

Interim Nine Months 2020

15 December 2020

INDITEX



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This document contains forward-looking statements. All statements other than statements of historical fact included herein, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations are forward-looking statements. Any such forward-looking statements are subject to risk and uncertainty and thus could differ materially from actual results.

Some of these risks include, amongst others, ongoing competitive pressure in the sector, consumer tastes and spending trends, economic, political, regulatory and trade conditions in the markets where the Inditex Group is present or in the countries where the Group's products are manufactured or distributed.

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The contents of this disclaimer should be taken into account by all persons or entities.

Overview

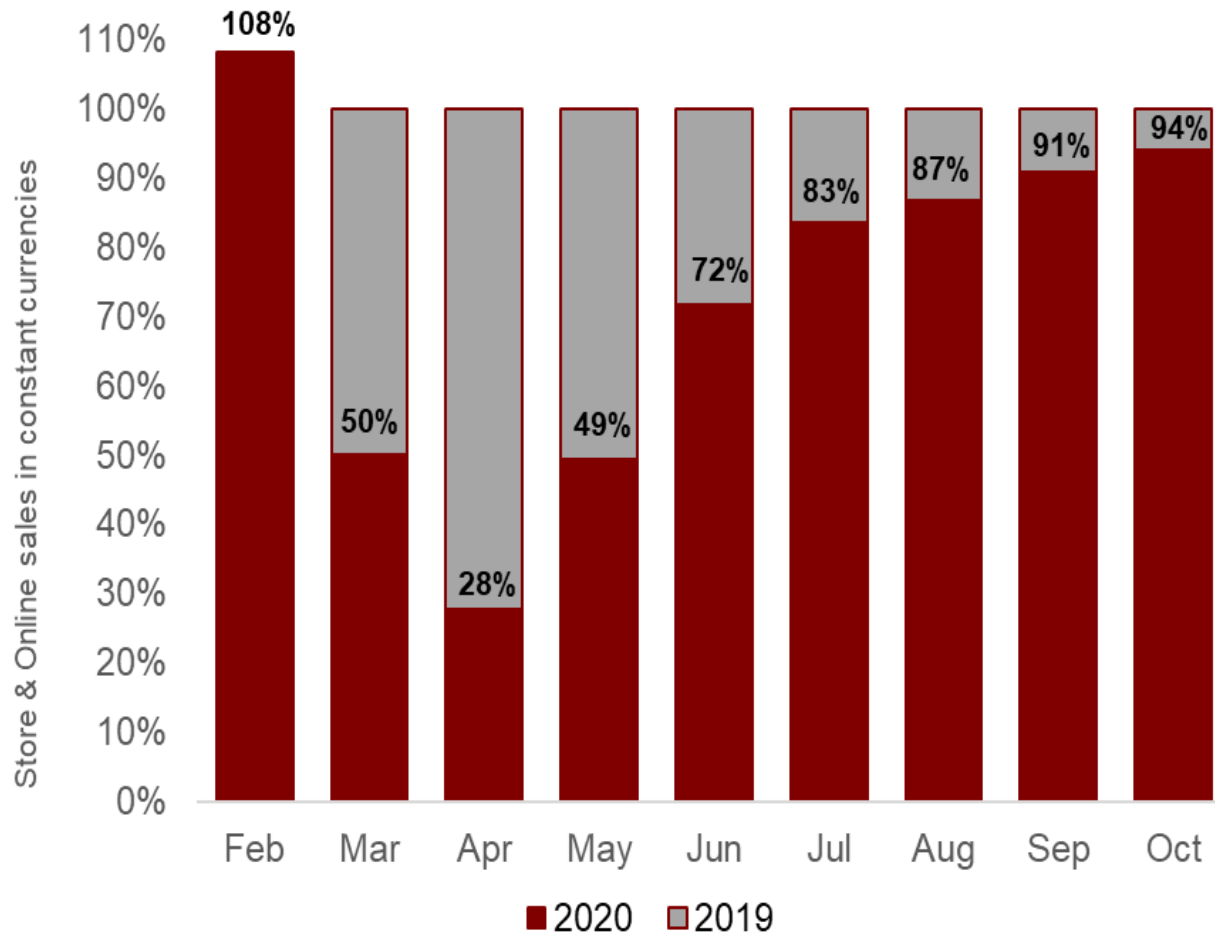
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3Q2020: Very strong operating recovery

