VGR

// Q1 2026

H&M

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VGR MARKET INTELLIGENCE

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01

Executive Summary

H&M reported first-quarter net sales of SEK 49,607m (55,333), down 10.3% in Swedish krona and 1% in local currencies. Gross profit was SEK 25,138m (27,169), a gross margin of 50.7% (49.1). Operating profit rose 25.7% to SEK 1,512m (1,203), a margin of 3.0% (2.2), and profit after tax was SEK 704m (579), SEK 0.45 (0.37) a share. The rolling twelve-month operating margin was 8.4% (7.0). Stock-in-trade fell 15.6% to SEK 34,608m, and 5% currency adjusted. The company expects March sales up 1% in local currencies and proposes a dividend of SEK 7.10 (6.80) a share.

Currency translation took about SEK 5.2bn, 90.3%, of the SEK 5,726m fall in net sales; in local currencies sales fell 1% with 3.7% fewer stores on average

At the disclosed local-currency rate of −1%, the prior-year quarter restated at constant rates is about SEK 54,780m. The difference to the reported SEK 49,607m, about SEK 5,173m or 9.3 points of growth, is translation from the stronger krona. The company gives the effect as "just over 9 percentage points" on page 3 and "9 percentage points" on page 5. Because the local-currency rate is published in whole points, the translation is bounded at SEK 4,896m to SEK 5,449m, 85.5% to 95.2% of the decline, and the local-currency decline at about SEK 553m at prior-year rates.

The average store count fell 3.7%, from 4,233 to 4,076, so local-currency sales per average store rose about 2.8%, bounded at 2.3% to 3.3%. Online is "just over 30 percent" of sales and has no figure of its own, so this is not a store productivity measure. Southern Europe, +3% in local currencies, was the one region to grow. North and South America, −3%, accounts for about SEK 396m of the local-currency decline at prior-year rates, and Asia, Oceania and Africa, −3% with 116 fewer stores than a year earlier, for about SEK 224m. The six-month report of 25 June 2026 shows whether the local-currency rate turns positive; the company expects +1% for March.

Operating margin rose 87bp to 3.0%; lower depreciation supplied 28bp of it, and selling and administrative costs before depreciation rose 98bp as a share of sales

The gross margin rose 157bp to 50.7%, 152bp of it before the depreciation charged to cost of goods sold. The company attributes the rise to supply-chain work, external factors that lowered purchasing costs and "somewhat lower costs for markdowns" (p.6), against a full-year-report guide of markdowns on par with the prior year; it gives no amount for any of the three. Selling and administrative expenses fell 8.9% in SEK against sales down 10.3%, so their ratio rose 75bp to 47.6%.

Depreciation, amortisation and write-downs fell SEK 710m to SEK 4,805m, 9.7% of sales against 10.0%. Before depreciation, selling and administrative costs were 38.9% of sales against 38.0%, up 98bp. The 87bp bridge is +152bp gross margin before depreciation, +5bp depreciation in cost of goods sold, −98bp selling and administrative costs before depreciation, +23bp depreciation in those costs and

+5bp associates. Operating profit rose SEK 309m in a quarter in which depreciation fell SEK 710m: EBITDA fell 6.0% to SEK 6,317m, a margin of 12.7% against 12.1%. The six-month report settles whether the gross margin gain holds against the guided rise in markdowns.

Europe and Africa's operating profit rose SEK 799m, 2.6 times the group's SEK 309m increase; Group Functions fell SEK 431m and the other two segments SEK 59m

Europe and Africa earned SEK 1,560m (761), 103.2% of group operating profit, at a segment margin of 4.8% against 2.2% on external sales down 6.9%. Asia and Oceania lost SEK 373m (350) and North and South America SEK 12m against a profit of SEK 24m. Group Functions, whose sales to the other segments fell 19.3% to SEK 13,700m and are eliminated on consolidation, reported SEK 337m against SEK 768m. Note 3 does not state how internal prices are set, so how much of the SEK 799m reflects a change in what Group Functions charges the regions is not calculable. The six-month segment note of 25 June 2026 shows whether the same split holds for the half.

WHAT TO WATCH

Six-month report, 25 June 2026. Second-quarter sales growth in local currencies as the company reports it. The company expects March at +1%. A continuation of the first-quarter pattern is a decline in local currencies with the store count about 4% lower; a break is growth of 1% or more for the quarter.

