

Q1



H&M GROUP  
THREE-MONTH REPORT  
2025





H&M

# H & M Hennes & Mauritz AB

## Three-month report 2025

### First quarter (1 December 2024 – 28 February 2025)

- The H&M group’s net sales in the first quarter increased by 3 percent to SEK 55,333 m (53,669). In local currencies net sales increased by 2 percent with around 3 percent fewer stores compared with the previous year.
- Gross profit amounted to SEK 27,169 m (27,655). This corresponds to a gross margin of 49.1 percent (51.5). The gross margin for the quarter was affected by negative external factors, increased markdowns and investments in the customer offering. The Swedish krona strengthened in the first quarter, with the result that currency remeasurement effects have also negatively affected the gross margin compared with the previous year.
- Selling and administrative expenses amounted to SEK 25,938 m (25,564). In local currencies these expenses were on par with the previous year.
- Operating profit amounted to SEK 1,203 m (2,077), corresponding to an operating margin of 2.2 percent (3.9). The decrease in operating profit is attributable to the lower gross margin.
- The result after tax amounted to SEK 579 m (1,231<sup>1</sup>).
- The stock-in-trade amounted to SEK 41,008 m (37,630), an increase by 9 percent. Currency adjusted the stock-in-trade increased by 11 percent compared with the previous year. Higher purchasing costs reflected in the weaker gross margin in the first quarter explain the majority of the increase in stock-in-trade. In addition, extended transport times associated with the situation in the Red Sea continued to affect inventory. The composition of the stock-in-trade is assessed to be good.
- Cash flow from operating activities increased to SEK 4,201 m (3,967). Cash and cash equivalents plus undrawn credit facilities were SEK 34,470 m (38,710).

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- The H&M group’s sales in the month of March 2025 are expected to increase by 1 percent in local currencies compared with the same month the previous year.
  - The overall negative effect from external factors, increased markdowns and investments in the customer offering is estimated to already be significantly smaller in the second quarter than in the first quarter, while collaboration with strategic suppliers is being deepened and bringing additional positive effects. At present the conditions are in place for these to have a positive overall effect in the second half of the year compared with the previous year, with the customer offering being strengthened at the same time.
  - The H&M group is included in the Carbon Disclosure Project’s A List for its leadership within transparency and climate impact.
  - Today the H&M group publishes its annual and sustainability report 2024. Among other things, the report shows that the greenhouse gas emissions in scope 3<sup>2</sup> reduced by around 24 percent in 2024 compared to the 2019 baseline.
  - The annual general meeting will be held on 7 May 2025 to resolve, among other things, on the board’s proposed dividend of SEK 6.80 per share, to be paid in two instalments, and on a general authorisation allowing the board to buy back the group’s own B shares in the period up to the 2026 annual general meeting.

**3%**  
Sales increase in SEK

**4.2**  
Cash flow from operating activities billion SEK (4.0)

*“Sales increased by 3 percent in SEK in the first quarter, with well-received women’s collections. Operating profit and profitability were impacted by temporarily challenging development of the gross margin. Our main priorities are a strengthened product offering, a more inspiring shopping experience and a stronger brand. Through this we create the conditions for long-term, profitable and sustainable growth”, Daniel Erv r, CEO.*

1. See note 5.

2. Scope 3 excludes the use of sold products.

# Comments by Daniel Erv er, CEO

Sales in the first quarter increased by 3 percent in SEK and by 2 percent in local currencies. Sales development was good in western, southern and eastern Europe, with positive development in Germany and Poland. Online sales continued to develop well, which shows that customers appreciate our upgraded digital store. We are continuing to optimise the store portfolio by closing select stores. We went into the quarter with nearly 120 fewer stores compared to the same time last year and we had 40 net store closures during the period.

Profitability in the quarter was negatively impacted by a weaker gross margin, which in turn was affected by negative external factors, increased markdowns and investments in the customer offering. We estimate that the overall negative effect of these will already be significantly smaller in the second quarter than in the first quarter.

Although we have made important progress in our plan and have good cost control, our sales and earnings in the quarter were somewhat weaker than planned – but the first quarter is the smallest quarter of the year for us in terms of sales and margin, and we are confident going forward.

We can see that the improvements we have made, especially in the women’s assortment, are starting to have a positive effect. Here we have simplified the organisation and become faster at adapting to new trends and creating a more relevant assortment. During the year we are implementing similar improvements for all our customer groups.

Through our omni-model we are continuing to integrate the physical and digital sales channels, making it easier for our customers to find what they are looking for. The upgraded digital store was rolled out to more markets in the quarter and has been well received by our customers. Upgrades to our physical stores continues to be given high priority. In addition to rebuilds of key stores in several major cities, we are expanding customer experience upgrades to more stores in more markets during the year.

We have a stable financial position that gives us the flexibility to prioritise what creates the most value for our customers. With macroeconomic and geopolitical uncertainty, it is important that we continue to focus fully on our plan and offer the best combination of fashion, quality, price and sustainability for everyone. We are therefore further strengthening our customer offering through an upgraded product offering, a more inspiring shopping experience and a stronger brand. This creates the conditions for long-term profitable and sustainable growth, with the H&M brand and organic growth in focus.



# Sales

The H&M group's net sales in the first quarter increased by 3 percent to SEK 55,333 m (53,669). In local currencies the increase was 2 percent.

