

H&M Group Full-Year Report 2025



Press and Telephone Conference

Daniel Ervér

Chief Executive Officer

Adam Karlsson

Chief Financial Officer

Joseph Ahlberg

Head of Investor Relations



Results Q4

- Sales +2% in local currencies
- 10.7% operating margin
- 15.5% inventory to sales R12M

Results full-year

- Sales +2% in local currencies
- 8.1% (7.4%) operating margin
- Earnings per share +5% vs LY
- CO₂ emissions reduced by about 30%*

*Reduction for scope 3 emissions compared with the 2019 base year according to preliminary figures

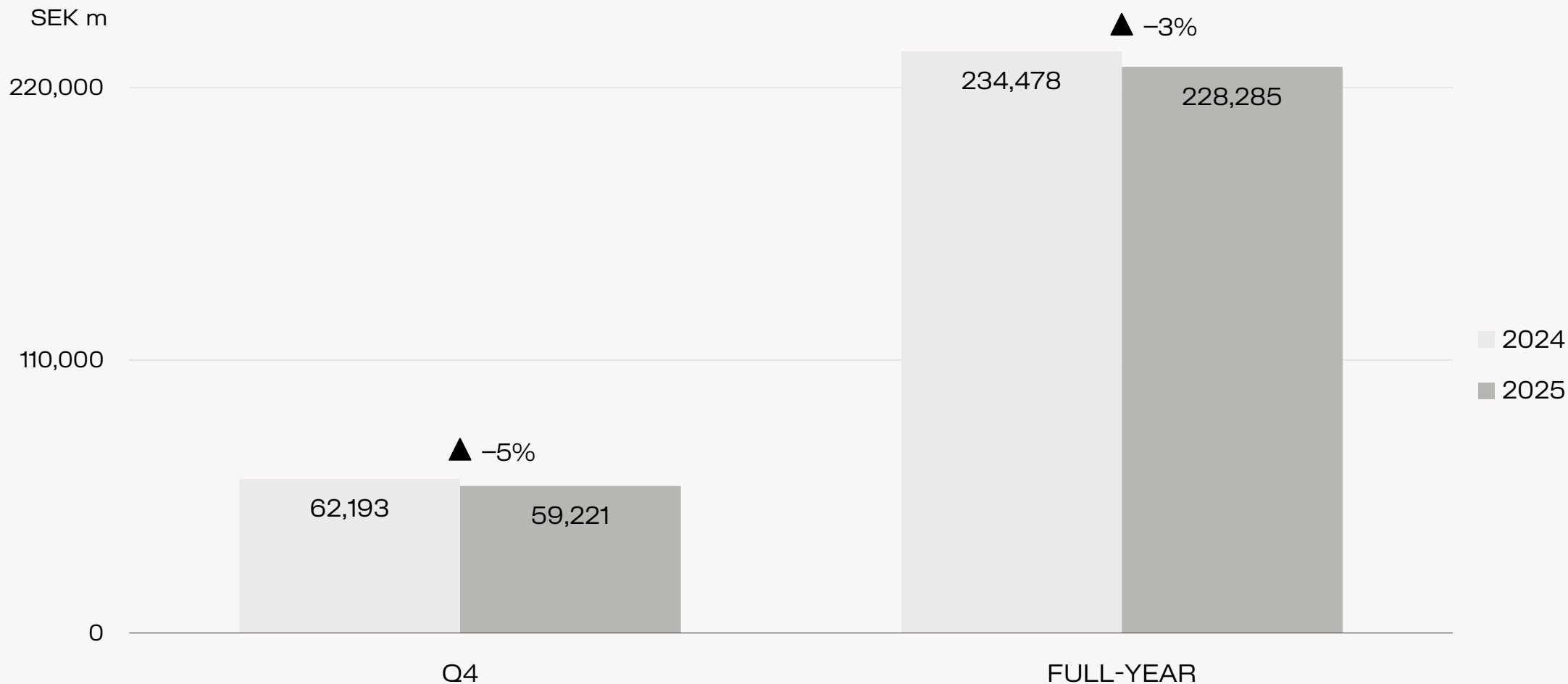


Progress towards our
long-term goals

Consistent local currency growth in net sales

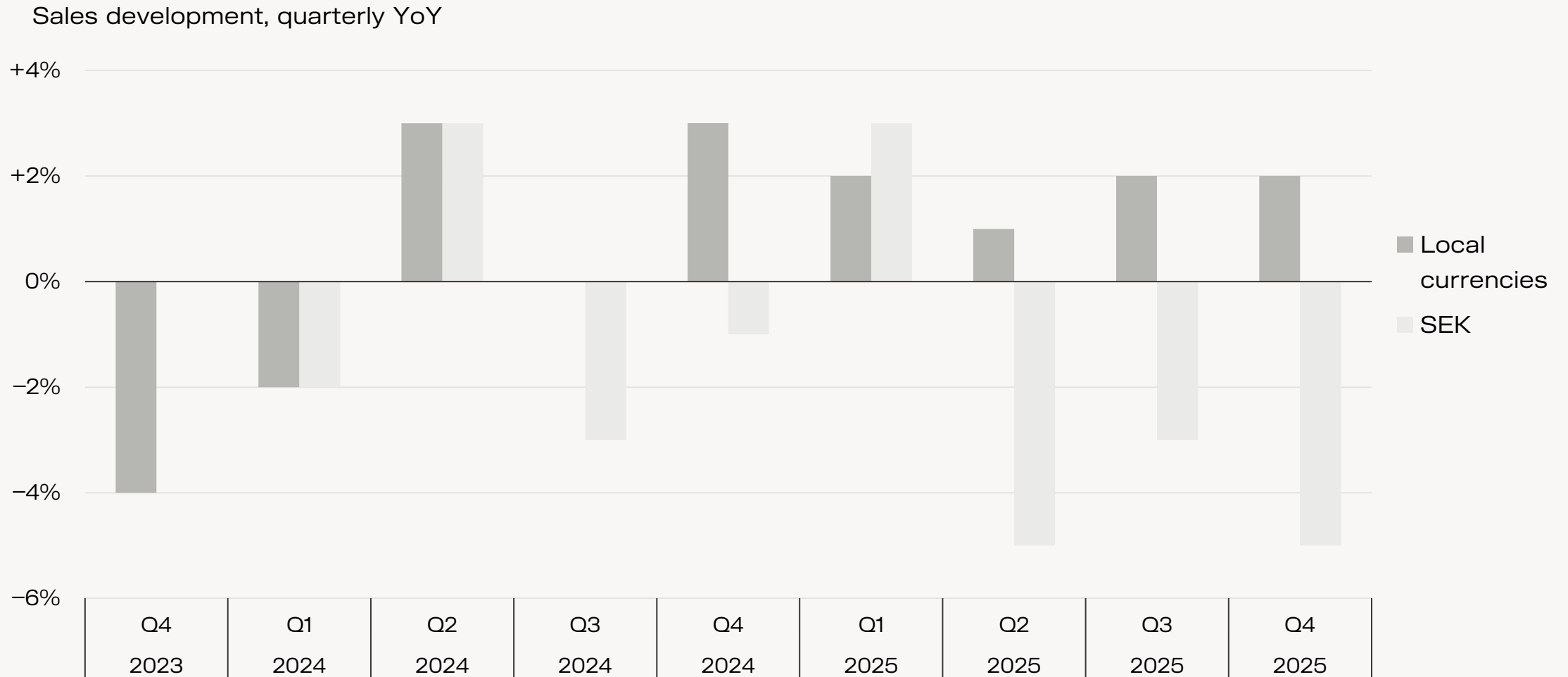
→ Local currency growth of 2% in Q4 and local currency growth trend at 2% in 2025 vs 1% in 2024.

