

**INDITEX**

2022 Results

15 March 2023



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This presentation contains, 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, 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 measures 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 for the definition of APMs and Non-IFRS Measures included herein.

To the next level



# 2022: A year of strong growth and execution

- / Unique fashion proposition, optimised customer experience, sustainability and a focus on the talent and commitment of our people
- / Fully integrated store&online model accelerates Inditex's differentiation
- / Very healthy execution in a challenging environment
- / Sales, EBITDA and net income reached historic highs
- / Robust financial condition. Strong free cash flow generation
- / 29% growth in FY22 dividend to €1.20
- / Strong start to 2023 Spring/Summer season. Store&Online sales in CC between 1 February and 13 March grew +13.5%. +17.5% adjusting for operations in Russia and Ukraine

# Outstanding performance of the Store&Online integrated model

- / Remarkable operating performance
- / Sales +18%, to €32.6 billion. Sales positive in (i) all geographical areas, (ii) store&online and (iii) all concepts
- / Traffic and store sales increased markedly. Store sales grew +23%
- / Increased store productivity (10% less stores, 6% less space). 2022 sales per m<sup>2</sup> (excluding online) +16% vs 2019
- / Healthy evolution of online. Sales grew +4% to €7.8 billion over the 2021 record, despite strong return of store traffic. Online sales have doubled over 2019
- / Net income grew +27% to €4.1 billion

# Strategic update: To the next level

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



# Financial summary



# FY2022: Very strong execution

€ million	<b>FY22</b>	FY21	22/21
Net sales	32,569	27,716	18%
Gross profit	18,559	15,814	17%
EBITDA	8,649	7,183	20%
PBT	5,358	4,199	28%
Net income	4,130	3,243	27%

/ Very strong execution in a challenging environment

/ Strong sales performance

/ Healthy gross margin

/ Disciplined cost management. Operating leverage

/ Strong progress in net income



# Sales

€ million	<b>FY22</b>	FY21	22/21
Net sales	32,569	27,716	18%

- / Sales +17.5% to €32.6 billion. CC sales +18%
- / Sales positive in (i) all geographical areas, (ii) store&online, (iii) all concepts
- / Traffic and store sales grew significantly
- / Satisfactory online sales over 2021 record
- / 514 stores in Russia ceased operations on 5 March 2022. 82 stores in Ukraine remain closed

# Global Store&Online sales breakdown in 2022



Operations in 213 markets

Sales positive in all key geographic areas

# Gross profit

€ million	<b>FY22</b>	FY21	22/21
Gross profit	18,559	15,814	17%

/ Very healthy execution

/ Gross margin 57%

# Operating efficiencies

€ million	<b>FY22</b>	FY21	22/21
Op. Expenses	9,867	8,596	15%

- / Rigorous control of operating expenses
- / Operating expenses grew below sales growth
- / Including all lease charges, operating expenses grew 5 percentage points below sales growth

# Working capital and net cash position

€ million	<b>FY22</b>	FY21
Inventory	3,191	3,042
Receivables	851	842
Payables	(6,561)	(6,411)
Op. working capital	(2,520)	(2,526)
Net cash position	10,070	9,359

/ Inditex temporarily accelerated inventory inflows throughout most of 2022 in the face of possible supply chain tensions

/ Inventory levels returned to normal due to progressive normalisation in supply chain conditions, +5% at 31 January 2023

/ Net cash position €10 billion

# Funds from operations reach historic highs

€ million	<b>FY22</b>	FY21
Funds from Operations*	5,722	4,862
Change in working capital	(669)	223
Cash from Operations	5,053	5,085
Capital expenditure	(1,415)	(1,126)
Free Cash Flow	3,638	3,959

Funds from Operations\* with cash lease payment added back

- / Strong cash generation continues
- / Funds from operations\* increased +18%
- / Working capital outflow due to purchasing decisions
- / Return to normality by FYE2022

