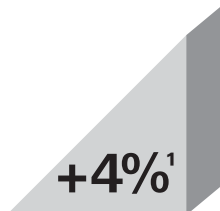


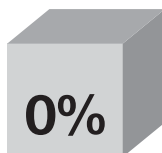
H U G O B O S S

FACT SHEET 2018

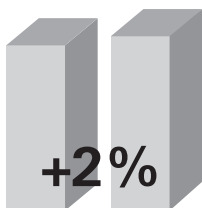
HUGO BOSS AT A GLANCE



Group sales
EUR 2,796 million



**EBITDA before
special items**
EUR 489 million



**Consolidated net
income**
EUR 236 million



Dividend per share
EUR 2.70

¹ On a currency-adjusted basis.

Content

- 4** HUGO BOSS on the Capital Market
- 5** Group Profile
- 6** Sourcing and Production
- 7** Employees
- 8** Strategy
- 13** Financial Key Figures
- 15** Outlook

**Dear Shareholders,
Dear Readers,**



Mark Langer, Chief Executive Officer

HUGO BOSS looks back on a successful 2018. We increased our pace of growth as planned and achieved our annual targets. Overall, sales grew by four percent on a currency-adjusted basis to EUR 2.8 billion. Even more encouraging, this growth was broad-based. Above all, our own retail business, and here in particular our online business, enjoyed dynamic growth. The latter increased at a strong double-digit rate in 2018. Our wholesale business also recorded sales growth in the past year. This positive sales development does not only show that both our new menswear and womenswear collections are very well received by customers, it also means that the consistent execution of our strategic priorities is paying off.

Besides sales, operating income (EBITDA before special items) also turned out as we forecast at the beginning of 2018. At EUR 489 million, it remained roughly on the prior year's level. A series of investments to ensure sustainable, profitable growth were the reason why we have not yet converted sales growth into higher profits. These included especially investments in the quality of our products and in the digital transformation of our business model.

I am particularly pleased that we also made significant progress in implementing our strategic priorities in 2018. Besides the successful realignment of our BOSS and HUGO brands, which our customers were able to experience for the first time with the launch of the Spring/Summer 2018 collection, we also made significant progress in further developing our distribution strategy. In our own online business, we achieved sales above EUR 100 million for the first time in 2018. We also successfully advanced our brick-and-mortar retail business. Besides further optimizing the store portfolio the focus was on consistently renovating BOSS stores and opening first HUGO stores with an own store concept in selected metropolises like Paris and London. Moreover, we have perceptibly driven forward the digitization of our business model. We increasingly develop and distribute our collections using digital tools. This enables us to respond faster to market trends and keep our finger on the pulse of the times with our products.

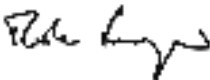
We have set ourselves the goal of being the most desirable premium fashion and lifestyle brand globally. Our Business Plan 2022, which we presented in November 2018, is entirely focused on this goal. The focus is on two strategic priorities – personalization and speed. We will personalize our offerings even more in the future, while at the same time speeding up central processes. Equally, we will make sure to achieve sustainable profitable growth in the years to come. Specifically, we want to increase sales by five to seven percent on average in the next four years

on a currency-adjusted basis, thereby growing faster than our relevant market segment. In addition, we want to boost the operating margin (EBIT margin) to 15 percent by 2022.

The current year will already be all about the execution of our Business Plan 2022. For this year, we expect to increase currency-adjusted Group sales at a mid-single-digit percentage rate. At the same time, operating income (EBIT) should grow at a high single-digit rate, thus faster than sales.

In conclusion, dear shareholders, HUGO BOSS is optimally set up for long-term success. We have two strong and globally recognized brands in BOSS and HUGO, a one-of-a-kind global distribution network, and top-notch employees who are passionate and devoted to inspiring our customers anew every day. My particular thanks and recognition goes to our employees for all their efforts over the past year. They are the heart of HUGO BOSS and a foundation for lasting success. Together we have established the conditions to meet our targets for 2019 and beyond.

Sincerely yours,



Mark Langer



HUGO BOSS ON THE CAPITAL MARKET

HUGO BOSS - key share data

	2018	2017
Number of shares	70,400,000	70,400,000
Share price in EUR ¹		
Last (December 31)	53.92	70.94
High	80.02	77.74
Low	52.96	54.99
Market capitalization in EUR million (December 31)	3,796	4,994
Earnings per share in EUR	3.42	3.35
Dividend per share in EUR	2.70 ³	2.65
Dividend yield in % ²	5.0 ³	3.7
Payout ratio in % ⁴	79 ³	79

¹ Xetra.