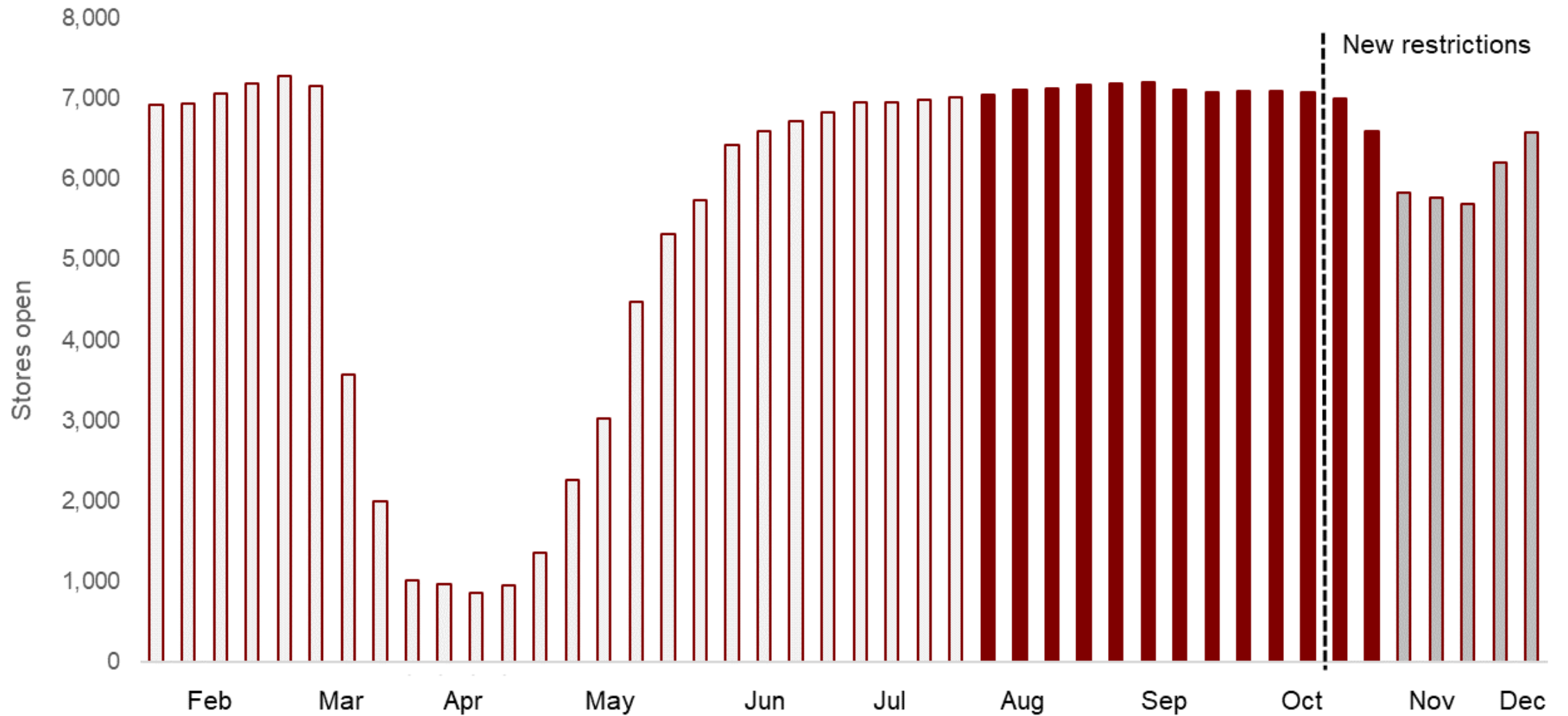
- ▶ Remarkable execution in a challenging operational environment
- ▶ Initial collections for Autumn/Winter 2020 very well received by our customers
- ▶ Practically all stores reopened in 3Q2020 but still with restrictions. Store sales recovering progressively
- ▶ Outstanding growth in online sales continues
- ▶ Strong cash flow and financial condition
- ▶ Fully confident in our unique business model and strategy: Store & Online integration, digitalisation and sustainability

3Q2020: Very strong operating recovery



- ▶ Store sales recovering progressively despite restrictions in 88% of stores. 5% of stores remained closed in 3Q
- ▶ Online sales continue growing at an outstanding pace
- ▶ Store & Online sales 1-18 October already at high historic level of 2019
- ▶ New phase of closures and restrictions established from 19 October in various markets

