



Roadshow Presentation

May 2024



Agenda

Investment highlights

Our Q1 2024 results and 2024 outlook

Appendix

Investment highlights

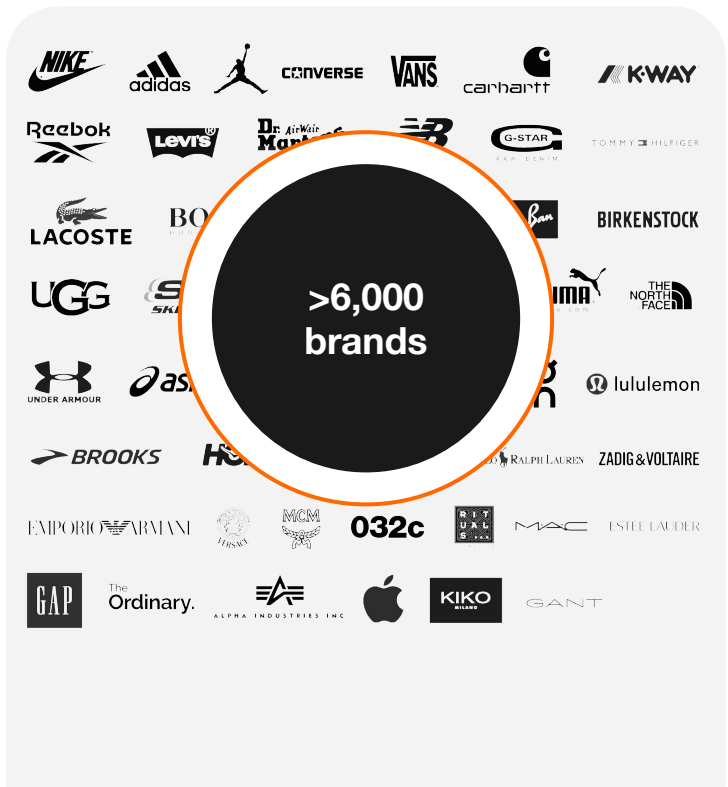
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Expanding from platform to ecosystem boosts scope and impact of our growth vectors B2C and B2B
- 02 B2C: Go-to-destination for quality fashion & lifestyle shopping and inspiration**
We differentiate through quality, lifestyle focus and inspiration
- 03 B2B: Operating system to enable brands' e-commerce across Europe**
With ZEOS we tap into a huge opportunity by enabling e-commerce on and off Zalando
- 04 Updated strategy will drive growth and margin expansion through 2028**
GMV and revenue both with a CAGR of 5-10%; adjusted EBIT margin of 6-8% in 2028

We have become THE European meeting point of customers and lifestyle brands



61%
of consumers prefer to shop fashion at multi-brand retailers¹

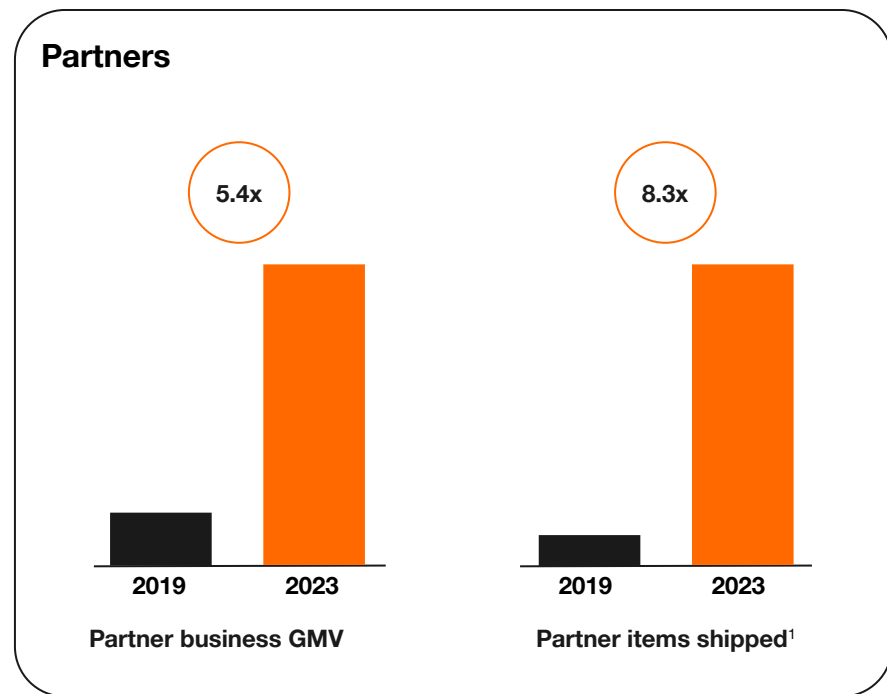
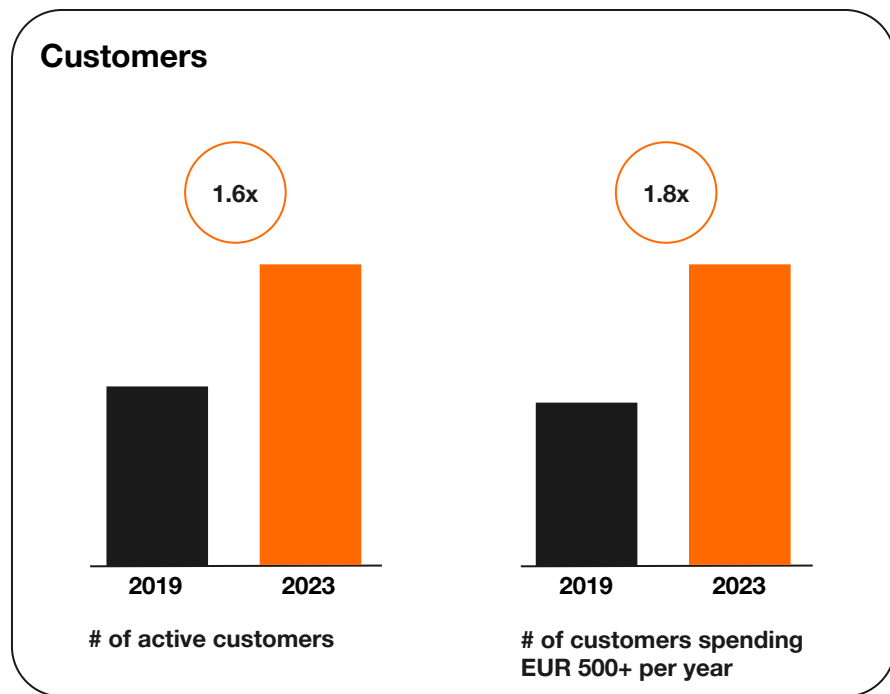
15
different brands ordered by average Zalando customer²



4 ¹ Source: BCG consumer research (2023) "At which type of shop / retailer did you make your last purchase", February 202; ² average during customer lifetime



Our unique platform strategy accelerated our growth trajectory with customers and partners



