

Q2



H&M GROUP
SIX-MONTH REPORT
2026



H&M

H & M Hennes & Mauritz AB

Six-month report 2026

Second quarter (1 March 2026— 31 May 2026)

- Net sales amounted to SEK 54,828 m (56,714) in the second quarter. Sales in local currencies were fairly in line with last year, with around 3 percent fewer stores at the end of the quarter compared with the same point in time last year.
- Gross profit amounted to SEK 31,045 m (31,425), which corresponds to a gross margin of 56.6 percent (55.4).
- Selling and administrative expenses decreased by 1 percent to SEK 25,133 m (25,489). In local currencies the increase was 1 percent. Selling and administrative expenses were charged with restructuring costs of SEK 679 m (0) relating to the implementation of organisational changes in the company's sales markets and central sales organisations. Excluding these one-time costs, selling and administrative expenses decreased by 2 percent in local currencies.
- Operating profit excluding one-time costs increased by 11 percent to SEK 6,592 m (5,914), corresponding to a margin of 12.0 percent (10.4). Operating profit amounted to SEK 5,913 m (5,914), corresponding to an operating margin of 10.8 percent (10.4).
- The result after tax amounted to SEK 3,963 m (3,962), corresponding to SEK 2.49 (2.48) per share.
- Cash flow from operating activities increased by 24 percent to SEK 10,591 m (8,528).
- Stock-in-trade decreased by 10 percent to SEK 34,942 m (38,817) and the composition of the stock-in-trade is good. Currency adjusted the stock-in-trade decreased by 2 percent compared with the previous year. The stock-in-trade in SEK represented 15.8 percent (16.6) of rolling 12 months sales.
- During the second quarter the first H&M store in Rio de Janeiro opened and the flagship store on Hamngatan in Stockholm was re-opened and met with great interest and was well-received by our customers.

First half-year (1 December 2025— 31 May 2026)

- The H&M group's net sales amounted to SEK 104,435 m (112,047). In local currencies net sales decreased by 1 percent in the first half of the year.
- Gross profit amounted to SEK 56,183 m (58,594), which corresponds to a gross margin of 53.8 percent (52.3).
- Selling and administrative expenses decreased by 5 percent to SEK 48,758 m (51,427). In local currencies these expenses were at the same level as in the previous year and excluding the one-time costs in the second quarter these decreased by 1 percent.
- Operating profit excluding one-time costs increased by 14 percent to SEK 8,104 m (7,117), corresponding to a margin of 7.8 percent (6.4). Operating profit increased to SEK 7,425 m (7,117), corresponding to an operating margin of 7.1 percent (6.4).
- The result after tax increased to SEK 4,667 m (4,541), corresponding to SEK 2.95 (2.85) per share.
- Cash flow from operating activities increased by 15 percent to SEK 14,616 m (12,729).

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- The H&M group's sales in local currencies in the month of June 2026 are expected to be on par with the same month the previous year.
 - The expansion in Latin America is continuing with the opening of the first H&M store in Paraguay during the second half of 2026 and in Argentina during 2027.

54.1%
Gross margin, rolling 12 months
(52.6%)

8.5%
Operating margin rolling 12 months
(6.5%)

+24%
Cash flow from
operating activities Q2

"Our long-term work has strengthened profitability and gives us good opportunities to create even more value for our customers," says Daniel Erv er, CEO.

Comments by Daniel Erv r, CEO

Our long-term work has strengthened profitability and gives us good opportunities to create even more value for our customers.

Sales in the quarter were somewhat lower than planned, while profitability and the stock-in-trade situation developed well. The profitability improvement and increased inventory productivity are in line with our long-term work to lay the foundations for sustainable and profitable growth. The tighter inventory management has, however, in some cases affected our ability to fully meet demand. Our assessment is that there is potential to further increase precision in order to create a better balance between availability and demand.

Operating profit¹ increased to SEK 6.6 billion and the operating margin¹ strengthened by 1.6 percentage points to 12.0 percent. The quarter's improvement was driven by a higher gross margin, greater operational efficiency and good cost control.

We have continued to reduce the complexity of the organisation and moved decisions closer to the customer. The changes enhance our local relevance and create better

conditions to meet customers' needs faster. This resulted in one-time costs of SEK 679 million during the quarter.

In the second half of the year we will start upgrading the digital infrastructure that will support our development. The new infrastructure will provide better decision support, faster processes and greater precision in how we plan our assortment and stock-in-trade.

We operate in a world that continues to be characterised by uncertainty and rapid change. The improvements we have made in recent years have strengthened profitability, simplified operations and increased our ability to act closer to the customer. Centred on the customers' needs, we continue to strengthen the product, customer experience and brand in order to always offer the best combination of fashion and quality at the best price, in a sustainable way.

1. Before restructuring costs.



Sales

Net sales amounted to SEK 54,828 m (56,714) in the second quarter. Sales in local currencies were fairly in line with last year, with around 3 percent fewer stores at the end of the quarter compared with the same point in time last year. Net sales in SEK were negatively affected by a currency translation effect of just under 3 percentage points due to the strengthened Swedish krona.