² Based on closing price (December 31).

³ 2018: Dividend proposal.

⁴ Based on net income attributable to shareholders.

Shareholder structure as of December 31

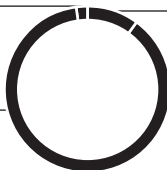
(in % of share capital)

2018 (2017)

Own shares
2 (2)

PFC S.r.l./Zignago Holding S.p.A.
10 (10)

Free float
88 (88)



HUGO BOSS on the Capital Market:
capitalmarket18.hugoboss.com

GROUP PROFILE

**2.8**

Sales
(billion EUR)

**14,685**

Employees

**129**

Countries

HUGO BOSS is one of the leading global companies in the premium segment of the apparel market. With some 14,700 employees around the world, the Company, which is based in Metzingen (Germany), develops and sells high-quality fashion as well as accessories in the womenswear and menswear segments under the BOSS and HUGO brands. With its Group strategy, the Company is aiming for a steady increase in brand desirability. In fiscal year 2018, the Group achieved sales of EUR 2.8 billion from the distribution of classic yet modern tailoring, elegant evening wear, casual-wear, shoes and accessories. This also includes royalty income that the Company earns with products such as fragrances, eyewear, watches and children's fashion.

BOSS
HUGO BOSS

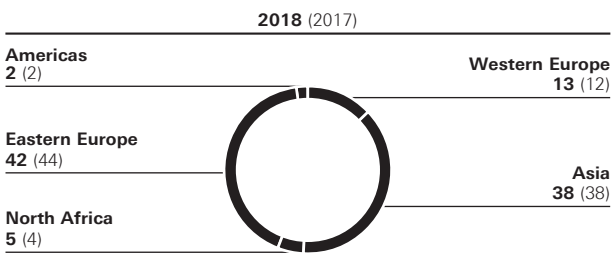
HUGO
HUGO BOSS

HUGO BOSS customers can currently purchase BOSS and HUGO products in 129 countries. The Group's distribution activities are divided into three sales regions. With a share of 62%, Europe contributes the largest proportion of sales. 20% of Group sales are generated in the Americas and 15% in Asia. 3% of Group sales is generated from the license business.

SOURCING AND PRODUCTION

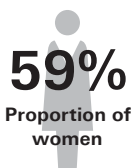
HUGO BOSS produces 17% of its total sourcing volumes at its own facilities with 83% being sourced from external contract suppliers or procured as merchandise. Own production occurs at four production locations in Europe, located in Izmir (Turkey), Metzingen (Germany), Morrovalle (Italy) and Radom (Poland). Partner operations are mainly located in Eastern Europe and Asia.

Regional split of sourcing and production volume (in %)



HUGO BOSS exclusively works with carefully selected partners with whom it strives for long-term cooperative partnerships. The cooperation is based on strict environmental and social standards that are based on internationally acknowledged standards. Before suppliers are included in the supplier portfolio, they undergo a standardized onboarding process in which they commit themselves to compliance with these standards. Training courses organized by HUGO BOSS help suppliers to comply with these standards. Suppliers are also reviewed in regular audits. Open issues are recorded and tracked in action plans.

EMPLOYEES



At the end of fiscal year 2018, HUGO BOSS had 14,685 employees (2017: 13,985). The attractiveness of HUGO BOSS as an employer was awarded several prizes in 2018. The Company is again among the top 100 most attractive employers in Germany in the annual survey conducted by the "Universum" and "trendence" institutes.

Employees as of December 31 (in %)

By functional area 2018 (2017)	Industrial, commercial and administrative 2018 (2017)	By region 2018 (2017)
Logistics 11 (11)	Industrial employees 31 (31)	Americas 13 (13)
R&D and administration (incl. IT) 13 (12)		Asia/Pacific 13 (13)
Own production 27 (27)	Commercial and administrative employees 69 (69)	Germany 21 (21)
Own retail business, sales and marketing 49 (50)		Rest of Europe 53 (53)

STRATEGY

Group strategy

The Group strategy is aimed at growing Group sales faster than the relevant market segment in 2019 and beyond. In addition, the operating profit (EBIT) should grow faster than sales starting in 2019. The Company's actions are guided by its vision of being the most desirable fashion and lifestyle brand in the premium segment. HUGO BOSS believes that brand desirability will be the most important factor in the Group's long-term success. The objectives of employing the right people, maximizing customer satisfaction and offering the best products in the industry are in line with this fundamental belief and are predicated on profitable growth. To further drive the desirability of its brands, HUGO BOSS is focusing on two strategic priorities in its 2022 business plan: Personalization and speed.

