

Three-month report

First quarter (1 December 2018 – 28 February 2019)

- The H&M group's net sales increased by 10 percent to SEK 51,015 m (46,181) in the first quarter. In local currencies, net sales increased by 4 percent. The ongoing transformation work has contributed to continued positive sales development with more full-price sales, lower markdowns and increased market share in many markets.
- The online platform in Germany was successfully replaced during the quarter. To secure a smooth and well-executed transition, local sales activities were restrained – which had a dampening effect on sales. Adjusted for Germany's online sales in the quarter, the group's total net sales increase was 6 percent in local currencies.
- Gross profit increased by 11 percent to SEK 25,526 m (23,040), corresponding to a gross margin of 50.0 percent (49.9).
- As a result of a stronger customer offering combined with ongoing improvements in buying and logistics, markdowns in relation to sales decreased by around 1.5 percentage points compared to the corresponding quarter the previous year.
- Profit after financial items amounted to SEK 1,043 m (1,263).
- The group's profit after tax amounted to SEK 803 m (1,372), corresponding to SEK 0.49 (0.83) per share. Profit after tax in the previous year was positively affected by one-off tax income of SEK 399 m as a result of the US tax reform (Tax Cuts & Jobs Act).

First quarter 2019

SEK 51 billion

in net sales



H&M

- Net sales in the period 1 March 2019 to 27 March 2019 increased by 7 percent in local currencies compared to the corresponding period the previous year.
- H&M's loyalty programme now has 35 million members and an upgraded version will be launched shortly.
- H&M will be launched on Myntra and Jabong, India's largest e-commerce marketplaces, later this year.
- Online and physical stores are being increasingly integrated, while in parallel the global roll-out of online stores continues. Today H&M online is available in 47 markets and during 2019 Mexico will be added as well as Egypt that will open via franchise.
- Continued optimisation of the store portfolio. In 2019 the H&M group plans a net addition of 175 new stores. Most of the new H&M stores will open in growth markets, while the number of H&M stores in Europe is expected to reduce by 50.

Comments by Karl-Johan Persson, CEO

“Our ongoing transformation work has contributed to stronger collections with increased full-price sales, lower markdowns and increased market shares. Sales developed well both in stores and online in many markets, including Sweden which grew by 11 percent, the UK by 8 percent, Poland by 15 percent, China by 16 percent and India by 42 percent in local currencies.

In the first quarter the group’s sales increased by 10 percent, which in local currencies represents a sales increase of 4 percent.

During the quarter the company successfully transitioned the online platform in Germany. One of the measures to ensure a smooth, well-executed transition was to deliberately hold back on sales activities in Germany, which had a dampening effect on online sales. Adjusted for Germany’s online sales, the group’s total net sales increase was 6 percent in local currencies.

All markets are now on the new online platform. For our customers in the German market this means improvements such as faster and more flexible deliveries, and better integration between our physical stores and the online store.

The quarter’s pre-tax profit of SEK 1,043 m was negatively affected by the drop in sales in Germany, but also by costs of around SEK 250 m associated mainly with the replacement of the online platform in Germany as well as continued costs relating to implemented and upcoming transitions to new logistics systems. This is having a negative effect on our margin in the short term but will have a positive effect in the longer term as it will result in a faster, more flexible and more efficient product flow.

We can see that our transformation work is having an effect and we will continue this work at full speed within our strategic focus areas:

Create the best customer offering

Product assortment – secure the best combination of fashion, quality, price and sustainability for all the brands.

Physical stores – continued development of new concepts and optimisation of the store portfolio.

Online stores – improvements such as faster and more flexible delivery options and payments.

Continued integration of our physical stores and online stores to enhance the customer experience.

Fast, efficient and flexible product flow

The supply chain will be even faster, more flexible and more efficient.

Initiatives within advanced data analytics and AI.

Investments in infrastructure – our tech foundation

Continued investments in our tech foundation including robust scalable platforms that enable faster development of various customer apps and new technologies.

Adding growth

Digital expansion into new markets. This year the H&M brand is launching online in Mexico and Egypt as well as on Myntra and Jabong, the largest e-commerce marketplaces in India.

Physical stores – a net addition of around 175 for the year. Focus on growth markets for the H&M brand.

Develop new concepts and business models.

Read more about our initiatives and sustainability work on the next page and at about.hm.com.

The rapid transformation of fashion retail continues and we can see that our own transformation work is taking us in the right direction, even if many challenges remain and there is still hard work to do. The progress we have made in our strategic focus areas confirms that we are on the right track. Therefore we continue moving forward at full speed and we are optimistic about the future for the H&M group.”



