

# INDITEX



## Interim Half Year 2018

12 September 2018

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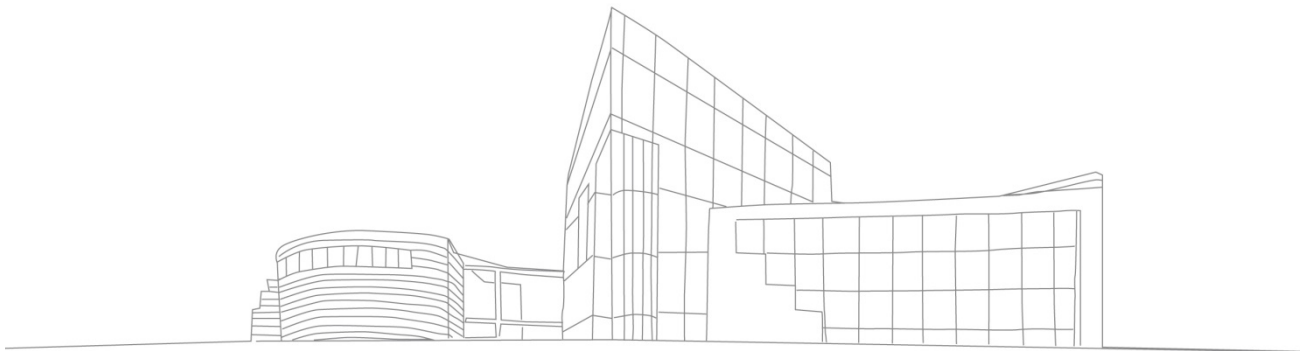
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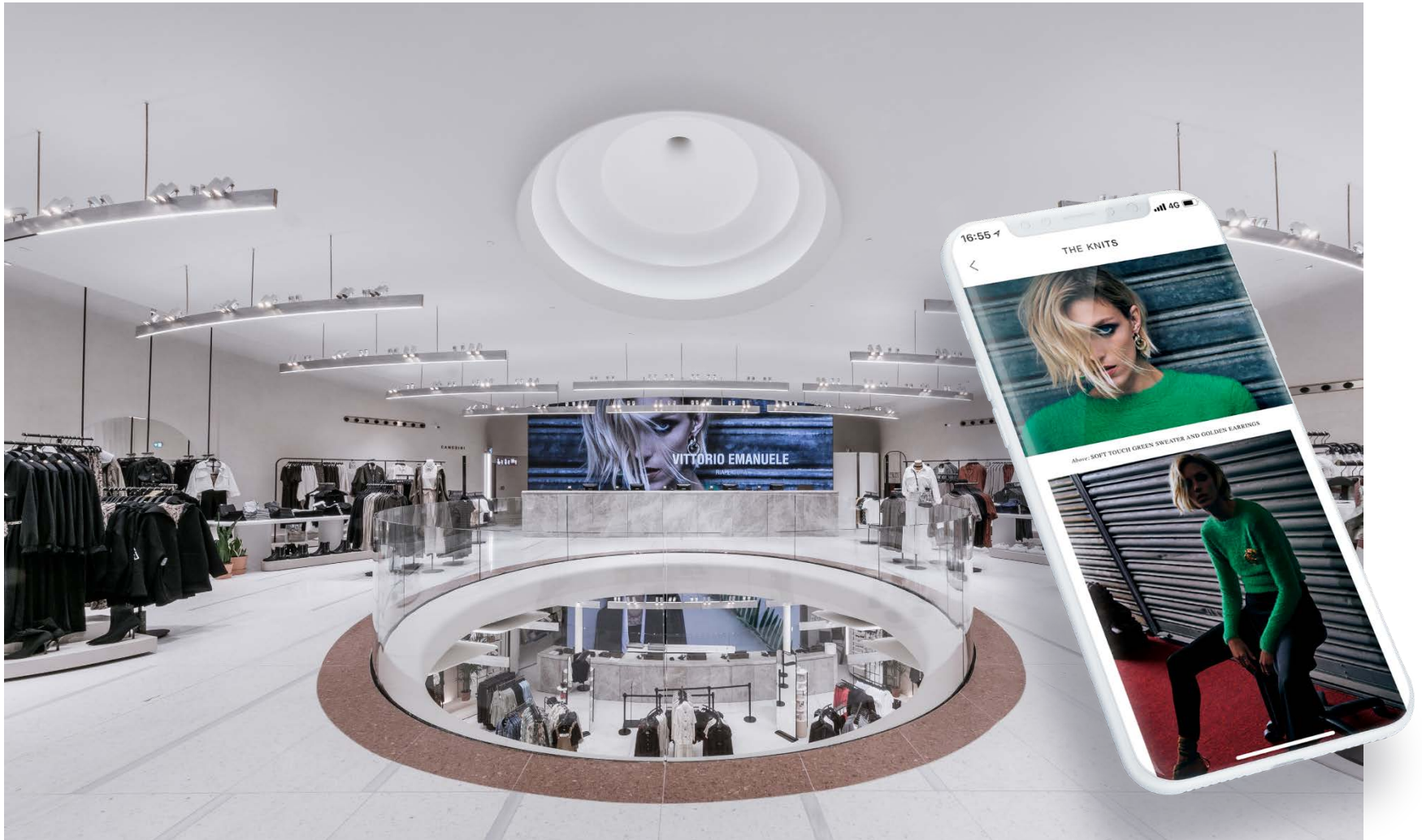
# Overview



