

Interim Half Year 2020

16 September 2020

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This document contains forward-looking statements. All statements other than statements of historical fact included herein, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations are forward-looking statements. Any such forward-looking statements are subject to risk and uncertainty and thus could differ materially from actual results.

Some of these risks include, amongst others, ongoing competitive pressure in the sector, consumer tastes and spending trends, economic, political, regulatory and trade conditions in the markets where the Inditex Group is present or in the countries where the Group's products are manufactured or distributed.

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The contents of this disclaimer should be taken into account by all persons or entities.

Overview



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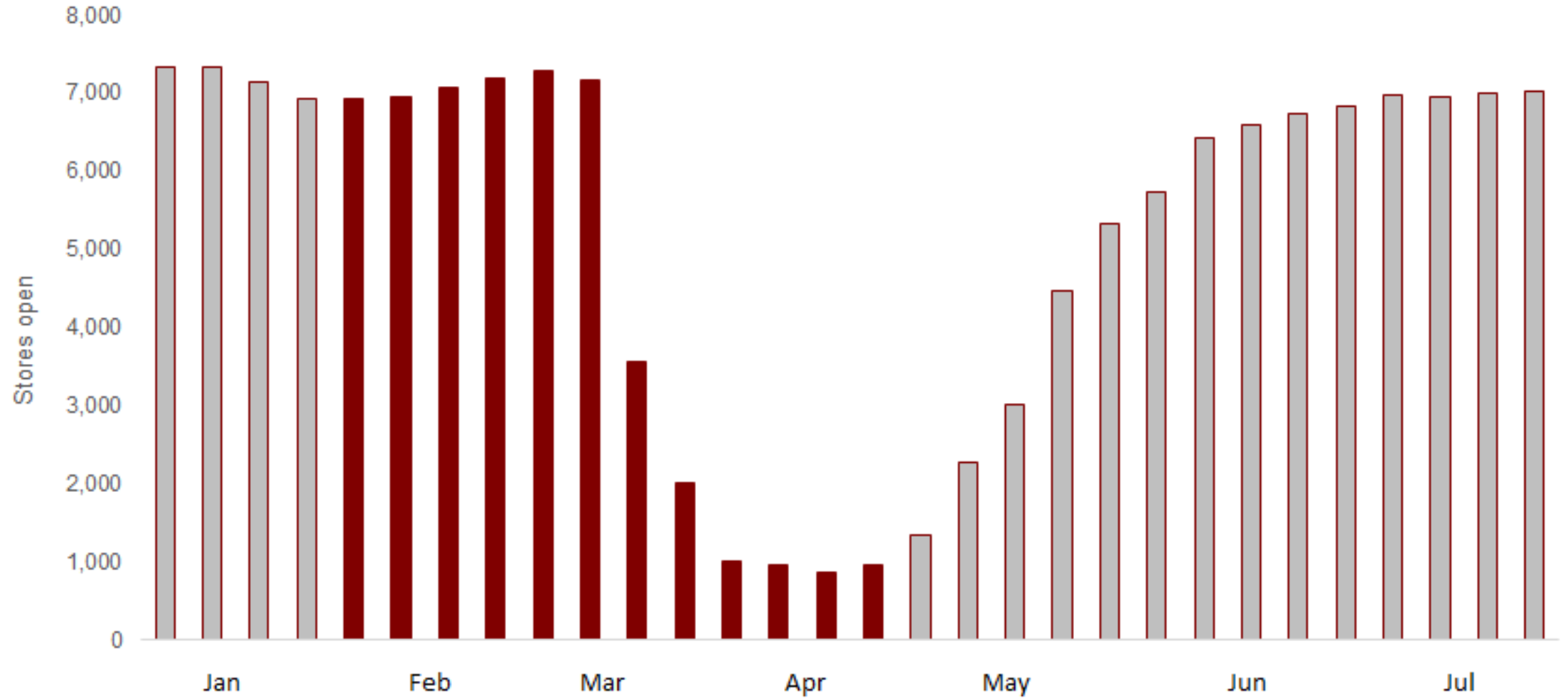
FY2020 to date

- ▶ Fully confident in our unique business model and strategy: Store & Online integration, digitalisation and sustainability
- ▶ Rapid recovery in operations
- ▶ Collections for Autumn/Winter 2020 very well received by our customers. 98% of stores now open. Store sales have been recovering progressively. Outstanding progress of online sales continues
- ▶ Store & Online sales in local currencies between 1 August and 6 September were down 11% (+8% from 1 August to 8 September 2019)

