

Metzingen, November 2, 2023

HUGO BOSS RECORDS STRONG TOP- AND BOTTOM-LINE IMPROVEMENTS IN Q3 AND CONFIRMS FULL-YEAR OUTLOOK

- Currency-adjusted Group sales increase 15% to EUR 1,027 million
- Brand initiatives drive further momentum for BOSS and HUGO
- All regions and all channels contribute to sales growth in Q3
- EBIT increases to EUR 103 million in Q3; EBIT margin up 20 basis points to 10.0%
- Top- and bottom-line outlook for full-year 2023 confirmed

"At HUGO BOSS, we look back on a successful third quarter, marked by double-digit top- and bottom-line improvements," says Daniel Grieder, Chief Executive Officer of HUGO BOSS. "In an increasingly challenging market environment, we once again claimed our position and gained further market shares globally, driven by our several brand, product, and distribution initiatives. Building on our strong brand momentum, we are well on track to achieve our financial targets and make 2023 another record year for HUGO BOSS."

HUGO BOSS continued its double-digit growth trajectory in the third quarter of 2023, once again posting robust top-line improvements across both brands, all regions, and all consumer touchpoints. This performance, first and foremost, reflects the ongoing momentum of BOSS and HUGO, spurred, in particular, by the successful launch of their Fall/Winter 2023 collections in August as well as exciting fashion events. Consequently, Group sales increased by 15% currency-adjusted to EUR 1,027 million (Q3 2022: EUR 933 million) and by 10% in Group currency, respectively.

Spectacular launch of Fall/Winter 2023 collections drives brand momentum

In the third quarter, BOSS and HUGO continued to build on the strong brand momentum of previous quarters, supported by the launch of the latest Fall/Winter 2023 collections. Those were accompanied by two 360° campaigns, each featuring a diverse all-star cast. Two spectacular fashion events further fueled brand heat in September. The new BOSS collection was showcased at an innovative, tech-inspired event at Milan Fashion Week, strongly propelling awareness and engagement on social media. HUGO, on the other hand, celebrated London Fashion Week with the launch of a joint capsule collection with brand ambassador Bella Poarch, specifically aimed at Generation Z. Altogether, these initiatives resulted in a highly successful activation of BOSS and HUGO fans, and double-digit sales improvements for

both brands in the third quarter. Consequently, currency-adjusted revenues for BOSS Menswear increased by 12% year over year, while revenues for BOSS Womenswear were up 24%. At HUGO, currency-adjusted sales even expanded by 25%.

Broad-based growth with double-digit improvements across all regions

Growth in the third quarter was once more broad-based with double-digit revenue improvements across all regions. In EMEA, currency-adjusted sales increased by 12% year over year against a particularly strong comparison base, with all of the region's key markets contributing to growth. In the Americas, momentum further accelerated in the third quarter with an increase of 22% currency-adjusted. This includes a 20% plus in the U.S. market, with all consumer touchpoints contributing to growth. The latter mainly reflects the improved perception of BOSS and HUGO as 24/7 lifestyle brands following the successful implementation of various strategic initiatives as part of "CLAIM 5." In Asia/Pacific, currency-adjusted revenues came in 21% above the prior-year level. This performance was driven by double-digit sales improvements in both South East Asia & Pacific and China, with the latter posting currency-adjusted growth of 17% year over year.

All consumer touchpoints record further sales improvements

From a channel perspective, all consumer touchpoints contributed to growth in the third quarter of 2023. Revenues in the Group's digital channel increased by 25% currency-adjusted. All digital touchpoints contributed with double-digit improvements, from the Group's digital flagship hugoboss.com to digital revenues generated with partners. The brick-and-mortar retail business recorded currency-adjusted growth of 8% compared to the prior year. The vast majority of the increase was related to further store productivity improvements, while additional selling space only had a minor impact. Currency-adjusted sales in brick-and-mortar wholesale even increased by 21%, fueled by wholesale partners' robust demand for the BOSS and HUGO Fall/Winter 2023 collections. Besides a strong order intake, this performance also reflects a double-digit increase in the Group's replenishment business. The latter allows HUGO BOSS to react to short-term demand from its wholesale partners.





