

H&M Group

Q4

H & M Hennes & Mauritz AB  
Full-year report  
2024

H&M

COS

WEEKDAY

MONKI

H&M HOME

*Love Stories*

ARKET

Sellpy



H&M

H&M NEW YORK & LONDON

H&M NEW YORK & PARIS

H&M NEW YORK & STOCKHOLM

H&M NEW YORK & LONDON

H&M NEW YORK & LONDON

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Clear Channel

# H & M Hennes & Mauritz AB

## Full-year report 2024

### FOURTH QUARTER (1 SEPTEMBER 2024 – 30 NOVEMBER 2024)

- The H&M group's net sales in the fourth quarter amounted to SEK 62,193 m (62,650). In local currencies net sales increased by 3 percent.
- Gross profit increased to SEK 33,942 m (33,657). This corresponds to a gross margin of 54.6 percent (53.7).
- Selling and administrative expenses amounted to SEK 29,303 m (29,314). In local currencies these expenses increased by 2 percent.
- Operating profit increased to SEK 4,624 m (4,332), corresponding to an operating margin of 7.4 percent (6.9). Operating profit was charged with wind-down costs of around SEK 200 m relating to stores belonging to Monki as well as provisions to HIP of SEK 236 m (177).
- The result after tax nearly doubled to SEK 3,081 m (1,569\*), corresponding to SEK 1.92 (0.97\*) per share.
- The stock-in-trade amounted to SEK 40,348 m (37,358). Extended transport times associated with the situation in the Red Sea and Black Friday that occurred later than in the previous year had a significant impact on inventory. The composition of the stock-in-trade is assessed to be good.
- Cash flow from operating activities before changes in working capital, increased by 16 percent and amounted to SEK 9,870 m (8,418). Cash flow from operating activities amounted to SEK 6,974 m (9,207).

### FULL-YEAR (1 DECEMBER 2023 – 30 NOVEMBER 2024)

- The H&M group's net sales in the financial year 2024 amounted to SEK 234,478 m (236,035). In local currencies, net sales increased by 1 percent.
- Gross profit increased by 4 percent to SEK 125,299 m (120,896). This corresponds to a gross margin of 53.4 percent (51.2).
- Selling and administrative expenses amounted to SEK 107,915 m (107,330). In local currencies the expenses increased by 1 percent.
- Operating profit increased to SEK 17,306 m (14,537), corresponding to an operating margin of 7.4 percent (6.2).
- Operating profit increased by 28 percent compared with the previous year excluding the result from investments in associated companies and joint ventures.
- The result after tax increased by 33 percent to SEK 11,584 m (8,716\*), corresponding to SEK 7.21 (5.37\*) per share.
- Cash flow from operating activities before changes in working capital increased by 26 percent and amounted to SEK 36,745 m (29,106). Cash flow from operating activities amounted to SEK 31,756 m (33,949).
- Cash and cash equivalents plus undrawn credit facilities were SEK 35,756 m (44,570).
- The year's increase in profit means that SEK 236 m (177) has been allocated to the H&M Incentive program (HIP), which is for all employees.

- The H&M group's sales in the period 1 December 2024 – 28 January 2025 increased by 4 percent in local currencies compared with the same period the previous year.
- The H&M group's greenhouse gas emissions in scope 3\*\* reduced by at least 23 percent in 2024 compared to the 2019 baseline according to preliminary figures.
- CapEx in comparable currency is planned to amount to SEK 11-12 billion for 2025. This is in line with CapEx in 2024, which amounted to SEK 11.6 billion. The investments are mainly allocated to the store portfolio and the supply chain.
- The first H&M store in Brazil will open in São Paulo towards the end of 2025.
- The board of directors is proposing to the 2025 annual general meeting that an ordinary dividend of SEK 6.80 per share (6.50) is paid in two instalments.
- The board of directors will also ask the annual general meeting for a general authorisation allowing the board to choose to buy back the group's own B shares.

**Fourth quarter**  
The profit after tax  
**SEK 3,081 m**  
(SEK 1,569\* m)

**Full-year**  
Operating profit  
**+19%**  
(compared with previous year)

**Full-year**  
The result per share  
**SEK 7.21**  
(SEK 5.37\*)

*"Sales and operating profit increased in the fourth quarter driven by strong online sales, well-received women's fashion collections and effective cost control. By focusing on our core business and delivering on our plan, we are on track towards long-term, profitable growth." Daniel Ervér, CEO.*

\*See note 5.

\*\*Scope 3 excludes the use of sold products.

## Comments by Daniel Erv r, CEO

After one year as CEO, I'm confident that we are on the right track. We have set a clear direction focusing fully on our core business: improving what makes the biggest difference for the customer and removing what doesn't. We are proud of the progress we have made to further strengthen our products, shopping experience, and brand building. While there is a lot left to do, we have a strong plan to drive the long-term growth we are aiming for.

Sales grew by 3 percent in local currencies in the fourth quarter compared to last year. Our Autumn collection launched with a series of events in fashion capitals such as Milan, London and New York – bringing music, culture and fashion together – was very well received. Gross margin and operating profit also grew, despite wind-down costs and increased investments in the customer offering, marketing and store optimisation. Strong online sales together with improved product presentation and a more inspiring shopping experience, well received womenswear collections and effective cost control all contributed to a positive development in the quarter. For the full year the operating margin was 7.4 percent, and earnings per share rose by 34 percent to SEK 7.21.

During 2024, we made significant improvements. Our priority was the H&M product offering, with an initial focus on womenswear, where we increased our trend responsiveness and overall assortment relevance. In the fourth quarter, full price selling of womenswear increased in all channels.

We accelerated the pace of improvements to our supply chain, increasing flexibility and product availability across channels. For example, we continue to deepen partnerships with our suppliers, shorten our product development process starting with womenswear, improve our demand forecasting, further develop our nearshoring capacity, and expand the use of RFID.

We opened 88 new stores and continued to optimise our store portfolio. With more than 4,200 stores, upgrading our store portfolio will remain a priority for us.

We are simplifying team structures to build an even more efficient organisation. To streamline and optimize our

operations, we also discontinued Afound during the year. During 2025, we plan to integrate the Monki brand into Weekday, both in stores and online.

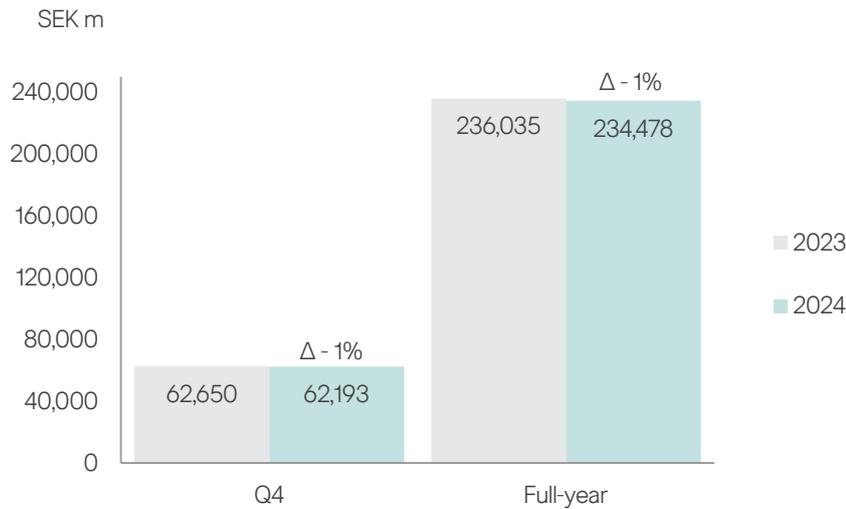
We want to use our size and scale to push the fashion industry towards a more sustainable future. Our goal is to reduce greenhouse gas emissions by 56 percent by 2030. Preliminary results show that our scope 3 emissions decreased by at least 23 percent compared to our 2019 baseline. By integrating sustainability further into our business plans and through continued investments in decarbonising our supply chain, we are well positioned to reach this long-term goal.

