

H&M Group

Q3

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

H&M

COS

WEEKDAY

MONKI

H&M HOME

& Other Stories

ARKET

Sellpy





H&M



# H & M Hennes & Mauritz AB

## Nine-month report 2024

### THIRD QUARTER (1 JUNE 2024 – 31 AUGUST 2024)

- The H&M group's net sales in the third quarter amounted to SEK 59,011 m (60,897). In local currencies net sales were flat compared with the previous year.
- Gross profit amounted to SEK 30,133 m (31,015). This corresponds to a gross margin of 51.1 percent (50.9).
- Selling and administrative expenses increased by 1 percent to SEK 26,602 m (26,271). In local currencies the increase was 4 percent.
- Operating profit amounted to SEK 3,507 m (4,739), corresponding to an operating margin of 5.9 percent (7.8). Excluding currency translation effects and winding-down costs the operating margin was comparable with the previous year.
- The result after tax amounted to SEK 2,307 m (3,319), corresponding to SEK 1.44 (2.04) per share.
- Converted into Swedish kronor the stock-in-trade increased by 3 percent to SEK 41,738 m (40,358). The composition of the stock-in-trade is good.
- Cash flow from operating activities, amounted to SEK 8,215 m (12,257).

### NINE MONTHS (1 DECEMBER 2023 – 31 AUGUST 2024)

- The H&M group's net sales in the first nine months of the financial year amounted to SEK 172,285 m (173,385). In local currencies, net sales were flat compared with the previous year.
- Gross profit increased to SEK 91,357 m (87,239). This corresponds to a gross margin of 53.0 percent (50.3).
- Selling and administrative expenses increased by 1 percent in SEK. In local currencies the increase was 1 percent.
- Operating profit increased to SEK 12,682 m (10,205), corresponding to an operating margin of 7.4 percent (5.9).
- The result after tax increased by 19 percent to SEK 8,503 m (7,147), corresponding to SEK 5.29 (4.39) per share.
- Cash flow from operating activities increased to SEK 24,782 m (24,742).
- Financial net cash amounted to SEK 9,396 m (13,555). Cash and cash equivalents plus undrawn credit facilities were SEK 41,838 m (43,918).

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- The autumn collection has been very well received and sales in the month of September 2024 are expected to increase by 11 percent in local currencies compared with the same month the previous year.
  - In September a number of initiatives have been initiated, such as upgrades to physical stores, the roll-out of a new digital experience, and the launch of the autumn collection with brand-reinforcing events and collaborations that will take place during the autumn.
  - The first flagship store for H&M Beauty in Sweden was opened in September.
  - During the autumn H&M is opening digital stores on Douyin and Pinduoduo, two of China's biggest e-commerce platforms.
  - The first H&M store in Brazil will open in São Paulo at the end of 2025.
  - Based on the authorisation granted by the annual general meeting the board of directors has decided to buy back H&M class B shares for SEK 1 billion, starting on 26 September 2024 and continuing until no later than 26 November 2024.

**Nine months  
Operating profit  
SEK 12.7 billion**  
(SEK 10.2 billion)

**Nine months  
Gross margin  
53.0%**  
(50.3%)

**Nine months  
Cash flow from  
operating activities  
SEK 24.8 billion**  
(SEK 24.7 billion)

*"Despite a challenging start, we are concluding the third quarter with sales on par with last year in local currencies and with good cost control. We are strengthening the H&M brand by investing in products, the shopping experience and marketing, which we are already seeing start to make an impact and which will contribute to increased sales and profitability."*

- Daniel Ervér, CEO.

# Long-term investments strengthen the H&M customer offering

## Comments by Daniel Erv r, CEO

During the quarter we've primarily focused on creating a strong assortment that gives the customer the best value for money while also upgrading both the physical and digital store experience. The quarter started with slow sales in June due to cold weather in many of our key European markets. In July and August we saw sales pick up, with even stronger sales development in September. Despite a challenging start, we conclude the quarter with sales on par with last year in local currencies.

Cost control remained good, but operating profit was negatively impacted by currency translation effects and winding-down costs. Disregarding these effects the operating margin in the third quarter was comparable with last year, despite a significant increase in marketing costs in the quarter. These aim to strengthen the H&M brand in the long term, starting from the launch of the autumn collection in September.

