Exceptional H1 performance underlines our opportunity to play an even bigger role for customers and partners through our platform strategy

Growing customer and partner engagement: Active Customers grew by >30% to 44.5m and Partner Program GMV by >100% in H1 while pandemic induced restrictions have been gradually lifted.

Elevating our Beauty proposition: Building a distinct Beauty proposition is a key priority for us and the Sephora partnership presents an attractive opportunity to accelerate our growth trajectory.

Expanding our footprint in Europe: Customers in six additional markets can now enjoy Zalando’s endless choice, seamless convenience and tailored digital experience.

Delivering strong financial results in Q2: Delivered GMV growth of +40% YoY and strong profitability with an adj. EBIT margin of 6.7% against exceptional Q2/2020 comparables.

Reiterating FY/2021 guidance: GMV and revenue growth unchanged at +31-36% and +26-31% YoY, respectively, adj. EBIT now expected to reach the upper half of the guided 400-475m EUR range.
Business Update
Q2 2021
Strongest absolute growth in active customers on record and increasing order frequency demonstrate strong consumer demand

### Active customers (in #m)

<table>
<thead>
<tr>
<th></th>
<th>Q2/20</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34.1</td>
<td>44.5</td>
</tr>
</tbody>
</table>

+30.6%

### Average orders per active customer (LTM in #)

<table>
<thead>
<tr>
<th></th>
<th>Q2/20</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.7</td>
<td>5.0</td>
</tr>
</tbody>
</table>

+6.4%

### Average basket size after returns¹ (LTM in €)

<table>
<thead>
<tr>
<th></th>
<th>Q2/20</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57.0</td>
<td>57.7</td>
</tr>
</tbody>
</table>

+1.4%

### GMV per active customer² (LTM in €)

<table>
<thead>
<tr>
<th></th>
<th>Q2/20</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>268.7</td>
<td>289.8</td>
</tr>
</tbody>
</table>

+7.8%

---

1) Defined as GMV divided by the number of orders
2) Defined as GMV divided by the number of active customers
Customers acquired during the first lockdown in 2020 continued to remain very active as stores reopened and restrictions eased throughout Q2.
COVID-19 induced a step change in online penetration and our partners capitalized strongly on the online growth opportunity by leveraging our Direct-To-Consumer platform offerings.

**Partner Program**
- GMV in m€
- Continued strong Partner Program growth driven by new and existing partners

**Connected Retail Stores**
- # stores
- Steady increase in Connected Retail stores, despite reopening and resumed commissions

**Zalando Fulfillment Solutions**
- # of shipped items, in m
- Partners internationalized their business on Zalando leveraging our pan-European Fulfillment Network

**Zalando Marketing Services**
- Revenue in m€
- Increased partner investments to generate sales opportunities and to build brand equity

(H1/20, H2/20, H1/21 columns for each category)
Next to improving our core fashion experience, elevating distinct and marketable propositions such as Beauty is a key priority for us to drive customer engagement and spending.

Beauty enlarges our already massive ~€450bn fashion TAM by another ~€120bn in the next 5-10 years\(^1,2\).

**Total European Beauty market ~€120bn**

> 25%  

**Online Beauty**

**Beauty is highly complementary to Fashion:**  
3 out of 5 of our customer also buy fashion products when shopping Beauty.

**Comparatively low online penetration despite COVID-19 step change:** share of online beauty sales jumped from 8% in 2019 to 11% in 2020\(^2\), still significantly lower than in fashion.

**We are distinctly positioned to capitalize on this additional growth opportunity:**  
We have the necessary customer insights, infrastructure and capabilities to support our growth ambitions.

---

1) TAM: Total Addressable Market  
2) Source: Company and Euromonitor International, July 2021. Values based on actuals and estimates; fixed exchange rates. Western and Eastern Europe excluding Russia; Beauty and Personal care
We are excited about our multi-year vision to build an industry-leading Beauty proposition, which is being further accelerated by our Sephora partnership.

