new business
seize the potential
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agenda

why we exist
our business model
our plan
why we exist
- customer offering & experience
- growth
bending the curve – market by market

- continue to be a growth business, but it will require developments
- new business is a part of the plan to secure the long term growth of the H&M group
new business 2007-2017

SEK BILLION INCL. VAT


SEK 17.3 bn
sales share 2017

H&M 93%

new business
7%
our business model
Our business model

knowledge and cooperation
- value added

shared multibrand functions
- value added

talents
- value added

brand X
create best customer offering & experience

multibrand functions
enable & support

H&M
create best customer offering & experience

shared multibrand functions

- value added

talents

- value added
making rapid growth possible

- brands in different phases
- utilise learnings
- finance new initiatives
key gaps & opportunities

- internal learning
- external learning
- macro dev. learning

commercially relevant customer and idea

strong synergies
Our Business Model

Key gaps & opportunities

Internal learning

Macro dev. learning

External learning
our plan
directions for new business

- growing existing brands
- adding new brands
- creating new business models
### the brands and planned growth 2017 - 2022

<table>
<thead>
<tr>
<th>Brand</th>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>COS</td>
<td>2007</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>MONKI</td>
<td>2008</td>
<td>&gt;150%</td>
</tr>
<tr>
<td>WEEKDAY</td>
<td>2008</td>
<td>&gt;300%</td>
</tr>
<tr>
<td>COS</td>
<td>2008</td>
<td>(acquired)</td>
</tr>
<tr>
<td>MONKI</td>
<td>2008</td>
<td>&gt;300%</td>
</tr>
<tr>
<td>H&amp;M HOME</td>
<td>2009</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>&amp; OTHER STORIES</td>
<td>2009</td>
<td>&gt;200%</td>
</tr>
<tr>
<td>ARKET</td>
<td>2013</td>
<td>&gt;250%</td>
</tr>
<tr>
<td>AFOUND</td>
<td>2017</td>
<td></td>
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</tbody>
</table>

*This slide contains forward-looking statements. Actual result may be materially different.*
a multi-brand, multi-channel, off-price marketplace
our plan

- the style and deal hunting paradise
- launch 2018 in Sweden
- a marketplace for off-price
- launch - learn - leverage
planned growth until 2022

- growing existing brands
- new brands
- new business models

ILLUSTRATIVE, THIS SLIDE CONTAINS FORWARD-LOOKING STATEMENTS. ACTUAL RESULT MAY BE MATERIALLY DIFFERENT
– proven business model
– 7 brands 2017
– global presence
– launch 1 new brand 2018

– huge potential
– continued growth for physical stores
– global digital expansion
– annual sales growth of 25% until 2022
thank you!