# Strong operating performance in first half 2018



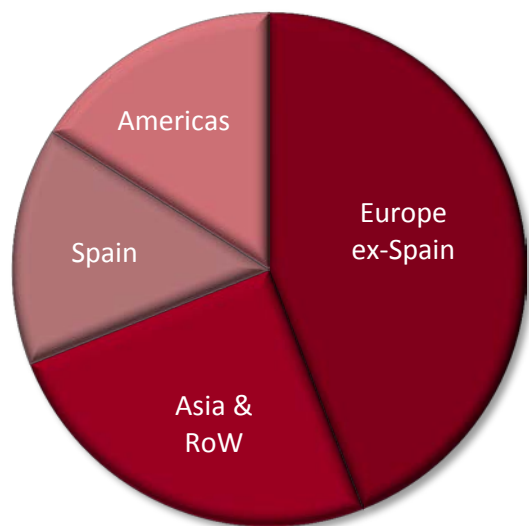
# Global fully integrated Store & Online sales platform



# Interim half year 2018: Overview

- ▶ Strong operating performance
- ▶ Satisfactory sales growth +8% in local currencies
- ▶ LFL +4% on a demanding comparable
- ▶ Positive LFL sales growth in all geographic areas
- ▶ Execution reflected in gross margin performance
- ▶ Global growth opportunities

# Global fully integrated Store & Online sales platform



Store & Online sales	1H2018
Europe ex-Spain	44%
Asia & RoW	25%
Spain	16%
Americas	15%
Total	100%

