

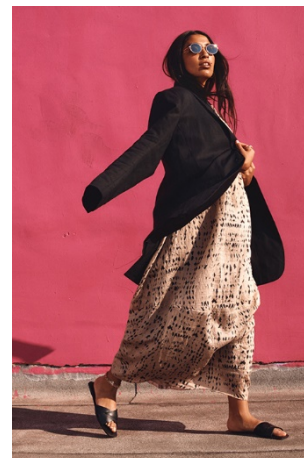
### Six-month report

#### First half-year (1 December 2020 – 31 May 2021)

- The H&M group's net sales in local currencies increased by 12 percent in the first half of 2021 compared with the corresponding period last year. Converted into SEK the group's net sales amounted to SEK 86,569 m (83,612). The pandemic led to reduced footfall as a result of continued restrictions and store closures. At the most, around 1,800 stores were temporarily closed, i.e. around 36 percent of the group's total number of stores.
- Profit after financial items increased to SEK 2,204 m (-3,978). The group's profit after tax amounted to SEK 1,697 m (-3,063), corresponding to SEK 1.03 (-1.85) per share.
- Cash flow from operating activities amounted to SEK 20,219 m (3,916).
- Net cash amounted to SEK 12,799 m (-11,919).
- Online sales have continued to develop very well, even as stores have been allowed to reopen.

#### Second quarter (1 March 2021 – 31 May 2021)

- The H&M group's net sales in local currencies increased by 75 percent in the second quarter 2021 compared with the corresponding period last year. Converted into SEK net sales amounted to SEK 46,509 m (28,664). At the start of the quarter around 1,300 stores were temporarily closed and at the end around 140 stores remained closed.
- Online sales increased by 40 percent in local currencies and 32 percent in SEK.
- Gross profit increased by 89 percent to SEK 25,049 m (13,284). This corresponds to a gross margin of 53.9 percent (46.3).
- Continued good cost control. Profit after financial items increased by SEK 10 billion to SEK 3,593 m (-6,482).
- Profit after tax amounted to SEK 2,767 m (-4,991), corresponding to SEK 1.67 (-3.02) per share.
- The stock-in-trade decreased to SEK 35,866 m (40,000).
- In the second quarter the programme to streamline invoice management and payment processes freed up a further just over SEK 3 billion of working capital.
- In March H&M opened online in Qatar via franchise and during the quarter H&M was also successfully launched on the e-commerce platform Zalora in Indonesia, the Philippines, Malaysia and Singapore.
- H&M's customer loyalty programme now has around 130 million members in 27 markets. An increase of 50 million members in one year.
- Sellpy, the second-hand platform part-owned by H&M group, was launched in an additional 20 markets and is now available in a total of 24 markets.



- Net sales in the period 1–28 June 2021 increased by 25 percent in local currencies compared with the corresponding period last year. Sales are still affected by reduced footfall as a result of continued restrictions and store closures. At present, around 95 stores are still temporarily closed.
- The company's financial position remains strong and the board's assessment is that there will be very good prospects of a cash dividend in autumn 2021.
- Cambodia will become a new H&M market via franchise in 2022.

*"With our much-appreciated collections, our ongoing transformation and the fact that markets are gradually being opened up, our recovery is strong. Online sales have continued to develop very well even as the stores have opened, which shows that customers appreciate the collections and being able to shop via their preferred channel," says Helena Helmersson, CEO.*

## Comments by Helena Helmersson, CEO

“As more and more people are vaccinated and restrictions are eased, the world is gradually opening up and customers can once again visit our stores. With the combination of much-appreciated collections, rapid adaptation and further improvements, our recovery is strong. Despite continued restrictions, sales increased significantly compared with the previous year. The third quarter have started well and we are almost back at the level we were at before the pandemic. I am proud of all our colleagues’ commitment and drive during this challenging period. The crisis has made us even stronger as a company. The lessons we have learned are enabling us to be even better and faster at making the most of new opportunities, and we are optimistic about the future.

Both existing and new customers are showing every day that they appreciate our customer offering with the best combination of fashion, price, quality and sustainability. Our long-term digital investments and increasingly integrated sales channels, along with more efficient ways of working and our customer focus, have been important during the pandemic. By being flexible and adapting quickly, all parts of the company have contributed to the recovery. At the same time, we can never sit back and relax. We are driven by a passion to continually improve the customer offering and the customer experience.

Our transformation therefore continues at full speed in order to meet customers’ increased expectations and strengthen our competitiveness further. Here I would like to highlight our initiatives within tech, AI and the supply chain, where we have made great progress while still seeing further opportunities within areas such as greater precision and local relevance.

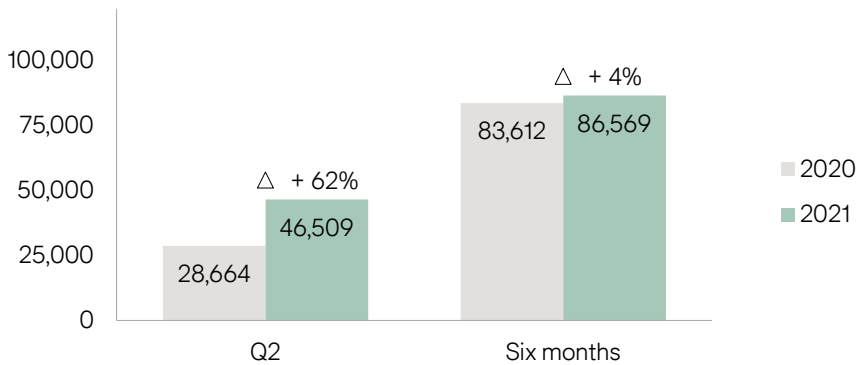
In the wake of the pandemic we are seeing increasing demand globally for fashion that provides value for money and is sustainable, which we are well positioned for. Our brands are also offering an increasing number of services for a more sustainable lifestyle. In combination with our work to become circular and climate positive, we are also increasing the share of sustainable and renewable materials. We are developing the existing business and are also creating new complementary revenue streams. Together with profitable online growth and continued store optimisation this will contribute to long-term, profitable and sustainable growth for the H&M group.”

*Read more about our initiatives in the section Initiatives for an improved customer experience on page 11.*



## Sales

SEK m



MONKLE

**The H&M group's net sales** in local currencies increased by 75 percent in the second quarter 2021 compared with the corresponding period last year. Converted into SEK net sales amounted to SEK 46,509 m (28,664) in the second quarter.

Net sales in the six-month period increased by 12 percent in local currencies compared with the corresponding period last year. Converted into SEK net sales amounted to SEK 86,569 m (83,612) in the six-month period.

**The H&M group's online sales** continue to develop very well, even as the stores have gradually been allowed to reopen. Online sales increased by 40 percent in local currencies and by 32 percent in SEK in the second quarter. Online sales increased by 47 percent in the six-month period and by 39 percent respectively and represented 38 percent of the group's total sales.