As we look ahead to 2025, we will continue to strengthen our core business and elevate our customer offering, while continuing the strong work on cost efficiency. We speed up our product creation processes, increase the precision in aligning supply with demand, and improve the product availability for our customers online as well as in stores by integrating both channels more closely with each other. We are maintaining the level of investments compared to last year and will primarily target our stores and supply chain. We will also enhance our digital experience and continue to reinforce our brand presence in major fashion cities.

While continued challenging macroeconomic conditions and geopolitical uncertainty may impact the consumer sentiment during 2025, we see some positive signs such as inflation and interest rates going down. Our diversified supply chain gives us the flexibility needed to mitigate negative external impact in different markets. This, together with our business idea – fashion and quality at the best price in a sustainable way – creates a strong resilience and positions us well for growth in the global fashion market.

Overall, there is great potential in our core business, with a focus on organic growth. We have a clear plan for the years ahead, driving profitable and long-term growth while supporting our purpose of *liberating fashion for the many*. Thanks to the dedication and passion of our entire team, we will take further important steps forward in 2025.

## SALES



**The H&M group's net sales** in the fourth quarter amounted to SEK 62,193 m (62,650). In local currencies net sales increased by 3 percent. The quarter started with strong sales in September, when the autumn collection was very well received and the weather was favourable in many European markets. Towards the end of the quarter sales development was affected by Black Friday occurring later than in the previous year, with a larger value of orders received in November this year being reported as sales in December. This timing effect impacted the quarter's sales development by just under 1 percent. Adjusted for this timing effect, sales during October and November increased by 1 percent compared with the previous year in local currencies.

For the financial year net sales amounted to SEK 234,478 m (236,035). In local currencies net sales increased by 1 percent compared with the previous year.

Around 30 percent of sales were online during the financial year.

The H&M group's sales in the period 1 December 2024 – 28 January 2025 increased by 4 percent in local currencies compared with the corresponding period the previous year.

**For Portfolio brands**, which were up against high comparative figures from last year, net sales in the fourth quarter increased by 1 percent in SEK and by 2 percent in local currencies. Sales for the full year were on par with the previous year in SEK and increased by 1 percent in local currencies.

During the year Afound was wound down and preparations began for integrating Monki into Weekday's stores and on weekday.com in 2025. A few of the Monki stores are planned to be converted into Weekday stores, while the intention is to close the remaining stores. Excluding Monki and Afound, sales by Portfolio Brands in local currencies increased by 5 percent for full-year 2024.

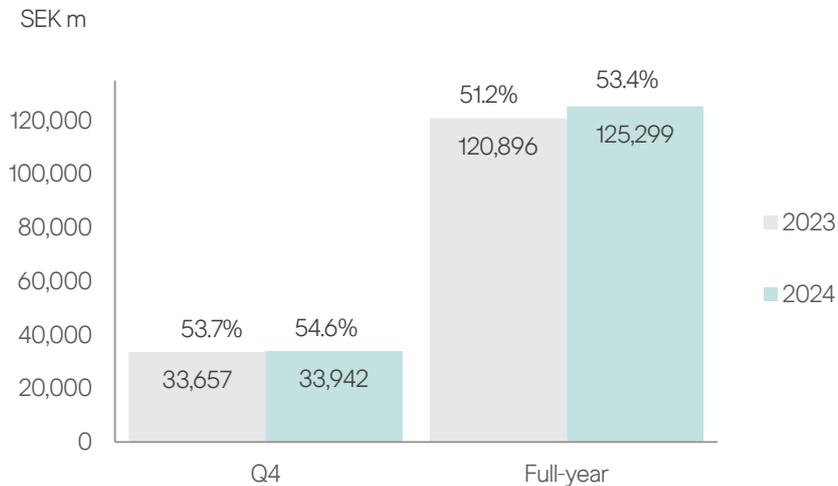
## SALES PER REGION

	Q4		SEK		FULL-YEAR		FULL-YEAR		NEW STORES (NET)		NUMBER OF STORES	
	2024	2023	CHANGE IN %	LCY	2024	2023	CHANGE IN %	LCY	2024*	30 NOV 24	30 NOV 23	
The Nordics	5,127	5,353	-4	-3	20,627	21,307	-3	-2	-9	380	389	
Western Europe	22,054	21,326	3	4	79,550	79,049	1	0	-35	1,016	1,051	
Eastern Europe	5,622	5,540	1	2	21,181	19,633	8	7	4	479	475	
Southern Europe	8,852	8,463	5	13	31,507	31,186	1	7	-34	574	608	
North and South America	12,941	13,967	-7	-1	51,798	53,785	-4	-2	14	759	745	
Asia, Oceania and Africa	7,597	8,001	-5	-2	29,815	31,075	-4	-1	-56	1,045	1,101	
<b>Total</b>	<b>62,193</b>	<b>62,650</b>	<b>-1</b>	<b>3</b>	<b>234,478</b>	<b>236,035</b>	<b>-1</b>	<b>1</b>	<b>-116</b>	<b>4,253</b>	<b>4,369</b>	

\*Full-year

## 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** increased to SEK 33,942 m (33,657) for the fourth quarter, corresponding to a gross margin of 54.6 percent (53.7). 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. In addition to affecting purchasing costs, currency movements also had remeasurement effects. In the fourth quarter these remeasurement effects had a positive impact on the gross margin. Investments in the customer offering also impacted the gross margin for the quarter.

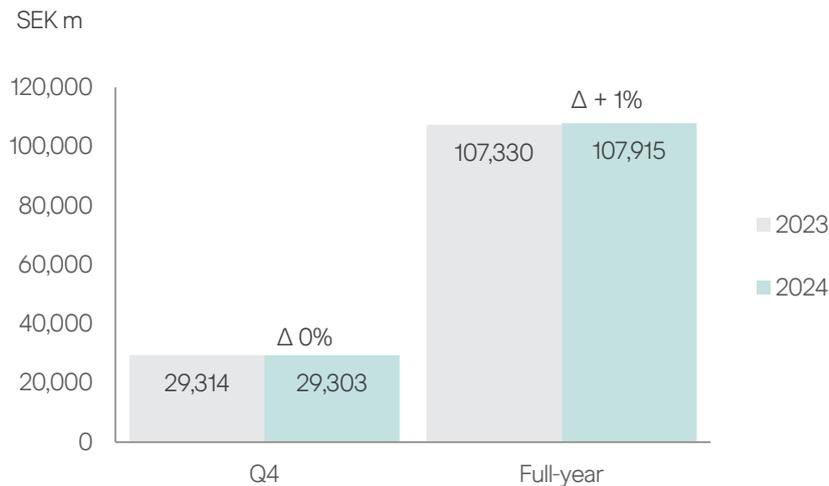
The cost of markdowns in relation to sales in the fourth quarter 2024 decreased somewhat compared with the corresponding quarter the previous year. Markdowns were affected by the fact that sales linked to Black Friday, which have a high proportion of markdowns, were reported in December to a greater extent than in the previous year. Towards the end of the fourth quarter there was a lower sales activation rate than planned, with a focus on the full-price offering.

