INDITEX

INTERIM NINE MONTHS 2025

CONFERENCE CALL SCRIPT

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INDITEX PARTICIPANTS

Óscar García Maceiras - CEO
Andrés Sánchez - CFO
Gorka García-Tapia – Director of Investor Relations

Conference Call Participants

Monique Pollard – Citigroup – Analyst
Geoff Lowery – Redburn – Analyst
Warwick Okines – Exane BNP Paribas – Analyst
Anne Critchlow – Berenberg – Analyst
Sreedhar Mahamkali - UBS – Analyst
James Grzinic – Jefferies – Analyst
Georgina Johanan – JP Morgan – Analyst

Introduction: James O'Shaughnessy

[Image]

Good morning and buenos dias a todos. We are happy to welcome you here today for Inditex's nine month 2025 results presentation. I'm James O'Shaughnessy, investor relations.

The presentation today will be chaired by our CEO Óscar García Maceiras. As well as Oscar, we also have Andres Sánchez our CFO and Gorka Garcia-Tapia, Director of Investor Relations.

Following this presentation we will open the floor to a question and answer session starting with the questions received on the phone and we'll then proceed to the webcast platform. Let's take the disclaimer as read.

Óscar.

Slide3:CEO

[Image]

Slide4:9M2025

[Image]

Slide5: Solid Operating Performance

Good morning and welcome to our results presentation. Thank you for joining us today.

In the nine months of twenty twenty-five (9M2025), we have generated a strong performance, with sales growth in a complex market environment while maintaining very satisfactory levels of profitability. This is all down to the very consistent strong

execution of the Group. Our high levels of diversification have underlined the resilience of our business model.

This performance, as always, comes from the four key sources of strength that we have; our unique fashion proposition; our increasingly optimised customer experience; our focus on sustainability and the quality and commitment of our people. Our differentiation in the market is as a result of these factors.

As you have already seen, our Autumn/Winter collections have been well received by customers. Andres will provide some colour on the third quarter results shortly. In the nine months of twenty twenty-five (9M2025), sales in constant currency increased by six point two percent (6.2%).This satisfactory growth rate extended to both stores and online. Sales were positive across each of the concepts and in constant currency, across all geographies.

In the nine months of twenty twenty-five (9M2025), sales grew by two point seven percent (2.7%) to reach twenty eight point two (€28.2) billion euros.

It is clear to see from the figures we have released this morning that good execution of the model has permitted us to generate both an excellent gross margin, and also to exhibit disciplined cost control.

Profit before tax increased by three point six percent (3.6%) to six (6.0) billion euros.

At the bottom line, net income increased by three point nine percent (3.9%) to four point six (4.6) billion euros.

This strong performance has continued into the fourth quarter. Store and online sales in constant currency between the first (1)of November and the first (1) of December grew by ten point six (10.6%)percent. Between the first (1st)of November and the

twenty-fourth (24th) of November the sales growth in constant currency was 9%.

Slide6: Global Growth Opportunities

Our presence across two hundred and fourteen (214) markets, in conjunction with low market penetration in almost all of these countries supports our diversification. We continue to enjoy significant global growth opportunities.

This confidence comes from the fact that we have a unique model that permits us to build upon the increasing levels of differentiation.

And now, let's pass over to Andres who will cover the numbers.

Slide 7: CFO

[Image]

Slide8: Financial Summary

Thanks Óscar.

Slide9: Strong Q3 Performance

Before turning to our nine month figures, I would like to briefly comment on the performance over the third quarter.

As you can see, sales grew at 4.9% impacted by about 350 basis points of currency headwinds.

Gross margin expanded 79 basis points, primarily driven by a strong execution of the business model.

Playing a lesser role, but worth mentioning anyway, we also had the negative currency impact on sales as I mentioned previously, as well as a favourable US dollar tailwind from our sourcing.

Opex in the period has been tightly controlled, growing 3.0%.

Net profit rose 9.0%.

Slide10: 9M 2025: Solid Operating Performance

Moving on to the nine month figures now, you can see from the results released earlier this morning, and I hope you will agree with me, our performance as a Company has been exemplary.

