



H & M Hennes & Mauritz AB

# TELEPHONE CONFERENCE 28 JANUARY 2016

FULL-YEAR REPORT 2015



- **NILS VINGE**

INVESTOR RELATIONS

- **JYRKI TERVONEN**

CHIEF FINANCIAL OFFICER

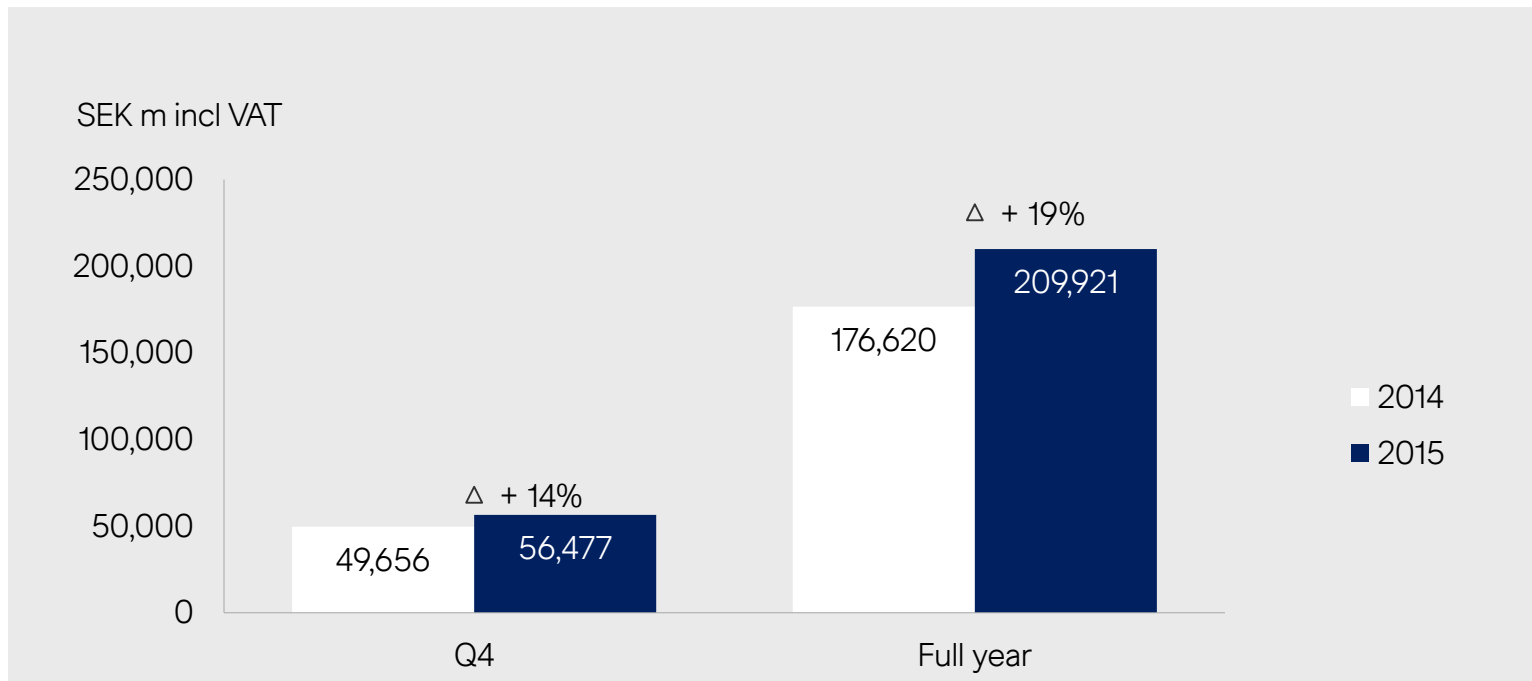




## 2015 IN BRIEF

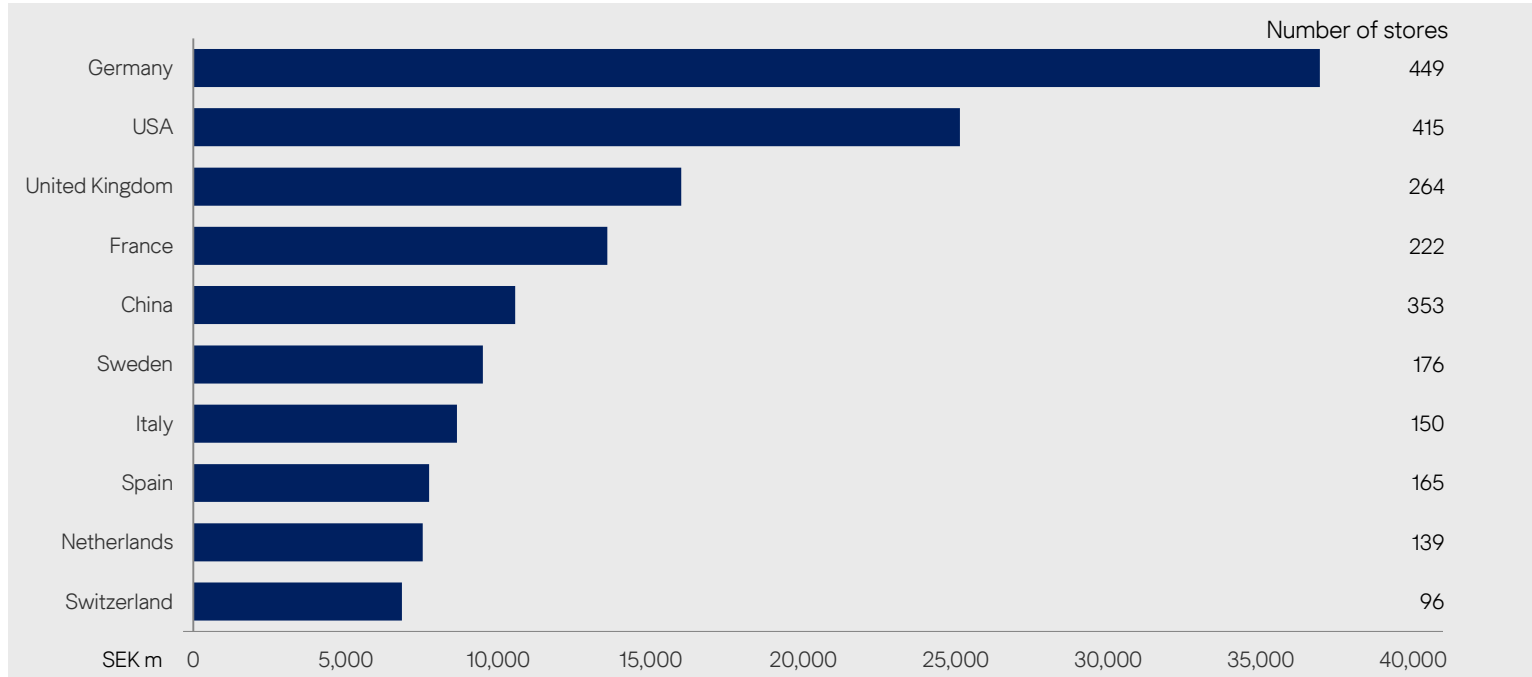
- Sales SEK 210 billion including VAT
  - increase of 19% in SEK; +11% in local currencies
- Well-received collections for all brands and strong expansion contributed to higher market shares
- More than 16,000 new jobs in the H&M Group 2015
  - 148,000 employees in total
- SEK 75 m to employee incentive programme HIP
- Substantial long-term investments within IT, online; and broadening of the product range
- Good cost control maintained
- Profit for the year SEK 20.9 billion; +4.6%

