

INDITEX

2023 Results

13 March 2024



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Some of these risks include, without limitation, 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).

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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) for the definition of APMs and Non-IFRS Measures included herein.

To the next level



2023: 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
- / Strong sales growth (+10.4%). Sales +14.1% in constant currency
- / Sales positive in all geographical areas, store&online and in all concepts
- / Net income grew +30% to €5.4 billion
- / Robust financial condition. Increasing cash flow generation
- / 28% increase in dividend
- / Strong start to 2024: Store&Online sales in CC between 1 February and 11 March (adjusted for the calendar effect of an extra day in February due to the leap year) grew +11%

2024-2026: Strong commitment to profitable growth

- / Unique business model: Fully integrated Store&Online
- / Unique fashion proposition, optimised customer experience, sustainability and a focus on the talent and commitment of our people
- / Global growth opportunities
- / Operations in 213 markets with low market share in a highly fragmented sector
- / Increased differentiation
- / Growth of annual gross space in the period 2024-2026 to be c5%
- / Ordinary capex of around €1.8 billion in 2024
- / Logistics expansion plan 2024-2025: extraordinary investment programme focused on the expansion of the business allocates €900 million each year

Financial summary



2023: Very strong execution

€ million	FY23	FY22*	23/22
Net sales	35,947	32,569	10.4%
Gross profit	20,762	18,559	11.9%
EBITDA	9,850	8,649	13.9%
PBT	6,870	5,358	28.2%
Net income	5,381	4,130	30.3%

/ Strong sales growth

/ Healthy gross margin

/ Disciplined cost management. Operating leverage

/ 13.9% growth in EBITDA

/ 30.3% growth in net income

*In 2022 Inditex reported a provision for expected expenses for FY2022 in the Russian Federation and Ukraine of €231m under Other results.

Sales

€ million	FY23	FY22	23/22
Net sales	35,947	32,569	10.4%

- / Sales €35.9 billion. CC sales +14.1%
- / Strong growth both in stores and online
- / Sales positive in all geographical areas and all concepts
- / At current exchange rates, currency impact on sales in 2024 around -1.5%

Global Store&Online sales breakdown in 2023



Operations in 213 markets

Sales positive in all key geographic areas

Gross profit

	FY23	FY22	23/22
Gross margin	57.8%	57.0%	77 bps

/ Very healthy execution

/ Gross profit +11.9% to €20.8bn

/ Based on continued strong execution, Inditex expects a stable (+/-50 bps) gross margin in 2024

Operating efficiencies

€ million	FY23	FY22	23/22
Op. Expenses	10,853	9,867	10.0%

- / Rigorous control of operating expenses
- / Operating expenses grew below sales growth
- / Including all lease charges, operating expenses grew 125 basis points below sales growth

Working capital and net cash position

€ million	FY23	FY22
Inventory	2,966	3,191
Receivables	1,038	851
Payables	(7,467)	(6,561)
Op. working capital	(3,463)	(2,520)
Net cash position	11,406	10,070

- / Robust operating performance
- / Normalisation in supply chain conditions. FYE2023 inventory -7% vs FYE2022
- / Inventory is considered of high quality
- / Net cash position €11.4 billion

Funds from operations

€ million	FY23	FY22
Funds from Operations*	6,991	5,722
Change in working capital	(56)	(669)
Cash from Operations	6,934	5,053
Capital expenditure	(1,872)	(1,415)
Free Cash Flow	5,062	3,638

Funds from Operations* with cash lease payment added back

/ Strong cash generation continues

/ Funds from Operations* increased +22%

/ Return to normality in working capital

Concepts



Concepts

- / Focused expansion continues
- / Store openings in 41 different markets
- / Optimisation activities across all concepts
- / Zara very strong performance
- / Robust across the board
- / Continued geographical expansion



Concepts

/ Very strong performance

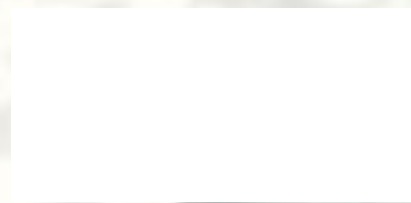
€ million	Sales	23/22	PBT/Sales	ROCE
Zara & Zara Home	26,050	10%	19%	36%
Pull&Bear	2,359	10%	19%	52%
Massimo Dutti	1,839	15%	18%	43%
Bershka	2,621	10%	18%	42%
Stradivarius	2,334	13%	21%	62%
Oysho	744	19%	18%	52%
Total	35,947	10%	19%	39%

Concepts

- / Robust group performance
- / PBT on sales increases to 19%
- / Return on Capital Employed increases 580 bps to 39%



Outlook



To the next level



Unique fashion proposition

/ Creativity, innovation, design and quality





Zara Woman The Leather Edit



Zara Man Collection

Zara Kids True Neutrals



ART
WIDE
BY
THE

Zara Home Linens



Pull&Bear The Summit



Massimo Dutti Venetian Veil



Bershka TBTailoring



Stradivarius Poplin Collection



Oysho Back to training



Zara Paris Hotel de Ville





ZARA

ZARA

Zara Los Angeles The Grove



Massimo Dutti Miami Aventura Mall



Start of weekly live streaming in US and UK



2023: Zara Pre-owned in 16 European markets



2024: Zara Pre-owned to be launched in US



Sustainability Innovation Hub

- / Sustainability Innovation Hub is currently working with more than 350 start-ups
- / Projects are now contributing to our current collections, including LOOPAMID® x ZARA
- / Strengthened our commitment to Infinited Fiber with a direct investment in the capital of the company



Inditex People

- / Zara Hola!: Coaching programme available in 50 markets with 2,800 coaches
- / More than 12,700 internal promotions in 2023



Outlook: Strong commitment to profitable growth

- / To meet current strong demand
- / Increasing sales productivity in stores and online
- / Annual gross space growth c5% in 2024-2026
- / Positive space contribution
- / Continued online expansion



Capex

- / 2024 Ordinary capital expenditure of around €1.8 billion
- / Mainly focused on stores, IT integration and online platforms



Logistics expansion plan 2024-2025 to meet strong demand

- / Two-year extraordinary investment in logistics. €900m in each year
 - / Zara new 286,000 m² DC Zaragoza II
 - / Zara 123,000 m² DC enlargement in Lelystad (Netherlands)
 - / Bershka new 116,000 m² DC in Valencia region
 - / Tempe new 141,000 m² DC in Valencia region
- / Projects to start operations in 2H2025

2024-2025 Logistics expansion plan



Strong start to 2024

- / Start of 2024: Spring/Summer collections very well received
- / Store&Online sales in CC between 1 February and 11 March (adjusted for the calendar effect of an extra day in February due to the leap year) grew +11%



28% dividend increase

- / Attractive and predictable dividend policy
- / 60% ordinary payout and bonus dividends
- / The Board of Directors will propose to the AGM a dividend of €1.54 per share (+28%) for 2023. It will be composed of an ordinary dividend of €1.04 and a bonus dividend of €0.50 per share.
- / The dividend will be made up of two equal payments
- / 2 May 2024: €0.77 per share ordinary
- / 4 November 2024: €0.77 per share (€0.27 ordinary + €0.50 bonus)

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