

INDITEX

Interim Half Year 2023

13 September 2023





Marcos López

Capital Markets Director

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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 of mandatory transparency 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 on Inditex's website (www.inditex.com).

Notwithstanding this, the risks and uncertainties that could affect the forward-looking statements are difficult to predict. Except where the prevailing regulations require otherwise, the company assumes no obligation to publicly revise or update its forward-looking statements should any unexpected changes, events or circumstances affect them.

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, this document contains 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 indicators are included to better understand the financial performance of the Inditex Group. However, the way they are defined and calculated by the Company may be different than other companies which rely on similar measures. Therefore, they may not be useful for comparability purposes. In any case, they 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 2022, available on Inditex's website (www.inditex.com) for the definition of APMs and Non-IFRS Measures included herein.



Óscar García Maceiras

CEO

To the next level



1H2023: Strong growth and execution continues

- / Strong operating performance continues due to the creativity of the teams and the execution of the fully integrated business model
- / Unique fashion proposition, optimised customer experience, sustainability and a focus on the talent and commitment of our people accelerate Inditex's differentiation
- / Strong sales growth (+13.5%) and very healthy execution
- / Net income grew +40.1% to €2.5 billion
- / Robust financial condition. Increasing cash flow generation
- / Strong performance continues into Autumn/Winter season. Store&Online sales in CC between 1 August and 11 September grew +14%

1H2023: Outstanding performance

- / Sales +16.6% in constant currency, with strong growth both in stores and online
- / Sales positive in all geographical areas and in all concepts



To the next level

- / Global growth opportunities
- / Operations in 213 markets with low market share in a highly fragmented sector
- / Increased differentiation





Ignacio Fernández

CFO

Financial summary



1H2023: Very strong execution

€ million	1H23	1H22*	23/22
Net sales	16,851	14,845	13.5%
Gross profit	9,801	8,594	14.1%
EBITDA	4,663	4,029	15.7%
PBT	3,252	2,340	39.0%
Net income	2,513	1,794	40.1%

/ Strong sales growth

/ Healthy gross margin

/ Disciplined cost management. Operating leverage

/ 15.7% growth in EBITDA

/ 40.1% growth in net income

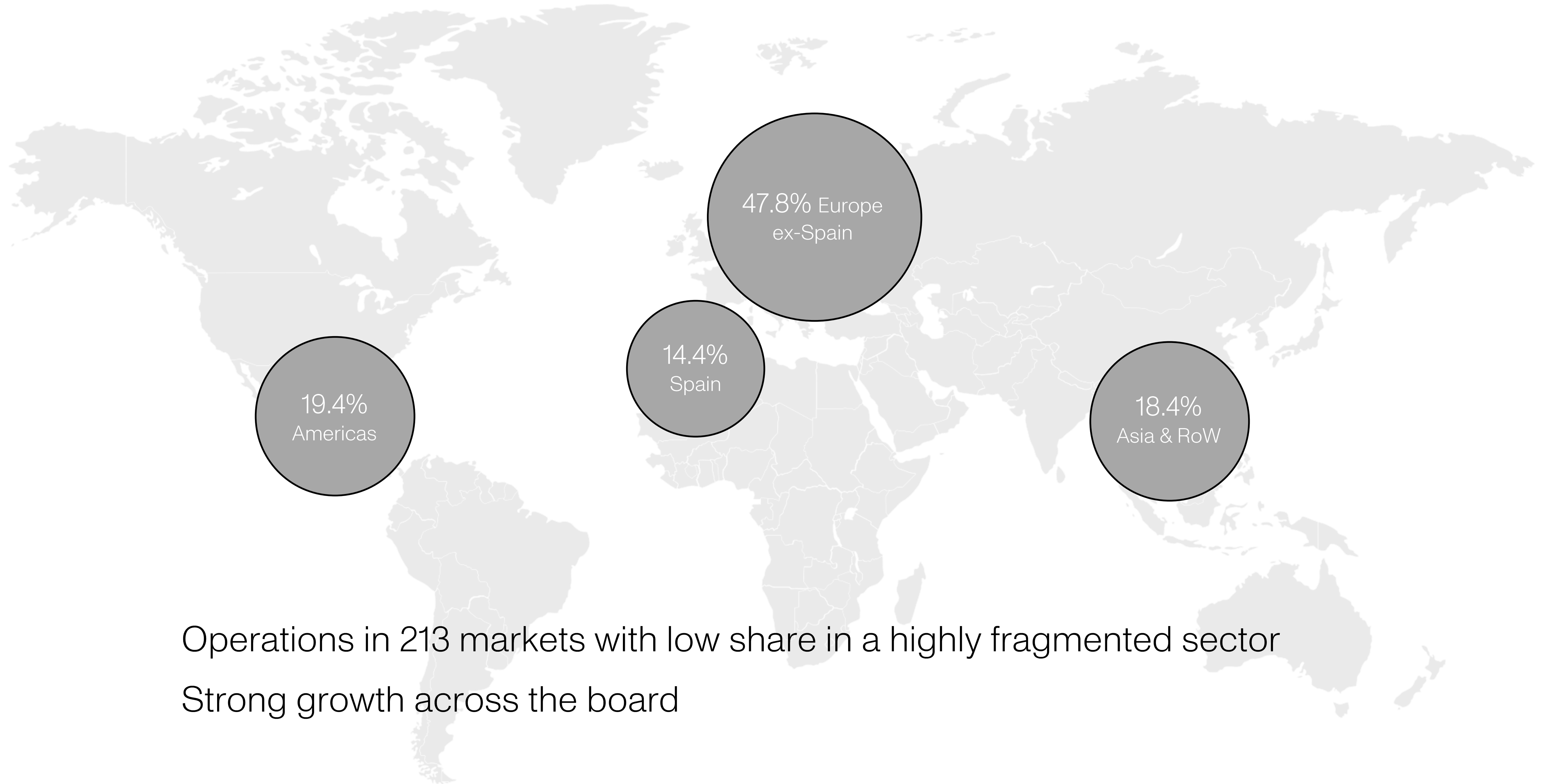
*In 1Q2022 Inditex reported a provision for expected expenses for FY2022 in the Russian Federation and Ukraine of €216m under Other results.