# Zara new image





# Zara new image



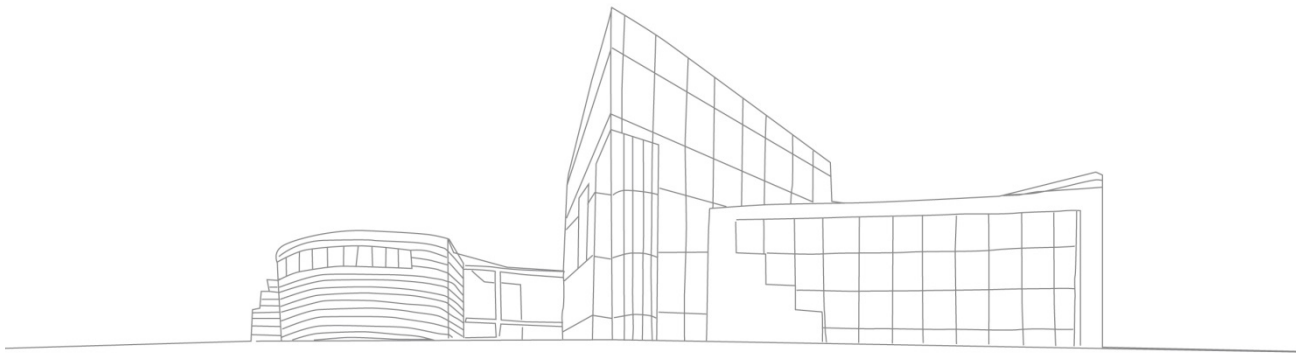
# Click&Collect



# Roll-out of self check-out



# Financial Summary



# Interim half year 2018

€ million	1H18	1H17	18/17	LC
Net sales	12,025	11,671	3%	8%
Gross profit	6,817	6,582	4%	10%
EBIT	1,784	1,744	2%	17%
Net income	1,409	1,366	3%	--

- ▶ Strong operating performance

# Satisfactory sales growth

€ million	1H18	1H17	18/17
Net sales	12,025	11,671	3%

- ▶ +8% sales growth in local currencies
- ▶ Euro strength vs. all key currencies
- ▶ LFL +4% on +6% last year

# Gross margin

% on Sales	1H18	1H17	18/17
Gross margin	56.7%	56.4%	+30 bps

- ▶ Gross profit growth of +4% to €6.8 bn
- ▶ Sustained commercial policies
- ▶ 2H18 gross margin estimated c.+50 bps

# Tight control of operating expenses

€ million	1H18	1H17	18/17
Op. expenses	4,459	4,274	4%



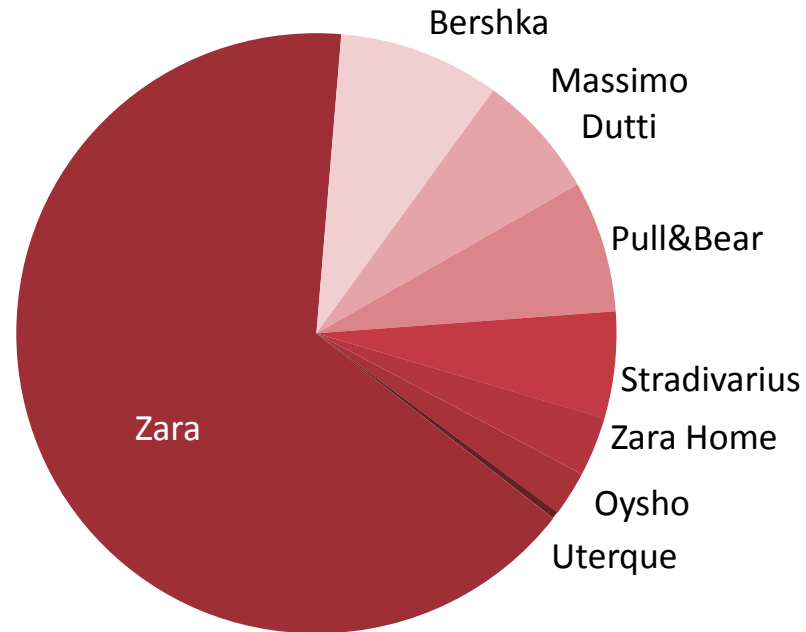
# Flexible business model

€ million	1H18	1H17
Inventory	2,803	2,745
Receivables	871	825
Payables	(6,386)	(6,058)
Operating working capital	(2,713)	(2,488)
Net Cash (Debt)	5,944	5,465

