

H&M Group

Q2

H & M Hennes & Mauritz AB  
Six-month report  
2024

H&M

COS

WEEKDAY

MONKI

H&M HOME

& other Stories

ARKET

AFOUND

Sellpy





H&M

# H & M Hennes & Mauritz AB

## Six-month report 2024

### SECOND QUARTER (1 MARCH 2024 – 31 MAY 2024)

- The H&M group's net sales increased by 3 percent in the second quarter to SEK 59,605 m (57,616). In local currencies net sales increased by 3 percent.
- Gross profit increased by 11 percent to SEK 33,569 m (30,338). This corresponds to a gross margin of 56.3 percent (52.7).
- Selling and administrative expenses increased by 3 percent to SEK 26,446 m (25,585). In local currencies the increase was 2 percent.
- Operating profit increased to SEK 7,098 m (4,741), corresponding to an operating margin of 11.9 percent (8.2).
- Adjusted for one-time costs associated with the cost and efficiency programme, operating profit amounted to SEK 7,297 m (4,671), corresponding to an operating margin of 12.2 percent (8.1).
- The result after tax increased by 52 percent to SEK 4,995 m (3,288), corresponding to SEK 3.11 (2.02) per share.
- Significant improvement in cash flow from operating activities, which increased to SEK 12,600 m (7,499).

### FIRST HALF-YEAR (1 DECEMBER 2023 – 31 MAY 2024)

- The H&M group's net sales increased by 1 percent in the first half-year to SEK 113,274 m (112,488). In local currencies, net sales were in line with the previous year.
- Gross profit increased to SEK 61,224 m (56,224). This corresponds to a gross margin of 54.0 percent (50.0).
- Selling and administrative expenses increased by 1 percent in SEK. In local currencies these expenses were in line with the previous year.
- Operating profit increased to SEK 9,175 m (5,466), corresponding to an operating margin of 8.1 percent (4.9).
- The result after tax increased to SEK 6,196 m (3,828), corresponding to SEK 3.85 (2.35) per share.
- Cash flow from operating activities increased to SEK 16,567 m (12,485).
- Financial net cash increased to SEK 7,961 m (7,700). Cash and cash equivalents plus undrawn credit facilities were SEK 42,572 m (38,813).
- Stock-in-trade decreased by 1 percent to SEK 38,518 m (38,802). Currency adjusted the stock-in-trade increased by 2 percent compared with the previous year. The stock-in-trade in SEK represented 16.3 percent (16.7) of rolling 12-month sales.

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- Sales for the month of June 2024 are expected to decrease by 6 percent in local currencies compared with the same period last year. The June figure is to be seen in the light of strong comparative figures from 2023. The unstable weather in many of the H&M group's large markets at the start of June 2024 had a negative impact on sales, but sales recovered as the weather normalised at the end of the month. A well-composed inventory has also enabled a later start to sale compared with the previous year.
  - Environmental organisation Stand.earth awarded the H&M group the highest overall score among leading brands in the fashion industry for its climate work.
  - At the annual general meeting on 3 May 2024, a general authorisation was passed for the board to be able to buy back the company's own B shares until the 2025 annual general meeting. If the board chooses to utilise this authority, amounts and other details will be communicated before repurchases are initiated.

**Q2**  
**Operating profit\***  
**SEK 7.3 billion**  
 (SEK 4.7 billion)

**Q2**  
**Gross margin**  
**56.3%**  
 (52.7%)

**Q2**  
**Cash flow from**  
**operating activities**  
**SEK 12.6 billion**  
 (SEK 7.5 billion)

*"We achieved our best results for many years in the second quarter, showing once more the H&M group's strength and robust financial position, with strong cash flow as well as improved profitability and sales. We are now raising our ambitions further to strengthen the brand, the customer offering and the shopping experience. With a focus on our customers, committed colleagues and a faster pace of investment in the second half of the year we see good conditions for continued profitable, long-term and sustainable growth."*

- Daniel Erv r, CEO.

\* Operating profit adjusted for one-time costs.



## Comments by Daniel Erv er, CEO

### Strong profitability development and good sales growth

The H&M group's profitability performance during the first half of the year was strong as a result of gradual improvements in sales development, a strengthened gross margin and continued good cost control. The spring and summer collections have been very well received, which is reflected in the improved sales in the second quarter. We are seeing growth within all customer groups and a positive trend in all regions. I am proud of all our colleagues who have contributed to our strong development.

With a sharp increase in profit for four consecutive quarters, we are well on the way to achieving our long-term goal of profitability exceeding 10 percent over time. Our goal of an operating margin of 10 percent for full-year 2024 remains in place. However, the conditions for achieving that level this year have become more challenging as it is assessed that external factors that influence our purchasing costs and sales revenues, including materials and foreign currency, will have a more negative impact than we expected in the second half of the year. The most important prerequisite for achieving our goal is that sales growth is further strengthened in the second half of the year compared with the second quarter increase.