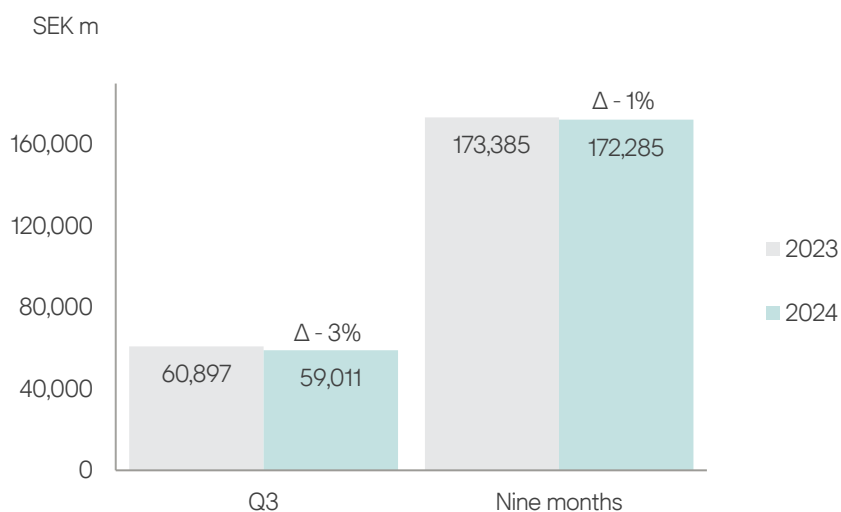
The autumn collection represents the best of H&M: fantastic fashion and good quality at the best price, in a sustainable way. With an even better experience in both our digital and

many of our physical stores, as well as collaborations and unique events, we've raised the bar for H&M. Charli XCX is the face of the campaign, supported by both global and local artists and models. The first collections of the autumn have been very well received by customers, with good sales and strong resonance on social media.

2024 is a year in which we're laying the foundation for future growth. We're increasing the pace of improvements in our customer offering and deprioritising things that don't strengthen our brands or contribute to our sales and profitability. Consumers' living costs have remained high during the year, and at the same time we continue to see turbulence in the world around us. External factors have impacted our sales revenue and purchasing costs more than we expected. At present we estimate that this year's operating margin will be lower than 10 percent. We are strengthening the H&M brand by investing in products, the shopping experience and marketing and are already seeing that the efforts we have started are having an effect. We are confident that our plan will contribute to increased sales and profitability.



## SALES



**The H&M group's net sales** in the third quarter amounted to SEK 59,011 m (60,897). In local currencies net sales were flat compared with the previous year. The quarter started with slow sales in June due to cold weather in many key markets in Europe. Sales developed positively in July and August.

Net sales in the nine-month period amounted to SEK 172,285 m (173,385). In local currencies, net sales were flat compared with the previous year.

Around 30 percent of sales were online in the first nine months of the financial year.

**For Portfolio brands**, which were up against high comparative figures from last year, net sales in the third quarter decreased by 6 percent in SEK and by 4 percent in local currencies. In the nine-month period, net sales were flat compared with the previous year in both SEK and in local currencies.

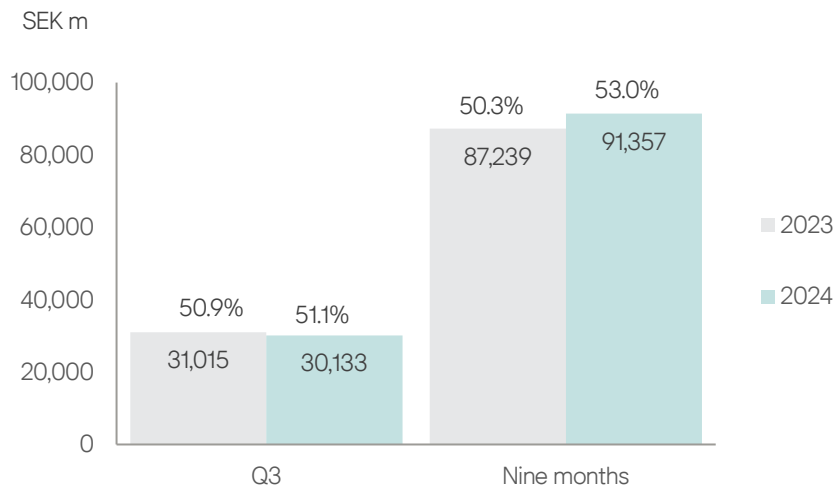
## SALES PER REGION

	Q3		SEK CHANGE IN %	LCY	NINE MONTHS		SEK CHANGE IN %	LCY	NEW STORES (NET)		
	2024	2023			2024	2023			2024*	NUMBER OF STORES	
The Nordics	5,313	5,809	-9	-7	15,500	15,954	-3	-2	-8	381	393
Western Europe	19,731	20,581	-4	-2	57,496	57,723	0	-1	-26	1,025	1,051
Eastern Europe	5,417	5,306	2	4	15,559	14,093	10	8	6	481	478
Southern Europe	8,252	8,206	1	8	22,655	22,723	0	5	-15	593	612
North and South America	13,124	13,445	-2	2	38,857	39,818	-2	-2	8	753	735
Asia, Oceania and Africa	7,174	7,550	-5	-2	22,218	23,074	-4	-1	-36	1,065	1,106
<b>Total</b>	<b>59,011</b>	<b>60,897</b>	<b>-3</b>	<b>0</b>	<b>172,285</b>	<b>173,385</b>	<b>-1</b>	<b>0</b>	<b>-71</b>	<b>4,298</b>	<b>4,375</b>

\*Nine-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.



