

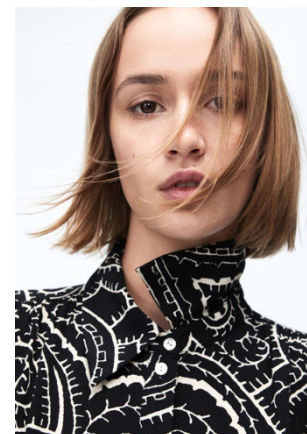
Full-year report

Full-year (1 December 2022 – 30 November 2023)

- The H&M group's net sales in SEK increased by 6 percent in the 2023 financial year to SEK 236,035 m (223,553). Excluding Russia and Belarus the increase was 8 percent in SEK and 1 percent in local currencies.
- Sales for Portfolio brands in the financial year increased by 15 percent in SEK and by 9 percent in local currencies.
- Gross profit increased by 7 percent to SEK 120,896 m (113,370). This corresponds to a gross margin of 51.2 percent (50.7).
- Operating profit including allocation to the H&M Incentive program (HIP) increased to SEK 14,537 m (7,169), corresponding to an operating margin of 6.2 percent (3.2). Operating profit amounted to SEK 14,714 m (7,169) excluding allocation to HIP. This corresponds to an operating margin of 6.2 percent (3.2).
- The result after tax increased by 145 percent to SEK 8,723 m (3,566), corresponding to SEK 5.35 (2.16) per share.
- Cash flow from operating activities increased by 37 percent to SEK 33,949 m (24,745).
- Financial net cash amounted to SEK 9,316 m (10,929). Cash and cash equivalents plus undrawn credit facilities were SEK 44,570 m (39,176).
- The year's increase in profit means that SEK 177 m (0) has been allocated to HIP, which is for all employees.

Fourth quarter (1 September 2023 – 30 November 2023)

- The H&M group's net sales amounted to SEK 62,650 m (62,433). Excluding Russia and Belarus the increase was 3 percent in SEK and decreased by 1 percent in local currencies.
- Gross profit increased by 8 percent to SEK 33,657 m (31,104). This corresponds to a gross margin of 53.7 percent (49.8).
- Operating profit amounted to SEK 4,509 m (821), excluding allocation to HIP. This corresponds to an operating margin of 7.2 percent (1.3). Operating profit including allocation to HIP increased to SEK 4,332 m (821). This corresponds to an operating margin of 6.9 percent (1.3).
- The result after tax increased to SEK 1,576 m (-864), corresponding to SEK 0.97 (-0.53) per share.
- Currency adjusted the stock-in-trade decreased by 13 percent compared with the previous year. Converted into Swedish kronor the stock-in-trade decreased by 12 percent to SEK 37,358 m (42,495).
- In the fourth quarter cash flow from operating activities improved by 41 percent to SEK 9,207 m (6,524).



H&M

Cash flow from operating activities

SEK 9,207 m

+41%

Fourth quarter 2023

Stock-in-trade in SEK in relation to sales, rolling 12-months

15.8%

The result after tax

+145%

Full-year 2023

- The H&M group's sales decreased by 4 percent in local currencies in the period 1 December 2023 – 29 January 2024 compared with the same period the previous year.
- CapEx in comparable currency is planned to amount to SEK 11-12 billion (9,0) for 2024, corresponding to an increase of up to around 30 percent compared with 2023.
- The board of directors is proposing to the 2024 annual general meeting that an unchanged ordinary dividend of SEK 6.50 per share 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.

"Operating profit has been positively impacted by a stronger gross margin, the cost and efficiency programme, and good cost control. The H&M group is taking important steps towards the company's ambitious climate goals. Preliminary results indicate that greenhouse gas emissions decreased by more than 20 percent in 2023 compared with the 2019 baseline," says Helena Helmersson, CEO.*

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

Comments by Helena Helmersson, CEO

In 2023 we took important steps towards our long-term goals. Our improvement work in the supply chain and continued normalisation of the external factors that influence purchasing costs resulted in a stronger gross margin. A focus on cost control, profitability and increased inventory productivity also contributed to improved cash flow that is financing increased reinvestments in the business. For many consumers the year was marked by lower purchasing power because of high inflation and high interest rates. Despite this, our net sales in comparable markets increased in relation to 2022. The fourth quarter started with unusually hot weather in several of our important European markets. From mid-October sales recovered as more normal autumn weather returned, with well-received collections.

The H&M group's brands are well positioned for continued growth, and we are making progress in all our growth areas:

H&M. Our top priority is H&M, where our focus is on further enhancing the customer experience and the customer offering. Our customers are gaining access to a broader and more relevant assortment in stores and online thanks to our investments in areas such as tech and AI, which support our continued work on greater precision and shorter response times. Simultaneously we are continuing to integrate the two channels for a convenient customer experience with better product availability. In 2024 we are stepping up the pace of investment in our existing stores to provide an even more inspiring experience, while at the same time securing our store portfolio for continued profitability and growth.

Portfolio brands – COS, Monki, Weekday, & Other Stories and Arket – continue to develop well. Sales at COS, Arket and Weekday have developed particularly strongly over the year, and these brands are contributing more and more to the group's profitability development.

New growth and ventures. We are creating new revenue streams through a variety of strategic partnerships and new circular business models, and we see great potential in the companies that we invest in. One example is Sellypy, which is growing rapidly in 24 European markets as demand for second-hand fashion continues to increase. Our investments in innovation also mean we are taking important steps on our journey towards circularity. Through greater use of recycled and more sustainably produced materials we are moving closer to our long-term sustainability goals.

Our climate goals are set high, and preliminary results show that we reduced greenhouse gas emissions by more than 20 percent compared with our 2019 baseline*. This takes us even closer to our science-based targets, which are some of the most ambitious in our industry.

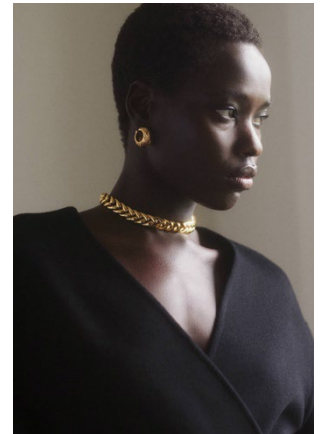
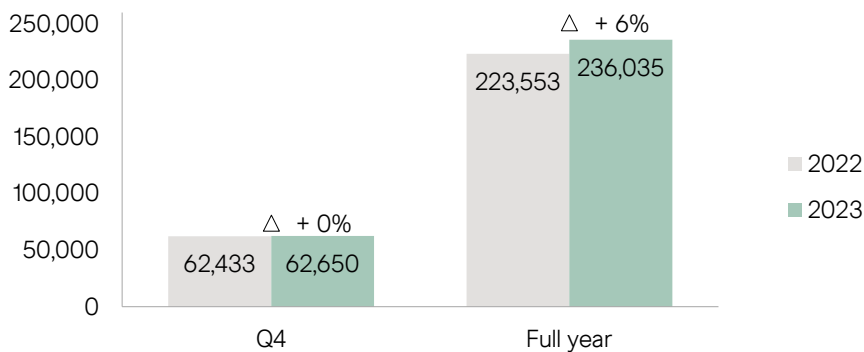
The H&M group stands strong with a robust financial position, strong cash flow and improved profitability. With our continued customer focus, committed colleagues and faster pace of investment we see good conditions for continued profitable and sustainable growth in 2024.

** For own operations (scope 1 & 2) and for the rest of our value chain (scope 3) and excluding use of sold products.*



Sales

SEK m



COS

The H&M group's net sales in the fourth quarter were flat compared with the corresponding quarter the previous year and amounted to SEK 62,650 m (62,433). Excluding Russia and Belarus the increase was 3 percent in SEK and decreased by 1 percent in local currencies. In total, the H&M group's net sales decreased by 4 percent in local currencies compared with the corresponding quarter last year.

