



# Strategy Update

## 2024

B2B: The operating system to enable e-commerce  
across Europe on and off Zalando

**David Schröder**, COO  
**Jan Bartels**, SVP B2B

March 13, 2024



# Europe holds huge (untapped) potential

## Population of Europe



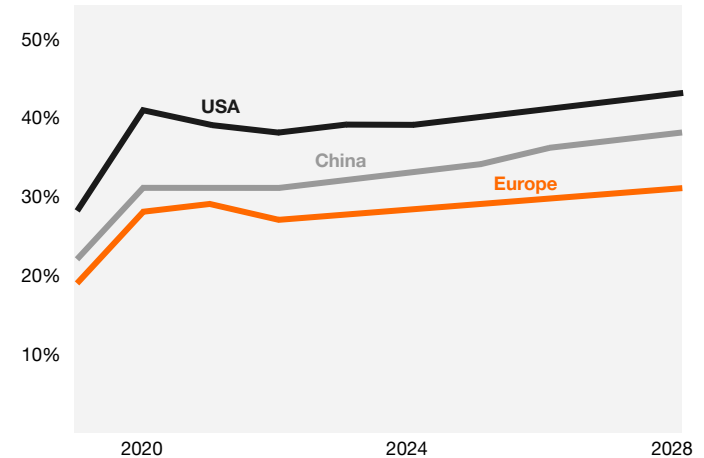
Source: Statista, February 2024, Data for Europe (excluding Russia)

## Fashion and lifestyle in Europe



Source: Euromonitor market size 2023 as of February 2024, International forecasts, values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax

## Share of online fashion sales in Europe, China and the US



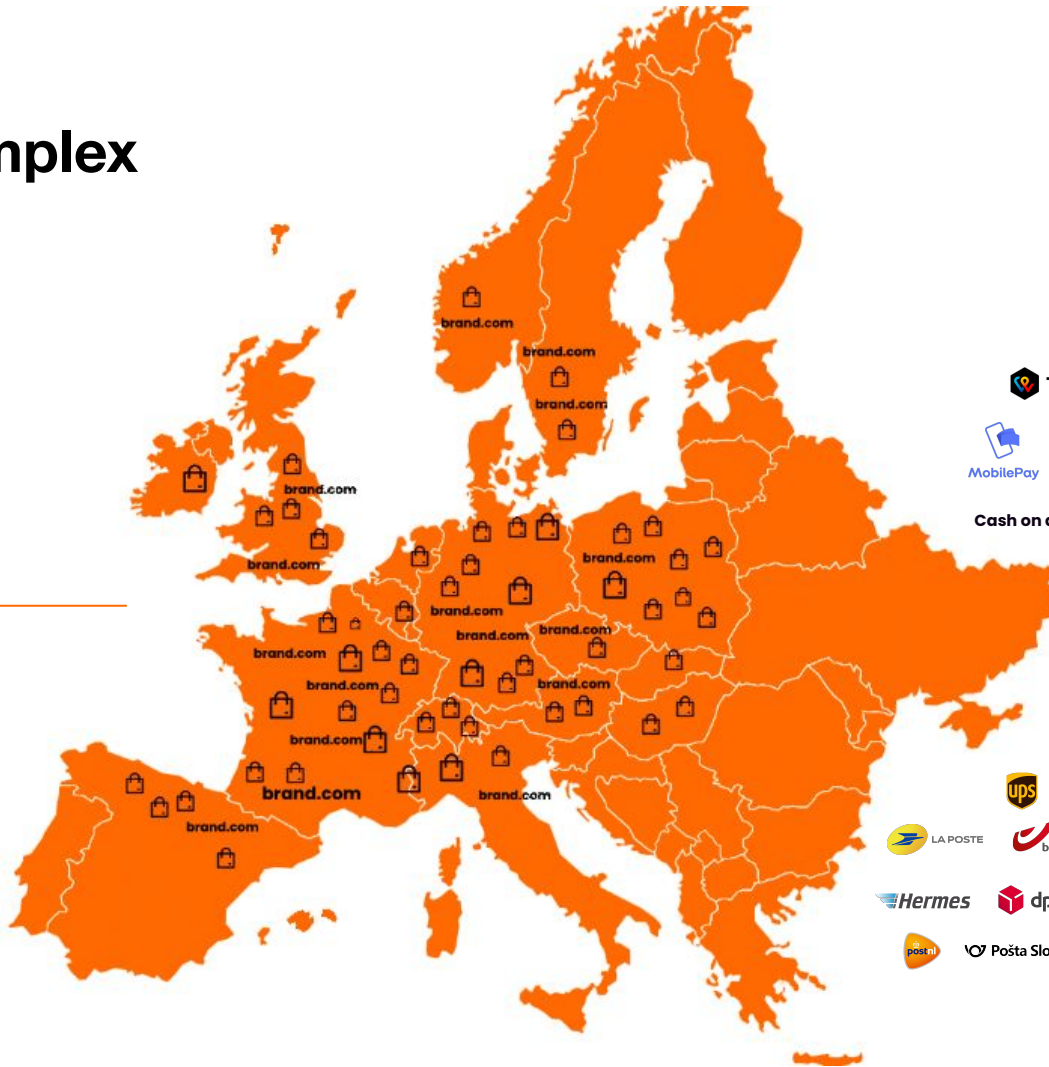
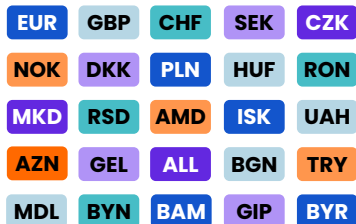
Source: Boston Consulting Group, proprietary model, February 2024