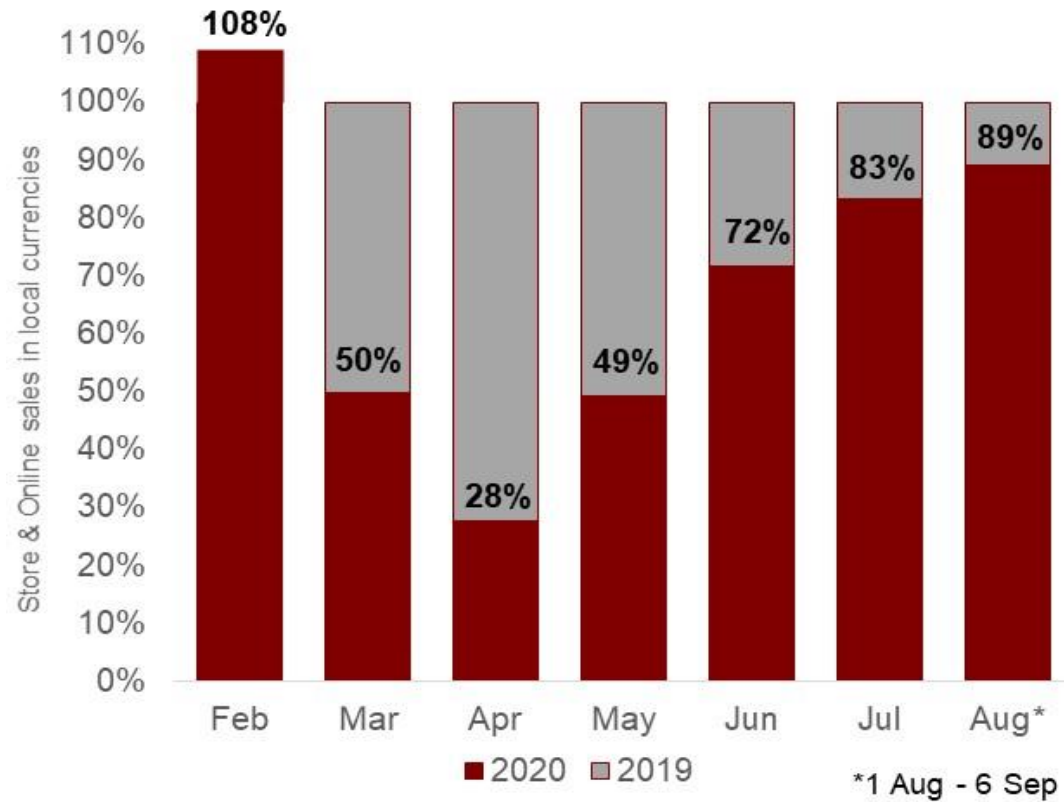
2Q2020: Turning point

- ▶ Spring/Summer season: Covid-19 has had a material impact due to temporary store closures. In parallel we have seen an outstanding progression of online sales
- ▶ Supply chain continued to operate normally due to the uniqueness of our business model. Inventory integration has been pivotal during the season
- ▶ Very active management of operating expenses
- ▶ 2Q2020: The Group's performance saw a turning point during the quarter laying the foundation for a return to normal trading conditions
- ▶ Autumn/Winter season: Practically all stores open. Ongoing improvement in store trading. Outstanding growth in online continues

