



H & M Hennes & Mauritz AB

# **PRESS CONFERENCE 31 JANUARY 2017**

FULL-YEAR REPORT 2016



- **KARL-JOHAN PERSSON**  
CEO
- **NILS VINGE**  
INVESTOR RELATIONS
- **ANN-SOFIE JOHANSSON**  
CREATIVE ADVISOR





## 2016 IN BRIEF

- Continued focus to integrate stores and e-commerce
- Strong expansion through both sales channels
  - 427 new stores net and 11 new online markets
  - Puerto Rico, Cyprus and New Zealand new store markets
  - total of 4,351 stores in 64 markets, of which 35 with e-commerce
- More than 13,000 new employees in the H&M group
  - over 161,000 employees in total





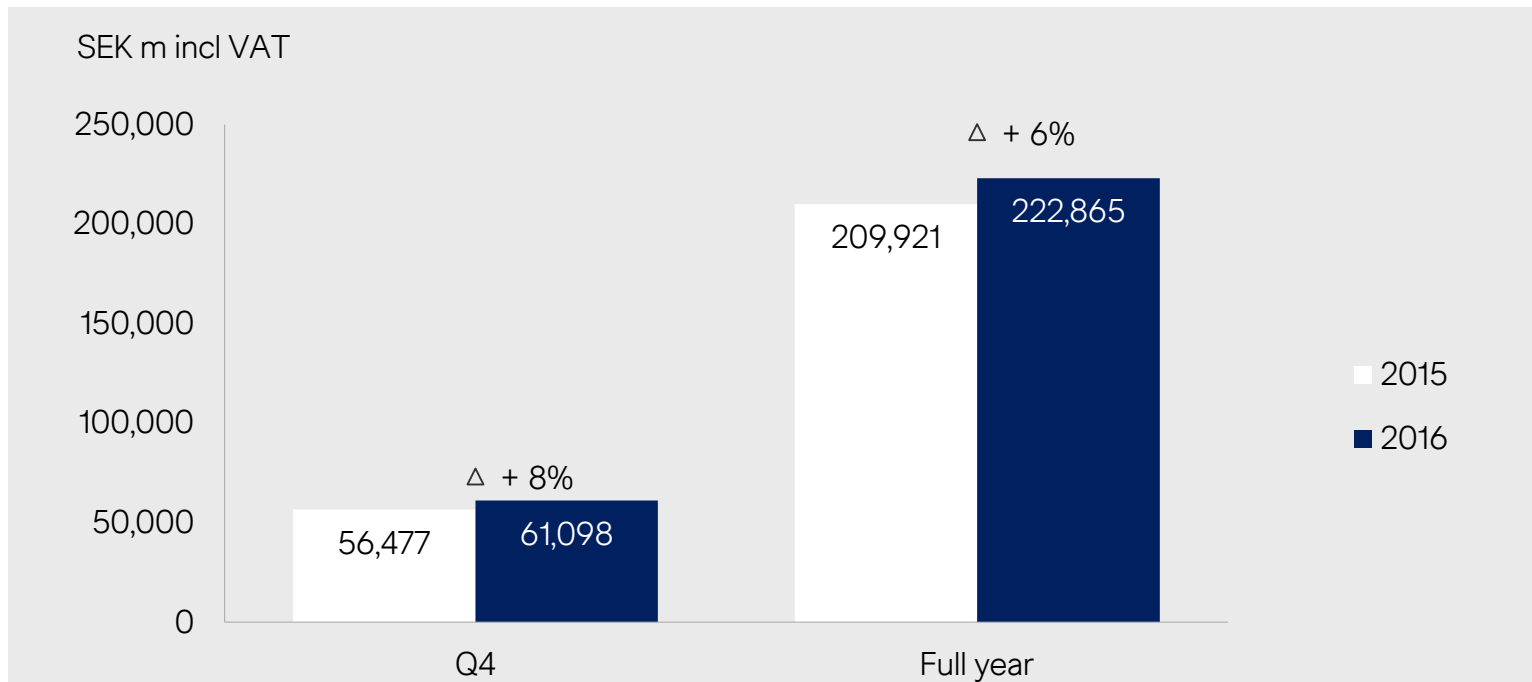
# 2016 IN BRIEF

- Sales SEK 223 billion including VAT
  - increase of 6% in SEK; +7% in local currencies
  - areas for improvement identified
- Strong development online for all brands
- Very good store sales for COS, & Other Stories, Monki, Weekday and H&M Home

