



Zalando

The starting point for fashion.

Investor Factbook, September 2020



Welcome To Zalando

Zalando keeps the pace high. Only 12 years after founding the company in 2008, we today have around 32m active customers in 17 European countries and have become Europe's leading online fashion destination. Building on this, more than 13.000 employees work hard every day to turn Zalando into the starting point for fashion for every fashion-loving European.

This factbook is designed to give you easy access to the most relevant capital markets information about Zalando.

Enjoy the read!

**Robert, David, Rubin, Jim, David
and the IR team**

Zalando Management Board

David Schröder, Jim Freeman, Rubin Ritter,
Robert Gentz, David Schneider





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Zalando at a glance

Group strategy

1. Business segments

2. Financials

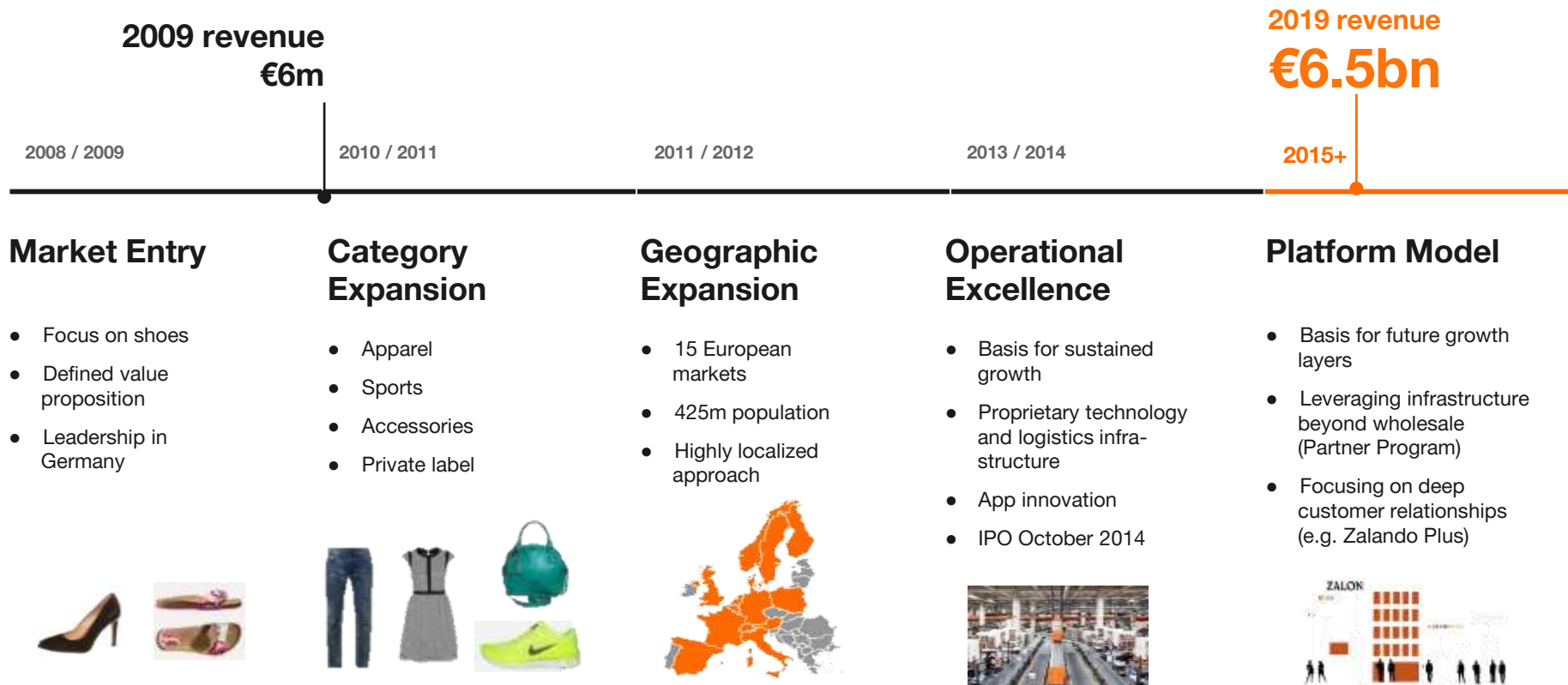
3. Share, convertible bond & contact

Investment Highlights — The Starting Point for Fashion

- 01** Our vision is to become the **starting point for fashion**, the destination that consumers gravitate to for all their fashion needs.
- 02** The number 1 priority is to **focus on growth** with **20-25% topline CAGR** to achieve a scale of 20bn EUR GMV by 2023/24.
- 03** The most important building block on that journey is to transition our business towards a **true platform business**.
- 04** At scale our strategy will result in an **attractive financial profile**, characterized by double-digit margin profile and strong cash generation.
- 05** To become the starting point we **aim to invest** our economic surplus in our **customer experience across assortment, digital experience and convenience** to drive customer satisfaction and retention.



Strong Growth Track Record Since Foundation In 2008



Zalando In A Nutshell

Unmatched Reach



17

European countries



>80%

mobile traffic



>4bn

site visits last year



>31M

active customers

Strong Localization



>2,500

(local) Brands



>20

payment methods



>20

logistics partner



13

languages

Platform Strategy



Zalando is leveraging its position to develop from a typical retailer to become the '**starting point for fashion**'

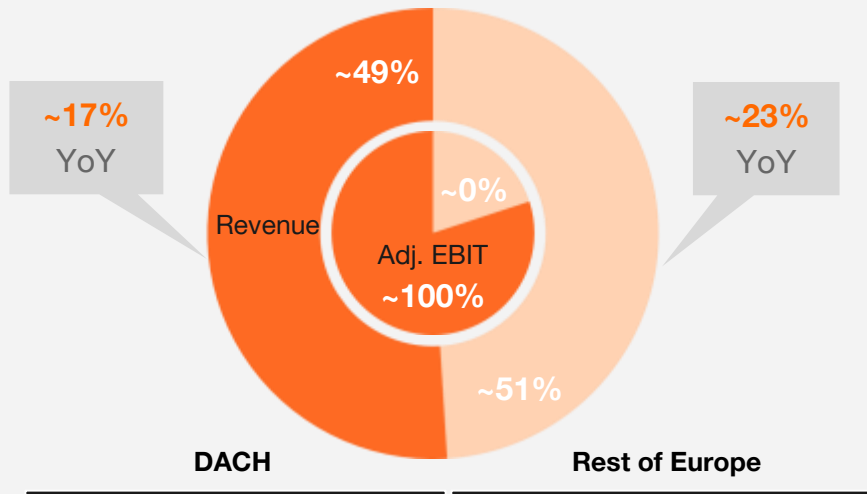
Logistics & Tech Capabilities



Best-in-class e-commerce logistics infrastructure and technology talent

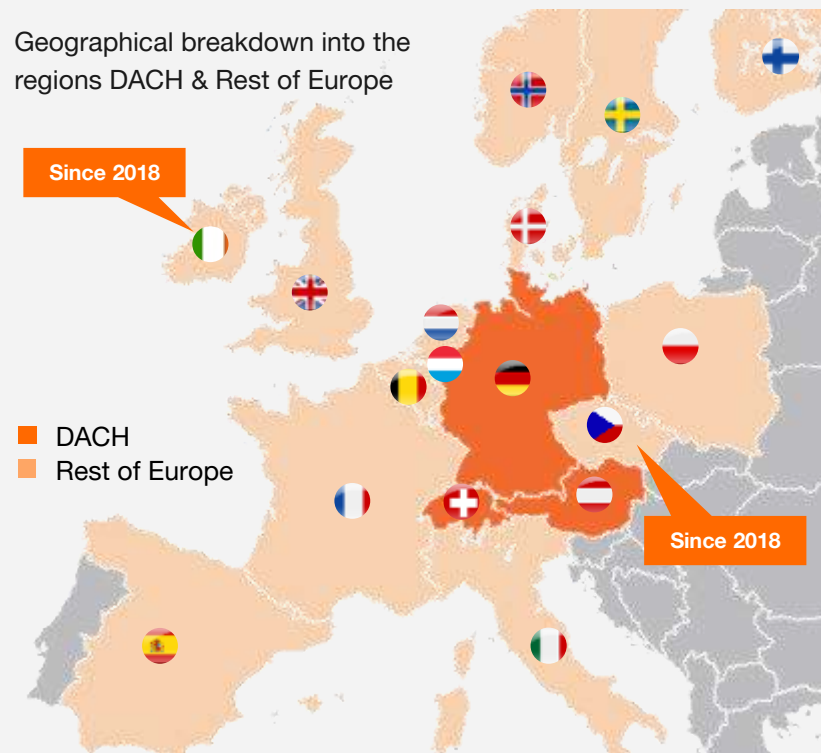
We Are Present in 17 European Markets...

Fashion Store revenue & adj. EBIT FY/19 per region

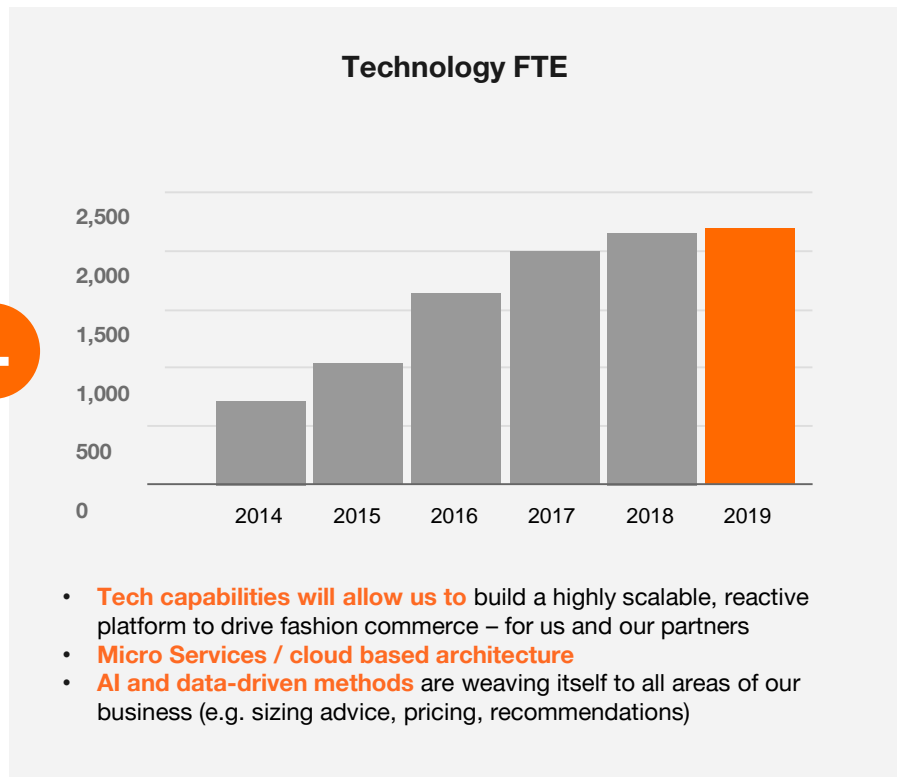
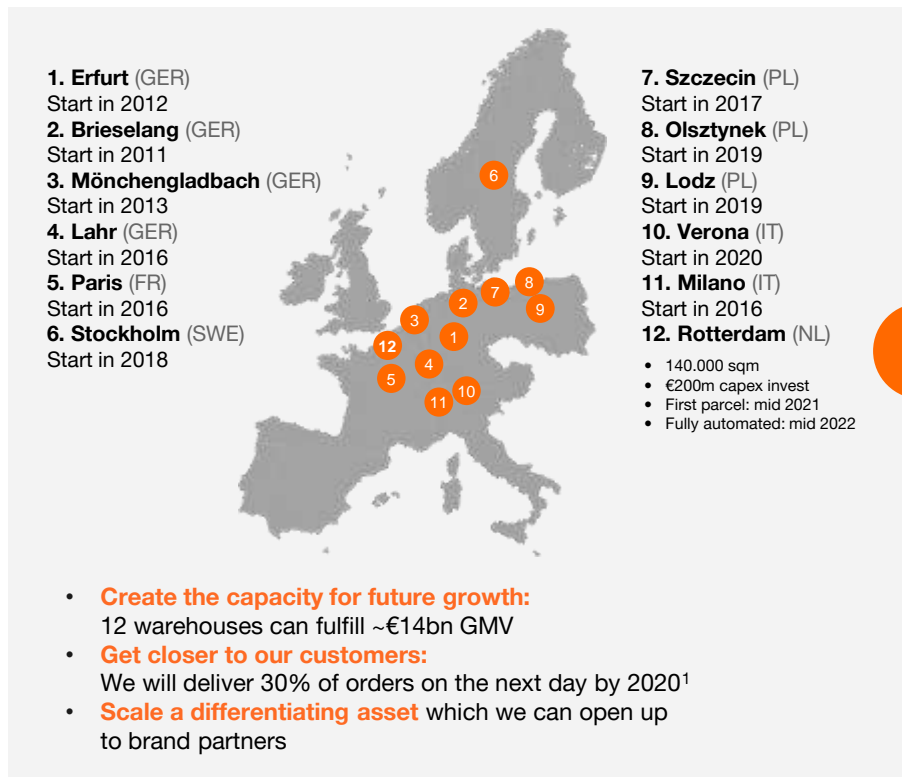


- Most mature Zalando markets
- Similar consumer behavior (e.g. higher gross baskets, high return rates, high invoice share)
- Proximity to warehouse footprint
- Some less developed online markets
- Diverse set of consumer behavior (e.g. return rates, payment methods, discount affinity, ...)



