

H&M Group Full-Year Report 2025



Press and Telephone Conference

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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%*

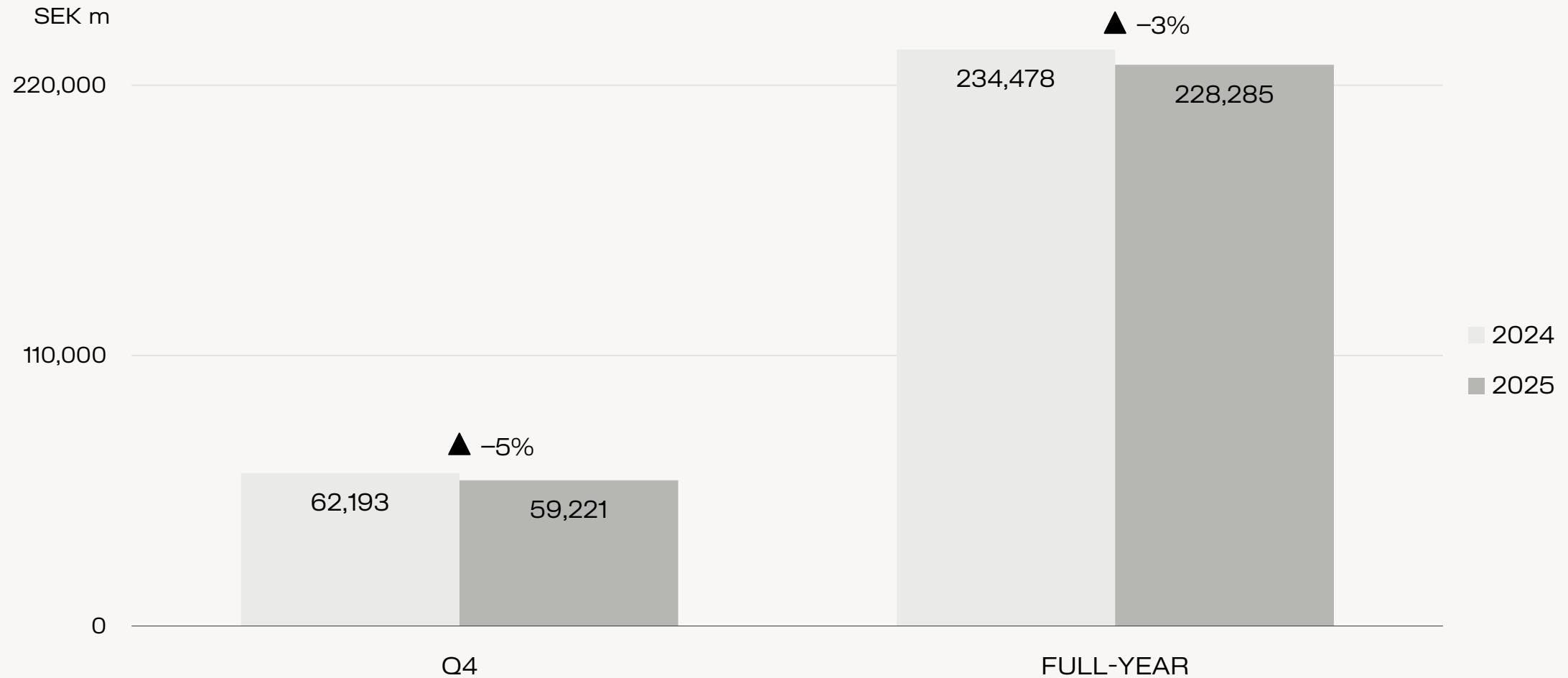
*Reduction for scope 3 emissions compared with the 2019 base year according to preliminary figures