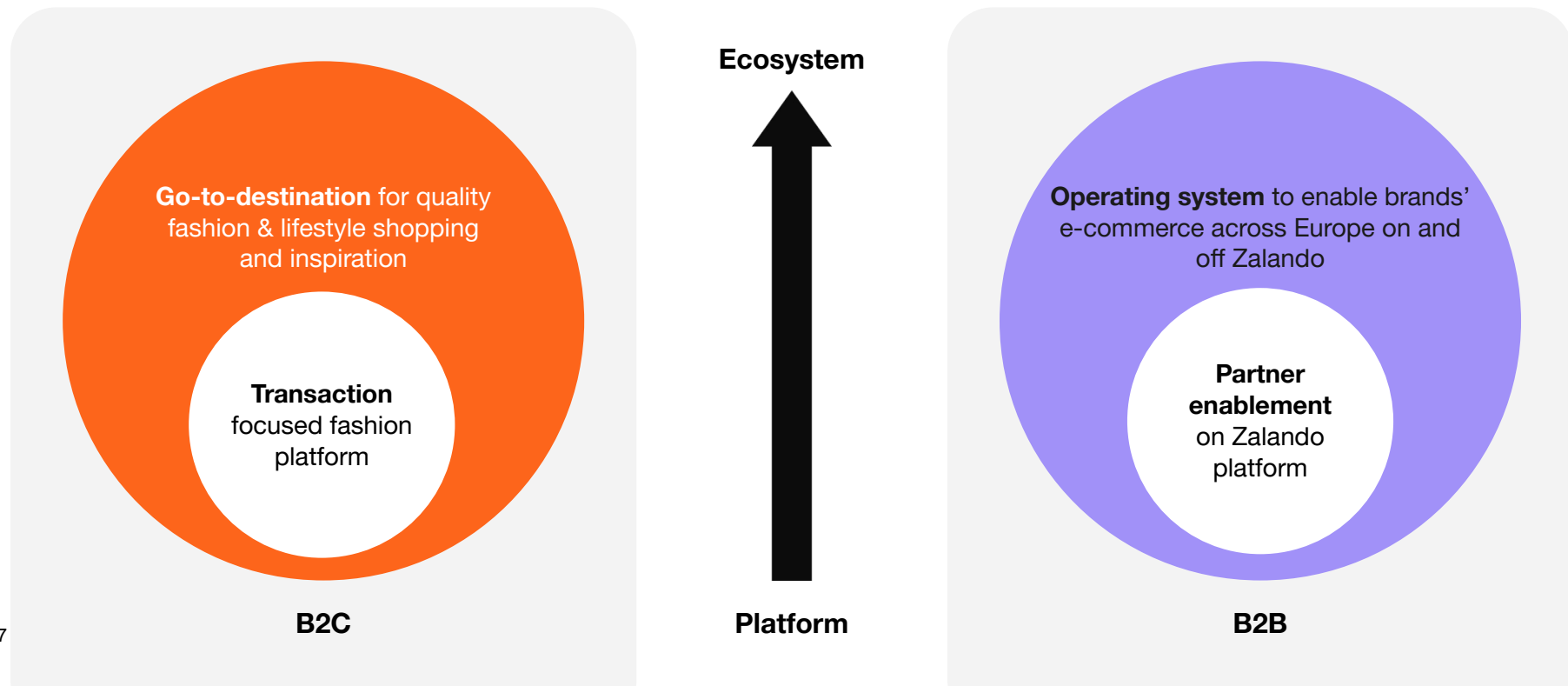


We expand our strategy towards building a pan-European ecosystem for fashion & lifestyle e-commerce





Expanding from platform to ecosystem boosts the scope and impact of our growth vectors B2C and B2B



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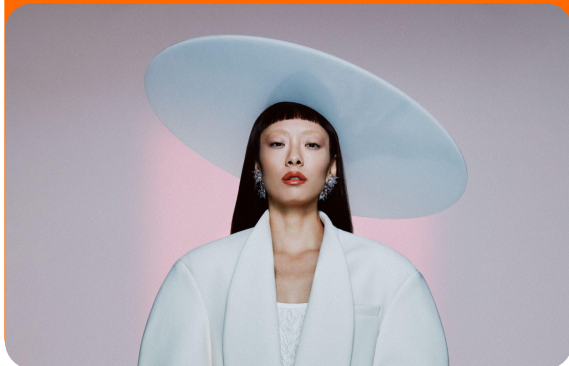
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The growth of our B2C platform is driven by three strategic pillars

Multi-brand platform

Differentiation through quality



Lifestyle expansion



Inspiration & entertainment





We are differentiating through quality across the customer journey

Trusted European brand

Tailored & innovative digital experience

Sustainable & inclusive choices

89%

customer satisfaction with 'product quality'

60%

of all items sold on Zalando use size advice

>430

adaptive fashion styles launched

92%

customer satisfaction with 'ease of payment process'

Highly relevant assortment & content

crocs

HELMUT LANG

MISSONI

MOSCHINO

adidas

no

LACOSTE

Rapha.

MCM

Nike

BOSS HUGO BOSS



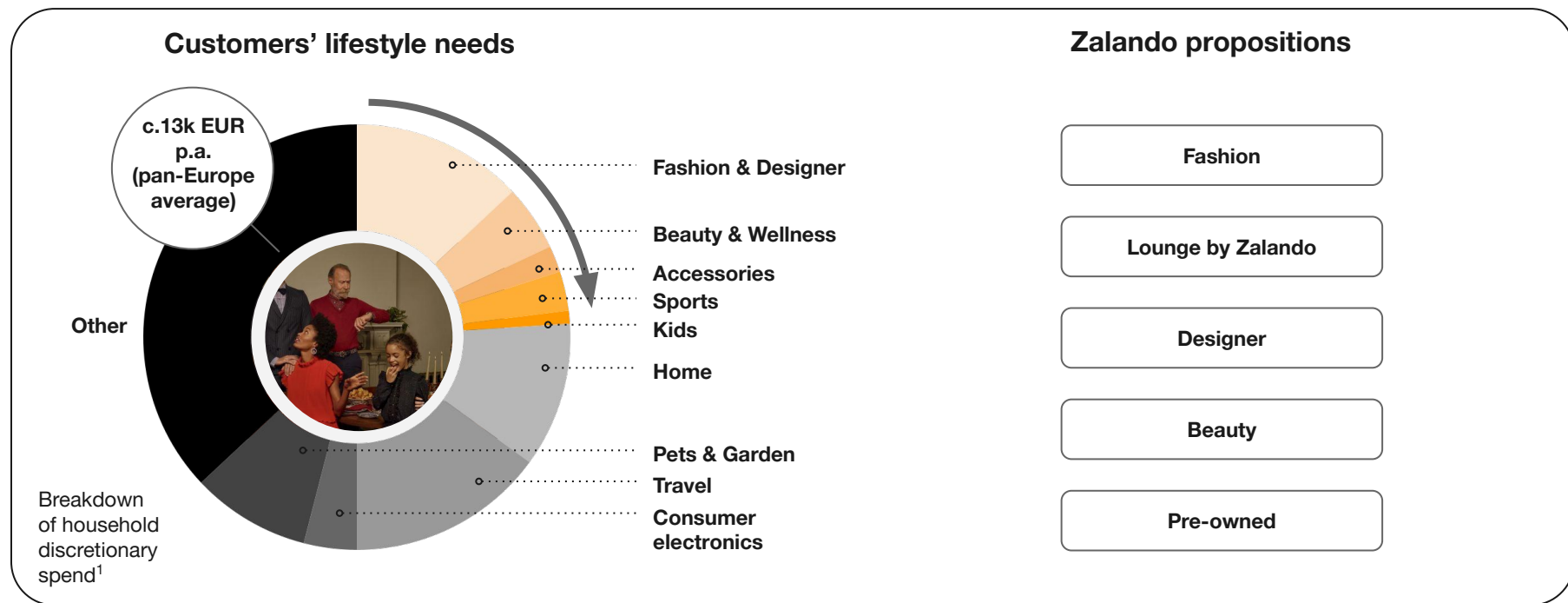
Localized & personalized convenience

Loyalty Program





We serve more of our customers' lifestyle needs with growing and powerful propositions

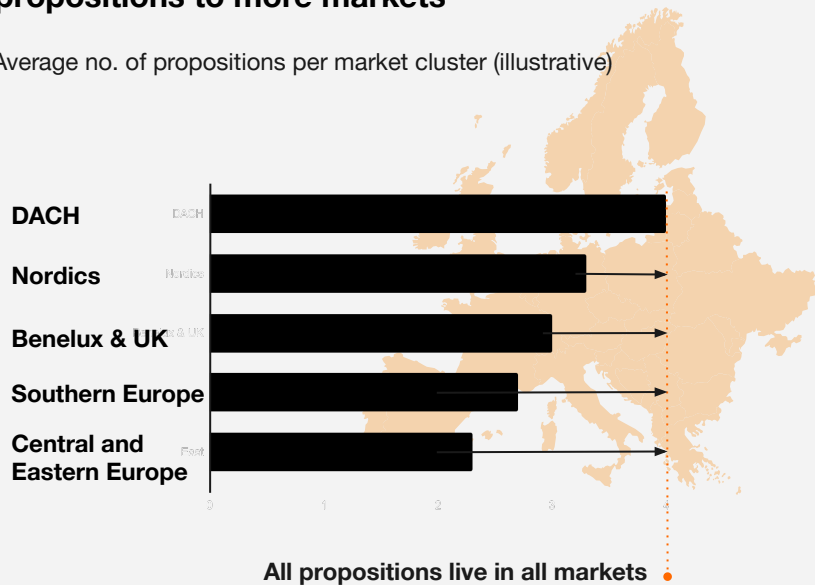




Our multi-proposition machine has tremendous room for growth

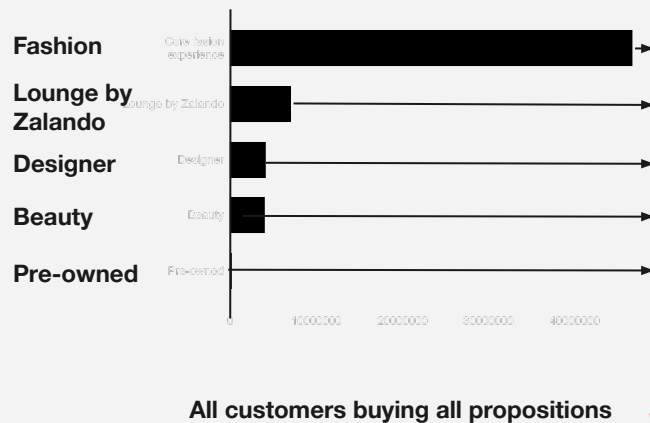
We will drive growth by rolling out existing **propositions to more markets**

