

20
24

Roadshow
Presentation

March 2025

zalando



Agenda

Investment highlights

Our Q4 and FY 2024 results and 2025 outlook

Appendix

Investment highlights

- 01 Strategic evolution to ecosystem model for fashion and lifestyle e-commerce**
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

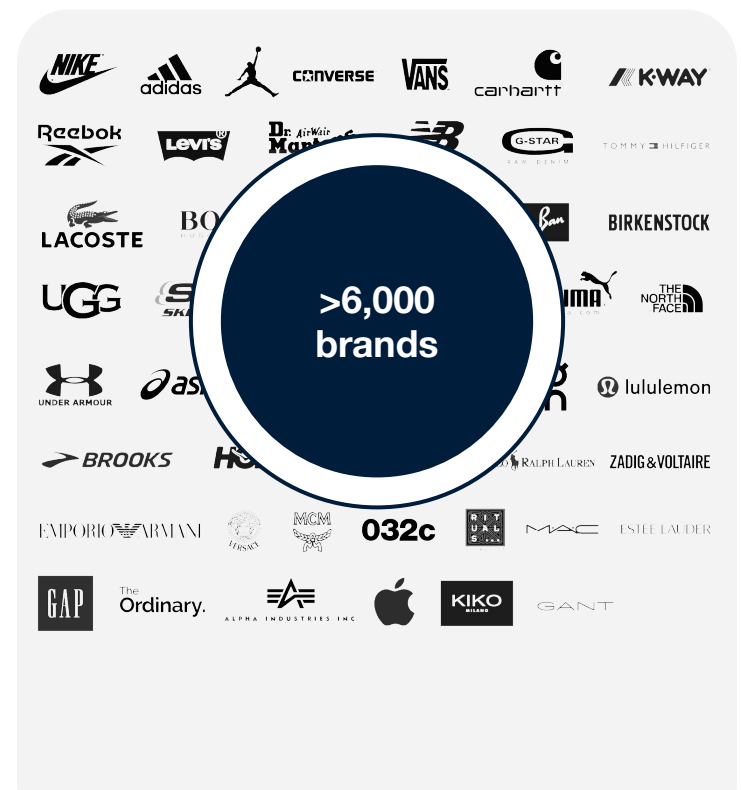


We have become THE European meeting point of customers and lifestyle brands



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

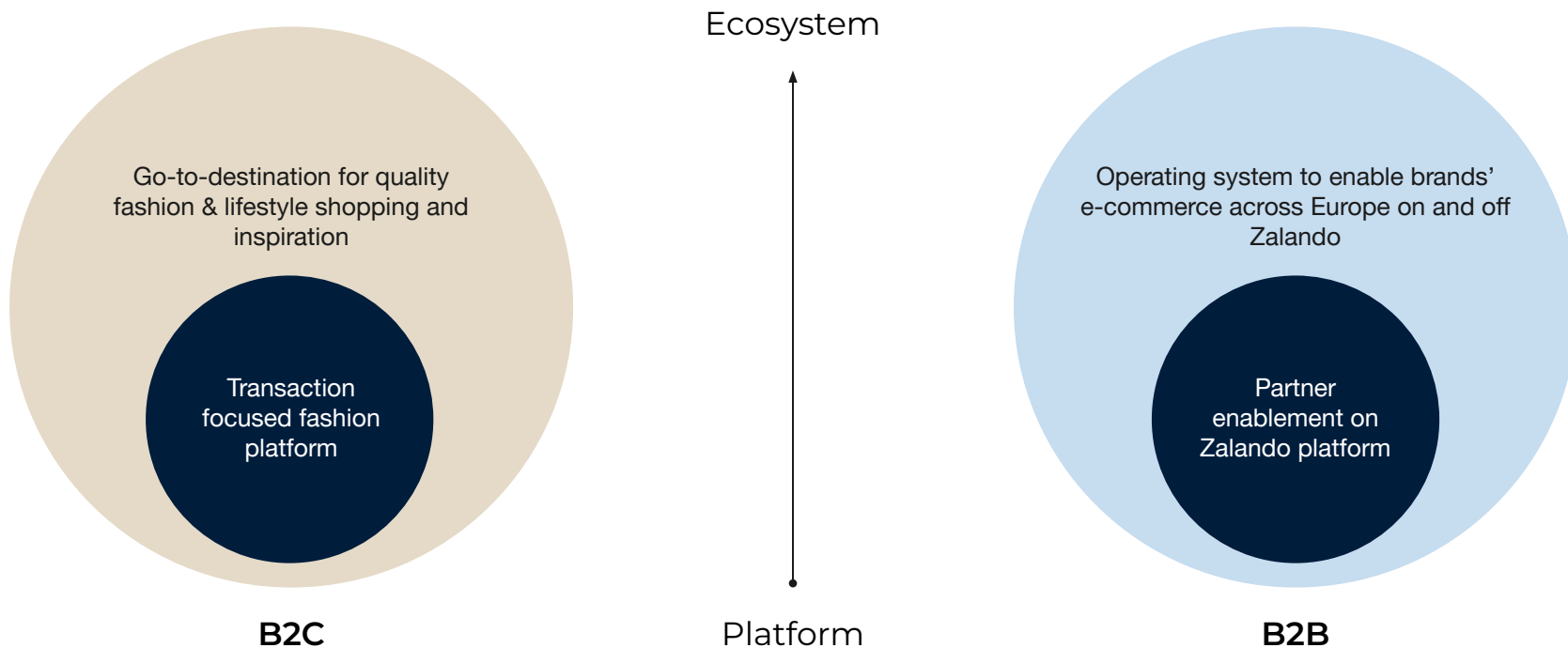


We expand our strategy towards building a pan-European ecosystem for fashion & lifestyle e-commerce





Our ecosystem strategy serves customers beyond transactions and enables partners beyond our platform across Europe

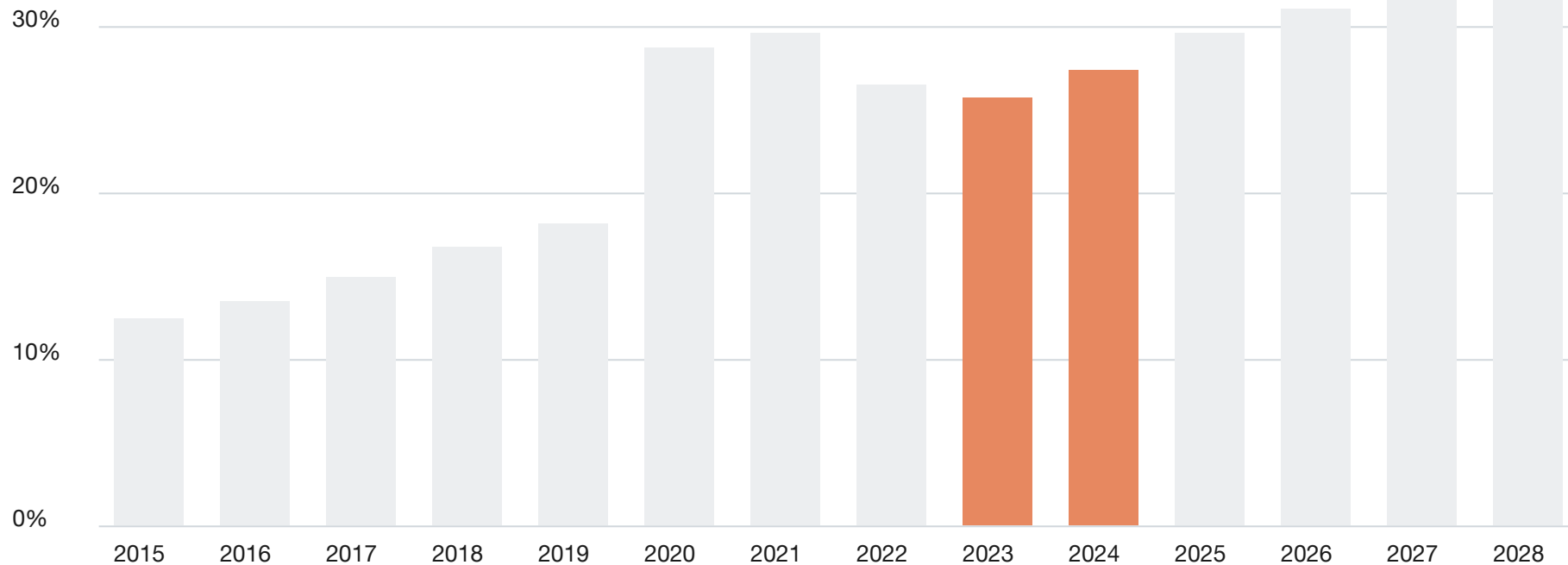




European e-commerce penetration returned to its long term trend line and increased again for the first time post Covid

Online Penetration Fashion in Europe¹

(in percent)



¹ Euromonitor online penetration as of February 2025, 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 (excl. Russia)

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Our B2C growth vector is built on three strategic growth pillars

MULTI-BRAND PLATFORM

Differentiation through quality



Lifestyle expansion



Inspiration & entertainment





We continue to raise the bar on quality in everything we do

Trusted European brand

New brand additions

DIANE VON FURSTENBERG
VERSACE
no

Highly relevant assortment & content

Tailored & innovative digital experience

Get ready to last few steps
Body measurements

>300k customers with completed body measurements

More sustainable & inclusive choices

MobilePay

+170 additional adaptive fashion styles launched

+8 additional markets with proprietary BNPL payment offering

Localised & personalised convenience

New in 2024

KID SUPER STUDIOS
MARINE SERRE
REMAIN EYTYS
Aries
PAL
SOL DE JANEIRO
FJALL RAVEN
G.C.C.

