

Zara parent firm Inditex posts jump in profit as shoppers return to stores

Zara owner [Inditex](#) has revealed record earnings as shoppers flooded back to stores despite the rising cost of living.

The world's largest fashion group revealed that earnings increased by a fifth to 8.6 billion euros (£7.6 billion) in 2022 compared with the previous year.

The group, which also owns the Pull & [Bear](#) and Bershka brands, said it benefited from a bounce-back in store sales following the pandemic and efforts to reduce costs.

Sales increased by 17.5% to 32.6 billion euros (£28.8 billion) for the year, it added, amid 23% growth from shoppers at its high street stores.

Inditex told shareholders that online traffic and store sales grew "markedly" during 2022 and has continued to increase in the following months.

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Store and online sales rose by 13.5% over the period between February 1 and March 13, compared with a year earlier, as it said its spring/summer collections were “well received” by shoppers.

The excellent results of 2022 show the strength of our business model and its ability to move towards the next level of development

Inditex chief executive Oscar Garcia Maceiras said: “The excellent results of 2022 show the strength of our business model and its ability to move towards the next level of development in which our fashion proposition, the experience of our customers, our commitment to sustainability and the talent of our teams will continue to be key.”

Jefferies analyst James Grzanic said: “The new year has started in remarkably strong fashion in top-line terms.

“And investments in logistics capacity, in-store tech automation and store expansion seem aimed at supporting strong growth ahead.”

Elsewhere, rival H&M posted a 12% increase in sales over the past quarter.

The Sweden-based retailer said net sales were 16%, excluding Russia, Belarus and [Ukraine](#), for the three months to February 28.