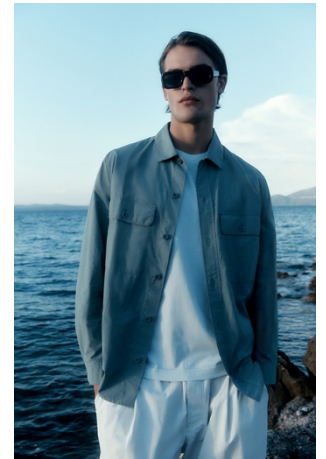
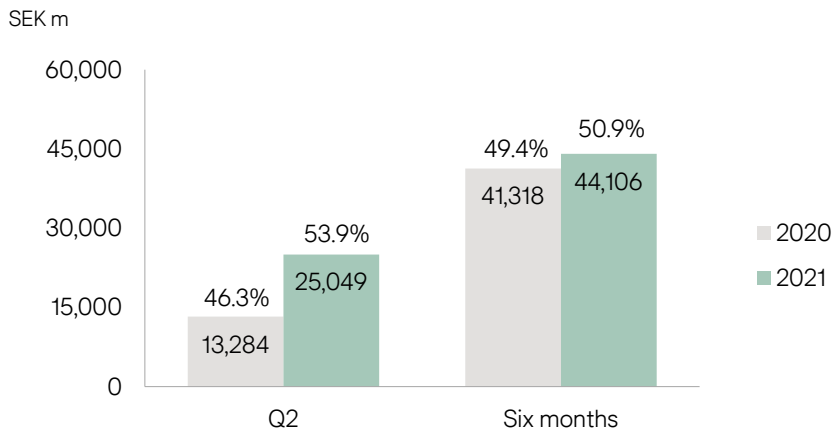
**Sales for Portfolio Brands** increased in the second quarter by 59 percent in local currencies and by 49 percent in SEK.

## Sales in top ten markets, second quarter

	Q2 - 2021	Q2 - 2020	Change in %		31 May - 21	Q2 - 2021
	SEK m net sales	SEK m net sales	SEK	Local currency	Number of stores	New stores (net)
USA	7,111	2,341	204	269	552	-7
Germany	6,297	5,187	21	28	450	-1
UK	3,308	1,749	89	96	278	-6
Russia	2,102	804	161	198	161	6
Sweden	2,035	1,625	25	25	160	-2
China	1,624	2,259	-28	-23	489	-13
Switzerland	1,586	1,054	50	64	95	-3
France	1,497	1,190	26	36	223	-1
Netherlands	1,483	1,122	32	39	126	0
Italy	1,349	682	98	113	171	-1
Others	18,117	10,651	70	80	2,208	-8
<b>Total</b>	<b>46,509</b>	<b>28,664</b>	<b>62</b>	<b>75</b>	<b>4,913</b>	<b>-36</b>

Development in SEK and in local currencies is due to how the Swedish krona has developed against the overall basket of currencies in the group compared with the same period last year.

## Gross profit and gross margin



COS

**Gross profit** increased to SEK 25,049 m (13,284) in the second quarter, corresponding to a gross margin of 53.9 percent (46.3). For the six-month period, gross profit increased to SEK 44,106 m (41,318), corresponding to a gross margin of 50.9 percent (49.4).

**Costs for markdowns** in relation to sales decreased by around 3 percentage points in the second quarter of 2021 compared with the same quarter the previous year.

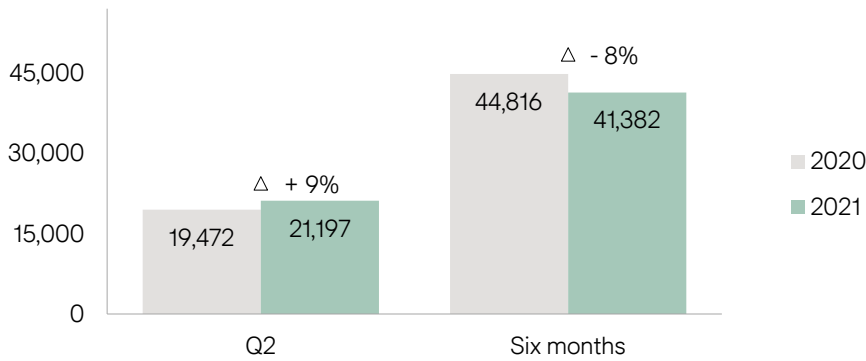
**The gross profit and gross margin** are a result of many factors, internal as well as external, and are mostly affected by the decisions that the H&M group takes in line with its strategy to always have the best customer offering in each individual market – based on the combination of fashion, quality, price and sustainability.

For the second quarter the market situation as regards external factors that influence purchasing costs was overall slightly positive compared with the same purchasing period the previous year.

**For purchases made for the third quarter 2021** the overall market situation as regards external factors is expected to continue to be slightly positive compared with the same purchasing period the previous year.

## Selling and administrative expenses

SEK m



*& other stories*

**Cost control in the group remains good.** Selling and administrative expenses including depreciation and amortisation increased in the second quarter by 19 percent in local currencies, which should be seen in the light of the 75 percent increase in sales. Converted into SEK, these expenses increased by 9 percent to SEK 21,197m (19,472).

**Government support associated with the pandemic** has been received in several markets. This has decreased selling and administrative expenses by a total of around SEK 696 m (1,278) in the second quarter. This must be seen in the light of the substantial negative sales impact of the pandemic and the unpredictable situation brought about by the development of the pandemic. As the situation in many markets has gradually improved, government assistance has decreased. In Sweden, for example, no government assistance has been received for the period since 31 March 2021.

For the six-month period, selling and administrative expenses decreased by 8 percent in SEK and by 1 percent in local currencies compared with the same period last year.

## Profit after financial items

**Profit after financial items** increased to SEK 3,593 m (-6,482) in the second quarter. Profit in the six-month period amounted to SEK 2,204 m (-3,978).

The result for the quarter is to be seen in the light of last year's very challenging situation with around 4,000 stores closed. With well-received collections, good cost control and strong online sales, profit improved by SEK 10 billion in the second quarter despite continued Covid-19-related restrictions.