Progress towards our
long-term goals

Consistent local currency growth in net sales

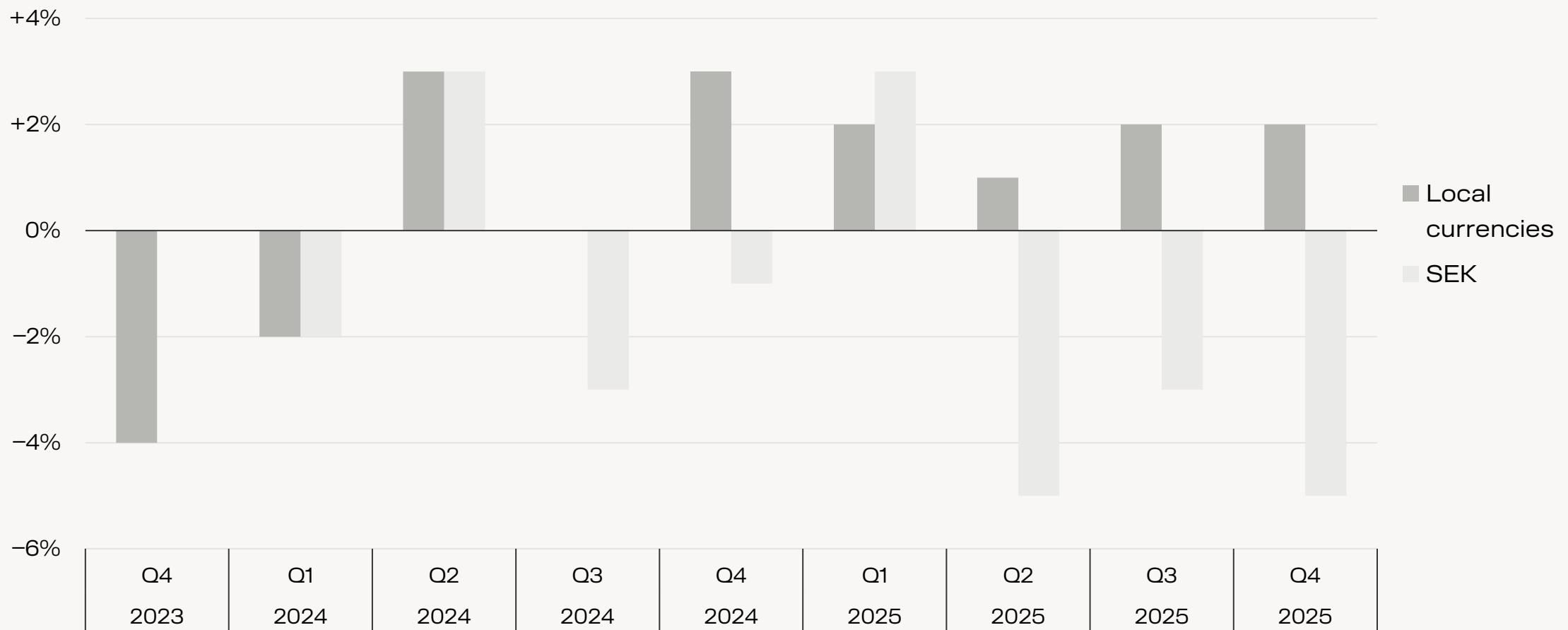
→ Local currency growth of 2% in Q4 and local currency growth trend at 2% in 2025 vs 1% in 2024.
Strong appreciation of SEK vs last year



Solid underlying trend countered by rising currency volatility

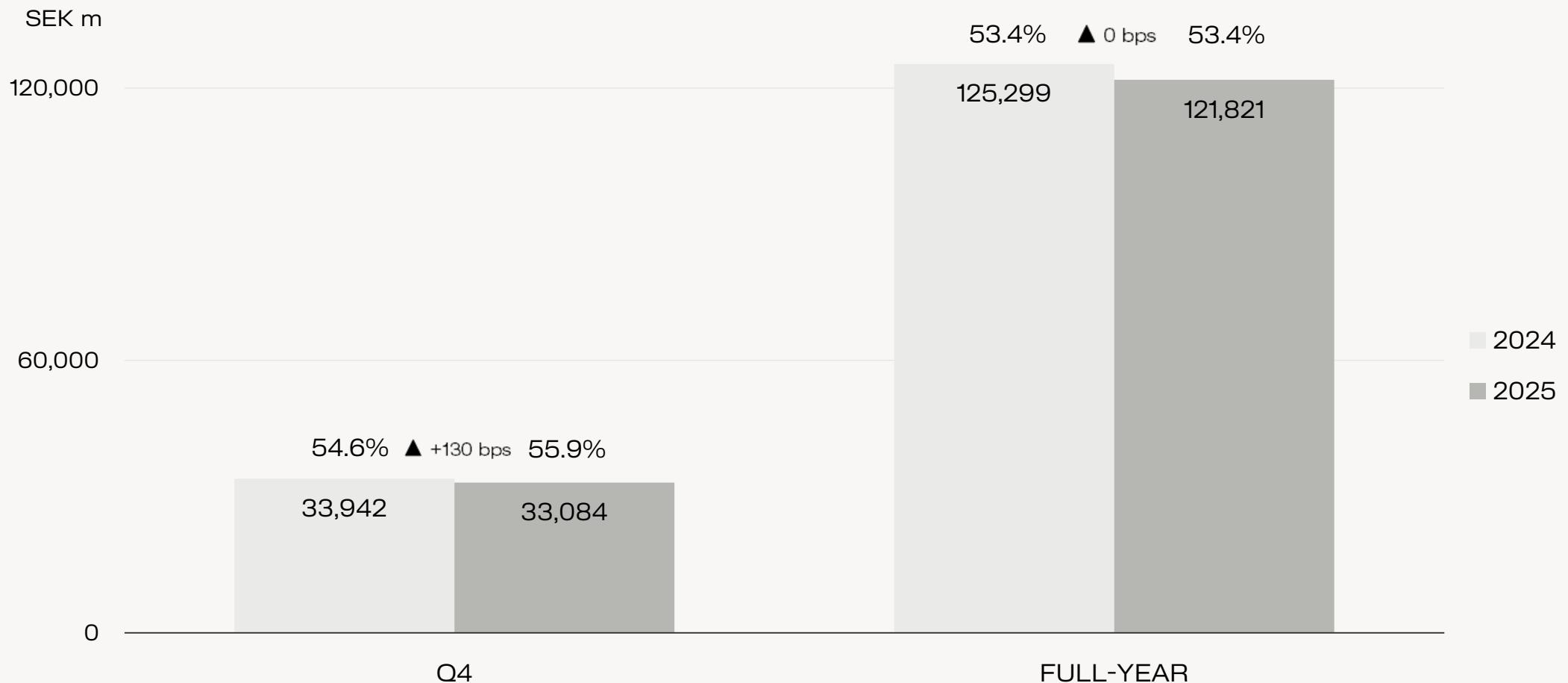
→ FX volatility resulting in widened gap between positive local currency net sales growth and reported figures