In the face of substantial currency headwinds, our sales performance was robust at plus 2.7%.

As a consequence of the disciplined management of operating expenses over the period, we can see a meaningful amount of operating leverage. There is no structural change taking place here, this is purely a result of good execution and a good example of the flexibility of the business model.

EBITDA advanced 4.2% to reach 8.3 billion euros, while PBT increased 3.6% to 6.0 billion euros, resulting in a PBT margin of 21.2%.

Net income increased nicely at 3.9% to 4.6 billion euros.

Slide 11: Sales

The sales line has progressed well at plus 2.7% and has reached 28.2 billion euros. In constant currency, that´s sales growth of 6.2%. You will note, that the third quarter saw the strongest sales growth for the year so far, offset by a negative currency impact as I mentioned previously.

Sales growth has been strong both in stores and online. Furthermore, sales growth was positive across all concepts, and in constant currency in all geographies.

At current exchange rates, the Company reiterates its expectation of around -4% topline currency impact in the full year 2025.

Slide12: Gross profit

Over the first 9 months of 2025 the gross profit increased 3.2% to 16.8 billion euros. The best explanation for this, as Oscar alluded to a few moments ago, is the successful execution of the business model over the period. The gross margin reached 59.7%.

We reiterate our stable gross margin guidance for the full year 2025, perhaps with a slight bias to the positive side of the usual range we provide.

Slide13: Operating Expenses

Over the 9 month trading period we've been able to closely monitor and control operating expenses across all departments and business areas.

The accounts show 29 basis points of operating leverage for the 9 months. Taking into account all lease charges, operating expenses grew 33 basis points below sales growth. In fact, on a stand alone basis, Q3 also saw operating leverage of 187 basis points.

Slide14: Working capital

Our structural negative operating working capital comes as a result of our model. As per usual, the evolution of operating working capital is aligned with the performance of the business over the period.

We consider the quality of the closing inventory to be high.

The net cash position was €11.3 billion at the end of the period.

And now, Gorka, over to you.

Slide15: Director of Investor Relations

[Image]

Slide16: Concepts

Thanks Andres.

Slide17: Concepts

Over the nine months of 2025 the sales performance of the Group has been remarkable; perhaps one could say back-end weighted in terms of the sales performance over the whole nine months, but there is no doubt that the execution and the commercial discipline has been good throughout, as is reflected by the integrity of the P&L over the period. This strong performance was consistent across all the concepts. We're happy with the execution of the model over the period.

Slide18-20: Concepts

Our global store expansion plan continues. In the 9 months, we opened stores across 39 markets all across the globe.

This quarter Bershka entered Denmark with its first store in Copenhagen. Oysho continues with its European expansion. After opening its first store in Amsterdam in September it is opening its second store in Germany in Berlin, a market where it has been performing strongly online.

The execution of the concepts has been highly satisfactory. Store sales have been strong; online sales have been great, and so, all round, an excellent performance.

Slide21: Diversification

Let's stop for a few moments just to bring out an aspect of our business that sometimes passes people by; diversification.

Whether you are talking about diversification by number of concepts, or by channel (online versus stores) or by geography, as we've already mentioned we have an online presence in 214 markets, 97 markets if you're talking about physical stores, we're a Company that enjoys a very broad level of diversification.

We also have over 70 independent design teams across our 8 concepts looking to capture and react to fashion trends.

Even if we're referring to diversification by sourcing markets, we source from over 50 different markets.

This diversification has added an extra layer of resilience to our business model, as has been evidenced throughout this year.

And now back to you Óscar.

Slide 22: CEO

[Image]

Thank's Gorka.

Slide23: Our Fashion Proposition

One of our goals is to continually strengthen the key elements that are at the heart of todays results.

Slide24: Video

Our priority remains to continually increase the appeal of our fashion proposition.

Creativity, innovation, design and quality are defining features of our collections and a key focus.

As Gorka has just highlighted, we have more than seventy (70) design teams across eight (8) concepts. All of them apply a meticulous design process that impacts every detail of our garments and collections, while striving to provide the latest quality fashion to customers around the world.

