

H&M Group

Press release

30 September 2021

Board of H & M Hennes & Mauritz AB proposes dividend

The board of directors of H & M Hennes & Mauritz AB (publ) is proposing a dividend of SEK 6.50 per share, corresponding to SEK 10,758 m, and will shortly convene an extraordinary general meeting for a resolution on this. The extraordinary general meeting will be held on 28 October 2021.

In view of the uncertainty brought about by the corona pandemic, there has been no resolution on a dividend since spring 2019. Since the pandemic began to have its full effect the board has been continuously analysing the global situation, market conditions and the company's financial position based on the impact of the pandemic to see whether a dividend is possible.

"The board now considers that the H&M group's improved profitability, strong financial position and the stabilised market conditions, combined with our ability to manage to impact of the pandemic on our business, makes a dividend possible. Even after the dividend we will be financially strong and able to continue investing in the customer offering and our business, thereby strengthening our position further," says chair of the board Karl-Johan Persson.

In conjunction with the full-year report on 30 January 2020 the board proposed a dividend of SEK 9.75 per share, corresponding to SEK 16,137 m. However, this dividend proposal was withdrawn in March 2020 since market conditions had changed drastically due to the uncertainty brought about by the corona pandemic. There has therefore been no resolution on a dividend since spring 2019.

At the current time the company's financial position is strong and during the year it has been strengthened further as a result of increased net cash, improved working capital and more efficient financing, partly due to a good recovery, lower stock levels and continued positive effects from invoice management and payment processes. In the third quarter 2021 the company was able to report strong operating profit of SEK 6,272 m and cash flow from operating activities of SEK 37,210 m. Cash and cash equivalents amounted to SEK 35,298 m on the closing date of 31 August 2021.

Together with an improved market outlook, the board therefore considers the condition of financial stability communicated in previous interim reports to have been fulfilled.

The extraordinary general meeting will be held on 28 October 2021 without the physical presence of shareholders, proxies or external individuals in order to limit the spread of Covid-19. Shareholders can exercise their voting rights only by voting in advance (postal voting).

The record date for participating in the meeting will be 20 October, the deadline for registering voting rights for shares is 22 October and the first day of ex-dividend trading is Friday 29 October. The proposed record date for entitlement to dividend is 1 November 2021.

Assuming that the meeting approves the board's proposal, the dividend is expected to be paid out by Euroclear Sweden AB on 4 November.

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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 53 online markets and approximately 4,850 stores in 75 markets including franchise markets. In 2020, net sales were SEK 187 billion. The number of employees amounts to approximately 153,000. For further information, visit hmgroupp.com.