Robust top-line growth and efficiency gains drive double-digit improvements in EBIT

In the third quarter of 2023, HUGO BOSS increased its operating profit (EBIT) by 12% to EUR 103 million (Q3 2022: EUR 92 million). Consequently, the Group's EBIT margin increased 20 basis points to 10.0% (Q3 2022: 9.9%). This mainly reflects the robust top-line performance in Q3, enabling the Company to generate operating leverage, first and foremost by driving further efficiency gains in brick-and-mortar retail. At the same time, at 60.7%, the gross margin remained broadly on the prior-year level (Q3 2022: 60.8%).

HUGO BOSS confirms outlook for full-year 2023






In light of the robust financial performance in the third quarter, HUGO BOSS confirms its top- and bottom-line outlook for fiscal year 2023, which had been revised upwards twice during the year. At the same time, the Company remains vigilant with regards to ongoing high levels of geopolitical tensions as well as macroeconomic uncertainties, which could weigh on consumer sentiment also going forward. Accordingly, the Group continues to expect sales in 2023 to increase by between 12% and 15% to a new record level of between EUR 4.1 billion and EUR 4.2 billion. Equally, HUGO BOSS continues to forecast EBIT to increase between 20% and 25% to a level of between EUR 400 million and EUR 420 million in 2023.

Q3 sales development by brand

		in EUR million	Change in %	Change in % currency-adjusted
BOSS Menswear		786	+7	+12
BOSS Womenswear	 73		+19	+24
HUGO	 169		+20	+25
Group		1,027	+10	+15






- In the third quarter, BOSS and HUGO continued to build on the strong brand momentum from previous quarters, supported by the launch of the latest Fall/Winter 2023 collections in August. This resulted in robust sales improvements across brands, with double-digit growth across all wearing occasions.
 - Currency-adjusted revenues for BOSS Menswear were up 12% year over year, while sales for BOSS Womenswear increased by 24% currency-adjusted.
 - At HUGO, currency-adjusted sales even accelerated to 25% in the third quarter of 2023.

Q3 sales development by segment

		in EUR million	Change in %	Change in % currency-adjusted
EMEA		653	+9	+12
Americas	 228		+16	+22
Asia/Pacific	 120		+8	+21
Licenses	 26		+8	+8
Group		1,027	+10	+15

- Growth in the third quarter was once more broad-based with all regions recording double-digit revenue improvements.
 - In EMEA, currency-adjusted sales were up 12%, with all of the region's key markets contributing to growth. While Germany posted sales growth of 8%, revenues in the UK and France were up 5% and 4%, respectively. Within the EMEA region, all channels contributed to the sales increase, with both brick-and-mortar wholesale and digital recording superior growth in the third quarter.
 - In the Americas, momentum accelerated with currency-adjusted revenues expanding by 22% year over year, reflecting double-digit growth across all markets. Sales in the U.S. market also gained further momentum, posting currency-adjusted growth of 20%, with all consumer touchpoints contributing to growth. The robust performance mainly reflects the improved perception of BOSS and HUGO following the successful implementation of the 24/7 brand images. Canada and Latin America also continued their double-digit growth trajectory, recording currency-adjusted growth of 15% and 31%, respectively.
 - Currency-adjusted sales in the Asia/Pacific region were up 21% compared to the prior-year level. This performance reflects both double-digit improvements in South East Asia & Pacific as well as China, where revenues increased by 17% currency-adjusted, thus accelerating to double-digit growth on a two-year-stack basis.
 - Revenues in the license business increased by 8% compared to the prior-year level, mainly due to double-digit growth in the important fragrance business.

Q3 sales development by channel

		in EUR million	Change in %	Change in % currency-adjusted
Brick-and-mortar retail		521	+3	+8
Brick-and-mortar wholesale		293	+17	+21
Digital		187	+21	+25
Licenses		26	+8	+8
Group		1,027	+10	+15

For details by channel and region, please refer to page 15.

