



H&M GROUP SIX – MONTH REPORT 2026

Press and telephone conference

Daniel Erv er
Chief Executive Officer

Adam Karlsson
Chief Financial Officer

Joseph Ahlberg
Head of Investor Relations



The quarter in brief

- Strengthened profitability provides good opportunities to create even greater customer value

- 12.0% operating margin (10.4) in Q2*
- 8.5% operating margin over last 12 months (6.5)

- 15.8% inventory to sales rolling 12 months (16.6)

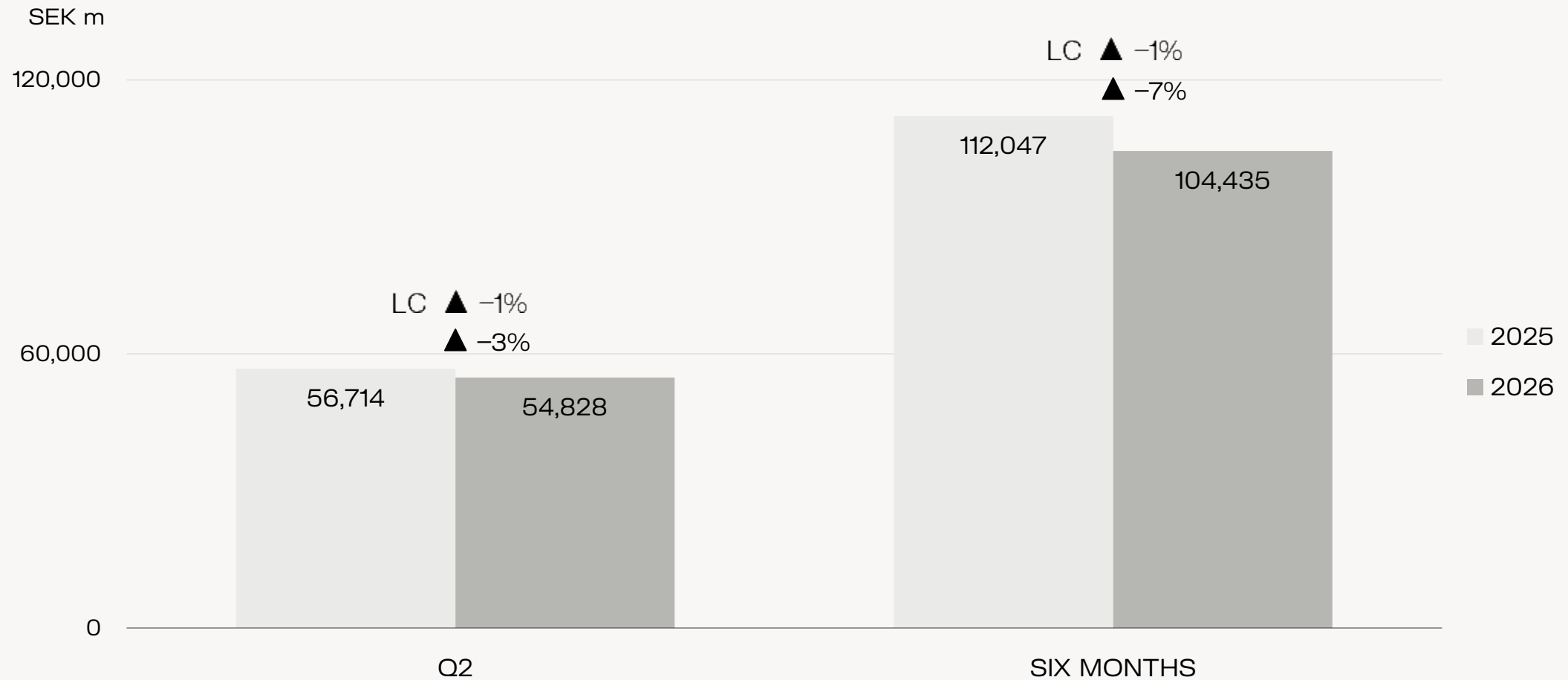
- 1% decrease in sales in local currencies in Q2
- June sales in local currencies expected to be on par with LY