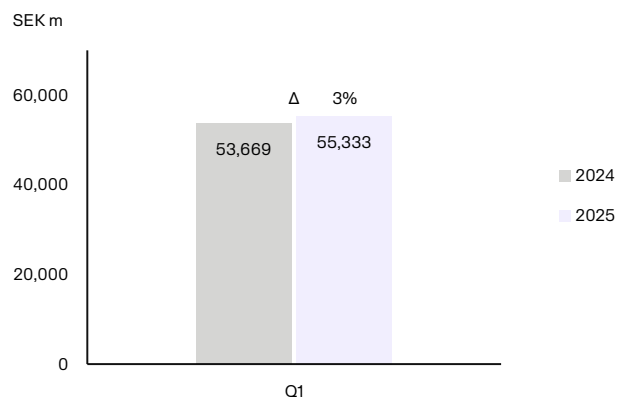
Sales development was good in western, southern and eastern Europe, with positive developments in Germany and Poland during the quarter. The continued optimisation of the store portfolio, including store closures, had a negative impact on sales in the short term. At the beginning of the quarter there were around 120 fewer stores than at the same point in time last year and net store closures during the quarter amounted to 40.

Online continued to perform well. Around 30 percent of sales were online.

For Portfolio brands, which were up against high comparative figures from last year, net sales in the first quarter increased by 2 percent in SEK. In local currencies sales on par with the previous year.

The H&M group's sales in the month of March 2025 are expected to increase by 1 percent in local currencies compared with the same month the previous year.

## Net sales



Sales per region	Q1 MSEK		Q1 change in %	
	2025	2024	SEK	Local currencies
The Nordics	4,606	4,673	-1	-2
Western Europe	17,956	17,295	4	2
Eastern Europe	4,746	4,581	4	2
Southern Europe	7,363	6,884	7	7
North and South America	13,202	12,728	4	2
Asia, Oceania and Africa	7,460	7,508	-1	-3
<b>Total</b>	<b>55,333</b>	<b>53,669</b>	<b>3</b>	<b>2</b>

Stores per region	New stores (net)	Number of stores	
	Q1 2025	28 Feb 2025	29 Feb 2024
The Nordics	-5	375	385
Western Europe	-6	1,010	1,036
Eastern Europe	-2	477	475
Southern Europe	-7	567	601
North and South America	-6	753	745
Asia, Oceania and Africa	-14	1,031	1,096
<b>Total</b>	<b>-40</b>	<b>4,213</b>	<b>4,338</b>

# Gross profit and gross margin

Gross profit and gross margin are a result of many factors, internal as well as external, and are mostly affected by the decisions that the H&M group takes in line with its strategy to always have the best combination of fashion, quality, price and sustainability.

Gross profit amounted to SEK 27,169 m (27,655) for the first quarter, corresponding to a gross margin of 49.1 percent (51.5). The gross margin for the quarter was impacted by negative external factors, increased markdowns and investments in the customer offering. Markdowns in relation to sales increased by around 1 percentage point in the first quarter and are explained by, among other things, a later Black Friday compared with last year. This Black Friday timing effect also meant that logistics costs increased in the first quarter.

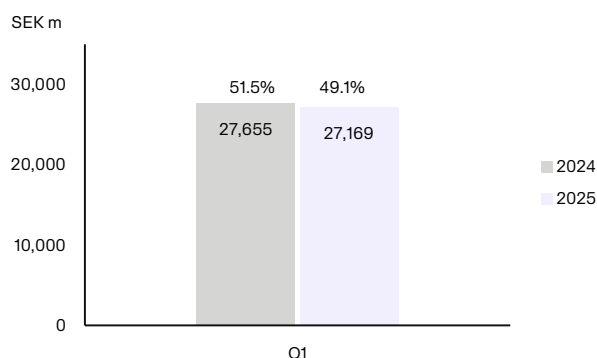
The Swedish krona strengthened in the first quarter, with the result that currency remeasurement effects have also negatively affected the gross margin compared with the previous year. In the fourth quarter of 2024, in contrast, currency remeasurement effects had a significant positive effect on the development of the gross margin compared with the previous year.

For the goods that will be sold in the second quarter of 2025, the overall effect of external factors is expected to be negative compared with the previous year. The negative

effect from external factors, increased markdowns and investments in the customer offering is expected to be significantly smaller in the second quarter than in the first quarter. Work to deepen cooperation with strategic suppliers continues and gives additional positive effects.

At present there are also prospects that the effect of external factors, markdowns and continued investments in the customer offering, combined with the deeper collaboration with strategic suppliers, will be positive in the second half of the year compared with the previous year, while at the same time the customer offering is being strengthened.

**Gross profit and gross margin**



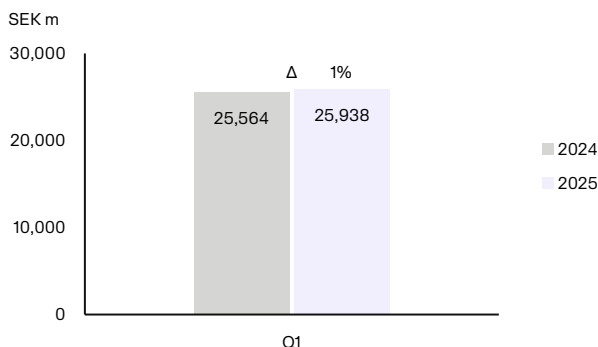
# Selling and administrative expenses

Selling and administrative expenses in the first quarter amounted to SEK 25,938 m (25,564). In local currencies, these expenses were on par with the previous year.

