

INDITEX
CONSOLIDATED RESULTS 2025

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INDITEX PARTICIPANTS

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William Woods – Bernstein – Analyst

Georgina Johanan – JP Morgan – Analyst

Geoff Lowery – Redburn – Analyst

Sreedhar Mahamkali - UBS – Analyst

Matthew Clements - Barclays – Analyst

Introduction: James O'Shaughnessy

Buenos días, good morning to everybody. We'd like to thank you all for attending Inditex's full year 2025 results presentation. I'm James O'Shaughnessy, Investor Relations.

The presentation today will be chaired by our CEO Óscar García Maceiras. We also have Andrés Sánchez, CFO, and Gorka Garcia-Tapia, our Director of Investor Relations.

Following the presentation this morning, we will hold a question and answer session starting with the questions received on the phone, followed by those received on the webcast platform. Let's take the disclaimer as read.

Óscar.

Slide 3: CEO

[Image]

Slide 4: FY2025

[Image]

Slide 5: 2025: Solid Operating Performance

Good morning and welcome to our full year twenty twenty-five (2025) results presentation. It's great to see so many people joining us today.

At the outset, we would like to acknowledge the current situation in the Middle East and express our thoughts with those affected. Ensuring the well-being and safety of our colleagues and the local communities we serve continues to be our highest priority.

The numbers we are providing this morning reflect the ability of our teams to honour the trust that millions of customers place in our eight (8) commercial formats every day. Connecting with them, understanding their desires and delivering the best product and a differentiated experience underpin our long-term growth opportunities.

We have seen a very solid performance in twenty twenty-five (2025) both in terms of the top line and also in terms of profitability, despite the complex market environment we've all seen throughout the year. The execution of our unique model has been very disciplined and coupled with the levels of diversification we enjoy, this adds to the resilience of our business.

From the very start of the new fashion season at the beginning of last year we all saw a picture of continual improvement in sales. What's worth highlighting was the high level of consistency in the P&L throughout the four quarters that make up the year. This brings out the point I wanted to make. The highly flexible business model we have here at Inditex permits us to react to very dynamic and changing market conditions in a way that is unique to us.

Clearly, collections across the year have been well received by our customers. The sales growth of three point two per cent (3.2%) has been robust. Sales were positive across each of the concepts, and, in constant currency, they were positive across all geographical areas. Sales were also positive in both stores and online.

The strong execution of the business model has been key not only to the excellent gross margin performance, but also the very disciplined control of operating costs which has been evident across the year.

At the profitability level, net income increased six percent (6.0%) to six point two (6.2) billion euros.

Our financial strength allows us to fund sustainable long-term growth while continuing to deliver attractive returns to shareholders.

We will propose a dividend for financial year twenty twenty-five (2025) of one point seven five (1.75) euros per share.

Our Spring/Summer collections have been very well received by customers.

Store and online sales in constant currency between the first (1st) of February and the eighth (8th) of March grew nine percent (9%) versus the same period in the previous year.

Slide 6: 2025-26 Global Growth Opportunities

We continue to enjoy significant global growth opportunities. Our presence across two hundred and fourteen (214) markets, in conjunction with low market penetration, affords us strong diversification benefits.

These factors, combined with the fragmented nature of the sector, gives us confidence in our ability to further differentiate ourselves and drive sustainable long-term growth.

Our ongoing aspiration to offer customers around the world the very best retail experience whether online or in store is encompassed in the strategy we call Retail Optimisation. As a function of this strategy which has been in place for a long period of time now, the quality of our store base has been continuously increasing over many years. In view of this, sales have grown twenty-two percent (22%) on a reported basis over the last three (3) years, while the

number of stores has reduced by six percent (6%) and net space has grown by six percent (6%). This, I think, illustrates very well what we are trying to achieve, which is to continually reinforce the consistency of our long-term growth profile.

Gross space growth for twenty twenty six (2026) is expected to be about five percent (5%), in line with the last few years, with a positive net space contribution to sales and strong online performance.

Ordinary capital expenditure in twenty twenty-six (2026) is expected to be around two point three billion euros (€2.3bn). After the two year extraordinary investment programme, to increase logistics capacity, we continue to focus capital expenditure on our global store base, the online platform, and the roll out of technology programs aimed at enhancing the level of integration thereby underpinning the long-term growth of Inditex.

