



H & M Hennes & Mauritz AB

TELEPHONE CONFERENCE 18 JUNE 2014

SIX-MONTH REPORT



- ▶ NILS VINGE
INVESTOR RELATIONS MANAGER
- ▶ JYRKI TERVONEN
CHIEF FINANCIAL OFFICER



SECOND QUARTER 2014

- ▶ Net sales SEK 37,827 (+20%)
- ▶ Well received spring collections
 - continued increase in market shares
- ▶ Sales developed well at all brands
- ▶ Gross profit SEK 23,010 (+19%)
 - gross margin 60.8 percent (61.1%)
- ▶ Good cost control maintained
- ▶ Operating margin 20 percent (19%)
- ▶ Profit after financial items
SEK 7,643 m (+25%)
- ▶ Earnings per share 3.51 (2.81)

H&M



LONG-TERM INVESTMENTS

- ▶ Substantial investments within IT, online, new brands and the broadening of the product range
- ▶ Important investments for the future, e.g:
 - launch of H&M's online store in new markets; US in 2013 and France in March 2014
 - & Other Stories, amazingly well received since launch in 2013
 - H&M Sport for women, men and children



KEY DATA

SEK m	31 May 2014	31 May 2013
Stock-in-trade	14,915	12,667
Cash flow from current operations	11,919	11,218
Investments	3,931	3,375
Liquid funds and short-term investments	9,592	9,061
Return on equity* %	50.5	45.0

* rolling 12 months





EXPANSION

- ▶ 93 new stores net in Q2
 - 3,285 stores in 54 markets 31 May
- ▶ 375 new stores net planned 2014
- ▶ Three new H&M markets in 2014
 - first store in Australia opened in Melbourne in April, very well received
 - The Philippines and India planned new markets during autumn
- ▶ H&M to open in South Africa and Peru in 2015





EXPANSION NEWER BRANDS

- ▶ Continued expansion for COS, & Other Stories, Monki, Weekday and Cheap Monday
- ▶ New markets for COS 2014
 - Switzerland, South Korea, Australia and US
- ▶ New markets for & Other Stories 2014
 - Belgium, Netherlands and US
- ▶ H&M Home to approx. 15 new markets





H&M ONLINE

- ▶ Four new large markets for H&M's online store in 2014
 - France opened in March
 - Spain and Italy early autumn
 - China towards the end of the year
- ▶ Global roll-out of H&M's online store to continue
 - eight to ten new online markets planned to open in 2015





H&M SHOES

- ▶ Extended and improved shoe range
 - for women, men, youth and children
- ▶ A variety of styles in different price categories, all at H&M prices
- ▶ Launch starting autumn 2014
 - in selected stores in nine markets including China, US, UK and Sweden
 - online at hm.com
- ▶ Part of long-term investments





ALEXANDER WANG x H&M

- ▶ Established in the fashion world by constantly evolving the urban uniform
 - fashion forward tailoring and sporty looks
- ▶ Garments and accessories for both women and men
 - launch 6 November
 - in approx. 250 H&M stores
 - online at hm.com





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