



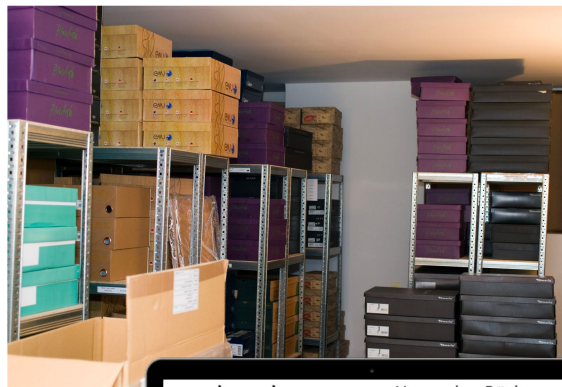
# **Report of the Management Board** Annual general meeting 2024

Robert Gentz, Co-CEO | David Schneider, Co-CEO  
May 17, 2024

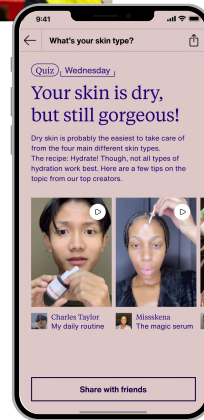
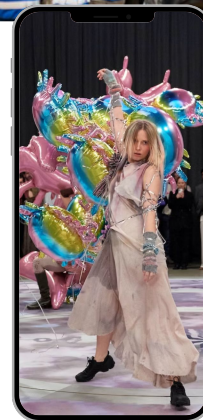
# 01 Our story



# Our strong focus on the needs of customers and partners made us what we are today



Best-in-class experiences  
for customers and partners





# We have become THE European meeting point of customers and lifestyle brands



**~50 million  
customers**

**61%**

of consumers prefer to  
shop fashion at  
multi-brand retailers<sup>1</sup>

**15**

different brands  
ordered by average  
Zalando customer<sup>2</sup>

**>6.000  
brands**



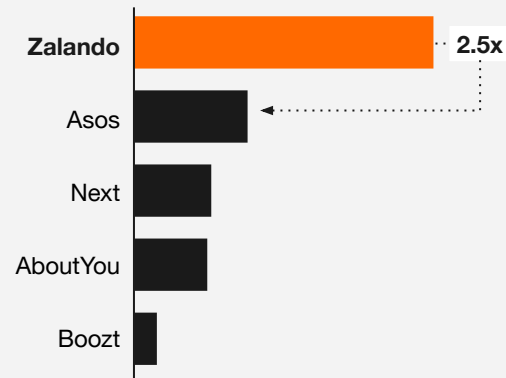
<sup>1</sup> Source: BCG consumer research (2023) "At which type of shop / retailer did you make your last purchase", February 2022; <sup>2</sup> average during customer lifetime