3Q2020: Stores in operation

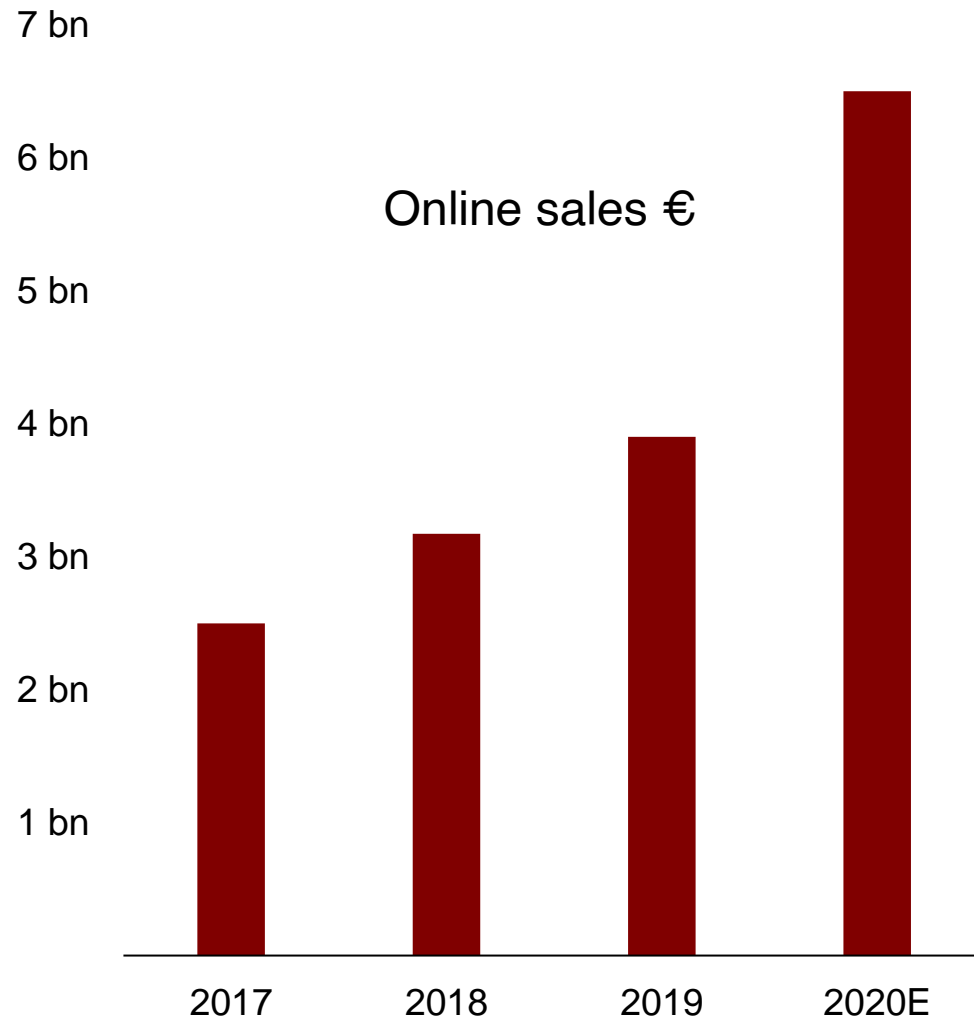


3Q2020: Increasing store traffic



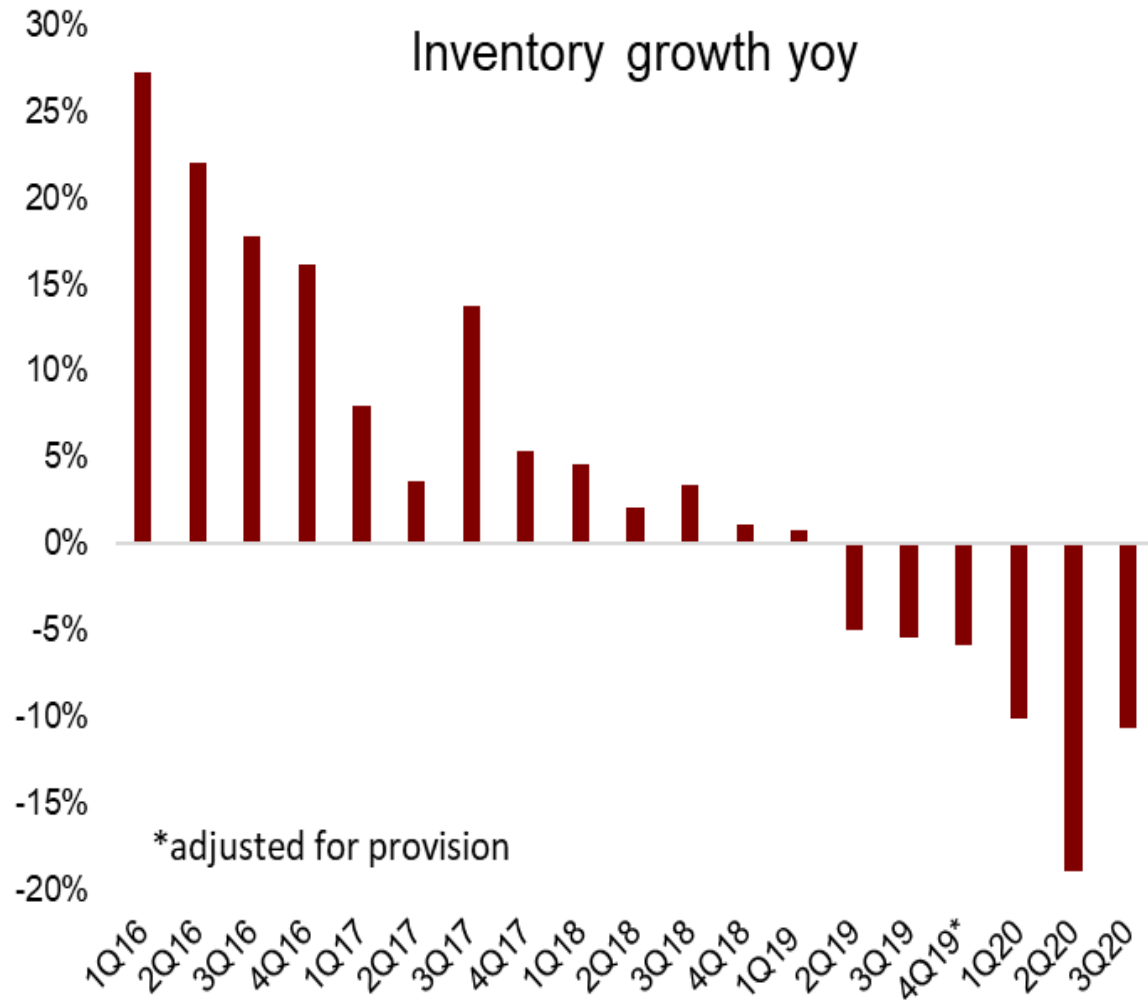
- ▶ Increasing store traffic and conversion
- ▶ Premium very balanced store base
 - Broad geographical presence with small share per market
 - Balanced split between street/shopping centre
 - City centre stores in capital cities account for less than 8% of sales
- ▶ 95% of store base optimised starting 2012
- ▶ Integrated, eco-efficient, digital