# Europe is complex

40+ countries  
30+ languages



30 currencies



Over 20  
payment methods



40+ local  
logistic providers





# As a result, brands and retailers face significant challenges when serving customers across markets and channels in Europe

1. Dozens of integrations

2. Split inventory

3. Lack of visibility & control

4. Unnecessary parcels

## Lost opportunities:

**growth**

**profitability**

**sustainability**

# Going multi-channel. Enabling brands' e-commerce. On and off Zalando.



Ecosystem



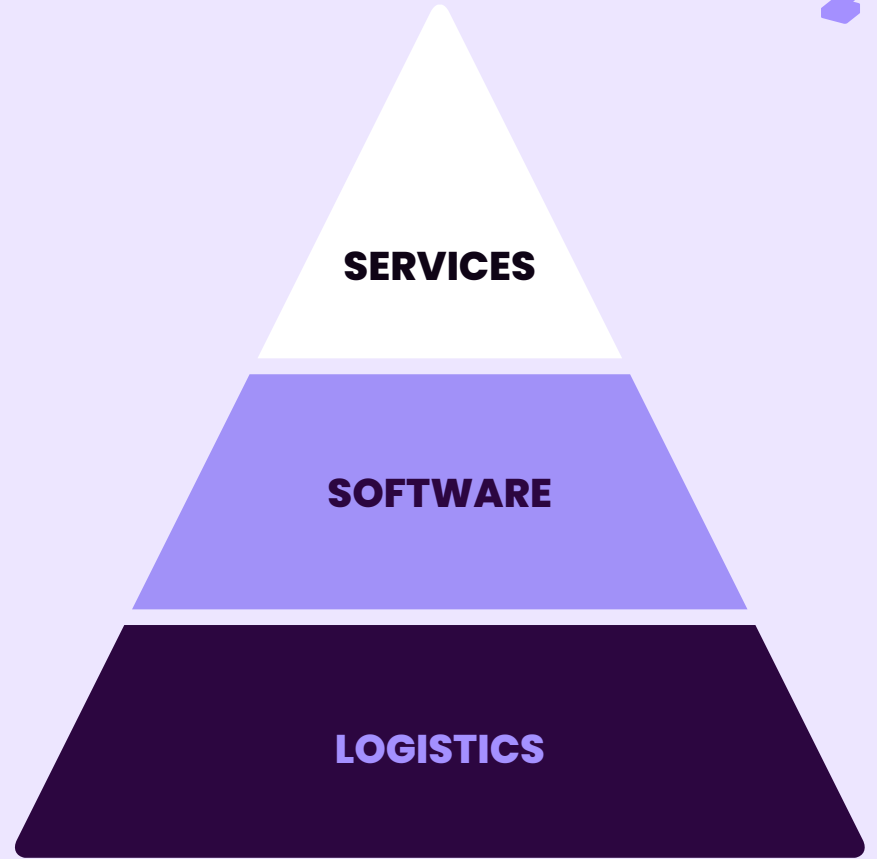
B2B<sup>1</sup>

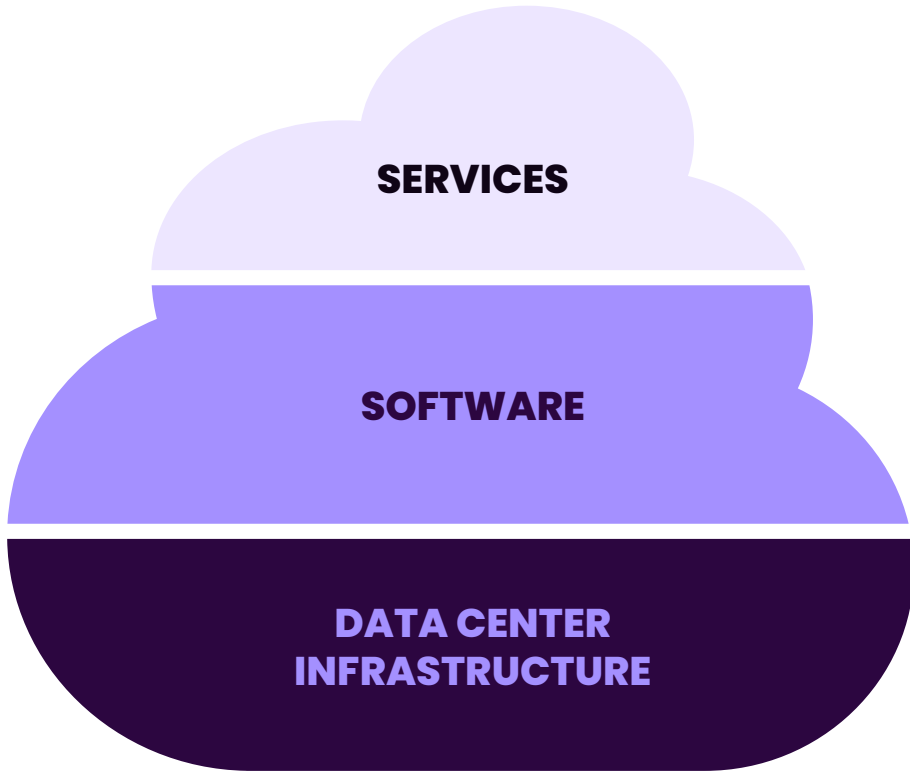
Platform

<sup>1</sup>incl. ZEOS Fulfillment (ZFS, Multi-Channel Fulfillment), Tradebyte and Highsnobiety

