

Q1



H&M GROUP
THREE-MONTH REPORT
2026



H&M

H & M Hennes & Mauritz AB

Three-month report 2026

First quarter (1 December 2025 — 28 February 2026)

- Net sales amounted to SEK 49,607 m (55,333). Sales in local currencies decreased by 1 percent, with around 4 percent fewer stores at the end of the quarter compared with the same point in time last year. Net sales in SEK were negatively affected by a currency translation effect of just over 9 percentage points due to the strengthened Swedish krona.
- Gross profit amounted to SEK 25,138 m (27,169), which corresponds to a gross margin of 50.7 percent (49.1). The costs of markdowns decreased somewhat compared with the previous year.
- Selling and administrative expenses decreased by 1 percent in local currencies. Converted into SEK these expenses decreased by 9 percent to SEK 23,625 m (25,938).
- Operating profit increased by 26 percent to SEK 1,512 m (1,203), corresponding to an operating margin of 3.0 percent (2.2).
- The result after tax increased to SEK 704 m (579), corresponding to SEK 0.45 (0.37) per share.
- Cash flow from operating activities after changes in working capital amounted to SEK 4,025 m (4,201). Operating working capital decreased during the quarter with SEK 2,088 m (1,953), mainly as a result of improved inventory productivity.
- Stock-in-trade decreased by 16 percent to SEK 34,608 m (41,008) and the composition of the stock-in-trade is good. Currency adjusted the stock-in-trade decreased by 5 percent compared with the previous year. The stock-in-trade in SEK represented 15.6 percent (17.4) of rolling 12 months sales.

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- The H&M group’s sales in the month of March 2026 are expected to increase by 1 percent in local currencies compared with the same month the previous year.
 - Today the H&M group publishes its annual and sustainability report 2025. Among other things, the report shows that 32 percent of the materials used in commercial products in 2025 were recycled materials, and that the share of recycled or sustainably produced materials was 91 percent. You can read more about this and our sustainability work at hmgroupp.com.
 - The annual general meeting will be held on 5 May 2026 to resolve, among other things, on the board’s proposed dividend of SEK 7.10 (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 2027 annual general meeting.

50.7%
Gross margin, first quarter
(49.1%)

8.4%
Operating margin
rolling 12 months
(7.0%)

15.6%
Stock-in-trade / sales¹
(17.4%)

“Good cost control and an improved gross margin contributed to strengthened profitability in a quarter characterised by cautious consumption and large currency translation effects,” says Daniel Ervér, CEO.

1. Stock-in-trade in SEK, as at 28 February, as a percentage of rolling 12-month sales.

Comments by Daniel Ervér, CEO

Good cost control and improved gross margin contributed to strengthened profitability in a quarter marked by cautious consumption and large currency translation effects.

Sales in local currencies decreased by 1 percent, while the store count was around 4 percent lower than in the same quarter last year. Revenue in SEK were negatively affected by a currency translation effect of just over 9 percentage points due to the strengthened Swedish krona. The quarter began in December with weaker demand following strong Black Friday trading in November. Towards the end of the quarter our well-received spring collections contributed to a positive sales trend, which also continued into March.

Through continued good cost control, greater efficiency in our product purchasing and external factors that positively affected purchasing costs, we strengthened both the gross margin and the operating margin compared with the same quarter last year. The results of this can also be seen over the past 12 months, as the operating margin has improved by 1.4 percentage points to 8.4 percent.

We are continuing to develop the customer offering with a focus on product, experience and brand to strengthen the

foundation for profitable and sustainable growth. Inventory efficiency was improved further during the quarter, and the stock-in-trade situation is good. Shorter decision paths mean we are able to act faster; combined with deeper collaboration with our suppliers, this increases our opportunities to purchase a higher share of the assortment in season and thus create an even more relevant offering. We are also continuing to implement improvements in our physical stores within areas such as tech, layout and presentation.

In a still challenging macroeconomic environment marked by increased geopolitical uncertainty, flexibility is more important than ever. With the customer in focus, short decision paths and good cost control, we can adapt to a rapidly changing environment and continue to offer our customers relevant fashion with the best possible value for money.