3Q2020: Online sales +76%



- ▶ 9M20: Strong online progression
- ▶ +75% increase in online sales in constant currency. +44% increase in online visits to 3.4 bn
- ▶ 97% of online growth organic
- ▶ Strong growth continues into 4Q2020
- ▶ Confirms strength of business model and fashion proposition
- ▶ Sector leading growth and profitability
- ▶ Non-dilutive to margins and lower capital intensity

3Q2020: Outstanding operating performance



- ▶ Efficiencies from single inventory position
- ▶ Technology enabled by RFID & SINT. Fully rolled out by 2020
- ▶ In-store inventory to fulfill online orders
- ▶ Store optimisation improves inventory allocation
- ▶ Higher product availability and full price sales
- ▶ Strong cash generation

Unique business model: Global fully integrated Store & Online



Zara Woman A/W collection



Zara Man Monochrome Layers



Zara Kids The Wanderers



Zara Home Interiors with a soul



Massimo Dutti Interlude editorial



Bershka Winter Calls



Pull&Bear: Art for everyone



Stradivarius Magical Allure editorial



Oysho Join Life Yoga & Meditation



Uterqüe A/W collection

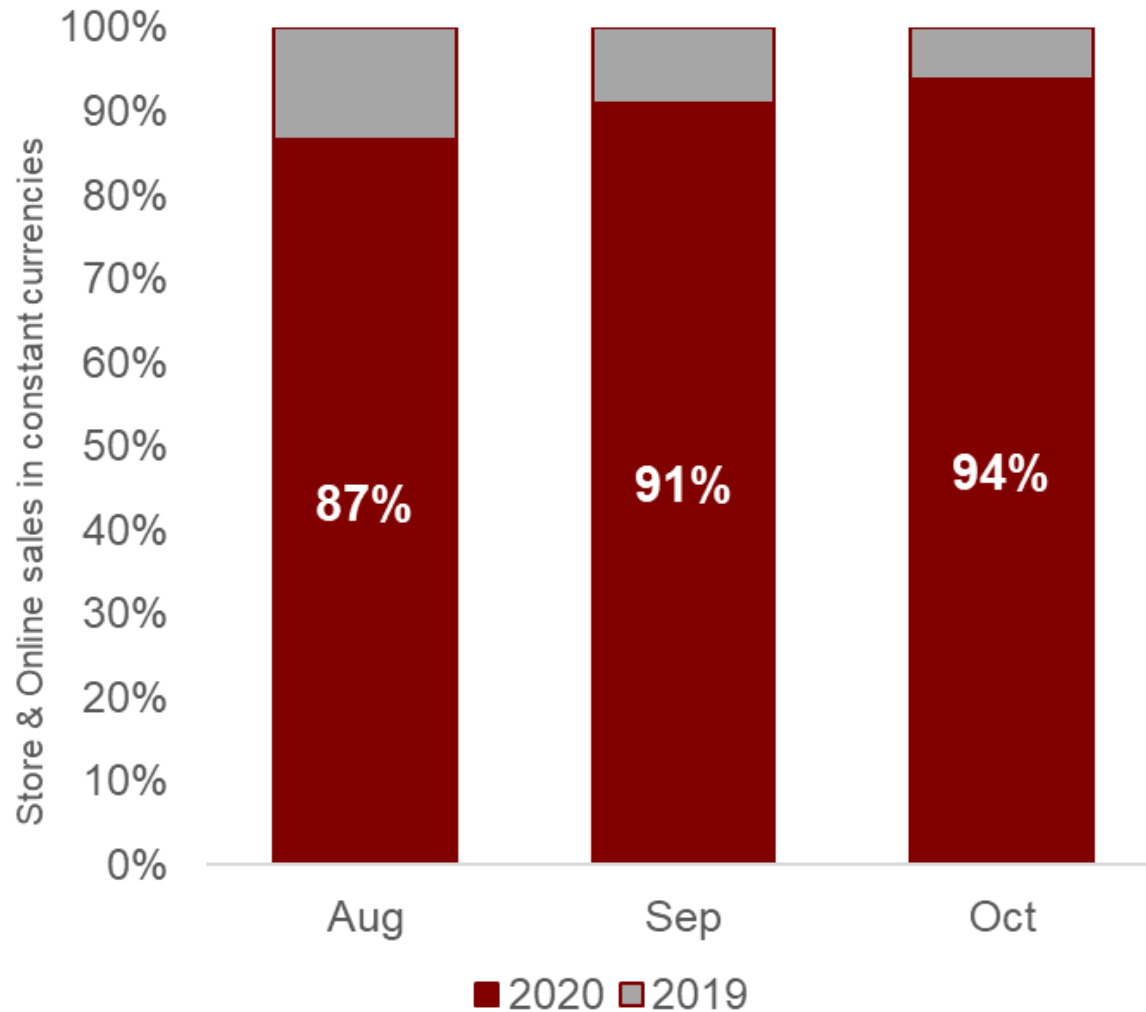


Financial Summary

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3Q2020: Strong recovery in operations



