



INDITEX

Interim

Nine Months

2021

15 December 2021

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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 and information 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.

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 2020 for the definition of APMs and Non-IFRS Measures included herein.



Differentiation and
strategic transformation
accelerates

Inditex differentiation and strategic transformation accelerates

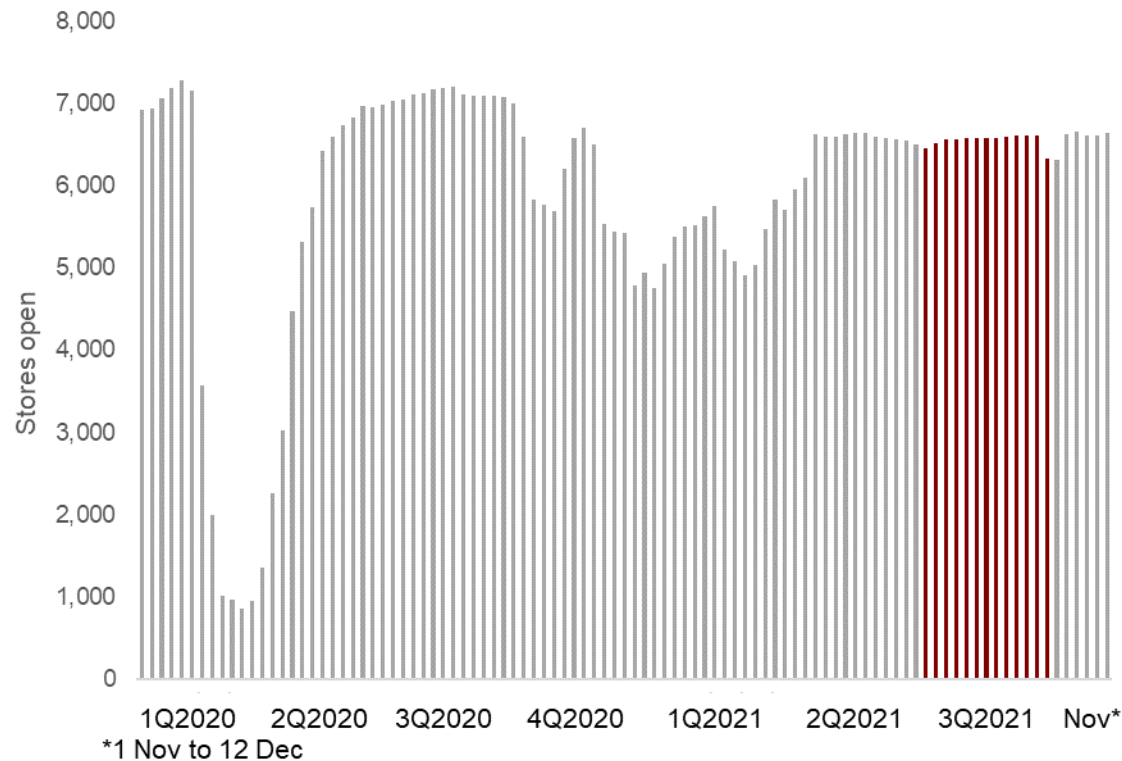
- ▶ Transformation to fully-integrated, digital, sustainable business model accelerates
- ▶ People first
- ▶ 3Q21 sales, PBT and net income reached historic highs
- ▶ Based on a further acceleration in sales in CC to +21% vs 3Q20 and 10% over 3Q19
- ▶ Strong cash flow generation: cash position reached €9.6bn
- ▶ Store&Online sales in constant currency between 1 November and 10 December 2021 increased +33% (+10% over 2019).
- ▶ Based on current information Inditex expects a gross margin of around 57.5% (+/- 50 bps) for FY21

Inditex differentiation and strategic transformation accelerates



- ▶ Strong differentiation
- ▶ CC sales growth +21% vs 3Q20 (+10% vs 3Q19)
- ▶ Store optimisation
- ▶ Store sales in CC exceed 3Q19 with 11% fewer stores
- ▶ Technology as an accelerator: RFID/SINT/IOP
- ▶ Online sales keep growing strongly