Six-month report, 25 June 2026. Second-quarter gross margin against the same quarter of 2025. The company guides markdowns as a share of sales "somewhat higher" and external factors "somewhat positive". A continuation is a third consecutive quarter of year-on-year improvement, after +129bp in the fourth quarter of 2025 and +157bp in the first quarter of 2026; a break is a margin at or below the prior year.

Six-month report, 25 June 2026. Stock-in-trade currency adjusted, −5% at 28 February against local-currency sales at −1%. A continuation is stock falling faster than sales in local currencies; a break is currency-adjusted stock growing faster than sales.

VGR will publish the six-month 2026 analysis when the figures are released.

The period in figures

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H & M HENNES & MAURITZ AB · STO: HM-B · Q1 2026 · SEK AS PUBLISHED

FINANCIAL YEAR ENDS 30 NOVEMBER 2026 · PERIOD ENDED 28 FEBRUARY 2026 · REPORTED 26 MARCH 2026 · ANALYSIS 30 SEPTEMBER 2026

NET REVENUES	GROSS PROFIT	OPERATING PROFIT	NET PROFIT
−10.3%	**−7.5%**	**+25.7%**	**+21.6%**
49,607 vs 55,333	25,138 vs 27,169	1,512 vs 1,203	704 vs 579

	GROSS MARGIN	OPERATING MARGIN	RoS
	50.7%	**3.0%**	**1.4%**
	from 49.1%	from 2.2%	from 1.0%

SEKm, quarter against the same quarter a year earlier; all lines as reported; net profit is profit for the period including non-controlling interests. Released 08:00 CET. Percentage changes, margin rates and RoS (profit for the period over net sales) are VGR arithmetic on the disclosed SEK m.

H&M reports a first quarter of 1 December 2025 to 28 February 2026, 90 days in both years, in a financial year ending 30 November. The report is prepared under IAS 34 and has not been audited by the company's auditors (p.11). Further lines, as reported:

LINE	Q1 2026	Q1 2025	CHANGE
Sales growth, local currencies	−1%	+2%	as disclosed, whole points
Selling and administrative expenses, SEK m	23,625	25,938	−8.9%
Depreciation, amortisation, write-downs, SEK m	4,805	5,515	−12.9%
Earnings per share, SEK	0.45	0.37	+21.6%
Operating margin, rolling 12 months	8.4%	7.0%	as disclosed

LINE	Q1 2026	Q1 2025	CHANGE
Cash flow from operating activities, SEK m	4,025	4,201	**−4.2%**
Stock-in-trade at 28 February, SEK m	34,608	41,008	−15.6%
Stores at 28 February	4,050	4,213	−163 (−3.9%)
Net debt excluding leases, SEK m	1,465	−2,273	from net cash

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures. Q1 2025 local-currency growth from the five-year summary (p.16).

03 · THE RESTATEMENT BRIDGE

The restatement bridge

ITEM	TREATMENT IN THIS ANALYSIS
N1 Calendar	90 days in both quarters. The report states no calendar effect for the quarter. Easter falls in the second quarter in both 2025 and 2026.
N2 Perimeter	All 43 remaining Monki stores closed during 2025. Portfolio brands −1% in local currencies, +1% excluding Monki. Monki sales in SEK not disclosed; group growth is not restated.
N3 Currency	Translation about 9.3 points, derived from the disclosed −1% (bounded 8.8 to 9.8). Transaction effects not disclosed. All figures in SEK as published.
N4 One-offs	None disclosed. Write-downs and disposal losses SEK 57m (66).
N5 Leases (IFRS 16)	Right-of-use depreciation SEK 2,995m (3,376) inside operating profit; lease interest SEK 512m (524); lease amortisation SEK 2,900m (3,225) in financing.
N6 Returns	Net sales reported net; no returns disclosure.
N7 Definitions	Accounting principles unchanged from the 2025 annual report (note 1).
N8 Restatement	Prior-year quarter not restated.

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Notes 1 and 4; pages 5 and 8.

Currency is the one restatement that changes a total: at constant rates the quarter's sales fall about 1%, not 10.3%.

04 · GROWTH COMPOSITION

Growth composition

The Growth Composition Index splits the change in net sales into currency, perimeter, space, like-for-like and other. H&M publishes a local-currency rate and no like-for-like measure, so three of the five components are not disclosed; they are shown as such, not folded into a residual.