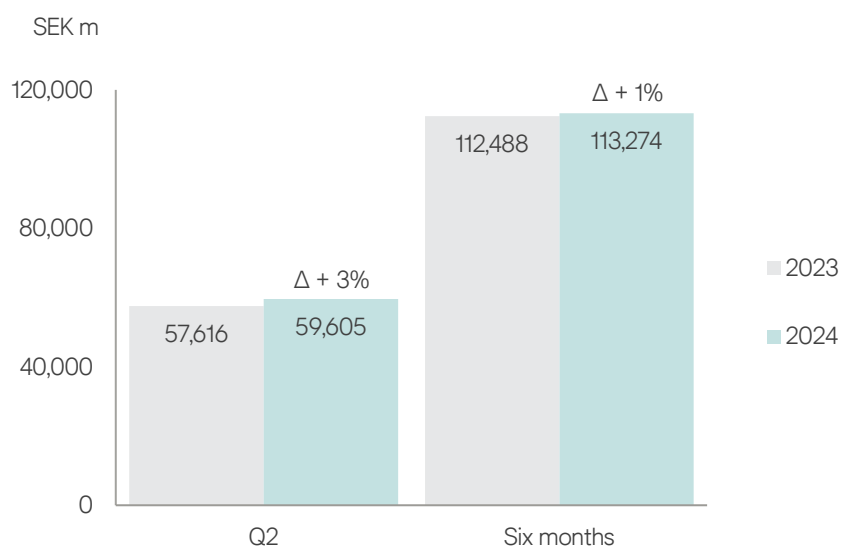
In the second quarter we achieved our best profit and cash flow for many years, and now we are taking the next steps with forward-looking initiatives to strengthen the brand, the customer offering and the shopping experience. We have one of the fashion industry's largest design teams that has created amazing collections for this autumn. Our customers will be able to discover what's new this autumn in exciting

ways through global and local fashion campaigns, unique events and inspiring collaborations. Our upgraded stores in London, New York, Seoul and Tokyo have been very well received by our customers. In the second half of the year we are increasing the pace of investment and bringing the new store formats with the latest in digital services and a locally adapted assortment into stores to create an elevated experience, including in Paris, Milan, Berlin, Stockholm, Hamburg, Munich and more stores in New York and London. During the spring we have successfully tested an updated online store that we are launching in our larger markets during the autumn. The new digital experience will give our customers more inspiration, clearer recommendations on how our products can be styled and which fit is right for them. We are also continuing to invest in the supply chain, where we are seeing positive effects from better availability of the right products between the channels and greater precision when the lead time from design to the product reaching the customer is shortened.

The H&M group stands strong with a robust financial position, strong cash flow and improved profitability and sales. The situation in the world around us remains uncertain and households continue to have high living costs. As always, our top priority is to ensure the best value for money in each market. With a focus on our customers, committed colleagues and a faster pace of investment in the second half of the year we see good conditions for continued profitable, long-term and sustainable growth in a large and growing market.



## SALES



**The H&M group's net sales** in the second quarter increased by 3 percent to SEK 59,605 m (57,616). In local currencies net sales increased by 3 percent compared with the previous year.

Net sales in the six-month period increased by 1 percent to SEK 113,274 m (112,488). In local currencies, net sales were in line with the previous year.

Around 30 percent of sales were online in the first half year.

**For Portfolio brands**, which were up against high comparative figures from last year, net sales in the second quarter decreased by 1 percent in SEK and by 2 percent in local currencies. In the six-month period net sales increased by 3 percent in SEK and by 2 percent in local currencies.

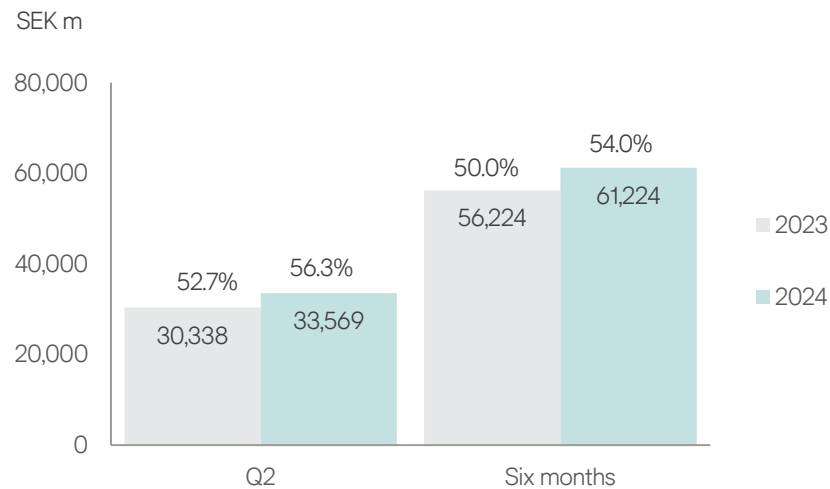
## SALES PER REGION

	Q2		SEK		SIX MONTHS		SIX MONTHS		NEW STORES		NUMBER OF STORES	
	2024	2023	CHANGE IN %	LCY	2024	2023	CHANGE IN %	LCY	2024*	31 MAY 24	31 MAY 23	
The Nordics	5,514	5,303	4	3	10,187	10,145	0	0	-8	381	397	
Western Europe	20,470	19,584	5	2	37,765	37,142	2	-1	-18	1,033	1,054	
Eastern Europe	5,561	4,706	18	14	10,142	8,787	15	11	3	478	481	
Southern Europe	7,519	7,470	1	6	14,403	14,517	-1	3	-13	595	617	
North and South America	13,005	12,847	1	-1	25,733	26,373	-2	-4	5	750	734	
Asia, Oceania and Africa	7,536	7,706	-2	0	15,044	15,524	-3	0	-19	1,082	1,116	
<b>Total</b>	<b>59,605</b>	<b>57,616</b>	<b>3</b>	<b>3</b>	<b>113,274</b>	<b>112,488</b>	<b>1</b>	<b>0</b>	<b>-50</b>	<b>4,319</b>	<b>4,399</b>	

\*Six-month period.

