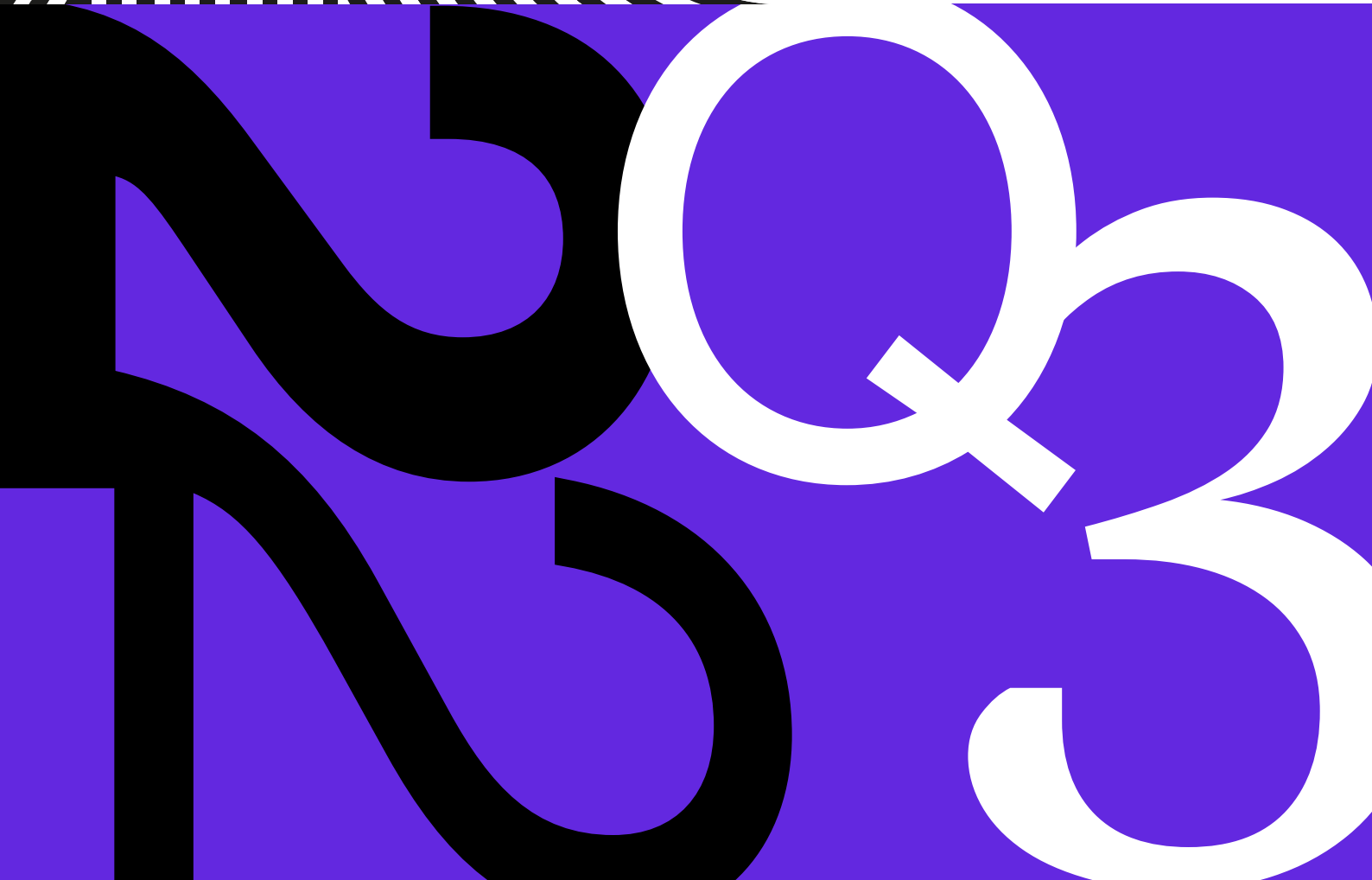


Quarterly Statement Q3 2022



zalando



Zalando at a glance

Key figures

	Jul 1 – Sep 30, 2022	Jul 1 – Sep 30, 2021	Change	Jan 1 – Sep 30, 2022	Jan 1 – Sep 30, 2021	Change
Key performance indicators						
Gross Merchandise Volume (GMV**) (in EUR m)	3,282.8	3,065.4	7.1%	10,229.6	9,997.3	2.3%
Revenue (in EUR m)	2,349.1	2,283.4	2.9%	7,177.2	7,254.3	-1.1%
EBIT (in EUR m)	-7.4	-4.6	-62.6%	-14.5	260.4	>100%
EBIT margin (as %)	-0.3	-0.2	-0.1pp	-0.2	3.6	-3.8pp
Adjusted EBIT (in EUR m)	13.5	9.8	38.2%	39.1	287.2	-86.4%
Adjusted EBIT margin (as %)	0.6	0.4	0.1pp	0.5	4.0	-3.4pp
Net working capital (in EUR m)***	121.6	-162.1	>100%	121.6	-162.1	>100%
Capex (in EUR m)	-77.0	-57.7	33.5%	-217.8	-149.1	46.1%
Active customers (in millions)	50.2	46.3	8.4%	50.2	46.3	8.4%
Number of orders (in millions)	58.8	55.8	5.5%	184.6	177.3	4.1%
Average GMV per active customer (LTM*) (in EUR)	290.4	291.7	-0.4%	290.4	291.7	-0.4%
Average orders per active customer (LTM*)	5.2	5.1	1.6%	5.2	5.1	1.6%
Average basket size (LTM*) (in EUR)	56.2	57.4	-2.1%	56.2	57.4	-2.1%
Other key figures						
Equity ratio (as % of total assets)***	28.4	32.2	-11.7%	28.4	32.2	-11.7%
Cash flow from operating activities (in EUR m)	141.6	-187.3	>100%	-183.7	71.7	>100%
Cash flow from investing activities (in EUR m)	-190.1	-60.5	>100%	-337.8	-152.1	>100%
Free cash flow (in EUR m)	-48.4	-245.0	80.2%	-523.9	-77.4	>100%
Cash and cash equivalents (in EUR m)***	1,549.4	2,287.9	-32.3%	1,549.4	2,287.9	-32.3%
