

HUGO BOSS

Quarterly Statement for Q3 2017

Metzingen, November 2, 2017

HUGO BOSS increases pace of growth in own retail

- **Currency-adjusted sales up 3% in the third quarter**
- **Retail comp store sales up 5%**
- **EBITDA before special items broadly stable**
- **Sales increase at a low single-digit percentage rate expected in 2017**
- **Stable operating profit before special items forecasted**

“We are well on track to achieving our goals for 2017 or even exceeding some of them,” says **Mark Langer, Chief Executive Officer of HUGO BOSS AG.**

“In particular, the performance of our own retail business is highly satisfying. We are making good progress in repositioning BOSS and HUGO. In a few weeks’ time, our customers will be able to buy first parts of our Spring/Summer 2018 collection in stores. Accordingly, we have laid the foundations for future profitable growth.”

HUGO BOSS can look back on a good third quarter with solid sales growth. This particularly applies to its own retail business, where the momentum of comp store sales growth accelerated. This performance was again underpinned by Great Britain, China and, for the first time in two years, by the own retail business in the United States. The Group’s own online business also grew in the quarter under review. On the other hand, sales in the wholesale channel declined slightly as expected. Operating profit fell slightly short of the prior year’s figure due to intensive marketing activities for the BOSS and HUGO brands, spending on the digital transformation of the business model as well as negative currency effects.

The favorable business performance in the year to date has prompted HUGO BOSS to raise its full-year sales guidance. It now expects Group sales to increase by a low single-digit percentage rate on a currency-adjusted basis in 2017. Europe and

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Asia/Pacific will particularly contribute to this growth. HUGO BOSS now assumes that sales in its own retail business will increase by a mid single-digit rate, while the unchanged forecast for wholesale sales is a decline in the low to mid single-digit percentage rates. License business is expected to grow at a double-digit rate. In addition, the Group specifies its earnings forecast for the full year and now expects EBITDA before special items to remain broadly stable.

The progress being made in implementing the strategic realignment is visible in many areas. Thus, the reopening of the first BOSS stores with the new store concept in Geneva and Birmingham marks an important milestone. The modern and inviting design together with the integration of digital services is enhancing the shopping experience substantially. HUGO BOSS is also stepping up digitalization in its wholesale business. In October, selected wholesale partners had the opportunity to order the HUGO Fall/Winter 2018 collection for the first time via a digital showroom specially developed by HUGO BOSS.

From the end of the year, first parts of the Spring/Summer 2018 collection, which reflects the focus on BOSS and HUGO for the first time, will be available in retail stores. The repositioning of the two brands has been accompanied by numerous online and offline events and campaigns over the past few months. Thus, Formula 1 world champion Lewis Hamilton and Hollywood actor James Marsden presented their personal favorites from the BOSS Menswear collection in the global "Own Your Journey" social media campaign. Consumer response to the advertised styles has been extremely positive. In July, BOSS Womenswear unveiled its "Gallery Collection" in an extraordinary presentation at the Berlin Fashion Week. Looking forward, capsule collections of both brands will be used to generate heightened attention. Finally, HUGO presented itself to a young and fashion-conscious audience at "Bread & Butter by Zalando" in Berlin at the beginning of September. All styles were available online immediately after the show under the "see now, buy now" motto.

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Q3 sales development by segment

	in EUR million	Change in %	Change in % currency-adjusted
Europe	474	↗ + 4	↗ + 5
Americas	136	↘ (8)	↘ (4)
Asia/Pacific	81	↘ (2)	↗ + 4
Licenses	20	↗ + 24	↗ + 24
Group	711	↗ + 1	↗ + 3

