

# Investor Day

## Refine the way we sell

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**Bernd Hake**

Chief Sales Officer

November 15, 2018

**CUSTOMER-  
CENTRICITY**  
IS KEY IN AN EVER  
CHANGING WORLD

## Wholesale

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From Point of Sale

## Retail

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## Customer-centric

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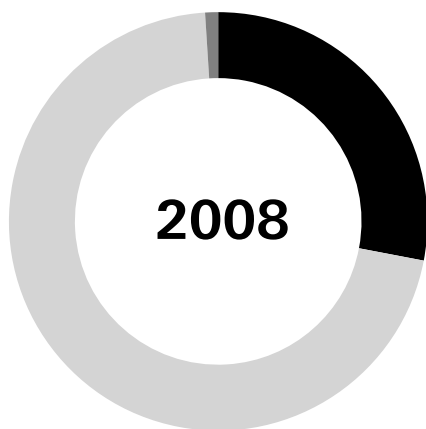


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To Point of Experience

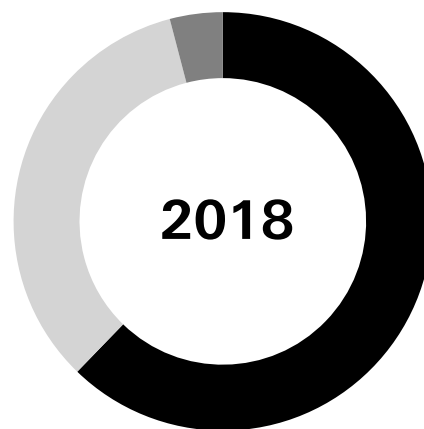
**Distribution strategy** reflects  
changing customer expectations

## Wholesale-driven



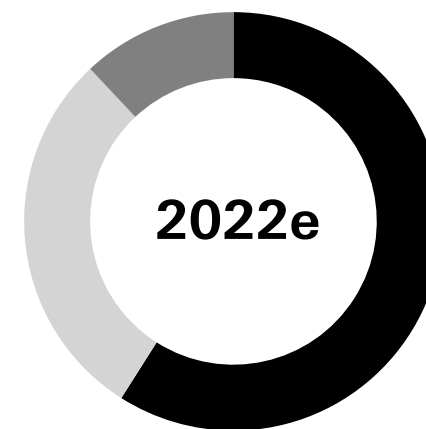
2008

## Retail-driven



2018

## Customer-centric

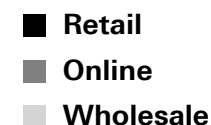


2022e

From Point of Sale

To Point of Experience

**Distribution strategy** reflects  
changing customer expectations



**Ensure a seamless**  
customer journey  
across all touchpoints

# RETAIL

BOSS Store, Tokyo



## Strong global retail network



as of Sep. 30, 2018

**Improve retail sales  
productivity by 4%  
on average per year**



1 Accelerate rollout of **new store concept**

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2 Optimize **store network**

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3 Enlarge **omnichannel services**

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4 Enhance **product range**

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5 Drive **retail excellence**

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Measures to improve  
**retail sales productivity**



