

INDITEX

Interim Half Year 2022

14 September 2022



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For a discussion of these and other factors that may affect forward looking statements and the Inditex Group's business, financial conditions and results of operations, see the documents and information filed by the company with the Comisión Nacional del Mercado de Valores (the Spanish Securities Market Commission). Readers are invited to review the contents of any such documents.

This presentation contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and derived from our financial statements, alternative performance measures ("APMs") as defined in the Commission Delegated Regulation (EU) 2019/979 of March 14, 2019 and in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures ("Non-IFRS Measures"). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from Inditex Group; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors. These APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Please refer to the audited consolidated financial statements of the Inditex Group for fiscal year 2021 for the definition of APMs and Non-IFRS Measures included herein.

Very strong performance



1H2022: Very strong performance

- / Unique fashion proposition, optimised customer experience, sustainability and a focus on the talent and commitment of our people
- / Sales, EBITDA and net income reached historic highs
- / Strong sales progression in 1H2022. Initial Autumn/Winter collections very well received
- / Remarkable operating performance
- / Robust financial condition. Strong free cash flow generation, net cash position of €9.2 bn and lower capital intensity going forward
- / Shareholder remuneration. FY21 dividend of €0.93 (+33%). 2022 bonus dividend of €0.40 per share

1H2022: Very strong performance

- / Strong execution of the model
- / Sales €14.8 billion, +24.5%. Sales positive in all key geographical areas
- / Highest gross margin in 7 years
- / The control of operating expenses has been rigorous
- / Net income reached €1.8 billion (+41%). Net income ex-provision reached €2 billion (+55%)
- / Remarkable cash generation
- / Global growth opportunities. Operations in 215 markets with low share in a highly fragmented sector

Financial Summary



1H2022: Very strong execution

€ million	1H22	1H21	22/21
Net sales	14,845	11,936	24.5%
Gross profit	8,594	6,907	24.5%
EBITDA	4,029	3,101	30.0%
PBT	2,340	1,643	42.5%
Net income	1,794	1,272	41.0%

/ Sales, EBITDA and net income at historic highs

/ Sales +24.5%

/ Healthy gross margin

/ Disciplined cost management

/ 1Q2022 extraordinary charge of €216 million to provision all expected expenses in Russian Federation and Ukraine for 2022

/ Net income reached €1.8 billion (+41%)

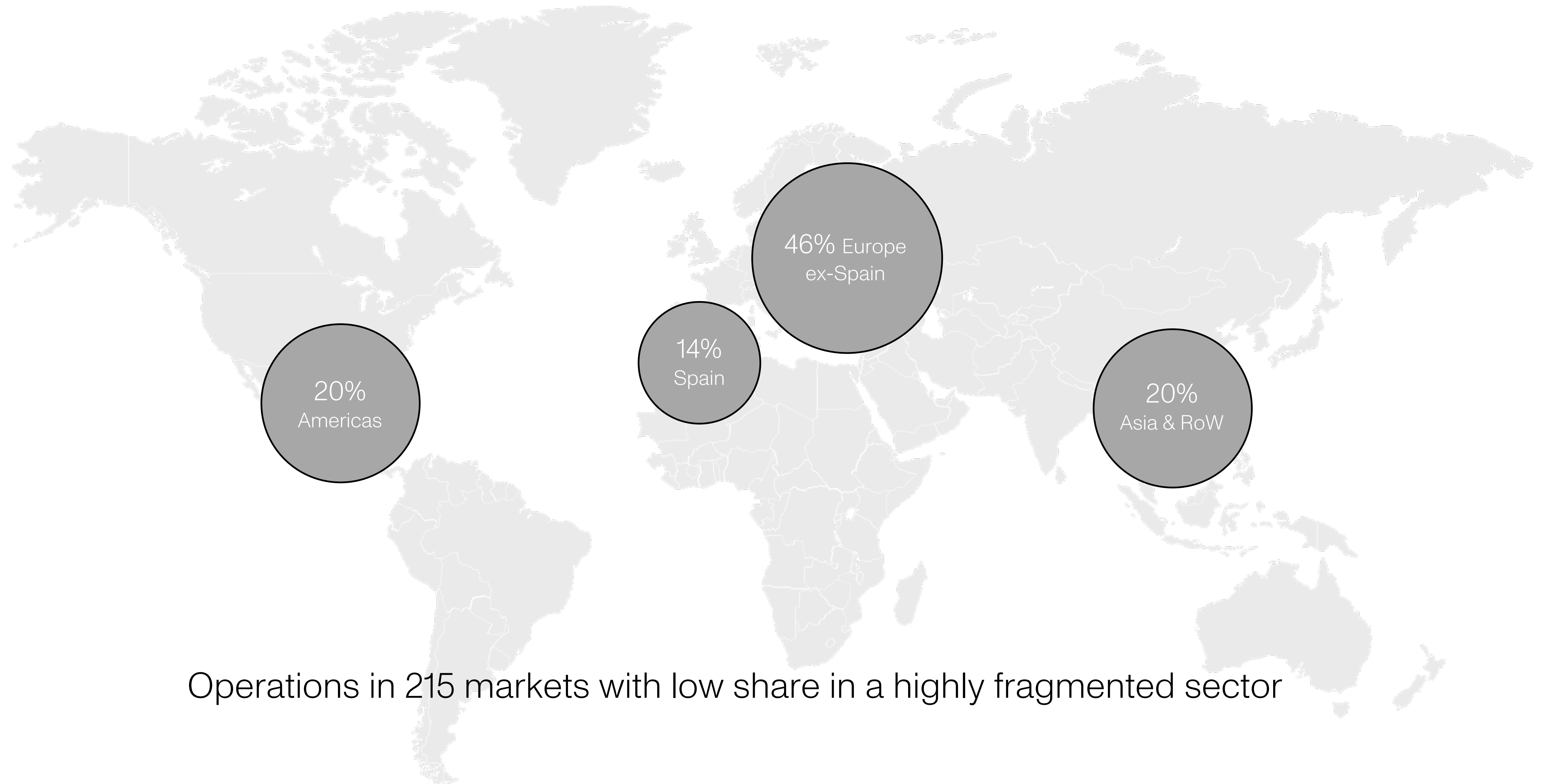
/ Net income excl. provision reached €2 billion