## GROSS PROFIT AND GROSS MARGIN

**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 combination of fashion, quality, price and sustainability.



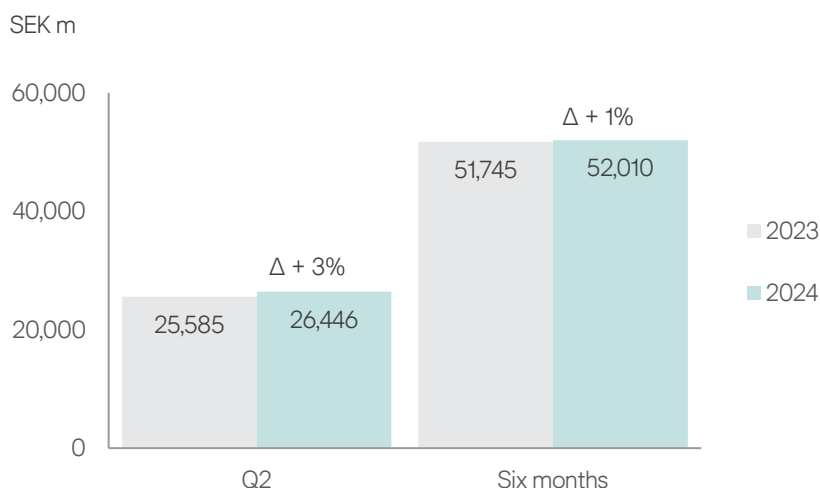
**Gross profit** increased by 11 percent to SEK 33,569 m (30,338) for the second quarter, corresponding to a gross margin of 56.3 percent (52.7). The improvement work in the supply chain, the cost and efficiency programme and external factors that influence purchasing costs resulted in a stronger gross margin in the second quarter 2024.

For the six-month period gross profit increased to SEK 61,224 m (56,224), corresponding to a gross margin of 54.0 percent (50.0).

The cost of markdowns in relation to sales in the second quarter 2024 was flat compared with the corresponding quarter the previous year.

For the goods that will be sold in the third quarter of 2024, the overall effect of external factors is expected to be negative compared with the previous year.

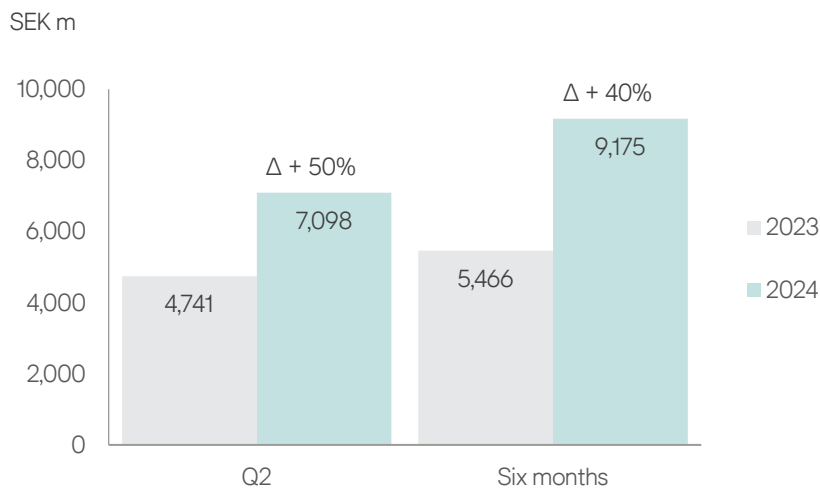
## SELLING AND ADMINISTRATIVE EXPENSES



**Selling and administrative expenses** increased in the second quarter by 3 percent to SEK 26,446 m (25,585). In local currencies these expenses increased by 2 percent.

For the six-month period, selling and administrative expenses increased by 1 percent in SEK compared with the same period the previous year. In local currencies these expenses were in line with the previous year. Thanks to good operational cost control combined with the cost and efficiency programme that was initiated during the fourth quarter 2022 growth in the cost base was low. The programme's actions had already started to have an effect from the second quarter of 2023 and in the first half of 2024 the remaining parts of the cost and efficiency programme were implemented. The costs of implementing the programme have now essentially been taken.

## OPERATING PROFIT AND OPERATING MARGIN

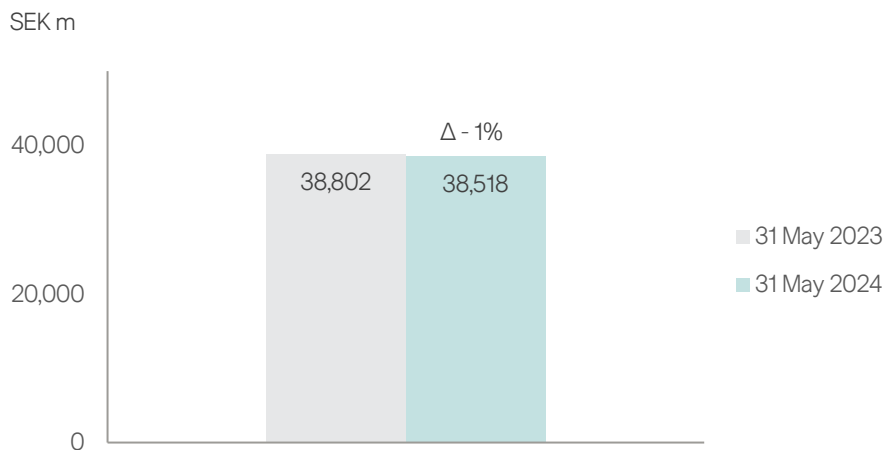


**Operating profit** in the second quarter increased to SEK 7,098 m (4,741), corresponding to an operating margin of 11.9 percent (8.2). Improved sales, a strengthened gross margin, good operational cost control and the cost and efficiency programme all had a positive impact on operating profit.

Adjusted for one-time costs associated with the cost and efficiency programme of SEK 199 m (-70), operating profit in the quarter amounted to SEK 7,297 m (4,671), which corresponds to an operating margin of 12.2 percent (8.1). The corresponding effect for the six-month period was SEK 360 m (-70).