# Concepts



# Sales by Concept



% Store & Online Sales

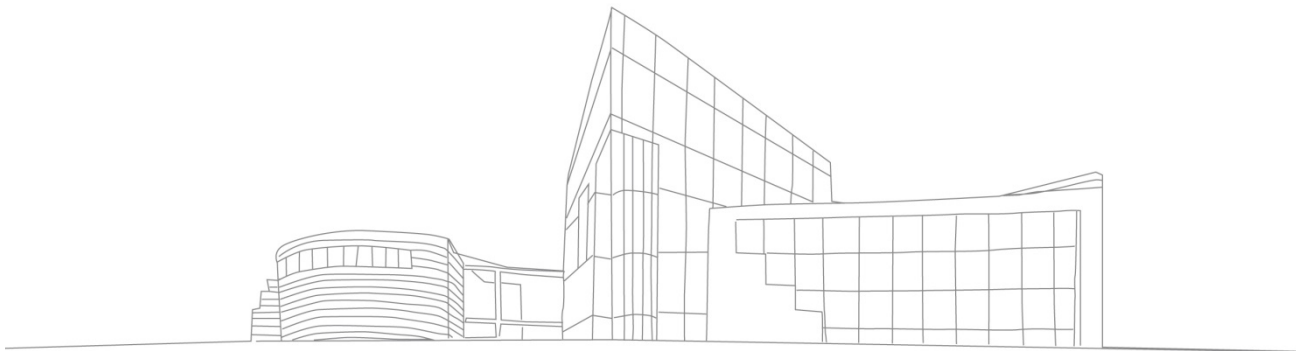
# Sales by Concept

€ million	1H18	1H17
Zara	7,910	7,737
Pull&Bear	851	765
Massimo Dutti	811	791
Bershka	1,045	1,016
Stradivarius	690	664
Oysho	290	271
Zara Home	383	383
Uterqüe	46	45
Total	12,025	11,671

# Concepts

- ▶ Continued growth for the concepts
- ▶ Strong performance of Pull&Bear and Oysho

