

# INDITEX

## Interim Half Year 2024 Results

1 February 2024 to 31 July 2024

- / In 1H2024, Inditex continued with a very robust operating performance due to the creativity of the teams and the strong execution of the fully integrated store and online business model
- / Óscar García Maceiras, CEO, "The design and quality of our fashion proposition and the experience we offer our customers are, together with the efficiency and increasing sustainability of our operations, the keys to the solidity of these results. Our fully integrated model continues to generate opportunities for profitable growth across all concepts, regions and channels."
- / The Spring/Summer collections have been very well received by our customers. Sales grew 7.2%, to reach €18.1 billion, showing very satisfactory development both in stores and online. Sales were positive in all concepts. Sales in constant currency grew 10.2%
- / Gross profit increased 7.5% to €10.5 billion. The gross margin reached 58.3% (+19 bps versus 1H2023)
- / All expense lines have shown a favourable evolution. Operating expenses increased 6.8%, below sales growth
- / EBITDA increased 8.1% to €5.0 billion
- / EBIT increased 11.9% to €3.5 billion and PBT 10.6% to €3.6 billion
- / Net income increased 10.1% to €2.8 billion
- / The robust operating performance has resulted in strong cash flow generation
- / The FY2023 final dividend of €0.77 per share will be paid on 4 November 2024
- / Autumn/Winter collections have been very well received by our customers. Store and online sales in constant currency between 1 August and 8 September 2024 increased 11% versus the same period in 2023

## Interim Half Year 2024: Very strong operating performance

In 1H2024, Inditex continued with a very robust operating performance due to the creativity of the teams and the strong execution of the fully integrated store and online business model.

The Spring/Summer collections have been very well received by customers. Sales grew 7.2% to reach €18.1 billion, showing very satisfactory development both in stores and online. Sales were positive in all concepts. Sales in constant currency grew 10.2%.

In 1H2024, openings have been carried out in 34 markets. At the end of the period Inditex operated 5,667 stores. A list of total stores by concept is included in Annex I.

Net sales by concept in 1H2024 and 1H2023 are shown in the table below.

<b>Concept</b>	<b>1H2024</b>	<b>1H2023</b>
Zara (Zara & Zara Home)	13,033	12,362
Pull&Bear	1,124	1,042
Massimo Dutti	904	842
Bershka	1,382	1,184
Stradivarius	1,255	1,075
Oysho	368	346
<b>Total</b>	<b>18,065</b>	<b>16,851</b>

Inditex continues to roll out its global sales platform. Store and online sales by geographical area are shown in the table below.

<b>Area</b>	<b>1H2024</b>	<b>1H2023</b>
Europe ex-Spain	49.9%	47.8%
Americas	18.8%	19.4%
Asia & RoW	16.6%	18.4%
Spain	14.7%	14.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

In 1H2024, the execution of the business model was very strong. Gross profit increased 7.5% to €10.5 billion. The gross margin reached 58.3% (+19 bps).

All expense lines have shown a favourable evolution. Operating expenses increased 6.8%, below sales growth. Including all lease charges, operating expenses grew 102 bps below sales growth.

EBITDA increased 8.1% to €5.0 billion.

EBIT increased 11.9% to €3.5 billion and PBT 10.6% to €3.6 billion.

Annex II includes a breakdown of the Financial results.

The tax rate applied to the 1H2024 results is the best estimate for fiscal year 2024 based on available information.

Net income increased 10.1% to reach €2.8 billion.

The robust operating performance has resulted in strong cash flow generation. Funds from operations before corporate income tax came to €4.4 billion in 1H2024, 9% higher. Due to timing differences in tax refunds, funds from operations came to €3.5 billion.

<b>Million Euros</b>	<b>1H2024</b>	<b>1H2023</b>
<b>Funds from Operations before Corporate Income Tax(*)</b>	<b>4,356</b>	<b>4,002</b>
Corporate Income Tax Payments	(829)	(585)
<b>Funds from Operations</b>	<b>3,527</b>	<b>3,416</b>
Change in working capital	(342)	(245)
<b>Cash from Operations</b>	<b>3,185</b>	<b>3,171</b>
Capital expenditure	(1,276)	(808)
<b>Free Cash Flow</b>	<b>1,909</b>	<b>2,363</b>

\*The cash lease payments fixed charge has been added back.

The net cash position grew 3.5% to €10.9 billion at the end of 1H2024 versus the same period last year.

