INDITEX
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Introduction: James O'Shaughnessy

Buenos días a todos and good morning. Welcome to everyone taking part in our half year 2026 results presentation today. My name is James O'Shaughnessy, Investor Relations.

This presentation will be hosted by Inditex's Chief Executive Óscar García Maceiras, our CFO Andrés Sánchez, and the Director of Investor Relations, Gorka García-Tapia.

As per usual, after the presentation, we will commence a Q&A session starting with the questions received over the phone, followed by those questions received on the webcast platform.

Slide 2:

We'll take the disclaimer as read.

Slide 3: CEO

Óscar, please.

Slide 4: 1H 2026

Good morning and welcome to our first half twenty twenty-six (2026) results presentation. Thank you for joining us today.

Slide 5: Solid Operating Performance

I am pleased to announce that during this last semester we have generated a solid financial and operating performance, with strong sales all the while maintaining a strong level of profitability.

The strength and resilience of our unique business model was evident and despite a period with geopolitical uncertainty, our

teams came together to deliver broad-based performance across geographies, concepts and channels.

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

Sales grew seven point six (7.6%) percent. Sales in constant currency increased by nine point two (9.2%) percent.

It's evident that the execution of the business model over the first half period has been very good despite some of the headwinds we highlighted in the first quarter. This has flowed through to the bottom line with net income increasing six point eight (6.8%) percent to three (3) billion euros.

This strong performance has spilled into the second half as you can see from the trading update we have provided you. Store and online sales in constant currency between the first of August (1st) and the seventh of September (7th) grew nine (9%) percent.

Slide 6: Inditex Today

Today, I would like to refer to the framework we use to think about what makes Inditex distinctive and the opportunities that our model continues to create.

At the heart of our model is product, and behind the product are our people and their ability to offer our customers what they are looking for. We identify trends through our Feedback Loop, channeling crucial data to our commercial teams. Amongst these teams, today we boast more than seven hundred (700) fashion designers whose aim it is to generate products that adhere to the very latest fashion trends.

To give you an idea of the scale of the business, we operate a global platform across eight (8) concepts with stores in ninety

eight (98) different markets all around the world, ninety nine (99) from tomorrow with our first opening in Curaçao, as well as two hundred and fifteen (215) markets online.

These channels are fully integrated and mutually reinforcing. For example, around sixty (60) percent of online returns are made through our stores and around twenty (20) percent of online orders are collected in store too. This integration is not only about convenience, it gives our teams a more complete view of demand and inventory, and helps us provide a consistent customer experience across channels.

Of course, none of this would be possible without a broad and flexible global supply chain. The ability to diversify production across more than fifty (50) markets has never been more relevant in recent times.

A further distinctive capability is what we call Operational Proximity. By this, we mean the way we work with our supplier network, focusing on agility, flexibility and responsiveness, and integrating these long-term relationships into our operating model, rather than simply where production is located. The partnership Inditex has with its suppliers extends more than eight (8) years in over seventy (70) percent of production, making Inditex's relationship with suppliers quite unique.

This way of working is underpinned by our logistics and inventory network. It is supported by multimodal transport and our sixteen (16) primary logistics centres which operate as part of a single inventory position. This allows us to allocate product efficiently across different markets, to support product availability and to maximise full-price sales whether in stores or online.

Of great relevance over the years, has been the financial strength enjoyed by Inditex, particularly during volatile times. Indeed, the net cash position of over ten (10) billion euros on the balance sheet underwrites the financial stability of the business and

secures the future investment pipeline needed to generate strong future growth across the cycle.

Over the last decade we have reinvested, on average, anywhere around five (5) or six (6) percent of sales in the business while maintaining strong financial discipline and attractive total shareholder returns.

People often talk about the different elements that come together to produce the competitive advantage enjoyed by Inditex, but there is one aspect that tends to be overlooked by the wider market; our strong corporate culture. Our unique DNA fosters a drive to always do better in the face of a constantly changing environment and to always search for new ways to do things. Ambition and innovation are at the centre of everything we do.

