



PRIVATE EQUITY IN ACTION - CASE STUDY

Hugo Boss

BOSS
HUGO BOSS

Country Germany
Region Baden-Wurttemberg
Investor Permira

When the Permira funds invested in Hugo Boss and Valentino Fashion Group in 2007, it was primarily a wholesale clothing supplier to department stores and individual retailers employing fewer than 10,000 people globally. Today, it is one of the biggest names in top-end fashion with a broad product range.

Despite facing a recession shortly after investment, the company continued with its ambitious expansion plans with the Permira funds' backing. It invested into the brand, its products and an enlarged retail network, particularly in Asia and the US. In 2012, Permira IV sold Valentino to Qatari investors, and the following year Hugo Boss registered record sales and profit growth.

Permira sold the business in 2014 after seven years of successful partnership, growing global store numbers from 287 to 1,040, creating thousands of jobs and realising a 2.3x return for investors.

What did the business need?

- To transform from a wholesale supplier into a branded retailer
- Investment behind the core Hugo Boss brand
- Support to grow in the Asian and US markets

How did private equity backing create lasting value?

- Embarked on an ambitious store opening programme (opened over 700 stores in six years)
- Invested to refresh the Hugo Boss brand and re-position sub brands to sharpen the brand profile
- Reinvigorated management with appointment of Claus Dietrich

2,729
new jobs created 2007-2012

38%
of sales now from Asia and the US



Private equity shareholders allow portfolio companies to make decisions swiftly. This is the key strength of the model especially when times are tough.

CLAUS DIETRICH LARS
CEO
Hugo Boss

Lars, the former Dior CEO

- Developed online channel
- Strengthened womenswear
- Established operational excellence by shortening lead times and opening a new distribution centre
- Provided on-going, long-term financial support, even through the downturn

What outcomes did private equity investment achieve?

- Increased global retail store numbers from 287 in 2007 to over 1,000 in 2014
- Increased employee numbers from 9,123 in 2007 to 12,496 in 2013
- Grew revenue by 49% between 2007 and 2013 to €2.4bn
- Generated 38% sales from the US and Asia

More information

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