**New store concept**  
elevates shopping experience

BOSS Store, Singapore



Creating an **inviting atmosphere**

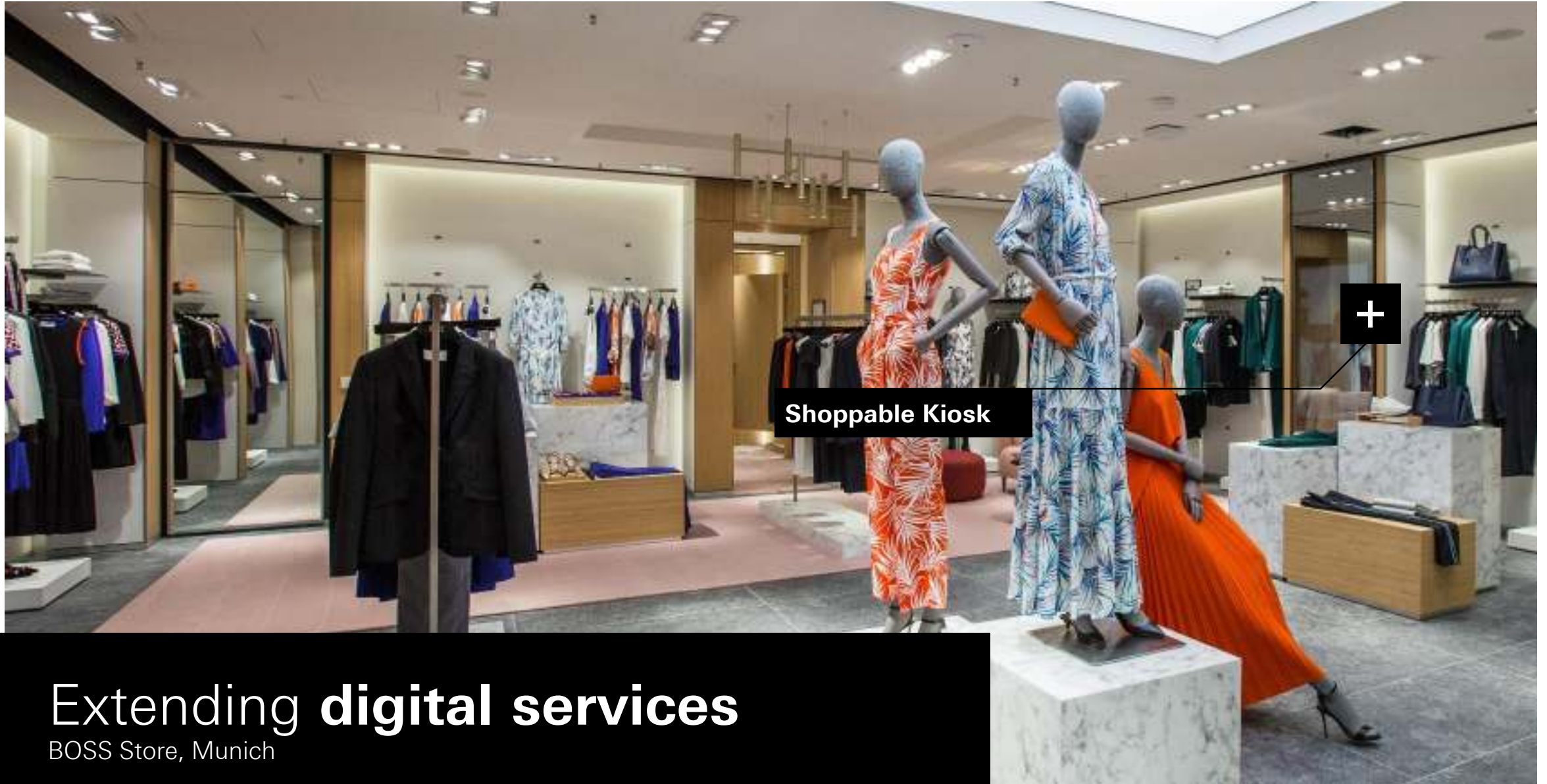
BOSS Store, Singapore





Offering **category convenience**

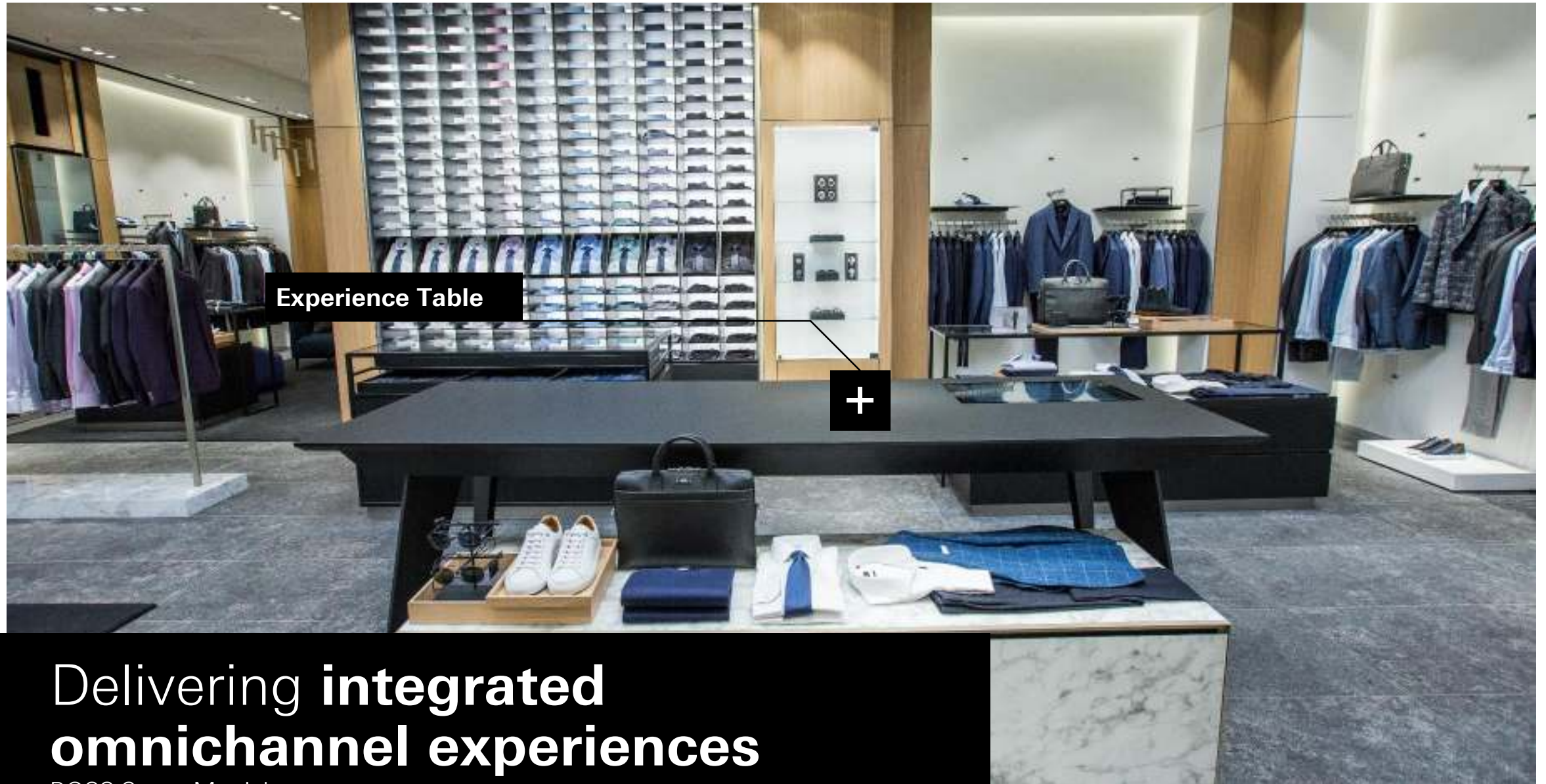
BOSS Store, Munich



# Extending **digital services**

BOSS Store, Munich

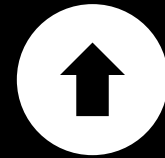




Delivering **integrated omnichannel experiences**

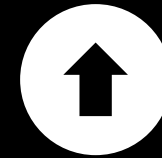
BOSS Store, Munich

# New BOSS store concept improves performance across KPIs



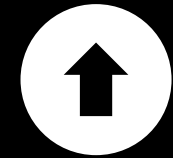
**+14%**

Sales  
(fx-adjusted)