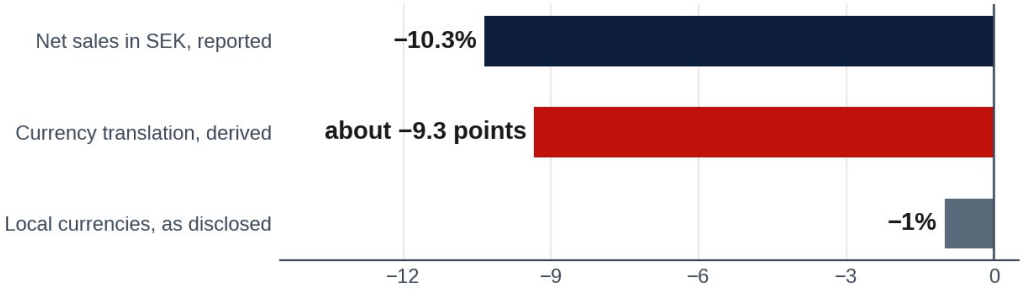
COMPONENT	POINTS OF GROWTH	BASIS
Currency translation	about −9.3	VGR, bounded −8.8 to −9.8
Perimeter (Monki closure)	not disclosed	store counts only

COMPONENT	POINTS OF GROWTH	BASIS
Space (net store change)	not disclosed	average stores −3.7%
Like-for-like	not disclosed	not published
Local currencies, total	−1	as disclosed
Reported, SEK	−10.3	VGR, 49,607 ÷ 55,333

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures.

Currency translation was about 9.3 of the 10.3-point fall in net sales

H&M group net sales · first quarter 2026 against 2025 · per cent and points of growth



Source: H&M three-month report 2026, published 26 March 2026. Translation is VGR arithmetic: SEK 55,333m x 0.99 = SEK 54,780m at the disclosed local-currency rate, less the reported SEK 49,607m, equals about SEK 5,173m. The company publishes the local-currency rate in whole points, so the translation is bounded at 8.8 to 9.8 points; it describes it as just over 9.

REGION	Q1 26, SEK M	SEK CHANGE	LOCAL CURRENCIES	WEIGHT
Nordics	4,473	−2.9%	0%	9.0%
Western Europe	16,557	−7.8%	−1%	33.4%
Eastern Europe	4,419	−6.9%	−1%	8.9%
Southern Europe	6,837	−7.1%	+3%	13.8%
North and South America	11,172	−15.4%	−3%	22.5%
Asia, Oceania and Africa	6,149	−17.6%	−3%	12.4%
Group	49,607	−10.3%	−1%	100.0%

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Page 5. Local-currency rates as disclosed, whole points. SEK changes and weights are VGR arithmetic.

Weighted by prior-year sales, the regional local-currency rates sum to about −1.1 points: Southern Europe +SEK 221m at prior-year rates, the Americas −SEK 396m, Asia, Oceania and Africa −SEK 224m, Western Europe −SEK 180m, Eastern Europe

−SEK 47m. The difference in each region between the SEK and local-currency rates runs from about 3 points in the Nordics to about 15 in Asia, Oceania and Africa.

Cross-section, December to February

COMPANY, PERIOD	REPORTED GROWTH	CURRENCY-NEUTRAL	GROSS MARGIN	OPERATING MARGIN
H&M, Q1 2026	−10.3%	−1%	50.7% (+1.6 pts)	3.0% (+0.9 pts)
Nike, Q3 FY2026	0%	−3%	40.2% (−1.3 pts)	5.6% (−1.7 pts)
Fast Retailing, H1 FY2026	+14.8%	not reported	54.1% (+0.8 pts)	19.5% (+2.5 pts)

Sources: H&M as above. Nike (three months to 28 February 2026) and Fast Retailing (six months to 28 February 2026) as recorded in VGR's archive analyses of those releases, at the precision recorded there; not re-verified in this rework.

Of the three, H&M carries the largest translation effect on the SEK side and the second gross-margin improvement.