- ▶ Remarkable execution of store, online and supply chain
- ▶ Store sales recovering progressively
- ▶ Online sales continue growing at an outstanding pace
- ▶ Sales 1-18 October already at high historical level of 2019
- ▶ New temporary restrictions in some markets from 19 October

3Q2020: Strong recovery in operations

€ million	3Q20	3Q19	20/19	CC
Net sales	6,052	7,000	(14%)	(10%)
Gross profit	3,661	4,254	(14%)	(8%)
EBITDA	1,848	2,255	(18%)	(10%)
Net income	866	1,171	(26%)	(13%)

- ▶ Strong recovery in challenging environment
- ▶ Active management of supply chain
- ▶ Healthy gross margin evolution
- ▶ Strong reduction in operating expenses
- ▶ Exceptional costs of €135m due to Covid-19

Sales

€ million	9M20	9M19
Net sales	14,085	19,820

- ▶ Strong recovery in sales
- ▶ Online sales +75% CC in 9M2020
- ▶ 9M2020 sales trends improve as stores reopen and online sustains outstanding progress

Gross margin

€ million	9M20	9M19
Gross margin	58.0%	58.2%

- ▶ Flexibility of supply chain key to gross margin performance
- ▶ CC gross margin +110 bps to 59.3%
- ▶ Closing inventory down 11%

Operating efficiencies

€ million	9M20	9M19	20/19
Op. expenses	4,812	5,811	(17%)

- ▶ Very efficient cost management across all departments and business areas
- ▶ Demonstrates our ability to react and adapt continuously to the changing trading environment
- ▶ The main components of operating expenses have shown a very good performance

Depreciation

€ million	9M20	9M19	20/19
Depreciation	(2,388)	(2,154)	11%

- ▶ Depreciation & Amortisation includes completion of space optimisation 2020-2021 booked in 1Q2020

Financial results

€ million	9M20	9M19	20/19
Financial results	(107)	(111)	(4%)

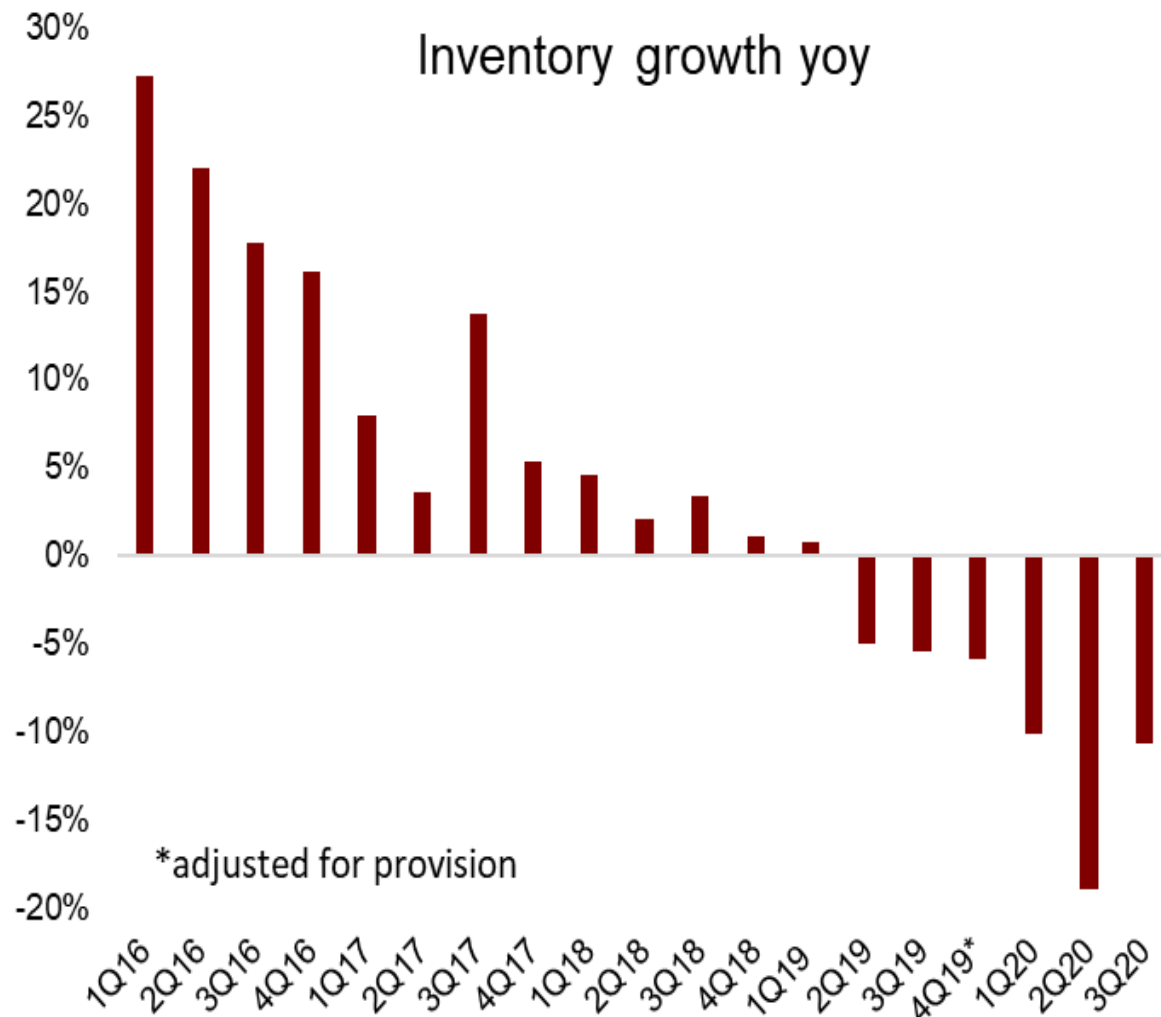
- ▶ Interest on lease liability amounted to €94m