The many factors that I mentioned just now, in combination, make Inditex the Company that we see today. Taken as a whole, this is a very powerful combination making the model distinctive, resilient and difficult to replicate.

Slide 7: Long-term Growth Potential

All this enables multiple avenues for long-term growth.

Despite the very respectable and consistent rates of growth we have achieved over the years both in terms of sales and our presence in ever more markets, at a global level, we command a mere two percent (2) market share, offering plenty of space for growth well off into the future. Let's not forget that this market share is across all eight (8) concepts at Inditex.

While Zara remains very much an engine for growth for the overall business, we have seen a remarkable level of growth coming from the younger concepts in recent years. Despite currently having, at group level, a physical store presence in a total of ninety eight (98) markets, the non-Zara concepts have limited commercial

presence in 59 markets, in which at least one non Zara concept has less than fifty (50) million euros in annual sales. That should give you an idea of where we see things going.

The common thread through all these years of growth, as many of you will be familiar with, is our overall strategy of Retail Optimisation. This strategy aims to continually enhance the customer experience at every level. Over the last three years we have delivered five (5%) percent compound annual growth in gross space.

Once again, as I mentioned earlier, the physical store experience and the online experience go very much hand in hand, which explains how on average our online sales since 2019 have grown by more than eighteen percent (18%) per year.

Our confidence in the future springs not only from what we see as our unique business model, but also comes from the ability of our teams to constantly innovate and challenge the status quo. This ability to see things differently is best illustrated in recent customer experience projects both in store and online such as Zara Man Standalone stores, our Footwear Showrooms in Zara and Massimo Dutti, Bershka Members, Oysho community or the launch of Zara Try-on, amongst many others. All this drives the very significant long-term growth opportunities we see today.

And now, I'll pass you over to Andrés who will go over numbers.

Slide 8: CFO

Slide 9: Financial Summary

Thanks Óscar.

Slide 10: Solid Operating Performance

As you can see from the table in front of you, Inditex's results in the first half of 2026 have been solid. The strong execution is clear when we look at the P&L.

The sales performance demonstrates that despite the disruptions we've seen in headlines since the end of February, our teams have been successfully reacting to the fashion trends. This has resulted in a very respectable gross margin performance with EBITDA growing strongly, whilst maintaining a broadly stable margin, flowing nicely down into PBT and the net income line.

Slide 11: Sales

At the top line, we can see that sales grew 7.6%, to reach 19.8 billion euros. In constant currency, that translates to 9.2%.

This strong performance was very much across concepts, store and online channels.

At current exchange rates, we continue to expect a -1% top line currency impact for the full year 2026.

Slide 12: Global Store & Online sales breakdown

We are now up to 215 markets in terms of our global online presence. Given the ongoing fragmented nature of the market as a whole and our low market share, we can confidently say that our strong long-term growth opportunities remain in place.

One factor that I think is worth bringing out at this point is the level of global geographical diversification. This of course helps drive stability at a group level, particularly during times of regional uncertainty.

In constant currency, all geographical areas had a positive sales evolution.

Slide 13: Gross profit

In the first half of 2026, gross profit increased 8.3% to reach 11.6 billion euros. The gross margin reached 58.7%. This gross margin serves as a demonstration of the good execution of the business model over the period. Our teams have done really well.

All this despite the headwind of elevated transport and input costs we highlighted back in the first quarter resulting from disruptions in the Middle East.

Based on available data currently, for the full year 2026, we continue to expect a stable gross margin of +/-50 basis points.

Slide 14: Operating expenses

Operating expenses increased 8.3% in the first six months of 2026.

The mild deleverage we are seeing was also driven by the increased costs just mentioned in the gross margin slide, as flagged back in June.

Despite this impact, both EBITDA and EBIT margins remained broadly stable over the first half.

Slide 15: Profitability

So, now going down the P&L, we naturally come to EBITDA which in this case increased 7.8% to 5.5 billion euros, of course, very much consistent with the healthy performance of the top line.

