

**INDITEX**

# Interim Half Year 2024

11 September 2024





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This document may contain statements regarding intentions, expectations, estimates or forecasts. All statements other than statements of historical facts contained herein, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These statements represent the Company's best estimate, on the basis of the information available as at the date hereof, but do not constitute a guarantee of future performance. Any such forward-looking statements may be subject to risks, uncertainties and other relevant factors which could cause the evolution and actual results achieved to differ materially from results predicted. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements.

Some of these risks include, without limitation, (i) 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](http://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](http://www.inditex.com)) for the definition of APMs and Non-IFRS Measures included herein.



To the next level





# 1H2024: 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
- / Unique fashion proposition, optimised customer experience, sustainability and a focus on the talent and commitment of our people accelerate Inditex's differentiation
- / Very healthy execution
- / Strong sales growth +7.2%. Sales growth in CC +10.2%
- / Net income grew +10.1% to €2.8 billion
- / Robust financial condition and cash flow generation
- / Strong performance continues into Autumn/Winter season. Store&Online sales in CC between 1 August and 8 September grew +11%



# To the next level

- / Global growth opportunities
- / Operations in 214 markets with low market share in a highly fragmented sector
- / Increased differentiation







Financial summary



# 1H2024: Very strong execution

€ million	<b>1H24</b>	1H23	24/23
Net sales	18,065	16,851	7.2%
Gross profit	10,541	9,801	7.5%
EBITDA	5,040	4,663	8.1%
PBT	3,598	3,252	10.6%
Net income	2,768	2,513	10.1%