To strengthen the H&M group's long-term position and profitability further, the optimisation of the store portfolio is continuing. More stores are being updated and new stores are being opened, while some stores are being closed. At the beginning of the second quarter there were 163 fewer stores than at the same point in time last year and at the end of the quarter there were 128 fewer stores than at the same point in time last year. The comparison with the previous year is affected by the closure of all Monki stores in 2025. At the beginning of the second quarter last year there were 43 Monki stores, with 32 remaining at the end of the quarter. For full-year 2026, the sales effect from store optimisation is expected to be slightly positive.

The H&M group's net sales during the first half-year amounted to SEK 104,435 m (112,047). In local currencies, net sales decreased by 1 percent during the same period.

Online continued to grow. Just over 30 percent of sales takes place online.

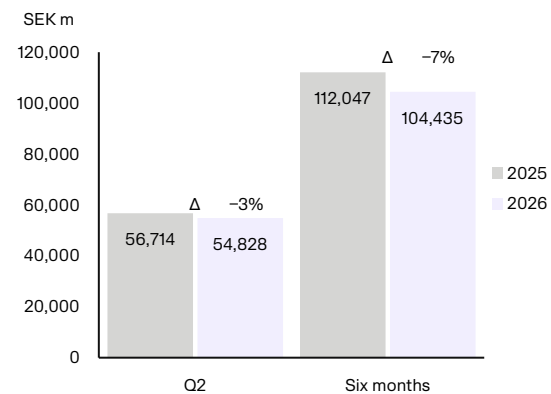
For portfolio brands, net sales decreased in the second quarter by 7 percent in local currencies compared with the corresponding period last year. Converted into SEK, net sales decreased by 9 percentage points due to the strengthened Swedish krona. This development is explained

by, among other things, the closures of Monki stores in the previous year and an increased focus on full-price sales during the second quarter. Sales development for portfolio brands in the beginning of June was positive in local currencies compared with the same month last year.

Net sales for portfolio brands during the six-month period decreased by 4 percent in local currencies and by 10 percent in SEK. Net sales in SEK were negatively affected by a currency translation effect due to the strengthened Swedish krona.

The H&M group's sales in local currencies in the month of June 2026 are expected to be on par with the same month the previous year.

Net sales



Sales per region	Q2		Q2		Six months		Six months	
	SEK m		change in %		SEK m		change in %	
	2026	2025	SEK	Local currencies	2026	2025	SEK	Local currencies
The Nordics	5,176	5,160	0	0	9,649	9,766	-1	0
Western Europe	18,975	19,943	-5	-3	35,532	37,899	-6	-2
Eastern Europe	4,989	5,080	-2	-1	9,408	9,826	-4	-1
Southern Europe	7,484	7,452	0	5	14,321	14,815	-3	4
North and South America	11,530	12,020	-4	-1	22,702	25,222	-10	-2
Asia, Oceania and Africa	6,674	7,059	-5	2	12,823	14,519	-12	-1
Total	54,828	56,714	-3	-1	104,435	112,047	-7	-1

Stores per region	Change in number of stores (net)	Number of stores	
	Six months 2026	31 May 2026	31 May 2025
The Nordics	-2	354	371
Western Europe	-1	985	1,005
Eastern Europe	-1	473	477
Southern Europe	2	564	562
North and South America	4	761	753
Asia, Oceania and Africa	-14	901	998
Total	-12	4,038	4,166

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.

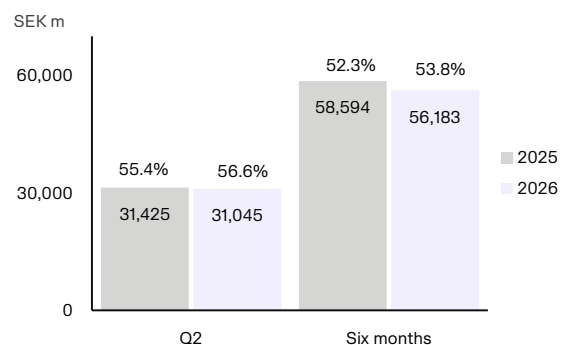
Gross profit amounted to SEK 31,045 m (31,425) for the second quarter, corresponding to a gross margin of 56.6 percent (55.4). The improvement work in the supply chain explained the majority of the strengthened gross margin, external factors had a somewhat positive influence on purchasing costs and costs for markdowns were at the same level as in the previous year. This resulted in a strengthened gross margin in the second quarter.

For the six-month period gross profit amounted to SEK 56,183 m (58,594), corresponding to a gross margin of 53.8 percent (52.3).

For the goods being sold in the third quarter of 2026, the overall effect of external factors is assessed to be flat compared with the corresponding period the previous year. Improvement work in the supply chain continues, but the actions that contributed a substantial effect from and including the third quarter of 2025 will be included in the comparative figures from and including the third quarter of 2026.