This flowed down into profit before tax which grew 6.8% to 3.8 billion euros with a PBT margin of 19.5%. Net income grew 6.8% to 3.0 billion euros. This all points to another season of strong commercial execution.

Slide 16: Working capital

Operating working capital remains negative as a result of the business model. The evolution of operating working capital is very much in alignment with the performance of the business over the period.

Inditex's inventory as of the 31st of July was 9% higher in line with the sales evolution. It is important to note the high quality of closing inventory at the end of the period.

Slide 17: Cash Flow

As you can see from this slide, we continue to generate very strong levels of cash flow. Funds from operations increased 11% to 4.1 billion euros.

Capital expenditure reached 1.3 billion euros, reflecting investments in 2026 aimed at underpinning future growth.

We continue to expect ordinary capital expenditure for 2026 to be around 2.3 billion euros.

In addition, close to 200 million euros of extraordinary capex will be invested in upgrading and enhancing our corporate facilities across the company, further strengthening Inditex's position as an employer of choice.

I'll pass it over to Gorka now.

Slide 18: Director of Investor Relations

Slide 19: Concepts

Thanks Andrés.

Slide 20: Net sales by concept

Good morning once again to everyone. The numbers we've released to the market this morning point to a continuation of the strong performance we all saw back in June with the Q1's. It's pleasing to see that execution has remained consistent throughout, despite wider market volatility, be it geopolitical or otherwise. The performance of our teams here at Inditex has been excellent.

With the global rollout of the optimisation programme very much still in place, it's worth highlighting some of the younger concepts. We can confidently say that three of the younger concepts at the half year mark have generated sales well in excess of a billion euros, so, sizable companies in their own right.

If we take a look at Bershka for example, its compound annual growth rate in sales over 4 years from 2022 to the first half 2026 has been 12%. For the likes of Stradivarius that rate is 15%. So we're seeing very healthy and sustainable levels of sales growth across the board.

On the theme of diversification at Inditex, as well as growth, we have seen retail optimisation activities in 51 different markets all around the world. Each one of the concepts is clearly pushing ahead with their growth plans as you can see from the number of new markets they've been opening in recent years, and there's certainly more to come on that front.

With that, I'll pass you back to Óscar.

Slide 21: CEO

Thank you Gorka.

Slide 22-23: Our fashion proposition

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.

Zara today occupies a more relevant place than ever in the world of fashion, with a global cultural impact, having the opportunity to launch important collaborations with prominent artists in the space of fashion and music.

Slide 24 (Los Cabos)

Regarding our stores, Zara has launched in new locations for example in Mexico Los Cabos. Additionally, we have made important enlargements, refurbishments and relocations in some of our most emblematic stores such as London Bond Street, Seoul Gangnam and Belgium Ostend.

Slide 25 (Bond Street)

As our core engine, Zara's widespread presence serves as a powerful launchpad for our younger concepts to scale rapidly worldwide.

To give you some examples, last month, August, Bershka opened its first store in the US, in Aventura Miami.

Slide 26 (Seoul)

This is one of two planned openings for the concept in the Miami area in the immediate future. Also in August, Bershka launched its second store in Brazil, Rio Barra, after the opening in Morumbi, Sao Paulo in March.

Slide 27 (Belgium)

Stradivarius, another of the younger concepts which have been doing particularly well, has recently launched its first store in Munich, Riem Arcaden.

Slide 28 (Bershka)

Massimo Dutti has also opened its first street level store in Korea in Seoul Hannam, bringing together fashion, architecture and local culture within a restored building.

Slide 29 (MD)

Finally, in August we opened our first Lefties store in the UK in Liverpool One, continuing our expansion into new markets after successfully launching our first store in France, Valvert, back in May.

Slide 30: Improving the store technology ecosystem

The new soft-tag technology has now been implemented in all of our stores. This programme adds to the existing in-store technology ecosystem with Click & Collect silos, assisted checkouts and drop-off points and sorters.

As you can see in the video, one of the technologies we are rolling out across our stores is sorters. These automated sorting systems help to improve the experience for both our customers and our team members, connecting stockrooms, fitting areas and commercial space.

