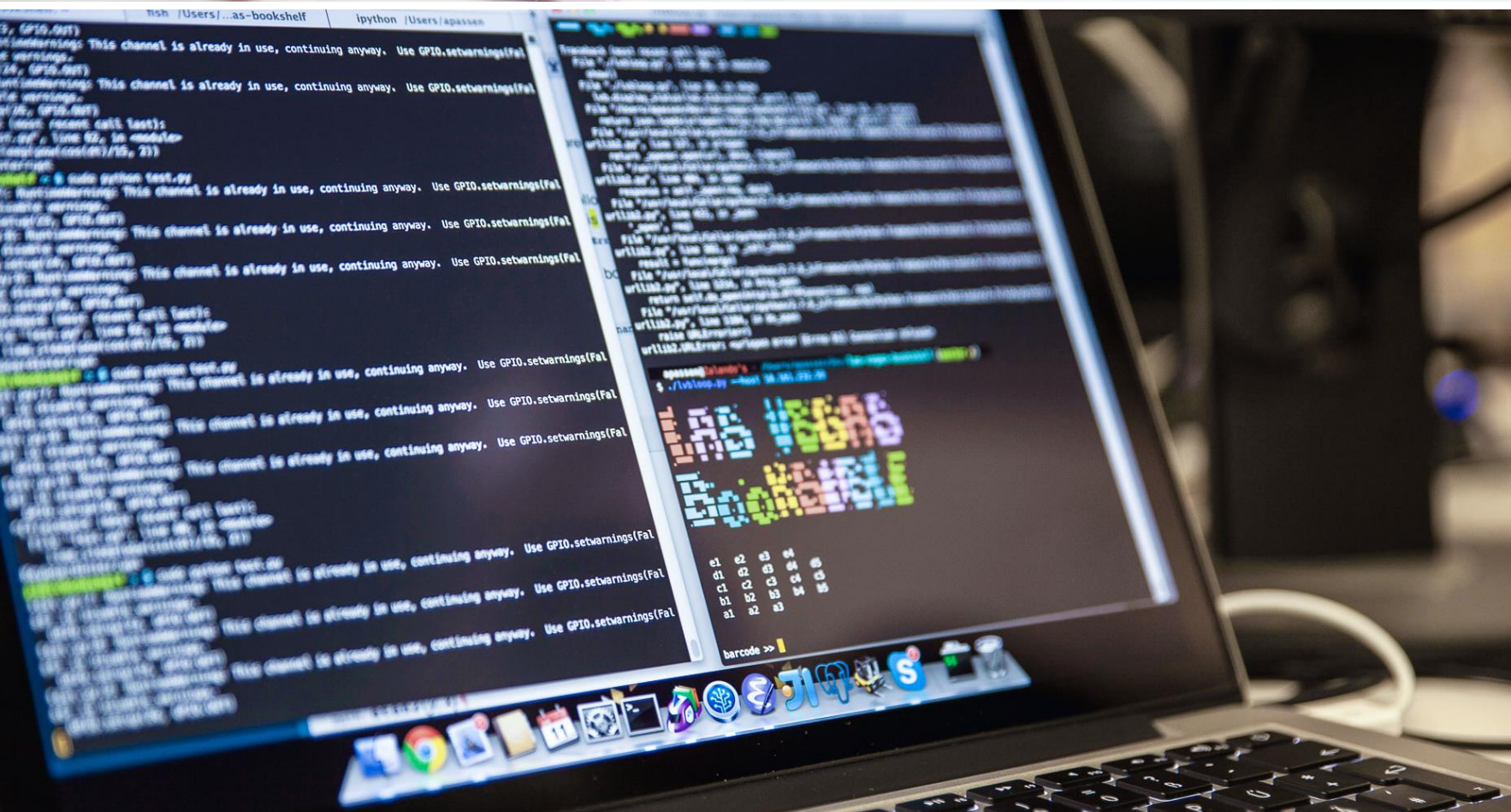




EUROPE'S LEADING ONLINE FASHION DESTINATION



Q1 2017 EARNINGS CALL



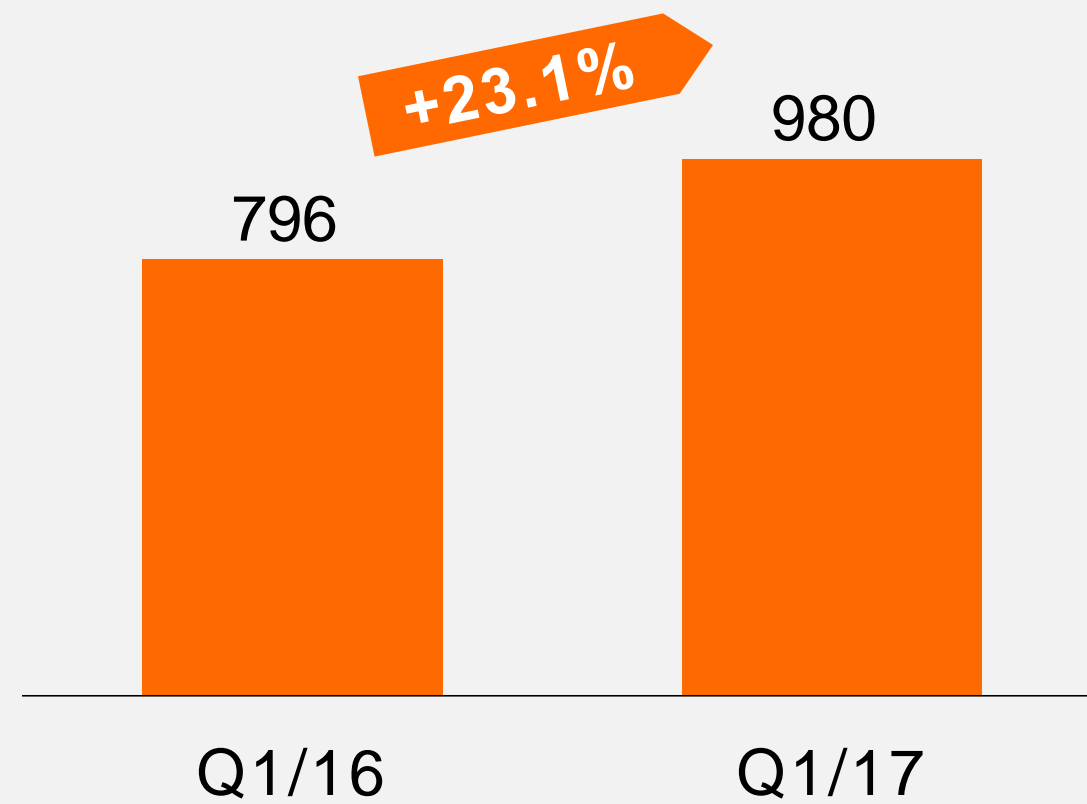
09-05-2017

**RESULTS HIGHLIGHTS AND
BUSINESS UPDATE**

SUCCESSFUL START INTO 2017: GROWTH AND PROFITABILITY ON TRACK

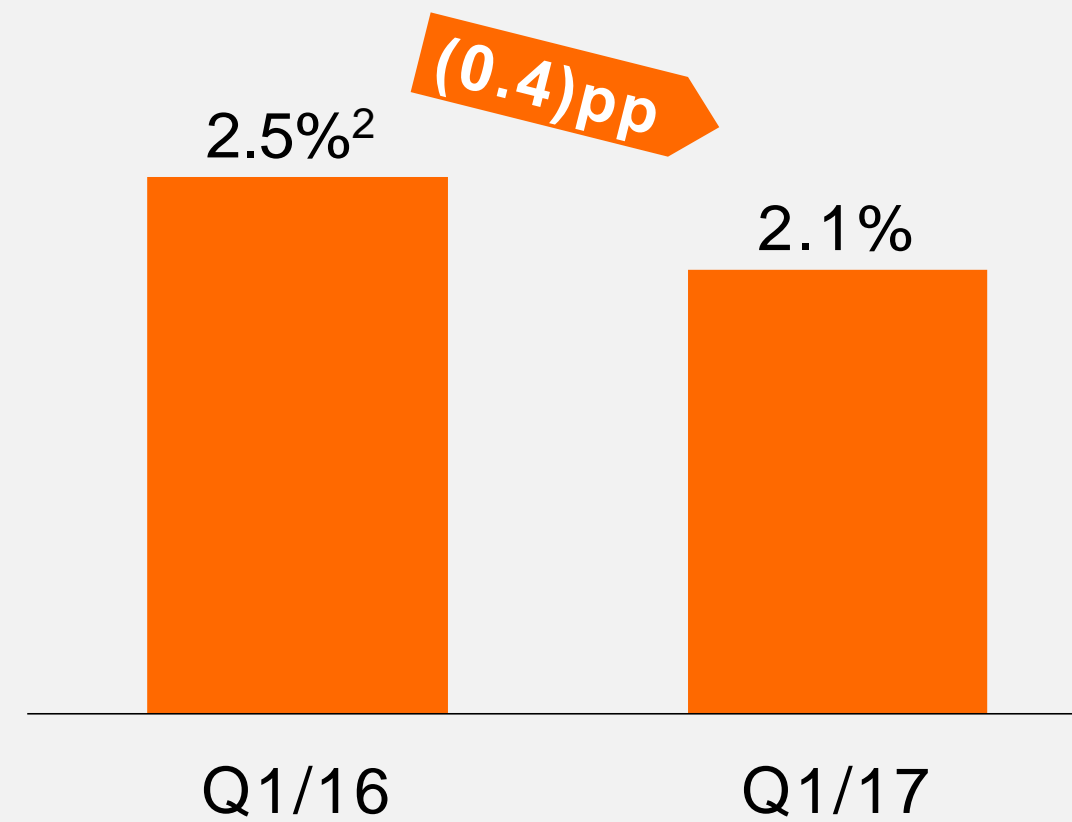
REVENUE GROWTH IN LINE WITH GUIDED CORRIDOR

In €m



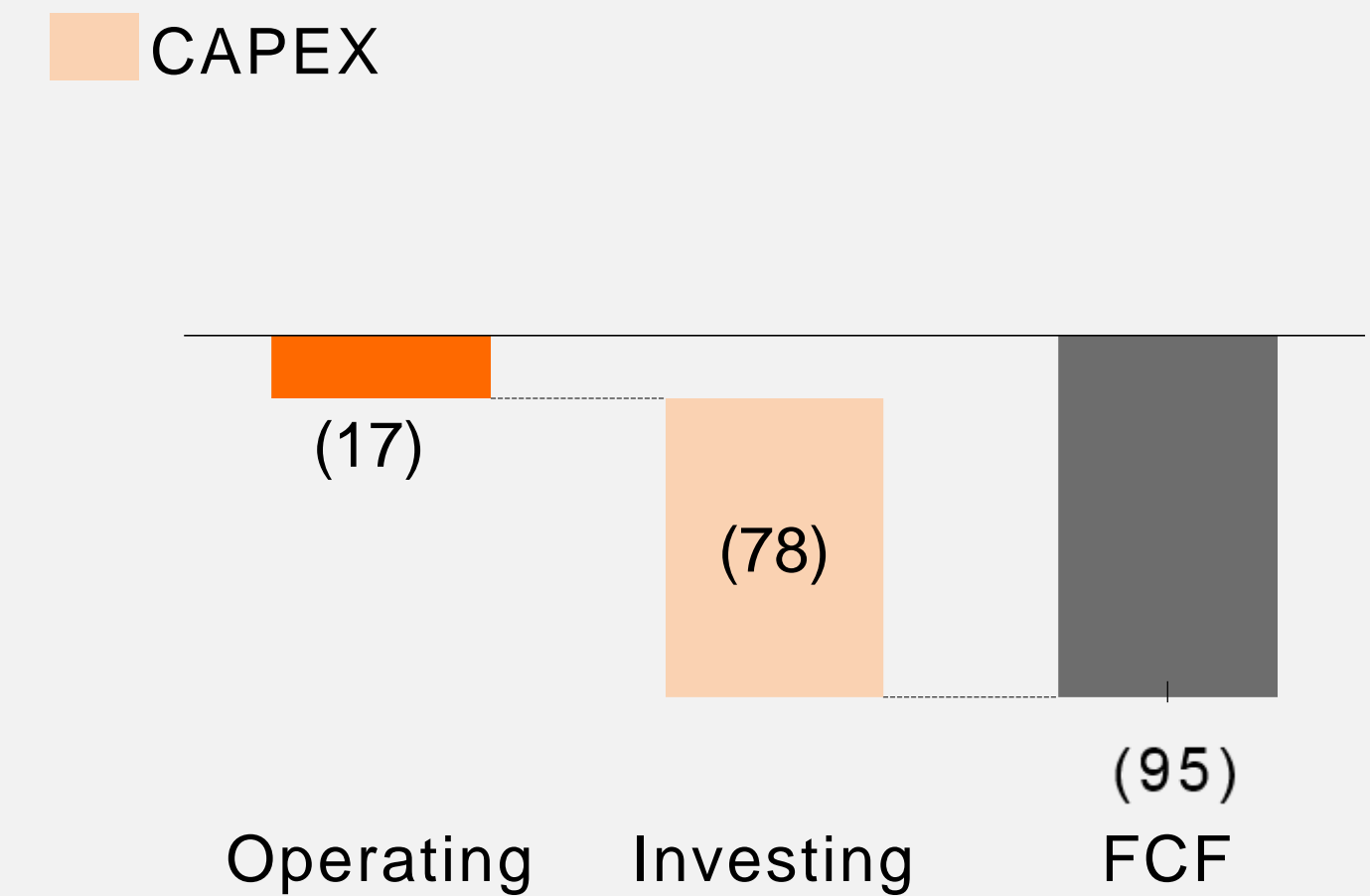