Sales

Net sales amounted to SEK 49,607 m (55,333). Sales in local currencies decreased by 1 percent, with around 4 percent fewer stores at the end of the quarter compared with the same point in time last year.

Net sales in SEK were negatively affected by a currency translation effect of 9 percentage points due to the strengthened Swedish krona.

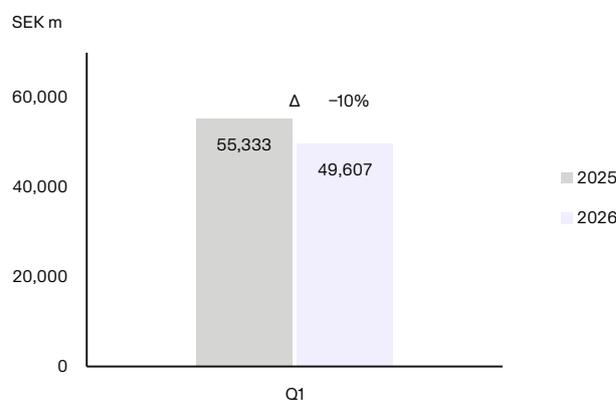
To strengthen the H&M group's long-term position and profitability further, the optimisation of the store portfolio is continuing. More stores are being updated and new stores are being opened, while some stores are being closed. At the beginning of the first quarter there were 152 fewer stores than at the same point in time last year and at the end of the quarter there were 163 fewer stores than at the same point in time last year. The comparison with the previous year is affected by the closure of all Monki stores in 2025. At the beginning of the first quarter last year there were 48 Monki stores, with 43 remaining at the end of the quarter. The optimisation of the store portfolio has had a somewhat negative impact on sales in the first quarter of 2026 due to store closures and rebuilds. For full-year 2026, however, the sales effect from store optimisation is expected to be slightly positive.

Online continued to perform well. Just over 30 percent of sales takes place online.

For portfolio brands, net sales decreased in the first quarter by 1 percent in local currencies. Net sales in SEK were negatively impacted by a currency translation effect of just over 9 percentage points due to the stronger Swedish krona. Excluding Monki, sales for portfolio brands increased by 1 percent in local currencies during the first quarter of 2026.

The H&M group's sales in the month of March 2026 are expected to increase by 1 percent in local currencies compared with the same month the previous year.

Net sales



Sales per region	Q1 SEK m		Q1 change in %	
	2026	2025	SEK	Local currencies
The Nordics	4,473	4,606	-3	0
Western Europe	16,557	17,956	-8	-1
Eastern Europe	4,419	4,746	-7	-1
Southern Europe	6,837	7,363	-7	3
North and South America	11,172	13,202	-15	-3
Asia, Oceania and Africa	6,149	7,460	-18	-3
Total	49,607	55,333	-10	-1

Stores per region	Change in number of stores (net)		Number of stores	
	Q1 2026	28 Feb 2026	28 Feb 2026	28 Feb 2025
The Nordics	-1	356	375	375
Western Europe	-8	986	1,010	1,010
Eastern Europe	-4	474	477	477
Southern Europe	-1	562	567	567
North and South America	-12	757	753	753
Asia, Oceania and Africa	-25	915	1,031	1,031
Total	-51	4,050	4,213	4,213

Gross profit and gross margin

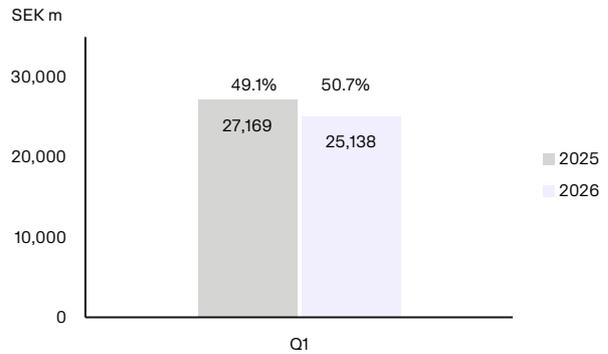
Gross profit and gross margin are a result of many factors, internal as well as external, and are mostly affected by the decisions that the H&M group takes in line with its strategy to always have the best combination of fashion, quality, price and sustainability.