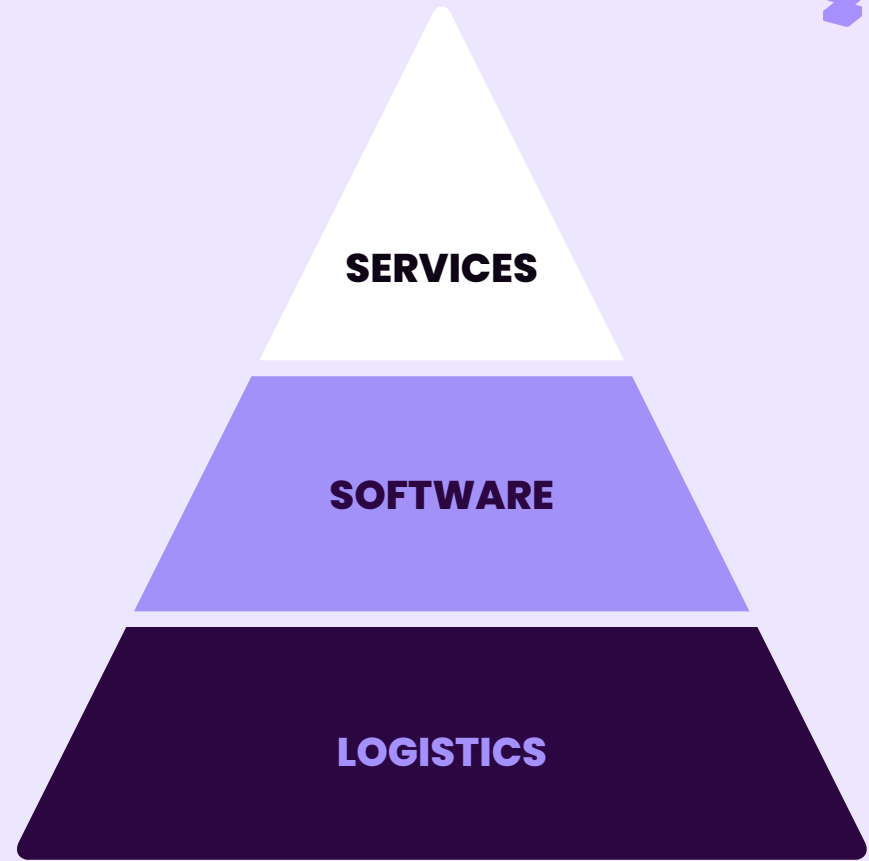
# ZEOS

Three layers.  
One operating  
system.





**Transforming technology**



**Transforming e-commerce**

# We are solving challenges for brands and retailers.



1. Dozens of integrations

**ONE integration**

2. Split inventory

**ONE stock pool**

3. Lack of visibility & control

**ONE control panel**

4. Unnecessary parcels

**ONE parcel**





# One integration

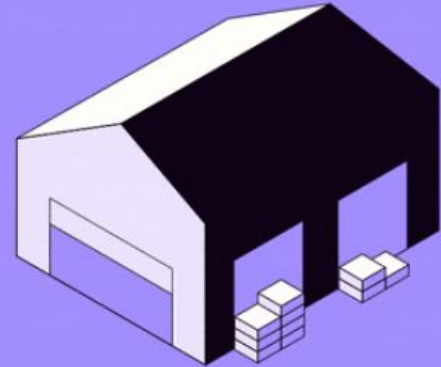
Making products available on marketplaces, and connecting to dozens of local carriers across Europe. All in one go.





# One stock pool

Connecting multi-channel inventory –  
for optimal stock levels and availability  
in each sales channel and market – less  
stock outs, less overstock and less  
overproduction.





# One control panel

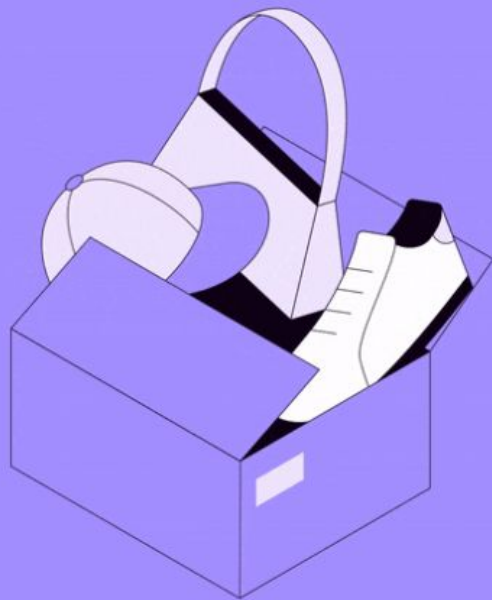
Connecting multi-channel data in one place. Uncovering insights to maximize growth and profitability. Giving merchants the tools to manage their entire e-commerce out of one place.