PROFITABILITY STABLE DESPITE PLANNED INVESTMENTS

EBIT margin¹ in percent



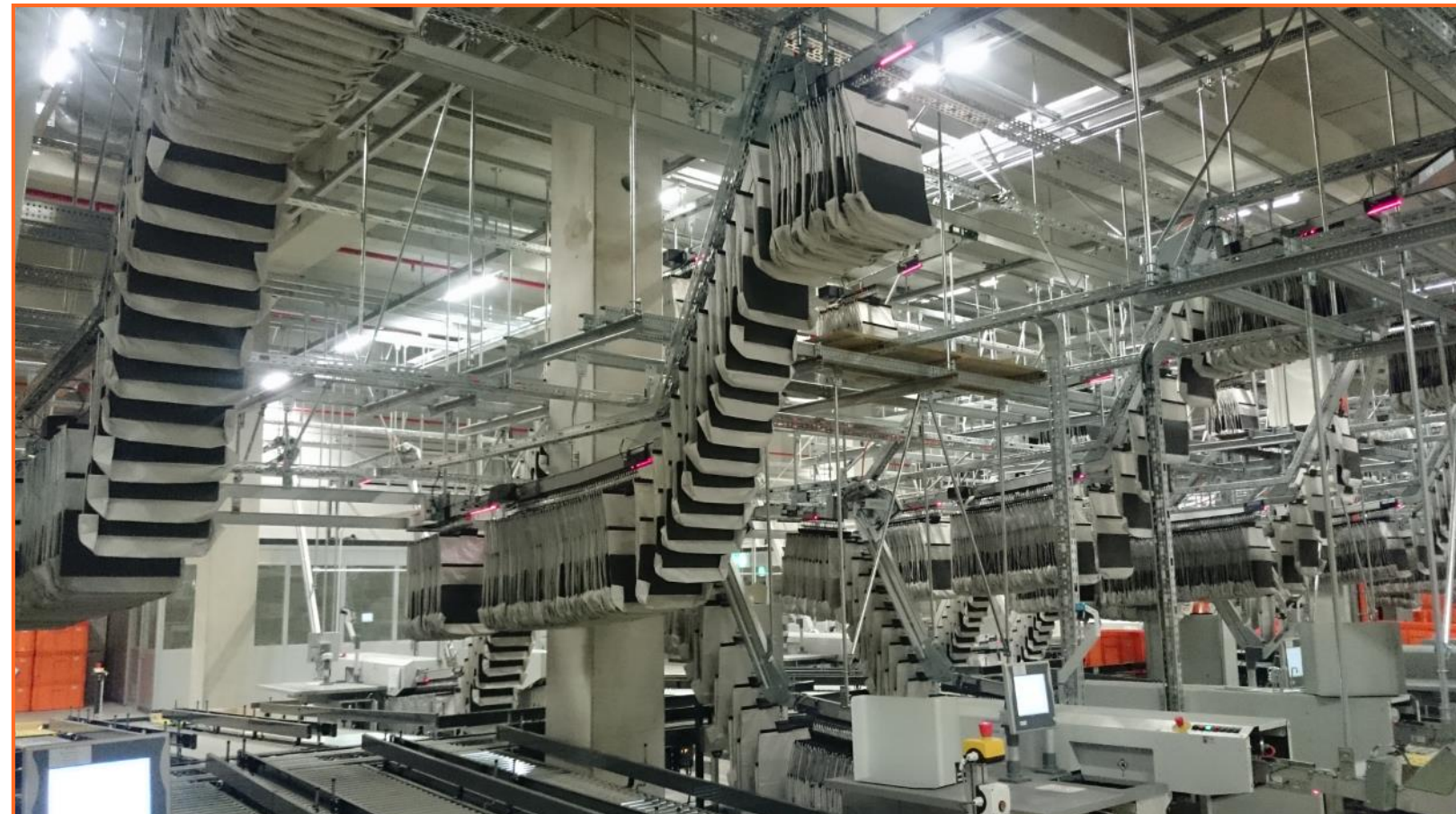
INVESTMENTS IN LOGISTIC INFRASTRUCTURE LOWER FCF

In €m



(1) Excluding equity-settled stock based compensation costs ("SBC") of €5.4m in Q1/17.
 (2) Positive one-off effect of €7m due to allowance release in Q1/16 included.

FURTHER EXPANDED OUR CONVENIENCE OFFERING ACROSS EUROPE,...



