



# Quarterly Statement

## Q1 2024

zalando

# Zalando at a glance

## Key figures

	Q1 2024	Q1 2023	Change
<b>Key performance indicators</b>			
Gross Merchandise Volume (GMV*) (in EUR m)	3,269.7	3,226.9	1.3%
Revenue (in EUR m)	2,241.4	2,255.6	-0.6%
Adjusted EBIT (in EUR m)**	28.3	-0.7	>100%
Adjusted EBIT margin (as %)	1.3	0.0	1.3pp
EBIT (in EUR m)	0.7	-26.2	>100%
EBIT margin (as %)	0.0	-1.2	1.2pp
Capex (in EUR m)	-59.5	-37.7	57.8%
Active customers (LTM***) (in millions)	49.5	51.2	-3.3%
Number of orders (in millions)	55.2	56.7	-2.6%
Average GMV per active customer (LTM****) (in EUR)	296.7	290.5	2.2%
Average orders per active customer (LTM****)	4.9	5.1	-3.0%
Average basket size (LTM****) (in EUR)	60.4	57.3	5.4%
<b>Other key figures</b>			
Net working capital (in EUR m)****	-328.6	-441.8	25.6%
Equity ratio (as % of total assets)****	31.4	30.5	0.9pp
Cash flow from operating activities (in EUR m)	-102.0	-166.8	38.8%
Cash flow from investing activities (in EUR m)	-82.5	-38.2	>100%
Free cash flow (in EUR m)	-161.5	-205.0	21.2%
Cash and cash equivalents (in EUR m)****	2,301.6	2,533.2	-9.1%
Average number of employees****	15,497	15,793	-1.9%
Basic earnings per share (in EUR)	-0.03	-0.15	77.3%
Diluted earnings per share (in EUR)	-0.03	-0.15	77.3%

pp = percentage points

For an explanation of the performance indicators please refer to the glossary to the annual report 2023 (section 4.3). Rounding differences may arise in the percentages and numbers shown in this quarterly statement.

\*) GMV (Gross Merchandise Volume) is defined as the value of all merchandise sold to customers after cancellations and returns and including VAT, dynamically reported. It does not include B2B revenues (e.g. Partner Program commission, Zalando Marketing Services or Zalando Fulfillment Solutions) and other B2C revenues (e.g. service charges like express delivery fees); these are included in revenue only. GMV is recorded based on the time of the customer order.

\*\*) Adjusted EBIT is defined as EBIT before equity-settled share-based payment expenses, restructuring costs, acquisition-related expenses and other significant non-operating one-time effects.

\*\*\*\*) Calculated based on the last twelve months (LTM).

\*\*\*\*\*) As of Mar 31, 2024 and Dec 31, 2023 respectively

## 1.1 Financial performance of the group

### Condensed consolidated income statement Q1 2024

IN EUR M	Q1 2024	As % of revenue	Q1 2023	As % of revenue	Change
GMV	3,269.7	145.9%	3,226.9	143.1%	2.8pp
Revenue	2,241.4	100.0%	2,255.6	100.0%	0.0pp
Cost of sales	-1,384.6	-61.8%	-1,401.1	-62.1%	0.3pp
<b>Gross profit</b>	<b>856.8</b>	<b>38.2%</b>	<b>854.5</b>	<b>37.9%</b>	<b>0.3pp</b>
Fulfillment costs	-550.5	-24.6%	-594.7	-26.4%	1.8pp
Marketing costs	-183.1	-8.2%	-164.0	-7.3%	-0.9pp
Administrative expenses	-122.8	-5.5%	-118.5	-5.3%	-0.2pp
Other operating income	5.3	0.2%	5.3	0.2%	0.0pp
Other operating expenses	-5.1	-0.2%	-8.9	-0.4%	0.2pp
<b>EBIT</b>	<b>0.7</b>	<b>0.0%</b>	<b>-26.2</b>	<b>-1.2%</b>	<b>1.2pp</b>
Share-based payments	22.3	1.0%	21.1	0.9%	0.1pp
Acquisition-related expenses	5.2	0.2%	4.4	0.2%	0.0pp
<b>Adjusted EBIT</b>	<b>28.3</b>	<b>1.3%</b>	<b>-0.7</b>	<b>0.0%</b>	<b>1.3pp</b>

Q1 2024 GMV increased by 1.3% to EUR 3,269.7m (prior-year period: EUR 3,226.9m). We returned to GMV growth supported by a timely start of the spring/summer season.