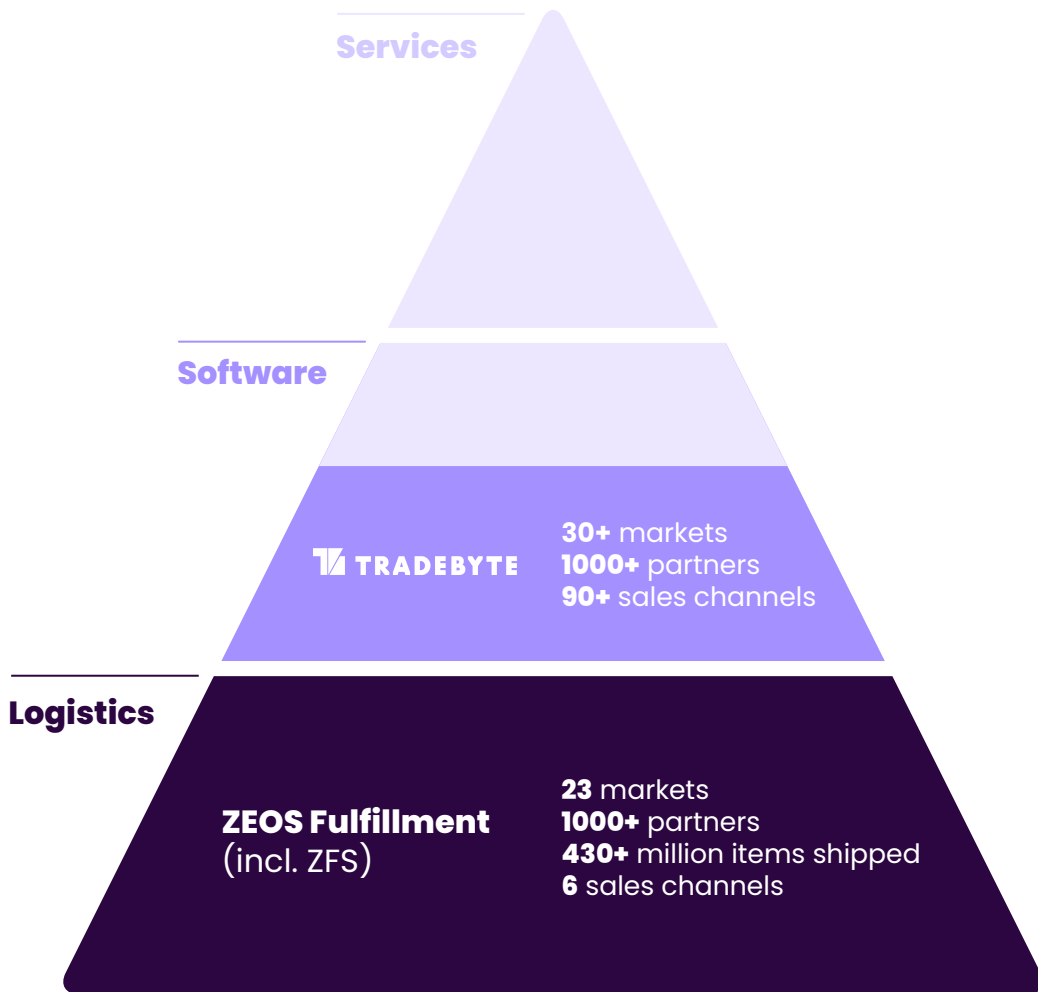




# One parcel

One order. One box. One shipment. One return. Saving unnecessary parcels and creating a win-win-win for consumers, brands and the planet.

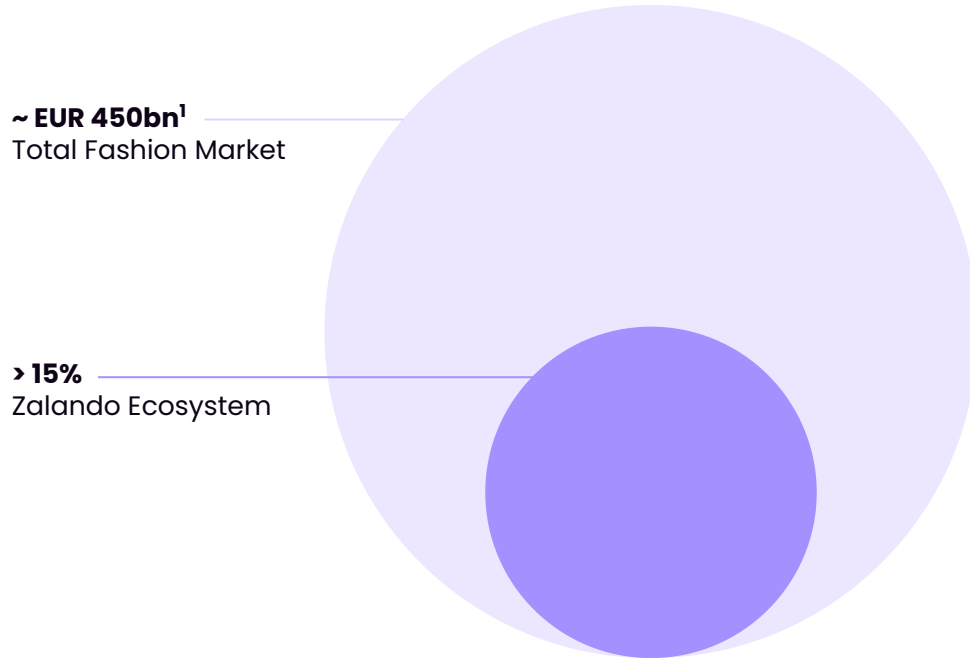




**B2B already is  
a ~0.9 billion  
euro revenue  
business<sup>1</sup>**

<sup>1</sup>Please note that the B2B segment reporting includes ZEOS, Tradebyte and Highsnobiety brand-facing businesses of Zalando Group