**+28%**

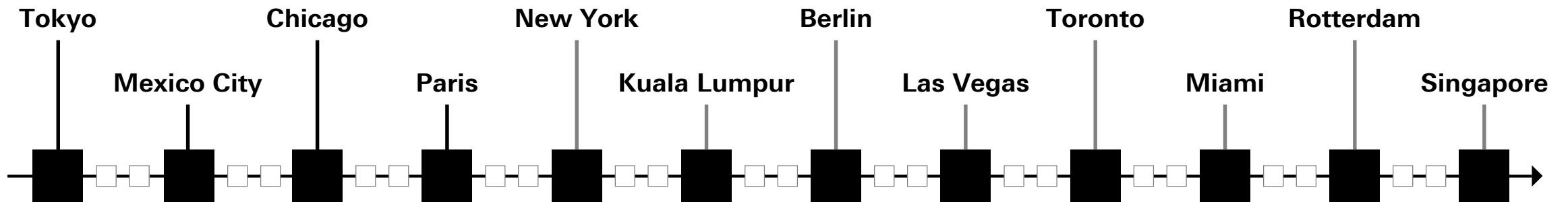
Sales productivity



**+12%**

Units per transaction

# Accelerate rollout of new BOSS store concept





# HUGO: expansion of store network ongoing

Los Angeles  
Costa Mesa  
San Diego  
Guadalajara  
Mexico City  
New York  
Miami

Birmingham  
London  
Amsterdam  
Paris  
Porto  
Stockholm  
Copenhagen  
Berlin  
Düsseldorf  
Dubai  
Singapore, Ion Orchard  
Singapore, Marina Bay  
Zhengzhou  
Shenzhen  
Tokyo  
Osaka

**23 HUGO Stores  
by the end of 2018**

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HUGO Store, Paris



HUGO Store, Amsterdam



**Store concept** targets  
fashion-forward customer





Inspiring the **urban customer**

HUGO Store, Amsterdam







Leveraging **social commerce**  
in store

HUGO Store, London

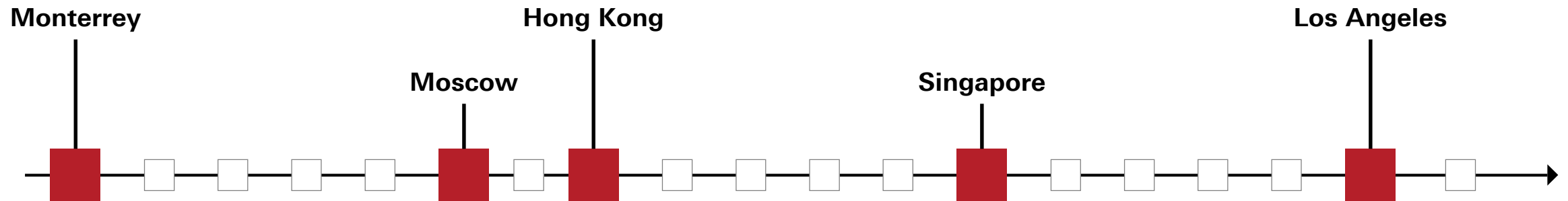




- ✓ Increasing **traffic** and awareness
- ✓ Enhancing **interaction** with customers
- ✓ Engaging strongly via **social media**
- ✓ Creating **excitement** through pop-up stores

**HUGO stores** resonate well  
with the customer

# Further HUGO store openings planned for 2019 and beyond



# Maintain retail selling space

## 01

### Openings

Expand BOSS footprint  
in Asia/Pacific

Open HUGO stores  
in key metropolitan cities

Focus on  
“new role of stores”

