


**H&M (STO: HM-B) Quarterly Sales Update:
Continued Soft Sales Growth**

- H&M reported total sales rose by 4% year over year in local currencies in 3Q17, for the period June 1 to August 31, 2017.
- The total number of stores grew by 10.1% year over year to 4,553, as of August 31, 2017.
- Sales growth lagged store growth by 611 basis points in 3Q17.

H&M has started to report quarterly sales growth in local currencies as well as quarterly store numbers. Previously, the company had been reporting monthly sales, and this is the first quarterly sales update.

In local currencies, sales climbed 4%. In H&M's reporting currency, SEK, sales rose by 5%.

The company stated that sales in 3Q17 were affected by a significantly larger summer sale than in the corresponding quarter last year, which had a dampening effect on revenue growth. Sales of autumn collections are off to a good start.

H&M will publish 9M17 results on September 28, sales developments for 4Q17 on December 15 and FY17 results on January 31, 2018.

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

	February	March	April	May	June	3Q17
Sales (%)	3	6	7	4	7	4
Stores (%)	10.7	10.7	10.9	10.3	10.3	10.1
Difference (bps)	(766)	(473)	(388)	(633)	(331)	(611)

Source: Company reports/FGRT

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.



FLASH REPORT

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