Gross profit amounted to SEK 25,138 m (27,169) for the first quarter, corresponding to a gross margin of 50.7 percent (49.1). The improvement work in the supply chain, external factors that had a positive influence on purchasing costs and somewhat lower costs for markdowns strengthened the gross margin in the first quarter.

For the goods being sold in the second quarter of 2026, the overall effect of external factors is assessed to be somewhat positive compared with the corresponding period the previous year.

The cost of markdowns as a percentage of sales in the second quarter 2026 is expected to be somewhat higher than in the corresponding quarter the previous year.

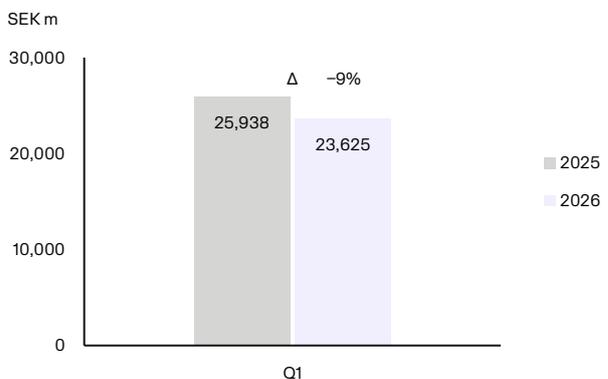
Gross profit and gross margin



Selling and administrative expenses

Good cost control has countered continued inflationary pressures in the cost base. Selling and administrative expenses in the first quarter decreased by 1 percent in local currencies. Converted into SEK these expenses decreased by 9 percent to SEK 23,625 m (25,938).

Selling and administrative expenses



Operating profit and operating margin

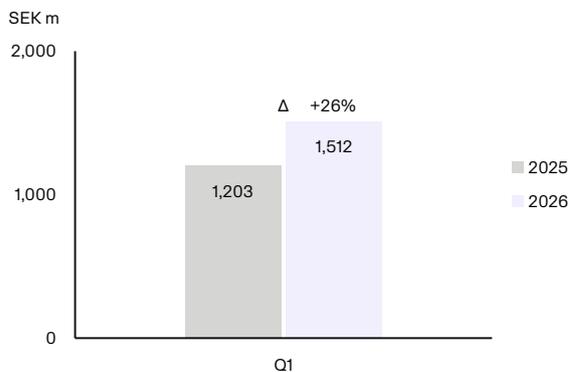
Operating profit in the first quarter increased by 26 percent to SEK 1,512 m (1,203), corresponding to an operating margin of 3.0 percent (2.2).

For rolling 12 months the operating margin was 8.4 percent (7.0).

The improvement in operating profit and margin is mainly due to a stronger gross margin and good cost control.

The currency translation effect in the quarter had a negative impact on operating margin as the part of the H&M group’s cost base that is denominated in SEK does not decrease as a result of the strengthening of the Swedish krona.

Operating profit



Stock-in-trade

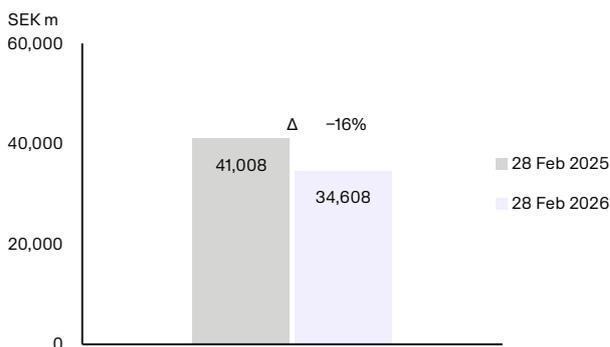
The stock-in-trade decreased by 16 percent to SEK 34,608 m (41,008). Currency adjusted the stock-in-trade decreased by 5 percent compared with the previous year.

The composition of the stock-in-trade is good.

The stock-in-trade in SEK represented 15.6 percent (17.4) of rolling 12 months sales.