Employees (as of the reporting date)***	16,826	17,043	-1.3%	16,826	17,043	-1.3%
Basic earnings per share (in EUR)	-0.14	-0.03	>100%	-0.32	0.57	>100%
Diluted earnings per share (in EUR)	-0.14	-0.03	>100%	-0.32	0.55	>100%

pp = percentage points

For an explanation of the performance indicators please refer to the glossary to the annual report 2021 (section 4.3).

Rounding differences may arise in the percentages and numbers shown in this quarterly statement.

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

**) 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.

***) As of Sep 30, 2022 and Dec 31, 2021 respectively

1.1 Financial performance of the group

Nine months condensed consolidated income statement 2022

IN EUR M	Jan 1 – Sep 30, 2022	As % of revenue	Jan 1 – Sep 30, 2021	As % of revenue	Change
Revenue	7,177.2	100.0%	7,254.3	100.0%	0.0pp
Cost of sales	-4,329.7	-60.3%	-4,246.8	-58.5%	-1.8pp
Gross profit	2,847.5	39.7%	3,007.5	41.5%	-1.8pp
Fulfillment costs	-1,988.5	-27.7%	-1,837.2	-25.3%	-2.4pp
Marketing costs	-545.0	-7.6%	-638.2	-8.8%	1.2pp
Administrative expenses	-341.3	-4.8%	-291.0	-4.0%	-0.7pp
Other operating income	18.6	0.3%	25.6	0.4%	-0.1pp
Other operating expenses	-5.9	-0.1%	-6.3	-0.1%	0.0pp
EBIT	-14.5	-0.2%	260.4	3.6%	-3.8pp
Share-based payments	50.0	0.7%	40.4	0.6%	0.1pp
Acquisition-related expenses	3.6	0.1%	0.0	0.0%	0.1pp
One-time effects	0.0	0.0%	-13.6	-0.2%	0.2pp
Adjusted EBIT	39.1	0.5%	287.2	4.0%	-3.4pp