Sales

€ million	1H23	1H22	23/22
Net sales	16,851	14,845	13.5%

- / Sales €16.8 billion. CC sales +16.6%
- / Strong growth both in stores and online
- / Sales positive in all geographical areas and all concepts
- / At current exchange rates we expect a currency impact on sales around -3.5% for FY2023

Global Store & Online sales breakdown in 1H2023



Operations in 213 markets with low share in a highly fragmented sector

Strong growth across the board

Gross profit

€ million	1H23	1H22	23/22
Gross profit	9,801	8,594	14.1%

/ Very healthy execution

/ Gross margin 58.2% (+27bps)

Operating efficiencies

€ million	1H23	1H22	23/22
Op. Expenses	5,116	4,550	12.5%

- / Rigorous control of operating expenses
- / Operating expenses grew below sales growth
- / Including all lease charges, operating expenses grew 220 basis points below sales growth

Working capital and net cash position

€ million	1H23	1H22
Inventory	3,420	3,672
Receivables	1,012	856
Payables	(9,140)	(8,494)
Op. working capital	(4,708)	(3,967)
Net cash position	10,546	9,242

/ Robust operating performance

/ Normalisation in supply chain conditions.
1H2023 inventory -6.9% vs 1H2022

/ Inventory is considered of high quality

/ Net cash position €10.5 billion

Strong Cash Flow*

€ million	1H23	1H22
Funds from Operations	3,416	2,524
Change in working capital	(245)	(509)
Cash from Operations	3,171	2,015
Capital expenditure	(808)	(672)
Free Cash Flow	2,363	1,343

/ Funds from operations increased 35.4%

/ Cash from operations increased 57.4%

* Cash lease payment added back



Marcos López

Capital Markets Director

Concepts



Concepts

- / Sales across all concepts have been robust
- / Zara very strong performance
- / All concepts performed well



Sales by concept

- / Focused expansion continues
- / Store openings in 20 different markets in 1H2023
- / Optimisation activities across all concepts drive strong sales growth



