
HUGO BOSS



HUGO BOSS Company Handout

Roadshow Frankfurt am Main • M.M. Warburg • August 8, 2016

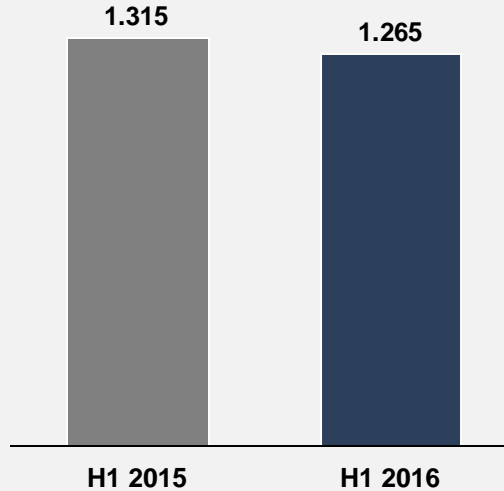
Pricing discipline and cost savings limit sales-driven earnings decline



Sales
(in EUR million)

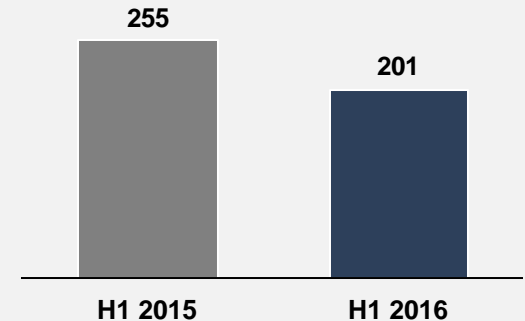
(4) %

(2) % fx-adjusted



EBITDA before special items
(in EUR million)

(21) %



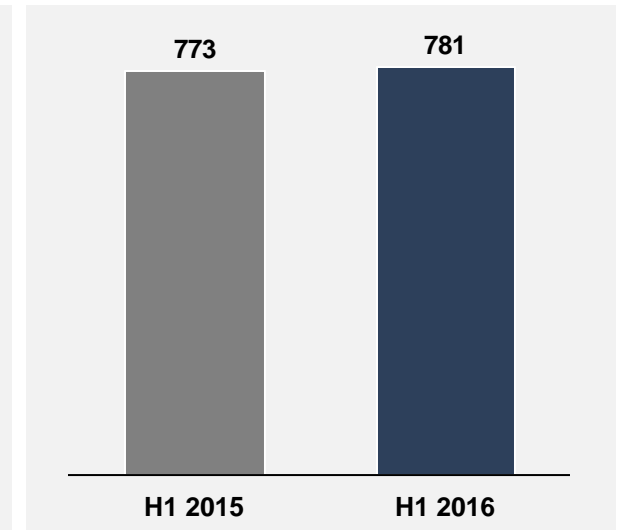
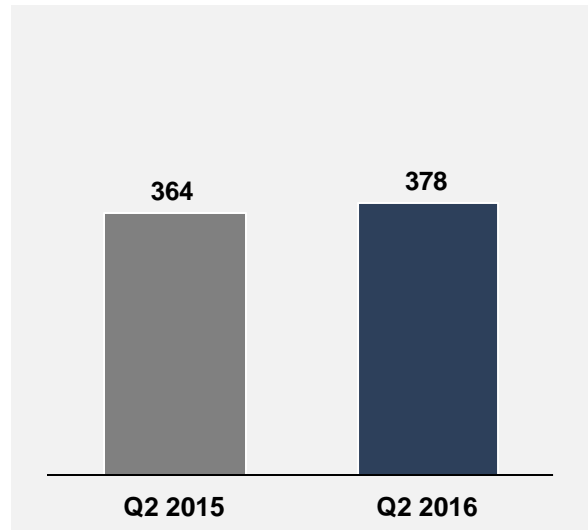
Performance in Europe improves in the second quarter

- Strength in the UK, Scandinavia and Italy and positive timing effect in wholesale drive improvement in second quarter
- UK business unaffected by Brexit referendum to date
- Decline of tourist demand impacts business in France and other markets

HUGO BOSS Europe sales (in EUR million)

+4 %
+7 % fx-adjusted

+1 %
+3 % fx-adjusted



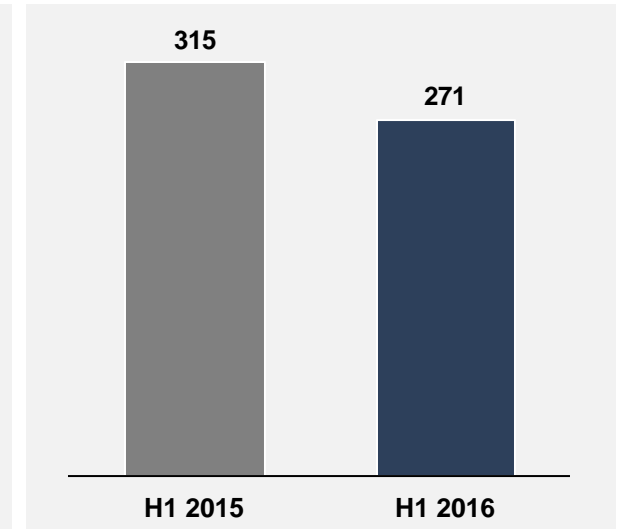
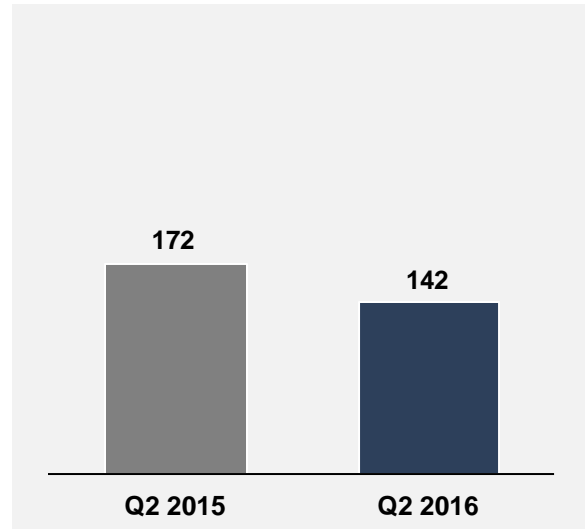
Decline of US business impacts regional performance in the Americas

- Sales in Canada as well as Central and South America up at double-digit rates
- US business impacted by the tightening of BOSS distribution in the wholesale channel, a difficult market environment as well as traffic declines in own retail
- Customer service and omnichannel offerings expanded significantly

HUGO BOSS Americas sales
(in EUR million)

