



H & M Hennes & Mauritz AB

PRESS CONFERENCE 28 JANUARY 2016

FULL-YEAR REPORT 2015



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





2015 IN BRIEF

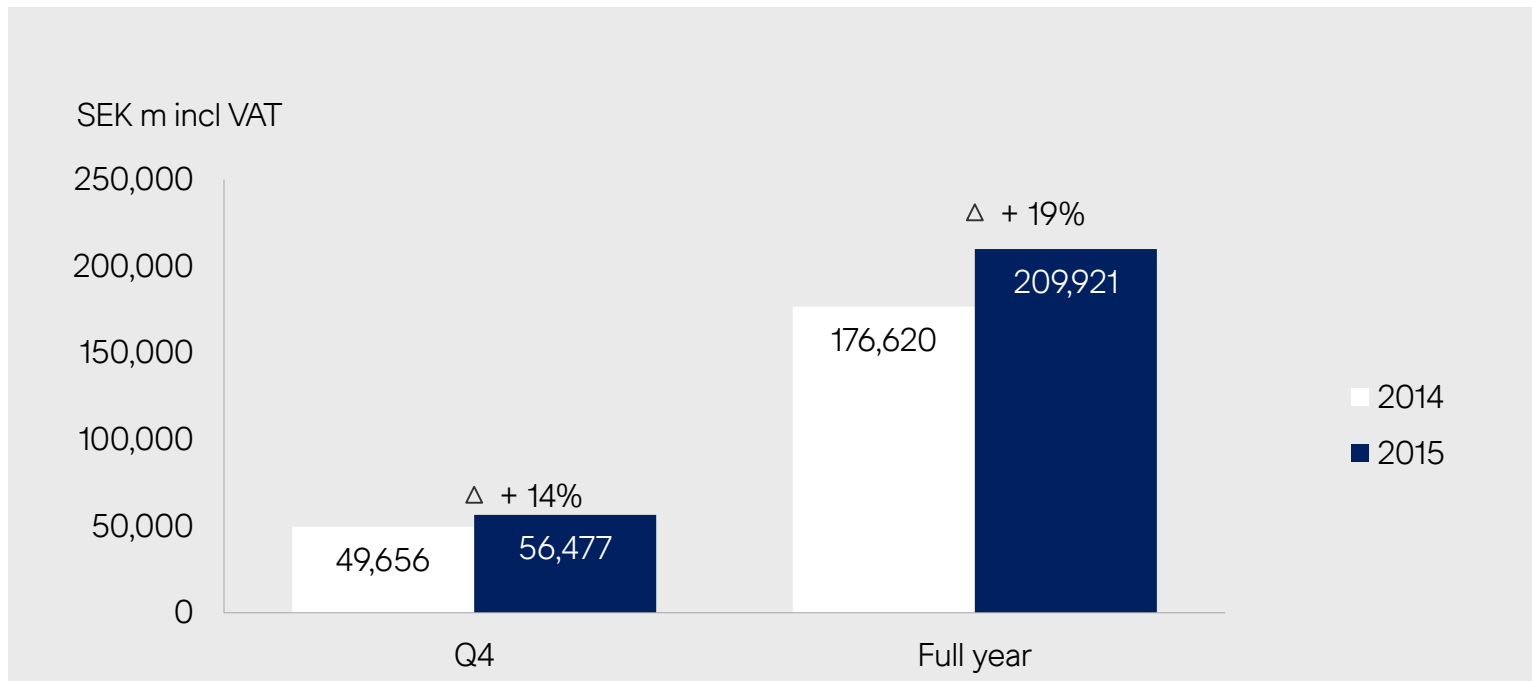
- Sales SEK 210 billion including VAT
 - increase of 19% in SEK; +11% in local currencies
- Well-received collections for all brands and strong expansion contributed to higher market shares
- More than 16,000 new jobs in the H&M Group 2015
 - 148,000 employees in total
- SEK 75 m to employee incentive programme HIP
- Substantial long-term investments within IT, online; and broadening of the product range
- Good cost control maintained
- Profit for the year SEK 20.9 billion; +4.6%