**Before one-time restructuring costs of 679 million SEK*



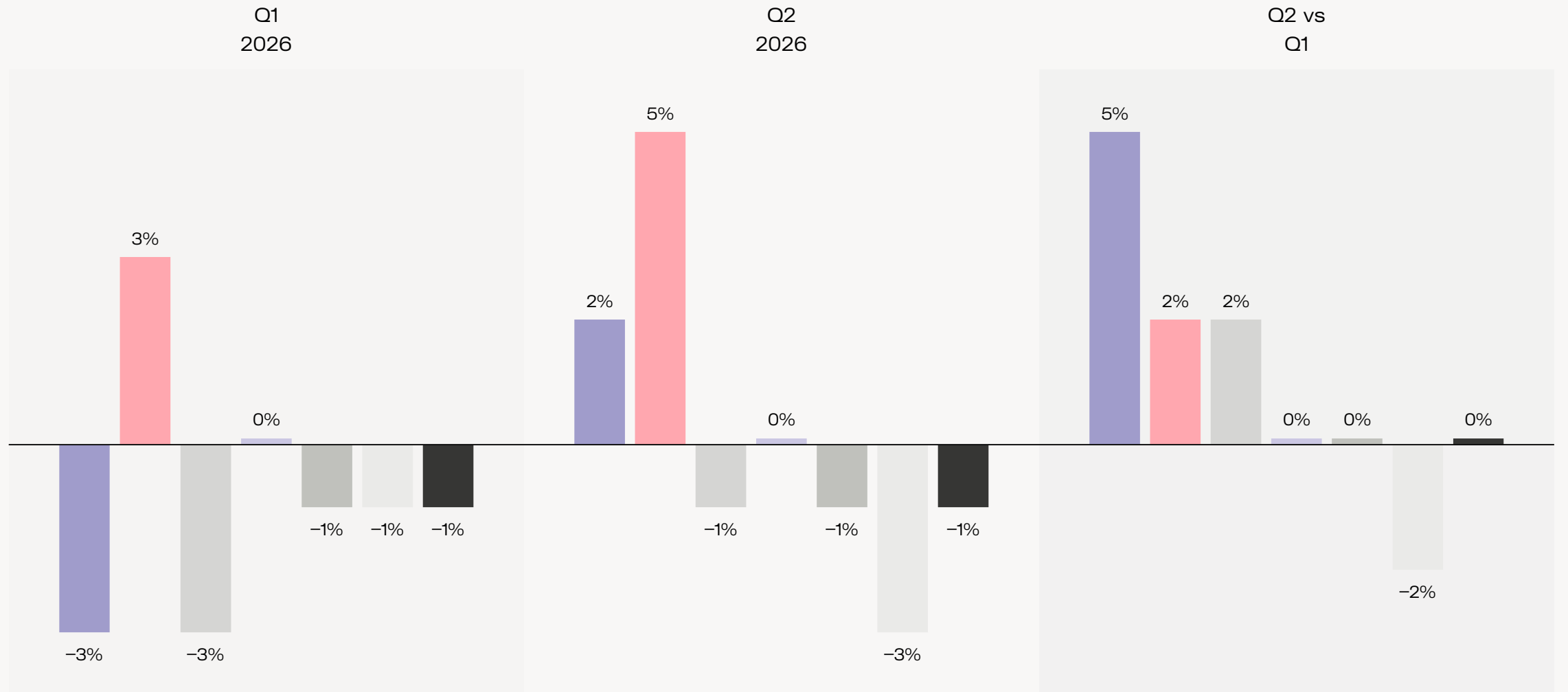
Net sales decrease of 1% in local currencies with ~3% fewer stores

→ Store optimisation continues to improve quality and productivity of store portfolio