# We are the leading multi-brand fashion destination in Europe

## Most visited multi-brand fashion destination

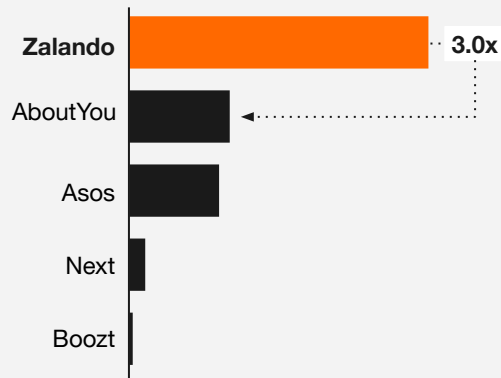
Total unique visitors 2023<sup>1</sup>



**56% of customers visit  
us 5+ times per month<sup>4</sup>**

## Most downloaded multi-brand fashion app

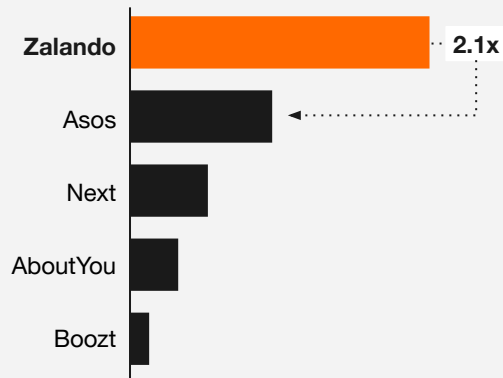
Total app downloads 2023<sup>2</sup>



**61% of orders done via App**

## Unmatched scale in Europe

Active customers in #m<sup>3</sup>



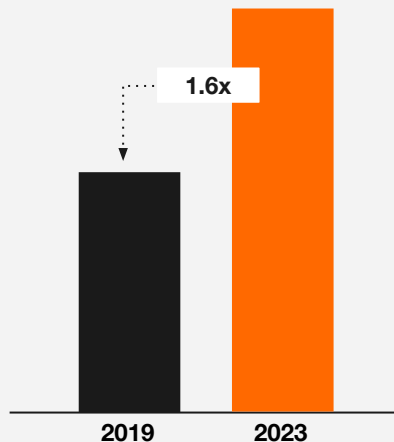
**~300 EUR spend per customer<sup>5</sup>**

<sup>1,2</sup> Source: SimilarWeb, February 2024; <sup>3</sup> Company information, latest published last 12 month figures, Q4/23; <sup>4</sup> Defined as "logged-in visitor" and Fashion Store only; <sup>5</sup> Defined as GMV divided by the number of active customers, last 12 months, Q4/23

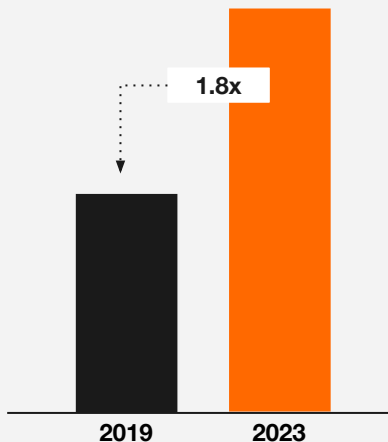


# Our platform strategy was successful

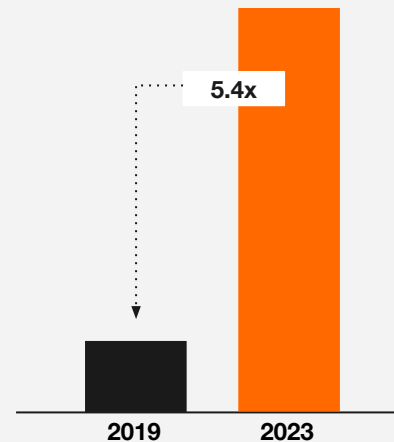
**Number**  
Active customers



**Customers spending >500**  
Euro per year



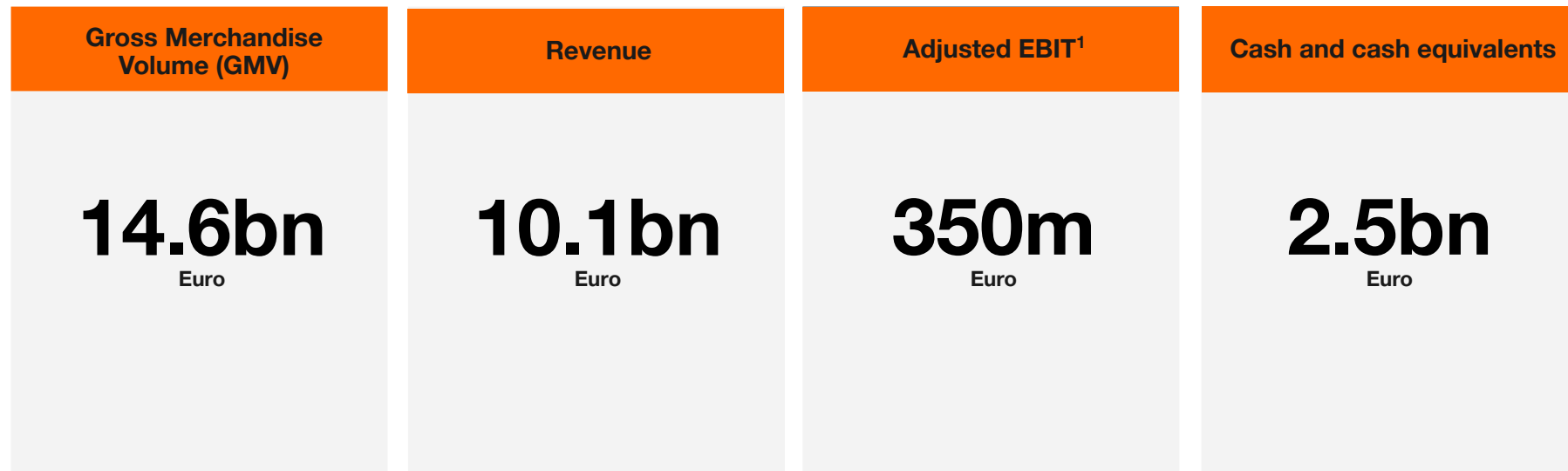
**Partner business**  
Gross Merchandise Volume (GMV)