2Q2020: Turning point



2Q2020: Turning point

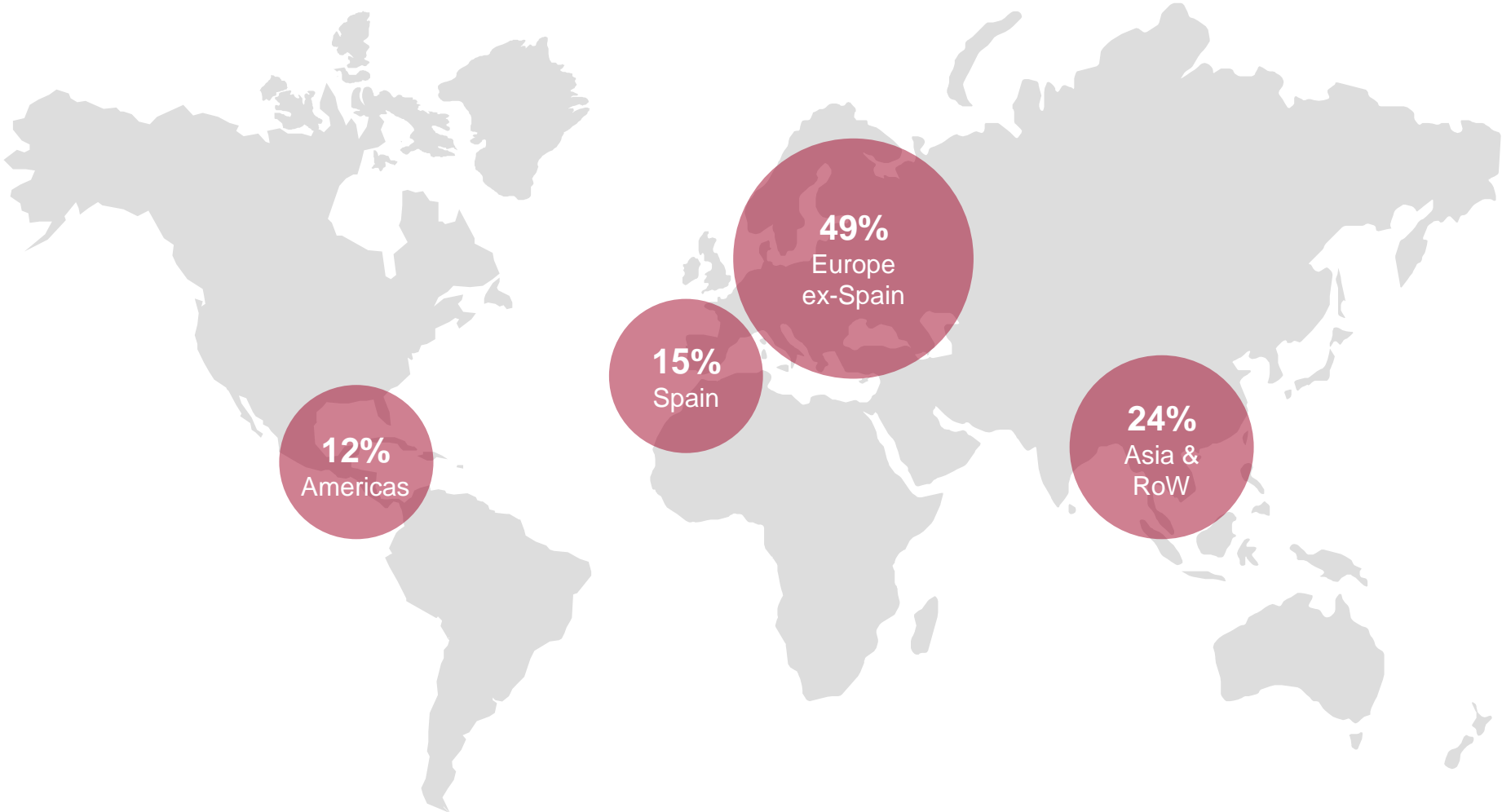


- ▶ Store sales have been recovering progressively
- ▶ Online sales continue growing at a remarkable pace

Online sales +74% in 1H2020

- ▶ Outstanding progression of online sales
- ▶ Strong advantage of business model and single inventory position
- ▶ Inditex enjoys sector leading growth rates and profitability
- ▶ Strong growth continues at start of Autumn/Winter season

Global Store & Online sales in 1H2020



Financial Summary

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Interim Half Year 2020

€ million	1H20	1H19
Net sales	8,033	12,820
Gross profit	4,512	7,284
EBITDA	1,486	3,447
PBT*	(263)	1,987
Net income*	(195)	1,549

*PBT of +€45m and net income of +€39m excluding the provision for the completion of the store optimisation programme

- ▶ Material impact of Covid-19 pandemic in 1H2020 operations
- ▶ Very active management of supply chain
- ▶ Strong adjustment to operating expenses
- ▶ Completion of store optimisation includes €308m in depreciation

Second Quarter 2020

€ million	2Q20
Net sales	4,730
Gross profit	2,582
EBITDA	1,002
PBT	276
Net income	214

- ▶ 2Q2020 recovery turning point
- ▶ Very active management of supply chain
- ▶ Positive gross margin evolution
- ▶ Strong adjustment to operating expenses