Sales per region sequentially improved

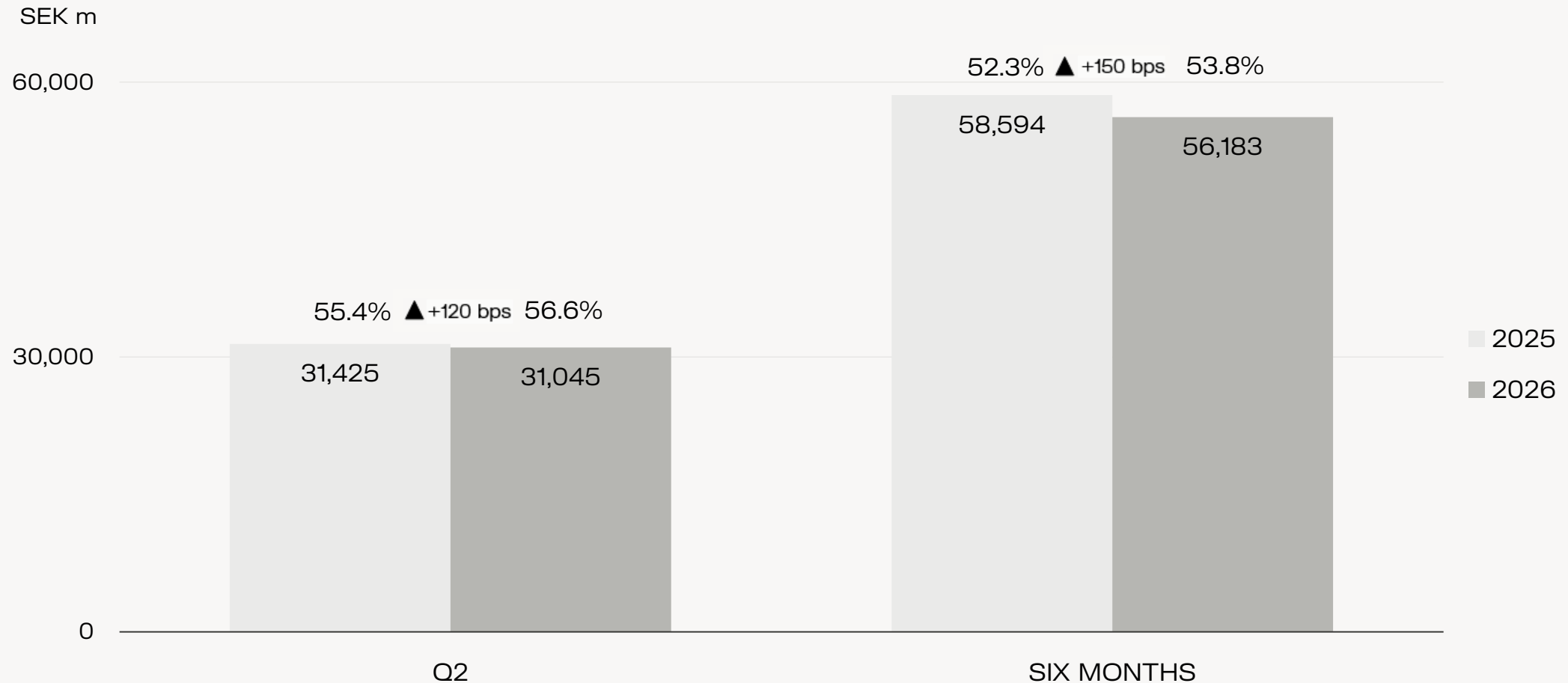
→ Sales in local currencies increased or remained stable sequentially in Q2 versus Q1 across all regions except Western Europe



■ Asia, Oceania and Africa ■ Southern Europe ■ North and South America ■ The Nordics ■ Eastern Europe ■ Western Europe ■ Total