Third quarter condensed consolidated income statement 2022

IN EUR M	Jul 1 – Sep 30, 2022	As % of revenue	Jul 1 – Sep 30, 2021	As % of revenue	Change
Revenue	2,349.1	100.0%	2,283.4	100.0%	0.0pp
Cost of sales	-1,431.2	-60.9%	-1,397.9	-61.2%	0.3pp
Gross profit	918.0	39.1%	885.5	38.8%	0.3pp
Fulfillment costs	-654.6	-27.9%	-604.4	-26.5%	-1.4pp
Marketing costs	-168.0	-7.2%	-197.5	-8.6%	1.5pp
Administrative expenses	-107.7	-4.6%	-91.1	-4.0%	-0.6pp
Other operating income	6.8	0.3%	5.7	0.3%	0.0pp
Other operating expenses	-1.9	-0.1%	-2.9	-0.1%	0.0pp
EBIT	-7.4	-0.3%	-4.6	-0.2%	-0.1pp
Share-based payments	17.3	0.7%	14.3	0.6%	0.1pp
Acquisition-related expenses	3.6	0.2%	0.0	0.0%	0.2pp
One-time effects	0.0	0.0%	0.0	0.0%	0.0pp
Adjusted EBIT	13.5	0.6%	9.8	0.4%	0.1pp

During the first nine months of 2022, our GMV of EUR 10,229.6m (prior-year period: EUR 9,997.3m) grew slightly and revenue of EUR 7,177.2m (prior-year period: EUR 7,254.3m) was slightly down compared to the prior-year period. Headwinds to our growth are coming

from overarching external factors, notably (i) low consumer confidence, (ii) inflationary pressures and fears of a recession as well as (iii) selected supply shortages impacting availability primarily in the footwear category. In addition, we have seen a post-pandemic normalization of e-commerce adoption with customer groups acquired during the pandemic showing lower retention rates. In Q3 2022, our GMV increased by 7.1% and revenue by 2.9% compared to the prior-year period. The difference between GMV growth and revenue growth is the result of the strong growth of the Partner Program, which is fully reflected in the GMV metric, while revenue only includes the commission income and service fees from partners.

At the end of Q3 2022, active customers crossed the 50-million mark (prior year: 46.3 million active customers), measured on a trailing 12-month basis, showing an increase of 8.4%. Average orders per active customer were at a similar level as last year with 5.2 orders (prior-year period: 5.1 orders). GMV per active customer remained stable at EUR 290.4 (prior-year period: EUR 291.7). The continued strong growth of our Partner Program led to an increased Partner Program share in GMV and also contributed to the increase in GMV overall. Our platform business model gives us the flexibility to adapt quickly to changing customer preferences.

In the first nine months of 2022, our cost of sales rose by 2.0% to EUR 4,329.7m, leading to a gross margin decrease of 1.8 percentage points. The decline in gross margin is mostly attributable to prolonged sales periods and price investments to reduce overstock levels. In Q3 2022, our gross margin stabilized compared to the prior-year period driven by a successful end of season sale and a timely start to the fall/winter season in September.

Compared to the prior-year period, fulfillment costs as a percentage of revenue increased by 2.4 percentage points in the first nine months of 2022. The fulfillment cost ratio was negatively affected by cost deleverage on our flat revenue development and investments in more convenient delivery options, partly mitigated by efficiency measures such as the introduction of minimum order values and temporary fuel surcharges passed on to Zalando Fulfillment Solutions (ZFS) partners.

The marketing cost ratio developed favorably, decreasing 1.2 percentage points compared to the prior-year first nine months, as a result of reduced brand marketing and increased ROI targets for performance marketing.

Administrative expenses increased from EUR 291.0m in the prior-year period to EUR 341.3m in the first nine months of 2022, increasing by 0.7 percentage points in proportion to revenue. The higher administrative cost ratio was mostly due to a larger increase in personnel and IT cost compared to revenue development.

In the first nine months of 2022, we generated an adjusted EBIT of EUR 39.1m (prior-year period: EUR 287.2m), and an adjusted EBIT margin of 0.5% (prior-year period: 4.0%), whereas our EBIT amounted to EUR -14.5m in the first nine months of 2022 (prior-year period: EUR 260.4m), while generating an EBIT margin of -0.2% (prior-year period: 3.6%). The development was driven by a lower gross margin as well as an increase in the fulfillment and administrative cost ratio and only partly compensated by efficiency measures

implemented in Q2. In contrast to the adjusted EBIT, the EBIT in the first nine months of 2022 comprises expenses from equity-settled share-based payments amounting to EUR 50.0m (prior-year period: EUR 40.4m) and acquisition-related expenses regarding the acquisition of Highsnobiety amounting to EUR 3.6m. In the prior-year period, other income of EUR 13.6m recognized due to the commencement of a sublease for office space has been eliminated from EBIT as a non-operating one-time effect. In Q3 2022, we saw a stable development of the adjusted EBIT margin with 0.6% (prior-year period: 0.4%) in line with the prior year and on pre-pandemic level.