The investments in the supply chain and the integration of the sales channels continue. A higher share of product purchases in current season, and a more efficient and more flexible supply chain, create the conditions for improved stock availability for the customer even with a lower volume of stock, which also contributes to cash flow through a lower level of tied-up working capital. During 2026 new warehouses in Europe will gradually be taken into use, thereby securing growth capacity, good stock availability and flexibility between the sales channels while at the same time optimising the network structure.

Stock-in-trade



Expansion with 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. Physical and digital stores continue to be the largest area for investments in the business in 2026 to provide an even more inspiring shopping experience. The H&M group works continuously to adapt the store portfolio based on customers' behaviour in each market and is contractually able to renegotiate or exit around a third of leases each year. During 2026 work continues to update a large part of the stores through improvements in layout, presentation and tech, to further strengthen the customer experience and the interaction between our channels.

The optimisation of the store portfolio continues with store openings, closures and rebuilds, thereby further strengthening the H&M group's long-term position. Overall this had a slightly negative sales impact in the first quarter of 2026. For the full-year 2026 the sales effect is expected to be slightly positive. For 2026 the plan is to open around 80 new stores, while around 160 stores are planned for closure. Openings are planned in all regions and most of the openings will be in growth markets. In addition to this, the digital expansion into new markets and channels continues.

The company is continuing its expansion in Latin America. Seven stores in Brazil, with the first in Rio de Janeiro, are so far contracted to open in 2026. Paraguay will become a new H&M market in 2026 and H&M will also open its first store in Malta via franchise in the first half of 2026. H&M opened online in Ukraine during the first quarter of 2026.

ARKET opened its first store in Greece in the first quarter and will open its first store in Lithuania in 2026. During the first quarter ARKET and & Other Stories were launched on Zalando in Sweden, the Netherlands, Denmark, France, Poland and Belgium. COS opened online in Canada in March 2026.

Store count and markets by brand

As at 28 February 2026 the H&M group had 4,050 (4,213) stores, i.e. the total number of stores has decreased by 163 stores compared with the same point in time the previous year, which corresponds to a reduction of around 4 percent. During the first three months of the current financial year 17 (8) new stores have opened and 68 (48) stores have closed. A total of 251 (257) of the group's stores are operated by franchise partners.

Number of stores	Change in number of stores (net)		Total number of stores		Number of markets 28 Feb 2026	
	Q1 2026	28 Feb 2026	28 Feb 2025	Store	Online	
	H&M	-44	3,616	3,742	81	62
COS	1	247	239	49	38	
Monki	0	0	43	0	29	
Weekday	-1	43	46	14	29	
& Other Stories	0	66	69	24	32	
ARKET	1	54	41	22	31	
H&M HOME ¹	-8	24	33	12	45	
Sellpy	0	0	0	0	24	
Total	-51	4,050	4,213			

1. 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 in the three-month period amounted to SEK 4,025 m (4,201) and was affected by, among other things higher profit, lower depreciation and increased tax payments.

The H&M group's liquidity remains very good. As at 28 February 2026 cash and cash equivalents amounted to SEK 18,733 m (16,578). In addition, the group has undrawn credit facilities of SEK 19,157 m (17,892). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 37,890 m (34,470).

Operating working capital

Operating working capital decreased during the quarter by SEK 2,088 m (1,953) to SEK 18,924 m (19,609), mainly as a result of improved inventory productivity.

Financing

Net debt including lease liabilities in relation to EBITDA amounted to 1.5 (1.6) with net debt of SEK 1,465 m (– 2,273). 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 20,198 m (14,305) as at 28 February 2026. The average maturity of interest-bearing liabilities was 4.9 (4.9) years as at 28 February 2026.

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities as at 28 February 2026 is given in the table below.