As of March 31, 2024, the number of active customers reached 49.5 million, compared to 51.2 million in the prior-year period. This development is attributable to a decline in new customer acquisition. GMV per active customer increased by 2.2% to EUR 296.7 (prior-year period: EUR 290.5). This increase was driven by a 5.4% rise in average basket size to EUR 60.4 (prior-year period: EUR 57.3) which compensated for lower average orders per active customer of 4.9 at the end of Q1 2024 (prior-year period: 5.1). All KPIs were calculated on the basis of the last twelve months.

Revenue on group level remained flat with EUR 2,241.4m (prior-year period: EUR 2,255.6m) with a continuously growing Partner Business and a strong revenue growth of 13.4% in B2B. The difference between GMV and revenue development is inherent in our Partner Business model where selling prices are fully reflected in the GMV metric, while revenue only includes the commission income on the selling price. Furthermore, revenue from our platform service Zalando Marketing Services (ZMS) as well as from our B2B segment including Zalando Fulfillment Solutions (ZFS) and our newly launched multi-channel offering are considered in revenue but not in GMV.

Based on improved gross profit margin and lower fulfillment costs, we generated an adjusted EBIT of EUR 28.3m in the first quarter of 2024 (prior-year period: EUR -0.7m). Adjustments comprise expenses for equity-settled share-based payments of EUR 22.3m (prior-year period:

EUR 21.1m) and acquisition-related expenses of EUR 5.2m (prior-year period: EUR 4.4m) in Q1 2024. The adjusted EBIT margin improved to 1.3% (prior-year period: 0.0%).

Our gross margin improved by 0.3 percentage points to 38.2% in the first three months of 2024 due to improved inventory management in our retail business as well as a growing Partner Business that comes with structurally higher gross profit margins.

Compared to the prior-year period, fulfillment costs as a percentage of revenue decreased by 1.8 percentage points to 24.6% due to a higher Partner Business share and favorable order economics reflected in a higher average basket size.

Marketing costs increased to EUR 183.1m (prior-year period: EUR 164.0m), with the marketing cost ratio at 8.2% of revenue, 0.9 percentage points higher compared to the prior-year period as we increased our investments in performance and brand marketing to leverage the timely start to the spring/summer season for demand generation and brand building.

Administrative expenses amounted to EUR 122.8m (prior-year period: EUR 118.5m). As a percentage of revenue administrative expenses rose 0.2 percentage points to 5.5% (prior-year period: 5.3%).

The improved financial result of EUR -13.0m (prior-year period: EUR -25.6m) is driven by higher interest income. Considering the financial result and income taxes of EUR 3.4m in the first quarter of 2024 (prior-year period: EUR 13.3m), our net loss amounted to EUR -8.9m in Q1 2024 (prior-year period: EUR -38.5m).

## 1.2 Results by segment

The condensed segment results for Q1 2024 are shown in the table below:

Segment results of the group Q1 2024

IN EUR M	B2C	B2B	Total	Recon- ciliation	Total group
GMV	3,269.7	0.0	3,269.7	0.0	3,269.7
<i>(prior year)</i>	<i>(3,226.9)</i>	<i>(0.0)</i>	<i>(3,226.9)</i>	<i>(0.0)</i>	<i>(3,226.9)</i>
Revenue	2,028.0	215.1	2,243.1	-1.7	2,241.4
<i>(prior year)</i>	<i>(2,068.1)</i>	<i>(189.7)</i>	<i>(2,257.8)</i>	<i>(-2.1)</i>	<i>(2,255.6)</i>
thereof intersegment revenue	0.0	1.7	1.7	-1.7	0.0
<i>(prior year)</i>	<i>(0.0)</i>	<i>(2.1)</i>	<i>(2.1)</i>	<i>(-2.1)</i>	<i>(0.0)</i>
Adjusted EBIT	22.9	5.4	28.3	0.0	28.3
<i>(prior year)</i>	<i>(-4.8)</i>	<i>(4.1)</i>	<i>(-0.7)</i>	<i>(0.0)</i>	<i>(-0.7)</i>
Adjusted EBIT margin (as %)	1.1%	2.5%	1.3%	—	1.3%
<i>(prior year)</i>	<i>(-0.2%)</i>	<i>(2.2%)</i>	<i>(0.0%)</i>	—	<i>(0.0%)</i>
Share-based payments	20.3	2.0	22.3	0.0	22.3
<i>(prior year)</i>	<i>(19.4)</i>	<i>(1.7)</i>	<i>(21.1)</i>	<i>(0.0)</i>	<i>(21.1)</i>
Acquisition-related expenses	0.9	4.4	5.2	0.0	5.2
<i>(prior year)</i>	<i>(0.0)</i>	<i>(4.4)</i>	<i>(4.4)</i>	<i>(0.0)</i>	<i>(4.4)</i>
EBIT	1.8	-1.0	0.7	0.0	0.7
<i>(prior year)</i>	<i>(-24.3)</i>	<i>(-1.9)</i>	<i>(-26.2)</i>	<i>(0.0)</i>	<i>(-26.2)</i>

In line with our updated strategy to build the leading pan-European fashion and lifestyle e-commerce ecosystem, we expand our capabilities around two sets of customers: B2C (Business to Consumer) and B2B (Business to Business) customers. We shift our steering and decision making from a sales channel view (Fashion Store and Offprice) to a distinction between B2C and B2B segments. From Q1 2024 our external reporting is adjusted accordingly to reflect these two operating segments.<sup>1</sup>

The B2C segment, that covers the majority of our business, includes our formerly known Fashion Store, Offprice as well as our platform service Zalando Marketing Services (ZMS).

GMV in the B2C segment, which is equal to group GMV, increased by 1.3% in the first three months of 2024 and reached EUR 3,269.7m (prior-year period: EUR 3,226.9m) driven by the timely start to the spring/summer season.

Revenue in the B2C segment decreased by 1.9% in the first quarter of 2024, 3.3% below the GMV growth rate, as the Partner Business share continued to grow.

<sup>1</sup> For further information please see the Annual Report 2023 in the section 2.1.2 Group structure and our group strategy in the section 2.1.3 Group strategy.

In Q1 2024, our adjusted EBIT in the B2C segment improved and reached EUR 22.9m compared to EUR -4.8m in the prior-year period. The adjusted EBIT margin in the B2C segment was at 1.1% (prior-year period: -0.2%). The improvement resulted from better gross margins and lower fulfillment costs.

The B2B segment covers our B2B services we offer to our partners on and off our Zalando Platform. B2B products contain our recently launched ZEOS brand including Zalando Fulfillment Services (ZFS), our multi-channel offering and Tradebyte as well as Highsnobiety. As mentioned above B2B does not contribute to GMV.

Revenues in B2B showed an increase of 13.4% reaching EUR 215.1m (prior-year period: EUR 189.7m) with ZFS being the major growth driver. The B2B segment recorded an adjusted EBIT of EUR 5.4m in the first quarter of 2024 compared to EUR 4.1m in the prior-year period, with an adjusted EBIT margin of 2.5% up from 2.2% in the prior-year period.