# SALES

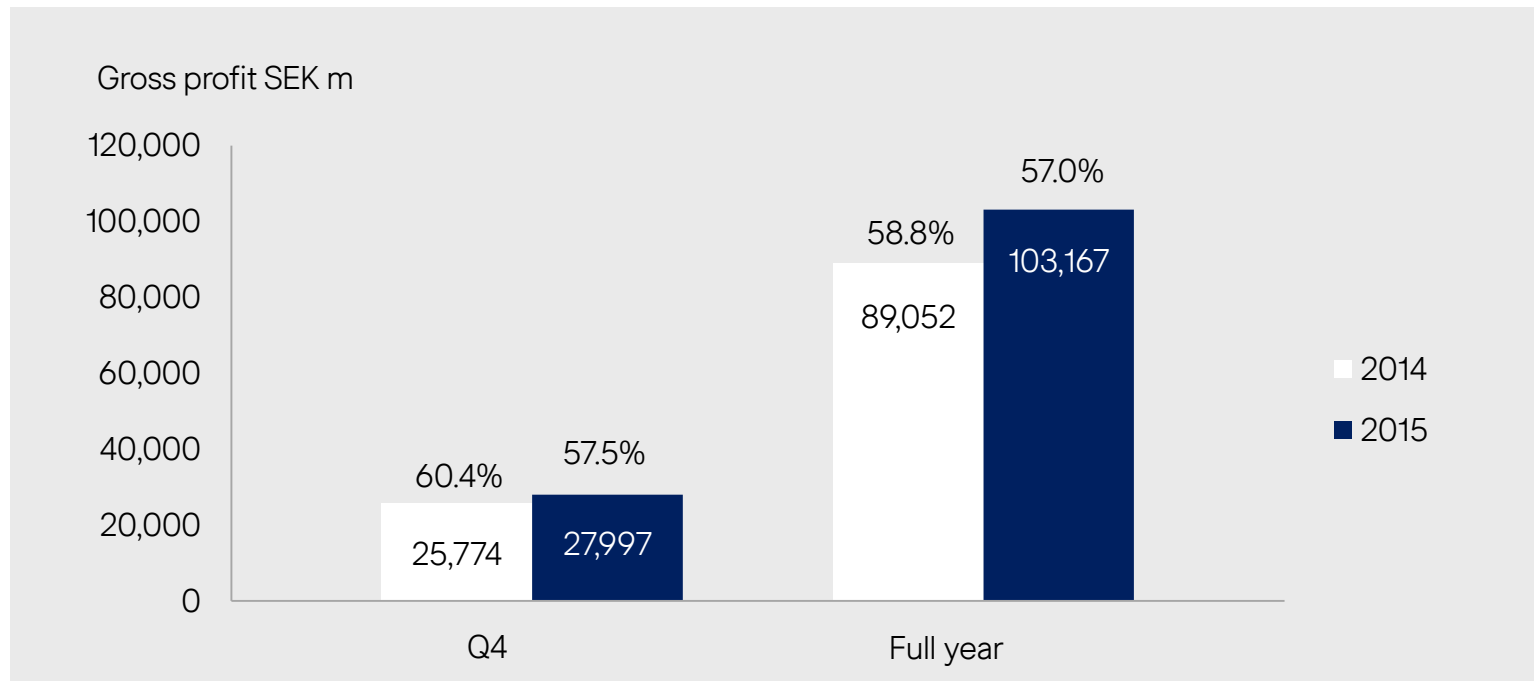


# SALES PER MARKET

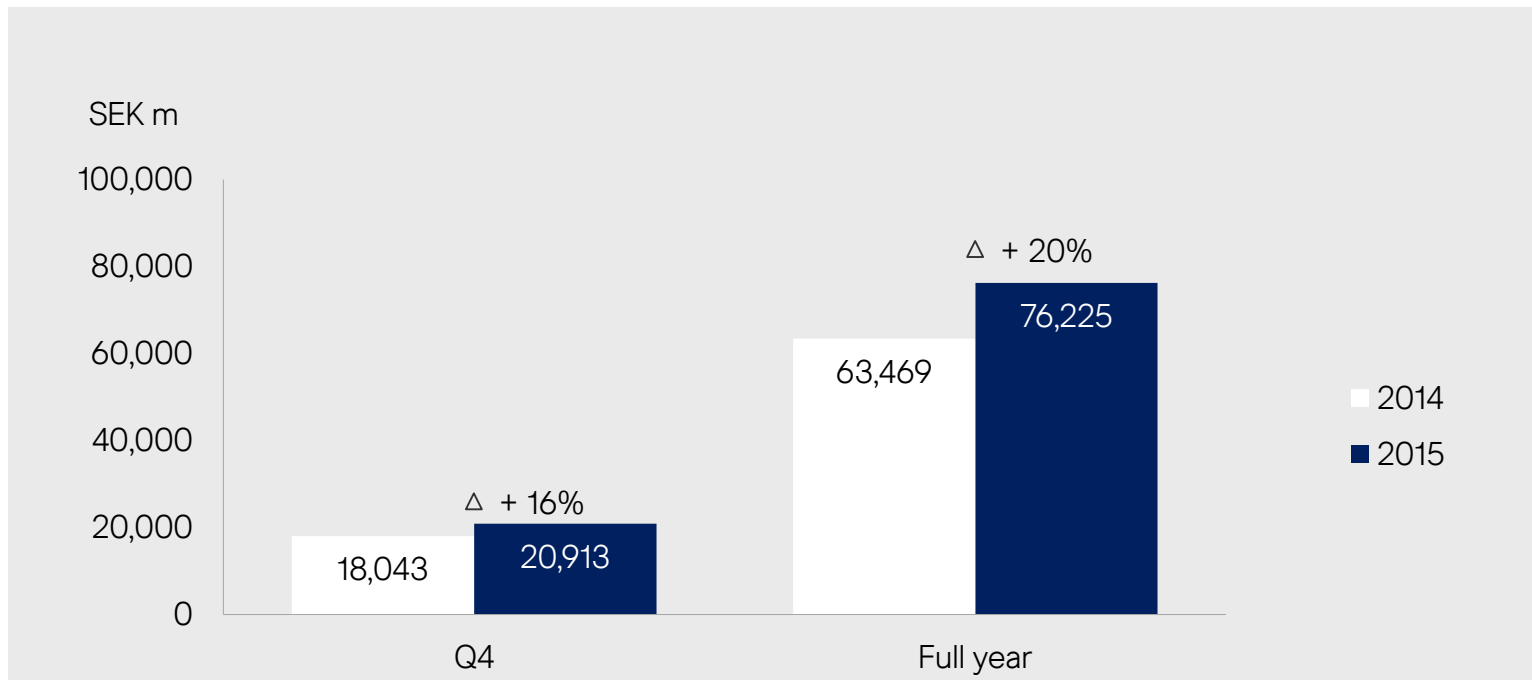
TEN LARGEST MARKETS, FULL YEAR 2015



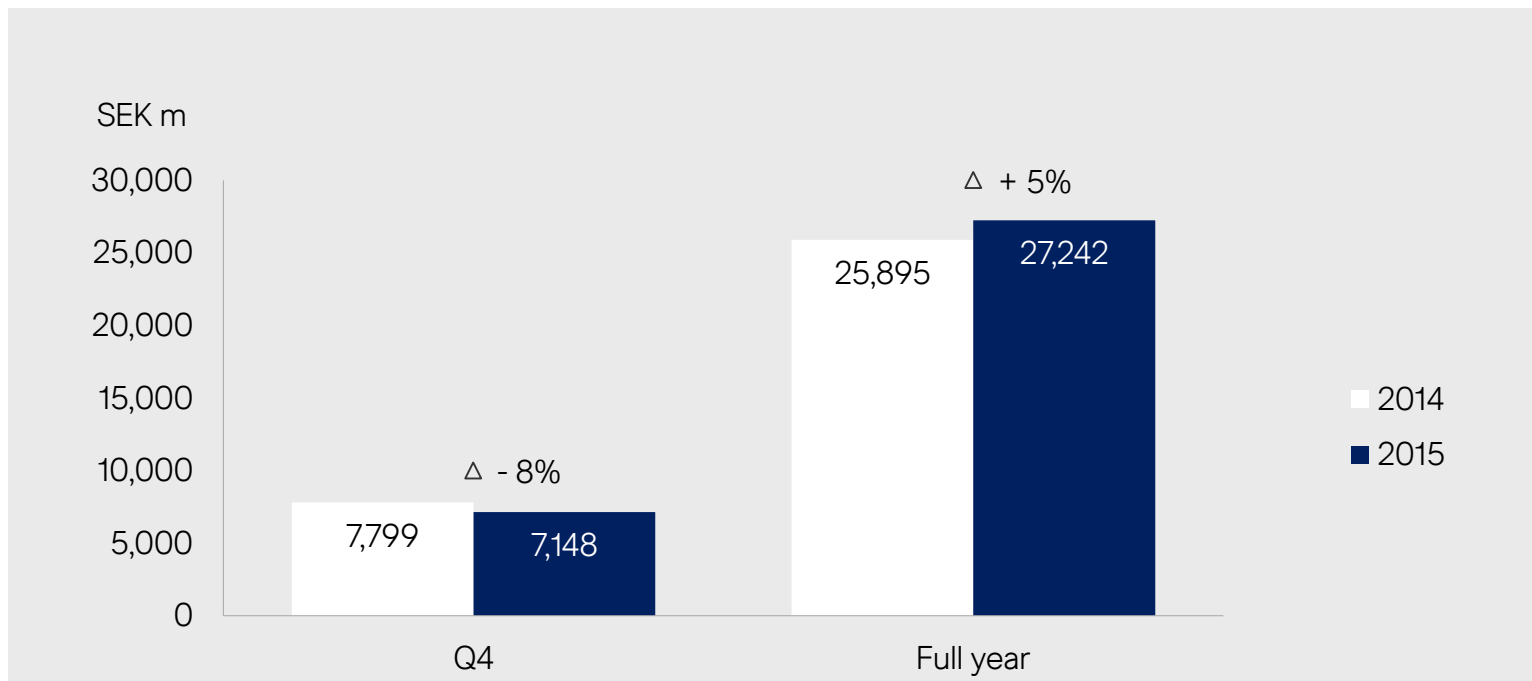
# GROSS PROFIT AND GROSS MARGIN



# SELLING AND ADMINISTRATION EXPENSES



# PROFIT AFTER FINANCIAL ITEMS





# SALES AND PROFITS

## FOURTH QUARTER

SEK m	2015	2014
Net sales	48,694	42,644
Gross profit	27,997	25,774
<i>gross margin, %</i>	57.5	60.4
Operating profit	7,084	7,731
<i>operating margin, %</i>	14.5	18.1
Net financial items	64	68
Profit after financial items	7,148	7,799
Tax	-1,622	-1,577
Profit for the period	5,526	6,222
<i>Earnings per share, SEK</i>	3.34	3.76



# SALES AND PROFITS

FULL YEAR

SEK m	2015	2014
Net sales	180,861	151,419
Gross profit	103,167	89,052
<i>gross margin, %</i>	57.0	58.8
Operating profit	26,942	25,583
<i>operating margin, %</i>	14.9	16.9
Net financial items	300	312
Profit after financial items	27,242	25,895
Tax	-6,344	-5,919
Profit for the period	20,898	19,976
<i>Earnings per share, SEK</i>	12.63	12.07