The results of this unique approach can be clearly seen in the collections we offer every season and our rapid response to customer demands.

We continue generating a very broad range of fashion propositions for each of our differentiated concepts.

Slide25: Zara Osaka Shinsaibashi

The focus on an ever more enhanced customer experience includes the continuous process of upgrading stores with strong architectural features and with highly curated internal spaces.

One of the recent flagship projects has been the relocation of the Zara store in Osaka Shinsaibashi with a special Zacaffé on the top floor. With around two thousand (2,000) square metres across four floors, the new store combines Japanese tradition and contemporary design. Similar to other projects in different countries, the existing Zara store nearby will become a standalone Zara Man store.

Since Zara arrived in the country in nineteen ninety-eight (1998) with its first store in Shibuya, Tokyo, it has improved our commercial presence, today reaching sixty four (64) stores spread throughout Japan.

Slide26: Zara Barcelona Diagonal

We continue to see many opportunities to improve our presence in the world's prime locations, as well as expanding to new cities and new territories.

We continue innovating in how we enhance the customer experience. An example of this is our recently opened store in Diagonal, Barcelona, after a refurbishment, designed in collaboration with Vincent van Duysen. The store showcases our collections in a very unique and curated way.

This week, we are opening a Zara Man standalone store in Palazzo Verospi, Rome as well as our store in Charlotte North Carolina, expanding to our twenty sixth (26) state in the United States. For that same market, in October, we opened a new store in Las Vegas Forum Shops at Ceasars Palace.

Slide27: Improving the store technology ecosystem

Of course, the improvement of our customer experience is also fostered thanks to our use of technology. As you know, in twenty-twenty five(2025)we are rolling out the new security technology in the concepts, beginning with Bershka and Pull&Bear. The implementation was completed in Zara in 2024 and the feedback in the first full year of operation has been very positive.

Slide28: Sustainability

On the occasion of its fiftieth (50th) anniversary, ZARA has presented the capsule collection "fifty (50) Creators", a solidarity project that brings together fifty professionals from different creative fields. ZARA will donate all profits to the Women's Earth Alliance, an organisation that promotes female leadership in environmental and community initiatives.

On the eighteenth (18) of November, the opening of the new Zara Home for&from store in Porto was celebrated. With it, the group reaches a total of seventeen (17) stores of this format that, since two thousand and two (2002), have generated job opportunities in Spain, Portugal, Italy and Mexico for almost a thousand people with different disabilities in collaboration with local NGO's.

Slide29: Outlook 2025

In terms of Inditex's potential for long-term growth, in the current year, we are executing investments that are scaling up our capabilities and generating efficiencies that are being reinvested back into the business increasing our competitive differentiation.

The growth of annual gross space in the period twenty twenty-five to twenty twenty-six (2025-2026) is expected to be around five percent(5%).Over this time frame, Inditex expects net space to be positive, of course, in conjunction with strong online sales.

We operate in two hundred and fourteen (214) markets. In the vast majority of these markets we have a very low market share of a sector which remains very fragmented. These two factors alone help to underpin the strong growth opportunities we see ahead of us.

For twenty twenty-five (2025), we estimate ordinary capital expenditure of approximately one point eight billion euros (€1.8 billion). We continue to focus the ordinary capital expenditure on our global store base, the online platform, and the roll out of technology programs aimed at enhancing the level of integration.

In light of our view on Inditex's strong long-term growth opportunities, we have been rolling out the logistics expansion plan.

This two-year extraordinary investment programme focusing on the expansion of the business allocates nine hundred (€900) million euros per year to increase logistics capacities in each of the twenty twenty-four and twenty twenty-five (2024 and 2025) financial years.

Slide30: New Zara Building

In October of this year, the new building for Zara in Arteixo (A Coruña) was inaugurated. This building is over two hundred thousand square metres (200,000m^2) in size and houses the product department teams for Zara Woman and Zara Kids, with sustainability and technology as relevant features of this new space.