<b>Million Euros</b>	<b>31 July 2024</b>	<b>31 July 2023</b>
Cash & cash equivalents	5,951	7,177
Short term investments	4,977	3,380
Current financial debt	(17)	(11)
Non current financial debt	-	-
<b>Net financial cash (debt)</b>	<b>10,911</b>	<b>10,546</b>

Due to the robust operating performance over 1H2024 inventory was 1.7% lower as of 31 July 2024 versus the same date in 2023. Inventory is considered to be of high quality.

<b>Million Euros</b>	<b>31 July 2024</b>	<b>31 July 2023</b>
Inventories	3,363	3,420
Receivables	1,121	1,012
Payables	(10,438)	(9,140)
<b>Operating working capital</b>	<b>(5,954)</b>	<b>(4,708)</b>

## 2H2024

The Autumn/Winter collections have been very well received by our customers. Store and online sales in constant currency between 1 August and 8 September 2024 increased 11% versus the same period in 2023.

## Outlook

Inditex continues to see strong growth opportunities. Our key priorities are to continually improve the fashion proposition, to enhance the customer experience, to increase our focus on sustainability and to preserve the talent and commitment of our people. Prioritising these areas will drive long-term growth. To take our business model to the next level and extend our differentiation further we are developing several initiatives in all key areas for the coming years.

The creativity of our teams and the flexibility of the business model in conjunction with in-season proximity sourcing allows a swift reaction to customer demand. This situation results in a unique market position which provides our business model with great growth potential going forward.

Inditex operates in 214 markets with low share in a highly fragmented sector and we see strong growth opportunities. We expect increased sales productivity in our stores going forward. The growth of annual gross space in the period 2024-2026 is expected to be around 5%. Inditex expects space contribution to sales to be positive in this period, in conjunction with a strong evolution of online sales. Optimisation of stores is ongoing.

At current exchange rates, Inditex expects a -3.0% currency impact on sales in 2024.

In 2024, Inditex expects a stable gross margin (+/-50 bps).

For 2024, we are making investments that are scaling our capabilities, generating efficiencies, and increasing our competitive differentiation to the next level. We estimate ordinary capital expenditure of around €1.8 billion.

In view of the strong future growth opportunities, Inditex is implementing a logistics expansion plan in 2024 and 2025. This extraordinary two-year investment programme focused on the expansion of the business allocates €900 million per year to increase logistics capacities in each of the 2024 and 2025 financial years. These investments will have the highest standards of sustainability and use the most up-to-date technology.

### / Product proposition

We continue focusing on the creativity, innovation, design and quality of all our collections and integrated sales channels, while reinforcing the commercial initiatives of all our concepts. Zara Woman Collection, Zara Home Stationery, Massimo Dutti Studio, Pull&Bear Winter Trends, Bershka Denim Core, Stradivarius The Beauty of Routine and Oysho Yoga 2024 are just some of the creative proposals available through the second half of 2024.

## / Customer experience

We offer the best shopping experience to our customers both in our stores and on our online platforms.

The new store design for Zara created by our Architectural Studio is featured in openings, enlargements or relocations such as Lisbon Rossio, Valladolid Constitución, Liverpool One, Thessalonica Tsimiski, Eindhoven Rechtestraat, Greenwich Connecticut, Riyadh Al Nakheel and Bangalore Mall of Asia.

We are optimising our store presence with important openings, enlargements and relocations in all concepts, with key examples like Bershka London Oxford Street, Massimo Dutti Miami Aventura Mall, Stradivarius Bogota Calle 82, Pull&Bear Paris Passage du Havre, Zara Home Milan Palazzo Ferrania and Oysho Lima Jockey Plaza.

We continue introducing the new security technology in our stores. This new technology provides a significant improvement in customer experience, facilitating interaction with our products and improving the purchasing process. The new system will be fully operational in Zara in 2024. It will be progressively implemented in all the concepts and will be the basis for us to continue deepening the digitalisation of stores and their integration with online platforms in the coming years.

A significant initiative for this season will be the arrival in the coming weeks of our Zara Streaming experience in key markets such as Spain, USA, France, Italy, Germany, UK, Ireland, The Netherlands and Canada following the launch in the Chinese market in November 2023. We will continue extending the Streaming experience on our platforms to other markets over the following months.