# KEY DATA

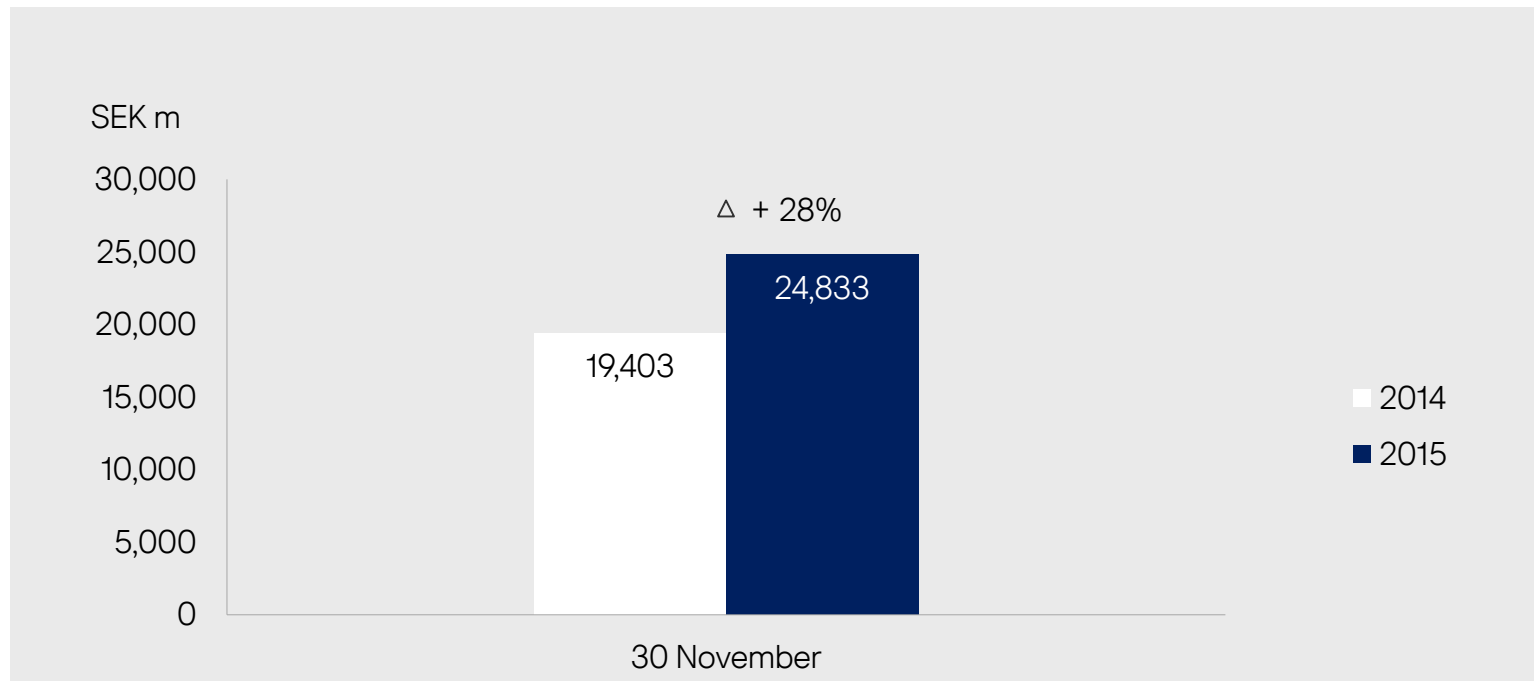
SEK m	30 Nov 2015	30 Nov 2014
Stock-in-trade	24,833	19,403
Cash flow from current operations	24,067	24,156
Investments	12,059	9,391
Dividend (SEK)	9.75*	9.75
Cash and cash equivalents and short-term investments	12,950	16,693
Return on shareholders' equity, %	38.1	41.3
Average number of employees**	104,634	93,351