Sales development, quarterly YoY



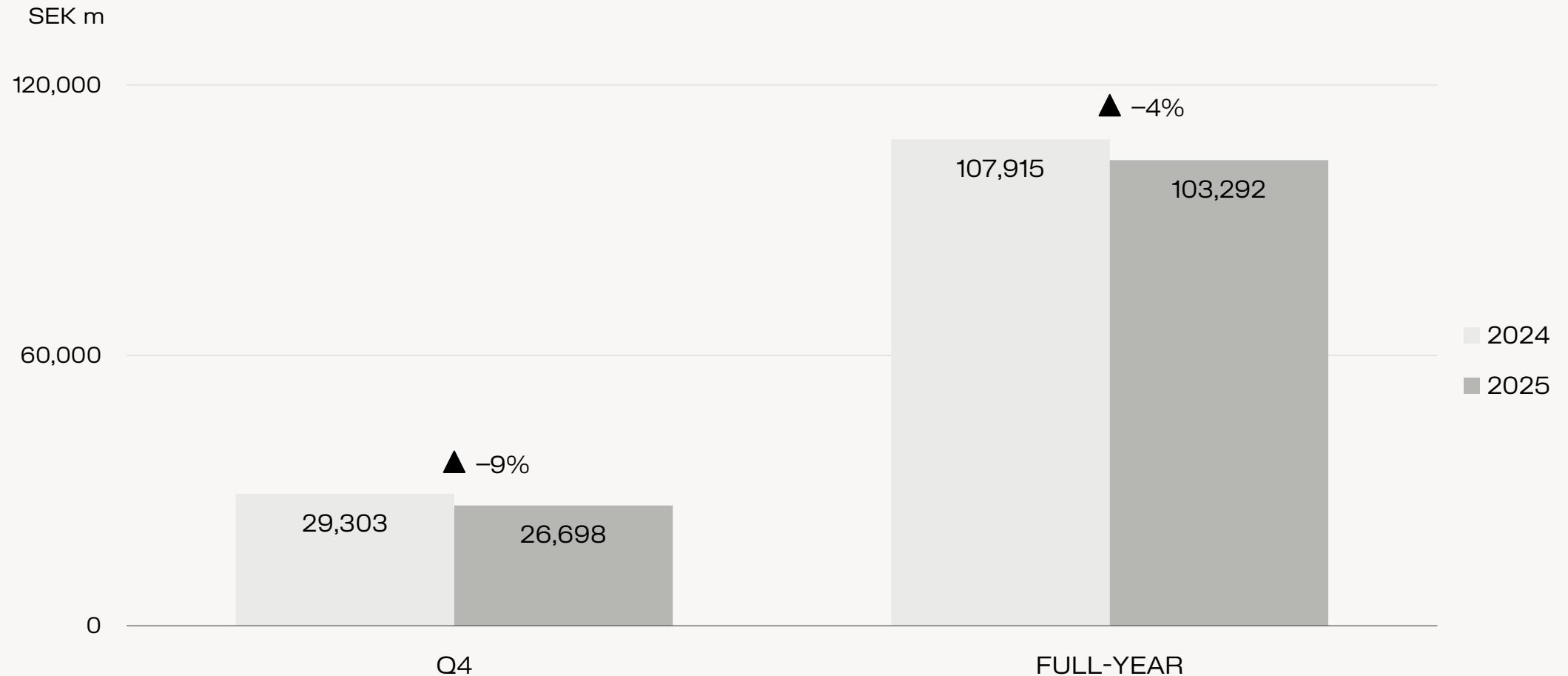
Sourcing excellence driving gross margin improvement

