

Metzingen, November 3, 2022

HUGO BOSS RECORDS ONGOING STRONG MOMENTUM IN Q3 AND RAISES FULL-YEAR OUTLOOK

- Currency-adjusted Group sales increase 18% in Q3; +27% compared to 2019 levels
- Momentum in brick-and-mortar retail accelerates in the third quarter (+25% vs. 2019)
- Double-digit revenue improvements across both brands, all regions, and all channels
- EBIT amounts to EUR 92 million in Q3; 8% above the prior-year level
- FY 2022 outlook raised: sales to grow between 25% and 30% to a record level of between EUR 3.5 billion and EUR 3.6 billion; EBIT to increase between 35% and 45%

"We look back on an extremely successful quarter, in which our broad-based growth continued seamlessly," says Daniel Grieder, Chief Executive Officer of HUGO BOSS.

"Building on our strong brand momentum, we look forward to the important final quarter with confidence. Thanks to the relentless execution of our 'CLAIM 5' strategy, we are well on track to make 2022 not only a record year for HUGO BOSS, but also a major milestone along our 2025 targets."

In the third quarter of 2022, HUGO BOSS posted significant top-line growth, thereby continuing its strong momentum from the previous quarter. This development was once more fueled by the successful execution of several brand and product initiatives as part of the Company's "CLAIM 5" growth strategy. Group sales increased by 18% currency-adjusted to EUR 933 million (Q3 2021: EUR 755 million), representing the highest quarterly sales in the history of HUGO BOSS. In Group currency, this corresponds to an increase of 24%. Compared to 2019 levels, currency-adjusted sales growth was 27% (Q3 2019: EUR 720 million).

Successful launch of Fall/Winter 2022 collections drives brand momentum

Across brands, exciting marketing and product initiatives continued to drive relevance for BOSS and HUGO. The global launch of the Fall/Winter 2022 collections was accompanied by two star-studded campaigns in August, building on the success of the comprehensive branding refresh initiated at the beginning of the year. Brand heat was further fueled by two exciting fashion shows. Both BOSS and HUGO showcased their new collections during Milan Fashion Week in September, thereby propelling brand awareness on social media and further tapping into a younger demographic. Strong sell-through rates, well above pre-pandemic levels, underline the success of both collections. Consequently, both BOSS and HUGO posted

double-digit revenue improvements in the third quarter with robust growth across all wearing occasions. While currency-adjusted sales for BOSS Menswear were up 20% against the prior-year period, sales for BOSS Womenswear increased by 13% and thus strongly accelerated on a three-year-stack basis. At HUGO, currency-adjusted revenues also grew by 13% year over year.

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

Growth in the third quarter was once more broad-based with all regions recording double-digit sales improvements fueled by robust consumer demand. In Europe, currency-adjusted sales increased by 17% year over year, reflecting ongoing strong demand across key markets. Also in the Americas, momentum remained strong throughout the third quarter with currency-adjusted sales up 18% year over year. Compared to 2019 levels, momentum in the Americas therefore remained virtually at the level of the second quarter, with currency-adjusted sales up 35%. In Asia/Pacific, momentum also picked up strongly in the third quarter with revenues returning to double-digit growth. Significant double-digit improvements in South East Asia & Pacific spurred momentum in the whole region, with currency-adjusted sales consequently up 33% year over year.

Momentum in digital as well as in brick-and-mortar retail accelerates

All channels contributed to the strong performance in Q3 as reflected by double-digit sales improvements across all consumer touchpoints. Currency-adjusted growth in the Group's digital channels accelerated to 20% compared to the prior-year period, reflecting both a double-digit sales increase in the Group's digital flagship hugoboss.com as well as strong improvements in digital revenues generated with partners. Also momentum in brick-and-mortar retail remained strong, with currency-adjusted revenues up 18% compared to the prior year. On a three-year-stack basis, growth in brick-and-mortar retail even accelerated to 25%, with momentum strengthening across all three regions. In brick-and-mortar wholesale, currency-adjusted sales were up 18% year over year. While this development reflects ongoing robust demand from wholesale partners for BOSS and HUGO, delivery shift effects limited growth to some extent.