- The Group's brick-and-mortar retail business (including freestanding stores, shop-in-shops, and outlets) recorded currency-adjusted growth of 8% compared to the prior year. While momentum in this channel was particularly strong in both the Americas and Asia/Pacific, also EMEA recorded further revenue improvements in brick-and-mortar retail. The vast majority of the increase was related to further store productivity improvements, while additional selling space only had a minor impact on brick-and-mortar retail growth in the third quarter. This mainly reflects the successful execution of various strategic initiatives to continuously optimize and modernize the global store network, also including the ongoing rollout of the latest store concepts.
- Currency-adjusted sales in brick-and-mortar wholesale increased by 21% in the third quarter reflecting double-digit improvements across regions. This performance was fueled by wholesale partners' strong demand for the Fall/Winter 2023 collections of BOSS and HUGO launched during the third quarter. Besides a strong order intake, this performance also reflects a double-digit increase in the Group's replenishment business.
- The Group's digital business (including the Company's digital flagship hugoboss.com as well as digital revenues generated with partners) successfully continued its double-digit growth trajectory also in the third quarter of 2023 with currency-adjusted revenues up 25%. This performance was supported by robust double-digit growth across all digital touchpoints, including digital revenues generated with partners and hugoboss.com. The latter recorded robust improvements in both traffic and conversion rates in the third quarter.

Q3 earnings development

(in EUR million)	Q3 2023	Q3 2022	Change in %
Sales	1,027	933	10
Cost of sales	(404)	(366)	(10)
Gross profit	623	567	10
In % of sales	60.7	60.8	(10) bp
Operating expenses	(520)	(475)	(9)
In % of sales	(50.6)	(50.9)	30 bp
Thereof selling and marketing expenses	(424)	(381)	(11)
Thereof administration expenses	(96)	(94)	(2)
Operating result (EBIT)	103	92	12
In % of sales	10.0	9.9	20 bp
Financial result	(15)	(8)	(80)
Earnings before taxes	88	84	5
Income taxes	(25)	(23)	(5)
Net income	63	60	5
Attributable to:			
Equity holders of the parent company	63	58	9
Non-controlling interests	0	2	(81)
Earnings per share (in EUR) ¹	0.91	0.84	9
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

- At 60.7%, gross margin remained broadly on the prior-year level. Positive impacts from lower freight cost levels largely compensated for unfavorable channel mix and currency effects.
- Operating expenses were up 9% in the third quarter, with both selling and marketing expenses as well as administration expenses above the prior-year level, largely reflecting ongoing investments into the business as part of "CLAIM 5." However, as a percentage of sales, operating expenses decreased by 30 basis points to a level of 50.6%, first and foremost reflecting further efficiency gains in brick-and-mortar retail.
 - Selling and marketing expenses were up 11% on the prior-year level, mainly due to an increase in fulfillment, variable rental, and payroll expenses in light of the robust top-line performance. Besides that, the development is also attributable to higher marketing investments, largely reflecting the two successful brand campaigns and fashion events of BOSS and HUGO. Overall, marketing expenses in the third quarter grew by 11% to EUR 79 million (Q3 2022: EUR 71 million), representing 7.7% of Group sales (Q3 2022: 7.6%). Selling expenses for the Group's brick-and-mortar retail business increased by 7% to EUR 213 million (Q3 2022: EUR 200 million), thus improving to a level of 20.8% of Group sales (Q3 2022: 21.4%). Overall, as a percentage of sales, selling and marketing expenses increased by 50 basis points to a level of 41.3% (Q3 2022: 40.9%).
 - Administration expenses increased by 2% as compared to the prior-year period, mainly reflecting higher digital investments. As a percentage of sales, however,

administration expenses decreased by 70 basis points to a level of 9.3% (Q3 2022: 10.1%).

- Spurred by the robust top-line development, and despite ongoing investments into its business, HUGO BOSS recorded a robust increase in operating profit (EBIT) in the third quarter, up 12% to a level of EUR 103 million. Accordingly, the Group's EBIT margin expanded by 20 basis points to a level of 10.0%.
- At EUR 15 million, net financial expenses (financial result) were 80% above the prior-year level, mainly reflecting higher interest expenses in the three-month period.
- Consequently, net income amounted to EUR 63 million, up 5% against the prior-year level. Net income attributable to shareholders also increased to EUR 63 million, being up 9% compared to the prior year.

Net assets and financial position

September 30, 2023		in EUR million	Change in % ¹	Change in % currency-adjusted ¹
TNWC		983	62	72
Inventories		1,154	27	32
Net financial position ²	(312)		<(100)	

¹ Change compared to September 30, 2022.

² Excl. the impact of IFRS 16.