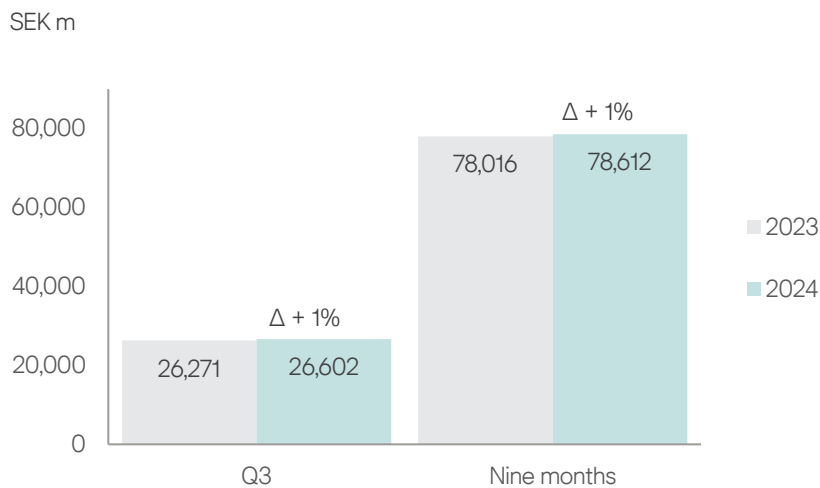
**Gross profit** amounted to SEK 30,133 m (31,015) for the third quarter, corresponding to a gross margin of 51.1 percent (50.9). The negative overall effect of external factors that influenced purchasing costs in the quarter compared with the previous year was offset by continued improvement work in the supply chain.

For the nine-month period gross profit increased to SEK 91,357 m (87,239), corresponding to a gross margin of 53.0 percent (50.3).

The cost of markdowns in relation to sales in the third quarter 2024 increased somewhat compared with the corresponding quarter the previous year.

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

## SELLING AND ADMINISTRATIVE EXPENSES



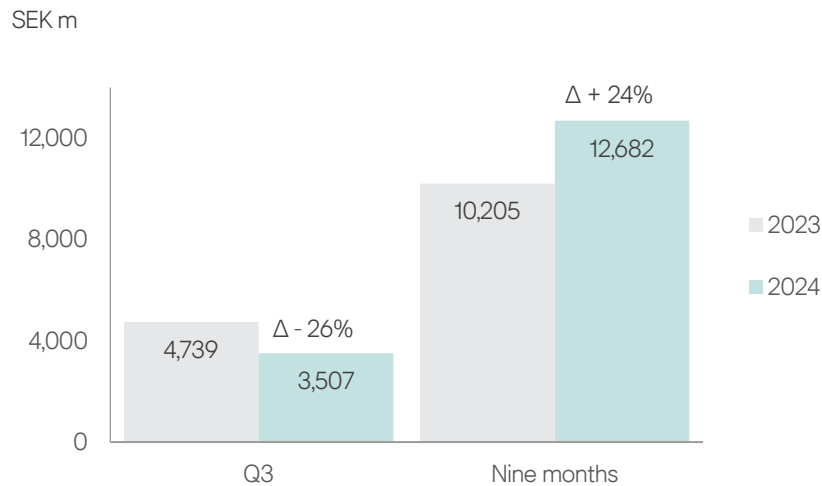
**Selling and administrative expenses** increased in the third quarter by 1 percent to SEK 26,602 m (26,271). In local currencies, these expenses increased by 4 percent.

Selling and administrative expenses for the third quarter were impacted by long-term marketing investments and winding-down costs, mainly for Afound, totalling around SEK 550 m, a large part of which consisted of the long-term marketing investments. Already at the beginning of the fourth quarter positive effects of these investments in marketing can be seen in connection with the launch of the autumn collection.

The cost and efficiency programme is fully implemented and operational cost control remains good.

For the nine-month period, selling and administrative expenses increased by 1 percent in both SEK and local currencies compared with the same period the previous year.