Operating profit up 8% despite ongoing brand and product investments

In the third quarter of 2022, HUGO BOSS increased its operating profit (EBIT) by 8% to EUR 92 million (Q3 2021: EUR 85 million), driven by the strong top-line performance. This more than compensated for a moderate decline in gross margin as well as an increase in selling and distribution expenses, with the latter mainly reflecting ongoing investments into the business as part of "CLAIM 5". In particular, marketing investments increased by 39% year over year, first and foremost reflecting the two comprehensive brand campaigns and fashion events of BOSS and HUGO, aimed at driving brand relevance globally.

HUGO BOSS raises outlook for full year 2022






In light of the strong financial performance in the third quarter, HUGO BOSS raises its top- and bottom-line outlook for the current fiscal year. At the same time, the Company takes into account both ongoing investments into its business as well as persisting high levels of macro-economic uncertainty. Group sales for fiscal year 2022 are now expected to increase between 25% and 30% to a new record level of EUR 3.5 billion to EUR 3.6 billion (prior: increase between 20% and 25% to a level of EUR 3.3 billion to EUR 3.5 billion). At the same time, EBIT in 2022 is now expected to increase between 35% and 45% to a level of EUR 310 million to EUR 330 million (prior: increase between 25% to 35% to an amount of EUR 285 million to EUR 310 million).

Q3 sales development by brand

		in EUR million	Change in %	Change in % currency-adjusted
BOSS Menswear		732	+25	+20
BOSS Womenswear	 61		+18	+13
HUGO	 140		+19	+13
Group		933	+24	+18






- Across brands, growth in the third quarter was fueled by the global launch of the Fall/Winter 2022 collections accompanied by two star-studded brand campaigns as well as exciting fashion events for both BOSS and HUGO. Supported by strong sell-through rates, well above pre-pandemic levels, revenues for BOSS Menswear, BOSS Womenswear, and HUGO recorded double-digit sales improvements. Growth was strong across all wearing occasions, reflecting further important progress in strengthening the brands' 24/7 lifestyle image.
 - Currency-adjusted revenues for BOSS Menswear were up 20% on the prior-year level, translating into growth of 28% compared to 2019 levels. Sales for BOSS Womenswear increased 13%, which corresponds to a strong acceleration towards 19% growth on a three-year-stack basis, both currency-adjusted.
 - At HUGO, currency-adjusted sales were up 13% year over year and 29% versus 2019 levels.

Q3 sales development by segment

		in EUR million	Change in %	Change in % currency-adjusted
Europe		601	+17	+17
Americas	 197	197	+37	+18
Asia/Pacific	 111	111	+43	+33
Licenses	 24	24	+13	+13
Group		933	+24	+18

- Growth in the third quarter was once more broad-based with all regions recording significant double-digit sales improvements fueled by robust consumer demand.
 - In Europe, currency-adjusted sales were up 17% on the prior-year level and 28% compared to 2019 levels, reflecting ongoing strong demand across key markets. While momentum in brick-and-mortar retail further accelerated on a three-year-stack basis, timing shifts in the delivery of the Fall/Winter 2022 collections compared to the prior-year period weighed on revenue growth in brick-and-mortar wholesale. Overall, sales in Germany grew 19% year over year, while the UK and France posted currency-adjusted growth of 9% and 8%, respectively. In the Middle East, momentum remained particularly robust, as reflected by strong double-digit growth compared to the prior-year period.
 - Also in the Americas, momentum remained strong throughout the third quarter as reflected by a further acceleration in brick-and-mortar retail sales growth compared to 2019 levels. Overall, currency-adjusted sales grew 18% year over year, translating into three-year-stack growth of 35%, and thus virtually at the level of the second quarter. Momentum remained very robust across all markets with currency-adjusted revenues expanding 12% in the U.S. and 17% in Canada, both year over year. In Latin America, currency-adjusted sales even grew 40%.
 - Momentum in Asia/Pacific strongly accelerated in the third quarter with revenues returning to double-digit growth. Currency-adjusted sales were up 33% compared to the prior year and grew 15% on a three-year-stack basis. Strong double-digit sales growth in South East Asia & Pacific compared to the prior-year period more than compensated for a 3% decline in mainland China. The latter largely reflects COVID-19-related restrictions that weighed on brick-and-mortar retail to some extent, first and foremost during the month of September.