- Sales growth in **Europe** was underpinned by the Group's own retail business and by the wholesale business. Great Britain recorded a currency-adjusted sales increase of 9% and was again able to benefit from solid local demand and robust business with tourists. Sales rose by 5% in Germany and by 4% in the Benelux countries. Sales in France climbed by 1%. Double-digit growth in the Group's own retail business offset a decline in wholesale business in this market.
- Business in the **Americas** developed disparately. Whereas the Group's own retail business recorded an increase in comp store sales in the United States, timing shifts and challenging market conditions caused business to contract in the wholesale channel. Overall, sales decreased by 9% in the United States. The Group recorded solid sales growth in Canada and Latin America.
- Sales in **Asia/Pacific** benefited again from the continued upswing on the Chinese market in the third quarter. With growth in comp store sales in the high single-digits, the Chinese mainland continued to perform significantly better than Hong Kong and Macau. Overall, sales rose by 5% in China. Japan achieved double-digit sales growth thanks to strong business with tourists.

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Q3 sales development by channel

	in EUR million	Change in %	Change in % currency-adjusted
Retail	410	↗ + 3	↗ + 6
Wholesale	281	↘ (3)	↘ (1)
Licenses	20	↗ + 24	↗ + 24
Group	711	↗ + 1	↗ + 3

- Sales in the **Group's own retail business** (including outlets and online stores) continued to develop positively in the third quarter.
 - On a comp store and currency-adjusted basis, sales growth accelerated to 5%, with stores and shop-in-shops performing more favorably than the outlet business. All regions contributed to this. Mid single-digit percentage growth was achieved in Europe and the Americas. Sales in Asia/Pacific rose by a percentage in the low to mid single-digits on a comp store and currency adjusted basis.
 - Overall, sales in the Group's own retail business in Europe climbed by 5% to EUR 244 million (Q3 2016: EUR 235 million). Sales in the Americas amounted to EUR 91 million (Q3 2016: EUR 89 million). This is equivalent to a currency-adjusted increase of 7%. In Asia/Pacific, sales also grew by 7% in local currencies to EUR 74 million (Q3 2016: EUR 74 million).
 - Sales generated in freestanding stores and shops-in-shops rose by 4% and 9% respectively over the prior year on a currency-adjusted basis. Outlet sales were up 6%. Also in its online business, HUGO BOSS achieved a 6% increase in sales.

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- Overall, sales in the **wholesale business** were slightly down on the prior year. Delivery shifts as compared to the prior year supported the sales performance in Europe whereas they burdened sales in the Americas. Both effects roughly evened out on Group level.
 - At EUR 230 million, wholesale sales in Europe were 4% higher than in the prior year (Q3 2016: EUR 222 million). In the Americas, sales fell by 21% on a currency-adjusted basis to EUR 44 million (Q3 2016: EUR 58 million). The Asia/Pacific region recorded a currency-adjusted decrease in sales of 17% to EUR 7 million (Q3 2016: EUR 9 million).
- Sales in the **license business** again grew substantially, rising by 24% to EUR 20 million particularly as a result of higher license income from fragrances (Q3 2016: EUR 16 million).

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Q3 sales development by brand and gender

	in EUR million	Change in %	Change in % currency-adjusted
BOSS ¹	600	↗ + 1	↗ + 3
HUGO	111	↗ + 3	↗ + 4
Group	711	↗ + 1	↗ + 3

¹ Including BOSS Green and BOSS Orange.

- Sales of the **BOSS** core brand particularly benefited from the double-digit growth in the athleisure offering, which in 2017 is still sold under the BOSS Green brand line. Businesswear and casualwear sales also rose in currency-adjusted terms.
- **HUGO** generated double-digit growth in casualwear, while a slight decline was recorded in businesswear.

	in EUR million	Change in %	Change in % currency-adjusted
Menswear	635	↗ + 2	↗ + 4
Womenswear	76	↘ (2)	↘ (1)
Group	711	↗ + 1	↗ + 3

- **Menswear** particularly benefited from the favorable performance of the HUGO brand and the BOSS Green brand line.
- The decline in **Womenswear** sales is attributable to the BOSS brand, which was not fully offset by growth in the HUGO brand.

