROUP SALES
+1%*
EUR 664 million

GROSS PROFIT MARGIN
(20)bp
63.8%

ONLINE
+26%*

RETAIL PRODUCTIVITY
+3%

ASIA
+4%*

HUGO
+4%*

EBIT
(22)%**
EUR 55 million

* Currency-adjusted
** Excluding IFRS 16 impact
CLEAR FOCUS ON SUCCESSFUL IMPLEMENTATION OF THE 2022 STRATEGY
Annual Shareholders’ Meeting

HUGO BOSS

Thank you very much for your attention!
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.