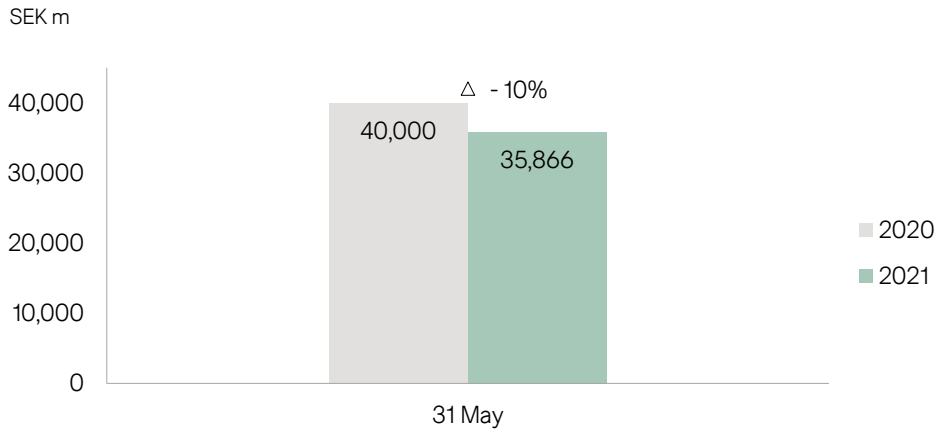
## Income statement including and excluding IFRS 16 effects

	Q2	Q2	Six months	Six months
SEK m	2021	2020	2021	2020
Net sales	46,509	28,664	86,569	83,612
Gross profit	25,049	13,284	44,106	41,318
Gross profit excl. IFRS 16	25,032	13,273	44,070	41,295
Operating profit	3,852	-6,188	2,724	-3,498
Operating margin, %	8.3	-21.6	3.1	-4.2
Operating profit excl. IFRS 16	3,574	-6,494	2,148	-4,123
Operating margin, %, excl. IFRS 16	7.7	-22.7	2.5	-4.9
Net financial items	-259	-294	-520	-480
Net financial items, excl. IFRS 16	-58	-38	-113	9
Profit after financial items	3,593	-6,482	2,204	-3,978
Profit after financial items, excl. IFRS 16	3,516	-6,532	2,035	-4,114
Profit for the period	2,767	-4,991	1,697	-3,063
Profit for the period, excl. IFRS 16	2,707	-5,030	1,567	-3,168
Depreciation & amortisation	5,613	6,367	11,325	12,764
Depreciation & amortisation, excl. IFRS 16	2,527	2,818	5,100	5,578

For definitions of alternative performance measures, see page 24.



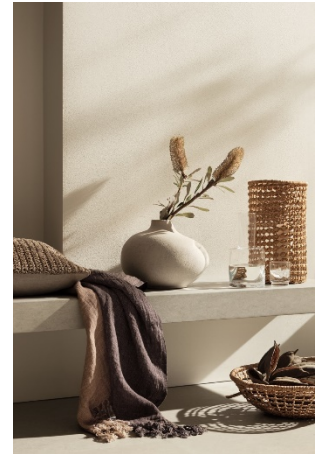
## Stock-in-trade



The carrying amount of the stock-in-trade in SEK decreased by 10 percent compared with the corresponding point in the previous year and amounted to SEK 35,866 m (40,000). Currency adjusted the stock-in-trade decreased by around 1 percent.

The stock-in-trade in SEK represented 18.9 percent (19.2) of sales for the rolling twelve months, which amounted to SEK 189,988 m (207,878).

The ongoing transformation – including a more efficient supply chain and further integration of the sales channels – combined with a gradual improvement in the Covid-19 situation provides a good basis for continued lower stock levels going forward.



#MHOME

## Growth and expansion through integrated channels

The pandemic has accelerated the already ongoing transformation of the industry, with increased digitalisation that has rapidly changed customers' behaviour. The current situation has changed the preconditions for, among other things, rental terms for stores. The H&M group is continuing to renegotiate a large number of leases as part of the company's intensified store optimisation, which also involves rebuilds and adjustment of the number of stores and of store space to ensure the best store portfolio in each market. The H&M group's contracts allow around a third of leases to be renegotiated or exited each year.

For the full-year 2021 the plan is that around 350 stores will close and just over 100 new stores will open, resulting in a net decrease of around 250 stores. Most of the openings will be in growth markets while closures will mainly be in established markets.

The first H&M store in Panama is scheduled to open in the second half of 2021 via franchise.

In March H&M opened online in Qatar via franchise and in the quarter H&M has also been successfully launched on the e-commerce platform Zalora in Indonesia, the Philippines, Malaysia and Singapore. In April Weekday was launched on the e-commerce platform AboutYou in 23 markets in Europe.

Sellpy, the second-hand platform part-owned by H&M group, was launched in an additional 20 markets and is now available in a total of 24 markets in Europe.

COS plans to launch online in Australia at the start of 2022.

Cambodia will become a new H&M market via franchise in 2022.

*For more information see the heading Initiatives for an improved customer experience on page 11.*

**No. of markets**  
**31 May - 2021**

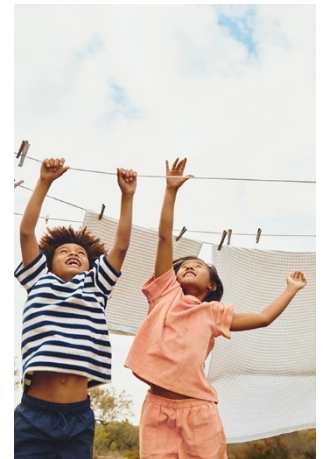
**Expansion**  
**2021**

Brand	Store	Online	New markets
H&M	74	53	Store: Panama (franchise) Online: Qatar (franchise)*
COS	46	34	Store: Greece*, Estonia*, Philippines**
Monki	20	31	-
Weekday	16	30	-
& Other Stories	22	33	Store: Israel, China
ARKET	8	31	Store: South Korea*, China, Russia
Afound	1	4	-
H&M HOME	51	42	Store: Thailand (franchise)

\* Opened until 31 May 2021

\*\* Opened in June 2021

COS, Weekday, Monki, Weekday, & Other Stories and ARKET offer Global selling which enables customers in around 70 additional markets to shop online. The exact number of markets per brand that have this service varies.



ARKET

## Store count by brand

In the first half of 2021, the H&M group opened 50 (47) stores including franchise and closed 155 (65) stores, making a net decrease of 105 (18) stores. The group had a total of 4,913 (5,058) stores as at 31 May 2021, of which 271 (277) were operated by franchise partners.

**New Stores 2021 (net)**

**Total No of stores**

Brand	Q2	Six months	31 May - 2021	31 May - 2020
H&M	-40	-97	4,332	4,471
COS	3	-8	283	294
Monki	-6	-10	113	127
Weekday	1	1	58	54
& Other Stories	1	1	75	72
ARKET	1	2	23	20
Afound	0	-1	5	7
H&M HOME*	4	7	24	13
<b>Total</b>	<b>-36</b>	<b>-105</b>	<b>4,913</b>	<b>5,058</b>

\* Concept stores. H&M HOME is also included with shop-in-shop in 402 H&M stores.

## Store count by segment

**New Stores 2021 (net)**

**Total No of stores**

Region	Q2	Six months	31 May - 2021	31 May - 2020
Europe & Africa	-23	-69	2,959	3,059
Asia & Oceania	-9	-10	1,201	1,221
North & South America	-4	-26	753	778
<b>Total</b>	<b>-36</b>	<b>-105</b>	<b>4,913</b>	<b>5,058</b>

## Financing and liquidity

The H&M group aims to secure financial flexibility and freedom of action on the best possible terms. The financial position has been strengthened further during the quarter through increased net cash, improved working capital and more efficient financing.

### Cash flow and working capital

Cash flow from operating activities in the six-month period amounted to SEK 20,219 m (3,916). Excluding IFRS 16 cash flow amounted to SEK 13,948 m (-3,406).