We are using all this technology as a springboard for the further integration of the online platforms with our increasingly digitalised stores for the years to come.

Slide 31: Online

Our online platforms continue implementing improvements in order to offer a unique experience to our customers. Personalisation and the development of communities are two of the priority focus areas.

Slide 32: Sustainability

In the half year Inditex has actively engaged in a number of initiatives on the sustainability front, that include new agreements that strengthen our partnerships with Conservation International and UNHCR (United Nations High Commissioner for Refugees) supporting projects for the protection and restoration of the Amazon forest and for improving the conditions of Rohingya refugees in the camps of Cox´s Bazaar.

Additionally, we have been supporting Red Cross in the recent earthquakes in Venezuela and Colombia.

Slide 33: Outlook 2026

And now over to the Outlook for this year. Inditex's potential for long-term growth is clearly still very much in place. We continue investing with the aim of enhancing our competitive differentiation while making sure we are in a position to take advantage of the extensive growth opportunities ahead.

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 continue to be positive, along with ongoing strong online growth.

For twenty twenty-six (2026), we estimate ordinary capital expenditure of approximately two point three billion euros (€2.3 billion). We continue to focus the ordinary capital expenditure on our global store base, the online platform, and the roll out of technology programs that will enhance the level

of integration.

Slide 34: Dividend

A brief reminder on the dividend. The final dividend payment for twenty twenty-five (2025) of zero point eight seven five euros (€0.875) per share will be made on the second of November twenty twenty-six (2 November 2026).

Slide 35: A strong start to 2H2026

I'm going to end now with a comment on our current performance. Autumn/Winter collections are being very well received by our customers.

Store and online sales in constant currency increased nine percent (9%) between the first (1st) of August and the seventh (7th) of September twenty twenty-six (2026) versus the same period of twenty twenty-five (2025).

Slide 36: 1H2026 Results

Many thanks for attending this results presentation today. That concludes our presentation. We are happy to answer any questions you might have.

Slide 37: 1H2026 Results

Q&A: James O'Shaughnessy – Operator

The telephone Q&A session starts now. If you would like to ask a question, please press Star 5 on your telephone keypad. If you wish to withdraw your question, please press Star 5 again. We request that you limit yourself to only one question per turn so we can maximize the number of participants in the session. If you have further queries, you may press Star 5 again after the next person's question has been addressed. Please ensure your phone is not on mute.

The first question comes from Sreedhar Mahamkali of UBS. Go ahead, Sreedhar.

Sreedhar Mahamkali – UBS – Analyst

Hi, and good morning, team. Thanks for taking the question. I guess the key one we're battling a bit with, is OpEx growth faster than sales, as you mentioned in the release. It would be great to hear your thoughts. Talk a little bit more about what's changing in the model. And, is this a trend we should expect for the second half of the year as well? Thank you.

Andrés Sánchez - Inditex

Sreedhar, thank you for your question. As we mentioned during the call, the main driver of our performance continues to be the ability to spot trends, offering our customers what, when, and where they are looking for, maximising our full-price sales. As you mentioned, in Q1, disruptions in the Middle East resulted in higher transport costs and input costs during the first half of the year. And as you saw, the transport component that affected both gross margin and Opex line.

In Opex, just to be more precise, we have costs related to online fulfillment and distribution to franchisees, while in gross margin we have the larger component of transport costs.

I'd like to take the opportunity also to highlight a few key points when thinking about the gross margin for this year. Considering the current situation, and that there is a timing lag between the transportation and the input on cost-of-goods sold, we expect this to impact gross margin in H2 as well.

The U.S. dollar was a slight tailwind in H1, as we commented. But this impact, while with current available data, is neutral in H2. In any case, the current environment is included within our gross margin guidance of plus/minus 50 basis points for the full year.

And a final remark regarding Opex. I'd like to comment that we are very pleased with the execution of the business model. In this sense, let me point out that the underlying business expenses were tightly controlled. And as always, we continue to be focused on the long-term profitable growth of the group with a focus on broadly stable operating margins. Thank you, Sreedhar.