As a result of good operational cost control, selling and administrative expenses increased at a slower rate than sales in local currencies. This despite inflationary pressures in the cost base and somewhat increased long-term investments in marketing compared with the first quarter the previous year.

The long-term investments in marketing are continuing in the second quarter of 2025 and are expected to be higher than in the corresponding period the previous year but somewhat lower than in the fourth quarter of 2024, when they amounted to around SEK 600 m.

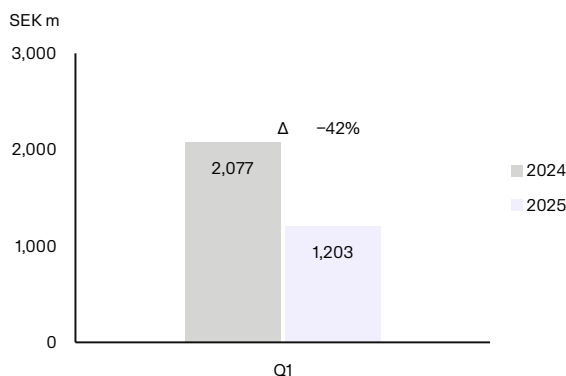
**Selling and administrative expenses**



# Operating profit and operating margin

Operating profit in the first quarter amounted to SEK 1,203 m (2,077), corresponding to an operating margin of 2.2 percent (3.9). The decrease in operating profit is attributable to the lower gross margin. The first quarter is the smallest quarter of the year for the company in terms of sales and margin.

**Operating profit**



# Stock-in-trade

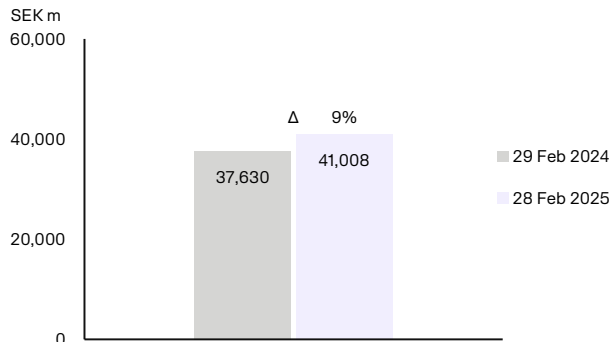
The stock-in-trade amounted to SEK 41,008 m (37,630) and increased by 9 percent compared with the previous year in SEK. Currency adjusted the stock-in-trade increased by 11 percent compared with the previous year. Higher purchasing costs reflected in the weaker gross margin in the first quarter explain the majority of the increase in the stock-in-trade compared with the previous year. In addition, extended transport times associated with the situation in the Red Sea continued to affect inventory as orders are brought forward to ensure the collections are available at the right time.

The composition of the stock-in-trade is assessed to be good.

The stock-in-trade in SEK represented 17.4 percent (16.0) of rolling 12 months sales.

The investments in the supply chain and the integration of the sales channels continue. With a higher share of nearshoring, a more efficient and more flexible supply chain and more purchasing in season, there are opportunities for improvement of the stock-in-trade position in the second half of the year compared with the previous year. The company continues to plan for extended transport times and to manage disruption in the supply chain.

## Stock-in-trade





# Expansion through integrated channels

Expansion is taking place with a focus on increased omnichannel sales. Customers want to be inspired and have products available so that they can shop where, when and how they choose – in the stores, on the brands' own websites, on digital marketplaces and on social media. Investment in physical and digital stores continues in 2025 at the same rate as in 2024 to provide an even more inspiring experience while also optimising our store portfolio for continued profitability and growth.

H&M is opening its first store in El Salvador in 2025. The first H&M stores in Brazil will open in the second half of 2025. The first two stores will open in São Paulo and the third store in Campinas. Paraguay will become a new H&M market, with the first store opening in 2026.

COS opened on the SSF marketplace in South Korea in the first quarter of 2025. Arket will open its first stores in Norway, Austria, Greece and Ireland during 2025.

The H&M group is continuing to renegotiate a large number of leases, which also involves rebuilds as well as adjustment of the number of stores and of store space to ensure it has the right store portfolio in each market. The H&M group's

contracts allow around a third of leases to be renegotiated or exited each year. For 2025 the plan is to open around 80 new stores. Most of the openings will be in growth markets. Around 190 stores are scheduled for closure, mainly in established markets. The closures include a large number of Monki stores. A few of these will be converted into Weekday stores and the remaining stores are planned to be closed.

With more than 4,200 stores, upgrading the store portfolio will remain a priority and is the area where the largest investments are being made. In 2025 the upgrades will continue at a fast pace through openings, rebuilds, layout improvements and tech installations.

## Store count and markets by brand

As at 28 February 2025 the H&M group had 4,213 (4,338) stores, i.e. the total number of stores has decreased by 125 stores compared with the same point in time the previous year, which corresponds to a reduction of around 3 percent. During the first three months of current financial year 8 (16) new stores have opened and 48 (47) stores have closed. A total of 257 (272) of the group's stores are operated by franchise partners.