# Concepts



# Concepts

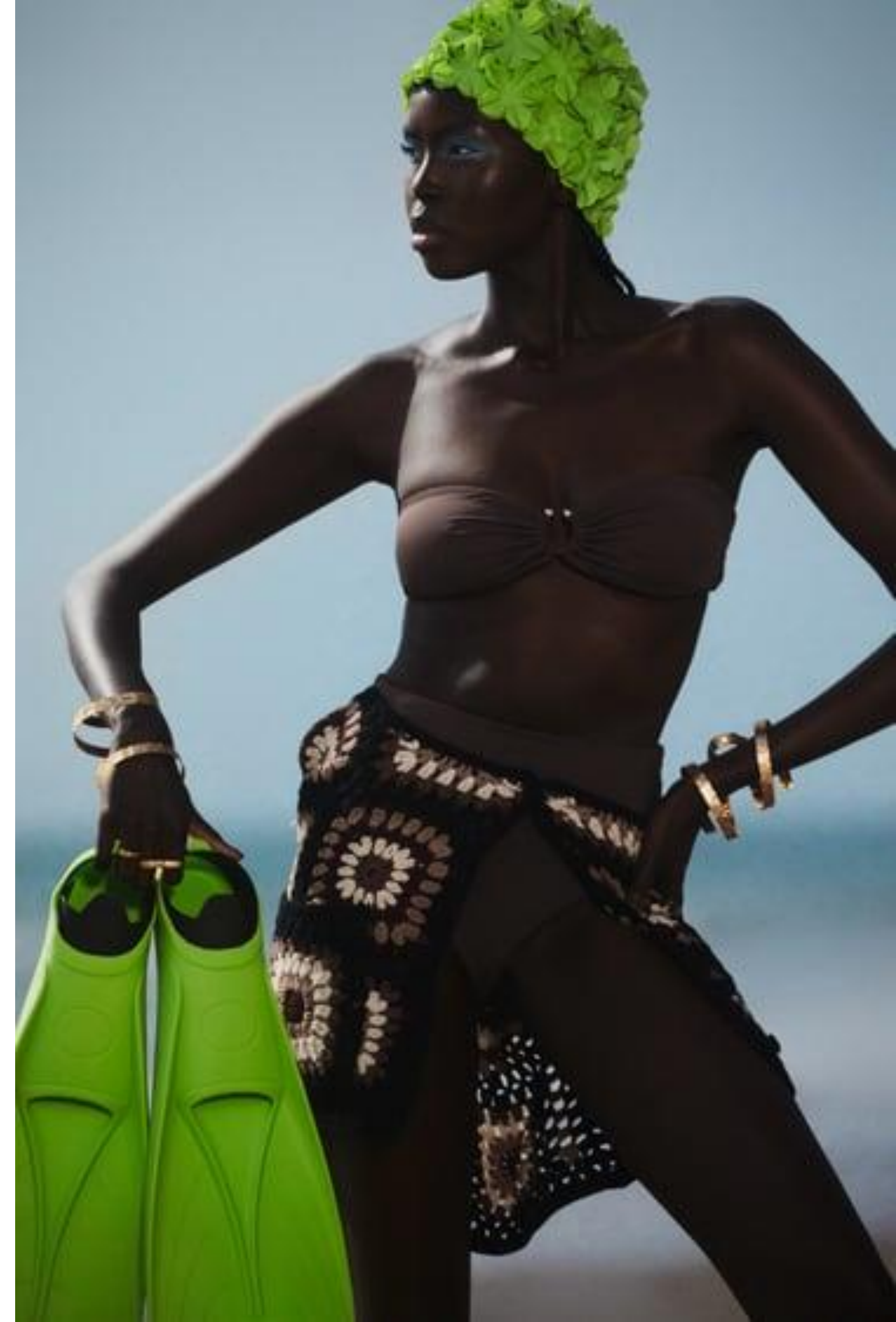
- / Robust group performance in a challenging environment
- / PBT on sales increases 130 bps to 16.5%
- / Return on Capital Employed increases 473 bps to 33%





# Concepts

- / Store openings in 33 different markets.
- / Optimisation activities across all concepts
- / Zara very strong performance
- / Concepts performance show differences in geographical exposure
- / Robust across the board