For the financial year gross profit increased by 4 percent to SEK 125,299 m (120,896), corresponding to a gross margin of 53.4 percent (51.2).

For the goods that will be sold in the first quarter of 2025, the overall effect of external factors is expected to be more negative than in the fourth quarter 2024.

The cost of markdowns as a share of sales in the first quarter is expected to increase compared with the same quarter last year.

## SELLING AND ADMINISTRATIVE EXPENSES



**Selling and administrative expenses** in the fourth quarter amounted to SEK 29,303 m (29,314). In local currencies, these expenses increased by 2 percent.

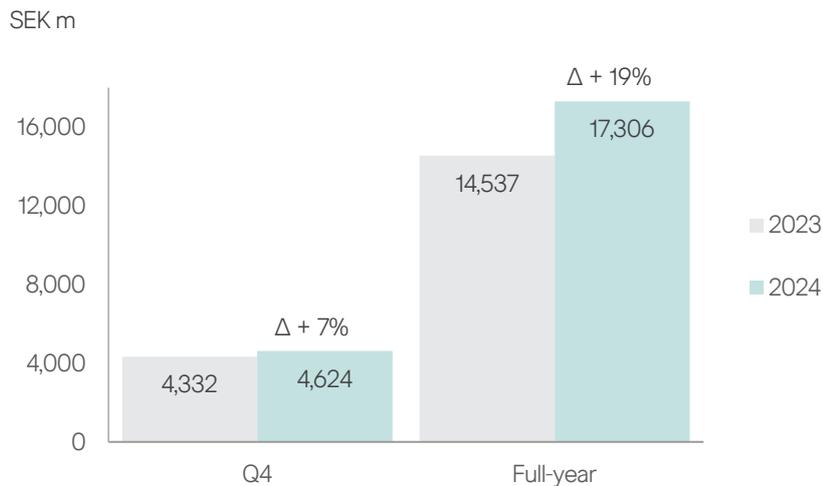
Selling and administrative expenses for the fourth quarter were impacted by long-term marketing investments of around SEK 600 m as well as costs of around SEK 200 m for winding down Monki stores in 2025.

During the fourth quarter SEK 236 m (177) has been allocated to the H&M Incentive Program (HIP), which is for all employees.

As a result of the fully implemented cost and efficiency programme along with good operational cost control, selling and administrative expenses increased at a slower rate than sales in local currencies. This despite inflationary pressures in the cost base, increased investments in marketing and winding-down costs.

For the full year, selling and administrative expenses amounted to SEK 107,915 m (107,330). In local currencies these expenses increased by 1 percent compared with the same period the previous year.

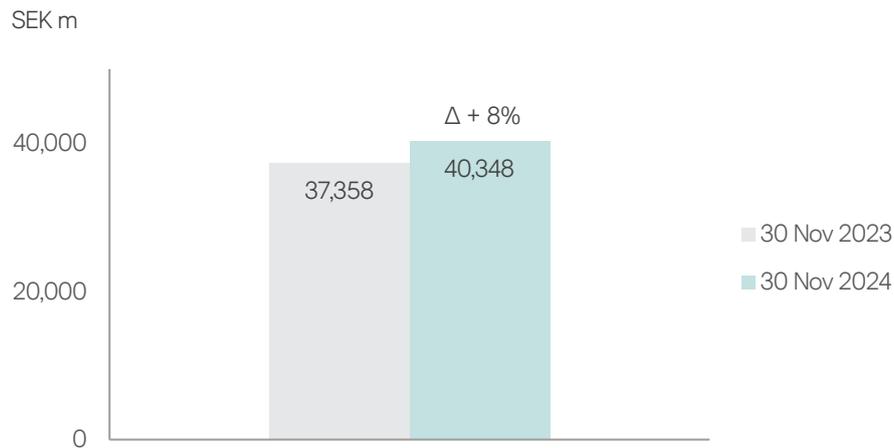
The long-term investments in marketing are continuing in the first quarter of 2025 and are expected to be higher than in the corresponding period the previous year but somewhat lower than in the fourth quarter of 2024.

**OPERATING PROFIT AND OPERATING MARGIN**

**Operating profit** in the fourth quarter increased by 7 percent to SEK 4,624 m (4,332), corresponding to an operating margin of 7.4 percent (6.9). The increase in profits is due to good online sales, well-received women's collections, a higher gross margin and good cost control. Selling and administrative expenses increased only by 2 percent in local currencies, despite wind-down costs for Monki stores of around SEK 200 m and long-term investments in marketing of around SEK 600 m.

Operating profit for the full year increased to SEK 17,306 m (14,537), corresponding to an operating margin of 7.4 percent (6.2).

Operating profit excluding the result from investments in associated companies and joint ventures increased by 28 percent compared with the previous year. The result from investments in associated companies and joint ventures during the full year amounted to SEK -78 m (971).

**STOCK-IN-TRADE**

The stock-in-trade amounted to SEK 40,348 m (37,358) and increased by 8 percent in both SEK and local currencies compared with the previous year. Extended transport times associated with the situation in the Red Sea and Black Friday that occurred later than in the previous year had a significant impact on inventory.

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

The stock-in-trade in SEK represented 17.2 percent (15.8) 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. Investment in physical and digital stores continues in 2025 at the same rate as in 2024 to provide an even more inspiring experience while also optimising our store portfolio for continued profitability and growth.

In the fourth quarter of 2024 H&M opened its first store in the Dominican Republic via franchise. H&M also expanded its digital presence on Douyin and Pinduoduo, two of China's biggest e-commerce platforms, as well as on Ajio.com in India and Trendyol.com in Türkiye and in Saudi Arabia during the fourth quarter. Arket opened its first stores in Spain, Poland and Italy during the autumn 2024. Weekday and Monki launched on Boozt.com, while Arket launched on ASOS.com in the second half of 2024.

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. Arket will open its first store in Norway, Austria, Greece and Ireland during 2025.

The H&M group is continuing to renegotiate a large number of leases, which also involves rebuilds as well as 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 2025 the plan is to open around 80 new stores. Most of the openings will be in growth markets. Around 190 stores are scheduled for closure, mainly in established markets. The closures include a large number of Monki stores. At the end of November 2024 Monki had 48 stores. A few of these will be converted into Weekday stores and the remaining stores are planned to be closed.

The store portfolio is the area where the largest investments are being made and upgrades will continue at a fast pace in 2025 through openings, rebuilds, layout improvements and tech installations.

