



Partnering with Brands



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Most Complete Assortment Makes Us the Starting Point for Fashion

	All Brands	Full Range	Never Sold Out	Engaging Content
Achievements Today	<p>Massimo Dutti</p> <p>Bershka</p> <p>MONK L SEE BY CHLOÉ</p> <p>BOSS HUGO BOSS</p> <p>L'ORÉAL SWAROVSKI</p> <p>MAYBELLINE</p> <p>MAC CLINIQUE</p> <p>ESTÉE LAUDER</p>		<p>Partner Program backfilling</p> <p>EUR 190m</p> <p>in GMV 2018</p>	<p>989 Campaigns across</p> <p>17 markets</p> 

“ If it is not on Zalando, it does not exist.”

Most Complete Assortment Is Hard to Realize in the Fashion Industry

	All Brands	Full Range	Never Sold Out	Engaging Content
Massive Opportunities out There	Verticals, Premium Luxury, Sport Specialists		>260k daily size requests	Fresh, personal every day content for >26m active customers

Brands Get Access to a Combination of Unrivaled Benefits on Zalando

1

Large Customer Reach



2

Attractive Profit Opportunities



3

Safe Brand Building



But: Brands Want to Have Access to Consumers

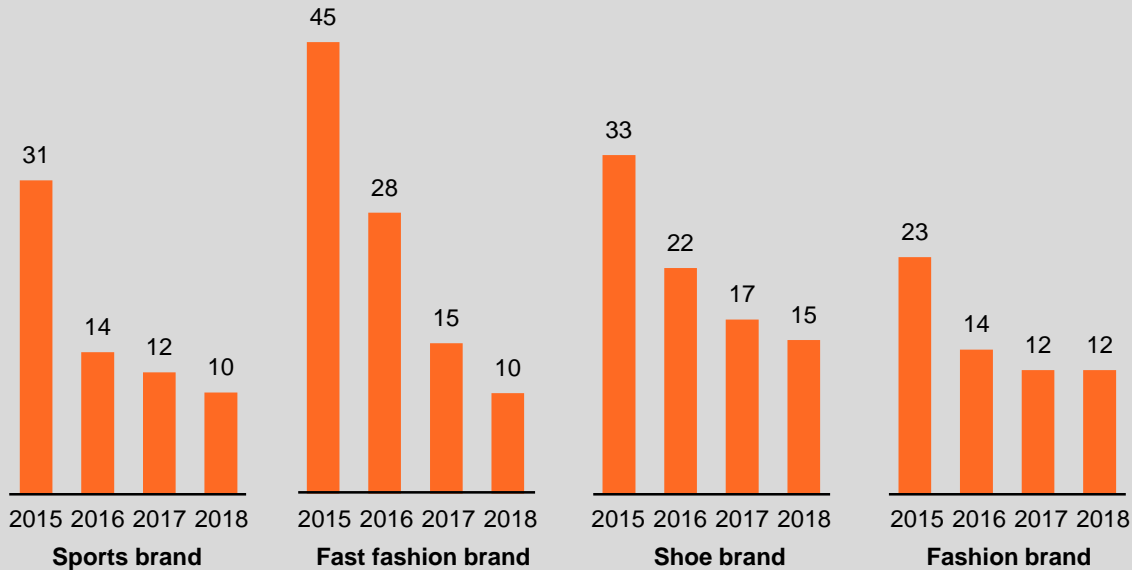


“The closer we are to the market, the stronger the demand signal. The stronger the demand signal, the better the assortment.”

Andy Campion, EVP & Chief Financial Officer
Nike

Monobrand E-Com Growth Is Slowing Down

Examples of Own E-Com Sales Growth Rates, % yoy

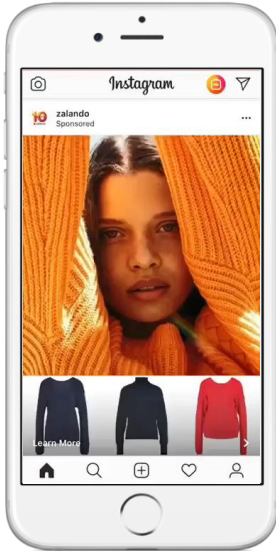


Challenged by...