New

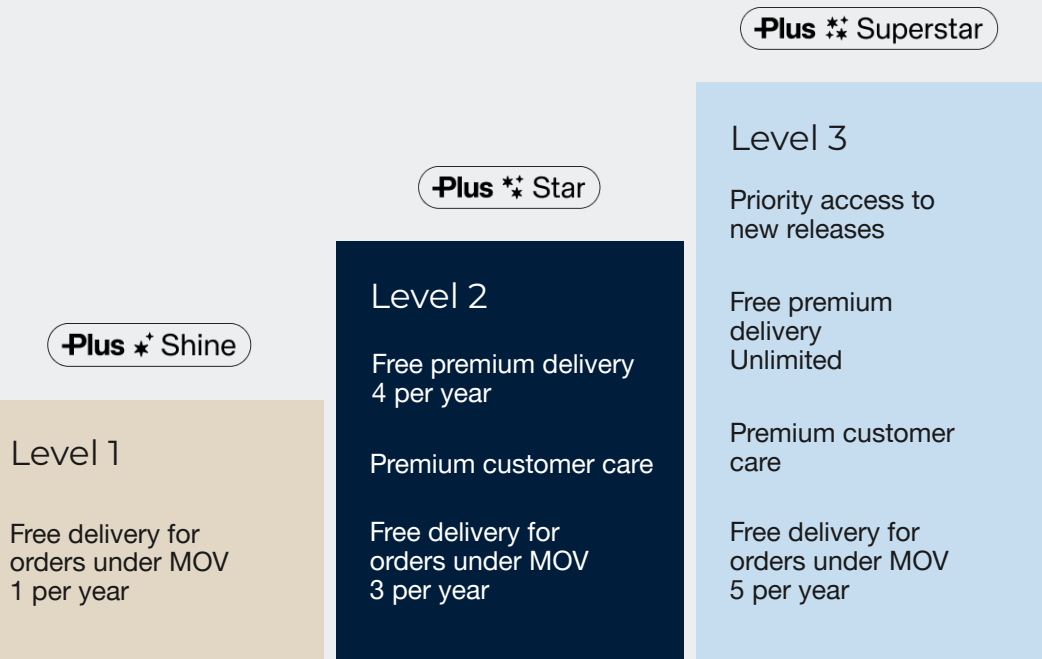
Klarna
MobilePay
vopps
mastercard
iDEAL
swish
TWINT
Blik
PayPal
VISA
Invoice
Cash on delivery

Loyalty programme
zalando Plus



Evolving our approach to loyalty to reward all customers of our platform for their engagement

Switching Zalando Plus from a subscription to a points-based tiered loyalty programme



Untapped opportunity



Engaged and happy customers translate into increased order frequency and more loyalty

>90%

of Zalando customers are not yet part of Zalando Plus

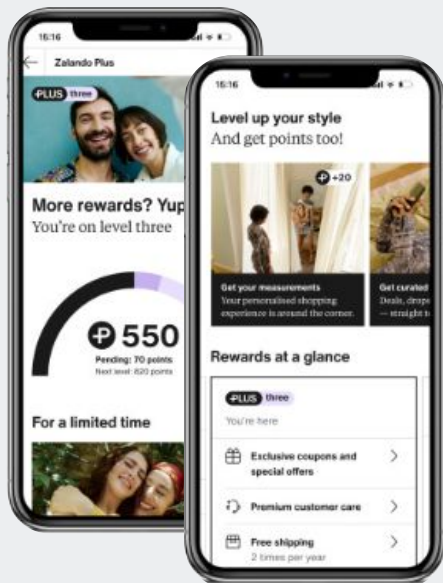
>60%

of Zalando customers state they seek rewards for their loyalty

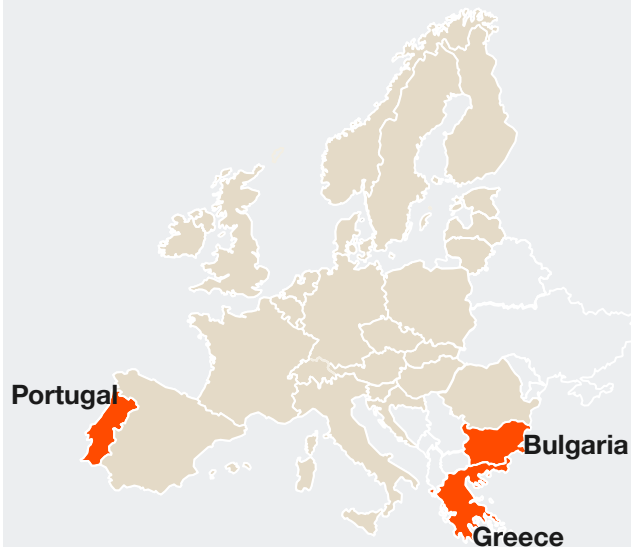


Driving sustained and healthy active customer growth in 2025 through quality differentiation