- Trade net working capital (TNWC) increased 72% on a currency-adjusted basis, reflecting higher inventory levels as well as an increase in trade receivables. The latter is mainly attributable to the strong performance in wholesale. At the same time, trade payables decreased as compared to last year. The moving average of TNWC as a percentage of sales based on the last four quarters amounted to 19.8% (Q3 2022: 14.0%).
- Year over year, inventories increased by 32% on a currency-adjusted basis. As in previous quarters, the vast majority of the Company's inventories reflects core merchandise as well as fresh merchandise for current and upcoming collections, aimed at supporting the top-line momentum across channels. In light of implemented measures to reduce inventory levels going forward, the Company anticipates a gradual normalization of inventories starting in the fourth quarter of fiscal year 2023. Based on this, HUGO BOSS remains confident of improving inventories to a level below 20% of Group sales by 2025.
- Excluding the impact of IFRS 16, the net financial position of HUGO BOSS totaled minus EUR 312 million at the end of the third quarter (September 30, 2022: plus EUR 60 million), mainly reflecting the development of free cash flow over the last four quarters. Including the impact of IFRS 16, the net financial position totaled minus EUR 1,068 million compared to minus EUR 743 million as of September 30, 2022.

July – September 2023		in EUR million	Change in % ¹
Capital expenditure		70	64
Free cash flow	(22)		<(100)

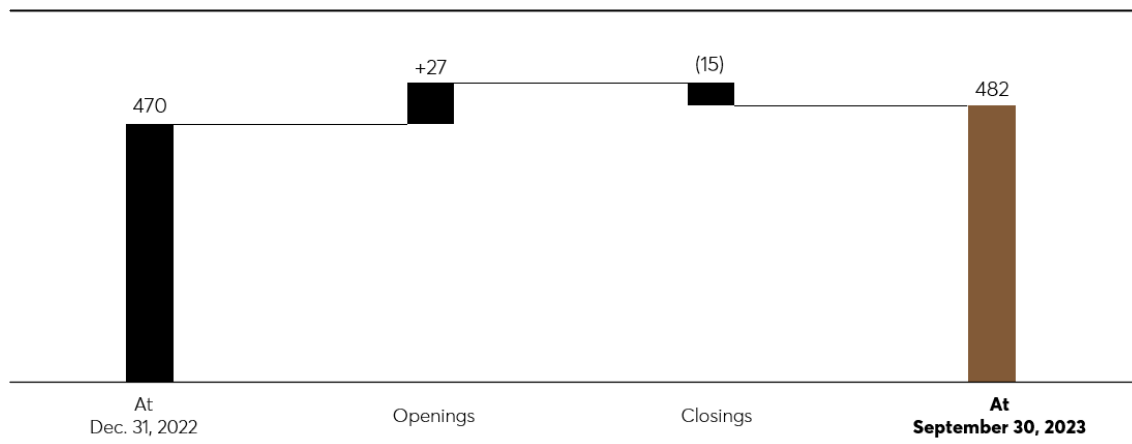
¹ Change compared to Q3 2022.

- Capital expenditure increased by 64% compared to the prior-year level, amounting to EUR 70 million in the three-month period (Q3 2022: EUR 42 million). The ongoing step-up in capital expenditure aims to support the successful execution of "CLAIM 5" by accelerating

the Company's investments in its global store network and further digitalizing its business model.

- Free cash flow amounted to minus EUR 22 million in the third quarter (Q3 2022: minus EUR 4 million), as improvements in EBIT were more than offset by the increase in trade net working capital as well as the step-up in capital expenditure.

Network of freestanding retail stores



- As of September 30, 2023, the number of own freestanding retail stores amounted to 482, representing a net increase of twelve stores compared to December 31, 2022.
 - In the first nine months of the year, a total of 25 BOSS stores and two HUGO stores were newly opened across all three regions, with a particular focus on Asia/Pacific.
 - At the same time, 15 BOSS stores with expiring leases across EMEA and Asia/Pacific were closed in the nine-month period.

