

H&M (STO: HM-B) Monthly Sales Update: Weak Sales in May



- **H&M reported total sales rose by 4% year over year in local currencies in May 2017. This compares to year-over-year sales growth of 7% in April.**
- **The total number of stores grew by 10.3% year over year to 4,498, as of May 31.**
- **Sales growth lagged store growth by 633 basis points in April, expanding from the 388-bps difference in March.**

Each month, H&M reports sales growth in local currencies, including VAT, as well as monthly store numbers. For May, the company said that sales in the first half of the month were affected by “tough market conditions in several countries” and that sales improved in the second half of the month.

In May, sales growth lagged store growth by 633 bps, an expansion from the 388-bps difference in April.

For 2Q17—the period of March 1 to May 31—H&M reported total sales in local currencies increased 5% year over year.

H&M will publish sales data for 1H17 on June 29 and sales for the month of June on July 17.

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

	December	January	February	March	April	May
Sales (%)	6	8	3	6	7	4
Stores (%)	10.7	10.7	10.7	10.7	10.9	10.3
Difference (bps)	(466)	(266)	(766)	(473)	(388)	(633)

Source: Company reports/Fung Global Retail & Technology



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Note on Sales Growth Versus 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.



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