For the financial year net sales increased by 6 percent to SEK 236,035 m (223,553). In local currencies the decrease was 1 percent. Excluding Russia and Belarus the increase was 8 percent in SEK and 1 percent in local currencies.

Around 30 percent of sales are online.

Net sales for Portfolio brands in the fourth quarter increased by 11 percent in SEK and by 6 percent in local currencies. For the financial year the increase was 15 percent in SEK and 9 percent in local currencies.

Sales per region, full-year

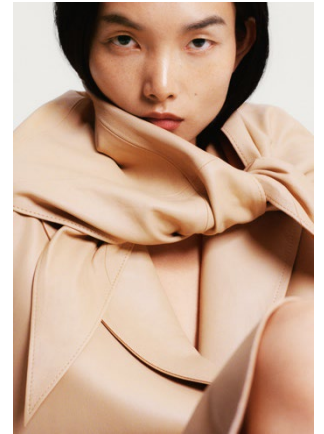
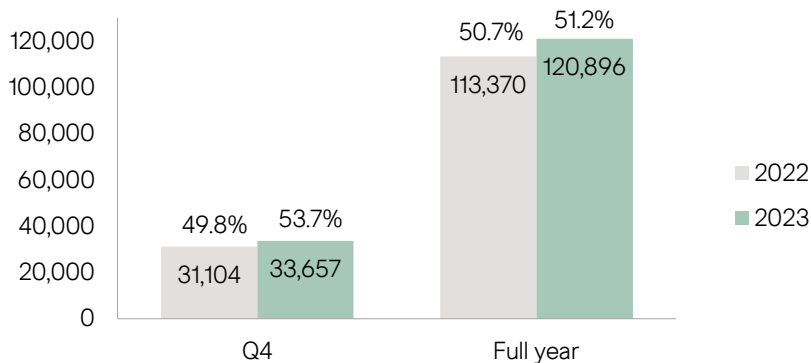
	SEK m		SEK	LCY	New stores		30 Nov - 23	30 Nov - 22
	2023	2022			(net)	Number of stores		
			Change in %		2023	30 Nov - 23	30 Nov - 22	
The Nordics	21,307	20,128	6	4	-10	389	399	
Western Europe	79,049	71,452	11	2	-28	1,051	1,079	
Eastern Europe	19,633	21,991	-11	-19	-6	475	481	
Southern Europe	31,186	28,611	9	5	-15	608	623	
North & South America	53,785	50,990	5	-2	5	745	740	
Asia, Oceania & Africa	31,075	30,381	2	0	-42	1,101	1,143	
Total	236,035	223,553	6	-1	-96	4,369	4,465	

Excluding Russia, Belarus and Ukraine, sales in eastern Europe had an increase for the full-year 2023 of 15 percent in SEK and 5 percent in local currencies. Sales were temporarily resumed in Russia from August until November 2022. Development in eastern Europe should be seen in light of the fact that the H&M group's operations in Russia and Belarus have been fully wound down since 30 November 2022. Operations in Ukraine were paused from the end of February 2022 and 7 stores in the country were reopened during November 2023.

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.

SEK m



ARKET

Gross profit increased by 8 percent to SEK 33,657 m (31,104) for the fourth quarter, corresponding to a gross margin of 53.7 percent (49.8).

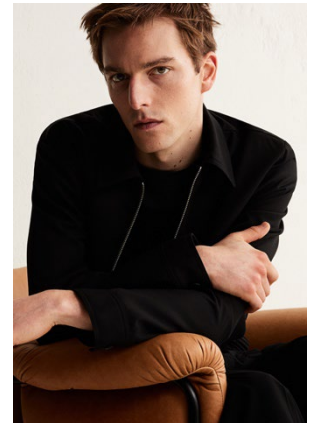
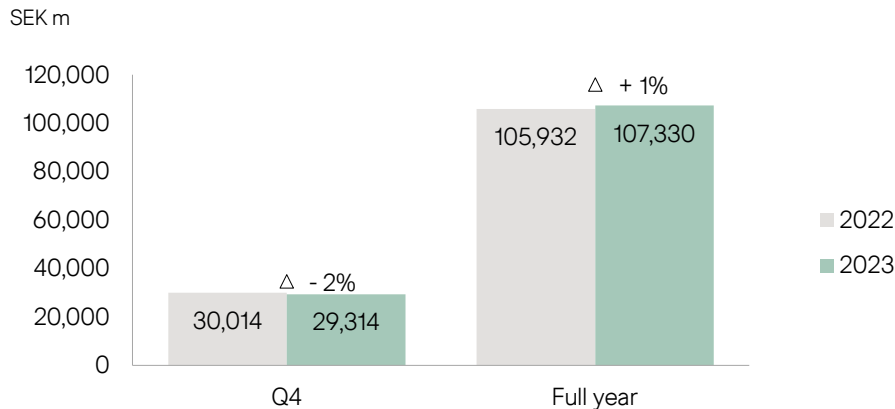
For the financial year gross profit increased by 7 percent to SEK 120,896 m (113,370). This corresponds to a gross margin of 51.2 percent (50.7).

The improvement work in the supply chain, the cost and efficiency programme and continued normalisation of the external factors that influence purchasing costs resulted in a stronger gross margin in 2023.

The cost of markdowns in relation to sales in the fourth quarter was flat compared with the corresponding quarter the previous year.

For the goods that will be sold in the first quarter of 2024, the overall effect of external factors is expected to be positive compared with the previous year.

Selling and administrative expenses



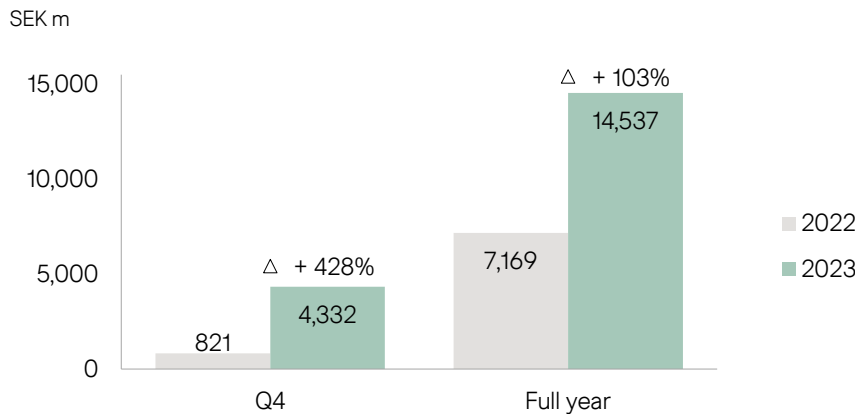
H&M

Selling and administrative expenses decreased in the fourth quarter by 2 percent to SEK 29,314 m (30,014). In local currencies these expenses decreased by 6 percent.

For the full year, selling and administrative expenses amounted to SEK 107,330 m (105,932). In local currencies these expenses decreased by 4 percent compared with the same period the previous year.

This development is made possible by good operational cost control combined with the cost and efficiency programme that was initiated during the fourth quarter 2022. The programme's actions had already started to have an effect in the second and third quarters of 2023. In the fourth quarter further parts of the cost and efficiency programme were implemented and the programme will be completed during 2024. The programme is expected to result in annual savings of around SEK 2 billion once fully implemented.

Operating profit and operating margin



Operating profit in the fourth quarter amounted to SEK 4,509 m (821), excluding allocation to HIP, corresponding to an operating margin of 7.2 percent (1.3). Operating profit including allocations to HIP amounted to SEK 4,332 m (821), corresponding to an operating margin of 6.9 percent (1.3). The strong gross margin, the cost and efficiency programme, and good operational cost control all had a positive impact on operating profit.

One-time costs of SEK 836 m were charged to the fourth quarter the previous year for the cost and efficiency programme.

Operating profit for the full year including allocation to HIP increased to SEK 14,537 m (7,169), corresponding to an operating margin of 6.2 percent (3.2). Operating profit amounted to SEK 14,714 m (7,169), excluding allocation to HIP. This corresponds to an operating margin of 6.2 percent (3.2).