Operating profit for the six-month period increased to SEK 9,175 m (5,466), corresponding to an operating margin of 8.1 percent (4.9).

## STOCK-IN-TRADE



The stock-in-trade decreased by 1 percent to SEK 38,518 m (38,802). Currency adjusted the stock-in-trade increased by 2 percent compared with the previous year.

The composition of the stock-in-trade is assessed to be good.

The stock-in-trade in SEK represented 16.3 percent (16.7) of rolling 12 months sales.

The investments in the supply chain and the integration of the sales channels continue. With a higher share of nearshoring, a more efficient and more flexible supply chain and more purchasing in season, the group is well placed for continued improvement of the stock-in-trade situation. The company continues to plan for extended transport times in connection with the situation in the Red Sea.



## EXPANSION THROUGH INTEGRATED CHANNELS

Expansion is taking place with a focus on increased omnichannel sales. Customers want to be able to shop and be inspired where, when and how they choose – in the stores, on the brands' own websites, on digital marketplaces and on social media. As previously communicated, the company is stepping up the pace of investment in existing stores during 2024 to provide an even more inspiring experience while also securing our store portfolio for continued profitability and growth. For example, around 250 stores globally are being refurbished, which is a significant increase compared to last year.

H&M is opening its first store in the Dominican Republic via franchise in 2024. Arket will continue its expansion by opening stores in Ireland, Poland, Spain and Italy in 2024. & Other Stories will open during the year on About You marketplace, which serves around 25 markets in Europe.

The H&M group is continuing to renegotiate a large number of leases, which also involves rebuilds, adjustment of the number of stores and of store space to ensure it has 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 2024 the plan is to open around 100 new stores and close around 160 stores, making a net decrease of around 60 stores. Most of the openings will be in growth markets, while the closures will mainly be in established markets.

## STORE COUNT AND MARKETS BY BRAND

As at 31 May 2024 the H&M group had 4,319 (4,399) stores, i.e. the total number of stores has decreased by 80 stores compared with the same point in time the previous year, which corresponds to a reduction of approximately 2 percent. During the first six months of the current financial year 43 (41) new stores have opened and 93 (107) stores have closed. A total of 264 (280) of the group's stores are operated by franchise partners.

	NEW STORES		TOTAL NUMBER OF STORES		NUMBER OF MARKETS	
	2024 (NET)				STORE	ONLINE
	Q2	SIX MONTHS	31 MAY 2024	31 MAY 2023	31 MAY 2024	
H&M	-16	-40	3,832	3,893	77	60
COS	-3	-7	238	252	47	38
Monki	-3	-5	59	72	15	29
Weekday	-1	-4	49	53	14	29
& Other Stories	0	-1	71	70	25	32
ARKET	3	6	36	27	14	31
Afound	0	0	0	0	0	7
H&M HOME*	1	1	34	32	15	45
Sellpy	0	0	0	0	0	24
<b>Total</b>	<b>-19</b>	<b>-50</b>	<b>4,319</b>	<b>4,399</b>		

\* Concept stores. H&M HOME is also available through shop-in-shop in 447 H&M stores.

COS, 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.



## FINANCING AND LIQUIDITY

The H&M group aims to secure financial flexibility and freedom of action on the best possible terms. As previously, the efforts focus on continued improvements in working capital, cash flow and more efficient financing.

### Cash flow and working capital

Cash flow from operating activities in the six-month period increased to SEK 16,567 m (12,485). Operating working capital amounted to SEK 20,394 m (21,552).

Operating working capital was down by SEK 1,158 m compared with the previous year thanks to a balanced level of inventory and slightly increased trade payables. Operating working capital amounted to 8.6 percent (9.3) of rolling 12-month sales.

SEK m	2024-05-31	2023-05-31	2023-11-30
Accounts receivable	2,807	2,807	3,301
Stock-in-trade	38,518	38,802	37,358
Accounts payable	-20,931	-20,057	-21,027
<b>Operating working capital</b>	<b>20,394</b>	<b>21,552</b>	<b>19,632</b>

### Liquidity and debt financing

The H&M group's liquidity remains very good. As at 31 May 2024 cash and cash equivalents amounted to SEK 24,246 m (20,169). In addition, the group has undrawn credit facilities of SEK 18,326 m (18,644). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 42,572 m (38,813).

Net debt including lease liabilities in relation to EBITDA amounted to 1.3 (1.9) with a net cash position of SEK 7,961 m (7,700). Debt levels are well within the target range of 1.0 – 2.0 for the capital structure target Net debt/EBITDA.

Interest-bearing liabilities in the form of commercial papers, bonds and loans from credit institutions amounted to SEK 16,286 m (12,470) as at 31 May 2024. The average maturity of interest-bearing liabilities amounted to 5.0 (3.6) years.

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities as at 31 May 2024 is given in the table below. No significant financing activities were carried out during the quarter.

Year	COMMERCIAL PAPERS	BONDS (EMTN)	LOANS FROM CREDIT	UNUSED CREDIT
			INSTITUTIONS	FACILITIES
2024	1,750	-	279	-
2025	-	-	-	-
2026	-	-	2,161	3,436
2027	-	-	-	-
2028	-	-	274	-
2029	-	5,727	-	14,890
2030	-	-	-	-
2031	-	6,095	-	-
<b>Total SEK m</b>	<b>1,750</b>	<b>11,822</b>	<b>2,714</b>	<b>18,326</b>

**TAX**

The group's tax rate for the financial year 2023/2024 is expected to be 25 – 26 percent based on known circumstances. For the first three quarters of the year a tax rate of 25 percent (24) is planned to be used to calculate tax expense on the earnings in each period excluding result from investments in associated companies and joint ventures. The final tax rate depends on, among other things, the results of the group's various companies, the corporate tax rates in each country, non-deductible costs and tax expense relating to previous years.