INCREASED AUTOMATION IN MGB
THANKS TO **BAGSORTER**

REDUCED LEAD TIME BY
ONE DAY IN **NORWAY**

RETURN ON
DEMAND TESTS
+ 4 GERMAN
CITIES



LAUNCH OF PARIS SPOKE
LEAD-TIME SHORTENED:
2 DAYS FOR PARIS
1 DAY FOR REST OF FR

SAME DAY DELIVERY
UPGRADE
+ 2 GERMAN CITIES



INTRODUCTION
OF **SIZING CHAT**
IN ALL COUNTRIES

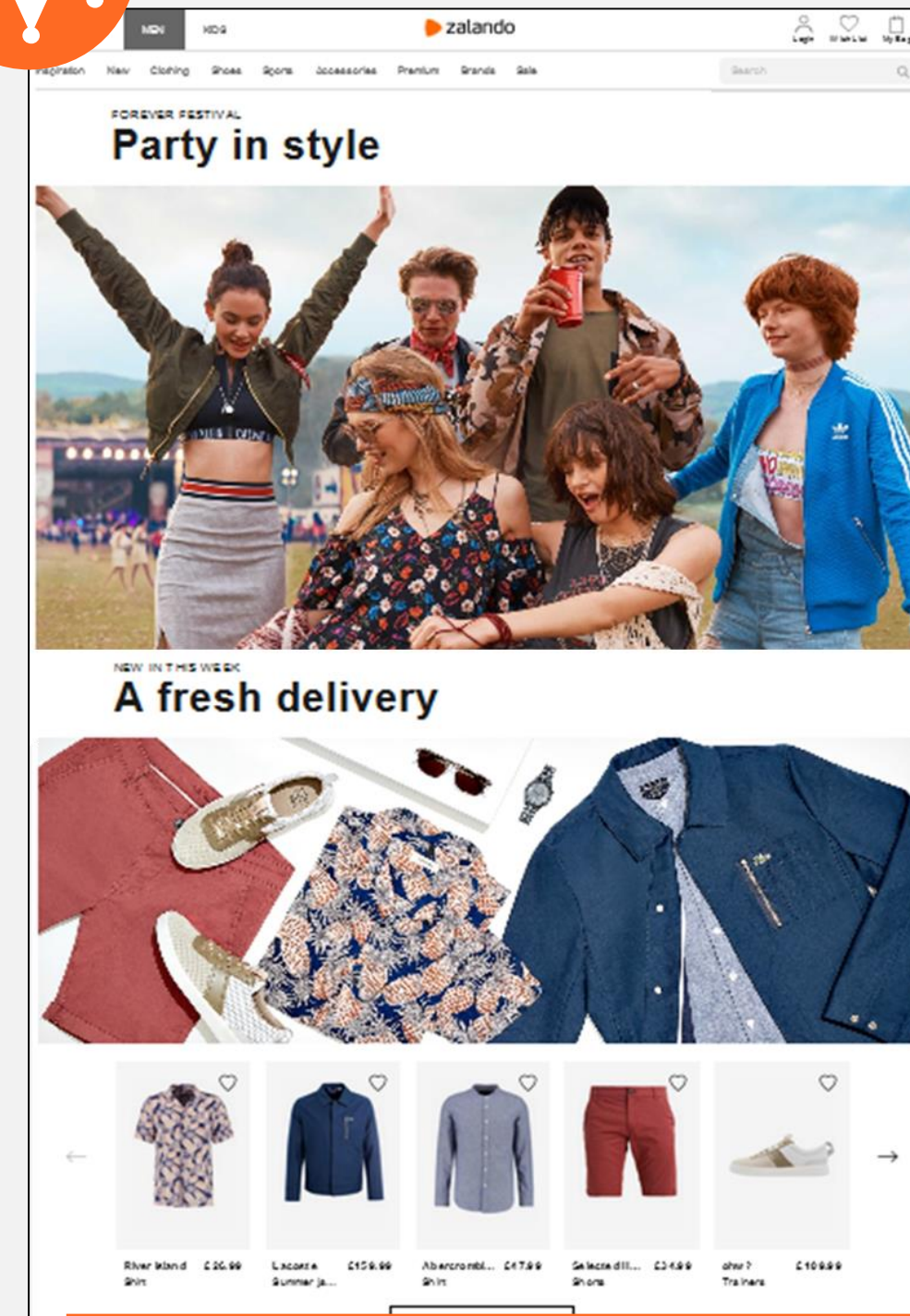
>100.000 SKUs
SHOP THE
LOOK



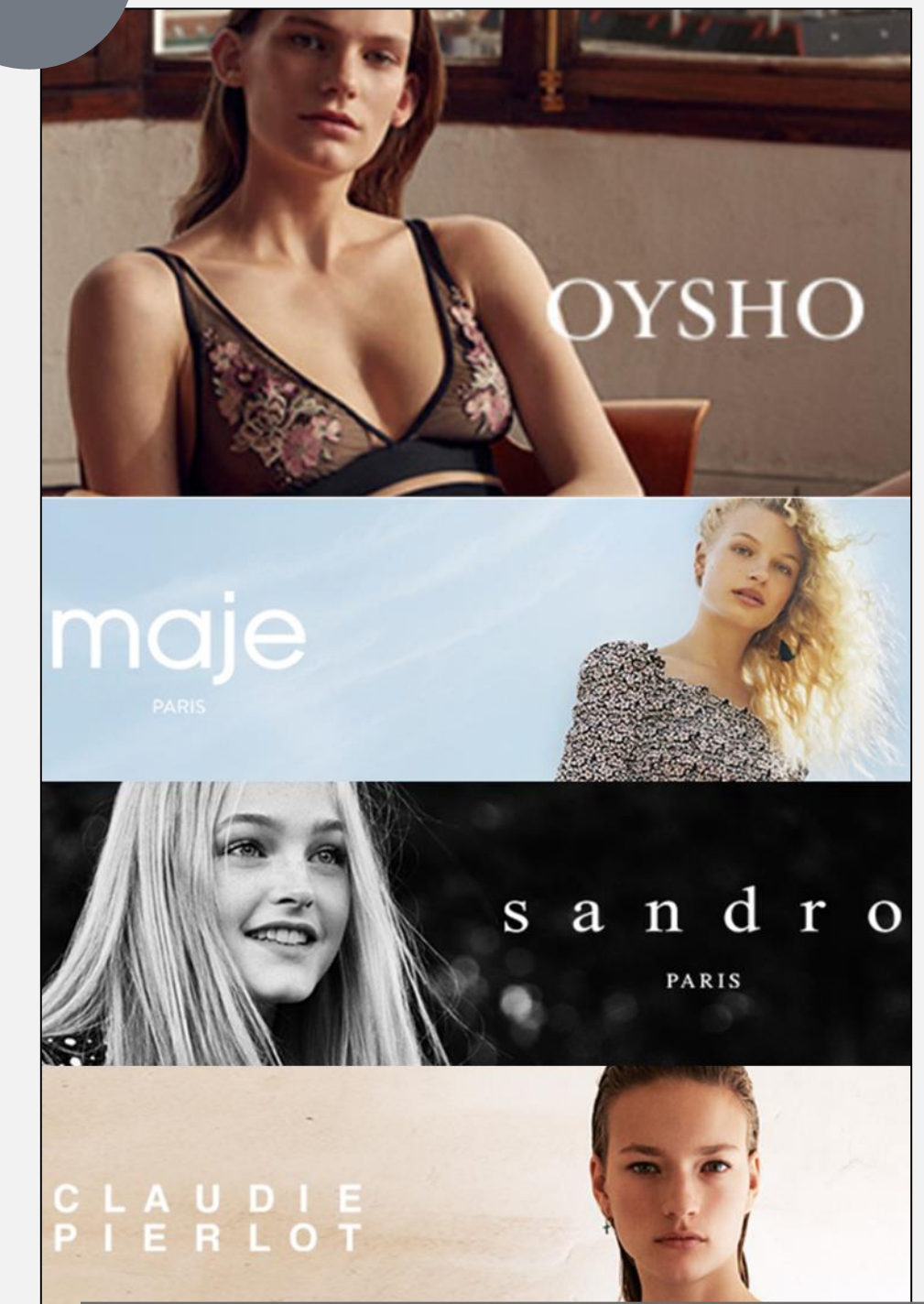
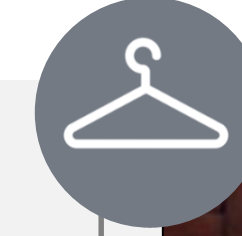
...BOOSTED ZALANDO'S FASHIONABILITY...



Pushed Zalando as fashion destination for men



Elevated our onsite home experience through a design refresh



Onboarded further highly fashionable brands to Zalando

...AND INVESTED INTO OUR CORPORATE BRAND FOR THE FIRST TIME BY HOSTING THE VIZIONS PLATFORM CONFERENCE



1.300+ visitors attended the sold-out conference



90+ Speakers from USA, China, Europe and Israel



5.6 million Twitter impressions, 100+ Journalists from the EU, 50+ Interviews that day