H&M

Initiatives for an improved customer experience

The H&M group's transformation work is continuing with more initiatives to enhance the customer experience. The improvements span the entire product supply chain – from product development to a more inspiring store and increased customer service. Here are some examples:

- Ongoing tests to enhance the in-store shopping experience for customers in several markets. We have had a positive response in the form of higher levels of customer satisfaction and increased sales. We evaluate these tests on an ongoing basis and are gradually rolling out the solutions that work best as we upgrade stores and open new stores.
- Mobiles are key to the increased integration of digital and physical channels. We are continuing to upgrade hm.com and H&M's mobile app with improved navigation and product presentation as well as more payment options to enhance the customer experience.
 - **Visual Search** is now available in 29 markets and uses image recognition to help customers move directly from inspiration to purchase.
 - **Next day delivery** is offered in 12 markets including the US, UK and Sweden. **Same day delivery** is being evaluated in a number of these markets and will be launched in a further 6-7 markets in 2019, including the Netherlands and the UK.
 - **Perfect Fit**, a new app being tested by H&M in Sweden, allows customers to find the right size easily by trying items on virtually and shop via the mobile site or the app.
 - In partnership with Google, last year H&M Home developed a voice app. **H&M Home Gift Guide** is the first of its kind and allows customers to make a purchase entirely through the voice app.
 - **Find in Store** is now in 20 markets and more markets will be added during the year. This function lets customers use their mobile to find an item they have seen online in the right size and at the right store.
 - **Scan & Buy** is available in all 47 online markets. The customer scans the QR code on a product in store to find and buy the item online in the size and colour they want.
 - **In-Store Mode** shows customers which items are in the store they are currently in, as well as online. This mobile service is available in 7 markets and will be launched in more markets in 2019.
 - **Click & Collect** is available in 7 markets and a further 10 or so markets will get the service in 2019.
 - **Online returns** in store is available in 15 markets and will be rolled out to a large number of additional markets in 2019.
 - Members of H&M's customer loyalty programme will be able to **shop and pay later** against invoice, whether shopping in store or online. This will be integrated into the H&M app in 7 markets in 2019.
- Continued global expansion of RFID, currently in 15 H&M markets. The global roll-out will continue to more markets in 2019.
- 3D technology is used in the design process for several product groups. This streamlines the process, resulting in cost and time savings as well as less material being used. New technology, training and a physical 3D studio have now been implemented.
- To give our customers even better and more relevant offers we are now upgrading H&M's customer loyalty programme, which already has more than 35 million



H&M mobile app

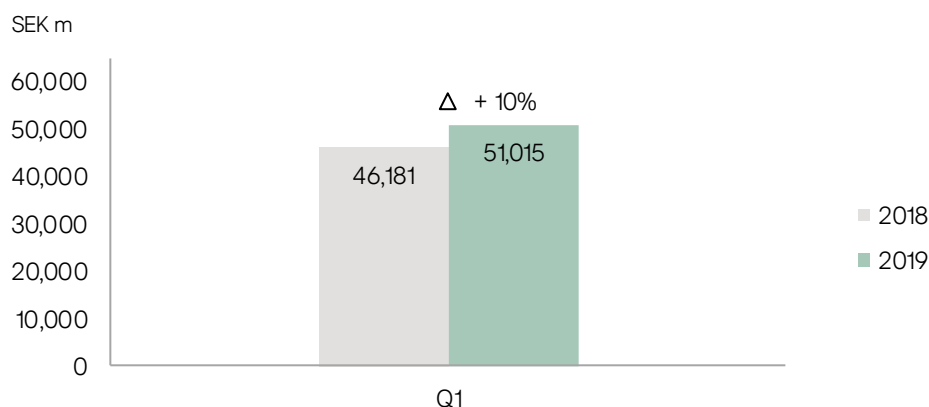
members. The H&M customer loyalty programme is currently in 16 markets and will be rolled out to a further 7 markets this year, including the US, Canada and Russia in May. By the autumn H&M's customer loyalty programme will be integrated into the Chinese communications app WeChat, which has around a billion users.

- Customers in the US can now buy H&M's products directly in Instagram, as a part of a test. As from last week, Instagram launched a new feature on the US market that allows users to shop directly from inspirational images without having to leave Instagram.
- H&M will be launched on India's leading e-commerce marketplaces Myntra and Jabong in 2019. This means that millions of customers all over the country will gain access to and be able to experience the best of H&M and have the products delivered directly to their homes.
- Increased automation and optimisation of the logistics network for greater flexibility, and increased integration of physical stores and online:
 - Three new logistics centres with a total area of around 230,000 square metres were opened in Kamen, Germany and in Stryków and Bolesławiec in Poland in the fourth quarter 2018. Automation of the logistics centre in Poznań, Poland. Enabling increased capacity and faster deliveries to customers in several European markets.
 - New logistics centres with a total area of around 115,000 square metres to open outside Madrid and north of London at the end of 2019/beginning of 2020.
 - Project started to establish a high-tech logistics centre with a total area of around 110,000 square metres on the US West Coast in 2020.