Sales

€ million	1H20	1H19
Net sales	8,033	12,820

- ▶ Sales performance marked by timing of temporary store closures and restrictions
- ▶ Online sales +74% in 1H2020
- ▶ 2H2020 sales trends improve as stores reopen and online sustains outstanding progress

Gross margin

€ million	1H20	1H19
Gross margin	56.2%	56.8%

- ▶ Flexibility of supply chain key to gross margin performance
- ▶ Closing inventory down 19%

Operating efficiencies

€ million	1H20	1H19	20/19
Op. expenses	3,020	3,823	(21%)

- ▶ Implementation of initiatives to adjust operating expenses in 1H2020
- ▶ All main components of operating expenses have shown a good performance

Depreciation

€ million	1H20	1H19	20/19
Depreciation	(1,684)	(1,407)	20%

- ▶ Depreciation & Amortisation includes completion of space optimisation 2020-2021 booked in 1Q2020

Financial results

€ million	1H20	1H19	20/19
Financial results	(76)	(77)	(2%)

- ▶ Interest on lease liability amounted to €65m

Flexibility of business model key to performance

€ million	1H20	1H19	20/19
Inventory	2,158	2,664	(19%)
Receivables	667	841	(21%)
Payables	(4,978)	(6,632)	(25%)
Op. working capital	(2,153)	(3,127)	--
Net Cash Position	6,486	6,730	(4%)

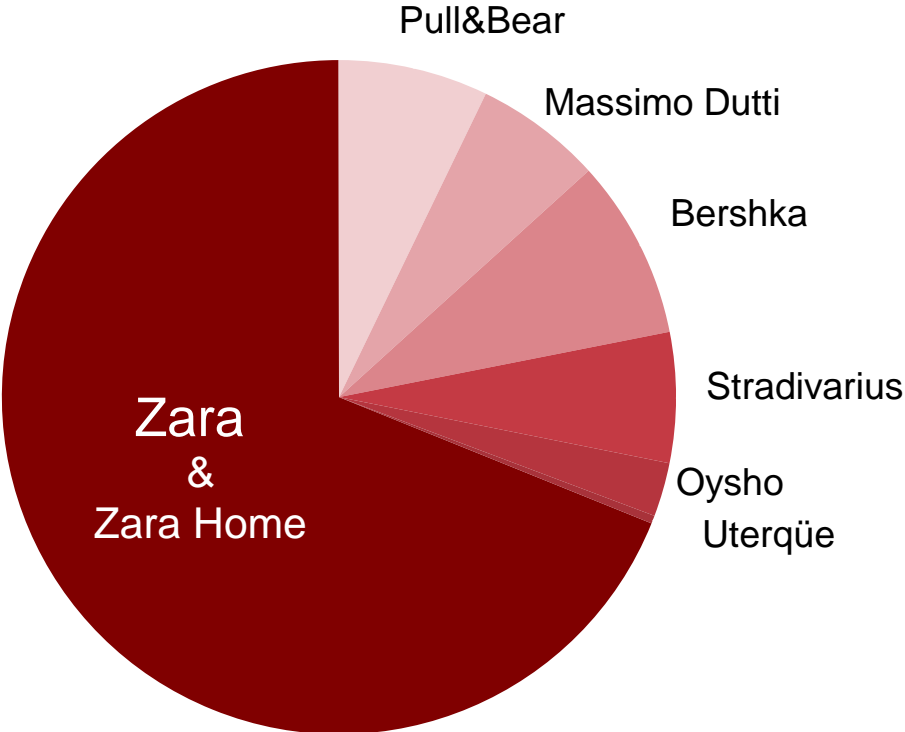
- ▶ Flexibility of supply chain
- ▶ High quality inventory at period end
- ▶ Sustained working capital dynamics
- ▶ Strong financial condition
- ▶ Net cash grew €734m in 2Q vs 1Q20 closing balance

Concepts

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Store & Online sales by concept



Sales by Concept

€ million	1H20
Zara & Zara Home	5,532
Pull&Bear	578
Massimo Dutti	490
Bershka	692
Stradivarius	502
Oysho	208
Uterqüe	31
Total	8,033

- ▶ Progressive recovery across all concepts going into the Autumn/Winter season
- ▶ Differences relate to each individual concept's geographic presence, location of stores and fashion profile