In the first nine months of 2022, income taxes amount to EUR -13.3m (prior-year period: EUR -53.7m), mainly impacted by income tax expense for previous years as well as deferred tax expense from the decrease of deferred tax assets on options granted under our share-based payment programs. We recorded net income of EUR -82.7m (prior-year period: EUR 146.5m) in the first nine months of 2022. Due to the fact that the share in equity held by non-controlling interests was reduced to zero in Q1 2022, no net income attributable to non-controlling interests has been recorded in the first nine months of 2022.

1.2 Results by segment

Segment results of the group for the first nine months 2022

IN EUR M	Fashion Store	Offprice	All other segments	Total	Reconciliation	Total group
Revenue	6,455.3	1,066.0	245.3	7,766.6	-589.4	7,177.2
<i>(prior year)</i>	<i>(6,558.4)</i>	<i>(1,039.0)</i>	<i>(198.7)</i>	<i>(7,796.0)</i>	<i>(-541.7)</i>	<i>(7,254.3)</i>
thereof intersegment revenue	529.6	3.9	55.4	588.9	-588.9	0.0
<i>(prior year)</i>	<i>(501.7)</i>	<i>(3.3)</i>	<i>(36.7)</i>	<i>(541.7)</i>	<i>(-541.7)</i>	<i>(0.0)</i>
EBIT	-42.2	17.4	7.7	-17.2	2.6	-14.5
<i>(prior year)</i>	<i>(212.3)</i>	<i>(45.0)</i>	<i>(0.4)</i>	<i>(257.7)</i>	<i>(2.7)</i>	<i>(260.4)</i>
Share-based payments	40.1	7.0	2.9	50.0	0.0	50.0
<i>(prior year)</i>	<i>(32.3)</i>	<i>(5.4)</i>	<i>(2.7)</i>	<i>(40.4)</i>	<i>(0.0)</i>	<i>(40.4)</i>
Acquisition-related expenses	0.0	0.0	3.6	3.6	0.0	3.6
<i>(prior year)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>
One-time effects	0.0	0.0	0.0	0.0	0.0	0.0
<i>(prior year)</i>	<i>(-12.6)</i>	<i>(-0.5)</i>	<i>(-0.5)</i>	<i>(-13.6)</i>	<i>(0.0)</i>	<i>(-13.6)</i>
Adjusted EBIT	-2.2	24.4	14.2	36.5	2.6	39.1
<i>(prior year)</i>	<i>(232.0)</i>	<i>(49.9)</i>	<i>(2.5)</i>	<i>(284.5)</i>	<i>(2.7)</i>	<i>(287.2)</i>

The condensed segment results for Q3 2022 are shown in the table below:

Segment results of the group Q3 2022

IN EUR M	Fashion Store	Offprice	All other segments	Total	Reconciliation	Total group
Revenue	2,090.1	377.2	104.5	2,571.8	-222.7	2,349.1
<i>(prior year)</i>	<i>(2,058.4)</i>	<i>(360.6)</i>	<i>(73.2)</i>	<i>(2,492.2)</i>	<i>(-208.8)</i>	<i>(2,283.4)</i>
thereof intersegment revenue	198.0	2.0	22.4	222.4	-222.4	0.0
<i>(prior year)</i>	<i>(194.0)</i>	<i>(2.6)</i>	<i>(12.2)</i>	<i>(208.8)</i>	<i>(-208.8)</i>	<i>(0.0)</i>
EBIT	-16.8	6.0	2.9	-7.9	0.5	-7.4
<i>(prior year)</i>	<i>(-0.4)</i>	<i>(-5.0)</i>	<i>(1.3)</i>	<i>(-4.1)</i>	<i>(-0.5)</i>	<i>(-4.6)</i>
Share-based payments	13.8	2.5	1.0	17.3	0.0	17.3
<i>(prior year)</i>	<i>(11.3)</i>	<i>(2.0)</i>	<i>(1.0)</i>	<i>(14.3)</i>	<i>(0.0)</i>	<i>(14.3)</i>
Acquisition-related expenses	0.0	0.0	3.6	3.6	0.0	3.6
<i>(prior year)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>
One-time effects	0.0	0.0	0.0	0.0	0.0	0.0
<i>(prior year)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>	<i>(0.0)</i>
Adjusted EBIT	-3.0	8.4	7.5	13.0	0.5	13.5
<i>(prior year)</i>	<i>(10.9)</i>	<i>(-3.0)</i>	<i>(2.4)</i>	<i>(10.2)</i>	<i>(-0.5)</i>	<i>(9.8)</i>