Flexibility of business model key to performance

€ million	9M20	9M19	20/19
Inventory	3,067	3,434	(11%)
Receivables	787	843	(7%)
Payables	(6,842)	(7,517)	(9%)
Op. working capital	(2,988)	(3,240)	(8%)

- ▶ Flexibility of supply chain
- ▶ Single inventory
- ▶ High quality inventory at period end
- ▶ Improved working capital dynamics

Outstanding operating performance



- ▶ Efficiencies from single inventory position
- ▶ Technology enabled by RFID & SINT. Fully rolled out by 2020
- ▶ Store optimisation improves inventory allocation
- ▶ In-store inventory to fulfill online orders
- ▶ Higher product availability and full price sales
- ▶ Strong cash generation

Strong cash flow and financial condition

€ million	9M20	9M19	20/19
Net Cash Position	8,265	7,734	7%

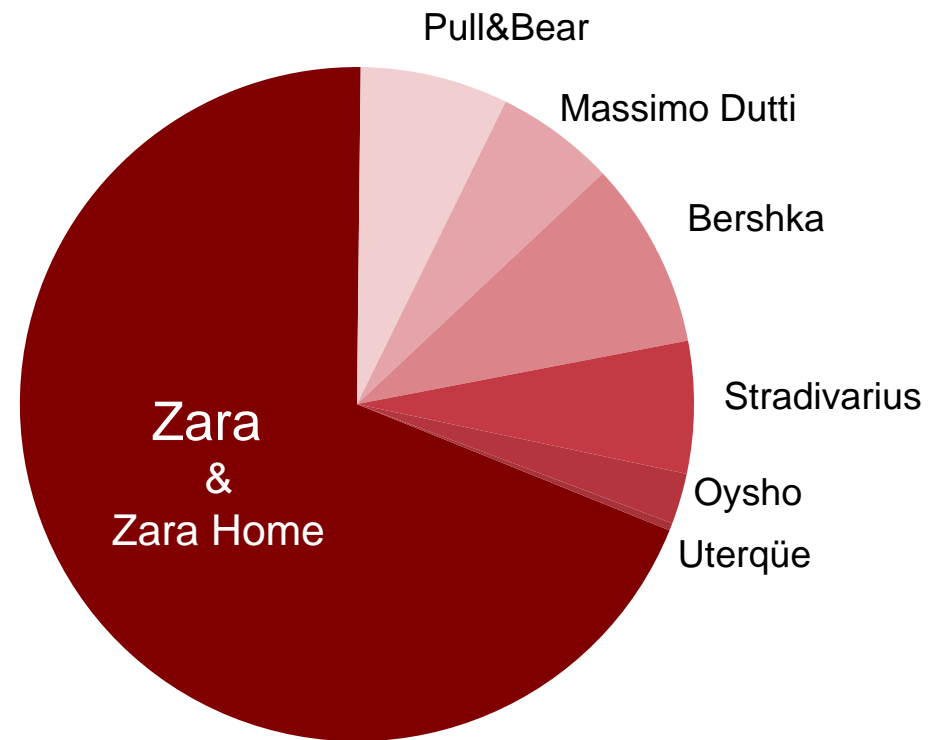
- ▶ Strong cash generation
- ▶ Net cash grew €1.8bn in 3Q vs 2Q20 closing balance
- ▶ Net cash reached historic highs

Concepts

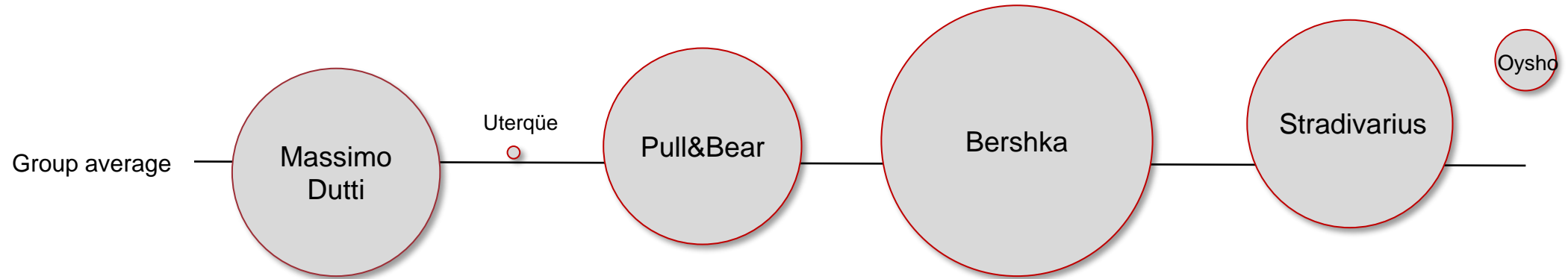
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Store & Online sales by concept



Performance per concept



Performance per concept

- ▶ Remarkable online growth across all concepts
- ▶ Strong performance at Oysho and Zara Home ranges
- ▶ Optimisation activity in all concepts