FINANCIAL DATA



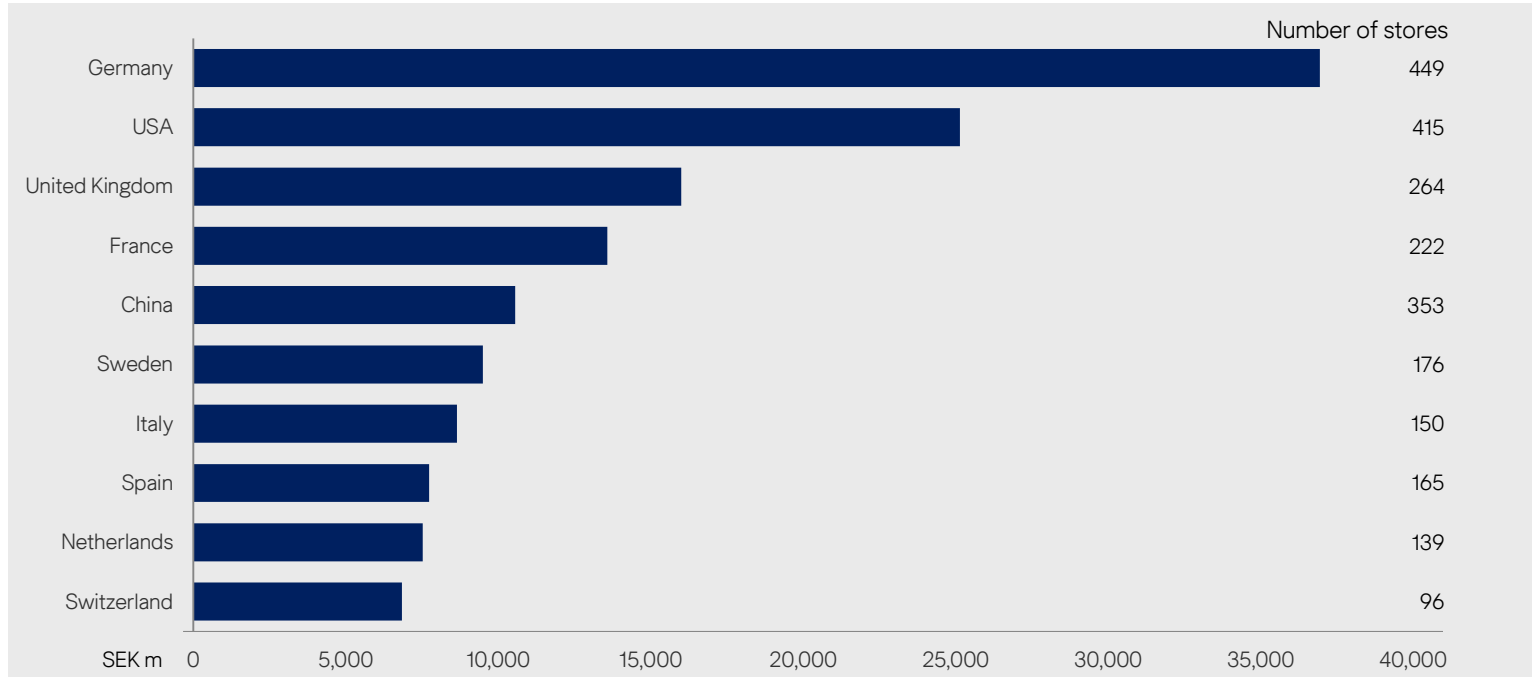
H&M

SALES

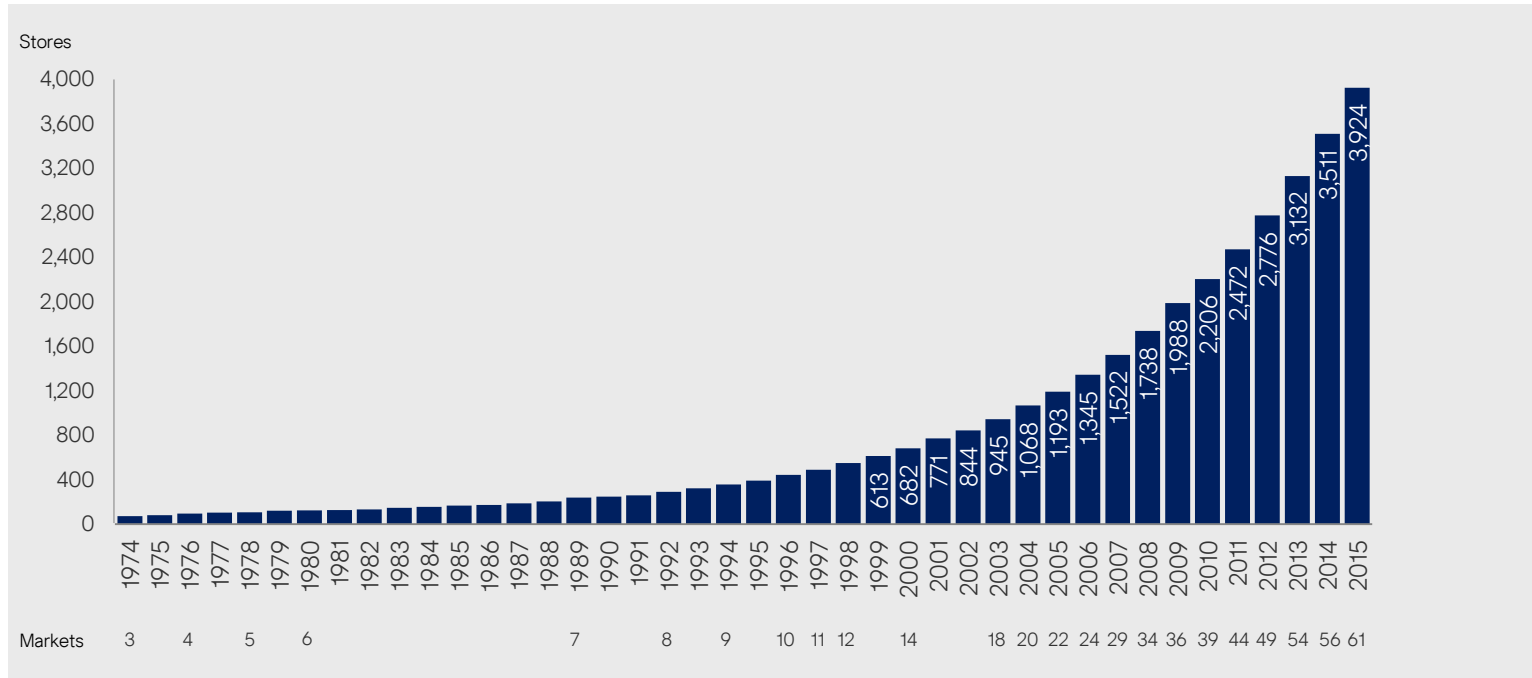


SALES PER MARKET

TEN LARGEST MARKETS, FULL YEAR 2015



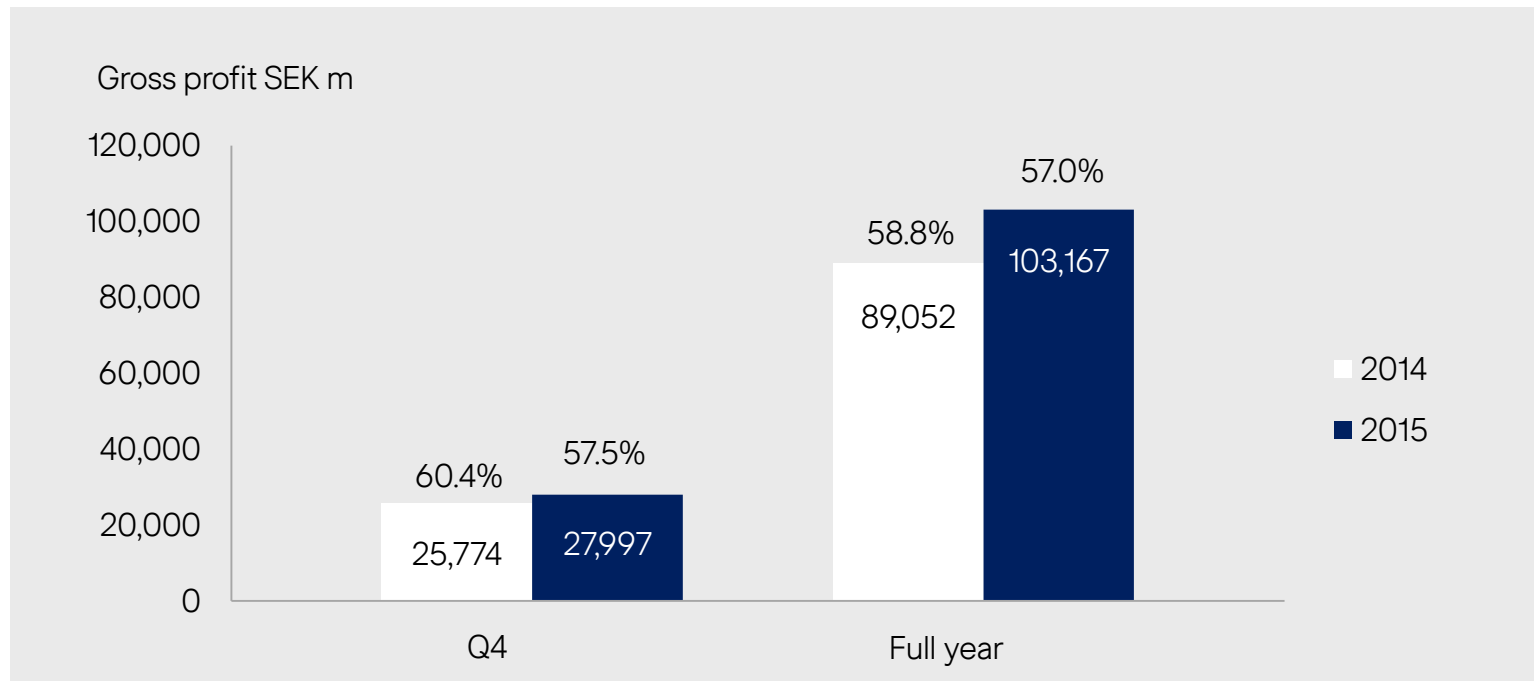
STORE EXPANSION



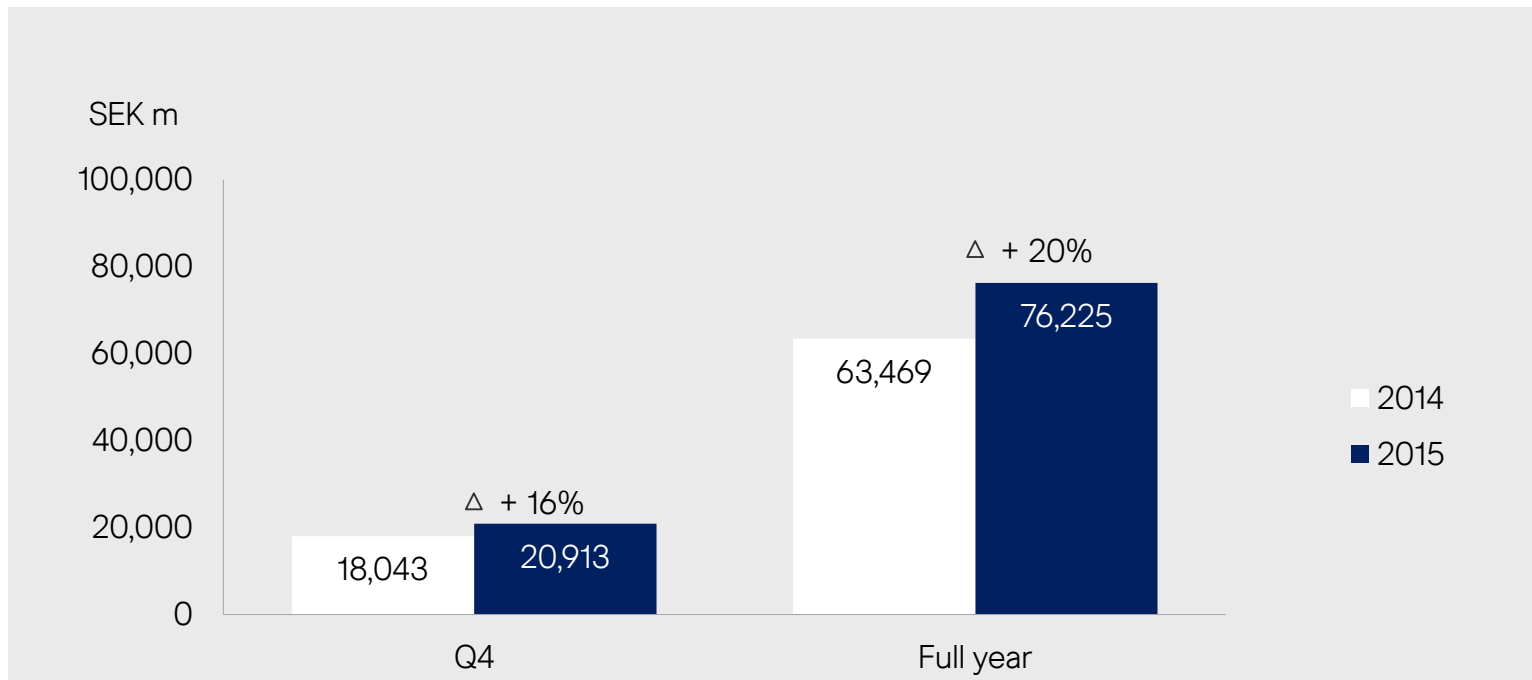
IPO 1974



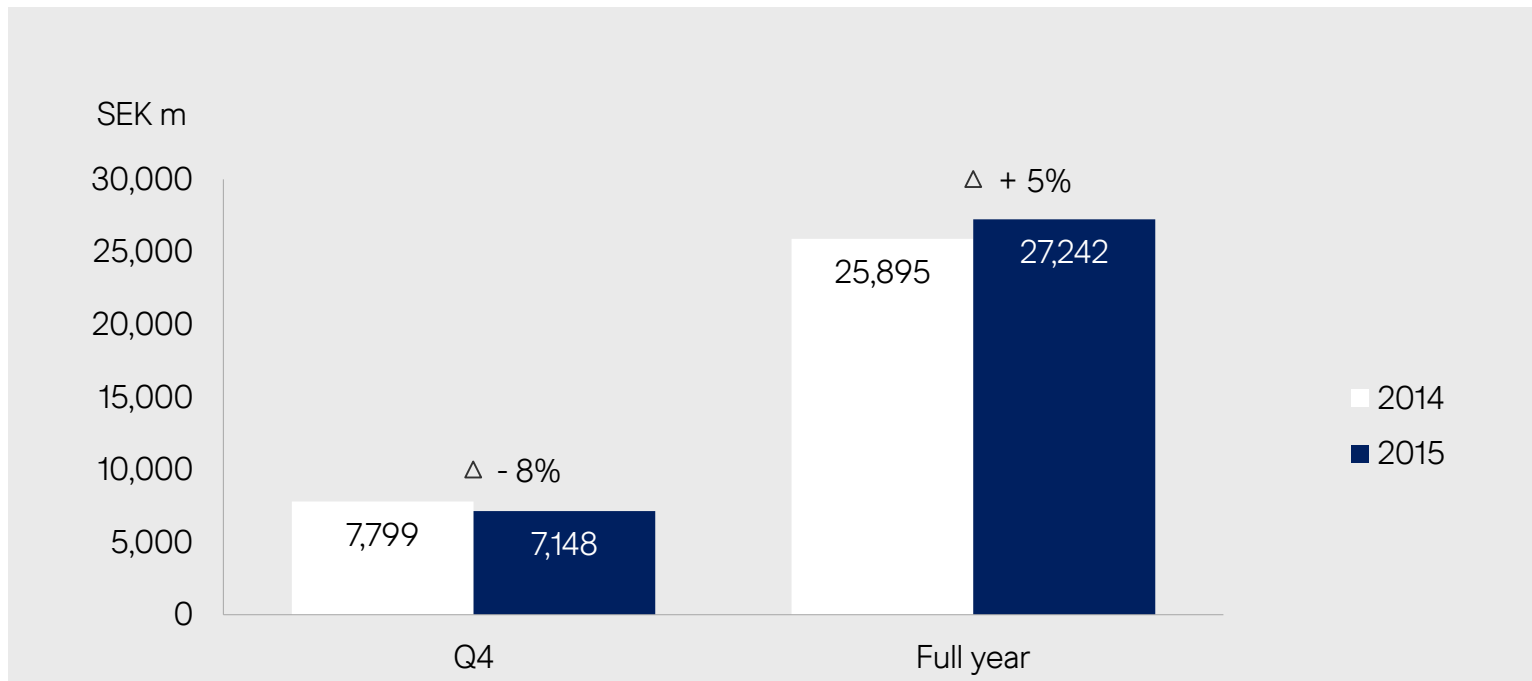