Q3 sales development by channel

		in EUR million	Change in %	Change in % currency-adjusted
Brick-and-mortar retail		505	+24	+18
Brick-and-mortar wholesale		249	+23	+18
Digital		155	+25	+20
Licenses		24	+13	+13
Group		933	+24	+18

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

- All channels contributed to the strong performance in Q3 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 growth, with currency-adjusted revenues up 18% versus the prior year. Compared to 2019 levels, sales grew 25% reflecting a further acceleration compared to the second quarter, with all three regions contributing positively. This strong performance was fueled by ongoing robust consumer demand as well as significant double-digit improvements in store productivity compared to full year 2021.
 - Currency-adjusted sales in brick-and-mortar wholesale grew 18% in the third quarter, fueled by wholesale partners' strong demand for the Fall/Winter 2022 collections of BOSS and HUGO launched during Q3. At the same time, delivery shifts compared to the prior year had an overall negative impact in the third quarter and limited growth to some extent. On a three-year-stack basis, sales expanded by 10%.
 - Growth in the Group's digital business accelerated to 20% currency-adjusted in the third quarter. This reflects both double-digit sales increases in the Company's digital flagship hugoboss.com as well as strong growth in digital revenues generated with partners. Compared to 2019 levels, digital sales even doubled.
 - Revenues in the license business increased by 13% compared to the prior-year level, driven by double-digit growth in the important fragrance business. As compared to 2019, sales in the license business grew 8%.

Q3 earnings development

(in EUR million)	Q3 2022	Q3 2021	Change in %
Sales	933	755	24
Cost of sales	(366)	(289)	(27)
Gross profit	567	466	22
In % of sales	60.8	61.7	(90) bp
Operating expenses	(475)	(381)	(25)
In % of sales	(50.9)	(50.4)	(50) bp
Thereof selling and distribution expenses	(381)	(299)	(28)
Thereof administration expenses	(94)	(82)	(15)
Operating result (EBIT)	92	85	8
In % of sales	9.9	11.3	(150) bp
Financial result	(8)	(11)	21
Earnings before taxes	84	75	12
Income taxes	(23)	(21)	(12)
Net income	60	54	12
Attributable to:			
Equity holders of the parent company	58	53	10
Non-controlling interests	2	1	>100
Earnings per share (in EUR) ¹	0.84	0.76	10
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

- The moderate decline in gross margin, down 90 basis points compared to the prior year, is largely attributable to the persistently high levels of global freight and duty costs as well as an unfavorable development of foreign exchange rates. This more than offset a positive impact from a higher share of full-price sales in Q3, reflecting the significant uptick in brand momentum following the successful branding refresh. Overall, the underlying momentum in the Company's full-price business continued from the second quarter and remained strong throughout the entire third quarter, with promotional activity at HUGO BOSS being well below the prior-year level across markets.
- Operating expenses were up 25% in the third quarter with both selling and distribution expenses as well as administration expenses above the prior-year level, largely reflecting on-going investments into the business as part of "CLAIM 5." As a percentage of sales, operating expenses increased by 50 basis points to a level of 50.9%.
 - Selling and distribution expenses were up 28% on the prior-year level, mainly due to an increase in variable rental expense and fulfillment expense in the wake of the strong top-line momentum. Besides that, the development is attributable to higher marketing investments, largely reflecting the two successful brand campaigns and fashion events of BOSS and HUGO, aimed at driving brand relevance globally. Total marketing expenses grew 39% to EUR 71 million, representing 7.6% of Group sales. Overall, as a percentage of sales, selling and distribution expenses increased by 130 basis points to a level of 40.9%.