Financial information for the Fashion Store segment, including intersegment transactions, breaks down into the regions DACH and Rest of Europe as follows:

Fashion Store results by region Q3 2022

IN EUR M	DACH	Rest of Europe	Fashion Store
Revenue	913.3	1,176.6	2,090.1
<i>(prior year)</i>	<i>(917.0)</i>	<i>(1,141.4)</i>	<i>(2,058.4)</i>
thereof intersegment revenue	73.0	125.0	198.0
<i>(prior year)</i>	<i>(78.1)</i>	<i>(116.0)</i>	<i>(194.0)</i>
EBIT	9.0	-25.7	-16.8
<i>(prior year)</i>	<i>(47.8)</i>	<i>(-48.2)</i>	<i>(-0.4)</i>
Adjusted EBIT	14.2	-17.2	-3.0
<i>(prior year)</i>	<i>(52.5)</i>	<i>(-41.6)</i>	<i>(10.9)</i>

In the Fashion Store segment, revenue decreased slightly by 1.6% in the first nine months of 2022 compared to the corresponding prior-year period which is mainly attributable to a comparatively weaker demand environment, selected supply shortages impacting availability primarily in the footwear category and a normalization of e-commerce adoption rates. Q3 2022 showed a return to growth of 1.5% of revenue compared to Q3 2021. The number of

orders increased by a mid-single digit percentage in Q3 2022 compared to the corresponding prior-year period. The adjusted EBIT margin (EBIT margin) in the Fashion Store segment was at 0.0% (-0.7%) in the first nine months of 2022 compared to 3.5% (3.2%) in the prior-year period.

The decrease of the Fashion Store EBIT margin is mainly attributable to a lower gross margin as well as an increased fulfillment cost ratio on the back of slower growth. The gross profit margin in the Fashion Store decreased primarily due to prolonged sales periods and price investment to reduce overstock levels. In Q3 2022, the Fashion Store gross margin stabilized compared to the prior-year period due to a successful end of season sale and a timely start to the fall/winter season in September. The Fashion Store fulfillment costs in relation to revenue increased in the first nine months of 2022, primarily by cost deleverage on low revenue and investments in more convenient delivery options, partly mitigated by the introduction of minimum order values in 15 additional countries and temporary fuel surcharges passed on to ZFS partners.

In the Offprice segment, revenue grew by 2.6% in the first nine months of 2022 compared to the corresponding prior-year period. Especially in the third quarter the Offprice segment continued with solid revenue growth of 4.6%. In the first nine months of 2022, the Offprice segment recorded an adjusted EBIT margin (EBIT margin) of 2.3% (1.6%), equivalent to a reduction of 2.5 percentage points (2.7 percentage points) compared to the prior-year period. The slight decrease of the Offprice EBIT margin is attributable to a gross margin decline due to prolonged sales periods and price investment coupled with an unfavorable development of the fulfillment cost ratio. In Q3 2022, the gross margin improved compared to the prior-year period resulting in an increase in the adjusted EBIT margin (EBIT margin) of 3.1 percentage points (3.0 percentage points) driven by a timely start to the fall/winter season and additional Zalando Lounge campaigns.

In all other segments total revenue increased by 23.5% during the first nine months of the year compared to the prior-year period, primarily driven by the strong performance of Zalando Marketing Services (ZMS) and the initial inclusion of newly acquired Highsnobiety. The adjusted EBIT margin (EBIT margin) in all other segments increased by 4.5 percentage points (2.9 percentage points) in comparison to the first nine months of 2021, resulting in an adjusted EBIT margin (EBIT margin) of 5.8% (2.9%) in the first nine months of 2022.

1.3 Cash flows

The liquidity and financial development of the Zalando group are presented in the following condensed statement of cash flows:

Condensed statement of cash flows

IN EUR M	Jul 1 – Sep 30, 2022	Jul 1 – Sep 30, 2021	Jan 1 – Sep 30, 2022	Jan 1 – Sep 30, 2021
Cash flow from operating activities	141.6	-187.3	-183.7	71.7
Cash flow from investing activities	-190.1	-60.5	-337.8	-152.1
Cash flow from financing activities	-32.2	-111.5	-220.1	-615.4
Change in cash and cash equivalents	-80.7	-359.3	-741.5	-695.8
Exchange-rate related and other changes in cash and cash equivalents	-1.0	9.7	3.0	0.9
Cash and cash equivalents at the beginning of the period	1,631.1	2,298.7	2,287.9	2,644.0
Cash and cash equivalents as of September 30	1,549.4	1,949.1	1,549.4	1,949.1
Free cash flow	-48.4	-245.0	-523.9	-77.4