(18) %
(14) % fx-adjusted

(14) %
(11) % fx-adjusted



Price adjustments yield encouraging results in Mainland China

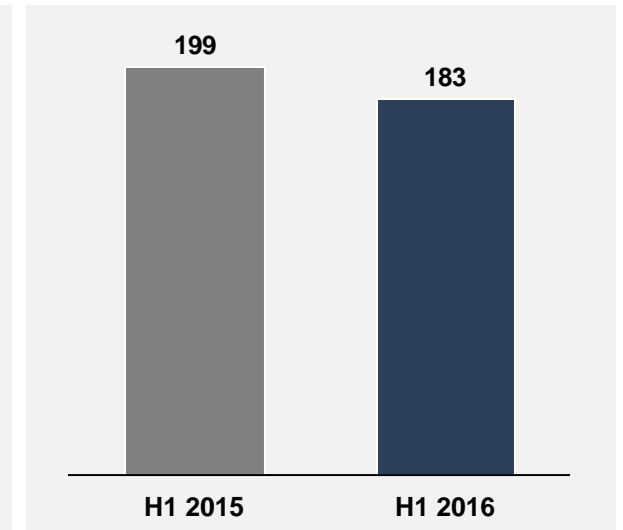
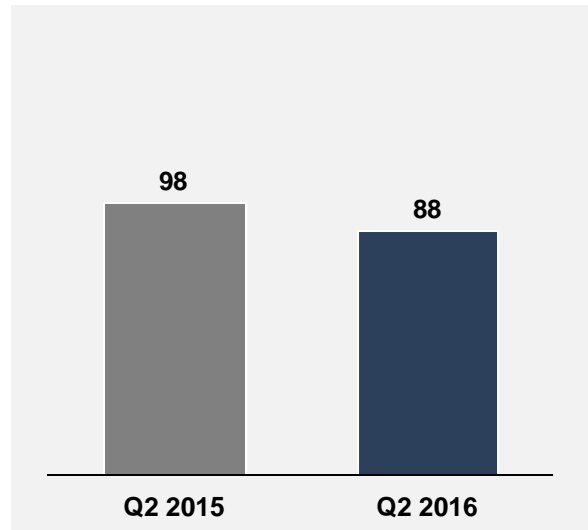
- Substantial double-digit declines in Hong Kong and Macau drag down performance of Greater China
- Price adjustments and operational improvements strongly support store traffic and unit growth in China
- Upgrade of store network in China ongoing

HUGO BOSS Asia/Pacific sales

(in EUR million)

(10) %
(6) % fx-adjusted

(8) %
(6) % fx-adjusted



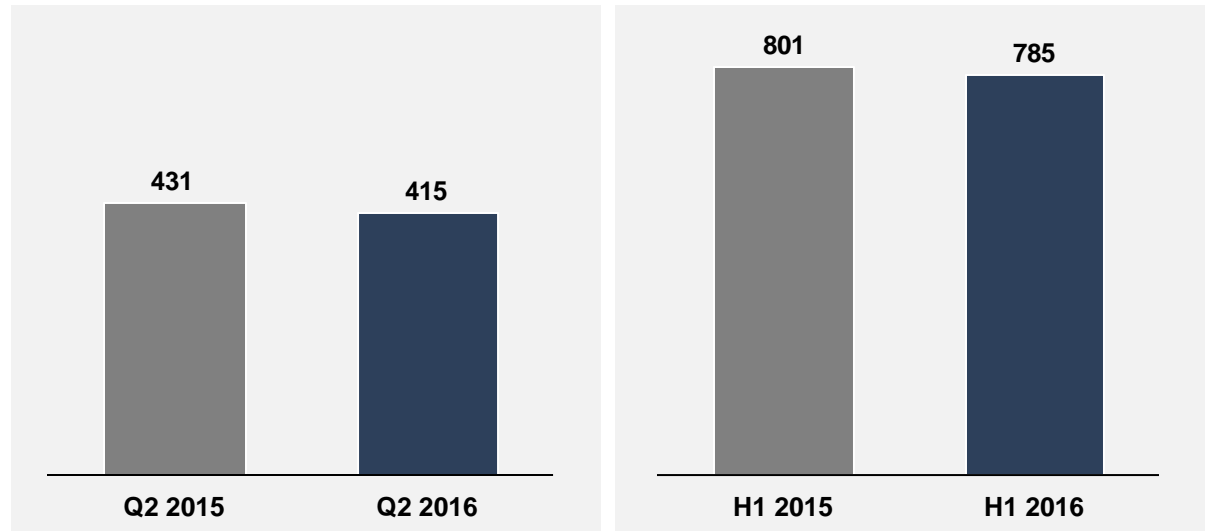
Traffic declines continue to weigh on comp store sales performance in own retail

- Sales contribution from new space offsets comp store sales decline of 8% in Q2 and of 7% in H1
- Higher net sales per transaction partly compensate for traffic declines on comparable floor space
- Online performance behind expectations in the second quarter

HUGO BOSS Retail sales (in EUR million)

(4) %
0 % fx-adjusted

(2) %
+1 % fx-adjusted

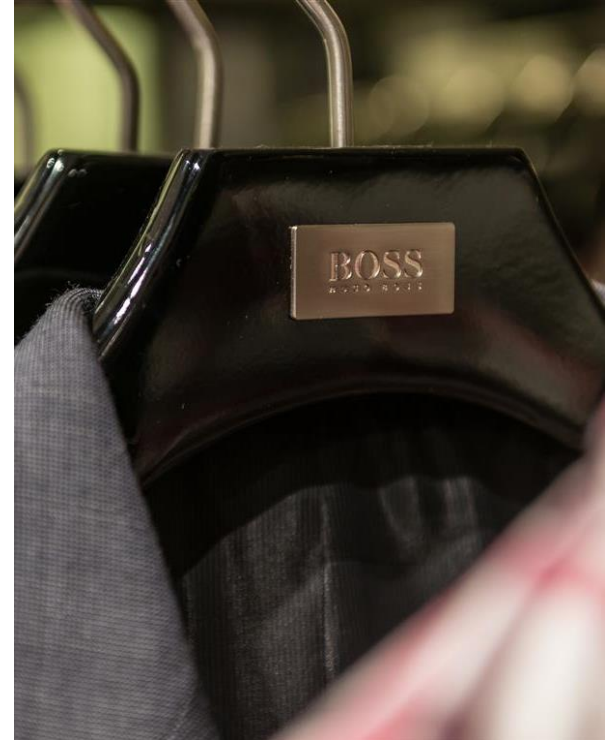


Moderate store network expansion in the first half year



Streamlining of store network to support profitability in 2017 and beyond

- Around twenty freestanding stores to be closed until the end of 2017
- Stores diluted the Group's EBITDA margin by 60 basis points in 2015
- One-time costs of EUR 52 million accepted in return for positive impact on Group profits starting in 2017



Wholesale sales affected by cautious demand and structural changes in the US

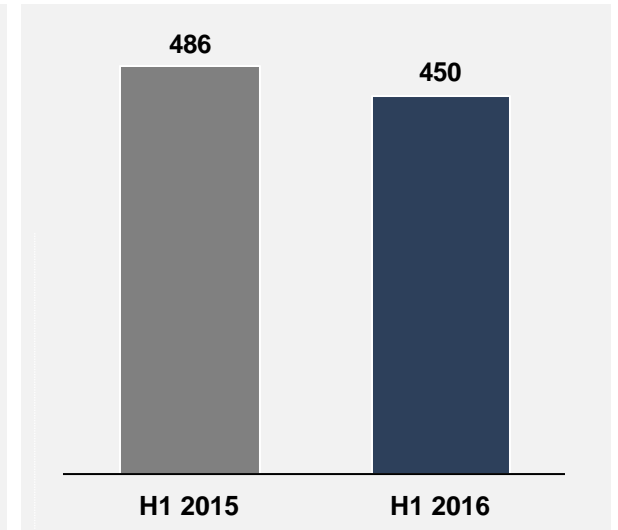
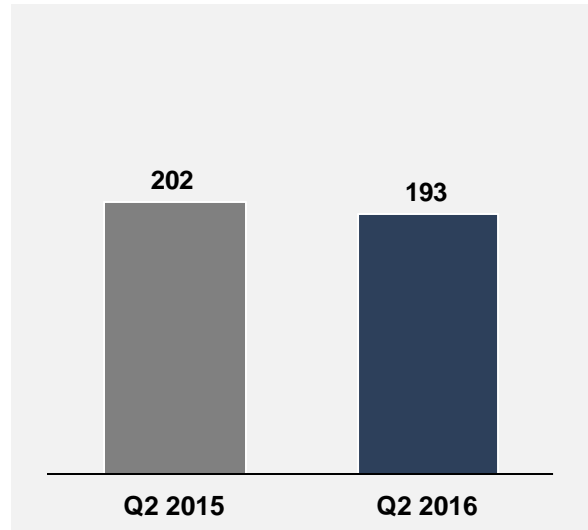
- Substantial declines in the US only partly offset by growth in Europe
- Second quarter sales benefit from a different timing of Fall collection deliveries compared to the prior year
- Excluding the effect, Q2 sales declined at a mid- to high-single-digit rate on a currency-adjusted basis