Outlook

- In light of the robust financial performance in the third quarter, HUGO BOSS confirms its top- and bottom-line outlook for fiscal year 2023, which had been revised upwards twice during the year. At the same time, the Company remains vigilant with regards to ongoing high levels of geopolitical tensions as well as macroeconomic uncertainties, which could weigh on consumer sentiment also going forward.
 - The Company continues to expect Group sales in 2023 to increase between 12% and 15% to a level of between EUR 4.1 billion and EUR 4.2 billion (2022: EUR 3.7 billion), with all regions set to contribute to growth.
 - In light of the anticipated top-line improvements in fiscal year 2023, HUGO BOSS continues to forecast EBIT to increase by between 20% and 25% to a level of between EUR 400 million and EUR 420 million (2022: EUR 335 million).
 - Broadly in line with EBIT growth, the **Group's net income** is forecast to improve within a range of 20% to 25% in fiscal year 2023 (2022: EUR 222 million).
 - Trade net working capital as a percentage of sales is now expected to increase to a level of around 20% in 2023 (prior guidance: between 18% and 19%; 2022: 15%).
 - Capital expenditure is forecast to total between EUR 250 million and EUR 300 million in fiscal year 2023 (2022: EUR 191 million).

Risks and Opportunities

During the reporting period, the Company has not identified any further material risks and opportunities besides those presented in its Annual Report for fiscal year 2022. The statements included therein regarding risks and opportunities continue to be valid.

Financial calendar and contacts

March 7, 2024
Full Year Results 2023

May 2, 2024
First Quarter Results 2024

May 14, 2024
Annual General Meeting

August 1, 2024
Second Quarter Results 2024 & First Half Year Report 2024

November 5, 2024
Third Quarter Results 2024

If you have any questions, please contact:

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HUGO BOSS

FINANCIAL INFORMATION

for Q3 2023 and Jan. – Sep. 2023

Due to rounding, some numbers may not add up precisely to the totals provided.

Key figures – quarter

(in EUR million)	Q3 2023	Q3 2022	Change in %	Currency-adjusted change in %
Sales	1,027	933	10	15
Sales by brand				
BOSS Menswear	786	732	7	12
BOSS Womenswear	73	61	19	24
HUGO	169	140	20	25
Sales by segment				
EMEA	653	601	9	12
Americas	228	197	16	22
Asia/Pacific	120	111	8	21
Licenses	26	24	8	8
Sales by distribution channel				
Brick-and-mortar retail	521	505	3	8
Brick-and-mortar wholesale	293	249	17	21
Digital	187	155	21	25
Licenses	26	24	8	8
Results of operations				
Gross profit	623	567	10	
Gross margin in %	60.7	60.8	(10) bp	
EBIT	103	92	12	
EBIT margin in %	10.0	9.9	20 bp	
EBITDA	188	176	7	
EBITDA margin in %	18.3	18.8	(60) bp	
Net income attributable to equity holders of the parent company	63	58	9	
Financial position				
Capital expenditure	70	42	64	
Free cash flow	(22)	(4)	<(100)	
Depreciation/amortization	84	84	1	
Additional key figures				
Personnel expenses	218	201	9	
Shares (in EUR)				
Earnings per share	0.91	0.84	9	
Last share price (as of Sep. 30)	59.92	48.06	25	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

Sales by region and distribution channel – quarter

EMEA

(in EUR million)	Q3 2023	Q3 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	271	272	0	2
Brick-and-mortar wholesale	235	204	15	18
Digital	147	125	17	20
Total	653	601	9	12

Americas

(in EUR million)	Q3 2023	Q3 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	152	140	8	14
Brick-and-mortar wholesale	47	36	30	36
Digital	29	21	43	52
Total	228	197	16	22

Asia/Pacific

(in EUR million)	Q3 2023	Q3 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	98	92	6	19
Brick-and-mortar wholesale	10	9	16	28
Digital	11	9	21	33
Total	120	111	8	21