**SHARE BUYBACKS**

Following implementation of the resolution passed by the annual general meeting on 3 May 2024 to cancel 19,144,612 class B treasury shares repurchased as part of H&M's buyback programme, the total number of shares in H&M is 1,610,542,225 shares – of which 194,400,000 are class A shares and 1,416,142,225 are class B shares – and the total number of votes is 3,360,142,225, as communicated in a press release on 31 May 2024. Thereafter the H&M group holds no treasury shares.

At the annual general meeting 2024 a general authorisation was passed for the board to be able to buy back the company's own B shares until the 2025 annual general meeting. If the board chooses to utilise this authority, amounts and other details will be communicated before repurchases are initiated.

**CURRENT QUARTER**

Sales for the month of June 2024 are expected to decrease by 6 percent in local currencies compared with the same period last year. The June figure is to be seen in the light of strong comparative figures from 2023. The unstable weather in many of the H&M group's large markets at the start of June 2024 had a negative impact on sales, but sales recovered as the weather normalised at the end of the month. A well-composed inventory has also enabled a later start to sale compared with the previous year.

The cost of markdowns in relation to sales in the third quarter is expected to increase slightly compared with the corresponding quarter the previous year.

The company is monitoring developments in the Red Sea and the global freight market and acts to minimise impact on the company's product availability, freight costs and stock levels.

**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, logistics resources, information security and cyber security, 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 the H&M group's annual and sustainability report.



**CALENDAR**

26 September 2024	Nine-month report, 1 Dec 2023 – 31 Aug 2024
30 January 2025	Full-year report, 1 Dec 2023 – 30 Nov 2024
27 March 2025	Three-month report, 1 Dec 2024 – 28 Feb 2025
27 March 2025	Annual and Sustainability report 2024

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

Stockholm, 26 June 2024  
Board of Directors

**COMMUNICATION IN CONJUNCTION WITH THE SIX-MONTH REPORT**

The six-month report, i.e., 1 December 2023 – 31 May 2024, will be published at 08:00 CEST on 27 June 2024, followed by a combined press and telephone conference at 09:30 CEST for the financial market and media, hosted by CEO Daniel Ervér, CFO Adam Karlsson and Head of IR Joseph Ahlberg. A presentation of the report followed by a Q & A session will be held in English.

Location: H&M's head office in Stockholm, Mäster Samuelsgatan 49, 3rd floor, Ljussgården. The event will be broadcasted online and questions can also be asked by telephone. For log in details please register: <https://app.webinar.net/e6RKGdoMZ9A>

To book interviews in conjunction with the six-month report on 27 June 2024, please contact: Anna Frosch Nordin, Head of Media Relations, telephone +46 73 432 93 14, [anna.froschnordin@hm.com](mailto:anna.froschnordin@hm.com).

*Please note that there will not be a separate telephone conference in the afternoon CEST.*

**CONTACT**

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Adam Karlsson, CFO	+46 8 796 55 00 (switchboard)

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For more information about the H&M group visit [hmgroup.com](http://hmgroup.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 (EU) No 596/2014. The information was submitted for publication by the abovementioned persons at 08:00 (CEST) on 27 June 2024. This interim report and other information about the H&M group are available at [hmgroup.com](http://hmgroup.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, ARKET and Afound as well as Sellypy. For further information, visit [hmgroup.com](http://hmgroup.com).

## **ASSURANCE BY THE BOARD OF DIRECTORS AND CEO**

The board of directors and chief executive officer hereby provide an assurance that the half-year report for 1 December 2023 – 31 May 2024 provides a true and fair view of the parent company's and the group's business, position and earnings, and also describes the significant risks and uncertainties faced by the parent company and the companies in the group.

Stockholm 26 June 2024

Karl-Johan Persson  
Chair of the Board

Keith Barker  
Board member

Stina Bergfors  
Board member

Anders Dahlvig  
Board member

Tim Gahnström  
Board member

Agneta Gustafsson  
Board member

Danica Kragic Jensfelt  
Board member

Lena Patriksson Keller  
Board member

Helena Saxon  
Board member

Christian Sievert  
Board member

Christina Synnergren  
Board member

Daniel Ervér  
Chief Executive Officer



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

	Q2 2024	Q2 2023	SIX MONTHS 2024	SIX MONTHS 2023	2022-12-01- 2023-11-30
Net sales, note 3	59,605	57,616	113,274	112,488	236,035
Cost of goods sold, note 4	-26,036	-27,278	-52,050	-56,264	-115,139
<b>GROSS PROFIT</b>	<b>33,569</b>	<b>30,338</b>	<b>61,224</b>	<b>56,224</b>	<b>120,896</b>
<i>Gross margin, %</i>	<i>56.3</i>	<i>52.7</i>	<i>54.0</i>	<i>50.0</i>	<i>51.2</i>
Selling expenses, note 4	-23,894	-23,375	-46,537	-46,483	-96,435
Administrative expenses, note 4	-2,552	-2,210	-5,473	-5,262	-10,895
Result from investments in associated companies and joint ventures*	-25	-12	-39	987	971
<b>OPERATING PROFIT</b>	<b>7,098</b>	<b>4,741</b>	<b>9,175</b>	<b>5,466</b>	<b>14,537</b>
<i>Operating margin, %</i>	<i>11.9</i>	<i>8.2</i>	<i>8.1</i>	<i>4.9</i>	<i>6.2</i>
Net financial items	-430	-416	-901	-745	-1,527
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>6,668</b>	<b>4,325</b>	<b>8,274</b>	<b>4,721</b>	<b>13,010</b>
Tax	-1,673	-1,037	-2,078	-893	-4,287
<b>PROFIT FOR THE PERIOD</b>	<b>4,995</b>	<b>3,288</b>	<b>6,196</b>	<b>3,828</b>	<b>8,723</b>
Attributable to:					
The shareholders of H & M Hennes & Mauritz AB	5,008	3,296	6,217	3,837	8,752
Non-controlling interest	-13	-8	-21	-9	-29
Earnings per share, SEK**	3.11	2.02	3.85	2.35	5.35
Average number of shares outstanding, thousands**	1,610,542	1,629,687	1,613,999	1,629,687	1,629,097

For information about depreciation, amortisation and write-downs, see note 4.