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



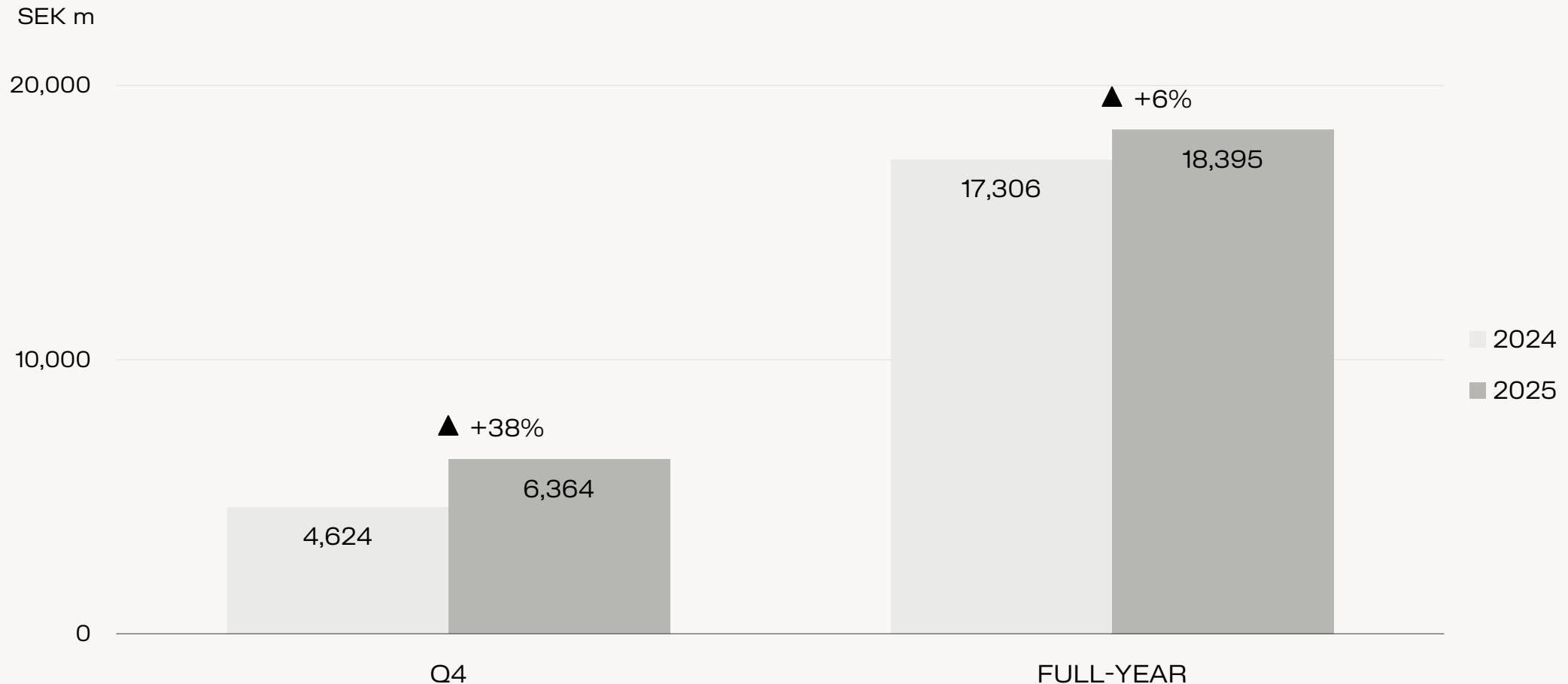
Continued cost control resulting in lower SG&A levels