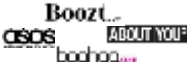





























Geographical breakdown into the regions DACH & Rest of Europe



...With Our Success Build On Best-in-class E-commerce Logistics Infrastructure and Technology Talent



Our Competitive Advantage Is Our Clear Focus To Be A Pureplay Online Fashion Leader In Europe

		GENERAL E-COMMERCE	FASHION E-COMMERCE	VERTICAL FASHION PLAYERS	BRAND OWN E-COMMERCE	SOCIAL MEDIA
Examples						
Online Scale						
Fashion Focus / Expertise						
Buy-In from Brands				n/m	n/m	
E-Commerce Infrastructure / Technology						n/m
Geographic						n/m

Zalando Is Still Managed By Its Founders, Supported By High-profile Experts That Secure A Well-rounded View Of The Business



Robert Gentz
Founder & Co-CEO

- Marketing / Sales
- Human Resources



David Schneider
Founder & Co-CEO

- Fashion Offer
- Assortment Strategy
- Category Management
- Brand Relations



Rubin Ritter
Co-CEO

- Strategy
- Corporate Communication & Public Affairs



Jim Freeman
CTO

- Product
- Technology



David Schröder
CFO

- Finance
- Operations

All Supervisory Board Members Have The Relevant Track Record From Various Businesses To Support Zalando



Jennifer Hyman¹



**Anders Hoch
Povlsen¹**



**Anika
Mangelmann²**



**Jorgen Madsen
Lindemann¹**



Cristina Stenbeck¹



Matti Ahtiainen²



Kelly Bennett¹



**Mariella Röhm-
Kottmann¹**



Jade Buddenberg²

(1) Current term until the end of Annual General Meeting 2021
(2) Employee representatives



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Sustainability strategy

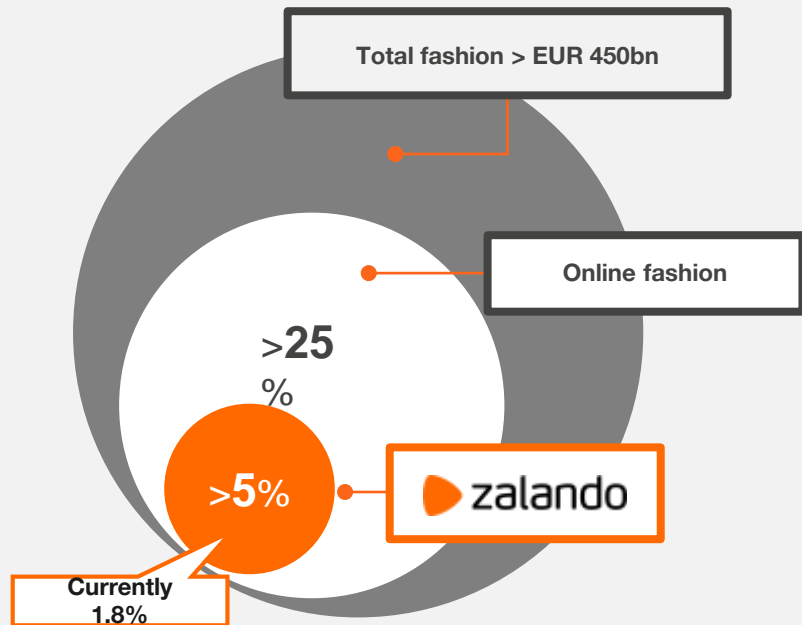
2. Business segments

3. Financials

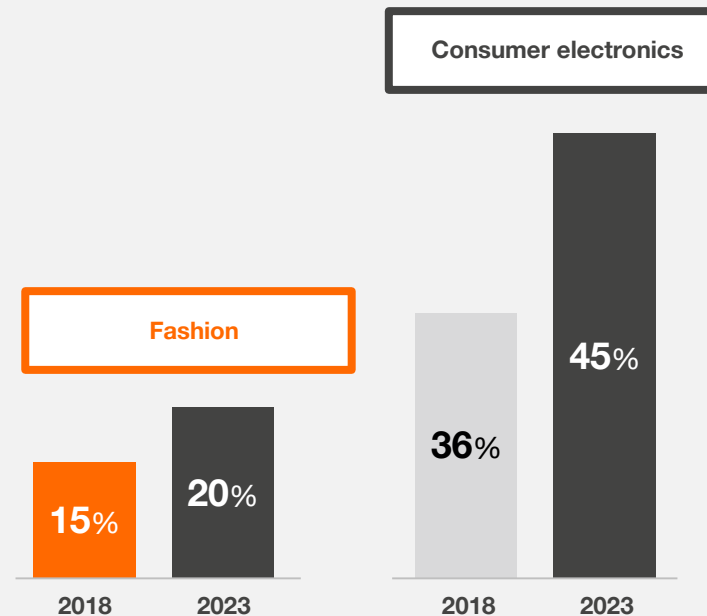
4. Share, convertible bond & contact

Facing an Immense Market Opportunity, Our Number One Priority Is to Capture Market Share

Fashion Market offers **massive growth** opportunity over the next 5-10 years⁽¹⁾...



... with **low online share** compared to other categories



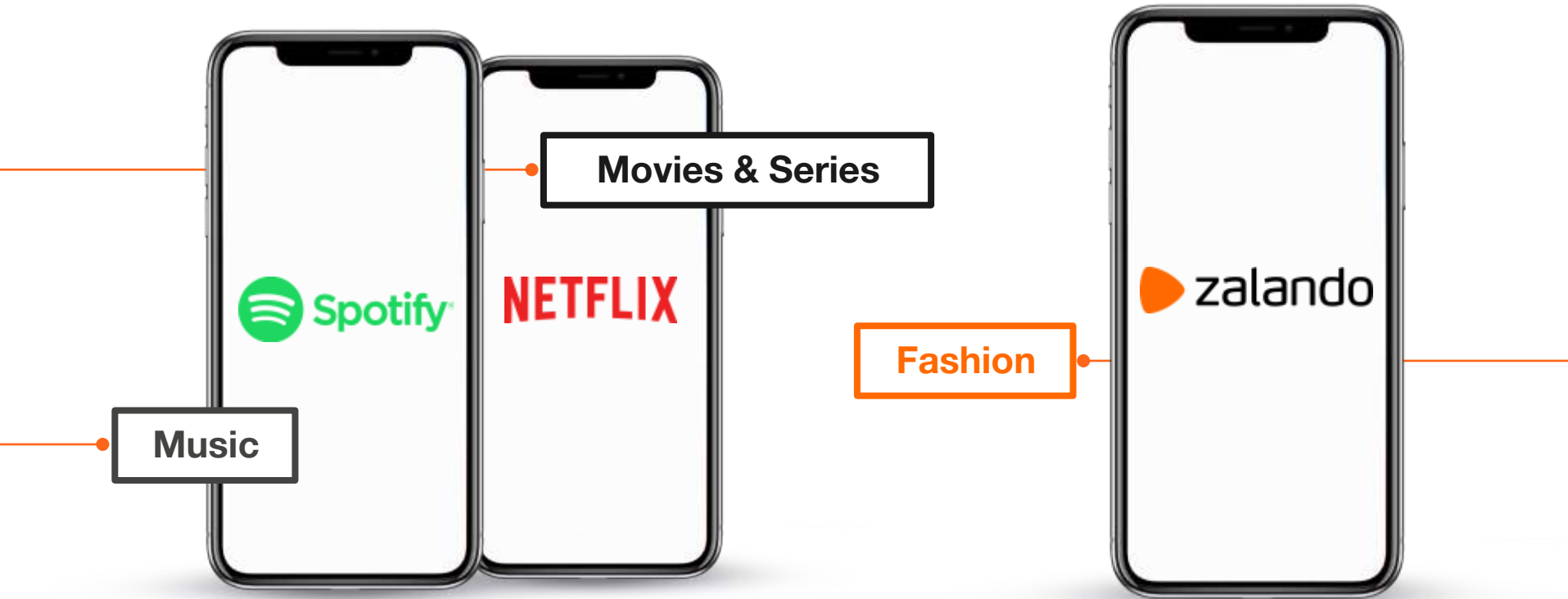
(1) Source: Company estimates and Euromonitor International, February 2019. Values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax
(2) Source: United States online penetration, Statista, last update 2020-02



Our Vision:

Zalando.
The Starting Point
for Fashion

What Are Successful Starting Points?



Starting Point – What We Mean By This?

Indispensable role

Play an indispensable role in the life of our customers

Be top of mind

Be the place our customers go to whenever he/she thinks about fashion

**Starting
Point
for Fashion**

No reason to deflect

Consumers should not have a reason to deflect

Convoy her journey

We cover the full customer journey – from start to end

As A Starting Point, We Need To Be Top Of Mind, Top Of Consideration And Top Choice For Our Customers



(1) Brand Monitor Q4/18; Zalando markets excl. UK, IE and CZ.

(2) GMV per active customer Q4/18 vs. estimated average customer fashion spend of €1,000.

We See Clear Progress On Our Journey To Build The Starting Point For Fashion...

Unaided Brand Awareness

(relative to following competitor¹)

2.3x

Other



1.4x

Nordics



2.5x

DACH

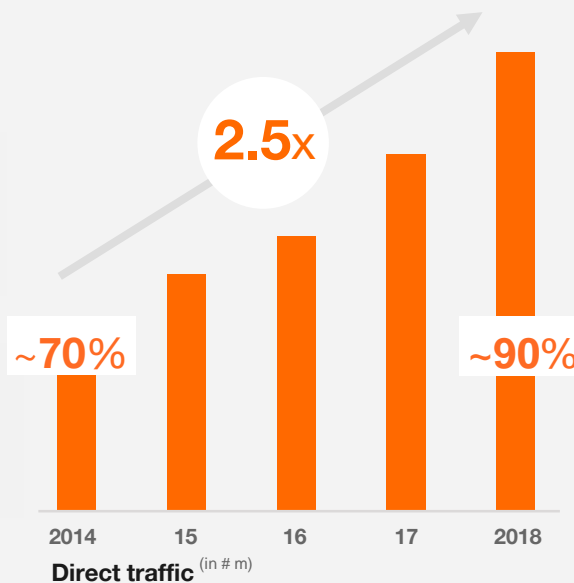


1.8x

Southern Europe



Site Visits



Most Visited Fashion Destination in Europe

(average # of monthly unique visitors in Europe 2018²)

Zalando

Inditex

H&M

Asos

Adidas

Nike

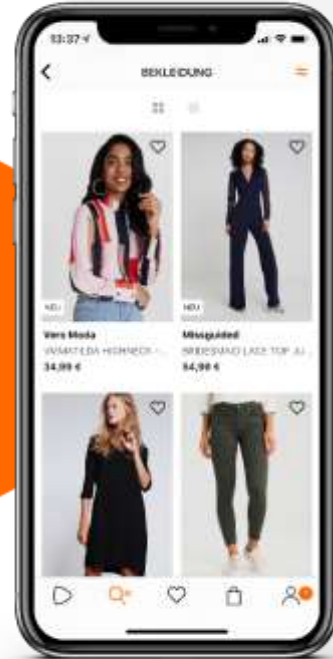
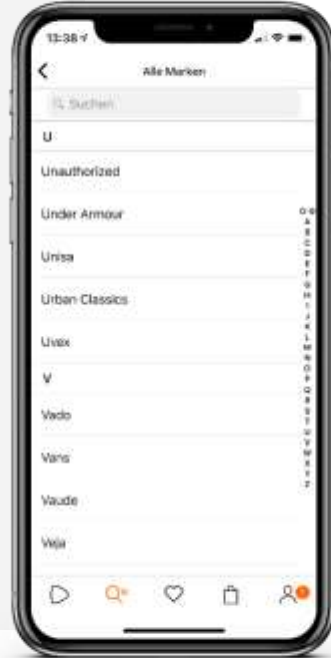
#1
in Europe

(1) Brand Monitor Q4/18; simple average of relative positions across markets
(2) Comscore data as of Dec 2018

...With Customers Clearly Want One Multi-Brand Fashion Aggregator, Serving Them Head to Toe

45%

of orders
contain more
than one brand

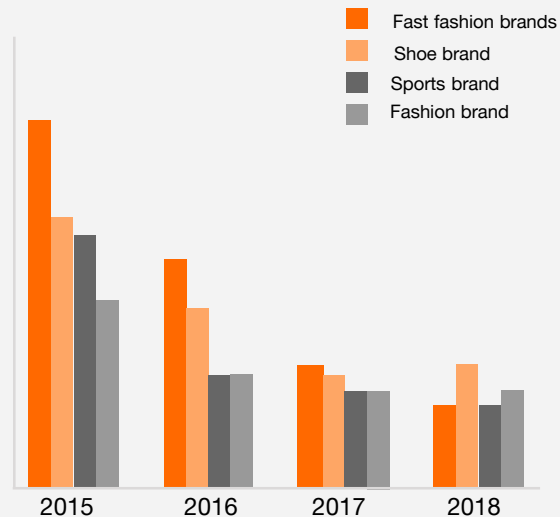


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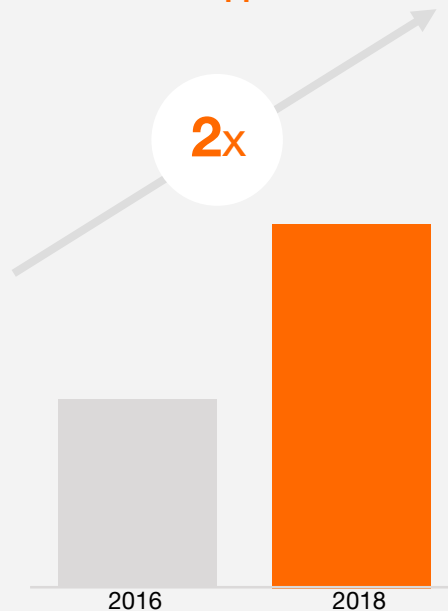
different brands
bought per year by
female customers

Slowing Monobrand E-com Growth And Greater Engagement Via App Reiterates Our View

Monobrand E-com Growth Is Slowing Down, ... % yoy



...while customers gravitate towards app...



...and Increase Engagement¹



App users visit more often:
8.8x vs 3.5x on desktop



...spend more time:
104 vs 23 products seen



... shop more²:
+31% GMV

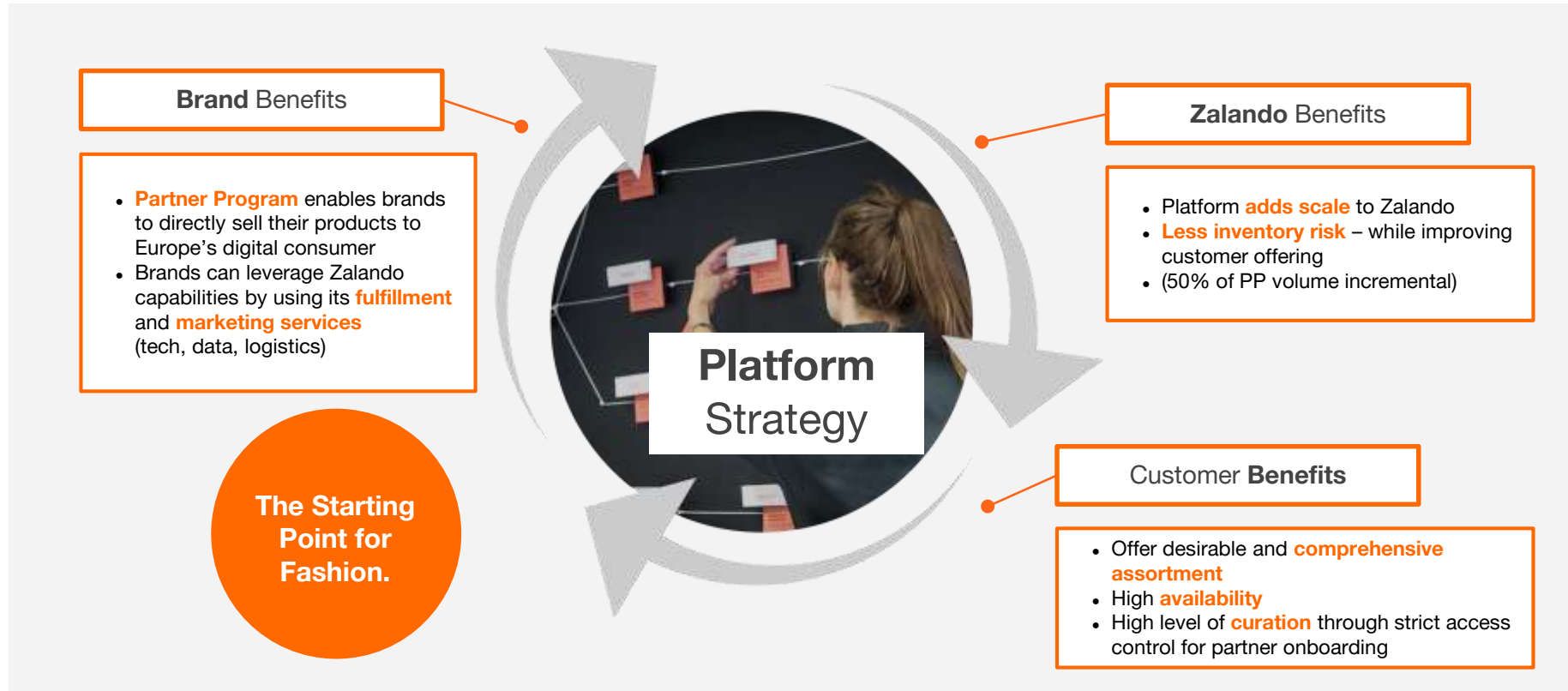


...and are happier³:
NPS +8

- (1) Data from December 2018, if not stated otherwise
 (2) Existing customers who uses the App compared to existing user without App usage (period: 6 months 2017-2018)
 (3) App vs Desktop customer (Jan-May 2018)