The cost of markdowns as a percentage of sales in the third quarter 2026 is expected to be at the same level as in the corresponding quarter the previous year.

Gross profit and gross margin



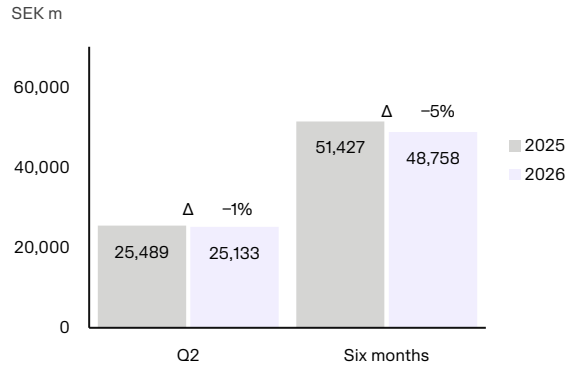
Selling and administrative expenses

Selling and administrative expenses decreased by 1 percent to SEK 25,133 m (25,489) in the second quarter. In local currencies the increase was 1 percent.

Selling and administrative expenses were charged with restructuring costs of SEK 679 m (0) relating to the implementation of organisational changes in the company’s sales markets and central sales organisations. Excluding these one-time costs, selling and administrative expenses in the second quarter decreased by 2 percent in local currencies.

For the six-month period, selling and administrative expenses decreased to SEK 48,758 m (51,427). In local currencies these expenses were at the same level as in the corresponding period last year and excluding one-time costs in the second quarter they were reduced by 1 percent.

Selling and administrative expenses



Operating profit and operating margin

Excluding one-time costs of SEK 679 m (0) relating to the implementation of organisational changes in the company's sales markets and central sales organisations, operating profit in the second quarter increased by 11 percent to SEK 6,592 m (5,914), corresponding to a margin of 12.0 percent (10.4). Operating profit in the second quarter amounted to SEK 5,913 m (5,914), corresponding to an operating margin of 10.8 percent (10.4).

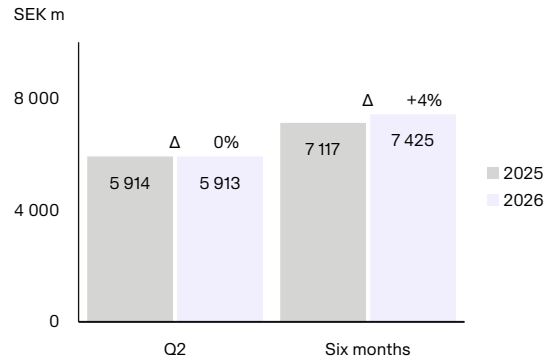
Operating profit in the quarter was by total impacted by provisions of SEK 1,244 m (18). In addition to the one-time costs of SEK 679 m (0), these consisted of provisions for transition costs in operating activities of SEK 565 m (18) relating to change management within, among other things, portfolio brands, tech and logistics.

Excluding one-time costs in the second quarter, operating profit for the six-month period increased by 14 percent to SEK 8,104 m (7,117), corresponding to a margin of 7.8 percent (6.4). Operating profit for the six-month period increased to SEK 7,425 m (7,117), corresponding to an operating margin of 7.1 percent (6.4).

The improvement in operating profit and margin is mainly due to a stronger gross margin and good cost control.

The operating margin for the rolling 12 months was 8.5 percent (6.5).

Operating profit



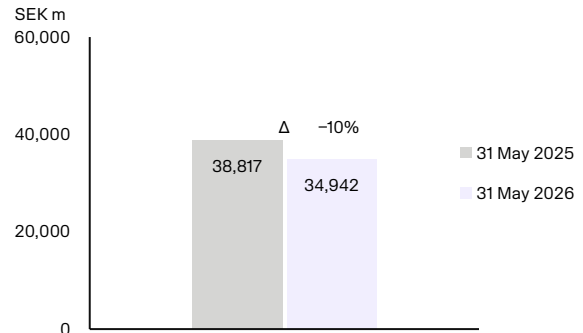
Stock-in-trade

The stock-in-trade decreased by 10 percent to SEK 34,942 m (38,817). Currency adjusted the stock-in-trade decreased by 2 percent compared with the previous year. The stock-in-trade in SEK represented 15.8 percent (16.6) of rolling 12 months sales.

The composition of the stock-in-trade is good.

The investments in the supply chain and the integration of the sales channels continue. A higher share of product purchases in current season, and a more efficient and more flexible supply chain, create the conditions for improved stock availability for the customer even with a lower volume of stock, which also contributes to cash flow through a lower level of tied-up working capital. The logistics network continues to be optimised through both openings and closures of warehouses. During 2026 and 2027 new warehouses in Europe will gradually be taken into use, thereby securing growth capacity, good stock availability and flexibility between the sales channels.

