



H & M Hennes & Mauritz AB

TELEPHONE CONFERENCE 28 JANUARY 2015

FULL-YEAR REPORT



- **NILS VINGE**
INVESTOR RELATIONS
- **JYRKI TERVONEN**
CHIEF FINANCIAL OFFICER

H&M

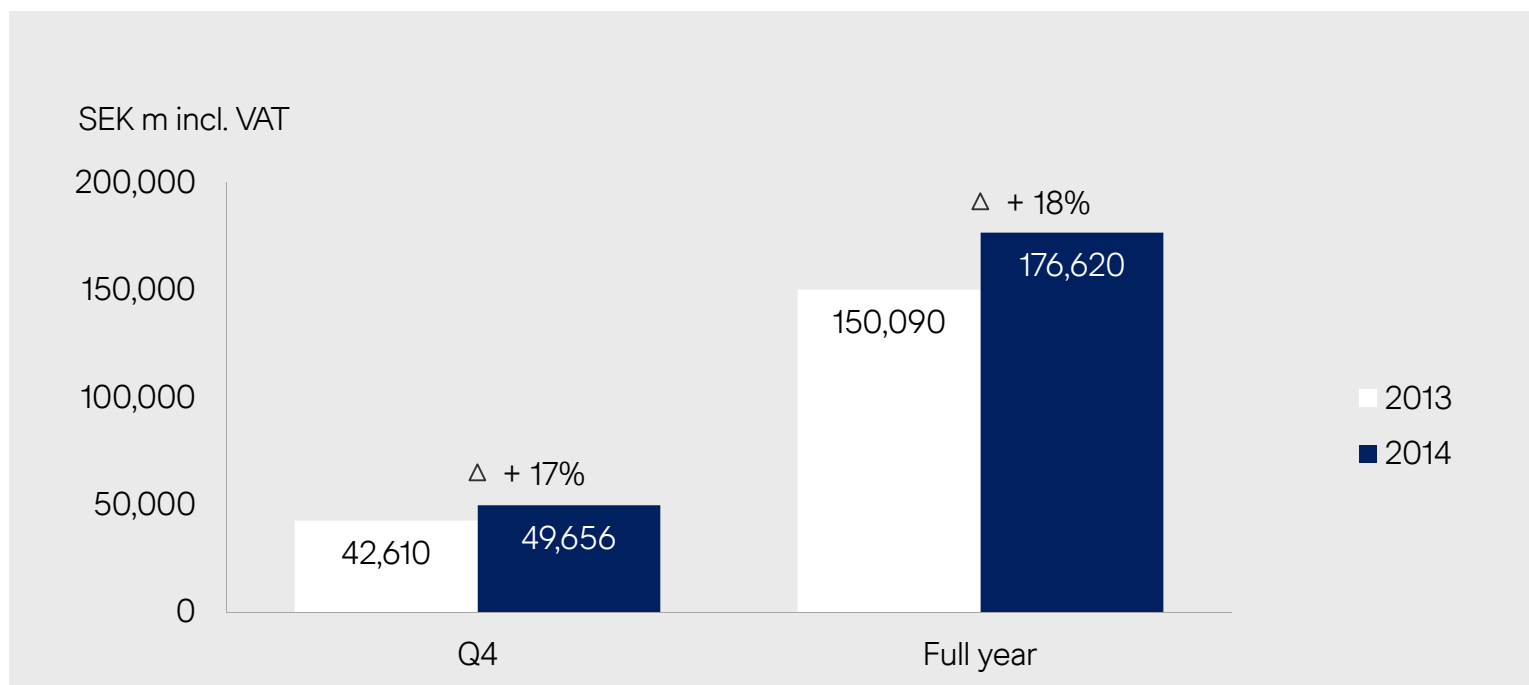


2014 IN BRIEF

- 2014 a very good year for H&M
 - well-received collections for all Group brands
 - continued strong expansion in stores and online
 - increased market share
- Substantial long-term investments within IT, online, new brands and broadening of the product range
- Good cost control maintained
- H&M employees and the H&M spirit key to success
 - SEK 303 m allocated to H&M Incentive Program
- Net profit SEK 20 billion; +18% before HIP allocation