Operating working capital	2026-02-28	2025-02-28	2025-11-30
SEK m			
Accounts receivable	3,599	2,849	6,411
Stock-in-trade	34,608	41,008	35,427
Accounts payable	–19,283	–24,248	–20,826
Total operating working capital	18,924	19,609	21,012

Liquidity and debt financing	Bonds (EMTN)	Loans from credit institutions	Unused credit facilities
Year			
2026	–	2,424	–
2027	–	–	5,321
2028	–	–	–
2029	5,321	–	13,836
2030	–	1,500	–
2031	5,632	–	–
2032	–	–	–
2033	5,321	–	–
Total SEK m	16,274	3,924	19,157

Tax

The group's tax rate for the financial year 2026 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) will 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 2026 are expected to increase by 1 percent in local currencies compared with the same month the previous year.

The cost of markdowns as a percentage of sales in the second quarter 2026 is expected to increase somewhat compared with the corresponding quarter the previous year.

The company is closely monitoring developments in the Middle East and the implications for global trade. With good flexibility in the supply chain and a low proportion of air freight, there are opportunities to adapt the flow of goods to changed conditions. Middle Eastern markets account for a small portion of the company's total sales and the markets are operated through franchise partners.

Risks and uncertainties

The H&M group's risk exposure is shaped by both global market changes and internal business development. To ensure robust governance, the company works proactively and continuously to identify, assess and mitigate operational and financial risks.

The company's operational risks are closely linked to business processes and external factors that may affect the group's delivery capacity and efficiency. Ongoing risk assessment supports informed business decisions and enables early action.

Risk management is fully integrated into planning and governance, giving the company the ability to respond quickly to changes in the outside world and strengthen the group's resilience.

The H&M group is highly affected by external risks linked to the industry's rapid shifts, changing consumer behaviour, geopolitical tensions that affect the stability of the supply chain and increased complexity around cybersecurity. In addition, operational risks arise and are mitigated on an ongoing basis in connection with expansion into new markets, the launch of new concepts and the development of the company's brands.

Detailed information on financial and sustainability risks can be found 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 2025 – 28 February 2026, will be published at 08:00 CET on 26 March 2026, followed by a combined webcast and conference call at 09:00 CET for the financial market and media. The combined webcast and conference call will be held in English, hosted by CEO Daniel Erv r, CFO Adam Karlsson and Head of IR Joseph Ahlberg.

To listen and see the presentation please register via this link: <https://edge.media-server.com/mmc/p/og32667j>
To ask questions during the Q&A session please register and dial-in via this link: <https://register-conf.media-server.com/register/BIf969b143fda741568b60205a8081216>
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To book interviews for media in conjunction with the three-month report on 26 March 2026, please contact: Anna Frosch Nordin, Head of Media Relations, telephone +46 73 432 93 14, anna.froschnordin@hm.com.

Calendar

5 May 2026	Annual general meeting at 15:00, Erling Persson Hall, Aula Medica, Solna
25 June 2026	Six-month report, 1 Dec 2025 – 31 May 2026
24 September 2026	Nine-month report, 1 Dec 2025 – 31 Aug 2026
28 January 2027	Full-year report, 1 Dec 2025 – 30 Nov 2026

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

Stockholm, 25 March 2026
Board of Directors

Contact

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For more information about the H&M group visit hmgroup.com.

This document is a translation of the Swedish original. In case of any discrepancy, the Swedish original will prevail.

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 26 March 2026. This interim report and other information about the H&M group are available at hmgroup.com.

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. The group's brands are H&M (including H&M HOME, H&M Move and H&M Beauty), COS, Weekday (including Cheap Monday and Monki), & Other Stories, ARKET, Singular Society and Sellpy. The group also includes several ventures. For further information, visit hmgroup.com.

Group income statement in summary

SEK m	Note	Q1 (Dec–Feb)		Full-year (Dec–Nov)
		2026	2025	2025
Net sales	3	49,607	55,333	228,285
Cost of goods sold	4	–24,469	–28,164	–106,464
Gross profit		25,138	27,169	121,821
<i>Gross margin, %</i>		<i>50.7</i>	<i>49.1</i>	<i>53.4</i>
Selling expenses	4	–20,830	–23,115	–93,023
Administrative expenses	4	–2,795	–2,823	–10,269
Result from investments in associated companies and joint ventures		–1	–28	–134
Operating profit		1,512	1,203	18,395
<i>Operating margin, %</i>		<i>3.0</i>	<i>2.2</i>	<i>8.1</i>
Net financial items		–573	–441	–2,193
Profit after financial items		939	762	16,202
Tax		–235	–183	–4,117
PROFIT FOR THE PERIOD		704	579	12,085
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB		724	590	12,158
Non-controlling interest		–20	–11	–73
Earnings per share, SEK ¹		0.45	0.37	7.58
Average number of shares outstanding, thousands ¹		1,599,156	1,604,491	1,604,033

