



H & M Hennes & Mauritz AB

TELEPHONE CONFERENCE 31 JANUARY 2017

FULL-YEAR REPORT 2016



- **NILS VINGE**
INVESTOR RELATIONS
- **JYRKI TERVONEN**
CHIEF FINANCIAL OFFICER

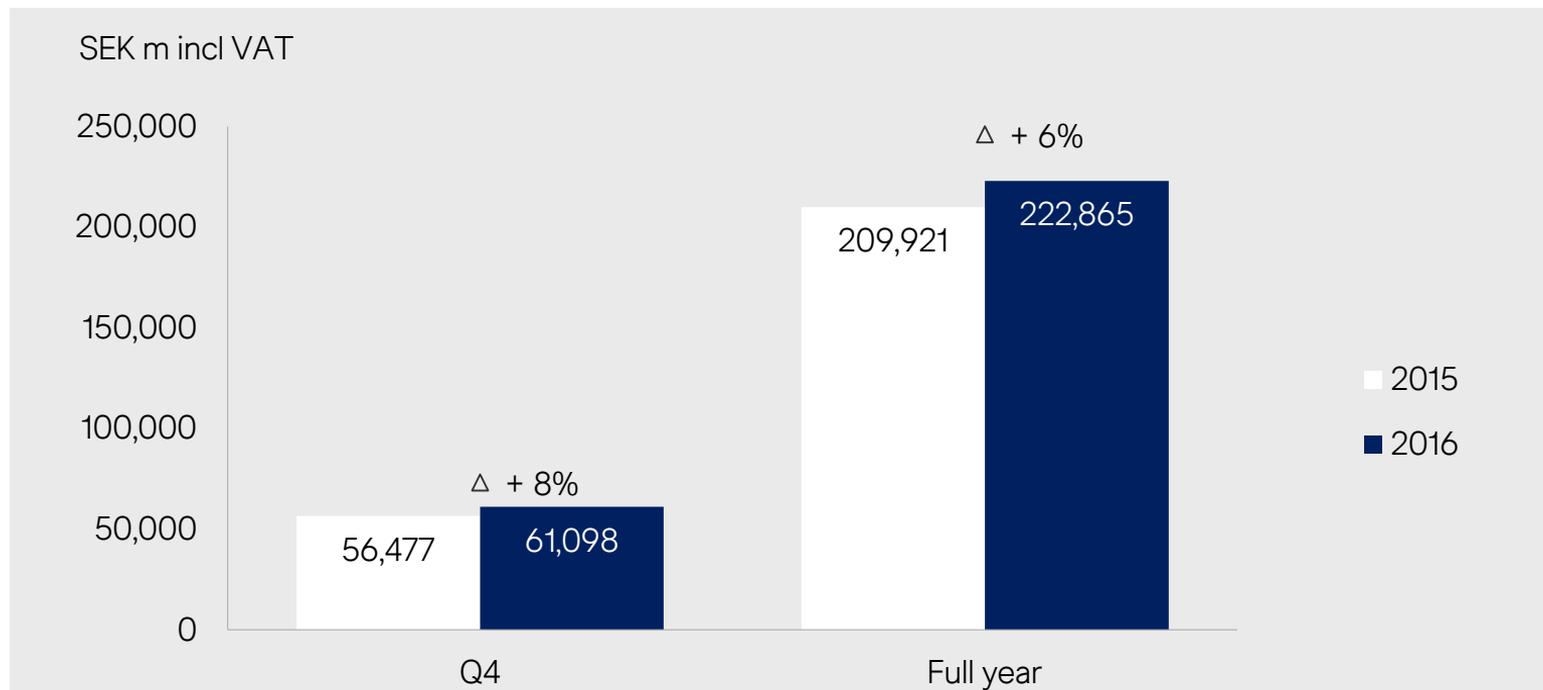


2016 IN BRIEF

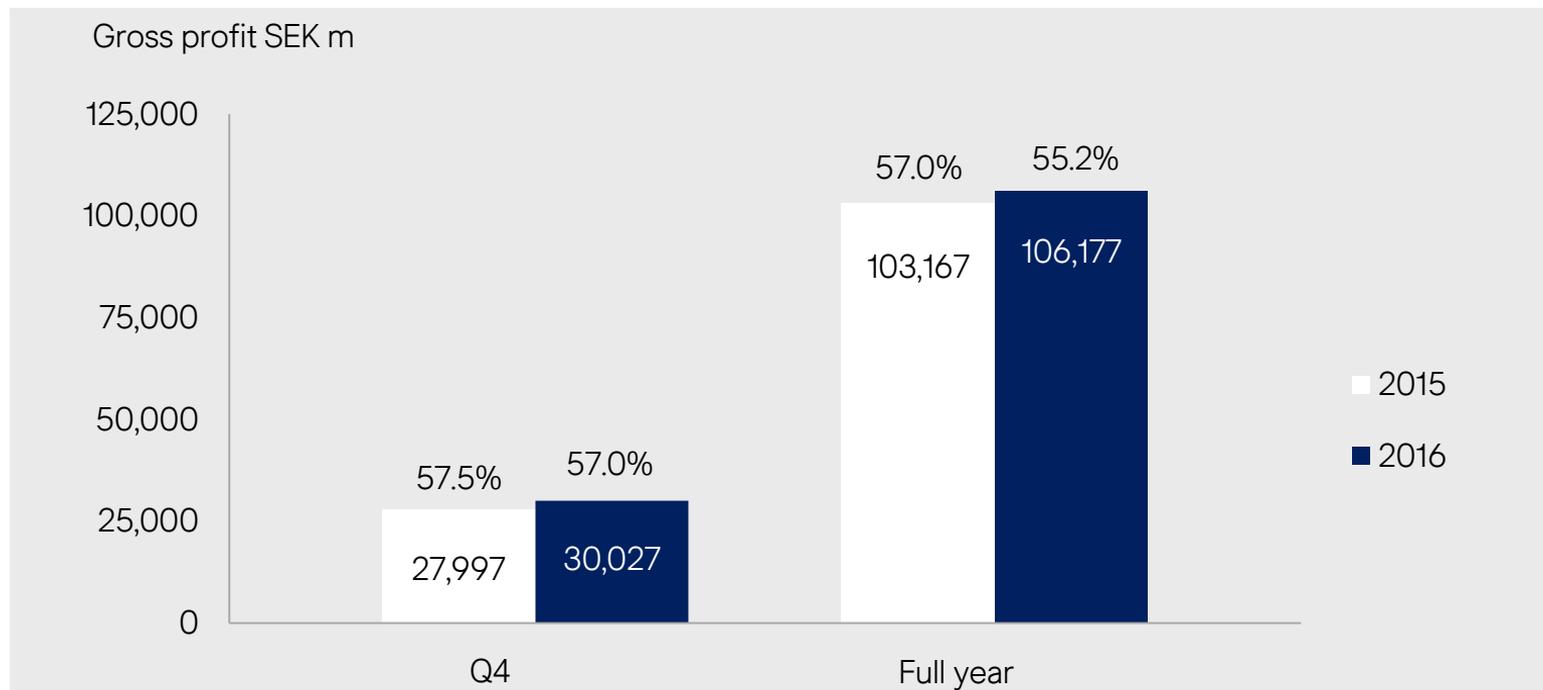
- Continued focus to integrate stores and e-commerce
- Strong expansion through both sales channels
 - 427 new stores net and 11 new online markets
 - Puerto Rico, Cyprus and New Zealand new store markets
 - total of 4,351 stores in 64 markets, of which 35 with e-commerce
- More than 13,000 new employees in the H&M group
 - over 161,000 employees in total