## 02

### Relocations & closures

Right-size stores

Relocate within the  
same city or mall

Close selective stores

## 03

### Renovations

Accelerate global rollout  
of new BOSS store concept

Focus on key  
metropolitan cities

Renovate shops and outlets



BOSS Store, Paris



# WHOLESALE



## Strong global wholesale network

**~6,700**

Wholesale PoS

**~200**

Stores operated by  
franchise partners

**~500**

Shop-in-shops  
operated by partners

**~6,000**

Multi-brand  
points of sale

# Further strengthening strategic wholesale partnerships

01

02

03

04

05

Enhance brand  
presentation

Simplify selling  
process

Increase marketing  
support

Expand online  
cooperation

Grow demand-  
driven supply

## Focusing on global wholesale partners

Generate  
**ONE THIRD**  
of wholesale sales



Generate  
**MID SINGLE-DIGIT**  
growth

# ONLINE

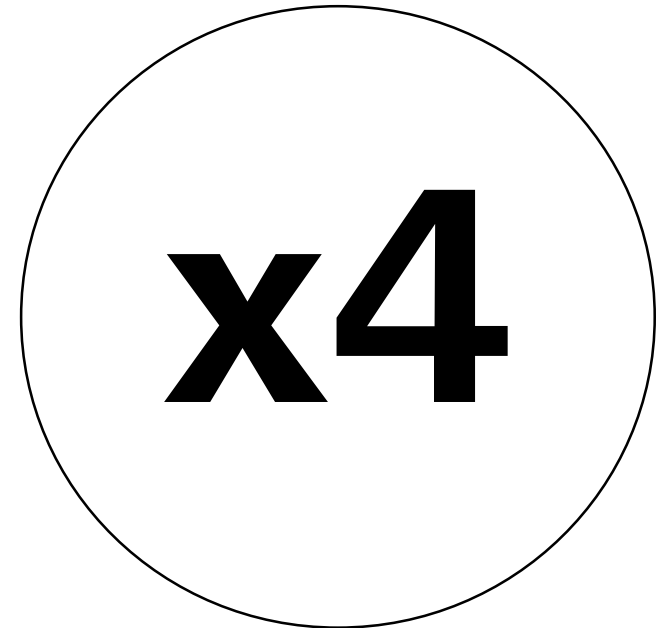


# Online business with strong momentum



\*YTD September 2018

**Online  
business to  
quadruple  
by 2022**



# Leveraging the online opportunity

**1 Accelerate online concession** business

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**2 Exploit full potential** of hugoboss.com

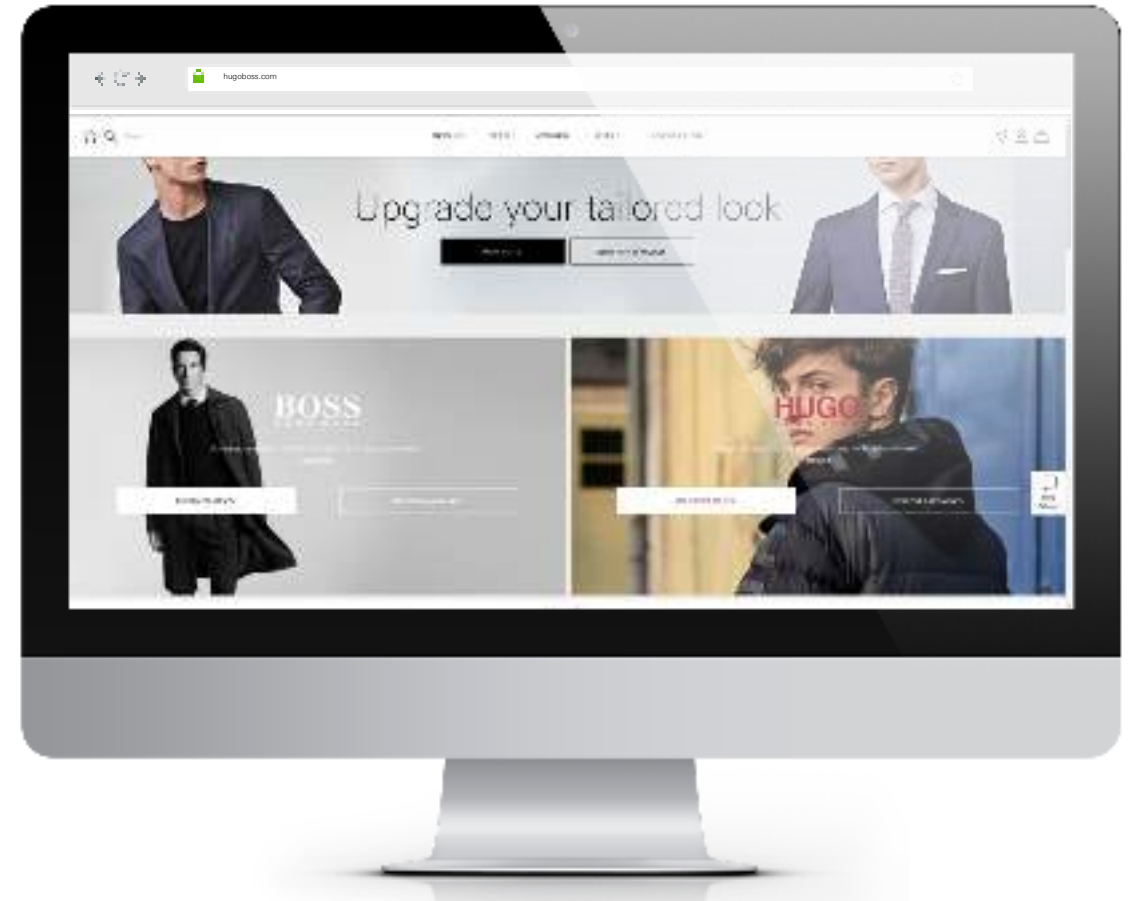
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**3 Enlarge omnichannel** services