The cash flow is a result of positive development of sales and profits in the second quarter and of continued improvements in working capital, with lower stock levels as well as a streamlining of invoice management and payment processes. As communicated previously a programme of streamlining measures is in progress in respect of suppliers of products to the group, which is expected to free up around SEK 10 billion in working capital in the 2021 financial year. The programme has continued to be developed according to plan. Just over SEK 3 billion has been freed up in the second quarter and over SEK 6 billion in total for the six-month period.

### Liquidity and debt financing

The H&M group's liquidity remains very good. As at 31 May 2021 cash and cash equivalents amounted to SEK 23,434 m (12,704). In addition, the group has undrawn credit facilities of SEK 20,083 m (18,537). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 43,517 m (31,241).

As at 31 May 2021 the group had interest-bearing liabilities of SEK 10,635 m (24,623) in the form of commercial papers, bonds and loans from credit institutions. The average maturity of interest-bearing liabilities was 5.4 (1.2) years. Net debt including provisions for pensions and excluding IFRS 16 became net cash during the year, amounting to SEK 12,160 m (-12,479). Net debt in relation to EBITDA amounted to -0.6 (0.7).

In the second quarter two loans from credit institutions amounting to SEK 4,000 m, maturing in 2023 and 2025 respectively, were repaid early. A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities is given in the table below.

Year	Commercial papers	Bonds (EMTN)	Loans from credit institutions	Unused credit facilities
2021	1,025	-	236	5,000
2022	275	-	15	-
2023	-	-	2,024	4,000
2024	-	-	-	7,083
2025	-	-	-	4,000
2026	-	-	2,000	-
2027	-	-	-	-
2028	-	-	-	-
2029	-	5,060	-	-
<b>Total SEK m</b>	<b>1,300</b>	<b>5,060</b>	<b>4,275</b>	<b>20,083</b>



COS



## Tax

In the first three quarters of the year a tax rate of 23 percent is used to calculate tax expense on the result of each period.

## Current quarter

Net sales in the period 1–28 June 2021 increased by 25 percent in local currencies compared with the corresponding period last year. Compared with the same period in 2019 sales decreased by around 4 percent. Sales are still being adversely affected by reduced footfall in physical stores due to continued restrictions and store closures. At the current time around 95 stores remain temporarily closed.

The cost of markdowns in relation to sales is expected to decrease by around half a percentage point in the third quarter compared with the corresponding quarter the previous year.

Given a gradual improvement in the Covid-19 situation, combined with the company's continued transformation work, the H&M group will be well positioned for a continued strong recovery during the year.

## Dividend comment

The board aims for the H&M group to have sustainable and profitable growth, thereby allowing a good return to the shareholders. The company's financial position remains strong and the board's assessment is that there will be very good prospects of a cash dividend in autumn 2021. The board will come back later in the year with a proposed date and level for resuming the dividend.

## Accounting principles

The group applies International Financial Reporting Standards (IFRS) and interpretations by the IFRS Interpretations Committee as adopted by the EU. This report has been prepared according to IAS 34 Interim Financial Reporting, the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary Rules for Consolidated Financial Statements and the Swedish Annual Accounts Act.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which essentially involves applying IFRS. In accordance with RFR 2, the parent company does not apply IFRS 9 when measuring financial instruments, nor does it capitalise development costs. IFRS 16 is also not applied in the parent company.

The accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the annual report and consolidated financial statements for 2020. No new or revised IFRS standards or interpretations applied from 1 December 2020 have had any significant impact on the consolidated financial statements.

For a more detailed description of the accounting principles applied to the group and the parent company in this interim report see pages 64–65 of the annual report for the 2020 financial year.

### Government assistance in connection with the Covid-19 situation

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance – due to the extraordinary situation brought about by the pandemic the H&M group received government assistance in various markets, mainly in respect of rents and staffing.

The H&M group has chosen to report these grants as a reduction in the cost of the items to which the grants relate. The grants are reported in the income statement and balance sheet when it is reasonably certain that the grants will be received and any conditions for receiving the grants are fulfilled.

## Financial instruments

The H&M group's financial instruments consist mainly of accounts receivable, other receivables, cash and cash equivalents, accounts payable, interest-bearing securities and liabilities, and currency derivatives.

Currency derivatives are measured at fair value based on Level 2 inputs in the IFRS 13 hierarchy. As of 31 May 2021, forward contracts with a positive market value amount to SEK 379 m (867), which is reported under other current receivables. Forward contracts with a negative market value amount to SEK 649 m (746), which is reported under other current liabilities. Other financial assets and liabilities are measured at amortised cost. Liabilities to credit institutions accrue interest at rates which essentially correspond to current market rates, and therefore the fair values of these and other financial instruments are assessed to be approximately equal to their book values.

## Risks and uncertainties

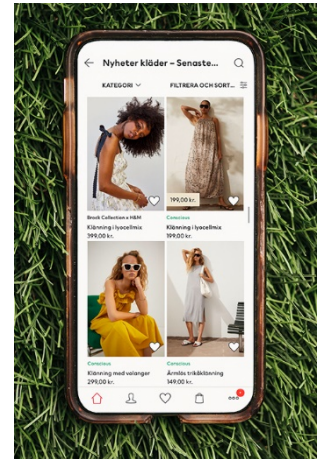
Risks may be due to events in the outside world and affect a certain sector or market, or they may be associated with the group's own business. The H&M group carries out regular risk analysis for both operational and financial risks. Operational risks are mainly associated with the business and the external risks that affect the group. Business decisions determine whether action is to be taken to reduce the likelihood of the risk in question occurring and if so, to what extent. Business decisions also determine the extent to which the consequences of a risk that has occurred may be mitigated.

There are external risks and uncertainties affecting the H&M group that are related to the shift in the industry, fashion, competitors, information security and cybersecurity, sustainability issues, weather, macroeconomics and geopolitical events, pandemics, foreign currencies, taxes, customs duty, and various regulations and ordinances, but also in connection with expansion into new markets, the launch of new concepts and how the brands are managed. More detailed information concerning the financial risks is given in H&M Group's annual report.