GROSS PROFIT AND GROSS MARGIN



SELLING AND ADMINISTRATION EXPENSES



PROFIT AFTER FINANCIAL ITEMS



SALES AND PROFITS

FOURTH QUARTER

SEK m	2015	2014
Net sales	48,694	42,644
Gross profit	27,997	25,774
<i>gross margin, %</i>	57.5	60.4
Operating profit	7,084	7,731
<i>operating margin, %</i>	14.5	18.1
Net financial items	64	68
Profit after financial items	7,148	7,799
Tax	-1,622	-1,577
Profit for the period	5,526	6,222
<i>Earnings per share, SEK</i>	3.34	3.76



SALES AND PROFITS

FULL YEAR

SEK m	2015	2014
Net sales	180,861	151,419
Gross profit	103,167	89,052
<i>gross margin, %</i>	57.0	58.8
Operating profit	26,942	25,583
<i>operating margin, %</i>	14.9	16.9
Net financial items	300	312
Profit after financial items	27,242	25,895
Tax	-6,344	-5,919
Profit for the period	20,898	19,976
<i>Earnings per share, SEK</i>	12.63	12.07



KEY DATA

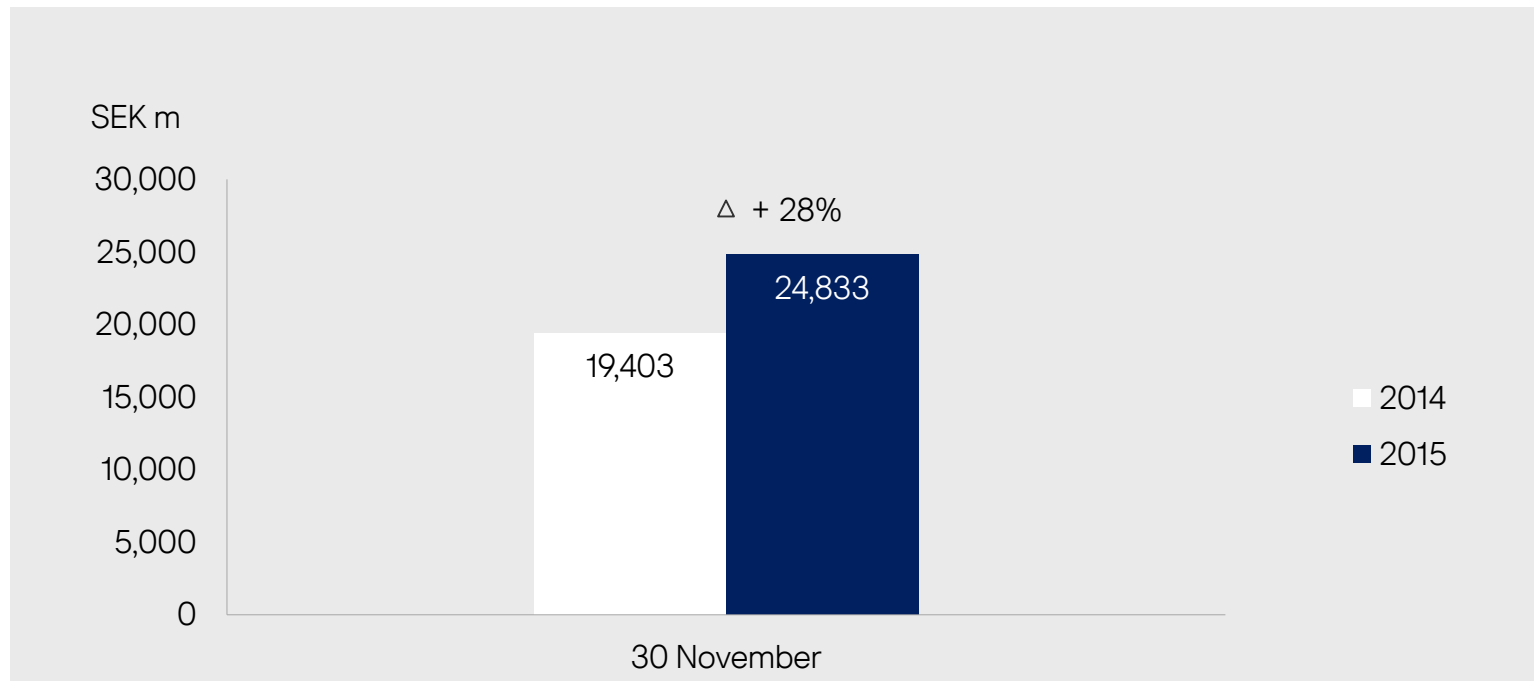
SEK m	30 Nov 2015	30 Nov 2014
Stock-in-trade	24,833	19,403
Cash flow from current operations	24,067	24,156
Investments	12,059	9,391
Dividend (SEK)	9.75*	9.75
Cash and cash equivalents and short-term investments	12,950	16,693
Return on shareholders' equity, %	38.1	41.3
Average number of employees**	104,634	93,351

