

Metzingen, May 4, 2023

## HUGO BOSS RECORDS EXCELLENT START TO 2023 AND RAISES FULL-YEAR OUTLOOK

- Currency-adjusted Group sales in Q1 increase 25% to EUR 968 million
- Double-digit improvements across both brands, all regions, and all channels
- EBIT amounts to EUR 65 million in Q1, 63% above the prior year
- FY 2023 outlook raised: sales to grow ~10% to a level of around EUR 4 billion; EBIT to increase to an amount of between EUR 370 million and EUR 400 million (+10% to +20%)

"We look back on an excellent start to the year, as we further accelerated brand momentum around the globe," says Daniel Grieder, Chief Executive Officer of HUGO BOSS. "Following our strong performance in the first quarter, we remain all the more confident in the continued success of 'CLAIM 5.' We will make 2023 yet another record-breaking year for our Company, as we aim to achieve our mid-term sales target of EUR 4 billion already this year, thus significantly earlier than expected."

Building on the remarkable momentum in fiscal year 2022, HUGO BOSS continued its strong financial and operational performance in the first quarter of 2023, posting significant top- and bottom-line improvements. Group sales amounted to EUR 968 million (Q1 2022: EUR 772 million), representing an increase of 25% both currency-adjusted and in Group currency. Consequently, revenues once again strongly exceeded pre-pandemic levels (+44% currency-adjusted), with momentum further accelerating as compared to the final quarter of 2022. The powerful start to the year was driven by the continued rigorous execution of the Company's "CLAIM 5" strategy, which provided substantial tailwinds throughout the quarter. As a result, growth was once more broad-based in nature with double-digit sales increases across both brands, all regions, and all consumer touchpoints.

Successful launch of Spring/Summer 2023 collections drives momentum globally

In January 2023, one year after introducing the bold branding refresh, BOSS and HUGO successfully launched their Spring/Summer 2023 collections, which have once again been very well received by both consumers and wholesale partners worldwide. Thanks to the accompanying global brand campaigns as well as several fashion events, both brands were able to create further buzz throughout the quarter. In particular, in March, BOSS showcased its latest collection at a star-studded "see now, buy now" event in Miami. Selected fashion

show pieces were also presented virtually later that month at Metaverse Fashion Week. Fueled by the ongoing strong brand momentum, the Company recorded significant double-digit growth in currency-adjusted sales for BOSS Menswear (+23%), BOSS Womenswear (+28%), and HUGO (+31%) during the first three months of the year.

#### Double-digit sales improvements across all regions

In the first quarter, all regions recorded double-digit sales improvements, fueled by ongoing robust consumer demand. In EMEA, currency-adjusted revenues increased by 21% year over year, reflecting robust double-digit growth in key markets such as Germany (+28%) and France (+17%), as well as a particularly strong performance in growth markets such as the Middle East. With revenues up 38% currency-adjusted, momentum in the Americas further accelerated both year over year as well as versus pre-pandemic levels, as all of the region's markets continued their strong double-digit sales trajectories. This also includes ongoing robust momentum in the U.S. market across channels, with currency-adjusted sales up 31% overall. The Group's business in Asia/Pacific also recorded a powerful start to the year with sales returning to strong double-digit growth of 31%. This performance was driven by both sustained double-digit improvements in South East Asia & Pacific as well as a significant uptick in consumer sentiment in China following the market's reopening in late 2022 after long-lasting COVID-19-related restrictions. As a result, sales in China came in well above the prior-year level, up 25% currency-adjusted.

#### Broad-based growth across all consumer touchpoints

From a channel perspective, growth in the first quarter was also broad-based, with all consumer touchpoints recording double-digit sales improvements. The Group's digital business successfully continued its robust growth trajectory with currency-adjusted sales up 22%, reflecting strong double-digit improvements across all digital touchpoints. In particular, revenues generated via the Group's digital flagship hugoboss.com increased noticeably, supported by the successful relaunch of the HUGO BOSS app in February. At the same time, the Group's brick-and-mortar retail business also had an excellent start to the year, recording double-digit sales improvements across all regions. Overall, currency-adjusted revenues in brick-and-mortar retail increased by 26% in the first quarter. On the other hand, HUGO BOSS also recorded a strong uptick in brick-and-mortar wholesale with currency-adjusted sales up 26%, reflecting ongoing healthy demand from partners around the globe.