Average no. of propositions per market cluster (illustrative)



And we see a massive opportunity for driving **multi-proposition adoption**

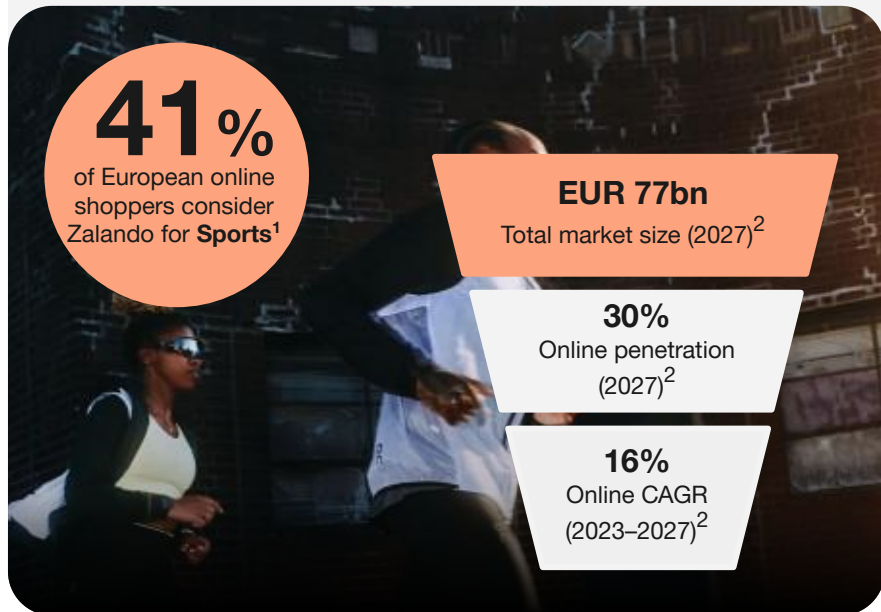
Customers per proposition (in #m)¹ (illustrative)



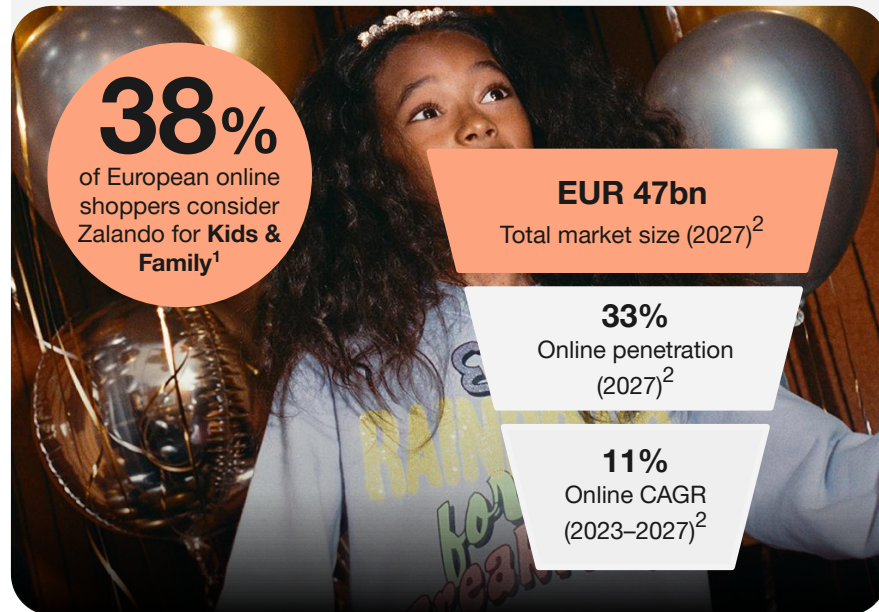


We build powerful new propositions in Sports and Kids & Family

Sports



Kids & Family





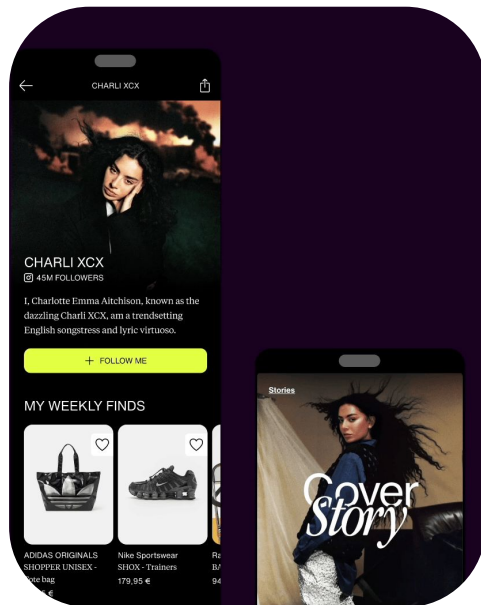
We already integrated inspirational and conversational content into the e-commerce experience – and people love it