## Initiatives for an improved customer experience

Customer behaviour is changing rapidly, and the H&M group works continually on improvements in order to offer customers the best possible shopping experience. Here are some examples of ongoing initiatives:

- **H&M's customer loyalty programme** now has around 130 million members in 27 markets. An increase of 50 million members in one year. Members are rewarded not just for purchases, but also for commitment – such as bringing in old clothes for H&M's garment collecting, choosing climate-smart delivery options, bringing their own bag when shopping and choosing products made from more sustainable materials.
- **More payment options.** Members of H&M can pay now or later through the H&M app, whether shopping in store or online.
- **Digital receipts.** Customers can receive digital receipts in the H&M app in most markets.
- **Visual Search.** Image recognition helps customers by making recommendations and suggesting potential buys based on pictures that the customer has taken or been inspired by.
- **Next day delivery and express delivery** continue to be rolled out in more markets.
- **Climate-smart delivery options.** H&M customers in the Netherlands, Sweden and Italy can opt to receive and return items using a bicycle delivery service, a solution that is much appreciated by customers. Combined with using biogas vehicles from the logistics centre, this reduces CO2 emissions. Various kinds of climate-smart deliveries are offered in different markets.
- **Find in Store.** On seeing an item online, customers can use their mobile to find it quickly and easily in the size they want in a physical store as well as online.
- **Scan & Buy.** Customers can scan the QR code on a product in store to find and buy the item online in the size and colour they want.
- **In-Store Mode** allows customers to see on their mobiles which items are in the store they are currently in, as well as online.
- **Click & Collect** allows customers to pick up online purchases in store.
- **Online returns in store** is a service that continues to be rolled out during 2021.
- **#HMxME** enables customers to share their own fashion stories from Instagram while also providing an easy way to buy the items.
- **Recommended Size** helps customers find the right size online based on past purchases.
- **Rate & Review** lets customers rate and review H&M products.
- **RFID** (Radio Frequency Identification) means items with a digital price tag can be located quickly, to get precise information on an item's availability.
- **Self-service checkouts** have been much appreciated by customers and are now being rolled out to more markets.
- **Instagram** – in the US, H&M customers can shop directly from inspirational images and videos on Instagram and get notifications on Instagram when H&M releases new collections.
- **H&M HOME X Augmented Reality.** H&M is continuously seeking new ways to engage its customers and reduce its carbon footprint. One example of this is the group's augmented reality pilot, where customers can preview selected H&M HOME products by virtually "placing" them in their own environment simply using the camera on their mobile.



## Product flow

The pandemic has accelerated the need for flexibility between different sales channels, and so the H&M group is continuing to integrate the channels into a fully omni model. This encompasses the entire flow of goods and how to ensure that the right product is in the right place at the right time, at the right cost. Important elements include the group's tech investments in AI and logistics systems, but also work on logistics centres and an increased focus on innovation.

## Sustainability

The H&M group's sustainability vision is to lead the transition to circular, climate positive fashion as a fair and equal company across the entire value chain.

**Product transparency.** H&M is increasing its transparency further by launching a first version of the Higg Index tool for selected products online in 31 markets in Europe and in the USA. H&M is one of the very first brands to apply the new programme, which measures the environmental impact of the materials used to make a product. Based on this customers are provided with information on the use of water and fossil fuels, global warming and water pollution, in a transparent and comparable way. The programme was developed by the Sustainable Apparel Coalition (SAC) together with its technology partner Higg, sustainability experts, the H&M group and other companies, and enables customers to make more informed purchasing decisions. It is being developed further to include environmental aspects at factory level. In 2021-2022 the programme will be scaled up to include more products.

**Second-hand platform Sellpy is expanding into 20 new markets.** Sellpy, which is currently in Sweden, Germany, the Netherlands and Austria, is now expanding its e-commerce to a total of 24 markets. To meet the growing demand, Sellpy will also work with the H&M group's global supply chain, which will drive Sellpy's circular services. The H&M group has been co-owner of Sellpy since 2015 through the company's investment arm H&M CO: LAB, with a vision to enable customers to live a more circular lifestyle.

**Textile Exchange has named the H&M group** as a leading company within fibre and material sourcing in its report Material Change Insights, which is one of the most extensive analyses of how the textile industry is progressing in its transition to more sustainable materials and a circular economy. The H&M group was one of 36 companies out of 191 that were named as having reached the level that indicates exceptional progress in this area. The H&M group is one of the companies listed as being among the most groundbreaking in the industry in their progress on achieving the Sustainable Development Goals (SDGs) based on strategy, choice of materials and circularity, according to the report.

**The H&M group has launched Itsapark** on the German market, a platform for people and brands taking steps together to create a more circular lifestyle through collaboration, partnership and innovation. The multi-brand online store offers a sustainably driven assortment of products and services covering beauty, living, clothing, wellness, pre-owned and rental. Itsapark works with people from novices to experts, and with partner brands from the local to the well-known. The community-driven platform makes it possible for customers, brands, communities and experts to strive for circularity, durability and responsible production by bringing their ideas, inspiration and expertise. The platform will also allow products, services and inspiration to be filtered according to sustainability values.

**The H&M group has joined the European Commission's Green Consumption Pledge Initiative,** thereby strengthening its commitment to lead the change towards a sustainable fashion future. H&M Group has set an ambition to become climate positive by 2040, which can only be reached by collaborating with others. This pledge means that the H&M group will disclose further information on its sustainability work and its circular and climate positive strategy, including setting clear goals and being transparent about achievements. The pledge is built on three pillars: environmental improvement, communication with customers and transparent reporting, and includes ambitious goals such as measuring the carbon footprint of all the H&M group's products.

*Read more about many of the initiatives taken and our sustainability work at [hmgroup.com](https://www.hmgroup.com).*



H&M

## Calendar

15 September 2021	Sales development in the third quarter, 1 Jun 2021 – 31 Aug 2021
30 September 2021	Nine-month report, 1 Dec 2020 – 31 Aug 2021
15 December 2021	Sales development in the fourth quarter, 1 Sep 2021 – 30 Nov 2021
28 January 2022	Full-year report, 1 Dec 2020 – 30 Nov 2021
15 March 2022	Sales development in the first quarter, 1 Dec 2021 – 28 Feb 2022
30 March 2022	Three-month report, 1 Dec 2021 – 28 Feb 2022

Stockholm, 30 June 2021  
Board of Directors

This six-month report has not been reviewed by the company's auditors.

## Communication in conjunction with the six-month report

The six-month report, i.e. 1 December 2020 – 31 May 2021, will be published at 08:00 CEST on 1 July 2021 and will be followed by a telephone conference at 09:00 CEST for the financial market and media hosted by CEO Helena Helmersson, CFO Adam Karlsson and Head of IR Nils Vinge. The telephone conference will be held in English.

For log in details for the telephone conference please register at [hmgroupp.com](http://hmgroupp.com) or via this link: <http://emea.directeventreg.com/registration/6038204>.

To book interviews with CEO Helena Helmersson, CFO Adam Karlsson and Head of IR Nils Vinge in conjunction with the six-month report on 1 July 2021, please contact: Kristina Stenvinkel, telephone: +46 8 796 39 08, e-mail: [stenvinkel@hm.com](mailto:stenvinkel@hm.com)

## Contact

Nils Vinge, Head of IR	+46 8 796 52 50
Helena Helmersson, CEO	+46 8 796 55 00 (switchboard)
Adam Karlsson, CFO	+46 8 796 55 00 (switchboard)

H & M Hennes & Mauritz AB (publ)  
SE-106 38 Stockholm  
Phone: +46-8-796 55 00, fax: +46-8-20 99 19, e-mail: [info@hm.com](mailto:info@hm.com)  
Registered office: Stockholm, Reg. No. 556042-7220

For more information about the H&M group visit [hmgroupp.com](http://hmgroupp.com).

Information in this interim report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the EU Market Abuse Regulation (596/2014/EU). The information was submitted for publication by the abovementioned persons at 08:00 (CEST) on 1 July 2021. This interim report and other information about the H&M group, is available at [hmgroupp.com](http://hmgroupp.com).