HUGO BOSS Wholesale sales

(in EUR million)

(5) %
(1) % fx-adjusted

(8) %
(6) % fx-adjusted



Sales trends broadly similar across menswear and womenswear

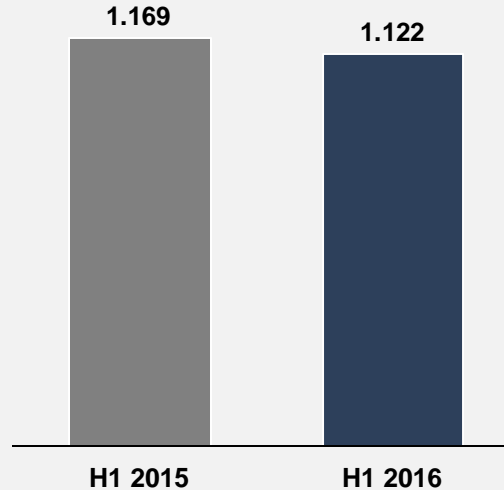
- Renewed focus on core menswear business
- Positive momentum in BOSS Womenswear continues
- Chief Brand Officer Ingo Wilts to join the Managing Board on August 15

HUGO BOSS Menswear sales

(in EUR million)

(4) %

(2) % fx-adjusted

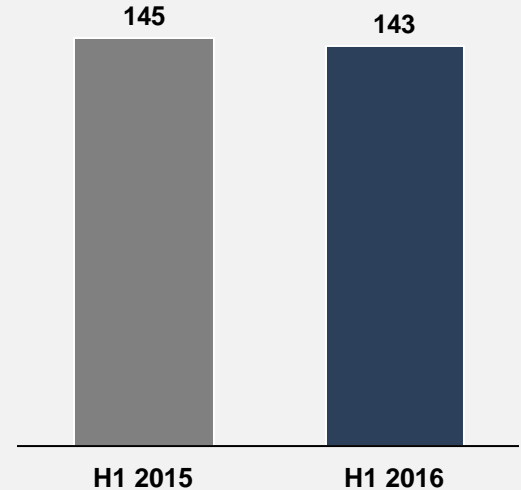


HUGO BOSS Womenswear sales

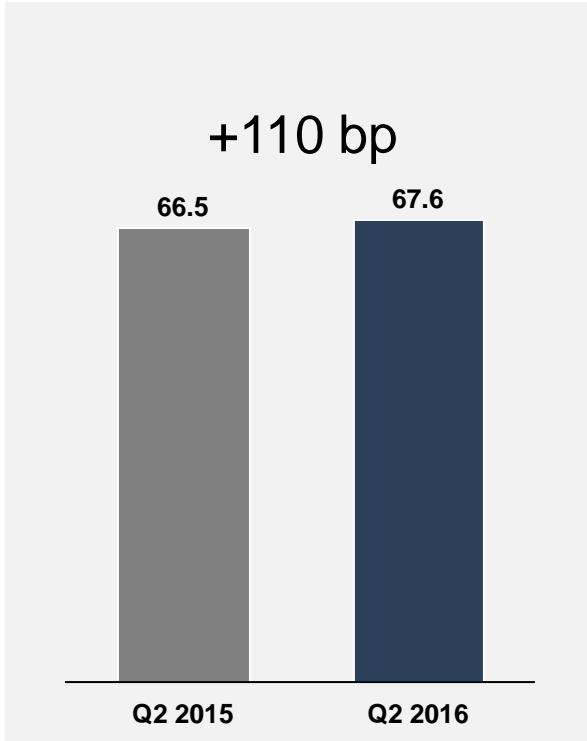
(in EUR million)