Outlook

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Sustainability & Circular economy a key part of the strategy



- ▶ Sustainability in supply chain
- ▶ Renewable energies
- ▶ Sustainable fabrics
- ▶ Eco-efficient stores
- ▶ Zero-waste / recycling

Sustainability & Circular economy 2020 targets



Objective	2020
100% eco-efficient stores	✓
100% stores w. containers for used garments	✓
More than 25% of Join Life garments	>30%
100% certified forest friendly fibers	✓
Removal of plastic bags in all concepts	✓
Zero discharge commitment	✓

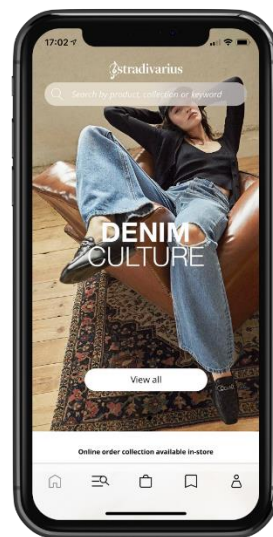
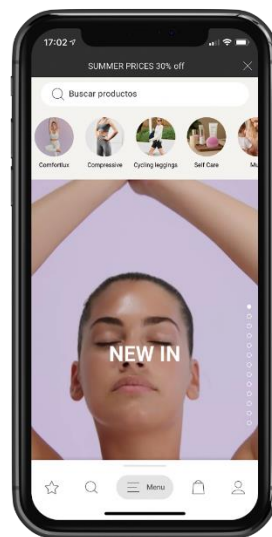
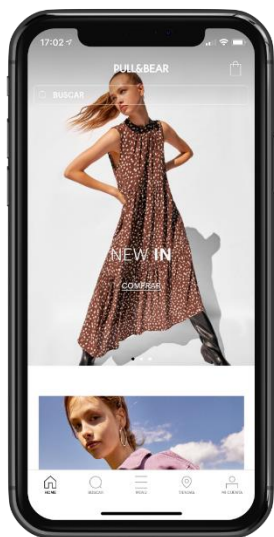
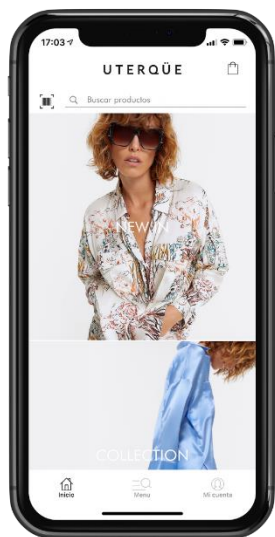
Online launch in Costa Rica, Guatemala, Honduras & Nicaragua



**HOLA COSTA RICA
COMPRA EN LÍNEA YA**

Global online developments

2007	2010	2011-2014	2019	2020	2021e	2022e
Zara Home launch all over Europe	Zara launch all over Europe	Zara launch in USA, China, Japan, Russia All concepts in Europe All key markets covered	Global presence 14% of group sales	Zara new studios 64,000 m ²	Inditex Open Platform	Online >25% of group sales