In 2022 results for the full year were impacted by one-time costs of SEK 2,591 m for winding down the Russian operations and for the cost and efficiency programme.

The result from investments in associated companies and joint ventures amounts to SEK 971 m (-269) for the full year and primarily refers to the remeasurement during the first quarter of the former associated company Sellpy.

Income statement including and excluding IFRS 16 effects

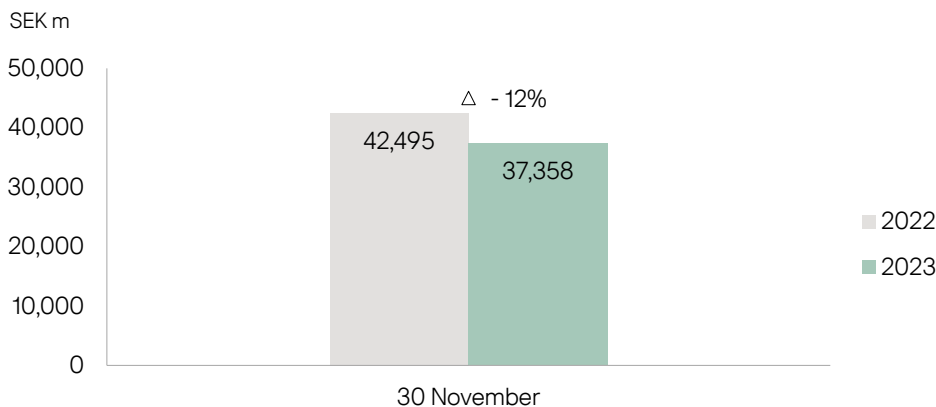
	Q4 2023	Q4 2022	Full year 2023	Full year 2022
SEK m				
Net sales	62,650	62,433	236,035	223,553
Gross profit	33,657	31,104	120,896	113,370
Gross profit excl. IFRS 16	33,589	31,069	120,738	113,281
Operating profit	4,332	821	14,537	7,169
<i>Operating margin, %</i>	<i>6.9</i>	<i>1.3</i>	<i>6.2</i>	<i>3.2</i>
Operating profit excl. IFRS 16	4,204	680	13,043	6,263
<i>Operating margin, %, excl. IFRS 16</i>	<i>6.7</i>	<i>1.1</i>	<i>5.5</i>	<i>2.8</i>
Net financial items	-416	-358	-1,527	-953
Net financial items, excl. IFRS 16	72	-52	217	-81
Profit after financial items	3,916	463	13,010	6,216
Profit after financial items, excl. IFRS 16	4,276	628	13,260	6,182
Profit for the period	1,576	-864	8,723	3,566
Profit for the period, excl. IFRS 16	1,850	-738	8,913	3,539
Depreciation & amortisation / write-downs	6,230	5,791	22,955	22,579
Depreciation & amortisation / write-downs, excl. IFRS 16	2,666	2,634	9,838	10,474



MONKL

For definitions of alternative performance measures, see the second to last page of the report.

Stock-in-trade



Currency adjusted the stock-in-trade decreased by 13 percent compared with the previous year. Converted into SEK the stock-in-trade decreased by 12 percent to SEK 37,358 m (42,495).

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

The stock-in-trade in SEK represented 15.8 percent (19.0) 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 continued improvement of the stock-in-trade situation.

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. In 2024 the company is stepping up the pace of investment in existing stores to provide an even more inspiring experience while also securing our store portfolio for continued profitability and growth.

Albania became a new store market for H&M in 2023. In the first half of the year H&M opened online in Ecuador and Vietnam, as well as beginning a collaboration with Superbalist.com in South Africa. H&M was launched on two new marketplaces: JD.com and, via franchise, on Namshi.com.

Arket opened a first store in Estonia and in Switzerland during the financial year, while in December the first store in Riga, Latvia also opened. Mexico became a new store market for COS when it opened its first flagship store, and & Other Stories opened its first store in Switzerland. Both & Other Stories and COS opened on Iconic.com in Australia and New Zealand during the year. At the same time, Monki expanded its presence on Zalora.com by adding a further market when it launched in Hong Kong.

In 2024 Arket will open a first store in Spain, Italy and Poland respectively.

The H&M group is continuing to renegotiate a large number of leases, which also involves rebuilds, adjustment of the number of stores and of store space to ensure it has the best store portfolio in each market. The H&M group's contracts allow around a third of leases to be renegotiated or exited each year. The store portfolio has reached a level of fewer closures going forward while at the same time new stores will be opened. For 2024 the plan is to open around 100 new stores and close around 160 stores, making a net decrease of around 60 stores. These portfolio changes will start to make a positive contribution to the H&M group's sales. Most of the openings will be in growth markets, while the closures will mainly be in established markets.



WEEKDAY

Store count and markets by brand

As at 30 November 2023 the H&M group had 4,369 (4,465) stores, i.e. the total number of stores has decreased by 96 compared with the same point in time the previous year. During the financial year 101 (91) new stores have opened and 197 (427) stores have closed. A total of 282 (288) of the group's stores are operated by franchise partners.

Brand	New Stores 2023 (net)		Total No of stores		No. of markets	
	Q4	Full year	30 Nov - 2023	30 Nov - 2022	Store	Online
					30 Nov - 2023	
H&M	-3	-75	3,872	3,947	77	60
COS	-3	-14	245	259	47	38
Monki	-5	-14	64	78	15	29
Weekday	0	-1	53	54	14	29
& Other Stories	2	1	72	71	25	32
ARKET	3	5	30	25	14	31
Afound	0	0	0	0	0	7
H&M HOME*	0	2	33	31	57	42
Sellpy	0	0	0	0	0	24
Total	-6	-96	4,369	4,465		

* Concept stores. H&M HOME is also available through shop-in-shop in 433 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.

Tax

The group's tax rate for the financial year 2023 was 35.6 percent (42.6). 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 relatively high tax rate for full-year 2023 is mainly due to tax expense relating to previous years.

The H&M group's tax rate for the financial year 2024 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.

Employees

To stay successful and competitive, the H&M group creates customer value by having a clear direction, adapting to a constantly changing world and acting fast. The company's continuous development includes advancing digitalisation, utilising new technologies, secure right competence, simplifying the organisational structure and establishing more efficient ways of working.

The average number of employees in the group as at 30 November 2023, converted into full-time positions, was 101,103 (106,522), of which 10,281 (10,447) were employed in Sweden.

Current quarter

Sales during the period 1 December 2023 – 29 January 2024 decreased by 4 percent in local currencies compared with the same period last year.

The cost of markdowns in relation to sales in the first quarter is estimated to increase by 1 percentage point compared with the corresponding quarter the previous year since the late arrival of normal autumn weather in the fourth quarter left a relatively brief window of time in which to sell the autumn assortment. High inventory productivity and an attractive customer offering remain priority areas.

The company monitors developments in the Red Sea day by day and act to minimise impact on the company's product availability, freight costs and stock levels.



R. OTTEW STOTTIS

Financing and liquidity

The H&M group aims to secure financial flexibility and freedom of action on the best possible terms. As previously, the efforts focus on continued improvements in working capital, cash flow and more efficient financing.

Cash flow and working capital

Cash flow from operating activities for the full year increased by 37 percent to SEK 33,949 m (24,745). Operating working capital amounted to SEK 19,632 m (24,419).

In the fourth quarter cash flow was significantly improved compared with the previous year. Good earnings development combined with the release of working capital as a result of improved inventory efficiency contributed to the development. In the fourth quarter cash flow from operating activities improved by 41 percent to SEK 9,207 m (6,524).

SEK m	30 Nov - 2023	30 Nov - 2022
Accounts receivable	3,301	3,014
Stock-in-trade	37,358	42,495
Accounts payable	-21,027	-21,090
Operating working capital	19,632	24,419



& other stories

Liquidity and debt financing

The H&M group's liquidity remains very good. As at 30 November 2023 cash and cash equivalents amounted to SEK 26,398 m (21,707). In addition, the group has undrawn credit facilities of SEK 18,172 m (17,469). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 44,570 m (39,176).