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

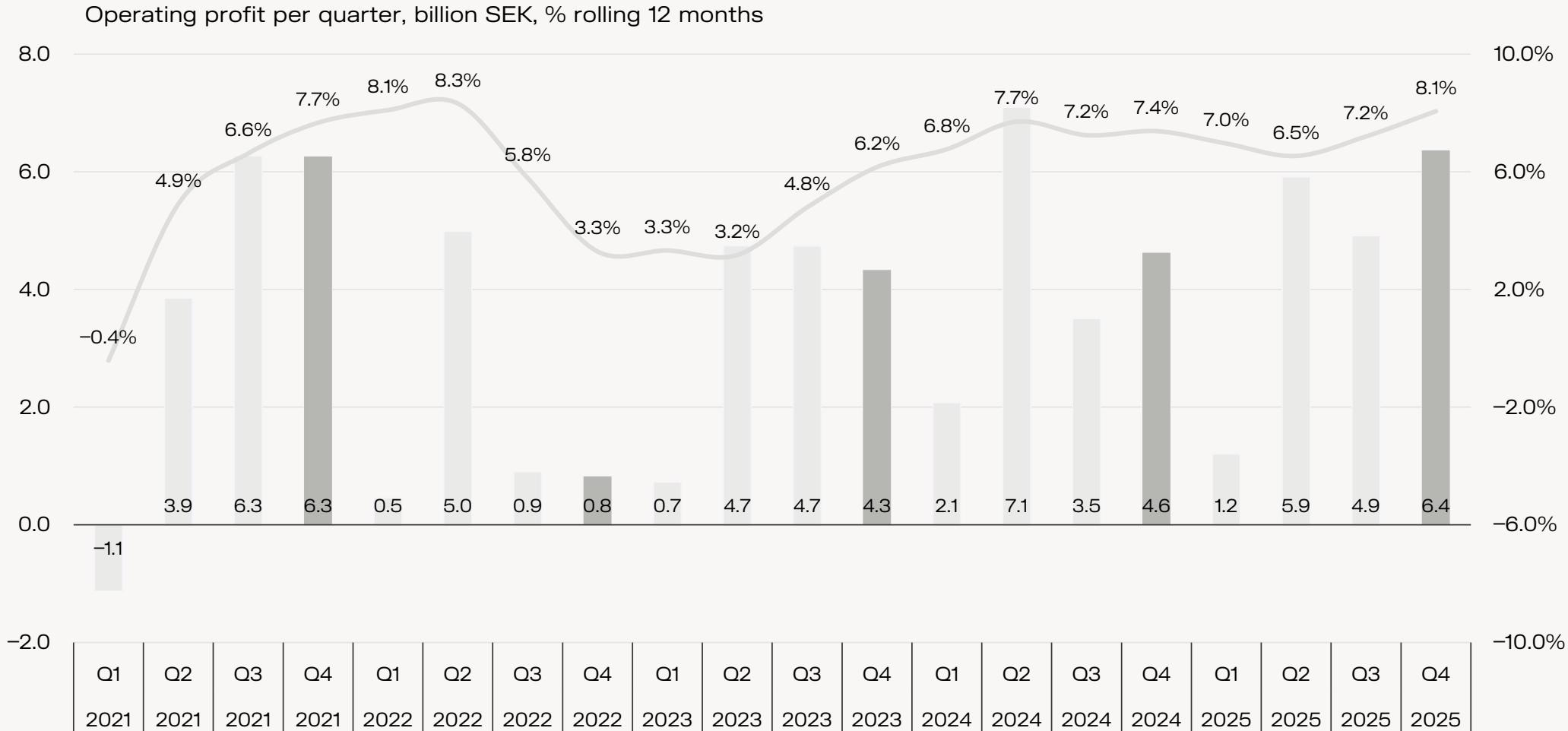


Improved operating profit supported by operational efficiency

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

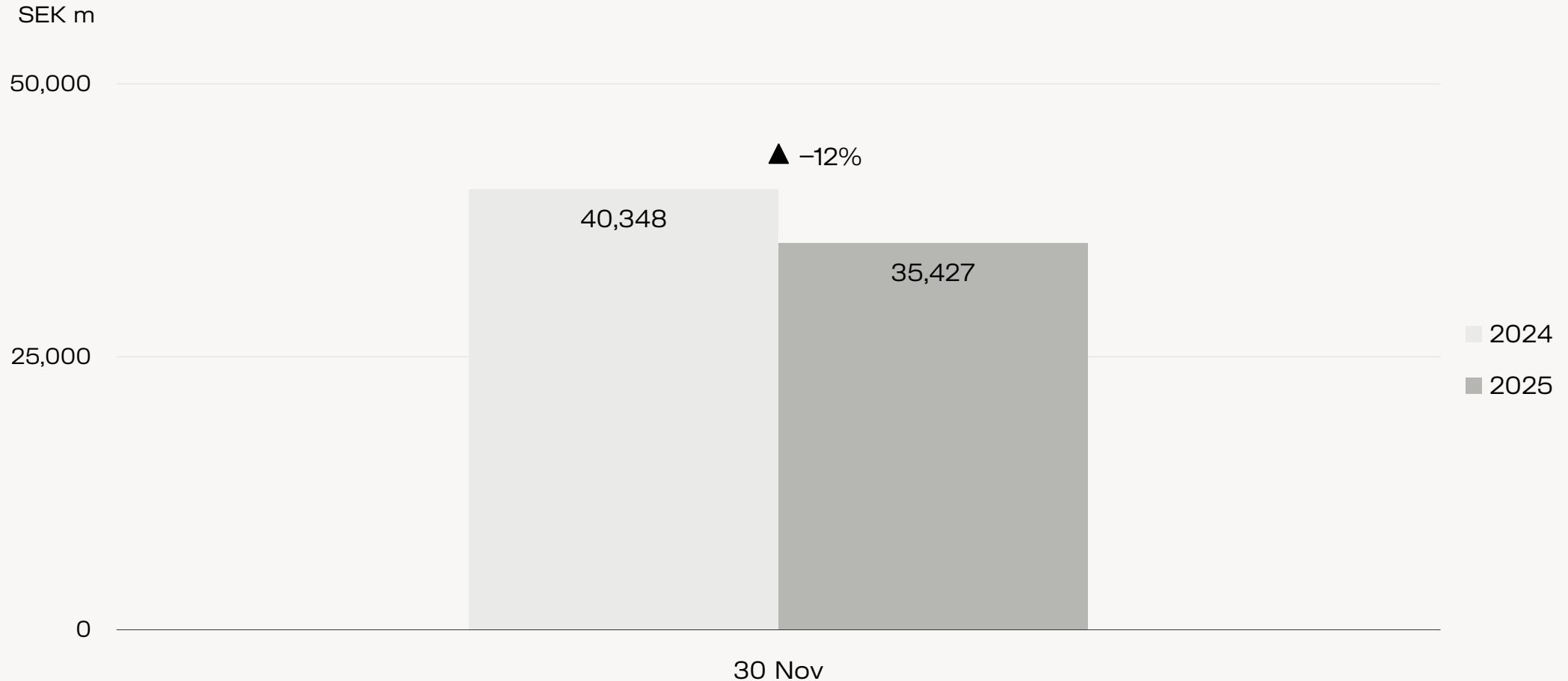