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Q3 earnings development

Income statement (in EUR million)			
	Q3 2017	Q3 2016	Change in %
Sales	710.7	703.0	1
Cost of sales	(249.5)	(248.4)	0
Gross profit	461.2	454.6	1
In % of sales	64.9	64.7	20 bp
Selling and distribution expenses	(283.9)	(278.4)	(2)
Administration expenses	(67.2)	(65.6)	(2)
Other operating income and expenses	4.8	(1.1)	> 100
Operating result (EBIT)	114.9	109.5	5
Financial result	(2.6)	(3.4)	23
Earnings before taxes	112.3	106.1	6
Income taxes	(32.0)	(25.5)	(26)
Net income	80.3	80.6	0
EBITDA before special items	142.9	144.5	(1)
In % of sales	20.1	20.6	(50) bp
Income tax rate in %	28.5	24.0	

- The slight increase in the **gross profit margin** resulted from positive effects due to the rising share of sales in the Group's own retail business. Negative translation effects in connection with the appreciation of the euro, however, offset the increase to some extent.
- Ongoing strict cost management limited the increase in **operating expenses**. In connection with the increase in sales in the Group's own retail business, there was a slight rise in sales contingent rental expenses. However, a slowdown in retail expansion and positive effects from renegotiated leases in the Group's own retail business capped the increase in selling expenses. Intensified brand communication activities resulted in an increase of 4% in marketing expenses in comparison to the prior year. The increase in administration expenses is due to higher depreciation and amortization following prior year's IT infrastructure investments and higher personnel expenses.

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- The net income arising from **other operating expenses and income** is related to the store closures agreed upon in the prior year. The company was able to achieve more favorable conditions compared with the original plans for the early termination of leases. In addition, the lease terms for some stores were improved in the closure negotiations with the result that these stores were kept open contrary to original plans. Looking forward, the Group assumes that the profitability of these stores will improve substantially due to the lower rentals and other operating changes. Consequently, it was possible to further reduce the provisions that had been recognized in the second quarter of 2016.
- As a result, **EBIT** was up on the previous year.
- The increase in the **tax rate** arose from the expectation of a higher full-year tax rate for which corresponding deferrals were recognized in the third quarter.
- Accordingly, **Group's net income** was slightly down on the prior year.
- **EBITDA before special items** was also marginally lower than in the prior-year period. The increase in gross profit did not fully offset the higher operating expenses. Currency effects had a net negative impact.

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Q3 earnings development by segment

Segment earnings	in EUR million	Change in %
Europe	160	↗ + 8
Americas	29	↘ (17)
Asia/Pacific	11	↘ (14)
Licenses	17	↗ + 23

- The increase in segment earnings in **Europe** is due to the higher sales as well as stable operating expenses. The adjusted EBITDA margin rose by 140 basis points to 33.8% (Q3 2016: 32.4%).
- Lower sales in the wholesale business caused segment earnings in the **Americas** to decline. Operating expenses remained at the prior year's level. At 21.3%, the adjusted EBITDA margin was down 250 basis points on the previous year (Q3 2016: 23.8%).
- In the **Asia/Pacific** region, positive effects of reduced discounting offset the increase in selling and marketing expenses only partially, resulting in a decline in segment earnings. At 13.8%, the adjusted EBITDA margin was down 200 basis points on the prior year (Q3 2016: 15.8%).
- Earnings in the **License** segment were significantly up on the prior year thanks to the positive sales development.

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Net assets and financial position

September 30, 2017	in EUR million	Change in % ¹	Change in % currency-adjusted ¹
TNWC	551	↗ + 3	↗ + 5
Inventories	522	↘ (3)	→ 0
Net financial liabilities	163	↘ (29)	

¹ Change compared to September 30, 2016.