/ Strong sales growth

/ Healthy gross margin

/ Disciplined cost management. Operating leverage

/ 8.1% growth in EBITDA

/ 10.1% growth in net income



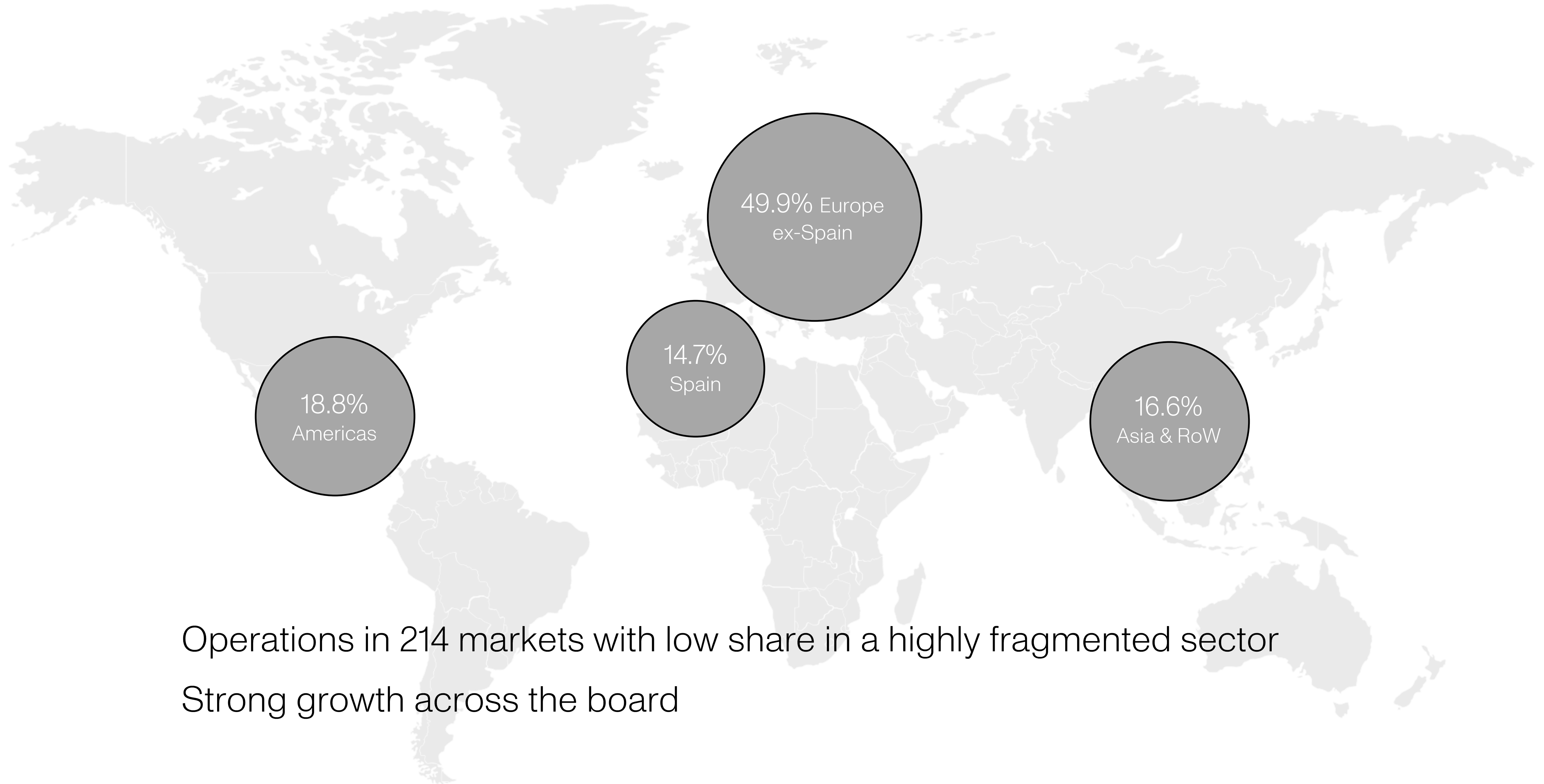
# Sales

€ million	1H24	1H23	24/23
Net sales	18,065	16,851	7.2%

- / Sales €18.1 billion. CC sales +10.2%
- / Strong growth both in stores and online
- / Sales positive in all concepts
- / At current exchange rates we expect a currency impact on sales around -3.0% for 2024



# Global Store & Online sales breakdown in 1H2024



Operations in 214 markets with low share in a highly fragmented sector  
Strong growth across the board



# Gross profit

€ million	1H24	1H23	24/23
Gross profit	10,541	9,801	7.5%

- / Very healthy execution
- / Gross margin 58.3% (+19bps)
- / Inditex expects a stable (+/-50 bps) gross margin in 2024



# Operating efficiencies

€ million	<b>1H24</b>	1H23	24/23
Op. Expenses	5,467	5,116	6.8%

- / Rigorous control of operating expenses
- / Operating expenses grew below sales growth
- / Including all lease charges, operating expenses grew 102 basis points below sales growth



# Working capital

€ million	1H24	1H23
Inventory	3,363	3,420
Receivables	1,121	1,012
Payables	(10,438)	(9,140)
Op. working capital	(5,954)	(4,708)

/ Robust operating performance

/ 1H2024 inventory -2% vs 1H2023

/ Inventory is considered of high quality



# Cash Flow\*

€ million	1H24	1H23
Funds from Operations (before tax)	4,356	4,002
Corporate income tax	(829)	(585)
Funds from Operations	3,527	3,416
Change in working capital	(342)	(245)
Cash from Operations	3,185	3,171
Capital expenditure	(1,276)	(808)
Free Cash Flow	1,909	2,363

/ Funds from Operations before corporate income tax grew 9%

\* Cash lease payments added back



Concepts





# Sales by concept

€ million	1H24	1H23
Zara & Zara Home	13,033	12,362
Pull&Bear	1,124	1,042
Massimo Dutti	904	842
Bershka	1,382	1,184
Stradivarius	1,225	1,075
Oysho	368	346
Total	18,065	16,851

/ Sales across all concepts have been robust



# Concepts

- / Focused expansion continues
- / Store openings in 34 different markets in 1H2024
- / Optimisation activities across all concepts drive strong sales growth





To the next level





# Unique fashion proposition

/ Creativity, innovation, design and quality





## /INTO THE PROCESS

Una selección de prendas Zara Woman que nacen bajo la mirada de un cuidado proceso.



### COMPOSICIÓN, CUIDADOS & ORIGEN

#### COMPOSICIÓN

Trabajamos con programas de seguimiento para garantizar el cumplimiento de nuestros estándares sociales, medioambientales y de seguridad y salud de nuestras prendas. Para

Ver más



GREY SUIT  
69,95 EUR



Pantalón de tiro alto con cinturón lazada en mismo tejido. Pierna recta. Detalle de pinza en delantero. Cierre frontal con cremallera y botón interior.