In the first nine months of 2022, we generated a negative cash flow from operating activities of EUR -183.7m (prior year: EUR 71.7m) which was largely driven by an increase in inventories, partly offset by higher trade payables and similar liabilities. The considerable growth in inventories reflects our inbound preparation for peak-season trading in November and December. The decrease of the operating cash flow in the first nine months of 2022 compared to the prior-year period was mainly the result of the EBIT development.

Cash outflow from investing activities is predominately impacted by capex, amounting to EUR 217.8m (prior year: EUR 149.1m), primarily consisting of investments in the logistics infrastructure relating to the fulfillment centers in Poland, the Netherlands and Germany as well as capital expenditures on internally developed software in the first nine months of 2022. In addition, the cash flow from investing activities comprises the purchase price paid for the acquisition of Highsnobiety of EUR 123.6m.

As a result, our free cash flow (including the Highsnobiety investment) decreased by EUR 446.5m from EUR -77.4m to EUR -523.9m in the first nine months of 2022 compared to the prior-year period.

In the first nine months of 2022, the cash outflows from financing activities predominately include the repurchase of treasury shares amounting to EUR 136.0m. The main reason for the difference to the prior-year period was the repayment of the revolving credit facility in 2021, which resulted in cash outflows from financing activities of EUR 375.0m in the prior year.

Overall, cash and cash equivalents decreased by EUR 738.5m in the first nine months of 2022 but remained strong at EUR 1,549.4m as of September 30, 2022.

1.4 Financial position

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

Assets

IN EUR M	Sep 30, 2022		Dec 31, 2021		Change	
Non-current assets	2,261.1	30.9%	1,901.4	27.6%	359.7	18.9%
Current assets	5,059.1	69.1%	4,995.6	72.4%	63.5	1.3%
Total assets	7,320.2	100.0%	6,897.0	100.0%	423.2	6.1%

Equity and liabilities

IN EUR M	Sep 30, 2022		Dec 31, 2021		Change	
Equity	2,080.2	28.4%	2,218.8	32.2%	-138.6	-6.2%
Non-current liabilities	1,746.3	23.9%	1,580.7	22.9%	165.6	10.5%
Current liabilities	3,493.8	47.7%	3,097.5	44.9%	396.2	12.8%
Total equity and liabilities	7,320.2	100.0%	6,897.0	100.0%	423.2	6.1%

Compared to December 31, 2021, our total assets increased by 6.1% to EUR 7,320.2m. The statement of financial position is dominated by working capital, cash and cash equivalents as well as equity.

During the first nine months, the increase in non-current assets was significantly impacted by additions to intangible assets amounting to EUR 227.2m (prior year: EUR 67.0m). The increase of around EUR 160m mainly arises from the purchase price allocation in connection with the initial inclusion of Highsnobiety. Further effects resulted from additions to property, plant and equipment totaling EUR 159.2m (prior year: EUR 74.9m), primarily relating to the fulfillment centers in Poland, the Netherlands and Germany. In addition, right-of-use assets increased by 20.9% to EUR 706.5m as of September 30, 2022, mainly due to the commencement of new lease contracts for an office building in Germany and a warehouse in Poland, starting in Q1 2022.

The development of non-current assets was essentially driven by our inventories which mainly comprise goods required for our wholesale business and which increased by 39.8% to EUR 2,163.6m, reflecting our inbound preparation for peak-season trading in November and December.

In the first nine months of 2022, the EUR 138.6m decrease in equity primarily stems from the repurchase of treasury shares (EUR 136.2m) in the share buy-back program and the negative net income, partly offset by share-based compensation. The equity ratio decreased from 32.2% at the beginning of the year to 28.4% as of September 30, 2022.

Non-current liabilities movement was mainly impacted by our lease liabilities which increased by EUR 133.5m to EUR 813.4m as of September 30, 2022 (thereof EUR 689.2m non-current and EUR 124.2m current) resulting from new lease contracts entered into in Q1 2022.