- 1 New Customer Acquisition
- 2 Shopping Frequency

New Customer Acquisition: Zalando Masters Multi-Brand Marketing on FB & Insta

Multi-Brand Context Allows Positive ROI and Scale



95%

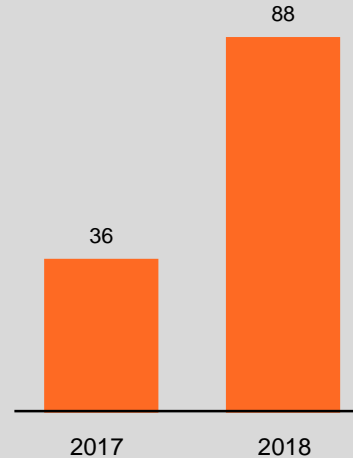
buy other brand



Mono brand marketing
1/20 less efficient than
Zalando

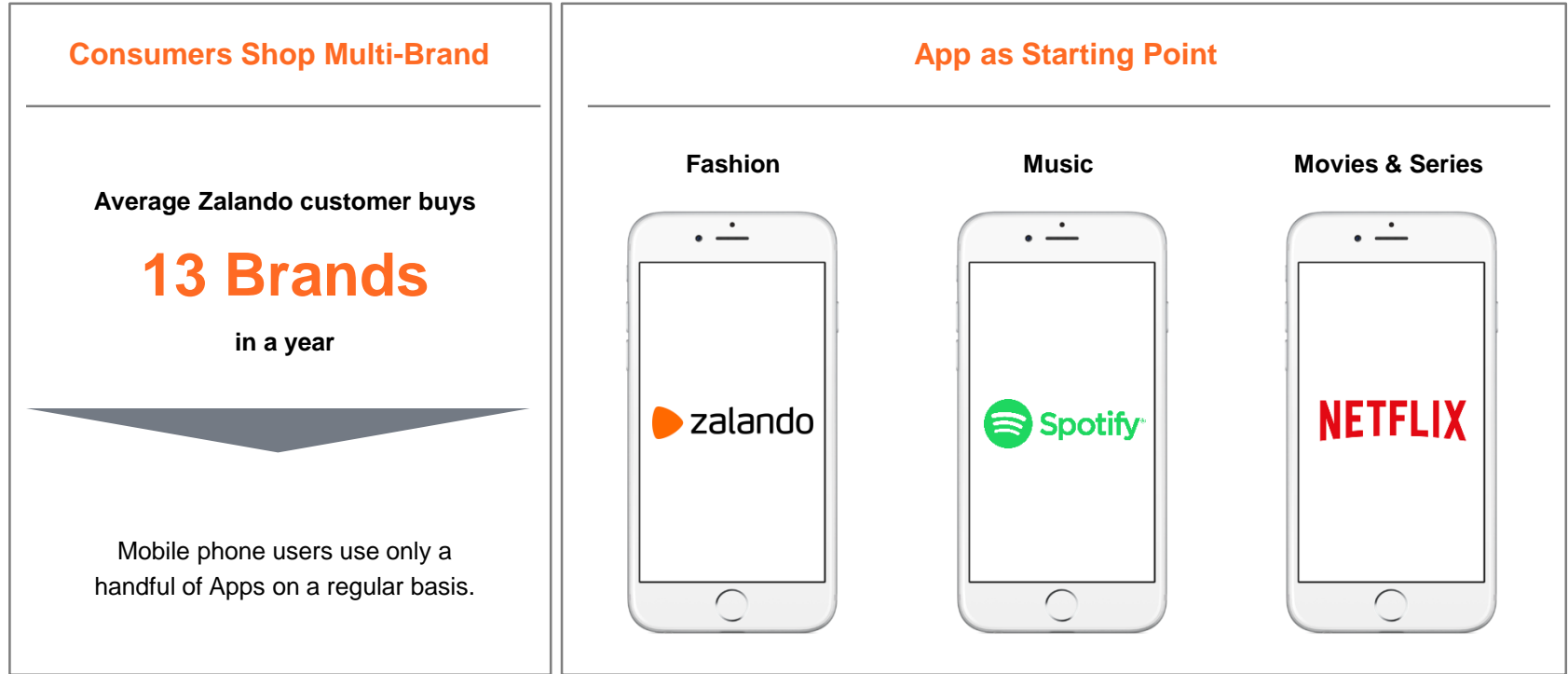
Automated, Data-Driven Marketing Drives Demand via Social Media

Zalando Ad Spending on FB & Insta, EUR m



ROI
positive

Customer: Starting Point Apps Benefit Multi-Brand



We Are a Platform Not a Traditional Retailer Anymore

Our 2 Business Models Are Geared Towards Direct Access



Model 1: Partner Program

Description

- Direct selling to consumer
- Partner does pricing and merchandising
 - Partner has inventory risk

Tools for Direct Access

Merchant Portal

- Customer insight sharing
- Merchandising tools
- Pricing tools

Model 2: Wholesale 2.0



Wholesale 2.0

- Zalando selling to consumer
- Zalando does pricing and merchandising
 - Zalando carries inventory risk

Retail Portal

- Customer insight
- Co-Planner
- Automated re-order
- Article Data enrichment tools

2 Business Models Complemented by Major Platform Services

			Services		
1	Partner Program	 >400 brands in 2018	Zalando Fulfillment Services ZFS	Zalando Marketing Service ZMS	Zalando Offprice Services ▶ zalandolounge
2	Wholesale 2.0	 >2,000 brands in 2018		Zalando Marketing Service ZMS	Zalando Offprice Services ▶ zalandolounge
Participating brands 2018:			>50 brands	>420 brands	>700 brands