## OPERATING PROFIT AND OPERATING MARGIN



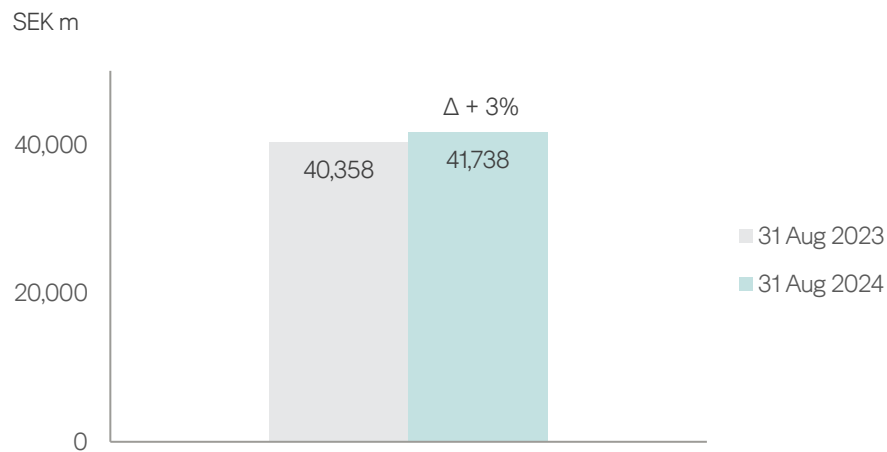
**Operating profit** in the third quarter amounted to SEK 3,507 m (4,739), corresponding to an operating margin of 5.9 percent (7.8).

The strengthened Swedish krona resulted in negative currency effects that impacted operating profit in the third quarter compared with the same quarter last year. Winding-down costs also impacted earnings negatively. Excluding currency translation effects and winding-down costs the operating margin was comparable with last year:

- *Currency effects:* translation effects arise when converting income, expenses, liabilities and receivables from local currencies into SEK. Currency translation of the quarter's sales, gross profit and selling and administrative expenses from local currencies resulted in lower reported amounts in SEK. In addition, exchange losses on intragroup payables and receivables had a negative impact on operating profit for the quarter.
- *Winding-down costs:* as part of deprioritising things that do not contribute to long-term sales and profitability, it was decided in the quarter to wind down Afound.

Operating profit for the nine-month period increased to SEK 12,682 m (10,205), corresponding to an operating margin of 7.4 percent (5.9).



**STOCK-IN-TRADE**

The stock-in-trade increased by 3 percent to SEK 41,738m (40,358). Currency adjusted the stock-in-trade increased by 5 percent compared with the previous year. The increase is mainly due to extended transport times associated with the situation in the Red Sea and to higher sales ambitions for the autumn assortment. The impact of increased delivery times on the stock level as at 31 August amounted to around SEK 2 billion.

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

The stock-in-trade in SEK represented 17.8 percent (17.1) 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 improvement of the stock-in-trade situation. The company continues to plan for extended transport times and to manage disruption in the supply chain.

## 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 physical and digital stores during 2024 to provide an even more inspiring experience while also optimising 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 at the end of 2024. In the early part of the fourth quarter H&M has expanded its digital presence on Ajo.com in India and Trendyol.com in Turkey. During the autumn H&M will launch digital stores on Douyin and Pinduoduo, two of China's biggest e-commerce platforms. Arket opened its first stores in Spain, Poland and Italy during the quarter. Weekday and Monki launched on Boozt.com in September, while Arket has launched on ASOS.com. The first H&M store in Brazil will open in São Paulo towards the end of 2025. The store will open in Iguatemi, one of the most iconic and unique shopping centres in Brazil.

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 right store portfolio in each market. The H&M group's contracts allow around a third of leases to be renegotiated or exited each year. After reviewing priorities as regards things that do not strengthen the H&M brand or contribute to each brand's long-term sales and profitability, additional stores have been identified for consolidation. For 2024 the plan is to open around 100 new stores and close around 200 stores, making a net decrease of around 100 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 August 2024 the H&M group had 4,298 (4,375) stores, i.e. the total number of stores has decreased by 77 stores compared with the same point in time the previous year, which corresponds to a reduction of approximately 2 percent. During the first nine months of the current financial year 61 (66) new stores have opened and 132 (156) stores have closed. A total of 259 (282) of the group's stores are operated by franchise partners.

	NEW STORES		TOTAL NUMBER OF STORES		NUMBER OF MARKETS	
	2024 (NET)				STORE	ONLINE
	Q3	NINE MONTHS	31 AUG 2024	31 AUG 2023		
H&M	-18	-58	3,814	3,875	77	60
COS	-2	-9	236	248	47	38
Monki	-3	-8	56	69	15	29
Weekday	-2	-6	47	53	14	29
& Other Stories	0	-1	71	70	25	32
ARKET	3	9	39	27	17	31
Afound	0	0	0	0	0	7
H&M HOME*	1	2	35	33	59	45
Sellpy	0	0	0	0	0	24
<b>Total</b>	<b>-21</b>	<b>-71</b>	<b>4,298</b>	<b>4,375</b>		

\* Concept stores. H&M HOME is also available through shop-in-shop in 455 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 nine-month period amounted to SEK 24,782 m (24,742). Operating working capital amounted to SEK 18,875 m (17,347), corresponding to an increase of SEK 1,528 m compared with the previous year. Most of the change is explained by development of the stock-in-trade.