Sustainability

- We have continued to add value for our customers through our sustainability initiatives, such as by increasing the proportion of sustainable materials used in our products. We want 100 percent of the cotton used by our own brands to come from sustainable sources by 2020. In 2018 a total of 95 percent of our cotton came from sustainable sources – up from 59 percent in 2017. This is an important step towards our overall materials goal: to use only recycled or otherwise sustainably produced materials by 2030.
- As part of our goal to use only sustainably produced materials, H&M has taken the decision to phase out conventional cashmere. The phase-out has already begun and means that no new products using conventional cashmere will be ordered after the end of 2020.
- The H&M group has a circular approach and endeavours to use only renewable energy. Our goal is to have a climate-positive value chain by 2040.
- Through our ongoing transition from plastic to paper bags we almost halved (-47 percent) the number of plastic bags in H&M's stores in total between 2016 and 2018. At the same time, we are reviewing packaging throughout the value chain in order to minimise plastic consumption.
- Our deeply rooted values and our ambition to lead the change to a sustainable fashion industry resulted in the H&M group being named as one of the world's most ethical companies in 2019 by Ethisphere Institute.

Sales



COS

Net sales increased by 10 percent to SEK 51,015 m (46,181) in the first quarter. In local currencies sales increased by 4 percent. Adjusted for Germany, where online sales were affected by the online platform transition during the quarter, the group's total net sales increase was 6 percent in local currencies.

Online sales increased by 18 percent in SEK compared with the first quarter the previous year. In local currencies the increase was 10 percent. Adjusted for Germany the group's online sales increase was 34 percent in SEK and 27 percent in local currencies.

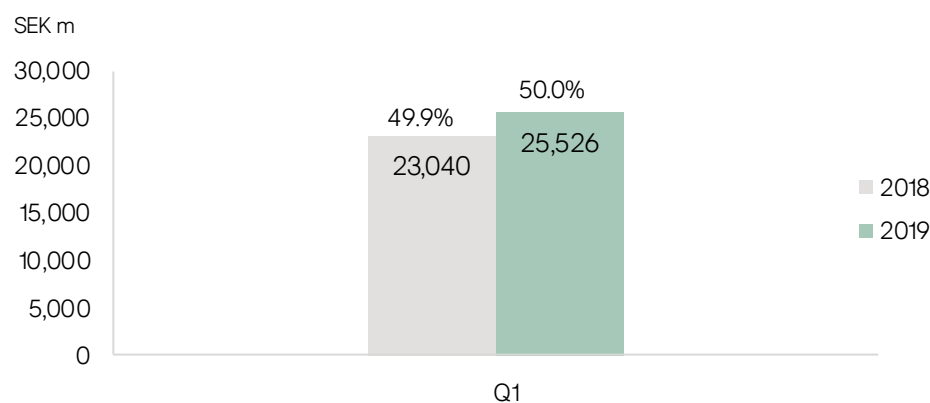
New Business increased sales by 22 percent in SEK and by 17 percent in local currencies.

Sales in top ten markets, first quarter

	Q1 - 2019	Q1 - 2018	Change in %		28 Feb - 19	Q1 - 2019
	SEK m net sales	SEK m net sales	SEK	Local currency	Number of stores	New stores (net)
Germany	6,744	6,845	-1	-7	466	-2
USA	6,532	5,699	15	2	575	-3
UK	3,324	2,912	14	8	301	-3
France	2,825	2,600	9	3	238	1
China	2,712	2,201	23	16	535	5
Sweden	2,004	1,801	11	11	176	1
Italy	1,874	1,713	9	4	178	-1
Spain	1,867	1,661	12	7	170	-2
Netherlands	1,447	1,369	6	0	142	-2
Poland	1,327	1,124	18	15	186	0
Others*	20,359	18,256	12	6	1,991	-4
Total	51,015	46,181	10	4	4,958	-10
<i>* Of which franchises</i>	<i>1,456</i>	<i>1,339</i>	<i>9</i>	<i>-1</i>	<i>255</i>	<i>0</i>

The difference between the sales increase in SEK and in local currencies is due to how the Swedish krona has developed against the overall basket of currencies in the group compared to the same period last year.

Gross profit and gross margin



H&M Home

Gross profit increased by 11 percent and amounted to SEK 25,526 m (23,040) in the first quarter, corresponding to a gross margin of 50.0 percent (49.9).

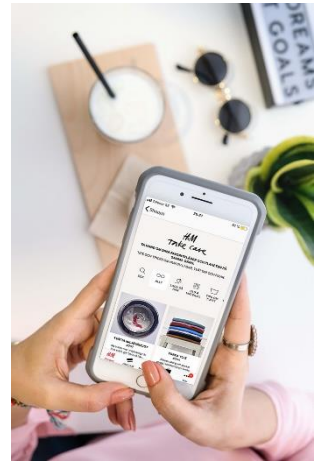
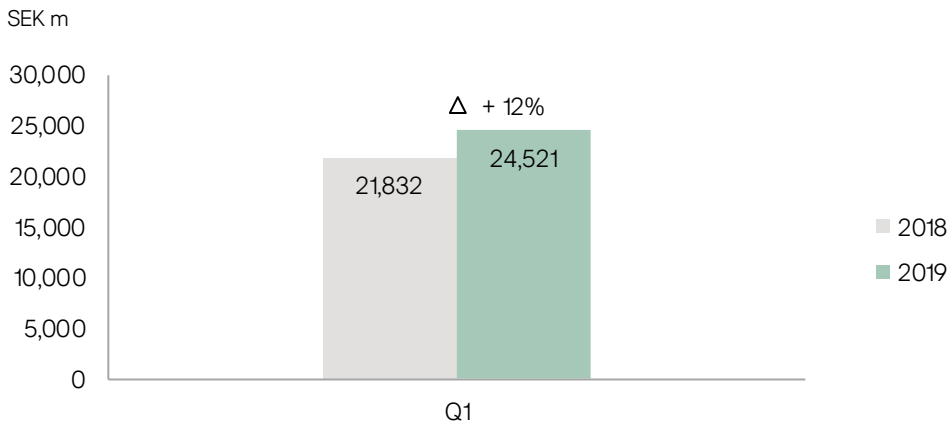
Markdowns in relation to sales decreased by around 1.5 percentage points in the first quarter of 2019 compared with the corresponding quarter in 2018.