- Administration expenses increased by 15% as compared to the prior-year period. This development is mainly attributable to higher payroll expenses and digital investments, both aimed at supporting the successful execution of "CLAIM 5." As a percentage of sales, however, administration expenses decreased by 70 basis points to a level of 10.1%.
- HUGO BOSS recorded a robust increase in operating profit (EBIT) in the third quarter, spurred by the strong top-line performance. This more than compensated for the moderate decline in gross margin as well as ongoing investments into the business. Overall, EBIT in the third quarter was up 8% to a level of EUR 92 million, resulting in an EBIT margin of 9.9%.
- The Group's net income amounted to EUR 60 million, up 12% on the prior-year level, thereby benefitting from a moderate decrease in net financial expenses.

Net assets and financial position

September 30, 2022	in EUR million	Change in % ¹	Change in % currency-adjusted ¹
TNWC	605	+28	+14
Inventories	910	+55	+41
Net financial position ²	60	>100	

¹Change compared to September 30, 2021.

²Excl. the impact of IFRS 16.

- Adjusted for currency effects, trade net working capital (TNWC) increased by 14% as compared to the prior-year level. This development is mainly attributable to a higher inventory position, more than offsetting an increase in trade payables, which primarily reflects a higher utilization of the Company's supplier financing program. Trade receivables also increased moderately as compared to last year. The moving average of TNWC as a percentage of sales based on the last four quarters amounted to 14.0%, thus well below the prior-year level (Q3 2021: 20.6%).
- The increase in inventories, up 41% on a currency-adjusted basis, is primarily aimed at supporting the strong top-line momentum across channels. In addition, HUGO BOSS intentionally accepted earlier receipts of merchandise to ensure sufficient product availability for upcoming seasons. As the vast majority of the intentional build-up in inventories is related to core merchandise that can be sold over several future seasons as well as the Fall/Winter 2022 and Pre-Spring 2023 collections, HUGO BOSS remains very comfortable with the overall composition and quality of its inventories.

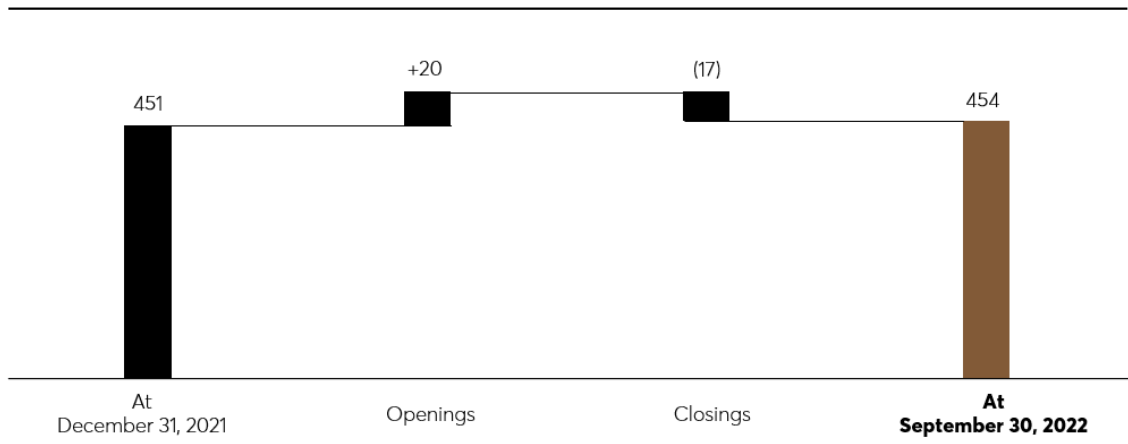
- Excluding the impact of IFRS 16, the net financial position of HUGO BOSS totaled plus EUR 60 million at the end of the third quarter (September 30, 2021: minus EUR 20 million), mainly reflecting a lower utilization of credit lines year over year. Including the impact of IFRS 16, the net financial position amounted to minus EUR 743 million, representing a 13% decrease against the prior-year level (September 30, 2021: minus EUR 855 million).