\* Income from investments in associated companies and joint ventures for the six-month period and for full year 2022/2023 include a one-time item of SEK 999 m for revaluation of associated companies of which mainly the former associated company Sellpy.

\*\* Before and after dilution, excluding own shares.

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

	Q2 2024	Q2 2023	SIX MONTHS 2024	SIX MONTHS 2023	2022-12-01- 2023-11-30
PROFIT FOR THE PERIOD	4,995	3,288	6,196	3,828	8,723
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Translation differences	761	1,891	525	1,756	12
Change in hedging reserves	-983	-1,415	-939	-746	413
Tax attributable to change in hedging reserves	202	292	193	154	-85
Share of OCI related to associated companies and joint ventures	0	-	0	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit pension plans	2	-2	-57	5	-41
Tax related to the above remeasurement	-1	0	14	-1	10
Remeasurement of financial assets, note 2	81	-358	60	-366	-599
<b>OTHER COMPREHENSIVE INCOME</b>	<b>62</b>	<b>408</b>	<b>-204</b>	<b>802</b>	<b>-290</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>5,057</b>	<b>3,696</b>	<b>5,992</b>	<b>4,630</b>	<b>8,433</b>
Attributable to:					
The shareholders of H & M Hennes & Mauritz AB	5,070	3,704	6,013	4,639	8,462
Non-controlling interest	-13	-8	-21	-9	-29



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

ASSETS	2024-05-31	2023-05-31	2023-11-30
<b>NON-CURRENT ASSETS</b>			
Intangible non-current assets	9,090	10,475	9,725
Property, plant and equipment	25,739	24,587	25,242
Right-of-use assets	56,125	59,261	56,294
Non-current financial assets, note 2	2,898	2,523	2,572
Other non-current assets	7,060	7,770	6,911
	<b>100,912</b>	<b>104,616</b>	<b>100,744</b>
<b>CURRENT ASSETS</b>			
Stock-in-trade	38,518	38,802	37,358
Current receivables	16,065	18,215	16,773
Cash and cash equivalents	24,246	20,169	26,398
	<b>78,829</b>	<b>77,186</b>	<b>80,529</b>
<b>TOTAL ASSETS</b>	<b>179,741</b>	<b>181,802</b>	<b>181,273</b>
<b>EQUITY AND LIABILITIES</b>			
Equity*	41,246	44,902	47,601
Long-term liabilities**	17,193	12,100	17,016
Long-term leasing liabilities**	48,612	51,133	48,729
Short-term liabilities***	60,331	61,466	55,768
Current leasing liabilities***	12,359	12,201	12,159
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>179,741</b>	<b>181,802</b>	<b>181,273</b>

\* Equity attributable to the shareholders of H & M Hennes & Mauritz AB amounts to SEK 41,179 m (44,804) and to non-controlling interests SEK 67 m (98).

\*\* Interest-bearing long-term liabilities amounts to SEK 63,389 m (59,612), excluding leasing SEK 14,777 m (8,479) of which provisions for pensions SEK 520 m (381).

\*\*\* Interest-bearing current liabilities amounts to SEK 14,388 m (16,573), excluding leasing SEK 2,029 m (4,372).

**GROUP CHANGES IN EQUITY IN SUMMARY (SEK M)**

	2024-05-31	2023-05-31	2023-11-30
<b>Shareholders' equity at the beginning of the financial year</b>	<b>47,601</b>	<b>50,757</b>	<b>50,757</b>
Total comprehensive income for the period	5,992	4,630	8,433
Transactions with non-controlling interests	0	108	111
Dividend	-10,468	-10,593	-10,577
Repurchase of shares	-1,879	-	-1,123
<b>Shareholders' equity at the end of the period</b>	<b>41,246</b>	<b>44,902</b>	<b>47,601</b>

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

	SIX MONTHS 2024	SIX MONTHS 2023
<b>Operating activities</b>		
Profit after financial items*	8,274	4,721
<i>Adjustment for non-cash items</i>		
Provisions for pensions	79	41
Other provisions	360	-70
Depreciation, amortisation and write-downs	10,832	10,998
Other non-cash items	39	-987
Taxes paid	-897	-2,613
<b>Cash flow from operating activities before changes in working capital</b>	<b>18,687</b>	<b>12,090</b>
<b>Cash flow from changes in working capital</b>		
Operating receivables	12	-759
Stock-in-trade	-1,054	4,628
Operating liabilities	-1,078	-3,474
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>16,567</b>	<b>12,485</b>
<b>Investing activities</b>		
Investments in intangible fixed assets	-411	-646
Investments in tangible fixed assets	-3,476	-2,655
Other	-352	-182
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-4,239</b>	<b>-3,483</b>
<b>Financing activities</b>		
Change in interest-bearing liabilities	-1,028	1,118
Amortisation lease	-6,326	-6,208
Dividend	-5,235	-5,297
Repurchase of shares	-1,927	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-14,516</b>	<b>-10,387</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-2,188</b>	<b>-1,385</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>26,398</b>	<b>21,707</b>
Cash flow for the period	-2,188	-1,385
Exchange rate effect	36	-153
<b>Cash and cash equivalents at end of the period</b>	<b>24,246</b>	<b>20,169</b>

\* Interest paid for the group amounts to SEK 370 m (170). Interest expense related to leases amounts to SEK 992 m (768) for the group. Received interest for the group amounts to SEK 461 m (193).