The gross profit and gross margin are a result of many different 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 customer offering in each individual market – based on the combination of fashion, quality, price and sustainability.

For the first quarter the external factors affecting the purchasing costs were slightly negative overall, while at same time the company continued to invest in an even stronger customer offering. In addition to this, the gross margin for the quarter was also affected by costs mainly related to the implementation of the new online platform in Germany and to secure upcoming transitions of logistics systems.

For purchases made for the second quarter 2019 the overall market situation as regards external factors is considered to gradually become more negative – mostly due to the fact that the US dollar has gradually strengthened against the group's basket of currencies – compared with the corresponding purchasing period the previous year.

Selling and administrative expenses

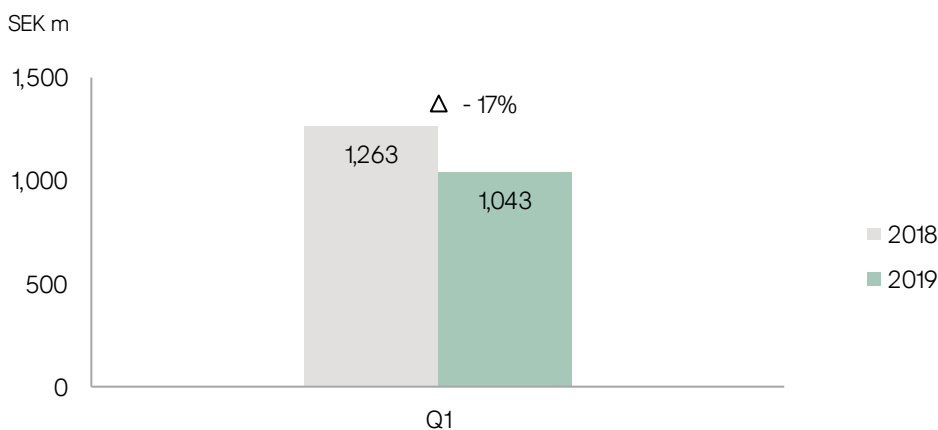


H&M Take Care

In the first quarter of 2019, selling and administrative expenses increased by 12 percent in SEK and by 7 percent in local currencies compared with the corresponding period the previous year. Cost control in the group remains good. Selling and administrative expenses in comparable stores increased marginally.

The cost increase in the quarter is mainly explained by store and online expansion, but also by the group's ongoing transformation work with investments in focus areas such as AI, tech, logistics and H&M's customer loyalty programme. In addition to this, continued costs related to already completed and upcoming transitions of logistics systems have affected selling and administrative expenses.

Profit after financial items



Profit after financial items amounted to SEK 1,043 m (1,263) in the first quarter.

The group's ongoing transformation work contributed to continued positive sales development with more full-price sales, lower markdowns and increased market share in many markets. Earnings in the quarter were negatively affected by the replacement of the online platform in Germany, however, which had a substantial dampening effect on sales since sales activities in Germany were deliberately restrained to secure the transition. In addition to this, earnings were negatively affected by costs of around SEK 250 m associated mainly with replacement of the online platform in Germany as well as further costs of completed and upcoming transitions to new logistics systems.

Stock-in-trade

Currency adjusted the stock-in-trade increased by 5 percent. In SEK the book value of stock-in-trade increased by 14 percent to SEK 39,968 m (34,959).

The composition of the stock-in-trade, by far the majority of which consists of new spring and summer garments, has improved further since the fourth quarter and the company therefore expects markdowns in relation to sales to continue to decrease in the second quarter compared with the corresponding quarter last year.

The book value of stock-in-trade in SEK represented 32.9 percent (32.3) of total assets and 18.6 percent (17.6) of sales for the rolling 12 months, which amounted to SEK 215,234 m.

Expansion

The global integration of stores and online continues. Work is continuing at full speed to roll out online globally to all existing H&M markets and to other markets as well. Today H&M online is in 47 markets. In 2019 the online expansion will continue, including into Mexico as well as into Egypt via franchise. In 2019 H&M will be launched on Myntra and Jabong, which are the largest e-commerce marketplaces in India.