Financial net cash amounted to SEK 9,316 m (10,929). Net debt including provisions for pensions and lease liabilities amounted to SEK 51,951 m (51,261). Net debt in relation to EBITDA amounted to 1.4 (1.7) including IFRS 16. Until this quarter the H&M group has calculated net debt in relation to EBITDA excluding IFRS 16 effects. After consideration the H&M group has decided to include IFRS 16 effects in the calculation; see more information under Target capital structure – update.

Interest-bearing liabilities in the form of commercial papers, bonds and loans from credit institutions amounted to SEK 17,082 m (10,778). The average maturity of interest-bearing liabilities was 5.1 (4.3) years.

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities as at 30 November 2023 is given in the table below. Lease liabilities are not included.

Year	Commercial papers	Bonds (EMTN)	Loans from credit institutions	Unused credit facilities
2023	-	-	2,272	-
2024	625	-	339	-
2025	-	-	-	-
2026	-	-	2,000	3,407
2027	-	-	-	-
2028	-	-	260	14,765
2029	-	5,679	-	-
2030	-	-	-	-
2031	-	5,907	-	-
Total SEK m	625	11,586	4,871	18,172

With a view to improving the maturity structure of the group's interest-bearing liabilities and to support financing of projects within circularity and climate, the H&M group issued its first green bond in October. The EUR 500 million bond has a term of 8 years and generated great interest among a broad international base of institutional investors, being more than 3.5 times oversubscribed. At the time the bond was issued, the H&M group entered into an interest rate swap that converts the bond's fixed interest rate to a variable rate.

Share buybacks

The board of directors decided to utilise the authorisation granted by the 2023 annual general meeting and in September 2023 began a SEK 3 billion share buyback programme. As at 30 November 2023 a total of 7,138,790 B shares in H&M had been repurchased for a sum of SEK 1,123 million and the programme is expected to continue until latest 31 March 2024. It is intended that the shares repurchased will be cancelled through a resolution at the 2024 annual general meeting.

Target capital structure – update

The H&M group has decided to make two updates to its target capital structure
Net debt/EBITDA:

- **Include IFRS 16 effects:** The H&M group has previously defined the capital structure exclusive of lease liabilities, interest expense on lease liabilities, and depreciation of right-of-use assets arising from IFRS 16. After consideration the H&M group has decided to update the target capital structure by including these IFRS 16 effects in the definition of the target capital structure measure Net debt/EBITDA. Including IFRS 16 effects simplifies communication with internal and external stakeholders concerning debt and capital structure. From now on it will be possible to derive the key performance indicators directly from the financial reporting in the H&M group's income statement and balance sheet.
- **Defined target range:** The H&M group has decided to define the target capital structure as a range to be managed within instead of having a ceiling that should not be exceeded, as previously. The target capital structure remains one of the most important targets for decisions on capital allocation, and the updated range is intended to further clarify the H&M group's views on debt and capital structure. The updated range is 1.0–2.0 x EBITDA over time including IFRS 16 effects, and the H&M group's capital structure has remained within this range in recent years.

The H&M group's financial risk profile does not change as a result of these updates.

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 2023 Net debt/EBITDA including IFRS 16 effects was 1.4 (1.7) with a financial net cash of SEK 9,316 m (10,929).

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 2024 annual general meeting that a dividend of SEK 6.50 per share (6.50) is paid. The dividend will be paid in cash, split into two instalments. The first payment of SEK 3.25 will be made in May and the second payment of SEK 3.25 will be made in November. The board's proposed record dates are 7 May 2024 and 8 November 2024. If the annual general meeting approves the board's proposal, the dividend is expected to be paid out on 13 May 2024 and 13 November 2024.

Proposed authorisation to allow share buybacks

As part of creating further flexibility with regard to the group's capital structure, the board of directors will ask the 2024 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 2025 annual general meeting. This general authorisation is one of the tools for the board to use if surplus liquidity is identified. If the annual general meeting authorises the board and the board chooses to utilise this authority, amounts and other details will be communicated.

Annual general meeting 2024

The 2024 annual general meeting will be held on Friday 3 May 2024 at 15:00 CET in the Erling Persson Hall, Aula Medica, Karolinska Institutet in Solna.

Annual and sustainability report 2023

The annual and sustainability report and the corporate governance report are expected to be published on 28 March 2024 on hmgroup.com and will be sent out by post to shareholders that have so requested. The documents will also be available at the company's head office.

Targets

The H&M group's goal is that by 2030 at latest it will double sales while at the same time halving its carbon footprint. The baseline for the sales goal is 2021, while the baseline for reducing the carbon footprint is 2019.

In 2023 we have taken important steps towards our long-term goals. Profitability is to exceed 10 percent over time and the ambition is still to achieve this for full-year 2024. Profitability refers to operating profit in relation to sales.

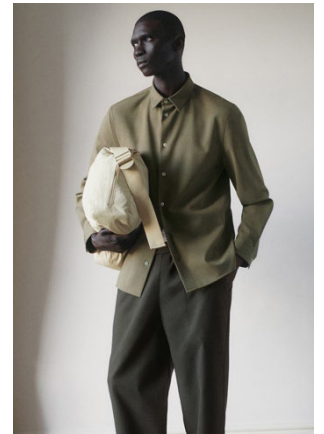
The H&M group's target to increase sales by 10–15 percent per year with continued high profitability remains a long-term target.

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 accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the annual and sustainability report and consolidated financial statements for 2022. No new or revised IFRS standards or interpretations applied from 1 December 2022 have had any significant impact on the consolidated financial statements. The H&M group



COS

applies the exception to the accounting for deferred taxes arising from the Pillar II model rules in IAS 12 Income Taxes.

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 2022 financial year.

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 21 in the annual and sustainability report for 2022. Principles for hedging at fair value are explained below.

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, and the fair value amounts to SEK 34 m (242) as at 30 November 2023. Measurement of the remaining shares and interests is based in the first instance on prices from previous transactions (corresponding to level 3 in IFRS 13). The price from the latest financing round or transaction is deemed to represent the fair value of the investments since the transactions were between independent parties. The fair value based on previous transactions is kept unchanged for a period of up to 12 months unless there is a reason for remeasurement due to significant changes in external market factors or company-specific factors. When the most recent transaction in any holding exceeds 12 months, or when there is cause for a revaluation due to material changes in external market factors or company-specific factors, the financial asset is measured through either:

applying relevant valuation multiples from similar companies to the holding's key ratios, similar transactions in the industry, or the discounted cash flow method (DCF) where there is significant company specific data to make such an assessment;

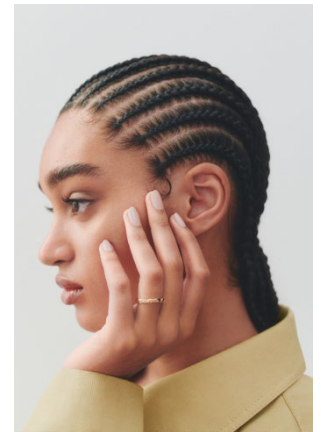
in certain early-stage holdings, where there is no significant revenue or sufficient financial data to base the valuation on, the fair value measurement is instead determined based on an assessment of the latest transaction price and a milestone approach where developments in the company is evaluated against budget or similar companies, at a similar stage, with a similar risk-profile and transactions in such companies.

As at 30 November 2023 shares and interests have been measured at fair value using the price from the latest financing round at SEK 2,043 m (2,412), based on sales multiples ranging from 0.7 to 6.8 from comparable companies at SEK 257 m (0), and using discounted cash flow with the market interest rate at SEK 29 m (0). A change of 10 percent in the multiples would impact the investments by SEK 25.7 m (0). The fair value of the remaining shares and interests based on level 3 inputs according to IFRS 13 amounts in total to SEK 2,329 m (2,412) as at 30 November 2023, the largest investments being Sheertex at SEK 619 m (526), Klarna at SEK 548 m (456) and Infinited Fiber Company at SEK 201 m (10). The effect of measurement of the group's other shares and interests is reported in other comprehensive income and amounts to SEK -350 m (103) 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 2023 forward contracts with a positive market value amount to SEK 1,089 m (681), reported under other current receivables. Forward contracts with a negative market value amount to SEK 1,205 m (1,365), which is recognised in other current liabilities.