<sup>1</sup> via Zalando Fulfillment Solutions (ZFS)



# In 2023 we increased our profitability

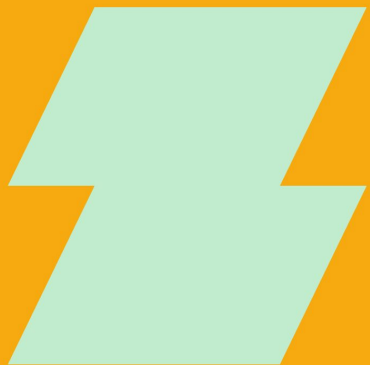


<sup>1</sup> Excluding expenses for share-based payments ('SBC'), restructuring costs ('SBC'), restructuring costs, non-operating one-off effects and acquisition-related expenses

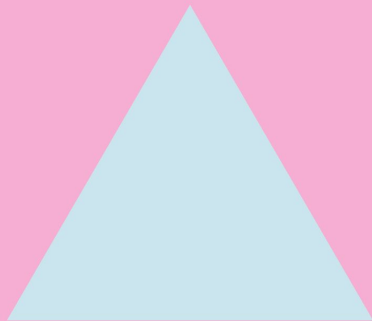
# 02 Looking forward



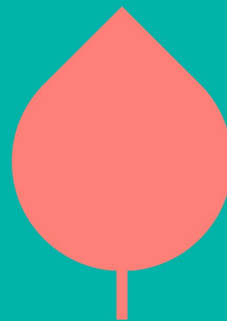
# Societal shifts and evolving needs of customers and partners create new opportunities



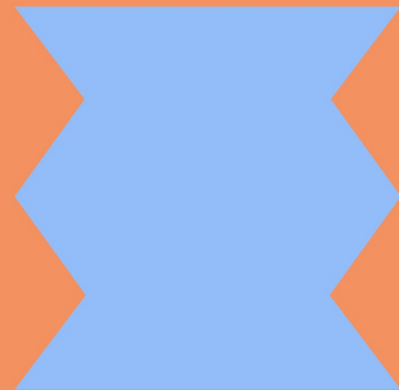
**A digital-first generation shops** differently and seeks inspiration throughout their shopping journey



**Generative Artificial Intelligence** radically transforms how businesses create content and engage with customers



Regulators and consumers drive the fashion industry towards a **lower environmental footprint** and a more equitable and circular supply chain



Brands and retailers struggle with an ever more **complex, demanding and fragmented European market** and channel landscape