## 1.3 Cash flows

The group's condensed statement of cash flows is presented in the following table:

### Condensed statement of cash flows

IN EUR M	Q1 2024	Q1 2023
<b>Cash flow from operating activities</b>	<b>-102.0</b>	<b>-166.8</b>
<b>Cash flow from investing activities</b>	<b>-82.5</b>	<b>-38.2</b>
<b>Cash flow from financing activities</b>	<b>-40.7</b>	<b>-29.6</b>
Net change in cash and cash equivalents from cash relevant transactions	-225.2	-234.5
Change in cash and cash equivalents due to exchange rate movements	-6.4	-5.5
Cash and cash equivalents at the beginning of the period	2,533.2	2,024.8
<b>Cash and cash equivalents at the end of the period</b>	<b>2,301.6</b>	<b>1,784.8</b>
<b>Free cash flow</b>	<b>-161.5</b>	<b>-205.0</b>

In the first quarter of 2024, we generated a negative cash flow from operating activities of EUR -102.0m (prior-year period: EUR -166.8m). Positive effects from our operating income (considering that our net income comprises non-cash expenses like depreciation and share-based payments) were overcompensated by the development of our net working capital.

In comparison to the first quarter of 2023, the improvement of the cash flow from operating activities of EUR 64.7m resulted primarily from net working capital, the positive change in the development of our operating income and lower income tax paid less refunds, partly compensated by effects from the collection of VAT receivables in Poland in Q1 2023 shown in other assets and liabilities.

Cash flow from investing activities was mainly impacted by capex amounting to EUR 59.5m (prior-year period: EUR 37.7m) in the first quarter of 2024, which predominately consisted of investments in logistics infrastructure related to the fulfillment centers in Germany and Poland, as well as capex in internally developed software. The cash flow from investing activities further consisted of investments in term deposits amounting to EUR 28.0m in Q1 2024.

As a result, our free cash flow improved in the first quarter of 2024 by EUR 43.4m to EUR -161.5m from EUR -205.0m in the prior-year period.

In the first three months of 2024, cash flow from financing activities predominately consisted of payments of the principal portion of lease liabilities in the amount of EUR 33.3m (prior-year period: EUR 30.0m). The further difference compared to the prior-year period is mainly attributable to cash outflows of EUR 7.9m for the repurchase of treasury shares in Q1 2024.

Overall, cash and cash equivalents decreased by EUR 231.6m during the first quarter of 2024 and remained strong at EUR 2,301.6m as of March 31, 2024 (December 31, 2023: EUR 2,533.2m).

## 1.4 Financial position

The group's financial position is presented in the following condensed statement of financial position:

### Assets

IN EUR M	Mar 31, 2024		Dec 31, 2023		Change	
Non-current assets	2,548.1	33.1%	2,540.5	32.6%	7.7	0.3%
Current assets	5,156.5	66.9%	5,249.2	67.4%	-92.7	-1.8%
<b>Total assets</b>	<b>7,704.6</b>	<b>100.0%</b>	<b>7,789.7</b>	<b>100.0%</b>	<b>-85.0</b>	<b>-1.1%</b>

### Equity and liabilities

IN EUR M	Mar 31, 2024		Dec 31, 2023		Change	
Equity	2,418.5	31.4%	2,373.1	30.5%	45.4	1.9%
Non-current liabilities	1,913.4	24.8%	1,890.4	24.3%	23.0	1.2%
Current liabilities	3,372.7	43.8%	3,526.2	45.3%	-153.5	-4.4%
<b>Total equity and liabilities</b>	<b>7,704.6</b>	<b>100.0%</b>	<b>7,789.7</b>	<b>100.0%</b>	<b>-85.0</b>	<b>-1.1%</b>

Compared to December 31, 2023, our total assets slightly decreased by 1.1% to EUR 7,704.6m. The statement of financial position is dominated by property, plant and equipment, net working capital, as well as cash and cash equivalents.

During the first quarter of 2024, non-current assets comprised additions to intangible assets amounting to EUR 21.6m (prior-year period: EUR 19.2m). Additions to property, plant and equipment totaled EUR 16.6m (prior-year period: EUR 10.3m), primarily relating to our fulfillment centers in Germany and Poland. The effects were compensated by depreciation.

The development of current assets by EUR -92.7m was essentially driven by a decrease in cash and cash equivalents as well as trade and other receivables, partly compensated by the increase in inventories resulting from our inbound preparation for the spring/summer 2024 season.

Equity increased by 1.9% with a carrying amount of EUR 2,418.5m as of March 31, 2024 (December 31, 2023: EUR 2,373.1m) primarily due to our positive other comprehensive income as well as share-based compensation effects. The equity ratio increased from 30.5% at the beginning of the year to 31.4% as of March 31, 2024.