Quality content Highsnobiety & Stories

“Stories”
enhance engagement

~5m

engaged customers
since launch



Personalised inspiration Zalando Assistant

Successful proof of
concept, ready to scale

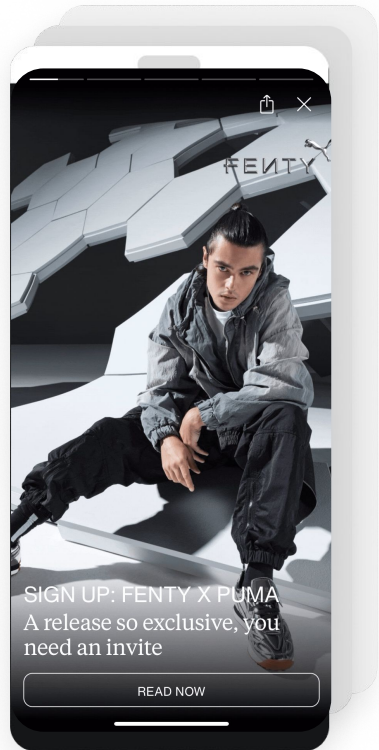
~0.5m

customers already
engaged with Zalando
Assistant in 4 markets



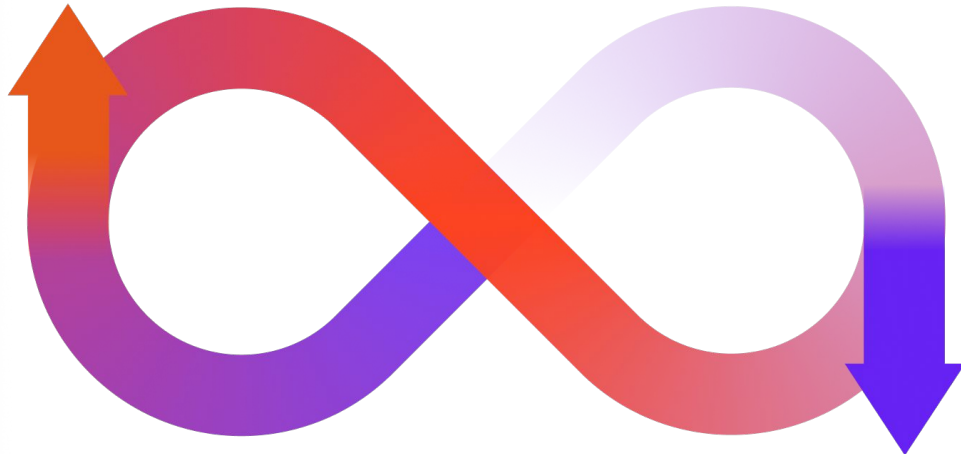


Personalised content at scale drives user engagement, time spent and advertising



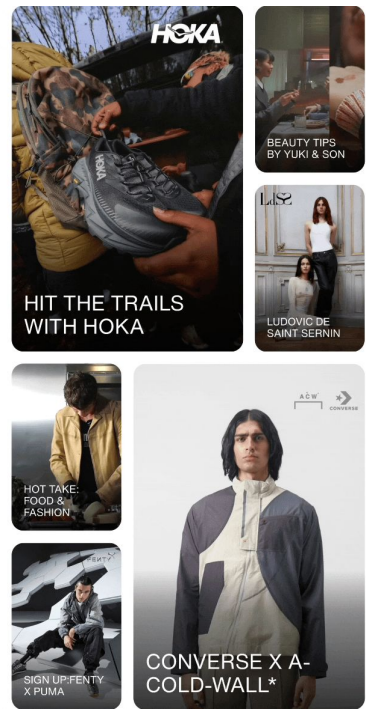
More elevated and personalized content

More content sources provided by partners and creators



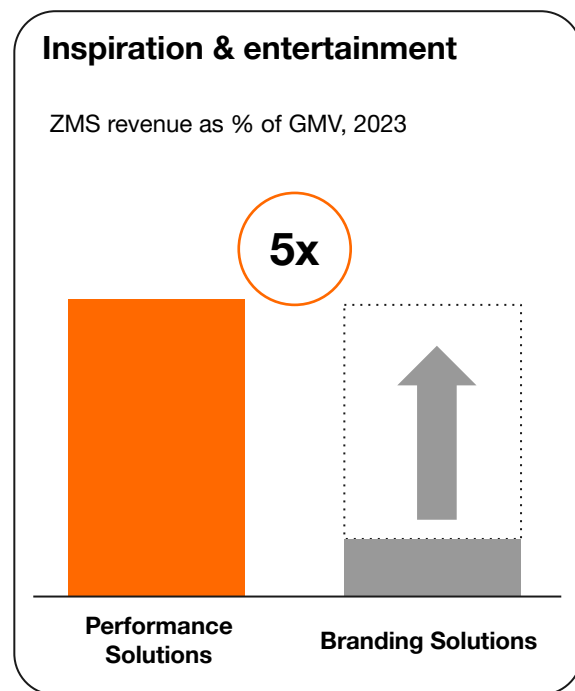
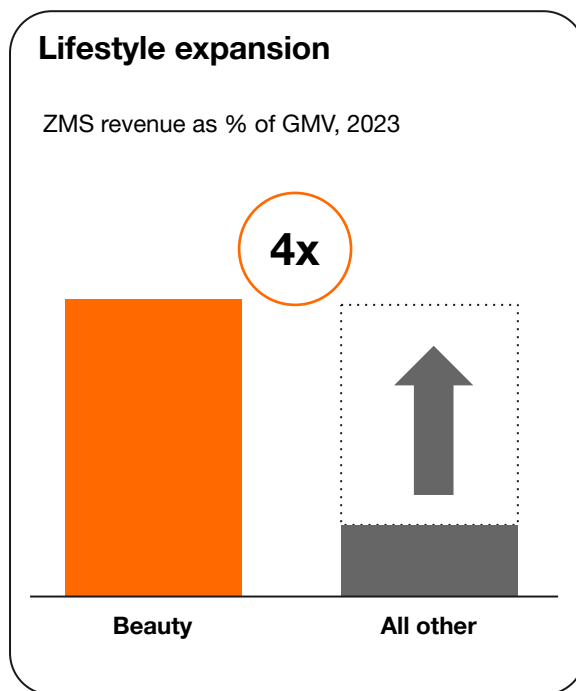
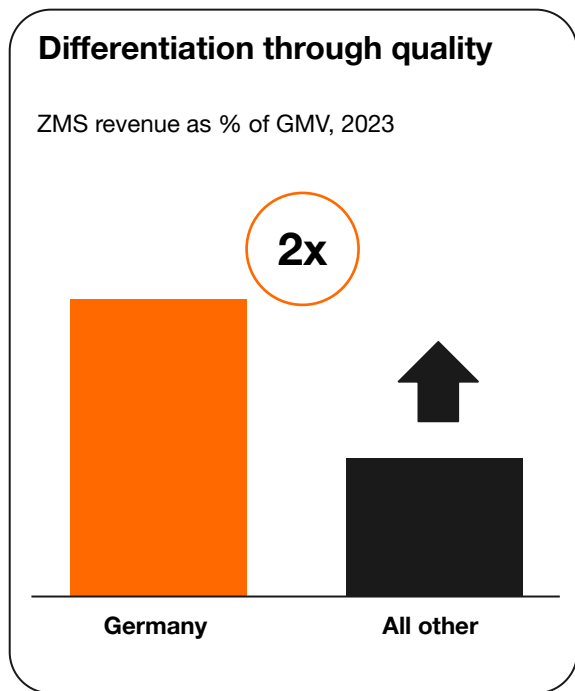
More elevated and personalized content

More advertising revenue generated





Progressing on our strategic growth pillars in B2C will create an even more attractive advertising environment for brands



Investment highlights

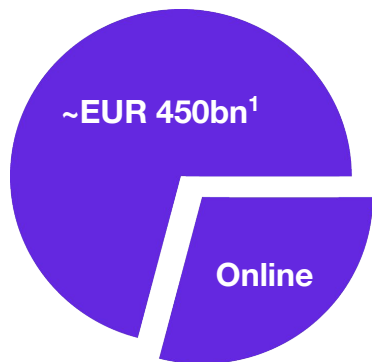
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To unlock Europe's full potential, brands need to overcome the inherent complexities of cross-border e-commerce

The opportunity

Total fashion market Europe



The challenges

-  40+ countries
-  30+ languages
-  30 currencies
-  Dozens of payments, delivery & return solutions
-  Multiple sales channels

¹ 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



We've already successfully proven that we can build capabilities that help brands overcome Europe's challenges

Zalando European logistics network

12

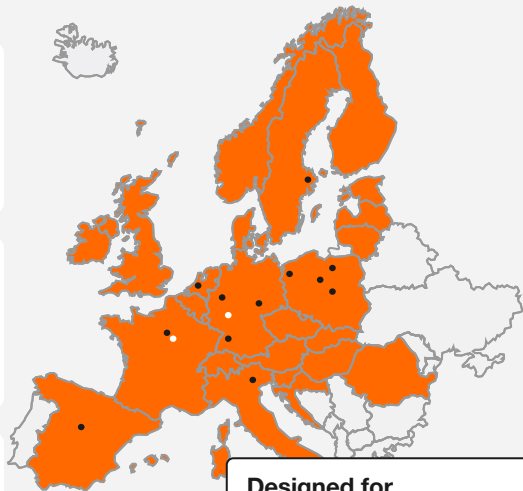
Fulfillment centers

20

Return centers

40+

Carrier integrations



Designed for

- Superior service quality
- More sustainable operations
- Scalability and cost efficiency

Under construction

Zalando Fulfillment Solutions (ZFS)