James O'Shaughnessy – Operator

The next question comes from Richard Chamberlain from RBC. Go ahead, Richard.

Richard Chamberlain – RBC – Analyst

Thanks, James. Good morning, everybody. I've just got a question on space impact on sales, please. Impact on sales from new space. How has that been trending through the first half and what are your expectations on space contribution to sales for the second half and into next year, please? Thanks.

Gorka García-Tapia – Inditex

Great. Thanks, Richard. I think with regards to space, a couple points I can highlight. The first is, you know we have provided three-year guidance of gross space growth, which ends in

2026. So with regards to the second part of your question, going forward you'll have to wait until March for us to mention something with regards to that.

And with regards to space contribution, you have to consider that we're still very much on target for the 5% growth space. We'll have to see how that converts, but I don't think you should expect anything different to what you've been seeing in recent years. Thank you.

James O'Shaughnessy – Operator

The next question comes from Georgina Johanan from JPMorgan. Go ahead, Georgina.

Georgina Johanan – JP Morgan – Analyst

Hi. Thanks for taking my question. I wondered if you could update sales performance in the Middle East, please, and just come colour on what you're seeing there, given the backdrop. Thank you.

Gorka García-Tapia – Inditex

Absolutely, Georgina. Thank you. I think the first point I'd mention is we have around 480 stores in the Middle East, and they're operating under a franchise model, as all of you know. And today, all of these stores are currently open. The geopolitical conditions are having an impact in sales in the Middle East region, although we have seen an improvement since first quarter in that regard.

I think it's important to mention that this is a very diverse region with different countries having different impacts. And as you've seen in the presentation, in any case, we've presented positive growth in constant currency in all regions. 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. Thanks for taking my question. Significant investment into the new campus. How can you provide confidence to investors that it's an efficient use of capital? And can you provide confidence as well that investment costs for that program won't run into 2027? Thank you.

Óscar García Maceiras – Inditex

Thanks for the question, Matthew. Well, for fiscal year 2026, as we mentioned during the call, we expect ordinary Capex to be around €2.3 billion. And as previously mentioned, this investment will be mainly focused on our commercial presence, technological integration, and the efficiency of our processes.

Capital allocation remains, for sure, focused on generating attractive returns over the long term through projects that enhance the business model and customer experience. And to your point, as Andrés mentioned, close to €200 million of extraordinary Capex, will be invested in upgrading and enhancing our corporate facilities across the company, further strengthening Inditex's position as employer of choice.

An important part of this new extraordinary Capex mentioned is related to our new campus in Barcelona, for Bershka, Oysho, Massimo Dutti, and Lefties. We are excited for our teams and, as always, we will keep on investing in the future. Thank you.

James O'Shaughnessy – Operator

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

Anne Critchlow – Berenberg – Analyst

Thank you. Good morning. Thanks for taking my question. I just wonder if you could talk about any future market launches you have planned for Lefties, please. And also, does Lefties operate on a lower gross or EBIT margin than, let's say, Zara? Thank you.

Gorka García-Tapia – Inditex

Great. Thank you for the question. I think I'm aware that many of you have gone to the new store opening in Liverpool for Lefties, and I'm sure that you've all seen Lefties' product proposition, and especially the store technology that we have out there. Lefties Liverpool store has, for example, all the technology that's being rolled out inside, including the sorters that you had a chance to see a video during today's presentation, the self-checkouts, et cetera.

I think Lefties is just one of our younger concepts of whom, as we've described today, all have very strong growth opportunities. I think we've mentioned in previous calls, in 2025, Lefties launched in Italy. In 2026, Lefties entered France, and we are planning two new openings in the UK in Lakeside, in London; and in Newcastle. I'd also just point out that Lefties runs the same fully-integrated business model that the rest of the concepts at the group follow. Thank you.

James O'Shaughnessy – Operator

Thank you. The next question comes from Warwick Okines from BNP. Go ahead, Warwick.