### EBIT up 63% despite ongoing investments into the business

In the first quarter of 2023, HUGO BOSS generated an operating profit (EBIT) of EUR 65 million, representing a significant increase of 63% compared to the previous year (Q1 2022: EUR 40 million). As a result, the Group's EBIT margin increased by 160 basis points to a level of 6.7%. This performance was driven by the significant top-line improvements, which more than offset a slight decline in gross margin, down 30 basis points to a level of 61.4%, as well as further investments into the business as part of "CLAIM 5."





### HUGO BOSS raises outlook for full-year 2023

In light of the strong financial performance in the first quarter, HUGO BOSS raises its top- and bottom-line outlook for the current fiscal year. Accordingly, while taking into account persistently high macroeconomic and geopolitical uncertainties, HUGO BOSS now expects Group sales in 2023 to increase by around 10% to a level of around EUR 4 billion (prior: increase at a mid-single-digit percentage rate), with all regions set to contribute to growth. At the same time, EBIT in 2023 is now expected to increase within a range of +10% to +20% to an amount of between EUR 370 million and EUR 400 million (prior: increase within a range of +5% to +12% to an amount of between EUR 350 million and EUR 375 million). Ongoing investments in its products, brands, and digital expertise as part of "CLAIM 5" are set to be more than offset by an at least stable gross margin development in 2023 as well as further efficiency gains, in particular when it comes to its brick-and-mortar retail store network.

### HUGO BOSS will host Investor Day on June 14 and 15

Following the strong start to the year, HUGO BOSS remains all the more confident in the continued momentum of its "CLAIM 5" growth strategy. On June 14 and 15, the Company will thus present an update on "CLAIM 5" and its mid-term financial ambition as part of an Investor Day, as HUGO BOSS aims to continue delivering sustainable revenue growth and operating leverage supporting its bottom-line ambitions also going forward. The Investor Day will take place at the Group's headquarters in Metzingen, Germany.

Q1 sales development by brand

	in EUR million	Change in %	Change in % currency-adjusted
BOSS Menswear	 746	+24	+23
BOSS Womenswear	 67	+29	+28
HUGO	 155	+33	+31
<b>Group</b>	 <b>968</b>	<b>+25</b>	<b>+25</b>

- BOSS Menswear, BOSS Womenswear, and HUGO all recorded strong double-digit growth in the first quarter, driven by high global demand for the brands' Spring/Summer 2023 collections. Momentum remained strong across all wearing occasions, thus fully in line with the brands' 24/7 lifestyle approach.
  - Currency-adjusted revenues for BOSS Menswear were up 23% on the prior-year level, while sales for BOSS Womenswear even increased by 28% in the first quarter of 2023.
  - At HUGO, currency-adjusted sales were up a strong 31% year over year.

Q1 sales development by segment

	in EUR million	Change in %	Change in % currency-adjusted
EMEA	609	+21	+21
Americas	195	+45	+38
Asia/Pacific	141	+29	+31
Licenses	23	+1	+1
<b>Group</b>	<b>968</b>	<b>+25</b>	<b>+25</b>

- From a regional perspective, growth in the first quarter was once more broad-based with all regions recording significant double-digit sales improvements fueled by ongoing strong consumer demand.
  - In EMEA, currency-adjusted sales increased by 21% year over year, driven by robust demand across all consumer touchpoints. Momentum was strong in key European markets with Germany and France recording revenue growth of 28% and 17%, respectively. At the same time, sales in the UK remained on par with 2022 levels, being up against a particularly strong comparison base. As compared to pre-pandemic levels, revenues in the UK were up 33% and thus broadly in line with the performance of markets such as Germany and France. Also in the Middle East, momentum remained strong in Q1, as reflected by significant double-digit growth as compared to the prior-year level.
  - With revenues up 38% year over year, momentum in the Americas further accelerated, supported by significant double-digit sales increases in all of the region's markets. In the U.S. market, revenues increased by 31% currency-adjusted, as HUGO BOSS continued to successfully foster its 24/7 brand image. Growth in the U.S. was strong across channels, as reflected by double-digit revenue improvements in brick-and-mortar retail, brick-and mortar wholesale, as well as digital. While trends were similar in Canada, HUGO BOSS also continued its particularly strong momentum in Latin America, as reflected by high double-digit sales growth.
  - In the Asia/Pacific region, currency-adjusted sales came in 31% above the prior-year level. This strong performance was driven by both sustained double-digit improvements in South East Asia & Pacific as well as a significant uptick in consumer sentiment in China after the abandonment of COVID-related restrictions. As a result, sales in China were well above the prior-year level, up 25% currency-adjusted.