(2) %

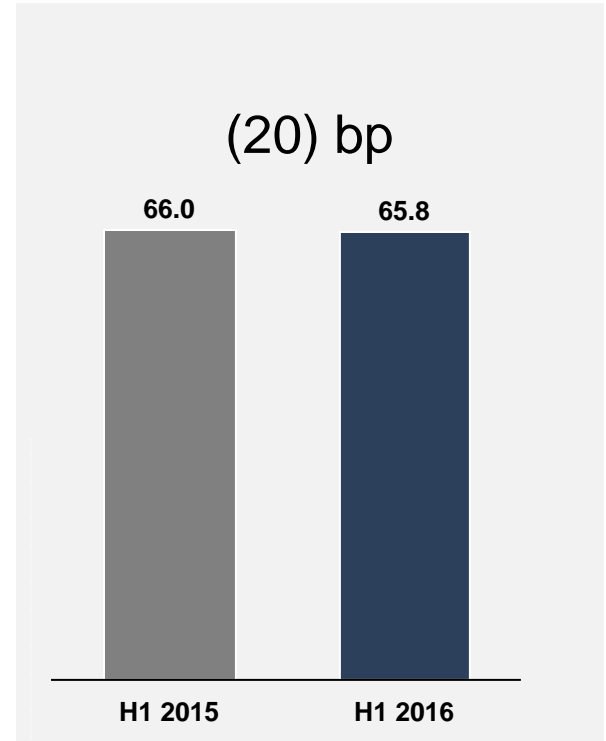
0 % fx-adjusted



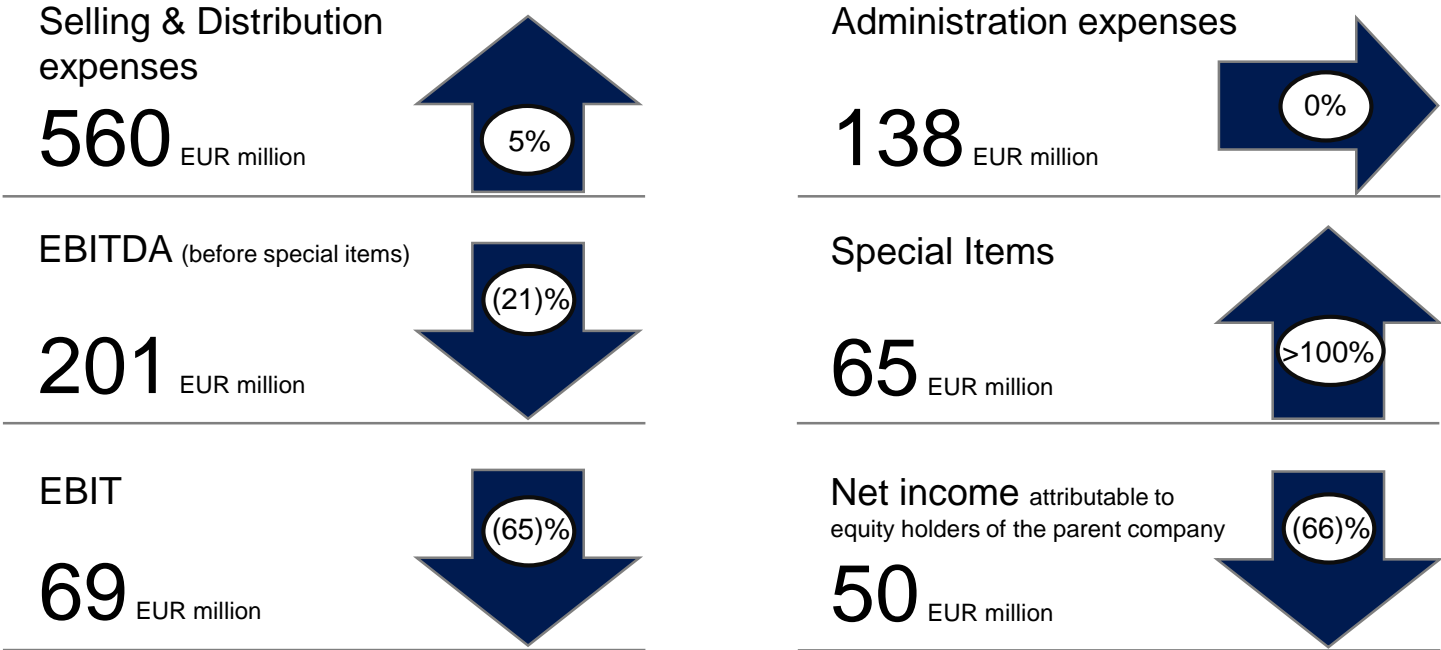
Gross profit margin development improves sequentially



- Strict inventory management and lower rebates drive gross margin improvement in the quarter
- Higher rebates and effect from price reductions in Asia offset positive channel mix effect in the first half year



Successful execution of cost efficiency program limits operating expense increase



Profitability continues to hold up relatively well in Europe

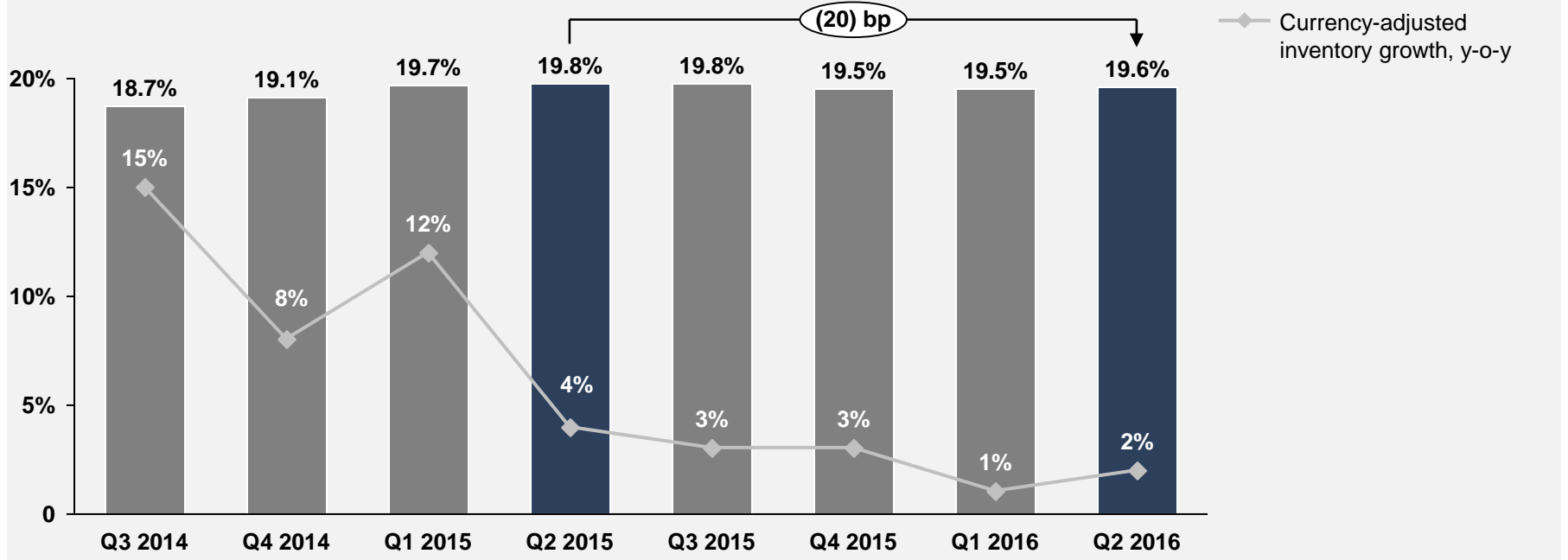
Segment profit

In EUR million	H1 2016	In % of sales	H1 2015	In % of sales	Change in %
Europe*	231.3	29.6	244.1	31.6	(5)
Americas	60.0	22.1	81.6	25.9	(26)
Asia/Pacific	35.0	19.1	53.4	26.8	(35)
Licenses	24.7	82.8	21.9	80.2	13
Segment profit operating segments	351.0	27.8	401.0	30.5	(12)
Corporate units/consolidation	(149.8)		(146.2)		(2)
EBITDA before special items	201.2	15.9	254.8	19.4	(21)

*Incl. Middle East and Africa

Inventory growth continues to be tightly controlled

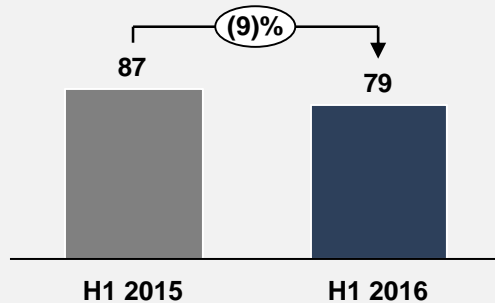
Average trade net working capital as a percentage of sales (in %)
 Currency-adjusted inventory growth, y-o-y



Investment activity moderates compared to the prior year

Investments

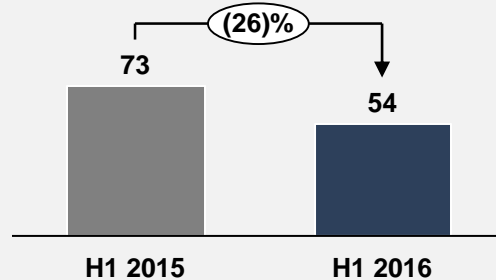
(in EUR million)



■ Decline due to non-recurrence of prior year one-time investments

Free cash flow

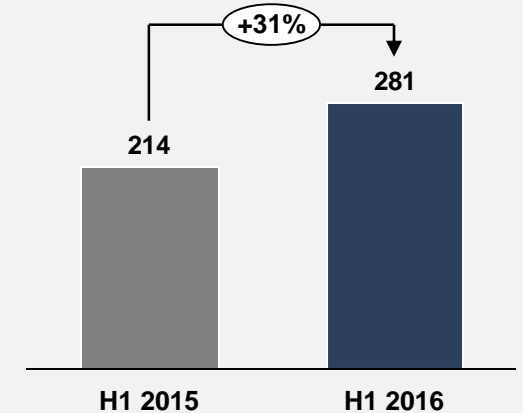
(in EUR million)