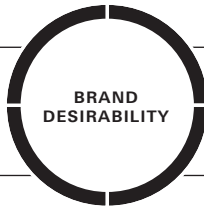
The Company will therefore expand its focus on personalized offerings in coming years. The intent is to increase customer satisfaction sustainably by employing a more individualized customer approach, a personalized product range, and a unique shopping experience. In doing so, HUGO BOSS is building on its strengths: its global retail network, its systematic customer relations management, and its extensive experience in made-to-measure apparel.

In addition, HUGO BOSS will accelerate central business processes and design them to be much more agile. This will enable the Company to react to customer needs and new market trends even more quickly and flexibly in the future. The existing skills of HUGO BOSS in product design and development, its modern logistics and IT infrastructure and the use of digital showrooms will be the key levers.

The two priorities of personalization and speed are guiding the specific action of the Company within the four strategic fields of action: HUGO BOSS is realigning its brand portfolio and the positioning of its brands. It is consistently enhancing its distribution strategy on this basis. In addition, the Group is advancing the digital transformation of its business model and is striving to transform its operating model and its corporate culture in order to make its key business processes faster and more agile, and to promote entrepreneurial thinking and actions.

Strategic fields of action**PERSONALIZATION****SPEED**

Refocus the brands**Drive the digital transformation**

Refine the way we sell**Innovate the way we operate**

Brand strategy

Two strong brands

BOSS
HUGO BOSS

Brand values

Masculinity/Femininity
Sexiness
Success
Style
Precision

BOSS dresses the drive.



HUGO
HUGO BOSS

Brand values

Globally engaged
Always curious
Authentically
expressive

**HUGO is the platform
of self-expression.**

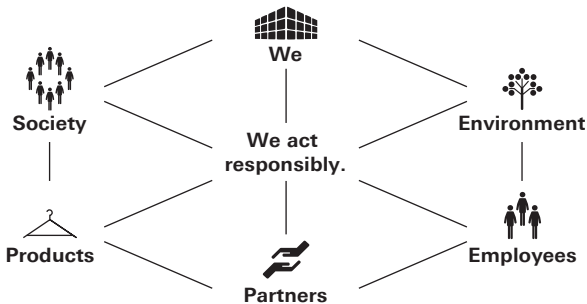
With its BOSS brand, the Company is reaching out to status-oriented, rationally-minded customers who wish to dress in a classic yet modern and high-quality style. The BOSS customer has exacting standards when it comes to quality and fit, and attaches great importance to an adequate value-for-money proposition. The shopping experience must also meet the highest standards, particularly with regard to personal service. BOSS offers this customer confident businesswear and refined casualwear collections in the upper premium segment, characterized by the highest quality, elegant cuts and clear designs.

In contrast to BOSS, the HUGO brand is targeted at customers who are significantly more fashion-conscious and consider their style of dress to be an important element in expressing their personality. The HUGO customer is open-minded, individual and spontaneous, and increasingly shops online or mobile. HUGO offers this broad and generally younger customer base fashionable business and casualwear collections that are distinguished by their progressive designs and clear fashion statement. In doing so, HUGO remains anchored in the premium segment of the apparel market, but stands apart from BOSS in terms of its fashion statement and pricing.

Sustainability strategy

HUGO BOSS sees sustainability as the interplay between quality, innovation and responsibility and thus as an integral part of its business activities. The guiding principle “we act responsibly” seeks to generate added value for the Company, its employees, shareholders, customers, business partners and society. The six fields of action we, environment, employees, partners, products and society provide the framework for the sustainability strategy of HUGO BOSS.

Strategic fields of action for sustainability



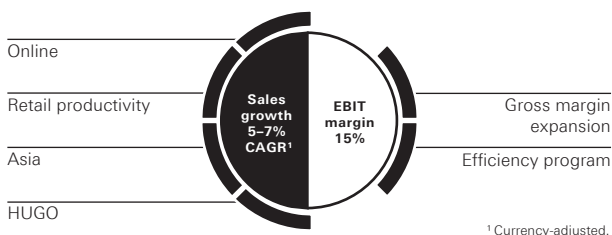
In 2018, HUGO BOSS was added to the Dow Jones Sustainability Index (DJSI) World for the second time in a row. In terms of sustainability, the Group therefore ranks among the four best in its industry. This underscores the success of the Group’s sustainability activities over the last few years.

Details on the sustainability strategy, sustainability activities of the Company as well as the six fields of action can be found in the annual Sustainability Report and on the Company’s website.