In hedge accounting, derivatives are classified as cash flow hedges or as fair value hedges. In 2022 only cash flow hedges and hedging of net investments in foreign operations occurred. In 2023 an interest rate swap was added (fair value hedging).

As at 30 November 2023 the nominal amount of outstanding interest rate swaps was SEK 5,679 m (0). The interest rate swaps are reported as fair value hedges through profit or loss. Changes in the fair value of the swaps are reported in the income statement together with changes in the fair value of the hedged liability to which the hedged risk relates. Measurement is based on forward interest rates using observable interest rate curves and discounting of contractual cash flows (corresponding to level 2).



H&M

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 1,100 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.

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, pandemics, 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.

Information concerning exposure to Russia, Belarus and Ukraine

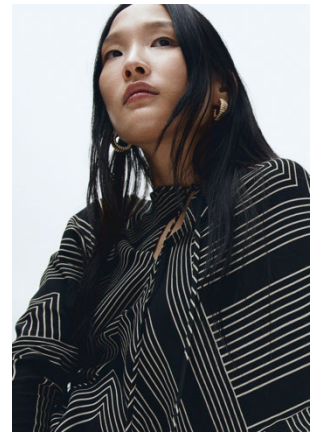
On 24 February 2022 the H&M group paused sales in Ukraine as a consequence of Russia's invasion.

On 2 March 2022 all sales in Russia and Belarus were also paused. On 18 July 2022 the H&M group announced that it had decided to begin winding down the business in Russia in a responsible manner. Sales were temporarily resumed in August until November 2022. By 30 November 2022 all of the H&M group's 172 stores in Russia had been permanently closed. The business in Belarus, where there were three stores, had also been wound down at this date.

In the fourth quarter 2023 cash flow was not impacted by the winding down of the business and cumulative payments in 2023 amounted to around SEK 1.0 billion.

The one-time costs for Russia charged to the full-year result for 2022 amounted to SEK 1,751 m.

In November 2023 the company began the process of reopening its stores in Ukraine. As at 30 November 2023 7 stores were open in this market. The company continues to monitor developments in Ukraine closely, and the safety of colleagues and customers will always be the first and foremost priority.

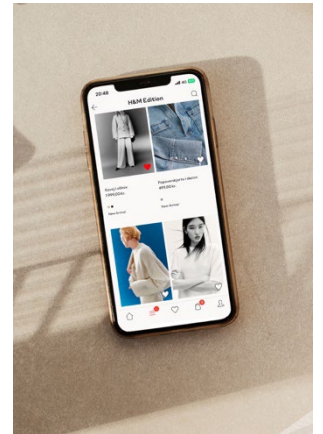


H&M

Initiatives for an improved customer experience

Customer behaviour is changing rapidly, and the H&M group works continually on improvements in order to offer customers the best possible experience. Here are some examples of ongoing initiatives:

- **H&M's customer membership programme.** Members receive personal fashion offers and services for an inspirational and more convenient shopping experience. Other benefits include rewards for bringing in clothes for H&M's garment collecting, attending exclusive events and receiving other offers.
- **More payment options.** H&M members can pay now or later through the H&M app, whether shopping in store or online.
- **Digital receipts** are offered to customers in the H&M app so they can keep track of their receipts in one place and refer to their past purchases easily and accessibly. Available in most markets.
- **Visual search.** Image recognition provides recommendations and suggestions for styling and matching items based on pictures customers have taken and been inspired by.
- **Next day delivery and express delivery** continue to be rolled out in more markets.
- **Preferred delivery options.** In some selected markets, customers can opt to receive and return items using a bicycle delivery service. Combined with using biogas vehicles from the logistics centre to the bicycle delivery service, this reduces greenhouse gas emissions compared to conventional delivery options. Other preferred delivery options are offered in different markets, and they continue to be rolled out.
- **Find in store.** On seeing an item online, customers can use their mobile to find it quickly and easily in the size they want in physical stores, as well as online.
- **Scan & buy.** Customers can scan the QR code on a product in store to find and buy the item online in the size and colour they want.
- **Click & collect** allows customers to pick up online purchases in store.
- **Online returns in store** allows customers to return online purchases to physical stores without any charges.
- **Rate & review** allows customers to rate and review their purchases.
- **RFID** (Radio Frequency Identification) is used to help customers locate items quickly and easily with real-time information on an item's availability and size options.
- **Self-service checkouts** offer customers a convenient payment alternative. Self-checkout has been much appreciated by customers and are being rolled out to more markets.
- **Instagram.** In the US, H&M customers can shop directly from Instagram posts and reels and receive notifications when H&M releases new collections.
- **Rental in store** offers customers the opportunity to rent garments. Available in selected H&M stores in the UK, the Netherlands, Sweden, Germany and Belgium.
- **Smart mirrors in fitting rooms.** Mirrors that recognise products brought inside the fitting room and offer personalised product and styling recommendations, or additional sizes and colours. Available in selected countries.
- **Buy online, pick-up in store** allows customers in the US to shop online from the assortment in a selected number of physical stores and pick up the purchase in store.
- **Digital returns.** Customers in selected markets can register their H&M returns online or through the H&M app without having to fill out paper forms in the parcel.
- **Mobile payment in stores** allow customers to checkout from anywhere in the store via a staff member's handheld device.



Product flow

The H&M group is continuing to fully integrate the channels in an omni model. An important part of this is the group's logistics systems and investments within tech and AI. Several initiatives involving new highly automated logistics centres with a focus on innovation are in progress globally. This will create additional capacity, flexibility and speed between sales channels as well as improved availability.

The new highly automated logistics centre in Ajax, Canada that opened in 2023, creates the conditions for improved efficiency and product availability in North America.

Sustainability

The H&M group's sustainability vision is to lead the change to a circular fashion industry with net zero climate impact, while being a fair and equal company. More detailed information about the group's sustainability work can be found in the Sustainability Disclosure 2022 on [hmgroup.com](https://www.hmgroup.com). Some sustainability-linked updates include:

Reduced climate impact. The H&M group is taking important steps towards the company's ambitious climate goals. Preliminary results indicate that the company reduced greenhouse gas emissions by more than 20 percent in 2023 compared with the 2019 baseline*. This applies separately for the group's own operations (scope 1 and 2) and for the rest of the group's value chain (scope 3), moving the company closer to its Science Based Targets which are some of the most ambitious in the industry.

Further decarbonisation initiatives. In partnership with DBS bank the H&M group has initiated a financing programme that allows suppliers to access green loans. This is the first of its kind and contributes to energy efficiency and the decarbonisation of the apparel sector.

Renewable electricity in Bangladesh. The H&M group is continuing to work for electrification and to increase access to renewable electricity in the supply chain. One example of this is the H&M group's pledge to invest in Bangladesh's first offshore wind project in a joint initiative with other stakeholders in the industry. The collaboration was initiated by Global Fashion Agenda (GFA) and the project will be developed in partnership with Copenhagen Infrastructure Partners (CIP). This important step accelerates the transition of Bangladesh's renewable energy market and makes a major contribution to the decarbonisation of the apparel sector as a whole.

Dow Jones Sustainability Index. For the twelfth year in a row the H&M group has been included in the Dow Jones European and World Sustainability Indexes, scoring 58/100. The company achieved best-in-class scores in several areas including human rights, climate strategy, greenhouse gas emissions and materiality analysis, receiving maximum 100 possible points for its detailed disclosures.

Textile Exchange Material Change Index. The H&M group scored second highest among 130 brands in the Textile Exchange Material Change Index 2023, an industry ranking that tracks progress towards more sustainable material sourcing.