* proposed dividend

** converted to full-time positions



STOCK-IN-TRADE



EXPANSION





STORE EXPANSION 2015

- Total of 3,924 stores in 61 markets 2015, all brands included
 - 413 new stores net 2015, of which 249 in Q4
 - China and the US largest expansion markets
- Five new H&M markets 2015
 - Taiwan, Peru, Macau, India and South Africa
 - very good reception in all markets





STORE EXPANSION 2016

- Approx. 425 new stores net planned for 2016
 - largest expansion in existing markets
 - China and the US largest expansion markets
- Three new H&M markets in 2016
 - New Zealand, Cyprus and Puerto Rico





OUR FASHION BRANDS

- Continued expansion for H&M's other brands
 - COS, & Other Stories, Monki, Weekday and Cheap Monday
- COS has total of 153 stores in 30 markets (Nov 2015)
 - 39 new stores net in 2015
 - several new markets in 2015 and 2016





H&M ONLINE

- Rapid expansion of H&M's online store, hm.com
- Ten new online markets in 2015
 - Portugal, Poland, the Czech Republic, Romania, Slovakia, Hungary, Bulgaria, Belgium, Switzerland and Russia
- H&M online in 23 markets in total (Nov 2015)
- Online in nine further H&M markets 2016
 - Ireland, Japan, Greece, Croatia, Slovenia, Estonia, Latvia, Lithuania and Luxembourg





H&M BEAUTY

- New broad concept for makeup, body care and hair styling
- High quality at the best price in beautiful design
 - wide selection of colours and trends
- Very well received in 900 stores in 41 markets and online in 2015
 - gradual launch since July 2015
- H&M Beauty to launch in further 300 stores in 2016





SUSTAINABLE DEVELOPMENT

- 100% renewable energy in 2015 in all H&M markets where this is possible
 - approx. 80% for the Group globally in 2015 (27% 2014)
- Cotton from sustainable sources
 - organic; recycled; and cotton grown under the Better Cotton Initiative
- Target of 100% cotton from sustainable sources in 2020 in all product ranges
 - 31% cotton from sustainable sources in 2015 (21% 2014)

SUSTAINABLE DEVELOPMENT



- H&M wants to speed up the development towards a more circular fashion industry
- H&M Garment Collecting offered in stores globally since 2013
 - approximately 24,000 tonnes of used clothing collected for re-use and recycling
- Global Change Award
 - established by H&M Conscious Foundation
 - five winners to share EUR 1 million
 - encourage and support innovation to close the loop for textiles





H&M CONSCIOUS EXCLUSIVE

- H&M Conscious Exclusive collection 2016
 - in collaboration with Musée des Arts Décoratifs in the Palais du Louvre in Paris
- Global launch on 7 April
 - in connection with the exhibition “Fashion forward - Three centuries of fashion”
 - approx. 180 H&M stores and online at [hm.com](https://www.hm.com)
- Innovative and recycled materials



H&M DESIGN AWARD





H & M Hennes & Mauritz AB