ZFS enabled Partner Program GMV in EUR

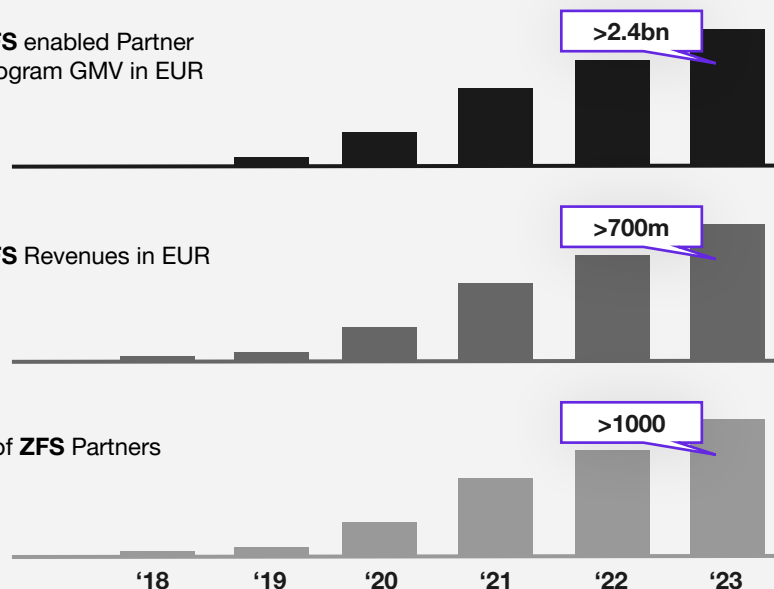
>2.4bn

ZFS Revenues in EUR

>700m

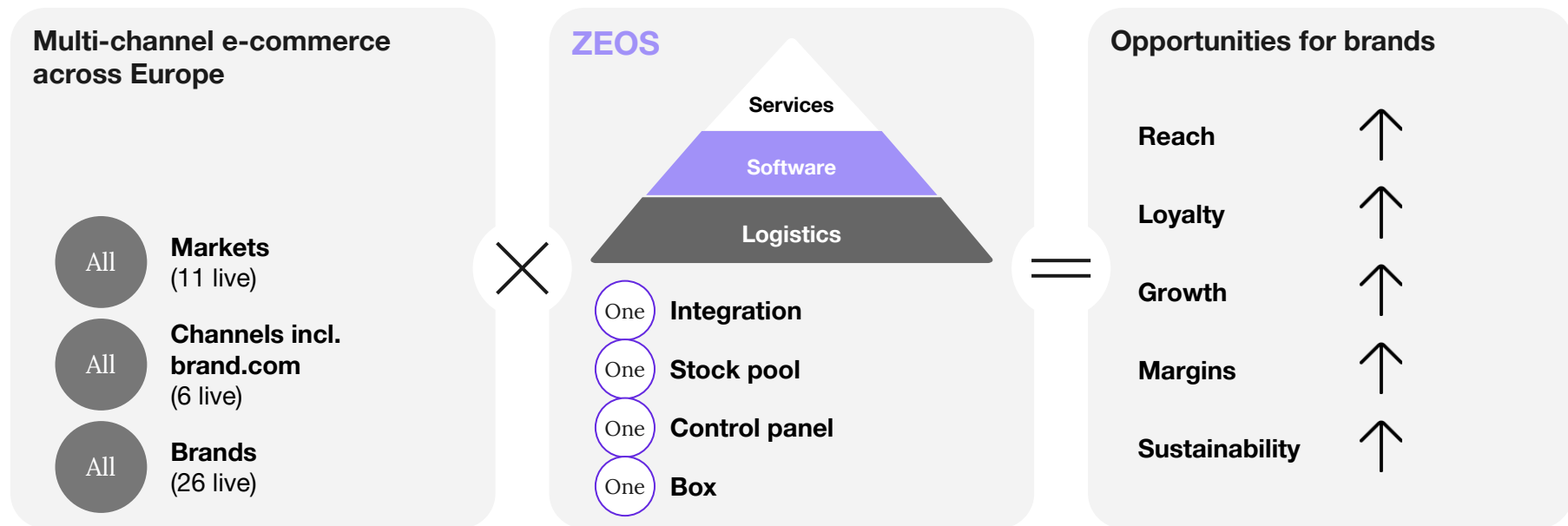
of ZFS Partners

>1000





With ZEOS, we are building an operating system that allows brands to run and scale their entire European e-commerce business



B2B already is a EUR ~0.9bn revenue business today¹

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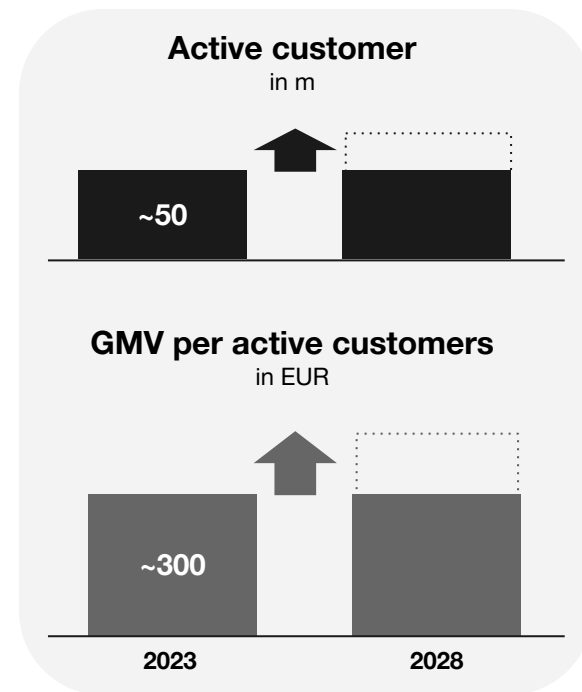
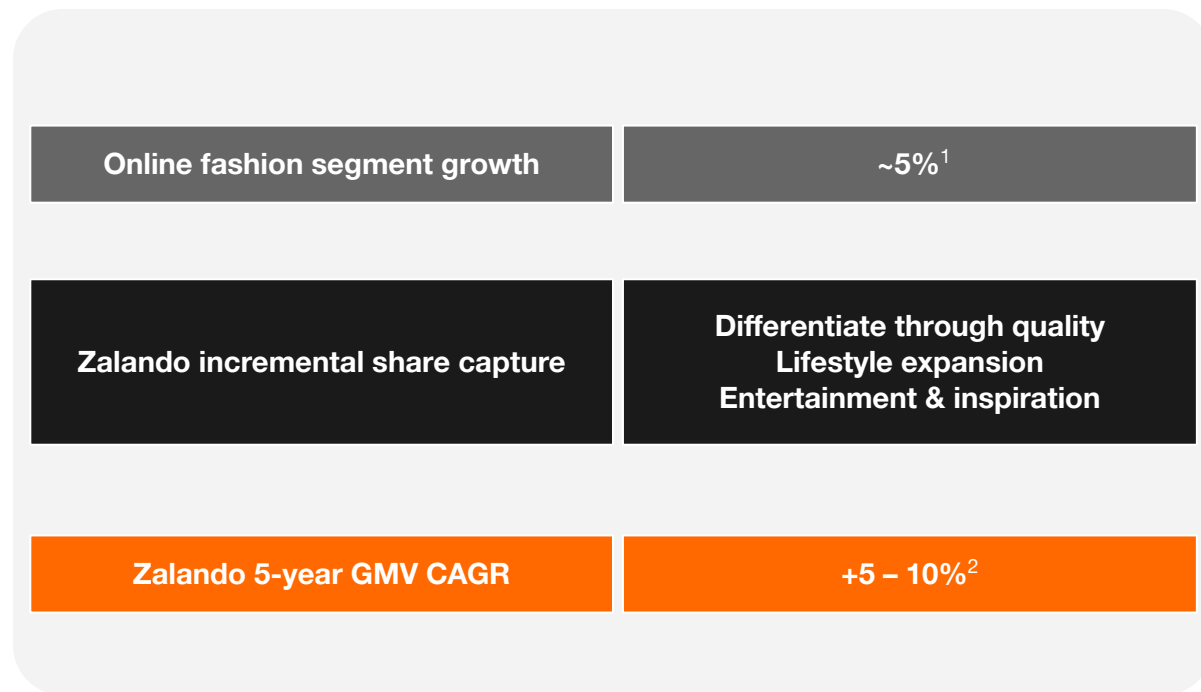


We steer the business by B2C and B2B - B2C remains the largest segment, B2B is already a profitable EUR ~0.9 billion revenue business

2023	Zalando group	B2C segment	B2B segment ¹
GMV	EUR 14.6bn (gross merchandise volume on Zalando)		Includes ZEOS Fulfillment (incl. ZFS) and Tradebyte
Revenue	EUR 10.1bn	EUR 9.3bn (revenues derived from transactions via Zalando channels, incl. ZMS)	EUR 0.9bn (primarily revenues from fulfillment services)
Adj. EBIT margin (% rev)	EUR 350m 3.5%	~3%	~5%



In our B2C business, we continue to outgrow the online segment by elevating and expanding our multi-brand platform