VER DISPONIBILIDAD EN TIENDA

ENVÍOS, CAMBIOS Y DEVOLUCIONES

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M	L
XL	

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AÑADIR





Zara Woman





# Zara Man NYFW Edition









# Zara Home Stationery





Massimo Dutti Studio





# Pull&Bear Winter Trends





# Bershka Denim Core





Stradivarius The Beauty of Routine





# Oysho Yoga Collection





# Zara & Zara Home Lisbon Rossio





# Zara Valladolid Constitución





# Zara Liverpool One





# Zara Eindhoven Rechtestraat





# Zara Thessalonica Tsimiski





# Zara Greenwich Connecticut







Bershka London Oxford Street



# Massimo Dutti Miami Aventura Mall









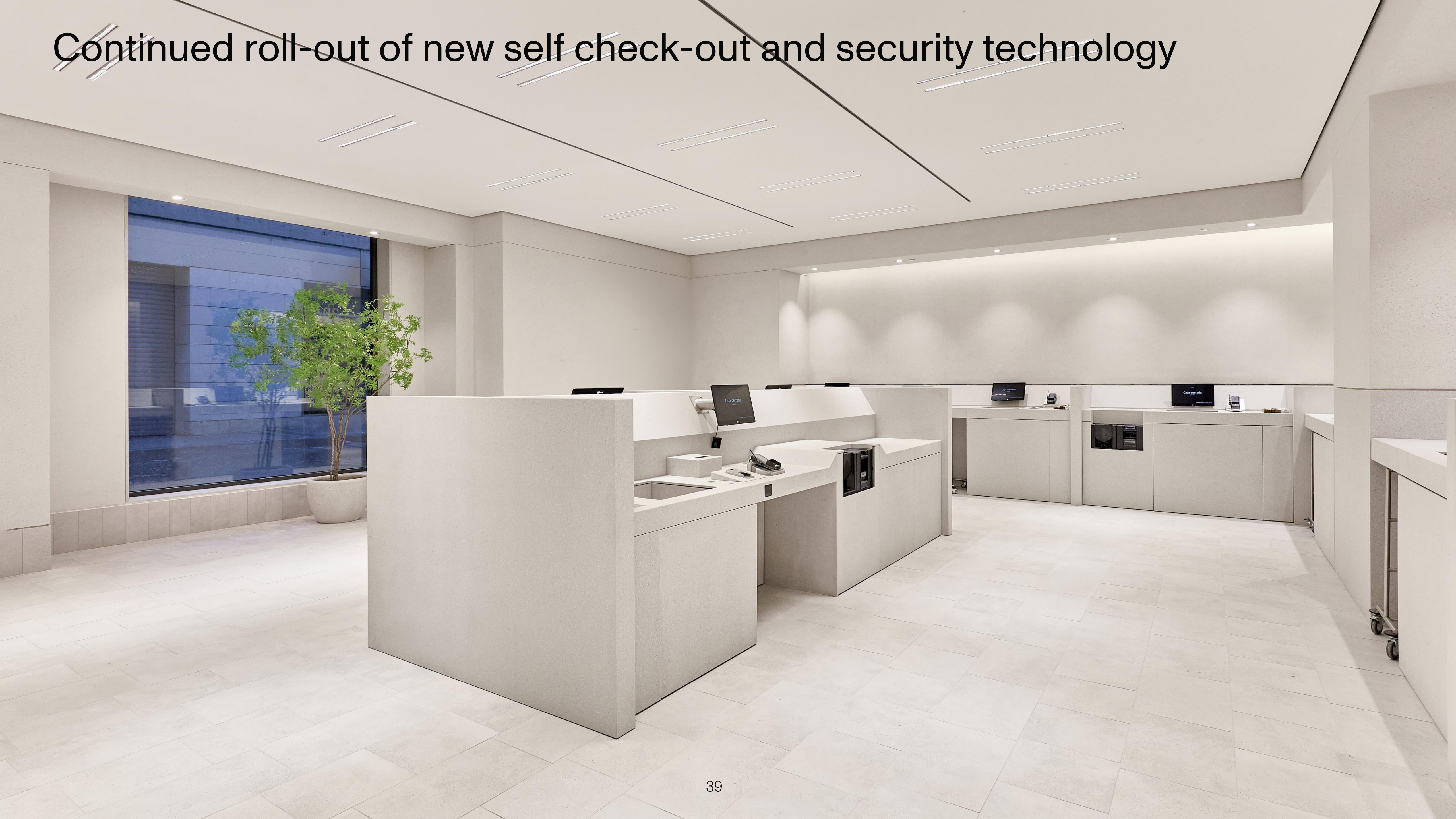
# Oysho Lima Jockey Plaza

OYSHO

OYSHO



# Continued roll-out of new self check-out and security technology





Launch of global streaming experience by the end of September





# Sustainability

- / Investment in Galy - a US start-up that has developed innovative technology for growing cotton in a lab
- / CIRC X Zara II - new collection launched