# ZEOS taps into a huge opportunity by enabling e-commerce on and off Zalando



- **Fragmentation and complexity on the consumer side** prevent brands and retailers from capitalizing on massive opportunities in Europe.
- **Infrastructure and technology consolidation** present a clear path to overcome industry inefficiencies and increase the value pool.

→ **ZEOS is distinctly positioned to capitalize on this value creation opportunity.**

<sup>1</sup> Source: Euromonitor market size 2023 as of February 2024, International forecasts, values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax

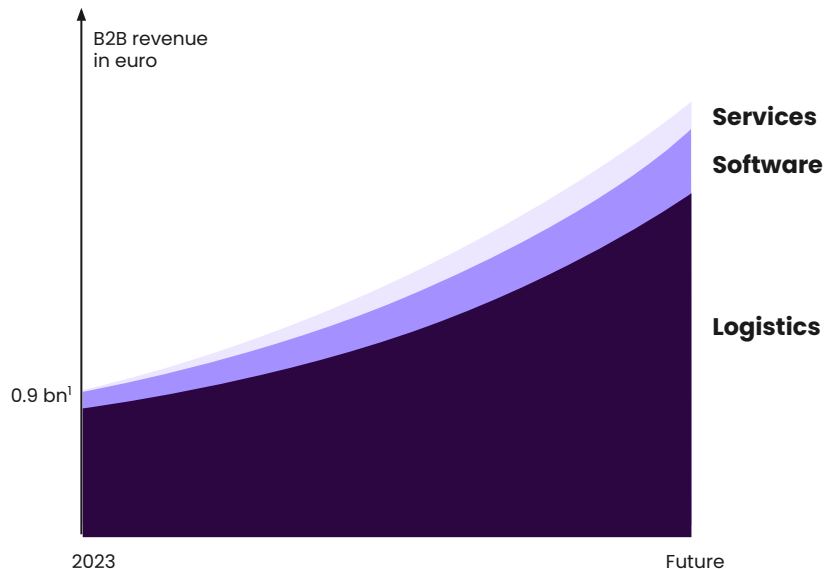
# Leveraging the group's unique capabilities, ZEOS enlarges Zalando's long-term value creation



## Unique Zalando capabilities ...

- 1 **Strong brand partnerships**
- 2 **Technology & data**
- 3 **Logistics infrastructure**
- 4 **Sustainability**

## ... enabling ZEOS long-term growth trajectory ...



## ... by capitalizing on three key growth dimensions

### Industry Verticals:

- Fashion
- Lifestyle
- ...



### Geographies:

- Existing Zalando markets
- Rest of Europe
- ...



### Product Domains:

- Logistics
- Software
- Services

<sup>1</sup> B2B segment also includes Highsnobiety as another brand-facing business of Zalando group

# Key takeaways

**1** Europe holds **huge untapped potential**, but is also very complex. This translates into significant **challenges and lost opportunities** for brands and retailers selling fashion & lifestyle.

**2** Building on Zalando's unique capabilities, **ZEOS enables brands and retailers** to overcome these challenges and to **unlock Europe's full potential**.

**3** **ZEOS creates win-win-win opportunities** for consumers, brands and the planet and significantly **enlarges Zalando's long term value creation**.





# 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.

# Zalando Investor Relations Team



**Patrick Kofler**

Director of IR

Patrick.Kofler@zalando.de



**Dorothee Schultz**

Manager ESG IR

Dorothee.Schultz@zalando.de



**Andrea Frese**

Senior Manager IR

Andrea.Frese@zalando.de



**Nils Pöppinghaus**

Senior Manager IR

Nils.Poeppinghaus@zalando.de



**Ignacio Azpitarte Garay**

Junior Manager IR

Ignacio.Azpitarte.Garay@zalando.de

## Team contact

T: +49 3020 9681 584

Zalando SE

Valeska-Gert-Straße 5

10243 Berlin

investor.relations@zalando.de

<https://corporate.zalando.com/en>