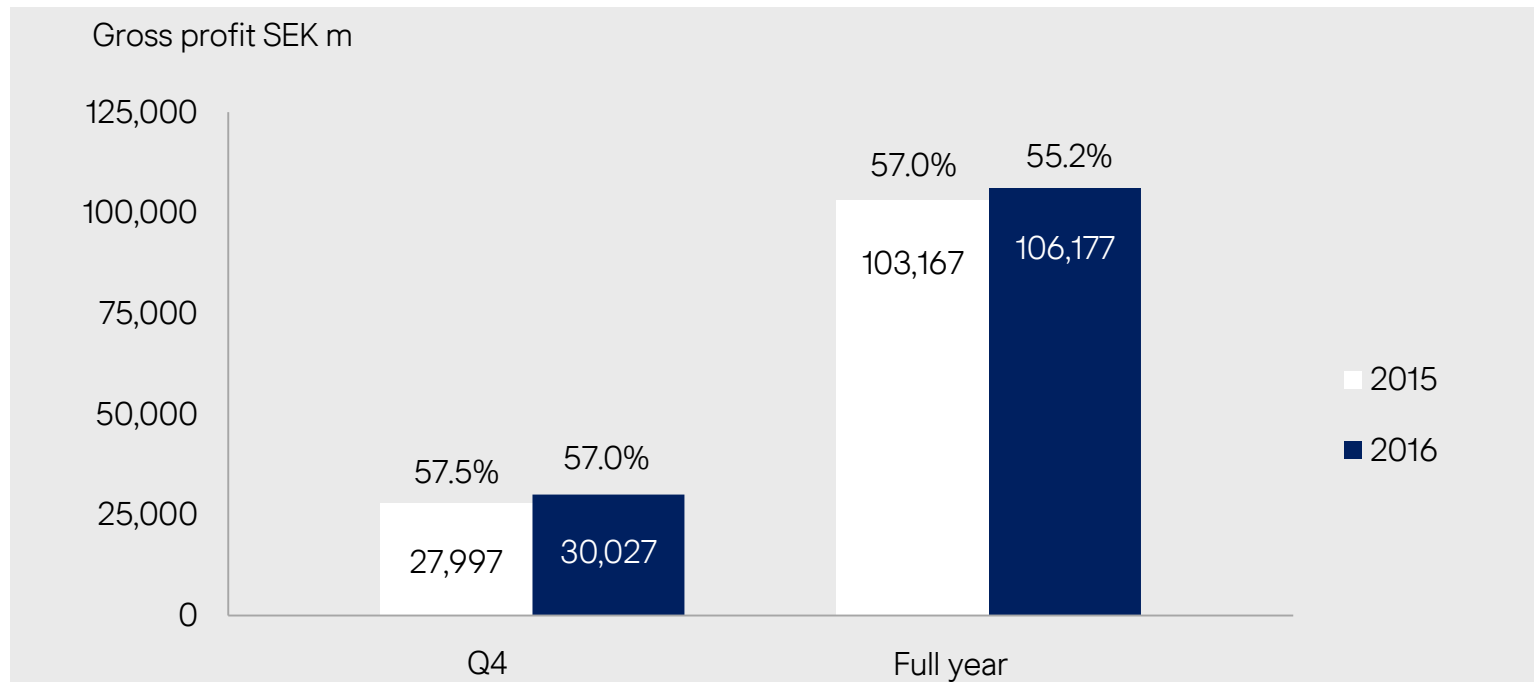
# FINANCIAL DATA



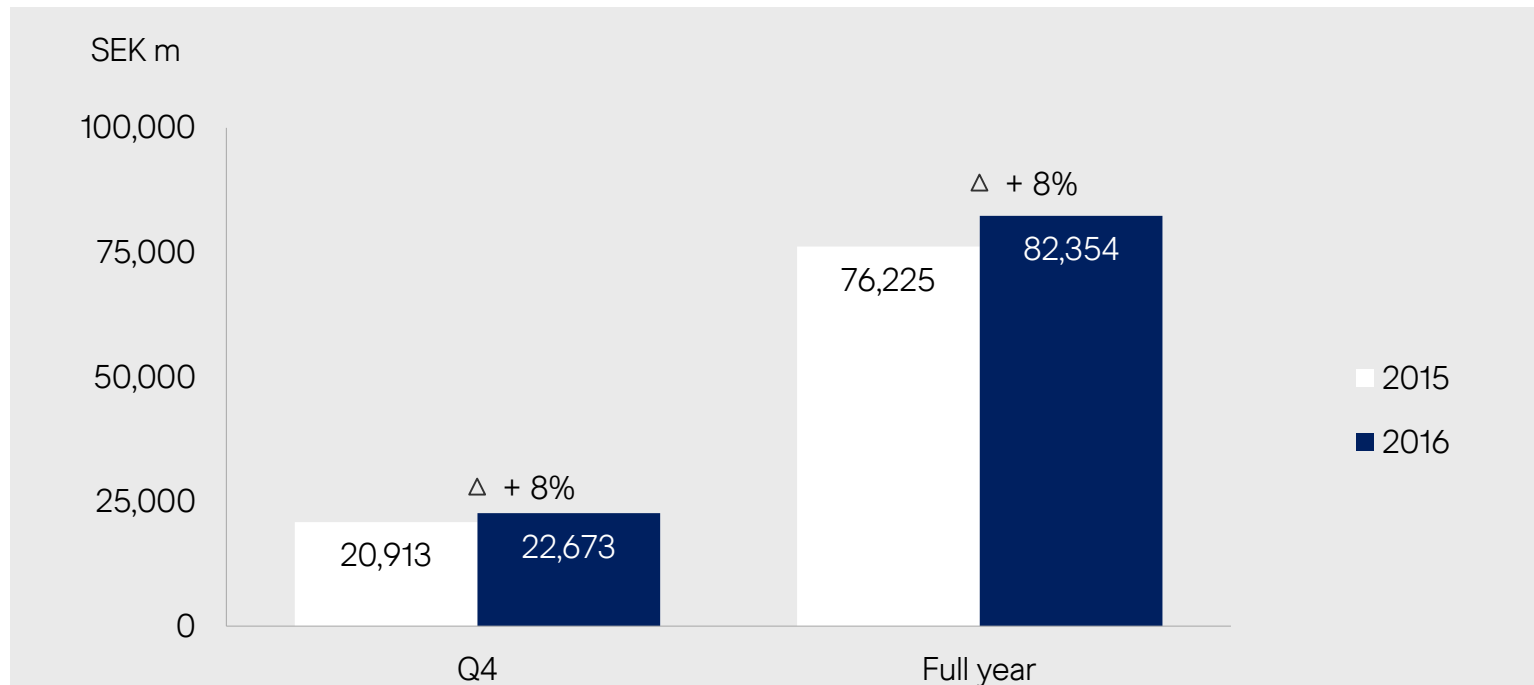
# SALES



# GROSS PROFIT AND GROSS MARGIN

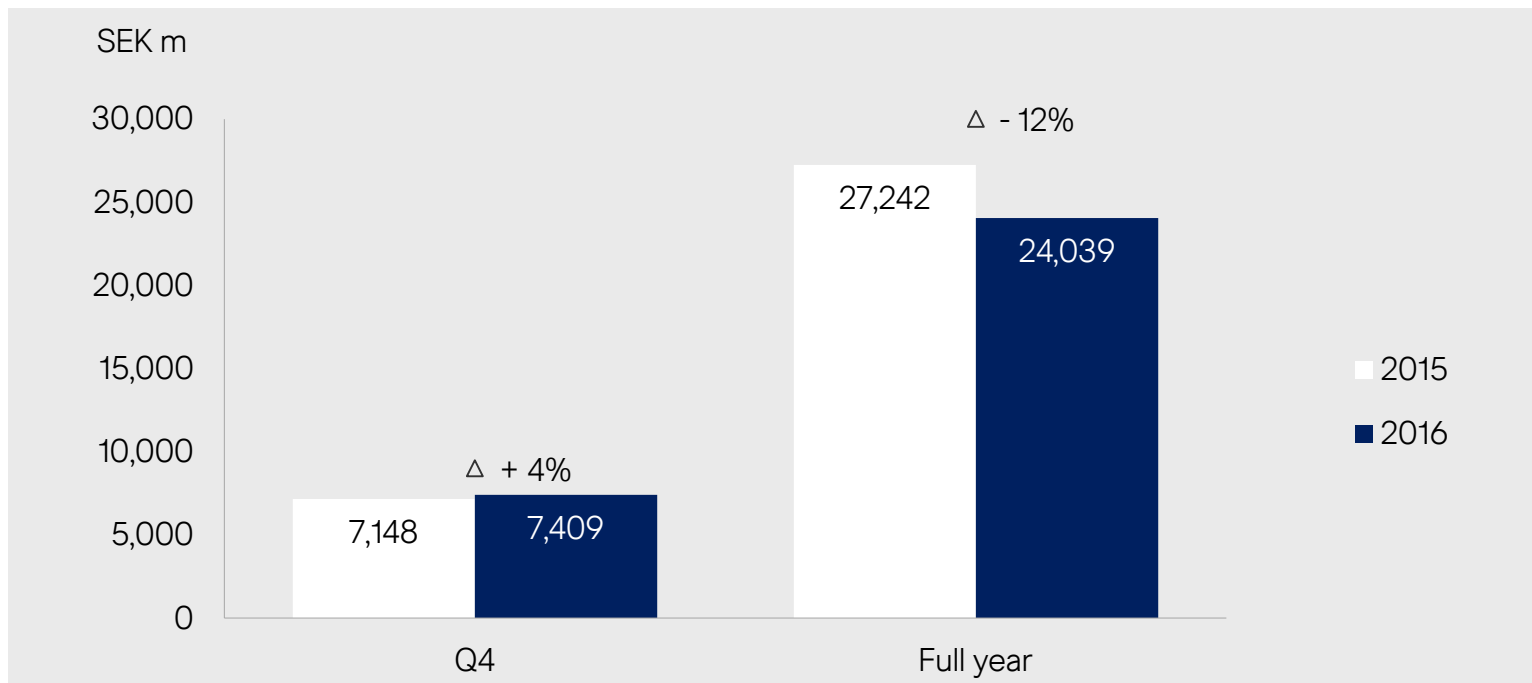


# SELLING AND ADMINISTRATION EXPENSES





# PROFIT AFTER FINANCIAL ITEMS



# SALES AND PROFITS

## FOURTH QUARTER

SEK m	2016	2015
Net sales	52,720	48,694
Gross profit	30,027	27,997
<i>gross margin, %</i>	57.0	57.5
Operating profit	7,354	7,084
<i>operating margin, %</i>	13.9	14.5
Net financial items	55	64
Profit after financial items	7,409	7,148
Tax	-1,495	-1,622
Profit for the period	5,914	5,526
<i>Earnings per share, SEK</i>	3.57	3.34



# SALES AND PROFITS

FULL YEAR

SEK m	2016	2015
Net sales	192,267	180,861
Gross profit	106,177	103,167
<i>gross margin, %</i>	55.2	57.0
Operating profit	23,823	26,942
<i>operating margin, %</i>	12.4	14.9
Net financial items	216	300
Profit after financial items	24,039	27,242
Tax	-5,403	-6,344
Profit for the period	18,636	20,898
<i>Earnings per share, SEK</i>	11.26	12.63