And now, let's pass it over to Andrés who will cover the financials.

Slide 7: CFO

Slide 8: Financial Summary

Thank you, Óscar.

Slide 9: 2025: Solid Operating Performance

As we can see from the results published today, Inditex has performed superbly over 2025.

Sales, EBITDA and net income all reached new highs.

The sales performance has been strong at plus 3.2%. The combination of good execution and an actively managed supply chain resulted in a solid gross margin performance. Operating expenses have been well managed and this has resulted in a satisfactory level of operating leverage.

Consequently, EBITDA grew 5.0% to 11.3 billion euros.

This has flowed through to the bottom line, with net income increasing 6.0% to 6.2 billion euros.

The Group continues to generate significant funds from operations adjusted for leases, with growth in the period of plus 7%.

Our net cash position was 11.0 billion euros at year end.

Slide 10: Sales

Let me highlight that the evolution of sales in the year has been very satisfactory at plus 3.2%, reaching 39.9 billion euros. In constant currency that translates to plus 7.0%.

This strong growth was very much across the board, in stores and online, across each of the concepts and, in constant currency, across all geographical areas.

Looking at the year ahead, at exchange rates today, we expect a minus 1% top line FX impact in 2026, albeit with a notable first half weighting.

Slide 11: Global Store & Online sales breakdown

As already mentioned, sales were positive in all concepts. We do of course enjoy a global presence, and it is our aim to continue building upon this.

Slide 12: Gross profit

In 2025, gross profit increased 3.9% to 23.2 billion euros, with a gross margin of 58.3%. This gross margin performance is best explained by the consistent execution of the business model we have seen across the year.

Driven by the strength of our commercial teams in 2025 the Company enjoyed the strongest gross margin performance in many years, particularly in the second half of the year.

For 2026, a stable gross margin of plus or minus 50 basis points would be a reasonable expectation.

Slide 13: Operating expenses

Over the year we have been able to closely control operating expenses across all areas of the business.

The financial accounts show 39 basis points of operating leverage for the year. Taking into account all lease charges, operating expenses grew 51 basis points below sales growth.

The PBT margin reached 20.1% in the year.

Slide 14: Working capital and net cash position

From what we have been talking about already, I'm very comfortable with the operating performance of the business over 2025.

Inventory for the Group at year end on the 31st of January, was down 2% compared to the closing position the year before. It is noteworthy that closing inventory quality was high.

The net cash position was 11.0 billion euros at year end.

Slide 15: Cash Flow

As you can see on your screens, lease adjusted funds from operations, after fixed lease cash payments increased 7% to reached 8.2 billion euros.

...and free cashflow reached 4.7 billion euros.

Gorka, over to you now.

Slide 16: Director of Investor Relations

Slide 17: Concepts

Thank you Andrés. It's good to have you all with us today.

Slide 18: Concepts

Building on the comments made at the nine month mark, I would like to point out that 2025 has been a truly remarkable year. From a second half weighted sales profile we have seen we are in the fortunate position of being able to say that growth was enjoyed by each of the concepts. This performance was spearheaded by consistent strategic execution and a laser focus on taking care of our customers.

Over the course of the year we have strengthened our position in 41 markets via new store openings. Growth was indeed strong not only in terms of store sales but also in terms of the growth of online.

All of the concepts continue to deliver strong results and yet again contributed meaningfully to the overall performance of the Group.

This momentum reflects the strength of our diversified portfolio and the ability of our teams to demonstrate accuracy and precision. Looking ahead, we are confident in our ability to capitalise on new opportunities and to deliver sustainable long-term growth.

Slide 19: Sales and PBT By Concept

If you look at the table on your screens right now we can see strong sales figures in all the concepts. This table is a good representation of the Group's diversification by both product and customer base.

You can see the PBT margin of the various concepts that have led to the groups overall PBT margin increasing 50 basis points to 20.1%...

...and with this in mind, I'll now hand you over to Óscar.

Slide 20: CEO

Many thanks Gorka.

Slide 21: Our Fashion Proposition

Slide 22: Video

We continue to see strong growth opportunities.