Sales

€ million	1H22	1H21	22/21
Net sales	14,845	11,936	24.5%

- / Sales +24.5% to €14.8 bn. CC sales +25%
- / Sales positive in all key geographical areas
- / Traffic and store sales grew significantly
- / Satisfactory online sales
- / At current exchange rates we expect +0.5% currency impact for FY2022

Global Store & Online sales breakdown in 1H2022



Operations in 215 markets with low share in a highly fragmented sector

Gross margin

€ million	1H22	1H21	22/21
Gross margin	57.9%	57.9%	+2 bps

- / Very healthy execution
- / Gross profit +24.5% to €8.6 bn
- / Highest 1H gross margin in 7 years
- / Based on current information we expect stable gross margins (+/- 50bps) for FY2022

Operating efficiencies

€ million	1H22	1H21	22/21
Op. Expenses	4,550	3,786	20%

- / Rigorous control of operating expenses
- / Operating expenses grew below sales growth
- / Including all lease charges, operating expenses grew 7 percentage points below sales growth

Operating working capital increased +25%

€ million	1H22	1H21
Inventory	3,672	2,563
Receivables	856	840
Payables	(8,494)	(6,583)
Op. working capital	(3,967)	(3,180)

- / In the face of possible supply chain tensions going into 2H2022 Inditex has temporarily accelerated Autumn/Winter inventory inflows in order to increase product availability without any change to commitment levels
- / Inventory as of 31 July 2022 was +43%
- / The Autumn/Winter inventory is considered to be of high quality and is consistent with the strong trends in previous quarters and the sales performance going into the 2H2022
- / Inventory as of 11 September 2022 was +33%