*H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands COS, Monki, Weekday, & Other Stories, H&M HOME and ARKET as well as Afound. The H&M group has 53 online markets and approximately 4,900 stores in 74 markets including franchise markets. In 2020, net sales were SEK 187 billion. The number of employees amounts to approximately 153,000. For further information, visit [hmgroupp.com](http://hmgroupp.com).*



The undersigned hereby provide an assurance that the half-year report for 1 December 2020 – 31 May 2021 provides a true and fair view of the parent company's and the group's business, positions and earnings, and also describe the significant risks and uncertainties faced by the companies in the group.

Stockholm 30 June, 2021

Karl-Johan Persson  
Chairman of the Board

Stina Bergfors  
Board member

Anders Dahlvig  
Board member

Ingrid Godin  
Board member

Danica Kragic Jensfelt  
Board member

Margareta Welinder  
Board member

Lena Patriksson Keller  
Board member

Tim Gahnström  
Board member

Christian Sievert  
Board member

Erica Wiking Häger  
Board member

Niklas Zennström  
Board member

Helena Helmersson  
Chief Executive Officer

**GROUP INCOME STATEMENT IN SUMMARY (SEK m)**

	Q2 2021	Q2 2020	Six months 2021	Six months 2020	1 Dec 2019- 30 Nov 2020
Net sales	46,509	28,664	86,569	83,612	187,031
Cost of goods sold	-21,460	-15,380	-42,463	-42,294	-93,487
<b>GROSS PROFIT</b>	<b>25,049</b>	<b>13,284</b>	<b>44,106</b>	<b>41,318</b>	<b>93,544</b>
<i>Gross margin, %</i>	53.9	46.3	50.9	49.4	50.0
Selling expenses	-18,871	-17,238	-36,912	-40,266	-81,425
Administrative expenses	-2,326	-2,234	-4,470	-4,550	-9,020
<b>OPERATING PROFIT</b>	<b>3,852</b>	<b>-6,188</b>	<b>2,724</b>	<b>-3,498</b>	<b>3,099</b>
<i>Operating margin, %</i>	8.3	-21.6	3.1	-4.2	1.7
Net financial items	-259	-294	-520	-480	-1,047
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>3,593</b>	<b>-6,482</b>	<b>2,204</b>	<b>-3,978</b>	<b>2,052</b>
Tax	-826	1,491	-507	915	-809
<b>PROFIT FOR THE PERIOD</b>	<b>2,767</b>	<b>-4,991</b>	<b>1,697</b>	<b>-3,063</b>	<b>1,243</b>

All profit for the year is attributable to the shareholders of the parent company H & M Hennes & Mauritz AB.

Earnings per share, SEK*	1.67	-3.02	1.03	-1.85	0.75
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	5,613	6,367	11,325	12,764	25,953
of which cost of goods sold	428	453	868	897	1,949
of which selling expenses	4,966	5,680	10,027	11,401	22,755
of which administrative expenses	219	234	430	466	1,249

\* Before and after dilution.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)**

	Q2 2021	Q2 2020	Six months 2021	Six months 2020	1 Dec 2019- 30 Nov 2020
PROFIT FOR THE PERIOD	2,767	-4,991	1,697	-3,063	1,243
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Translation differences	-235	-1,498	-317	-1,125	-3,673
Change in hedging reserves	-366	25	-471	-148	92
Tax attributable to change in hedging reserves	84	-6	108	34	-21
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit pension plans	-	-	-	-	-113
Tax related to the above remeasurement	-	-	-	-	26
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-517</b>	<b>-1,479</b>	<b>-680</b>	<b>-1,239</b>	<b>-3,689</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,250</b>	<b>-6,470</b>	<b>1,017</b>	<b>-4,302</b>	<b>-2,446</b>

All comprehensive income is attributable to the shareholders of the parent company H & M Hennes & Mauritz AB.

**GROUP BALANCE SHEET IN SUMMARY (SEK m)**

<b>ASSETS</b>	<b>31 May - 2021</b>	<b>31 May - 2020</b>	<b>30 Nov - 2020</b>
<b>Non-current assets</b>			
Intangible non-current assets	9,906	11,546	10,432
Property, plant and equipment	28,328	36,901	31,639
Right of use assets	54,084	68,408	59,535
Non-current financial assets	1,027	659	786
Other non-current assets	6,660	5,417	6,621
	100,005	122,931	109,013
<b>Current assets</b>			
Stock-in-trade	35,866	40,000	38,209
Current receivables	12,449	13,544	10,609
Cash and cash equivalents	23,434	12,704	16,540
	71,749	66,248	65,358
<b>TOTAL ASSETS</b>	<b>171,754</b>	<b>189,179</b>	<b>174,371</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	55,640	52,767	54,623
Long-term liabilities*	13,757	13,700	13,033
Long-term leasing liabilities*	45,901	57,979	50,458
Current liabilities**	44,213	50,654	42,982
Current leasing liabilities**	12,243	14,079	13,275
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>171,754</b>	<b>189,179</b>	<b>174,371</b>

\* Interest-bearing long-term liabilities including leasing amounts to SEK 55,785 m (67,284).

\*\* Interest-bearing current liabilities including leasing amounts to SEK 13,633 m (29,955).

**CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)**

	<b>31 May - 2021</b>	<b>31 May - 2020</b>	<b>30 Nov - 2020</b>
Shareholders' equity at the beginning of the period	54,623	57,069	57,069
Total comprehensive income for the period	1,017	-4,302	-2,446
Dividend	-	-	-
Shareholders' equity at the end of the period	55,640	52,767	54,623

**GROUP CASH FLOW STATEMENT IN SUMMARY (SEK m)**

	Six months 2021	Six months 2020
<b>Operating activities</b>		
Profit after financial items*	2,204	-3,978
<i>Adjustment for non-cash items</i>		
- Provisions for pensions	32	59
- Depreciation	11,325	12,764
- Tax paid	-2,316	-2,621
<b>Cash flow from operating activities before changes in working capital</b>	<b>11,245</b>	<b>6,224</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	-1,278	-299
Stock-in-trade	2,351	-2,714
Current liabilities	7,901	705
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>20,219</b>	<b>3,916</b>
<b>Investing activities</b>		
Investments in intangible fixed assets	-287	-1,050
Investments in tangible fixed assets	-866	-2,176
Other investments	-132	-7
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-1,285</b>	<b>-3,233</b>
<b>Financial activities</b>		
Change in interest-bearing liabilities	-5,698	7,306
Amortization lease	-6,271	-7,322
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-11,969</b>	<b>-16</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>6,965</b>	<b>667</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>16,540</b>	<b>12,312</b>
Cash flow for the period	6,965	667
Exchange rate effect	-71	-275
<b>Cash and cash equivalents at end of the period**</b>	<b>23,434</b>	<b>12,704</b>

\* Interest paid for the group amounts to SEK 195 m (151).