July – September 2022		in EUR million	Change in % ¹
Capital expenditure		42	+64
Free cash flow	(5)		<(100)

¹ Change compared to Q3 2021.

- Capital expenditure increased by 64% compared to the prior-year level, amounting to EUR 42 million in the three-month period (Q3 2021: EUR 26 million). Investment activity was once more focused on further optimizing and modernizing the Group's own retail network, as well as on expanding the Group's digital capabilities along the entire value chain.
- Free cash flow amounted to minus EUR 5 million in the third quarter (Q3 2021: plus EUR 171 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 September 30, 2022, the number of own freestanding retail stores amounted to 454, representing a slight increase compared to December 31, 2021.
 - In the first nine months of the year, a total of 18 BOSS stores and two HUGO stores were newly opened across all three regions. This includes the new BOSS flagship store on London's Oxford Street, openings of BOSS in Dubai and Rome, as well as a new HUGO store in Abu Dhabi.
 - At the same time, 17 stores with expiring leases were closed in the nine-month period.

Outlook

	Results 2021	Previous Outlook 2022	Outlook 2022
Group sales	EUR 2,786 million	Increase within a range of 20% to 25% (to EUR 3.3 billion to EUR 3.5 billion)	Increase within a range of 25% to 30% (to EUR 3.5 billion to EUR 3.6 billion)
Operating result (EBIT)	EUR 228 million	Increase within a range of 25% to 35% (to EUR 285 million to EUR 310 million)	Increase within a range of 35% to 45% (to EUR 310 million to EUR 330 million)
Net income	EUR 144 million	Increase to a level of between EUR 170 million and EUR 200 million	Increase to a level of between EUR 190 million and EUR 210 million
Trade net working capital as a percentage of sales	17.2%	Decrease to a level of between 15% and 16%	Decrease to a level of between 15% and 16%
Capital expenditure	EUR 104 million	Increase to a level of between EUR 180 million and EUR 210 million	Increase to a level of between EUR 160 million and EUR 190 million

- In light of the strong financial performance in the third quarter, HUGO BOSS raises its top- and bottom-line outlook for the current fiscal year. At the same time, the Company takes into account both ongoing investments into its business as well as persisting high levels of macroeconomic uncertainty.
 - Group sales for fiscal year 2022 are now expected to increase between 25% and 30% to a new record level of EUR 3.5 billion to EUR 3.6 billion (prior guidance: increase of between 20% and 25% to a level of EUR 3.3 billion to EUR 3.5 billion), with all regions expected to contribute to growth with double-digit sales improvements.
 - In light of the anticipated top-line improvements in fiscal year 2022, EBIT is now expected to increase within a range of 35% and 45% to a level of between EUR 310 million and EUR 330 million in 2022 (prior: increase within a range of 25% and 35% to an amount of between EUR 285 million and EUR 310 million).
 - Consequently, the **Group's net income** is now forecast to improve to a level of between EUR 190 million and EUR 210 million (prior: EUR 170 million to EUR 200 million).
 - HUGO BOSS still expects trade net working capital as a percentage of sales to improve to a level of between 15% and 16%.
 - Capital expenditure for fiscal year 2022 is now forecast to total between EUR 160 million and EUR 190 million (prior: EUR 180 million to EUR 210 million).