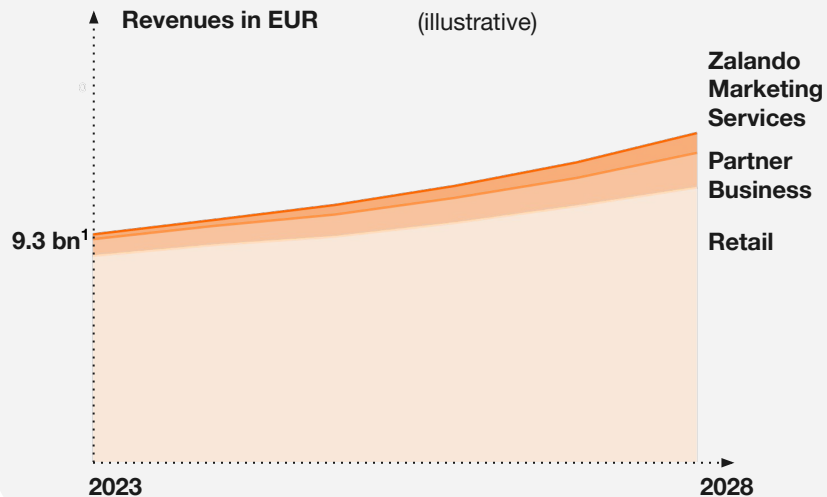


23 ¹ Source: Euromonitor as of February 2024, International forecasts, values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax; ² Zalando GMV 2023-2028 CAGR

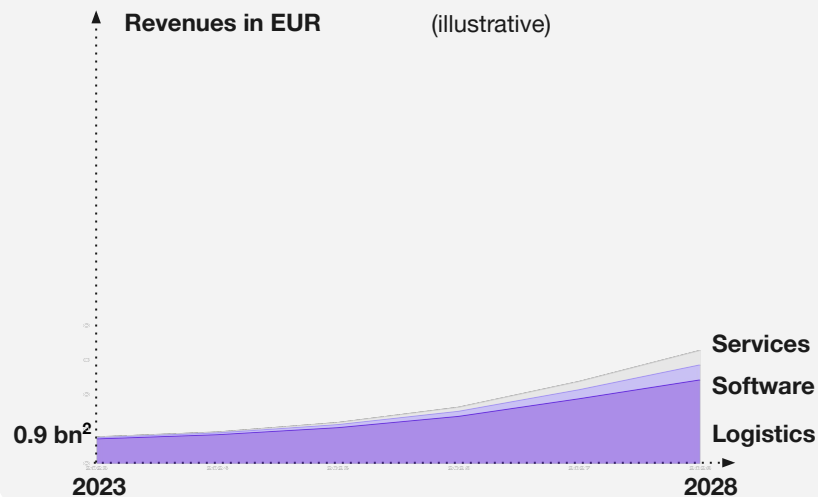


In B2C and B2B, we accelerate growth over time enabled by our purpose-built e-commerce capabilities

B2C generates revenue growth leveraging the growth dimensions active customers and share of wallet



B2B generates revenues with ZEOS building on the growth dimensions merchants, geographies and products



Customer reach & brand engagement | Strong brand partnerships | Sustainability | Logistics Infrastructure | Technology & data

¹ B2C also includes other B2C service revenues like shipping fees; ² B2B segment also includes Highsnobiety as another brand-facing business of Zalando group

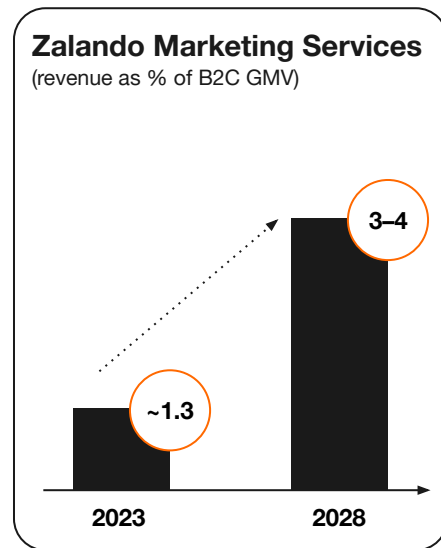
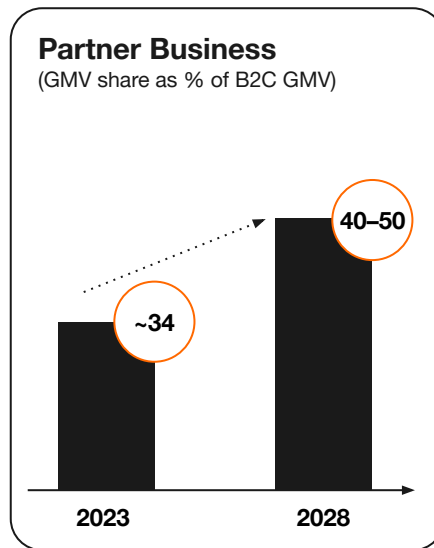
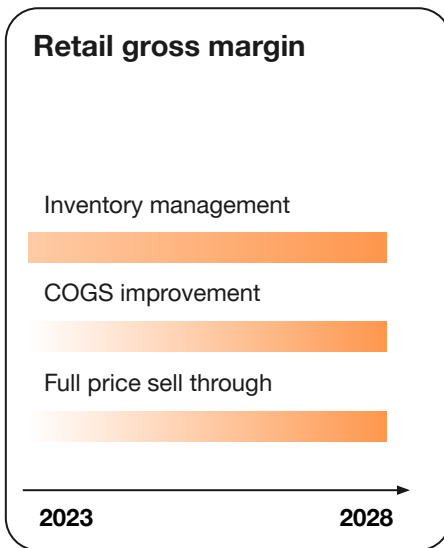
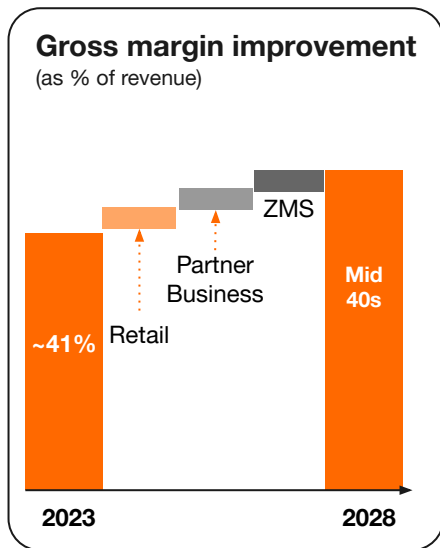
We will double our adjusted EBIT margin driven by increasing gross margin in B2C and improvements in key cost areas

Path to 2028 profitability (vs. 2023)					
	2023	Impact to group		2028	Key drivers
in % of revenue	Group	B2C	B2B	Group	
1 { Gross margin	38.7%	Accretive	Dilutive	~40%	Strong increase in B2C gross margin offset by fast growing lower-gross-margin B2B logistics business
2 { Fulfillment costs	(24.2)%	Accretive		Lower (30)s	Cost improvements driven by increasing utilization, automation, use of AI and improved order economics
Marketing costs	(7.4)%	Dilutive	Accretive		Similar marketing intensity in B2C; overall low marketing intensity in B2B
Admin expenses	(5.2)%	Accretive			Continued efficiency focus and selective investment in growth pillars and in capabilities
Adj. EBIT margin¹	3.5%	Accretive		6% to 8%	



Strong increase in B2C gross margin driven by improved retail margins combined with further scaling of our Partner Business and ZMS

1

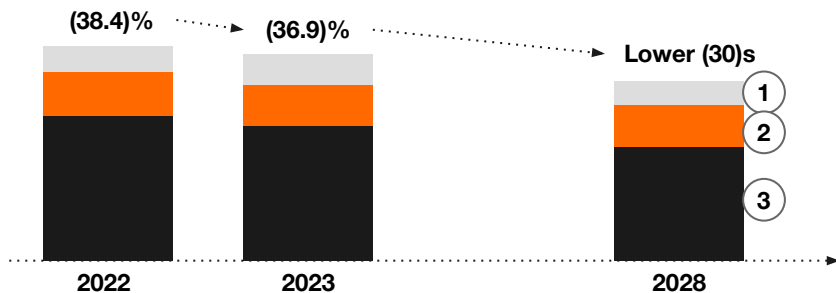




Lower OPEX as we continue to drive efficiency across all cost lines and leverage scale as we grow into an ecosystem