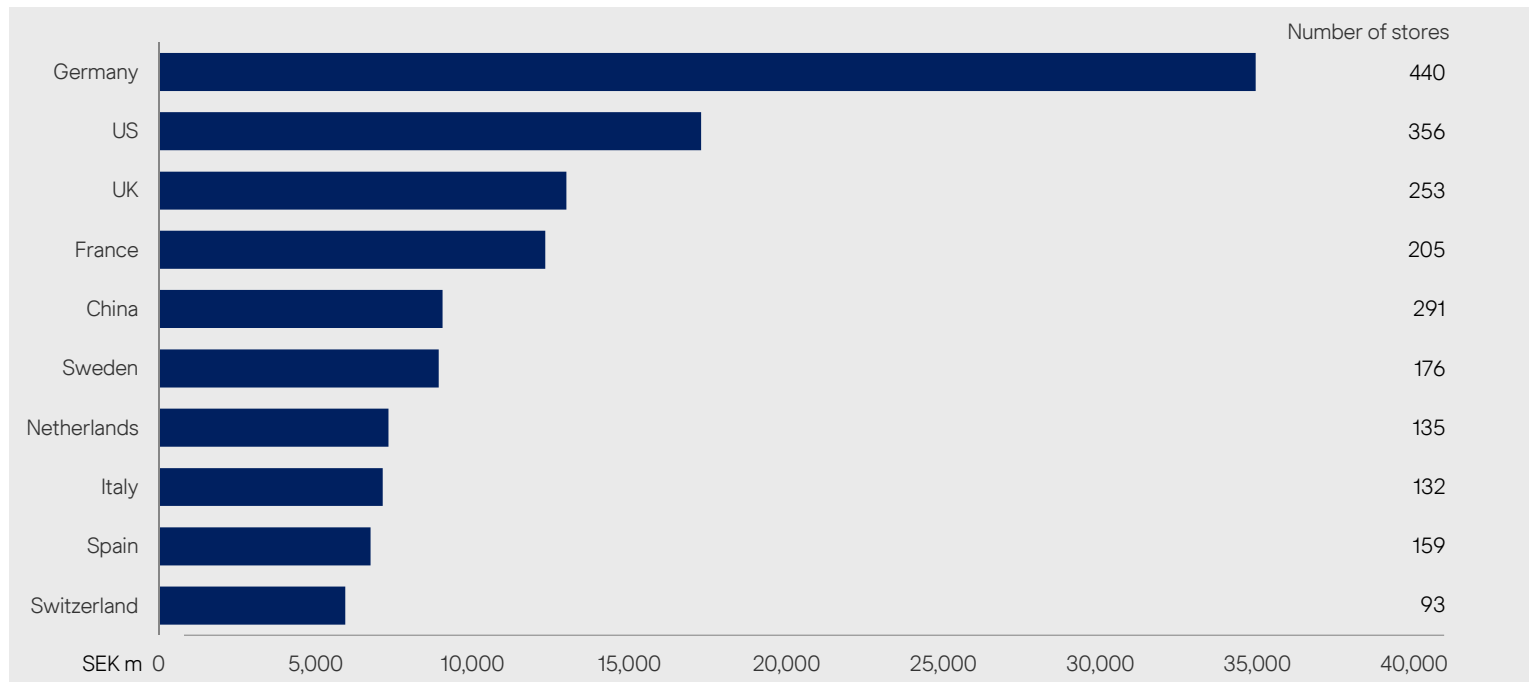


SALES

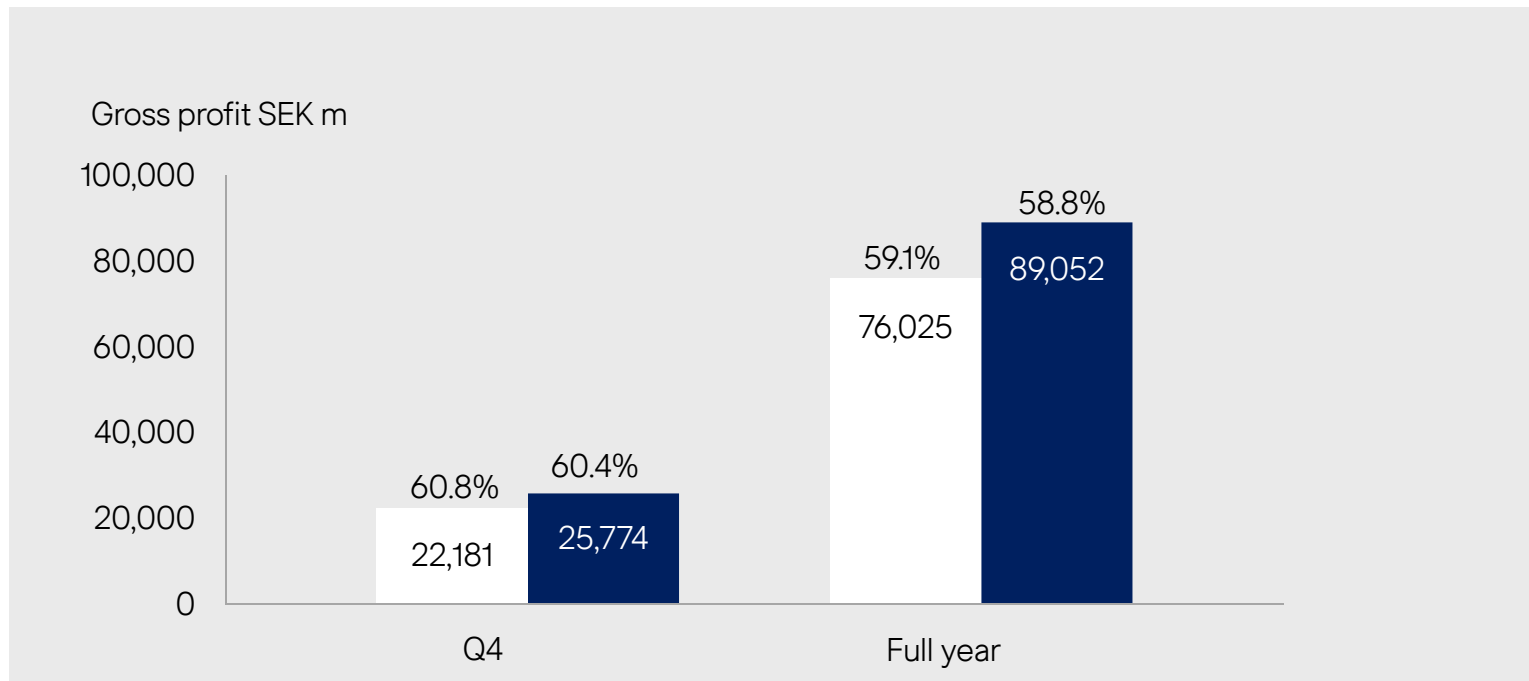


SALES PER MARKET

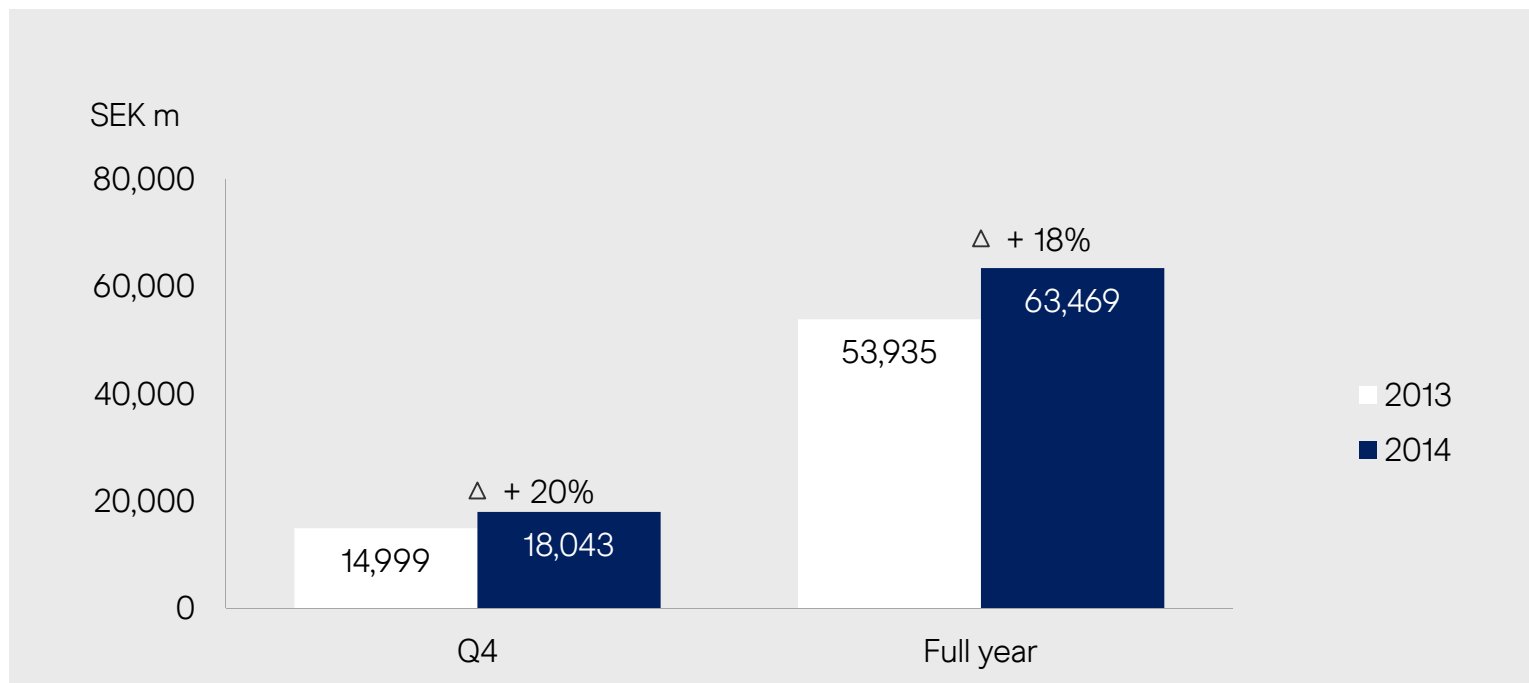
TEN LARGEST MARKETS, FULL YEAR 2014



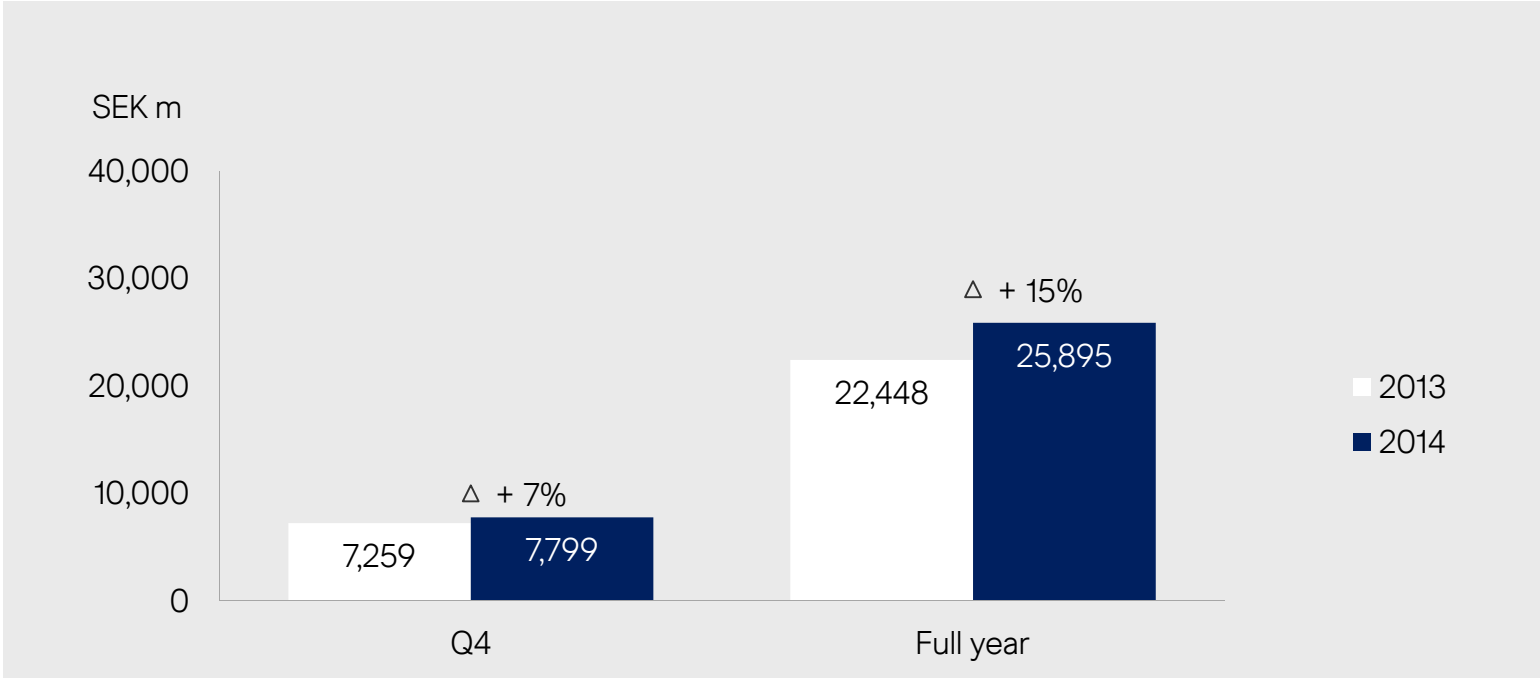
GROSS PROFIT AND GROSS MARGIN



SG&A



PROFIT AFTER FINANCIAL ITEMS



SALES AND PROFITS

FOURTH QUARTER

SEK m	2014	2013
Sales excluding VAT	42,644	36,495
Gross profit	25,774	22,181
<i>gross margin, %</i>	60.4	60.8
Operating profit	7,731	7,182
<i>operating profit, %</i>	18.1	19.7
Net interest income	68	77
Profit after financial items	7,799	7,259
Tax	-1,577	-1,710
Profit for the period	6,222	5,549
<i>Earnings per share (SEK)</i>	3.76	3.35



SALES AND PROFITS