## STORE COUNT AND MARKETS BY BRAND

As at 30 November 2024 the H&M group had 4,253 (4,369) stores, i.e. the total number of stores has decreased by 116 stores compared with the same point in time the previous year, which corresponds to a reduction of around 3 percent. During the financial year 88 (101) new stores have opened and 204 (197) stores have closed. A total of 258 (282) of the group's stores are operated by franchise partners.

	NEW STORES		TOTAL NUMBER OF STORES		NUMBER OF MARKETS	
	2024 (NET)				STORE	ONLINE
	Q4	FULL-YEAR	30 NOV 2024	30 NOV 2023		
H&M	-37	-95	3,777	3,872	78	60
COS	2	-7	238	245	48	38
Monki	-8	-16	48	64	14	29
Weekday	-1	-7	46	53	14	29
& Other Stories	-1	-2	70	72	25	32
ARKET	1	10	40	30	17	31
Afound	0	0	0	0	0	7
H&M HOME*	-1	1	34	33	15	45
Sellpy	0	0	0	0	0	24
<b>Total</b>	<b>-45</b>	<b>-116</b>	<b>4,253</b>	<b>4,369</b>		

\* Concept stores. H&M HOME is also available through shop-in-shop in 471 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.

## CASH FLOW AND LIQUIDITY

Cash flow from operating activities before changes in working capital increased by 26 percent to SEK 36,745 m (29,106). Cash flow for the period amounted to SEK -9,023 m (5,715) and was negatively impacted by increased stock-in-trade, increased investments and repayment of short-term debt.

The H&M group's liquidity remains very good. As at 30 November 2024 cash and cash equivalents amounted to SEK 17,340 m (26,398). In addition, the group has undrawn credit facilities of SEK 18,416 m (18,172). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 35,756 m (44,570).

## WORKING CAPITAL

Working capital amounted to SEK 21,562 m (19,632). Black Friday occurred later than in the previous year is the main reason for the year-on-year increase in accounts receivable. Moreover, the stock-in-trade continues to be affected by extended transport times associated with the situation in the Red Sea. The increase in accounts payable was primarily driven by investments in store fittings and marketing. Changes in working capital during the full year amounted to SEK 1,930 m (-4,787).

SEK m	2024-11-30	2023-11-30
Accounts receivable	5,631	3,301
Stock-in-trade	40,348	37,358
Accounts payable	-24,417	-21,027
<b>Operating working capital</b>	<b>21,562</b>	<b>19,632</b>

## FINANCING

Net debt including lease liabilities in relation to EBITDA amounted to 1.5 (1.4) with a net cash position of SEK 3,223 m (9,316). 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 14,117 m (17,082) as at 30 November 2024. The average maturity of interest-bearing liabilities amounted to 5.3 (5.1) years.

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities as at 30 November 2024 is given in the table below. No significant financing activities were carried out during the fourth quarter. During the full year, net interest-bearing liabilities of around SEK 3 billion were repaid.

Year	COMMERCIAL PAPERS	BONDS (EMTN)	LOANS FROM CREDIT	UNUSED CREDIT
			INSTITUTIONS	FACILITIES
2024	-	-	-	-
2025	-	-	-	-
2026	-	-	2,000	-
2027	-	-	-	3,453
2028	-	-	245	-
2029	-	5,755	-	14,963
2030	-	-	-	-
2031	-	6,117	-	-
<b>Total SEK m</b>	<b>-</b>	<b>11,872</b>	<b>2,245</b>	<b>18,416</b>

## TAX

The group's tax rate for the financial year 2024 was 24.9 percent (35.7\*). 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.

The group's tax rate for the financial year 2025 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 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.

\* See note 5.

## SHARE BUYBACKS

During the period 27 September 2023 – 1 March 2024 the group repurchased shares as authorised by the 2023 annual general meeting. A total of 19,144,612 B shares were repurchased for a total sum of SEK 3 billion, of which shares to a value of around SEK 2 billion were repurchased in 2024. The shares repurchased were cancelled through a resolution at the annual general meeting in May 2024.

During the period September–November 2024 the group repurchased shares as authorised by the 2024 annual general meeting. A total of 6,050,850 B shares in H&M were repurchased for a total sum of around SEK 1 billion. The board of directors proposes that the 2025 annual general meeting resolve to cancel the repurchased shares.

In 2024 shares were repurchased for a total value of around SEK 3 billion.

## EMPLOYEES

To stay successful and competitive, the H&M group creates customer value by having a clear purpose and a clear direction, and by adapting swiftly to a constantly changing world. The company's continuous development includes securing the right competences, simplifying the organisational structure, leveraging relevant technology and adopting efficient ways of working.

The average number of employees in the group as at 30 November 2024, converted into full-time positions, was 96,457 (101,103), of which 9,525 (10,281) were employed in Sweden.

## CURRENT QUARTER

Sales during the period 1 December 2024 – 28 January 2025 increased by 4 percent in local currencies compared with the same period the previous year.

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

The company is closely monitoring developments in global trade and any imposition of trade restrictions and will act to minimise any impact. With good flexibility in the supply chain and through the pricing of the customer offering there are opportunities to adapt the business to changed conditions.

## CAPITAL STRUCTURE

The H&M group advocates a conservative leverage ratio, aiming for a strong capital structure with strong liquidity and financial flexibility. It is essential that, as in the past, expansion and investments can proceed with continued freedom of action. The capital structure is defined as Net debt in relation to EBITDA. Including IFRS 16 effects it should be within the range 1.0–2.0 x EBITDA over time. As at 30 November 2024 Net debt/EBITDA including IFRS 16 effects was 1.5 (1.4) with a financial net cash of SEK 3,223 m (9,316).

## DIVIDEND POLICY

The board of directors' intention is for the H&M group to continue to provide shareholders with a good return while ensuring that growth and investments in the business can proceed with a continued strong financial position and freedom of action. Based on this, the board of directors has proposed a dividend policy stating that the ordinary dividend over time is to exceed 50 percent of profit after tax and additionally that identified surplus liquidity – taking into consideration the capital structure target and investment requirements – can be distributed to shareholders through an extra dividend or a buyback programme.

### Proposed dividend

The board of directors is proposing to the 2025 annual general meeting that a dividend of SEK 6.80 per share (6.50) is paid. The dividend will be paid in cash, split into two instalments. The first payment of SEK 3.40 will be made in May and the second payment of SEK 3.40 will be made in November. The board's proposed record dates are 9 May 2025 and 7 November 2025. If the annual general meeting approves the board's proposal, the dividend is expected to be paid out on 14 May 2025 and 12 November 2025.

### Proposed authorisation to allow share buybacks

The board of directors will ask the 2025 annual general meeting for a general authorisation allowing the board to buy back the group's own B shares in the period up to the 2026 annual general meeting. This general authorisation is, among other things, one of the tools for the board to use if surplus liquidity is identified.

## ANNUAL GENERAL MEETING 2025

The 2025 annual general meeting will be held on Wednesday 7 May 2025 at 15:00 CEST in the Erling Persson Hall, Aula Medica, Karolinska Institutet in Solna.

## ANNUAL AND SUSTAINABILITY REPORT 2024

The annual and sustainability report and the corporate governance report are expected to be published on 27 March 2025 on hmgroup.com. The documents will also be available at the company's head office.