Number of stores	New stores (net)	Number of stores		Number of markets 28 Feb 2025	
		Q1 2025	28 Feb 2025	29 Feb 2024	Store
H&M	-35	3,742	3,848	78	60
COS	1	239	241	48	38
Monki	-5	43	62	14	29
Weekday	0	46	50	14	29
& Other Stories	-1	69	71	25	32
ARKET	1	41	33	17	31
Afound	0	0	0	0	0 <sup>1</sup>
H&M HOME <sup>2</sup>	-1	33	33	15	45
Sellpy	0	0	0	0	24
<b>Total</b>	<b>-40</b>	<b>4,213</b>	<b>4,338</b>		

1. Afound had 7 online markets as at 29 February 2024.

2. Concept stores. H&M HOME is also available through shop-in-shop in 471 H&M stores.

COS, Monki, Weekday, & Other Stories and ARKET offer Global selling which enables customers in around 70 additional markets to shop online. The exact number of markets per brand that have this service varies.

# Cash flow, working capital and financing

## Cash flow and liquidity

Cash flow from operating activities increased by 6 percent to SEK 4,201 m (3,967). Cash flow for the period amounted to SEK –577 m (–5,403) and was impacted by, among other things, a lower increase in working capital and increased investments compared with the previous year. The previous year's cash flows included repayment of debt and share buybacks.

The H&M group's liquidity remains very good. As at 28 February 2025 cash and cash equivalents amounted to SEK 16,578 m (20,822). In addition, the group has undrawn credit facilities of SEK 17,892 m (17,888). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 34,470 m (38,710).

## Operating working capital

Operating working capital amounted to SEK 19,609 m (18,282). Accounts receivable increased somewhat in the first quarter of 2025 compared with the previous year.

Extended transport times associated with the situation in the Red Sea continued to affect inventory as orders are brought forward to ensure the collections' availability at the right time.

The increase in accounts payable compared with the previous year was primarily driven by purchases of goods and investments in store fittings.

Changes in operating working capital during the quarter amounted to SEK –1,953 m (–1,350). Compared with the previous year, the quarter's operating working capital development was mainly affected by lower accounts receivable.

## Financing

Net debt including lease liabilities in relation to EBITDA amounted to 1.6 (1.4) with a net cash position of SEK 2,273 m (6,585). Debt levels are within the target range of 1.0 – 2.0 for the capital structure target Net debt/EBITDA.

Interest-bearing liabilities in the form of commercial papers, bonds and loans from credit institutions amounted to SEK 14,305 m (14,237) as at 28 February 2025. The average maturity of interest-bearing liabilities amounted to 4.9 (5.8) years.

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities as at 28 February 2025 is given in the table below.

<b>Operating working capital</b>	2025-02-28	2024-02-29	2024-11-30
SEK m			
Accounts receivable	2,849	2,290	5,631
Stock-in-trade	41,008	37,630	40,348
Accounts payable	–24,248	–21,638	–24,417
<b>Total operating working capital</b>	<b>19,609</b>	<b>18,282</b>	<b>21,562</b>

<b>Liquidity and debt financing</b>	Commercial papers	BONDS (EMTN)	Loans from credit institutions	Unused credit facilities
Year				
2025	500	–	–	–
2026	–	–	2,000	–
2027	–	–	–	3,355
2028	–	–	260	–
2029	–	5,592	–	14,537
2030	–	–	–	–
2031	–	5,953	–	–
<b>Total SEK m</b>	<b>500</b>	<b>11,545</b>	<b>2,260</b>	<b>17,892</b>

# Tax

The group's tax rate for the financial year 2025 is expected to be 25 – 26 percent based on known circumstances. For the first three quarters of the year a tax rate of 25 percent (25) is planned to be used to calculate tax expense on the earnings in each period excluding result from investments in associated companies and joint ventures.

The final tax rate depends on, among other things, the results of the group's various companies, the corporate tax rates in each country, non-deductible costs and tax expense relating to previous years.

# Current quarter

The H&M group's sales in the month of March 2025 are expected to increase by 1 percent in local currencies compared with the same month the previous year.

The cost of markdowns in relation to sales in the second quarter is expected to increase somewhat compared with the corresponding quarter the previous year.

The company is closely monitoring developments in global trade and trade restrictions. With good flexibility in the supply chain and through the pricing of the customer offering there are opportunities to adapt the business to changed conditions.

# Risks and uncertainties

Risks may be due to events in the outside world and affect a certain sector or market, or they may be associated with the group's own business. The H&M group carries out regular risk analysis for both operational and financial risks. Operational risks are mainly associated with the business and the external risks that affect the group. Business decisions determine whether action is to be taken to reduce the likelihood of the risk in question occurring and if so, to what extent. Business decisions also determine the extent to which the consequences of a risk that has occurred may be mitigated.

There are external risks and uncertainties affecting the H&M group that are related to the shift in the industry, fashion, competitors, logistics resources, information security and cyber security, sustainability issues, weather, macroeconomics and geopolitical events, foreign currencies, taxes, customs duty, and various regulations and ordinances, but also in connection with expansion into new markets, the launch of new concepts and how the brands are managed. More detailed information concerning the financial risks is given in the H&M group's annual and sustainability report.