24hrs of content on 3 stages with 50 content streams

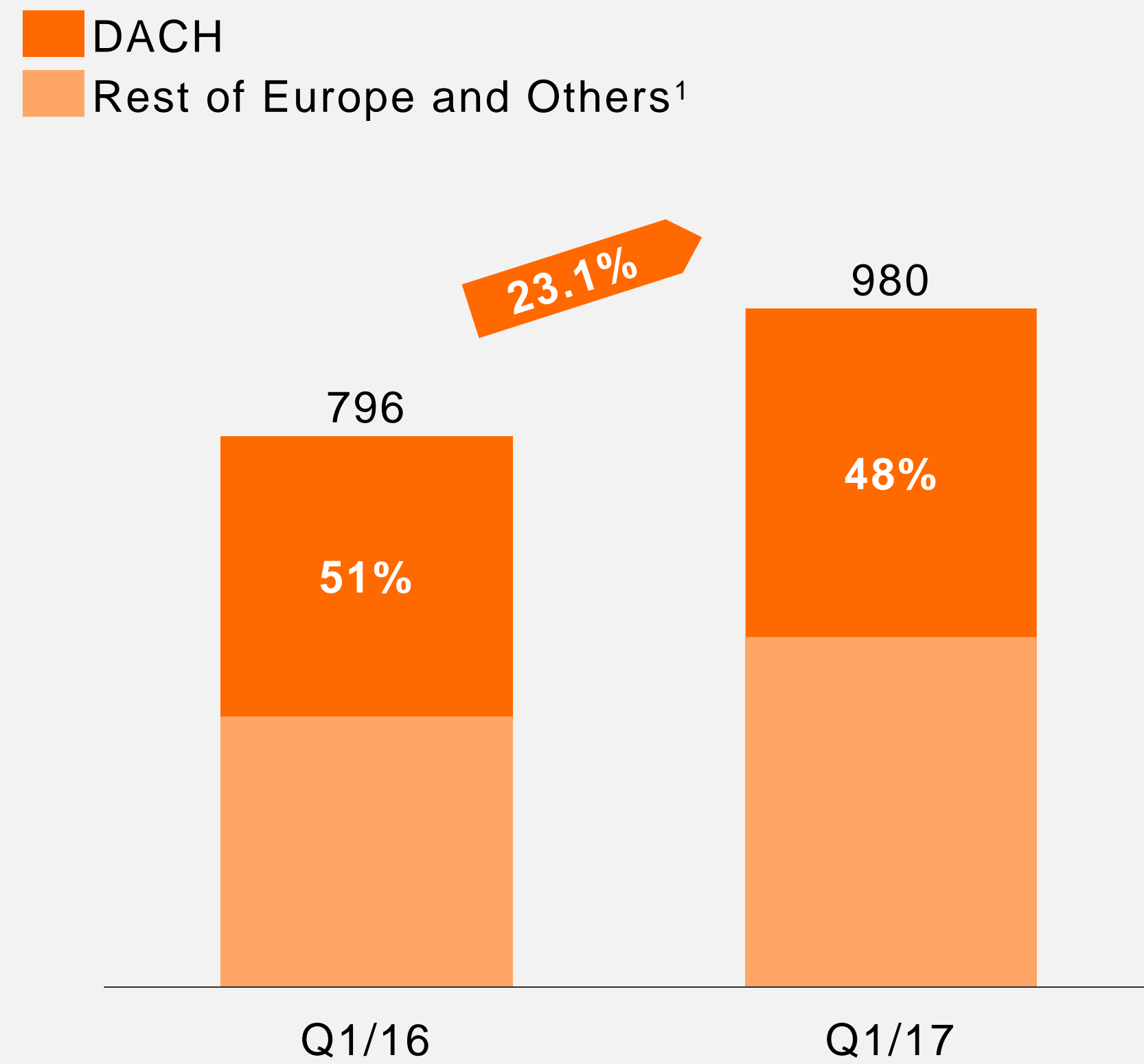


FINANCIAL UPDATE Q1 2017

GROWTH STORY ON TRACK

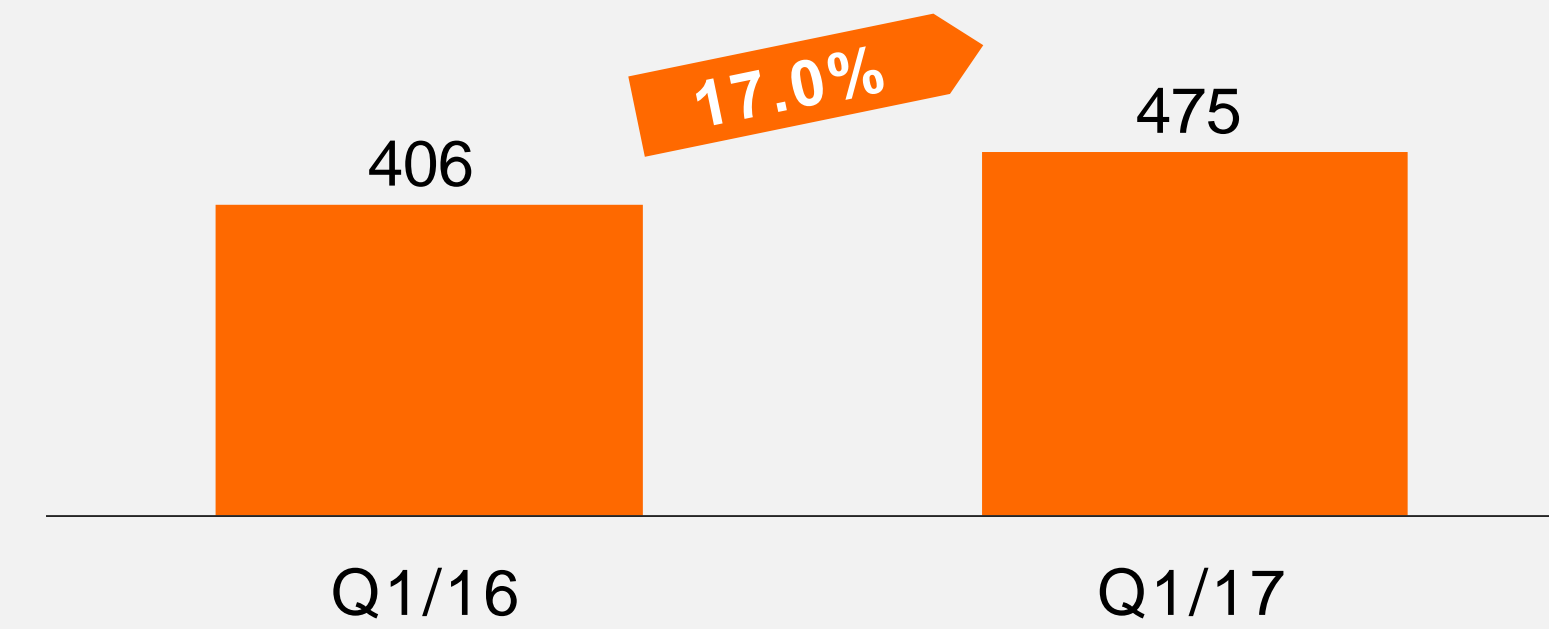
GROUP REVENUE

In €m



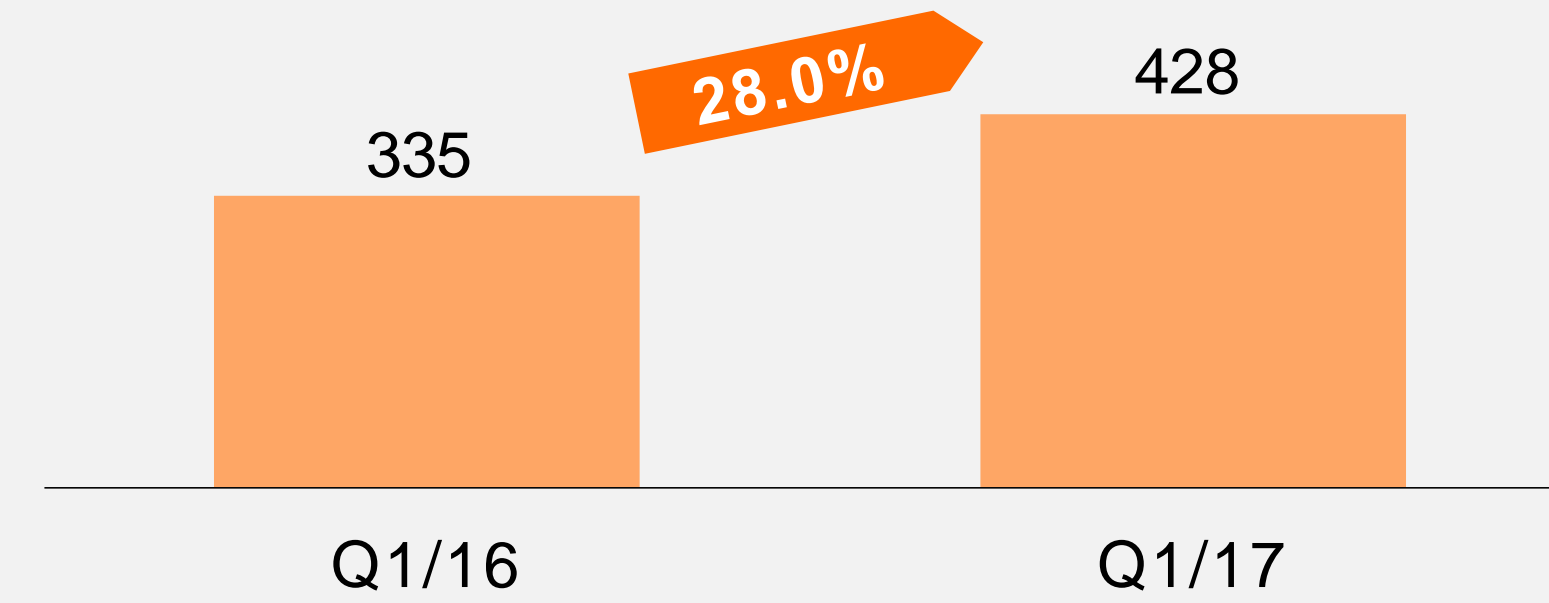
DACH REVENUE

In €m



REST OF EUROPE REVENUE

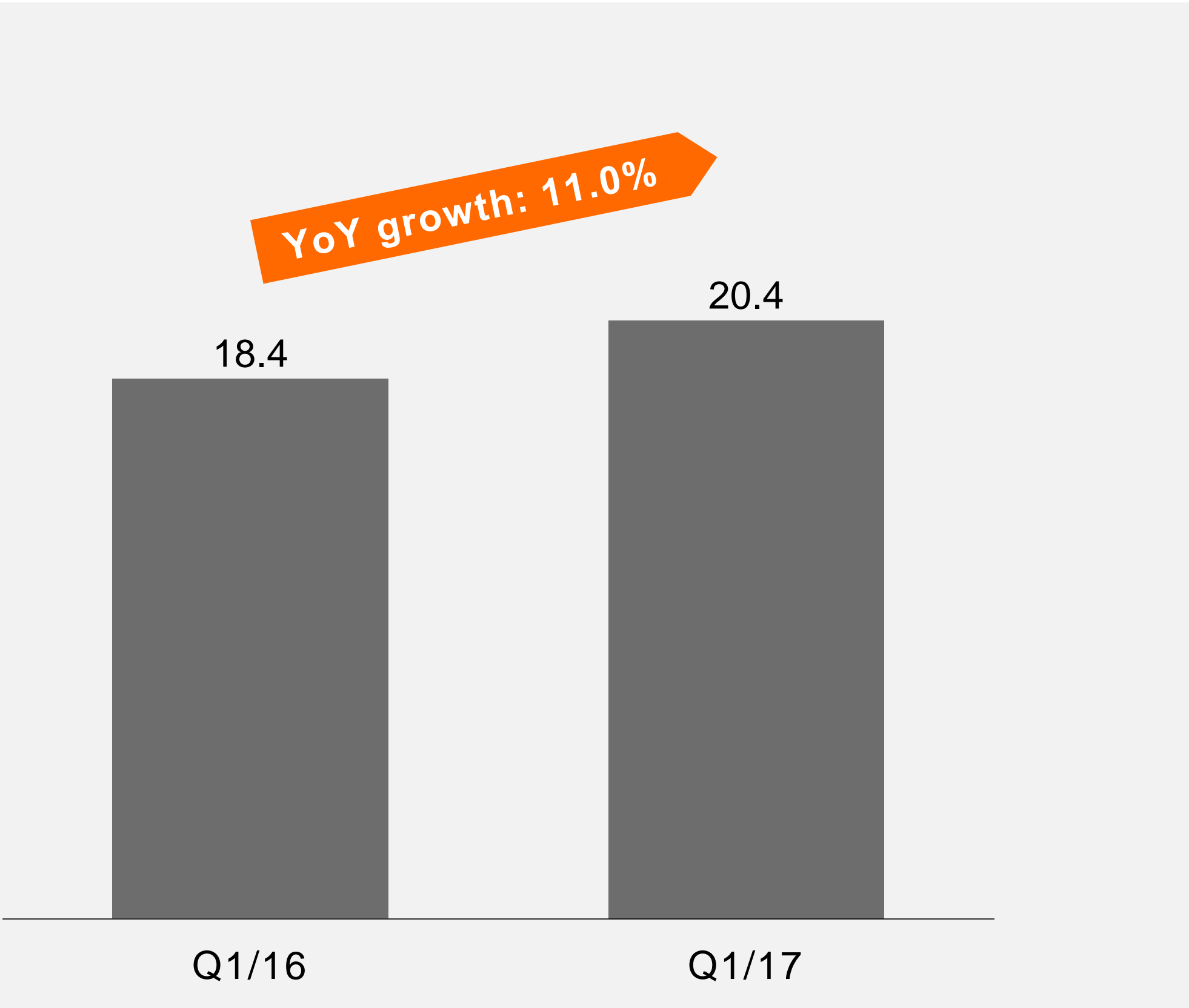
In €m



INCREASING CUSTOMER BASE, ORDER FREQUENCY AND SHARE OF WALLET

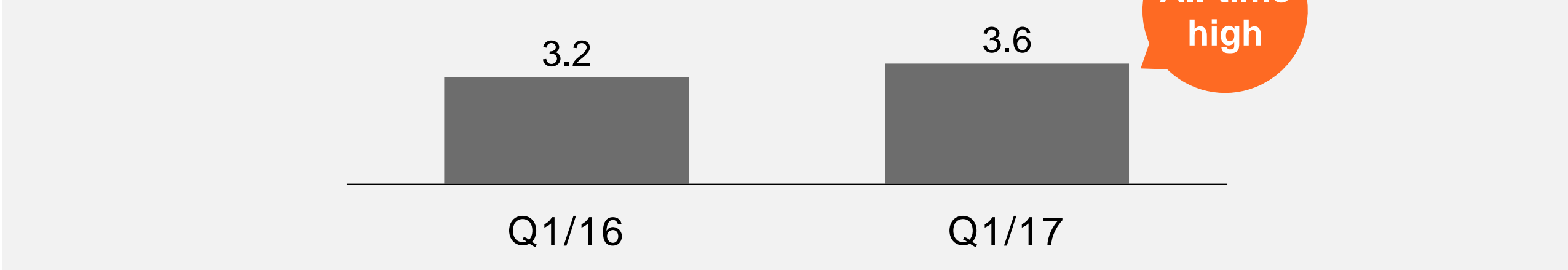
ACTIVE CUSTOMERS

In #m