■ Working capital improvements and capex decline not enough to offset profit decrease

Net debt

(in EUR million)



■ Increase reflects lower free cash flow generation

HUGO BOSS adjusts sales outlook and specifies EBITDA forecast for 2016

Sales (currency adjusted)	Stable or decline by up to 3%
Gross margin	Stable
EBITDA before special items	Decrease between 17% and 23%
Capex	EUR 160 million to EUR 180 million
Free cash flow	Slight decrease

- Sales outlook adjusted due to the negative first half year performance, the difficult market environment and distribution changes in the US
- Group wholesale sales now expected to decrease by up to 10% as a result of distribution realignment in the US
- Second half year comp store sales performance assumed to be on par with H1 or better

HUGO BOSS has taken first steps to return to profitable growth



- Effective cost management will limit margin impact from weaker than expected top line development in 2016
- Management committed to do what is right for the long term
- Future strategy to revolve around rendering the company more customer-centric, faster and more flexible

BACKUP

Brand portfolio*

72% of Group sales
modern / sophisticated

BOSS
HUGO BOSS



9% of Group sales
modern / active

BOSS
HUGO BOSS



9% of Group sales
casual / urban chic

BOSS
HUGO BOSS



10% of Group sales
progressive / contemporary

HUGO
HUGO BOSS



*as of FY 2015

BOSS sales split by type of offering



BOSS
Made To Measure



BOSS
Full Canvas Suits



BOSS
Tailored



BOSS
Premium
Formalwear



BOSS
Premium
Sportswear

~10% of net sales

~90% of net sales

Sales by region and major markets

Share of Group sales*



Europe

(incl. Middle East/Africa)