Key figures – nine months

(in EUR million)	Jan. – Sep. 2023	Jan. – Sep. 2022	Change in %	Currency-adjusted change in %
Sales	3,021	2,583	17	19
Sales by brand				
BOSS Menswear	2,342	2,037	15	18
BOSS Womenswear	207	165	25	28
HUGO	472	381	24	26
Sales by segment				
EMEA	1,882	1,656	14	16
Americas	659	532	24	25
Asia/Pacific	405	330	23	31
Licenses	74	66	13	13
Sales by distribution channel				
Brick-and-mortar retail	1,587	1,396	14	17
Brick-and-mortar wholesale	798	666	20	22
Digital	562	455	23	26
Licenses	74	66	13	13
Results of operations				
Gross profit	1,857	1,601	16	
Gross margin in %	61.5	62.0	(50) bp	
EBIT	289	232	25	
EBIT margin in %	9.6	9.0	60 bp	
EBITDA	533	486	10	
EBITDA margin in %	17.7	18.8	(110) bp	
Net income attributable to equity holders of the parent company	173	139	24	
Net assets and liability structure as of Sep. 30				
Trade net working capital	983	605	62	72
Trade net working capital in % of sales ¹	19.8	14.0	570 bp	
Non-current assets	1,557	1,492	4	
Equity	1,245	1,089	14	
Equity ratio in %	37.3	36.1	120 bp	
Total assets	3,339	3,014	11	
Financial position				
Capital expenditure	176	103	71	
Free cash flow	(81)	96	<(100)	
Depreciation/amortization	244	254	(4)	
Net financial liabilities (as of Sep. 30)	1,068	743	44	
Additional key figures				
Employees (as of Sep. 30) ²	18,338	16,088	14	
Personnel expenses	679	584	16	
Shares (in EUR)				
Earnings per share	2.51	2.02	24	
Last share price (as of Sep. 30)	59.92	48.06	25	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

¹ Moving average on the basis of the last four quarters.

² Full-time equivalent (FTE).

Sales by region and distribution channel – nine months

EMEA

(in EUR million)	Jan. – Sep. 2023	Jan. – Sep. 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	808	752	7	9
Brick-and-mortar wholesale	637	537	19	21
Digital	437	366	19	21
Total	1,882	1,656	14	16

Americas

(in EUR million)	Jan. – Sep. 2023	Jan. – Sep. 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	437	365	20	21
Brick-and-mortar wholesale	136	106	28	28
Digital	87	60	45	47
Total	659	532	24	25

Asia/Pacific

(in EUR million)	Jan. – Sep. 2023	Jan. – Sep. 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	342	279	23	31
Brick-and-mortar wholesale	26	22	14	19
Digital	38	29	30	39
Total	405	330	23	31

Consolidated income statement – quarter

(in EUR million)	Q3 2023	Q3 2022	Change in %
Sales	1,027	933	10
Cost of sales	(404)	(366)	(10)
Gross profit	623	567	10
In % of sales	60.7	60.8	(10) bp
Operating expenses	(520)	(475)	(9)
In % of sales	(50.6)	(50.9)	30 bp
Thereof selling and marketing expenses	(424)	(381)	(11)
Thereof administration expenses	(96)	(94)	(2)
Operating result (EBIT)	103	92	12
In % of sales	10.0	9.9	20 bp
Financial result	(15)	(8)	(80)
Earnings before taxes	88	84	5
Income taxes	(25)	(23)	(5)
Net income	63	60	5
Attributable to:			
Equity holders of the parent company	63	58	9
Non-controlling interests	0	2	(81)
Earnings per share (in EUR) ¹	0.91	0.84	9
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)	Q3 2023	Q3 2022	Change in %
EBIT	103	92	12
In % of sales	10.0	9.9	20 bp
Depreciation and amortization	(84)	(84)	(1)
EBITDA	188	176	7
In % of sales	18.3	18.8	(60) bp

Consolidated income statement – nine months

(in EUR million)	Jan. – Sep. 2023	Jan. - Sep. 2022	Change in %
Sales	3,021	2,583	17
Cost of sales	(1,164)	(982)	(18)
Gross profit	1,857	1,601	16
In % of sales	61.5	62.0	(50) bp
Operating expenses	(1,568)	(1,369)	(14)
In % of sales	(51.9)	(53.0)	110 bp
Thereof selling and marketing expenses	(1,249)	(1,088)	(15)
Thereof administration expenses	(318)	(281)	(13)
Operating result (EBIT)	289	232	25
In % of sales	9.6	9.0	60 bp
Financial result	(39)	(28)	(41)
Earnings before taxes	250	204	23
Income taxes	(70)	(57)	(23)
Net income	180	147	23
Attributable to:			
Equity holders of the parent company	173	139	24
Non-controlling interests	7	7	(8)
Earnings per share (in EUR) ¹	2.51	2.02	24
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

EBIT and EBITDA – nine months

(in EUR million)	Jan. – Sep. 2023	Jan. - Sep. 2022	Change in %
EBIT	289	232	25
In % of sales	9.6	9.0	60 bp
Depreciation and amortization	(244)	(254)	4
EBITDA	533	486	10
In % of sales	17.7	18.8	(110) bp