# Communication in conjunction with the three-month report

The three-month report, i.e., 1 December 2024 – 28 February 2025, will be published at 08:00 CET on 27 March 2025, followed by a telephone conference at 09:00 CET for the financial market and media. The telephone conference will be held in English, hosted by CEO Daniel Ervér, CFO Adam Karlsson and Head of IR Joseph Ahlberg.

To book interviews for media in conjunction with the three-month report on 27 March 2025, please contact: Anna Frosch Nordin, Head of Media Relations, telephone +46 73 432 93 14, [anna.froschnordin@hm.com](mailto:anna.froschnordin@hm.com).

For log in details for the telephone conference please register via this link:  
<https://app.webinar.net/48NWzdRkxoq>

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## Calendar

7 May 2025	Annual general meeting 15:00 (CEST), Erling Perssonsalen, Aula Medica, Solna
26 June 2025	Six-month report, 1 Dec 2024 – 31 May 2025
25 September 2025	Nine-month report, 1 Dec 2024 – 31 Aug 2025
29 January 2026	Full-year report, 1 Dec 2024 – 30 Nov 2025

This three-month report has not been audited by the company's auditors.

Stockholm, 26 March 2025  
Board of Directors

## Contact

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For more information about the H&M group visit [hmgroup.com](http://hmgroup.com).

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Information in this interim report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the EU Market Abuse Regulation (EU) No 596/2014. The information was submitted for publication by the abovementioned persons at 08:00 (CET) on 27 March 2025. This interim report and other information about the H&M group are available at [hmgroup.com](http://hmgroup.com).

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H & M HENNES & MAURITZ AB (PUBL) was founded in Sweden in 1947 and is listed 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, Cheap Monday, Weekday, Monki, H&M HOME, & Other Stories, ARKET, Singular Society and Sellpy. The group also includes several ventures. For further information, visit [hmgroup.com](http://hmgroup.com).

# Group income statement in summary

SEK m	Note	Q1 (Dec–Feb)		Full-year (Dec–Nov)
		2025	2024	2024
Net sales	3	55,333	53,669	234,478
Cost of goods sold	4	-28,164	-26,014	-109,179
<b>Gross profit</b>		<b>27,169</b>	<b>27,655</b>	<b>125,299</b>
<i>Gross margin, %</i>		<i>49.1</i>	<i>51.5</i>	<i>53.4</i>
Selling expenses	4	-23,115	-22,643	-97,153
Administrative expenses	4	-2,823	-2,921	-10,762
Result from investments in associated companies and joint ventures		-28	-14	-78
<b>Operating profit</b>		<b>1,203</b>	<b>2,077</b>	<b>17,306</b>
<i>Operating margin, %</i>		<i>2.2</i>	<i>3.9</i>	<i>7.4</i>
Net financial items		-441	-471	-1,863
<b>Profit after financial items</b>		<b>762</b>	<b>1,606</b>	<b>15,443</b>
Tax <sup>1</sup>		-183	-375	-3,859
<b>PROFIT FOR THE PERIOD<sup>1</sup></b>		<b>579</b>	<b>1,231</b>	<b>11,584</b>
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB <sup>1</sup>		590	1,239	11,621
Non-controlling interest		-11	-8	-37
Earnings per share, SEK <sup>1 2</sup>		0.37	0.77	7.21
Average number of shares outstanding, thousands <sup>2</sup>		1,604,491	1,617,495	1,611,695

For information about depreciation, amortisation and write-downs, see note 4.

1. Regarding restated figures for financial year 2024 see Note 5 Restated figures attributable to amendments to IAS 12.

2. Before and after dilution, excluding own shares.

# Consolidated statement of comprehensive income

SEK m	Note	Q1 (Dec–Feb)		Full-year (Dec–Nov)
		2025	2024	2024
<b>PROFIT FOR THE PERIOD<sup>1</sup></b>		<b>579</b>	<b>1,231</b>	<b>11,584</b>
<b>Other comprehensive income</b>				
<b>Items that are or may be reclassified to profit or loss</b>				
Translation differences		-735	-236	717
Change in hedging reserves		534	44	-589
Tax attributable to change in hedging reserves		-110	-9	121
Share of OCI related to associated companies and joint ventures		0	0	0
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of defined benefit pension plans		14	-59	-73
Tax related to the above remeasurement		-4	15	18
Remeasurement of financial assets	2	-369	-21	299
<b>Other comprehensive income</b>		<b>-670</b>	<b>-266</b>	<b>493</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD<sup>1</sup></b>		<b>-91</b>	<b>965</b>	<b>12,077</b>
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB <sup>1</sup>		-80	973	12,114
Non-controlling interest		-11	-8	-37

1. Regarding restated figures for financial year 2024 see Note 5 Restated figures attributable to amendments to IAS 12.

# Group balance sheet in summary

SEK m	Note	2025-02-28	2024-02-29	2024-11-30
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible non-current assets		8,503	9,148	8,730
Property, plant and equipment		28,737	24,512	29,158
Right-of-use assets		57,813	55,639	57,062
Non-current financial assets	2	2,922	2,665	3,288
Other non-current assets		6,064	6,935	6,249
		<b>104,039</b>	<b>98,899</b>	<b>104,487</b>
<b>Current assets</b>				
Stock-in-trade		41,008	37,630	40,348
Current receivables		16,336	16,416	18,039
Cash and cash equivalents		16,578	20,822	17,340
		<b>73,922</b>	<b>74,868</b>	<b>75,727</b>
<b>TOTAL ASSETS</b>		<b>177,961</b>	<b>173,767</b>	<b>180,214</b>