The unique way in which we can react to fashion trends permits us to continually consolidate the market position we enjoy, providing Inditex with huge potential for the future.

The diversification by origins, channels, formats and markets remains a key driver of our model.

In order to extend our differentiation further we are developing a number of initiatives for the coming years.

Our fashion proposition shows our strong commitment to creativity thanks to our talented teams that focus every day on innovation and the adaptation to what our customers are looking for.

Our physical store and online platforms are continuously executing new initiatives to enhance the experience of our customers. Openings, additional functionalities and new technology are at the core of our strategy.

Slide 23-25: Zara stores (Copenhagen, Shanghai East Nanjing Road, Boston Newbury)

We have recently reopened iconic Zara stores after refurbishments in Copenhagen, Shanghai East Nanjing Road and Boston Newbury.

In terms of new markets in twenty twenty six (2026), the Group will launch its first store in Curaçao.

The rest of the concepts will be very active in twenty twenty six (2026). Bershka will open its first stores in Brazil and the United States. Massimo Dutti will continue its expansion in the US with new openings in Miami Brickell and New York Soho. Massimo Dutti will also launch in new countries including Denmark and Norway. Pull & Bear will also launch in Denmark. Zara Home will open its first stores in Ireland and Norway...

...and finally, Lefties will continue its expansion with its first stores in the UK and France.

Slide 26: Improving The Store Technology Ecosystem

The rollout of our soft tag alarm technology across stores continues to progress. This initiative complements the Assisted Checkout programme and further strengthens our in-store technology ecosystem. It is delivering a meaningful enhancement to the customer experience by facilitating product interaction and streamlining the purchasing process. The hardware is now in one hundred percent (100%) of our physical stores and the new technology will be implemented in ninety percent (90%) of products across all our formats in the spring/summer collections in twenty twenty six (2026).

Slide 27 Try-On

Try-On is an AI-based virtual fitting system that allows customers to create a synthetic avatar from their own photos and generate images of that avatar wearing real products. Currently deployed in forty-three (43) markets with over seven (7) million sessions, it operates exclusively on ZARA.com and is being rolled out to the other concepts.

Slide 28: Sustainability

By twenty twenty five (2025), we successfully met our water target, delivering a twenty six percent (26%) reduction in water consumption across our supply chain compared to twenty twenty (2020).

Turning to fibres. Of the total textile fibres used in our garments during twenty twenty five (2025), eighty eight percent (88%) were classified as lower impact fibres. Forty seven percent (47%) of the total fibres used were sourced from recycled materials. We remain on track towards our goal of reaching one hundred percent (100%) lower-impact textile fibre usage by twenty thirty (2030).

Under our Supply Chain Environmental Transformation Plan, we reduced total scope one, two and three emissions covered by Science-Based Targets by eleven percent (11%) versus our twenty eighteen (2018) baseline. This includes an eighty eight percent (88%) reduction in Scope one and two emissions, alongside a seven percent (7%) reduction in Scope three. These results demonstrate continued progress both in our own operations and across our value chain.

Slide 29: Inditex People

We remain focused on attracting top talent thanks to dedicated teams who embrace our culture and values. A key factor in this is our commitment to training, with three point four (3.4) million hours offered in twenty twenty five (2025), which has allowed us to fill eighty percent (80%) of vacancies through the internal promotion of nine thousand one hundred (9,100) of our professionals.

Slide 30: Outlook 2026

To meet the current strong demand for our collections across the globe, a demand which, if you remember, builds upon the meaningful levels of growth we've seen since twenty twenty-two (2022), important investments have been made in recent years.

We now operate in two hundred and fourteen (214) markets. Most of these markets continue to be very fragmented in nature, and in conjunction with a low market share, provide a great platform for future expansion.

The growth of annual gross space in twenty twenty six (2026) is expected to be around five percent (5%). We also expect net space contribution to sales to be positive with of course, an additional good level of online performance.

As I mentioned a few moments ago, with some of our key investments now in place we can further focus on increasing our competitive differentiation both in store and online globally.

For twenty twenty-six (2026), we estimate ordinary capital expenditure of around two point three billion euros (€2.3 billion). This investment will be mainly directed at optimising our commercial space, the integration of several technological initiatives, and the improvement of our online platforms, with a view to underpinning the long-term growth of Inditex.