Source: Euromonitor

The Platform Strategy Is One Key Lever Towards Being the Starting Point



Only in partnership with our brand partners, we are able to offer a superior experience for our customers to enjoy


Partner Program offers growth opportunities and advantages to all parties

ZMS

Zalando Marketing Services

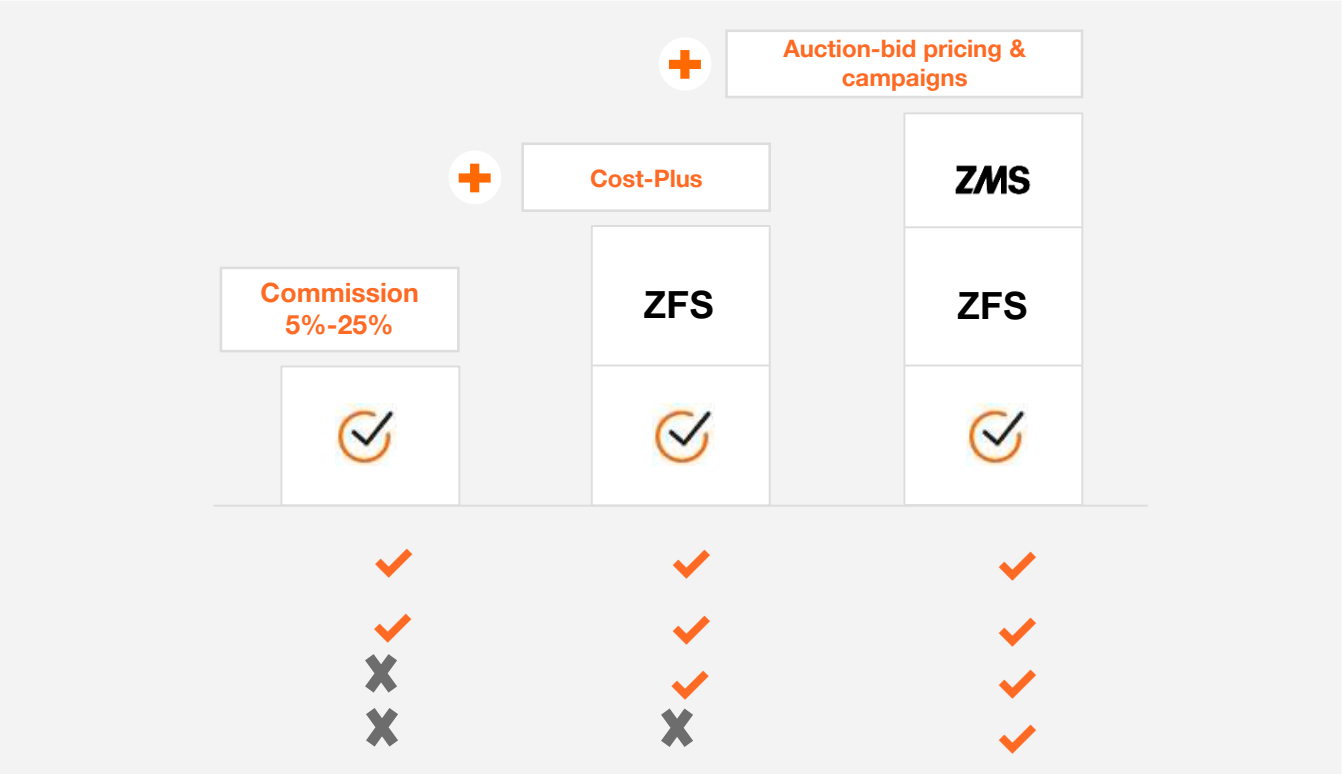
ZFS

Zalando Fulfillment Solutions



Partner Program

- Direct-to-Consumer
- Control of Product, Content & Pricing
- Superior Order Economics, Convenience to Consumer & Physical Access to Consumer
- High Sell-Through & Brand Building



Our Success Is Build On Two Pillars: Wholesale Business Vs Partner Program

Wholesale / Classical Retail

- Zalando buys merchandise ahead of the season
- Zalando is responsible for pricing and fulfillment



Partner Program

- Brands have full control of the offer and price
- In PP brand takes care of Fulfillment



GMV^{1,2}

~88%

~12%

SKUs²

~70%

~30%

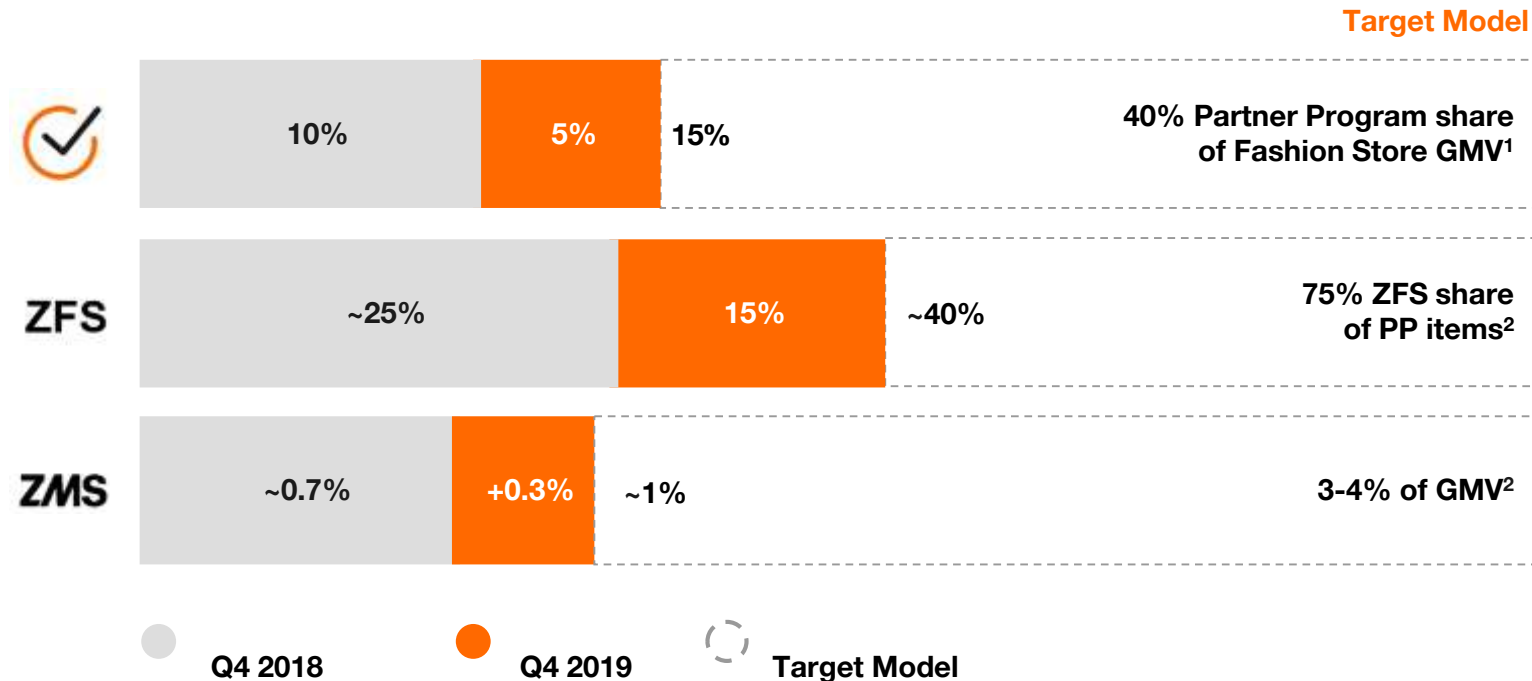
Additionally

- Zalando Fulfillment Solutions (ZFS): Zalando takes care of the fulfillment of the order
- Zalando Marketing Services (ZMS): Increase visibility & drives sales through campaigns/ad placements on our premises

(1) 5-year CAGR (2018-2023): high end of range, 6-year CAGR (2018-2024): low end of range

(2) As of Q4/2019

In 2019, We Achieved Important Milestones in Driving the Platform Transition

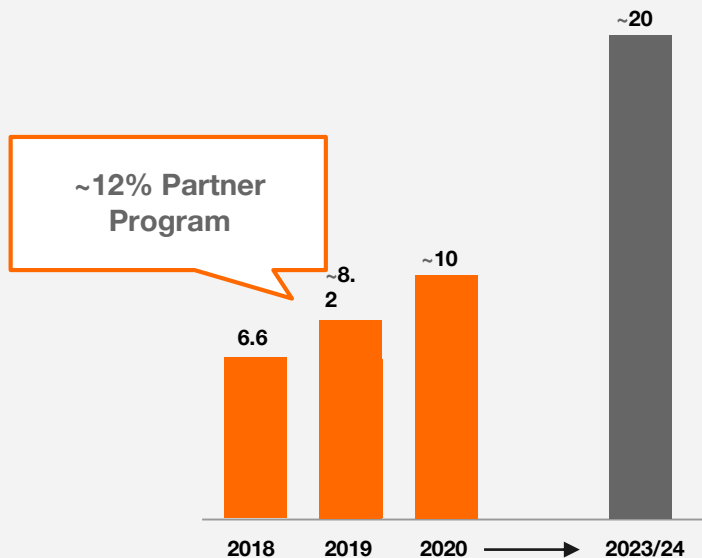


- 1) Partner Program share of 40% refers to our business model mix ambition for 2023/24. In our long-term target model, we aim for a 50% Partner Program share.
2) Refers to our long-term target model ambition.

We Aim To Achieve A Scale Of 20bn EUR GMV By 2023/24

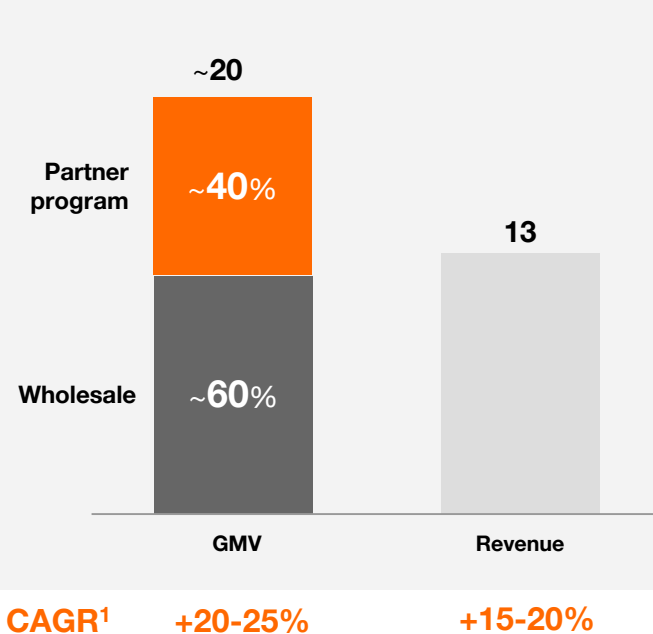
Growth Ambition 2023/24

In €bn GMV



Business Model Mix 2023/24

In €bn



(1) 5-year CAGR (2018-2023): high end of range, 6-year CAGR (2018-2024): low end of range

Platform Model to Drive Higher Long Term Profitability At Scale

Target Margin (growth in line with / slightly above online market)

In % of revenue	Wholesale ¹	Partner Program	Group margin impact ²
Gross margin			↑
Fulfillment costs			→
Marketing costs			↓
Admin expense			↓
Adj. EBIT margin	6-8%	20-25%	10-13%

Key assumptions:

- PP share ~50% of GMV
- ZFS share ~75% of PP items
- ZMS revenue 3-4% of GMV
- Operating leverage and fixed cost degression
- Cash Flow: WC neutral and CapEx slightly above D&A

(1) Wholesale includes Offprice and Private label

(2) Trend vs. 2018 cost lines

Financial Profile During Transition to Platform Model

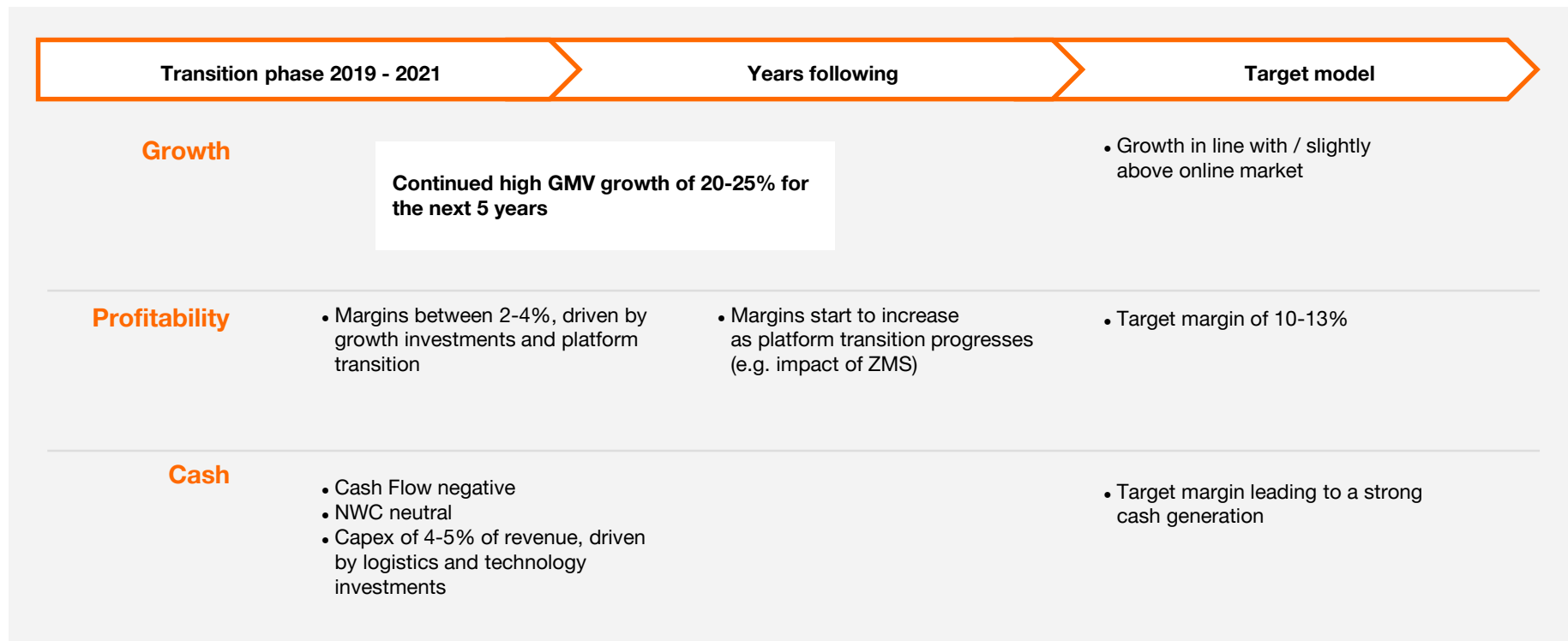




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do.MORE 2023 Strategy: Becoming a sustainable fashion platform with a net-positive impact for people and the planet...

Take a stand			Style with care	Shape our future	
					
Carbon Neutrality	Optimized Packaging	Increased Ethical Standards	More Sustainable Fashion	Apply Principles Of circularity	Upskilling
Of our operations, All deliveries And returns	Minimize waste and Keep materials in use; Eliminate single-use plastics	We will work Only with Partners who Align with them	Generate 20% of GMV by more Sustainable products	And extend the life of at least 50m fashion products	Our employees Receive skilling Chances that match Future work needs

... and bringing it to life by setting Science Based Targets



As first platform worldwide, we set **science-based targets** to reduce carbon emissions in line with the **1.5 degrees Celsius Paris Agreement** figure.