FULL YEAR

SEK m	2014	2013
Sales excluding VAT	151,419	128,562
Gross profit	89,052	76,025
<i>gross margin, %</i>	58.8	59.1
Operating profit	22,583	22,090
<i>operating margin, %</i>	16.9	17.2
Net financial income	312	358
Profit after financial items	25,895	22,448
Tax	-5,919	-5,355
Profit for the year	19,976	17,093
<i>Earnings per share, SEK</i>	12.07	10.33



KEY DATA

SEK m	30 Nov 2014	30 Nov 2013
Stock-in-trade	19,403	16,695
Cash flow from current operations	24,156	23,840
Investments	9,391	8,027
Liquid funds and short-term investments	16,693	17,224
Dividend (SEK)	9:75*	9:50
Return on equity, %	41.3	38.4
Average number of employees**	93,351	81,099

* proposed dividend

** converted to full-time positions



EXPANSION





STORE EXPANSION 2014-2015

- Total 3,511 stores in 55 markets 2014, including all H&M Group brands
 - 379 new stores net added in 2014
 - Australia and Philippines new H&M markets
- Approx. 400 new stores net planned for 2015
 - Taiwan, Peru, Macau, South Africa and India new markets
 - China and the US largest expansion markets





OTHER GROUP BRANDS

- H&M's expansion also includes & Other Stories, COS, Monki, Weekday and Cheap Monday
 - six new markets for COS in 2014
 - & Other Stories and COS very well received in the US in 2014
- For & Other Stories and COS even more new stores are planned to open in 2015 compared to 2014





H&M SHOP ONLINE

- Rapid expansion of H&M's online store, hm.com
 - Four new large online markets 2014
 - France, Italy, Spain and China
- Nine new online markets 2015
 - Belgium, Bulgaria, the Czech Republic, Hungary, Poland, Portugal, Romania, Slovakia and Switzerland





BROADENING H&M'S PRODUCT RANGE

- Extended product range with H&M Home, and in 2014 H&M Sport and extended shoe range
- H&M Home to approx. 100 additional stores and approx. 10 new markets in 2015
- H&M Beauty to launch autumn 2015
 - new, broad concept for make-up, body care and hair care
 - approx. 900 stores in approx. 40 markets
 - online on hm.com



H&M SPRING/SUMMER 2015



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