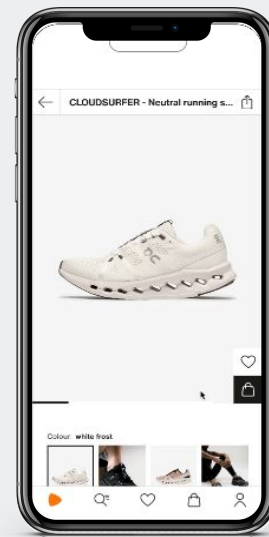
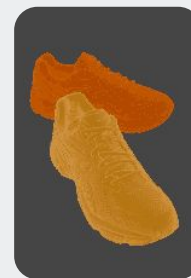
Roll-out loyalty programme to majority of our markets



Market expansion to Portugal, Greece and Bulgaria



Content- and data-rich product experience in fashion & lifestyle





Our B2C growth vector is built on three strategic growth pillars

MULTI-BRAND PLATFORM

Differentiation through quality



Lifestyle expansion



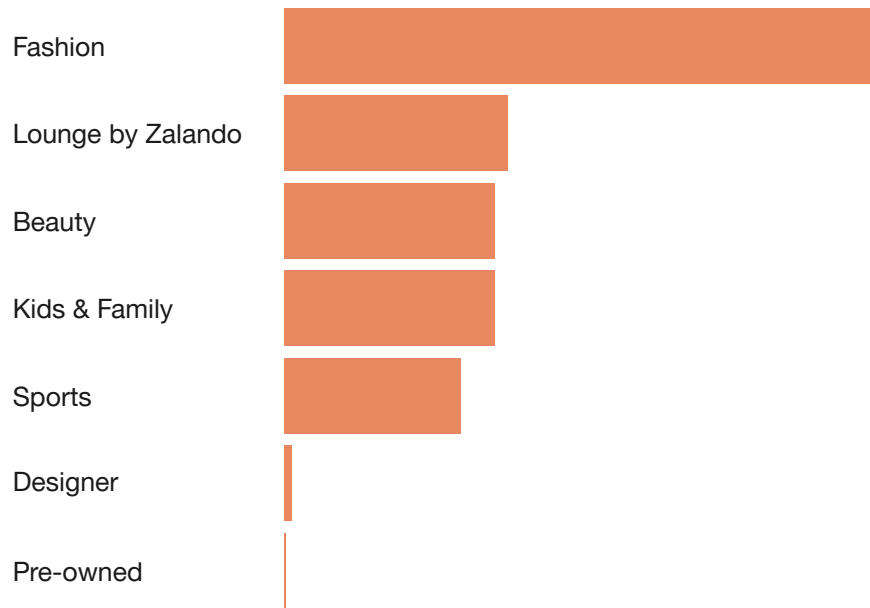
Inspiration & entertainment



We serve more of our customers' lifestyle needs by growing distinct propositions

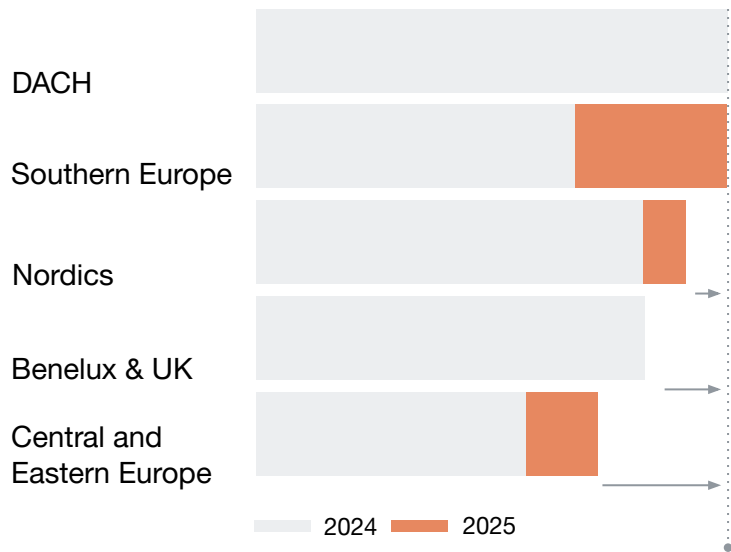
Increase in customers per proposition¹

(in m) (illustrative)

