

Zalando optimistic for 2015 after a strong first quarter

- Revenue growth for the financial year 2015 expected at upper end of 20-25 per cent target corridor, or slightly above
- Zalando aiming for adjusted EBIT margin of around 4.5 per cent for 2015
- Group revenues in the first quarter of 2015 exceeded expectations, increasing by 28.5 per cent to EUR 644 million
- First time Zalando was profitable in a first quarter, with an adjusted EBIT of EUR 29 million (margin of 4.5 per cent)

Berlin, 12 May 2015 – Zalando SE, Europe's leading online fashion platform, continued on its profitable growth path in the first quarter of 2015. On the back of the best first quarter results in the company's history, Zalando now expects revenue growth for the financial year 2015 to come in on the higher end of its 20-25 per cent target corridor, or slightly above, if the positive momentum continues. Given the better-than-expected first quarter results, Zalando has raised its adjusted EBIT margin guidance to around 4.5 per cent for the fiscal year.

"We have started full speed into the financial year 2015 and the results in the first quarter mark a new record. We are optimistic about the remainder of the year," said Rubin Ritter, Member of the Management Board. "In the coming months, we will continue to invest into optimizing our customer experience and into strengthening our international growth. The opening of our tech hub in Dublin in April was only a first step."

Because of the strong start to the spring/summer season revenues in the first quarter rose by 28.5 per cent to EUR 644 million (Q1 2014: EUR 501 million) and thereby exceeded the expected target corridor of 20-25 per cent. Growth was particularly strong in Zalando's international markets. Revenue in the segment Rest of Europe grew by 37.1 per cent to EUR 265 million (Q1 2014: EUR 193 million).

In the DACH segment, Zalando's revenues exceeded expectations, rising by 22.3 per cent. The DACH segment continues to lead in terms of profitability, with an adjusted EBIT margin of 9.3 per cent (Q1 2014: -0.1 per cent). In total, the adjusted Group EBIT margin increased by 9.1 percentage points to 4.5 per cent or an adjusted EBIT of EUR 29 million (Q1 2014: EUR -23 million or -4.5 per cent). The positive EBIT development was primarily due to the improved gross margin.

The number of active customers continued to re-accelerate quarter-on-quarter with 0.7 million additional active customers in the first quarter of 2015 to a total of 15.4 million (Q4 2014: 14.7 million, or a 14 per cent increase over Q1 2014 with 13.5 million). The gross merchandise volume per active customer increased by 11 per cent from EUR 175 in the first quarter of 2014 to EUR 193 in the first quarter of 2015. Zalando's websites registered 393 million visitors in the first quarter of 2015 with more visits from mobile devices (53 per cent in Q1 2015) than from desktop devices. The Zalando app, which was awarded the International World Business Shop Award, was downloaded 8.5 million times by the end of Q1 2015.

For further information, please see [here](#).

Table 1: Zalando Group – Revenues and adjusted EBIT (EUR million)

	Q1 2015	Q1 2014	FY 2014
Group revenues	643.6	500.7	2.214,0
% growth	28.5%	34.6%	25.7%
DACH ¹	347.1	283.9	1.234,0
% growth	22.3%	27.5%	16.8%
Rest of Europe ²	265.0	193.2	862.6
% growth	37.1%	44.1%	36.9%
Other ³	31.5	23.5	117.4
% growth	33.9%	54.4%	55.0%
Adjusted group EBIT⁴	29.1	-22.8	82.0
Adjusted group EBIT margin	4.5%	-4.5%	3.7%
DACH ^{1 4}	32.3	-0.2	83.0
Adjusted EBIT margin	9.3%	-0.1%	6.7%
Rest of Europe ^{2 4}	-4.7	-21.8	-11.6
Adjusted EBIT margin	-1.8%	-11.3%	-1.3%
Other ^{3 4}	1.4	-0.7	10.5
Adjusted EBIT margin	4.5%	-3.1%	9.0%

1. DACH segment is comprised of Germany, Austria, and Switzerland.

2. Rest of Europe segment includes all other countries in which Zalando presently operates.

3. All other sales channels are grouped into the segment Other, which mainly includes Zalando Lounge and the Zalando outlet stores in Berlin and Frankfurt.

4. Adjusted to exclude equity-settled stock based compensation costs.

About Zalando

Zalando (<https://corporate.zalando.com>) is Europe's leading online fashion platform for women, men and children. We offer our customers a one-stop, convenient shopping experience with an extensive selection of fashion articles including shoes, apparel and accessories, with free delivery and returns. Our assortment of over 1,500 international brands ranges from popular global brands, fast fashion and local brands, and is complemented by our private label products. Our localized offering addresses the distinct preferences of our customers in each of the 15 European markets we serve: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Poland and the United Kingdom. Our logistics network with three centrally located fulfillment centers in Germany allows us to efficiently serve our customers throughout Europe. We believe that our integration of fashion, operations and online technology give us the capability to deliver a compelling value proposition to both our customers and fashion brand partners.

Zalando's websites attract more than 130 million visits per month. In the first quarter of 2015, around 53 per cent of traffic came from mobile devices, resulting in more than 15 million active customers by the end of the quarter.

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