AVERAGE ORDERS PER ACTIVE CUSTOMER

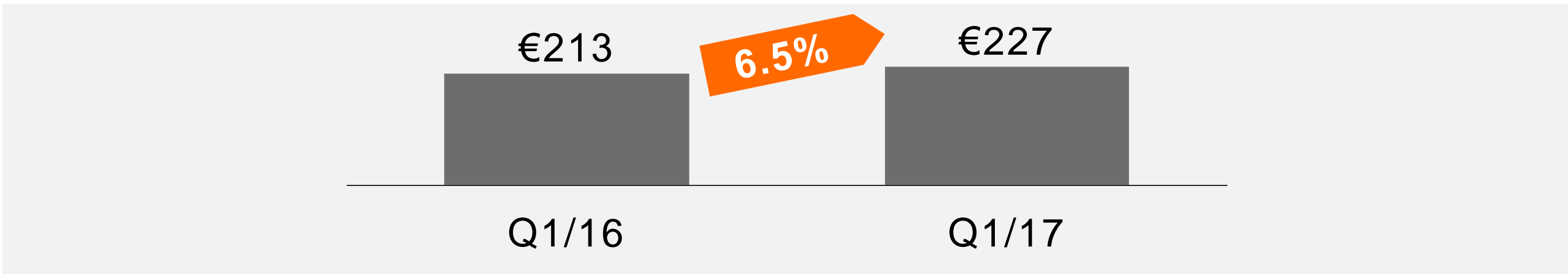
LTM in #



AVERAGE BASKET SIZE AFTER RETURNS¹



GMV PER ACTIVE CUSTOMER²



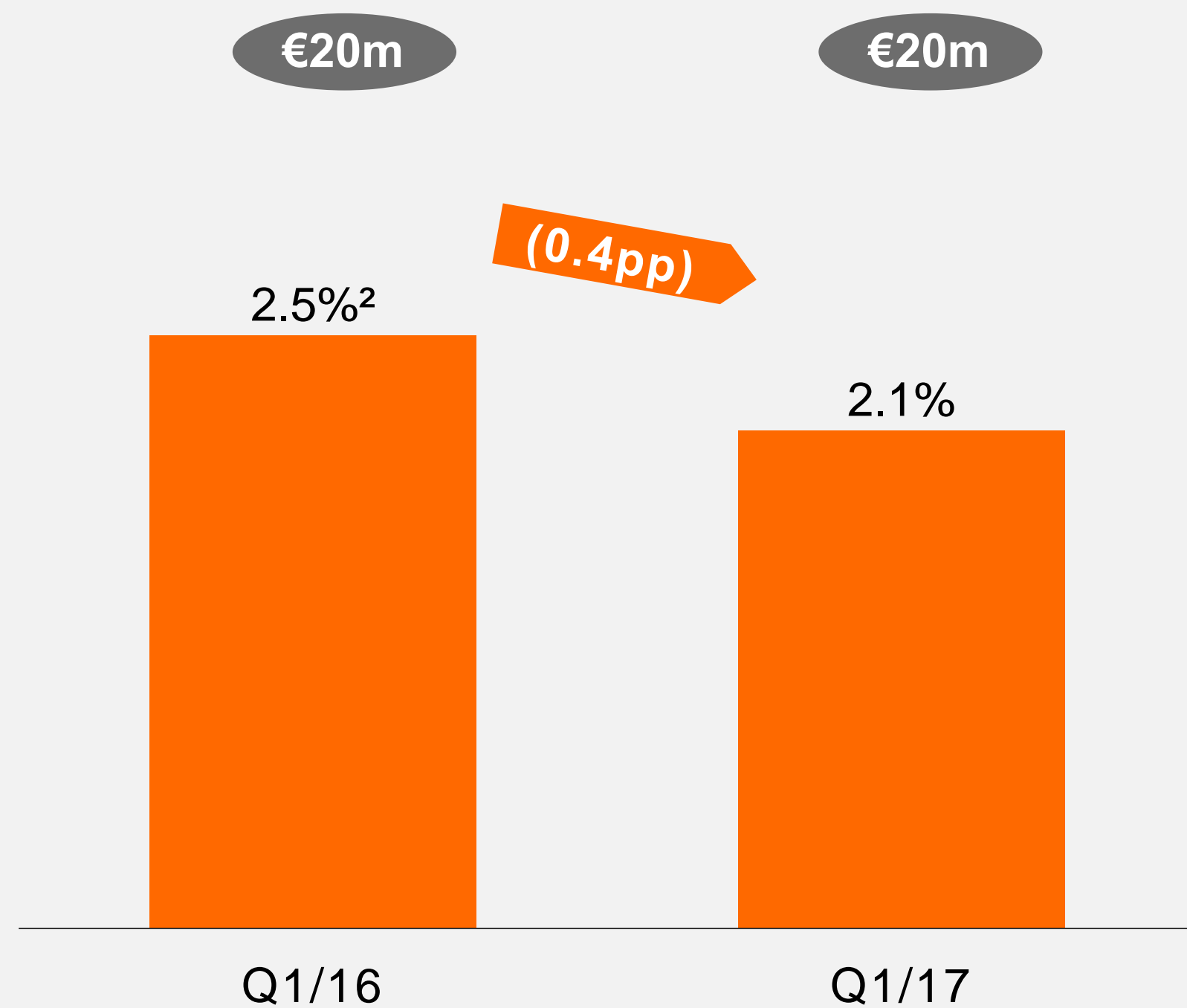
9 (1) Defined as the transactional revenue (incl. VAT and transactional volume of Partner Program) after cancellations or returns divided by the number of orders.

(2) GMV (gross merchandise volume) per active customer = average orders per active customer (LTM in #) x average basket size after returns (in €).