## EQUITY AND LIABILITIES

Equity <sup>1 2</sup>		46,120	46,626	46,211
Long-term liabilities <sup>3</sup>		16,620	16,900	16,992
Long-term leasing liabilities <sup>3</sup>		50,703	47,944	50,361
Short-term liabilities <sup>1 4</sup>		51,985	49,901	54,174
Current leasing liabilities <sup>4</sup>		12,533	12,396	12,476
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>177,961</b>	<b>173,767</b>	<b>180,214</b>

1. Regarding restated figures for financial year 2024 see Note 5 Restated figures attributable to amendments to IAS 12.

2. Equity attributable to the shareholders of H & M Hennes & Mauritz AB amounts to SEK 46,062 m (46,533) and to non-controlling interests to SEK 58 m (93).

3. Interest-bearing long-term liabilities amount to SEK 64,974 m (62,370) and excluding leases to SEK 14,271 m (14,426), of which provisions for pensions were SEK 467 m (478).

4. Interest-bearing short-term liabilities amount to SEK 13,033 m (12,685) and excluding leases to SEK 500 m (289).

# Group changes in equity in summary

SEK m	2025-02-28	2024-02-29	2024-11-30
<b>Shareholders' equity at the beginning of the financial year<sup>1</sup></b>	<b>46,211</b>	<b>47,510</b>	<b>47,510</b>
Total comprehensive income for the period <sup>1</sup>	-91	965	12,077
Transactions with non-controlling interests	-	-	-40
Dividend	-	-	-10,456
Repurchase of shares	-	-1,849	-2,880
<b>Shareholders' equity at the end of the period<sup>1</sup></b>	<b>46,120</b>	<b>46,626</b>	<b>46,211</b>

1. Regarding restated figures for financial year 2024 see Note 5 Restated figures attributable to amendments to IAS 12.

# Group cash flow statement in summary

SEK m	Q1	
	(Dec–Feb)	(Dec–Feb)
	2025	2024
<b>Operating activities</b>		
Profit after financial items <sup>1</sup>	762	1,606
<b>Adjustment for non-cash items</b>		
– Provisions for pensions	20	43
– Other provisions	–2	161
– Depreciation, amortisation and write-downs	5,515	5,405
– Other non-cash items	28	14
Taxes paid	–643	–717
<b>Cash flow from operating activities before changes in working capital</b>	<b>5,680</b>	<b>6,512</b>
<b>Cash flow from changes in working capital</b>		
Operating receivables	1,210	–39
Stock-in-trade	–1,049	–577
Operating liabilities	–1,640	–1,929
<b>Cash flow from operating activities</b>	<b>4,201</b>	<b>3,967</b>
<b>Investing activities</b>		
Investments in intangible fixed assets	–310	–187
Investments in tangible fixed assets	–1,671	–1,294
Other investments	–72	–175
<b>Cash flow from investing activities</b>	<b>–2,053</b>	<b>–1,656</b>
<b>Financing activities</b>		
Change in interest-bearing liabilities	500	–2,770
Amortisation lease	–3,225	–3,134
Repurchase of shares	–	–1,810
<b>Cash flow from financing activities</b>	<b>–2,725</b>	<b>–7,714</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>–577</b>	<b>–5,403</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>17,340</b>	<b>26,398</b>
Cash flow for the period	–577	–5,403
Exchange rate effect	–185	–173
<b>Cash and cash equivalents at end of the period</b>	<b>16,578</b>	<b>20,822</b>

1. Interest paid for the group amounts to SEK 101 m (192). Interest expense related to leases amounts to SEK 524 m (491) for the group. Received interest for the group amounts to SEK 184 m (212).



# Five year summary

## Q1, 1 December – 28 February

	2021	2022	2023	2024	2025
Net sales, SEK m	40,060	49,166	54,872	53,669	55,333
Change net sales from previous year in SEK, %	-27	23	12	-2	3
Change net sales previous year in local currencies, %	-21	18	3	-2	2
Operating profit, SEK m	-1,128	458	725	2,077	1,203
Operating margin, %	-2.8	0.9	1.3	3.9	2.2
Depreciation, amortisation and write-downs for the period, SEK m	5,712	5,393	5,505	5,405	5,515
Profit after financial items, SEK m	-1,389	282	396	1,606	762
Profit after tax, SEK m <sup>1</sup>	-1,070	217	540	1,231	579
Cash and cash equivalents, SEK m	17,304	27,403	21,290	20,822	16,578
Stock-in-trade, SEK m	36,978	39,331	41,040	37,630	41,008
Equity, SEK m <sup>1</sup>	53,390	60,715	51,780	46,626	46,120
Average number of shares outstanding, thousands <sup>2</sup>	1,655,072	1,655,072	1,629,687	1,617,495	1,604,491
Earnings per share, SEK <sup>1 2</sup>	-0.65	0.13	0.33	0.77	0.37
Cash flow from operating activities per share, SEK <sup>2</sup>	3.59	2.19	3.06	2.45	2.62
Number of shares outstanding as of the closing day, thousands <sup>2</sup>	1,655,072	1,655,072	1,629,687	1,610,735	1,604,491
Equity per share, SEK <sup>1 2</sup>	32.26	36.68	31.77	28.95	28.74
Share of risk-bearing capital, % <sup>1</sup>	33.7	34.8	30.7	28.2	27.1
Equity/assets ratio, % <sup>1</sup>	31.4	32.8	28.9	26.9	25.9
Total number of stores	4,949	4,721	4,414	4,338	4,213
<b>Rolling 12 months</b>					
Average number of shares outstanding, thousands <sup>2</sup>	1,655,072	1,655,072	1,643,587	1,626,067	1,608,473
Earnings per share, SEK <sup>1 2</sup>	-1.06	7.43	2.37	5.81	6.82
Return on equity, % <sup>1</sup>	-3.1	21.6	6.9	19.1	23.6
Return on capital employed, % <sup>1</sup>	-0.4	13.1	6.0	13.5	14.1