Stock-in-trade



Expansion with integrated channels

Expansion is taking place with a focus on increased omnichannel sales. Customers want to be inspired and have products available so that they can shop where, when and how they choose – in the stores, on the brands' own websites, on digital marketplaces and on social media. Physical and digital stores continue to be the largest area for investments in the business in 2026 to provide an even more inspiring shopping experience. The H&M group works continuously to adapt the store portfolio based on customers' behaviour in each market and is contractually able to renegotiate or exit around a third of leases each year. During 2026 work continues to update a large part of the stores through improvements in layout, presentation and tech, to further strengthen the customer experience and the interaction between our channels.

The optimisation of the store portfolio continues with store openings, closures and rebuilds, thereby further strengthening the H&M group's long-term position. For the full-year 2026 the sales effect is expected to be slightly positive. For 2026 the plan is to open around 90 new stores, while around 170 stores are planned for closure. Openings are planned in all regions and most of the openings will be in

growth markets. In addition to this, the digital expansion into new markets and channels continues.

The company is continuing its expansion in Latin America. Seven stores in Brazil are so far contracted to open in 2026, among them the first store in Rio de Janeiro that opened in April. H&M opened at Nordstrom in the US in the second quarter of 2026. Paraguay, Malta and Azerbaijan will become new H&M markets in the second half of 2026, and H&M will also open in Argentina via franchise in 2027. ARKET will open its first store in Lithuania in 2026.

Store count and markets by brand

As at 31 May 2026 the H&M group had 4,038 (4,166) stores, i.e. the total number of stores has decreased by 128 stores compared with the same point in time the previous year, which corresponds to a reduction of around 3 percent. During the first six months of the current financial year 41 (24) new stores have opened and 104 (111) stores have closed. A total of 248 (256) of the group's stores are operated by franchise partners.

Number of stores	Change in number of stores (net)		Total number of stores		Number of markets 31 May 2026	
	Q2 2026	Six months	31 May 2026	31 May 2025	Store	Online
	H&M	-17	-61	3,599	3,706	81
COS	5	6	252	239	50	38
Monki	0	0	0	32	0	29
Weekday	1	0	44	46	14	29
& Other Stories	-1	-1	65	69	24	32
ARKET	1	2	55	42	22	31
H&M HOME ¹	-1	-9	23	32	12	45
Sellpy	0	0	0	0	0	24
Total	-12	-63	4,038	4,166		

1. 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, working capital and financing

Cash flow and liquidity

Cash flow from operating activities increased by 15 percent to SEK 14,616 m (12,729) in the six-month period, mainly as a result of a decrease in operating working capital compared with an increase in the same period last year.

The H&M group's liquidity remains very good. As at 31 May 2026 cash and cash equivalents amounted to SEK 18,697 m (16,262). In addition, the group has undrawn credit facilities of SEK 17,205 m (19,566). The total liquidity buffer, i.e. cash and cash equivalents plus undrawn credit facilities, amounted to SEK 35,902 m (35,828).

Operating working capital

The change in operating working capital during the quarter was SEK 1,076 m (3,641). This contributed to the working capital improving at the end of the quarter compared with the previous year to SEK 20,000 m (23,250). The closing balance of the stock-in-trade at 31 May 2026 has decreased compared with the same point in time last year as a result of

improved inventory productivity and a strengthened Swedish krona.

Financing

Net debt including lease liabilities in relation to EBITDA amounted to 1.5 (1.5) with net debt of SEK 1,731 m (605). Debt levels are 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 20,428 m (16,867) as at 31 May 2026. The average maturity of interest-bearing liabilities was 5.1 (3.8) years as at 31 May 2026.

A maturity analysis of outstanding interest-bearing liabilities and undrawn credit facilities as at 31 May 2026 is given in the table below.

Operating working capital	2026-05-31	2025-05-31	2025-11-30
SEK m			
Accounts receivable	4,534	3,947	6,411
Stock-in-trade	34,942	38,817	35,427
Accounts payable	-19,476	-19,514	-20,826
Total operating working capital	20,000	23,250	21,012

Liquidity and debt financing	Bonds (EMTN)	Loans from credit institutions	Unused credit facilities
Year			
2026	–	488	–
2027	–	–	3,226
2028	–	–	–
2029	5,377	–	13,979
2030	–	3,500	–
2031	5,687	–	–
2032	–	–	–
2033	5,375	–	–
Total SEK m	16,439	3,988	17,205

Tax

The group's tax rate for the financial year 2026 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 (25) will be used to calculate tax expense on the earnings in each period excluding result from investments in associated companies and joint ventures.

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.

Share buybacks

During the period 11 May 2026 – 29 May 2026, repurchases were carried out under the share buyback programme initiated by the board of directors to secure delivery of class B shares to the company's long-term incentive programme (LTIP). In total 1,400,000 class B shares were repurchased for a total value of SEK 228,094,341.09.