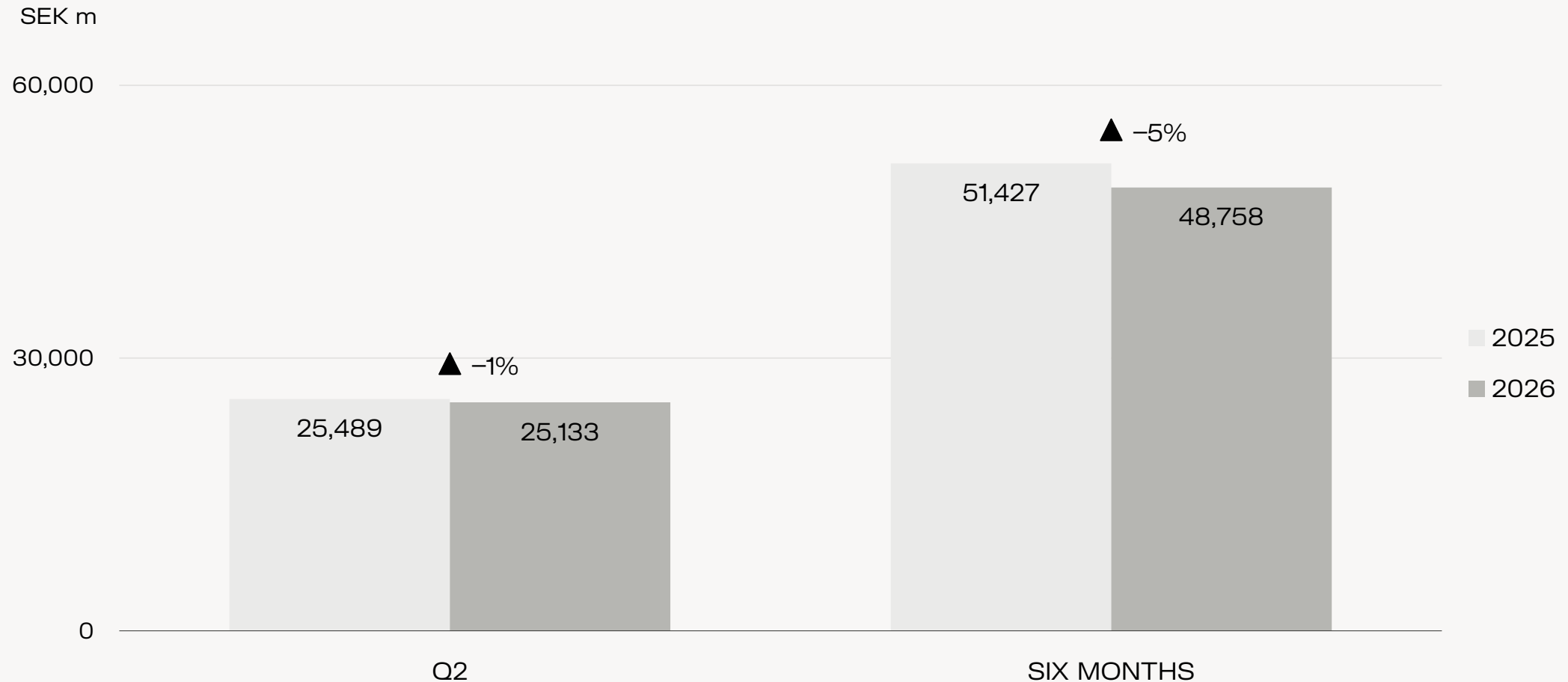
Gross margin rolling 12M reached range of 54-55%

→ Deepened supplier partnerships and more efficient sourcing continue to drive improvement



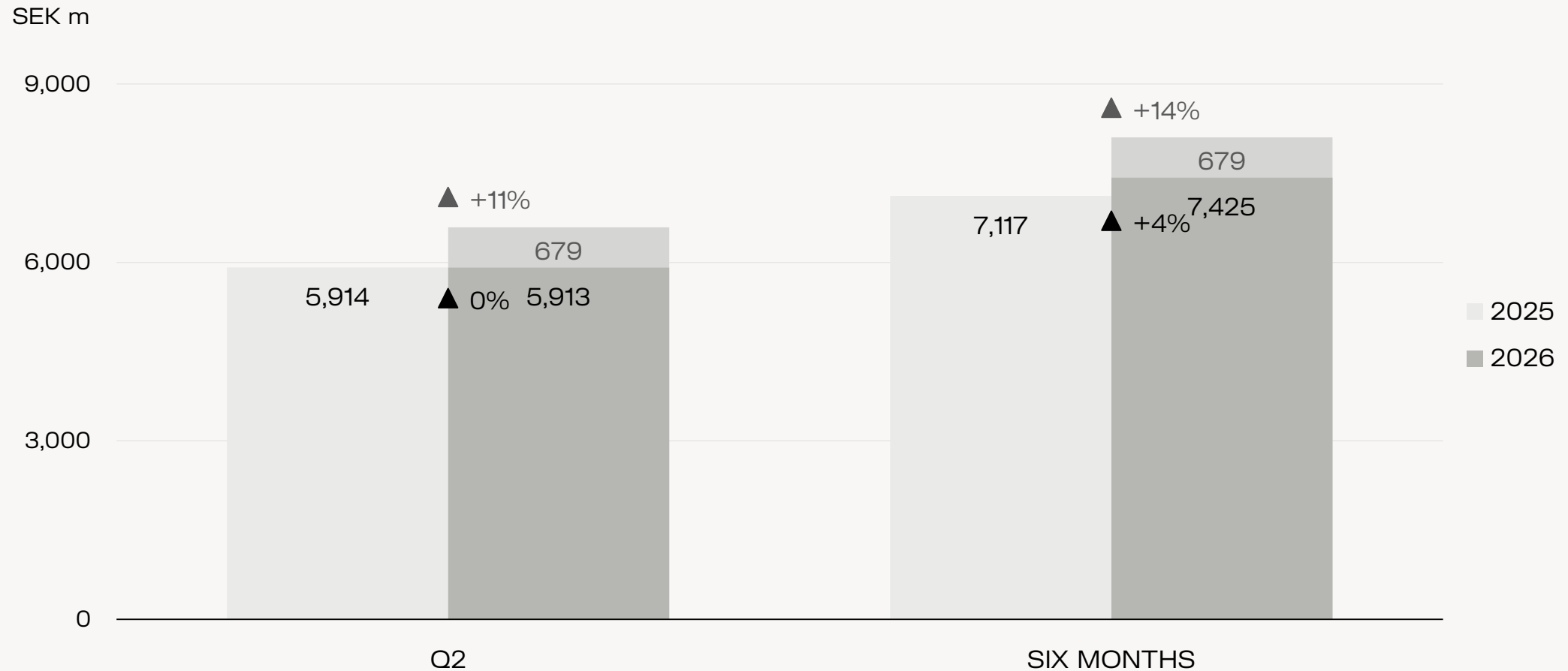
SG&A level reflects continued strong cost control