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**4 Expand social** commerce

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**Strong development of online concessions**  
contributes to online growth



**Zalando concession partnership**  
marks major milestone



**Online concession model to be extended**  
in the coming years

**Accelerate** online concession  
business to control distribution



Make hugoboss.com a **digital flagship store**

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Accelerate **personalized customer experience**

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Create value through **CRM expertise**

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Sustain strong momentum of **mobile commerce**

**Enhance performance  
of hugoboss.com**

# Coverage of >90% of global online apparel and footwear market

- 
- hugoboss.com markets today
  - Next hugoboss.com rollouts

**Rollout of hugoboss.com** increases global online presence

# Omnichannel services

increase speed and convenience



## Target 2022

Omnichannel services to grow to 5% of store sales

**In-Store  
Availability Check**

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**Order  
from Store**

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**Click & Collect**

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**Store Locator**

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**Click & Reserve**

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**Return to Store**

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**Demand-driven Delivery**

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# Global rollout of omnichannel services



## IN TOTAL

125 stores in Europe  
59 stores in the U.S.  
already offer omnichannel services

**Expand** omnichannel experience globally

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**Integrate** additional services such as “Deliver from Store”

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**Connect** all distribution channels

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# Exploit the full potential of online

**concession.com**

**Optimize brand presentation** at multi-brand platforms

**social.com**

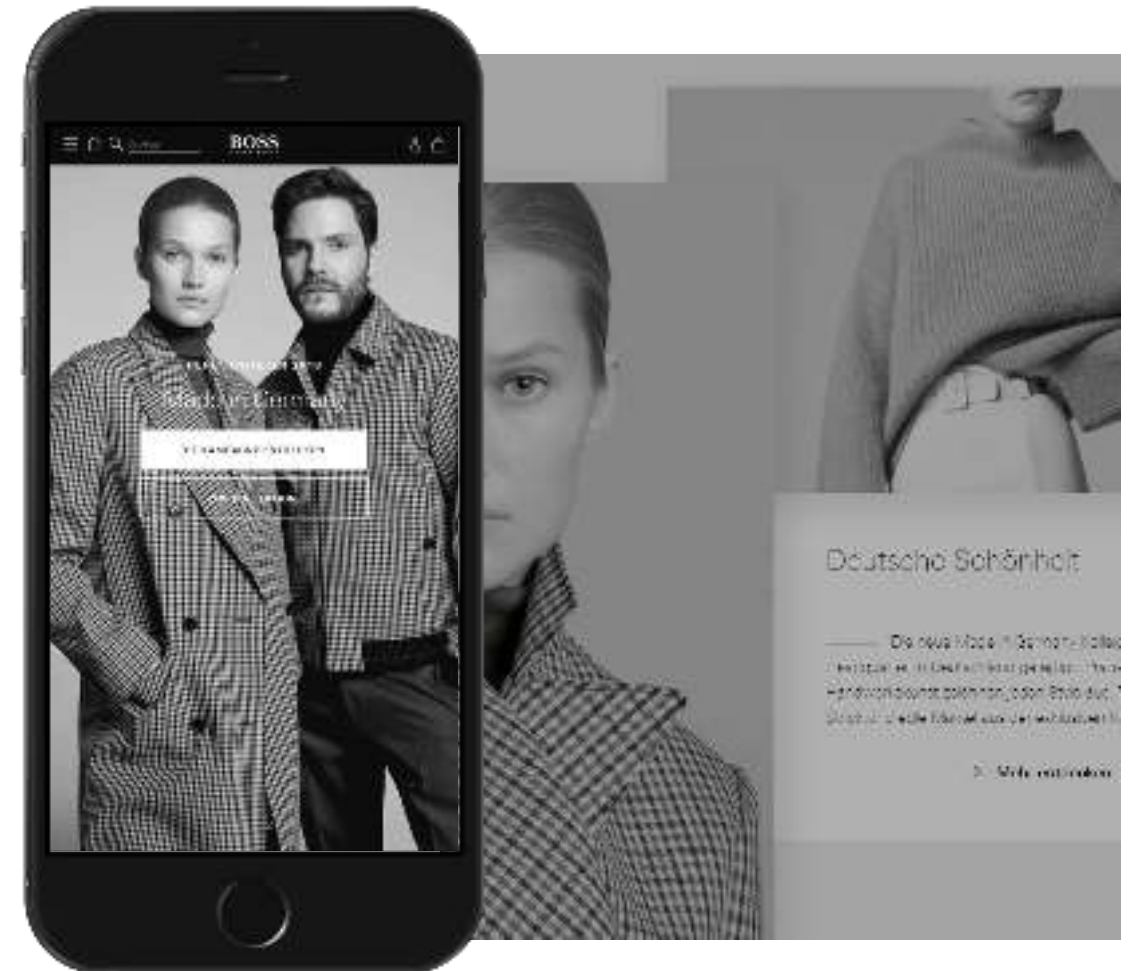
**Attract millennials** via social media