05 · THE ESTATE

The estate

REGION	28 FEB 26	28 FEB 25	NET CHANGE IN Q1	CHANGE ON YEAR
Nordics	356	375	−1	−19
Western Europe	986	1,010	−8	−24
Eastern Europe	474	477	−4	−3
Southern Europe	562	567	−1	−5
North and South America	757	753	−12	+4
Asia, Oceania and Africa	915	1,031	−25	−116
Group	4,050	4,213	−51	−163

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Page 5. Change on year is VGR arithmetic.

BRAND	28 FEB 26	28 FEB 25	NET CHANGE IN Q1	CHANGE ON YEAR
H&M	3,616	3,742	−44	−126
COS	247	239	+1	+8
Monki	0	43	0	−43
Weekday	43	46	−1	−3

BRAND	28 FEB 26	28 FEB 25	NET CHANGE IN Q1	CHANGE ON YEAR
& Other Stories	66	69	0	−3
ARKET	54	41	+1	+13
H&M HOME	24	33	−8	−9

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Page 8. Sellpy has no stores.

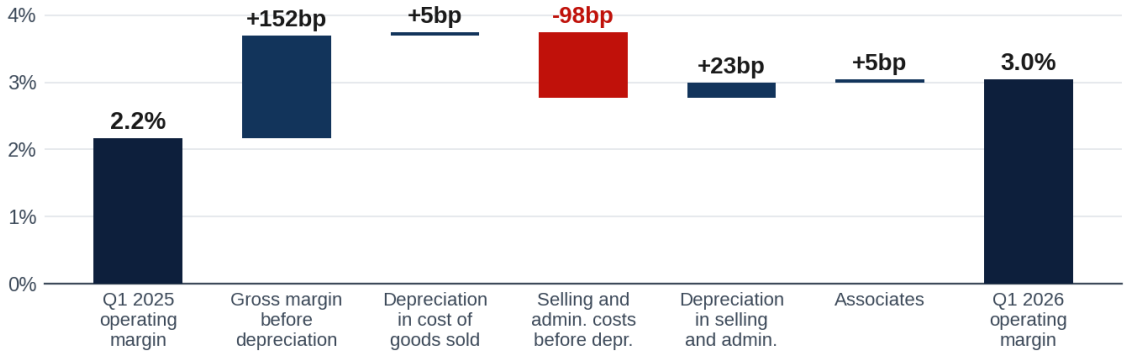
The group opened 17 stores (8) and closed 68 (48) in the quarter. Against the 2026 plan of around 80 openings and 160 closures, a net reduction of about 80, the first quarter used 51 stores, 63.8% of it. Monki is 43, or 26.4%, of the 163 fewer stores on the year; excluding it the estate is 2.9% smaller. Sales per average store were SEK 12.2m against SEK 13.1m, −6.9% in SEK and about +2.8% in local currencies, both including online sales. Franchise partners operate 251 stores (257). The report gives no selling area, so sales per square metre are not calculable.

06 · MARGIN ARCHITECTURE

Margin architecture

Operating margin up 87bp: gross margin +157bp, costs before depreciation −98bp

H&M group operating margin bridge · first quarter 2026 against 2025 · basis points of net sales



Source: H&M three-month report 2026, published 26 March 2026. VGR arithmetic on the income statement (p.12) and note 4 (p.21): each line's change as a share of net sales. Depreciation includes amortisation, write-downs and right-of-use assets. Components are rounded; they sum to 87bp before rounding.

LINE, SHARE OF NET SALES	Q1 2026	Q1 2025	CHANGE
Gross margin	50.7%	49.1%	+157bp
of which before depreciation in cost of goods sold	51.7%	50.2%	+152bp
Selling expenses	42.0%	41.8%	**+22bp**
Administrative expenses	5.6%	5.1%	**+53bp**
Selling and administrative, before depreciation	38.9%	38.0%	**+98bp**
Depreciation, amortisation, write-downs	9.7%	10.0%	−28bp
Associates and joint ventures	0.0%	−0.1%	+5bp
Operating margin	3.0%	2.2%	+87bp
EBITDA margin	12.7%	12.1%	+59bp
Return on sales	1.4%	1.0%	+37bp

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures. Depreciation by function from note 4 (p.21). A red figure is a cost ratio that rose.