Focus on core business and cost driving increased profitability

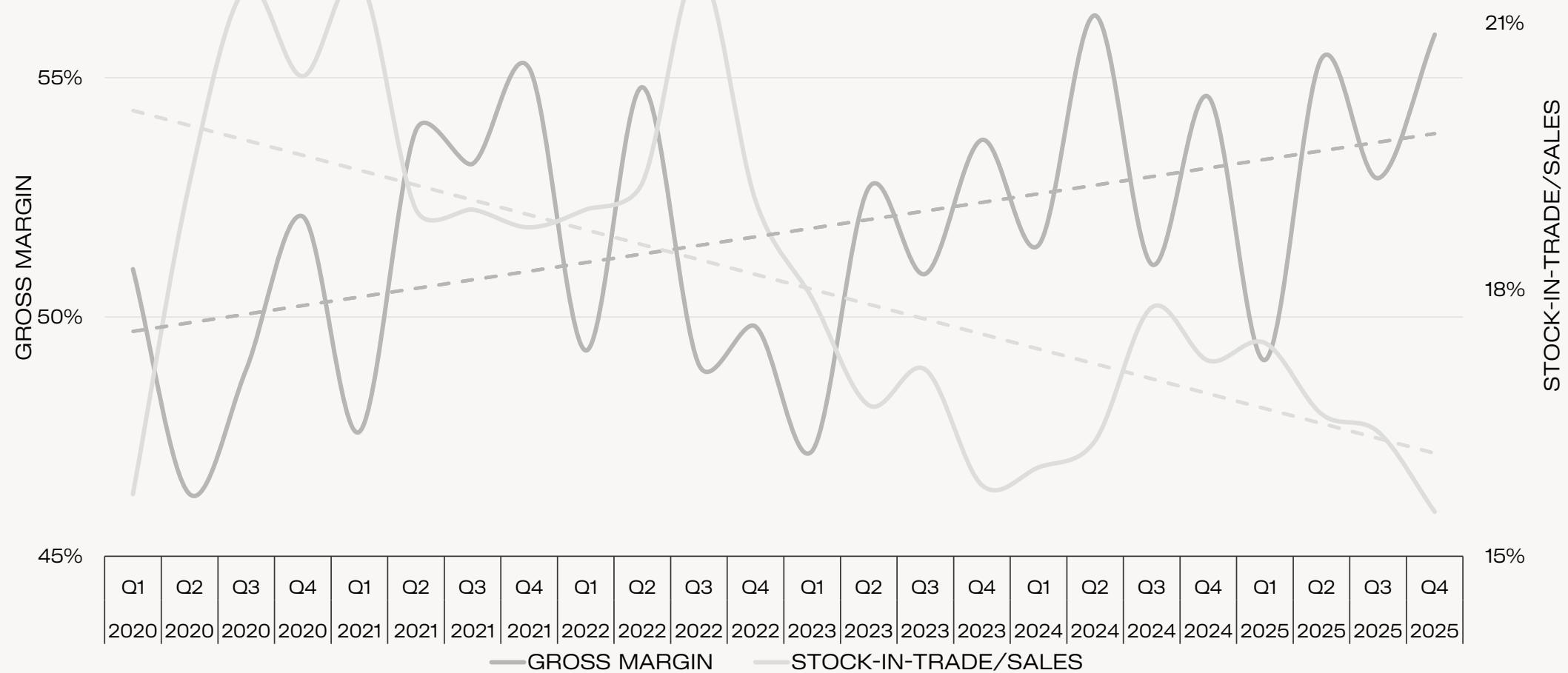


Further inventory productivity improvement

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

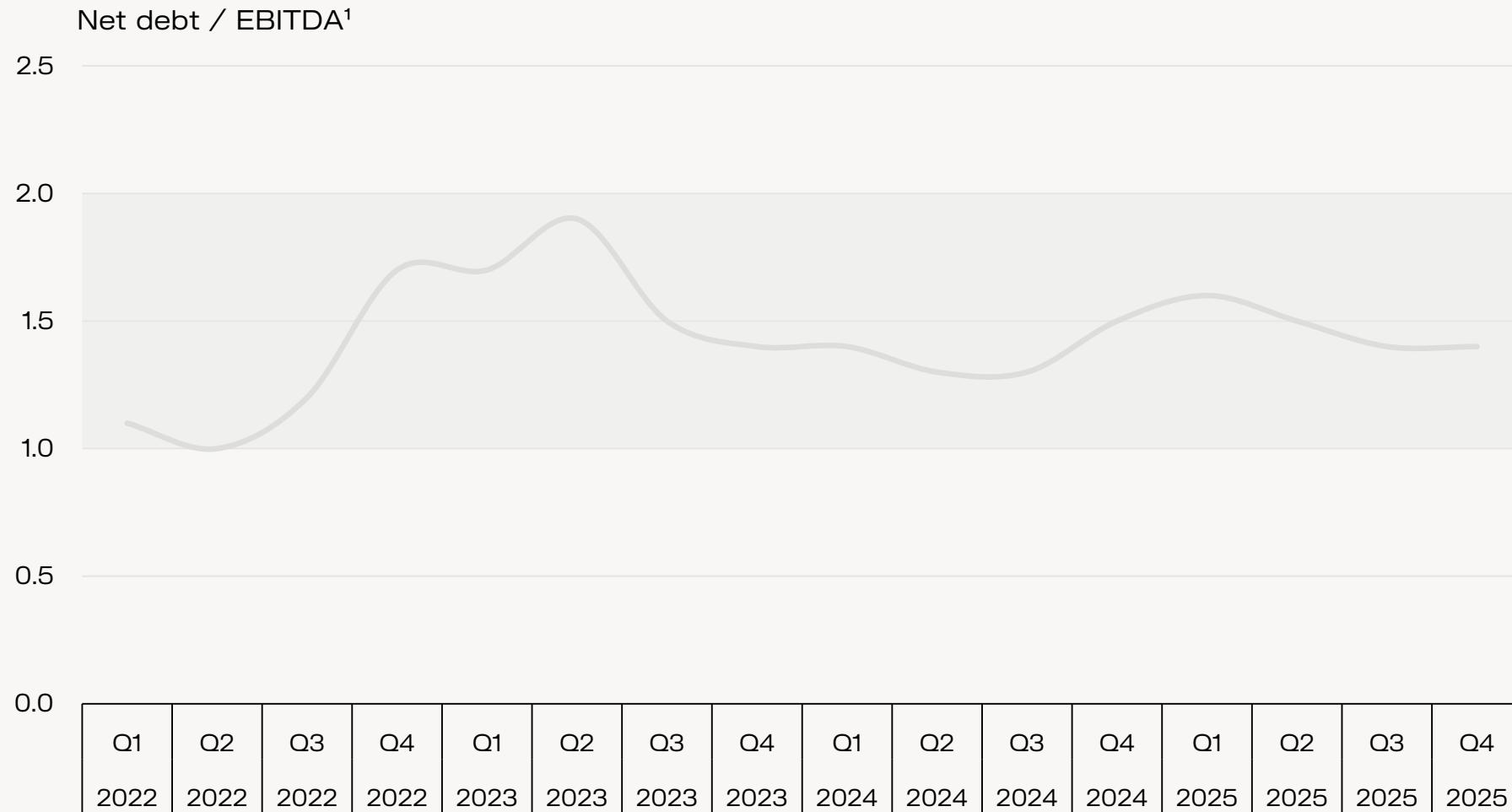