**hugoboss.com**

**Enhance loyalty** and provide the best brand experience

**wholesale.com**

**Extend brand awareness**



**Unleash**  
**the full potential**  
across all regions

# Dedicated roles to elevate regional potential



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**IMPROVE**



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**LEAD**

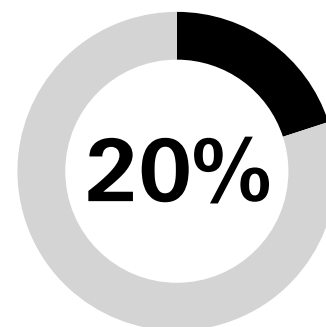


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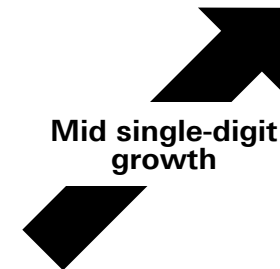
**EXTEND**



# Drive quality growth in the Americas

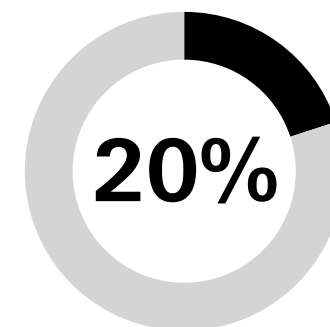


Sales share  
2018



Mid single-digit  
growth

CAGR



Sales share  
2022e

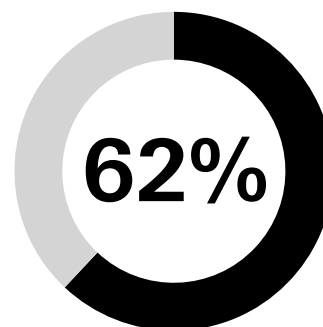
**Leverage trend** towards casual- and athleisurewear

**Review and optimize** existing store network

**Reduce share** of outlet business

**Grow quality business** through strategic wholesale partners

# Maintain leading position in Europe\*

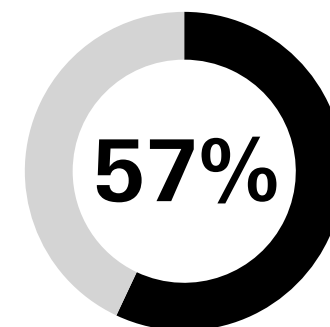


Sales share  
2018



Mid single-digit  
growth

CAGR



Sales share  
2022e

**Grow productivity** of existing store base

**Rollout HUGO stores** across major European cities

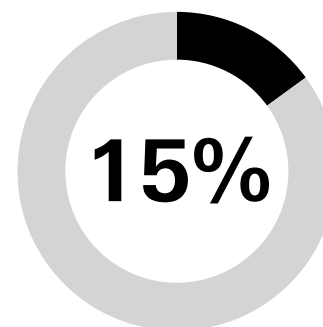
**Expand concession business** with large online platforms