- SG&A before one-time restructuring costs decreased by 2% in local currencies in Q2 and by 1% in the six-months period
- In SEK, and including one-time restructuring costs, SG&A decreased by 1% in Q2 and by 5% in the six-months period



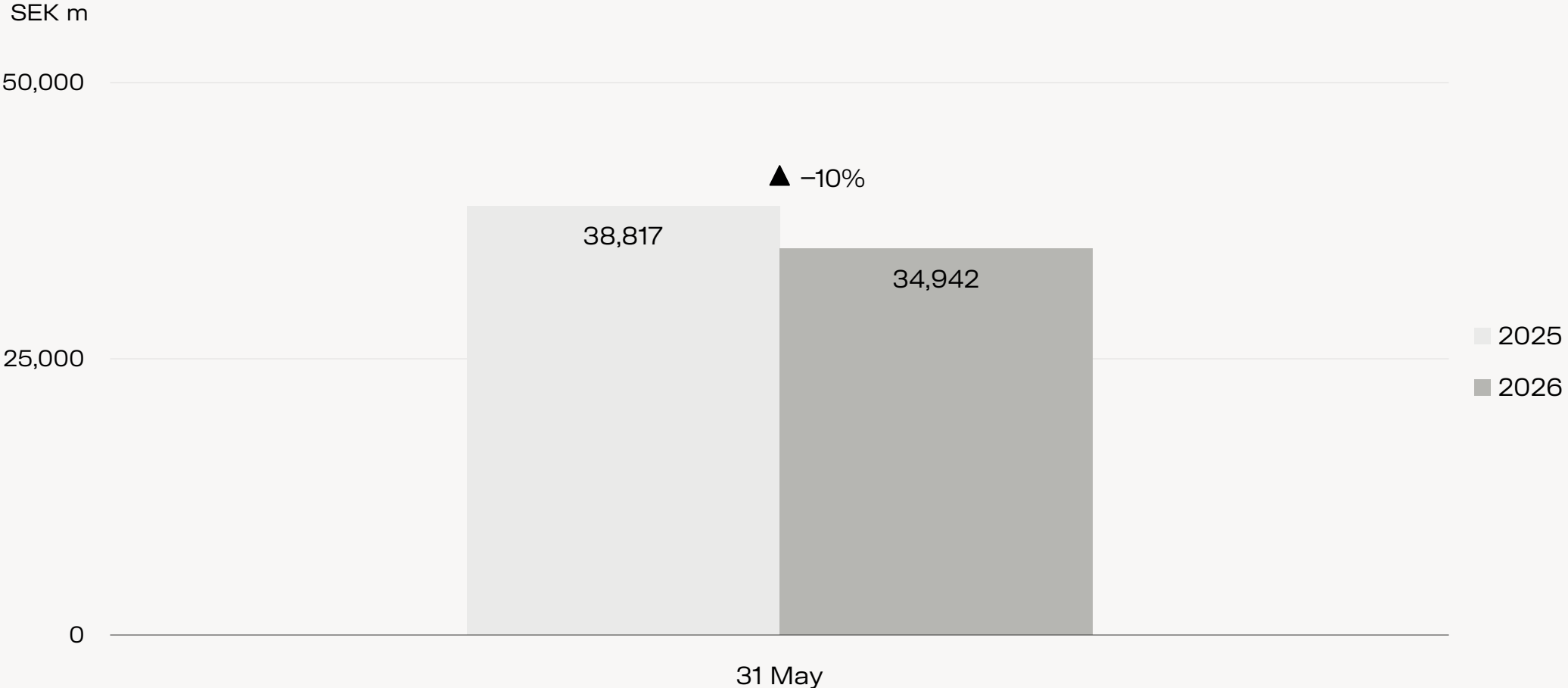
Operating profit increase reflects continued progress