Green bond. The H&M group issued a EUR 500 million green bond with a maturity of 8 years under its EMTN (Euro Medium Term Note) programme. The proceeds will be allocated to eligible projects in the five categories as defined in the Sustainable Finance Framework published on 1 September 2023: Circular Economy, Green Buildings, Renewable Energy, Energy Efficiency and Sustainable Water & Wastewater Management.

**Excluding indirect GHG emissions from use of sold products.*

Read more about many of the initiatives above and the group's sustainability work in the latest H&M Group Annual and Sustainability Report and at [hmgroup.com](https://www.hmgroup.com).



#MHOME

Calendar*

28 March 2024	Three-month report, 1 Dec 2023 – 29 Feb 2024
28 March 2024	Annual and Sustainability report 2023
3 May 2024	Annual general meeting at 15:00 (CEST), Erling Persson Hall, Aula Medica, Solna
27 June 2024	Six-month report, 1 Dec 2023 – 31 May 2024

* As of the first quarter 2024 the company intends to communicate sales development together with the interim report for the quarter.

Stockholm, 30 January 2024
Board of Directors

Communication in conjunction with the full-year report

The full-year report for the 2023 financial year, i.e., 1 December 2022 – 30 November 2023, will be published at 08:00 CET on 31 January 2024, followed by a press conference at 09:30 CET hosted by Helena Helmersson, Adam Karlsson and Joseph Ahlberg. The press conference for the financial market and media will be held in Swedish at H&M's head office in Stockholm, Ljussgården, Mäster Samuelsgatan 49, 3rd floor. The presentation material will be available at hmgroupp.com/investors.

A telephone conference for the financial market and media will be held in English at 14:00 CET, hosted by Helena Helmersson, Adam Karlsson and Joseph Ahlberg. For log in details for the telephone conference please register via hmgroupp.com/investors or this link: <https://app.webinar.net/JMEj3xp3XR8>

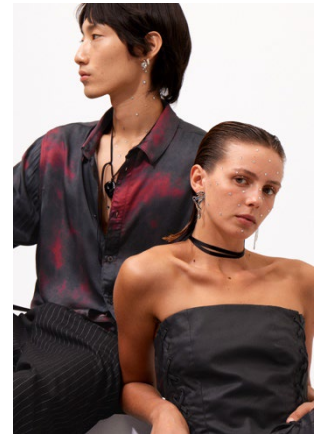
To book interviews in conjunction with the full-year report on 31 January 2024, please contact: Anna Frosch Nordin, Head of Media Relations, telephone +46 73 432 93 14, anna.froschnordin@hm.com.

Contact

Joseph Ahlberg, Head of IR +46 73 465 93 92

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For more information about the H&M group visit hmgroupp.com.



WEEKDAY

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 31 January 2024. This full-year report and other information about the H&M group are available at hmgroupp.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, ARKET and Afound as well as Sellpy. For further information, visit hmgroupp.com.

GROUP INCOME STATEMENT (SEK m)

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	62,650	62,433	236,035	223,553
Cost of goods sold*	-28,993	-31,329	-115,139	-110,183
GROSS PROFIT	33,657	31,104	120,896	113,370
<i>Gross margin, %</i>	53.7	49.8	51.2	50.7
Selling expenses	-26,304	-26,431	-96,435	-94,542
Administrative expenses*	-3,010	-3,583	-10,895	-11,390
Result from investments in associated companies and joint ventures*	-11	-269	971	-269
OPERATING PROFIT	4,332	821	14,537	7,169
<i>Operating margin, %</i>	6.9	1.3	6.2	3.2
Interest income	230	54	616	162
Interest expense and similar items	-646	-412	-2,143	-1,115
PROFIT AFTER FINANCIAL ITEMS	3,916	463	13,010	6,216
Tax	-2,340	-1,327	-4,287	-2,650
PROFIT FOR THE PERIOD	1,576	-864	8,723	3,566
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB	1,587	-864	8,752	3,566
Non-controlling interest	-11	-	-29	-
Earnings per share, SEK**	0.97	-0.53	5.35	2.16
Average number of shares outstanding, thousands**	1,627,043	1,637,462	1,629,097	1,649,847
Depreciation and amortisation / write-downs, total***	6,230	5,791	22,955	22,579
of which cost of goods sold	607	423	2,111	1,709
of which selling expenses	5,467	5,045	19,974	19,928
of which administrative expenses	156	323	870	942

* For the 2021/2022 financial year, SEK 93 m and SEK 176 m respectively have been reallocated from cost of goods sold and administrative expenses respectively to result from investments in associated companies and joint ventures. Result from investments in associated companies and joint ventures for the full year 2022/2023 relates to SEK 999 m (-176) for revaluation of associated companies of which mainly the former associated company Sellpy, and SEK -28 m (-93) in share in profits.

** Before and after dilution, excluding own shares.

*** Of which write-downs and losses at disposals in the quarter SEK 709 m (138) and for the full year SEK 770 m (1,494).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY (SEK m)

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
PROFIT FOR THE PERIOD	1,576	-864	8,723	3,566
Other comprehensive income				
<i>Items that are or may be reclassified to profit or loss</i>				
Translation differences	-1,420	-386	12	3,902
Change in hedging reserves	1,292	-263	413	-478
Tax attributable to change in hedging reserves	-266	54	-85	87
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of defined benefit pension plans	-3	-287	-41	55
Tax related to the above remeasurement	1	70	10	-9
Remeasurement of financial assets	-350	103	-599	-2,697
OTHER COMPREHENSIVE INCOME	-746	-709	-290	860
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	830	-1,573	8,433	4,426
Attributable to:				
The shareholders of H & M Hennes & Mauritz AB	841	-1,573	8,462	4,426
Non-controlling interest	-11	-	-29	-

GROUP BALANCE SHEET (SEK m)

ASSETS	30 Nov - 2023	30 Nov - 2022
NON-CURRENT ASSETS		
Intangible non-current assets		
Brands	450	-
Leasehold and similar rights	296	161
Capitalised expenditure	7,966	8,931
Goodwill	1,013	64
	9,725	9,156
Property, plant and equipment		
Buildings and land	689	697
Equipment, tools, fixture and fittings	24,553	23,734
Right-of-use assets	56,294	58,305
	81,536	82,736
Non-current financial assets		
Interests in associates	209	503
Other shares and interests	2,363	2,654
	2,572	3,157
Other non-current assets		
Long-term receivables	1,204	939
Deferred tax assets	5,707	6,537
	6,911	7,476
TOTAL NON-CURRENT ASSETS	100,744	102,525
CURRENT ASSETS		
Stock-in-trade		
	37,358	42,495
Current receivables		
Accounts receivable	3,301	3,014
Tax assets	3,830	3,212
Other receivables	5,111	4,601
Prepaid expenses	4,531	4,494
	16,773	15,321
Cash & cash equivalents	26,398	21,707
TOTAL CURRENT ASSETS	80,529	79,523
TOTAL ASSETS	181,273	182,048

GROUP BALANCE SHEET (SEK m)

EQUITY AND LIABILITIES	30 Nov - 2023	30 Nov - 2022
EQUITY		
Share capital	207	207
Reserves	6,196	5,856
Retained earnings	41,198	44,694
TOTAL EQUITY	47,601	50,757
LIABILITIES		
Long-term liabilities		
Provisions for pensions*	379	333
Other provisions***	5	242
Deferred tax liabilities	2,416	3,273
Liabilities to credit institutions*	14,084	9,643
Other non-current liabilities	132	183
Long-term leasing liabilities*	48,729	49,282
	65,745	62,956
Current liabilities		
Accounts payable	21,027	21,090
Tax liabilities	1,377	1,843
Liabilities to credit institutions**	2,998	1,135
Other provisions***	304	594
Other liabilities	7,329	6,048
Accrued expenses and prepaid income	22,733	25,050
Current leasing liabilities**	12,159	12,575
	67,927	68,335
TOTAL LIABILITIES	133,672	131,291
TOTAL EQUITY AND LIABILITIES	181,273	182,048

* Interest-bearing long-term liabilities amounts to SEK 63,192 m (59,258), excluding IFRS 16 SEK 14,463 m (9,976).