Q1 sales development by channel

	in EUR million	Change in %	Change in % currency-adjusted
Brick-and-mortar retail	485	+27	+26
Brick-and-mortar wholesale	282	+28	+26
Digital	178	+22	+22
Licenses	23	+1	+1
<b>Group</b>	<b>968</b>	<b>+25</b>	<b>+25</b>

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

- All channels contributed to the strong performance in the first quarter as reflected by double-digit sales improvements across all consumer touchpoints.
  - The Group's brick-and-mortar retail business (including freestanding stores, shop-in-shops, and outlets) recorded strong double-digit sales increases in the first quarter, with currency-adjusted revenues up 26% year on year. This development was supported by robust consumer sentiment across regions and further improvements in store productivity.
  - Currency-adjusted sales in brick-and-mortar wholesale also grew 26% compared to the prior-year period, reflecting broad-based growth across all regions.
  - The Group's digital business (including the Company's digital flagship hugoboss.com as well as digital revenues generated with partners) successfully continued its growth trajectory in the first quarter of 2023, with currency-adjusted sales up 22%. In particular, revenues generated via the Group's digital flagship hugoboss.com increased at strong double-digit rates, also supported by the relaunch of the HUGO BOSS app in February. Digital revenues generated with partners also grew at double-digit rates in the three-month period.
  - Sales in the license business increased 1% currency-adjusted against a particularly strong comparison base in the prior year. However, growth in the important fragrance business remained strong, with double-digit revenue improvements in the three-month period.

## Q1 earnings development

(in EUR million)	Jan.-March 2023	Jan.-March 2022	Change in %
Sales	968	772	25
Cost of sales	(374)	(296)	(26)
Gross profit	594	476	25
In % of sales	61.4	61.6	(30) bp
Operating expenses	(529)	(436)	(21)
In % of sales	(54.6)	(56.5)	180 bp
Thereof selling and marketing expenses	(414)	(344)	(20)
Thereof administration expenses	(114)	(92)	(24)
Operating result (EBIT)	65	40	63
In % of sales	6.7	5.2	160 bp
Financial result	(12)	(3)	<(100)
Earnings before taxes	53	37	45
Income taxes	(15)	(10)	(45)
Net income	38	26	45
Attributable to:			
Equity holders of the parent company	35	24	44
Non-controlling interests	4	2	57
Earnings per share (in EUR) <sup>1</sup>	0.50	0.35	44
Tax rate in %	28	28	

<sup>1</sup> Basic and diluted earnings per share.

- At 61.4%, the gross margin in the first quarter came in 30 basis points below the prior-year level. With global supply chain disruptions gradually easing, the decline in gross margin is mainly attributable to unfavorable currency effects. At the same time, the underlying momentum in the Company's full-price business remained strong also during the first quarter.
- Operating expenses increased by 21% in the first quarter with both selling and marketing expenses as well as administration expenses above the prior-year level. This largely reflects further investments into the business as part of the Company's "CLAIM 5" strategy. However, as a percentage of sales, operating expenses decreased 180 basis points to a level of 54.6%, first and foremost reflecting further efficiency gains in brick-and-mortar retail.
  - Selling and marketing expenses were up 20% compared to the prior-year period, mainly due to an increase in variable rental, payroll, and fulfillment expenses in the wake of the strong top-line performance. Besides that, the development is attributable to higher marketing investments, largely reflecting the successful brand campaigns and fashion events in the first quarter aimed at driving brand relevance globally. Total marketing investments grew 12% year over year to EUR 90 million (Q1 2022: EUR 80 million), representing 9.3% of Group sales (Q1 2022: 10.4%). Selling expenses for the Group's brick-and-mortar retail business increased by 16% to

EUR 194 million, thus improving to a level of 20.1% of Group sales (Q1 2022: 21.7%).