**More choice, more markets**
- >16,000 SKUs covering the full beauty spectrum
- >350 brands with popular brands from Estée Lauder & Coty group
- Live in 10 markets

**Sephora partnership boosts choice**
- Access to +300 prestige and exclusive brands
- Sephora to join Partner Program in Germany in Q4
- Partnership is set to be rolled out to other markets as of 2022

**Elevate Beauty proposition**
- *Endless choice* for our customers covering the most sought-after beauty products
- *Multisensory experience* with improved functionalities, online advice and trial solutions

---

- **2018**
- **H1/2021**
- **Q4/2021**
- **2022**
Outstanding topline momentum fueled by strong customer and partner engagement even as restrictions eased and stores re-opened

Revenue – Group (H1)

- **Fashion Store**
  - H1/20: 3,262
  - H1/21: 4,500
  - GMV +39.7%
- **Offprice**
  - H1/20: 78
  - H1/21: 125
  - GMV +55.2%
- **Other**
  - H1/20: 437
  - H1/21: 678
  - GMV +61.9%

Revenue – Group (Q2)

- **Fashion Store**
  - Q2/20: 1,870
  - Q2/21: 2,491
  - GMV +33.2%
  - GMV +34.3%
- **Offprice**
  - Q2/20: 252
  - Q2/21: 360
  - GMV +42.9%
  - GMV +66.6%
- **Other**
  - Q2/20: 40
  - Q2/21: 67

Fashion Store – DACH (Q2)

- **Q2/20**: 863
- **Q2/21**: 1,159
- GMV +34.3%
- GMV +43.9%

Fashion Store – Rest of Europe (Q2)

- **Q2/20**: 1,007
- **Q2/21**: 1,331
- GMV +32.2%
- GMV +37.1%

1) H1/21 (H1/20) contains -332.9 €m (-217.4 €m) reconciliation of internal revenues; Q2/21 (Q2/20) contains -184.9 €m (-127.8 €m) reconciliation of internal revenues
We delivered healthy profitability on the back of strong topline momentum

### Adj. EBIT – Group (H1)

<table>
<thead>
<tr>
<th></th>
<th>H1/19</th>
<th>H1/20</th>
<th>H1/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashion Store</td>
<td>112</td>
<td>99</td>
<td>221</td>
</tr>
<tr>
<td>Offprice</td>
<td>11</td>
<td>24</td>
<td>53</td>
</tr>
<tr>
<td>Other</td>
<td>11</td>
<td>24</td>
<td>53</td>
</tr>
</tbody>
</table>

(in €m and %)

- **Adj. EBIT – Group (Q2)**

<table>
<thead>
<tr>
<th></th>
<th>Q2/19</th>
<th>Q2/20</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashion Store</td>
<td>104</td>
<td>198</td>
<td>156</td>
</tr>
<tr>
<td>Offprice</td>
<td>7</td>
<td>16</td>
<td>27</td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

(in €m and %)

### Adj. EBIT – Group (Q2)

- **Fashion Store – DACH (Q2)**

<table>
<thead>
<tr>
<th></th>
<th>Q2/19</th>
<th>Q2/20</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBIT</td>
<td>67</td>
<td>124</td>
<td>120</td>
</tr>
</tbody>
</table>

(in €m and %)

- **Fashion Store – Rest of Europe (Q2)**

<table>
<thead>
<tr>
<th></th>
<th>Q2/19</th>
<th>Q2/20</th>
<th>Q2/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBIT</td>
<td>36</td>
<td>74</td>
<td>36</td>
</tr>
</tbody>
</table>

(in €m and %)

---

1) H1/21 (H1/20) contains 3.2 €m (-0.7 €m) reconciliation of internal EBIT; Q2/21 (Q2/20) contains 1.8 €m (-0.7 €m) reconciliation of internal EBIT

2) Excluding equity-settled share-based compensation (SBC) in H1/21 of -26.0 €m, H1/20 of -27.9 €m, Q2/21 of -11.3 €m, Q2/20 of -13.5 €m; and non-operating one-off effects in Q2 & H1/21 of +13.6 €m
Increased marketing spend to capture full demand potential drives Q2 profitability lower

<table>
<thead>
<tr>
<th>Costs and margins (in % of revenue)</th>
<th>H1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>(57.0%)</td>
<td>(59.5%)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>43.0%</td>
<td>40.5%</td>
</tr>
<tr>
<td>Fulfillment costs</td>
<td>(28.0%)</td>
<td>(27.3%)</td>
</tr>
<tr>
<td>Marketing costs</td>
<td>(7.6%)</td>
<td>(6.4%)</td>
</tr>
<tr>
<td>Administrative expenses &amp; Other</td>
<td>(4.9%)</td>
<td>(4.3%)</td>
</tr>
<tr>
<td>EBIT</td>
<td>2.5%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Adj. EBIT2</td>
<td>3.6%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

1) Rounding differences may occur.
2) Excluding equity-settled share-based payment expense ("SBC"), restructuring costs and non-operating one-time effects.