Business Plan 2022

HUGO BOSS aims at creating long-term value for shareholders. All entrepreneurial decisions made by the management have the goal of securing sustainable growth of sales and EBIT and ultimately increasing free cash flow. In this context, in November 2018 HUGO BOSS presented its mid-term targets until 2022 as part of its investor day.

HUGO BOSS outlook 2022



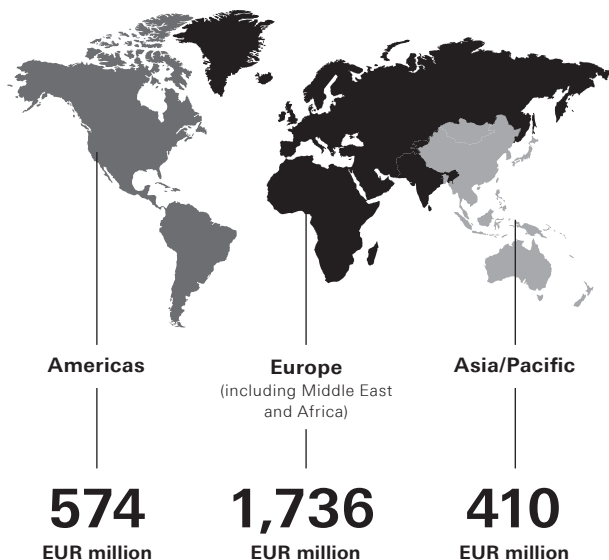
The Company anticipates to increase Group sales on a currency-adjusted basis by an average of 5% to 7% per year until 2022. Four factors are particularly crucial for future sales growth: significant growth in the Group's own online business, an improvement in retail sales productivity, exploiting the growth potential in Asia, and above-average growth of HUGO in the contemporary fashion segment.

At the same time, operating profit (EBIT) is expected to grow faster than sales by 2022. In doing so, the EBIT margin shall increase to 15% by 2022 (2018: 12.4%). An improved gross profit margin and a Group-wide efficiency program with a strong focus on a more efficient use of operational expenses will contribute to this development.



FINANCIAL KEY DATA

Sales by region 2018



Sales by distribution channel 2018



Income statement (in EUR million)

	2018	2017	Change in %
Sales	2,796	2,733	2
Cost of sales	(972)	(925)	(5)
Gross profit	1,824	1,808	1
in % of sales	65.2	66.2	(90) bp
Selling and distribution expenses	(1,174)	(1,195)	2
Administration expenses	(290)	(280)	(4)
Other operating income and expenses	(13)	8	<(100)
EBIT	347	341	2
in % of sales	12.4	12.5	(10) bp
Financial result	(10)	(10)	(4)
Earnings before taxes	337	331	2
Income taxes	(101)	(100)	0
Group's net income	236	231	2
EBITDA before special items	489	491	0
in % of sales	17.5	18.0	(50) bp

Selected balance sheet figures (in EUR million)

	2018	2017
Trade net working capital	537	459
Capital expenditure	155	128
Free cash flow	170	294
Equity	981	915
Total assets	1,858	1,720

OUTLOOK¹

Group sales²

Outlook 2019

Increase at a mid-single-digit percentage rate

Result 2018

Increase by 4% to EUR 2.796 million

Gross profit margin

Outlook 2019

Increase of up to 50 basis points

Result 2018

Decrease by 90 basis points to 65.2%

Operating result (EBIT)

Outlook 2019

Increase at a high single-digit percentage rate

Result 2018

Increase by 2% to EUR 347 million

Group's net income

Outlook 2019

Increase at a high single-digit percentage rate

Result 2018

Increase by 2% to EUR 236 million

Capital expenditure

Outlook 2019

EUR 170 million to EUR 190 million

Result 2018

EUR 155 million

Free cash flow

Outlook 2019

EUR 210 million to EUR 260 million

Result 2018

EUR 170 million

¹ Not considering the anticipated impact of IFRS 16. A full description of the expected impact of IFRS 16 can be found in the Annual Report 2018 (Notes to the Consolidated Financial Statements).

² On a currency-adjusted basis.

Forward-looking statements

This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties. If any of these or other risks or 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. HUGO BOSS does 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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Photo

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English Translation

SDL Multilingual Services GmbH, Stuttgart, Germany

Online annual report

For HUGO BOSS, digitization and sustainability are fundamental priorities. Starting with the annual report 2018, we have therefore opted for paperless reporting. Since this year our annual report is published exclusively online: as a web PDF for download as well as an online version with many interactive features.



www.annualreport-2018.hugoboss.com