SEK m	2024-08-31	2023-08-31	2023-11-30
Accounts receivable	2,969	2,596	3,301
Stock-in-trade	41,738	40,358	37,358
Accounts payable	-25,832	-25,607	-21,027
<b>Operating working capital</b>	<b>18,875</b>	<b>17,347</b>	<b>19,632</b>

### Liquidity and debt financing

The H&M group's liquidity remains very good. As at 31 August 2024 cash and cash equivalents amounted to SEK 23,698 m (24,971). In addition, the group has undrawn credit facilities of SEK 18,140 m (18,947). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 41,838 m (43,918).

Net debt including lease liabilities in relation to EBITDA amounted to 1.3 (1.5) with a net cash position of SEK 9,396 m (13,555). 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 14,303 m (11,417) as at 31 August 2024. The average maturity of interest-bearing liabilities amounted to 5.5 (3.7) years as a result of a net decrease in current liabilities of around SEK 2.0 billion through repayments during the quarter.

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities as at 31 August 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	-	-	-	-
2025	-	-	-	-
2026	-	-	2,157	3,401
2027	-	-	-	-
2028	-	-	245	-
2029	-	5,669	-	14,739
2030	-	-	-	-
2031	-	6,232	-	-
<b>Total SEK m</b>	<b>-</b>	<b>11,901</b>	<b>2,402</b>	<b>18,140</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.

The board of directors has decided to use the authorisation from the 2024 annual general meeting to initiate a buyback programme of its own class B shares amounting to SEK 1 billion, in view of the H&M group's strong financial position and since surplus liquidity has been identified. The programme starts on 26 September 2024 and will continue until no later than 26 November 2024. For more information see the separate press release issued on 26 September 2024.

**CURRENT QUARTER**

The autumn collection has been very well received and sales in the month of September 2024 are expected to increase by 11 percent in local currencies compared with the same month the previous year.

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

The long-term investments in marketing are continuing in the fourth quarter, with costs expected to be a little higher than in the third quarter.

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. The company is also taking action to manage disruption in the supply chain.

**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

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
7 May 2025	Annual general meeting 15:00 (CEST), Erling Persson Hall, Aula Medica, Solna

Stockholm, 25 September 2024  
Board of Directors

## COMMUNICATION IN CONJUNCTION WITH THE NINE-MONTH REPORT

The nine-month report, i.e., 1 December 2023 – 31 August 2024, will be published at 08:00 CEST on 26 September 2024, followed by a telephone conference at 09:00 CEST for the financial market and media. The telephone conference will be held in English, hosted by CEO Daniel Ervér, CFO Adam Karlsson and Head of IR Joseph Ahlberg.

For log in details for the telephone conference please register via this link:

<https://app.webinar.net/XoAgzndE9nm>

To book interviews in conjunction with the nine-month report on 26 September 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).

## CONTACT

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

## REVIEW REPORT

H & M Hennes & Mauritz AB (Publ), corporate identity number 556042-7220

### Introduction

We have reviewed the interim report for H & M Hennes & Mauritz AB (publ) for the period December 1, 2023 – August 31, 2024. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, September 25, 2024

Deloitte AB

Didrik Roos

Authorized Public Accountant

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 26 September 2024. This interim report and other information about the H&M group are available at [hmgroupp.com](https://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 Selly. For further information, visit [hmgroupp.com](https://hmgroupp.com).