While our non-current liabilities slightly increased, the development of our current liabilities was mainly driven by trade payables and similar liabilities decreasing by EUR 107.7m to EUR 2,674.3m as of March 31, 2024. This was due to a more decisive buying as a consequence of our higher stock inbound levels at the beginning of last year. Furthermore, suppliers' claims against Zalando, totaling EUR 623.5m as of March 31, 2024, were transferred to various factoring providers (December 31, 2023: EUR 590.1m). These balances were recognized under trade payables and similar liabilities. In addition, other financial liabilities decreased by EUR 64.1m to EUR 169.6m as of March 31, 2024, mainly impacted by the effects from valuation of our hedging instruments.

We plan to repurchase convertible bonds with maturity in 2025 through open market purchases or privately negotiated transactions. Such repurchases will depend on market conditions, liquidity requirements, contractual restrictions and other factors but will not exceed the amount of EUR 100m.

Net working capital, consisting of inventories and trade and other receivables less trade payables and similar liabilities, rose from EUR -441.8m as of December 31, 2023 to EUR -328.6m as of March 31, 2024.



## 2.1 Consolidated statement of comprehensive income

### Consolidated income statement

IN EUR M	Q1 2024	Q1 2023
Revenue	2,241.4	2,255.6
Cost of sales	-1,384.6	-1,401.1
<b>Gross profit</b>	<b>856.8</b>	<b>854.5</b>
Fulfillment costs	-550.5	-594.7
Marketing costs	-183.1	-164.0
Administrative expenses	-122.8	-118.5
Other operating income	5.3	5.3
Other operating expenses	-5.1	-8.9
<b>Earnings before interest and taxes (EBIT)</b>	<b>0.7</b>	<b>-26.2</b>
Interest and similar income	18.0	5.9
Interest and similar expenses	-22.0	-19.3
Other financial result	-9.1	-12.1
<b>Financial result</b>	<b>-13.0</b>	<b>-25.6</b>
<b>Earnings before taxes (EBT)</b>	<b>-12.3</b>	<b>-51.7</b>
Income taxes	3.4	13.3
<b>Net income/loss for the period</b>	<b>-8.9</b>	<b>-38.5</b>

## 2.2 Consolidated statement of financial position

Consolidated statement of financial position – assets

IN EUR M	Mar 31, 2024	Dec 31, 2023
<b>Non-current assets</b>		
Intangible assets	400.4	399.2
Property, plant and equipment	1,237.1	1,254.1
Right-of-use assets	807.0	785.5
Financial assets	84.9	85.2
Non-financial assets	4.8	3.2
Investments accounted for using the equity method	6.9	6.9
Deferred tax assets	7.0	6.4
	<b>2,548.1</b>	<b>2,540.5</b>
<b>Current assets</b>		
Inventories	1,584.0	1,440.9
Trade and other receivables	761.6	899.3
Other financial assets	183.0	110.5
Other non-financial assets	326.3	265.4
Cash and cash equivalents	2,301.6	2,533.2
	<b>5,156.5</b>	<b>5,249.2</b>
<b>Total assets</b>	<b>7,704.6</b>	<b>7,789.7</b>

## Consolidated statement of financial position – equity and liabilities

IN EUR M	Mar 31, 2024	Dec 31, 2023
<b>Equity</b>		
Issued capital	260.7	260.5
Capital reserves	1,339.7	1,323.7
Other reserves	16.1	-21.9
Retained earnings	802.0	810.9
	<b>2,418.5</b>	<b>2,373.1</b>
<b>Non-current liabilities</b>		
Provisions	111.2	108.8
Lease liabilities	792.1	780.0
Convertible bonds	945.1	939.4
Other financial liabilities	6.4	6.7
Other non-financial liabilities	0.3	0.4
Deferred tax liabilities	58.3	55.1
	<b>1,913.4</b>	<b>1,890.4</b>
<b>Current liabilities</b>		
Provisions	2.2	5.0
Lease liabilities	139.0	132.2
Trade payables and similar liabilities	2,674.3	2,782.0
Prepayments received	52.1	48.0
Income tax liabilities	26.4	20.6
Other financial liabilities	169.6	233.7
Other non-financial liabilities	309.2	304.6
	<b>3,372.7</b>	<b>3,526.2</b>
<b>Total equity and liabilities</b>	<b>7,704.6</b>	<b>7,789.7</b>