→ Operating margin before restructuring costs of 679m SEK strengthened by 160 bps in Q2 to 12.0% (10.4)



Inventory productivity improved and further customer offer potential

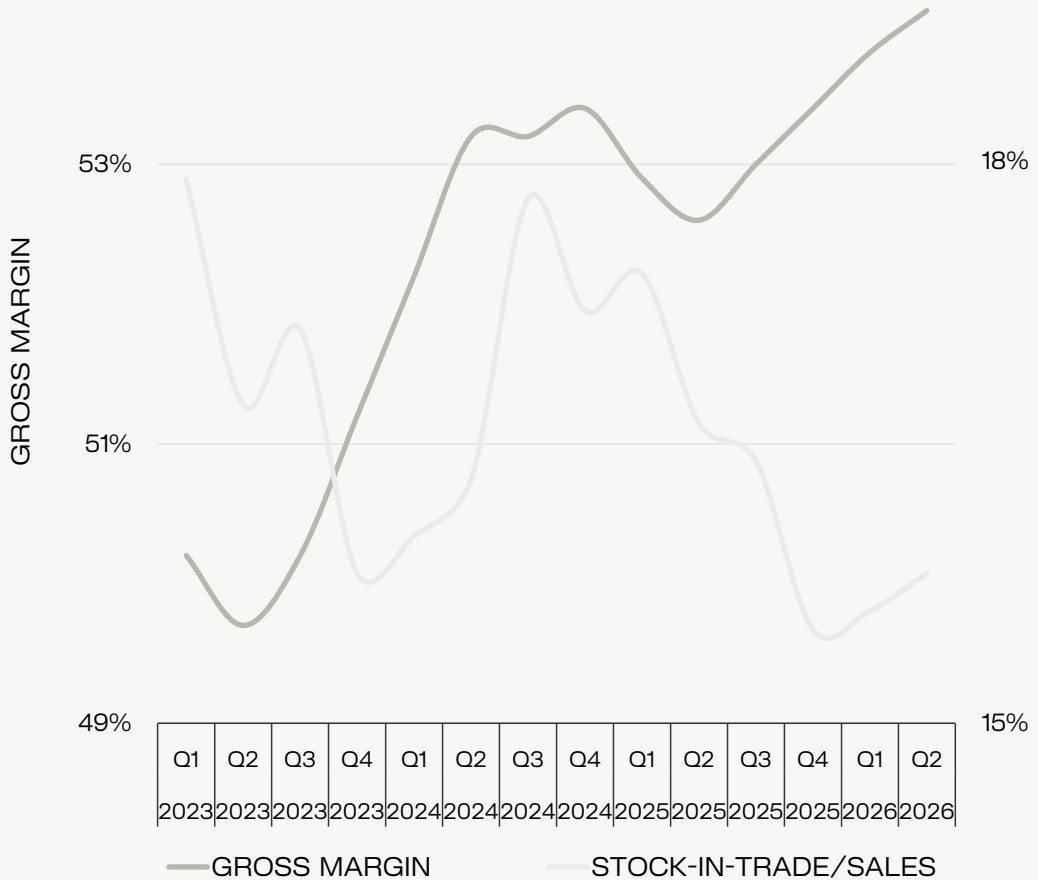
→ Stock-in-trade at 15.8% (16.6) of rolling 12M sales, supported by ongoing improvements in demand planning, buying and stock management