# Expanding from platform to ecosystem boosts the scope and impact of our growth vectors B2C and B2B

B2C

**Go-to-destination** for quality fashion & lifestyle shopping and inspiration

**Transaction**  
focused fashion platform



ECOSYSTEM

PLATFORM

B2B

**Operating system** to enable brands' e-commerce across Europe on and off Zalando

**Partner enablement**  
on Zalando platform



# Our ecosystem enables a more sustainable fashion and lifestyle industry at scale

## Strategy

Enabling a more  
**sustainable** future for  
the industry

Helping  
customers  
and partners  
**to make  
better  
choices**



ECOSYSTEM

PLATFORM

## Ambition



**Net Zero** in our own  
operations and private  
labels by 2040 and across  
platform by 2050

**B2C:** The go-to destination for  
quality fashion & lifestyle shopping  
and inspiration



# The growth of our B2C platform is driven by three pillars

## MULTI-BRAND PLATFORM

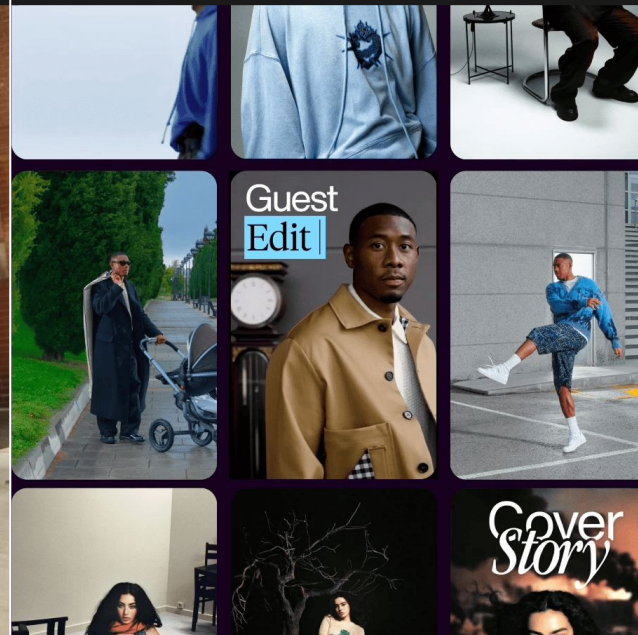
### Differentiation through quality



### Lifestyle expansion



### Inspiration & entertainment





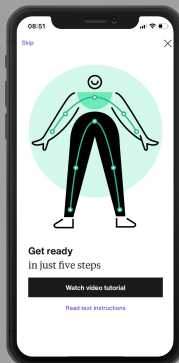
# We are differentiating through quality across the customer journey

Trusted European brand

Tailored & innovative digital experience

**60%**

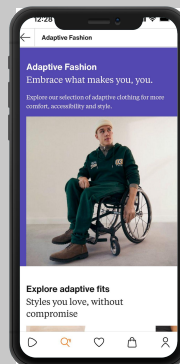
of all items sold on Zalando use size advice



Sustainable & inclusive choices

**>430**

adaptive fashion styles launched



Highly relevant assortment & content

**89%**

customer satisfaction with 'product quality'

**crocs**

HELMUT LANG

**MISSONI**

MOSCHINO



LACOSTE

Rapha



BOSS

Localized & personalized convenience

**92%**

customer satisfaction with 'ease of payment process'



Invoice

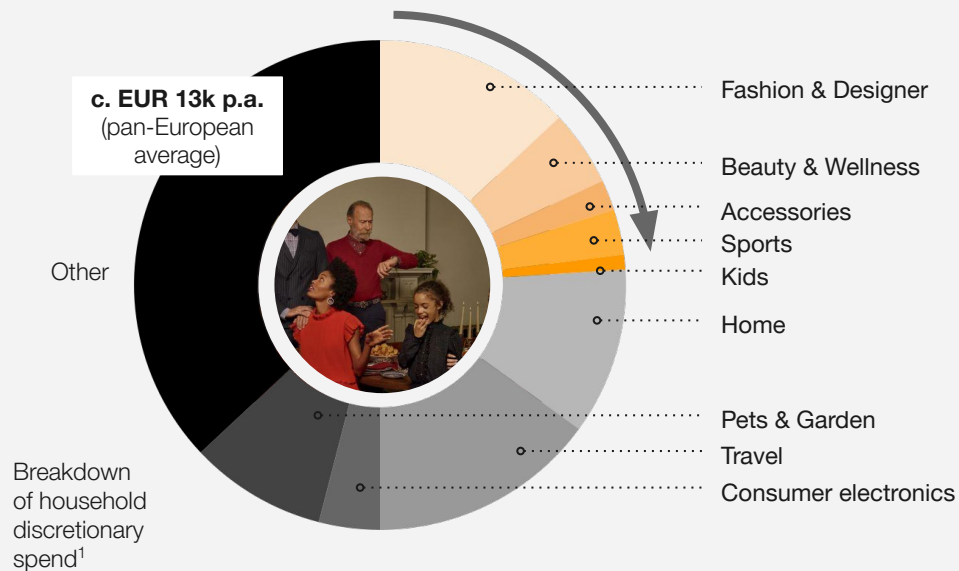
Cash on delivery

zalando **PLUS**



# We serve more of our customers' lifestyle needs with growing and powerful propositions

## Customers' lifestyle needs



## Zalando propositions

Fashion

Lounge by Zalando

Designer

Beauty

Pre-owned

<sup>1</sup> Source: Eurostat COICOP excl. Rent, Utilities, etc. (2020), Statista



## We set out to solve major customer challenges around inspiration & entertainment in fashion & lifestyle e-commerce

“

I love my mobile phone but sometimes I am overwhelmed by all the noise and information I get online

**Information Overload**

“

I love to shop online but it often takes too much time to really find what I need. I would love to have some sort of digital Fashion Assistant

**Lack of Personalisation**

“

I have so many apps on my phone. Some for online shopping, some for entertainment. But it would be nice to have one app that combines both!