## FIVE YEAR SUMMARY

### SIX MONTHS, 1 DECEMBER – 31 MAY

	2020	2021	2022	2023	2024
Net sales, SEK m	83,612	86,569	103,670	112,488	113,274
Change net sales from previous year in SEK, %	-23	4	20	9	1
Change net sales previous year in local currencies, %	-24	12	15	1	0
Operating profit, SEK m	-3,498	2,724	5,446	5,466	9,175
Operating margin, %	-4.2	3.1	5.3	4.9	8.1
Depreciation, amortisation and write-downs for the period, SEK m	12,764	11,325	10,602	10,998	10,832
Profit after financial items, SEK m	-3,978	2,204	5,064	4,721	8,274
Profit after tax, SEK m	-3,063	1,697	3,899	3,828	6,196
Cash and cash equivalents, SEK m	12,704	23,434	26,571	20,169	24,246
Stock-in-trade, SEK m	40,000	35,866	41,504	38,802	38,518
Equity, SEK m	52,767	55,640	56,183	44,902	41,246
Average number of shares outstanding, thousands*	1,655,072	1,655,072	1,655,072	1,629,687	1,613,999
Earnings per share, SEK*	-1.85	1.03	2.36	2.35	3.85
Cash flow from operating activities per share, SEK*	2.37	12.22	7.61	7.66	10.26
Number of shares outstanding as of the closing day, thousands*	1,655,072	1,655,072	1,655,072	1,629,687	1,610,542
Equity per share, SEK*	31.88	33.62	33.95	27.55	25.57
Share of risk-bearing capital, %	30.2	34.7	32.3	26.5	24.2
Equity/assets ratio, %	27.9	32.4	30.2	24.7	22.9
Total number of stores	5,058	4,913	4,702	4,399	4,319
<b>Rolling 12 months</b>					
Average number of shares outstanding, thousands*	1,655,072	1,655,072	1,655,072	1,637,189	1,621,186
Earnings per share, SEK*	3.03	3.63	7.98	2.13	6.87
Return on equity, %	9.8	11.1	23.6	6.9	22.8
Return on capital employed, %	6.5	6.9	14.6	6.1	15.7

\* Before and after dilution, excluding own shares.

For definitions and explanations of the alternative performance measures in this report, see page 138-140 in the annual and sustainability report for the 2023 financial year.



**PARENT COMPANY INCOME STATEMENT IN SUMMARY (SEK M)**

	Q2 2024	Q2 2023	SIX MONTHS 2024	SIX MONTHS 2023	2022-12-01- 2023-11-30
Net sales	590	545	1,128	1,074	2,264
<b>GROSS PROFIT</b>	<b>590</b>	<b>545</b>	<b>1,128</b>	<b>1,074</b>	<b>2,264</b>
Administrative expenses	-67	-40	-99	-61	-108
<b>OPERATING PROFIT</b>	<b>523</b>	<b>505</b>	<b>1,029</b>	<b>1,013</b>	<b>2,156</b>
Net financial items*	167	263	495	217	11,224
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>690</b>	<b>768</b>	<b>1,524</b>	<b>1,230</b>	<b>13,380</b>
Year-end appropriations	-	-	-	-	-1,496
Tax	-133	-88	-222	-182	-117
<b>PROFIT FOR THE PERIOD</b>	<b>557</b>	<b>680</b>	<b>1,302</b>	<b>1,048</b>	<b>11,767</b>

\* Revenue from interests in group companies in the quarter consists of SEK 149 m (344) and for the six-month period of SEK 551 m (344).

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK M)**

	Q2 2024	Q2 2023	SIX MONTHS 2024	SIX MONTHS 2023	2022-12-01- 2023-11-30
PROFIT FOR THE PERIOD	557	680	1,302	1,048	11,767
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	2	-2	0	-2	-14
Tax related to the above remeasurement	0	0	0	0	3
<b>OTHER COMPREHENSIVE INCOME</b>	<b>2</b>	<b>-2</b>	<b>0</b>	<b>-2</b>	<b>-11</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>559</b>	<b>678</b>	<b>1,302</b>	<b>1,046</b>	<b>11,756</b>

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

	2024-05-31	2023-05-31	2023-11-30
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	135	148	140
Other non-current assets	1,799	1,373	1,595
	<b>1,934</b>	<b>1,521</b>	<b>1,735</b>
<b>CURRENT ASSETS</b>			
Current receivables	23,760	22,355	30,812
Cash and cash equivalents	35	1	2
	<b>23,795</b>	<b>22,356</b>	<b>30,814</b>
<b>TOTAL ASSETS</b>	<b>25,729</b>	<b>23,877</b>	<b>32,549</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	5,315	6,757	16,360
Untaxed reserves	17	21	17
Long-term liabilities*	13,160	7,283	13,195
Short-term liabilities**	7,237	9,816	2,977
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,729</b>	<b>23,877</b>	<b>32,549</b>

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

\*\* Interest-bearing current liabilities amounts to SEK 1,750 m (720). Dividend to be paid amounts to SEK 5,234 m (5,297).

**NOTE 1. 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.

The accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the annual and sustainability report and consolidated financial statements for 2023. No new or revised IFRS standards or interpretations applied from 1 December 2023 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 the notes of the annual and sustainability report for the 2023 financial year.

**NOTE 2. FINANCIAL INSTRUMENTS**

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

Measurement principles and classification of financial instruments are unchanged from the information disclosed in note 24 in the annual and sustainability report for 2023.