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

1. Before and after dilution, excluding own shares.

Consolidated statement of comprehensive income

SEK m	Note	Q1 (Dec–Feb)		Full-year (Dec–Nov)
		2026	2025	2025
PROFIT FOR THE PERIOD		704	579	12,085
Other comprehensive income				
Items that are or may be reclassified to profit or loss				
Translation differences		-1,111	-735	-3,556
Change in hedging reserves		409	534	513
Tax attributable to change in hedging reserves		-84	-110	-106
Share of OCI related to associated companies and joint ventures		0	0	0
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit pension plans		-30	14	55
Tax related to the above remeasurement		7	-4	-14
Remeasurement of financial assets	2	-581	-369	-1,052
Other comprehensive income		-1,390	-670	-4,160
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-686	-91	7,925
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB		-666	-80	7,998
Non-controlling interest		-20	-11	-73

Group balance sheet in summary

SEK m	Note	2026-02-28	2025-02-28	2025-11-30
ASSETS				
Non-current assets				
Intangible non-current assets		7,622	8,503	7,747
Right-of-use assets		51,643	57,813	52,094
Other property, plant and equipment		30,041	28,737	30,440
Non-current financial assets	2	1,565	2,922	2,045
Other non-current assets		5,319	6,064	5,452
		96,190	104,039	97,778
Current assets				
Stock-in-trade		34,608	41,008	35,427
Current receivables	2	14,561	16,336	16,160
Cash and cash equivalents		18,733	16,578	20,908
		67,902	73,922	72,495
TOTAL ASSETS		164,092	177,961	170,273
EQUITY AND LIABILITIES				
Equity ¹		41,425	46,120	42,947
Non-current leasing liabilities ²		44,929	50,703	44,903
Other non-current liabilities ²		20,286	16,620	20,820
Current leasing liabilities ³		11,686	12,533	11,969
Other current liabilities ³	2	45,766	51,985	49,634
TOTAL EQUITY AND LIABILITIES		164,092	177,961	170,273

1. Equity attributable to the shareholders of H & M Hennes & Mauritz AB amounts to SEK 41,420 m (46,062) and to non-controlling interests to SEK 5 m (58).

2. Interest-bearing non-current liabilities amount to SEK 63,140 m (64,974) and excluding leases to SEK 18,211 m (14,271), of which provisions for pensions were SEK 437 m (467).

3. Interest-bearing current liabilities amount to SEK 14,110 m (13,033) and excluding leases to SEK 2,424 m (500).

Group changes in equity in summary

SEK m	2026-02-28	2025-02-28	2025-11-30
Shareholders' equity at the beginning of the financial year	42,947	46,211	46,211
Total comprehensive income for the period	-686	-91	7,925
Transactions with non-controlling interests	0	-	31
Dividend	-	-	-10,906
Repurchase of shares	-836	-	-314
Shareholders' equity at the end of the period	41,425	46,120	42,947

Group cash flow statement in summary

SEK m	Three months (Dec-Feb) 2026	Three months (Dec-Feb) 2025
Operating activities		
Profit after financial items ¹	939	762
Adjustment for non-cash items		
– Provisions for pensions	28	20
– Other provisions	32	–2
– Depreciation, amortisation and write-downs	4,805	5,515
– Other non-cash items	1	28
Taxes paid	–723	–643
Cash flow from operating activities before changes in working capital	5,082	5,680
Cash flow from changes in working capital		
Operating receivables	1,220	1,210
Stock-in-trade	433	–1,049
Operating liabilities	–2,710	–1,640
Cash flow from operating activities	4,025	4,201
Investing activities		
Investments in intangible fixed assets	–317	–310
Investments in tangible fixed assets	–1,720	–1,671
Other investments	–92	–72
Cash flow from investing activities	–2,129	–2,053
Financing activities		
Change in interest-bearing liabilities	–40	500
Amortisation lease	–2,900	–3,225
Capital contributions non-controlling interests	0	–
Repurchase of shares	–896	–
Cash flow from financing activities	–3,836	–2,725
CASH FLOW FOR THE PERIOD	–1,940	–577
Cash and cash equivalents at beginning of the financial year	20,908	17,340
Cash flow for the period	–1,940	–577
Exchange rate effect	–235	–185
Cash and cash equivalents at end of the period	18,733	16,578