H&M was very well received in Bosnia-Herzegovina at the opening of the first H&M store in Banja Luka on 21 March. New H&M store markets in 2019 will also be Belarus and via franchise Tunisia.

For the 2019 financial year around 335 new stores are planned to open, of which around 240 will be H&M stores. Around 95 of the year's store openings will be COS, & Other Stories, Monki, Weekday, ARKET and Afound stores. In 2019 three standalone H&M Home stores are planned to open. Of the new H&M stores that open in 2019, around 25 will have an H&M Home shop-in-shop. The majority of the H&M store openings will be in markets outside of Europe and the US.

In total, approximately 160 store closures are planned within the group, which is part of the intensified store optimisation being carried out that also includes renegotiations, rebuilds and adjustment of store space to ensure that the store portfolio is the best fit for each market. The net addition of new stores will thus amount to approximately 175 for full-year 2019. In Europe more H&M stores will be closed than opened, resulting in around 50 fewer H&M stores at the end of the 2019 financial year compared with the end of 2018.



ARKET

Brand	No. of markets		Expansion 2019
	28 Feb - 2019		
	Store	Online	New markets
H&M	71	47	Store: Bosnia-Herzegovina*, Belarus, Tunisia (franchise) Online: Mexico, Egypt (franchise)
COS	41	21	Store: Iceland, Lithuania Online: Norway
Monki	16	19	Store: Iceland Online: Norway*
Weekday	10	18	Store: Iceland, Luxembourg Online: Norway*
& Other Stories	18	15	Store: Luxembourg Online: Norway
ARKET	6	18	Online: Norway*
Afound	1	1	
H&M HOME	50	40	Online: Mexico

* Opened in March 2019

Store count by brand

In the first quarter, excluding franchise, the group opened 26 (32) stores and closed 36 (34) stores, i.e. a net change of -10 (-2) stores. Via franchise partners 3 (6) new stores were opened and 3 (0) stores were closed. The group had 4,958 (4,743) stores as of 28 February 2019, of which 255 (225) were operated by franchise partners.

As previously communicated, Cheap Monday will be closed down in 2019. The H&M group's transformation work in response to the extensive changes within the fashion industry means that the company is prioritising and focusing on its core business. Cheap Monday's business model is based on traditional wholesale, which is a model that has faced major challenges due to the shift in the industry. The H&M group has therefore decided to close down Cheap Monday.

Brand	New Stores (net)	Total No of stores	
	Q1 - 2019	28 Feb - 2019	28 Feb - 2018
H&M	-13	4,420	4,293
COS	2	272	231
Monki	0	127	118
Weekday	0	38	33
& Other Stories	-1	69	60
Cheap Monday	-1	0	3
ARKET	2	18	5
Afound	1	6	0
H&M HOME*	0	8	0
Total	-10	4,958	4,743

* Concept stores, H&M HOME is included with 365 shop-in-shop in H&M stores.



Monki

Store count by region

Region	New Stores (net)	Total No of stores	
	Q1 - 2019	28 Feb - 2019	28 Feb - 2018
Europe & Africa	-14	3,055	2,988
Asia & Oceania	8	1,159	1,062
North & South America	-4	744	693
Total	-10	4,958	4,743

Tax

The H&M group's tax rate for the 2018/2019 financial year is expected to be approximately 22.0 – 23.0 percent. In the first, second and third quarters of 2019 a tax rate of 23.0 percent will be used to calculate tax expense on the result of each quarter. The outcome of the tax rate for the year depends on the results of the group's various companies and the corporate tax rates in each country.

Current quarter

Net sales in the period 1 March 2019 to 27 March 2019 increased by 7 percent in local currencies compared to the corresponding period the previous year.

Financing

As of 28 February 2019, the group had SEK 8,336 m (9,770) in loans from credit institutions with a term of up to 12 months, SEK 9,219 m (1,008) in loans from credit institutions with a term of between 12 months and three years, and SEK 2,110 m (0) in loans from credit institutions with a term of between three and five years.

In the first quarter of 2019 the H&M group carried out financing activities aimed at improving liquidity and increasing the average term. Cash and cash equivalents amounted to SEK 11,851 m (10,003) and the average term on loans to credit institutions amounted to 1.9 years (0.7). The H&M group's revolving credit facility (RCF) of EUR 700 m, which was agreed in 2017 and matures in 2024, has not yet been drawn down.

Net debt in relation to EBITDA amounted to 0.3.

The strong credit profile of the H&M group enables cost-effective financing. To increase financing flexibility and cost-effectiveness, the group continuously reviews opportunities to complement this with other sources of funding on the credit market.

Accounting principles

The group applies International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared according to IAS 34 Interim Financial Reporting as well as the Swedish Annual Accounts Act.

The accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the annual report and consolidated financial statements for 2018 which are described in Note 1 – Accounting principles, other than the application of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, which are being applied with effect from 1 December 2018. IFRS 9 and 15 and their effects on H&M are commented on below. A description of the H&M group's accounting principles as a result of the introduction of IFRS 9 and 15 can be found in the H&M group's annual report for 2018.

