

H&M Group

Press release

23 March 2020

The board of directors of H & M Hennes & Mauritz AB proposes to the 2020 annual general meeting that the dividend is cancelled

The rapid spread of the coronavirus COVID-19 and the extraordinary public measures taken around the world to slow down the spread of the virus have caused an exceptional situation for people, communities and businesses.

The H&M group is fully cooperating with the authorities to protect its employees and customers. As previously communicated, all stores in several of the group's largest markets including Germany and the US have been closed temporarily. This past weekend all stores in the UK were also closed. The H&M group's customers can still shop online via the company's digital sales channels in approximately 50 markets.

At the moment, a total of 3,441 of the group's 5,062 stores are closed, which together with subdued demand in the markets that are still open, has had significant negative impact on sales so far in March.

The company is therefore reviewing all parts of its operations, including all costs. Several measures are being taken in respect of buying, investments, rents and staffing, among other areas. The situation is being reviewed market by market based on local conditions. Dialogue about temporary layoffs has been initiated in a number of markets and will be followed by further temporary layoffs in other markets that are impacted by the corona situation. Globally, this is likely to affect tens of thousands of employees in all parts of the business, although it is not currently possible to specify the exact number. The company is also reviewing the potential need to terminate employment due to the negative impact of the corona situation on the business.

Dialogue between companies and governments is important, particularly in a situation like this, and the H&M group welcomes the support measures which governments to varying degrees have taken to help ease the cost burden for companies in the individual markets.

The company will provide information about expected financial effects on the current quarter in the three-month report which is to be published on 3 April.

"Since we on the board of directors presented our original dividend proposal, the market situation has changed drastically. In the light of the current situation and the uncertainty about market developments, the board has today decided to withdraw its earlier dividend proposal of SEK 9.75 per share, approximately SEK 16 billion in total, and is instead proposing to the 2020 annual general meeting that no dividend is paid. I am convinced that this is the best decision in this situation in order to further strengthen the company's already strong financial position and thereby secure our freedom of action going forward," said Stefan Persson, chairman of the board.

"We are doing everything in our power in the H&M group to manage the situation related to the coronavirus. My hope is that we will be able to get operations up and running again as soon as possible and welcome back all our customers in all our 74 store markets. This is an extraordinary situation in which we are forced to make difficult decisions, but with every challenge there are also opportunities and I am convinced that we as a company – once we have made it through this – will continue to stand strong," said CEO Helena Helmersson.

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For more information from the H&M group and press images visit hmgroup.com/media.

The information in this press release is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the EU Market Abuse Regulation (596/2014 /EU). The information was submitted for publication by the abovementioned person at 13.05 CET on 23 March 2020. This press release, along with additional information about the H&M group, is available at hmgroup.com.

H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands COS, Monki, Weekday, & Other Stories, H&M HOME and ARKET as well as Afound. The H&M group has 51 online markets and more than 5,000 stores in 74 markets including franchise markets. In 2019, net sales were SEK 233 billion. The number of employees amounts to approximately 179,000. For further information, visit hmgroup.com.