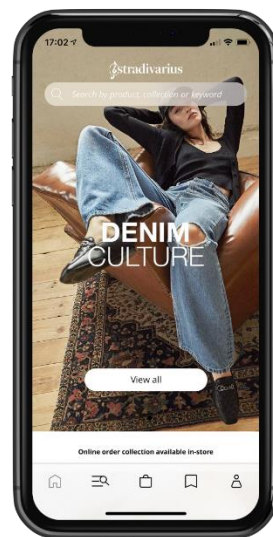
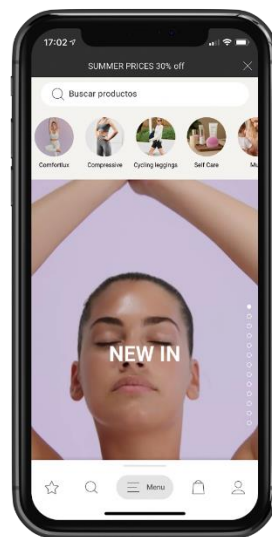
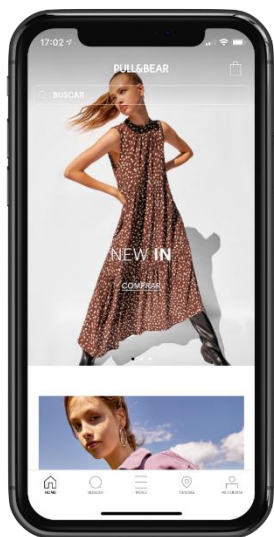
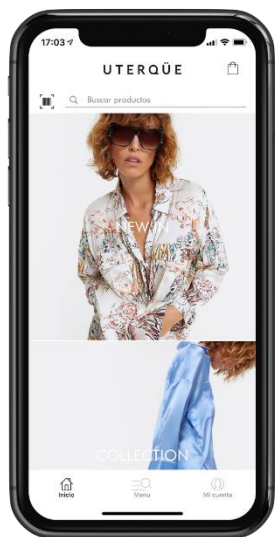
Outlook

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Global online developments

2007	2010	2011-2014	2019	2020	2021e	2022e
Zara Home launch all over Europe	Zara launch all over Europe	Zara launch in USA, China, Japan, Russia All concepts in Europe All key markets covered	Global presence 14% of group sales	Zara new studios 64,000 m2	Inditex Open Platform	Online >25% of group sales



Online launch in Chile, Montenegro and North Macedonia



Sustainability & Circular economy a key part of the strategy



- ▶ Sustainability in supply chain
- ▶ Renewable energy
- ▶ Sustainable fabrics
- ▶ Eco-efficient stores
- ▶ Zero-waste / recycling

Highly prominent and differentiated stores



Paris Pont Neuf

Highly prominent and differentiated stores



Paris Pont Neuf

Highly prominent and differentiated stores

Berlin Tauentzienstrasse



Highly prominent and differentiated stores



Berlin Tauentzienstrasse

Highly prominent and differentiated stores



Moscow Kuznetsky Most

Highly prominent and differentiated stores



Moscow Kuznetsky Most

Highly prominent and differentiated stores



Beijing Wangfujing

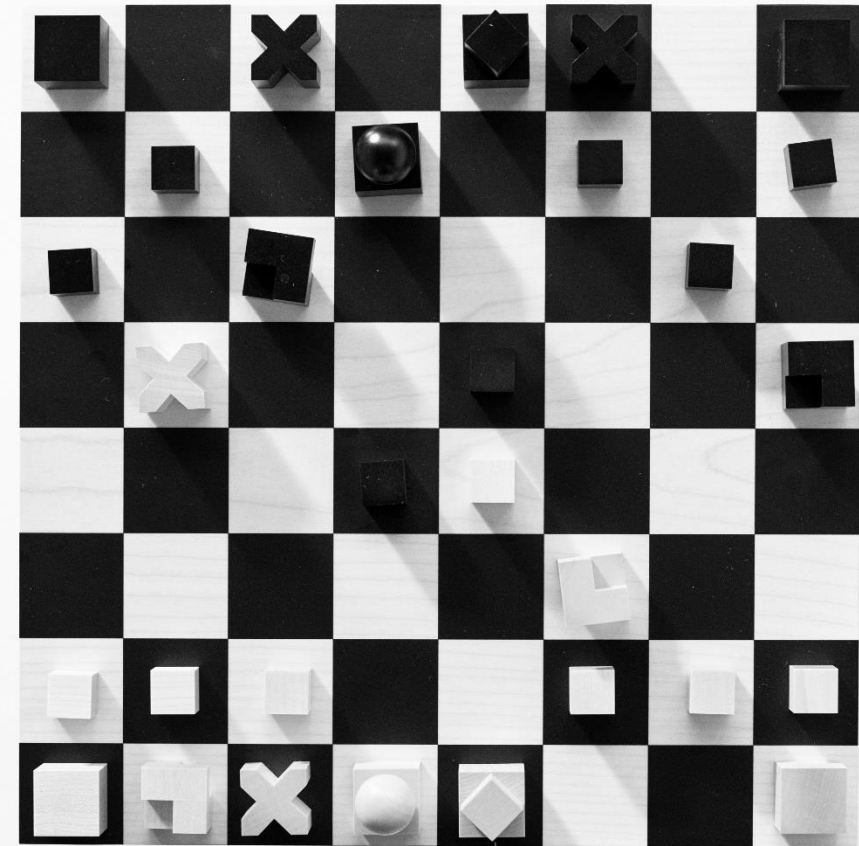
Unique business model: Global fully integrated Store & Online