Trade payables and similar liabilities increased by EUR 331.2m in the first nine months of 2022 due to the extension of our reverse factoring program. As of September 30, 2022, suppliers' claims against Zalando totaling EUR 771.5m were transferred to various factoring providers (December 31, 2021: EUR 599.8m). These balances were recognized under current liabilities, i.e. trade payables and similar liabilities.

Net working capital, consisting of inventories and trade and other receivables less trade payables and similar liabilities, rose from EUR -162.1m as of December 31, 2021 to EUR 121.6m as of September 30, 2022. The increase mainly results from the increase in inventories and in trade payables and similar liabilities.

1.5 Outlook

We confirm our guidance for the financial year 2022 which we provided in June 2022 and confirmed in our half-year reporting.

During the third quarter of 2022, macroeconomic conditions have further deteriorated with consumer sentiment at a record low and a challenging economic outlook. Besides, this volatile environment creates a high degree of uncertainty in the market. As a result, we now expect to reach the lower end of the guidance ranges with regard to GMV, revenue, EBIT and adjusted EBIT as well as capex.

Consequently, we now anticipate GMV and revenue growth for 2022 at the lower end of the 3% to 7% range (EUR 14.8bn – EUR 15.3bn) and 0% to 3% range (EUR 10.4bn – EUR 10.7bn), respectively, with an adjusted EBIT 2022 at the lower end of the EUR 180.0m – EUR 260.0m range implying a margin at the lower end of the 1.7% to 2.4% range (EBIT at the lower end of EUR 115.0m – EUR 195.0m).

We expect that capex for 2022 will be at the lower end of the EUR 350.0m – EUR 400.0m range. Furthermore, we anticipate net working capital to be neutral at the end of the fiscal year 2022.

Berlin, November 2, 2022

The Management Board

Robert Gentz	David Schneider	James M. Freeman, II
David Schröder	Dr. Astrid Arndt	Dr. Sandra Dembeck

2.1 Consolidated income statement

Consolidated income statement

IN EUR M	Jul 1 – Sep 30, 2022	Jul 1 – Sep 30, 2021	Jan 1 – Sep 30, 2022	Jan 1 – Sep 30, 2021
Revenue	2,349.1	2,283.4	7,177.2	7,254.3
Cost of sales	-1,431.2	-1,397.9	-4,329.7	-4,246.8
Gross profit	918.0	885.5	2,847.5	3,007.5
Fulfillment costs	-654.6	-604.4	-1,988.5	-1,837.2
Marketing costs	-168.0	-197.5	-545.0	-638.2
Administrative expenses	-107.7	-91.1	-341.3	-291.0
Other operating income	6.8	5.7	18.6	25.6
Other operating expenses	-1.9	-2.9	-5.9	-6.3
Earnings before interest and taxes (EBIT)	-7.4	-4.6	-14.5	260.4
Interest and similar income	1.2	0.9	3.8	2.8
Interest and similar expenses	-16.0	-14.6	-44.6	-44.0
Other financial result	-16.6	-7.0	-14.0	-18.9
Financial result	-31.3	-20.7	-54.9	-60.1
Earnings before taxes (EBT)	-38.7	-25.3	-69.4	200.2
Income taxes	3.4	16.9	-13.3	-53.7
Net income for the period	-35.4	-8.4	-82.7	146.5
thereof net income attributable to shareholders of ZALANDO SE	-35.4	-8.4	-82.7	146.5
thereof net income attributable to non-controlling interests	0.0	0.0	0.0	0.0

2.2 Consolidated statement of financial position

Consolidated statement of financial position – assets

IN EUR M	Sep 30, 2022	Dec 31, 2021
Non-current assets		
Intangible assets	431.1	263.0
Property, plant and equipment	1,019.2	959.4
Right-of-use assets	706.5	584.2
Financial assets	76.9	78.1
Deferred tax assets	12.9	11.2
Non-financial assets	6.4	3.9
Investments accounted for using the equity method	8.1	1.7
	2,261.1	1,901.4
Current assets		
Inventories	2,163.6	1,547.4
Trade and other receivables	726.2	727.4
Other financial assets	119.4	49.8
Other non-financial assets	500.6	383.0
Cash and cash equivalents	1,549.4	2,287.9
	5,059.1	4,995.6
Total assets	7,320.2	6,897.0