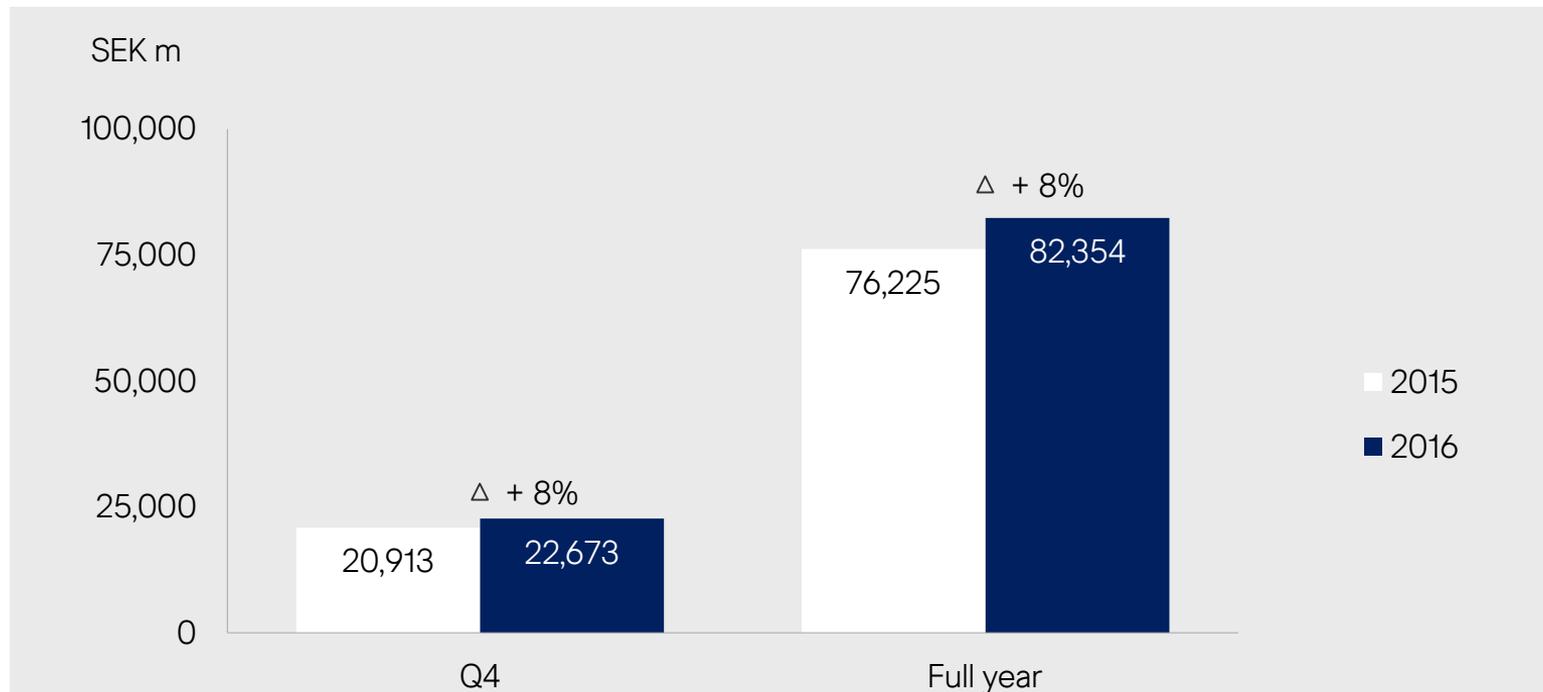
SALES



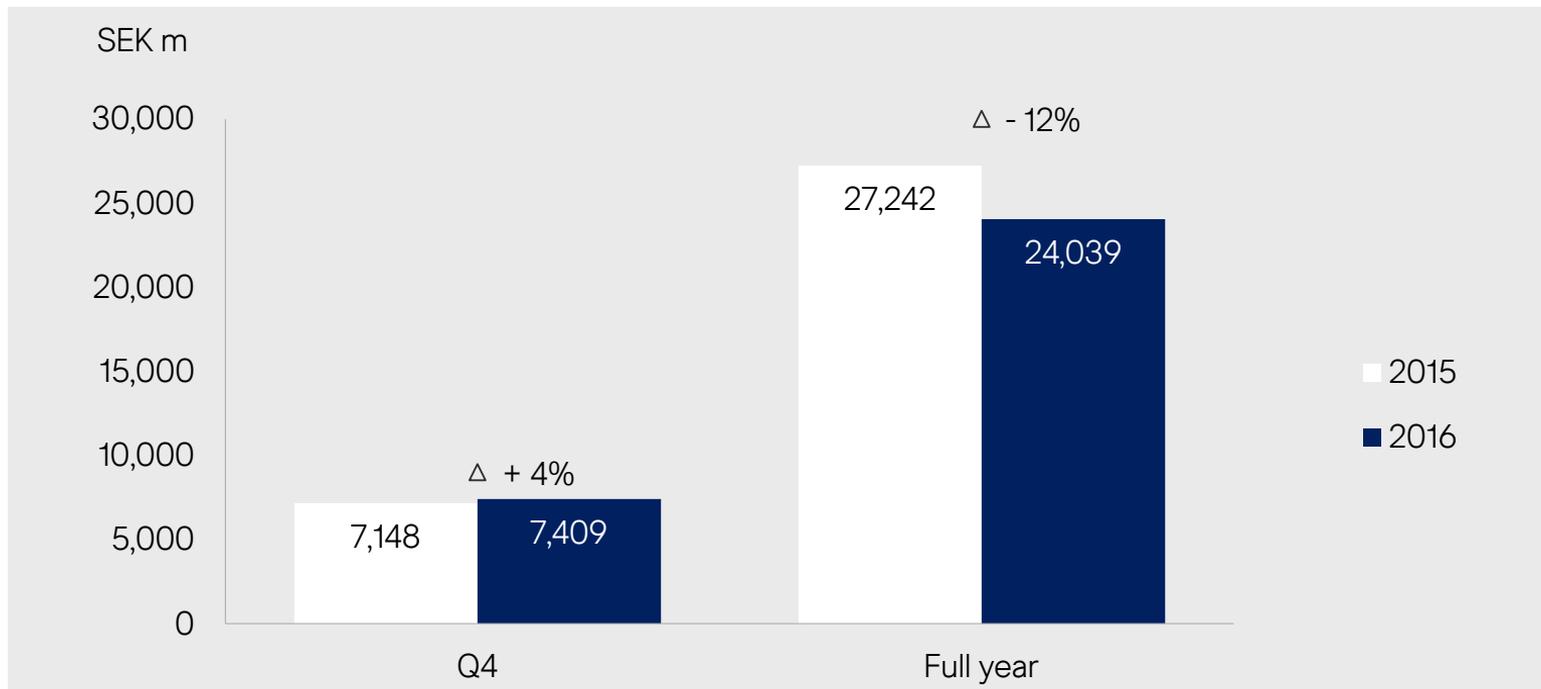
GROSS PROFIT AND GROSS MARGIN



SELLING AND ADMINISTRATION EXPENSES



PROFIT AFTER FINANCIAL ITEMS



SALES AND PROFITS

FOURTH QUARTER

SEK m	2016	2015
Net sales	52,720	48,694
Gross profit	30,027	27,997
<i>gross margin, %</i>	57.0	57.5
Operating profit	7,354	7,084
<i>operating margin, %</i>	13.9	14.5
Net financial items	55	64
Profit after financial items	7,409	7,148
Tax	-1,495	-1,622
Profit for the period	5,914	5,526
<i>Earnings per share, SEK</i>	3.57	3.34



SALES AND PROFITS

FULL YEAR

SEK m	2016	2015
Net sales	192,267	180,861
Gross profit	106,177	103,167
<i>gross margin, %</i>	55.2	57.0
Operating profit	23,823	26,942
<i>operating margin, %</i>	12.4	14.9
Net financial items	216	300
Profit after financial items	24,039	27,242
Tax	-5,403	-6,344
Profit for the period	18,636	20,898
<i>Earnings per share, SEK</i>	11.26	12.63