In SEK, gross profit fell SEK 2,031m and selling and administrative expenses fell SEK 2,313m, so operating profit rose SEK 309m with the associates line SEK 27m better. Of the SEK 2,313m cost reduction, SEK 623m is lower depreciation in selling and administrative expenses; the rest, SEK 1,690m, is 8.0% of the prior-year cost

before depreciation, against sales down 10.3%. The company states that the part of the cost base denominated in SEK does not fall when the krona strengthens (p.7) and gives no amount. The five-year summary shows the first-quarter operating margin at 0.9%, 1.3%, 3.9%, 2.2% and 3.0% for 2022 to 2026.

07 · INVENTORY AND THE MARKDOWN CYCLE

Inventory and the markdown cycle

MEASURE	28 FEB 26	28 FEB 25	CHANGE
Stock-in-trade, SEK m	34,608	41,008	−15.6%
Stock-in-trade, currency adjusted			−5%, as disclosed
Stock as share of rolling 12-month sales	15.6%	17.4%	as disclosed
Days of quarterly cost of goods sold	127.3	131.0	−3.8 days
Stock against 30 November 2025 (SEK 35,427m)	34,608		−2.3%

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures. Days: stock ÷ quarterly cost of goods sold × 90; cost of goods sold includes depreciation.

Currency-adjusted stock fell 5% against local-currency sales down 1%. The first-quarter stock level is the lowest of the five years in the summary: SEK 39,331m, 41,040m, 37,630m, 41,008m and 34,608m for 2022 to 2026. The company guided first-quarter markdowns as a share of sales on par with the prior year and reports them "somewhat" lower; it guides the second quarter "somewhat higher". No markdown amount, stock ageing or provision is disclosed.

08 · WORKING CAPITAL, CASH AND CAPITAL STRUCTURE

Working capital, cash and capital structure

SEK M	28 FEB 26	28 FEB 25	30 NOV 25
Accounts receivable	3,599	2,849	6,411
Stock-in-trade	34,608	41,008	35,427
Accounts payable	−19,283	−24,248	−20,826
Operating working capital	18,924	19,609	21,012
Payables, days of cost of goods sold	70.9	77.5	
Receivables, days of sales	6.5	4.6	

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures. Page 9. Days on 90-day quarters.

Payables fell 20.5% on the year against cost of goods sold down 13.1%, so payable days fell 6.6. On the balance sheet, operating working capital fell SEK 2,088m from 30 November: receivables SEK 2,812m, stock SEK 819m, less SEK 1,543m of lower payables. The cash flow statement's working-capital lines show a net outflow of SEK

1,057m (1,479); the difference is currency translation and items outside operating working capital, which the report does not reconcile.

CASH FLOW, SEK M	Q1 2026	Q1 2025	CHANGE
Before changes in working capital	5,082	5,680	**−10.5%**
Cash flow from operating activities	4,025	4,201	**−4.2%**
Investing activities	−2,129	−2,053	
Lease amortisation	−2,900	−3,225	
After investing and lease amortisation	−1,004	−1,077	
Share repurchases	−896	0	
Cash and cash equivalents, end of period	18,733	16,578	+13.0%
Interest-bearing liabilities excluding leases	20,198	14,305	+41.2%
Lease liabilities	56,615	63,236	−10.5%
Net debt including leases ÷ EBITDA, rolling	1.5	1.6	as disclosed

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures. Pages 9 and 15.

Net debt excluding leases moved to SEK 1,465m from net cash of SEK 2,273m a year earlier. Including leases it is SEK 58,080m, 1.48 times rolling EBITDA of SEK 39,134m, which rounds to the company's 1.5 inside its target of 1.0 to 2.0. Undrawn facilities are SEK 19,157m and the liquidity buffer SEK 37,890m (34,470).

09 · CAPITAL ALLOCATION AND RETURNS

Capital allocation and returns

MEASURE	Q1 2026	Q1 2025	BASIS
Capital expenditure, SEK m	2,037	1,981	intangible + tangible
Capital expenditure ÷ depreciation excl. right-of-use	1.16x	0.96x	VGR
Share repurchases, cash, SEK m	896	0	equity roll: 836
Proposed dividend per share, SEK	7.10	6.80	+4.4%
Return on capital employed, rolling 12 months	15.7%	14.1%	as disclosed

MEASURE	Q1 2026	Q1 2025	BASIS
Return on equity, rolling 12 months	27.9%	23.6%	as disclosed
Equity/assets ratio	25.2%	25.9%	as disclosed

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures. Pages 3, 14, 15 and 16.