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

	Q3 2024	Q3 2023	NINE MONTHS 2024	NINE MONTHS 2023	2022-12-01- 2023-11-30
Net sales, note 3	59,011	60,897	172,285	173,385	236,035
Cost of goods sold, note 4	-28,878	-29,882	-80,928	-86,146	-115,139
<b>GROSS PROFIT</b>	<b>30,133</b>	<b>31,015</b>	<b>91,357</b>	<b>87,239</b>	<b>120,896</b>
<i>Gross margin, %</i>	<i>51.1</i>	<i>50.9</i>	<i>53.0</i>	<i>50.3</i>	<i>51.2</i>
Selling expenses, note 4	-24,167	-23,648	-70,704	-70,131	-96,435
Administrative expenses, note 4	-2,435	-2,623	-7,908	-7,885	-10,895
Result from investments in associated companies and joint ventures*	-24	-5	-63	982	971
<b>OPERATING PROFIT</b>	<b>3,507</b>	<b>4,739</b>	<b>12,682</b>	<b>10,205</b>	<b>14,537</b>
<i>Operating margin, %</i>	<i>5.9</i>	<i>7.8</i>	<i>7.4</i>	<i>5.9</i>	<i>6.2</i>
Net financial items	-422	-366	-1,323	-1,111	-1,527
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>3,085</b>	<b>4,373</b>	<b>11,359</b>	<b>9,094</b>	<b>13,010</b>
Tax	-778	-1,054	-2,856	-1,947	-4,287
<b>PROFIT FOR THE PERIOD</b>	<b>2,307</b>	<b>3,319</b>	<b>8,503</b>	<b>7,147</b>	<b>8,723</b>
Attributable to:					
The shareholders of H & M Hennes & Mauritz AB	2,319	3,328	8,536	7,165	8,752
Non-controlling interest	-12	-9	-33	-18	-29
Earnings per share, SEK**	1.44	2.04	5.29	4.39	5.35
Average number of shares outstanding, thousands**	1,610,542	1,629,687	1,612,843	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 nine-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)**

	Q3 2024	Q3 2023	NINE MONTHS 2024	NINE MONTHS 2023	2022-12-01- 2023-11-30
PROFIT FOR THE PERIOD	2,307	3,319	8,503	7,147	8,723
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Translation differences	-1,099	-324	-574	1,432	12
Change in hedging reserves	1,144	-133	205	-879	413
Tax attributable to change in hedging reserves	-235	27	-42	181	-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	-128	-43	-185	-38	-41
Tax related to the above remeasurement	32	10	46	9	10
Remeasurement of financial assets, note 2	-36	117	24	-249	-599
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-322</b>	<b>-346</b>	<b>-526</b>	<b>456</b>	<b>-290</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,985</b>	<b>2,973</b>	<b>7,977</b>	<b>7,603</b>	<b>8,433</b>
Attributable to:					
The shareholders of H & M Hennes & Mauritz AB	1,997	2,982	8,010	7,621	8,462
Non-controlling interest	-12	-9	-33	-18	-29

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

ASSETS	2024-08-31	2023-08-31	2023-11-30
<b>NON-CURRENT ASSETS</b>			
Intangible non-current assets	9,015	10,164	9,725
Property, plant and equipment	26,276	25,120	25,242
Right-of-use assets	53,639	58,448	56,294
Non-current financial assets, note 2	2,960	2,718	2,572
Other non-current assets	6,924	7,713	6,911
	<b>98,814</b>	<b>104,163</b>	<b>100,744</b>
<b>CURRENT ASSETS</b>			
Stock-in-trade	41,738	40,358	37,358
Current receivables	16,373	18,051	16,773
Cash and cash equivalents	23,698	24,971	26,398
	<b>81,809</b>	<b>83,380</b>	<b>80,529</b>
<b>TOTAL ASSETS</b>	<b>180,623</b>	<b>187,543</b>	<b>181,273</b>
<b>EQUITY AND LIABILITIES</b>			
Equity*	43,231	47,878	47,601
Long-term liabilities**	17,593	12,301	17,016
Long-term leasing liabilities**	46,337	50,415	48,729
Short-term liabilities***	61,503	64,279	55,768
Current leasing liabilities***	11,959	12,670	12,159
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180,623</b>	<b>187,543</b>	<b>181,273</b>

\* Equity attributable to the shareholders of H & M Hennes & Mauritz AB amounts to SEK 43,169 m (47,785) and to non-controlling interests SEK 62 m (93).

\*\* Interest-bearing long-term liabilities amounts to SEK 61,340 m (59,172), excluding leasing SEK 14,779 m (8,757) of which provisions for pensions SEK 701 m (449).

\*\*\* Interest-bearing current liabilities amounts to SEK 11,959 m (15,780), excluding leasing SEK 0 m (3,110).

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

	2024-08-31	2023-08-31	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	7,977	7,603	8,433
Transactions with non-controlling interests	0	111	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>43,231</b>	<b>47,878</b>	<b>47,601</b>