Warwick Okines – BNP – Analyst

Thanks. Good morning, everyone. A question on P&L in Q2. Did you receive tariff refunds in the quarter and were franchise sales growth trends still lagging other sales growth like they were in Q1? Thank you.

Andrés Sánchez - Inditex

Thank you, Warwick. I will try to answer your first question regarding tariffs, then I will pass the floor to Gorka to complete the question.

As we mentioned back in 2025, at the height of the tariff discussion, we mentioned we have a limited impact at the group level from the higher tariffs in the U.S. thanks to our high-level of geographical diversification in terms of sourcing, which, as you know, allows us to buy in almost 50 different origins, making us flexible and adaptable, and of course, taking also into account our long experience dealing with different tariff regimes. In that sense, any potential impact from tariff refunds will be limited for the group. And Gorka, if you can complete this.

Gorka García-Tapia – Inditex

Sure. So, I think with regards to your question about the Middle East sales, I briefly touched on it previously, I think the sales in the region are still impacted, albeit it's somewhat of an improvement compared to what we were seeing in the first quarter, but as you can understand, the situation is quite sensitive in terms of what's going on in the market, and so we'll just have to see how that evolves going forward.

James O'Shaughnessy – Operator

That completes the Q&A session. Let's move on to the webcast session. We've got a number of questions here, first of which is: "Óscar, can you comment on how the group has managed the business operationally despite impacts from the Middle East conflict, please?"

Óscar García Maceiras - Inditex

Well, I guess as we mentioned, our view during the presentation, the excellent first-half sales and margin performance were mainly driven by the effective execution of our fully-integrated business model, and the strong ability of our teams to respond quickly to customer demand. The priority of the group throughout has been to ensure an uninterrupted product flow to our customers globally to maximize full-price sales. And thanks to our ability to rapidly adapt transportation methods and sourcing flows and our operational proximity, we have successfully navigated the current environment driven by the conflict in the Middle East. The diversification of the sourcing model and the flexibility of our supply chain continue to be very important strengths for the group, and as you know, our business model relies on a central inventory position, which uses different transport modes.

James O'Shaughnessy – Operator

Thank you, Oscar. The next question is: "Can you give us some colour, please, on the strong August trading update?"

Óscar García Maceiras - Inditex

We are very pleased with the strong evolution of sales at the start of the third quarter, which continues to reflect the good reception of the autumn-winter collections and strong distribution of the model across all channels and markets. The growth of plus 9% continues the trend of the first half, where constant currency growth was plus 9.2%. But as we always say, we believe it's important to put short trading periods into context. This is only five weeks at the beginning of the fashion season. We should bear in mind that, despite good results in online and physical store, we still have a low market share in most of our markets and we keep on believing that growth is in our hands, not dependent on the performance of the broader market.

James O'Shaughnessy – Operator

Thank you. "Given the Bershka and Massimo Dutti have now entered the United States, what are your growth plans in the U.S., please?"

Óscar García Maceiras - Inditex

Well, we keep on developing our strategy of selective growth in the U.S. Like in the rest of the markets, project-by-project. And Zara has been very active across new openings, enlargements, and refurbishments in the past few years in the United States. Earlier for instance this year, we enlarged our stores in Miami Brickell and Dyson Corner, Virginia. And later this year, our flagship store in Fifth Avenue will reopen after a total refurbishment.

We continue to plan new openings for the next years in new cities, leveraging the knowledge that we are gaining from our online performance. But as you mentioned, 2026 has also been an important year for the younger concepts. Bershka's first store in Miami Aventura opened in August; and Massimo Dutti will open its second store in Soho, New York, next October.

We are evaluating new additional opportunities, not only for the brands that are currently present in the States, but also for the other concepts of the group. Thank you.

James O'Shaughnessy – Operator

That concludes the webcast questions for today. Thank you.

Óscar García Maceiras - Inditex

Thank you, everyone, for taking part in the presentation this morning. For those with additional questions, please get in touch with our Investor Relations Department, and we will welcome you back in December for the Nine-Months 2026 Results.