Strong appreciation of SEK vs last year



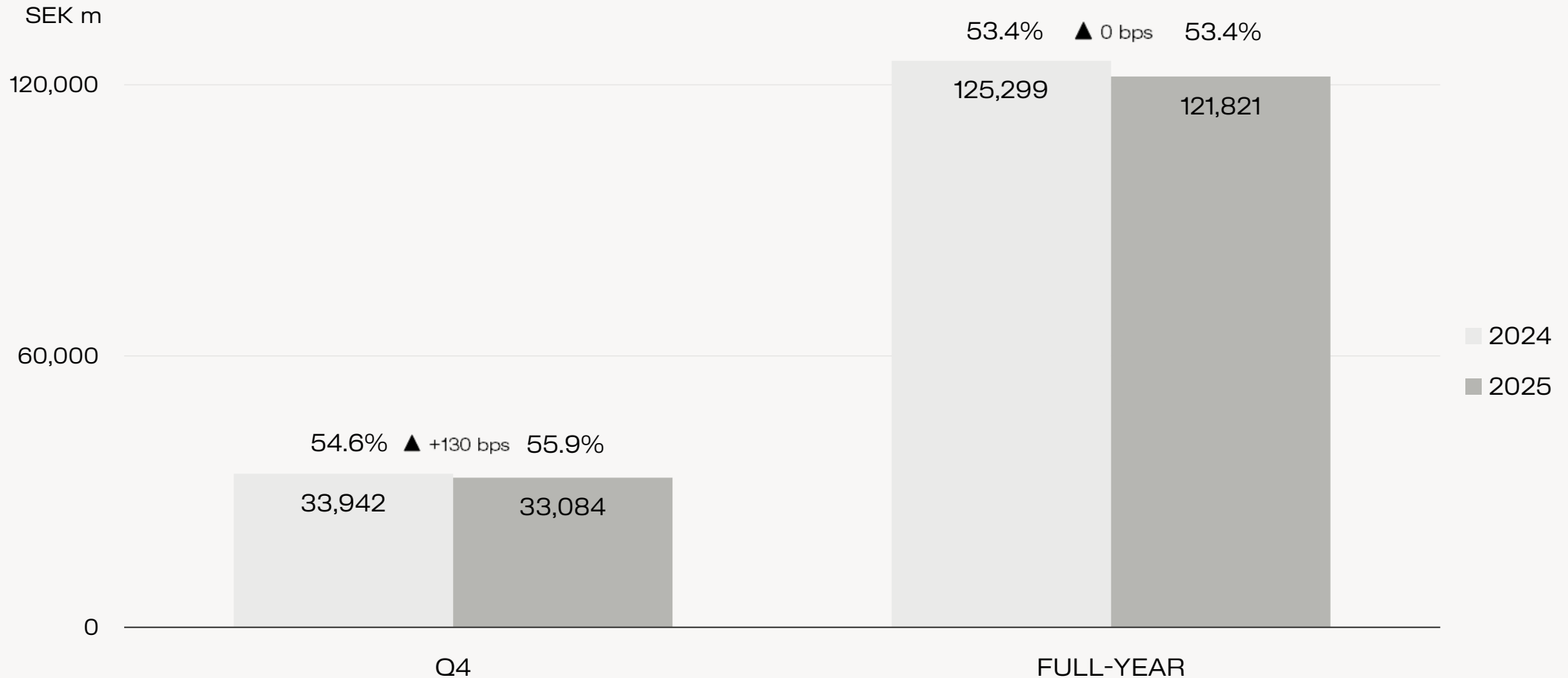
Solid underlying trend countered by rising currency volatility

→ FX volatility resulting in widened gap between positive local currency net sales growth and reported figures