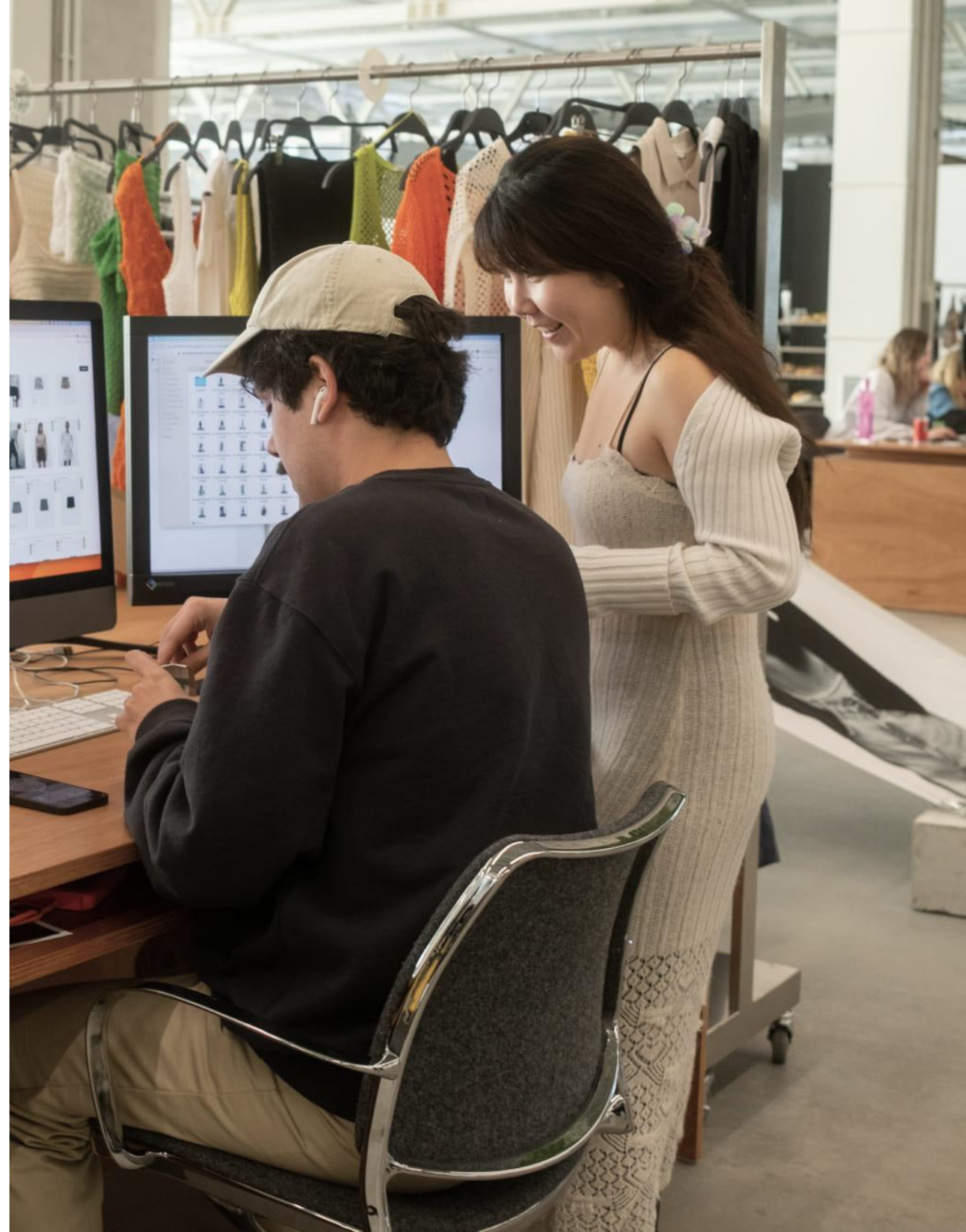
# Zara Pre-owned US launch by end of October





# People

- / 'Top Employers' seal in 12 of our most relevant markets
- / Woman in Tech. 'Technovation' global programme. More than 30,000 young women from 50 countries





# Outlook 2024

- / Strong sales productivity in stores and online
- / Annual gross space growth c.5% in 2024-2026.  
Positive space contribution in the period
- / Ordinary capital expenditure of around €1.8 billion
- / Two-year extraordinary investments in logistics in 2024-2025. €900m in each year





# 2024-25 Logistics expansion plan on track





# 28% dividend increase

- / Attractive and predictable dividend policy
- / Final 2023 dividend to be paid on 4 November 2024: €0.77 per share (€0.27 ordinary + €0.50 bonus)





# Strong start to 2H2024

- / Autumn/Winter collections continue to be very well received
- / Store&Online sales in CC between 1 August and 8 September grew +11%





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