1. Interest paid for the group amounts to SEK 189 m (101). Interest expense related to leases amounts to SEK 512 m (524) for the group. Received interest for the group amounts to SEK 128 m (184).

Five year summary

Q1, 1 December – 28 February

	2022	2023	2024	2025	2026
Net sales, SEK m	49,166	54,872	53,669	55,333	49,607
Change net sales from previous year in SEK, %	23	12	-2	3	-10
Change net sales previous year in local currencies, %	18	3	-2	2	-1
Operating profit, SEK m	458	725	2,077	1,203	1,512
Operating margin, %	0.9	1.3	3.9	2.2	3.0
Depreciation, amortisation and write-downs for the period, SEK m	5,393	5,505	5,405	5,515	4,805
Profit after financial items, SEK m	282	396	1,606	762	939
Profit after tax, SEK m	217	540	1,231	579	704
Cash and cash equivalents, SEK m	27,403	21,290	20,822	16,578	18,733
Stock-in-trade, SEK m	39,331	41,040	37,630	41,008	34,608
Equity, SEK m	60,715	51,780	46,626	46,120	41,425
Average number of shares outstanding, thousands ¹	1,655,072	1,629,687	1,617,495	1,604,491	1,599,156
Earnings per share, SEK ¹	0.13	0.33	0.77	0.37	0.45
Cash flow from operating activities per share, SEK ¹	2.19	3.06	2.45	2.62	2.52
Number of shares outstanding as of the closing day, thousands ¹	1,655,072	1,629,687	1,610,735	1,604,491	1,597,773
Equity per share, SEK ¹	36.68	31.77	28.95	28.74	25.93
Share of risk-bearing capital, %	34.8	30.7	28.2	27.1	26.4
Equity/assets ratio, %	32.8	28.9	26.9	25.9	25.2
Total number of stores	4,721	4,414	4,338	4,213	4,050
Rolling 12 months					
Average number of shares outstanding, thousands ¹	1,655,072	1,643,587	1,626,067	1,608,473	1,602,718
Earnings per share, SEK ¹	7.43	2.37	5.81	6.82	7.67
Return on equity, %	21.6	6.9	19.1	23.6	27.9
Return on capital employed, %	13.1	6.0	13.5	14.1	15.7

1. Before and after dilution, excluding own shares.

For definitions and explanations of the alternative performance measures in this report, see page 183–184 in the annual and sustainability report for the 2025 financial year.

Parent company income statement in summary

SEK m	Q1 (Dec-Feb)		Full-year (Dec-Nov)
	2026	2025	2025
Net sales	513	530	2,340
Gross profit	513	530	2,340
Administrative expenses	-29	-39	-122
Operating profit	484	491	2,218
Net financial items ¹	-49	-12	11,529
Profit after financial items	435	479	13,747
Year-end appropriations	-	-	-780
Tax	-89	-99	-297
PROFIT FOR THE PERIOD	346	380	12,670

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

Parent company statement of comprehensive income

SEK m	Q1 (Dec-Feb)		Full-year (Dec-Nov)
	2026	2025	2025
PROFIT FOR THE PERIOD	346	380	12,670
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit pension plans	-2	2	2
Tax related to the above remeasurement	0	0	0
Other comprehensive income	-2	2	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	344	382	12,672