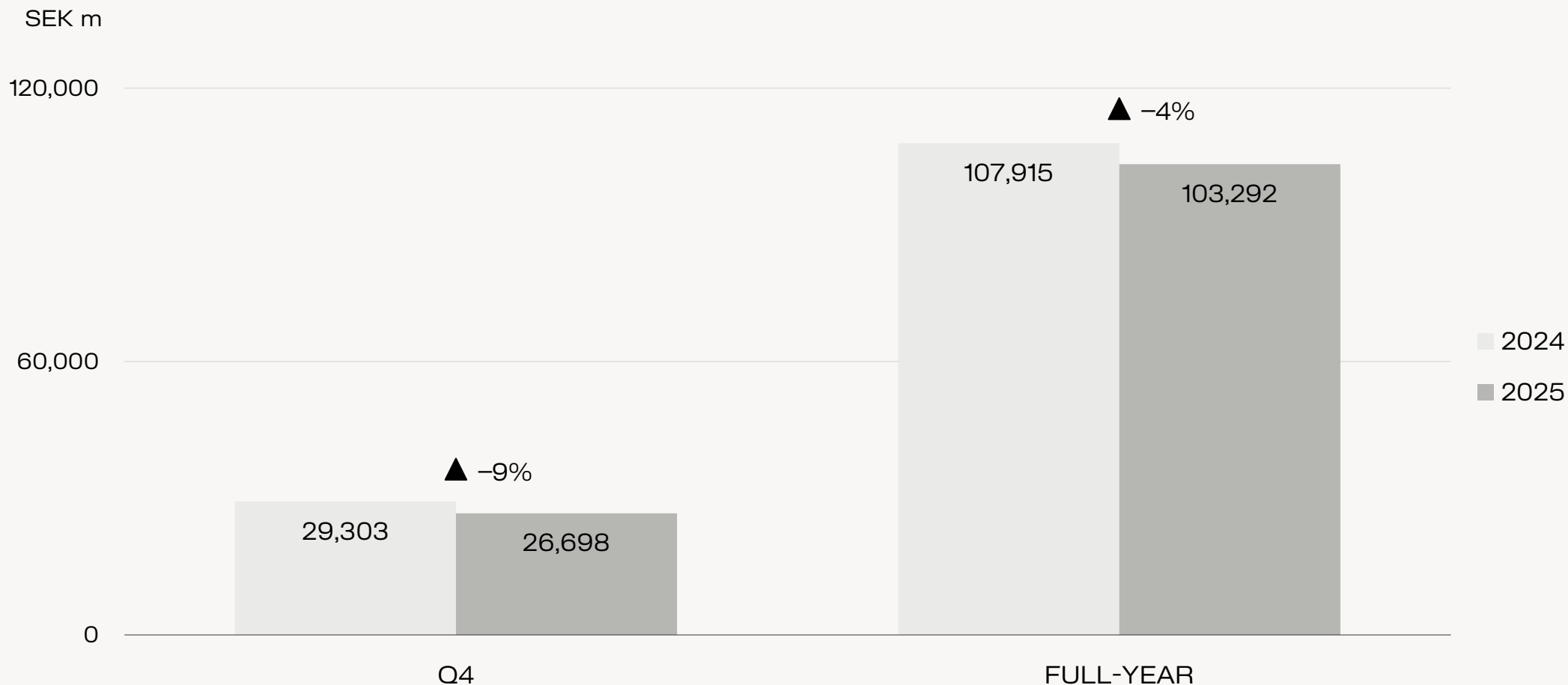
Sourcing excellence driving gross margin improvement

→ Strong development seen in Q3 continued into Q4. Gross margin strengthening with support from sourcing excellence and favourable external factors



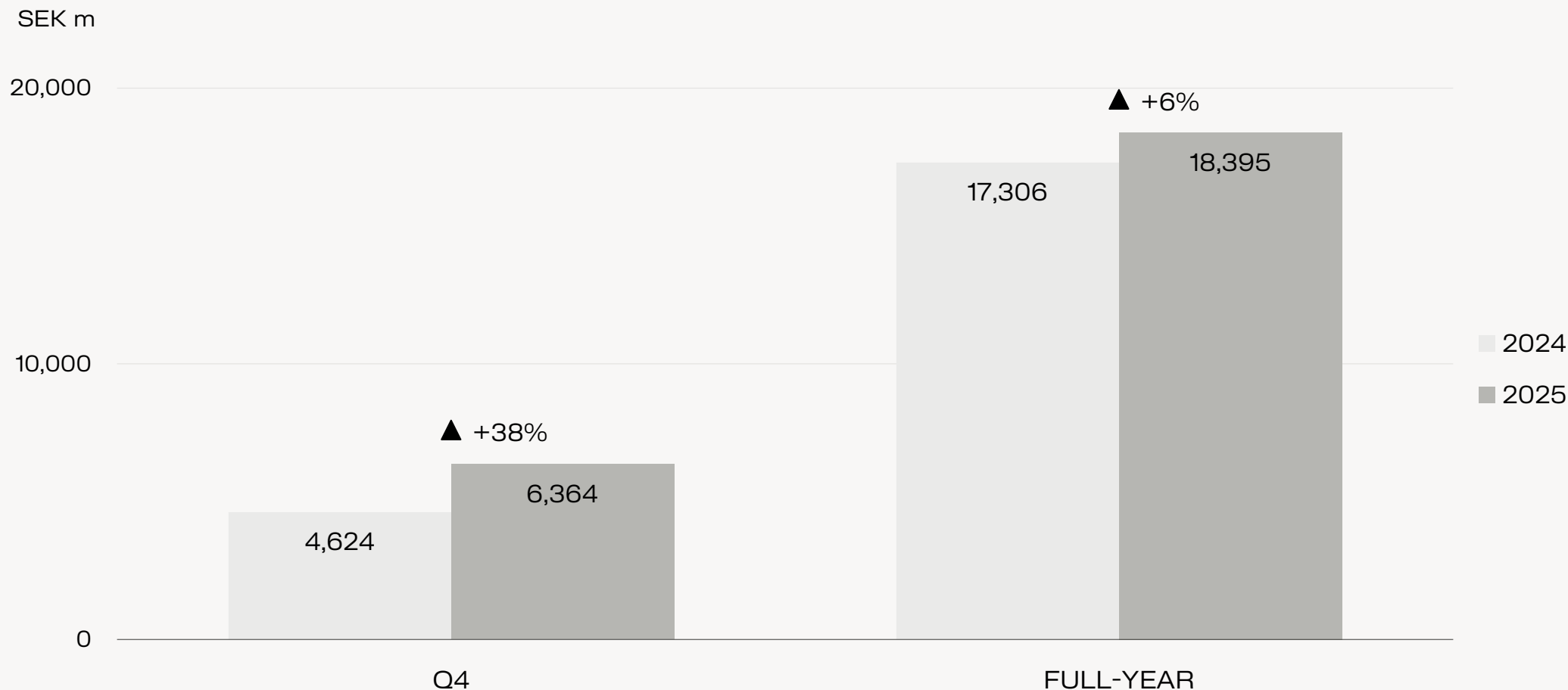
Continued cost control resulting in lower SG&A levels

