Industria de Diseño Textil

€59.04
As of Sun 8 Nov 2026, 12:00 UTC

BME:ITX	Consumer Disc	Country	Spain	PE (Fwd)	24.97	TSR 10Y CAGR	8.97%
Apparel Retail		Beta (5Y)	0.93	PE TTM	28.70	TSR TTM	26.54%

Div yield	2.03%	ROE	36.82%
Mkt cap	€183.9B	ROIC	49.18%

SE Grade™	★★☆
Value	★★☆
Quality	★★★
Moat	★★☆

Consensus	Reference
€63	€58
6.31%	(1.47%)

Buy 13|7|3|0|1



	3Q26	4Q26	1Q27	2Q27
Earnings per share				€
	0.59	0.51	0.44	**0.51**
	8.85%	13.32%	5.33%	7.95%
Revenue				€B
	9.814	11.69	8.750	**11.01**
	4.88%	4.31%	5.75%	9.14%
Next earnings				2 Dec

TTM	FYE 31 Jan	EUR	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027E	Trend	5Y	10Y	Peers
41.26	Revenue	€B	23.31	25.34	26.14	28.29	20.40	27.72	32.57	35.95	38.63	39.86	42.94		14.34%	6.14%	80
6.01	*Revenue growth*	*%*	–	*8.69*	*3.19*	*8.19*	*(27.87)*	*35.85*	*17.51*	*10.37*	*7.47*	*3.19*	*7.72*		*10.37*	*8.19*	43
56.54	*Gross margin*	*%*	*55.17*	*54.54*	*54.90*	*54.12*	*52.99*	*54.86*	*54.74*	*55.70*	*55.86*	*56.28*	*58.40*		*55.70*	*54.88*	53
20.12	*Operating margin*	*%*	*17.40*	*17.48*	*16.66*	*16.90*	*8.16*	*15.38*	*17.11*	*19.07*	*19.66*	*20.18*	*20.18*		*19.07*	*17.25*	77
15.53	*Net margin*	*%*	*13.54*	*13.29*	*13.17*	*12.87*	*5.42*	*11.70*	*12.68*	*14.97*	*15.18*	*15.60*	*15.67*		*14.97*	*13.23*	83
28.70	P/E ratio (avg)	x	29.78	30.20	23.39	23.34	68.94	28.30	16.91	19.55	25.46	23.99	*27.28*		23.99	24.73	24
21.57	EV/EBIT	x	21.69	21.53	16.96	17.51	44.99	20.70	11.71	14.49	18.91	17.92	*20.56*		17.92	18.42	33
–	*FCF yield (avg)*	*%*	*3.05*	*2.33*	*3.28*	*7.05*	*3.34*	*6.63*	*8.09*	*6.91*	*4.74*	*4.72*	*4.93*		*6.63*	*4.73*	53
–	*FCF margin*	*%*	*12.32*	*9.36*	*10.09*	*21.16*	*12.50*	*21.97*	*17.34*	*20.22*	*18.33*	*17.66*	*21.09*		*18.33*	*17.50*	87
–	FCF / Net income	x	0.910	0.704	0.766	1.645	2.306	1.877	1.367	1.351	1.207	1.132	*1.346*		1.351	1.279	72
49.18	*ROIC*	*%*	*47.21*	*49.77*	*44.89*	*34.36*	*9.77*	*26.02*	*35.02*	*42.69*	*44.09*	*42.63*	*50.90*		*42.63*	*42.66*	93
36.82	*Return on equity*	*%*	*24.83*	*25.70*	*24.47*	*24.62*	*7.52*	*21.44*	*25.23*	*30.19*	*30.62*	*31.04*	*37.31*		*30.19*	*25.03*	59
17.50	*Return on assets*	*%*	*16.09*	*16.65*	*15.88*	*12.82*	*4.19*	*11.20*	*13.77*	*16.44*	*16.90*	*17.45*	*18.20*		*16.44*	*15.99*	83
2.06	EPS	€	1.01	1.08	1.11	1.17	0.36	1.04	1.33	1.73	1.88	2.00	*2.16*		41.23%	7.81%	–
8.85	*EPS growth*	*%*	–	*6.70*	*2.24*	*5.64*	*(69.61)*	*193.34*	*27.31*	*30.37*	*8.81*	*6.06*	*8.23*		*27.31*	*6.70*	39
5.73	Bookvalue per sh	€	4.08	4.34	4.71	4.79	4.66	5.05	5.46	5.99	6.31	6.54	*5.86*		7.01%	5.38%	–
–	FCF per share	€	0.92	0.76	0.85	1.92	0.82	1.96	1.81	2.33	2.27	2.26	*2.91*		22.49%	10.46%	–
1.20	Dividend per sh	€	0.50	0.54	0.66	0.35	0.22	0.63	0.80	1.04	1.13	1.20	*1.93*		40.40%	10.22%	–
2.03	*Div yield (avg)*	*%*	*1.66*	*1.65*	*2.55*	*1.28*	*0.90*	*2.14*	*3.55*	*3.08*	*2.36*	*2.51*	*3.27*		*2.51*	*2.25*	68
–	*Payout ratio*	*%*	*49.31*	*49.92*	*59.67*	*29.95*	*61.96*	*60.49*	*60.03*	*60.16*	*60.07*	*60.15*	*89.21*		*60.15*	*60.05*	92
3.115	Shares (diluted)	B	3.114	3.113	3.114	3.114	3.115	3.114	3.115	3.113	3.119	3.118	*3.111*		0.02%	0.01%	48
0.02	*Buyback yield*	*%*	–	*0.01*	*(0.02)*	*(0.02)*	*(0.02)*	*0.04*	*(0.03)*	*0.06*	*(0.18)*	*0.02*	*0.23*		*0.02*	*(0.02)*	48
0.347	D/E ratio	x	–	–	–	0.458	0.424	0.372	0.320	0.298	0.291	0.291	*0.340*		0.298	0.295	69
179.1	Enterprise value	€B	87.97	95.36	73.87	83.71	74.87	88.27	65.22	99.36	143.6	144.2	*178.2*		14.01%	5.64%	90
4.549	LT debt	€B	–	–	–	5.169	4.602	4.263	3.924	4.123	4.180	4.394	*4.549*		(0.92%)	139.94%	67