We want to achieve two targets by 2025

We commit ...



1

To reduce scope 1 and 2 **greenhouse gas (GHG) emissions by 80 %** by 2025 against a 2017 base year.^{1, 2}

To increase annual sourcing of **renewable electricity** from 34 % in 2017 to **100%** by 2025.

2

To reduce scope 3 GHG emissions from **private label products by 40 %** per million euros gross profit by 2025 from a 2018 base year.³

That **90 % of our suppliers will have science-based targets** by 2025.⁴

- 1) Scope 1 refers to direct greenhouse gas emissions (GHG) that occur from sources controlled by Zalando (e.g. emissions in our warehouses)
- 2) Scope 2 refers to indirect GHG emissions from consumption of purchased electricity and distant heating
- 3) Scope 3 refers to all other (indirect) value chain GHG emissions
- 4) Emissions covering purchased goods and services sold on its platform, packaging and last-mile-delivery partners

1.5



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Fashion Store

Offprice

Other: Emerging Businesses

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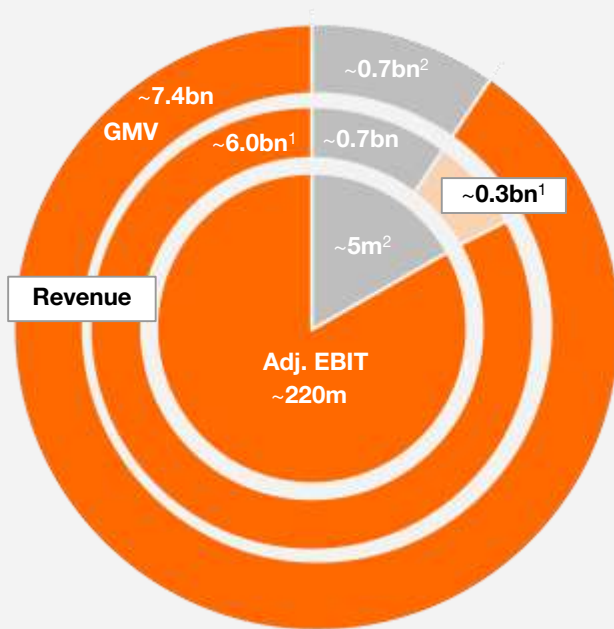
4. Share, convertible bonds & contact

We Manage Our Business In Three Distinct Segment

Group revenue & adj. EBIT FY/19 per segment

Fashion Store

- **The online shops**, i.e. the main sales channel in 17 European countries
- Characterized by a **high level of convenience** and a comprehensive in-season assortment
- Includes **private label business** zLabels
- Business model currently under transformation: from **wholesale to platform** (i.e. fast-growing partner program business)







Offprice

- **Zalando Lounge**: shopping club for off-season and highly discounted merchandise with lower level of convenience (100% wholesale based)
- Zalando Outlets: 8 stores in DE

Others

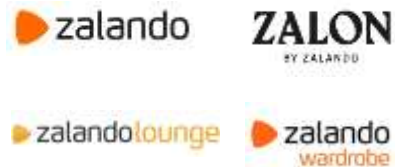
- **Emerging Businesses** which contains several different businesses like Zalon, Zalando Wardrobe, Zalando Marketing Solutions and inventory integration services from Anatwine and Tradebyte

Our Holistic Fashion Proposition to Customers and Brand Partners

Segments	Fashion Store	Offprice	Others	
			Emerging Businesses	Platform Enablers
Sales Channels / Service				
Business models	<ul style="list-style-type: none"> Major sales channels Includes business models: <ul style="list-style-type: none"> Partner Program Zalando Fulfillment Solutions Private label business zlabels Distributed Commerce 	<ul style="list-style-type: none"> Lounge: shopping club for off-season merchandise Outlet: offline sales channel for excess inventory (8 stores +5 stores in the planning) 	<ul style="list-style-type: none"> Zalon: fashion curation service (stylists) Wardrobe: second hand channel Connected Retail: integration of brick-and-mortar stores 	<ul style="list-style-type: none"> ZMS: marketing services unit Brand facing inventory integration business (Saas)

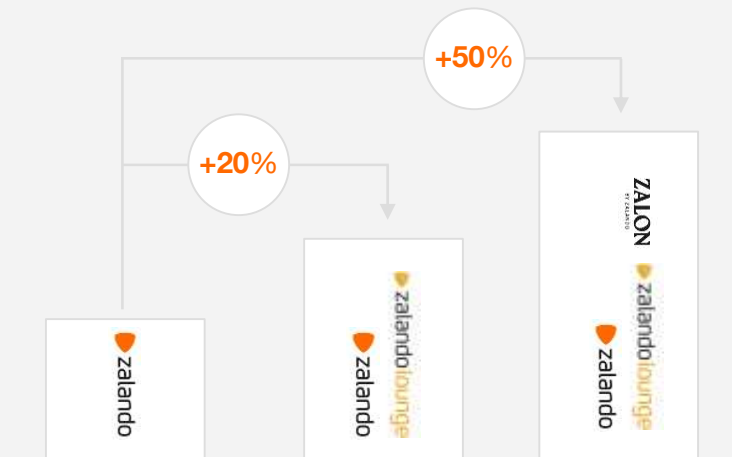
By Introducing Customers to All Our Services We Cover More of Their Needs and Spend

Zalando's Holistic Fashion Proposition



“Zalando is my one-stop-shop for everything I want in fashion”

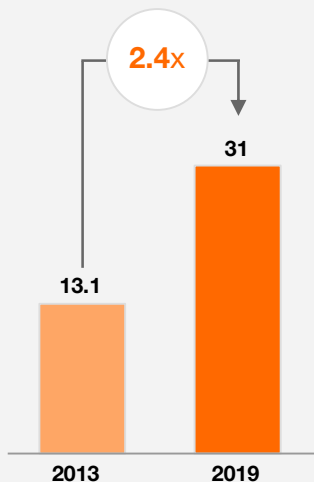
GMV per Active Customer¹ (in %)



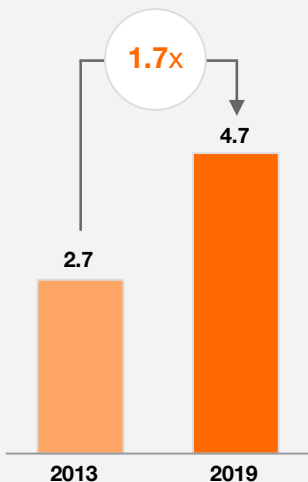
1) FY2018

As a result Our Customer Base Is Growing, Engaging More with Us And Happier Than Ever with Our Services

Active Customers
(# m)



Order Frequency
(# per customer, LTM)

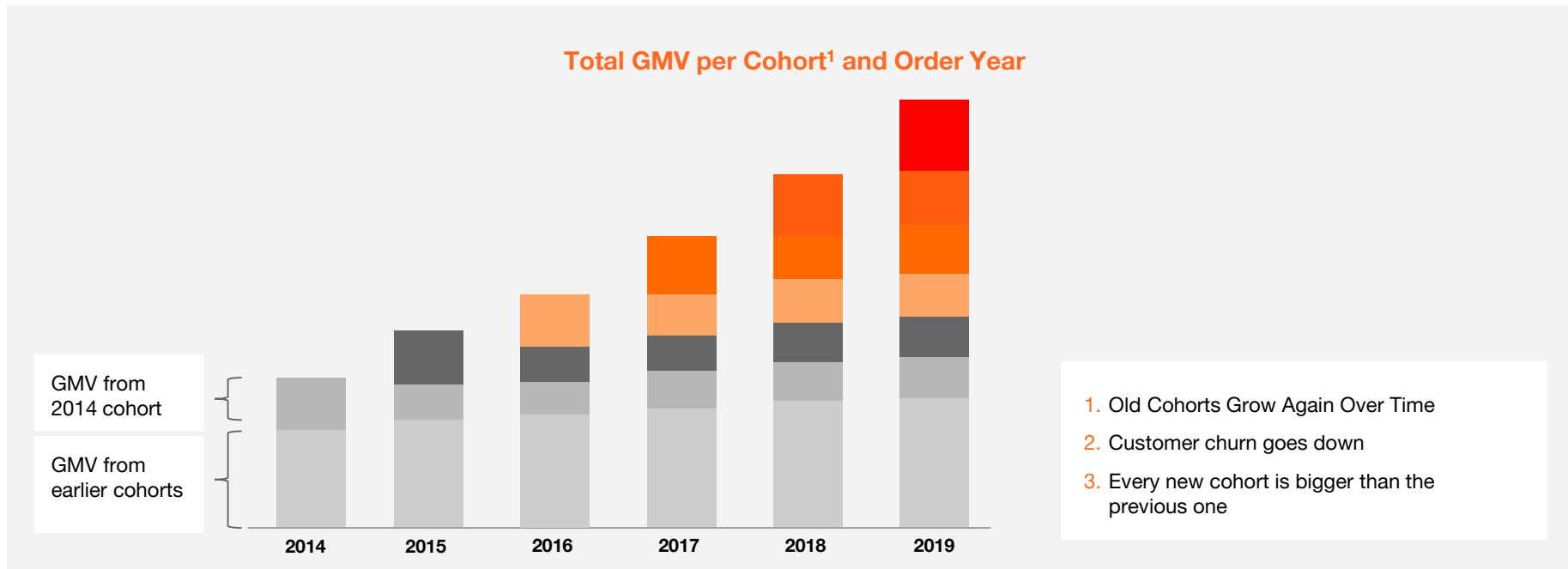


Customer Satisfaction
(Group NPS¹)

+14pts
2014 – 2018

1) Net Promoter Score or NPS - NPS is a way to measure customer satisfaction. It is calculated as: 'How likely is it that you would recommend Zalando to a friend/colleague?'

Consequently, We Continue To Observe Healthy Development Of Our Customer Cohorts



1) Cohort refers to customers grouped by the calendar year in which they first placed an order with Zalando.



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Business models		<ul style="list-style-type: none"> • Major sales channels • Includes business models: <ul style="list-style-type: none"> ◦ Partner Program ◦ Zalando Fulfillment Solutions ◦ Private label business zlabels ◦ Distributed Commerce 		<ul style="list-style-type: none"> • Lounge: shopping club for off-season merchandise • Outlet: offline sales channel for excess inventory (8 stores +5 stores in the planning) 	<ul style="list-style-type: none"> • Zalon: fashion curation service (stylists) • Wardrobe: second hand channel • Connected Retail: integration of brick-and-mortar stores 	<ul style="list-style-type: none"> • ZMS: marketing services unit • Brand facing inventory integration business (Saas) 	

In Our Fashion Store, We Offer Brands Three Options Of Collaboration

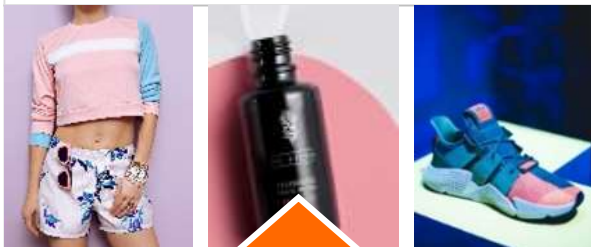


	Wholesale	Partner Program with ZFS	Partner Program without ZFS
Control over product	Zalando buys product and has full control	Partner owns product, sets price and books full retail value	
Customer Touchpoints	Zalando shop (payment, customer care, reimbursement)		
Logistics	Zalando warehouse	Zalando warehouse	Brand warehouse
Package	Zalando package	Zalando package	Brand package
Delivery	Zalando provider (more favorable carrier conditions, delivery and returns experience; greater basket size)		

What We Want Our Customers To Say About The Starting Point For Fashion

1

Assortment



"If it's not on Zalando,
it doesn't exist"

2

Digital Experience



"Zalando always knows what
I want and what inspires me"

3

Convenience



"I always buy fashion on Zalando –
it's so convenient, why would
I look anywhere else?"

"Zalando is my one-stop-shop for everything I want in fashion"

Most Complete Assortment Makes Us The Starting Point For Fashion

1 Assortment

includes zLabels

All Brands

Full Range

Never Sold Out

Engaging Content

Achievements
Today

Massimo Dutti
Bershka
MONK L SEE BY CHLOÉ
BOSS
L'ORÉAL SWAROVSKI
MAYBELLINE
MAC CLINIQUE
ESTÉE LAUDER



Partner program
backfilling

EUR **190M**

in GMV 2018

~1000 Campaigns across
17 Markets





Choice

 More Articles

More items Per Basket



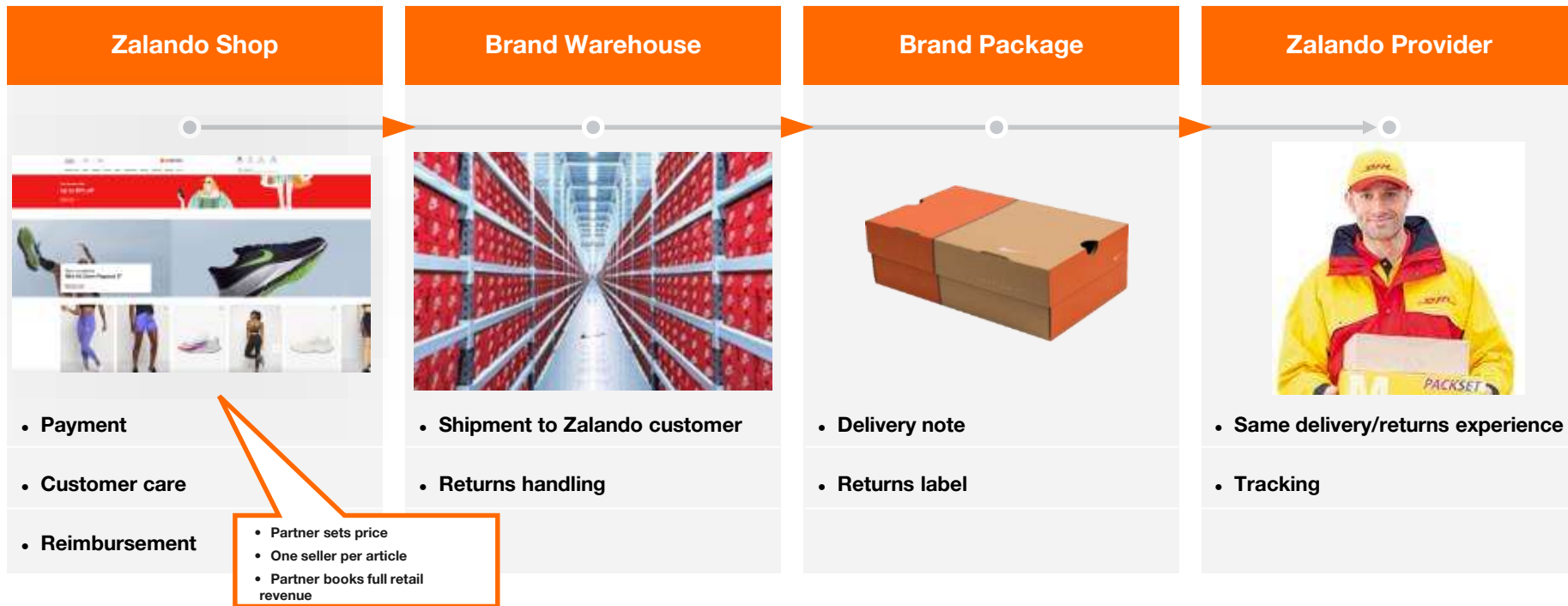
Availability

More Items Per Article 

More Transactions

...In Which Our Partners Having Full Control

1 Assortment



Since Fulfillment Is Challenging For Partners At Times...