H & M Hennes & Mauritz AB's financial instruments consist of accounts receivable, other receivables, cash and cash equivalents, accounts payable, accrued trade payables, interest-bearing securities and currency derivatives. Currency derivatives are measured at fair value based on input data corresponding to level 2 of IFRS 13. As of 28 February 2019, forward contracts with a positive market value amount to SEK 437 m (332), which is reported under other current receivables. Forward contracts with a negative market value amount to SEK 1,137 m (977), which is reported under other current liabilities. Other financial assets and liabilities have short terms. It is therefore judged that the fair values of these financial instruments are approximately equal to their book values.

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. In accordance with RFR 2, the parent company does not apply IAS 39 to the measurement of financial instruments; nor does it capitalise development expenditure.

For definitions see the annual report and consolidated accounts for 2018.

New accounting principles

- IFRS 9 Financial Instruments. This standard will be applied from the financial year beginning on 1 December 2018, when it will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard is divided into three parts: classification and measurement, hedge accounting and impairment.

IFRS 9 requires financial assets to be classified in three different measurement categories: amortised cost, fair value through other comprehensive income or fair value through profit or loss. The asset is classified upon initial recognition, based on the characteristics of the asset and the company's business model. In the case of financial liabilities, there are no significant changes compared to IAS 39.

With effect from 1 December 2018 H&M is applying hedge accounting in accordance with IFRS 9. All the hedging relationships that existed upon transition to IFRS 9 qualified for continued hedge accounting, with no transitional effect. The group has not restated

the comparative year, which is reported according to IAS 39. Finally, new principles have been introduced regarding impairment of financial assets using a model based on expected losses. One of the aims of the new model is that provision for credit losses will be made at an earlier stage. For H&M, the measurement of doubtful receivables is not affected by the transition to any significant degree. Overall, the introduction of IFRS 9 has not had any significant effect on the consolidated accounts.

- IFRS 15 Revenue from Contracts with Customers. In H&M's case this standard will be applied from the financial year beginning on 1 December 2018. The standard replaces all previously issued standards and interpretations dealing with revenue (i.e. IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue: Barter Transactions Involving Advertising Services).

IFRS 15 contains an overall model for reporting revenue arising from contracts with customers. Everything starts with an agreement between two parties concerning the sale of a good or service. Initially a customer agreement is to be identified, which generates an asset (rights, a promise that compensation will be received) and a liability (commitments, a promise to deliver goods/services) for the seller. Under the model the company then reports a revenue item and thereby demonstrates that the company is meeting a commitment to deliver promised goods or services to the customer, which in H&M's case mainly takes place at the same time. The revenue consists of the amount that the company expects to receive as payment for the goods or services delivered. To assess how the introduction of IFRS 15 impacts the group, a preliminary study of the company's revenue streams was conducted. The preliminary study shows that the group's income statement is not significantly affected by the introduction of IFRS 15. The only exception is that the group reports provisions for expected returns gross. The group has elected to use a prospective method of transition and consequently comparative figures have not been restated.

Future accounting principles

A number of new standards, revisions and interpretations of existing standards have been published but have not yet entered into force for the H&M group. Of these, only the standards below are expected to have any effect on the consolidated financial statements.

- IFRS 16 Leases. This standard will be applied from the financial year beginning on 1 December 2019, when it will supersede IAS 17 Leases and its associated interpretations. The standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The group has begun its evaluation of the new standard and expects it to result in recognition of significant assets and liabilities associated with the group's leases for premises. Since the standard will be applied for the first time in the 2019/2020 financial year, the judgement has been made that it is not yet possible to assess and calculate its effects on the figures with any certainty.

Risks and uncertainties

A number of factors may affect the H&M group's result and business. Many of these can be dealt with through internal routines, while certain others are affected more by external influences. There are risks and uncertainties for the H&M group related to the major shift within the industry, fashion, weather conditions, macroeconomic and geopolitical changes, sustainability issues, foreign currency, cyber-attacks, tax and different regulations but also in connection with expansion into new markets, the launch of new concepts and how the brand is managed.

For a more detailed description of risks and uncertainties, refer to the administration report and to note 2 in the annual report and consolidated accounts for 2018.

Calendar

7 May 2019	Annual general meeting
17 June 2019	Sales development in second quarter, 1 Mar 2019 – 31 May 2019
27 June 2019	Six-month report, 1 Dec 2018 – 31 May 2019
16 September 2019	Sales development in third quarter, 1 Jun 2019 – 31 Aug 2019
3 October 2019	Nine-month report, 1 Dec 2018 – 31 Aug 2019

This three-month report has not been audited by the company's auditors.

Stockholm, 28 March 2019
Board of Directors

Telephone conference in conjunction with the three-month report

In conjunction with the release of the three-month report on 29 March 2019, a telephone conference for the financial market and media will be held in English at 09:00 CET hosted by CEO Karl-Johan Persson, CFO Jyrki Tervonen and Head of IR Nils Vinge.

