



H & M Hennes & Mauritz AB

PRESS CONFERENCE 30 JANUARY 2014

FULL-YEAR REPORT



- ▶ KARL-JOHAN PERSSON  
MANAGING DIRECTOR
- ▶ NILS VINGE  
INVESTOR RELATIONS MANAGER
- ▶ ANN-SOFIE JOHANSSON  
DESIGN

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## THE QUARTER IN BRIEF

- ▶ Sales +13% in local currencies
- ▶ Continued long-term investments in areas such as IT, online, new brands, and broadening the product range
- ▶ Cost control remains good
- ▶ Profit after financial items +11% to SEK 7.3 billion



# FINANCIAL DATA

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**H&M**

# SALES AND PROFITS

## FOURTH QUARTER

SEK m	2013	2012
Sales including VAT	42,610	37,930
Sales excluding VAT	36,495	32,502
Gross profit	22,189	20,017
<i>Gross margin, %</i>	<i>60.8</i>	<i>61.6</i>
Selling and administrative expenses	-14,929	-13,484
Operating profit	7,260	6,533
<i>Operating margin, %</i>	<i>19.9</i>	<i>20.1</i>
Net interest income	77	103
Profit after financial items	7,337	6,636
Tax	-1,729	-1,349
Profit for the period	5,608	5,287
<i>Earnings per share (SEK)</i>	<i>3.39</i>	<i>3.19</i>



# SALES AND PROFITS

FULL-YEAR

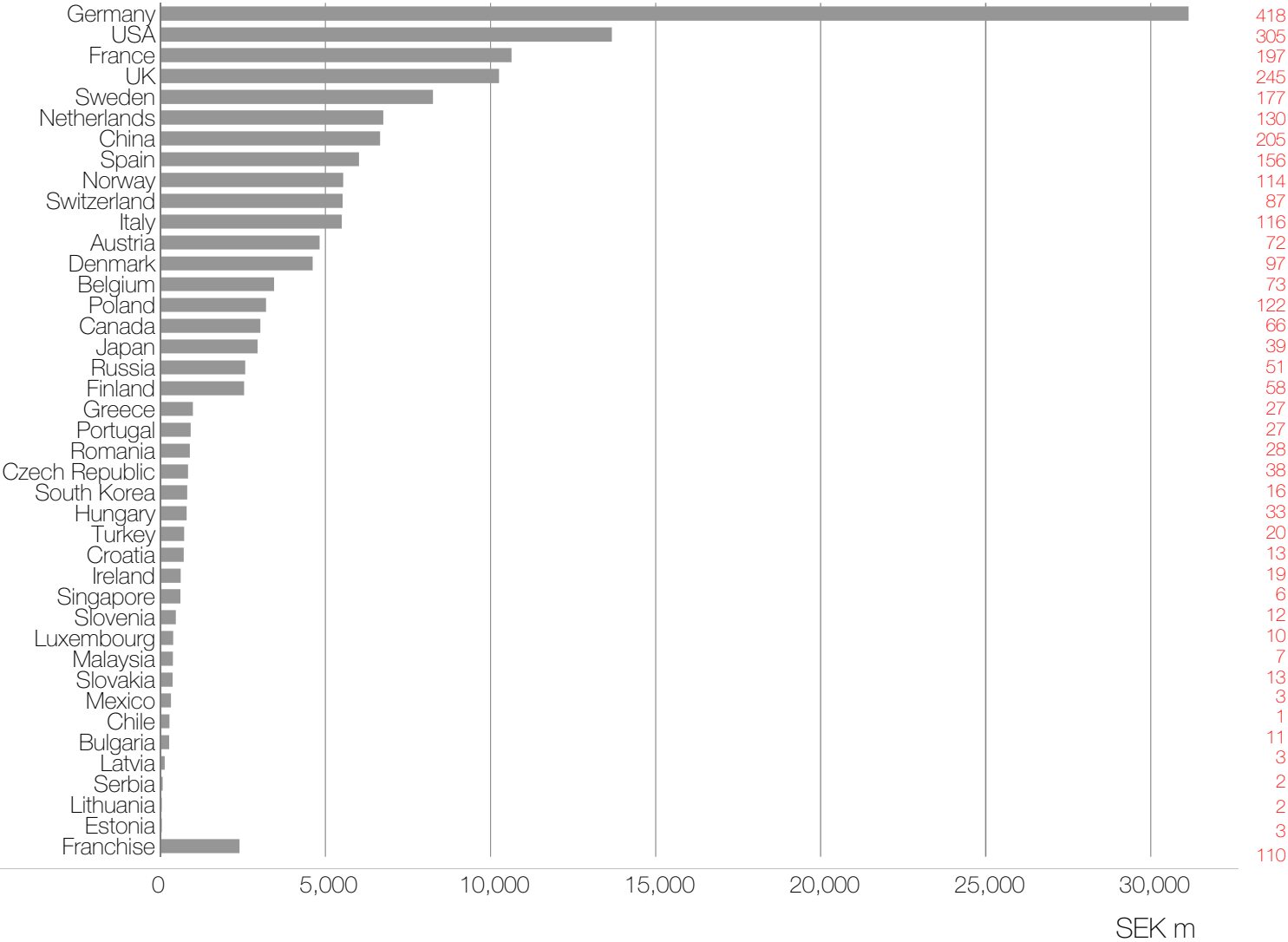
SEK m	2013	2012
Sales including VAT	150,090	140,948
Sales excluding VAT	128,562	120,799
Gross profit	76,033	71,871
<i>Gross margin, %</i>	<i>59.1</i>	<i>59.5</i>
Selling and administrative expenses	-53,865	-50,117
Operating profit	22,168	21,754
<i>Operating margin, %</i>	<i>17.2</i>	<i>18.0</i>
Net interest income	358	531
Profit after financial items	22,526	22,285
Tax	-5,374	-5,418
Profit for the period	17,152	16,867
<i>Earnings per share (SEK)</i>	<i>10.36</i>	<i>10.19</i>