Financial calendar and contacts

March 9, 2023
Full Year Results 2022

May 4, 2023
First Quarter Results 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:

Carolin Westermann
Vice President Global Corporate Communications
Phone: +49 7123 94-86321
E-mail: carolin_westermann@hugoboss.com

Christian Stöhr
Vice President Investor Relations
Phone: +49 7123 94-87563
E-mail: christian_stoehr@hugoboss.com

HUGO BOSS

FINANCIAL INFORMATION

for Q3 2022 and Jan. – Sep. 2022

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

Key figures – quarter

(in EUR million)	Q3 2022	Q3 2021	Change in %	Currency-adjusted change in %
Sales	933	755	24	18
Sales by segment				
Europe incl. Middle East and Africa	601	512	17	17
Americas	197	144	37	18
Asia/Pacific	111	77	43	33
Licenses	24	21	13	13
Sales by distribution channel				
Brick-and-mortar retail	505	408	24	18
Brick-and-mortar wholesale	249	202	23	18
Digital	155	124	25	20
Licenses	24	21	13	13
Sales by brand				
BOSS Menswear	732	585	25	20
BOSS Womenswear	61	52	18	13
HUGO	140	117	19	13
Results of operations				
Gross profit	567	466	22	
Gross margin in %	60.8	61.7	(90) bp	
EBIT	92	85	8	
EBIT margin in %	9.9	11.3	(150) bp	
EBITDA	176	164	7	
EBITDA margin in %	18.8	21.8	(290) bp	
Net income attributable to equity holders of the parent company	58	53	10	
Financial position				
Capital expenditure	42	26	64	
Free cash flow	(5)	171	<(100)	
Depreciation/amortization	84	79	6	
Additional key figures				
Personnel expenses	201	165	22	
Shares (in EUR)				
Earnings per share	0.84	0.76	10	
Last share price (as of Sep. 30)	48.06	52.08	(8)	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

Sales by region and distribution channel – quarter

Europe¹

(in EUR million)	Q3 2022	Q3 2021	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	272	244	12	13
Brick-and-mortar wholesale	204	163	25	23
Digital	125	105	19	17
Total	601	512	17	17

¹ Incl. Middle East and Africa.

Americas

(in EUR million)	Q3 2022	Q3 2021	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	140	99	42	22
Brick-and-mortar wholesale	36	32	14	(2)
Digital	21	14	51	30
Total	197	144	37	18

Asia/Pacific

(in EUR million)	Q3 2022	Q3 2021	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	92	65	43	34
Brick-and-mortar wholesale	9	7	23	10
Digital	9	5	70	58
Total	111	77	43	33

Key figures – nine months

(in EUR million)	Jan. – Sep. 2022	Jan. – Sep. 2021	Change in %	Currency-adjusted change in %
Sales	2,583	1,881	37	33
Sales by segment				
Europe incl. Middle East and Africa	1,656	1,197	38	38
Americas	532	347	53	36
Asia/Pacific	330	282	17	10
Licenses	66	55	19	19
Sales by distribution channel				
Brick-and-mortar retail	1,396	973	43	38
Brick-and-mortar wholesale	666	476	40	35
Digital	455	376	21	17
Licenses	66	55	19	19
Sales by brand				
BOSS Menswear	2,037	1,471	38	34
BOSS Womenswear	165	129	28	24
HUGO	381	280	36	31
Results of operations				
Gross profit	1,601	1,151	39	
Gross margin in %	62.0	61.2	80 bp	
EBIT	232	128	80	
EBIT margin in %	9.0	6.8	210 bp	
EBITDA	486	359	35	
EBITDA margin in %	18.8	19.1	(30) bp	
Net income attributable to equity holders of the parent company	139	67	>100	
Net assets and liability structure as of Sep. 30				
Trade net working capital	605	474	28	14
Trade net working capital in % of sales ¹	14.0	20.6	(660) bp	
Non-current assets	1,492	1,471	1	
Equity	1,089	852	28	
Equity ratio in %	36.1	33.5	260 bp	
Total assets	3,014	2,543	19	
Financial position				
Capital expenditure	103	69	49	
Free cash flow	94	274	(66)	
Depreciation/amortization	254	230	10	
Net financial liabilities (as of Sep. 30)	743	855	(13)	
Additional key figures				
Employees (as of Sep. 30) ²	16,088	13,468	19	
Personnel expenses	584	450	30	
Shares (in EUR)				
Earnings per share	2.02	0.97	>100	
Last share price (as of Sep. 30)	48.06	52.08	(8)	
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

Europe¹

(in EUR million)	Jan. – Sep. 2022	Jan. – Sep. 2021	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	752	499	51	52
Brick-and-mortar wholesale	537	380	41	39
Digital	366	318	15	14
Total	1,656	1,197	38	38

¹ Incl. Middle East and Africa.