\*\* Cash and cash equivalents and short-term investments at the end of the period amounted to SEK 23,434 m (12,704).

## NET SALES BY MARKET AND NUMBER OF STORES

### Q2, 1 March - 31 May

Market	Q2 - 2021	Q2 - 2020	Change in %		31 May - 21	Stores	
	SEK m	SEK m	SEK	Local	No. of stores	New	Closed
Sweden	2,035	1,625	25	25	160	2	4
Norway	1,033	802	29	22	119		2
Denmark	1,076	822	31	38	102		2
UK	3,308	1,749	89	96	278	1	7
Switzerland	1,586	1,054	50	64	95		3
Germany	6,297	5,187	21	28	450	1	2
Netherlands	1,483	1,122	32	39	126	3	3
Belgium	804	504	60	70	89		2
Austria	996	777	28	36	87		
Luxembourg	120	52	131	152	14		
Finland	470	377	25	32	60		1
France	1,497	1,190	26	36	223	1	2
USA	7,111	2,341	204	269	552	2	9
Spain	1,302	546	138	159	156		9
Poland	1,054	742	42	52	192		
Czech Republic	338	201	68	73	52		
Portugal	203	65	212	247	29		
Italy	1,349	682	98	113	171	2	3
Canada	1,127	476	137	143	97	1	1
Slovenia	100	61	64	76	13		
Ireland	267	197	36	42	23		
Hungary	314	231	36	50	46		1
Slovakia	165	91	81	95	29		
Greece	305	224	36	46	36	1	
China	1,624	2,259	-28	-23	489	1	14
Hong Kong	189	243	-22	-9	23		1
Japan	1,081	722	50	76	117	2	
Russia	2,102	804	161	198	161	6	
South Korea	614	520	18	27	58	2	
Turkey	394	189	108	169	57		1
Romania	542	268	102	120	56		1
Croatia	145	90	61	71	17		
Singapore	96	45	113	133	12		
Bulgaria	139	85	64	75	21		
Latvia	45	52	-13	-6	9		
Malaysia	240	104	131	153	50		
Mexico	884	109	711	365	56	1	
Chile	205	58	253	191	17		
Lithuania	72	50	44	57	10		
Serbia	83	54	54	64	15		
Estonia	63	52	21	27	14	1	
Australia	678	282	140	125	46		2
Philippines	138	59	134	193	41		
Taiwan	128	146	-12	-4	14	1	
Peru	167	28	496	705	15		
Macau	15	21	-29	-16	2		
India	353	111	218	242	50		
South Africa	230	99	132	97	28	1	
Puerto Rico	39	8	388	523	2		
Cyprus	29	25	16	16	1		
New Zealand	155	57	172	161	11		
Kazakhstan	66	20	230	265	6		
Colombia	119	9	1,222	558	11	2	
Iceland	62	39	59	63	7		
Vietnam	87	67	30	51	11		
Georgia	23	2	1,050	760	3		
Ukraine	59	11	436	464	6	1	
Uruguay	57	9	533	392	3		
Bosnia-Herzegovina	8	4	100	128	1		
Belarus	28	11	155	207	3		
Franchise and other	1,210	834	45	59	271	3	1
<b>Total</b>	<b>46,509</b>	<b>28,664</b>	<b>62</b>	<b>75</b>	<b>4,913</b>	<b>35</b>	<b>71</b>



**NET SALES BY MARKET AND NUMBER OF STORES****Six months, 1 December - 31 May**

Market	2021	2020	Change in %		31 May - 21	Stores	
	SEK m	SEK m	SEK	Local	No. of stores	New	Closed
Sweden	3,781	3,772	0	0	160	3	11
Norway	1,980	1,975	0	2	119		6
Denmark	1,732	2,008	-14	-10	102		3
UK	5,480	5,280	4	10	278	1	12
Switzerland	2,490	2,392	4	10	95	1	4
Germany	10,890	12,930	-16	-13	450	1	8
Netherlands	2,471	2,600	-5	-1	126	5	14
Belgium	1,720	1,541	12	17	89		4
Austria	1,736	1,937	-10	-6	87		
Luxembourg	215	175	23	30	14		
Finland	885	958	-8	-3	60		5
France	3,756	4,059	-7	-3	223	1	6
USA	12,564	9,575	31	52	552	2	32
Spain	2,534	2,407	5	10	156		10
Poland	2,095	2,227	-6	2	192		
Czech Republic	618	623	-1	5	52		
Portugal	393	369	7	11	29		
Italy	2,554	2,598	-2	3	171	2	5
Canada	1,899	1,612	18	27	97	3	2
Slovenia	168	166	1	6	13		
Ireland	543	493	10	14	23		1
Hungary	634	671	-6	5	46		1
Slovakia	277	292	-5	-1	29		
Greece	515	658	-22	-18	36	1	
China	4,012	4,373	-8	-2	489	2	18
Hong Kong	377	533	-29	-18	23		1
Japan	1,971	1,832	8	21	117	2	
Russia	3,485	2,321	50	91	161	6	
South Korea	1,049	1,013	4	11	58	3	
Turkey	705	800	-12	25	57		2
Romania	1,046	879	19	27	56		1
Croatia	278	254	9	16	17		
Singapore	236	240	-2	9	12		1
Bulgaria	242	232	4	9	21		
Latvia	83	132	-37	-34	9		
Malaysia	442	477	-7	4	50		
Mexico	1,705	1,403	22	36	56	1	
Chile	642	618	4	7	17		
Lithuania	107	140	-24	-20	10		
Serbia	164	158	4	9	15		
Estonia	129	142	-9	-5	14	1	
Australia	1,277	916	39	37	46		3
Philippines	420	488	-14	-5	41		
Taiwan	311	332	-6	1	14	1	
Peru	376	323	16	46	15		
Macau	37	48	-23	-12	2		
India	961	742	30	50	50	1	
South Africa	438	393	11	18	28	1	
Puerto Rico	71	40	78	107	2		
Cyprus	51	47	9	11	1		
New Zealand	298	183	63	65	11		
Kazakhstan	113	78	45	77	6		
Colombia	343	250	37	58	11	2	
Iceland	126	104	21	36	7		
Vietnam	233	206	13	30	11	2	
Georgia	34	36	-6	21	3		
Ukraine	110	70	57	100	6	1	
Uruguay	129	118	9	36	3		
Bosnia-Herzegovina	16	12	33	48	1		
Belarus	48	27	78	129	3		
Franchise and other	2,574	2,334	10	20	271	7	5
<b>Total</b>	<b>86,569</b>	<b>83,612</b>	<b>4</b>	<b>12</b>	<b>4,913</b>	<b>50</b>	<b>155</b>