Following implementation of the resolution passed by the annual general meeting on 5 May 2026 to cancel 5,618,372 class B treasury shares repurchased as part of H&M's buyback programme in order to distribute surplus liquidity and thereby adjust the company's capital structure, the total number of shares in H&M is 1,598,873,003 shares – of which 194,400,000 are class A shares and 1,404,473,003 are class B shares – and the total number of votes is 3,348,473,003, as communicated in a press release on 29 May 2026. Following the cancellation of the repurchased class B shares, as at 31 May 2026 H&M holds 2,500,000 class B treasury shares that were acquired to secure delivery of class B shares to the participants in the company's long-term incentive programme (LTIP).

Current quarter

The H&M group's sales in local currencies in the month of June 2026 are expected to be on par with the same month the previous year.

The cost of markdowns as a percentage of sales in the third quarter 2026 is expected to be at the same level as in the corresponding quarter the previous year.

The company is closely monitoring developments in the Middle East and the implications for global trade. With good flexibility in the supply chain and a low proportion of air freight, there are opportunities to adapt flows of goods to changed conditions. With 137 stores operated via franchise partners as at 31 May 2026, the Middle Eastern markets account for a small portion of the company's total sales.

Risks and uncertainties

The H&M group's risk exposure is shaped by both global market changes and internal business development. To ensure robust governance, the company works proactively and continuously to identify, assess and mitigate operational and financial risks.

The company's operational risks are closely linked to business processes and external factors that may affect the group's delivery capacity and efficiency. Ongoing risk assessment supports informed business decisions and enables early action.

Risk management is fully integrated into planning and governance, giving the company the ability to respond quickly to changes in the outside world and strengthen the group's resilience.

The H&M group is highly affected by external risks linked to the industry's rapid shifts, changing consumer behaviour, geopolitical tensions that affect the stability of the supply chain and increased complexity around cybersecurity. In addition, operational risks arise and are mitigated on an ongoing basis in connection with expansion into new markets, the launch of new concepts and the development of the company's brands.

Detailed information on financial and sustainability risks can be found in the H&M group's annual and sustainability report.

Communication in conjunction with the six-month report

The six-month report, i.e., 1 December 2025 – 31 May 2026, will be published at 08:00 CEST on 25 June 2026, followed by a combined press conference and webcast at 09:00 CEST, held in English for the financial market and media. There will also be an opportunity to ask questions by telephone. The press conference will be hosted by CEO Daniel Erv r, CFO Adam Karlsson and Head of IR Joseph Ahlberg.

Location: H&M’s head office in Stockholm, M ster Samuelsgatan 49, 3rd floor, Ljussg rden.

To follow the webcast and access the presentation, please register via this link: <https://edge.media-server.com/mmc/p/emb46y9j>

To ask questions during the Q&A session, you must join by phone. Please register via this link to receive your personal dial-in details: <https://register-conf.media-server.com/register/BI5203d7a3b22845e2a554ce9594a02c59>

To book interviews for media in conjunction with the six-month report on 25 June 2026, please contact: Anna Frosch Nordin, Head of Media Relations, telephone +46 73 432 93 14, anna.froschnordin@hm.com.

Calendar

24 September 2026	Nine-month report, 1 Dec 2025 – 31 Aug 2026
28 January 2027	Full-year report, 1 Dec 2025 – 30 Nov 2026
24 March 2027	Three-month report, 1 Dec 2026 – 28 Feb 2027
24 March 2027	Annual and sustainability report 2026
5 May 2027	Annual general meeting at 15:00, Erling Persson Hall, Aula Medica, Solna

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

This six-month report has not been audited by the company’s auditors.

Stockholm, 24 June 2026
Board of Directors

This document is a translation of the Swedish original. In case of any discrepancy, the Swedish original will prevail.

Information in this interim 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 (CEST) on 25 June 2026. This interim report and other information about the H&M group are available at hmgroup.com.

H & M HENNES & MAURITZ AB (PUBL) was founded in Sweden in 1947 and is listed on Nasdaq Stockholm. H&M’s business idea is to offer fashion and quality at the best price in a sustainable way. The group’s brands are H&M (including H&M HOME, H&M Move and H&M Beauty), COS, Weekday (including Cheap Monday and Monki), & Other Stories, ARKET, Singular Society and Sellpy. The group also includes several ventures. For further information, visit hmgroup.com.

Assurance by the board of directors and CEO

The board of directors and chief executive officer hereby provide an assurance that the half-year report for 1 December 2025 – 31 May 2026 provides a true and fair view of the parent company's and the group's business, position and earnings, and also describes the significant risks and uncertainties faced by the parent company and the companies in the group.