# KEY DATA

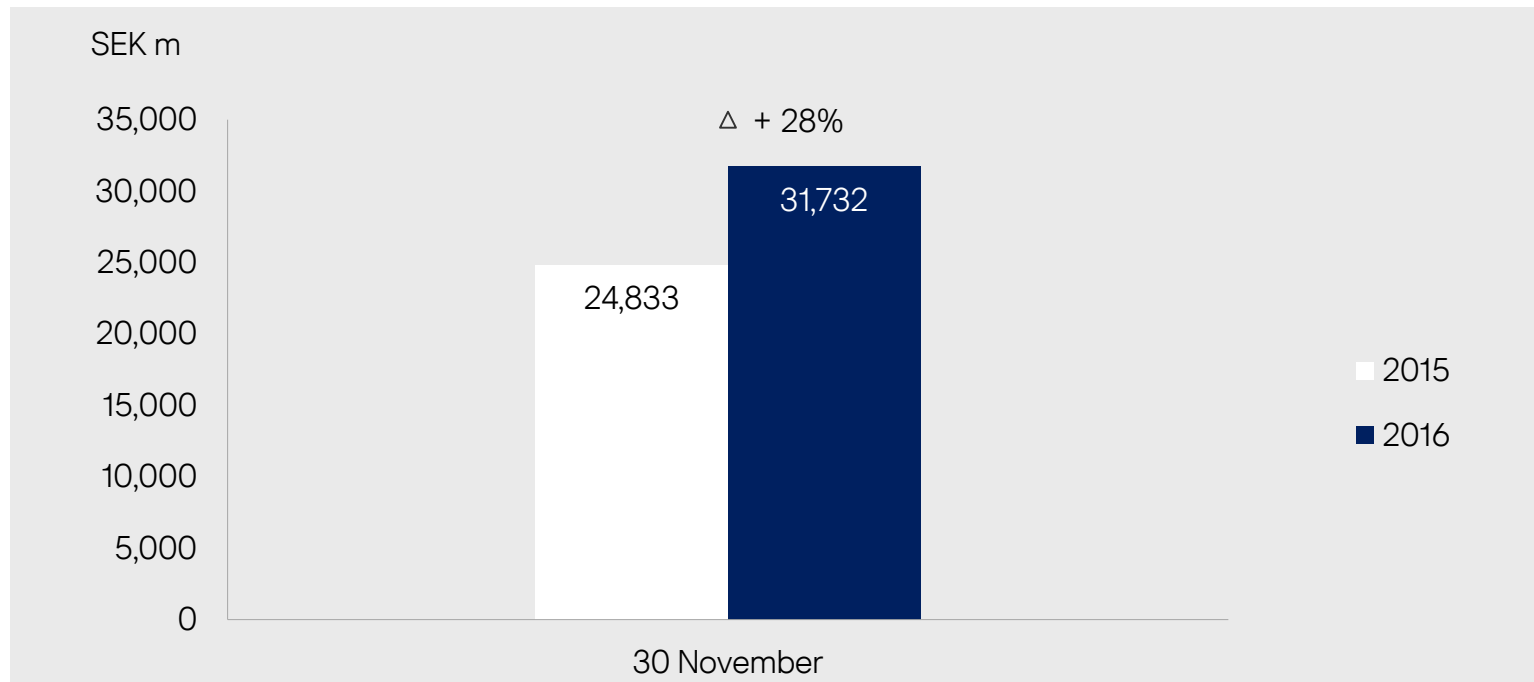
SEK m	30 Nov 2016	30 Nov 2015
Stock-in-trade	31,732	24,833
Cash flow from current operations	23,775	24,067
Investments	13,346	12,059
Cash and cash equivalents and short-term investments	9,446	12,950
Dividend (SEK)	9.75*	9.75
Return on shareholders' equity, %	31.2	38.1
Average number of employees**	114,586	104,634

\* proposed dividend

\*\* converted to full-time positions



# STOCK-IN-TRADE





# EXCITING DEVELOPMENT PHASE

- H&M group online business model highly developed
- Continued investments in digitalisation and infrastructure, mainly within three focus areas
  - omni-channel strategy
  - supply chain
  - advanced analytics



# CONTINUED EXPANSION STORES AND ONLINE

- New growth target starting financial year 2016/17
  - to increase the H&M group's sales by 10-15% in local currencies per year with continued high profitability
- Approx. 430 new stores net planned for 2017
  - five new H&M markets: Kazakhstan, Colombia, Iceland, Vietnam and Georgia
- H&M online in six new markets
  - Turkey, Taiwan, Hong Kong, Macau, Singapore and Malaysia





# COS

- COS opened 41 new stores in 2016
  - three new markets: Czech Republic, Romania and Latvia
- Total of 194 stores in 33 markets
  - of which 19 offer COS online
- Malaysia new market in December 2016
- Continued rapid expansion planned for 2017





## & OTHER STORIES

- & Other Stories opened 15 new stores in 2016
  - Poland new market
- Total of 45 stores in 11 markets
- & Other Stories offers online in 14 markets
- Continued rapid expansion planned
  - Ireland new market in December 2016
  - Finland, South Korea and United Arab Emirates (franchise) planned to open during 2017



# H&M HOME

- H&M Home available in more than 40 markets
  - in a total of 269 H&M stores
- Rapid expansion to continue in 2017
  - approximately 50 new H&M-Home departments planned





H&M



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