## TARGETS

Since the 2030 targets were introduced in conjunction with the 2021 full-year report the world around us has been characterised by an unstable geopolitical situation and high inflation, with a high cost of living for consumers. The development of global consumption has been weak. In addition, the company's fast-growing and profitable operations in Russia have been wound down. The company is now even more focused on unlocking the growth potential of the group's brands, with a particular focus on strengthening H&M. This means that non-organic growth and growth through new business models are being given lower priority in the short to medium term.

The H&M group has three long-term targets: long-term sales growth of at least 10 percent per year, an operating margin that exceeds 10 percent and a 56 percent reduction in greenhouse gas emissions\* no later than 2030, with 2019 as a baseline.

\* Refers to science-based targets for own operations (scope 1 and 2) and for the company's entire value chain (scope 3) and excludes the use of sold products.

## 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, 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**

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
26 June 2025	Six-month report, 1 Dec 2024 – 31 May 2025
25 September 2025	Nine-month report, 1 Dec 2024 – 31 August 2025

This full-year report has not been audited by the company's auditors.

Stockholm, 29 January 2025  
Board of Directors

**COMMUNICATION IN CONJUNCTION WITH THE FULL-YEAR REPORT**

The full-year report for the financial year 2024, i.e., 1 December 2023 – 30 November 2024, will be published at 08:00 CET on 30 January 2025, followed by a combined press and telephone conference at 09:30 CET for the financial market and media, hosted by CEO Daniel Ervér, CFO Adam Karlsson and Head of IR Joseph Ahlberg. A presentation of the report followed by a Q & A session will be held in English.

Location: H&M's head office in Stockholm, Mäster Samuelsgatan 49, 3rd floor, Ljussgården. The event will be broadcasted online and questions can also be asked by telephone. For log in details please register: <https://app.webinar.net/xvGblyjg07j>

To book interviews for media in conjunction with the full-year report on 30 January 2025, please contact: Anna Frosch Nordin, Head of Media Relations, telephone +46 73 432 93 14, [anna.froschnordin@hm.com](mailto:anna.froschnordin@hm.com).

*Please note that there will not be a separate telephone conference in the afternoon CET.*

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

Information in this full-year 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 (CET) on 30 January 2025. This interim report and other information about the H&M group are available at [hmgroup.com](http://hmgroup.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 Sellpy. For further information, visit [hmgroup.com](http://hmgroup.com).

**GROUP INCOME STATEMENT (SEK M)**

	Q4 2024	Q4 2023	FULL-YEAR 2024	FULL-YEAR 2023
Net sales, note 3	62,193	62,650	234,478	236,035
Cost of goods sold, note 4	-28,251	-28,993	-109,179	-115,139
<b>GROSS PROFIT</b>	<b>33,942</b>	<b>33,657</b>	<b>125,299</b>	<b>120,896</b>
<i>Gross margin, %</i>	<i>54.6</i>	<i>53.7</i>	<i>53.4</i>	<i>51.2</i>
Selling expenses, note 4	-26,449	-26,304	-97,153	-96,435
Administrative expenses, note 4	-2,854	-3,010	-10,762	-10,895
Result from investments in associated companies and joint ventures*	-15	-11	-78	971
<b>OPERATING PROFIT</b>	<b>4,624</b>	<b>4,332</b>	<b>17,306</b>	<b>14,537</b>
<i>Operating margin, %</i>	<i>7.4</i>	<i>6.9</i>	<i>7.4</i>	<i>6.2</i>
Interest income	200	230	890	616
Interest expense and similar items	-740	-646	-2,753	-2,143
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>4,084</b>	<b>3,916</b>	<b>15,443</b>	<b>13,010</b>
Tax**	-1,003	-2,347	-3,859	-4,294
<b>PROFIT FOR THE PERIOD**</b>	<b>3,081</b>	<b>1,569</b>	<b>11,584</b>	<b>8,716</b>
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB**	3,085	1,580	11,621	8,745
Non-controlling interest	-4	-11	-37	-29
Earnings per share, SEK**, ***	1.92	0.97	7.21	5.37
Average number of shares outstanding, thousands***	1,608,228	1,627,043	1,611,695	1,629,097

For information about depreciation, amortisation and write-downs, see note 4.

\* Income from investments in associated companies and joint ventures for financial year 2023 include a one-time item of SEK 999 m for revaluation of associated companies of which mainly the former associated company Sellyp.

\*\* Regarding restated figures for financial year 2023 see Note 5 Restated figures attributable to amendments to IAS 12.

\*\*\* Before and after dilution, excluding own shares.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK M)**

	Q4 2024	Q4 2023	FULL-YEAR 2024	FULL-YEAR 2023
PROFIT FOR THE PERIOD*	3,081	1,569	11,584	8,716
Other comprehensive income				
<i>Items that are or may be reclassified to profit or loss</i>				
Translation differences	1,291	-1,420	717	12
Change in hedging reserves	-794	1,292	-589	413
Tax attributable to change in hedging reserves	163	-266	121	-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	112	-3	-73	-41
Tax related to the above remeasurement	-28	1	18	10
Remeasurement of financial assets, note 2	275	-350	299	-599
<b>OTHER COMPREHENSIVE INCOME</b>	<b>1,019</b>	<b>-746</b>	<b>493</b>	<b>-290</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD *</b>	<b>4,100</b>	<b>823</b>	<b>12,077</b>	<b>8,426</b>
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB*	4,104	834	12,114	8,455
Non-controlling interest	-4	-11	-37	-29

\* Regarding restated figures for financial year 2023 see Note 5 Restated figures attributable to amendments to IAS 12.

**GROUP BALANCE SHEET (SEK M)**

<b>ASSETS</b>	<b>2024-11-30</b>	<b>2023-11-30</b>
<b>NON-CURRENT ASSETS</b>		
<b>Intangible non-current assets</b>		
Brands	400	450
Leasehold and similar rights	223	296
Capitalised expenditure	7,094	7,966
Goodwill	1,013	1,013
	<b>8,730</b>	<b>9,725</b>
<b>Property, plant and equipment</b>		
Buildings and land	665	689
Equipment, tools, fixture and fittings	28,493	24,553
Right-of-use assets	57,062	56,294
	<b>86,220</b>	<b>81,536</b>
<b>Non-current financial assets</b>		
Interests in associates	259	209
Other shares and interests, note 2	3,029	2,363
	<b>3,288</b>	<b>2,572</b>
<b>Other non-current assets</b>		
Long-term receivables	859	1,204
Deferred tax assets	5,390	5,707
	<b>6,249</b>	<b>6,911</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>104,487</b>	<b>100,744</b>
<b>CURRENT ASSETS</b>		
<b>Stock-in-trade</b>	<b>40,348</b>	<b>37,358</b>
<b>Current receivables</b>		
Accounts receivable	5,631	3,301
Tax assets	2,831	3,830
Other receivables	5,654	5,111
Prepaid expenses	3,923	4,531
	<b>18,039</b>	<b>16,773</b>
<b>Cash and cash equivalents</b>	<b>17,340</b>	<b>26,398</b>
<b>TOTAL ASSETS</b>	<b>75,727</b>	<b>80,529</b>
<b>TOTAL ASSETS</b>	<b>180,214</b>	<b>181,273</b>