KEY DATA

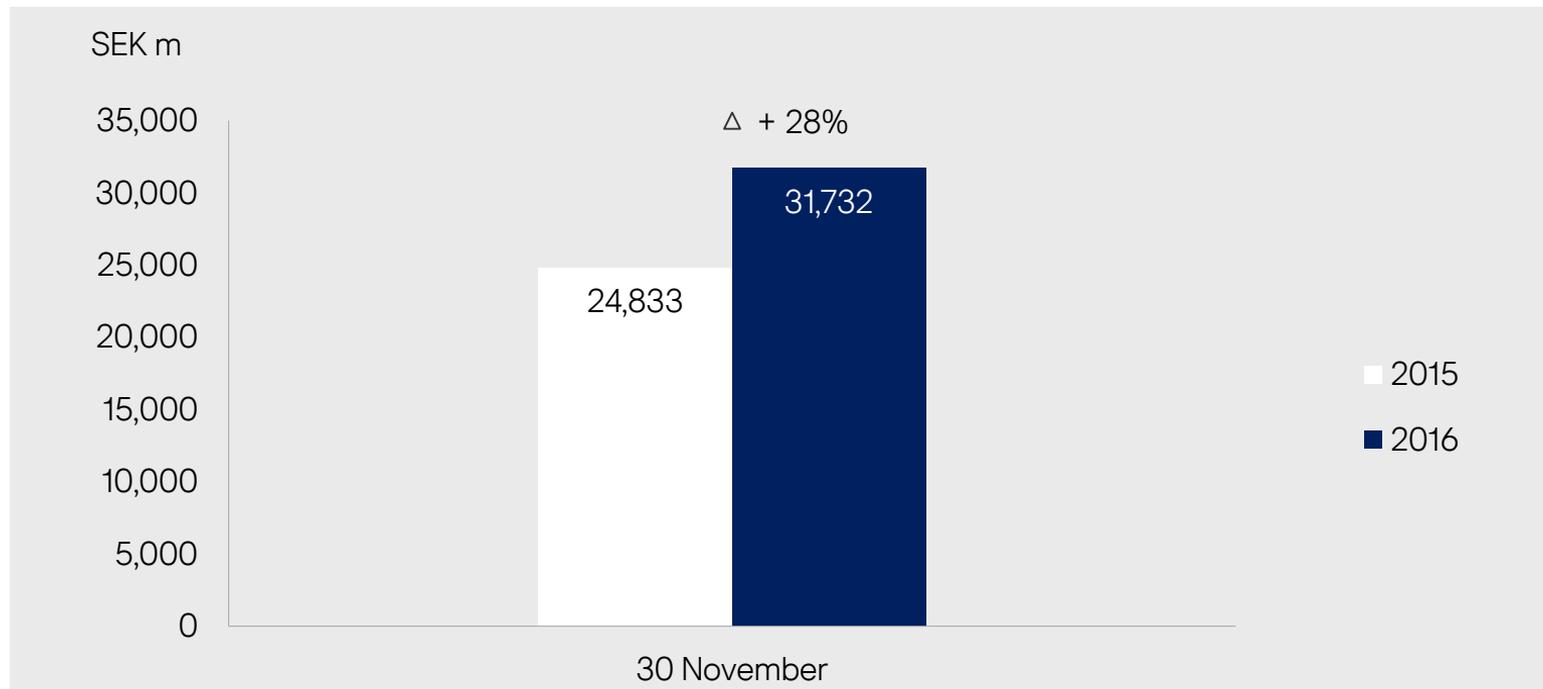
SEK m	30 Nov 2016	30 Nov 2015
Stock-in-trade	31,732	24,833
Cash flow from current operations	23,775	24,067
Investments	13,346	12,059
Cash and cash equivalents and short-term investments	9,446	12,950
Dividend (SEK)	9.75*	9.75
Return on shareholders' equity, %	31.2	38.1
Average number of employees**	114,586	104,634

* proposed dividend

** converted to full-time positions



STOCK-IN-TRADE





EXCITING DEVELOPMENT PHASE

- H&M group online business model highly developed
- Continued investments in digitalisation and infrastructure, mainly within three focus areas
 - omni-channel strategy
 - supply chain
 - advanced analytics



CONTINUED EXPANSION STORES AND ONLINE

- New growth target starting financial year 2016/17
 - to increase the H&M group's sales by 10-15% in local currencies per year with continued high profitability
- Approx. 430 new stores net planned for 2017
 - five new H&M markets: Kazakhstan, Colombia, Iceland, Vietnam and Georgia
- H&M online in six new markets
 - Turkey, Taiwan, Hong Kong, Macau, Singapore and Malaysia





COS

- COS opened 41 new stores in 2016
 - three new markets: Czech Republic, Romania and Latvia
- Total of 194 stores in 33 markets
 - of which 19 offer COS online
- Malaysia new market in December 2016
- Continued rapid expansion planned for 2017



& OTHER STORIES

- & Other Stories opened 15 new stores in 2016
 - Poland new market
- Total of 45 stores in 11 markets
- & Other Stories offers online in 14 markets
- Continued rapid expansion planned
 - Ireland new market in December 2016
 - Finland, South Korea and United Arab Emirates (franchise) planned to open during 2017



H&M HOME

- H&M Home available in more than 40 markets
 - in a total of 269 H&M stores
- Rapid expansion to continue in 2017
 - approximately 50 new H&M-Home departments planned





H&M



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