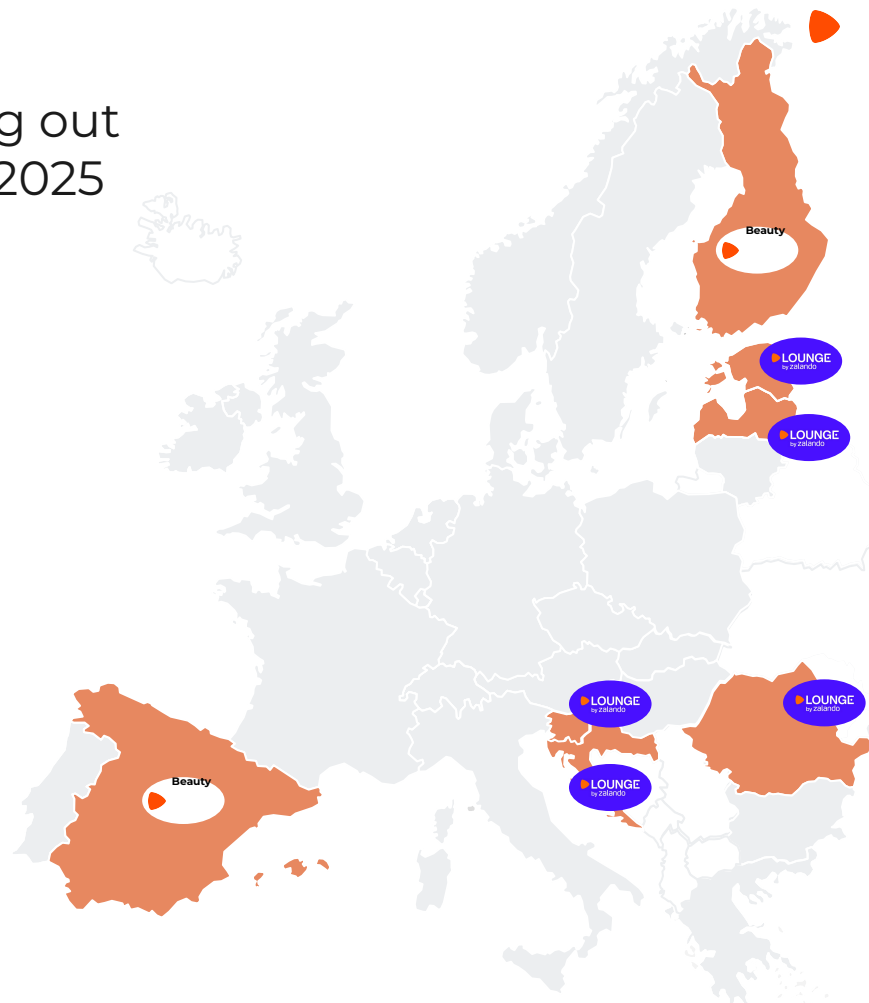


We will continue to drive growth by rolling out existing propositions to more markets in 2025

Average no. of propositions per market cluster (illustrative)



All propositions live in all markets





Our B2C growth vector is built on three strategic growth pillars

MULTI-BRAND PLATFORM



Differentiation through quality



Lifestyle expansion



Inspiration & entertainment



Stories on Zalando unlock higher tiered assortment by creating elevated content with a cultural-focused storytelling

Since launch in August 2023

>500

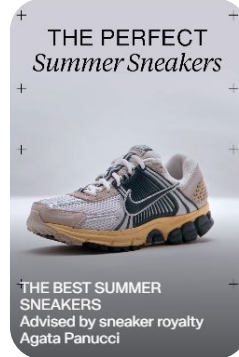
Stories published

>700

Featured brands

>7000

Featured products





We are constantly experimenting and iterating new ways to engage our customers with exciting content and AI-driven experiences

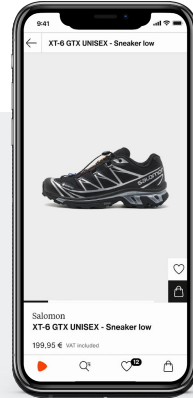
New content sources:
Talent Profiles



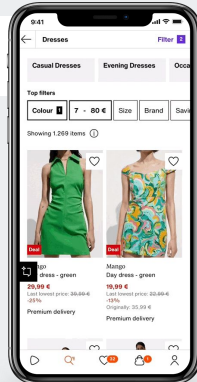
New content types:
Live Shopping



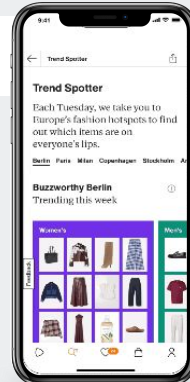
New content formats:
User Boards



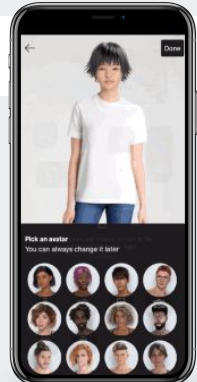
Zalando Assistant



Trendspotter



Outfit Builder



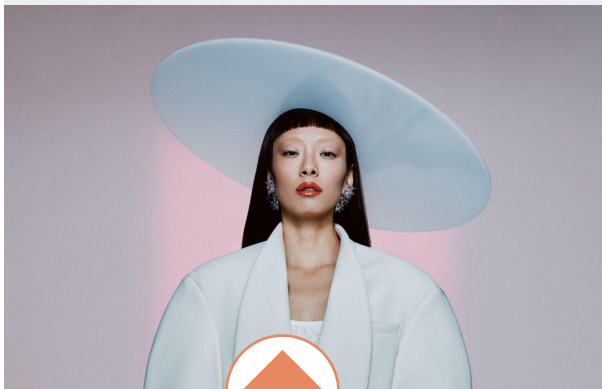


Three strategic growth pillars for our B2C business present a clear path to strong growth again