The proposed SEK 7.10 on 1,597.8 million shares outstanding is about SEK 11,344m, 93.9% of 2025 profit for the year, with a buyback authorisation to the 2027 annual general meeting. Equity fell to SEK 41,425m (46,120), and the first-quarter equity/assets ratio has fallen in each year of the summary: 32.8%, 28.9%, 26.9%, 25.9%, 25.2%. The rise in return on equity to 27.9% is on that smaller equity base.

10 · EARNINGS QUALITY

Earnings quality

COMPONENT	Q1 2026	Q1 2025	NOTE
Cash flow from operations ÷ profit	5.7x	7.3x	first-quarter seasonality
Cash after leases and investing ÷ EBITDA	−15.9%	−16.0%	VGR
Items described as non-recurring	none	none	report
Effective tax rate	25.0%	24.0%	25% applied for Q1 to Q3
Net financial items, SEK m	−573	−441	+29.9% in cost
Other comprehensive income, financial assets, SEK m	−581	−369	Klarna SEK 207m (951)

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures. Notes 2 and 4, pages 12 to 15.

The Earnings Quality Score is published as components: fewer than four periods are on record under v5. No adjusted profit is presented; operating profit is as reported.

11 · GUIDANCE AND THE IMPLIED REQUIREMENT

Guidance and the implied requirement

GUIDED IN THE FULL-YEAR REPORT 2025	RESULT	OUTCOME
Sales 1 December to 31 January: −2% in local currencies	Quarter −1%	Monthly split not disclosed; February rate not calculable from whole-point figures
First-quarter markdowns on par with the prior year	Hit	Reported "decreased somewhat"; direction only
Translation effect on gross margin slightly more negative than in Q4 2025	Not scored	Neither report quantifies it

Sources: H&M full-year report 2025, pp.6 and 13; three-month report 2026, pp.3, 5 and 6.

GUIDED IN THE THREE-MONTH REPORT 2026	SETTLES
March 2026 sales +1% in local currencies	Six-month report, 25 June 2026
Second-quarter markdowns as a share of sales "somewhat higher"	Six-month report
External factors on second-quarter goods "somewhat positive"	Six-month report
2026: around 80 openings, around 160 closures; sales effect "slightly positive"	Full-year report, 28 January 2027
Tax rate 25-26% for 2026; 25% applied for the first three quarters	Full-year report

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Pages 6, 8 and 10.

H&M gives no numeric sales or margin guidance for the year, so no implied requirement can be derived beyond the store plan: a further net reduction of about 29 stores over the remaining three quarters, against 51 in the first.

12 · DISCLOSURE DELTA AND METRICS NOT REPORTED

Disclosure delta and metrics not reported

No metric was withdrawn or redefined against the full-year report. Not disclosed:

- Like-for-like or comparable-store sales; the company publishes local-currency growth only.
- Online sales in SEK; the channel is described as "just over 30 percent of sales".
- Sales by brand; portfolio brands are given as a growth rate only.
- Selling area, so sales per square metre.
- The amounts behind the gross margin: markdowns, purchasing costs, external factors, currency.
- Currency translation in SEK and its effect on each margin.
- Stock ageing, seasonal composition and provisions.
- How Group Functions prices its sales to the segments.
- A reconciliation of the balance-sheet change in operating working capital to the cash flow.

Two figures are stated twice with different values: the translation effect, "just over 9" points on page 3 and 9 on page 5, and share repurchases, SEK 836m in the equity roll and SEK 896m in the cash flow statement; the report does not explain the second.

13 · THE COMPANY'S ACCOUNT, TESTED

The company's account, tested

THE COMPANY'S STATEMENT	DISPOSITION
"Good cost control and an improved gross margin contributed to strengthened profitability" (p.3)	Partially supported. Gross margin +157bp; the selling and administrative ratio rose 75bp, 98bp before depreciation
The improvement is "mainly due to a stronger gross margin and good cost control" (p.7)	The disclosed figures show a different weighting. Gross margin +157bp, costs −75bp; lower depreciation, 28bp, is not named
Supply-chain work, external factors and lower markdowns strengthened the gross margin (p.6)	Not verifiable from the disclosure. No amount for any of the three
Currency translation reduced the operating margin (p.7)	Not verifiable from the disclosure. No amount
"The composition of the stock-in-trade is good" (pp.3, 7)	Not verifiable from the disclosure. No ageing or provision