Strengthened trend for gross margin and inventory productivity



Strong balance sheet and liquidity situation maintained

→ Active working capital management and proactive long-term bond

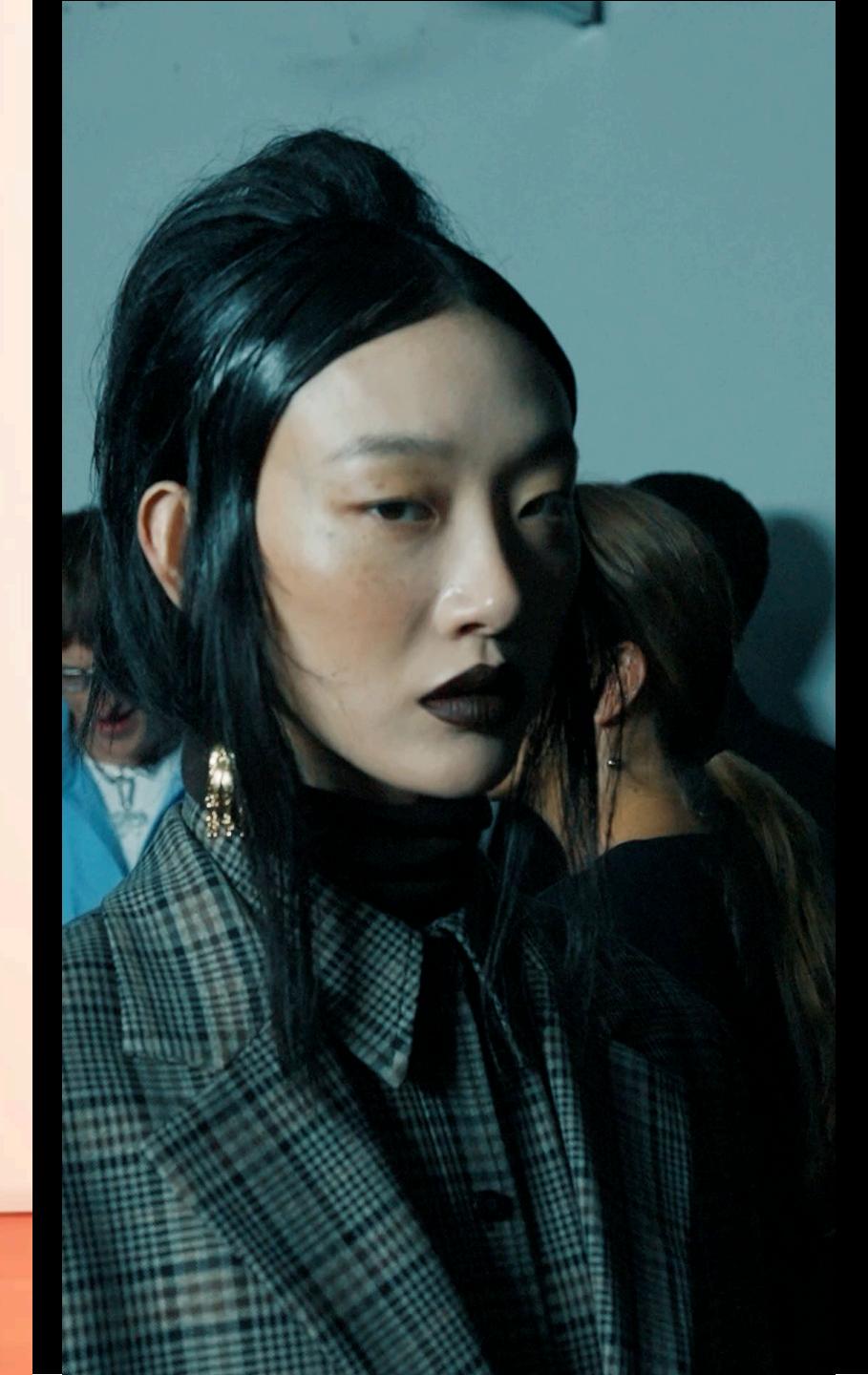
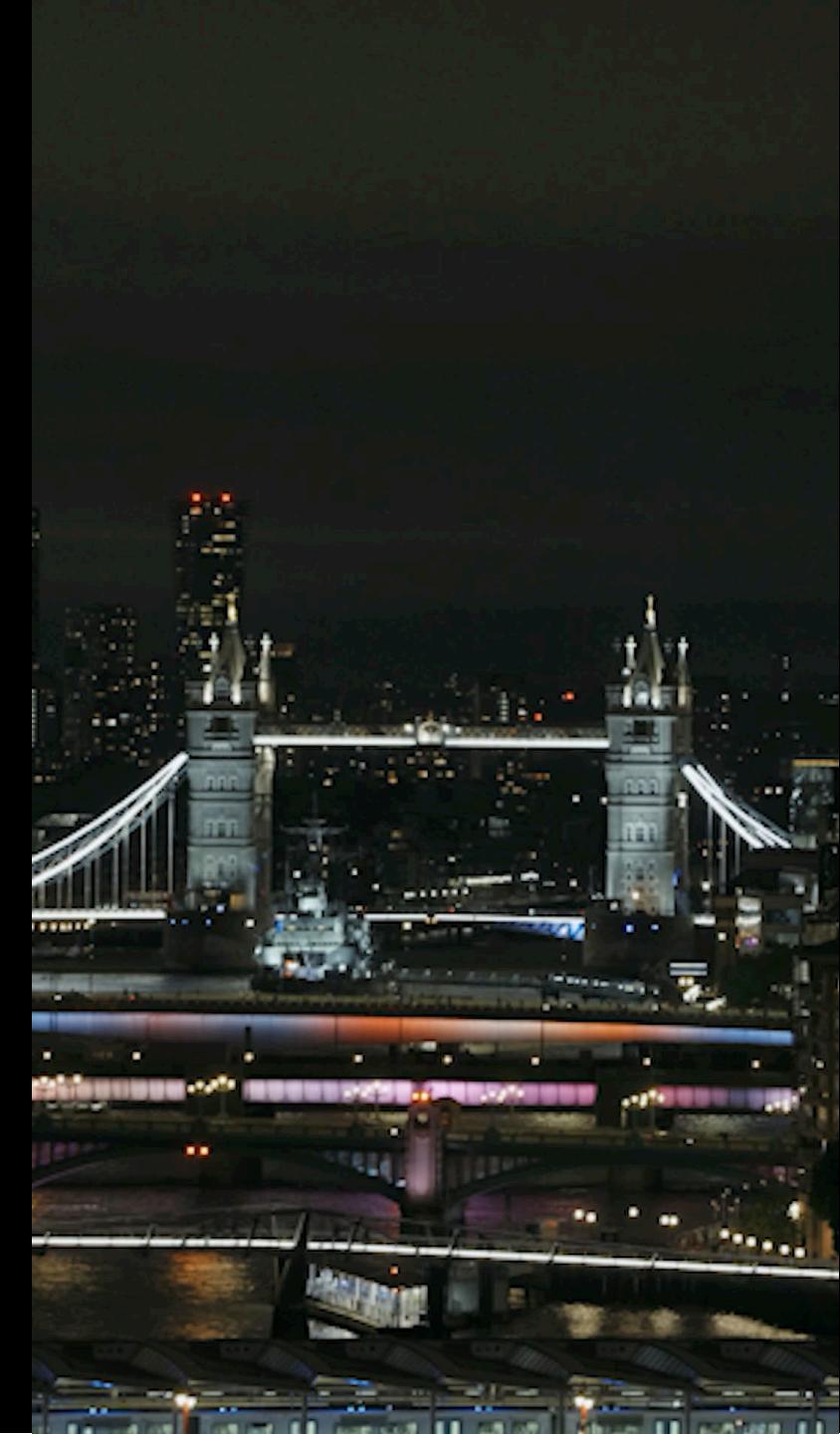