Slide 31: A strong start to 2026

I'm going to finish with a couple of further comments.

Spring/Summer collections have been very well received by our customers.

Store and online sales in constant currency between the first (1st) of February and the eighth (8th) of March grew nine percent (9%) over the same period in the previous year.

Slide 32: Dividend increase

Our priority has always been to ensure the long-term growth of the business while offering an attractive dividend policy to shareholders.

Inditex's dividend policy consists of a sixty percent (60%) ordinary payout and bonus dividends. For financial year twenty twenty-five (2025), the Board of Directors will propose at the Annual General Meeting a dividend of one point seven five euros (€1.75) per share, composed of an ordinary dividend of one point two zero euros (€1.20) and a bonus dividend of zero point five five euros (€0.55) per share.

The dividend will be made up of two equal payments to be paid on the fourth of May twenty twenty-six (4/5/2026) and on the second of November twenty twenty-six (2/11/2026).

Slide 33: 2025 Results

Thanks very much for taking part in our presentation today. We will be happy to answer any questions you may have.

Q&A: James O'Shaughnessy – Operator

The telephone Q&A session starts now. If you would like to ask a question, please press *5 on your telephone keypad. If you wish to withdraw your question, please press *5 again.

We request that you limit yourselves to only one question per turn so we can maximise the number of participants in the session. If you have further queries, you may press *5 again after the next person's question has been addressed. Please ensure your phone is not on mute.

The first question goes to Warwick Okines, from BNP. Go ahead, Warwick.

Warwick Okines - Exane BNP Paribas – Analyst

Thanks very much, James. Good morning, everyone. Actually, I just wanted to talk about the Middle East, if that's okay. I appreciate your comments at the beginning of the call, but maybe you could give a bit more detail about what's happening to your business there. Perhaps start with the proportion of sales, the mix of franchise operations you have there, and what sort of closures you've had to go through in the last 10 days or so. Thank you.

Óscar García Maceiras - Inditex

Thank you, Warwick. Well, as you can imagine, we are monitoring the situation closely at this stage and focusing on supporting our teams in the markets affected. We have our franchising network in the region, and in the last week, some of our stores in a number of markets have been temporarily impacted. This has had a slight impact on the trading update we have provided today. But in any case, as we have always mentioned, this trading update relates to a very short period of time, and currently, most of our stores are open in the region. Thank you.

James O'Shaughnessy – Operator

The next question comes from Monique Pollard from Citi. Go ahead, Monique.

Monique Pollard - Citigroup – Analyst

Hi, good morning. Thank you for taking my question. I was just interested if you could perhaps help us with: How far in advance your sea and air freight rates get locked in, and whether there's an element of spot pricing? Just given the pretty dramatic moves we've seen in both sea and air freight rates as a result of the current conflict, please.

Óscar García Maceiras - Inditex

Thank you. In 2025, our gross margin increased 42 basis points to 58.3%. As we always mentioned, it is a consistently strong execution of our unique business model that has driven this gross margin performance, characterised mainly by maximising sales at full price. Also, proximity sourcing and short lead times. In this sense, and over the last few years, and despite significant impacts in our supply chain and currency markets, our gross margin has remained broadly stable. As you would expect, we are also following developments in the market, and our sourcing and logistics model, in any case, is diversified across regions and transport modes, and giving us flexibility and a certain level of resilience should conditions change. In any case, our guidance for 2026 continues to be a stable margin plus or minus 50 basis points. Thank you.

James O'Shaughnessy – Operator

Thank you. The next question comes from Anne Critchlow from Berenberg. Go ahead, Anne.

Anne Critchlow - Berenberg – Analyst

Thank you. Good morning. My question is a follow-up to Monique's, actually, on inventory, as it was 2% lower, I guess, in reported

terms, year-on-year in January. You've had very strong current trading, so I'm just wondering if you're now a bit light on inventory and if you've seen any supply chain challenges on the recent disruptions to airline schedules.