Sales by concept

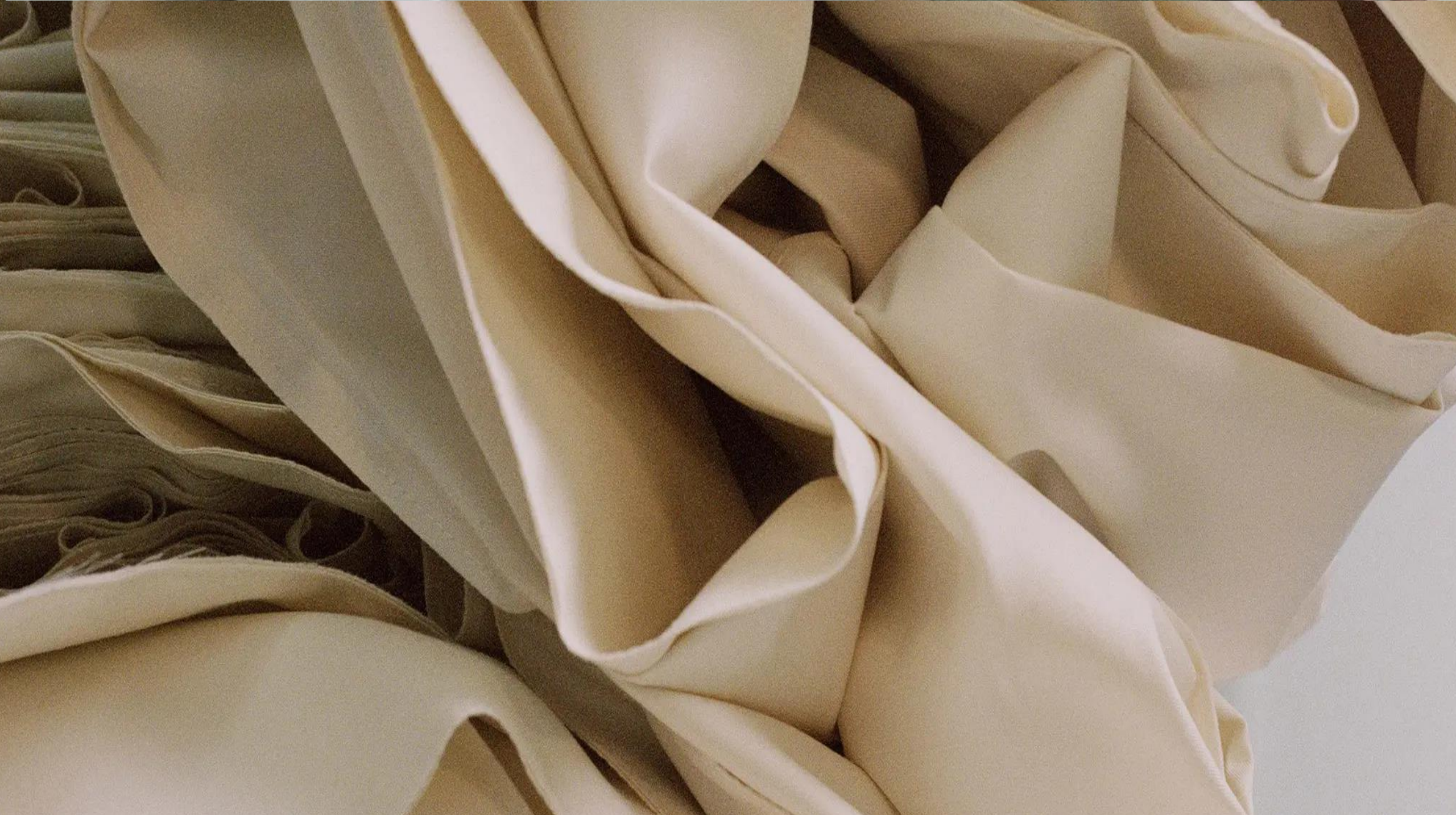
€ million	1H23	1H22	23/22
Zara & Zara Home	12,362	10,927	13.1%
Pull&Bear	1,042	936	11.4%
Massimo Dutti	842	721	16.8%
Bershka	1,184	1,055	12.3%
Stradivarius	1,075	913	17.7%
Oysho	346	293	18.3%
Total	16,851	14,845	13.5%