Strong cash flow and financial condition

€ million	1H22	1H21	22/21
Net cash position	9,242	8,023	15%

/ Strong cash generation

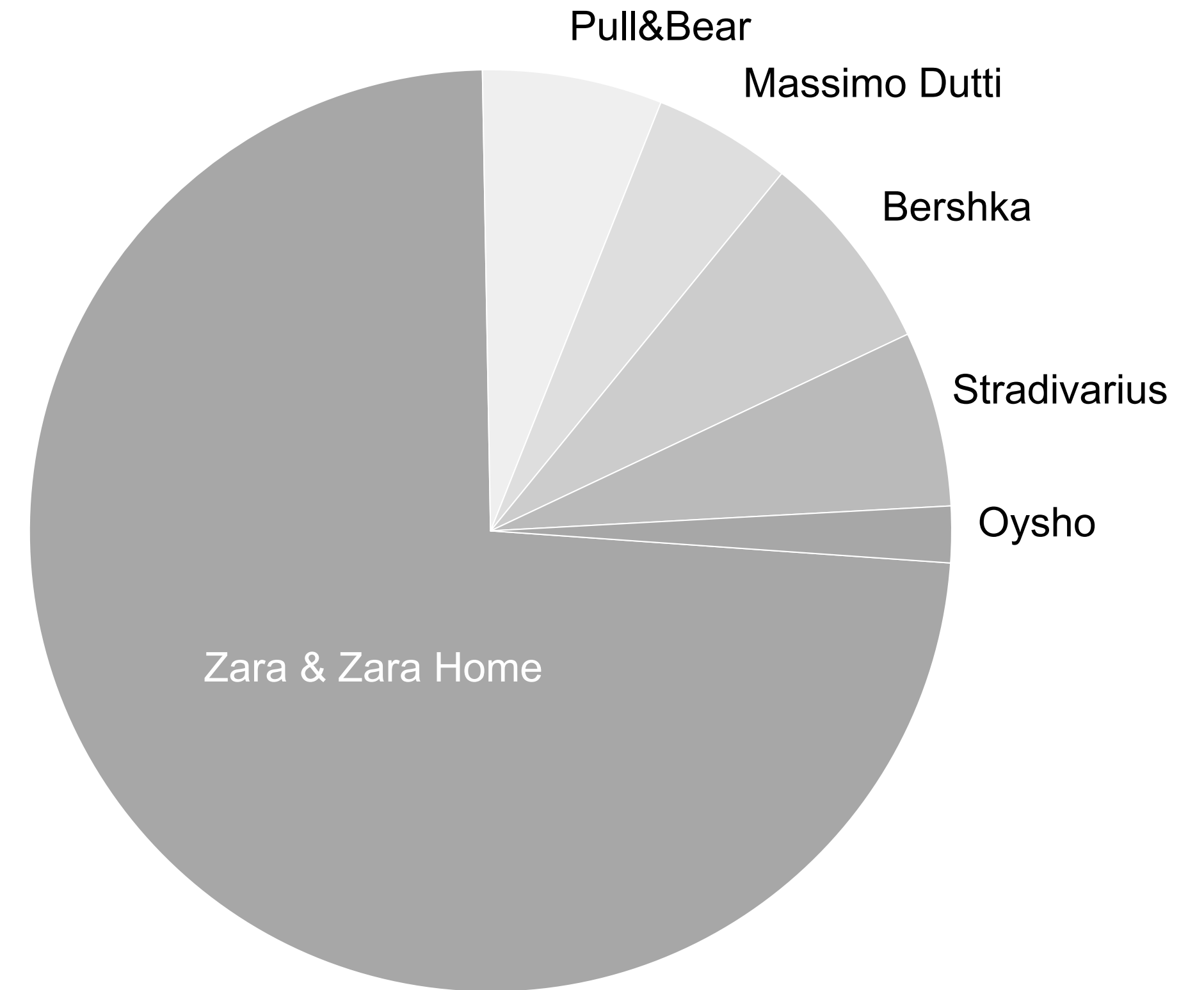
/ Net cash position up +15% to €9.2bn

Concepts



Sales by concept

- / Strong expansion continues
- / Store openings in 24 different markets in 1H2022
- / Optimisation activities across all concepts



Sales by concept

€ million	1H22	1H21	%
Zara & Zara Home	10,927	8,488	29%
Pull&Bear	936	786	19%
Massimo Dutti	721	654	10%
Bershka	1,055	919	15%
Stradivarius	913	782	17%
Oysho	293	305	(4%)
Total	14,845	11,936	24.5%

Concepts

- / Store sales across all concepts have been robust
- / Zara very strong performance
- / All concepts performed well. Oysho strong comparable base



Outlook



Zara Woman into the night



Zara Men Smart casual



Zara Kids Back to school



Zara Home A modernist escape



Pull&Bear The power of colour



Massimo Dutti Leather skills



Bershka New metallic collection



Stradivarius A matter of attitude



Oysho Cycling





Strategy

- / Unique fashion proposition: Creativity, design, quality and beauty
- / Ongoing optimisation of customer experience
- / Sustainability a key part of the strategy
- / Focus on the talent and commitment of our people
- / Technology and innovation to drive future growth
- / Shareholding remuneration



Sustainability innovation hub



/Investment in CIRC, a start-up focusing on the industrial scale recycling of textile products composed of multiple materials (including polyester and cotton, accounting for most of the fabrics manufactured)

/Regenerative Production Landscape Collaborative (RPLC) program - to promote regenerative agriculture and ecosystem restoration in an area of 300,000 hectares in the states of Madhya Pradesh and Odisha (India)

Outlook

- / Strong organic growth. Increased differentiation
- / Online sales to exceed 30% of total sales by 2024
- / Stable gross margins
- / Higher returns. Lower capital intensity
- / Capex of €1.1 billion for 2022 in stores, online and logistics. Technology and innovation key aspects
- / Fully integrated model operating at full speed
- / Great growth potential looking forward



Global Store & Online sales

- / Operations in 215 markets with low share in a highly fragmented sector
- / Organic growth & high quality openings, enlargements and refurbishments
- / Online to 30% of sales in 2024
- / Strong global opportunity



Dividends

- / A dividend of €0.93 per share (+33%) approved for FY2021
- / 2 November 2022: Final dividend €0.465 per share
- / Inditex dividend policy of 60% ordinary payout and bonus dividends remains in place
- / Total bonus dividend of €0.40 per share to be paid in relation to FY2022 results



Outlook 2022

- / Autumn/Winter collections well received by our customers
- / Store and online sales in constant currency between 1 August and 11 September 2022 increased 11% versus the record period in 2021



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Q&A