Strength of integration: all stores open, online keeps growing



- ▶ Sales of absorbed stores fully recovered
- ▶ Strong advantage of business model and single inventory position
- ▶ Online continues to grow strongly: +28% over 9M20 and +124% over 9M19 at CC
- ▶ Online to reach above 25% of sales in FY21
- ▶ Sector leading growth rates and profitability

Resolutions of Inditex Board of Directors

- ▶ Appointment of Marta Ortega Pérez as Chair of the Board of Directors, as a proprietary director, effective as from 1 April 2022. Pablo Isla to continue as Executive Chairman until 31 March 2022
- ▶ Óscar García Maceiras has been appointed Chief Executive Officer of Inditex, effective 29 November 2021
- ▶ With these resolutions the Board of Directors completes the generational handover process initiated in 2011 with the replacement of Amancio Ortega as Chairman
- ▶ Appointments will be presented for ratification at the next Annual General Meeting

Continuity in key strategic pillars



- ▶ Unique business model
- ▶ Full integration of Stores & Online
- ▶ Deep talent pool and strong individual commitment
- ▶ Customer-centric and entrepreneurial corporate culture
- ▶ Sustainability and digitalisation
- ▶ Investment in the future growth of the business
- ▶ Predictable attractive shareholding remuneration

Financial summary



9 Months 2021: Very strong operating performance

| € million | 9M21 | 9M20 | 21/20 |
|--------------|--------|--------|-------|
| Net sales | 19,325 | 14,085 | 37% |
| Gross profit | 11,409 | 8,172 | 40% |
| PBT | 3,231 | 857 | 277% |
| Net income | 2,500 | 671 | 273% |

- ▶ Very strong sales progression
- ▶ Active management of supply chain
- ▶ Healthy gross margin evolution
- ▶ Tight control of operating expenses
- ▶ Strong cash flow generation

3Q21 Sales, PBT and net income at historic highs

| € million | 3Q21 | 3Q19 | 21/19 |
|--------------|-------|-------|-------|
| Net sales | 7,390 | 7,000 | 6% |
| Gross profit | 4,502 | 4,254 | 6% |
| PBT | 1,588 | 1,486 | 7% |
| Net income | 1,228 | 1,171 | 5% |

- ▶ 3Q21 Sales, PBT and net income at historic highs despite restrictions and store absorptions
- ▶ Operating leverage
- ▶ Active management of supply chain
- ▶ Healthy gross margin evolution
- ▶ Tight management of operating expenses

9M21 Strong sales

| € million | 9M21 | 9M20 | % |
|-----------|--------|--------|-----|
| Net sales | 19,325 | 14,085 | 37% |

- ▶ Strong sales performance
- ▶ Sales in CC grew +39%
- ▶ 9M21 sales trends improve as stores reopen and online continues growing

3Q21 acceleration in sales

- ▶ 3Q21 sales in constant currency +21% over 3Q20 and +10% above 3Q19
- ▶ Store sales in CC exceed 3Q19 levels with 11% fewer stores
- ▶ 9M21 online sales in CC +28% over 9M20 and +124% over 9M19

Gross margin shows very strong execution

| | 9M21 | 9M20 | 21/20 |
|--------------|-------|-------|---------|
| Gross margin | 59.0% | 58.0% | +101bps |

- Flexibility of supply chain key
- Based on current information we expect a gross margin of 57.5% (+/- 50 bps) for FY21

Operating efficiencies

| € million | 9M21 | 9M20 | 9M19 |
|--------------|-------|-------|-------|
| Op. expenses | 5,956 | 4,812 | 5,811 |

- ▶ All expense lines have shown a favourable evolution
- ▶ Operating expenses increased 24% over 9M20, below sales growth

Depreciation

| € million | 9M21 | 9M20 | 21/20 |
|--------------|-------|-------|-------|
| Depreciation | 2,138 | 2,388 | (10%) |

- ▶ Depreciation & Amortisation in 9M20 includes completion of space optimisation 2020-2021 booked in 1Q20

Flexibility of business model key to performance

| € million | 9M21 | 9M20 | 9M19 |
|---------------------|---------|---------|---------|
| Inventory | 3,650 | 3,067 | 3,434 |
| Receivables | 909 | 787 | 843 |
| Payables | (8,104) | (6,842) | (7,517) |
| Op. working capital | (3,545) | (2,988) | (3,240) |