Consolidated statement of financial position

(in EUR million)	September 30, 2023	September 30, 2022	December 31, 2022
Assets			
Property, plant, and equipment	542	442	471
Intangible assets	181	169	177
Right-of-use assets	675	693	708
Deferred tax assets	132	158	151
Non-current financial assets	26	28	26
Other non-current assets	1	1	2
Non-current assets	1,557	1,492	1,535
Inventories	1,154	910	974
Trade receivables	328	257	256
Current tax receivables	18	11	23
Current financial assets	38	30	41
Other current assets	126	131	150
Cash and cash equivalents	93	183	147
Assets held for sale ¹	25	0	0
Current assets	1,782	1,523	1,592
Total	3,339	3,014	3,127
Equity and liabilities			
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Capital reserve	3	1	2
Retained earnings	1,127	958	1,022
Accumulated other comprehensive income	68	87	65
Equity attributable to equity holders of the parent company	1,226	1,074	1,117
Non-controlling interests	19	15	19
Group equity	1,245	1,089	1,135
Non-current provisions	92	89	92
Non-current financial liabilities	346	108	89
Non-current lease liabilities	569	606	605
Deferred tax liabilities	7	17	10
Other non-current liabilities	2	1	2
Non-current liabilities	1,015	820	798
Current provisions	118	124	123
Current financial liabilities	70	33	33
Current lease liabilities	187	197	199
Income tax payables	16	31	20
Trade payables	500	562	617
Other current liabilities	165	158	201
Liabilities held for sale ¹	22	0	0
Current liabilities	1,079	1,105	1,193
Total	3,339	3,014	3,127

¹HUGO BOSS is currently revisiting its business model in Russia, which includes considerations to convert it into a wholesale business. Accordingly, the Company classified all respective assets and liabilities as assets and liabilities held for sale as of September 30, 2023.

Trade net working capital (TNWC)

(in EUR million)	September 30, 2023	September 30, 2022	Change in %	Currency-adjusted change in %
Inventories	1,154	910	27	32
Trade receivables	328	257	28	32
Trade payables	(500)	(562)	(11)	(10)
Trade net working capital (TNWC)	983	605	62	72

Consolidated statement of cash flows

(in EUR million)	Jan. – Sep. 2023	Jan. – Sep. 2022
Net income	180	147
Depreciation/amortization	244	254
Gains or losses on the monetary positions under IAS 29	0	0
Unrealized net foreign exchange gain/loss	8	(21)
Other non-cash transactions	3	6
Income tax expense/income	70	57
Interest expense/income	30	17
Change in inventories	(172)	(269)
Change in receivables and other assets	(48)	(38)
Change in trade payables and other liabilities	(157)	65
Result from disposal of non-current assets	(5)	(5)
Change in provisions for pensions	(5)	1
Change in other provisions	1	26
Income taxes paid	(55)	(39)
Cash flow from operating activities	95	201
Investments in property, plant, and equipment	(150)	(81)
Investments in intangible assets	(27)	(22)
Equity investment	0	(4)
Interest received	1	2
Cash flow from investing activities ¹	(176)	(105)
Dividends paid to equity holders of the parent company	(69)	(48)
Dividends paid to non-controlling interests	(6)	(8)
Cash receipts from current financial liabilities	38	0
Repayment of current financial liabilities	(49)	(9)
Cash receipts from non-current financial liabilities	307	15
Repayment of lease liabilities	(164)	(150)
Interest paid	(28)	(18)
Cash flow from financing activities ¹	28	(219)
Exchange rate related changes in cash and cash equivalents	(2)	20
Change in cash and cash equivalents	(55)	(102)
Cash and cash equivalents at the beginning of the period	147	285
Cash and cash equivalents at the end of the period	93	183

¹ Amounts shown differ from those reported in the previous year due to reclassifications of interest received.

Free cash flow

(in EUR million)	Jan. – Sep. 2023	Jan. – Sep. 2022
Cash flow from operating activities	95	201
Cash flow from investing activities	(176)	(105)
Free cash flow	(81)	96

Number of own retail stores

Sep. 30, 2023	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	586	447	367	1,400
thereof freestanding retail stores	213	112	157	482
Dec. 31, 2022				
Number of own retail points of sale	581	383	352	1,316
thereof freestanding retail stores	212	106	152	470