MULTI-BRAND PLATFORM

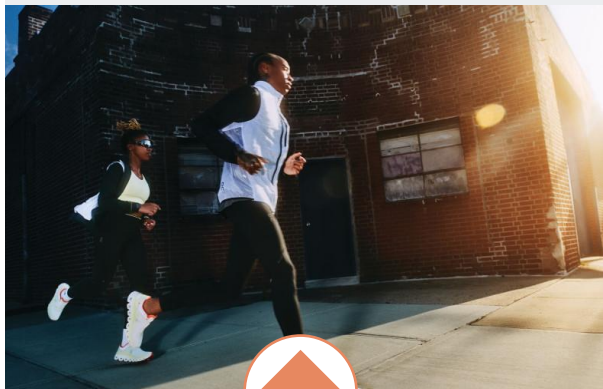


Differentiation through quality



Active customers

Lifestyle expansion



Share of wallet

Inspiration & entertainment



User engagement

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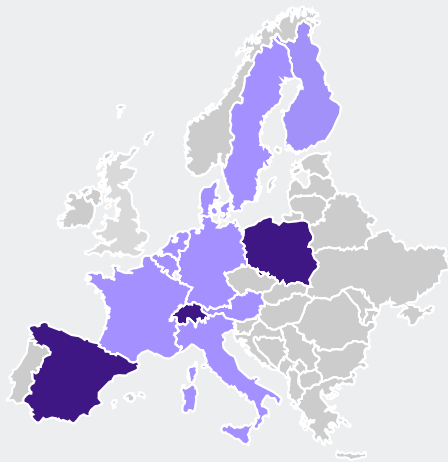




We made significant progress in advancing ZEOS Logistics in 2024

We launched more markets ...

12
markets
(+3)



... connected more channels ...

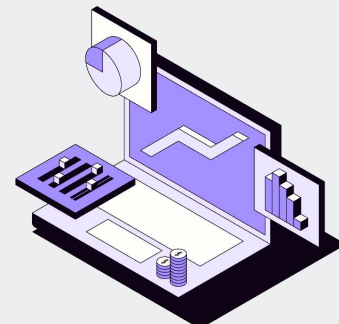
10
channels
(+3)



... and gave merchants more control

1
control panel

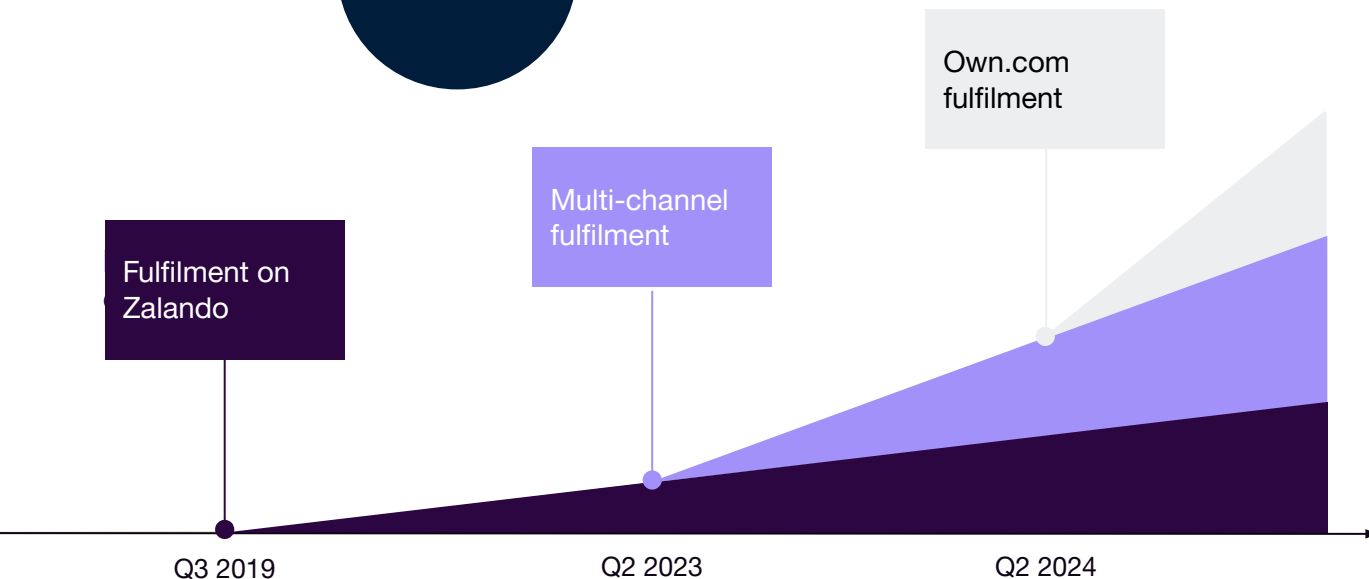
ZEOS One



Pepe Jeans' journey demonstrates the growth potential ZEOS Logistics can unlock

Items sold (illustrative)