# SALES PER MARKET

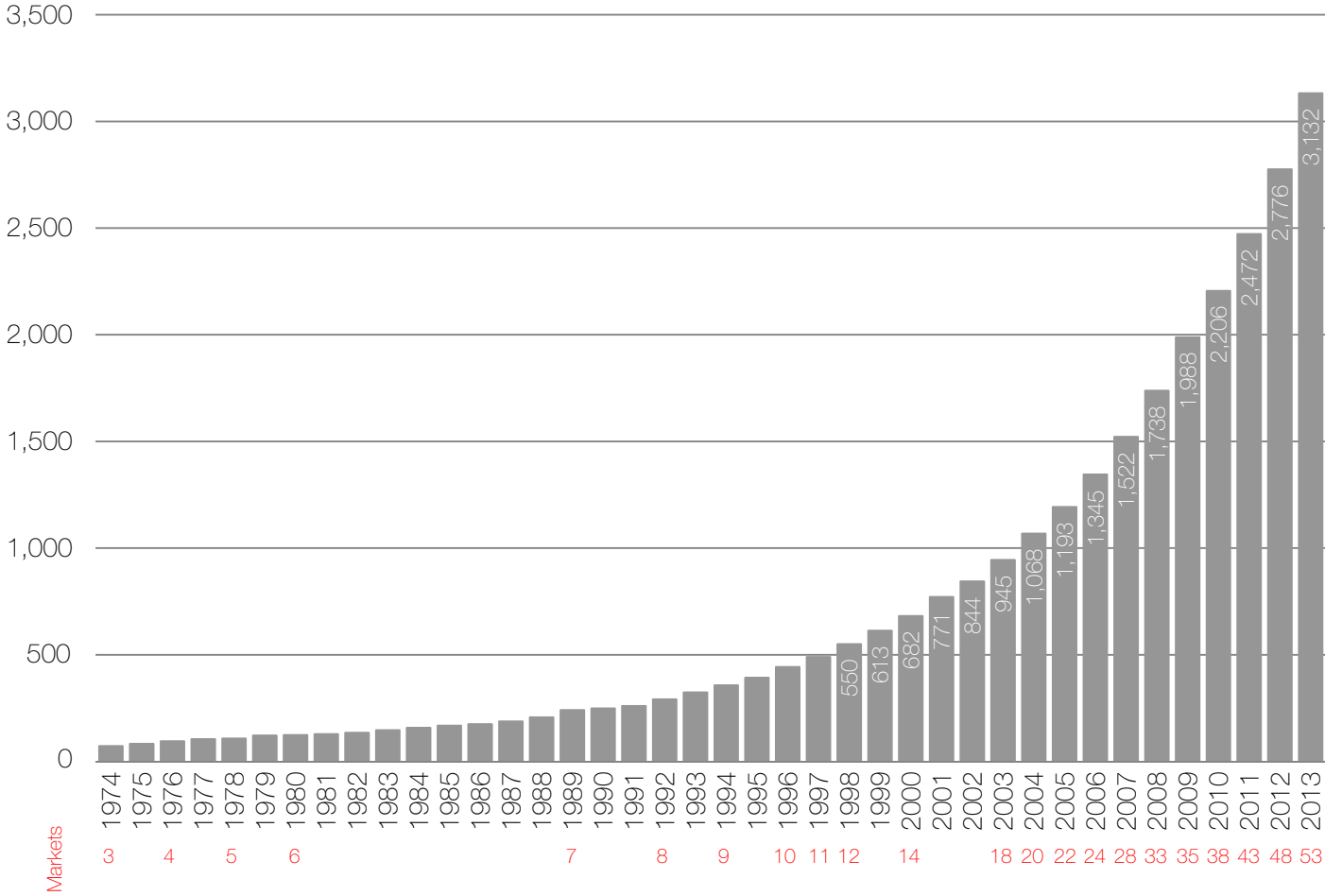
FULL-YEAR 2013

No. of stores



# STORE EXPANSION

No. of stores





# KEY DATA

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SEK m	30 Nov 2013	30 Nov 2012
Stock-in-trade	16,695	15,213
Cash flow from current operations	23,840	18,900
Investments	8,027	6,827
Liquid funds and short-term investments	17,224	17,143
Dividend (SEK)	9.50*	9.50
Return on equity, %	38.5	38.4
Average number of employees**	81,099	72,276

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\* proposed dividend

\*\* converted to full-time positions





## EXPANSION 2013

- ▶ Continued strong expansion
  - 356 new stores net during 2013
  - in total 3,132 stores in 53 countries
- ▶ China and the US largest expansion markets
  - new flagship store at Times Square, New York for example
- ▶ Five new H&M markets 2013
  - Chile, Lithuania, Serbia, Estonia and via franchise Indonesia

