Permira IV exits Hugo Boss after over 7 years of successful partnership

Frankfurt, March 17, 2015. Permira announces today that Red & Black, the holding company controlled by the Permira IV Fund, has placed a total of 8.4 million shares in Hugo Boss, selling its remaining 12% stake in the fashion company. This marks the full exit of the Permira funds from Hugo Boss after over seven years of successful partnership and following the sale of Valentino in 2012.

“We're very proud to have backed Hugo Boss over the past seven years, as it became one of the eight most valuable global fashion brands,” says Jörg Rockenhäuser, Managing Partner at Permira in Germany. “With the backing of the Permira funds, Hugo Boss was transformed from a wholesale supplier into a fast-growing branded retailer. The Group is outstandingly positioned today to capture future growth opportunities particularly as it continues to expand its own retail operations and its womenswear portfolio.”

Under Permira IV’s ownership, Hugo Boss established a strong position within the luxury segment and its international growth significantly gained pace, particularly in Asia. The company is now present in more than 130 countries and it more than tripled the number of directly operated high-margins retail stores.

“Permira saw Hugo Boss’ huge potential from the beginning and always acted as a reliable partner”, says Hugo Boss CEO Claus-Dietrich Lahrs. “Over the past years, our management team developed a focused corporate strategy, which underpinned our strong growth and we plan to continue on this path.”

Since the Permira funds invested in 2007 and under CEO Lahrs’ leadership, sales at Hugo Boss increased by 60% to EUR 2.6 billion (2014) while EBITDA more than doubled from EUR 275 million (2007) to EUR 591 million (2014). The share price also performed strongly, recently reaching an all-time high. At the same time, net debt was reduced significantly. As a result of this positive business performance and recognising the strength of its brand, Hugo Boss received the German “Best Brands 2015” Award in the fashion category.

“The Hugo Boss' success story underscores the Permira funds' expertise as leading investors in the global fashion sector,” comments Martin Weckwerth, Partner at Permira and supervisory board member at Hugo Boss. “Hugo Boss is the perfect illustration of how we identify companies with a strong growth potential and support the management team in delivering on ambitious global expansion plans, while creating attractive returns for the Permira funds' investors.”

The Permira funds will continue to invest in attractive fashion companies and brands with similar expansion potential to Hugo Boss and Valentino. Other fashion companies in the portfolio have included Italian luxury brand Valentino, British shoe brand Dr. Martens, fashion retailer New Look in the UK and fashion company Cortefiel in Spain.
Notes to editors

Hugo Boss was acquired in 2007, when a company backed by the Permira funds took a controlling stake in the publicly listed German company Hugo Boss and 100% of the Italian business Valentino Fashion Group, including Valentino and its licences division, Marlboro Classics and M Missoni.

In November 2012, Valentino Fashion Group, including the M Missoni licence business, was sold to an investment vehicle backed by a leading investor from Qatar for €710m.

Over the past couple of years, Red & Black, the holding company backed by Permira IV and various co-investors, has been reducing its stake in Hugo Boss through a series of share placements.

About Permira

Permira is an international private equity firm. The Permira funds, raised from pension funds and other institutions, make long-term investments in companies with the ambition of transforming their performance and driving sustainable growth.

Founded in 1985, the firm advises funds with a total committed capital of approximately €25 billion. Since 1985 the Permira funds have made over 200 private equity investments with a focus on driving transformation to build better businesses. Permira specialises in five key sectors: Consumer, Financial Services, Healthcare, Industrials and Technology. The Permira funds’ portfolio currently comprises over 25 companies.


For more information visit: www.permira.com

About HUGO BOSS

The HUGO BOSS Group is one of the leading companies in the premium and luxury segment of the apparel market that focuses on the development and marketing of premium fashion and accessories for men and women. Headquartered in Metzingen, the Company generated with almost 13,000 employees net sales of EUR 2.6 billion in fiscal year 2014, making it one of the most profitable listed apparel manufacturers in the world.

The brand world of HUGO BOSS comprises the collections of BOSS, BOSS Orange, BOSS Green and HUGO. The brands cover a comprehensive product range encompassing classic to modern apparel, elegant eveningwear and sportswear, shoes, leather accessories as well as licensed fragrances, eyewear, watches, children’s fashion, home textiles and mobile accessories.

Today, HUGO BOSS customers can buy products at approximately 7,600 points of sale. At present, the Group operates online stores in Germany, Great Britain, France, Spain, Italy, the Netherlands, Belgium, Austria, Switzerland, the United States and China.