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

	NINE MONTHS 2024	NINE MONTHS 2023
<b>Operating activities</b>		
Profit after financial items*	11,359	9,094
<i>Adjustment for non-cash items</i>		
Provisions for pensions	141	69
Other provisions	367	-437
Depreciation, amortisation and write-downs	16,278	16,725
Other non-cash items	63	-982
Taxes paid	-1,333	-3,781
<b>Cash flow from operating activities before changes in working capital</b>	<b>26,875</b>	<b>20,688</b>
<b>Cash flow from changes in working capital</b>		
Operating receivables	23	25
Stock-in-trade	-4,708	3,027
Operating liabilities	2,592	1,002
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>24,782</b>	<b>24,742</b>
<b>Investing activities</b>		
Investments in intangible fixed assets	-1,010	-797
Investments in tangible fixed assets	-6,049	-4,799
Other	-514	-260
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-7,573</b>	<b>-5,856</b>
<b>Financing activities</b>		
Change in interest-bearing liabilities	-3,057	-44
Amortisation lease	-9,467	-9,663
Dividend	-5,235	-5,297
Repurchase of shares	-1,927	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-19,686</b>	<b>-15,004</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-2,477</b>	<b>3,882</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	-2,477	3,882
Exchange rate effect	-223	-618
<b>Cash and cash equivalents at end of the period</b>	<b>23,698</b>	<b>24,971</b>

\* Interest paid for the group amounts to SEK 520 m (241). Interest expense related to leases amounts to SEK 1,493 m (1,256) for the group. Received interest for the group amounts to SEK 690 m (386).

## FIVE YEAR SUMMARY

### NINE MONTHS, 1 DECEMBER – 31 AUGUST

	2020	2021	2022	2023	2024
Net sales, SEK m	134,482	142,154	161,120	173,385	172,285
Change net sales from previous year in SEK, %	-21	6	13	8	-1
Change net sales previous year in local currencies, %	-21	13	8	0	0
Operating profit, SEK m	-798	8,996	6,348	10,205	12,682
Operating margin, %	-0.6	6.3	3.9	5.9	7.4
Depreciation, amortisation and write-downs for the period, SEK m	20,084	16,781	16,788	16,725	16,278
Profit after financial items, SEK m	-1,613	8,297	5,753	9,094	11,359
Profit after tax, SEK m	-1,242	6,389	4,430	7,147	8,503
Cash and cash equivalents, SEK m	12,138	35,298	27,547	24,971	23,698
Stock-in-trade, SEK m	42,076	36,867	47,141	40,358	41,738
Equity, SEK m	52,786	64,409	54,071	47,878	43,231
Average number of shares outstanding, thousands*	1,655,072	1,655,072	1,653,960	1,629,687	1,612,843
Earnings per share, SEK*	-0.75	3.86	2.68	4.39	5.29
Cash flow from operating activities per share, SEK*	9.66	22.48	11.02	15.18	15.37
Number of shares outstanding as of the closing day, thousands*	1,655,072	1,655,072	1,645,494	1,629,687	1,610,542
Equity per share, SEK*	31.89	38.92	32.86	29.38	26.84
Share of risk-bearing capital, %	31.6	36.9	30.4	27.3	25.3
Equity/assets ratio, %	29.2	34.8	28.2	25.5	23.9
Total number of stores	5,043	4,856	4,664	4,375	4,298
<b>Rolling 12 months</b>					
Average number of shares outstanding, thousands*	1,655,072	1,655,072	1,654,237	1,637,189	1,616,373
Earnings per share, SEK*	1.79	5.36	5.47	3.84	6.26
Return on equity, %	5.6	15.1	15.3	12.3	22.1
Return on capital employed, %	4.6	9.6	10.1	9.3	15.0

\* 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)**

	Q3 2024	Q3 2023	NINE MONTHS 2024	NINE MONTHS 2023	2022-12-01- 2023-11-30
Net sales	593	575	1,721	1,649	2,264
<b>GROSS PROFIT</b>	<b>593</b>	<b>575</b>	<b>1,721</b>	<b>1,649</b>	<b>2,264</b>
Administrative expenses	-34	-21	-133	-82	-108
<b>OPERATING PROFIT</b>	<b>559</b>	<b>554</b>	<b>1,588</b>	<b>1,567</b>	<b>2,156</b>
Net financial items*	940	303	1,435	520	11,224
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>1,499</b>	<b>857</b>	<b>3,023</b>	<b>2,087</b>	<b>13,380</b>
Year-end appropriations	-	-	-	-	-1,496
Tax	-90	-104	-312	-286	-117
<b>PROFIT FOR THE PERIOD</b>	<b>1,409</b>	<b>753</b>	<b>2,711</b>	<b>1,801</b>	<b>11,767</b>

\* Revenue from interests in group companies in the quarter consists of SEK 1,066 m (349) and for the nine-month period of SEK 1,617 m (693).