**Strengthen existing partnerships** with key wholesale partners

\*incl. Middle East/Africa

License business represents 3% of Group sales

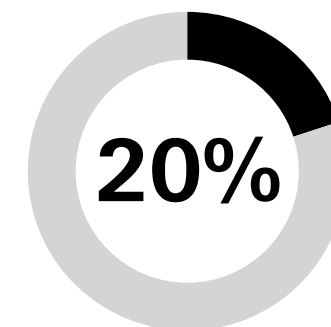
# Leverage strong potential in Asia/Pacific



Sales share  
2018



CAGR



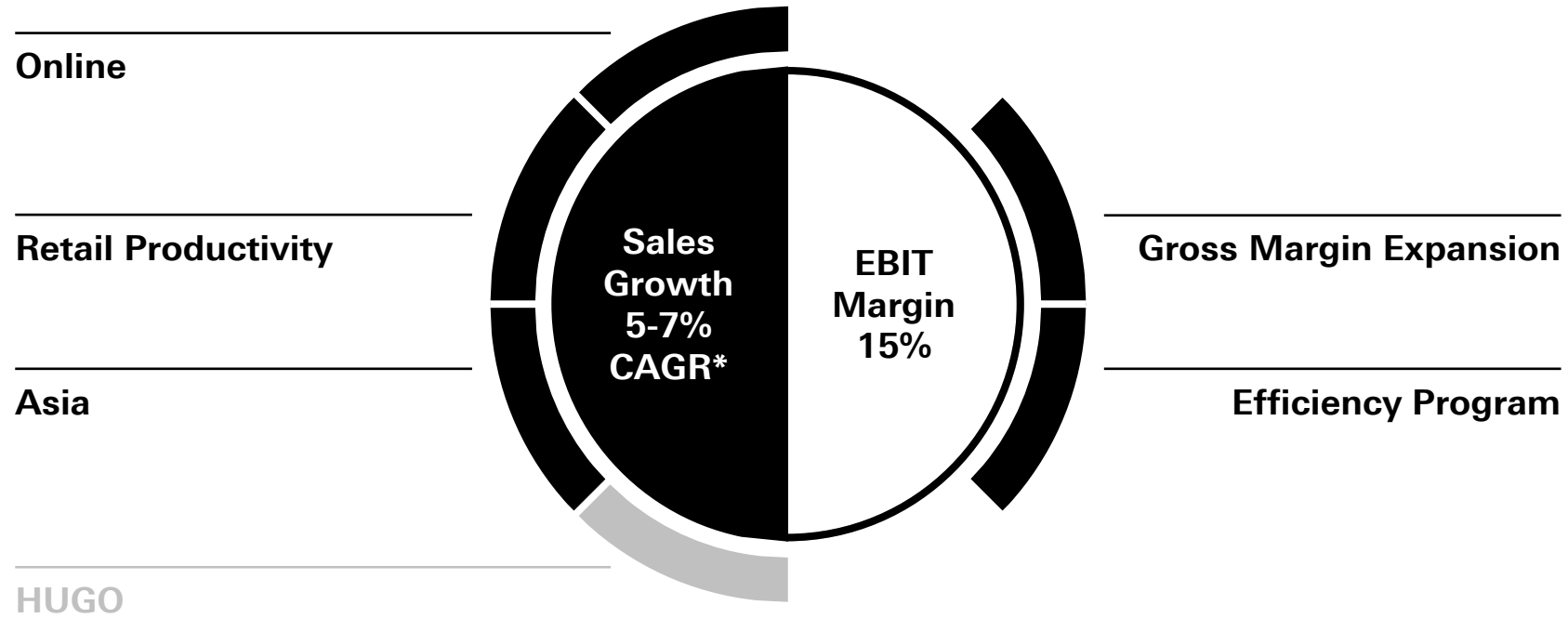
Sales share  
2022e

**Leverage Chinese demand** across the region

**Expand retail footprint** in Mainland China

**Grow travel retail** business

**Leverage digital opportunities** via leading online platforms



Key drivers of **sales growth** and  
**EBIT margin expansion**

\* = currency-adjusted