For login details please register at:

<http://emea.directeventreg.com/registration/6756665>

For interview requests with CEO Karl-Johan Persson and Head of IR Nils Vinge please contact:

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Information in this interim report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the EU Market Abuse Regulation (596/2014/EU). The information was submitted for publication by the abovementioned persons at 08:00 (CET) on 29 March 2019. This interim report and other information about the H&M group, is available at about.hm.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, Cheap Monday, & Other Stories, H&M HOME and ARKET as well as Afound. The H&M group has 47 online markets and more than 4,900 stores in 72 markets including franchise markets. In 2018, net sales were SEK 210 billion. The number of employees amounts to more than 177,000. For further information, visit about.hm.com.

GROUP INCOME STATEMENT IN SUMMARY (SEK m)

	Q1 2019	Q1 2018	1 Dec 2017- 30 Nov 2018
Net sales	51,015	46,181	210,400
Cost of goods sold	-25,489	-23,141	-99,513
GROSS PROFIT	25,526	23,040	110,887
<i>Gross margin, %</i>	50.0	49.9	52.7
Selling expenses	-22,423	-19,976	-87,512
Administrative expenses	-2,098	-1,856	-7,882
OPERATING PROFIT	1,005	1,208	15,493
<i>Operating margin, %</i>	2.0	2.6	7.4
Net financial items	38	55	146
PROFIT AFTER FINANCIAL ITEMS	1,043	1,263	15,639
Tax	-240	109	-2,987
PROFIT FOR THE PERIOD	803	1,372*	12,652

* Profit after tax in Q1 2018 was affected by a one-off positive tax income of SEK 399 m as a result of the US tax reform (Tax Cuts & Jobs Act).

All profit for the year is attributable to the shareholders of the parent company H & M Hennes & Mauritz AB.

Earnings per share, SEK**	0.49	0.83	7.64
Number of shares, thousands**	1,655,072	1,655,072	1,655,072
Depreciation, total	2,677	2,279	9,671
of which cost of goods sold	171	151	558
of which selling expenses	2,355	1,984	8,566
of which administrative expenses	151	144	547

** Before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q1 2019	Q1 2018	1 Dec 2017- 30 Nov 2018
PROFIT FOR THE PERIOD	803	1,372	12,652
Other comprehensive income			
<i>Items that are or may be reclassified to profit or loss</i>			
Translation differences	1,272	606	1,895
Change in hedging reserves	-752	38	535
Tax attributable to change in hedging reserves	173	-9	-123
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit pension plans	-	-	14
Tax related to the above remeasurement	-	-	-3
OTHER COMPREHENSIVE INCOME	693	635	2,318
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,496	2,007	14,970

All comprehensive income is attributable to the shareholders of the parent company H & M Hennes & Mauritz AB.

GROUP BALANCE SHEET IN SUMMARY (SEK m)

ASSETS	28 Feb - 2019	28 Feb - 2018	30 Nov 2018
Fixed assets			
Intangible fixed assets	10,059	7,482	9,618
Property, plant and equipment	42,757	39,570	42,439
Financial fixed assets	485	257	478
Other fixed assets	4,330	3,378	4,679
	57,631	50,687	57,214
Current assets			
Stock-in-trade	39,968	34,959	37,721
Current receivables	12,076	12,646	12,265
Cash and cash equivalents	11,851	10,003	11,590
	63,895	57,608	61,576
TOTAL ASSETS	121,526	108,295	118,790
EQUITY AND LIABILITIES			
Equity	60,042	61,720	58,546
Long-term liabilities*	16,572	6,713	16,025
Current liabilities**	44,912	39,862	44,219
TOTAL EQUITY AND LIABILITIES	121,526	108,295	118,790

* Interest-bearing long-term liabilities amounts to SEK 12,090 m (1,818).

** Interest-bearing current liabilities amounts to SEK 8,472 m (9,898).

CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)

	28 Feb - 2019	28 Feb - 2018	30 Nov 2018
Shareholders' equity at the beginning of the period	58,546	59,713	59,713
Total comprehensive income for the period	1,496	2,007	14,970
Dividend	-	-	-16,137
Shareholders' equity at the end of the period	60,042	61,720	58,546

GROUP CASH FLOW STATEMENT (SEK m)

	Q1 - 2019	Q1 - 2018
Current operations		
Profit after financial items*	1,043	1,263
- Provisions for pensions	12	11
- Depreciation	2,677	2,279
- Tax paid	-514	257
- Other	8	-6
Cash flow from current operations before changes in working capital	3,226	3,804
Cash flow from changes in working capital		
Current receivables	879	-807
Stock-in-trade	-1,745	-1,037
Current liabilities	-528	-653
CASH FLOW FROM CURRENT OPERATIONS	1,832	1,307
Investing activities		
Investment in intangible fixed assets	-715	-615
Investment in tangible fixed assets	-1,663	-1,493
Other investments	-19	-101
CASH FLOW FROM INVESTING ACTIVITIES	-2,397	-2,209
Financial activities		
Change in interest-bearing liabilities	306	1,003
CASH FLOW FROM FINANCIAL ACTIVITIES	306	1,003
CASH FLOW FOR THE PERIOD	-259	101
Cash and cash equivalents at beginning of the financial year	11,590	9,718
Cash flow for the period	-259	101
Exchange rate effect	520	184
Cash and cash equivalents at end of the period**	11,851	10,003

* Interest paid for the group amounts to SEK 44 m (15).