- Flexibility of supply chain
- Single inventory
- High quality closing inventory
- Improved working capital dynamics

Strong cash flow and financial condition

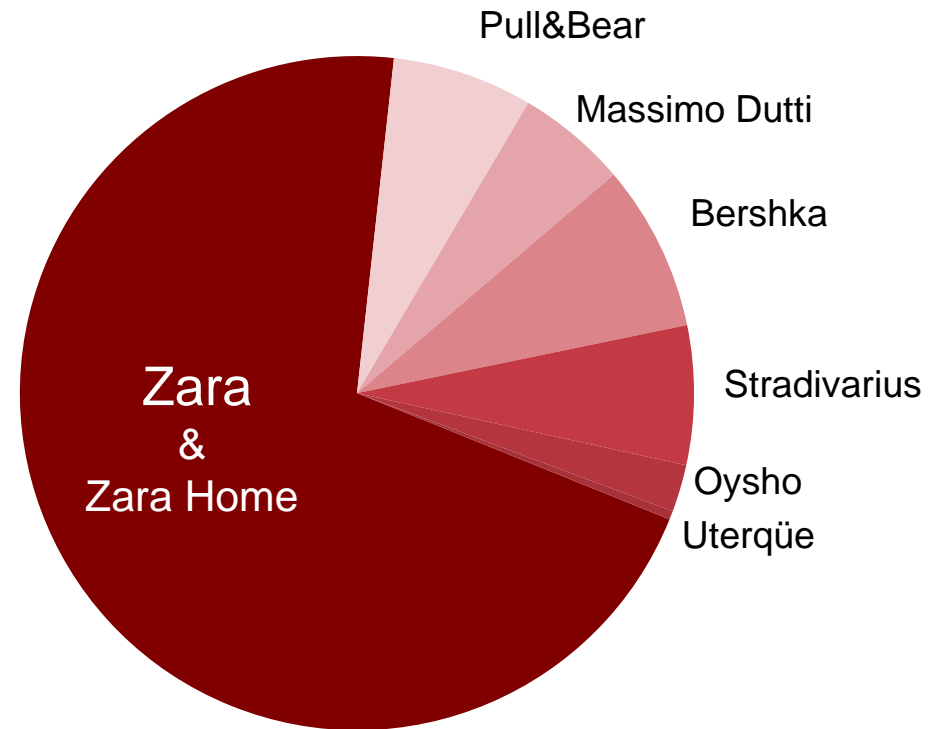
| € million | 9M21 | 9M20 | 9M19 |
|-------------------|-------|-------|-------|
| Net Cash Position | 9,569 | 8,265 | 7,734 |

- ▶ Cash generation at historic highs
- ▶ Net cash grew +16% vs 9M20 (+24% vs 9M19)