## / Sustainability

As part of our continuous effort to explore alternatives for new raw materials, in July Inditex announced an equity investment in Galy, a US startup that has developed innovative technology for growing cotton in a lab from cotton stem cells.

In August 2024, we launched our second CIRC X Zara collection, designed by Zara Studio and made from textile waste. The collection is made up of garments with clean, timeless silhouettes and composed exclusively of CIRC Lyocell.

Both initiatives are part of our Sustainability Innovation Hub, a platform created in 2020 to promote the use of new technologies, materials and processes to minimise the environmental impact of our products, helping us move towards more sustainable and circular solutions. Our Sustainability Innovation Hub is currently working with more than 350 startups.

In terms of circularity, the Zara Pre-Owned platform, currently available in 16 European markets, will reach the United States by the end of October 2024. Through this platform, we will continue helping our customers to extend the life cycle of their Zara garments through donation, repair or resale.

## / People

We continue with our firm commitment to the talent of our people with the aim of remaining a benchmark employer as well as looking for a positive impact on our communities.

In this line, Inditex has obtained the 'Top Employers' seal in 12 of our most relevant markets, a distinction that certifies companies that put their people at the centre, creating work environments that generate a sense of belonging, in which everyone feels accepted, has the freedom to express their ideas and is heard.

In terms of Woman in Tech, we have carried out initiatives such as 'Technovation', a global programme in which more than 30,000 young women from 50 countries have participated this year, empowering them to tackle social and environmental problems in their communities through technology.

## Dividends

The FY2023 final dividend of €0.77 per share will be paid on 4 November 2024.

For additional information:

# INDITEX

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## Consolidated Financial Statements

Inditex Group 1H2024 Income Statement (€m)		
	1H2024	1H2023
<b>Net sales</b>	<b>18,065</b>	<b>16,851</b>
Cost of sales	(7,524)	(7,050)
<b>Gross profit</b>	<b>10,541</b>	<b>9,801</b>
<i>Gross margin</i>	58.3%	58.2%
Operating expenses	(5,467)	(5,116)
Other net operating income (losses)	(34)	(22)
<b>Operating cash flow (EBITDA)</b>	<b>5,040</b>	<b>4,663</b>
EBITDA margin	27.9%	27.7%
Amortisation and depreciation	(1,499)	(1,498)
<b>Operating income (EBIT)</b>	<b>3,541</b>	<b>3,164</b>
EBIT margin	19.6%	18.8%
Financial results	12	54
Results from companies consolidated by equity method	45	34
<b>Income before taxes</b>	<b>3,598</b>	<b>3,252</b>
EBT margin	19.9%	19.3%
Taxes	(820)	(732)
<b>Net income</b>	<b>2,778</b>	<b>2,520</b>
Minorities	9	7
<b>Net income attributable to the controlling company</b>	<b>2,768</b>	<b>2,513</b>
Net income margin	15.3%	14.9%
<b>Earnings per share, Euros (*)</b>	<b>0.889</b>	<b>0.807</b>

(\*) Shares for EPS calculation 3,114,156,590 for 2024 and 3,112,599,658 for 2023

Inditex Group  
Consolidated Balance Sheet as of 31 July 2024 (€m)

**31 July 2024**   **31 July 2023**

**Assets**

<b>Non Current Assets</b>	<b>17,195</b>	<b>16,048</b>
Right of use	4,780	4,933
Intangible assets	1,522	1,324
Tangible assets	9,003	7,864
Financial investments	429	390
Other	1,460	1,537
<b>Current Assets</b>	<b>16,058</b>	<b>15,273</b>
Inventories	3,363	3,420
Receivables	1,121	1,012
Short term investments	4,977	3,380
Cash & cash equivalents	5,951	7,177
Other	646	284
<b>Total Assets</b>	<b>33,253</b>	<b>31,321</b>

**Liabilities & Shareholders' Equity**

<b>Shareholders' Equity</b>	<b>16,548</b>	<b>15,786</b>
Equity attributable to the Group	16,509	15,754
Minority interests	39	31
<b>Non Current Liabilities</b>	<b>4,798</b>	<b>4,837</b>
Deferred taxes	430	400
Financial debt	-	-
Lease liability	3,797	3,942
Other	571	494
<b>Current Liabilities</b>	<b>11,906</b>	<b>10,698</b>
Financial debt	17	11
Lease liability	1,428	1,510
Payables	10,438	9,140
Other	23	37
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>33,253</b>	<b>31,321</b>