LIMITED EU CROSS BORDER

LOGISTICS NETWORK

HIGH

SHIPPING COSTS

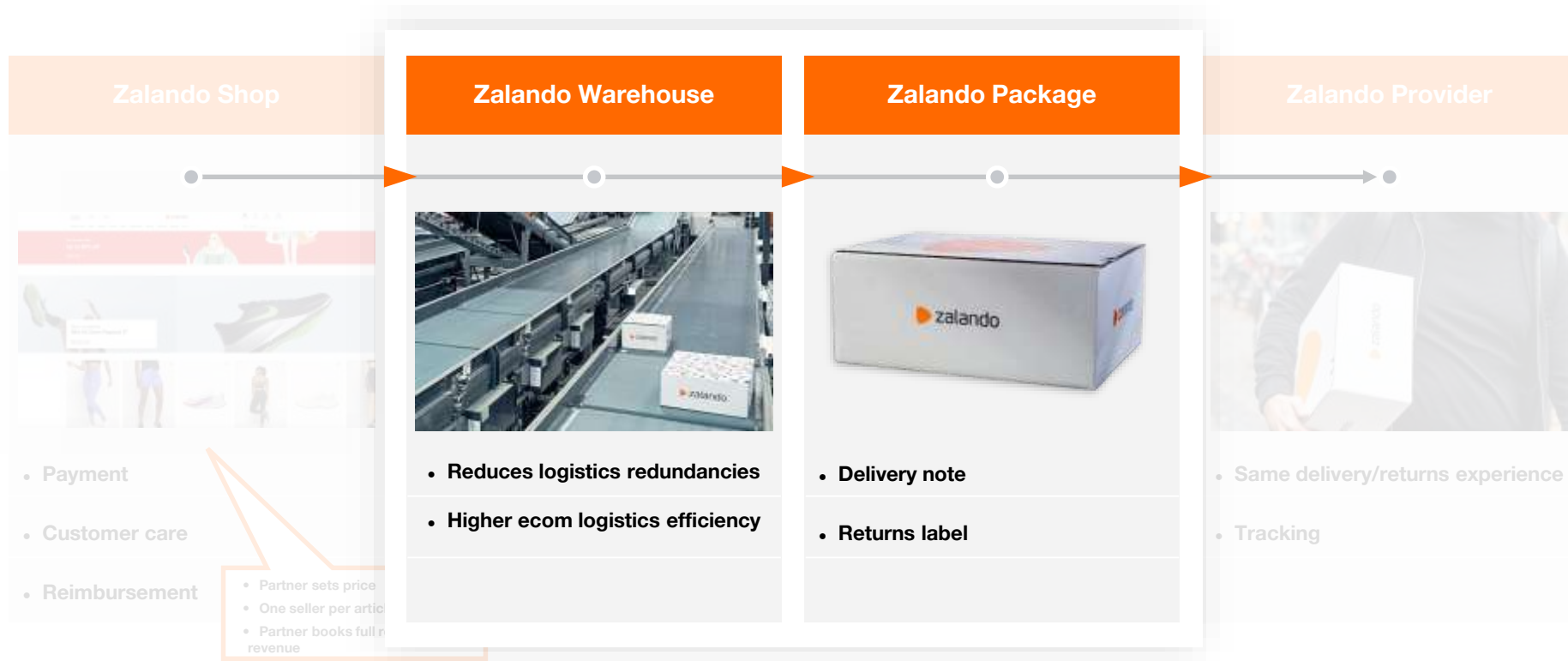
HIGH

**CUSTOMER
EXPECTATIONS**



...They Can Make Use Of Our Fulfillment Capabilities Via Zalando Fulfillment Solutions

1 Assortment



Superior Convenience for Customers

1 parcel instead of 3-4 parcels



1) FY2018

Larger Assortment for Customers

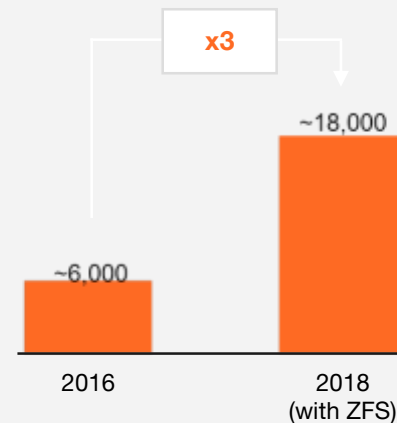
Unmatched unit economics for brands

~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



To Make The Look For Our Customers Complete, We Have Launched Our Beauty Segment In 2018...

1 Assortment

> 10.500 SKUs

INITIAL FOCUS ON COLOR
COSMETICS AND SKIN CARE



#300

BRANDS

AND MANY
MORE TO
COME...



>60%

OF BEAUTY
ORDERS ARE
MIXED BASKET
ORDERS



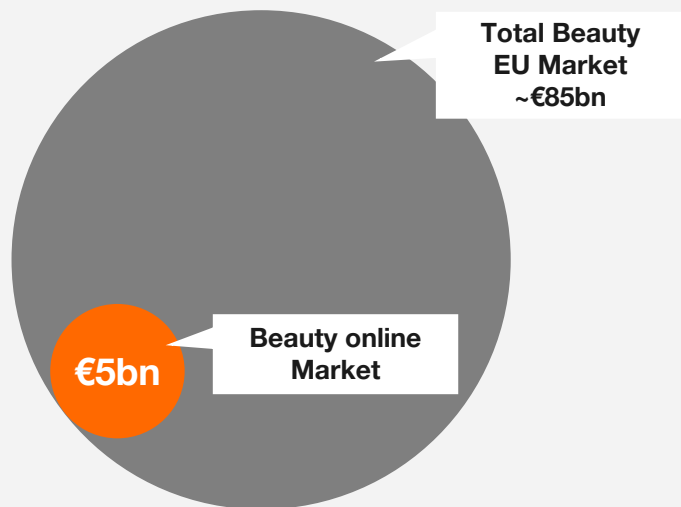
**ENGAGING
AND INSPIRING
CONTENT AND
ADVICE**



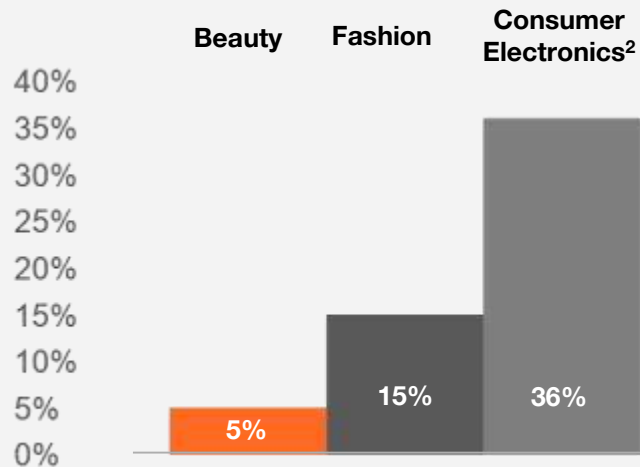
...With The European Beauty Market Harboring An Enormous Potential With Channel Shift Yet To Come

1 Assortment

EU Beauty Market Size...



...with low online share compared to other categories

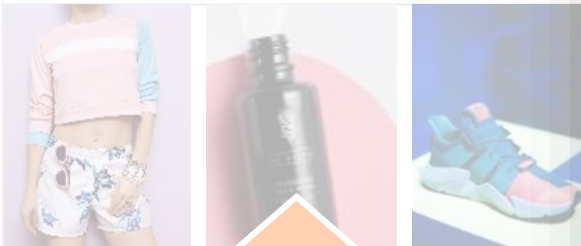


1) Source: Statista, Euromonitor

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Assortment



“If it’s not on Zalando,
it doesn’t exist”

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Digital Experience



“Zalando always knows what
I want and what inspires me”

3

Convenience



“I always buy fashion on Zalando –
it’s so convenient, why would
I look anywhere else?”

“Zalando is my one-stop-shop for everything I want in fashion”

Inspiration



Advice



Relevance



from

to

Mainly
products

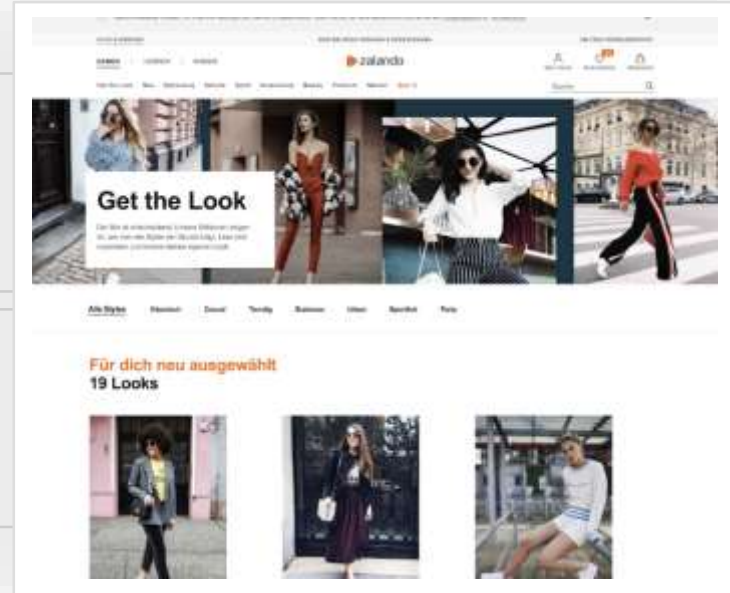


Shoppable content
available on all customer
journeys

Mainly our voice



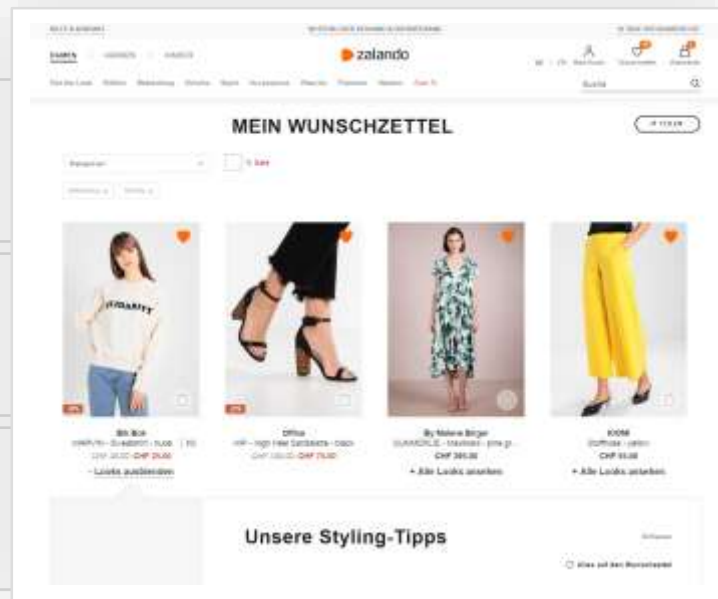
Many voices





from

to

**Disconnected
channels****Immersive journeys across
all channels****Static content****Different media****Focus on
individual items****Curation through outfits
and collections**



from

to

One-size-fits-all
experience

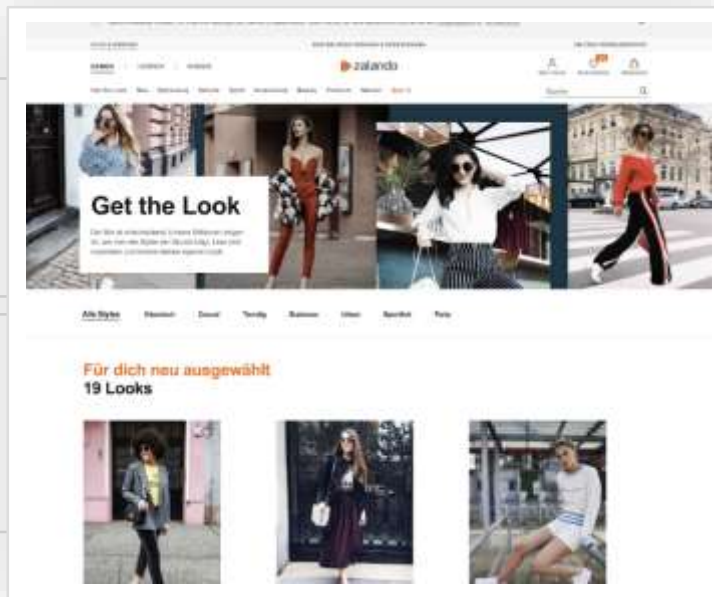


Unique, personalized
experience including
preferences, such as
sizing

Linear journey



Fluid & immersive
experience



Digital Experience

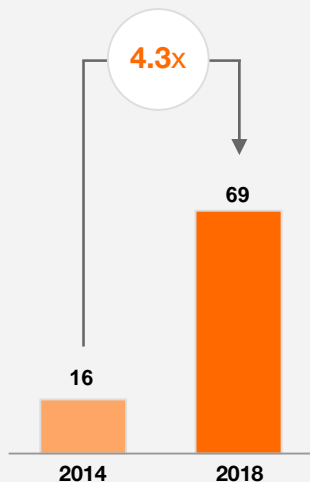
1 parcel instead of 3-4 parcels



“Zalando always knows what I want and what inspires me”

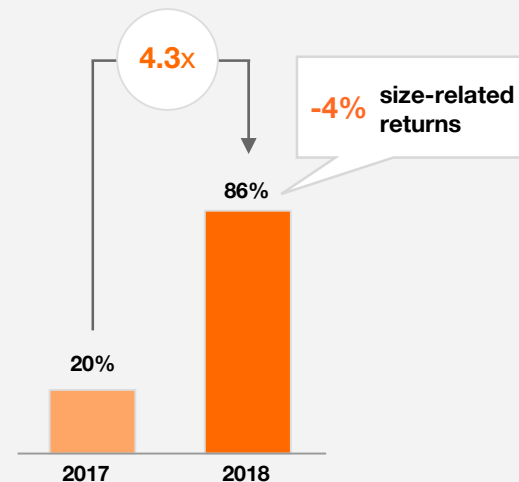
More Time Spend with Us

(time spend on the app;
per user per month in min)



Increasing Size Recommendations

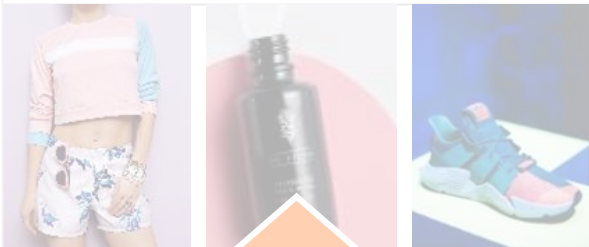
(size flags as share of wholesale assortment)



What We Want Our Customers To Say About The Starting Point For Fashion

1

Assortment



"If it's not on Zalando,
it doesn't exist"

2

Digital Experience



"Zalando always knows what
I want and what inspires me"

3

Convenience



"I always buy fashion on Zalando –
it's so convenient, why would
I look anywhere else?"

