

APPAREL AND ACCESSORIES

Hugo Boss names CFO chief executive in wake of profit decline

May 16, 2016



Hugo Boss spring/summer 2016 collection

By STAFF REPORTS

German fashion label Hugo Boss has plans to appoint Mark Langer its new CEO.

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Mr. Langer has been at Hugo Boss for 13 years, serving as chief financial officer and a member of the managing board since 2010. Hugo Boss has seen its profits decline, but is hopeful that new leadership and a strategic forecast can turn its sales around.

New leadership

Mr. Langer's promotion was resolved upon by the personnel committee of the company and is only awaiting approval from the supervisory board. This final approval is expected soon.

"I am convinced that appointing Mark Langer is absolutely the right decision, especially in the current situation," said Michel Perraudin, chairman of the supervisory board, in a brand statement. "Mr. Langer has our complete confidence. With the actions already taken within the last couple of months, he has acted quickly and shown great determination as well as strategic foresight."



Hugo Boss store on New York's Fifth Avenue

Hugo Boss' previous CEO Claus-Dietrich Lahrs stepped down in February, ending his eight-year tenure amid the German fashion label's dimmed profit outlook.

On Feb. 23, Hugo Boss issued a profit warning based on low sales in China and the United States, which caused the

public company's share price to drop drastically.

Hugo Boss is making investments in its growth, including changing its pricing structure in China so that it more closely resembles that of the U.S. and Europe. It is also scaling back wholesale distribution of Boss in the U.S. to avoid a market that is rife with discounting ([see story](#)).

Earlier this month, the company reported a drop in sales for the first quarter of the year, laying out the cost-saving measures it will undertake to get its profits back on track. These include renegotiating store rents and deciding whether store closures are necessary.

The company says that it still expects a low single digit percentage increase in sales this year when compared to the last year with currency adjusted.

"I am very much looking forward to taking over this challenging and responsible task," Mr. Langer said. "Due to my years of work for Hugo Boss I have a clear understanding of the company's potential and know what we need to do to get it back on track for profitable and sustainable growth."

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