

# H&M Group

H & M Hennes & Mauritz AB

Conference call 29 January 2021

Full-year report 2020

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# Conference call 29 January 2021

Full-year report 2020



**Helena Helmersson**  
CEO



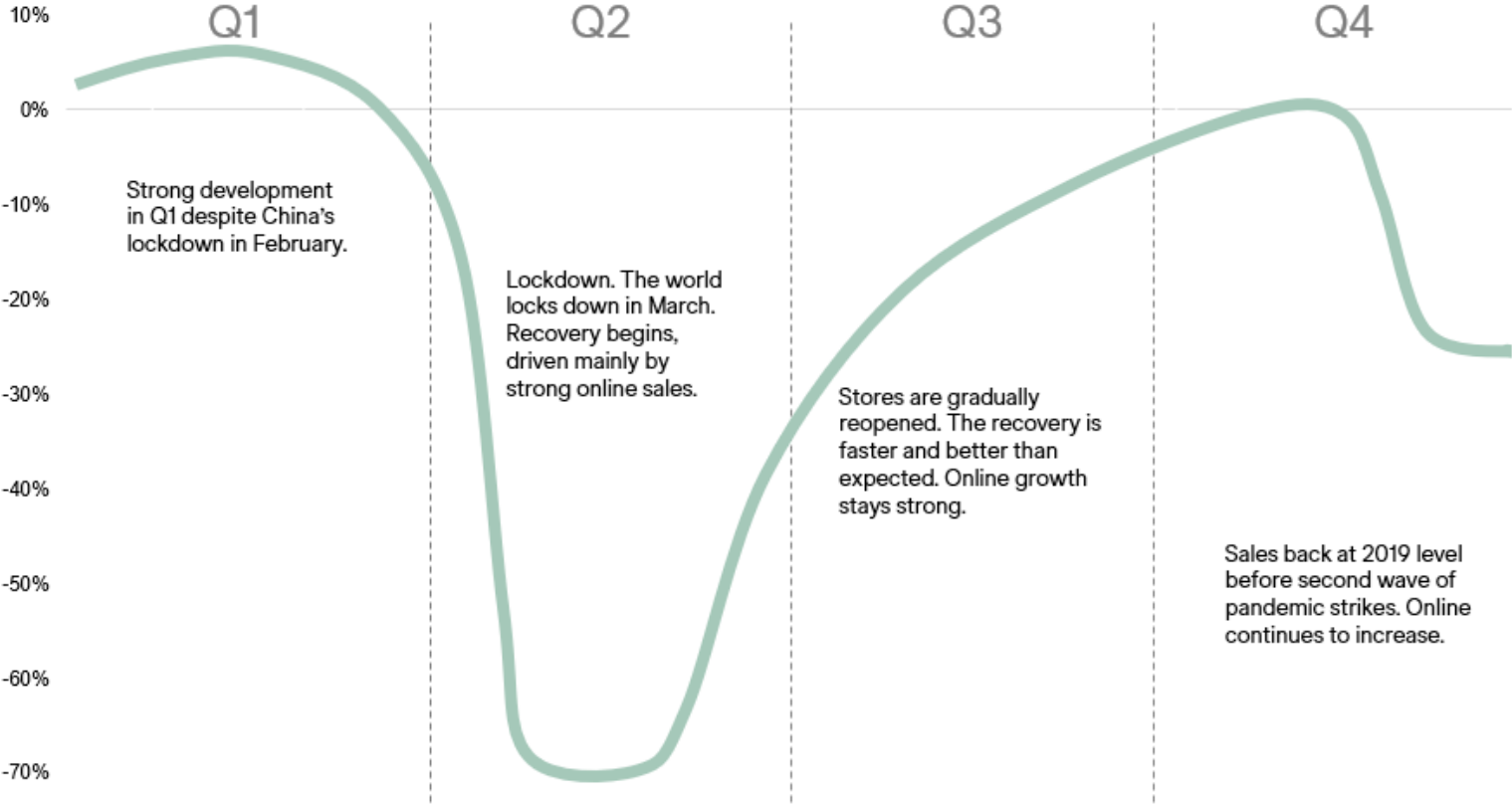
**Adam Karlsson**  
CFO



**Nils Vinge**  
Investor Relations

# 2020 – a year characterised by the pandemic

The H&M group's sales development in local currencies



# Managing Covid-19

- Momentum interrupted by pandemic
- Fast and strong actions
- Focus on digital channels
  - most stores temporarily closed
- Recovery in 2H better than expected
  - appreciated collections
  - channels strengthen each other





## Q4 in brief

- Attractive customer offering
- 107 million H&M members by year-end
- Recovery until second wave of pandemic
- Online sales +50% in local currencies
- Good cost control
- Positive result and strong financial position