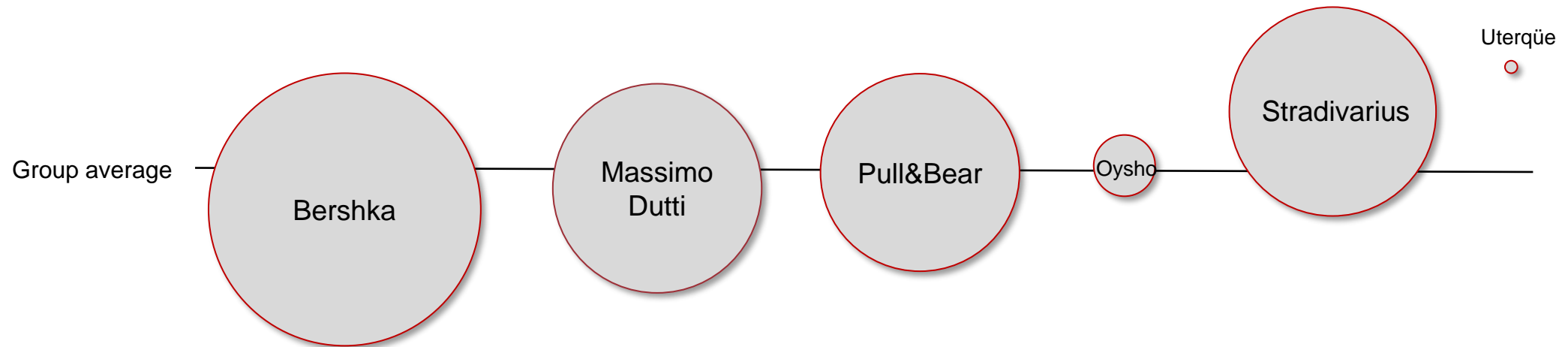
Concepts



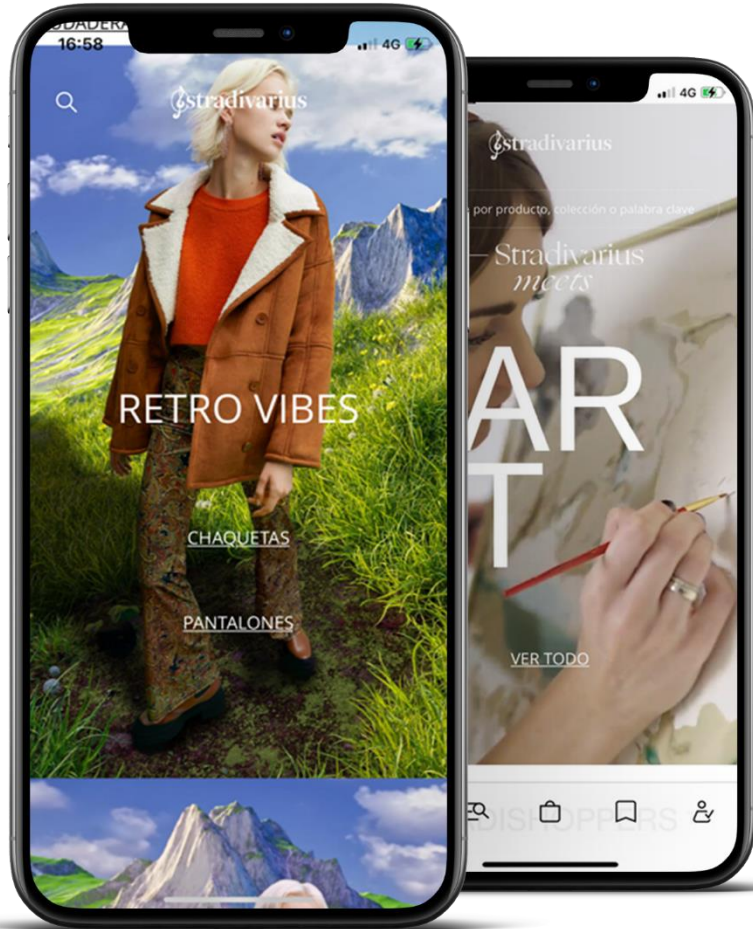
Store & Online sales by concept



Performance per concept



Concepts



- ▶ Remarkable online growth across all concepts
- ▶ Strong performance of Stradivarius and Oysho
- ▶ Optimisation activity in all concepts

Outlook



Zara Atelier

A T E L I E R

COLLECTION 01

LIMITED EDITION
COLLECTION PHOTOGRAPHED
BY PAOLO ROVERSI



Zara AZ



Zara Man Outerwear



Zara Kids Party



Zara Home Christmas at home



Massimo Dutti Join Life



Bershka Red western



Pull&Bear 19.91 Colours



Stradivarius Retro vibes



Oysho Ski



Uterqüe A/W collection



Zara London One New Change



Zara Milan Corso Buenos Aires



Zara Cologne Schildergasse



Outlook



- ▶ Global fully integrated Store & Online
- ▶ Strong organic growth. Increased differentiation
- ▶ Strong online sales growth to continue
- ▶ Sustainability is central to the strategy
- ▶ Increased profitability. Lower capital intensity
- ▶ Inditex's dividend policy of 60% ordinary payout and bonus dividends remains in place
- ▶ The remainder of the bonus dividend (30 cents per share) will be paid in calendar year 2022

FY21 Results



- ▶ 2021 Results to be released on 16 March 2022



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