Stockholm 24 June 2026

Karl-Johan Persson
Chair of the Board

Klas Balkow
Board member

Keith Barker
Board member

Anders Dahlvig
Board member

Tim Gahnström
Board member

Agneta Gustafsson
Board member

Danica Kragic Jensfelt
Board member

Lena Patriksson Keller
Board member

Helena Saxon
Board member

Christian Sievert
Board member

Christina Synnergren
Board member

Daniel Ervér
Chief Executive Officer

Group income statement in summary

SEK m	Note	Q2 (Mar–May)		Six months (Dec–May)		Full-year (Dec–Nov)
		2026	2025	2026	2025	2025
Net sales	3	54,828	56,714	104,435	112,047	228,285
Cost of goods sold	4	–23,783	–25,289	–48,252	–53,453	–106,464
Gross profit		31,045	31,425	56,183	58,594	121,821
<i>Gross margin, %</i>		<i>56.6</i>	<i>55.4</i>	<i>53.8</i>	<i>52.3</i>	<i>53.4</i>
Selling expenses	4	–22,333	–23,127	–43,163	–46,242	–93,023
Administrative expenses	4	–2,800	–2,362	–5,595	–5,185	–10,269
Result from investments in associated companies and joint ventures		1	–22	0	–50	–134
Operating profit		5,913	5,914	7,425	7,117	18,395
<i>Operating margin, %</i>		<i>10.8</i>	<i>10.4</i>	<i>7.1</i>	<i>6.4</i>	<i>8.1</i>
Net financial items		–629	–623	–1,202	–1,064	–2,193
Profit after financial items		5,284	5,291	6,223	6,053	16,202
Tax		–1,321	–1,329	–1,556	–1,512	–4,117
PROFIT FOR THE PERIOD		3,963	3,962	4,667	4,541	12,085
Attributable to:						
The shareholders of						
H & M Hennes & Mauritz AB		3,986	3,977	4,710	4,567	12,158
Non-controlling interest		–23	–15	–43	–26	–73
Earnings per share, SEK ¹		2.49	2.48	2.95	2.85	7.58
Average number of shares outstanding, thousands ¹		1,597,601	1,604,491	1,598,370	1,604,491	1,604,033

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

1. Before and after dilution, excluding own shares.

Consolidated statement of comprehensive income

SEK m	Note	Q2 (Mar–May)		Six months (Dec–May)		Full-year (Dec–Nov)
		2026	2025	2026	2025	2025
PROFIT FOR THE PERIOD		3,963	3,962	4,667	4,541	12,085
Other comprehensive income						
Items that are or may be reclassified to profit or loss						
Translation differences		465	-2,640	-646	-3,375	-3,556
Change in hedging reserves		-572	601	-163	1,135	513
Tax attributable to change in hedging reserves		118	-124	34	-234	-106
Share of OCI related to associated companies and joint ventures		0	0	0	0	0
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit pension plans		69	1	39	15	55
Tax related to the above remeasurement		-17	0	-10	-4	-14
Remeasurement of financial assets	2	45	-494	-536	-863	-1,052
Other comprehensive income		108	-2,656	-1,282	-3,326	-4,160
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,071	1,306	3,385	1,215	7,925
Attributable to:						
The shareholders of H & M Hennes & Mauritz AB		4,094	1,321	3,428	1,241	7,998
Non-controlling interest		-23	-15	-43	-26	-73

Group balance sheet in summary

SEK m	Note	2026-05-31	2025-05-31	2025-11-30
ASSETS				
Non-current assets				
Intangible non-current assets		7,381	8,289	7,747
Right-of-use assets		50,978	51,270	52,094
Other property, plant and equipment		30,634	27,988	30,440
Non-current financial assets	2	1,615	2,567	2,045
Other non-current assets		5,823	5,720	5,452
		96,431	95,834	97,778
Current assets				
Stock-in-trade		34,942	38,817	35,427
Current receivables	2	15,814	17,380	16,160
Cash and cash equivalents		18,697	16,262	20,908
		69,453	72,459	72,495
TOTAL ASSETS		165,884	168,293	170,273
EQUITY AND LIABILITIES				
Equity ¹		33,924	36,520	42,947
Non-current leasing liabilities ²		44,598	44,599	44,903
Other non-current liabilities ²		22,289	14,435	20,820
Current leasing liabilities ³		11,766	11,815	11,969
Other current liabilities ³	2	53,307	60,924	49,634
TOTAL EQUITY AND LIABILITIES		165,884	168,293	170,273

1. Equity attributable to the shareholders of H & M Hennes & Mauritz AB amounts to SEK 33,942 m (36,475) and to non-controlling interests to SEK -18 m (45).

2. Interest-bearing non-current liabilities amount to SEK 65,039 m (56,469) and excluding leases to SEK 20,331 (11,870), of which provisions for pensions were SEK 391 m (477).