2

Significant lower operating expenses

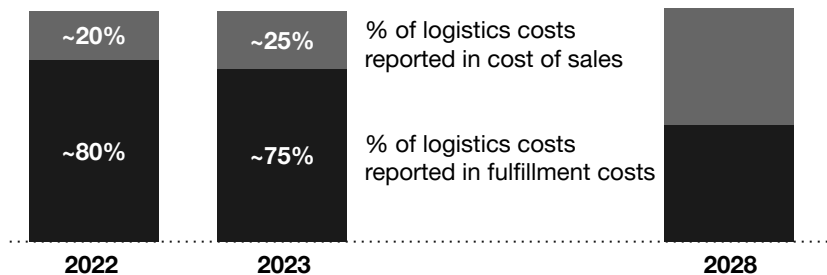


- 1 **Admin expenses** Continued focus on efficiency and selective investments in growth pillars and capabilities
- 2 **Marketing costs** Stable marketing intensity overall with adjustment of marketing mix towards brand marketing to drive retention; overall low marketing intensity in B2B
- 3 **Fulfillment costs**

Reduced fulfillment costs

- 3 **Fulfillment costs**
 - Scaling of our B2B business with a growing ZEOS logistics share (incl. Zalando Fulfillment Solutions)
 - Cost improvements driven by increasing utilization, automation, use of AI and improved order economics
 - Convenience investments into customer propositions
 - More sustainable fulfillment practices

Shift of logistics costs from fulfillment to cost of sales





Our mid-term guidance until 2028

5-year CAGR (2023–2028)
Adjusted EBIT margin in % rev

		Zalando group	
Growth	GMV	5% – 10% CAGR	We continue to outgrow the online fashion segment...
	Revenue	5% – 10% CAGR	... while our B2B segment significantly outperforms the B2C growth rate.
Profitability	Adj. EBIT margin ¹	6% – 8% in 2028	We will double our adjusted EBIT margin ...
Cash flow	NWC	Negative	
	Capex	~3% revenue	
	FCF ²	Strong free cash flow	... and deliver strong cash generation throughout.



Our long-term opportunity across fashion and lifestyle in Europe is huge and results in an attractive financial profile at scale

~EUR 450bn¹
Total fashion market

>15%
Ecosystem
(B2C+B2B)

Our **ecosystem** strategy yields an attractive financial profile:

Long-term scale ambition
(% of fashion market covered)

Long-term target margin
(adj. EBIT margin in % revenue)

B2C	B2B
~15%	
10% – 13%	10% – 13%



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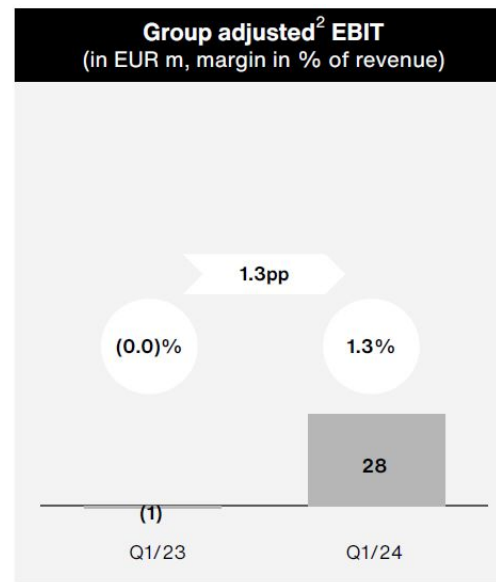
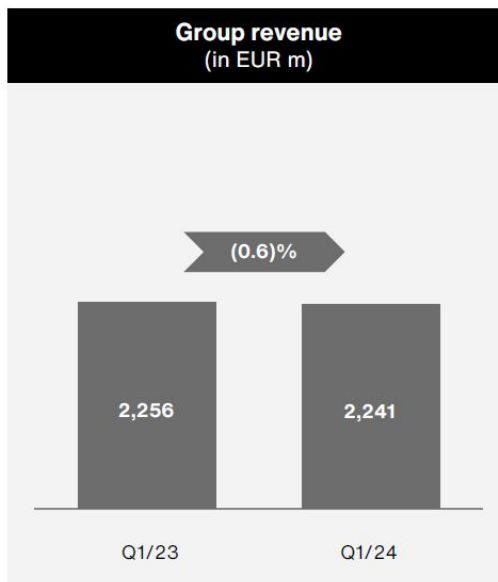
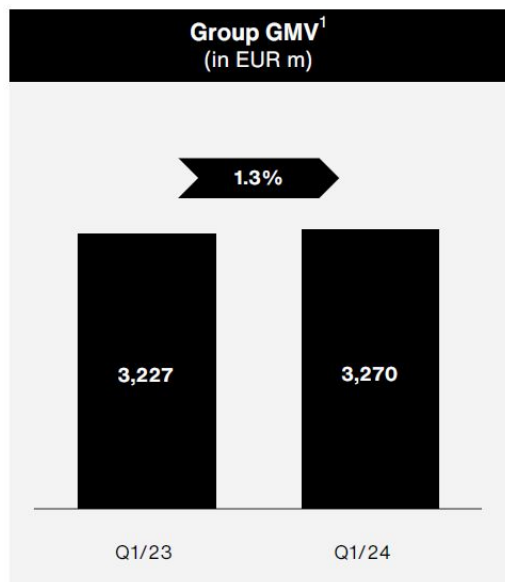
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In Q1, we returned to GMV growth and continued our margin expansion

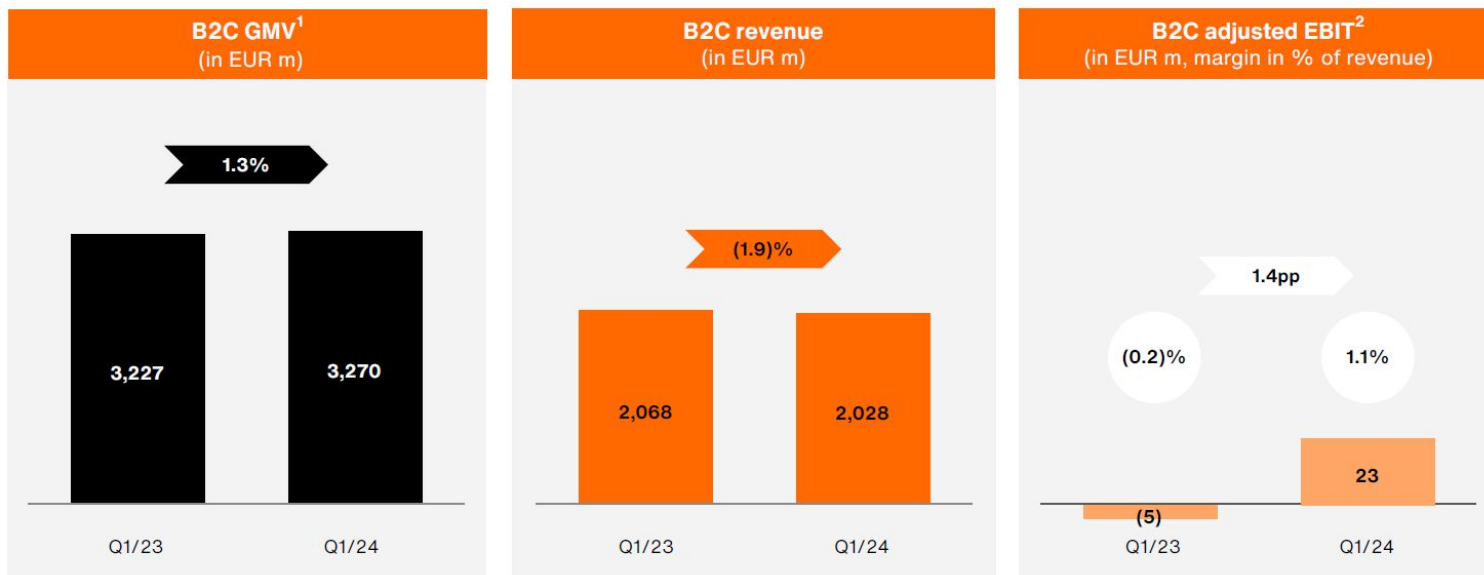


31 ¹ Gross Merchandise Volume after Returns (GMV): dynamically reported

² Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, non-operating one-time effects and acquisition-related expenses