** Cash and cash equivalents and short-term investments at the end of the period amounted to SEK 11,851 m (10,003).

FIVE YEAR SUMMARY

Q1, 1 December - 28 February

	2015	2016	2017	2018	2019
Net sales, SEK m	40,276	43,691	46,985	46,181	51,015
Change net sales from previous year in SEK, %	25	8	8	-2	10
Change net sales previous year in local currencies, %	15	9	4	0	4
Operating profit, SEK m	4,637	3,270	3,159	1,208	1,005
Operating margin, %	11.5	7.5	6.7	2.6	2.0
Depreciations for the period, SEK m	1,556	1,819	2,106	2,279	2,677
Profit after financial items, SEK m	4,723	3,327	3,212	1,263	1,043
Profit after tax, SEK m	3,613	2,545	2,457	1,372	803
Cash and cash equivalents and short-term investments, SEK m	20,026	14,571	8,437	10,003	11,851
Stock-in-trade, SEK m	20,266	25,153	32,692	34,959	39,968
Equity, SEK m	56,933	59,401	63,395	61,720	60,042
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	2.18	1.54	1.48	0.83	0.49
Equity per share, SEK*	34.40	35.89	38.30	37.29	36.28
Cash flow from current operations per share, SEK*	2.98	2.61	1.43	0.79	1.11
Share of risk-bearing capital, %	73.0	72.1	69.9	61.5	53.1
Equity/assets ratio, %	68.9	67.2	64.8	57.0	49.4
Total number of stores	3,551	3,970	4,393	4,743	4,958
Rolling twelve months					
Earnings per share, SEK*	12.65	11.98	11.21	9.12	7.30
Return on equity, %	40.1	34.1	30.2	24.1	19.8
Return on capital employed, %	51.5	44.1	38.2	27.2	20.3

* Before and after dilution.

For definitions of key figures see the annual report

SEGMENT REPORTING (SEK m)

	Q1 - 2019	Q1 - 2018
Asia and Oceania		
External net sales	8,351	7,112
Operating profit	235	-120
Operating margin, %	2.8	-1.7
Europe and Africa*		
External net sales	33,162	31,041
Operating profit	-1,081	-2,035
Operating margin, %	-3.3	-6.6
North and South America		
External net sales	9,502	8,028
Operating profit	50	-272
Operating margin, %	0.5	-3.4
Group Functions		
Net sales to other segments	19,846	16,400
Operating profit	1,801	3,635
Eliminations		
Net sales to other segments	-19,846	-16,400
Total		
External net sales	51,015	46,181
Operating profit	1,005	1,208
Operating margin, %	2.0	2.6

* South Africa

PARENT COMPANY INCOME STATEMENT IN SUMMARY (SEK m)

	Q1 2019	Q1 2018	1 Dec 2017- 30 Nov 2018
External net sales	7	5	22
Internal net sales*	1,040	999	4,262
GROSS PROFIT	1,047	1,004	4,284
Administrative expenses	-40	-42	-156
OPERATING PROFIT	1,007	962	4,128
Net financial items**	-21	76	13,846
PROFIT AFTER FINANCIAL ITEMS	986	1,038	17,974
Year-end appropriations	-	-	-1,164
Tax	-216	-217	-673
PROFIT FOR THE PERIOD	770	821	16,137

* Internal sales in the quarter consists of royalty of SEK 1,035 m (997) and other SEK 5 m (2) received from group companies.

** Dividend income from subsidiaries in the quarter consists of SEK 2 m (50).

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q1 2019	Q1 2018	1 Dec 2017- 30 Nov 2018
PROFIT FOR THE PERIOD	770	821	16,137
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	-	-	-9
Tax related to the above remeasurement	-	-	2
OTHER COMPREHENSIVE INCOME	-	-	-7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	770	821	16,130

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)

	28 Feb - 2019	28 Feb - 2018	30 Nov 2018
ASSETS			
Fixed assets			
Property, plant and equipment	272	349	289
Other fixed assets	1,593	1,654	1,621
	1,865	2,003	1,910
Current assets			
Current receivables	35,614	20,154	30,233
Cash and cash equivalents	66	235	93
	35,680	20,389	30,326
TOTAL ASSETS	37,545	22,392	32,236
EQUITY AND LIABILITIES			
Equity	17,240	17,299	16,471
Untaxed reserves	96	417	96
Long-term liabilities*	11,363	182	9,294
Current liabilities**	8,846	4,494	6,375
TOTAL EQUITY AND LIABILITIES	37,545	22,392	32,236

* All long-term liabilities are interest-bearing.

** Interest-bearing current liabilities amounts to SEK 6,870 m (4,000).