# Covid-19 actions

## OPERATIONAL FLEXIBILITY



- › Customer offer adjustment and inventory management
- › Strong customer focus and adjustments to meet rapid changes to demand
- › Decisive and immediate purchase level adjustments

## COST MANAGEMENT



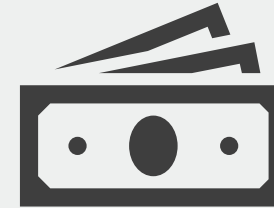
- › Store cost adjustments
  - Adjustments of scheduling and resources
  - Rent negotiations
  - Review of marketing initiatives
- › Other administrative costs

## CASH & LIQUIDITY ENHANCEMENT



- › Secured additional credit facilities – short term
- › Established EMTN programme to secure diversification of sources of financing – long term

## CAPEX ADJUSTMENTS



- › Revision of 2020 investment plan
- › Increase share of investments towards digital and supply chain

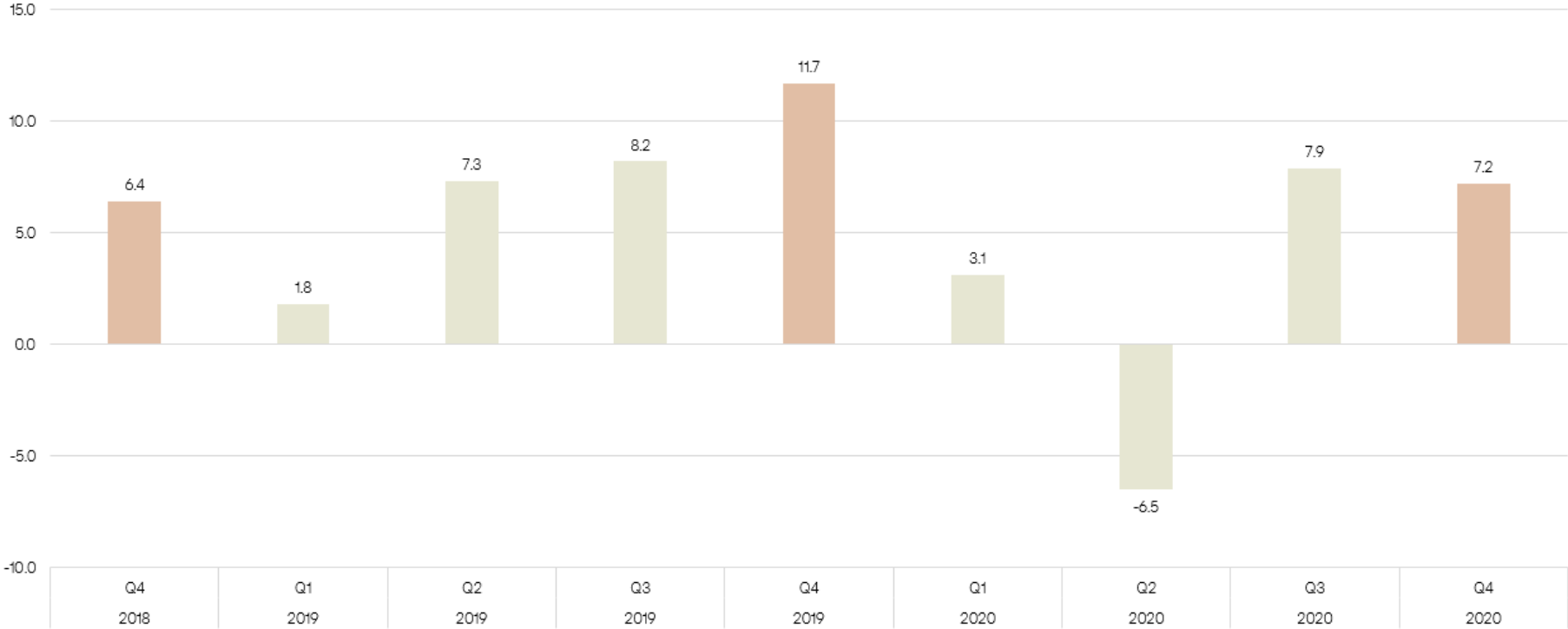
## DIVIDEND CANCELLATION



- › AGM on 7 May 2020 resolved that no dividend would be paid and that the funds available to the meeting would be carried forward