→ 3% lower SG&A in local currencies in Q4 vs LY

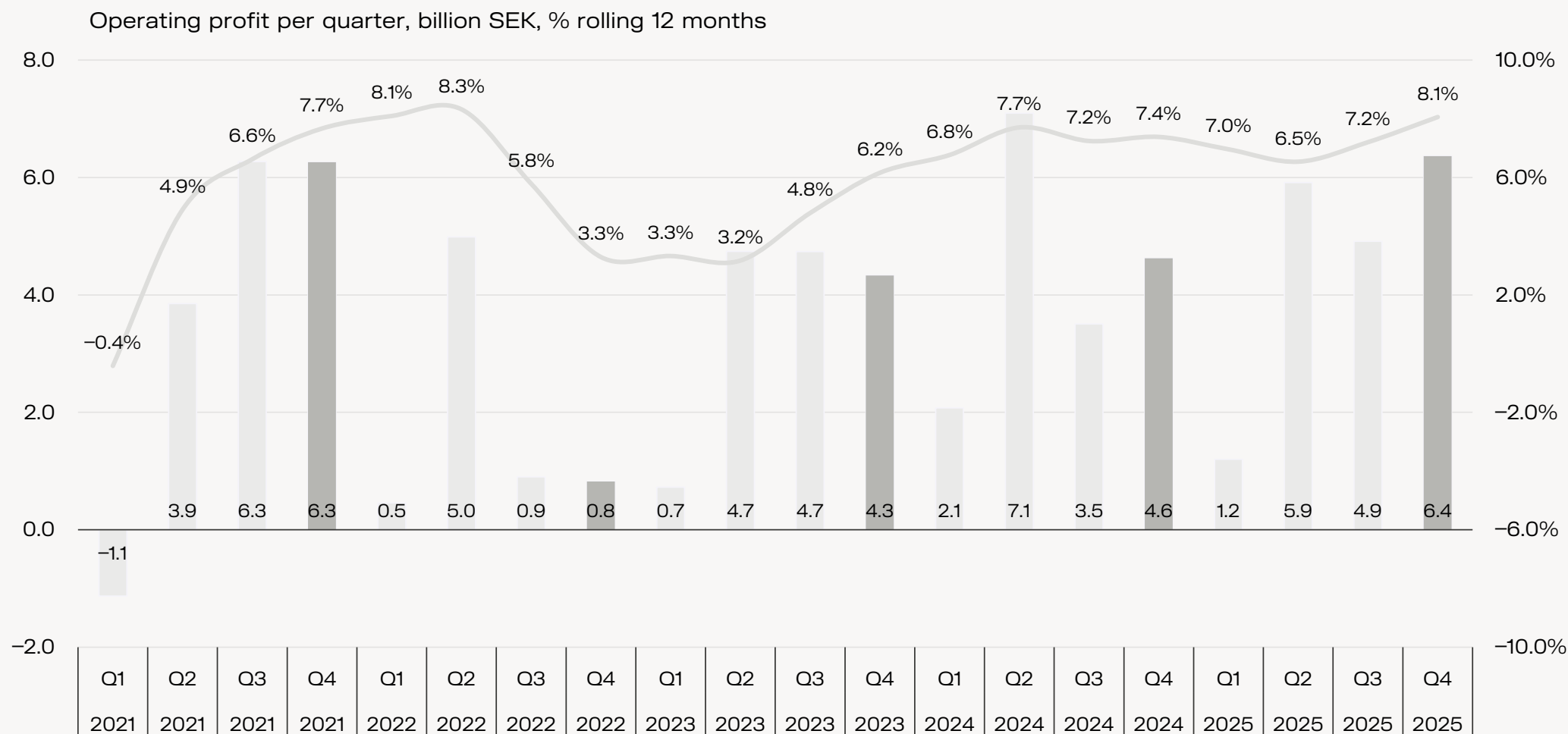


Improved operating profit supported by operational efficiency

→ Operating margin strengthened by 330 bps in Q4 to 10.7% (7.4%), and full year margin improved to 8.1% (7.4%)