"Zalando is my one-stop-shop for everything I want in fashion"

1

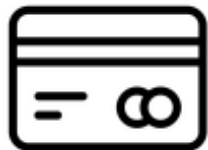
Transactional Core



- Cart
- Check-Out
- Return Flow
- Transaction Handling

2

Payments



- Payment processing
- Risk management & fraud prevention
- Receivables accounting
- Dunning & collection

3

Logistics



- Warehouse logistics
(inbound, storage, parcel outbound)
- Returns handling
- Transportation & shipping
- Network planning
- Warehouse engineering

4

Customer Care



- Mail & phone support
- Chat
- Social Media
- Self-help / Smart FAQ

...With Ease Of Payments And Ease Of Returns Are At The Core Of Customer Satisfaction

3 Convenience

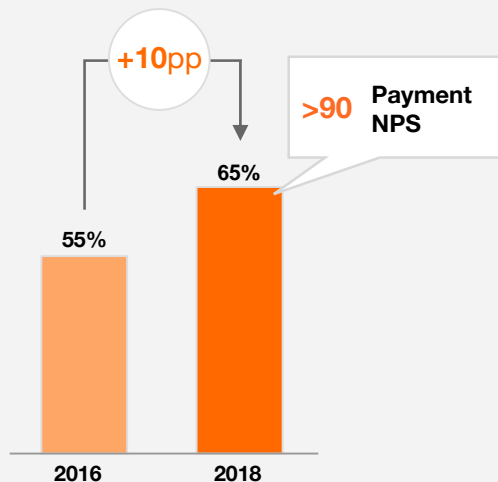
Digital Experience

Frictionless service experience



"I always buy fashion on Zalando – it's so convenient, why would I look anywhere else?"

More Deferred Payments Offered ... (share of customers offered deferred payments)



...and easier returns (NPS Q4/18)

93%

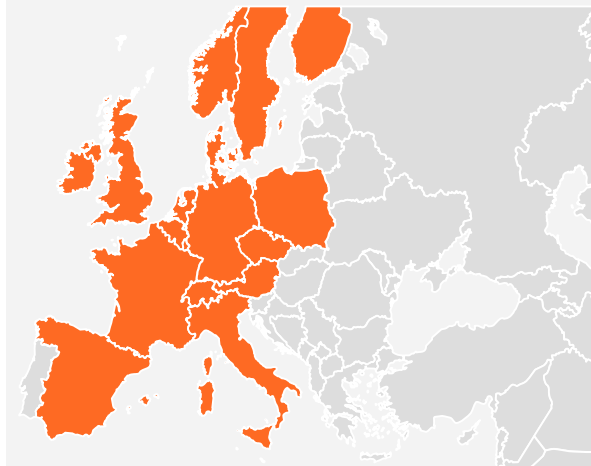
of customers are very happy with ease of returns

We Offer A Broad Range Of Payment Methods To Satisfy Local Customer Preferences

3 Convenience

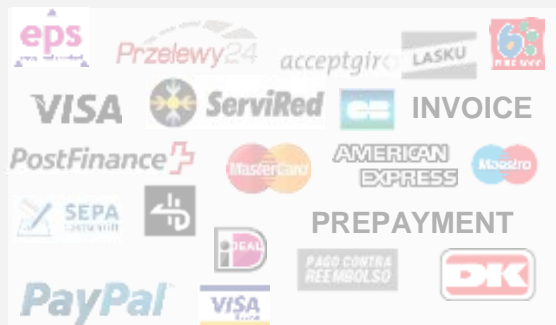
Payment options

Countries



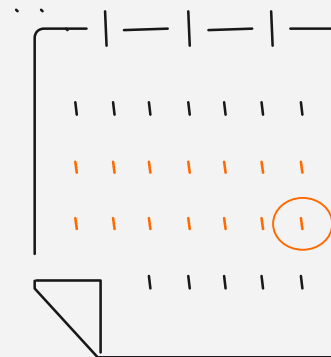
Our presence in 17 countries
requires localization

Payment Methods



22 different payment methods

Deferred Payments



>60% deferred payment share

We Recently Turned Every Living Room Into A Personal Fitting Room

3 Convenience

Ease of payment

Traditional e-commerce customer flow



New Zalando Pay Later experience¹



1) One week to try at home and only the amount of the articles kept is captured on the card. Available in 10 of 17 countries

To Ensure A Fast And Convenient Delivery And Return Handling To Our Customers...

3 Convenience

Delivery time

- 1. **Erfurt**
Start in 2012
- 2. **Brieselang**
Start in 2011
- 3. **Mönchengladbach**
Start in 2013
- 4. **Lahr**
Start in 2016
- 5. **Paris** (Moissy-Cramayel)
Start in 2016
- 6. **Stockholm**
Start in 2018

- 7. **Szczecin** (Gryfino)
Start in 2017
- 8. **Olsztynek** (PL)
Start in 2019
- 9. **Lodz** (Gluchow)
Start in 2019
- 10. **Verona** (Nogarole Rocca)
Start in 2020
- 11. **Milano** (Stradella)
Start in 2016
- 12. **Rotterdam** (Bleiswijk)
13. **Halle/Saale** (Inbound Distribution Center)
Start in 2019

Create the capacity for future growth:

12 warehouses allow > 14bn GMV

Get closer to our customers:

We will deliver 30% of orders
on the next day by 20201

Scale a differentiating asset which
we can open up to brand partners

1) 3pm cutoff time

...We Heavily Invested Into Our Warehouse Assets¹

3 Convenience

Delivery time

		Type	Construction start	Full capacity exp.	Capex (€m)	Size (k sqm)	Status
1	Brieselang (GER)	Hub	2011	2014	<50	~30	Done
2	Erfurt (GER)	Hub	2012	2015	~100	~130	Done
3	Mönchengladbach (GER)	Hub	2013	2017	~100	~130	Done
4	Lahr (GER)	Hub	2015	2018	~150	~130	Done
5	Milan (IT)	Spoke	2015	2018	<50	~40	Done
6	Szczecin (PL)	Hub	2016	2019	~150	~130	Done
7	Paris (FR)	Spoke	2016	2018	<50	~20	Done
8	Stockholm (SWE)	Spoke	2017	2018	<50	~50	Done
9	Lodz (PL)	Hub	2017	2021	~100	~130	Done
10	Olsztynek (PL)	Hub (Lounge)	2018	2021	~100	~80	Done
11	Verona (IT)	Hub	2018	2021	~150	~130	Done
12	Rotterdam (NL)	Hub	2019	2022	~200	~140	Construction
13	Halle/Saale (GER)	Inbound DC		2019	Third Party	~35	Done

1) All warehouses are leased (except for the interior)

We Continue To Focus On Warehouse Automation To Reduce Lead Time And Costs

3 Convenience

Delivery time

Generation I (live)



Conveyor, linesorter,
outbound sorter

Generation II (live)



Bag sorter

Generation III (live)



Warehouse robotics

Generation IV (coming)



Shuttle technology and bag sorter

Without Having Strong Partnerships With (Local) Logistics Partners, A ,Best-in-class' E-com Network Would Be Fruitless

3 Convenience

Delivery time

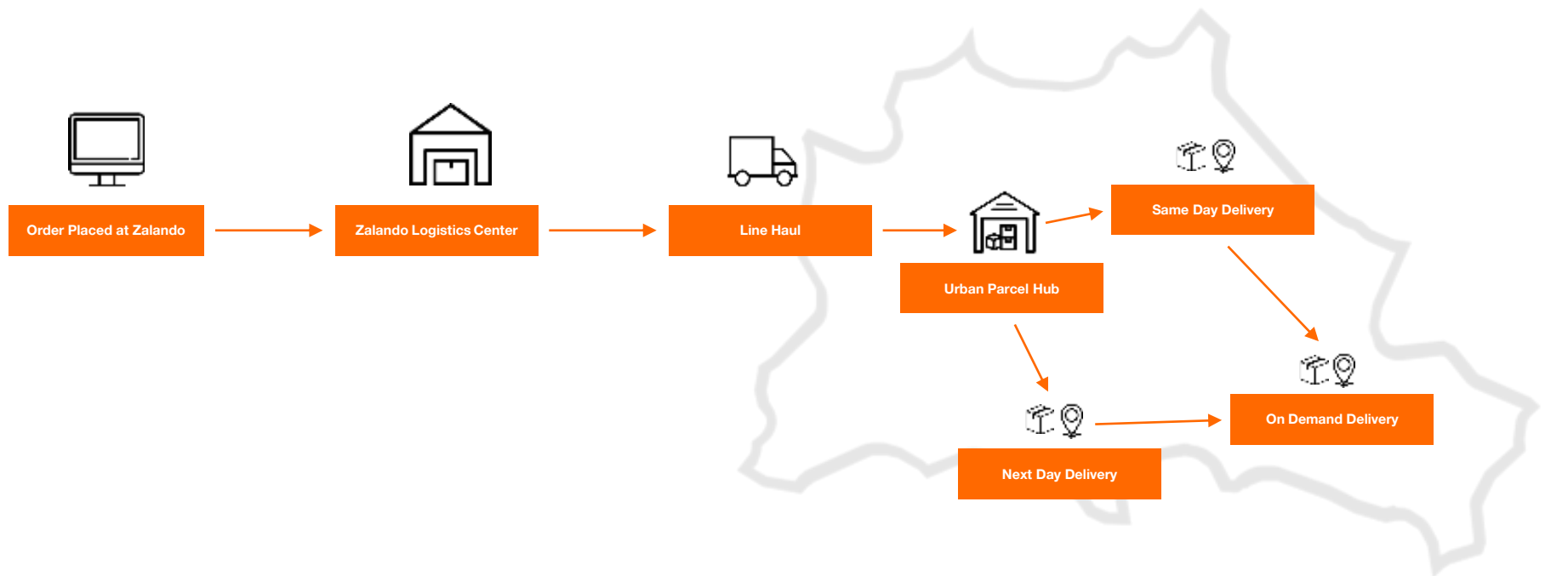


- **>10** international warehouses
- **25** domestic carrier integrations,
2 express carrier,
14 same day destinations
- Economies of scale and “unfair” order economics

We Furthermore Make Use Of A Local Delivery Network - Orchestrated Via Technology

3 Convenience

Delivery time



To Enhance Our Customer Propositions Even Further, We Introduced Our To Fashion Tailored Membership Program Zalando Plus

3 Convenience

Delivery time



Program vision:

Building a program that defines the best-in-class online fashion experience



Target customer:

existing customers with a high fashion spend



Economic objective:

to increase customer satisfaction & share of wallet

Available to all customers in Germany for €15 / year

zalando **PLUS**

Faster delivery, including same-day

Early access to sales

Personal stylist service

Dedicated customer service

Now we are scaling it as part of our premium membership program Zalando Plus

3 Convenience

Delivery time

Premium delivery for Zalando Plus

The screenshot shows the 'CHECK ORDER' step of the Zalando checkout process. At the top, a progress bar indicates four steps: 'step 1/4', 'address', 'plus card', and 'to payment', with the 'plus card' step currently active. Below the progress bar, there is a 'CHECK ORDER' heading and a button that says 'SEND ORDER AND CONTINUE FOR PAYMENT'. The main content area is divided into two columns. The left column, titled 'DELIVERY OPTION', lists four delivery choices: 1) 'Today, 19:00 - 21:30' (Premium delivery in the evening, Only a few time windows left), 2) 'Sat, 26.05. - Mo, 28.05.' (Premium delivery), 3) 'Mo, 29.05. - Di, 29.05.' (Standard Delivery), and 4) 'Sat, 26.05.' (Express Delivery). The right column, titled 'DELIVERY ADDRESS', shows the address 'Ms. Smart Delivery, Nazarethkirchstr. 66, 10347 Berlin, Germany'. Below this, there is a 'BILLING ADDRESS' section with the text 'Corresponds to my delivery address' and a 'PAYMENT' section with a 'PayPal' button. At the bottom, there is a section for 'VOUCHERS & DISCOUNT CODES (optional)'. A 'Zalando Plus' logo is visible next to the first two delivery options, indicating they are free for Plus members.

DELIVERY OPTION	DELIVERY ADDRESS
<input checked="" type="radio"/> Today, 19:00 - 21:30 Premium delivery in the evening Only a few time windows left	Ms. Smart Delivery Nazarethkirchstr. 66 10347 Berlin Germany
<input type="radio"/> Sat, 26.05. - Mo, 28.05. Premium delivery	
<input type="radio"/> Mo, 29.05. - Di, 29.05. Standard Delivery	
<input type="radio"/> Sat, 26.05. Express Delivery	

for free with **zalando plus**

free

3.90 €

BILLING ADDRESS
Corresponds to my delivery address

PAYMENT
PayPal

VOUCHERS & DISCOUNT CODES (optional)

Zalando Plus expands in Europe



Existing network

Planned network



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1. The Zalando Group

2. Business segments

Fashion Store





Offprice

Other: Emerging Businesses

3. Financials

4. Share, convertible bonds & contact

Our Holistic Fashion Proposition to Customers and Brand Partners

Segments	Fashion Store	Offprice	Others	
Sales Channels / Service			Emerging Businesses	Platform Enablers
Business models	<ul style="list-style-type: none"> • Major sales channels • Includes business models: <ul style="list-style-type: none"> ◦ Partner Program ◦ Zalando Fulfillment Solutions ◦ Private label business zlabels ◦ Distributed Commerce 	<ul style="list-style-type: none"> • Lounge: shopping club for off-season merchandise • Outlet: offline sales channel for excess inventory (8 stores +5 stores in the planning) 	 <ul style="list-style-type: none"> • Zalon: fashion curation service (stylists) • Wardrobe: second hand channel • Connected Retail: integration of brick-and-mortar stores 	 <ul style="list-style-type: none"> • ZMS: marketing services unit • Brand facing inventory integration business (Saas)

Offprice With Outstanding Development In The Last 8 Years – Successfully Leveraging The Zalando Platform

3 Convenience

Payment options

Customers



- Shopping club addressing discount affine customers
- Daily sales campaigns with 50-70% discount



zalandolounge **zalando outlet**

ALL CAMPAIGNS WOMEN MEN KIDS FAST DELIVERY LAST CHANCE

- Synergetic with Zalando platform: additional consumer reach, solves overstock problem for brands and Zalando
- Strong financials: ~40% p.a. growth since 2016 and profitable
- 2/5 sourced internal, remaining part from external sources¹



Brands



- Allows brands to manage excess inventory while maintaining brand image
- International distribution

1) Zalando Lounge sourcing split is as of FY 2018

The Zalando Outlets Strategically Complement Other Offerings On The Zalando Platform











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1. The Zalando Group
2. Business segments
 - Fashion Store
 - Offprice
 - Other: Emerging Businesses
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4. Share & contact

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Zalon – Connecting Consumers With Stylists

Consumers (M/W)



ZALON

Personalized Style Advice for Free



Together Towards the Perfect Look

Freelance Stylists



With Zalando Marketing Services brands can drive growth and branding ...