# Quarterly cash flow from current operations

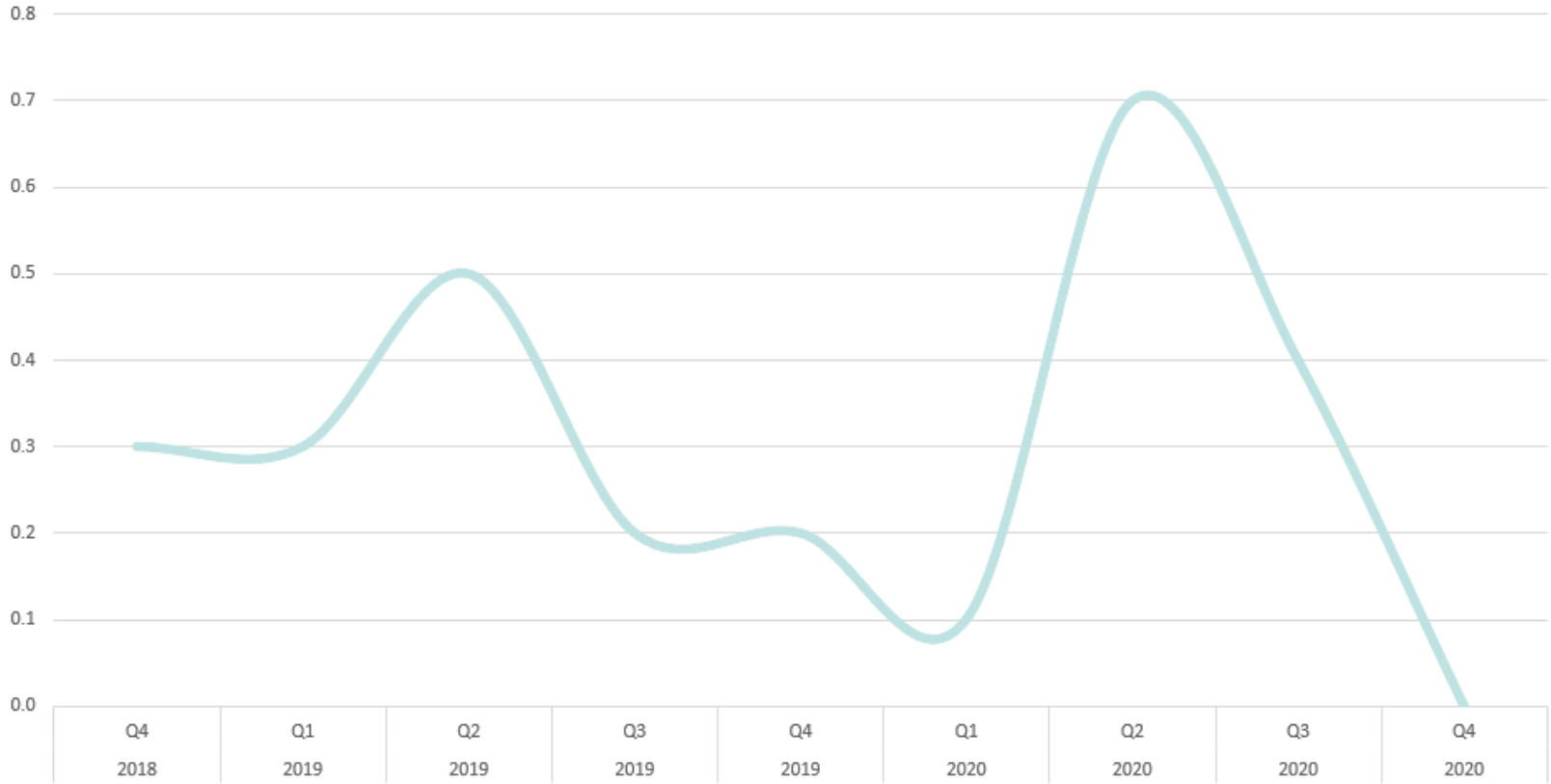
Excluding IFRS 16





# Net debt/EBITDA development

Excluding IFRS 16





# Financial flexibility and resilience

- Working capital efficiency
  - payment terms and invoice process improvements
- Cost efficient long-term financing
  - framework for sustainability-linked bonds







# Second wave

- Second wave of pandemic with new lockdowns and restrictions
- Substantial negative effect on Q1 2021
  - 1,800 stores temporarily closed at peak
- Measures to mitigate negative effects continue



# Accelerating pace of change

- Pandemic accelerates changes already underway in fashion retail
  - digitalisation
  - sustainability
  - value for money



# Our transformation continues

- Customer relevance
- Digital growth
- Integrating physical stores and online
  - customers value all channels
  - seamless, inspiring experience
- Store portfolio optimisation
- Fast and flexible supply chain



# Best customer offering

- Relevant and unique brands
- Customer offering well positioned
  - best combination of fashion, quality, price and sustainability
- 30% recycled materials by 2025
  - new material target
- Securing sustainable and profitable growth for H&M Group



# Q&A

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