Gorka García-Tapia - Inditex

Great. Thank you. So, I think with regard to inventory, you've seen what we've said in the presentation today, with minus 2% down. We've also mentioned, as we often do, the fact that the inventory is of high quality. And, to that extent, with the trading that we've provided today, we have confidence for the year ahead, and we're not seeing anything significant in terms of disruptions at this stage. Thank you.

James O'Shaughnessy – Operator

The next question comes from William Woods from Bernstein. Go ahead, William.

William Woods - Bernstein – Analyst

Good morning. You saw a strong performance in Bershka and Stradivarius, in the second half, of the inflection versus H1, what do you think was the main driver of that inflection?

Gorka García-Tapia - Inditex

I think you've seen growth throughout all of the concepts that we have, starting with a more moderate sales growth at the beginning, and then, of course, in the third quarter, and then definitely in the fourth quarter, and now starting in the trading update that we've provided with a good progression of sales. I think we always talk about the capacity that we have to react to fashion trends and, in that sense, to capture what we're seeing in the market. I think that, across the board, we're seeing good performance. Some cases, some of the concepts have been particularly more accurate in identifying the trends, and that can go a way to explain their performance. Thank you.

James O'Shaughnessy – Operator

Thanks, Gorka. The next question comes from Georgina Johanan from J. P. Morgan. Go ahead, Georgina.

Georgina Johanan – JP Morgan – Analyst

Hi. Good morning, everyone. Thanks for taking my question. I think you referenced that some of the investments that you're making this year will be in technical integration and also the further improvement of your online platforms. I was just wondering if you could give some more color around that and any specifics with

regards to what you're doing, perhaps differently this year to previous years to invest in these areas, please.

Óscar García Maceiras - Inditex

Thank you, Georgina. Well, as we mentioned during the presentation for Fiscal Year 2026, we are expecting the CapEx, the ordinary CapEx, to be around €2.3 billion, with the investment mainly focused on commercial presence, technological integration, and efficiency of our processes. CapEx investment, from our point of view, is further underpinning our long-term sustainable earnings growth, and with a level of investment that is in line with the group's historical average and fully aligned with our disciplined and self-funded business model. Capital allocation remains focused on generating attractive returns over the long term through projects that enhance the business model and the customer experience. As you could see, operating cash flow continues to properly cover both investment and shareholder remuneration. Thank you.

James O'Shaughnessy – Operator

Thank you, Oscar. The next question comes from Geoff Lowery from Redburn. Go ahead, Jeff.

Geoff Lowery - Redburn – Analyst

Morning, team. A slightly high-level question, if I may. I'm very struck by how strong both your gross and EBITDA margins are in the context of currencies and volatile end markets. Is there a level of margin at which you would be uncomfortable and try and cap the business? Or are you okay with margins rising as a function of the quality of the execution? Thank you.

Gorka García-Tapia - Inditex

Great. Thank you. I think, first of all, you're right to call out the high level of margins that you're seeing. I think this is a great reflection of the strong execution of the business model. Going forward, we're always thinking about--, and that's how we think about the business going forward, having stable margins, and we're really focusing on the long term, which is how we always run the business, and not really focusing on any expansion of margins for the short-term gains. It's really about stability of margins going forward, albeit it's true that with strong execution, we are at high levels at this stage.

James O'Shaughnessy – Operator

The next question comes from Sreedhar Mahamkali from UBS. Go ahead, Sreedhar.

Sreedhar Mahamkali - UBS – Analyst

Hi, good morning. Thanks for taking my question. Perhaps just on the CapEx and how we should see that impact in this space, because I think you talked about investing in the stores and optimization. Does that mean the 5% gross phase could convert to a bit more than what we saw last year in terms of net space, one and a half? How would that 5% gross space look by brand, by individual operating company? Thank you.

Gorka García-Tapia - Inditex

Great. I think that what we've given so far is that we still have the guidance that we had provided before for the 5% gross space for 2026, with a positive contribution to sales from net space. As a reminder, in 2024, gross space was 5.8, with net space contribution to sales around 2%. In 2025, it was 5.3 gross space, with a net contribution of just over 1.5%. You see that in 2025, we've continued to do a lot of operations. We've done 190 openings, 293 closings, for example, and refurbishments and expansions. Retail optimization program, as Oscar mentioned during the presentation, is underway, has been underway for many years, and you should expect this as a characteristic going forward. I think with regards to your question, Sreedhar, of gross space for the following years, you'll have to wait until the end of 2026. Thank you.

