

H&M sees slow start to spring season as cold weather hits sales

Fashion chain H&M warned that cold weather has delayed demand for spring ranges in many of its markets, but posted an unexpected quarterly profit thanks to a boost from its second-hand platform Sellpy.

The group – the world’s second largest fashion retailer – said sales in local currencies for the three months to February 28 lifted 3% and are expected to edge up by just 4% in March.

Sales across Western Europe, including the UK, lifted 9% in the first quarter, it added.

It said: “The start of the spring season has been delayed in many important markets as a result of cold weather.

The external factors that influence purchasing costs continue to improve, work on the cost and efficiency programme is proceeding at full speed, and many of the changes that we have made in recent years are starting to have an effect

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“The spring collections have been well received where the weather has warmed up.”

H&M posted operating profits of 725 million [Swedish](#) krona (£56.3 million), up from 458 million krona (£35.6 million) a year earlier and against expectations for a loss.

It said results had been given a fillip after bringing in its Sellpy earnings into the wider group fold, adding around one billion krona (£77.7 million) to operating profits.

But this was offset by soaring costs, with the group facing higher shipping prices, a hit from pulling out of [Russia](#) and a 200 million krona (£16 million) leap in its energy bill.

The group revealed that its costs increased by 3% in local currencies over the first quarter.

But it insisted its cost-cutting programme was “progressing at full intensity” and is set to deliver savings of around two billion krona (£155.4 million), which will “gradually become visible starting in the second half of 2023”.

Helena Helmersson, chief executive of H&M, said: “Although the world around us remains challenging, we are seeing several areas where developments are going in the right direction.

“The external factors that influence purchasing costs continue to improve, work on the cost and efficiency programme is proceeding at full speed, and many of the changes that we have made in recent years are starting to have an effect.

“At the same time, the spring collections have been well received in the markets where spring has arrived.”