Consolidated statement of financial position – equity and liabilities

IN EUR M	Sep 30, 2022	Dec 31, 2021
Equity		
Issued capital	258.5	258.7
Capital reserves	1,220.1	1,285.9
Other reserves	-26.8	-36.8
Retained earnings	628.4	711.1
Equity of shareholders of ZALANDO SE	2,080.2	2,219.0
Non-controlling interest	0.0	-0.2
	2,080.2	2,218.8
Non-current liabilities		
Provisions	53.8	54.3
Lease liabilities	689.2	579.0
Borrowings	1.9	0.0
Convertible bonds	911.4	895.0
Other financial liabilities	13.3	14.2
Other non-financial liabilities	6.3	4.6
Deferred tax liabilities	70.4	33.5
	1,746.3	1,580.7
Current liabilities		
Lease liabilities	124.2	101.0
Trade payables and similar liabilities	2,768.2	2,437.0
Prepayments received	41.3	40.6
Income tax liabilities	34.4	25.2
Other financial liabilities	269.9	214.9
Other non-financial liabilities	255.7	278.9
	3,493.8	3,097.5
Total equity and liabilities	7,320.2	6,897.0

2.3 Consolidated statement of cash flows

Consolidated statement of cash flows

IN EUR M		Jul 1 – Sep 30, 2022	Jul 1 – Sep 30, 2021	Jan 1 – Sep 30, 2022	Jan 1 – Sep 30, 2021
1	Net income for the period	-35.4	-8.4	-82.7	146.5
2 +	Non-cash expenses from share-based payments	17.3	14.3	50.0	40.4
3 +	Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	91.0	58.5	219.2	169.0
4 +/-	Income taxes	-3.4	-16.9	13.3	53.7
5 -	Income taxes paid, less refunds	-18.3	-28.2	-52.6	-78.7
6 +/-	Increase/decrease in provisions	0.0	0.1	0.0	-0.4
7 -/+	Other non-cash income/expenses	4.3	-6.3	2.7	1.1
8 +/-	Decrease/increase in inventories	-403.1	-370.2	-614.2	-559.7
9 +/-	Decrease/increase in trade and other receivables	-14.9	60.5	17.3	-43.7
10 +/-	Increase/decrease in trade payables and similar liabilities	521.0	206.8	320.2	404.2
11 +/-	Increase/decrease in other assets/liabilities	-16.9	-97.6	-56.7	-60.8
12 =	Cash flow from operating activities	141.6	-187.3	-183.7	71.7
13 -	Cash paid for investments in property, plant and equipment	-51.3	-34.0	-152.3	-81.2
14 -	Cash paid for investments in intangible assets	-25.7	-23.6	-65.5	-67.9
15 -	Cash paid for acquisition of shares in associated companies and subsidiaries less cash acquired	-113.0	0.0	-122.5	0.0
16 +/-	Cash received from/paid for investments in term deposits	0.0	-3.0	0.0	-3.0
17 +/-	Change in restricted cash	0.0	0.2	2.5	0.0
18 =	Cash flow from investing activities	-190.1	-60.5	-337.8	-152.1
19 +	Cash received from capital increases by the shareholders and stock option exercises less transaction costs	0.1	2.7	1.1	22.1
20 -	Repurchase of treasury shares	0.0	-94.3	-136.0	-200.0
21 -	Cash repayments of loans	0.0	-0.7	-3.3	-377.1
22 -	Cash payments for the principal portion of lease liabilities	-32.4	-19.1	-81.9	-60.4
23 =	Cash flow from financing activities	-32.2	-111.5	-220.1	-615.4
24 =	Net change in cash and cash equivalents from cash relevant transactions	-80.7	-359.3	-741.5	-695.8
25 +/-	Change in cash and cash equivalents due to exchange rate movements	-1.0	9.7	3.0	0.9
26 +	Cash and cash equivalents at the beginning of the period	1,631.1	2,298.7	2,287.9	2,644.0
27 =	Cash and cash equivalents as of September 30	1,549.4	1,949.1	1,549.4	1,949.1
	Free cash flow	-48.4	-245.0	-523.9	-77.4

3.1 Financial calendar 2023

Financial calendar

Date	Event
Tuesday, March 7	Publication of the Annual Report 2022
Thursday, May 4	Publication of the first quarter results 2023
Wednesday, May 24	Annual General Meeting 2023
Thursday, August 3	Publication of the second quarter results 2023
Thursday, November 2	Publication of the third quarter results 2023

3.2 Imprint

Contact

ZALANDO SE

Valeska-Gert-Straße 5

10243 Berlin

corporate.zalando.com

press@zalando.com

Investor Relations

Patrick Kofler/Head of Investor Relations

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 available in English. 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>.