<b>EQUITY AND LIABILITIES</b>	<b>2024-11-30</b>	<b>2023-11-30</b>
<b>EQUITY</b>		
Share capital	207	207
Reserves	6,445	6,196
Retained earnings*	39,559	41,107
<b>TOTAL EQUITY*</b>	<b>46,211</b>	<b>47,510</b>
<b>LIABILITIES</b>		
<b>Long-term liabilities</b>		
Provisions for pensions**	471	379
Other provisions	-	5
Deferred tax liabilities*	2,242	2,507
Liabilities to credit institutions**	14,117	14,084
Other non-current liabilities	162	132
Long-term leasing liabilities**	50,361	48,729
	<b>67,353</b>	<b>65,836</b>
<b>Short-term liabilities</b>		
Accounts payable	24,417	21,027
Tax liabilities	2,257	1,377
Liabilities to credit institutions***	-	2,998
Other provisions	540	304
Other liabilities	6,809	7,329
Accrued expenses and prepaid income	20,151	22,733
Current leasing liabilities***	12,476	12,159
	<b>66,650</b>	<b>67,927</b>
<b>TOTAL LIABILITIES*</b>	<b>134,003</b>	<b>133,763</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>180,214</b>	<b>181,273</b>

\* Regarding restated figures for financial year 2023 see Note 5 Restated figures attributable to amendments to IAS 12.

\*\* Interest-bearing long-term liabilities amounts to SEK 64,949 m (63,192), excluding leasing SEK 14,588 m (14,463).

\*\*\* Interest-bearing current liabilities amounts to SEK 12,476 m (15,157), excluding leasing SEK 0 m (2,998).

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

Attributable to the shareholders of the parent company, H & M Hennes & Mauritz AB							Non-controlling interest	Total shareholders' equity
	Share capital	Translation effects	Hedging reserves	Retained earnings	Total			
<b>Shareholder's equity, 1 December 2023</b>	<b>207</b>	<b>6,069</b>	<b>127</b>	<b>41,025</b>	<b>47,428</b>	<b>82</b>	<b>47,510</b>	
Profit for the year	-	-	-	11,621	11,621	-37	11,584	
<b>Other comprehensive income</b>								
Translation differences	-	717	-	-	717	0	717	
Change in hedging reserves	-	-	-589	-	-589	-	-589	
Tax attributable to hedging reserves	-	-	121	-	121	-	121	
Share of other comprehensive income related to joint ventures and associated companies	-	0	-	-	0	-	0	
Remeasurement of defined benefit pension plans	-	-	-	-73	-73	-	-73	
Tax related to the above remeasurement	-	-	-	18	18	-	18	
Revaluation of financial assets	-	-	-	299	299	-	299	
<b>Other comprehensive income</b>	<b>-</b>	<b>717</b>	<b>-468</b>	<b>244</b>	<b>493</b>	<b>0</b>	<b>493</b>	
<b>Total comprehensive income</b>	<b>-</b>	<b>717</b>	<b>-468</b>	<b>11,865</b>	<b>12,114</b>	<b>-37</b>	<b>12,077</b>	
Dividend	-	-	-	-10,456	-10,456	-	-10,456	
Repurchase of shares	-	-	-	-2,880	-2,880	-	-2,880	
Redemption of shares	-2	-	-	2	-	-	-	
Bonus issue	2	-	-	-2	-	-	-	
Transactions with non-controlling interests	-	-	-	-64	-64	24	-40	
<b>Shareholder's equity, 30 November 2024</b>	<b>207</b>	<b>6,786</b>	<b>-341</b>	<b>39,490</b>	<b>46,142</b>	<b>69</b>	<b>46,211</b>	

Attributable to the shareholders of the parent company, H & M Hennes & Mauritz AB							Non-controlling interest	Total shareholders' equity
	Share capital	Translation effects	Hedging reserves	Retained earnings	Total			
<b>Shareholder's equity, 1 December 2022</b>	<b>207</b>	<b>6,057</b>	<b>-201</b>	<b>44,694</b>	<b>50,757</b>	<b>-</b>	<b>50,757</b>	
Adjustment of opening balance*	-	-	-	-84	-84	-	-84	
<b>Adjusted shareholders' equity, 1 Dec 2022</b>	<b>207</b>	<b>6,057</b>	<b>-201</b>	<b>44,610</b>	<b>50,673</b>	<b>-</b>	<b>50,673</b>	
Profit for the year*	-	-	-	8,745	8,745	-29	8,716	
<b>Other comprehensive income</b>								
Translation differences	-	12	-	-	12	-	12	
Change in hedging reserves	-	-	413	-	413	-	413	
Tax attributable to hedging reserves	-	-	-85	-	-85	-	-85	
Remeasurement of defined benefit pension plans	-	-	-	-41	-41	-	-41	
Tax related to the above remeasurement	-	-	-	10	10	-	10	
Revaluation of financial assets	-	-	-	-599	-599	-	-599	
<b>Other comprehensive income</b>	<b>-</b>	<b>12</b>	<b>328</b>	<b>-630</b>	<b>-290</b>	<b>-</b>	<b>-290</b>	
<b>Total comprehensive income*</b>	<b>-</b>	<b>12</b>	<b>328</b>	<b>8,115</b>	<b>8,455</b>	<b>-29</b>	<b>8,426</b>	
Dividend	-	-	-	-10,577	-10,577	-	-10,577	
Repurchase of shares	-	-	-	-1,123	-1,123	-	-1,123	
Redemption of shares	-3	-	-	3	-	-	-	
Bonus issue	3	-	-	-3	-	-	-	
Non-controlling interest that has arisen from acquisitions	-	-	-	-	-	111	111	
<b>Shareholder's equity, 30 November 2023*</b>	<b>207</b>	<b>6,069</b>	<b>127</b>	<b>41,025</b>	<b>47,428</b>	<b>82</b>	<b>47,510</b>	

\* Regarding restated figures for financial year 2023 see Note 5 Restated figures attributable to amendments to IAS 12.

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

	FULL-YEAR 2024	FULL-YEAR 2023
<b>Operating activities</b>		
Profit after financial items*	15,443	13,010
<i>Adjustment for non-cash items</i>		
Provisions for pensions	13	5
Other provisions	676	-328
Depreciation, amortisation and write-downs	22,252	22,955
Other non-cash items	78	-971
Taxes paid	-1,717	-5,565
<b>Cash flow from operating activities before changes in working capital</b>	<b>36,745</b>	<b>29,106</b>
<b>Cash flow from changes in working capital</b>		
Operating receivables	-2,299	-594
Stock-in-trade	-3,036	5,248
Operating liabilities	346	189
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>31,756</b>	<b>33,949</b>
<b>Investing activities</b>		
Investments in leasehold and similar rights	-19	-11
Investments in other intangible assets	-1,369	-967
Investments in buildings and land	-	-
Investments in equipment	-10,060	-7,986
Other	-126	-655
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-11,574</b>	<b>-9,619</b>
<b>Financing activities</b>		
Short-term loans	-2,966	-408
New long-term loans	-	6,312
Amortisation of long-term loans	-248	0
Amortisation lease	-12,631	-12,867
Capital contributions non-controlling interests	24	-
Dividend	-10,456	-10,577
Repurchase of shares	-2,928	-1,075
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-29,205</b>	<b>-18,615</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-9,023</b>	<b>5,715</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	-9,023	5,715
Exchange rate effect	-35	-1,024
<b>Cash and cash equivalents at end of the financial year</b>	<b>17,340</b>	<b>26,398</b>

\* Interest paid for the group amounts to SEK 760 m (399). Interest expense related to leases amounts to SEK 1,993 m (1,744) for the group. Received interest for the group amounts to SEK 890 m (616).