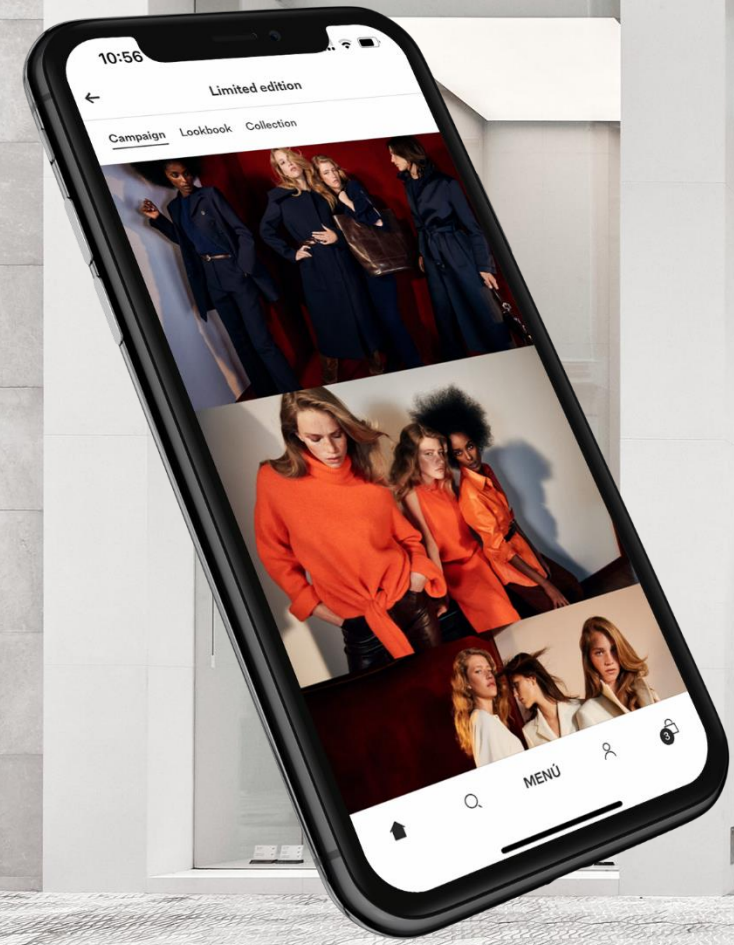
# Concepts

/ Very strong performance in a challenging environment

€ million	<b>Sales</b>	22/21	PBT/Sales	ROCE
Zara & Zara Home	23,761	21%	17%	31%
Pull&Bear	2,152	15%	16%	46%
Massimo Dutti	1,593	4%*	14%	27%
Bershka	2,384	10%	14%	32%
Stradivarius	2,056	13%	18%	51%
Oysho	623	4%	13%	31%
<b>Total</b>	<b>32,569</b>	<b>18%</b>	<b>16.5%</b>	<b>33%</b>

\*Growth excludes Uterqüe sales in Massimo Dutti's 2021 reported sales

To the next level



Inditex's fashion proposition



# Zara Woman Vacation look



Zara Man Studio



# Zara Kids Spring/Summer



# Zara Home Chromatic poetry





Pull&Bear Equals



# Massimo Dutti Linen



# Bershka Denim statement



# Stradivarius Teen



Bandaloop x Oysho



Oysho opens 1<sup>st</sup> store in the UK

OYSHO

CORE CONTROL

COMPRESSIVE

RAISE UP

OYSHO

FREE SPORTS GYM

OYSHO

FREE GYM



# United States Inditex's 2<sup>nd</sup> largest market

/ 30 projects 2023-2025

## Planned openings

Baton Rouge Mall of Louisiana  
San Antonio North Star Mall  
NY Queen's Center  
LA The Groove  
LA Brea Mall  
Las Vegas The Forum Shops  
Stonebriar Mall Dallas  
NY Columbus Circle NYC  
Charlotte Southpark Mall  
Cambridge Side Mall

## Planned refurb/enlargements

Dadeland Mall, Miami  
Roosevelt Field Mall, Garden City  
Westfield Old Orchard, Skokie  
Westfield Topanga, Canoga Park  
Greenwich Avenue, Greenwich  
660 Fifth Avenue, New York  
Lincoln Road, Miami Beach  
North Michigan Avenue, Chicago  
Newbury Street, Boston  
The Domain, Austin  
F St NW, Washington  
31 W 34TH Street, New York  
International Plaza and Bay Street, Tampa



# New security tag technology

- / RFID chip sown into garment
- / Enhanced customer experience
- / Checkout time reduced by up to 50%
- / Increased client autonomy
- / Efficiency in online packing