**Shopping - Inspiration Disconnect**



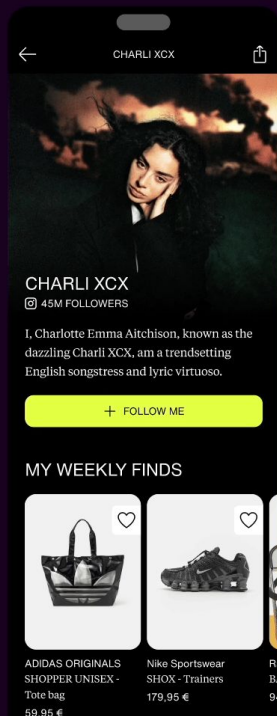
# We already integrated inspirational and conversational content into the e-commerce experience - and people love it

Quality content  
Highsnobiety & Stories

Stories  
enhance  
engagement

~5m

Engaged customers  
since launch



Personalised inspiration  
Zalando Assistant

Successful  
proof of  
concept,  
ready to scale

~0.5m

Customers already  
engaged with Zalando  
Assistant in 4 markets



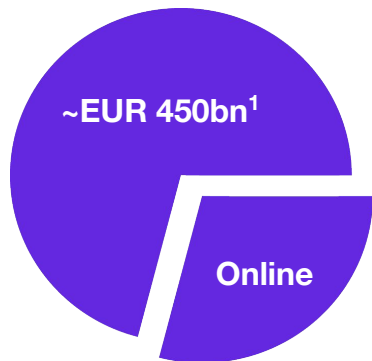
**B2B:** The operating system to  
enable e-commerce across Europe  
on Zalando – and beyond.



# To unlock Europe's full potential, brands need to overcome the inherent complexities of cross-border e-commerce

## The opportunity

Total fashion  
market Europe



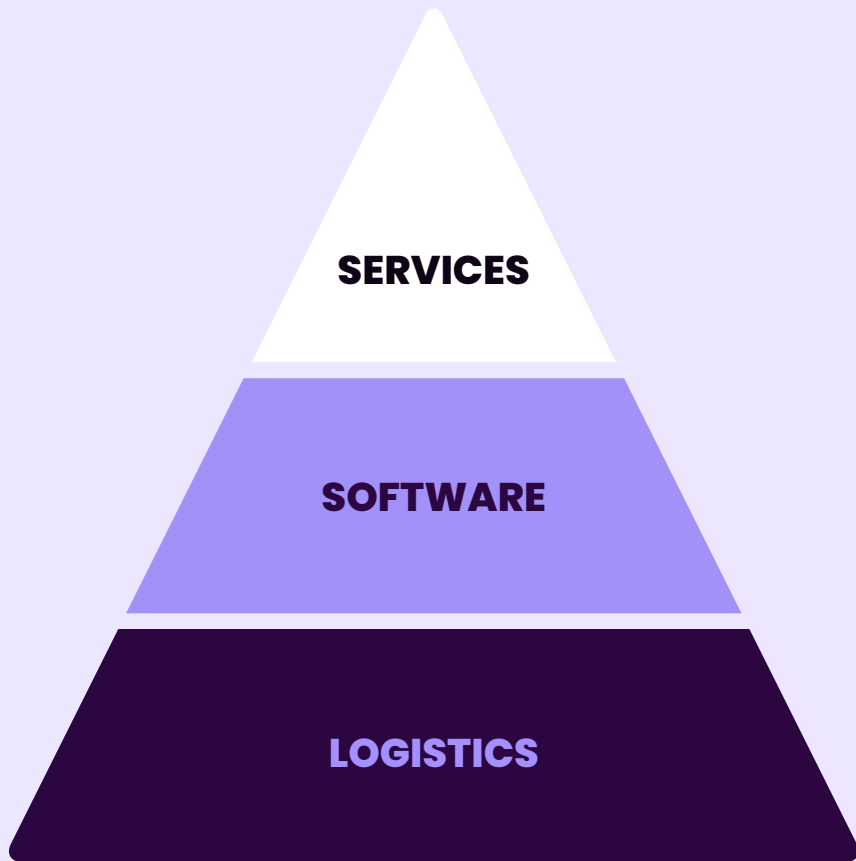
## The challenges

-  40+ countries
-  30+ languages
-  30 currencies
-  Dozens of payments, delivery & return solutions
-  Multiple sales channels

<sup>1</sup> Quelle: Euromonitor Marktgröße 2023, Stand: Februar 2024, Internationale Prognosen, Werte auf Basis von Ist-Werten und Schätzungen; feste Wechselkurse. Modedaten inkl. Bekleidung und Schuhe, Taschen und Gepäck, Schmuck und Uhren. Daten für Europa (ohne Russland) inklusive Mehrwertsteuer

# ZEOS

Three layers.  
One operating  
system.