Zara Woman A/W collection



Zara Man's Bauhaus collection



Zara Kids Naturales collection



Zara Emotions by Jo Loves



Zara Home timeless interiors



Massimo Dutti Limited edition



Bershka + NBA



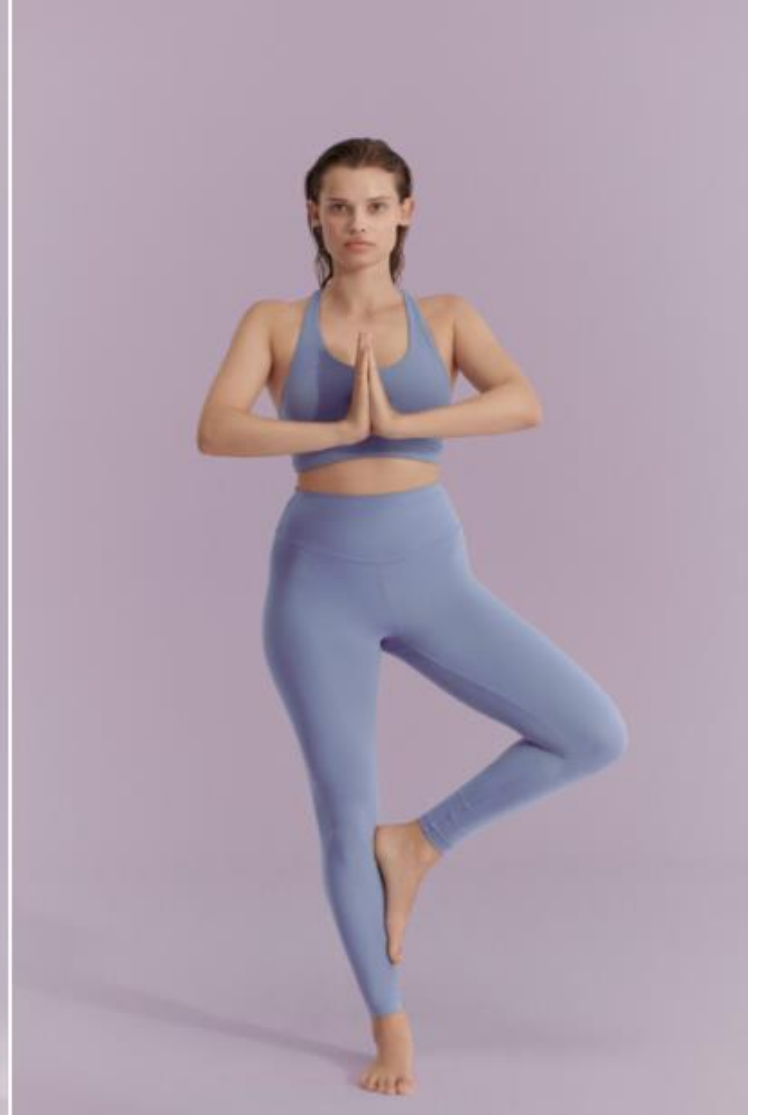
Pull&Bear Teen collection



Stradivarius STR collection



Oysho Comfortlux



Uterqüe official



Dividend

- ▶ FY2019 ordinary dividend of 35 cents per share to be paid on 2 November 2020
- ▶ Inditex's dividend policy of 60% ordinary payout and bonus dividends remains in place
- ▶ The remainder of the bonus dividend (78 cents per share) will be paid in calendar 2021 and 2022

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