1. Net debt / EBITDA measured as total debt minus cash, divided by EBITDA including IFRS 16









Integrated sustainability delivering results

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

Key results

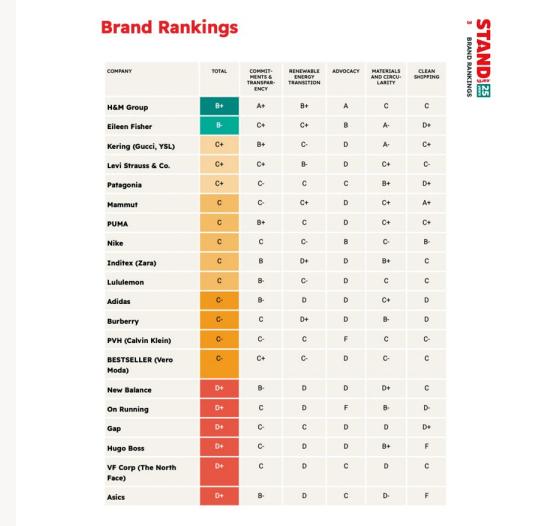
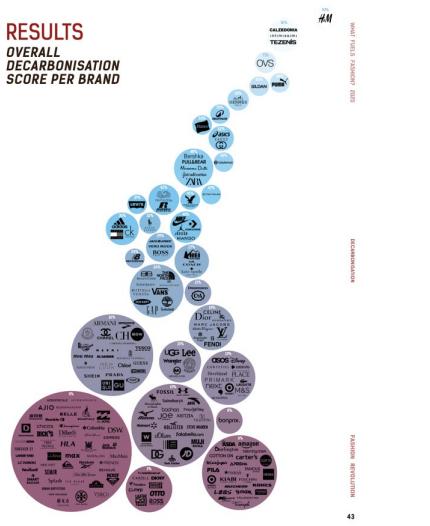
- 30% reduction in Scope 3 emissions vs. 2019 baseline
- On track to meet our climate target to reduce emissions 56% by 2030

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





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

Inventory

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

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

CapEx

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





A black and white photograph of a woman with long dark hair, resting her head on her hand. She is wearing a denim top with a peplum waist and matching denim pants. She is also wearing multiple bracelets on her wrist. The background is plain white.

Thank you