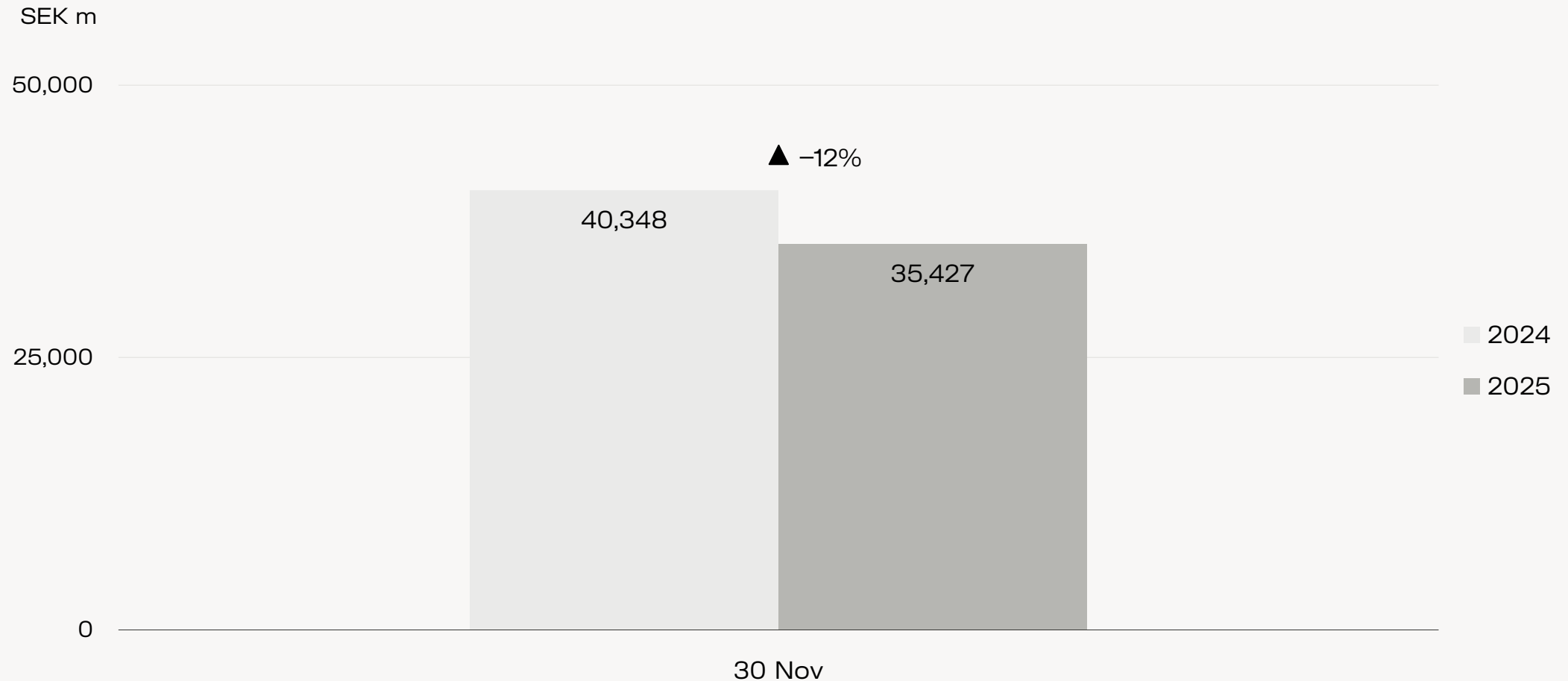


Focus on core business and cost driving increased profitability

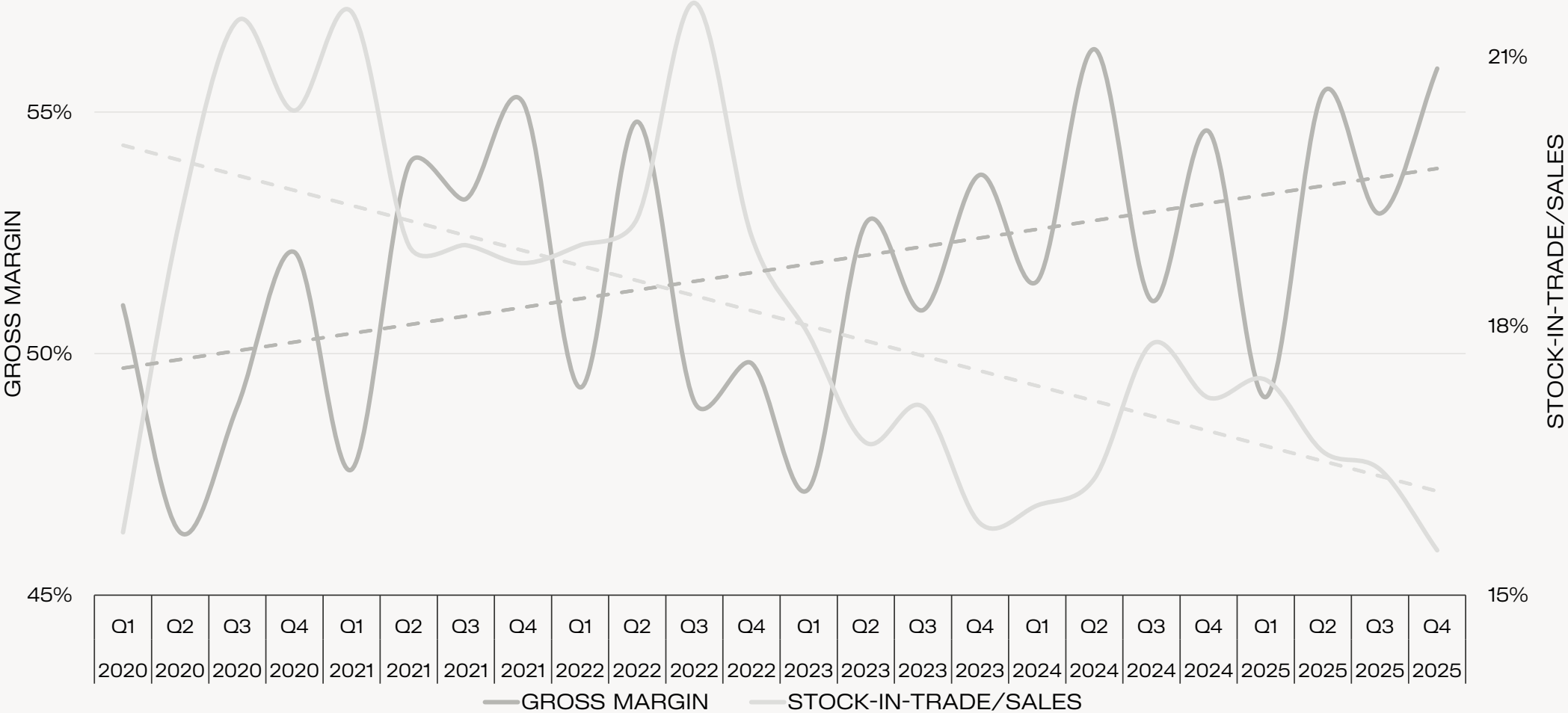


Further inventory productivity improvement

→ Stock-in-trade reduced to 15.5% (17.2%) of rolling 12M sales, as a result of efficiency in demand planning