Continued return rate benefit and high network utilization
ROI based marketing and lapping of LYs savings measures

zalando
Net working capital increased as a result of strong inventory intake while capex spend remains back-end loaded in 2021

Net working capital (end of Q2) (in €m or % of annualized revenue)

<table>
<thead>
<tr>
<th>Year</th>
<th>Intangibles</th>
<th>PP&amp;E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2/20</td>
<td>(31.2)</td>
<td>0.1%</td>
</tr>
<tr>
<td>Q2/21</td>
<td>(0.4)%</td>
<td>12.8</td>
</tr>
</tbody>
</table>

Capital expenditure (in €m)

- Q2/21: 91.1 (Intangibles: 37.0, PP&E: 54.1)
- H1/21: 91.4 (Intangibles: 44.3, PP&E: 47.1)
- Q2/20: 43.3 (Intangibles: 18.2, PP&E: 25.1)
- Q2/21: 51.6 (Intangibles: 20.6, PP&E: 31.0)

1) Excluding payments for acquisitions of 0.0 €m in H1/21, 0.0 €m in Q2/21 (H1/20: 0.0 €m, Q2/20: 0.0 €m)
Outlook
Upgraded FY/2021 outlook confirmed

GMV growth of 31 – 36%, and Revenue growth of 26 – 31%

Adj. EBIT\(^1\) in the upper half of the €400 – 475m range

Negative net working capital and Capex around €350m (previously: €350-400m range\(^2\))

1) Excluding equity-settled share-based payment expense (“SBC”) of ~60 €m, restructuring costs and non-operating one-time effects for FY/21
2) Excludes M&A transactions
Liquidity position

(1) Includes sales and investments in fixed and intangible assets (-91.4 €m), payments for acquisitions (+0.0 €m) and change in restricted cash (-0.2 €m).

(2) Includes financing cash flow (-503.9 €m) and effect of exchange rate on cash and cash equivalents (-8.8 €m).
## Upcoming events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, August 10th</td>
<td>Fireside Chat with our CFO David Schröder (hosted by RBC)</td>
</tr>
<tr>
<td>Thursday, September 2nd</td>
<td>Commerzbank Corporate Conference, Frankfurt</td>
</tr>
<tr>
<td>Tue-Wed, September 7th-8th</td>
<td>Asia Roadshow (DAIWA)</td>
</tr>
<tr>
<td>Mon-Wed, September 13th-15th</td>
<td>Citi Tech Conference, New York</td>
</tr>
<tr>
<td>Mon-Tue, September 20th-21st</td>
<td>Goldman Sachs/Berenberg German Corporate Conference, Munich</td>
</tr>
<tr>
<td>Wed-Thu, September 22nd-23rd</td>
<td>Baader Bank Investment, Conference Munich</td>
</tr>
<tr>
<td>Wednesday, November 3rd</td>
<td>Publication Q3/2021 Results</td>
</tr>
</tbody>
</table>

All events are virtual.
SHARE INFORMATION (AS OF JUN 30, 2021)

Type of Shares
Ordinary bearer shares with no-par value (Stückaktien)

Stock Exchange
Frankfurt Stock Exchange

Market Segment
Regulated Market (Prime Standard)

Index Listings
MDAX

Total Number of Shares Outstanding
261,531,764

Issued Share Capital
€261,531,764

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STOCK OPTION PROGRAMS MGMT BOARD (AS OF JUN 30, 2021)

<table>
<thead>
<tr>
<th>Program</th>
<th># Options outstanding</th>
<th>Weighted average exercise price (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOP 2013¹</td>
<td>657,475</td>
<td>1.00</td>
</tr>
<tr>
<td>LTI 2018²</td>
<td>4,296,949</td>
<td>47.44</td>
</tr>
<tr>
<td>VSOP 2018</td>
<td>140,000</td>
<td>29.84</td>
</tr>
<tr>
<td>LTI 2019</td>
<td>513,442</td>
<td>23.36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,607,866</strong></td>
<td><strong>39.35</strong></td>
</tr>
</tbody>
</table>

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STOCK OPTION PROGRAMS SENIOR MGMT (AS OF JUN 30, 2021)

<table>
<thead>
<tr>
<th>Program</th>
<th># Options outstanding</th>
<th>Weighted average exercise price (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOP 2014¹</td>
<td>715,614</td>
<td>23.42</td>
</tr>
<tr>
<td>EIP¹</td>
<td>3,066,217</td>
<td>37.11</td>
</tr>
<tr>
<td>VSOP 2017</td>
<td>60,000</td>
<td>50.00</td>
</tr>
<tr>
<td>ZOP</td>
<td>1,220,533</td>
<td>33.77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,062,364</strong></td>
<td><strong>31.21</strong></td>
</tr>
</tbody>
</table>

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1) Settled with new shares
2) Only to 43% dilutive / to be settled with new shares, remaining backed by treasury shares
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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.