## 2.3 Consolidated statement of cash flows

### Consolidated statement of cash flows

IN EUR M		Q1 2024	Q1 2023
1	Net income/loss for the period	-8.9	-38.5
2 +	Non-cash expenses from share-based payments	22.3	21.1
3 +	Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	82.7	77.3
4 +/-	Income taxes	-3.4	-13.3
5 -	Income taxes paid, less refunds	6.1	-32.0
6 +/-	Increase/decrease in provisions	-0.4	2.5
7 -/+	Other non-cash income/expenses	5.0	11.0
8 +/-	Decrease/increase in inventories	-143.1	-248.7
9 +/-	Decrease/increase in trade and other receivables	137.7	175.4
10 +/-	Increase/decrease in trade payables and similar liabilities	-87.2	-143.3
11 +/-	Increase/decrease in other assets/liabilities	-112.8	21.6
<b>12 =</b>	<b>Cash flow from operating activities</b>	<b>-102.0</b>	<b>-166.8</b>
13 -	Cash paid for investments in property, plant and equipment	-37.6	-17.7
14 -	Cash paid for investments in intangible assets	-21.9	-19.9
15 -	Cash paid for acquisition of shares in associated companies, subsidiaries less cash acquired and other equity investments	0.0	-0.5
16 +/-	Cash received from/paid for investments in term deposits	-28.0	0.0
17 +/-	Change in restricted cash	4.9	0.0
<b>18 =</b>	<b>Cash flow from investing activities</b>	<b>-82.5</b>	<b>-38.2</b>
19 +	Cash received from capital increases by the shareholders and stock option exercises less transaction costs	0.5	0.4
20 -	Repurchase of treasury shares	-7.9	0.0
21 -	Cash repayments of loans and similar payments	0.0	0.0
22 -	Cash payments for the principal portion of lease liabilities	-33.3	-30.0
<b>23 =</b>	<b>Cash flow from financing activities</b>	<b>-40.7</b>	<b>-29.6</b>
24 =	Net change in cash and cash equivalents from cash relevant transactions	-225.2	-234.5
25 +/-	Change in cash and cash equivalents due to exchange rate movements	-6.4	-5.5
26 +	Cash and cash equivalents at the beginning of the period	2,533.2	2,024.8
<b>27 =</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>2,301.6</b>	<b>1,784.8</b>
	<b>Free cash flow</b>	<b>-161.5</b>	<b>-205.0</b>

## 3.1 Financial calendar 2024

Financial calendar

Date	Event
Friday, May 17	Annual general meeting 2024
Tuesday, August 6	Publication of the second quarter results 2024
Tuesday, November 5	Publication of the third quarter results 2024

## 3.2 Imprint

### Contact

Zalando SE  
Valeska-Gert-Straße 5  
10243 Berlin  
[corporate.zalando.com](https://corporate.zalando.com)  
[press@zalando.com](mailto:press@zalando.com)

### Investor Relations

Patrick Kofler/Director Investor Relations  
[investor.relations@zalando.de](mailto:investor.relations@zalando.de)

#### Disclaimer

This quarterly statement contains statements that relate to the future and are based on assumptions and estimates made by the management of Zalando SE. Even if the management is of the opinion that these assumptions and estimates are appropriate, the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry. Zalando SE makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this quarterly statement. It is neither the intention of Zalando SE nor does Zalando SE accept a special obligation to update statements related to the future in order to align them with events or developments that take place after this quarterly statement is published.

The quarterly statement is also available in German. If there are variances, the German version has priority over the English translation. It is available for download in both languages at <https://corporate.zalando.com/en/investor-relations>.