GROUP PROFITABILITY STABLE DESPITE PLANNED INVESTMENTS

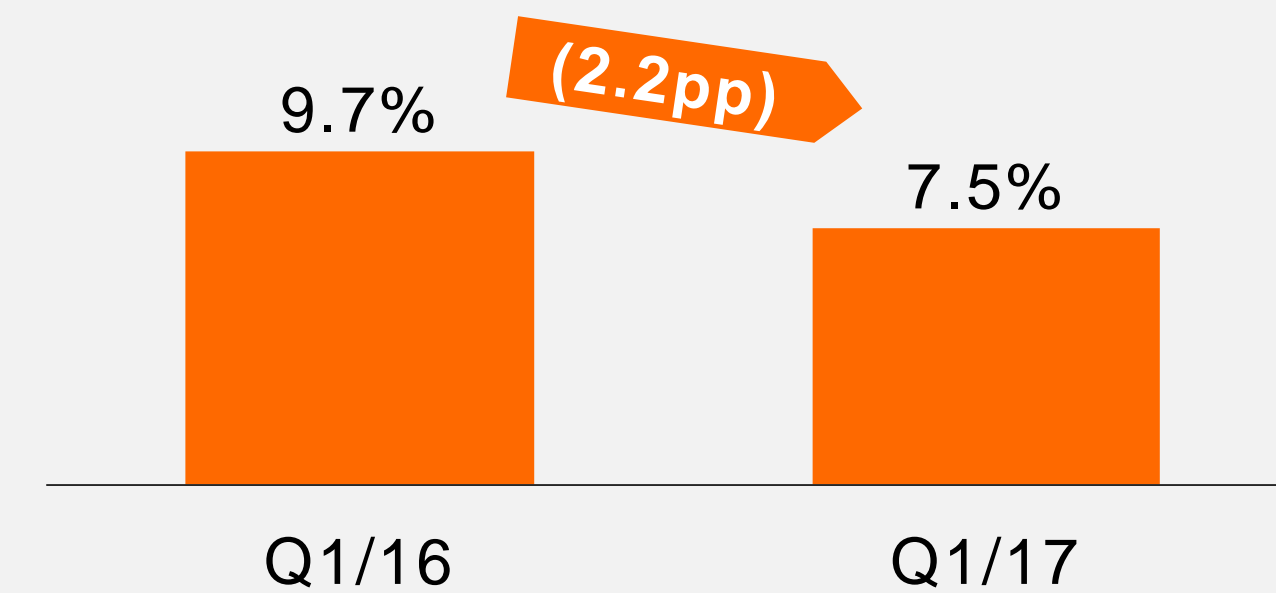
GROUP EBIT PROFITABILITY

EBIT margin¹



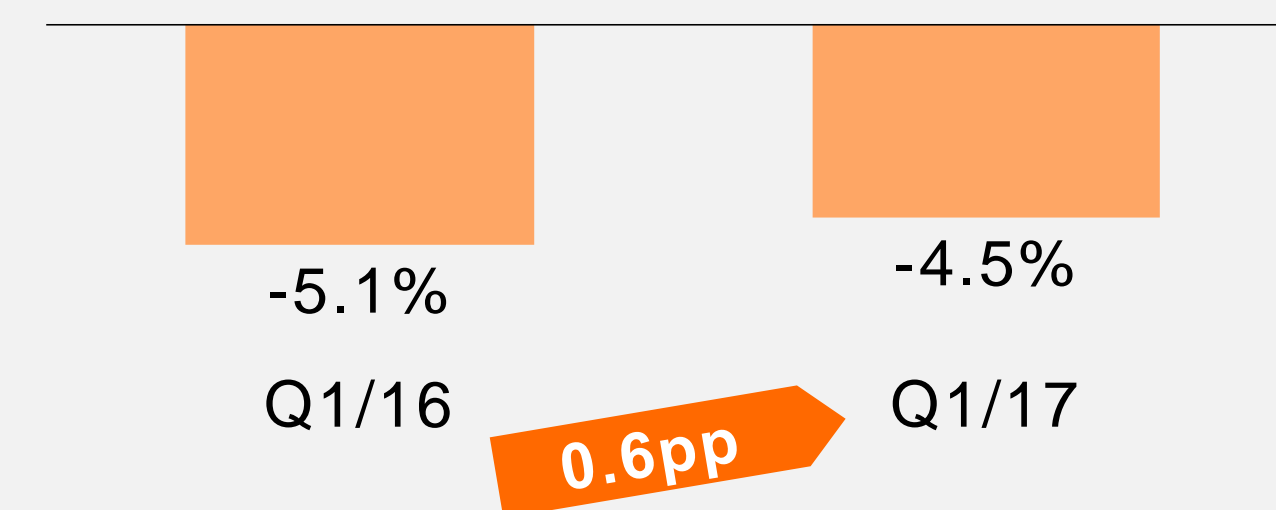
DACH EBIT

EBIT margin¹



REST OF EUROPE EBIT

EBIT margin¹



FULFILLMENT COST INVESTMENTS IMPACT MARGIN, WHILE MARKETING LEVERAGE CONTINUES

COSTS AND MARGINS excl. SBC¹ in percent of revenue

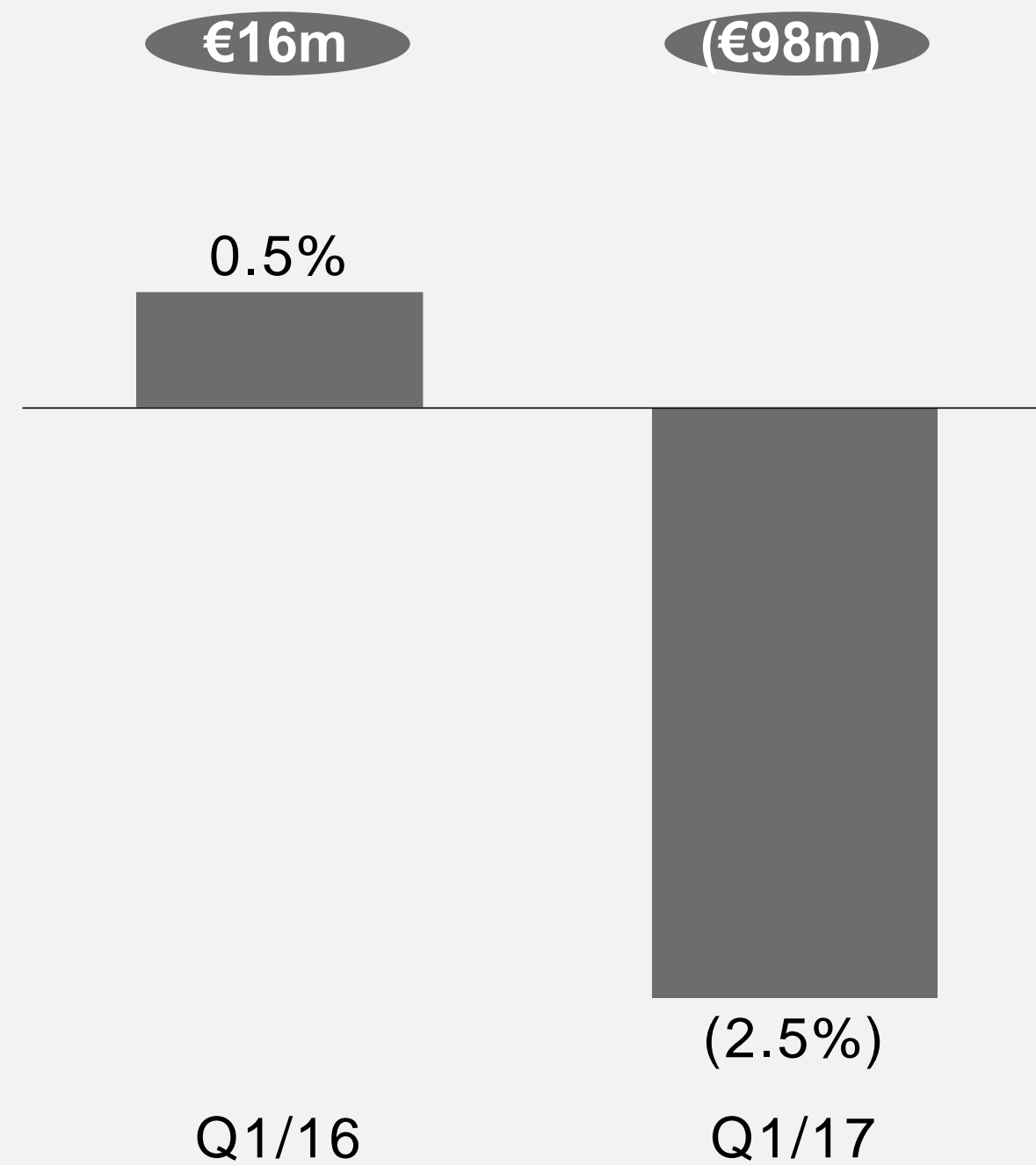
	Q1		
	2016	2017	Delta
COST OF SALES	(58.0%)	(58.5%)	0.5pp
GROSS PROFIT	42.0%	41.5%	(0.5pp)
FULFILLMENT COSTS	(24.1%)	(24.9%)	0.8pp
MARKETING COSTS	(10.5%)	(9.4%)	(1.1pp)
ADMINISTRATIVE EXPENSES & OTHER	(4.9%)	(5.1%)	0.2pp
EBIT	2.5%	2.1%	(0.4pp)

- Positive one-off effect (€7m = 0.9%) in Q1'16, due to allowance release

STRONG WORKING CAPITAL AND GROWTH INVESTMENTS IN LOGISTICS INFRASTRUCTURE

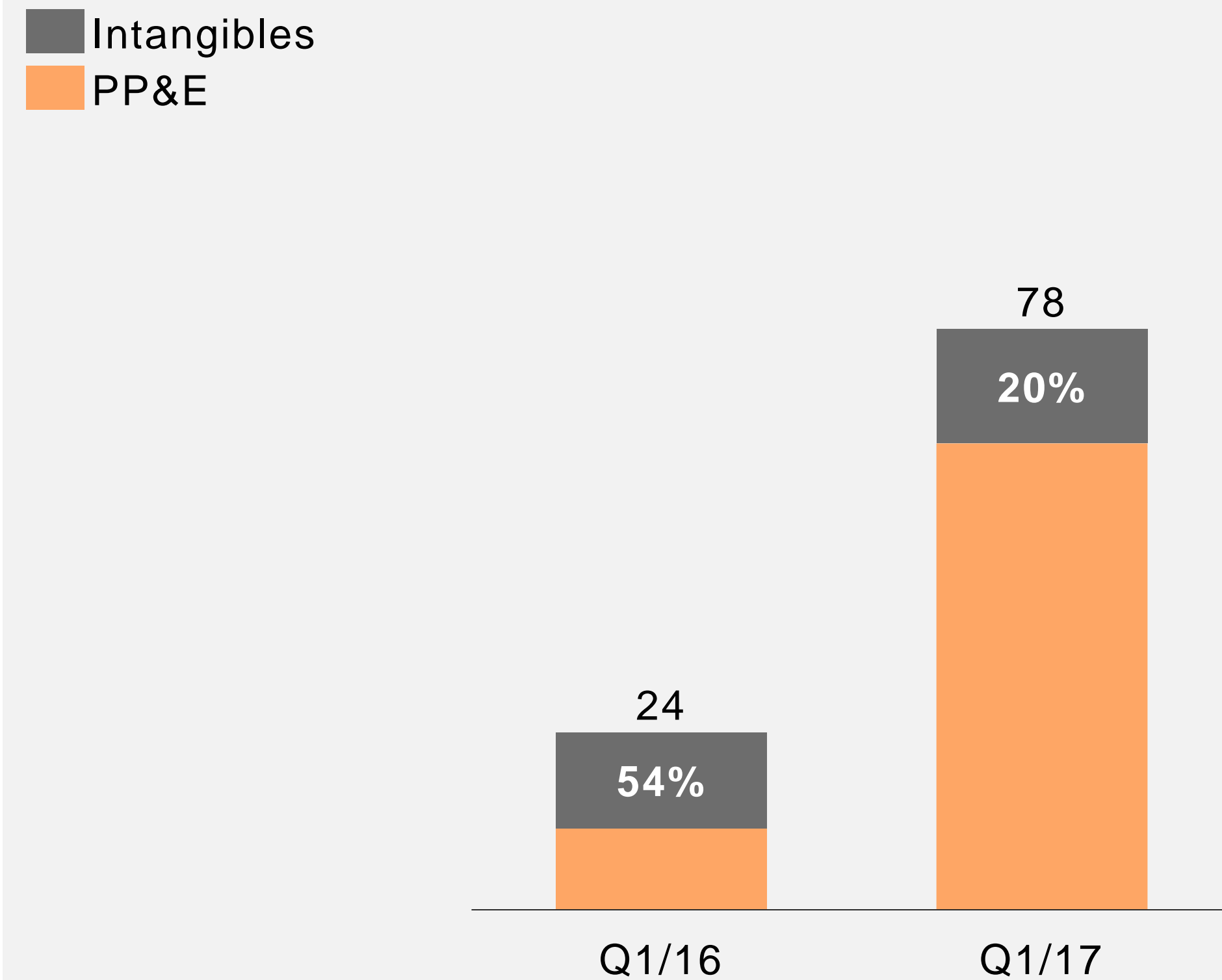
NET WORKING CAPITAL (END OF Q1)