Shares are measured at fair value, either through profit or loss or through other comprehensive income. Where holdings of shares are assessed to be strategic, the H&M group has chosen to recognise changes in value in other comprehensive income.

The value of the holding in Renewcell is based on the share price, which is a level 1 input according to IFRS 13. Renewcell declared bankruptcy in February 2024 and has thus been delisted, and the holding has subsequently been written down. Fair value amounts to SEK 0 m (282) as at 31 May 2024. The fair value of the remaining shares and interests based on level 3 inputs according to IFRS 13 amounts in total to SEK 2,606 m (2,075) as at 31 May 2024, the largest investments being Klarna at SEK 766 m (456), Sheertex at SEK 619 m (526), and Instabee at SEK 188 m (428). The effect of measurement of the group's other shares and interests is reported in other comprehensive income and amounts to SEK 81 m (-358) for the second quarter.

Currency derivatives are measured at fair value based on level 2 inputs in the IFRS 13 hierarchy. As at 31 May 2024 forward contracts with a positive market value amount to SEK 521 m (1,226), reported under other current receivables. Forward contracts with a negative market value amount to SEK 602 m (1,535), which is recognised in other current liabilities.

In hedge accounting, derivatives are classified as cash flow hedges or as fair value hedges. As at 31 May 2024 the nominal amount of outstanding interest rate swaps was SEK 5,730 m (0). The interest rate swaps are reported as fair value hedges through profit or loss. Changes in the fair value of the swaps are reported in the income statement together with changes in the fair value of the hedged liability to which the hedged risk relates. Measurement is based on forward interest rates using observable interest rate curves and discounting of contractual cash flows (corresponding to level 2).

Other financial assets and liabilities are measured at amortised cost. Measurement at fair value would decrease the group's liabilities to credit institutions by around SEK 1,000 m. The decrease is due to general interest rate increases since debt was issued. The fair values of other financial instruments are assessed to be approximately equal to their book values.



**NOTE 3. SEGMENT REPORTING (SEK M)**

	SIX MONTHS 2024	SIX MONTHS 2023
<b>Asia and Oceania</b>		
External net sales	14,453	14,924
Operating profit	629	274
<i>Operating margin, %</i>	<i>4.4</i>	<i>1.8</i>
<b>Europe and Africa*</b>		
External net sales	73,087	71,192
Operating profit	4,205	2,802
<i>Operating margin, %</i>	<i>5.8</i>	<i>3.9</i>
<b>North and South America</b>		
External net sales	25,734	26,372
Operating profit	153	326
<i>Operating margin, %</i>	<i>0.6</i>	<i>1.2</i>
<b>Group Functions</b>		
Net sales to other segments	36,811	37,018
Operating profit	4,188	2,064
<i>Operating margin, %</i>	<i>11.4</i>	<i>5.6</i>
<b>Eliminations</b>		
Net sales to other segments	-36,811	-37,018
<b>Total</b>		
External net sales	113,274	112,488
Operating profit	9,175	5,466
<i>Operating margin, %</i>	<i>8.1</i>	<i>4.9</i>
Net financial items	-901	-745
Profit after financial items	8,274	4,721

\* South Africa

**NOTE 4. DEPRECIATIONS, AMORTISATIONS AND WRITE-DOWNS**

	Q2 2024	Q2 2023	SIX MONTHS 2024	SIX MONTHS 2023	2022-12-01- 2023-11-30
<b>DEPRECIATIONS AND AMORTISATIONS</b>					
<b>Intangible non-current assets and property, plant and equipment excluding right-of-use assets</b>					
Cost of goods sold	234	231	468	453	935
Selling expenses	1,810	1,979	3,604	3,899	7,742
Administrative expenses	93	109	191	223	438
<b>Total</b>	<b>2,137</b>	<b>2,319</b>	<b>4,263</b>	<b>4,575</b>	<b>9,115</b>
<b>Right-of-use assets</b>					
Cost of goods sold	319	178	649	369	1,107
Selling expenses	2,867	2,885	5,707	5,755	11,552
Administrative expenses	105	98	212	193	411
<b>Total</b>	<b>3,291</b>	<b>3,161</b>	<b>6,568</b>	<b>6,317</b>	<b>13,070</b>
<b>TOTAL DEPRECIATIONS AND AMORTISATIONS</b>	<b>5,428</b>	<b>5,480</b>	<b>10,831</b>	<b>10,892</b>	<b>22,185</b>
<b>WRITE-DOWNS AND LOSSES AT DISPOSALS</b>					
<b>Intangible non-current assets and property, plant and equipment excluding right-of-use assets</b>					
Cost of goods sold	5	3	6	8	69
Selling expenses	-9*	85	-13*	164	605
Administrative expenses	3	3	8	72	21
<b>Total</b>	<b>-1</b>	<b>91</b>	<b>1</b>	<b>244</b>	<b>695</b>
<b>Right-of-use assets</b>					
Cost of goods sold	-	-	-	-	-
Selling expenses	-	-78*	-	-138*	74
Administrative expenses	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-78</b>	<b>-</b>	<b>-138</b>	<b>74</b>
<b>TOTAL WRITE-DOWNS AND LOSSES AT DISPOSALS</b>	<b>-1</b>	<b>13</b>	<b>1</b>	<b>106</b>	<b>770</b>
<b>TOTAL DEPRECIATIONS, AMORTISATIONS, WRITE-DOWNS AND LOSSES AT DISPOSALS</b>	<b>5,427</b>	<b>5,493</b>	<b>10,832</b>	<b>10,998</b>	<b>22,955</b>

\* Release of unused provisions for store closures.

**NOTE 5. EVENTS AFTER THE CLOSING DATE**

There have been no significant events after the closing date that effects the financial reporting.



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