Integrated digital eco-efficient stores



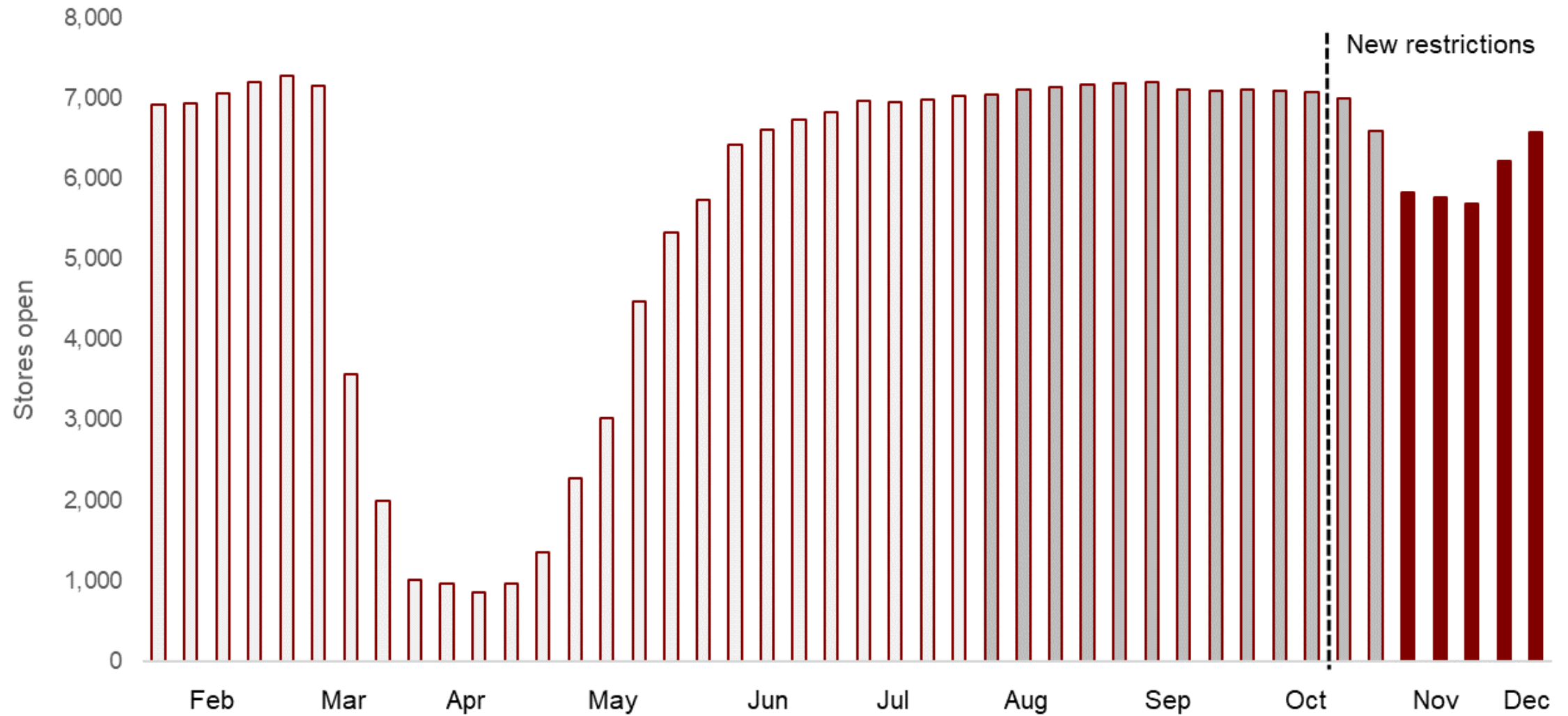
Beijing Wangfujing

Integrated digital eco-efficient stores

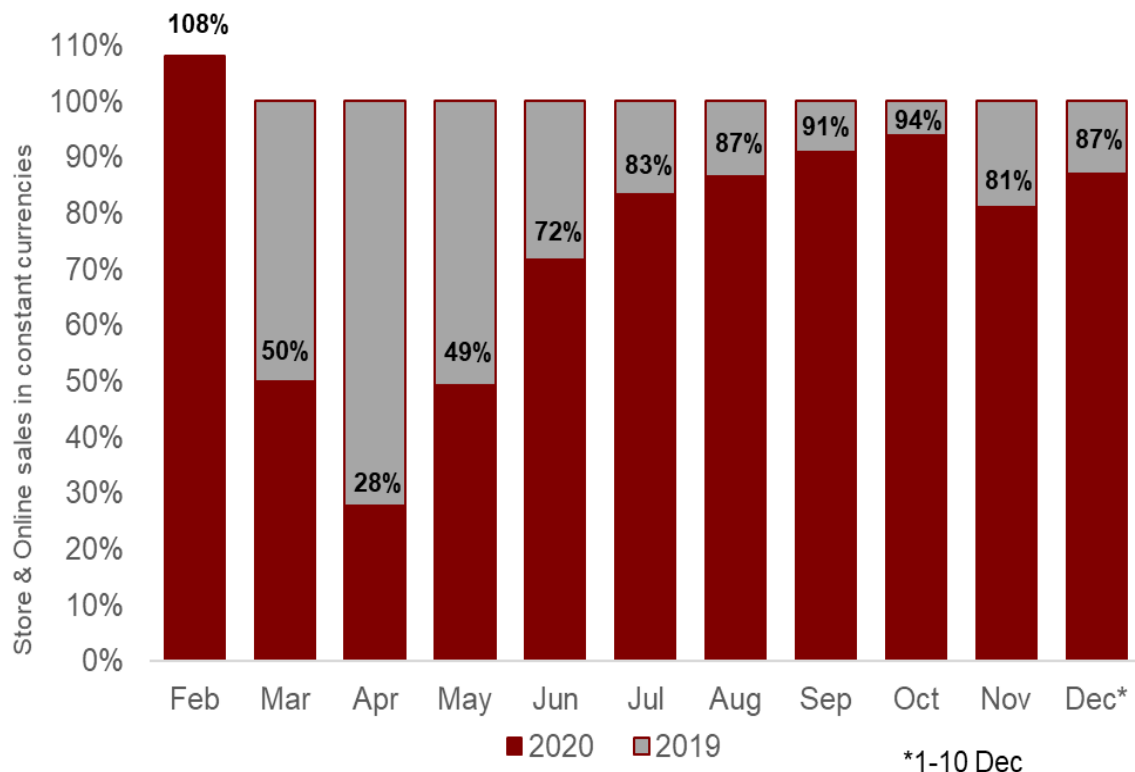


London Bluewater

4Q2020: Stores in operation



FY2020 outlook



- ▶ November sales affected by new phase of closures and restrictions in various markets
- ▶ Most markets reopened over the 1st week of December. Improvement in store sales
- ▶ Currently 8% of stores are closed with an additional 10% closed on weekends
- ▶ Significant number of stores with restrictions on space, capacity and opening hours
- ▶ Outstanding online growth continues at same rate as in 9M2020

Dividend

- ▶ FY2019 dividend of 35 cents per share paid on 2 November 2020
- ▶ Inditex's dividend policy of 60% ordinary payout and bonus dividends remains in place
- ▶ The remainder of the bonus dividend (78 cents per share) will be paid between FY2021 and FY2022
- ▶ Dividend payments to be made biannually in May and November as normal

FY2020 Results

- ▶ Results for FY2020 to be released on 10 March 2021

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