# Outlook

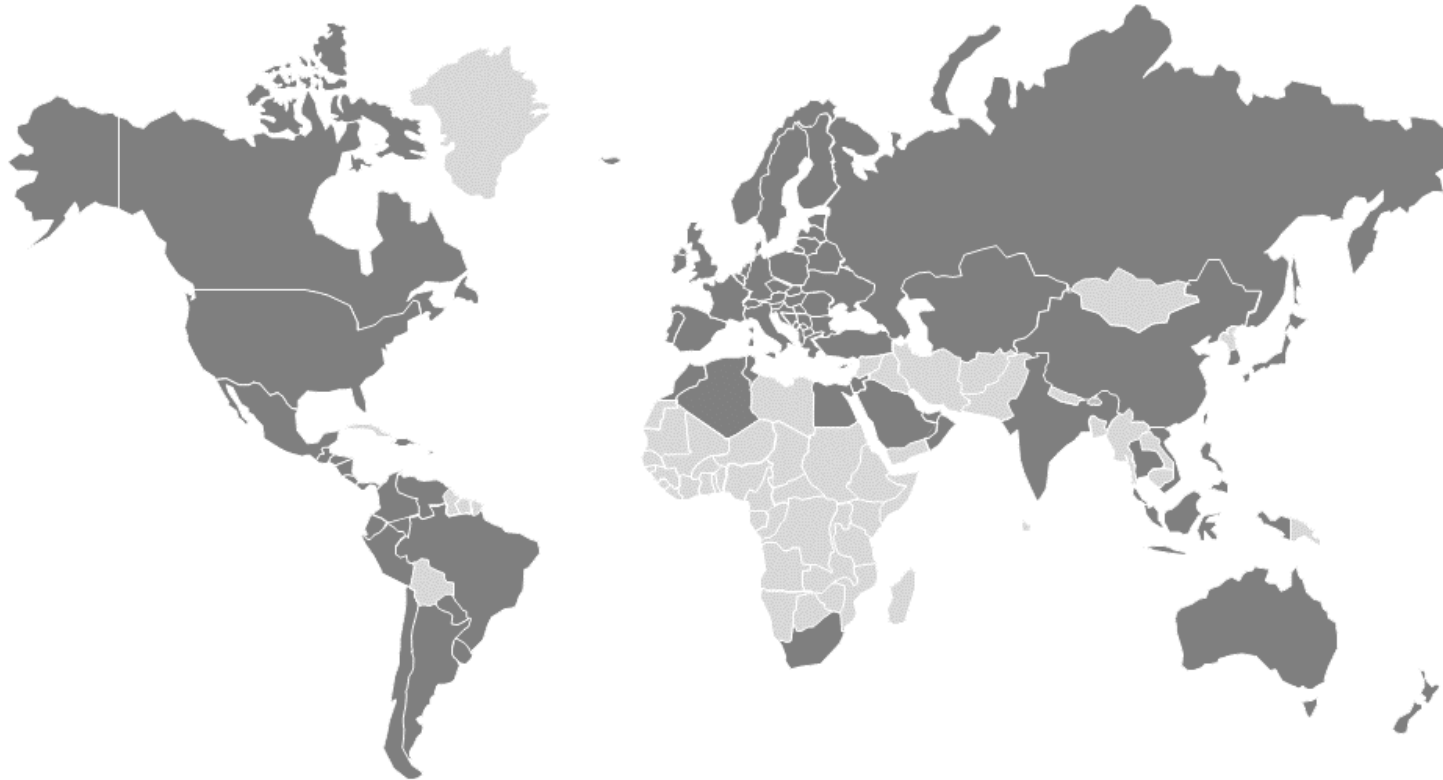


# Global fully integrated Store & Online sales platform



# Global growth opportunities

- ▶ Differentiated business model
- ▶ Global fully integrated Store & Online
- ▶ Strong growth opportunities





# Zara Corso Vittorio Emanuele Milano



# Zara Corso Vittorio Emanuele Milano



# Zara Oslo Karl Johans gate



# Global Online Sales

- ▶ All key markets same day/next day



# Online launch of Zara in Australia & New Zealand



All concepts to offer online sales globally by 2020



## Store & Online: Retro aesthetics



## Store & Online: The Knits





# Store & Online: Studio Collection



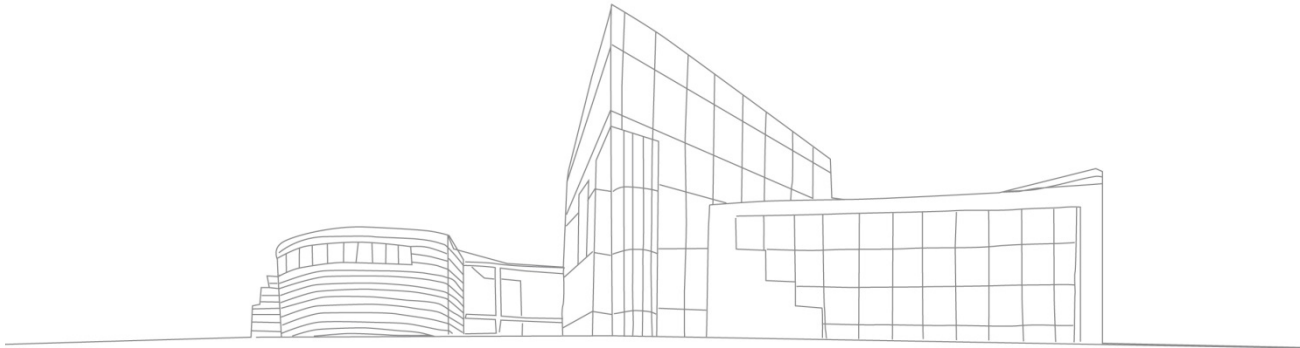
## Store & Online: Limited Edition



# FY2018: Outlook

- ▶ Autumn/Winter initial collections have been well received. Management estimates like-for-like sales growth of 4-6% in 2H2018.
- ▶ Ordinary capital expenditure c. €1.5 billion
- ▶ Dividend payment of €0.375 per share on 2 November

# INDITEX



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