- **Trade networking capital (TNWC)** increased over the prior year. Whereas **inventories** remained stable, a shift in the timing of payment receipts caused receivables to rise as of the end of the quarter.
- The increase in free cash flow over the last twelve months led to a decline in **net financial liabilities** compared with the prior year.

Three months	in EUR million	Change in % ¹
Capital expenditure	28	↘ (29)
Free cash flow	4	↘ (92)

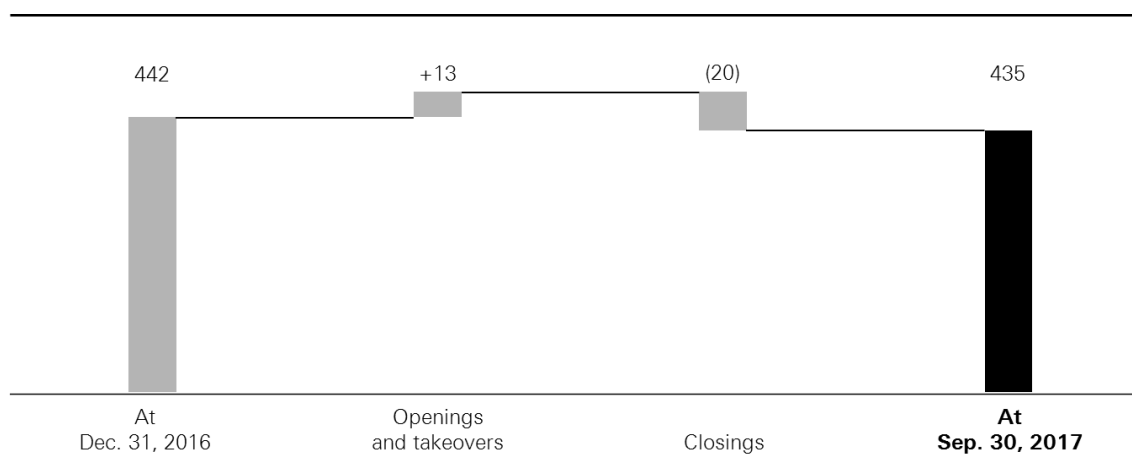
¹ Change compared to Q3 2016.

- The modernization of the Group's own retail network, spending on selected new openings and the expansion of the IT infrastructure again formed the focus of **capital expenditure** in the quarter under review. The decline compared to the prior year primarily results from a different phasing of the investment budget. Moreover, with the introduction of a new store concept, the Group is postponing part of the renovation of its own retail stores originally planned for 2017 to the next year.
- The decline in **free cash flow** is due to non-recurring shifts in the timing of payment receipts. This should not have any effect on the year as a whole. In addition, non-recurring cash outflows arose as expected due to the early termination of leases in the Group's own retail business decided on in the prior year.

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- HUGO BOSS is safeguarding its financial flexibility by means of a revolving **syndicated loan** of EUR 450 million. In the quarter under review, the Group exercised the second renewal option under this loan, thus securing the favorable terms until October 2022.

Network of freestanding retail stores



- In the first nine months of the year, the number of the **Group's own free-standing retail stores** declined by a net figure of seven to 435 (December 31, 2016: 442).
- In **Europe**, new stores were opened in Moscow and Newcastle amongst others. There were a total of four new openings and eight closures. In most cases, the Group made use of expiring leases.
- In the **Americas**, the number of freestanding retail stores has decreased since the beginning of the year as a result of four closures in the United States. In comparison, there was one new opening in Mexico.
- The size of the store network in **Asia/Pacific** remained unchanged. There were eight new openings in Korea, China and Singapore among other places and the same number of closures in various markets.

