


H&M (STO: HM-B) MONTHLY SALES UPDATE: SALES GROWTH ACCELERATES TO 10% IN OCTOBER

- H&M reported total sales rose by 10% year over year in local currencies in October 2016. This compares to growth in September, which was only 1%.
- The total number of stores grew by 12.1% year over year, to 4,269, as of October 31.
- Sales growth lagged store growth by 214 basis points in October, a narrowing from the 1,162bps difference in September.

Each month, H&M reports sales growth in local currencies, including VAT, as well as monthly store numbers. Last month, sales were negatively impacted by the unseasonably warm weather. This month, the company did not offer commentary on its sales development. H&M's full-year report, covering the period December 1, 2015 to November 30, 2016, will be published on January 31, 2017.

Figure 1. H&M Sales and Stores: YoY % Change, Six-Month View

	May	June	July	August	September	October
Sales (%)	9	8	10	7	1	10
Stores (%)	12	12.4	12.5	12.5	12.6	12.1
Difference (bps)	(304)	(444)	(250)	(552)	(1,162)	(214)

Source: Company reports/Fung Global Retail & Technology

Note on Sales Growth vs Store Growth

Changes in the difference between sales growth and store growth suggest changes in the underlying sales growth rates, however, the measure should not be taken as indicative of comparable sales growth in absolute terms. The figures are calculated from rounded sales growth data and unrounded store growth data.



FLASH REPORT

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