1. Regarding restated figures for financial year 2024 see Note 5 Restated figures attributable to amendments to IAS 12.

2. Before and after dilution, excluding own shares.

For definitions and explanations of the alternative performance measures in this report, see page 162–164 in the annual and sustainability report for the 2024 financial year.

# Parent company income statement in summary

SEK m	Q1		Full-year
	(Dec–Feb)		(Dec–Nov)
	2025	2024	2024
Net sales	530	538	2,364
<b>Gross profit</b>	<b>530</b>	<b>538</b>	<b>2,364</b>
Administrative expenses	–39	–32	–170
<b>Operating profit</b>	<b>491</b>	<b>506</b>	<b>2,194</b>
Net financial items <sup>1</sup>	–12	328	10,060
<b>Profit after financial items</b>	<b>479</b>	<b>834</b>	<b>12,254</b>
Year-end appropriations	–	–	–1,287
Tax	–99	–89	–217
<b>PROFIT FOR THE PERIOD</b>	<b>380</b>	<b>745</b>	<b>10,750</b>

1. Revenue from interests in group companies is included for the quarter at SEK 0 m (402).

# Parent company statement of comprehensive income

SEK m	Q1		Full-year
	(Dec–Feb)		(Dec–Nov)
	2025	2024	2024
<b>PROFIT FOR THE PERIOD</b>	<b>380</b>	<b>745</b>	<b>10,750</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit pension plans	2	–2	–14
Tax related to the above remeasurement	0	0	3
<b>Other comprehensive income</b>	<b>2</b>	<b>–2</b>	<b>–11</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>382</b>	<b>743</b>	<b>10,739</b>

# Parent company balance sheet in summary

SEK m	2025-02-28	2024-02-29	2024-11-30
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	128	137	130
Other non-current assets	1,463	1,726	1,463
	<b>1,591</b>	<b>1,863</b>	<b>1,593</b>
<b>Current assets</b>			
Current receivables	26,609	28,310	26,942
Cash and cash equivalents	11	0	–
	<b>26,620</b>	<b>28,310</b>	<b>26,942</b>
<b>TOTAL ASSETS</b>	<b>28,211</b>	<b>30,173</b>	<b>28,535</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	14,145	15,254	13,763
Untaxed reserves	17	17	17
Long-term liabilities <sup>1</sup>	13,080	13,069	13,176
Short-term liabilities <sup>2</sup>	969	1,833	1,579
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,211</b>	<b>30,173</b>	<b>28,535</b>

1. All long-term liabilities are interest-bearing.

2. Interest-bearing current liabilities amount to SEK 500 m (0).

## Note 1. Accounting principles

The group applies International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee as adopted by the EU. This report has been prepared according to IAS 34 Interim Financial Reporting, the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary Rules for Consolidated Financial Statements and the Swedish Annual Accounts Act.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which essentially involves applying IFRS.

The accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the annual and sustainability report and consolidated financial statements for 2024. No new or revised IFRS standards or interpretations applied from 1 December 2024 have had any significant impact on the consolidated financial statements.

For a more detailed description of the accounting principles applied to the group and the parent company in this interim report, see the notes of the annual and sustainability report for the 2024 financial year.

## Note 2. Financial instruments

The H&M group's financial instruments consist mainly of shares and interests, accounts receivable, other receivables, cash and cash equivalents, accounts payable, interest-bearing securities and liabilities, and currency derivatives.

Measurement principles and classification of financial instruments are unchanged from the information disclosed in note 24 in the annual and sustainability report for 2024.

Shares are measured at fair value, either through profit or loss or through other comprehensive income. Where holdings of shares are assessed to be strategic, the H&M group has chosen to recognise changes in value in other comprehensive income.

The value of other shares and interests based on level 3 inputs according to IFRS 13 amounts in total to SEK 2,690 m (2,454) as at 28 February 2025, the largest investments being Klarna at SEK 951 m (619), Sheertex at SEK 304 m (619), and Instabee at SEK 188 m (200). The effect of measurement of the group's other shares and interests is reported in other comprehensive income and amounts to SEK -369 m (-21) for the first quarter.

Currency derivatives are measured at fair value based on level 2 inputs in the IFRS 13 hierarchy. As at 28 February 2025 forward contracts with a positive market value amount to SEK 1,002 m (882), reported under other current receivables. Forward contracts with a negative market value amount to SEK 608 m (777), which is recognised in other current liabilities.