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Report on forecast changes

	Outlook 2017	Change compared to previous outlook
Group Sales (currency-adjusted)	Low single-digit percentage rate increase	↗
Gross profit margin	Slight increase	→
EBITDA before special items	Largely stable	Specification
Consolidated net income	Low double-digit percentage rate increase	→
Capital expenditure	EUR 130 million to EUR 150 million	→
Free cash flow	Increase to around EUR 250 million	→

- HUGO BOSS from now on projects an increase in **Group sales** in financial year 2017 of a low single-digit percentage rate on a currency adjusted basis (previously: largely stable development). In euro terms, growth will be lower due to negative currency effects.
 - The Group expects currency-adjusted sales in **Europe** to rise by a percentage rate in the low single-digits (previously: stable development). In the **Americas**, currency-adjusted sales should remain more or less stable (previously: slight decline). Currency-adjusted sales in **Asia/Pacific** are expected to rise by a percentage rate in the low to mid single-digits (previously: slight increase).
- HUGO BOSS assumes that currency-adjusted sales from the **Group's own retail business** will rise by a percentage rate in the mid single-digits over the year as a whole (previously: increase of up to mid single-digits). Comp store sales should rise by a percentage rate in the low single-digits (previously: change between -3% and 3%). The Group continues to assume that sales in the **wholesale channel** will decline by a percentage rate in the low to mid single-digits. On the other hand, **license sales** should grow at a double-digit rate (previously: solid growth).

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- **EBITDA before special items** should remain stable in financial year 2017 (previously: change between -3% and 3%). This outlook includes effects from the appreciation of the euro, which are expected to negatively affect profit.
- The Group now projects a full-year **tax rate** of around 26% (2016: 24%). This increase is mainly due to changes in German tax legislation.
- A detailed presentation of the outlook for 2017 can be found in the [Annual Report 2016](#).

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Financial calendar and contacts

March 8, 2018

Full Year Results 2017 & Press and Analysts' Conference

May 2, 2018

First Quarter Results 2018

May 3, 2018

Annual Shareholders' Meeting

August 2, 2018

Second Quarter Results 2018 & First Half Year Report 2018

November 6, 2018

Third Quarter Results 2018

If you have any questions, please contact:

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FINANCIAL INFORMATION

for Q3 2017 and Jan. – Sep. 2017

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Key figures – quarter

	Q3 2017	Q3 2016	Change in %	Change in % ¹
Net sales (in EUR million)	710.7	703.0	1	3
Net sales by segments				
Europe incl. Middle East and Africa	474.1	457.3	4	5
Americas	135.6	147.2	(8)	(4)
Asia/Pacific	81.2	82.5	(2)	4
Licenses	19.8	16.0	24	24
Net sales by distribution channel				
Group's own retail business	409.7	397.9	3	6 ²
Wholesale	281.2	289.1	(3)	(1)
Licenses	19.8	16.0	24	24
Net sales by brand				
BOSS	599.9	594.9	1	3
HUGO	110.8	108.1	3	4
Net sales by gender				
Menswear	634.9	625.2	2	4
Womenswear	75.8	77.8	(2)	(1)
Results of operations (in EUR million)				
Gross profit	461.2	454.6	1	
Gross profit margin in %	64.9	64.7	20 bp	
EBITDA	147.7	143.0	3	
EBITDA before special items	142.9	144.5	(1)	
Adjusted EBITDA margin in % ³	20.1	20.6	(50) bp	
EBIT	114.9	109.5	5	
Net income attributable to equity holders of the parent company	80.3	80.6	0	
Financial position (in EUR million)				
Capital expenditure	27.9	39.5	(29)	
Free cash flow	4.3	51.8	(92)	
Depreciation/amortization	32.8	33.5	(2)	
Additional key figures				
Personnel expenses (in EUR million)	147.1	146.2	1	
Shares (in EUR)				
Earnings per share	1.16	1.17	(1)	
Last share price (as of Sep. 30)	74.59	49.23	52	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

¹ currency-adjusted.

² 5% on a comp store basis.

³ EBITDA before special items/sales.