Strengthened trend for gross margin and inventory productivity



Strong balance sheet and liquidity situation maintained

→ Active working capital management and proactive long-term bond



1. Net debt / EBITDA measured as total debt minus cash, divided by EBITDA including IFRS 16









Integrated sustainability delivering results

→ When business and sustainability move together, we can reduce emissions at scale

Key results

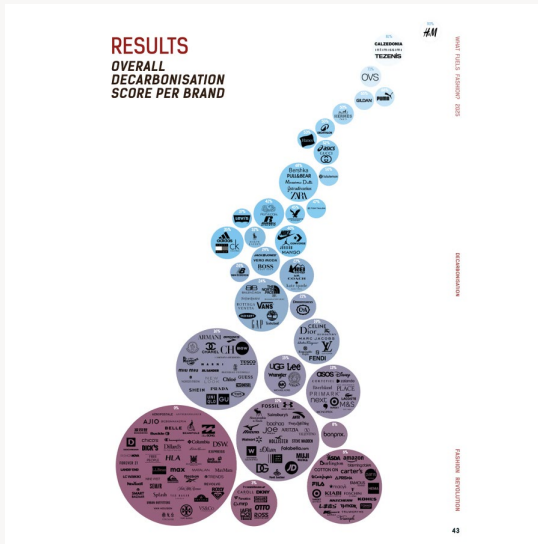
- 30% reduction in Scope 3 emissions vs. 2019 baseline
- On track to meet our climate target to reduce emissions 56% by 2030

How we did it

- Smarter materials
Lower-impact material choices
- Decarbonising our supply chain
More renewable energy, higher efficiency, coal phased out
- Fewer, stronger supplier partnerships
Long-term collaboration enables investment and scale

External recognition of our sustainability work

→ Top rankings during 2025 by Fashion Revolution, Stand.earth, Remake and CDP for our work on climate, water and transparency



Brand Rankings

COMPANY	TOTAL	CLIMATE POLLUTION & TRANSPARENCY	WATER POLLUTION & TRANSPARENCY	WASTE POLLUTION & TRANSPARENCY	ENVIRONMENTAL MANAGEMENT	LABOR POLLUTION & TRANSPARENCY	COMMUNITY POLLUTION & TRANSPARENCY
H&M Group	B+	A+	B+	A	C	C	C
Ellen Fisher	B	C+	C+	B	A-	D+	D+
Kering (Gucci, YSL)	C+	B+	C-	D	A-	C+	C+
Levi Strauss & Co.	C+	C+	B-	D	C+	C-	C-
Patagonia	C+	C-	C	C	B+	D+	D+
Mammut	C	C	C+	D	C+	A+	A+
PUMA	C	B+	C	D	C+	C+	C+
Nike	C	C	C-	B	C-	B-	B-
Inditex (Zara)	C	B	D+	D	B+	C	C
Lululemon	C	B-	C-	D	C	C	C
Adidas	C	B-	D	D	C+	D	D
Burberry	C-	C	C+	D	B-	D	D
PVH (Calvin Klein)	C-	C	C	F	C	C-	C-
BESTSELLER (Vero Moda)	C-	C+	C-	D	C-	C-	C-
New Balance	D+	B-	D	D	D+	C	C
On Running	D+	C	D	F	B-	D+	D+
Gap	D+	C-	C	D	D	D+	D+
Hugo Boss	D+	C	C	D	B+	F	F
VF Corp (The North Face)	D+	C	D	C	D	C	C
Asics	D+	B-	D	C	D-	F	F

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Overall Outlook

Financial Outlook

Gross margin

- Sourcing initiatives targeting both tier 1 and tier 2 suppliers
- Improved inventory productivity but deal sensitive consumer

Selling and administrative expenses

- Ambition to grow SG&A at low single digit level
- Somewhat increased cost pressure
- Further efficiency measures

FX movements

- Large FX movements vs last year
- A stronger EUR vs USD contributes positively to the gross margin
- A stronger SEK result in negative currency remeasurement effects

Inventory

- Demand planning improvements
- In-season buying
- Centralizing the inventory of the European warehousing structure

CapEx

- Investment frame of 9-10 SEK billion
- Focus on store portfolio and tech infrastructure
- Period of high supply chain investments concluded







Thankyou