B2C segment driving GMV growth and adjusted EBIT margin expansion

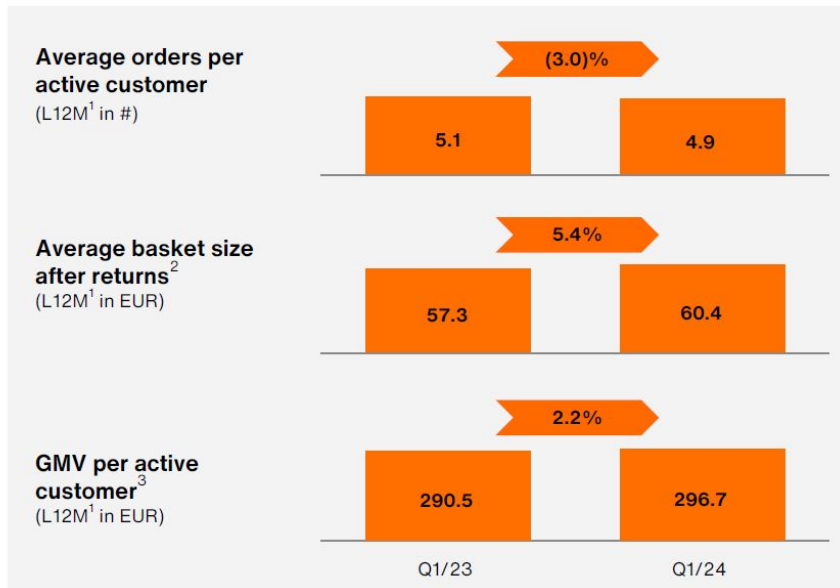
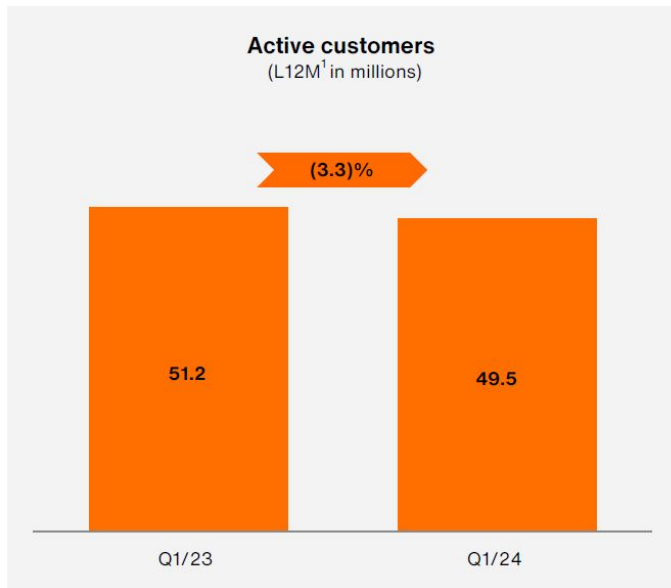


32 ¹ Gross Merchandise Volume after Returns (GMV): dynamically reported

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GMV per active customer continued to increase driven by higher average basket size



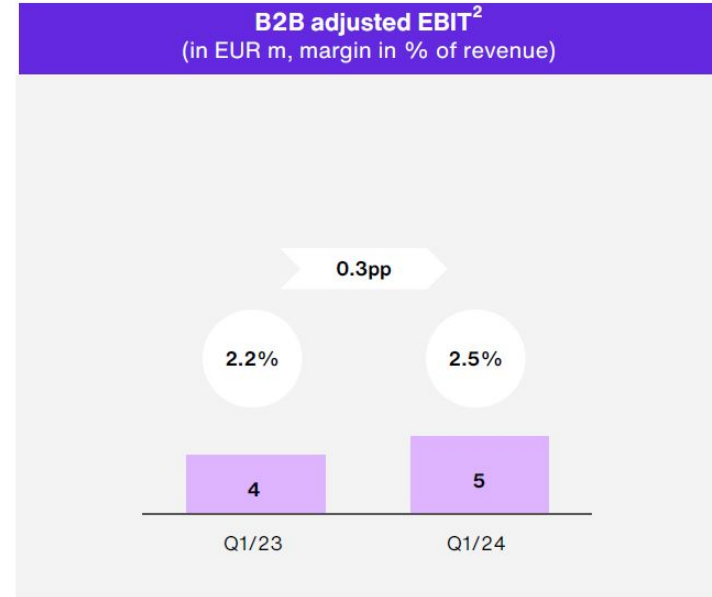
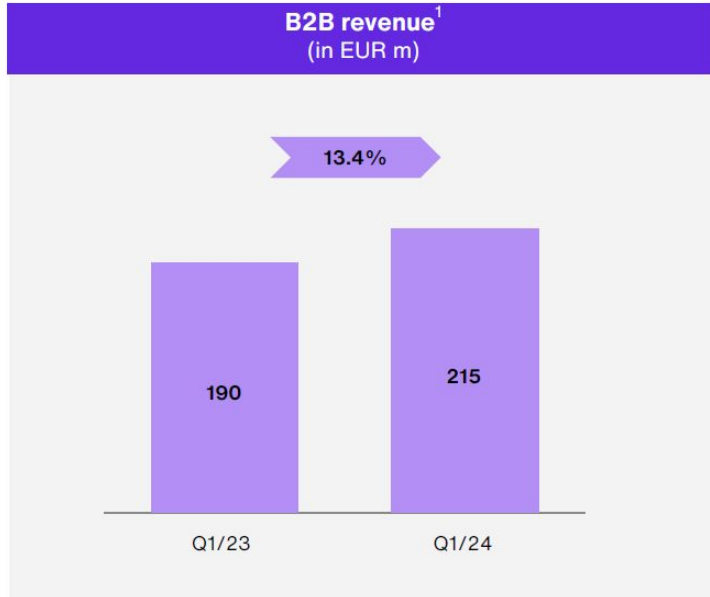
¹ L12M = last twelve months.

² Defined as GMV divided by the number of orders

³ Defined as GMV divided by the number of active customers



B2B segment outperformed the group revenue growth rate driven by ZEOS fulfillment



34 ¹ Q1/24 contains EUR 1.7m | Q1/23 EUR 2.1m reconciliations of intersegment revenue

² Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, non-operating one-time effects and acquisition-related expenses

Our 2024 guidance

In 2024 we return to growth, continue to increase profitability and invest in future growth

Growth	GMV	0% - 5%
	Revenue	0% - 5%
Profitability	Adj. EBIT ¹ (in EURm)	380 - 450
Cash	Capex (in EURm)	250 - 350
	Net working capital (in EUR m)	negative





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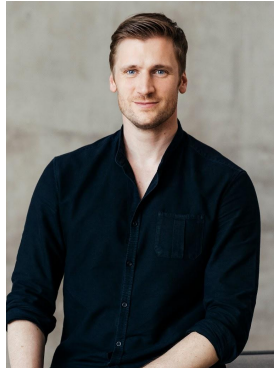
Appendix



We further deliver on our strategic ambitions and create long-term value for customers, partners, and shareholders



Robert Gentz
Founder & Co-CEO



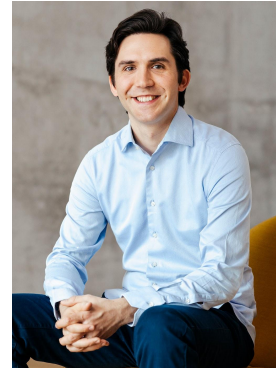
David Schneider
Founder & Co-CEO



Sandra Dembeck
CFO



Astrid Arndt
CPO



David Schröder
COO



Issued share capital

Share information

(as of Mar 31, 2024)

Type of shares	Ordinary bearer shares with no-par value (Stückaktien)
Stock exchange	Frankfurt Stock Exchange
Market segment	Regulated Market (Prime Standard)
Index listings	DAX
Total number of shares outstanding	263,785,700
Issued capital	EUR 263,785,700

Stock options programs Management Board (as of Mar 31, 2024)

Program	# Options outstanding	Weighted average exercise price (EUR)
LTI 2018 ²	4,296,949	47.44
LTI 2019	296,442	24.38
LTI 2021	2,596,413	24.80
ZOP 2021	132,388	12.95
Total	7,322,192	37.85

Stock options programs Senior Management (as of Mar 31, 2024)

Program	# Options outstanding	Weighted average exercise price (EUR)
SOP 2014 ¹	319,385	28.24
EIP ¹	2,625,482	38.65
ZOP 2019	6,638,104	25.27
Total	9,582,971	29.03

38 ¹ Settled with new shares

² Only to 35% to be settled with new shares, remaining backed by treasury shares



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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.