Grupo Inditex  
1H2024 Consolidated Statement of Cash Flows (€m)

	1H2024	1H2023
<b>Income before taxes</b>	<b>3,598</b>	<b>3,252</b>
<b>Adjustments to income-</b>		
Depreciation and amortization	1,499	1,498
Lease financial expenses	110	90
Other	12	18
<b>Corporate income tax-</b>	<b>(829)</b>	<b>(585)</b>
<b>Funds from operations</b>	<b>4,390</b>	<b>4,273</b>
Changes in assets and liabilities		
Change in inventories	(426)	(268)
Change in accounts receivable	(192)	(287)
Change in current liabilities	276	309
<b>Change in working capital</b>	<b>(342)</b>	<b>(245)</b>
<b>Cash from operations</b>	<b>4,048</b>	<b>4,027</b>
Intangible assets investments	(244)	(200)
Tangible assets investments	(1,032)	(608)
Change in other long-term financial investments	-	(17)
Other assets investments	(1)	6
Change in short-term financial investments	(547)	1,162
<b>Cash flow from investing activities</b>	<b>(1,825)</b>	<b>343</b>
Change in current debt	2	(2)
Lease payments fixed charge	(863)	(856)
Dividends	(2,398)	(1,868)
<b>Cash used in financing activities</b>	<b>(3,259)</b>	<b>(2,726)</b>
Change in cash and cash equivalents	(1,036)	1,644
Cash and cash equivalents at beginning of the year	7,007	5,561
Foreign exchange impact on cash & cash equivalents	(21)	(29)
<b>Cash and cash equivalents at end of the year</b>	<b>5,951</b>	<b>7,177</b>

## Annex I

Number of stores by concept:

<b>Concept</b>	<b>31 July 2024</b>	<b>31 July 2023</b>
Zara	1,792	1,839
Zara Home	404	420
Pull&Bear	808	790
Massimo Dutti	542	545
Bershka	856	855
Stradivarius	847	845
Oysho	418	451
<b>Total</b>	<b>5,667</b>	<b>5,745</b>

## Annex II

Breakdown of Financial results:

<b>Million Euros</b>	<b>1H2024</b>	<b>1H2023</b>
Net financial income (losses)	173	131
Lease financial expenses	(110)	(90)
Foreign exchange gains (losses)	(52)	13
<b>Total</b>	<b>12</b>	<b>54</b>

The Gross Profit, EBITDA, EBIT, PBT, ROE, ROCE, working capital, net financial position, average net financial debt, Store operating profit, quarterly results, Sales growth at constant exchange rates, and Sales in comparable stores are defined in Note 2 to the Consolidated Annual Accounts 2023.

## Disclaimer

Neither this document nor the information contained herein constitute an offer to sell, exchange or buy, or the solicitation of an offer to buy, to sell or exchange, or any recommendation or advice regarding any securities issued by the Inditex Group.

This document may contain statements regarding intentions, expectations, estimates or forecasts. All statements other than statements of historical facts contained herein, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These statements represent the Company's best estimate, on the basis of the information available as at the date hereof, but do not constitute a guarantee of future performance. Any such forward-looking statements may be subject to risks, uncertainties and other relevant factors which could cause the evolution and actual results achieved to differ materially from results predicted. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements.

Some of these risks include, without limitation, (i) financial risks, such as the macroeconomic environment of the various geographies where the Group operates, changes to market factors (including, without limitation, foreign exchange or interest rates or the price of raw materials), the financial solvency of counterparties or the competitive environment, (ii) geopolitical risks, such as instability in the different supply markets and the markets where our goods are sold, or the frictions that may hinder the normal movement of goods, (iii) social risks, such as the change in the perception of the Group or the industry by stakeholders, the emergence of infectious or contagious diseases, or labour disputes, (iv) governance risks, such as violation of laws or non-compliance with regulations or good governance recommendations, or risks resulting from tactical and strategic decisions that prevent achieving the business objectives, (v) technological risks, such as cyberattacks, collapse of critical infrastructures, industrial accidents or the fast evolution of technology, and (vi) the different environmental risks associated with natural disasters, climate change, the transition to a low – carbon economy and the interactions resulting from the human exploitation of the environment.

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](http://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 2023, available on Inditex's website ([www.inditex.com](http://www.inditex.com)) for the definition of APMs and Non-IFRS Measures included herein.