



H&M GROUP

Three-month report

2026

Telephone conference

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The quarter in brief

→ We continue to make progress in a quarter marked by cautious consumers and large currency translation effects

→ 8.4 % operating margin over last 12 months (7.0)

→ 1 % decrease in sales in local currency in Q1

→ 1 % increase in sales estimated in March

→ 50.7 % gross margin (49.1) in Q1

→ 3.0 % operating margin (2.2) in Q1

Building a strong foundation

- We are on the right path and continue to build our foundation
- Executing with focus on product, experience, brand with good cost control
- Faster decisions with simpler structures



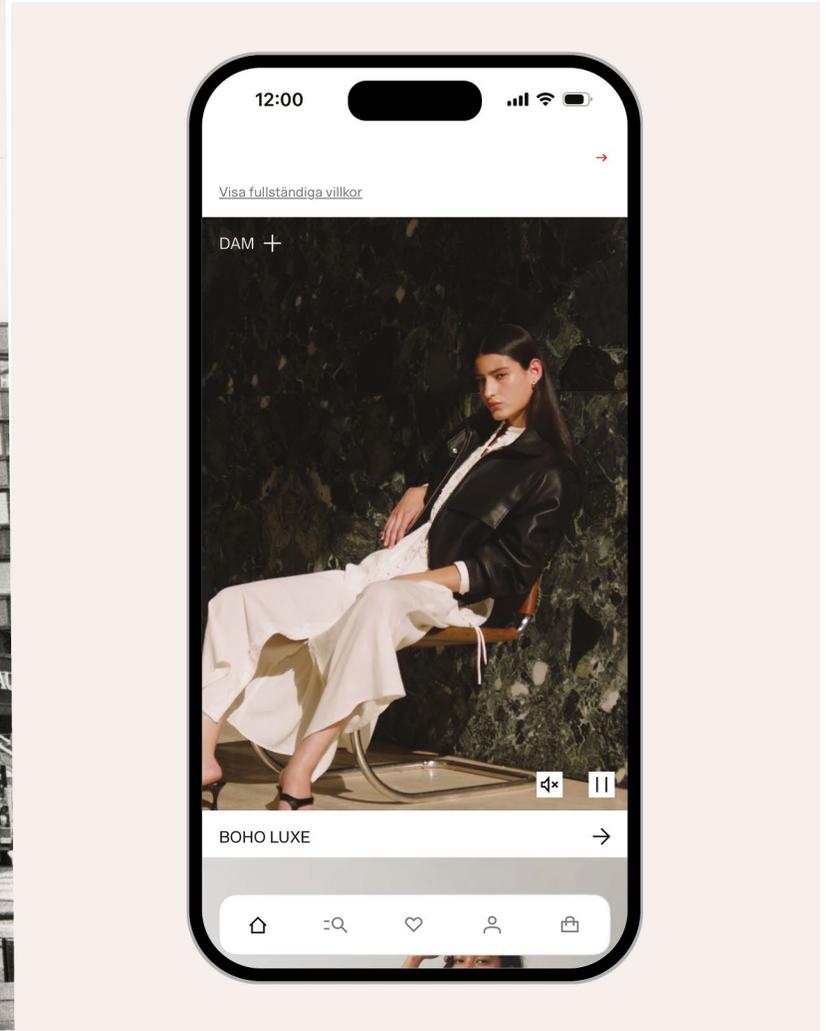
Product – increased agility and inventory efficiency

- Shortened decision-making paths and closer supplier collaboration
- More responsive to trends and customer demand
- Improved demand planning and good inventory composition



Elevated shopping experiences

- Store updates progressing according to plan
- First store in Rio in April, re-opening Hamngatan
- Digital store enhancements to make it easier for the customer to find what they want



Strengthening brand relevance

- Strategic initiatives and collaborations
- More precise and targeted marketing initiatives



A meaningful progress

Continued progress on our targets

- Scope 3 emissions reduced by 34.6%, keeping us on track towards our 2030 target (-56%)
- Material targets ahead of plan: 32% recycled share and 91% recycled or sustainably sourced materials



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 in local currencies FY2026
- Somewhat increased cost pressure
- Further efficiency measures

FX movements

- A stronger EUR vs USD contributes positively to the gross margin
- A stronger SEK results 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 after a period of high supply chain investments





Business Outlook

- Continued important steps in the right direction
- Focused investments in product, brand, infrastructure and store portfolio, while maintaining good cost control
- Customer-centric approach to increase relevance, flexibility and value for money in our offering
- Strong foundation and resilience enable us to navigate and build long-term profitable growth

A woman with long dark hair and blue eyes is wearing a white, intricately embroidered jacket. She is looking directly at the camera. The background is a bright, minimalist room with white walls and a window with sheer white curtains. The text 'Q&A' is overlaid in a large, black, serif font in the center of the image.

Q&A



Thank you

H&M