Americas

(in EUR million)	Jan. – Sep. 2022	Jan. – Sep. 2021	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	365	233	57	39
Brick-and-mortar wholesale	106	74	44	28
Digital	60	40	51	34
Total	532	347	53	36

Asia/Pacific

(in EUR million)	Jan. – Sep. 2022	Jan. – Sep. 2021	Change in %	Currency-adjusted change in %
Brick-and-mortar retail	279	241	16	9
Brick-and-mortar wholesale	22	23	0	(9)
Digital	29	18	57	47
Total	330	282	17	10

Consolidated income statement – quarter

(in EUR million)	Q3 2022	Q3 2021	Change in %
Sales	933	755	24
Cost of sales	(366)	(289)	(27)
Gross profit	567	466	22
In % of sales	60.8	61.7	(90) bp
Operating expenses	(475)	(381)	(25)
In % of sales	(50.9)	(50.4)	(50) bp
Thereof selling and distribution expenses	(381)	(299)	(28)
Thereof administration expenses	(94)	(82)	(15)
Operating result (EBIT)	92	85	8
In % of sales	9.9	11.3	(150) bp
Financial result	(8)	(11)	21
Earnings before taxes	84	75	12
Income taxes	(23)	(21)	(12)
Net income	60	54	12
Attributable to:			
Equity holders of the parent company	58	53	10
Non-controlling interests	2	1	>100
Earnings per share (in EUR) ¹	0.84	0.76	10
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

EBIT and EBITDA – quarter

(in EUR million)	Q3 2022	Q3 2021	Change in %
EBIT	92	85	8
In % of sales	9.9	11.3	(150) bp
Depreciation and amortization	(84)	(79)	(6)
EBITDA	176	164	7
In % of sales	18.8	21.8	(290) bp

Consolidated income statement – nine months

(in EUR million)	Jan. – Sep. 2022	Jan. - Sep. 2021	Change in %
Sales	2,583	1,881	37
Cost of sales	(982)	(729)	(35)
Gross profit	1,601	1,151	39
In % of sales	62.0	61.2	80 bp
Operating expenses	(1,369)	(1,023)	(34)
In % of sales	(53.0)	(54.4)	140 bp
Thereof selling and distribution expenses	(1,088)	(800)	(36)
Thereof administration expenses	(281)	(223)	(26)
Operating result (EBIT)	232	128	80
In % of sales	9.0	6.8	210 bp
Financial result	(28)	(30)	6
Earnings before taxes	204	99	>100
Income taxes	(57)	(28)	<(100)
Net income	147	71	>100
Attributable to:			
Equity holders of the parent company	139	67	>100
Non-controlling interests	7	4	79
Earnings per share (in EUR) ¹	2.02	0.97	>100
Tax rate in %	28	28	

¹ Basic and diluted earnings per share.