60%

Germany:	17%
Great Britain:	12%
France:	6%
Benelux:	5%
Other:	20%



Americas

24%

U.S.:	19%
Canada:	3%
Central & South America:	2%



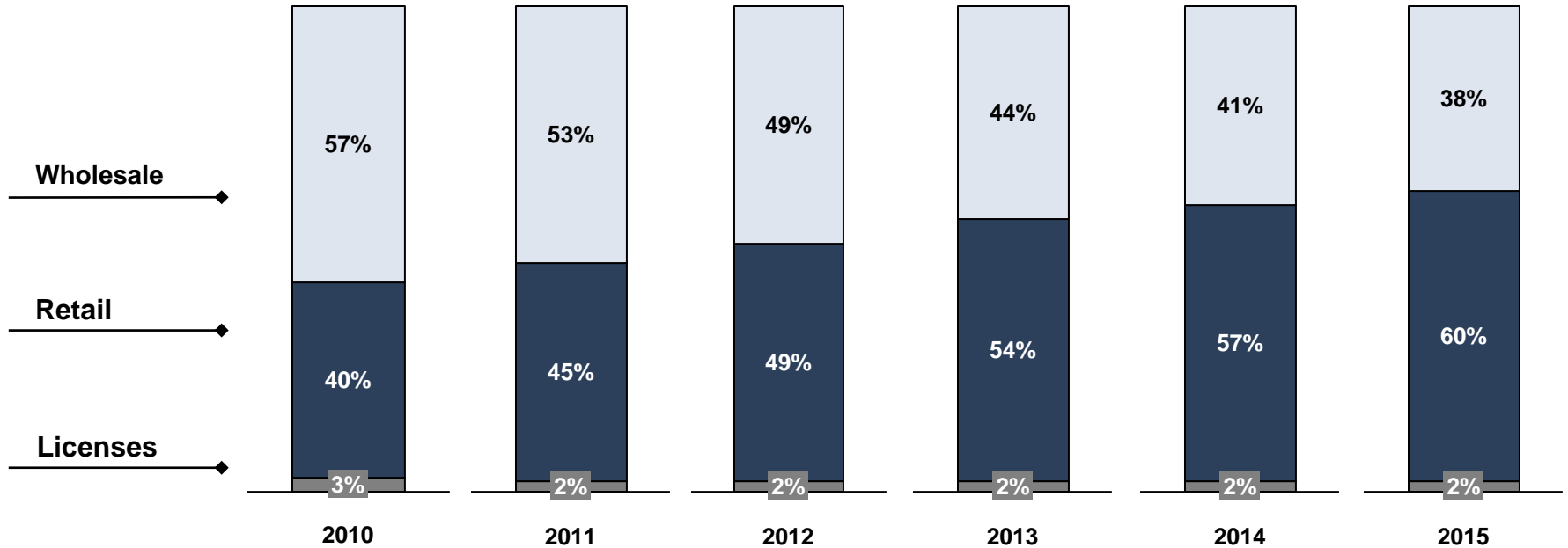
Asia/Pacific

14%

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

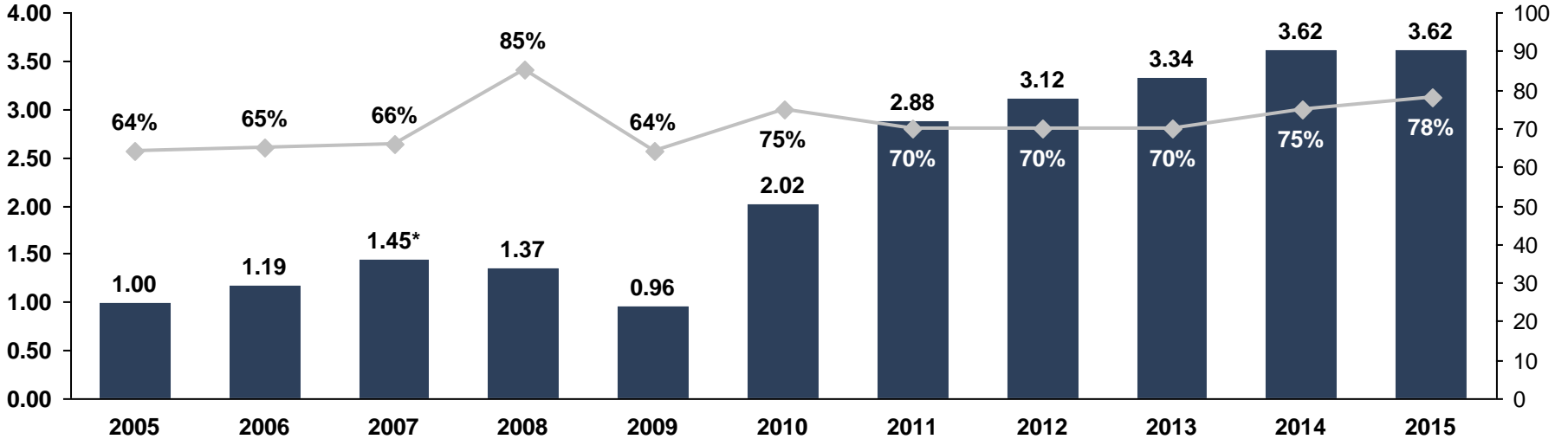
*as of 2015, +2% Licenses

Sales by distribution channel



Dividend per share and payout ratio

in EUR

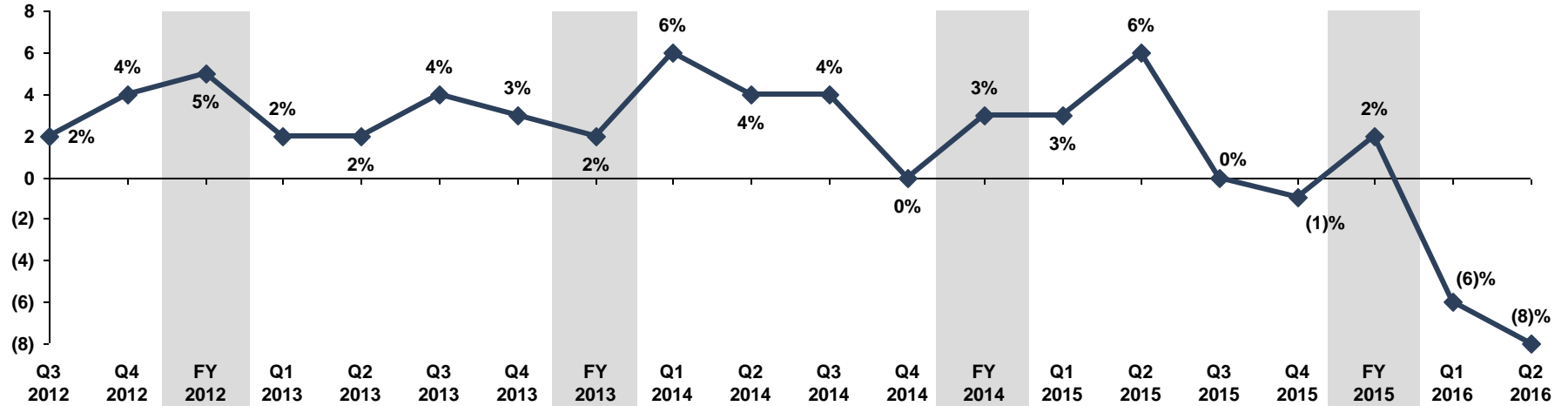


Dividend policy of paying out between 60% and 80% of consolidated net income reconfirmed

*Excluding special dividend of €5.00 per share **As a percentage of net income attributable to shareholders