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

	Q3 2024	Q3 2023	NINE MONTHS 2024	NINE MONTHS 2023	2022-12-01- 2023-11-30
PROFIT FOR THE PERIOD	1,409	753	2,711	1,801	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	-7	2	-7	0	-14
Tax related to the above remeasurement	1	0	1	0	3
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-6</b>	<b>2</b>	<b>-6</b>	<b>0</b>	<b>-11</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,403</b>	<b>755</b>	<b>2,705</b>	<b>1,801</b>	<b>11,756</b>

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

	2024-08-31	2023-08-31	2023-11-30
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	133	144	140
Other non-current assets	2,043	1,373	1,595
	<b>2,176</b>	<b>1,517</b>	<b>1,735</b>
<b>CURRENT ASSETS</b>			
Current receivables	23,557	20,095	30,812
Cash and cash equivalents	0	1,009	2
	<b>23,557</b>	<b>21,104</b>	<b>30,814</b>
<b>TOTAL ASSETS</b>	<b>25,733</b>	<b>22,621</b>	<b>32,549</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	6,717	7,512	16,360
Untaxed reserves	17	21	17
Long-term liabilities*	13,327	7,281	13,195
Short-term liabilities**	5,672	7,807	2,977
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,733</b>	<b>22,621</b>	<b>32,549</b>

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

\*\* Interest-bearing current liabilities amounts to SEK 0 m (2,793). 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 was subsequently written down in the first quarter of the financial year. Fair value amounts to SEK 0 m (393) as at 31 August 2024. The fair value of the remaining shares and interests based on level 3 inputs according to IFRS 13 amounts in total to SEK 2,691 m (2,140) as at 31 August 2024, the largest investments being Klarna at SEK 766 m (456), Sheertex at SEK 575 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 -36 m (117) for the third quarter.

Currency derivatives are measured at fair value based on level 2 inputs in the IFRS 13 hierarchy. As at 31 August 2024 forward contracts with a positive market value amount to SEK 753 m (1,105), reported under other current receivables. Forward contracts with a negative market value amount to SEK 778 m (1,255), 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 August 2024 the nominal amount of outstanding interest rate swaps was SEK 554 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 800 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)**

	NINE MONTHS 2024	NINE MONTHS 2023
<b>Asia and Oceania</b>		
External net sales	21,343	22,216
Operating profit	786	736
<i>Operating margin, %</i>	3.7	3.3
<b>Europe and Africa*</b>		
External net sales	112,084	111,350
Operating profit	4,771	3,099
<i>Operating margin, %</i>	4.3	2.8
<b>North and South America</b>		
External net sales	38,858	39,819
Operating profit	597	529
<i>Operating margin, %</i>	1.5	1.3
<b>Group Functions</b>		
Net sales to other segments	57,709	59,126
Operating profit	6,528	5,841
<i>Operating margin, %</i>	11.3	9.9
<b>Eliminations</b>		
Net sales to other segments	-57,709	-59,126
<b>Total</b>		
External net sales	172,285	173,385
Operating profit	12,682	10,205
<i>Operating margin, %</i>	7.4	5.9
Net financial items	-1,323	-1,111
Profit after financial items	11,359	9,094

\* South Africa



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

	Q3 2024	Q3 2023	NINE MONTHS 2024	NINE 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	253	236	721	689	935
Selling expenses	1,790	1,962	5,395	5,862	7,742
Administrative expenses	96	109	287	332	438
<b>Total</b>	<b>2,139</b>	<b>2,307</b>	<b>6,403</b>	<b>6,883</b>	<b>9,115</b>
<b>Right-of-use assets</b>					
Cost of goods sold	319	438	968	807	1,107
Selling expenses	2,823	2,912	8,530	8,667	11,552
Administrative expenses	93	114	304	307	411
<b>Total</b>	<b>3,235</b>	<b>3,464</b>	<b>9,802</b>	<b>9,781</b>	<b>13,070</b>
<b>TOTAL DEPRECIATIONS AND AMORTISATIONS</b>	<b>5,374</b>	<b>5,771</b>	<b>16,205</b>	<b>16,664</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	20	0	25	8	69
Selling expenses	34	43	21	206	605
Administrative expenses	5	3	14	75	21
<b>Total</b>	<b>59</b>	<b>46</b>	<b>60</b>	<b>289</b>	<b>695</b>
<b>Right-of-use assets</b>					
Cost of goods sold	-	-	-	-	-
Selling expenses	13	-90*	13	-229*	74
Administrative expenses	-	-	-	-	-
<b>Total</b>	<b>13</b>	<b>-90</b>	<b>13</b>	<b>-229</b>	<b>74</b>
<b>TOTAL WRITE-DOWNS AND LOSSES AT DISPOSALS</b>	<b>72</b>	<b>-44</b>	<b>73</b>	<b>60</b>	<b>770</b>
<b>TOTAL DEPRECIATIONS, AMORTISATIONS, WRITE-DOWNS AND LOSSES AT DISPOSALS</b>	<b>5,446</b>	<b>5,727</b>	<b>16,278</b>	<b>16,724</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.







**H&M**



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*& other Stories*





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