EBIT and EBITDA – nine months

(in EUR million)	Jan. – Sep. 2022	Jan. - Sep. 2021	Change in %
EBIT	232	128	80
In % of sales	9.0	6.8	210 bp
Depreciation and amortization	(254)	(230)	(10)
EBITDA	486	359	35
In % of sales	18.8	19.1	(30) bp

Consolidated statement of financial position

(in EUR million)	September 30, 2022	September 30, 2021	December 31, 2021
Assets			
Property, plant, and equipment ¹	442	402	418
Intangible assets	169	164	164
Right-of-use assets ¹	693	716	695
Deferred tax assets	158	169	160
Non-current financial assets	28	20	20
Other non-current assets	1	0	1
Non-current assets	1,492	1,471	1,458
Inventories	910	588	606
Trade receivables	257	218	235
Current tax receivables	11	19	15
Current financial assets	30	19	27
Other current assets	131	114	111
Cash and cash equivalents	183	113	285
Current assets	1,523	1,072	1,278
Total	3,014	2,543	2,736
Equity and liabilities			
Subscribed capital	70	70	70
Own shares	(42)	(42)	(42)
Share-based payment reserve	1	0	0
Capital reserve	0	0	0
Retained earnings	958	776	850
Accumulated other comprehensive income	87	37	47
Equity attributable to equity holders of the parent company	1,074	841	925
Non-controlling interests	15	11	14
Group equity	1,089	852	940
Non-current provisions	89	97	102
Non-current financial liabilities	108	113	103
Non-current lease liabilities	606	630	601
Deferred tax liabilities	17	7	11
Other non-current liabilities	1	2	1
Non-current liabilities	820	848	818
Current provisions ¹	124	94	99
Current financial liabilities	33	33	32
Current lease liabilities	197	206	193
Income tax payables	31	37	28
Trade payables	562	333	464
Other current liabilities ¹	158	141	161
Current liabilities	1,105	843	978
Total	3,014	2,543	2,736

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

Trade net working capital (TNWC)

(in EUR million)	September 30, 2022	September 30, 2021	Change in %	Currency-adjusted change in %
Inventories	910	588	55	41
Trade receivables	257	218	18	13
Trade payables	(562)	(333)	69	60
Trade net working capital (TNWC)	605	474	28	14

Consolidated statement of cash flows

(in EUR million)	Jan. – Sep. 2022	Jan. – Sep. 2021
Net income	147	71
Depreciation/amortization	254	230
Gains or losses on the monetary positions under IAS 29	0	0
Unrealized net foreign exchange gain/loss	(21)	0
Other non-cash transactions	6	3
Income tax expense/income	57	28
Interest expense/income	17	18
Change in inventories	(269)	36
Change in receivables and other assets	(38)	(55)
Change in trade payables and other liabilities ¹	65	18
Result from disposal of non-current assets	(5)	(1)
Change in provisions for pensions	1	0
Change in other provisions ¹	26	25
Income taxes paid	(39)	(35)
Cash flow from operating activities	201	339
Investments in property, plant and equipment	(81)	(54)
Investments in intangible assets	(22)	(12)
Acquisition of subsidiaries and other business entities less cash and cash equivalents acquired	0	(3)
Investment in financial assets	(4)	0
Cash receipts from disposal of property, plant and equipment, and intangible assets	0	5
Cash flow from investing activities	(108)	(65)
Dividends paid to equity holders of the parent company	(48)	(3)
Dividends paid to non-controlling interests	(8)	0
Change in current financial liabilities	(9)	(135)
Cash receipts from non-current financial liabilities	15	0
Repayment of current and non-current lease liabilities	(150)	(135)
Interest paid	(18)	(19)
Interest received	2	1
Cash flow from financing activities	(216)	(291)
Exchange rate related changes in cash and cash equivalents	20	5
Change in cash and cash equivalents	(102)	(12)
Cash and cash equivalents at the beginning of the period	285	125
Cash and cash equivalents at the end of the period	183	113

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

Free cash flow

(in EUR million)	Jan. – Sep. 2022	Jan. – Sep. 2021
Cash flow from operating activities	201	339
Cash flow from investing activities	(108)	(65)
Free cash flow	94	274

Number of own retail stores

Sep. 30, 2022	Europe	Americas	Asia/Pacific	Total
Number of own retail points of sale	581	360	347	1,288
thereof freestanding retail stores	205	101	148	454
Dec. 31, 2021				
Number of own retail points of sale	579	310	339	1,228
thereof freestanding retail stores	206	98	147	451