Overall, as a percentage of sales, selling and marketing expenses decreased by 180 basis points to a level of 42.8% (Q1 2022: 44.6%).

- Administration expenses increased by 24% as compared to the prior-year period. This development is mainly attributable to higher payroll expenses and digital investments, both aimed to support the successful execution of "CLAIM 5." As a percentage of sales, administration expenses slightly decreased by 10 basis points to a level of 11.8% (Q1 2022: 11.9%).
- Operating profit (EBIT) increased by a strong 63% to EUR 65 million in the first quarter of 2023. This development was driven by the strong top-line performance, which more than compensated for the slight decline in gross margin and ongoing investments into the business. Accordingly, the Group's EBIT margin increased by 160 basis points to a level of 6.7%.
- At EUR 12 million, net financial expenses (financial result) were well above the prior-year level, mainly due to the unfavorable development of foreign exchange rates.
- Consequently, net income amounted to EUR 38 million, up 45% against the prior-year level. Net income attributable to shareholders increased by 44% to EUR 35 million.



Net assets and financial position

March 31, 2023		in EUR million	Change in % <sup>1</sup>	Change in % currency-adjusted <sup>1</sup>
TNWC		791	+67	+69
Inventories		1,065	+65	+66
Net financial position <sup>2</sup>	(151)		<(100)	

<sup>1</sup> Change compared to March 31, 2022.

<sup>2</sup> Excl. the impact of IFRS 16.

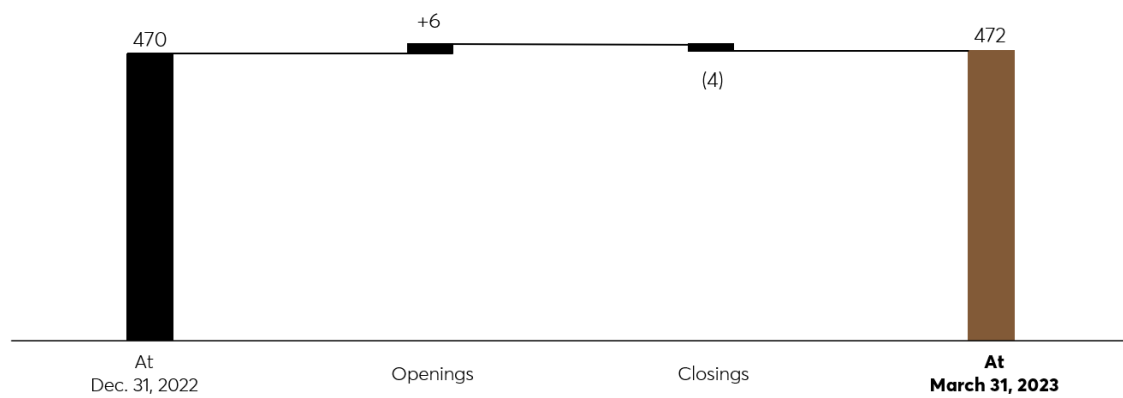
- Trade net working capital (TNWC) increased 69% on a currency-adjusted basis, reflecting higher inventory levels as well as an increase in trade receivables. The latter is mainly due to the Company's strong performance in wholesale. This was partly offset by higher trade payables, which is mainly attributable to an increased utilization of the Company's supplier financing program. The moving average of TNWC as a percentage of sales based on the last four quarters amounted to 16.4%, thus moderately above the level recorded in the prior-year period (Q1 2022: 15.0%).
- Year over year, inventories were up 66% currency-adjusted. Against the backdrop of last year's supply chain disruptions, already in 2022, HUGO BOSS intentionally increased its inventory coverage to ensure product availability for upcoming seasons. The vast majority of the Company's inventories reflects core merchandise as well as fresh merchandise for current and upcoming collections, aimed to support the ongoing strong top-line momentum across channels. Consequently, HUGO BOSS remains comfortable with the overall composition and quality of its inventories. Following the recent easing of global supply chain disruptions, the Company anticipates a gradual normalization of inventory growth by the end of fiscal year 2023.
- Excluding the impact of IFRS 16, the net financial position of HUGO BOSS totaled minus EUR 151 million at the end of the first quarter of 2023 (March 31, 2022: plus EUR 120 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 908 million compared to minus EUR 663 million as of March 31, 2022.