Brands can reach Europe's largest fashion audience **at the point of sale...**



>1,000m **site visits**

>34m **Active Customers**

17 **fashion** markets



...to push sales and to build their brand
in a **multi-brand environment**

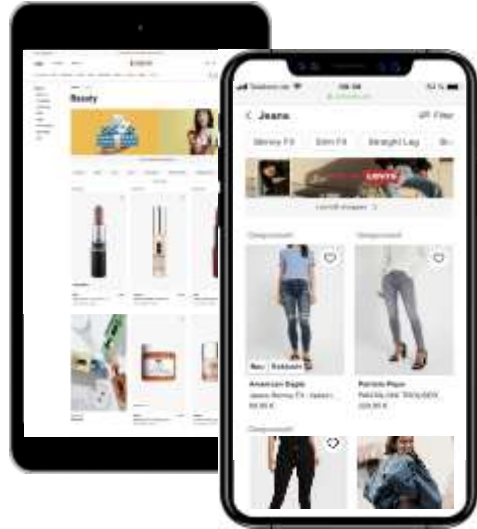


>2,500 **brands**

>640,000 **products**

...by tailoring content and reaching customers across all relevant touchpoints on and off Zalando's premises and leveraging our consumer insights tool

Performance Marketing



Boost performance through highest visibility at the **point of sale**

Branding Campaigns



Create awareness among Europe's largest fashion audience at the **point of sale**

Consumer Insights



Understanding your customer via consumer & performance insights

Connected Retail - Connecting Offline Stores To Our Online World

**Deep System Integration –
Many Tried It, Many Failed.**



**Handshake Model – Lean Way
Of Integrating.**





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1. The Zalando Group
2. Business segments
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Group Key Figures¹

	Year FY/14	Year FY/15	Year FY/16	Year FY/17	Year FY/18	Quarter Q1/19	Quarter Q2/19	Half-Year H1/19	Year FY/19	Quarter Q1/20	Quarter Q2/20	Half-Year H1/20
Group Key Performance Indicators												
Site Visits (m)	1,363.8	1,656.4	1,991.6	2,563.5	3,137.2	923.9	986.4	1,910.3	4,178.1	1,137.5	1,296.2	2,433.7
Mobile Visit Share (in % of Site Visits)	42.3%	57.1%	65.6%	70.7%	79.3%	82.4%	83.5%	82.9%	83.7%	84.6%	85.9%	85.3%
Active Customers (m)	14.7	17.9	19.9	23.1	26.4	27.2	28.3	28.3	31.0	31.9	34.1	34.1
Number of Orders (m)	41.4	55.3	69.2	90.5	116.2	31.4	36.1	67.6	144.9	37.0	46.5	83.5
Average Order per Active Customer (LTM)	2.82x	3.08x	3.48x	3.92x	4.40x	4.49x	4.57x	4.53x	4.68x	4.72x	4.72x	4.72x
Average Basket Size (in €) (LTM)	-	-	-	60.6	57.2	57.0	56.7	56.7	56.6	56.4	56.9	56.9
Results of Operations												
Gross merchandise volume (GMV) (in €bn)	-	-	-	5.48	6.64	1.75	2.02	3.77	8.20	2.03	2.69	4.72
Revenue (in €m)	2,214.0	2,958.2	3,639.0	4,489.0	5,387.9	1,378.2	1,597.3	2,975.5	6,482.5	1,524.2	2,034.7	3,558.9
EBIT (in €m)	62.1	89.6	207.0	187.6	119.2	(18.4)	92.0	73.6	165.8	(113.1)	198.4	85.3
EBIT (as % of revenue)	2.8%	3.0%	5.7%	4.2%	2.2%	(1.3%)	5.8%	2.5%	2.6%	(7.4%)	9.7%	2.4%
Adjusted EBIT (in €m)	82.0	107.5	216.3	215.1	173.4	6.4	101.7	108.1	224.9	(98.6)	211.9	113.3
Adjusted EBIT (as % of revenue)	3.7%	3.6%	5.9%	4.8%	3.2%	0.5%	6.4%	3.6%	3.5%	(6.5%)	10.4%	3.2%
EBITDA (in €m)	88.0	123.8	255.2	246.4	205.7	24.4	143.3	167.7	360.7	(62.5)	250.6	188.1
EBITDA (as % of revenue)	4.0%	4.2%	7.0%	5.5%	3.8%	1.8%	9.0%	5.6%	5.6%	(4.1%)	12.3%	5.3%
Adjusted EBITDA (in €m)	107.8	141.7	264.5	273.8	259.9	49.2	153.1	202.3	419.7	(48.0)	264.1	216.1
Adjusted EBITDA (as % of revenue)	4.9%	4.8%	7.3%	6.1%	4.8%	3.6%	9.6%	6.8%	6.5%	(3.2%)	13.0%	6.1%
Financial Position (in €m)												
Net working capital	(3.6)	(2.6)	(127.6)	(62.4)	(84.3)	(12.4)	(78.6)	(78.6)	(147.7)	41.3	(31.2)	(31.2)
Cash flow from operating activities	174.9	119.4	275.8	193.7	212.8	(58.6)	143.2	84.6	327.2	(260.8)	385.8	124.9
Cash flow from investing activities	(51.9)	(196.5)	(277.1)	(88.3)	(207.0)	(24.4)	(56.8)	(81.1)	(290.3)	(41.8)	(43.3)	(85.1)
Free cash flow	123.8	42.6	63.7	(85.0)	(78.4)	(78.4)	86.4	8.1	41.6	(302.6)	342.5	39.9
Capex	(51.1)	(60.0)	(181.7)	(243.9)	(278.4)	(42.3)	(55.1)	(97.4)	(306.5)	(47.8)	(43.3)	(91.1)
Cash and cash equivalents	1,051.0	976.2	972.6	1,065.5	995.0	869.8	954.4	1,824.2	976.5	1,034.0	1,377.50	1,377.50
Other												
Employees (as of reporting date)	7,588	9,987	11,998	15,091	15,619	15,528	13,965	13,965	13,763	13,825	13,744	13,744
Basic earnings per share (in €)	0.2	0.5	0.5	0.4	0.2	(0.1)	0.2	0.1	0.4	(0.4)	0.5	0.1

1) Adj. EBIT excludes equity-settled share-based payment expense ("SBC"), restructuring costs and non-operating one-time effects.

Income statement¹²

	Year FY/14	Year FY/15	Year FY/16	Year FY/17	Year FY/18	Quarter Q1/19	Quarter Q2/19	Half-Year H1/19	Year FY/19	Quarter Q1/20	Quarter Q2/20	Half-Year H1/20
Revenue	2,214.0	2,958.2	3,639.0	4,489.0	5,387.9	1,378.2	1,597.3	2,975.5	6,482.5	1,524.2	2,034.7	3,558.9
% growth	25.7%	33.6%	23.0%	23.4%	20.0%	15.2%	20.1%	17.8%	20.3%	10.6%	27.4%	19.6%
Cost of Sales	(1255.3)	(1624.0)	(2029.6)	(2529.6)	(3107.0)	(828.7)	(866.9)	(1695.6)	(3724.3)	(986.2)	(1131.5)	(2117.6)
Gross Profit	958.7	1,334.1	1,609.4	1,959.4	2,280.9	549.5	730.4	1,279.9	2,758.2	538.0	903.2	1,441.3
% margin	43.3%	45.1%	44.2%	43.6%	42.3%	39.9%	45.7%	43.0%	42.5%	35.3%	44.4%	40.5%
Selling and Distribution Costs	(793.8)	(1,118.9)	(1,223.7)	(1,530.8)	(1,899.2)	(492.8)	(567.2)	(1,060.1)	(2,295.1)	(579.7)	(622.5)	(1,202.1)
Administrative Expenses	(109.1)	(129.0)	(191.3)	(242.9)	(268.9)	(77.8)	(70.3)	(148.1)	(298.9)	(84.2)	(81.5)	(165.7)
Other Operating Income	12.2	10.2	16.7	11.8	18.7	5.2	3.8	9.0	18.2	14.1	1.5	15.6
Other Operating Expenses	(5.8)	(7.0)	(4.1)	(9.9)	(12.3)	(2.5)	(4.6)	(7.1)	(16.6)	(1.3)	(2.3)	(3.7)
EBIT	62.1	89.6	207.0	187.6	119.2	(18.4)	92.0	108.1	165.8	(113.1)	198.4	85.3
% margin	2.8%	3.0%	5.7%	4.2%	2.2%	(1.3%)	5.8%	3.6%	2.6%	(7.4%)	9.7%	2.4%
Net Financial Result	(4.5)	(3.0)	(14.1)	(12.4)	(13.6)	(2.8)	(5.7)	(8.5)	(20.9)	(20.7)	(0.7)	(21.4)
EBT	57.7	86.6	192.9	175.2	105.6	(21.2)	86.3	99.7	144.9	(133.8)	197.7	63.9
% margin	2.6%	2.9%	5.3%	3.9%	2.0%	(1.5%)	5.4%	3.6%	2.2%	(8.8%)	9.7%	1.8%
Income and Other Tax	(10.5)	34.9	(72.5)	(73.6)	(54.4)	3.6	(40.8)	(37.2)	(45.2)	47.3	(75.1)	(27.8)
Net Income	47.2	121.5	120.5	101.6	51.2	(17.6)	45.5	27.9	99.7	(86.4)	122.5	36.1
% margin	2.1%	4.1%	3.3%	2.3%	0.9%	(1.3%)	2.8%	0.9%	1.5%	(5.7%)	6.0%	1.0%
Depreciation & Amortization	25.8	34.2	48.2	58.7	86.5	42.8	51.3	94.1	194.8	50.6	52.2	102.8
EBITDA	88.0	123.8	255.2	246.4	205.7	24.4	143.3	167.7	360.7	(62.5)	250.6	188.1
% margin	4.0%	4.2%	7.0%	5.5%	3.8%	1.8%	9.0%	5.6%	5.6%	(4.1%)	12.3%	5.3%
Share Based Compensation (SBC)	19.8	17.9	19.9	27.5	43.3	11.8	9.7	21.5	46.0	14.5	13.5	27.9
Restructuring costs / non-operating one-time effects	0.0	0.0	(10.6)	0.0	10.9	13.0	0	13.0	13.0	0.0	0.0	0.0
Adj. EBIT	82.0	107.5	216.3	215.1	173.4	6.4	101.7	108.1	224.9	(98.6)	211.9	113.3
% margin	3.7%	3.6%	5.9%	4.8%	3.2%	0.5%	6.4%	3.6%	3.5%	(6.5%)	10.4%	3.2%
Adj. EBITDA	107.8	141.7	264.5	273.8	259.9	49.2	153.1	202.3	419.7	(48.0)	264.1	216.1
% margin	4.9%	4.8%	7.3%	6.1%	4.8%	3.6%	9.6%	6.8%	6.5%	(3.2%)	13.0%	6.1%

- 1) Prior year figures not re-stated for shifts between cost lines as a result of new segment structure as of Jan 2018.
2) Adj, EBIT excludes equity-settled share-based payment expense ("SBC"), restructuring costs and non-operating one-time effects.

Segments¹²

	Year FY/18	Quarter Q1/19	Quarter Q2/19	Half-Year H1/19	Year FY/19	Quarter Q1/20	Quarter Q2/20	Half-Year H1/20
Revenue (in €m)	5,387.9	1,378.2	1,597.3	2,975.5	6,482.5	1,524.2	2,034.7	3,558.9
Fashion Store	4,967.7	1,268.5	1,478.1	2,746.6	5,964.9	1,391.6	1,870.2	3,261.8
thereof DACH	2,483.7	621.7	732.0	1,353.7	2,897.2	663.6	863.4	1,527.0
thereof Rest of Europe	2,484.0	646.8	746.1	1,392.9	3,067.7	728.0	1,006.8	1,734.8
Offprice	497.5	136.8	155.7	292.5	659.4	184.7	252.2	437.0
Other	444.8	102.6	45.2	147.8	252.3	37.4	40.1	77.5
Reconciliation	(522.0)	(129.7)	(81.7)	(211.4)	(394.1)	(89.6)	(127.8)	(217.4)
Adjusted EBIT (in €m)	173.4	6.4	101.7	108.1	224.9	(98.6)	211.9	113.3
Fashion Store	162.0	8.4	103.6	112.0	219.8	(99.6)	198.1	98.5
thereof DACH	139.9	26.3	67.5	93.8	219.5	(11.6)	124.4	112.8
thereof Rest of Europe	22.0	(18.0)	36.1	18.2	0.4	(88.0)	73.7	(14.3)
Offprice	35.2	3.8	6.9	10.7	27.7	7.8	15.8	23.6
Other	(24.4)	(6.2)	(8.9)	(15.1)	(23.3)	(6.8)	(1.3)	(8.1)
Reconciliation	0.7	0.4	0.1	0.5	0.6	(0.0)	(0.7)	(0.7)
Adjusted EBIT margin (in %)	3.2%	0.5%	6.4%	3.6%	3.5%	(6.5%)	10.4%	3.2%
Fashion Store	3.3%	0.7%	7.0%	4.1%	3.7%	(7.2%)	10.6%	3.0%
Fashion Store – DACH	5.6%	4.2%	9.2%	6.9%	7.6%	(1.7%)	14.4%	7.4%
Fashion Store – Rest of Europe	0.9%	(2.8%)	4.8%	1.3%	0.0%	(12.1%)	7.3%	(0.8%)
Offprice	7.1%	2.8%	4.4%	3.7%	4.2%	4.2%	6.3%	5.4%
Other	(5.5%)	(6.0%)	(19.7%)	(10.2%)	(9.2%)	(18.2%)	(3.3%)	(10.5%)
Reconciliation	3.4%	(0.3%)	(0.2%)	(0.2%)	(0.2%)	0.0%	0.6%	0.3%

1) New segment structure from Jan 1, 2018 onwards. Offprice reported separately from Q2/18 onwards. FY/14 to FY/16 not restated.

2) Adj. EBIT excludes equity-settled share-based payment expense ("SBC"), restructuring costs and non-operating one-time effects

Zalando Group adjusted cost lines

	Year FY/14	Year FY/15	Year FY/16	Year FY/17	Year FY/18	Quarter Q1/19	Quarter Q2/19	Half-Year H1/19	Year FY/19	Quarter Q1/20	Quarter Q2/20	Half-Year H1/20
Revenue (in €m)	2,214.0	2,958.2	3,639.0	4,489.0	5,387.9	1,378.2	1,597.3	2,975.5	6,482.5	1,524.2	2,034.7	3,558.9
Cost of Sales (in €m)	(1,250.9)	(1,619.6)	(2,024.6)	(2,522.7)	(3,103.4)	(817.7)	(866.3)	(1,683.9)	(3,710.9)	(985.2)	(1,130.6)	(2,115.7)
Cost of Sales (in % of revenue)	(56.5%)	(54.7%)	(55.6%)	(56.2%)	(57.6%)	(59.3%)	(54.2%)	(56.6%)	(57.2%)	(64.6%)	(55.6%)	(59.4%)
Gross Profit (in €m)	963.1	1,338.6	1,614.4	1,966.3	2,284.5	560.6	731.0	1,291.6	2,771.6	539.0	904.1	1,443.1
Gross Profit (in % of revenue)	43.5%	45.3%	44.4%	43.8%	42.4%	39.9%	45.8%	43.0%	42.8%	35.4%	44.4%	40.5%
Fulfillment Cost Ratio (in €m)	(492.7)	(762.5)	(842.8)	(1,161.4)	(1,493.5)	(394.3)	(435.4)	(829.7)	(1,766.6)	(454.1)	(514.9)	(996.0)
Fulfillment Cost Ratio (in % of revenue)	(22.3%)	(25.8%)	(23.2%)	(25.9%)	(27.7%)	(28.6%)	(27.3%)	(27.9%)	(27.3%)	(29.8%)	(25.3%)	(27.2%)
Marketing Cost Ratio (in €m)	(291.5)	(347.4)	(371.0)	(355.7)	(385.8)	(96.2)	(130.0)	(226.2)	(519.8)	(122.9)	(104.9)	(227.8)
Marketing Cost Ratio (in % of revenue)	(13.2%)	(11.7%)	(10.2%)	(7.9%)	(7.2%)	(7.0%)	(8.1%)	(7.6%)	(8.0%)	(8.1%)	(5.2%)	(6.4%)
Selling and Distribution Costs (in €m)	(784.2)	(1109.9)	(1213.7)	(1517.0)	(1879.3)	(490.5)	(565.4)	(1055.9)	(2286.4)	(576.9)	(619.8)	(1196.8)
Selling and Distribution Costs (in % of rev)	(35.4%)	(37.5%)	(33.4%)	(33.8%)	(34.9%)	(35.6%)	(35.4%)	(35.5%)	(35.3%)	(37.9%)	(30.5%)	(33.6%)
Administrative Expenses & Other (in €m)	(96.9)	(121.2)	(184.3)	(234.2)	(231.8)	(63.7)	(63.9)	(127.6)	(260.3)	(60.7)	(72.4)	(133.1)
Administrative Expenses & Other (in % of rev)	4.4%	4.1%	5.1%	5.3%	4.4%	(4.6%)	(4.0%)	(4.3%)	(4.0%)	(4.0%)	(3.6%)	(3.8%)
Adj. EBIT (in €m)	82.0	107.5	216.3	215.1	173.4	6.4	101.7	108.1	224.9	(98.6)	211.9	113.3
Adj. EBIT (in % of revenue)	3.7%	3.6%	5.9%	4.8%	3.2%	0.5%	6.4%	3.6%	3.5%	(6.5%)	10.4%	3.2%
SBC per Income Statement Line Item (in €m)												
Cost of Sales	4.4	4.5	5.0	6.9	3.6	0.8	0.7	1.5	3.1	1.0	0.9	1.8
Selling and Distribution Costs	9.6	9.0	9.9	13.7	10.1	2.0	1.8	3.8	8.4	2.7	2.6	5.4
Administrative Expenses	5.8	4.5	5.0	6.9	29.5	8.9	7.3	16.2	34.5	10.8	10.0	20.7
Share Based Compensation	19.8	17.9	19.9	27.5	43.3	11.8	9.7	21.5	46.0	14.5	13.5	27.9
Restructuring costs / non-operating one-time effects	0.0	0.0	(10.6)	0.0	10.9	13.1	0.0	13.1	13.1	0.0	0.0	0.0
Total adjustments	19.8	17.9	9.3	27.5	54.2	24.8	9.7	34.6	59.1	14.5	13.5	27.9