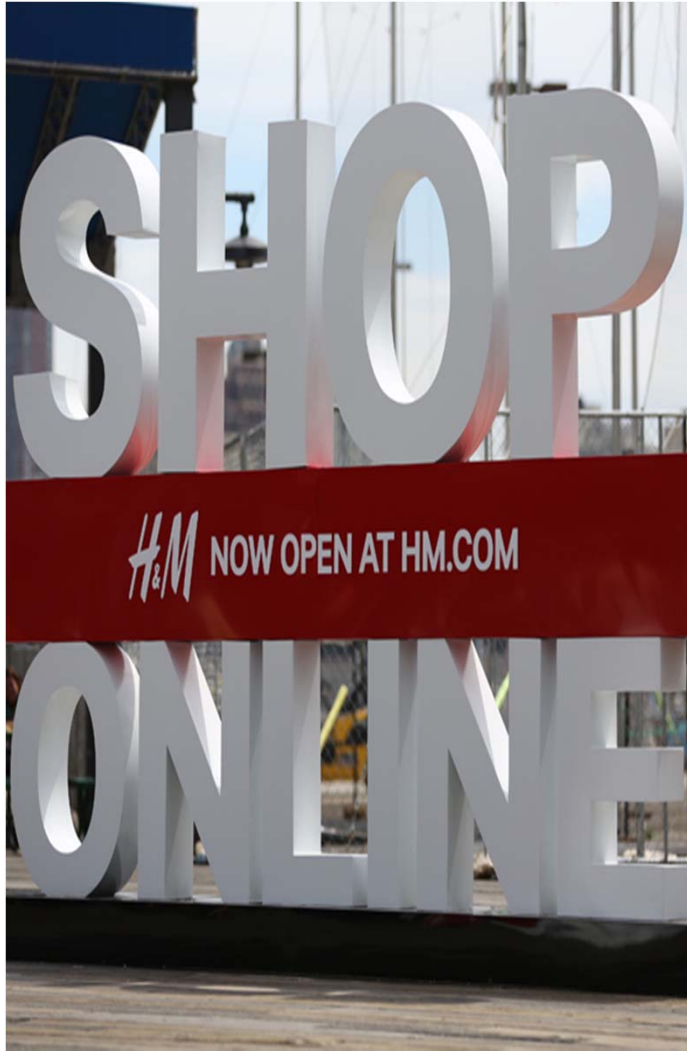




# EXPANSION 2014-2015

- ▶ Approx. 375 new stores planned 2014
  - China and the US largest expansion markets
  - several new flagship stores
- ▶ New H&M markets 2014
  - Melbourne, Australia, during the first half year
  - Manila, Philippines, during the second half year
  - a further couple of new markets planned at the end of the year
- ▶ H&M will open in South Africa in 2015





## H&M ONLINE

- ▶ Online sales an important complement to the stores
- ▶ Very good start for H&M's online store in the US
- ▶ Global roll-out of online continues
- ▶ Four new online markets planned for 2014
  - France new online market spring/summer
  - additional three large markets planned later in the year





# COS

- ▶ Strong performance in 2013
  - 21 new stores and four new markets
  - in total 85 stores in 20 markets
- ▶ Several new markets during 2014
  - USA, South Korea, Australia and Switzerland