** Interest-bearing current liabilities amounts to SEK 15,157 m (13,710), excluding IFRS 16 SEK 2,998 m (1,135).

*** Relates to the cost and efficiency programme.

GROUP CHANGES IN EQUITY (SEK m)

	Attributable to the shareholders of the parent company					Non-controlling interest	Total shareholders' equity
	Share capital	Translation effects	Hedging reserves	Retained earnings	Total		
Shareholder's equity, 1 December 2022	207	6,057	-201	44,694	50,757	-	50,757
Profit for the year	-	-	-	8,752	8,752	-29	8,723
Other comprehensive income							
Translation differences	-	12	-	-	12	-	12
Change in hedging reserves	-	-	413	-	413	-	413
Tax attributable to hedging reserves	-	-	-85	-	-85	-	-85
Revaluations relating to defined benefit pension plans	-	-	-	-41	-41	-	-41
Tax attributable to the above revaluation	-	-	-	10	10	-	10
Revaluation of financial assets	-	-	-	-599	-599	-	-599
Other comprehensive income	-	12	328	-630	-290	-	-290
Total comprehensive income	-	12	328	8,122	8,462	-29	8,433
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
Shareholder's equity, 30 November 2023	207	6,069	127	41,116	47,519	82	47,601

	Attributable to the shareholders of the parent company					Non-controlling interest	Total shareholders' equity
	Share capital	Translation effects	Hedging reserves	Retained earnings	Total		
Shareholder's equity, 1 December 2021	207	2,155	190	57,466	60,018	-	60,018
Profit for the year	-	-	-	3,566	3,566	-	3,566
Other comprehensive income							
Translation differences	-	3,902	-	-	3,902	-	3,902
Change in hedging reserves	-	-	-478	-	-478	-	-478
Tax attributable to hedging reserves	-	-	87	-	87	-	87
Revaluation of defined benefit pension plans	-	-	-	55	55	-	55
Tax attributable to the above revaluation	-	-	-	-9	-9	-	-9
Revaluation of financial assets	-	-	-	-2,697	-2,697	-	-2,697
Other comprehensive income	-	3,902	-391	-2,651	860	-	860
Total comprehensive income	-	3,902	-391	915	4,426	-	4,426
Dividend	-	-	-	-10,687	-10,687	-	-10,687
Repurchase of shares	-	-	-	-3,000	-3,000	-	-3,000
Shareholder's equity, 30 November 2022	207	6,057	-201	44,694	50,757	-	50,757

GROUP CASH FLOW STATEMENT (SEK m)

	Full year 2023	Full year 2022
Operating activities		
Profit after financial items*	13,010	6,216
<i>Adjustment for non-cash items</i>		
- Provisions for pensions	5	-68
- Other provisions	-328	836
- Depreciation and amortisation / write-downs	22,955	22,579
- Other non-cash items**	-971	269
Taxes paid	-5,565	-3,499
Cash flow from operating activities before changes in working capital	29,106	26,333
Cash flow from changes in working capital		
Current receivables	-594	-452
Stock-in-trade	5,248	-3,734
Current liabilities	189	2,598
CASH FLOW FROM OPERATING ACTIVITIES	33,949	24,745
Investing activities		
Investments in leasehold and similar rights	-11	-27
Investments in other intangible assets	-967	-1,457
Investments in equipment	-7,986	-4,527
Other**	-655	-1,111
CASH FLOW FROM INVESTING ACTIVITIES	-9,619	-7,082
Financial activities		
Short-term loans	-408	680
New long-term loans	6,312	-
Amortisation of long-term loans	0	-
Amortisation lease	-12,867	-12,139
Dividend	-10,577	-10,687
Repurchase of shares	-1,075	-3,000
CASH FLOW FROM FINANCIAL ACTIVITIES	-18,615	-25,146
CASH FLOW FOR THE YEAR	5,715	-7,483
Cash and cash equivalents at beginning of the financial year	21,707	27,471
Cash flow for the year	5,715	-7,483
Exchange rate effect	-1,024	1,719
Cash and cash equivalents at end of the financial year**	26,398	21,707

* Interest paid for the group amounts to SEK 399 m (243). Interest expense related to leases amounts to SEK 1,744 m (872) for the group.

Received interest for the group amounts to SEK 616 m (162).

** For the 2021/2022 financial year, SEK 269 m has been reallocated from Other investments to Other non-cash items.

FIVE YEAR SUMMARY**Full year, 1 December - 30 November**

	2019*	2020	2021	2022	2023
Net sales, SEK m	232,755	187,031	198,967	223,553	236,035
Change net sales from previous year in SEK, %	11	-20	6	12	6
Change net sales previous year in local currencies, %	6	-18	12	6	-1
Operating profit, SEK m	17,346	3,099	15,255	7,169	14,537
Operating margin, %	7.5	1.7	7.7	3.2	6.2
Depreciation and amortisation / write-downs for the year, SEK m	11,051	25,953	22,320	22,579	22,955
Profit after financial items, SEK m	17,391	2,052	14,300	6,216	13,010
Profit after tax, SEK m	13,443	1,243	11,010	3,566	8,723
Cash and cash equivalents, SEK m	12,312	16,540	27,471	21,707	26,398
Stock-in-trade, SEK m	37,823	38,209	37,306	42,495	37,358
Equity, SEK m	57,069	54,623	60,018	50,757	47,601
Average number of shares outstanding, thousands**	1,655,072	1,655,072	1,655,072	1,649,847	1,629,097
Earnings per share, SEK**	8.12	0.75	6.65	2.16	5.35
Cash flow from operating activities per share, SEK**	17.51	15.65	26.96	15.0010	20.84
Number of shares outstanding as of the closing day, thousands**	1,655,072	1,655,072	1,655,072	1,629,687	1,622,548
Equity per share, SEK**	34.48	3300	36.26	31.15	29.34
Dividend per share excluding own shares, SEK***	9.75	-	6.50	6.50	6.50
Return on equity, %	23.3	2.2	19.2	6.4	17.7
Return on capital employed, %	23.0	3.2	11.8	5.8	12.1
Share of risk-bearing capital, %	51.0	33.6	35.4	29.7	27.6
Equity/assets ratio, %	47.4	31.3	33.4	27.9	26.3
Total number of stores	5,076	5,018	4,801	4,465	4,369
Average number of employees	126,376	110,325	107,375	106,522	101,103

* Excluding IFRS 16.

** Before and after dilution, excluding own shares.

*** Dividend which was decided and paid during the year.

For definitions and explanations of the alternative performance measures in this report, see page 147-149 in the annual and sustainability report for the 2022 financial year.

SEGMENT REPORTING (SEK m)

	2023	2022
Asia and Oceania*		
External net sales	29,941	29,385
Operating profit	890	689
Operating margin, %	3.0	2.3
Assets excluding tax receivables	10,973	13,269
Liabilities excluding tax liabilities	3,488	3,354
Investments in intangible and tangible fixed assets	486	385
Depreciation and amortisation / write-downs	1,092	1,393
Europe and Africa*, **		
External net sales	152,308	143,180
Operating profit	4,283	353
Operating margin, %	2.8	0.2
Assets excluding tax receivables	24,863	31,391
Liabilities excluding tax liabilities	18,654	16,725
Investments in intangible and tangible fixed assets	2,708	2,351
Depreciation and amortisation / write-downs	3,332	4,216
North and South America*		
External net sales	53,786	50,988
Operating profit	2,224	1,247
Operating margin, %	4.1	2.4
Assets excluding tax receivables	19,255	17,552
Liabilities excluding tax liabilities	8,574	8,887
Investments in intangible and tangible fixed assets	1,740	1,185
Depreciation and amortisation / write-downs	2,429	2,542
Group Functions		
Net sales to other segments	79,667	68,241
Operating profit	7,140	4,880
Operating margin, %	9.0	7.2
Assets excluding tax receivables	116,645	110,087
Liabilities excluding tax liabilities	99,163	97,209
Investments in intangible and tangible fixed assets*	4,030	2,090
Depreciation and amortisation / write-downs	16,102	14,428
Eliminations		
Net sales to other segments	-79,667	-68,241
Total		
External net sales	236,035	223,553
Operating profit	14,537	7,169
Operating margin, %	6.2	3.2
Net financial items	-1,527	-953
Profit after financial items	13,010	6,216
Assets excluding tax receivables	171,736	172,299
Liabilities excluding tax liabilities	129,879	126,175
Investments in intangible and tangible fixed assets*	8,964	6,011
Depreciation and amortisation / write-downs	22,955	22,579

*Excluding IFRS 16.