In hedge accounting, derivatives are classified as cash flow hedges or as fair value hedges. As at 28 February 2025 the nominal amount of outstanding interest rate swaps was SEK 0 m (5,590).

Other financial assets and liabilities are measured at amortised cost. Measurement at fair value would decrease the group's liabilities to credit institutions by around SEK 100 m. The decrease is due to general interest rate increases since debt was issued. The fair values of other financial instruments are assessed to be approximately equal to their book values.

## Note 3. Segment reporting

SEK m	Q1	Q1
	(Dec–Feb)	(Dec–Feb)
	2025	2024
<b>Asia and Oceania</b>		
External net sales	7,111	7,212
Operating profit	–350	51
<b>Operating margin, %</b>	<b>–4.9</b>	<b>0.7</b>
<b>Europe and Africa<sup>1</sup></b>		
External net sales	35,020	33,729
Operating profit	761	1,119
<b>Operating margin, %</b>	<b>2.2</b>	<b>3.3</b>
<b>North and South America</b>		
External net sales	13,202	12,728
Operating profit	24	–339
<b>Operating margin, %</b>	<b>0.2</b>	<b>–2.7</b>
<b>Group Functions</b>		
Net sales to other segments	16,968	16,899
Operating profit	768	1,246
<b>Operating margin, %</b>	<b>4.5</b>	<b>7.4</b>
<b>Eliminations</b>		
Net sales to other segments	–16,968	–16,899
<b>Total</b>		
External net sales	55,333	53,669
Operating profit	1,203	2,077
<b>Operating margin, %</b>	<b>2.2</b>	<b>3.9</b>
Net financial items	–441	–471
<b>Profit after financial items</b>	<b>762</b>	<b>1,606</b>

1. South Africa

## Note 4. Depreciations, amortisations and write-downs

SEK m	Q1 (Dec–Feb)		Full-year (Dec–Nov)
	2025	2024	2024
<b>DEPRECIATIONS AND AMORTISATIONS</b>			
<b>Intangible non-current assets and property, plant and equipment excluding right-of-use assets</b>			
Cost of goods sold	233	234	965
Selling expenses	1,746	1,794	7,236
Administrative expenses	94	98	383
<b>Total</b>	<b>2,073</b>	<b>2,126</b>	<b>8,584</b>
<b>Right-of-use assets</b>			
Cost of goods sold	352	330	1,262
Selling expenses	2,909	2,841	11,322
Administrative expenses	115	107	430
<b>Total</b>	<b>3,376</b>	<b>3,277</b>	<b>13,014</b>
<b>Total depreciations and amortisations</b>	<b>5,449</b>	<b>5,403</b>	<b>21,598</b>
<b>WRITE-DOWNS AND LOSSES AT DISPOSALS</b>			
<b>Intangible non-current assets and property, plant and equipment excluding right-of-use assets</b>			
Cost of goods sold	0	1	80
Selling expenses	31	-4 <sup>1</sup>	266
Administrative expenses	2	5	20
<b>Total</b>	<b>33</b>	<b>2</b>	<b>366</b>
<b>Right-of-use assets</b>			
Cost of goods sold	-	-	-
Selling expenses	-	-	288
Administrative expenses	33	-	-
<b>Total</b>	<b>33</b>	<b>-</b>	<b>288</b>
<b>Total write-downs and losses at disposals</b>	<b>66</b>	<b>2</b>	<b>654</b>
<b>TOTAL DEPRECIATIONS, AMORTISATIONS, WRITE-DOWNS AND LOSSES AT DISPOSALS</b>	<b>5,515</b>	<b>5,405</b>	<b>22,252</b>

1. Release of unused provisions for store closures.

## Note 5. Restated figures attributable to amendments to IAS 12

Equity as at 29 February 2024 and profit for the first quarter of 2024 have been adjusted as a consequence of the retrospective restatement of deferred tax relating to right-of-use assets and lease liabilities arising from the entry into force, effective from the 2024 financial year, of the amendment to IAS 12 Income Taxes concerning Deferred Tax related to Assets and Liabilities arising from a Single Transaction. For adjustments made for full-year 2024, see note 12 in the annual and sustainability report for 2024.

In the Five year summary the years 2021–2022 have not been restated.

For the financial year 2024 the following values have been adjusted accordingly:

<b>Group income statement and balance sheet</b>	New restated value	Reported value	Change, SEK m
	2024, SEK m	2024, SEK m	
Tax	-375	-405	30
Profit after tax/profit for the period	1,231	1,201	30
Total comprehensive income	965	935	30
Profit for the period attributable to the shareholders of H & M Hennes & Mauritz AB	973	943	30
Short-term liabilities	49,901	49,840	61
Shareholders' equity at the beginning of the financial year	47,510	47,601	-91
Equity	46,626	46,687	-61
Earnings per share, SEK	0.77	0.75	0.02
<b>Key financial ratios</b>	New restated value	Reported value	
	2024	2024	
Equity per share, SEK	28.95	28.98	
Return on equity, %	19.1	19.1	
Return on capital employed, %	13.5	13.5	
Share of risk-bearing capital, %	28.2	28.2	
Equity-asset ratio, %	26.9	26.9	
Earnings per share, SEK <sup>1</sup>	5.81	5.77	

1. Rolling 12 months.

## Note 6. Events after the closing date

There have been no significant events after the closing date that effects the financial reporting.



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