



H & M Hennes & Mauritz AB

PRESS CONFERENCE 18 JUNE 2014

SIX-MONTH REPORT



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TREND EXPERT

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## SECOND QUARTER 2014

- ▶ Strong sales and continued increase in market shares
- ▶ Well received spring collections
- ▶ Sales incl VAT SEK 44,181 million
  - +20 percent in SEK
  - +16 percent in local currencies
- ▶ Sales developed well at all brands
- ▶ Substantial long-term investments
- ▶ Good cost control maintained
- ▶ Operating profit SEK 7,565 m (+26%)





## EXPANSION Q2

- ▶ 93 new stores net in Q2
  - 3,285 stores in 54 markets
  - China largest expansion market
  - several new flagship stores
- ▶ Australia new market 5 April
  - first H&M store in Melbourne very well received





# LONG-TERM INVESTMENTS

- ▶ Substantial investments within IT, online, new brands and the broadening of the product range
- ▶ Important investments for the future, e.g:
  - launch of H&M's online store in new markets; US in 2013 and France in March 2014
  - & Other Stories, amazingly well received since launch in 2013
  - H&M Sport for women, men and children



# FINANCIAL DATA

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**H&M**

# SALES AND PROFITS

SECOND QUARTER

SEK m	2014	2013
Sales including VAT	44,181	36,923
Sales excluding VAT	37,827	31,635
Gross profit	23,010	19,337
<i>Gross margin, %</i>	<i>60.8</i>	<i>61.1</i>
Selling and administrative expenses	-15,445	-13,314
Operating profit	7,565	6,023
<i>Operating margin, %</i>	<i>20.0</i>	<i>19.0</i>
Net interest income	78	102
Profit after financial items	7,643	6,125
Tax	-1,834	-1,470
Profit for the period	5,809	4,655
<i>Earnings per share (SEK)</i>	<i>3.51</i>	<i>2.81</i>



# KEY DATA

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SEK m	31 May 2014	31 May 2013
Stock-in-trade	14,915	12,667
Cash flow from current operations	11,919	11,218
Investments	3,931	3,375
Liquid funds and short-term investments	9,592	9,061
Return on equity* %	50.5	45.0

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\* rolling 12 months





# H&M SUMMER COLLECTION



**H&M**

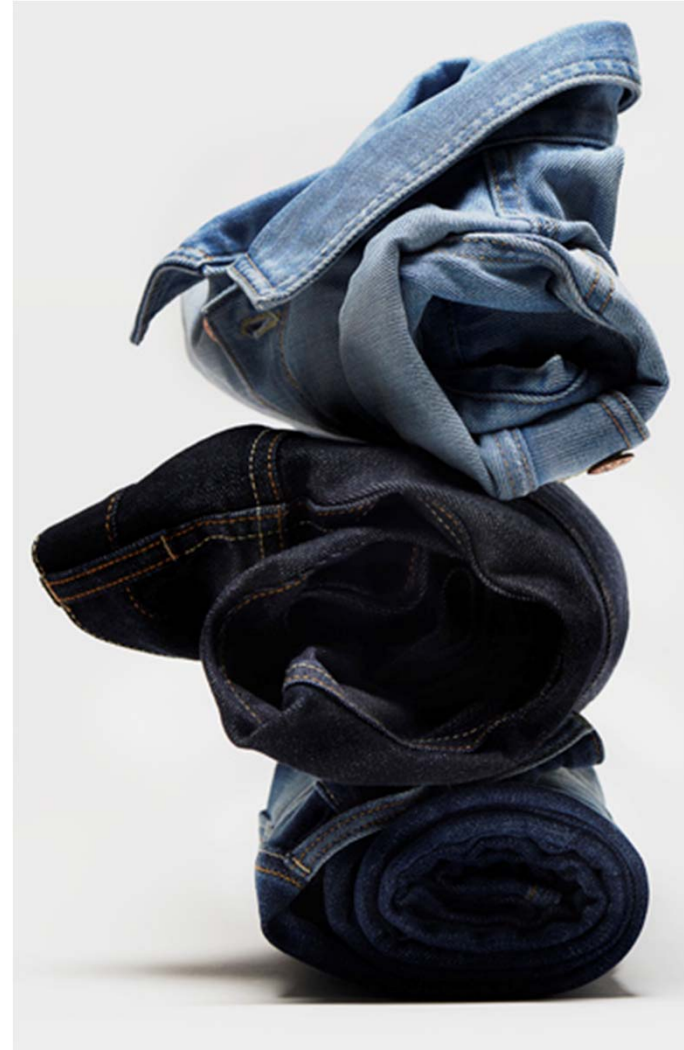
# H&M SUMMER COLLECTION



**H&M**

# CLOSE THE LOOP

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The H&M logo, consisting of the letters "H" and "M" in a stylized, red, italicized font, with an ampersand between them.

# CLEVER CARE

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# ALEXANDER WANG x H&M

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# ALEXANDER WANG x H&M

- ▶ Established in the fashion world by constantly evolving the urban uniform
  - fashion forward tailoring and sporty looks
- ▶ Garments and accessories for both women and men
  - launch 6 November
  - in approx. 250 H&M stores
  - online at [hm.com](http://hm.com)





## H&M SHOES

- ▶ Extended and improved shoe range to launch autumn 2014
  - for women, men, youth and children
  - online at [hm.com](http://hm.com)
  - in selected stores in nine markets including China, US, UK and Sweden
- ▶ A variety of styles in different price categories, all at H&M prices
- ▶ Part of H&M's long-term investments





# EXPANSION 2014-2015

- ▶ 375 new stores net planned 2014
  - largest expansion in China and US
- ▶ Three new H&M markets 2014
  - Australia opened in April
  - The Philippines and India planned to open in the second half of the year
- ▶ South Africa and Peru new markets in 2015
- ▶ Expansion continues for the brands
  - COS, & Other Stories, Monki, Weekday, Cheap Monday and H&M Home







# H&M ONLINE

- ▶ Four new large markets for H&M's online store in 2014
  - France opened in March
  - Spain and Italy early autumn
  - China towards the end of the year
- ▶ Global roll-out of H&M's online store to continue
  - eight to ten new online markets planned to open in 2015





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