>9x¹



Pepe Jeans

LONDON

About Pepe Jeans:

- Founded in 1973, Pepe Jeans is known for its **high-quality denim jeans**, offering a range for men, women, and children
- They are a global brand with a presence **in over 60 countries worldwide**



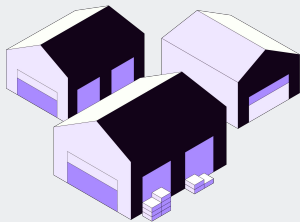
Our new partnership with NEXT will add scale and enable further logistics innovations for all merchants

NEXT

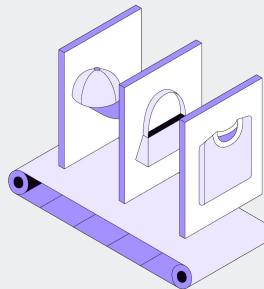
About NEXT:

- NEXT is a UK-based omnichannel retailer offering **fashion, home, and beauty**
- With **5.8bn GBP in 2024** total sales, NEXT is a **leading retailer in the UK**, growing their international business significantly

Advanced fulfilment capabilities



Onboarding & inventory management

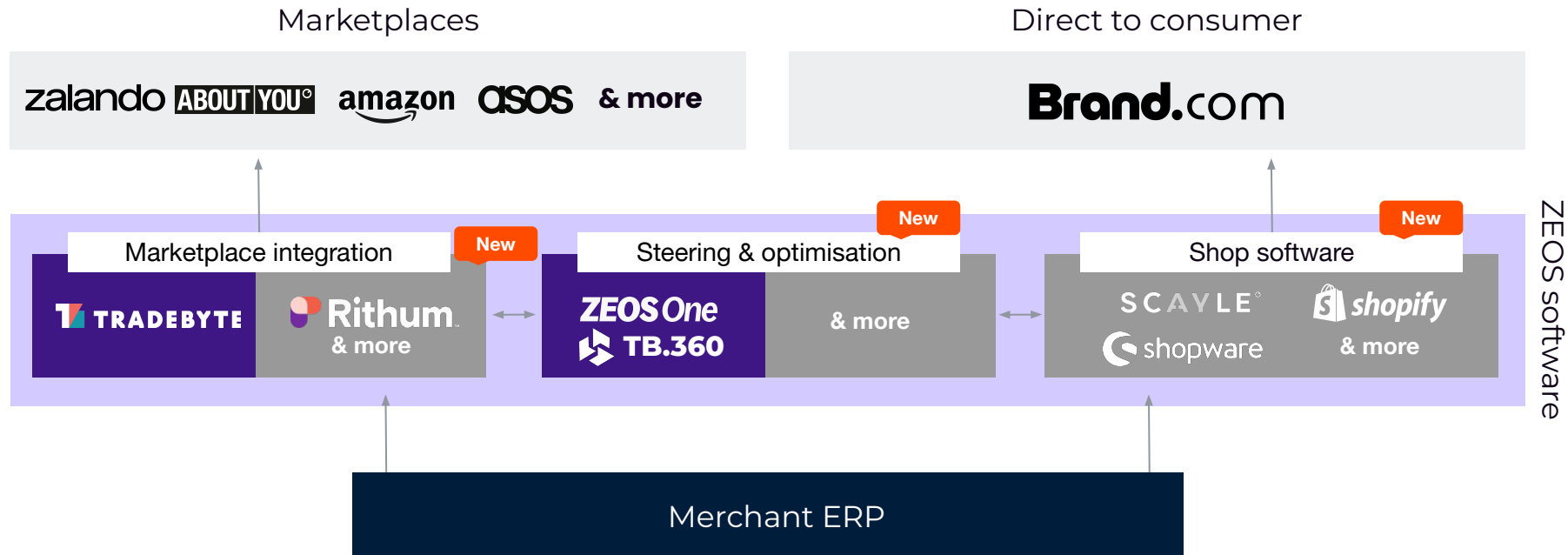


Market expansion & enhanced services





Our fully composable ZEOS software ecosystem offers merchants a holistic solution to drive their digital business



■ ZEOS ■ Ecosystem partners



In 2025, we will further expand our software ecosystem and provide merchants with enhanced capabilities