James O'Shaughnessy – Operator

The next question comes from Matthew Clements from Barclays. Go ahead, Matthew.

Matthew Clements - Barclays – Analyst

Hi, good morning, everyone. Thanks for taking my question. You've got very consistent PBT margins across your concepts. Lefties is subsumed within Zara, but is its profitability profile comparable?

Gorka García-Tapia - Inditex

I think PBT margins you're seeing that are at very healthy levels. There's a bit of a range depending on the concepts, as you can imagine, but I think this is a reflection that they all work under the same business model and that when we have strong execution across the board, you see strong and robust PBT margins. But again, going back to one of my earlier comments, we should be expecting stable margins going forward.

James O'Shaughnessy – Operator

We're now going to go over to the webcast platform today. The first question relates to AI. Perhaps you could give us an update on progress made in the area of AI, please.

Óscar García Maceiras - Inditex

Well, thanks for the question. As you can imagine, over the past few years, we have taken a deliberate approach to AI. Our priority was to build the right foundations, modern architecture, strong data platforms, and robust governance so we could deploy AI securely and at scale. With that groundwork now in place, we are effectively future-ready and able to integrate new AI capabilities quickly and in a controlled way. We are also testing and scaling initiatives such as “Try-on” to enhance the customer experience, as mentioned today. For us, AI is not a stand-alone project. It's an integrated capability supporting both efficiency and our customer and employee experience. Thank you.

James O’Shaughnessy – Operator

The next question on the webcast platform this morning relates to the United States. Perhaps you could give us an update on what you're seeing in that market, please.

Óscar García Maceiras - Inditex

Thank you. Well, the US remains a very relevant market for us, and we continue to see opportunities to keep on executing our strategy

of selective growth in the market. 2025 has been a year full of very relevant projects that we have been sharing with you quarter after quarter. Some examples have been the opening of new flagship stores in LA, The Grove, and Las Vegas Forum shops at Caesar's Palace. We also arrived in our state number 26 with the opening of our store in Charlotte, in North Carolina. And recently in December, we reopened after an important refurbishment our store in Newbury Street in Boston City Center. 2026 will also be a year full of exciting new projects that will include the refurbishment of some of our iconic Zara stores in Fifth Avenue in New York; the relocation of our store in the 34th Street, also in Manhattan, in New York; or Lincoln Road, in Miami. Also, we can confirm, as we mentioned during the call, that Bershka, after a very successful online performance in the States, will open its first two stores in Miami. And Massimo Dutti will also open new stores in Miami, Brickell, and New York, Soho in 2026. We will end 2026 with around 110 stores in the States, and also our online sales continue to grow very well. So, as we mentioned in the past, our online footprint also supports our physical sales and vice versa. Thank you.

James O'Shaughnessy – Operator

Thank you, Oscar. The next question on the webcast platform relates to sportswear or athleisure. Could you give us a little bit on your strategy in this area, please?

Óscar García Maceiras - Inditex

Oysho grew 16% last year to 960 million of sales, and in fact, it's in the middle of a process of expanding into new countries. Just a reminder, in 2025, we opened our first Oysho stores in Germany, in Berlin and Hamburg; also in the Netherlands, that we are about to open our second store in VanBaerlestraat after the opening of our first store in Kalverstraat, also in Amsterdam. For instance, in the UK, we entered the market in 2023, and today we have three physical stores and very good online sales. So, many opportunities to keep on growing the format. Also, Zara Athletics continues to perform very well as a collection within Zara Man, both in our stand-alone Zara Man stores and with specific corners for athletics in the rest of our Zara stores. We consider that both approaches reflect our aim to be even more relevant in the space of the athleisure and lifestyle, very aligned with what our customers are looking for. Thank you.

James O'Shaughnessy – Operator

That completes the webcast questions for today. Thank you.

Óscar García Maceiras - Inditex

Thanks again, everybody, for taking part in today's presentation. For any additional questions you may have, please get in touch with our Investor Relations Department, and we look forward to speaking with you all again in June. Thank you.