Peers (US$206.5B)	Cap (US$)	PE
Alibaba Group Holding…	272.1B	24.42x
LVMH Moët Hennessy…	226.3B	18.63x
Hermès International…	160.2B	31.69x
Fast Retailing Co.…	151.9B	44.15x

Capital	TTM	5Y	10Y
Leverage x	(0.415)	(0.650)	(0.667)
EBIT/Int x	22.38	25.30	34.19
Own earn %	–	–	–
Sh yield %	2.05	2.53	2.18

Owners		
Insiders/Inst	%	5.05	16.08
Short interest	%	–
SBC / revenue	%	–

Record	10Y
Profitable years	10/10
Revenue growth years	8/9
EPS growth years	8/9
Dividend streak yrs	5
Op margin range %	8–20
$1 test x	3.5
Incr. ROIC %	36

Inditex accelerated in the second quarter of FY2027, with revenue up 9.1% year on year and diluted EPS up 8.0%. Profit lagged sales because higher transport and input costs from the Middle East disruptions weighed on gross margin and operating expenses. A weaker U.S. dollar gave a slight sourcing tailwind in the first half, and tighter underlying cost control, helped by strong sales execution, kept the damage contained. The shares look fairly priced: SE fair value of €58 is 1.5% below the price.

Management maintained its FY2026 gross margin guidance of stable within ±50 basis points. It guided to gross space growth of about 5% and ordinary capital spending, while flagging a full-year currency drag on sales. Revenue momentum backs that stance, with growth picking up from 5.8% in the first quarter. Analysts asked why operating expenses grew faster than sales, and management blamed Middle East transport and said operating margins held broadly steady. The CEO insisted that "growth is in our hands."

Consensus has EPS growing 8.2% in FY2027 and 9.2% in FY2028, which fits the guidance and the sales pickup. Analysts expect FY2027 revenue growth of 7.7%. The price implies 7.1% a year, so the market asks slightly less than the analysts expect. That leaves little room for upside unless growth runs ahead of forecasts. The beat record is mixed, with EPS beating in 4 of the last 8 quarters, so the forecasts carry no clear cushion either way.

Returns have strengthened steadily. ROIC moved from 35.0% in FY2023 to 42.6% in FY2026, and ROE rose from 25.2% to 31.0% over the same span. ROA climbed from 13.8% to 17.5%, showing that the gains go beyond leverage. Trailing ROIC of 49.2% sits well above its five-year median and ranks in the 93rd percentile among the companies nearest in size. These figures show a business earning far more than it costs to fund.

The shares trade at 28.7x trailing earnings, above their ten-year median of 24.7x. SE fair value, held with high confidence, is €58, 1.5% below the price. The analysts' weighted target of €63 is 6.3% above the price. For the price to hold, Inditex has to keep compounding sales at close to recent rates through the Middle East strain. The clearest sign that it is failing would be second-half gross margin falling outside management's stable range as transport costs feed through with a lag.

The SE Score is 2 of 3. Quality earns three stars because ROIC of 43% far exceeds a 9.2% cost of capital, backed by net cash and strong cash conversion. Moat earns two stars because ROIC has stayed above 15% in 9 of the last 10 years and gross margin has held stable. Value earns two stars because the price sits near SE fair value. That left the overall rating where the business tier set it, with no lift from valuation.

Q2 2027

Industria de Diseño Textil, S.A. sells clothing, footwear, accessories and household products through retail and online in Spain, rest of Europe, the Americas, Asia and internationally, under the Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Lefties and Zara Home brands. It also operates in textile manufacturing, logistics, design, insurance, construction, buyer activities, real estate, and financial services.

Profit by segment	Profit	Trend	Revenue	Rel margin
Zara / Zara Home	69.85%		70.43%	0.99×
Bershka	8.19%		8.23%	1.00×

Revenue by region	Top 3 88%	Trend
Rest of Europe	53.96%	
Americas	17.49%	
Spain	16.94%	

Reinvestment returns	10Y median	Trend
Reinvestment rate	15.86%	
Return on capital	42.66%	
Spread over hurdle	35.51%	

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