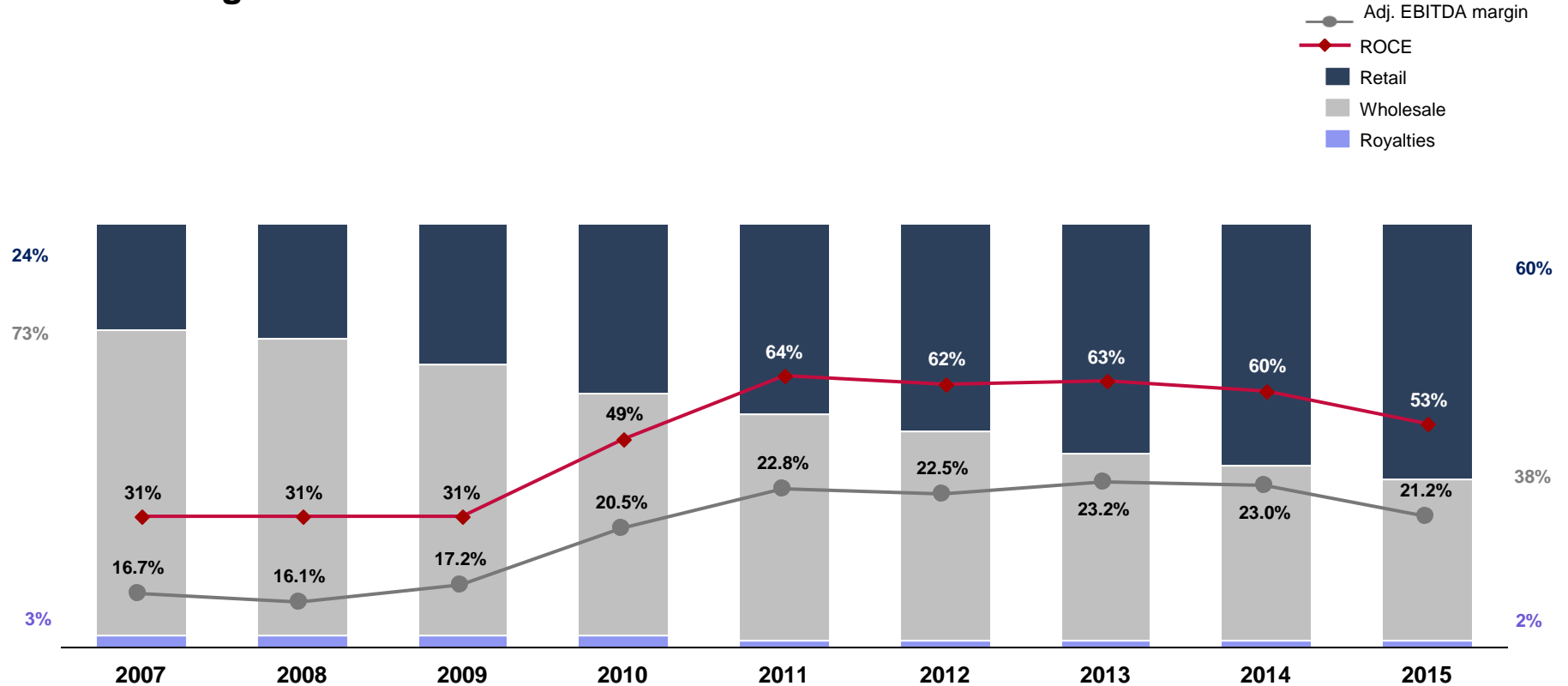
Retail comp stores sales

Retail I-f-I sales development*



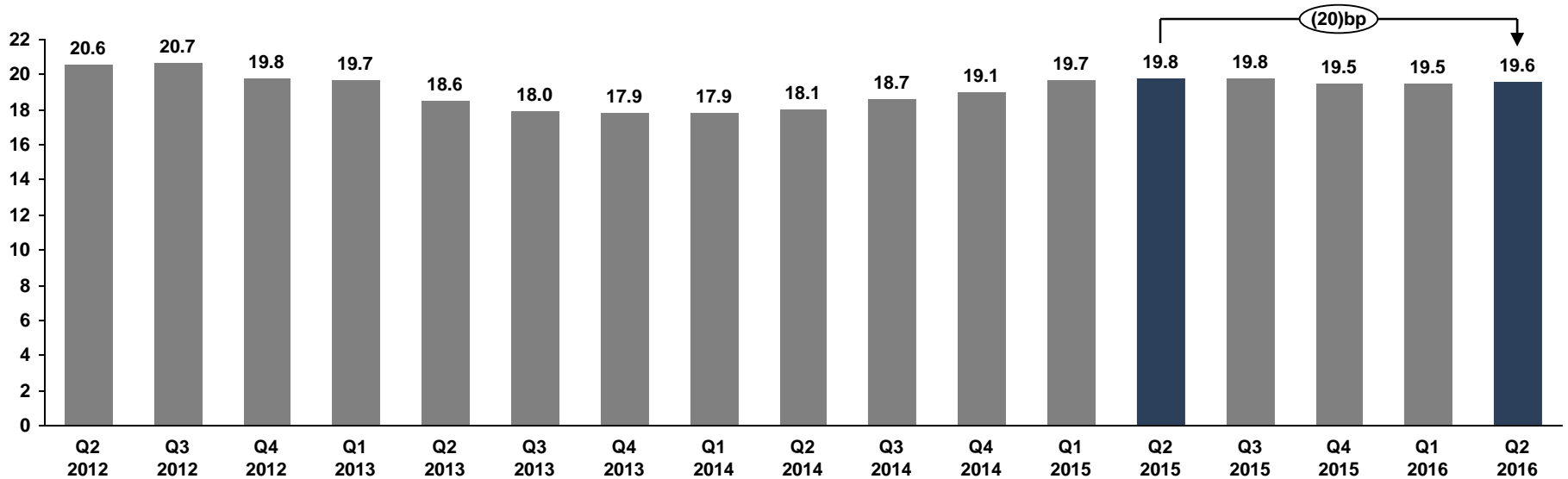
*FX-adjusted

EBITDA margin and ROCE vs. channel mix



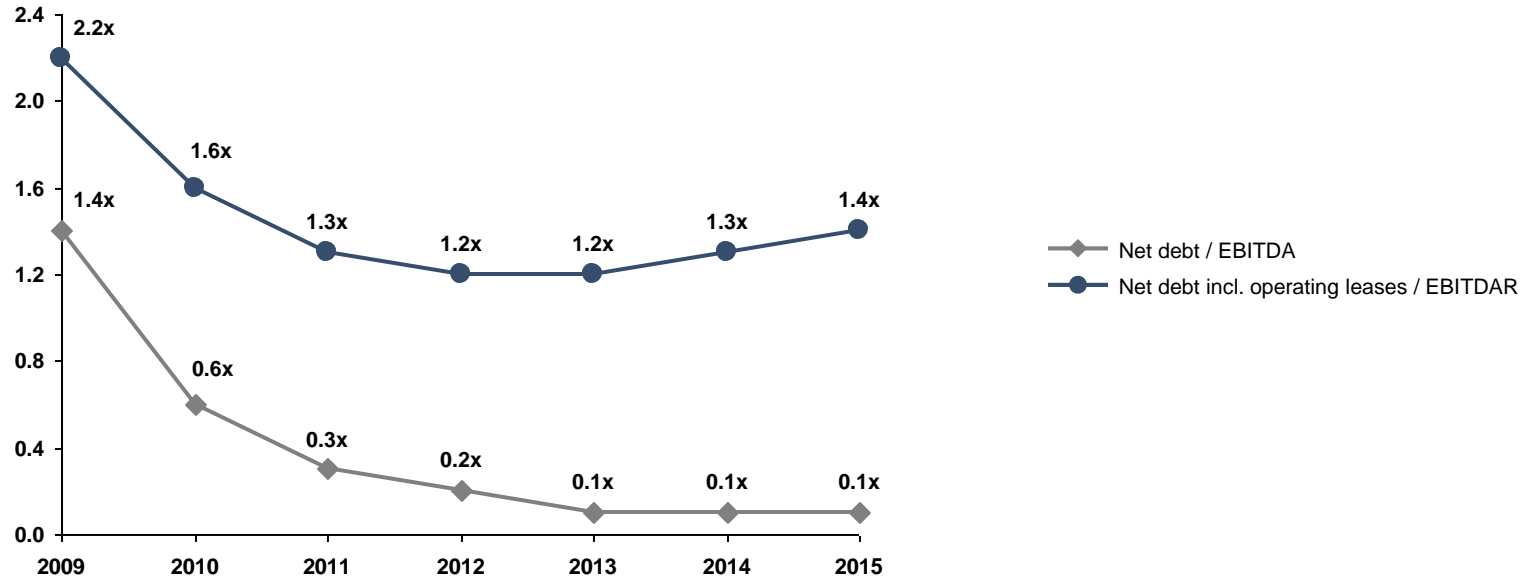
Trade net working capital in relation to sales

Average trade net working capital as a percentage of sales by quarter*
(in %)



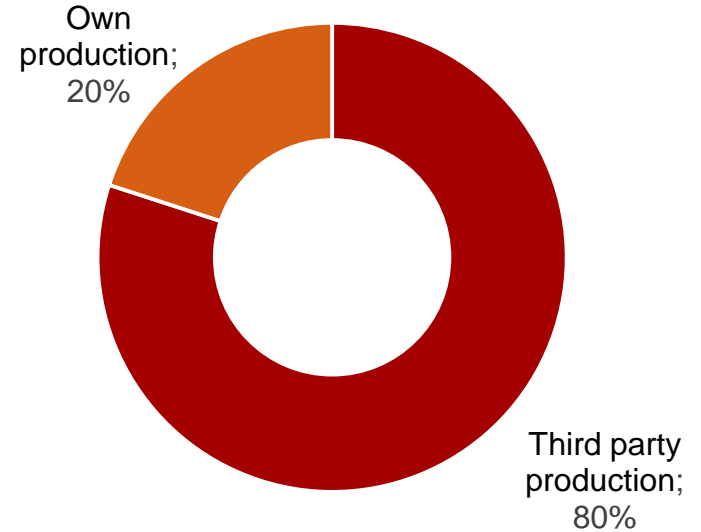
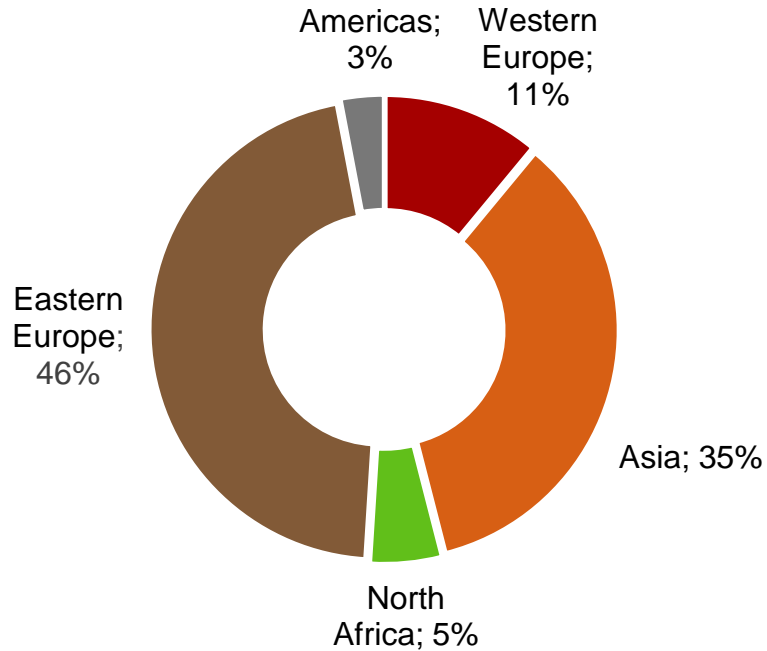
*Certain amounts shown here do not correspond to the figures published in prior years and reflect adjustments made

(Adjusted) financial leverage



Operating leases = Future committed operating lease obligations capitalized according to S&P methodology
 EBITDAR = EBITDA + minimum rents + contingent rents