Óscar García Maceiras

CEO

To the next level



Unique fashion proposition

/ Creativity, innovation, design and quality



Zara's The Steven Meisel New York Collection



Zara Man Origins



Zara Kids Autumn collection





Zara Home Stripes & Overtones



Pull&Bear Pacific Republic

Massimo Dutti Studio



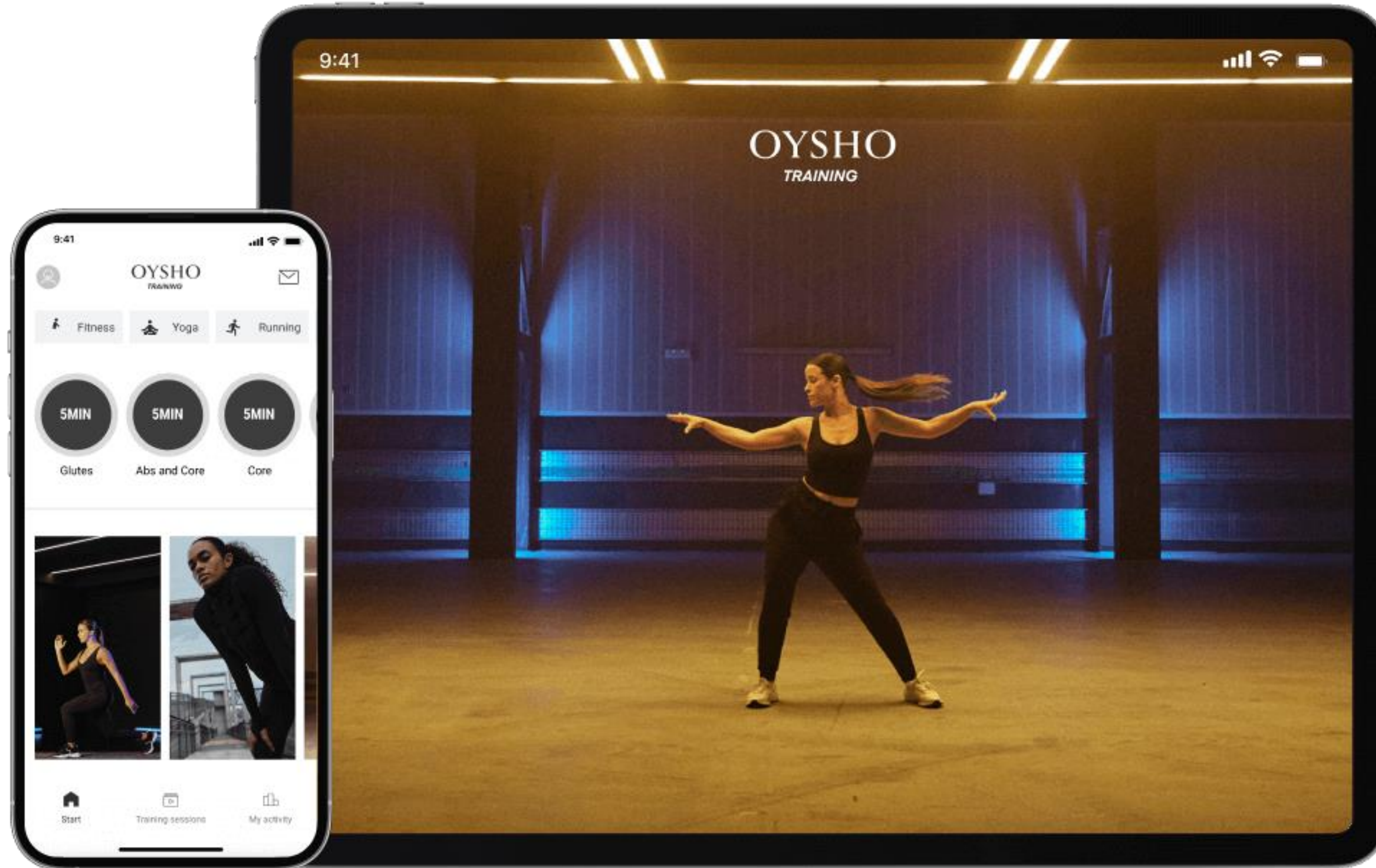
Bershka Denim



Stradivarius AW23



Oysho Training



New Zara store design



Zara Paris Hotel de Ville





ZARA

Zara Dubai Mall of the Emirates



Zara Sao Paulo Patio Higienópolis



ZARA

ZARA

ZARA

ZARA

Zara Shenyang Joy City

ZARA



Bershka Milan Vittorio Emanuele





Stradivarius Barcelona Paseo de Gracia

Roll-out of new self check-out and security technology



AGM: New sustainability targets

/ 2025

Circularity service like Zara Pre-Owned in key markets

3 million people in supply chain included in the Worker at the Center strategy, promoting advances in social dialogue, living wages, health, resilience and respect