THE COMPANY'S STATEMENT	DISPOSITION
Operating working capital fell SEK 2,088m "mainly as a result of improved inventory productivity" (p.3)	The disclosed figures show a different weighting. Stock SEK 819m, 39.2%; receivables SEK 2,812m
Store optimisation had a "somewhat negative" sales impact (p.5)	Partially supported. Average stores −3.7%; sales effect not given
"Online continued to perform well" (p.5)	Not verifiable from the disclosure. No online figure
Rolling 12-month operating margin up 1.4 points to 8.4% (p.4)	Supported by the disclosed figures. 18,704 ÷ 222,559 = 8.4%
Cash flow affected by higher profit, lower depreciation and higher tax paid (p.9)	Supported by the disclosed figures. +SEK 177m, −SEK 710m, +SEK 80m

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Dispositions are VGR's, with the arithmetic in HM_Q1_FY2026_Source_Figures.md, PART 3.

ATTRIBUTION OF CAUSAL STATEMENTS (K5)	COUNT
Favourable, attributed to the company's actions	4
Favourable, attributed to external factors	1
Unfavourable, attributed to the company's actions	1
Unfavourable, attributed to external factors	3
Causal statements carrying a number (K7)	1 of 9, 11.1%

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Company actions: cost control, supply-chain work, purchasing efficiency, inventory productivity; store closures and rebuilds. External: purchasing-cost factors; the krona, cautious consumption, December demand after Black Friday. The number: the translation effect.

14 · METHOD, SOURCES AND PRECISION REGISTER

Method, sources and precision register

Every figure is from the three-month report 2026 unless stated; the prior for Pass 0 is from the full-year report 2025. Figures are in SEK as published and nothing is converted.

FIGURE	PRECISION	BASIS
Currency translation, SEK 5,173m, 9.3 points	bounded	SEK 4,896m to 5,449m from the whole-point local-currency rate
Local-currency sales per average store, +2.8%	bounded	+2.3% to +3.3%; includes online
Margin bridge components, bp	exact	income statement and note 4
EBITDA, SEK 6,317m	exact	operating profit + note 4 total
Days of stock and payables	exact	90-day quarters
Regional local-currency contributions, SEK m	bounded	whole-point regional rates
Dividend total, SEK 11,344m	exact	SEK 7.10 × 1,597,773 thousand shares
Effect of Group Functions pricing on segments	not calculable	pricing basis not disclosed
Markdown and purchasing-cost effects on the gross margin	not calculable	no amounts

Source: H&M three-month report 2026, published 26 March 2026. SEK as published. Changes, shares and ratios are VGR arithmetic on the disclosed figures.

Cross-foot record

- Income statement: 49,607 − 24,469 = 25,138; less 20,830, 2,795 and 1 = 1,512; less 573 = 939; less 235 = 704. The prior year ties the same way.
- Balance sheet: 96,190 + 67,902 = 164,092 = equity and liabilities.
- Equity: 42,947 − 686 − 836 = 41,425. Cash: 20,908 − 1,940 − 235 = 18,733.
- Segments sum to group sales and to operating profit of 1,512 and 1,203.
- Regions sum to 49,607 and 55,333; stores by region and by brand sum to 4,050 and −51.
- Note 4 sums to 4,805 and 5,515. Operating working capital components sum to each total.
- Rolling 12-month operating margin 8.40% and stock ratio 15.55% reproduce the disclosed 8.4% and 15.6%.

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METHODOLOGY

VGR standardised financial analysis methodology v5. Restatement before measurement; arithmetic before language; every finding names the disclosure that would settle it. Revised 30 September 2026 to methodology v5; first published 26 March 2026.

PRIMARY SOURCE

H & M Hennes & Mauritz AB (publ), "Three-month report 2026" (1 December 2025 – 28 February 2026), published 08:00 CET, 26 March 2026; signed by the Board of Directors, Stockholm, 25 March 2026. Not audited. https://hmgroup.com/wp-content/uploads/2026/03/H-M-Hennes-Mauritz-AB-Three-month-report-2026.pdf

WORKING RECORD

HM_Q1_FY2026_Source_Figures.md, with company-disclosed figures and VGR-derived arithmetic in separate parts, the claims register and the metrics not reported. SEK as published.

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