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Key figures – nine months

	Jan. – Sep. 2017	Jan. – Sep. 2016	Change in %	Change in % ¹
Net sales (in EUR million)	1,997.7	1,967.7	2	2
Net sales by segments				
Europe incl. Middle East and Africa	1,257.8	1,238.1	2	3
Americas	409.4	418.5	(2)	(3)
Asia/Pacific	276.3	265.3	4	5
Licenses	54.2	45.8	18	18
Net sales by distribution channel				
Group's own retail business	1,217.3	1,183.2	3	4 ²
Wholesale	726.2	738.7	(2)	(1)
Licenses	54.2	45.8	18	18
Net sales by brand				
BOSS	1,699.6	1,691.1	1	1
HUGO	298.1	276.6	8	8
Net sales by gender				
Menswear	1,779.6	1,747.5	2	3
Womenswear	218.1	220.2	(1)	(1)
Results of operations (in EUR million)				
Gross profit	1,310.6	1,286.8	2	
Gross profit margin in %	65.6	65.4	20 bp	
EBITDA	359.3	285.9	26	
EBITDA before special items ³	348.0	345.7	1	
Adjusted EBITDA margin in %	17.4	17.6	(20) bp	
EBIT	259.9	178.6	46	
Net income attributable to equity holders of the parent company	185.9	130.2	43	
Net assets and liability structure as of Sep. 30 (in EUR million)				
Trade net working capital	551.2	535.5	3	5
Trade net working capital in % of net sales ⁴	19.3	19.7	(40) bp	
Non-current assets	700.7	776.1	(10)	
Equity	875.0	806.9	8	
Equity ratio in %	51.6	46.3	530 bp	
Total assets	1,694.9	1,741.3	(3)	
Financial position (in EUR million)				
Capital expenditure	84.6	118.6	(29)	
Free cash flow	136.2	105.6	29	
Depreciation/amortization	99.4	107.3	(7)	
Net financial liabilities (as of Sep. 30)	163.1	229.7	(29)	
Total leverage (as of Sep. 30) ⁵	0.3	0.4		
Additional key figures				
Employees (as of Sep. 30)	13,577	13,539	0	
Personnel expenses (in EUR million)	450.3	455.2	(1)	
Number of Group's own retail stores	1,118	1,119	0	
thereof freestanding retail stores	435	444	(2)	
Shares (in EUR)				
Earnings per share	2.69	1.89	43	
Last share price (as of Sep. 30)	74.59	49.23	52	
Number of shares (as of Sep. 30)	70,400,000	70,400,000	0	

¹ currency-adjusted.

² 2% on a comp store basis.

³ EBITDA before special items/sales.

⁴ moving average on the basis of the last four quarters.

⁵ Net financial liabilities/EBITDA before special items.

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Consolidated income statement – quarter

(in EUR million)			
	Q3 2017	Q3 2016	Change in %
Sales	710.7	703.0	1
Cost of sales	(249.5)	(248.4)	0
Gross profit	461.2	454.6	1
In % of sales	64.9	64.7	20 bp
Selling and distribution expenses	(283.9)	(278.4)	(2)
Administration expenses	(67.2)	(65.6)	(2)
Other operating income and expenses	4.8	(1.1)	> 100
Operating result (EBIT)	114.9	109.5	5
In % of sales	16.2	15.6	60 bp
Financial result	(2.6)	(3.4)	23
Earnings before taxes	112.3	106.1	6
Income taxes	(32.0)	(25.5)	(26)
Net income	80.3	80.6	0
Earnings per share (EUR)¹	1.16	1.17	(1)
Income tax rate in %	28.5	24.0	

¹ Basic and diluted earnings per share.