/ 2030

Reduce emissions by more than 50%

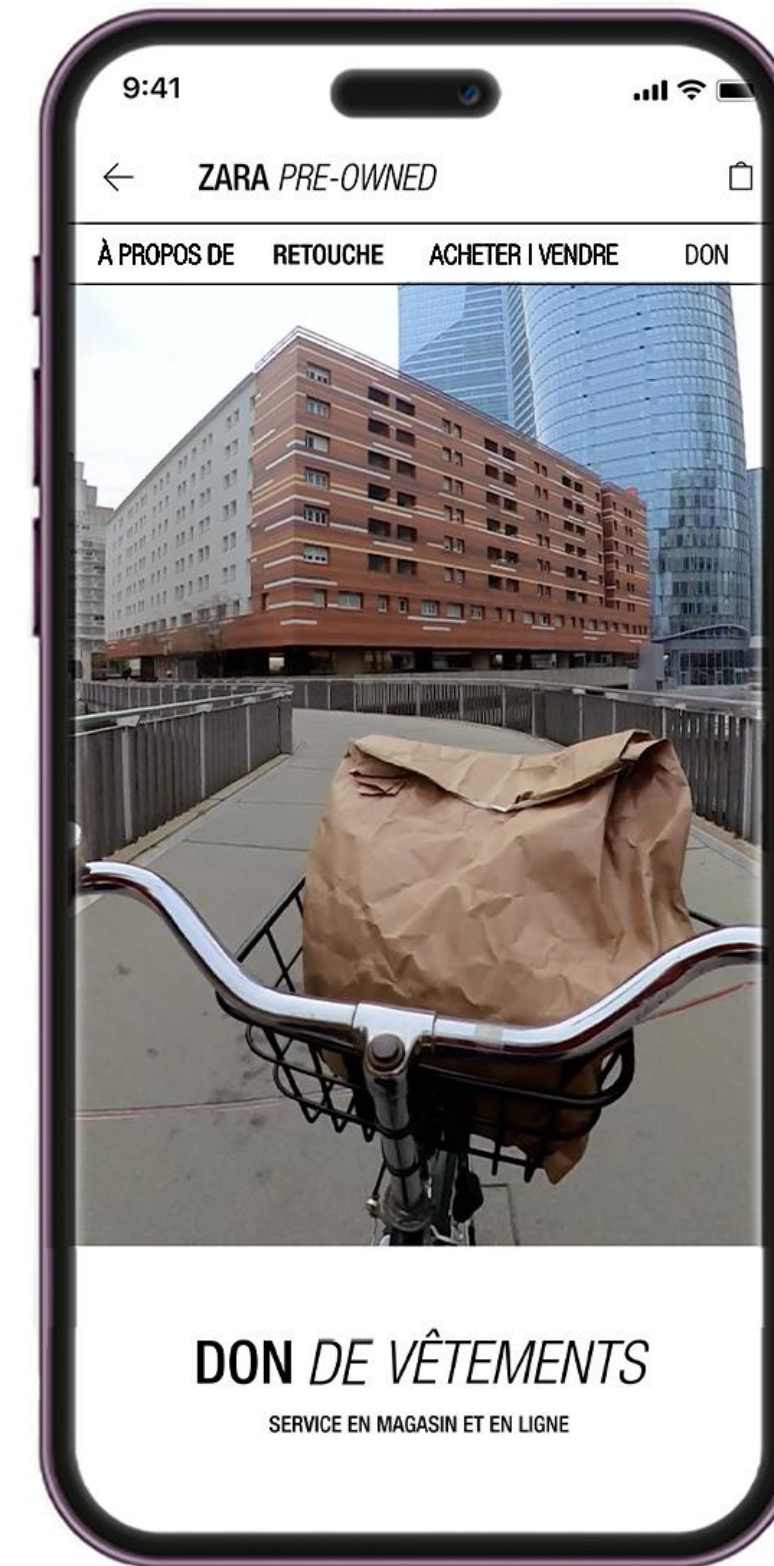
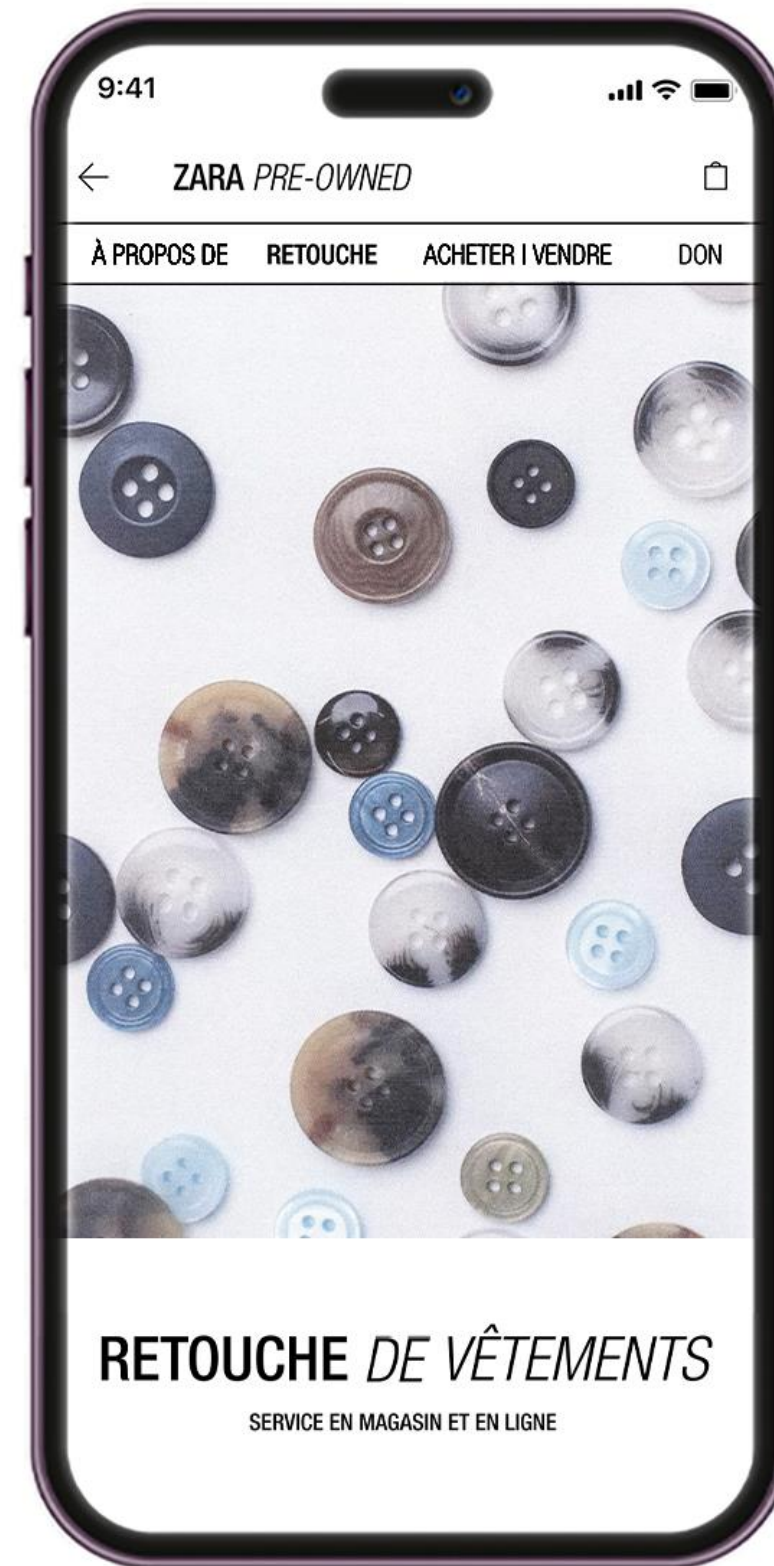
Use only textile raw materials that have a lower impact

5 million hectares protected, restored, or regenerated, for improvement of biodiversity

/ 2040: Zero net emissions



Zara Pre-owned launched in France on 7 September



People: Talent development

- / Continue to promote the talent and commitment of our teams to reinforce our attractiveness as a benchmark employer
- / Sustainable Fashion School (SFS) a space dedicated to training and innovation
- / Academic programme in textile processing for employees in conjunction with the University of Leeds
- / More than 1,500 employees across the Group, exceeding 75,000 hours of training



Outlook 2023

- / Increasing sales productivity in stores and online
- / Inditex expects positive space contribution in 2023
- / Stable gross margin (+/-50bps)
- / Ordinary capital expenditure of around €1.6 billion



29% dividend increase

- / Attractive and predictable dividend policy
- / Final 2022 dividend to be paid on 2 November 2023: €0.60 per share (€0.196 ordinary + €0.404 bonus)



3Q2023

- / Autumn/Winter collections continue to be very well received
- / Store&Online sales in CC between 1 August and 11 September grew +14%



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