  - COS online will open in the US





## & OTHER STORIES

- ▶ Fantastic reception since the launch in March 2013
- ▶ Today eight stores in seven countries
  - online via stories.com in ten markets
- ▶ Continued expansion during 2014
  - Belgium and the Netherlands new markets for stores
  - Austria and Ireland new online markets



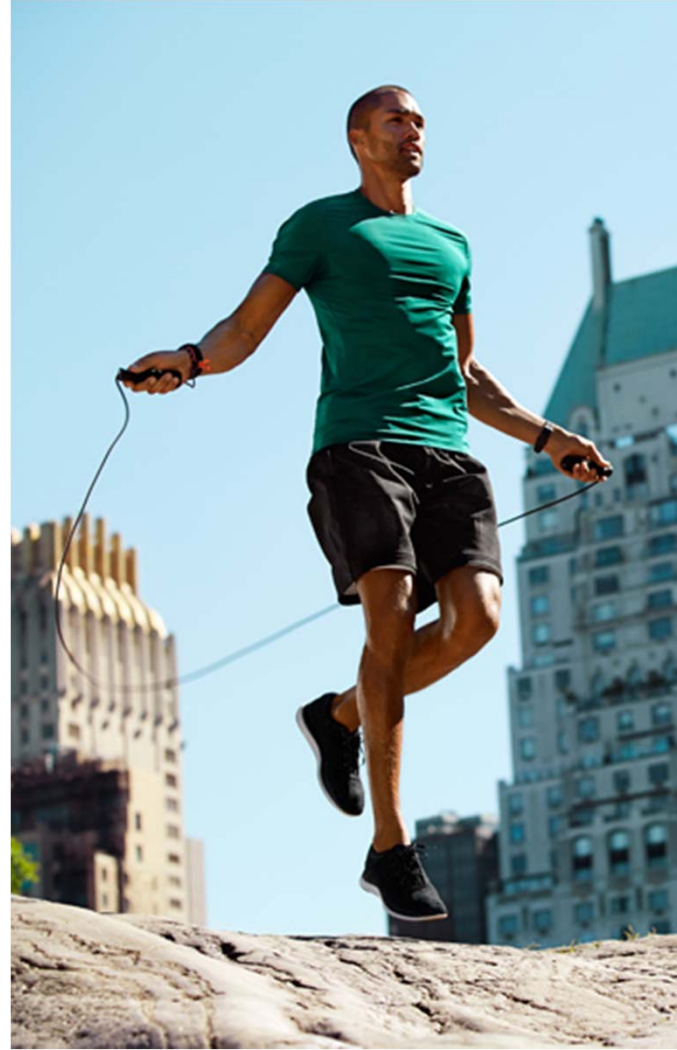


# H&M SPORT

- ▶ Extended sports concept for women, men and children
  - focus on function, fit, design and comfort
  - Go Gold launched in January 2014
- ▶ H&M dresses the Swedish Olympic Team
  - collection created by H&M's designers together with Swedish Olympic athletes
  - Winter Olympics and Paralympics in Sochi 2014 and Summer Olympics and Paralympics in Rio de Janeiro 2016



# H&M SPORT



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# SPRING FASHION

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