Parent company balance sheet in summary

SEK m	2026-02-28	2025-02-28	2025-11-30
ASSETS			
Non-current assets			
Property, plant and equipment	122	128	124
Other non-current assets	1,458	1,463	1,458
	1,580	1,591	1,582
Current assets			
Current receivables	34,472	26,609	35,145
Cash and cash equivalents	0	11	0
	34,472	26,620	35,145
TOTAL ASSETS	36,052	28,211	36,727
EQUITY AND LIABILITIES			
Equity	14,722	14,145	15,215
Untaxed reserves	16	17	16
Non-current liabilities ¹	17,727	13,080	17,902
Current liabilities ²	3,587	969	3,594
TOTAL EQUITY AND LIABILITIES	36,052	28,211	36,727

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

2. Interest-bearing current liabilities amount to SEK 2,000 m (500).

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 2025. No new or revised IFRS standards or interpretations applied from 1 December 2025 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 2025 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 2025.

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.

Since the IPO in September 2025 the value of the holding in Klarna has been based on the share price, which is a level 1 input according to IFRS 13, and the fair value amounts to SEK 207 m as at 28 February 2026. The value as at 28 February 2025 was based on level 3 inputs according to IFRS 13 and amounts in total to SEK 951 m.

The value of other shares and interests based on level 3 inputs according to IFRS 13 amounts in total to SEK

1,522 m (2,690) as at 28 February 2026, the largest investments being Instabee at SEK 153 m (188), Colorifix at SEK 142 m (129) and Printify at SEK 123 m (145). The effect of measurement of the group's other shares and interests is reported in other comprehensive income and amounts to SEK -581 m (-369) 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 2026 forward contracts with a positive market value amount to SEK 718 m (1,002), reported under other current receivables. Forward contracts with a negative market value amount to SEK 799 m (608), which is recognised in other current liabilities.

Other financial assets and liabilities are measured at amortised cost. Measurement at fair value would not result in any change in the group's liabilities to credit institutions. The fair values of other financial instruments are assessed to be approximately equal to their book values.

Note 3. Segment reporting

SEK m	Three months (Dec-Feb) 2026	Three months (Dec-Feb) 2025
Asia and Oceania		
External net sales	5,829	7,111
Operating profit	-373	-350
Operating margin, %	-6.4	-4.9
Europe and Africa¹		
External net sales	32,606	35,020
Operating profit	1,560	761
Operating margin, %	4.8	2.2
North and South America		
External net sales	11,172	13,202
Operating profit	-12	24
Operating margin, %	-0.1	0.2
Group Functions		
Net sales to other segments	13,700	16,968
Operating profit	337	768
Operating margin, %	2.5	4.5
Eliminations		
Net sales to other segments	-13,700	-16,968
Total		
External net sales	49,607	55,333
Operating profit	1,512	1,203
Operating margin, %	3.0	2.2
Net financial items	-573	-441
Profit after financial items	939	762

1. South Africa

Note 4. Depreciations, amortisations and write-downs

SEK m	Q1 (Dec–Feb)		Full-year (Dec–Nov)
	2026	2025	2025
DEPRECIATIONS AND AMORTISATIONS			
Intangible non-current assets and property, plant and equipment excluding right-of-use assets			
Cost of goods sold	191	233	951
Selling expenses	1,476	1,746	6,604
Administrative expenses	86	94	383
Total	1,753	2,073	7,938
Right-of-use assets			
Cost of goods sold	304	352	1,220
Selling expenses	2,585	2,909	10,821
Administrative expenses	106	115	447
Total	2,995	3,376	12,488
Total depreciations and amortisations	4,748	5,449	20,426
WRITE-DOWNS AND LOSSES AT DISPOSALS			
Intangible non-current assets and property, plant and equipment excluding right-of-use assets			
Cost of goods sold	3	0	72
Selling expenses	54	31	398
Administrative expenses	0	2	42
Total	57	33	512
Right-of-use assets			
Cost of goods sold	–	–	–
Selling expenses	–	–	181
Administrative expenses	–	33	21
Total	–	33	202
Total write-downs and losses at disposals	57	66	714
TOTAL DEPRECIATIONS, AMORTISATIONS, WRITE-DOWNS AND LOSSES AT DISPOSALS	4,805	5,515	21,140

Note 5. Events after the closing date

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



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