\* proposed dividend

\*\* converted to full-time positions



# STOCK-IN-TRADE



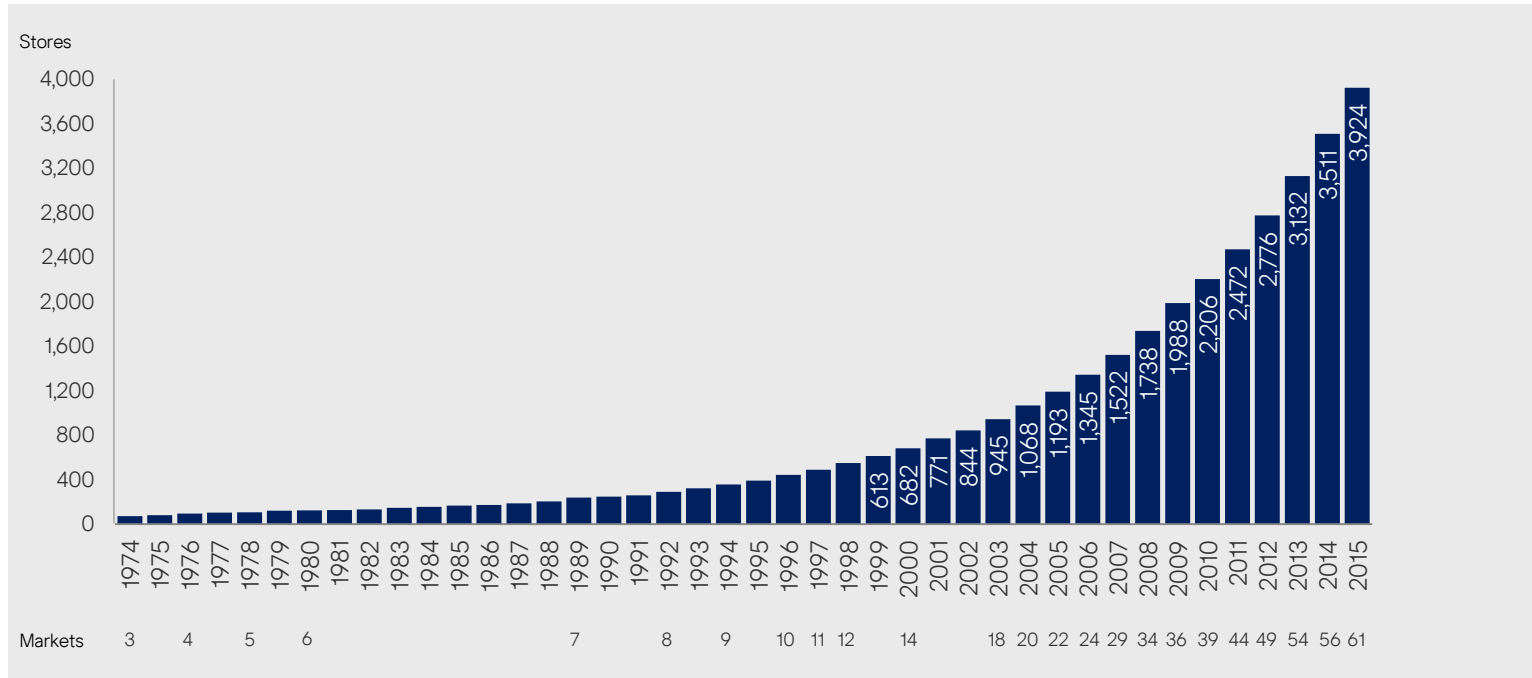


# STORE EXPANSION 2015

- Total of 3,924 stores in 61 markets 2015, all brands included
  - 413 new stores net 2015, of which 249 in Q4
  - China and the US largest expansion markets
- Five new H&M markets 2015
  - Taiwan, Peru, Macau, India and South Africa
  - very good reception in all markets



# STORE EXPANSION



IPO 1974





# STORE EXPANSION 2016

- Approx. 425 new stores net planned for 2016
  - largest expansion in existing markets
  - China and the US largest expansion markets
- Three new H&M markets in 2016
  - New Zealand, Cyprus and Puerto Rico





# OUR FASHION BRANDS

- Continued expansion for H&M's other brands
  - COS, & Other Stories, Monki, Weekday and Cheap Monday
- COS has total of 153 stores in 30 markets (Nov 2015)
  - 39 new stores net in 2015
  - several new markets in 2015 and 2016







# H&M ONLINE

- Rapid expansion of H&M's online store, hm.com
- Ten new online markets in 2015
  - Portugal, Poland, the Czech Republic, Romania, Slovakia, Hungary, Bulgaria, Belgium, Switzerland and Russia
- H&M online in 23 markets in total (Nov 2015)
- Online in nine further H&M markets 2016
  - Ireland, Japan, Greece, Croatia, Slovenia, Estonia, Latvia, Lithuania and Luxembourg





# H&M BEAUTY

- New broad concept for makeup, body care and hair styling
- High quality at the best price in beautiful design
  - wide selection of colours and trends
- Very well received in 900 stores in 41 markets and online in 2015
  - gradual launch since July 2015
- H&M Beauty to launch in further 300 stores in 2016





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