January - March 2023	in EUR million	Change in % <sup>1</sup>
Capital expenditure	42	>100
Free cash flow (120)		<(100)

<sup>1</sup> Change compared to Q1 2022.

- Capital expenditure more than doubled to EUR 42 million in the three-month period (Q1 2022: EUR 18 million). The step-up in capital expenditure is aimed at supporting 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 120 million (Q1 2022: plus EUR 1 million), as improvements in EBIT were more than offset by the increase in inventories as well as the step-up in capital expenditure.

#### Network of freestanding retail stores



- As of March 31, 2023, the number of own freestanding retail stores amounted to 472, representing a slight increase compared to December 31, 2022.
  - In the first three months of the year, a total of six BOSS stores were newly opened, in particular in China and across EMEA.
  - At the same time, four BOSS stores with expiring leases across EMEA and the Americas were closed in the first quarter.

## Outlook

	Results 2022	Initial outlook 2023	Outlook 2023
Group sales	EUR 3,651 million	Increase at a mid-single-digit percentage rate	Increase of around 10% (to a level of around EUR 4 billion)
Operating result (EBIT)	EUR 335 million	Increase to a level of between EUR 350 million and EUR 375 million	Increase to a level of between EUR 370 million and EUR 400 million
Group's net income	EUR 222 million	Increase within a range of +5% to +12%	Increase within a range of +10% to +20%
Trade net working capital as a percentage of sales	15.0%	Increase to a level of around 17%	Increase to a level of around 17%
Capital expenditure	EUR 191 million	Increase to a level of between EUR 200 million and EUR 250 million	Increase to a level of between EUR 200 million and EUR 250 million

- Following the strong financial performance in the first quarter, HUGO BOSS raises its top- and bottom-line outlook for fiscal year 2023. At the same time, the Company remains vigilant due to the persisting high levels of macroeconomic and geopolitical uncertainties.
- The Company now expects Group sales in 2023 to increase by around 10% to a level of around EUR 4 billion (prior guidance: increase at a mid-single-digit percentage rate), with all regions set to contribute to growth. In this context, HUGO BOSS will continue to put particular emphasis on the determined execution of its "CLAIM 5" strategy. This includes, above all, building on the strong brand power gained in the wake of the comprehensive branding refresh in 2022 and further leveraging its broad-based top-line momentum.
- EBIT in fiscal year 2023 is now expected to increase within a range of +10% to +20% to an amount of between EUR 370 million and EUR 400 million (prior: increase within a range of +5% to +12% to an amount of between EUR 350 million and EUR 375 million). In this context, ongoing investments as part of "CLAIM 5" aimed at further strengthening products, brands, and digital expertise are set to be more than offset by an at least stable gross margin development in 2023 as well as further efficiency gains, particularly via the ongoing optimization of the Company's global store network.
- At the same time, and broadly in line with EBIT growth, the Company now expects net income to improve within a range of +10% to +20% in 2023 (prior: increase within a range of +5% to +12%).
- HUGO BOSS continues to expect TNWC as a percentage of sales to modestly increase to a level of around 17% in 2023 (2022: 15.0%), fully in line with the Company's mid-term target range of between 16% and 19% as laid out in "CLAIM 5."
- Capital expenditure is still forecasted to total between EUR 200 million and EUR 250 million in 2023 (2022: EUR 191 million).
- Further information on the initial outlook for fiscal year 2023 can be found in the [Annual Report 2022](#).

Financial calendar and contacts

May 9, 2023  
Virtual Annual General Meeting

June 14-15, 2023  
Investor Day 2023

August 2, 2023  
Second Quarter Results 2023 & First Half Year Report 2023

November 2, 2023  
Third Quarter Results 2023

If you have any questions, please contact:

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# HUGO BOSS

## FINANCIAL INFORMATION

for Q1 2023

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

Key figures – quarter

(in EUR million)	Jan-March 2023	Jan.-March 2022	Change in %	Currency-adjusted change in %
Sales	968	772	25	25
<b>Sales by brand</b>				
BOSS Menswear	746	604	24	23
BOSS Womenswear	67	51	29	28
HUGO	155	116	33	31
<b>Sales by segment</b>				
EMEA	609	505	21	21
Americas	195	134	45	38
Asia/Pacific	141	110	29	31
Licenses	23	23	1	1
<b>Sales by distribution channel</b>				
Brick-and-mortar retail	485	383	27	26
Brick-and-mortar wholesale	282	220	28	26
Digital	178	146	22	22
Licenses	23	23	1	1
<b>Results of operations</b>				
Gross profit	594	476	25	
Gross margin in %	61.4	61.6	(30) bp	
EBIT	65	40	63	
EBIT margin in %	6.7	5.2	160 bp	
EBITDA	141	116	21	
EBITDA margin in %	14.6	15.1	(50) bp	
Net income attributable to equity holders of the parent company	35	24	44	
<b>Net assets and liability structure as of March 31</b>				
Trade net working capital	791	472	67	69
Trade net working capital in % of sales <sup>1</sup>	16.4	15.0	130 bp	
Non-current assets	1,497	1,448	3	
Equity	1,168	986	18	
Equity ratio in %	36.9	36.7	20 bp	
Total assets	3,165	2,686	18	
<b>Financial position</b>				
Capital expenditure	42	18	>100	
Free cash flow	(120)	1	<(100)	
Depreciation/amortization	76	76	(1)	
Net financial liabilities (as of March 31)	908	663	37	
<b>Additional key figures</b>				
Employees (as of March 31) <sup>2</sup>	17,444	14,569	20	
Personnel expenses	232	188	23	
<b>Shares (in EUR)</b>				
Earnings per share	0.50	0.35	44	
Last share price (as of March 31)	66.12	53.64	23	
Number of shares (as of March 31)	70,400,000	70,400,000	0	

<sup>1</sup> Moving average on the basis of the last four quarters.

<sup>2</sup> Full-time equivalent (FTE).

Sales by region and distribution channel – quarter

EMEA

(in EUR million)				
	Jan. – March 2023	Jan. – March 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	240	201	19	20
Brick-and-mortar wholesale	228	181	26	25
Digital	141	123	15	15
Total	609	505	21	21

Americas

(in EUR million)				
	Jan. – March 2023	Jan. – March 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	124	88	40	34
Brick-and-mortar wholesale	45	30	47	40
Digital	26	16	68	60
Total	195	134	45	38

Asia/Pacific

(in EUR million)				
	Jan. – March 2023	Jan. – March 2022	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	121	94	30	33
Brick-and-mortar wholesale	9	9	5	4
Digital	11	8	41	43
Total	141	110	29	31

Consolidated income statement – quarter

(in EUR million)	Jan.-March 2023	Jan.-March 2022	Change in %
Sales	968	772	25
Cost of sales	(374)	(296)	(26)
Gross profit	594	476	25
In % of sales	61.4	61.6	(30) bp
Operating expenses	(529)	(436)	(21)
In % of sales	(54.6)	(56.5)	180 bp
Thereof selling and marketing expenses	(414)	(344)	(20)
Thereof administration expenses	(114)	(92)	(24)
Operating result (EBIT)	65	40	63
In % of sales	6.7	5.2	160 bp
Financial result	(12)	(3)	<(100)
Earnings before taxes	53	37	45
Income taxes	(15)	(10)	(45)
Net income	38	26	45
Attributable to:			
Equity holders of the parent company	35	24	44
Non-controlling interests	4	2	57
Earnings per share (in EUR) <sup>1</sup>	0.50	0.35	44
Tax rate in %	28	28	

<sup>1</sup> Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)	Jan.-March 2023	Jan.-March 2022	Change in %
EBIT	65	40	63
In % of sales	6.7	5.2	160 bp
Depreciation and amortization	(76)	(76)	1
EBITDA	141	116	21
In % of sales	14.6	15.1	(50) bp