Slide31: 9% dividend increase

A brief note on dividends. The final dividend payment for twenty twenty-four (2024) of zero point eight four euros (€0.84) per share was made on the third (3) of November.

Slide32: A strong start to 4Q2025

I would like to leave you with a brief comment on our current trading.

Our Autumn/Winter collections have been well received by customers.

Store and online sales in constant currency between the first (1)of November and the first (1) of December twenty twenty-five (2025) increased ten point six percent (10.6%). Between the first (1st) of November and the twenty-fourth(24th)of November the sales growth in constant currency was 9%.

Slide33: Inditex

Thanks to everyone for taking part in our presentation this morning. That's it for today. We'll be happy to answer any questions you have.

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 is addressed. Please ensure your phone is not on mute.

The first question goes to Monique Pollard, from Citi. Go ahead, Monique.

Monique Pollard - Citigroup – Analyst

Hi, good morning. Thank you very much for taking my question. I'm just interested in understanding from you, the latest press report suggesting that the EU plans to bring forward legislation that would remove duties exceptions on low-value parcels, the *de minimis* rules. And whether you think that would remove some competitive pressure going into 2026 and 2027, please.

Gorka García-Tapia – Inditex

Thank you, Monique, and thank you for your question. First of all, I am going to keep my comments focused on Inditex rather than speak of the competitive landscape or any of the competitors that you are referring to. You know that we don't use the *de minimis* rules in the way that we operate. We're focused on identifying the trends in the market and

reacting as quickly as possible and the business model we are doing has been executing quite strong throughout this quarter. You have seen we have come out, at the beginning of quarter four with a strong trading update as well. Thank you.

James O'Shaughnessy – Operator

The next question comes from Geoff Lowery, from Redburn. Go ahead, Geoff.

Geoff Lowery - Redburn – Analyst

Thank you, James. Good morning, all. Could you talk more about your step change in logistics, in infrastructure, in particular what you think it can do for you in terms of future capacity, operating efficiency, and how quickly you expect to really bring it into full use. Thank you.

Gorka García-Tapia – Inditex

Great. Thank you, Geoff. We're talking about logistics capacities, and you know the 2-year extraordinary Capex program we have €1.8 billion for the two years that we have been investing that will be finishing up this year, and we've mentioned in this presentation that this program is on track. You know that Zaragoza 2, one of the major logistic centres we have been talking about is now up and running. We are just at the beginning of that ramp-up stage. Remember that the purpose of this logistics plan was to capture the future growth that we are seeing, and I

think that, in a way, with results today you are really seeing reflected the growth that we are talking about for future. Thank you.

James O'Shaughnessy – Operator

The next question today comes from Warwick Okines, from BNP Exane. Go ahead, Warwick.

Warwick Okines - Exane BNP Paribas – Analyst

Thanks so much, James. Morning, everyone. You talked about operating leverage on the call and you also talked about wanting to reinvesting the benefits of efficiency. Do you think it is reasonable to assume that your staff costs grow more slowly than sales in the future?

Andres Sanchez - Inditex

Thank you. In nine months, as we have seen from our list, our OPEX was slightly below sales twenty-nine basis points. So, if you look in Q3, that growth was even lower, with an operating leverage of 180 basis points. As you see, those figures demonstrate the flexibility of our business model and variable component of our OPEX line. As a reminder, you have to take into account the personnel costs and rental expenses as two main elements of the line are highly variable, linked to the sales performance. And, as mentioned, there is no structural change here. This is purely a result of good execution and a good example of the flexibility of the business model. In any case, operating margins over the

medium-to-long term expect today to be stable with a focus of driving demands products by executing business model successfully in order to generate highly fashionable collections and maximising sales at full price. Thank you.

James O'Shaughnessy – Operator

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

Anne Critchlow - Berenberg – Analyst

Thanks, James. Good morning, everyone. My question is on the EBIT margin, which reached about 24% in third quarter. So just wondering whether there's a level at which you wouldn't want to see the margin progress, but rather invested back into the customer proposition?