3. Interest-bearing current liabilities amount to SEK 12,266 m (17,289) and excluding leases to SEK 487 m (5,474).

Group changes in equity in summary

SEK m	2026-05-31	2025-05-31	2025-11-30
Shareholders' equity at the beginning of the financial year	42,947	46,211	46,211
Total comprehensive income for the period	3,385	1,215	7,925
Transactions with non-controlling interests	0	4	31
Dividend	-11,344	-10,910	-10,906
Repurchase of shares	-1,064	-	-314
Shareholders' equity at the end of the period	33,924	36,520	42,947

Group cash flow statement in summary

SEK m	Six months (Dec–May) 2026	Six months (Dec–May) 2025
Operating activities		
Profit after financial items ¹	6,223	6,053
Adjustment for non-cash items		
– Provisions for pensions	47	58
– Other provisions	1,277	16
– Depreciation, amortisation and write-downs	9,703	10,690
– Other non-cash items	0	50
Taxes paid	–2,222	–1,663
Cash flow from operating activities before changes in working capital	15,028	15,204
Cash flow from changes in working capital		
Operating receivables	592	–1,025
Stock-in-trade	230	–30
Operating liabilities	–1,234	–1,420
Cash flow from operating activities	14,616	12,729
Investing activities		
Investments in intangible fixed assets	–503	–649
Investments in tangible fixed assets	–3,252	–3,843
Other investments	–74	–138
Cash flow from investing activities	–3,829	–4,630
Financing activities		
Change in interest-bearing liabilities	–40	3,376
Amortisation lease	–6,014	–6,223
Capital contributions non-controlling interests	0	4
Dividend	–5,672	–5,455
Repurchase of shares	–1,088	–
Cash flow from financing activities	–12,814	–8,298
CASH FLOW FOR THE PERIOD	–2,027	–199
Cash and cash equivalents at beginning of the financial year	20,908	17,340
Cash flow for the period	–2,027	–199
Exchange rate effect	–184	–879
Cash and cash equivalents at end of the period	18,697	16,262

1. Interest paid for the group amounts to SEK 415 m (285). Interest expense related to leases amounts to SEK 1,031 m (972) for the group. Received interest for the group amounts to SEK 244 m (193).

Five year summary

Six months, 1 December – 31 May

	2022	2023	2024	2025	2026
Net sales, SEK m	103,670	112,488	113,274	112,047	104,435
Change net sales from previous year in SEK, %	20	9	1	-1	-7
Change net sales previous year in local currencies, %	15	1	0	1	-1
Operating profit, SEK m	5,446	5,466	9,175	7,117	7,425
Operating margin, %	5.3	4.9	8.1	6.4	7.1
Depreciation, amortisation and write-downs for the period, SEK m	10,602	10,998	10,832	10,690	9,703
Profit after financial items, SEK m	5,064	4,721	8,274	6,053	6,223
Profit after tax, SEK m	3,899	3,828	6,295	4,541	4,667
Cash and cash equivalents, SEK m	26,571	20,169	24,246	16,262	18,697
Stock-in-trade, SEK m	41,504	38,802	38,518	38,817	34,942
Equity, SEK m	56,183	44,902	41,254	36,520	33,924
Average number of shares outstanding, thousands ¹	1,655,072	1,629,687	1,613,999	1,604,491	1,598,370
Earnings per share, SEK ¹	2.36	2.35	3.91	2.85	2.95
Cash flow from operating activities per share, SEK ¹	7.61	7.66	10.26	7.93	9.14
Number of shares outstanding as of the closing day, thousands ¹	1,655,072	1,629,687	1,610,542	1,604,491	1,596,373
Equity per share, SEK ¹	33.95	27.55	25.61	22.76	21.25
Share of risk-bearing capital, %	32.3	26.5	24.2	23.1	21.5
Equity/assets ratio, %	30.2	24.7	23.0	21.7	20.5
Total number of stores	4,702	4,399	4,319	4,166	4,038
Rolling 12 months					
Average number of shares outstanding, thousands ¹	1,655,072	1,637,189	1,621,186	1,606,948	1,600,981
Earnings per share, SEK ¹	7.98	2.13	6.93	6.14	7.68
Return on equity, %	23.6	6.9	26.0	25.3	34.7
Return on capital employed, %	14.6	6.1	15.9	13.8	17.4

1. Before and after dilution, excluding own shares.

For definitions and explanations of the alternative performance measures in this report, see page 183–184 in the annual and sustainability report for the 2025 financial year.

Parent company income statement in summary

SEK m	Q2 (Mar–May)		Six months (Dec–May)		Full-year (Dec–Nov)
	2026	2025	2026	2025	2025
Net sales	569	585	1,082	1,115	2,340
Gross profit	569	585	1,082	1,115	2,340
Administrative expenses	–31	–39	–60	–78	–122
Operating profit	538	546	1,022	1,037	2,218
Net financial items ¹	85	427	36	415	11,529
Profit after financial items	623	973	1,058	1,452	13,747
Year-end appropriations	–	–	–	–	–780
Tax	–121	–103	–210	–202	–297
PROFIT FOR THE PERIOD	502	870	848	1,250	12,670

1. Revenue from interests in group companies is included for the quarter at SEK 40 m (475) and for the six-month period at SEK 40 m (475).