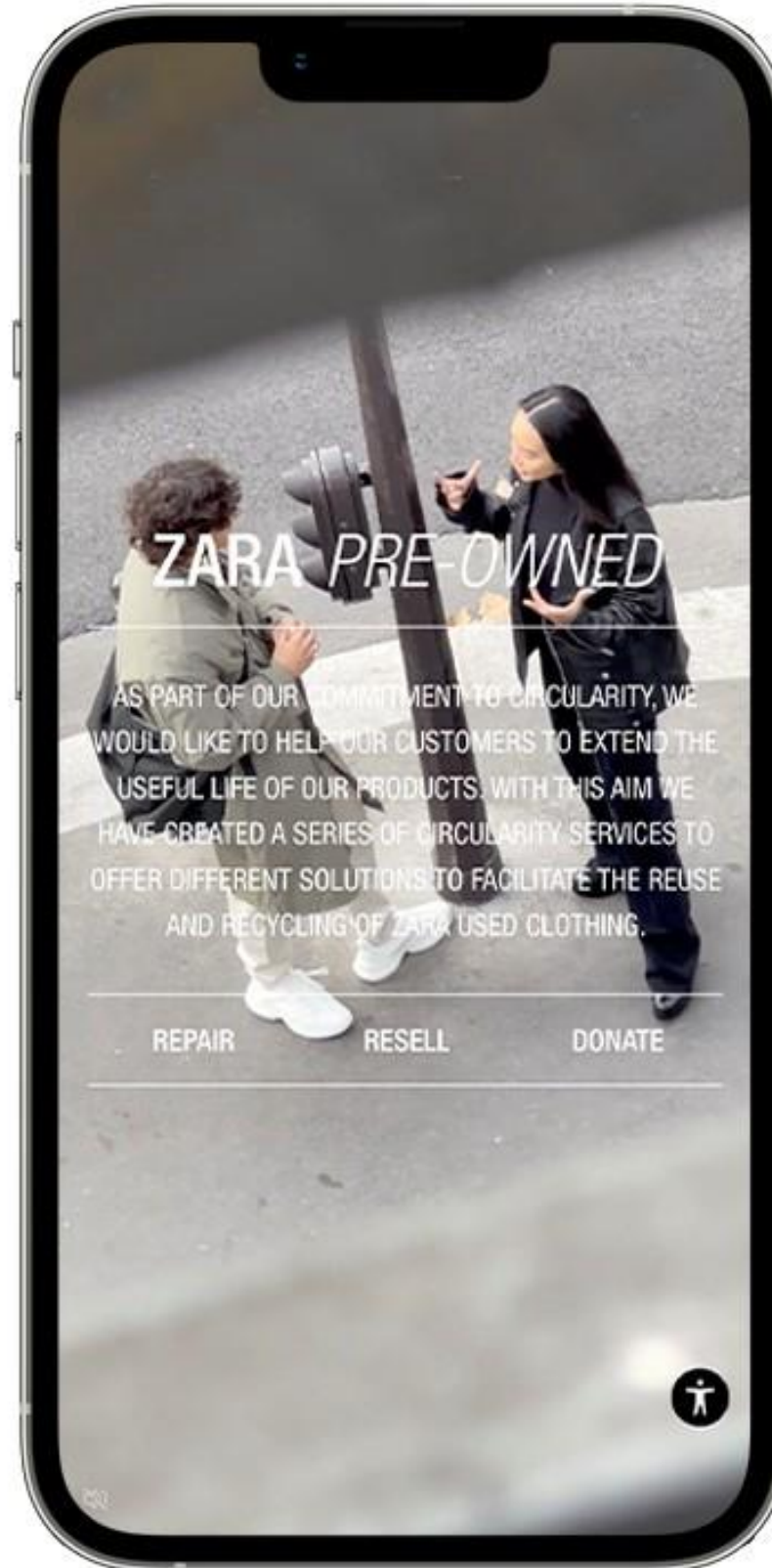




# Sustainability: Use of renewable energy



# Zara pre-owned: progressive roll-out



# People

- / Preserving the talent and commitment of our people
- / Benchmark employer
- / Changemakers in every store
- / Increase diverse and inclusive character with ILO



# Workers at the centre

- / 15<sup>th</sup> anniversary of agreement with IndustriAll
- / Promoting worker participation and freedom of association in the supply chain
- / Launch of Workers at the Centre strategy 2023-2025
- / Increased scope and depth with aim to transform the industry



# Outlook 2023

- / Strong sales productivity in stores and very healthy online sales growth going forward
- / Inditex expects positive space contribution in 2023
- / At current exchange rates currency impact on sales around -1%
- / Stable gross margin (+/-50bps)
- / Ordinary capital expenditure of around €1.6 billion



# 29% 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 €1.20 per share (+29%) for 2022. It will be composed of an ordinary dividend of €0.796 and a bonus dividend of €0.404 per share
- / The dividend will be made up of two equal payments
- / 2 May 2023: €0.60 per share ordinary
- / 2 November 2023: €0.60 per share (€0.196 ordinary + €0.404 bonus)



# 2023

- / Spring/Summer collections well received
- / Store&Online sales in CC between 1 February and 13 March grew +13.5%
- / Store&Online sales in CC between 1 February and 13 March adjusting for operations in Russian Federation and Ukraine over 2022 grew +17.5%



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