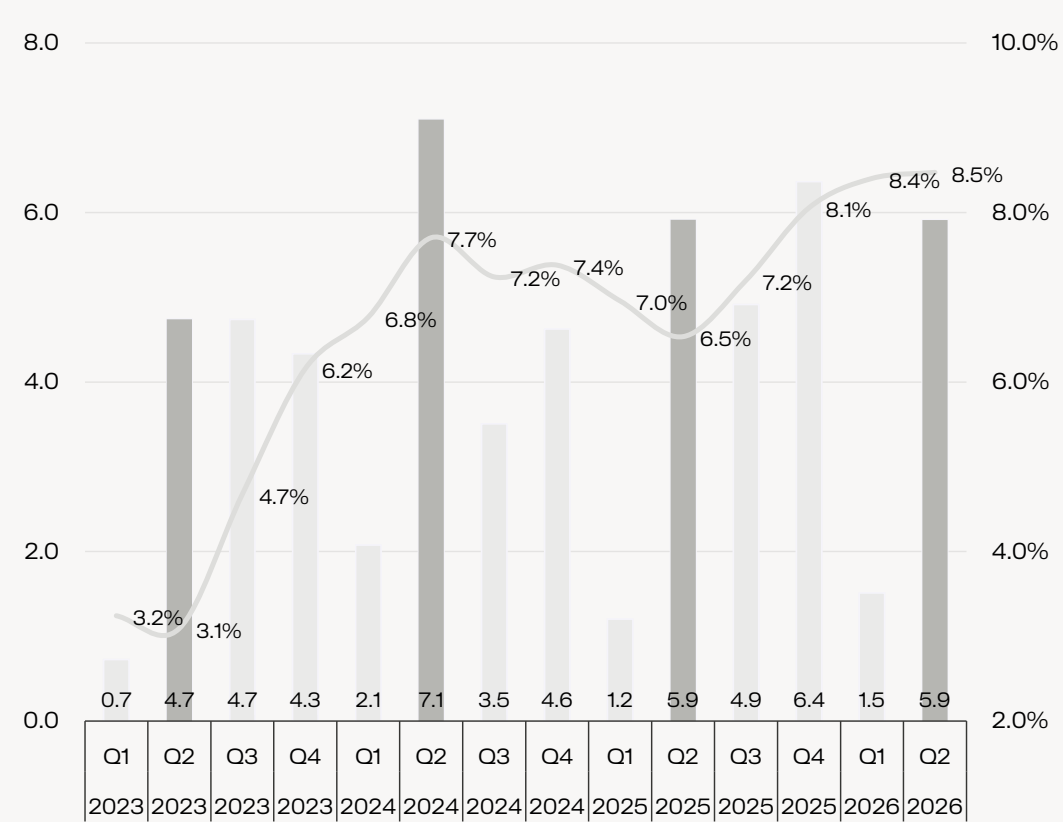
Focused efforts continued to strengthen the foundation

→ Structurally improved profitability enables further elevation of customer offer

Gross margin rolling 12 months & Stock-in-trade in relation to rolling 12 months sales