**South Africa.

PARENT COMPANY INCOME STATEMENT (SEK m)

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	615	1,128	2,264	4,024
GROSS PROFIT	615	1,128	2,264	4,024
Administrative expenses	-26	3	-108	-97
OPERATING PROFIT	589	1,131	2,156	3,927
Income from participation in group companies	10,519	3,101	11,212	9,032
Interest income and similar items*	272	8	280	28
Interest expense and similar items**	-87	-32	-268	-123
PROFIT AFTER FINANCIAL ITEMS	11,293	4,208	13,380	12,864
Year-end appropriations	-1,496	-3,139	-1,496	-3,139
Tax	169	412	-117	-149
PROFIT FOR THE PERIOD	9,966	1,481	11,767	9,576

* Interest income and similar items in the quarter consists of SEK 272 m (7) in interest income and SEK 0 m (1) in translation effects from group companies and in the full-year of SEK 280 m (7) in interest income and SEK 0 m (21) in translation effects from group companies.

** Interest expense and similar items in the quarter consists of SEK 86 m (0) in interest expense and SEK 1 m (0) in translation effects from group companies and in the full-year of SEK 267 m (123) in interest expense and SEK 1 m (0) in translation effects from group companies.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q4 2023	Q4 2022	Full year 2023	Full year 2022
PROFIT FOR THE PERIOD	9,966	1,481	11,767	9,576
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	-14	-6	-14	20
Tax related to the above remeasurement	3	1	3	-4
OTHER COMPREHENSIVE INCOME	-11	-5	-11	16
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,955	1,476	11,756	9,592

PARENT COMPANY BALANCE SHEET (SEK m)

	30 Nov - 2023	30 Nov - 2022
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment		
Buildings and land	116	120
Equipment, tools, fixture and fittings	24	36
	140	156
Non-current financial assets		
Shares and interests	1,119	819
Receivables from subsidiaries	78	78
Long-term receivables	328	104
Deferred tax assets	70	71
	1,595	1,072
TOTAL NON-CURRENT ASSETS	1,735	1,228
CURRENT ASSETS		
Current receivables		
Accounts receivable	17	9
Receivables from subsidiaries	29,694	25,592
Tax assets	899	-
Other receivables	63	43
Prepaid expenses	139	451
	30,812	26,095
Cash and cash equivalents	2	2
TOTAL CURRENT ASSETS	30,814	26,097
TOTAL ASSETS	32,549	27,325

PARENT COMPANY BALANCE SHEET (SEK m)

	30 Nov - 2023	30 Nov - 2022
EQUITY AND LIABILITIES		
EQUITY		
Restricted equity		
Share capital	207	207
Restricted reserves	88	88
	295	295
Non-restricted equity		
Retained earnings	4,309	6,417
Profit for the year	11,756	9,592
	16,065	16,009
TOTAL EQUITY	16,360	16,304
UNTAXED RESERVES	17	21
LIABILITIES		
Long-term liabilities		
Provisions for pensions*	123	116
Liabilities to credit institutions*	13,072	9,233
	13,195	9,349
Short-term liabilities		
Accounts payable	8	4
Tax liabilities	-	345
Liabilities to credit institutions*	2,693	950
Other liabilities	141	176
Accrued expenses and prepaid income	135	176
	2,977	1,651
TOTAL LIABILITIES	16,172	11,000
TOTAL EQUITY AND LIABILITIES	32,549	27,325

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

ALTERNATIVE PERFORMANCE MEASURES

For other alternative performance measures see page 147-149 in the annual and sustainability report for the 2022 financial year.

Gross profit excl IFRS 16

	Q4 - 2023	Q4 - 2022	Full year 2023	Full year 2022
Gross profit	33,657	31,104	120,896	113,370
IFRS 16 effect	-68	-35	-158	-89
Gross profit excl IFRS 16	33,589	31,069	120,738	113,281

Definition: Gross profit adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Operating profit excl IFRS 16

	Q4 - 2023	Q4 - 2022	Full year 2023	Full year 2022
Operating profit	4,332	821	14,537	7,169
IFRS 16 effect	-128	-141	-1,494	-906
Operating profit excl IFRS 16	4,204	680	13,043	6,263

Definition: Operating profit adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Net financial items excl IFRS 16

	Q4 - 2023	Q4 - 2022	Full year 2023	Full year 2022
Net financial items	-416	-358	-1,527	-953
IFRS 16 effect	488	306	1,744	872
Net financial items excl IFRS 16	72	-52	217	-81

Definition: Net financial items adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Profit after financial items excl IFRS 16

	Q4 - 2023	Q4 - 2022	Full year 2023	Full year 2022
Profit after financial items	3,916	463	13,010	6,216
IFRS 16 effect	360	165	250	-34
Profit after financial items excl IFRS 16	4,276	628	13,260	6,182

Definition: Profit after financial items adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Profit for the period excl IFRS 16

	Q4 - 2023	Q4 - 2022	Full year 2023	Full year 2022
Profit for the period	1,576	-864	8,723	3,566
IFRS 16 effect	274	126	190	-27
Profit for the period excl IFRS 16	1,850	-738	8,913	3,539

Definition: Profit for the period adjusted with the effect from IFRS 16.

Reason for use: To create comparability in analyses where years prior to IFRS 16 are included.

Note 1 Acquisitions

As a result of contractual changes, without paying any additional purchase consideration, the H&M group obtained a controlling interest in its former associate Sellhelp AB as of 9 December 2022. As of the contract date the H&M group owned 79.84 percent of the shares in the company. Non-controlling interests amount to SEK 108 m as of the contract date and have been measured at the proportionate share of the recognised value of acquired net assets. Sellhelp AB has developed a platform – Sellpy – for second-hand products. The investment contributes to the H&M group's initiatives for sustainability and circular business models.

Before the date of the contractual changes the book value of the H&M group's interest in Sellhelp AB amounted to SEK 269 m. Obtaining a controlling interest has resulted in a reported gain of SEK 1,107 m based on a fair value for the H&M group's interest of SEK 1,376 m. The gain is reported on the line "Result from investments in associated companies and joint ventures" in the consolidated income statement and has no effect on cash flow. The interest in Sellhelp AB has been valued using a combined estimate from two valuation methods: one in which relevant multiples from similar companies have been applied to the company's key ratios and one based on historical majority transactions in the same industry.

Sellhelp AB's operations are being consolidated into the H&M group's accounts with effect from the first quarter of 2023. Obtaining a controlling interest gave rise to intangible assets in the form of brands amounting to SEK 500 m, technical platform amounting to SEK 136 m and goodwill amounting to SEK 949 m. No other acquired assets or assumed liabilities amount to material sums. Recognised goodwill primarily refers to assets that cannot be recognised in the balance sheet, including but not limited to a circular business model and future growth, and is not expected to be tax-deductible. Sellhelp AB's operations contributed SEK 1,148 m and SEK -80 m respectively to the group's net sales and operating profit. The operations are included in the "Europe and Africa" segment.

During the current financial year the H&M group has incurred no transaction costs related to obtaining the controlling interest in Sellhelp AB.