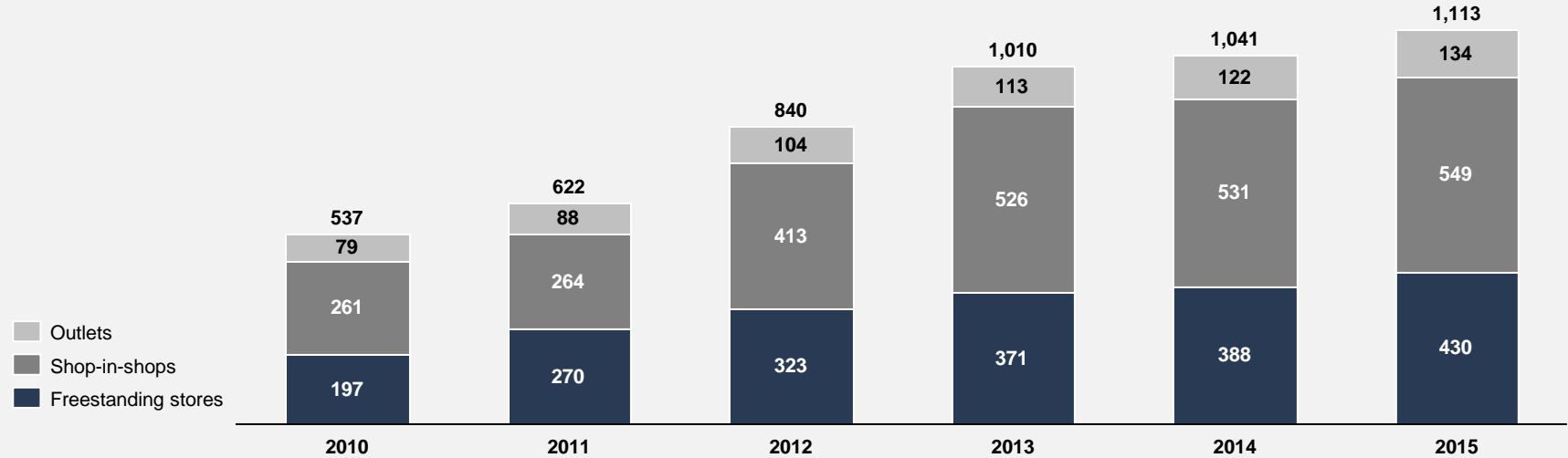
Sourcing and production structure*



*As of 2015, in value terms

Retail network

Number of own retail stores
as of December 31



Multi-Year overview

In EUR million	2015	2014	2013	2012	2011	2010
Sales	2,808.7	2,571.6	2,432.1	2,345.9	2,058.8	1,729.4
Gross profit	1,852.8	1,699.1	1,579.6	1,444.1	1,252.0	1,022.4
EBITDA	589.9	571.5	561.4	523.9	468.0	340.1
EBITDA before special items	594.1	590.8	564.7	528.1	469.5	353.7
EBIT	447.7	448.7	456.2	432.0	394.6	267.9
Net income	319.4	333.3	329.0	306.5	284.9	188.9
Free cash flow	207.6	268.4	230.0	220.6	194.9	246.3
Net debt	82.2	35.7	57.0	130.4	149.1	201.1
Capex	220.3	134.7	185.3	165.8	108.5	55.6
Depreciation/amortization	142.1	122.8	105.3	91.9	73.4	72.2
Dividend	249.8***	249.8	230.5	215.3	199.1	139.7
Total assets	1,800.3	1,661.8	1,501.3	1,577.2	1,419.6	1,342.8
Shareholders equity	955.7	843.9	740.3	631.6	517.3	361.2
Trade net working capital	527.6	503.0	431.8	408.5	399.6	322.7
Non-current assets	764.6	660.3	611.5	587.7	503.2	454.5
Gross profit margin in %	66.0	66.1	64.9	61.6	60.8	59.1
Adjusted EBITDA margin in %*	21.2	23.0	23.2	22.5	22.8	20.5
Total leverage**	0.1	0.1	0.1	0.2	0.3	0.6
Equity ratio in %	53.1	50.8	49.3	40.0	36.4	26.9

*EBITDA before special items/Sales **Net financial liabilities/EBITDA before special items ***Based on dividend proposal of €3.62 per share
Roadshow Frankfurt // M.M. Warburg

HUGO BOSS share

Key Share Data

ISIN

DE000A1PHFF7

WKN

A1PHFF

Ticker Symbol

BOSS

Stock exchanges: Xetra, Frankfurt/Main, Stuttgart, Dusseldorf, Hamburg, Munich, Hanover, Berlin/Bremen

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
Barclays	Julian Easthope
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
Exane BNP Paribas	Luca Solca
Goldman Sachs	Richard Edwards
Hamburger Sparkasse	Christian Hamann
Hauck & Aufhäuser	Christian Schwenkenbecher
HSBC	Antoine Belge

Institution	Analyst
Invest Securities	Peter Farren
Jefferies	Charmaine Yap
J.P. Morgan	Melanie Flouquet
Kepler Cheuvreux	Jürgen Kolb
LBBW	Thomas Hofmann
M.M. Warburg	Jörg Philipp Frey
MainFirst	John Guy
Macquarie	Andreas Inderst
Metzler	Christian Bruns
Mirabaud Securities	Alessandro Migliorini
Morgan Stanley	Elena Mariani
Nomura	Christopher Walker
Nord LB	Wolfgang Vasterling
Oddo Seydler	Martin Decot
RBC	Claire Huff
Société Générale	Thierry Cota
UBS	Fred Speirs

Level I ADR program

ADR Details	
Market	OTC
Symbol	BOSSY
CUSIP	444560106
Ratio	5 : 1
Country	Germany
Effective Date	Jan 18, 2013
Underlying SEDOL	B88MHC4
Underlying ISIN	DE000A1PHFF7
Depository	BNY Mellon

Benefits of ADRs for U.S. investors

- Clear and settle according to normal U.S. standards
- Offer the convenience of stock quotes and dividend payments in U.S. dollars
- Can be purchased/sold in the same way as other U.S. stocks via a U.S. broker
- Provide a cost-effective means of international portfolio diversification

For questions about creating HUGO BOSS ADRs, please contact BNY Mellon:

New York

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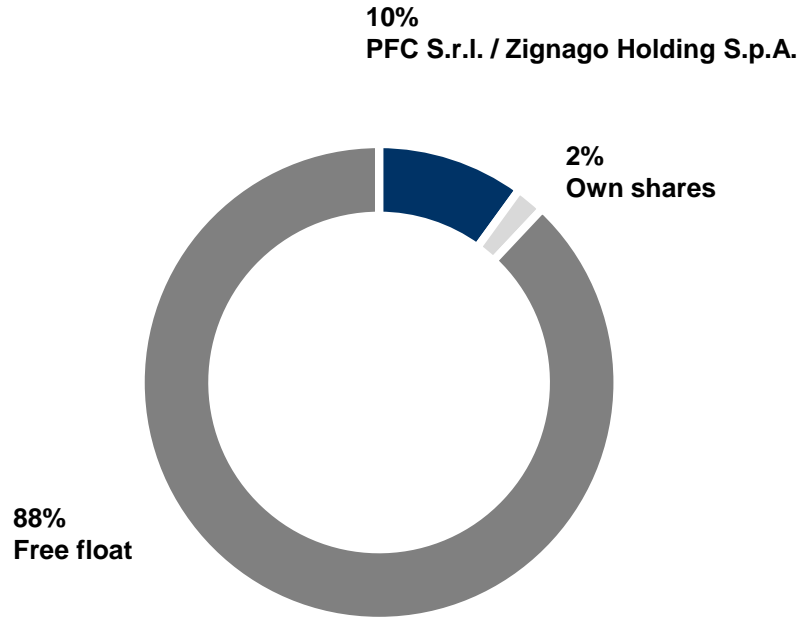
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Shareholder structure*



*Source: Share register, voting rights notifications (as of August 2016)

Financial calendar 2016

Date	Event
November 2, 2016	Nine Months Results 2016
November 16, 2016	Investor Day 2016

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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.

H U G O B O S S