## FIVE YEAR SUMMARY

### FULL-YEAR, 1 DECEMBER – 30 NOVEMBER

	2020	2021	2022	2023	2024
Net sales, SEK m	187,031	198,967	223,553	236,035	234,478
Change net sales from previous year in SEK, %	-20	6	12	6	-1
Change net sales previous year in local currencies, %	-18	12	6	-1	1
Operating profit, SEK m	3,099	15,255	7,169	14,537	17,306
Operating margin, %	1.7	7.7	3.2	6.2	7.4
Depreciation, amortisation and write-downs for the year, SEK m	25,953	22,320	22,579	22,955	22,252
Profit after financial items, SEK m	2,052	14,300	6,216	13,010	15,443
Profit after tax, SEK m*	1,243	11,010	3,566	8,716	11,584
Cash and cash equivalents, SEK m	16,540	27,471	21,707	26,398	17,340
Stock-in-trade, SEK m	38,209	37,306	42,495	37,358	40,348
Equity, SEK m*	54,623	60,018	50,757	47,510	46,211
Average number of shares outstanding, thousands**	1,655,072	1,655,072	1,649,847	1,629,097	1,611,695
Earnings per share, SEK*, **	0.75	6.65	2.16	5.37	7.21
Cash flow from operating activities per share, SEK**	15.65	26.96	15.00	20.84	19.70
Number of shares outstanding as of the closing day, thousands**	1,655,072	1,655,072	1,629,687	1,622,548	1,604,491
Equity per share, SEK*, **	33.00	36.26	31.15	29.28	28.80
Dividend per share excluding own shares, SEK***	-	6.50	6.50	6.50	6.50
Return on equity, %*	2.2	19.2	6.4	17.8	24.7
Return on capital employed, %*	3.2	11.8	5.8	12.1	14.6
Share of risk-bearing capital, %*	33.6	35.4	29.7	27.6	26.9
Equity/assets ratio, % *	31.3	33.4	27.9	26.2	25.6
Total number of stores	5,018	4,801	4,465	4,369	4,253
Average number of employees	126,376	107,375	106,522	101,103	96,457

\* Regarding restated figures for financial year 2023 see Note 5 Restated figures attributable to amendments to IAS 12.

\*\* Before and after dilution, excluding own shares.

\*\*\* Dividend decided and paid out during the year.

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 (SEK M)**

	Q4 2024	Q4 2023	FULL-YEAR 2024	FULL-YEAR 2023
Net sales	643	615	2,364	2,264
<b>GROSS PROFIT</b>	<b>643</b>	<b>615</b>	<b>2,364</b>	<b>2,264</b>
Administrative expenses	-37	-26	-170	-108
<b>OPERATING PROFIT</b>	<b>606</b>	<b>589</b>	<b>2,194</b>	<b>2,156</b>
Income from participation in group companies	8,436	10,519	10,053	11,212
Interest income and similar items*	325	272	491	280
Interest expense and similar items**	-136	-87	-484	-268
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>9,231</b>	<b>11,293</b>	<b>12,254</b>	<b>13,380</b>
Year-end appropriations	-1,287	-1,496	-1,287	-1,496
Tax	95	169	-217	-117
<b>PROFIT FOR THE PERIOD</b>	<b>8,039</b>	<b>9,966</b>	<b>10,750</b>	<b>11,767</b>

\*Interest income and similar items for the quarter consist of interest income of SEK 321 m (272) and translation effects from group companies amounting to SEK 4 m (0), and for the full year interest income of SEK 479 m (280) and translation effects from group companies amounting to SEK 12 m (0).

\*\*Interest expense and similar items for the quarter consist of interest expense of SEK 136 m (86) and translation effects from group companies amounting to SEK 0 m (1), and for the full year interest expense of SEK 484 m (267) and translation effects from group companies amounting to SEK 0 m (1).

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

	Q4 2024	Q4 2023	FULL-YEAR 2024	FULL-YEAR 2023
PROFIT FOR THE PERIOD	8,039	9,966	10,750	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	-14	-14	-14
Tax related to the above remeasurement	2	3	3	3
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-5</b>	<b>-11</b>	<b>-11</b>	<b>-11</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>8,034</b>	<b>9,955</b>	<b>10,739</b>	<b>11,756</b>

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

	2024-11-30	2023-11-30
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>Property, plant and equipment</b>		
Buildings and land	111	116
Equipment, tools, fixture and fittings	19	24
	<b>130</b>	<b>140</b>
<b>Other non-current assets</b>		
Shares and interests	1,244	1,119
Receivables from subsidiaries	78	78
Long-term receivables	76	328
Deferred tax assets	65	70
	<b>1,463</b>	<b>1,595</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,593</b>	<b>1,735</b>
<b>CURRENT ASSETS</b>		
<b>Current receivables</b>		
Accounts receivable	-	17
Receivables from subsidiaries	26,757	29,694
Tax assets	12	899
Other receivables	62	63
Prepaid expenses	111	139
	<b>26,942</b>	<b>30,812</b>
<b>Cash and cash equivalents</b>	<b>-</b>	<b>2</b>
<b>TOTAL ASSETS</b>	<b>26,942</b>	<b>30,814</b>
<b>TOTAL ASSETS</b>	<b>28,535</b>	<b>32,549</b>

	2024-11-30	2023-11-30
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Restricted equity</b>		
Share capital	207	207
Restricted reserves	88	88
	<b>295</b>	<b>295</b>
<b>Non-restricted equity</b>		
Retained earnings	2,729	4,309
Profit for the year	10,739	11,756
	<b>13,468</b>	<b>16,065</b>
<b>TOTAL EQUITY</b>	<b>13,763</b>	<b>16,360</b>
<b>UNTAXED RESERVES</b>	<b>17</b>	<b>17</b>
<b>LIABILITIES</b>		
<b>Long-term liabilities</b>		
Provisions for pensions *	128	123
Liabilities to credit institutions*	13,048	13,072
	<b>13,176</b>	<b>13,195</b>
<b>Short-term liabilities</b>		
Accounts payable	6	8
Liabilities to subsidiaries	1,288	-
Tax liabilities	-	-
Liabilities to credit institutions*	-	2,693
Other liabilities	95	141
Accrued expenses and prepaid income	190	135
	<b>1,579</b>	<b>2,977</b>
<b>TOTAL LIABILITIES</b>	<b>14,772</b>	<b>16,189</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,535</b>	<b>32,549</b>

\* Only provisions for pensions and liabilities to credit institutions are interest-bearing.