Balance Sheet¹

	Year FY/17	Year FY/18	Quarter Q1/19	Quarter Q2/19	Half-Year H1/19	Year FY/19	Quarter Q1/20	Quarter Q2/20	Half-Year H1/20
Total Non-Current Assets	569.6	760.2	1,266.9	1,289.6	1,289.6	1,455.1	1,500.5	1,451.0	1,451.0
Thereof: Property, Plant and Equipment	350.5	546.4	562.0	599.3	599.3	708.4	704.1	713.3	713.3
Lease Assets			490.6	477.5	477.5	525.6	519.4	509.8	509.8
Other Financial Assets	31.8	18.7	18.4	15.4	15.4	11.7	27.0	14.6	14.6
Non-Financial Assets	3.5	3.8	3.6	13.0	13.0	7.3	10.3	7.7	7.7
Other Non-Current Assets	183.8	191.4	192.3	184.4	184.4	202.0	239.7	205.5	205.5
Total Current Assets	2,410.7	2,473.5	2,491.6	2,497.5	2,497.5	2,878.0	3,094.5	3,229.5	3,229.5
Thereof: Inventories	778.9	819.5	985.4	862.9	862.9	1,098.3	1,312.3	1,017.7	1,017.7
Trade and Other Receivables	278.7	395.1	376.6	401.8	401.8	462.3	360.7	475.9	475.9
Other Assets	287.6	263.9	259.8	278.4	278.4	340.9	387.5	358.4	358.4
Cash and Cash Equivalents	1,065.5	995.0	869.8	954.4	954.4	976.5	1,034.0	1,377.5	1,377.5
Total Assets	2,980.3	3,233.7	3,758.5	3,787.2	3,787.2	4,333.1	4,595.0	4,680.5	4,680.5
Total Equity	1,538.9	1,549.1	1,508.4	1,570.3	1,570.3	1,683.8	1,638.1	1,775.2	1,775.2
Thereof: Issued Capital	247.2	247.9	246.8	247.5	247.5	248.7	248.7	250.1	250.1
Capital Reserves	1,182.4	1,155.6	1,136.2	1,155.3	1,155.3	1,200.5	1,215.5	1,245.8	1,245.8
Retained earnings	8.7	(4.9)	(7.6)	(11.0)	(11.0)	(15.6)	10.2	(6.9)	(6.9)
Accumulated Loss	100.7	150.7	133.1	178.6	178.6	250.4	163.8	286.4	286.4
Minority Interests	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Non-Current Liabilities	71.9	70.9	504.6	498.6	498.6	542.6	919.3	920.5	920.5
Thereof: Non-current Lease Liabilities	8.4	5.6	442.0	433.0	433.0	481.4	477.5	471.1	471.1
Financial Liabilities			4.8	4.1	4.1	2.7	377.0	376.3	376.3
Other Non-Current Liabilities	63.5	65.3	57.8	61.5	61.5	58.5	64.8	73.1	73.1
					0.0				0.0
Total Current Liabilities	1,369.5	1,613.7	1,745.5	1,718.3	1,718.3	2,106.7	2,037.6	1,984.7	1,984.7
Thereof: Trade Payables and Similar Obligations	1,120.0	1,298.9	1,374.4	1,343.4	1,343.4	1,708.3	1,631.7	1,524.9	1,524.9
Other Current Liabilities	249.5	314.8	371.1	374.9	374.9	398.4	405.9	459.9	459.9
Total Equity & Liabilities	2,980.3	3,233.7	3,758.5	3,787.2	3,787.2	4,333.1	4,595.0	4,680.5	4,680.5
Net Working Capital	(62.4)	(84.3)	(12.4)	(78.6)	(78.6)	(147.7)	41.3	(31.2)	(31.2)

1) Other assets includes investments into short-term deposits of €20m, which are not listed under Cash and Cash Equivalents due to their maturity of more than 3 but less than 12 months.

Cash Flow Statement

	Year FY/14	Year FY/15	Year FY/16	Year FY/17	Year FY/18	Quarter Q1/19	Quarter Q2/19	Half-Year H1/19	Year FY/19	Quarter Q1/20	Quarter Q2/20	Half-Year H1/20
Net Income	47.2	121.5	120.5	101.6	51.2	(17.6)	45.5	27.9	99.7	(86.4)	122.6	36.2
Non-Cash Expenses from Share-Based Payments	19.8	17.9	19.9	27.5	43.3	11.8	9.7	21.5	46.0	14.4	13.5	27.9
Cash Settlement of Claims from Share-Based Payr	0.0	(2.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation & Amortization	25.8	34.2	48.2	58.7	86.5	42.8	51.3	94.1	194.8	50.6	52.2	102.8
Income Taxes	10.5	(34.9)	72.5	73.6	54.4	(3.6)	40.8	37.2	45.2	(47.3)	75.1	27.8
Income Taxes Paid, Less Refunds	0.0	(0.0)	(33.8)	(49.4)	(42.2)	(13.3)	(40.5)	(53.8)	(96.5)	(21.4)	(10.5)	(31.9)
Change in Provisions	1.0	(0.5)	0.1	(1.5)	0.3	0.2	0.2	0.4	6.1	(1.6)	(1.1)	(2.7)
Other Non-Cash Income	(0.2)	(1.0)	1.2	6.5	4.2	0.3	6.2	6.5	5.0	1.9	0.6	2.5
Change in Inventories and Receivables	(68.7)	(154.2)	(147.4)	(251.0)	(157.0)	(147.4)	97.2	(50.2)	(346.0)	(112.4)	179.3	67.0
Change in Trade Liabilities	94.9	154.9	264.3	198.4	180.6	75.0	(41.8)	33.2	403.6	(70.9)	(104.4)	(175.3)
Change in Other Assets/Other Liabilities	44.6	(16.2)	(69.7)	29.2	(8.5)	(6.7)	(25.4)	(32.1)	(30.7)	12.3	58.5	70.7
Cash Flow from Operating Activities	174.9	119.4	275.8	193.7	212.8	(58.6)	143.2	84.6	327.2	(260.8)	385.8	125.0
Payments received from the sale of fixed assets	0.0	0.0	0.0	0.0	58.9	22.5	0.0	22.5	22.5	6.0	0.0	6.0
Payments for Investments in Fixed and Intangible Assets	(51.1)	(60.0)	(181.7)	(243.9)	(278.4)	(42.3)	(55.1)	(97.4)	(306.5)	(47.8)	(43.3)	(91.1)
Payments for Acquisitions	0.0	(16.8)	(30.4)	(34.9)	(7.1)	0.0	(1.7)	(1.7)	(1.7)	0.0	0.0	0.0
Cash Paid for Investments in Term Deposits	0.0	(155.0)	(65.0)	180.0	20.0	(5.0)	0.0	(5.0)	5.0	0.0	0.0	0.0
Change in Restricted Cash	(0.8)	35.3	0.0	10.4	(0.4)	0.4	0.0	0.4	0.4	0.0	0.0	0.0
Cash Flow from Investing Activities	(51.9)	(196.5)	(277.1)	(88.3)	(207.0)	(24.4)	(56.8)	(81.2)	(290.3)	(41.8)	(43.3)	(85.1)
Free Cash Flow	123.8	42.6	63.7	(85.0)	(13.8)	(78.4)	86.4	8.0	41.6	(302.6)	342.5	39.9
Payments Received from Capital Increases	510.1	6.4	1.1	3.9	38.2	6.7	9.9	16.6	38.5	0.6	20.5	21.1
Cash Received from Loans	3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	375.0	0.0	375.0
Repurchase of treasury shares	0.0	(1.7)	0.0	(11.3)	(111.3)	(38.8)	0.0	(38.8)	(38.8)	0.0	0.0	0.0
Cash payments for the principle portion of leasing li	0.0	0.0	0.0	0.0	0.0	(10.0)	(12.8)	(22.8)	(54.2)	(15.3)	(17.5)	(32.8)
Cash Repayments of Loans	(3.2)	(3.2)	(3.2)	(3.2)	(2.8)	(0.4)	(0.7)	(1.1)	(2.8)	(0.7)	(0.7)	(1.4)
Cash Flow from Financing Activities	510.8	1.5	(2.9)	(10.6)	(75.9)	(42.6)	(3.5)	(46.1)	(57.3)	359.6	2.2	361.8
Change in Cash & Cash Equivalents	633.8	(75.6)	(4.1)	94.8	(70.1)	(125.5)	82.9	(42.6)	(20.4)	57.0	344.7	401.7
Effects of Exchange Rate on Cash & Cash Equivalents	0.0	0.9	0.5	(1.9)	0.3	0.4	1.6	2.0	1.9	0.5	(1.3)	(0.8)

Management Compensation Scheme¹

Non-Performance-Based Remuneration

Fixed Remuneration

- Gross annual **fixed based salary** amounts to **€65k**
- per member of the Management Board

Performance-Based Remuneration (Long-Term Incentives)

Long Term Incentive 2018

- Each member of the Management Board receives **1,750,000**
- **options** for the **five-year** contract under the LTI 2018
- Each **option relates to one share** in the company and
- has an **exercise price of €47.44**
- **Performance criterion:**² Exercisable options
- (in% of total # of vested options)
 - CAGR2 $\geq 15.0\%$ $\rightarrow 100\%$
 - $>15.0\%$ but $\geq 14.5\%$ $\rightarrow 90\%$
 - $<14.5\%$ but $\geq 14.0\%$ $\rightarrow 80\%$ etc.
 - $<10.0\%$ $\rightarrow 0\%$

¹⁾ The new management compensation system became effective as of December 1, 2018, only applicable for the three Co-CEOs

²⁾ The Performance Criterion relates to the compound average growth rate (CAGR) of the Company's business during the relevant performance period. As relevant parameter for the growth of the Company's business the Company's consolidated revenues are used. However, should the share from the Company's so-called Partner Program increase to a 14% share in consolidated revenues, adjusted for the "grossed up Partner Program merchandise volume, then these adjusted consolidated revenues shall be used as the relevant parameter for the growth of the Company's business for the full relevant performance period.

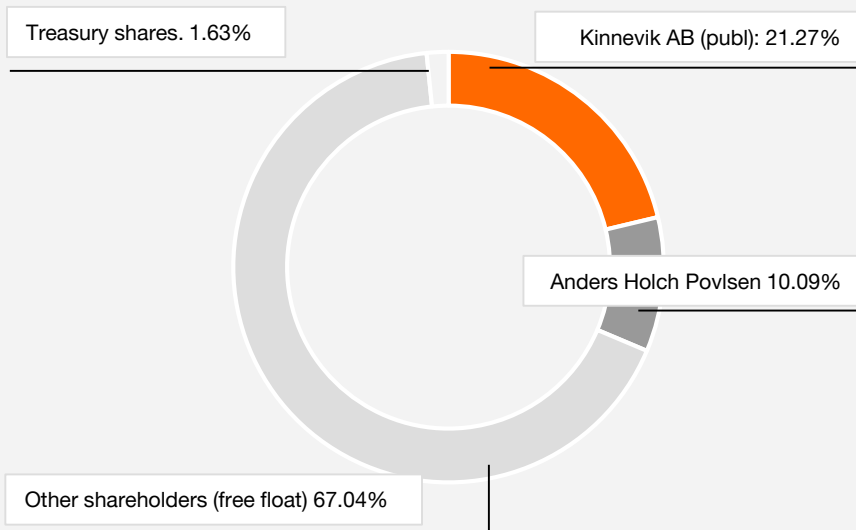


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The Zalando Share

Shareholder structure¹²



- 1) As of 11 September 2020
2) Free float definition of Deutsche Börse



































Share information¹

Type of Shares	Ordinary bearer shares with no-par value (<i>Stückaktien</i>)
Stock Exchange	Frankfurt Stock Exchange
Market Segment	Regulated Market (<i>Prime Standard</i>)
Index Listings	MDAX, STOXX600, FTSE4Goods
First day of trading	October 1, 2014
Issue price	EUR 21.50
Total Number of Shares Outstanding	254,940,474
Issued Share capital	EUR 254,940,474
ISIN	DE000ZAL1111
WKN	ZAL111
Ticker Symbol	ZAL
Common Code	111189528
Thomson Reuters	ZALG.F
Bloomberg	ZAL.GR

Convertible Bond 2020

	Pricing Terms	
	5-year	7-year
Issue size	€1,000mm	
Tranche size	€500mm	€500mm
Status	Senior, unsecured	Senior, unsecured
Maturity	5 years	7 years
Issuer call	After year 3 at 130% trigger	After year 5 at 150% trigger
Reference share price	€61.50	€61.50
Issue price	100.88%	100.0%
Redemption price	100.0%	100.0%
Yield to maturity	-0.125%	0.625%
Coupon	0.05%	0.625%
Conversion premium	42.5%	50.0%
Conversion price	€87.6375	€92.2500
Underlying shares (mm)	5.7mm	5.4mm
Underlying shares (% ISC)	2.2%	2.1%

Zalando Analyst Coverage¹

						
Rocco Strauss	Volker Bosse	Christoph Bast	David Holmes	Andrew Ross	Michael Benedict	Aneesha Sherman
						
Clement Genlot	José Rito	Adam Cochrane	Andreas Riemann	Simon Irwin	Nizla Naizer	Thomas Maul
						
Konrad Grygo	Charlie Muir-Sands	Tushar Jain		Christian Salis	Georgina Johanan	Jürgen Kolb
						
Wayne Brown	Clara Kamenicek	Geoff Ruddell	Daniel Ovin	Mark Josefson	Ralf Marinoni	Sherri Malek
						
Emily Cooledge	Rebecca McClellan	Anne Critchlow	Olivia Townsend	Jörg Philipp Frey	Ike Boruchow	

1) As of 11 September 2020

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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.