ZFS Unlocks Positive Platform Dynamics for Customers

Superior Convenience for Customers

1 parcel instead of 3-4 parcels



Larger Assortment for Customers

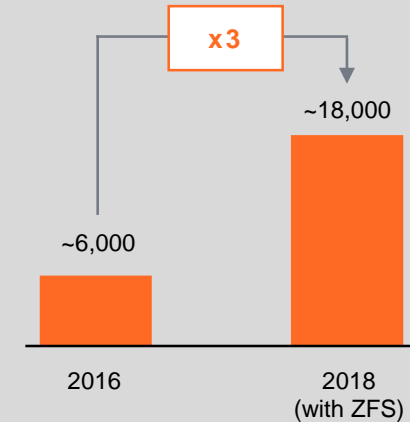
Unmatched unit economics for brands

~50%

lower shipping costs (on average) per item for brands

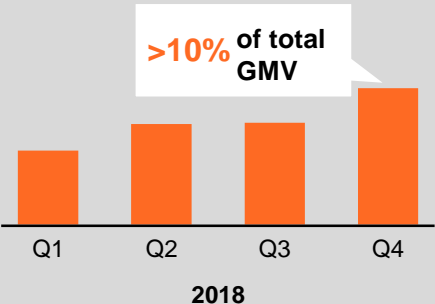
Making shopping economics in some case better than own e-com

Assortment of example brand on Zalando, SKUs

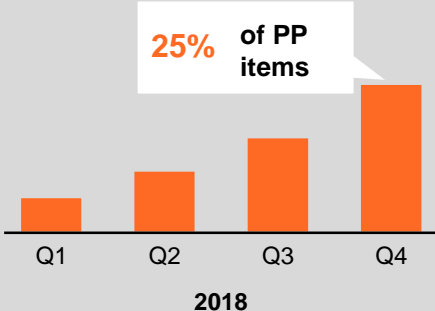


Partners Are Investing Accordingly

Partner Program
Total GMV, EUR



ZFS Items



ZMS Revenue, EUR



Success Case Mango



ZFS Pipeline 2019

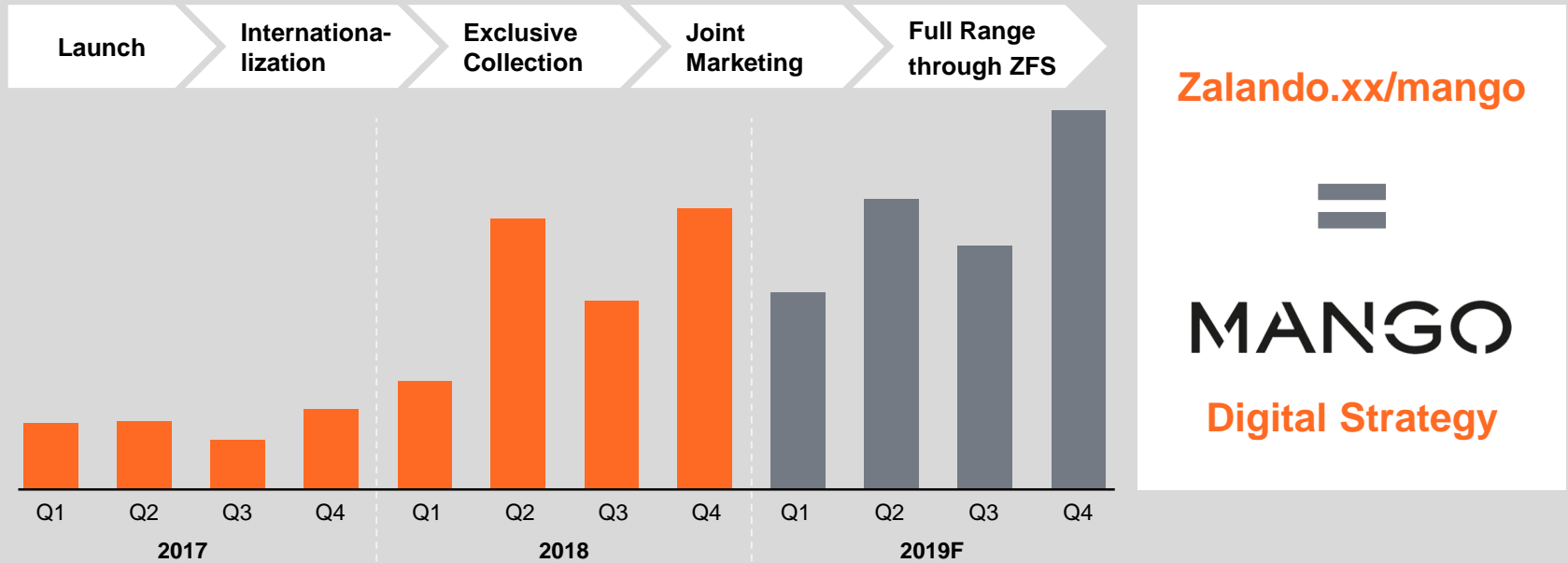


Success Case Under Armour



Mango Showcases Interaction of Platform Elements

GMV Development and Forecast



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