in percent of annualized Q1 revenue



CAPITAL EXPENDITURE¹

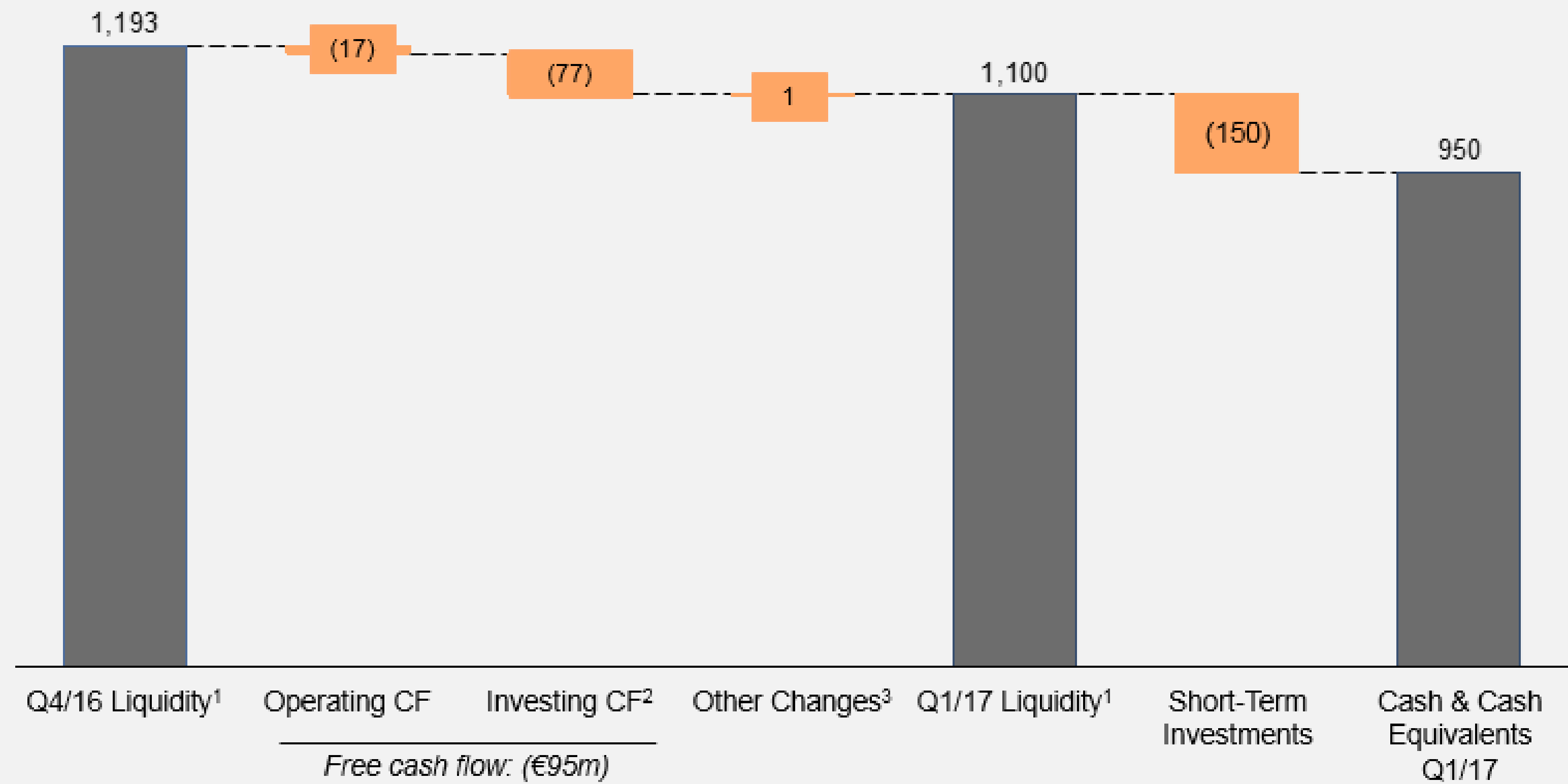
in €m



LIQUIDITY REMAINS STRONG

CASH FLOW DEVELOPMENT (Q1)

In €m



(1) Q4/16 and Q1/17 liquidity include investments into short-term deposits with maturity of more than 3 and less than 12 months of €220m and €150m, respectively.
 (2) Includes investments in fixed, intangible assets, payments for acquisitions and change in restricted cash.
 (3) Includes financing cash flow (€-0.8m) and effect of exchange rate on cash and cash equivalents €2.2m.

OUTLOOK

OUTLOOK FOR FY2017 UNCHANGED – FOCUS ON PROFITABLE GROWTH

Revenue growth of 20 - 25%

Adj. EBIT¹ margin: 5.0 - 6.0%

Slightly negative working capital at year-end and ~€200m capex²



ISSUED SHARE CAPITAL

SHARE INFORMATION

As of 31-Mar-2017

Type of Shares	Ordinary bearer shares with no-par value (<i>Stückaktien</i>)
Stock Exchange	Frankfurt Stock Exchange
Market Segment	Regulated Market (<i>Prime Standard</i>)
Index Listings	MDAX (2.3% share ¹)
Total Number of Shares Outstanding	247,268,958
Issued Share Capital	€247,268,958

SHARE STOCK OPTION PROGRAMS

As of 31-Mar-2017

Program	# Options outstanding	Strike price
Various	76,670	1.00
SOP 2011	2,543,200	5.65
SOP 2013	9,817,500	15.63
SOP 2014 – Tranche pre IPO	4,946,863	17.72
SOP2014 – Tranche Mar 2015	607,489	22.79
SOP 2014 – Tranche May 2015	222,230	25.03
SOP 2014 – Tranche Aug 2015	190,812	29.92
SOP 2014 – Tranche Nov 2015	58,900	30.48
SOP 2014 – Tranche Mar 2016	326,216	31.60
Total	18,789,880	

EMPLOYEE INCENTIVE PLAN²

As of 31-Mar-2017

Program	# Options outstanding	Strike price
EIP 2016 – Summer Tranche 2016	109,863	1.00
EIP 2016 – Summer Tranche 2016	555,437	27.10
EIP 2016 – Summer Tranche 2016	171,304	32.52
EIP 2016 – Winter Tranche 2016	17,494	1.00
EIP 2016 – Winter Tranche 2016	69,104	36.83
EIP 2016 – Winter Tranche 2016	36,368	44.20
Total	959,570	

INCOME STATEMENT

€m	FY/14	FY/15	FY/16	Q1/16	Q1/17
Revenue	2,214.0	2,958.2	3,639.0	796.1	980.2
<i>% growth</i>	25.7%	33.6%	23.0%	23.7%	23.1%
Cost of Sales	(1,255.3)	(1,624.0)	(2,029.6)	(462.7)	(574.8)
Gross Profit	958.7	1,334.1	1,609.4	333.4	405.4
<i>% margin</i>	43.3%	45.1%	44.2%	41.9%	41.4%
Selling and Distribution Costs	(793.8)	(1,118.9)	(1,223.7)	(277.2)	(339.2)
Administrative Expenses	(109.1)	(129.0)	(191.3)	(40.6)	(52.8)
Other Operating Income	12.2	10.2	16.7	1.5	2.7
Other Operating Expenses	(5.8)	(7.0)	(4.1)	(0.7)	(1.1)
EBIT	62.1	89.6	207.0	16.4	14.9
<i>% margin</i>	2.8%	3.0%	5.7%	2.1%	1.5%
Net Financial Result	(4.5)	(3.0)	(14.1)	(6.2)	(3.6)
EBT	57.7	86.6	192.9	10.3	11.3
<i>% margin</i>	2.6%	2.9%	5.3%	1.3%	1.2%
Income and Other Tax	(10.5)	34.9	(72.5)	(5.7)	(6.2)
Net Income	47.2	121.5	120.5	4.6	5.1
<i>% margin</i>	2.1%	4.1%	3.3%	0.6%	0.5%
Depreciation & Amortization	25.8	34.2	48.2	9.1	12.6
EBITDA	88.0	123.8	255.2	25.5	27.5
<i>% margin</i>	4.0%	4.2%	7.0%	3.2%	2.8%
Share Based Compensation (SBC)	19.8	17.9	19.9	3.8	5.4
Adj. EBIT (adj. for SBC)	82.0	107.5	216.3	20.2	20.3
<i>% margin</i>	3.7%	3.6%	5.9%	2.5%	2.1%
Adj. EBITDA (adj. for SBC)	107.8	141.7	264.5	29.3	32.8
<i>% margin</i>	4.9%	4.8%	7.3%	3.7%	3.4%