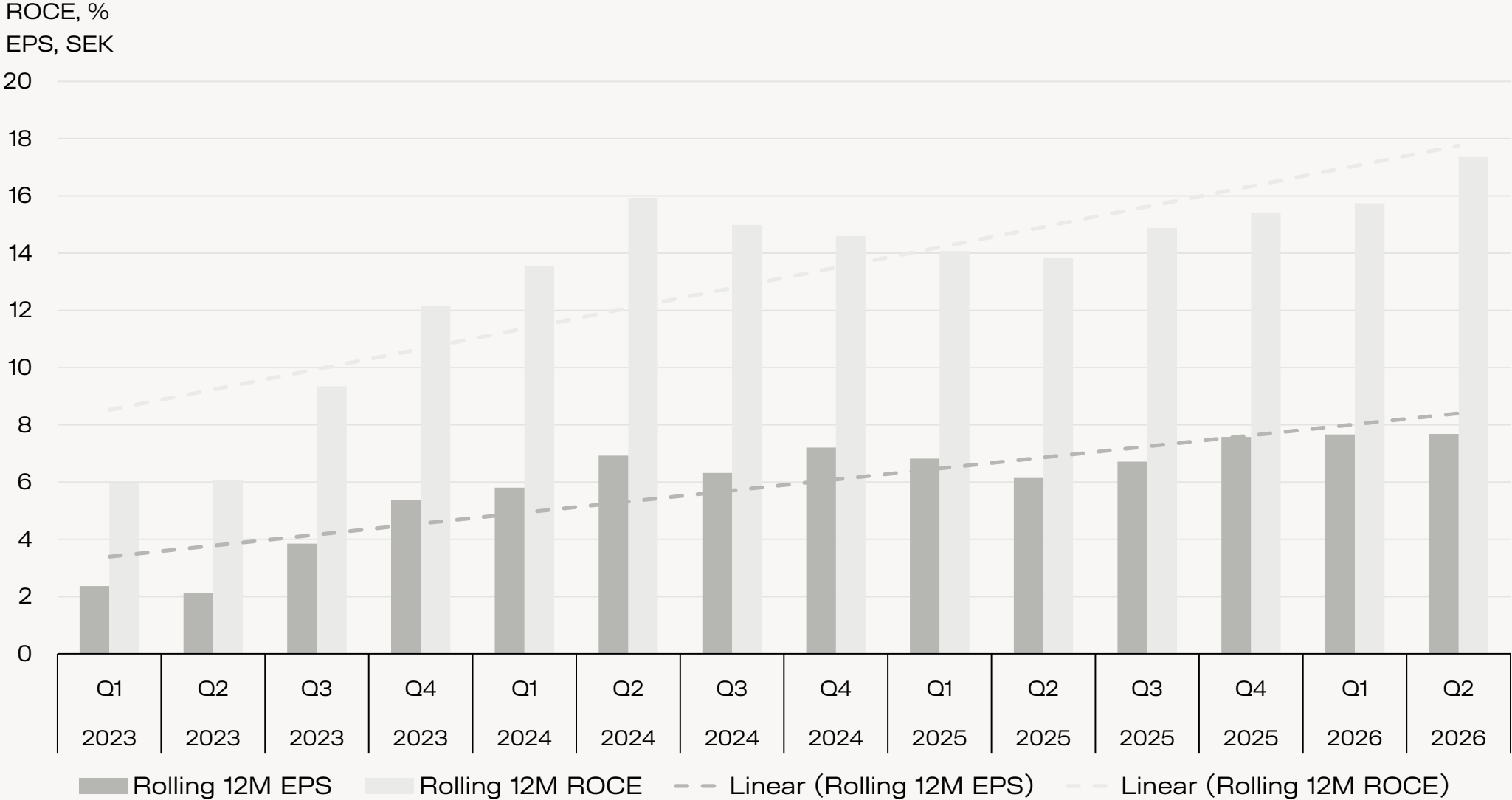


Operating profit per quarter, billion SEK, % rolling 12 months



Key value drivers building momentum

→ Improving ROCE and EPS underpin long-term value creation



Solid balance sheet and liquidity position

→ Disciplined working capital management and proactive long-term funding



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

Moving faster, more data-driven and closer to our customers

- Increasing speed and bringing decision making closer to the customer
- Upgrade of digital infrastructure to increase precision



Elevating our customer offer through product, experience & brand

- Upgrading our store portfolio to create a more inspiring and effective customer experience
- Re-opening of our iconic flagship store at Hamngatan and successful launch of the first H&M store in Rio
- Strong customer reception for H&M's Stella McCartney collaboration





Financial Outlook

Gross margin

- Sourcing initiatives starting to lap impact from Q3 2025
- External factors expected to be neutral, with sequentially increased cost pressure from transports
- Markdowns on par with last year - improved inventory productivity but deal sensitive consumers and logistic disturbances in May and June

Selling and administrative expenses

- Ambition to grow SG&A at low single digit level in local currencies FY 2026
- Somewhat increased cost pressure in H2
- Further efficiency measures

Inventory

- YoY improvements expected to slow with demand planning improvements starting to lap impact from Q3 2025
- In-season buying
- Centralizing the European warehousing network structure

CapEx

- Investment frame of 9-10 SEK billion
- Focus on store portfolio and tech infrastructure





Business Outlook

- Improved profitability and stock efficiency
- Strengthened capabilities to accelerate execution
- Full focus on what makes the biggest difference for the customer

A woman with short dark hair is posing against a white brick wall. She is wearing a white and black vertically striped, off-the-shoulder, long-sleeved top and matching high-waisted pants. Her arms are raised above her head. The text "Q&A" is overlaid in a blue, serif font across her midsection.

Q&A

A woman with long, wavy brown hair is standing against a white brick wall. She is wearing a black, sleeveless, form-fitting dress with a gathered waist. The text "Thank you" is overlaid on the image in a large, serif font. The word "Thank" is in white, and "you" is in a light blue color.

Thank you

This presentation is developed as supporting material for the second quarter results. In case of any discrepancy between this presentation and the report, the Swedish original six-month report shall prevail.

H&M