EBITDA before special items – quarter

(in EUR million)			
	Q3 2017	Q3 2016	Change in %
EBIT	114.9	109.5	5
Depreciation and amortization	(32.8)	(33.5)	(2)
EBITDA	147.7	143.0	3
EBITDA related special items	4.8	(1.5)	> 100
EBITDA before special items	142.9	144.5	(1)
In % of sales	20.1	20.6	(50) bp

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Consolidated income statement – nine months

(in EUR million)			
	Jan. - Sep. 2017	Jan. - Sep. 2016	Change in %
Sales	1,997.7	1,967.7	2
Cost of sales	(687.1)	(680.9)	(1)
Gross profit	1,310.6	1,286.8	2
In % of sales	65.6	65.4	20 bp
Selling and distribution expenses	(853.5)	(838.7)	(2)
Administration expenses	(208.5)	(203.8)	(2)
Other operating income and expenses	11.3	(65.7)	> 100
Operating result (EBIT)	259.9	178.6	46
In % of sales	13.0	9.1	390 bp
Financial result	(8.6)	(7.3)	(18)
Earnings before taxes	251.3	171.3	47
Income taxes	(65.4)	(41.1)	(59)
Net income	185.9	130.2	43
Earnings per share (EUR)¹	2.69	1.89	43
Income tax rate in %	26.0	24.0	

¹ Basic and diluted earnings per share.

EBITDA before special items – nine months

(in EUR million)			
	Jan. - Sep. 2017	Jan. - Sep. 2016	Change in %
EBIT	259.9	178.6	46
Depreciation and amortization	(99.4)	(107.3)	7
EBITDA	359.3	285.9	26
EBITDA related special items	11.3	(59.8)	> 100
EBITDA before special items	348.0	345.7	1
In % of sales	17.4	17.6	(20) bp

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Consolidated statement of financial position

(in EUR million)			
	Sep. 30, 2017	Sep. 30, 2016	Dec. 31, 2016
Assets			
Intangible assets	184.0	183.2	185.4
Property, plant and equipment	383.6	436.1	416.3
Deferred tax assets	112.2	129.5	124.7
Non-current financial assets	19.3	23.9	21.0
Non-current tax receivables	0.0	0.1	0.1
Other non-current assets	1.6	3.3	4.2
Non-current assets	700.7	776.1	751.7
Inventories	521.6	536.9	568.0
Trade receivables	244.1	210.7	228.2
Current tax receivables	36.5	25.4	42.6
Current financial assets	22.3	19.3	28.3
Other current assets	89.5	105.9	96.3
Cash and cash equivalents	80.2	67.0	83.5
Current assets	994.2	965.2	1,046.9
TOTAL	1,694.9	1,741.3	1,798.6
Equity and Liabilities			
Subscribed capital	70.4	70.4	70.4
Own shares	(42.3)	(42.3)	(42.3)
Capital reserve	0.4	0.4	0.4
Retained earnings	822.6	745.1	813.3
Accumulated other comprehensive income	24.3	32.5	44.8
Equity attributable to equity holders of the parent company	875.4	806.1	886.6
Non-controlling interests	(0.4)	0.8	1.0
Group equity	875.0	806.9	887.6
Non-current provisions	71.1	84.7	78.6
Non-current financial liabilities	115.4	175.0	134.1
Deferred tax liabilities	6.9	7.7	9.2
Other non-current liabilities	42.4	43.1	49.3
Non-current liabilities	235.8	310.5	271.2
Current provisions	103.3	139.1	148.6
Current financial liabilities	137.7	133.3	77.1
Income tax payables	22.6	29.6	27.3
Trade payables	214.5	212.1	271.7
Other current liabilities	106.0	109.8	115.1
Current liabilities	584.1	623.9	639.8
TOTAL	1,694.9	1,741.3	1,798.6

Trade Net Working Capital (TNWC)

(in EUR million)				
	Sep. 30, 2017	Sep. 30, 2016	Change in %	Currency-adjusted change in %
Inventories	521.6	536.9	(3)	0
Trade receivables	244.1	210.7	16	18
Trade payables	(214.5)	(212.1)	1	3
TNWC	551.2	535.5	3	5

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Consolidated statement of cash flows