SHARE BASED COMPENSATION

€m	FY/14	FY/15	FY/16	Q1/16	Q1/17
Per Income Statement Line Item					
Cost of Sales	4.4	4.5	5.0	0.9	1.3
Selling and Distribution Costs	9.6	9.0	9.9	1.9	2.7
Administrative Expenses	5.8	4.5	5.0	0.9	1.3
Share Based Compensation	19.8	17.9	19.9	3.8	5.4
As % of revenue					
Per Income Statement Line Item					
Cost of Sales	0.2%	0.2%	0.1%	0.1%	0.1%
Selling and Distribution Costs	0.4%	0.3%	0.3%	0.2%	0.3%
Administrative Expenses	0.3%	0.2%	0.1%	0.1%	0.1%
Share Based Compensation	0.9%	0.6%	0.5%	0.5%	0.6%

SEGMENTS

€m	FY/14	FY/15	FY/16	Q1/16	Q1/17
Revenue	2,214.0	2,958.2	3,639.0	796.1	980.2
DACH	1,234.0	1,580.1	1,813.8	405.8	475.0
Rest of Europe	862.6	1,211.6	1,570.2	334.5	428.3
Other	117.4	166.5	255.1	55.8	76.9
As % of total	100.0%	100.0%	100.0%	100.0%	100.0%
DACH	55.7%	53.4%	49.8%	51.0%	48.5%
Rest of Europe	39.0%	41.0%	43.1%	42.0%	43.7%
Other	5.3%	5.6%	7.0%	7.0%	7.8%
EBIT	62.1	89.6	207.0	16.4	14.9
DACH	72.3	92.2	221.4	37.4	32.8
Rest of Europe	(18.6)	(10.2)	(6.2)	(18.5)	(21.4)
Other	8.4	7.5	(8.1)	(2.4)	3.4
% margin	2.8%	3.0%	5.7%	2.1%	1.5%
DACH	5.9%	5.8%	12.2%	9.2%	6.9%
Rest of Europe	(2.2%)	(0.8%)	(0.4%)	(5.5%)	(5.0%)
Other	7.2%	4.5%	(3.2%)	(4.4%)	4.4%
Adjusted EBIT	82.0	107.5	216.3	20.2	20.3
DACH	83.0	101.9	226.3	39.3	35.5
Rest of Europe	(11.6)	(3.3)	(3.3)	(17.0)	(19.1)
Other	10.5	8.9	(6.7)	(2.1)	3.9
% adjusted margin	3.7%	3.6%	5.9%	2.5%	2.1%
DACH	6.7%	6.4%	12.5%	9.7%	7.5%
Rest of Europe	(1.3%)	(0.3%)	(0.2%)	(5.1%)	(4.5%)
Other	9.0%	5.3%	(2.6%)	(3.7%)	5.1%

BALANCE SHEET

€m	Q1/16	Q1/16 (% of total assets)	Q1/17	Q1/17 (% of total assets)
Total Non-Current Assets	264.8	12.1%	456.6	17.0%
Thereof: Property, Plant and Equipment	136.6	6.2%	300.3	11.2%
Other Financial Assets	24.1	1.1%	43.8	1.6%
Non-Financial Assets	3.3	0.2%	2.8	0.1%
Other Non-Current Assets	100.8	4.6%	109.7	4.1%
Total Current Assets	1,931.6	87.9%	2,230.5	83.0%
Thereof: Inventories	590.4	26.9%	718.7	26.7%
Trade and Other Receivables	162.8	7.4%	231.4	8.6%
Other Assets ¹	237.2	10.8%	330.5	12.3%
Cash and Cash Equivalents ¹	941.2	42.9%	949.9	35.3%
Total Assets	2,196.4	100.0%	2,687.0	100.0%
Total Equity	1,278.3	58.2%	1,415.1	52.7%
Thereof: Issued Capital	247.0	11.2%	247.2	9.2%
Capital Reserves	1,144.7	52.1%	1,166.4	43.4%
Retained earnings	(0.1)	(0.0%)	(5.3)	(0.2%)
Accumulated Gains (Loss)	(113.4)	(5.2%)	6.8	0.3%
Total Non-Current Liabilities	29.6	1.3%	29.5	1.1%
Thereof: Financial Liabilities	13.6	0.6%	10.5	0.4%
Other Non-Current Liabilities	16.0	0.7%	19.0	0.7%
Total Current Liabilities	888.4	40.4%	1,242.5	46.2%
Thereof: Trade Payables and Similar Obligations	737.7	33.6%	1,047.9	39.0%
Other Current Liabilities	150.8	6.9%	194.6	7.2%
Total Equity & Liabilities	2,196.4	100.0%	2,687.0	100.0%
Net Working Capital	15.5	0.7%	(97.7)	(3.6%)

CASH FLOW STATEMENT

€m	FY2014	FY2015	FY/16	Q1/16	Q1/17
Net Income	47.2	121.5	120.5	4.6	5.1
Non-Cash Expenses from Share-Based Payments	19.8	17.9	19.9	3.8	5.4
Cash Settlement of Claims from Share-Based Payments	0.0	(2.3)	0.0	0.0	0.0
Depreciation	25.8	34.2	48.2	9.1	12.6
Income Taxes	10.5	(34.9)	72.5	5.7	6.2
Income Taxes Paid, Less Refunds	0.0	(0.0)	(33.8)	(20.1)	(3.9)
Change in Provisions	1.0	(0.5)	0.1	3.6	(0.1)
Other Non-Cash Income	(0.2)	(1.0)	1.2	(0.0)	0.7
Change in Inventories and Receivables	(68.7)	(154.2)	(147.4)	(108.3)	(157.2)
Change in Trade Liabilities	94.9	154.9	264.3	89.6	126.5
Change in Other Assets/Other Liabilities	44.6	(16.2)	(69.7)	2.8	(11.9)
Cash Flow from Operating Activities	174.9	119.4	275.8	(9.2)	(16.7)
Payments for Investments in Fixed and Intangible Assets	(51.1)	(60.0)	(181.7)	(23.7)	(77.8)
Payments for Acquisitions	0.0	(16.8)	(30.4)	(0.9)	0.0
Cash Paid for Investments in Term Deposits	0.0	(155.0)	(65.0)	0.0	70.0
Change in Restricted Cash	(0.8)	35.3	0.0	(0.0)	0.4
Cash Flow from Investing Activities	(51.9)	(196.5)	(277.1)	(24.6)	(7.4)
Payments Received from Capital Increases	510.1	6.4	1.1	0.0	0.0
Cash Received from Loans	3.9	0.0	0.0	0.0	0.0
Repurchase of treasury shares	0.0	(1.7)	(0.7)	0.0	0.0
Cash Repayments of Loans	(3.2)	(3.2)	(3.2)	(0.8)	(0.8)
Cash Flow from Financing Activities	510.8	1.5	(2.9)	(0.8)	(0.8)
Change in Cash & Cash Equivalents	633.8	(75.7)	(4.1)	(34.7)	(25.0)
Effects of Exchange Rate on Cash & Cash Equivalents	0.0	0.9	0.5	(0.4)	2.2

KPI DEVELOPMENT

	2015	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
Site Visits (m) ¹	1,656.4	479.5	480.2	468.6	563.2	1,991.6	617.6
Mobile Visit Share (in % of Site Visits) ²	57.1%	62.3%	64.7%	67.0%	68.1%	65.6%	68.8%
Active Customers (m) ³	17.9	18.4	18.8	19.2	19.9	19.9	20.4
Number of Orders (m) ⁴	55.3	15.6	17.5	16.4	19.6	69.2	19.9
Average Order per Active Customer	3.08x	3.20x	3.32x	3.39x	3.48x	3.48x	3.60x
Average Basket Size (in €) ⁵	67.8	66.5	66.2	62.8	70.2	66.6	63.0
Fulfillment Cost Ratio (in % of revenue) ⁶	26%	24%	23%	24%	22%	23%	25%
Marketing Cost Ratio (in % of revenue) ⁷	12%	10%	10%	10%	10%	10%	9%

(1) Site Visits defined as the number of series of page requests from the same uniquely identified client at Zalando, including website, m.site and apps in the measurement period. A visit is considered ended when no requests have been recorded in more than 30 minutes.

(2) Mobile is defined as tablets, mobile site and apps.

(3) Active Customers defined as the number of customers placing at least one order in the last twelve months in the measurement period irrespective of cancellations or returns.

(4) Number of Orders defined as the number of customer orders placed in the measurement period irrespective of cancellations or returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled.

(5) Average Basket Size defined as the transactional revenue (incl. VAT and transactional volume of Partner Program) after cancellations or returns divided by the number of orders.

(6) Fulfillment Cost Ratio defined as fulfillment cost as a proportion of revenue in the measurement period. Fulfillment costs mainly include logistics, content creation, service and payment expenses, as well as allocated overhead costs. Fulfillment costs therefore comprises all selling and distribution costs, except for marketing costs. All numbers shown excluding equity-settled SBC costs.

(7) Marketing Cost Ratio defined as marketing cost as a proportion of revenue in the measurement period. Marketing cost mainly consists of advertising expenses including search engine marketing, television, online display and other marketing channels as well as allocated overhead cost. All numbers shown excluding equity-settled SBC costs.

FINANCIAL CALENDAR 2017

May 2017				
M	T	W	T	F
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30	31		

June 2017				
M	T	W	T	F
			1	2
5	6	7	8	9
12	13	14	15	16
19	20	21	22	23
26	27	28	29	30

August 2017				
M	T	W	T	F
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

November 2017				
M	T	W	T	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	

Date	Action
Tuesday, 16-May	NDR, Edinburgh
Wednesday, 17-May	Citi's European Internet and Digital Conference, London
Wednesday, 31-May	Annual General Meeting 2017
Monday + Tuesday, 19-20 June	Capital Markets Day 2017
Thursday, 22-June	dbAccess - German, Swiss & Austrian Conference, Berlin
Tuesday, 27-June	Erste Securities Polska Conference, Warsaw
Friday, 30-June	Kepler Cheuvreux One-Stop-Shop, Amsterdam
Thursday, 10-Aug	Q2/2017 Results
Tuesday, 7-Nov	Q3/2017 Results

DISCLAIMER

Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties. You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed on this call due to a number of factors, including without limitation, risks from macroeconomic developments, external fraud, inefficient processes at fulfillment centers, inaccurate personnel and capacity forecasts for fulfillment centers, hazardous material / conditions in production with regard to private labels, lack of innovation capabilities, inadequate data security, lack of market knowledge, risk of strike and changes in competition levels.