**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 amendment to standard IAS 12 Income Taxes concerning Deferred Tax related to Assets and Liabilities arising from a Single Transaction entered into force on 1 January 2023 and affects the consolidated financial statements from the 2024 financial year onwards. The amendment means that deferred tax is reported on right-of-use assets and liabilities attributable to leases. Other than this, 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 (34) as at 30 November 2024. The fair value of the remaining shares and interests based on level 3 inputs according to IFRS 13 amounts in total to SEK 3,029 m (2,329) as at 30 November 2024, the largest investments being Klarna at SEK 964 m (548), Sheertex at SEK 573 m (619), and Instabee at SEK 188 m (168). The effect of measurement of the group's other shares and interests is reported in other comprehensive income and amounts to SEK 275 m (-350) for the fourth quarter.

Currency derivatives are measured at fair value based on level 2 inputs in the IFRS 13 hierarchy. As at 30 November 2024 forward contracts with a positive market value amount to SEK 1,224 m (1,089), reported under other current receivables. Forward contracts with a negative market value amount to SEK 665 m (1,205), which is recognised in other current liabilities.

In hedge accounting, derivatives are classified as cash flow hedges or as fair value hedges. As at 30 November 2024 the nominal amount of outstanding interest rate swaps was SEK 0 m (5,679).

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 200 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)**

	FULL-YEAR 2024	FULL-YEAR 2023
<b>Asia and Oceania</b>		
External net sales	28,619	29,941
Operating profit	697	890
<i>Operating margin, %</i>	<i>2.4</i>	<i>3.0</i>
Assets excluding tax receivables	11,006	10,973
Liabilities excluding tax liabilities	3,620	3,488
Investments in intangible and tangible fixed assets	677	486
Depreciation, amortisation and write-downs	850	1,092
<b>Europe and Africa*</b>		
External net sales	154,060	152,308
Operating profit	5,897	4,283
<i>Operating margin, %</i>	<i>3.8</i>	<i>2.8</i>
Assets excluding tax receivables	28,959	24,863
Liabilities excluding tax liabilities	20,005	18,654
Investments in intangible and tangible fixed assets	4,134	2,708
Skulder, exklusive skatteskulder	2,949	3,332
<b>North and South America</b>		
External net sales	51,799	53,786
Operating profit	2,045	2,224
<i>Operating margin, %</i>	<i>3.9</i>	<i>4.1</i>
Assets excluding tax receivables	18,750	19,255
Liabilities excluding tax liabilities	8,056	8,574
Investments in intangible and tangible fixed assets	2,186	1,740
Depreciation, amortisation and write-downs	2,048	2,429
<b>Group Functions</b>		
Net sales to other segments	79,071	79,667
Operating profit	8,667	7,140
<i>Operating margin, %</i>	<i>11.0</i>	<i>9.0</i>
Assets excluding tax receivables	113,279	116,645
Liabilities excluding tax liabilities	97,821	99,163
Investments in intangible and tangible fixed assets	4,540	4,030
Depreciation, amortisation and write-downs	16,405	16,102
<b>Eliminations</b>		
Net sales to other segments	-79,071	-79,667
<b>Total</b>		
External net sales	234,478	236,035
Operating profit	17,306	14,537
<i>Operating margin, %</i>	<i>7.4</i>	<i>6.2</i>
Net financial items	-1,863	-1,527
Profit after financial items	15,443	13,010
Assets excluding tax receivables	171,994	171,736
Liabilities excluding tax liabilities	129,503	129,879
Investments in intangible and tangible fixed assets	11,537	8,964
Depreciation, amortisation and write-downs	22,252	22,955

\* South Africa

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

	Q4 2024	Q4 2023	FULL-YEAR 2024	FULL-YEAR 2023
<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	244	246	965	935
Selling expenses	1,766	1,881	7,236	7,742
Administrative expenses	95	107	383	438
<b>Total</b>	<b>2,105</b>	<b>2,234</b>	<b>8,584</b>	<b>9,115</b>
<b>Right-of-use assets</b>				
Cost of goods sold	294	300	1,262	1,107
Selling expenses	2,868	2,885	11,322	11,552
Administrative expenses	126	104	430	411
<b>Total</b>	<b>3,288</b>	<b>3,289</b>	<b>13,014</b>	<b>13,070</b>
<b>TOTAL DEPRECIATIONS AND AMORTISATIONS</b>	<b>5,393</b>	<b>5,523</b>	<b>21,598</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	54	61*	80	69
Selling expenses	246	399*	266	605
Administrative expenses	6	-55*	20	21
<b>Total</b>	<b>306</b>	<b>405</b>	<b>366</b>	<b>695</b>
<b>Right-of-use assets</b>				
Cost of goods sold	-	-	-	-
Selling expenses	275	303	288	74
Administrative expenses	-	-	-	-
<b>Total</b>	<b>275</b>	<b>303</b>	<b>288</b>	<b>74</b>
<b>TOTAL WRITE-DOWNS AND LOSSES AT DISPOSALS</b>	<b>581</b>	<b>708</b>	<b>654</b>	<b>770</b>
<b>TOTAL DEPRECIATIONS, AMORTISATIONS, WRITE-DOWNS AND LOSSES AT DISPOSALS</b>	<b>5,974</b>	<b>6,231</b>	<b>22,252</b>	<b>22,955</b>

\* Reclassification between administrative expenses, cost of goods sold and selling expenses.

**NOTE 5. RESTATED FIGURES ATTRIBUTABLE TO AMENDMENTS TO IAS 12**

Equity as at 1 December 2022 and profit for the year 2023 have been adjusted as a consequence of the retrospective restatement of deferred tax relating to right-of-use assets and lease liabilities arising from the entry into force of the amendment to IAS 12 Income Taxes concerning Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The change in Q4 2023 corresponds to the change in full-year 2023. In the Five year summary the years 2020–2022 have not been restated.

For the financial year 2023 the following values have been adjusted accordingly:

<b>GROUP INCOME STATEMENT AND BALANCE SHEET</b>	<b>NEW RESTATED VALUE 2023 SEK m</b>	<b>REPORTED VALUE 2023 SEK m</b>	<b>CHANGE SEK m</b>
Tax	-4,294	-4,287	-7
Profit after tax/profit for the period	8,716	8,723	-7
Total comprehensive income	8,426	8,433	-7
Profit for the period attributable to the shareholders of H & M Hennes & Mauritz AB	8,745	8,752	-7
Retained earnings	41,107	41,198	-91
Deferred tax liabilities	2,507	2,416	91
Total equity	47,510	47,601	-91
Earnings per share, SEK	5.37	5.35	0.02

<b>KEY FINANCIAL RATIOS</b>	<b>NEW RESTATED VALUE 2023 SEK m</b>	<b>REPORTED VALUE 2023 SEK m</b>
Equity per share, SEK	29.28	29.34
Return on equity, %	17.8	17.7
Return on capital employed, %	12.1	12.1
Share of risk-bearing capital, %	27.6	27.6
Equity-asset ratio, %	26.2	26.3
The group's tax rate, %	35.7	35.6

**NOTE 6. EVENTS AFTER THE CLOSING DATE**

There have been no significant events after the closing date that effects the financial reporting.



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