Parent company statement of comprehensive income

SEK m	Q2 (Mar–May)		Six months (Dec–May)		Full-year (Dec–Nov)
	2026	2025	2026	2025	2025
PROFIT FOR THE PERIOD	502	870	848	1,250	12,670
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit pension plans	2	0	0	2	2
Tax related to the above remeasurement	0	0	0	0	0
Other comprehensive income	2	0	0	2	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	504	870	848	1,252	12,672

Parent company balance sheet in summary

SEK m	2026-05-31	2025-05-31	2025-11-30
ASSETS			
Non-current assets			
Property, plant and equipment	120	125	124
Other non-current assets	1,458	1,463	1,458
	1,578	1,588	1,582
Current assets			
Current receivables	37,884	24,416	35,145
Cash and cash equivalents	0	4	0
	37,884	24,420	35,145
TOTAL ASSETS	39,462	26,008	36,727
EQUITY AND LIABILITIES			
Equity	3,663	4,106	15,215
Untaxed reserves	16	17	16
Non-current liabilities ¹	19,794	10,984	17,902
Current liabilities ²	15,989	10,901	3,594
TOTAL EQUITY AND LIABILITIES	39,462	26,008	36,727

1. All long-term liabilities are interest-bearing.

2. Interest-bearing current liabilities amount to SEK 0 m (4,900). Dividend to be paid amounts to SEK 5,672 m (5,455).

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 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 2025. No new or revised IFRS standards or interpretations applied from 1 December 2025 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 2025 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 2025.

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.

Since the IPO in September 2025 the value of the holding in Klarna has been based on the share price, which is a level 1 input according to IFRS 13, and the fair value amounts to SEK 281 m as at 31 May 2026. The value as at 31 May 2025 was based on level 3 inputs according to IFRS 13 and amounts in total to SEK 853 m.

The value of other shares and interests based on level 3 inputs according to IFRS 13 amounts in total to SEK 1,290 m (1,535) as at 31 May 2026, the largest investments

being Colorifix at SEK 169 m (148), Instabee at SEK 153 m (189) and Printify at SEK 124 m (130). The effect of measurement of the group's other shares and interests is reported in other comprehensive income and amounts to SEK 45 m (– 494) for the second quarter.

Currency derivatives are measured at fair value based on level 2 inputs in the IFRS 13 hierarchy. As at 31 May 2026 forward contracts with a positive market value amount to SEK 319 m (1,537), reported under other current receivables. Forward contracts with a negative market value amount to SEK 435 m (1,852), which is recognised in other current liabilities.

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 300 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	Six months (Dec–May) 2026	Six months (Dec–May) 2025
Asia and Oceania		
External net sales	12,173	13,848
Operating profit	65	58
Operating margin, %	0.5	0.4
Europe and Africa¹		
External net sales	69,561	72,976
Operating profit	4,312	4,261
Operating margin, %	6.2	5.8
North and South America		
External net sales	22,701	25,223
Operating profit	1,534	641
Operating margin, %	6.8	2.5
Group Functions		
Net sales to other segments	32,023	35,441
Operating profit	1,514	2,157
Operating margin, %	4.7	6.1
Eliminations		
Net sales to other segments	-32,023	-35,441
Total		
External net sales	104,435	112,047
Operating profit	7,425	7,117
Operating margin, %	7.1	6.4
Net financial items	-1,202	-1,064
Profit after financial items	6,223	6,053

1. South Africa

Note 4. Depreciations, amortisations and write-downs

SEK m	Q2 (Mar–May)		Six months (Dec–May)		Full-year (Dec–Nov)
	2026	2025	2026	2025	2025
DEPRECIATIONS AND AMORTISATIONS					
Intangible non-current assets and property, and equipment excluding right-of-use assets					
Cost of goods sold	192	240	383	473	951
Selling expenses	1,471	1,642	2,947	3,388	6,604
Administrative expenses	76	96	162	190	383
Total	1,739	1,978	3,492	4,051	7,938
Right-of-use assets					
Cost of goods sold	333	240	637	592	1,220
Selling expenses	2,599	2,714	5,184	5,623	10,821
Administrative expenses	110	117	216	232	447
Total	3,042	3,071	6,037	6,447	12,488
Total depreciations and amortisations	4,781	5,049	9,529	10,498	20,426
WRITE-DOWNS AND LOSSES AT DISPOSALS					
Intangible non-current assets and property, and equipment excluding right-of-use assets					
Cost of goods sold	41	34	44	34	72
Selling expenses	70	95	124	126	398
Administrative expenses	6	6	6	8	42
Total	117	135	174	168	512
Right-of-use assets					
Cost of goods sold	–	–	–	–	–
Selling expenses	–	–3 ¹	–	–3 ¹	181
Administrative expenses	–	–6 ¹	–	27	21
Total	–	–9	–	24	202
Total write-downs and losses at disposals	117	126	174	192	714
TOTAL DEPRECIATIONS, AMORTISATIONS, WRITE-DOWNS AND LOSSES AT DISPOSALS	4,898	5,175	9,703	10,690	21,140

1. Release of unused provisions for store closures.

Note 5. Events after the closing date

The company has initiated a structured process to align with the steps set out in the applicable laws and regulatory frameworks concerning tariffs in the U.S.



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