# 03 Our opportunity



# Europe holds huge (untapped) potential

## Population of Europe

~600

Million People

Source: Statista, February 2024, Data for Europe (excluding Russia)

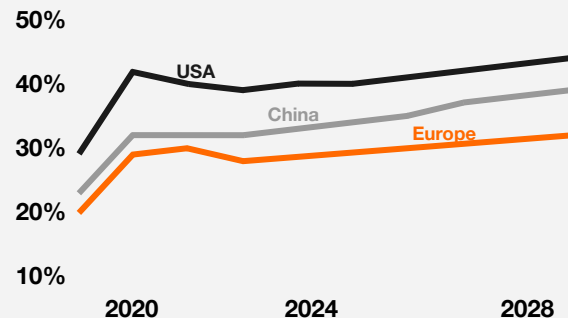
## Fashion & lifestyle in Europe

~450

Billion Euros

Source: Euromonitor market size 2023 as of February 2024, International forecasts, values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax

## Share of online fashion sales in Europe, China and the US



Source: Boston Consulting Group, proprietary model, February 2024



# We have built unique capabilities that allow us to capitalize on this tremendous value creation opportunity

Focus on continued organic investments, support by selective M&A

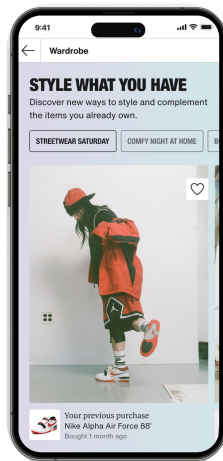
## Customer reach & brand engagement



## Strong brand partnerships



## Sustainability



## Logistics infrastructure



## Technology & data





# Results in the first quarter 2024

| Gross Merchandise Volume (GMV) | Revenue       | Adjusted EBIT <sup>1</sup> |
|--------------------------------|---------------|----------------------------|
| 3.3bn<br>Euro                  | 2.2bn<br>Euro | 28.3m<br>Euro              |

<sup>1</sup> Excluding expenses for share-based payments ('SBC'), restructuring costs ('SBC'), restructuring costs, non-operating one-off effects and acquisition-related expenses



# Our mid-term guidance until 2028

5-year CAGR (2023–2028)  
Adjusted EBIT margin in % rev

|               |                              | Zalando group   |
|---------------|------------------------------|-----------------|
| Wachstum      | GMV                          | 5% – 10% CAGR   |
|               | Revenue                      | 5% – 10% CAGR   |
| Profitability | Adj.EBIT margin <sup>1</sup> | 6% – 8% in 2028 |

<sup>1</sup> Excluding expenses for share-based payments ('SBC'), restructuring costs ('SBC'), restructuring costs, non-operating one-off effects and acquisition-related expenses



# Outlook 2024

|               |                            | Zalando Group |
|---------------|----------------------------|---------------|
| Growth        | GMV                        | 0 % – 5 %     |
|               | Revenue                    | 0 % – 5 %     |
| Profitability | Adjusted EBIT <sup>1</sup> | €380 – 450m   |

<sup>1</sup> Ohne Aufwendungen für aktienbasierte Vergütungen mit Ausgleich durch Eigenkapitalinstrumente ("SBC"), Restrukturisierungskosten, nicht-operative Einmaleffekte und akquisitionsbedingte Aufwendungen



# Key Takeaways

1 Our **ecosystem** strategy **serves customers beyond transactions** and **partners beyond our platform**. This allows us to cover a **larger share of the fashion and lifestyle market**.

2 We elevate our **B2C** growth vector with **quality, lifestyle and inspiration**. We add **B2B** as our second growth vector and **enable more brands to unlock their full potential** across Europe.

3 Our opportunity is huge and we have a **clear path to return to strong growth and to continue our margin expansion**, yielding an attractive financial profile at scale.