Andres Sanchez - Inditex

Thank you. We have seen positive evolution throughout the year so far. So, in this sense, growth in nine months was plus 6.2% in constant currency and sales growth of plus 8.4% in Q3. So, despite the significant impacts on the supply the chain and currency markets, our gross margin has remained broadly stable as a consequence of the consistent strong execution of our business model that continues allowing us to maximise full-price sales and achieving this gross margin performance. For this upcoming year, 2025, we reiterate our stable gross margin guidance.

However, given the current trends, we are slightly positive within the range. Regarding OPEX, in nine months, we repeated, so we have a very flexible structure in terms of costs. So, there are no changes here. It is a good execution and a good example of flexibility of the business model. But we continue to expect margin to be stable over the medium-to-long-term. Thank you.

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 questions.

I guess if I can just get you to comment on the US, please. What price adjustments have you made in the US? And what customer response have you seen? And what are your thoughts on the potential for expansion in the mid-term here? And has anything changed? Thank you.

Óscar García Maceiras - Inditex

Thanks for the question. Well, we have mentioned several times, in previous calls, that the US is very relevant market for us.

We continue to see opportunities to keep on executing our strategy of selective growth in that market. We should be reminded that, despite

good results, we have a low market share, and we believe that growth is in our hands, not dependent on the performance of the broader market.

2025 has been a year full of relevant projects for us, some examples have been the opening of our new flagship stores in LA, The Grove. The recent opening of store in Las Vegas Forum Shops at Caesar's palace. As we mentioned during the presentation, this week we are arriving at our 26th state with the opening of our store in Charlotte, North Carolina. And, also, this same week we are reopening, after an important refurbishment, our store on Newbury Street in Boston city center. 2026 will be also full of new exciting projects, the opening of our flagship store in 400 Post Street in San Francisco and an important refurbishment in iconic store on 5th Avenue in New York and also, we can confirm that Bershka, after a successful online performance in the US, will open, in 2026, its first two stores in the Miami area.

James O'Shaughnessy – Operator

The next question goes to James Grzinic, from Jefferies. Go ahead, James.

James Grzinic - Jefferies - Analyst

Thank you, James. Good morning, everybody. It's really a factual question. I think you told us back in Q1, I think that the percentage of in-store Zara sales that were going through self-checkouts were around 30%.Can we have an update of what that number has reached now? It would be very helpful. Thank you.

Gorka García-Tapia – Inditex

Great. I think you are right. We are talking about assisted checkouts, which have been implemented throughout the group. Remember, this is in conjunction with soft tags, as the soft tag rollout really enhances the use of assisted checkouts for obvious reasons.

As this progresses throughout the year and next year with new concepts of Bershka and Pull & Bear, that we're rolling soft tags out. That is going to have an increasing impact. The percentage of sales processed through ACOs has been progressing nicely since we last spoke. I think what I can tell you at this stage at least is that in some of the larger flagship stores that really drive a lot of traffic, where you would think that these ACOs should really be coming in terms of usage, we are seeing close to 90% of total transactions in some of those stores. Thank you.

James O'Shaughnessy – Operator

The next question is from Georgina Johanan, from JP Morgan. Go ahead, Georgina.

Georgina Johanan – JP Morgan – Analyst

Hi, thank you. Good morning, everyone. I just wanted to ask a question on AI and, I appreciate my question is quite high-level at the moment. How are you using AI in the business already in terms of driving efficiencies but also thinking about ways to, you know, support the

consumer performance from here and just any thoughts on how that would develop over the coming 12 months. It would be really helpful, please.

Gorka García-Tapia – Inditex

Sure. So, I think that you know that we have been, historically, a company that has been really data-driven for many years. We are trying to capture trends in the market, reacting in real-time, and adjusting product offering through in-season sourcing that we do in order to provide these trends into the market and capture that full-price sales.

What I would say, initially, with regards to AI is I think we are at a very incipient moment of artificial intelligence.

And what we see at this stage is that AI is a tool that can really empower people but not really substitute them. Right?