## Consolidated statement of financial position

(in EUR million)			
	March 31, 2023	March 31, 2022	December 31, 2022
<b>Assets</b>			
Property, plant, and equipment	481	413	471
Intangible assets	174	162	177
Right-of-use assets	669	689	708
Deferred tax assets	145	158	151
Non-current financial assets	26	24	26
Other non-current assets	2	1	2
<b>Non-current assets</b>	<b>1,497</b>	<b>1,448</b>	<b>1,535</b>
Inventories	1,065	646	974
Trade receivables	290	222	256
Current tax receivables	18	16	23
Current financial assets	26	11	41
Other current assets	130	109	150
Cash and cash equivalents	111	234	147
Assets held for sale <sup>1</sup>	27	0	0
<b>Current assets</b>	<b>1,667</b>	<b>1,238</b>	<b>1,592</b>
<b>Total</b>	<b>3,165</b>	<b>2,686</b>	<b>3,127</b>
<b>Equity and liabilities</b>			
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Capital reserve	2	0	2
Retained earnings	1,056	880	1,022
Accumulated other comprehensive income	60	61	65
<b>Equity attributable to equity holders of the parent company</b>	<b>1,146</b>	<b>969</b>	<b>1,117</b>
Non-controlling interests	22	17	19
<b>Group equity</b>	<b>1,168</b>	<b>986</b>	<b>1,135</b>
Non-current provisions	95	95	92
Non-current financial liabilities	220	100	89
Non-current lease liabilities	584	592	605
Deferred tax liabilities	9	11	10
Other non-current liabilities	1	1	2
<b>Non-current liabilities</b>	<b>910</b>	<b>800</b>	<b>798</b>
Current provisions	87	87	123
Current financial liabilities	52	31	33
Current lease liabilities	173	191	199
Income tax payables	17	30	20
Trade payables	564	396	617
Other current liabilities	172	165	201
Liabilities held for sale <sup>1</sup>	22	0	0
<b>Current liabilities</b>	<b>1,087</b>	<b>900</b>	<b>1,193</b>
<b>Total</b>	<b>3,165</b>	<b>2,686</b>	<b>3,127</b>

<sup>1</sup> HUGO 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 March 31, 2023.

## Trade net working capital (TNWC)

(in EUR million)				
	March 31, 2023	March 31, 2022	Change in %	Currency-adjusted change in %
Inventories	1,065	646	65	66
Trade receivables	290	222	31	30
Trade payables	(564)	(396)	43	42
<b>Trade net working capital (TNWC)</b>	<b>791</b>	<b>472</b>	<b>67</b>	<b>69</b>

## Consolidated statement of cash flows

(in EUR million)	Jan. – March 2023	Jan. – March 2022
Net income	38	26
Depreciation/amortization	76	76
Gain/loss on the monetary positions under IAS 29	0	0
Unrealized net foreign exchange gain/loss	6	(1)
Other non-cash transactions	0	2
Income tax expense/income	15	10
Interest expense/income	9	6
Change in inventories	(98)	(37)
Change in receivables and other assets	(4)	30
Change in trade payables and other liabilities	(77)	(70)
Result from disposal of non-current assets	(2)	(2)
Change in provisions for pensions	(3)	0
Change in other provisions	(29)	(12)
Income taxes paid	(11)	(8)
<b>Cash flow from operating activities</b>	<b>(80)</b>	<b>21</b>
Investments in property, plant, and equipment	(35)	(14)
Investments in intangible assets	(6)	(3)
Acquisition of subsidiaries and other business entities less cash and cash equivalents acquired	0	(2)
Cash receipts from disposal of property, plant and equipment and intangible assets	0	0
Interest received	1	0
<b>Cash flow from investing activities</b>	<b>(40)</b>	<b>(19)</b>
Dividends paid to equity holders of the parent company	0	0
Cash receipts from current financial liabilities	21	0
Repayment of current financial liabilities	(4)	(4)
Cash receipts from non-current financial liabilities	136	0
Repayment of current and non-current lease liabilities	(60)	(46)
Interest paid	(8)	(6)
<b>Cash flow from financing activities</b>	<b>85</b>	<b>(55)</b>
Exchange rate related changes in cash and cash equivalents	(1)	4
<b>Change in cash and cash equivalents</b>	<b>(37)</b>	<b>(50)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>147</b>	<b>285</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>111</b>	<b>234</b>

## Free cash flow

(in EUR million)	Jan. – March 2023	Jan. – March 2022
Cash flow from operating activities	(80)	21
Cash flow from investing activities	(40)	(19)
<b>Free cash flow</b>	<b>(120)</b>	<b>1</b>

Number of own retail stores

March 31, 2023	EMEA	Americas	Asia/Pacific	Total
Number of own retail points of sale	576	386	353	1,315
thereof freestanding retail stores	214	106	152	472
Dec. 31, 2022				
Number of own retail points of sale	581	383	352	1,316
thereof freestanding retail stores	212	106	152	470