H&M Group's Q1 sales continued to advance

By Sandra Halliday - March 15, 2022

H&M Group reported its Q1 sales on Tuesday and — as is usual for the Swedish fashion giant's quarterly preliminary sales data — it was distinctly low on detail.

But we do know that the company saw net sales in local currencies increasing by 18% in the period from December up to the end of February, on a year on year basis.

Converted to Sweden’s currency, net sales increased by 23% to SEK49.166 billion (4.6bn/£3.9bn/$5.1bn). However, that’s a provisional figure and could change by the time the full three-month report is published at the end of this month.

The quarterly sales performance was in line with analysts’ expectations.
The company added no commentary to the figures but it’s clear that it’s continuing its recovery, although the comparison with last year is relatively easy given the widespread lockdowns that were in place during the period. That said, Q1 this time still had its challenges given the onset of the Omicron variant at the beginning of the period and the massive supply chain issues that fashion retailers had to face.

Only two months ago, the group reported buoyant Q4 and full-year results for the 12 months to the end of November. It said it was back to pre-pandemic levels and fully focused on growth with ambitious plans to double its sales by the end of the decade.

But it’s likely to be facing ongoing challenges in the current quarter as Covid cases surge in China and the company’s business in parts of Eastern Europe being devastated by the tragedy unfolding in Ukraine.

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