(in EUR million)	Jan. – Sep. 2017	Jan. – Sep. 2016
Net income	185.9	130.2
Depreciation/amortization	99.4	107.3
Unrealized net foreign exchange gain/loss	16.0	(3.2)
Other non-cash transactions	(0.5)	5.4
Income tax expense/refund	65.4	41.1
Interest income and expenses	1.8	1.8
Change in inventories	22.4	15.6
Change in receivables and other assets	(8.4)	23.0
Change in trade payables and other liabilities	(54.7)	(62.6)
Result from disposal of non-current assets	(0.5)	(2.2)
Change in provisions for pensions	(3.8)	2.2
Change in other provisions	(41.3)	37.6
Income taxes paid	(60.1)	(73.8)
Cash flow from operations	221.6	222.4
Interest paid	(1.8)	(1.7)
Interest received	1.3	0.8
Cash flow from operating activities	221.1	221.5
Investments in property, plant and equipment	(60.5)	(96.6)
Investments in intangible assets	(16.4)	(19.1)
Acquisition of subsidiaries and other business entities less cash and cash equivalents acquired	(7.3)	(2.9)
Change in scope of consolidation	(1.1)	0.0
Cash receipts from disposal of property, plant and equipment and intangible assets	0.4	2.7
Cash flow from investing activities	(84.9)	(115.9)
Dividends paid to equity holders of the parent company	(179.4)	(249.8)
Change in current financial liabilities	63.1	92.2
Cash receipts from non-current financial liabilities	0.0	41.8
Repayment of non-current financial liabilities	(16.7)	(3.1)
Cash flow from financing activities	(133.0)	(118.9)
Change in cash and cash equivalents from changes in scope of consolidation	(1.6)	0.0
Exchange-rate related changes in cash and cash equivalents	(4.9)	(1.1)
Change in cash and cash equivalents	(3.3)	(14.4)
Cash and cash equivalents at the beginning of the period	83.5	81.4
Cash and cash equivalents at the end of the period	80.2	67.0

Free cash flow

(in EUR million)	Jan. – Sep. 2017	Jan. – Sep. 2016
Cash flow from operating activities	221.1	221.5
Cash flow from investing activities	(84.9)	(115.9)
Free cash flow	136.2	105.6

HUGO BOSS

Segment earnings – quarter

(in EUR million)					
	Q3 2017	In % of sales	Q3 2016	In % of sales	Change in %
Europe	160.1	33.8	148.2	32.4	8
Americas	28.9	21.3	35.0	23.8	(17)
Asia/Pacific	11.2	13.8	13.1	15.8	(14)
Licenses	16.7	84.5	13.6	85.0	23
Earnings of operating segments	216.9	30.5	209.9	29.9	3
Corporate units / consolidation	(74.0)		(65.4)		13
EBITDA before special items	142.9	20.1	144.5	20.6	(1)

Segment earnings – nine months

(in EUR million)					
	Jan. – Sep. 2016	In % of sales	Jan. – Sep. 2016	In % of sales	Change in %
Europe	393.3	31.3	379.5	30.7	4
Americas	80.0	19.5	95.1	22.7	(16)
Asia/Pacific	58.7	21.2	48.0	18.1	22
Licenses	43.6	80.5	38.3	83.6	14
Earnings of operating segments	575.6	28.8	560.9	28.5	3
Corporate units / consolidation	(227.6)		(215.2)		6
EBITDA before special items	348.0	17.4	345.7	17.6	1

Number of Group's own retail stores

Sep. 30, 2017	Freestanding			TOTAL
	stores	Shop-in-shops	Outlets	
Europe	187	342	62	591
Americas	91	99	49	239
Asia/Pacific	157	87	44	288
TOTAL	435	528	155	1,118
Dec. 31, 2016				
Europe	191	354	63	608
Americas	94	89	49	232
Asia/Pacific	157	90	37	284
TOTAL	442	533	149	1,124