**FIVE YEAR SUMMARY****Six months, 1 December - 31 May**

	2017*	2018*	2019*	2020	2021
Net sales, SEK m	98,368	98,165	108,489	83,612	86,569
Change net sales from previous year in SEK, %	9	0	11	-23	4
Change net sales previous year in local currencies, %	5	0	5	-24	12
Operating profit, SEK m	10,809	7,215	6,940	-3,498	2,724
Operating margin, %	11.0	7.3	6.4	-4.2	3.1
Depreciations for the period, SEK m	4,251	4,703	5,471	12,764	11,325
Profit after financial items, SEK m	10,920	7,275	6,977	-3,978	2,204
Profit after tax, SEK m	8,354	6,010	5,372	-3,063	1,697
Cash and cash equivalents and short-term investments, SEK m	10,655	11,107	13,076	12,704	23,434
Stock-in-trade, SEK m	32,148	36,333	40,406	40,000	35,866
Equity, SEK m	52,469	51,889	49,144	52,767	55,640
Number of shares, thousands**	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK**	5.05	3.63	3.25	-1.85	1.03
Equity per share, SEK**	31.70	31.35	29.69	31.88	33.62
Cash flow from operating activities per share, SEK**	6.61	5.52	5.50	2.37	12.22
Share of risk-bearing capital, %	57.0	50.0	43.0	30.2	34.7
Equity/assets ratio, %	52.1	46.1	39.4	27.9	32.4
Total number of stores	4,498	4,801	4,979	5,058	4,913
<b>Rolling twelve months</b>					
Earnings per share, SEK**	11.53	8.36	7.26	3.03	3.63
Return on equity, %	37.7	26.5	23.8	9.8	11.1
Return on capital employed, %	38.1	27.0	21.9	6.5	6.9

\* Excluding IFRS 16.

\*\* Before and after dilution.

For definitions and explanations of the alternative performance measures in this report see note 32 in the annual report.

**SEGMENT REPORTING (SEK m)**

	Six months 2021	Six months 2020
<b>Asia and Oceania</b>		
External net sales	13,586	13,460
Operating profit	97	-538
Operating margin, %	0.7	-4.0
<b>Europe and Africa*</b>		
External net sales	55,255	56,213
Operating profit	-2,760	-4,538
Operating margin, %	-5.0	-8.1
<b>North and South America</b>		
External net sales	17,728	13,939
Operating profit	506	-2,217
Operating margin, %	2.9	-15.9
<b>Group Functions</b>		
Net sales to other segments	20,893	26,637
Operating profit	4,881	3,795
<b>Eliminations</b>		
Net sales to other segments	-20,893	-26,637
<b>Total</b>		
External net sales	86,569	83,612
Operating profit	2,724	-3,498
Operating margin, %	3.1	-4.2

\* South Africa

## PARENT COMPANY INCOME STATEMENT IN SUMMARY (SEK m)

	Q2 2021	Q2 2020	Six months 2021	Six months 2020	1 Dec 2019- 30 Nov 2020
Net sales	929	544	1,725	1,495	3,605
<b>GROSS PROFIT</b>	<b>929</b>	<b>544</b>	<b>1,725</b>	<b>1,495</b>	<b>3,605</b>
Administrative expenses	-32	-26	-55	-60	-111
<b>OPERATING PROFIT</b>	<b>897</b>	<b>518</b>	<b>1,670</b>	<b>1,435</b>	<b>3,494</b>
Net financial items*	-91	-525	-140	-530	2,669
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>806</b>	<b>-7</b>	<b>1,530</b>	<b>905</b>	<b>6,163</b>
Year-end appropriations	-	-	-	-	-3,439
Tax	-172	-99	-327	-291	-16
<b>PROFIT FOR THE PERIOD</b>	<b>634</b>	<b>-106</b>	<b>1,203</b>	<b>614</b>	<b>2,708</b>

\* Non received dividend income due to Covid-19 in the quarter consists of SEK 0 m (-471) and in the six-month period of SEK 0 m (-455).

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q2 2021	Q2 2020	Six months 2021	Six months 2020	1 Dec 2019- 30 Nov 2020
PROFIT FOR THE PERIOD	634	-106	1,203	614	2,708
Other comprehensive income					
<i>Items that have not been and will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit pension plans	-	-	-	-	-3
Tax related to the above remeasurement	-	-	-	-	1
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-2</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>634</b>	<b>-106</b>	<b>1,203</b>	<b>614</b>	<b>2,706</b>

**PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)**

	31 May - 2021	31 May - 2020	30 Nov 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	183	215	189
Other non-current assets	1,091	1,666	1,090
	1,274	1,881	1,279
<b>Current assets</b>			
Current receivables	31,118	45,328	35,241
Cash and cash equivalents	0	22	-
	31,118	45,350	35,241
<b>TOTAL ASSETS</b>	<b>32,392</b>	<b>47,231</b>	<b>36,520</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	21,076	17,781	19,873
Untaxed reserves	38	57	38
Long-term liabilities*	9,403	8,758	8,637
Current liabilities**	1,875	20,635	7,972
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>32,392</b>	<b>47,231</b>	<b>36,520</b>

\* All long-term liabilities are interest-bearing.

\*\* Interest-bearing current liabilities amounts to SEK 1,300 m (15,425).



## ALTERNATIVE PERFORMANCE MEASURES

For other alternative performance measures see note 32 in the annual report.

### Gross profit excl IFRS 16

	Q2 - 2021	Q2 - 2020	Six months 2021	Six months 2020
Gross profit	25,049	13,284	44,106	41,318
IFRS 16 effect	-17	-11	-36	-23
<b>Gross profit excl IFRS 16</b>	<b>25,032</b>	<b>13,273</b>	<b>44,070</b>	<b>41,295</b>

Definition: Gross profit adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

### Operating profit excl IFRS 16

	Q2 - 2021	Q2 - 2020	Six months 2021	Six months 2020
Operating profit	3,852	-6,188	2,724	-3,498
IFRS 16 effect	-278	-306	-576	-625
<b>Operating profit excl IFRS 16</b>	<b>3,574</b>	<b>-6,494</b>	<b>2,148</b>	<b>-4,123</b>

Definition: Operating profit adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

### Net financial items excl IFRS 16

	Q2 - 2021	Q2 - 2020	Six months 2021	Six months 2020
Net financial items	-259	-294	-520	-480
IFRS 16 effect	201	256	407	489
<b>Net financial items excl IFRS 16</b>	<b>-58</b>	<b>-38</b>	<b>-113</b>	<b>9</b>

Definition: Net financial items adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

### Profit after financial items excl IFRS 16

	Q2 - 2021	Q2 - 2020	Six months 2021	Six months 2020
Profit after financial items	3,593	-6,482	2,204	-3,978
IFRS 16 effect	-77	-50	-169	-136
<b>Profit after financial items excl IFRS 16</b>	<b>3,516</b>	<b>-6,532</b>	<b>2,035</b>	<b>-4,114</b>

Definition: Profit after financial items adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

### Profit for the period excl IFRS 16

	Q2 - 2021	Q2 - 2020	Six months 2021	Six months 2020
Profit for the period	2,767	-4,991	1,697	-3,063
IFRS 16 effect	-60	-39	-130	-105
<b>Profit for the period excl IFRS 16</b>	<b>2,707</b>	<b>-5,030</b>	<b>1,567</b>	<b>-3,168</b>

Definition: Profit for the period adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.