There are a series of different things that we are doing, both on a webpage with regards to, for example, concept searches, which I think is a novel idea with regards to how you find a product on our webpage. Of course, you can imagine in some of the back-office functions, AI is really a great tool to go through contracts of different sorts and pull-out interesting information. I hope that is helpful.

Webcast: James O'Shaughnessy – Operator

We are going to proceed with the webcast questions now.

We've had a few today.

The first of which is “Can you comment on why you took the decision to give a short trading update, please?”

Gorka García-Tapia – Inditex

Sure. Before I answer this question, maybe I just highlight the fact that in this particular quarter, it is a relatively short period. We are talking about the first of November to the first of December.

For the rest of the year we still have two whole months left.

Secondly, you’ve seen in the third quarter we have constant currency sales of 8.4%, and that’s really still coming through the trading update we provided of 10.6% showing we started the fourth quarter well.

We have also provided that 1st of November to 24th of November with a constant currency sales of 9%.

The reason we provided this shorter period and that 9% is with the purpose of stripping out the last week, for obvious reasons, as we think that this is a better reflection of the commercial sentiment that our teams are seeing as of today in the market.

In any case, I would highlight that, with regards to the last week, there has been no significant change in promotional activity this year and we are completely focused on the execution of the business model.

And to that point we have reiterated throughout the presentation that, for 2025, we are looking at stable gross margin. Albeit perhaps with current trends and with the slightly positive range of that -- range that we normally provide. Thank you.

James O'Shaughnessy – Operator

The next webcast question relates to the concepts.

"Bershka, Stradivarius, and Oysho are growing very strongly, are you thinking about expanding these concepts? We've already spoken about the US, into perhaps other markets?"

Óscar García Maceiras - Inditex

Well, thanks for the question. We are happy with the positive performance of Zara and the rest of our concepts. I have already mentioned some projects for 2026 in the States, including the opening of our first Bershka stores in the Miami area. Besides, we keep on identifying good opportunities for the expansion of our concepts in the rest of the markets.

As an example, this year, in 2025, Stradivarius opened its first stores in Austria and Oysho in The Netherlands. We have the advantage of having not only a good knowledge of the different markets at the group level but also the advantage of having a global online presence for all of our concepts. Thank you.

James O'Shaughnessy – Operator

The next webcast question relates to the concepts.

"Can you comment on the growth strategy for Oysho? Growth on H1 for Oysho was 6.1%, reported, the highest of the group."

Óscar García Maceiras - Inditex

Well, again, we are seeing good growth opportunities for all of our eight concepts.

In the case of Oysho, that concept has pivoted a few years ago into selling athleisure and sportswear and developing a very good strategy in terms of creating an Oysho community. The consequence has been a very positive performance that is also consistent with the expansion to new countries. We mentioned during the presentation that Oysho not only entered into The Netherlands with its first store in Amsterdam but also has just opened its second store in Germany, in Berlin, and many good opportunities to keep growing in the future.

James O'Shaughnessy – Operator

The next webcast question:

"Inditex continues to experience good growth, does this give you more confidence in your recent investments into stores and logistics?"

Óscar García Maceiras - Inditex

Well, the growth that we have seen in recent years is driven by the good execution of our teams and our -what we consider- unique business model and also a culture of investing to maintain the differentiation. We have talked to you about investing in our retail optimization program for

many years. Building unique retail spaces that allow us to enhance the customer experience. Our stores in Osaka Shinshaibashi and Barcelona Diagonal, just to provide you with two examples mentioned in our presentation, reflect this approach. And we also continue to invest in in-store technology, including assisted check-out that has been covered in a question by Gorka with very positive feedback from customers.

What we see is that these investments together with the fashion proposition are driving growth and our two-year logistic extraordinary investment plan is also consistent with this view about potential future growth of the group. I guess that you should expect us to continue to invest in the business in order to keep capturing new growth opportunities.

James O'Shaughnessy – Operator

Thank you. That concludes the webcast questions for today.

Óscar García Maceiras - Inditex

Well, thank you to all of those participating in the presentation today. For any additional questions you may have, please, get in touch with our Investor Relations Department. We will welcome you back in March for the full-year 2025 results.