Build out ecosystem partnerships



Enhance steering & optimisation tooling



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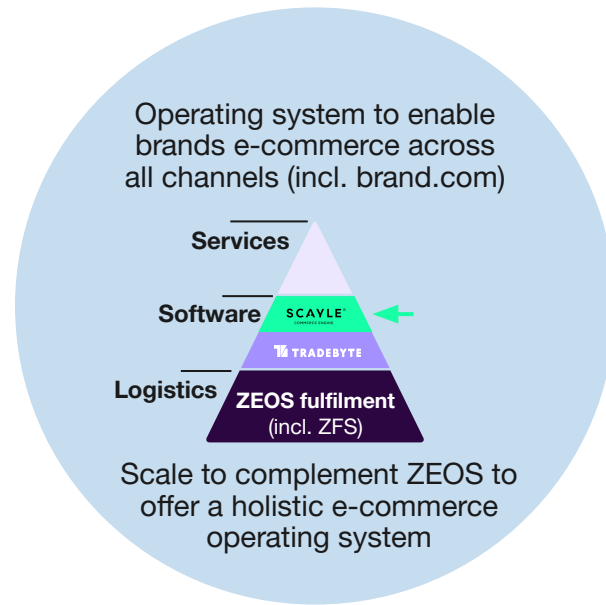
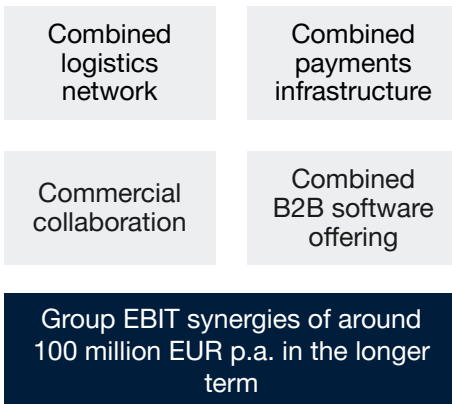


Acquisition of ABOUT YOU plays into our ecosystem strategy and unlocks significant value creation opportunities



B2C

Significant value creation opportunities



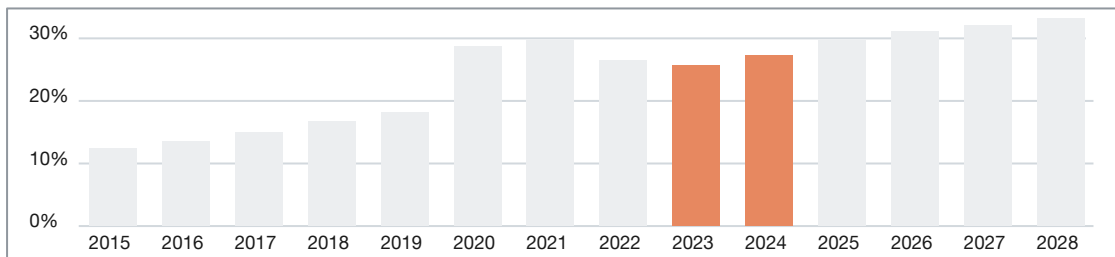
B2B

Transaction adds further scale to an already huge opportunity contributing to Zalando's attractive long term financial profile

Expanded ecosystem opportunity



Online fashion segment continues to grow¹



Combined group offers highly attractive financial profile at scale

	B2C	B2B
Long-term target margin (adj. ² EBIT margin in % revenue)	10% – 13%	10% – 13%

28 ¹ Euromonitor online penetration as of February 2025, 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 (excl. Russia)
² Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects and acquisition-related expenses



Our mid-term guidance for the combined group until 2028 reflects our ambition to return to strong growth and to continue margin expansion

5-year CAGR¹ (2023 – 2028)

Adjusted EBIT margin in % of revenue

Zalando combined group (incl. ABOUT YOU)

		Zalando combined group (incl. ABOUT YOU)
Growth	GMV	5% – 10% CAGR
	Revenue	5% – 10% CAGR
Profitability	Adj. ² EBIT margin	6% – 8% in 2028
Cash generation	Free cash flow	Strong free cash flow

29 ¹ For the combined group including pro-forma ABOUT YOU numbers

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



In 2025, we will focus on accelerating growth while continuing to drive profitability improvements and investing in future growth

Zalando stand-alone guidance 2025

Growth	GMV	4% – 9%	Guidance does not account for any impacts from the anticipated consolidation of ABOUT YOU, with the deal expected to close in summer of 2025
	Revenue	4% – 9%	
Profitability	Adjusted ¹ EBIT (in m EUR)	530 – 590	
Cash	Capex (in m EUR)	180 – 280	
	Net working capital (in m EUR)	negative	

30 ¹ Excludes equity-settled share-based payment expense (“SBC”), restructuring costs, significant non-operating one-time effects and acquisition-related expenses



Agenda

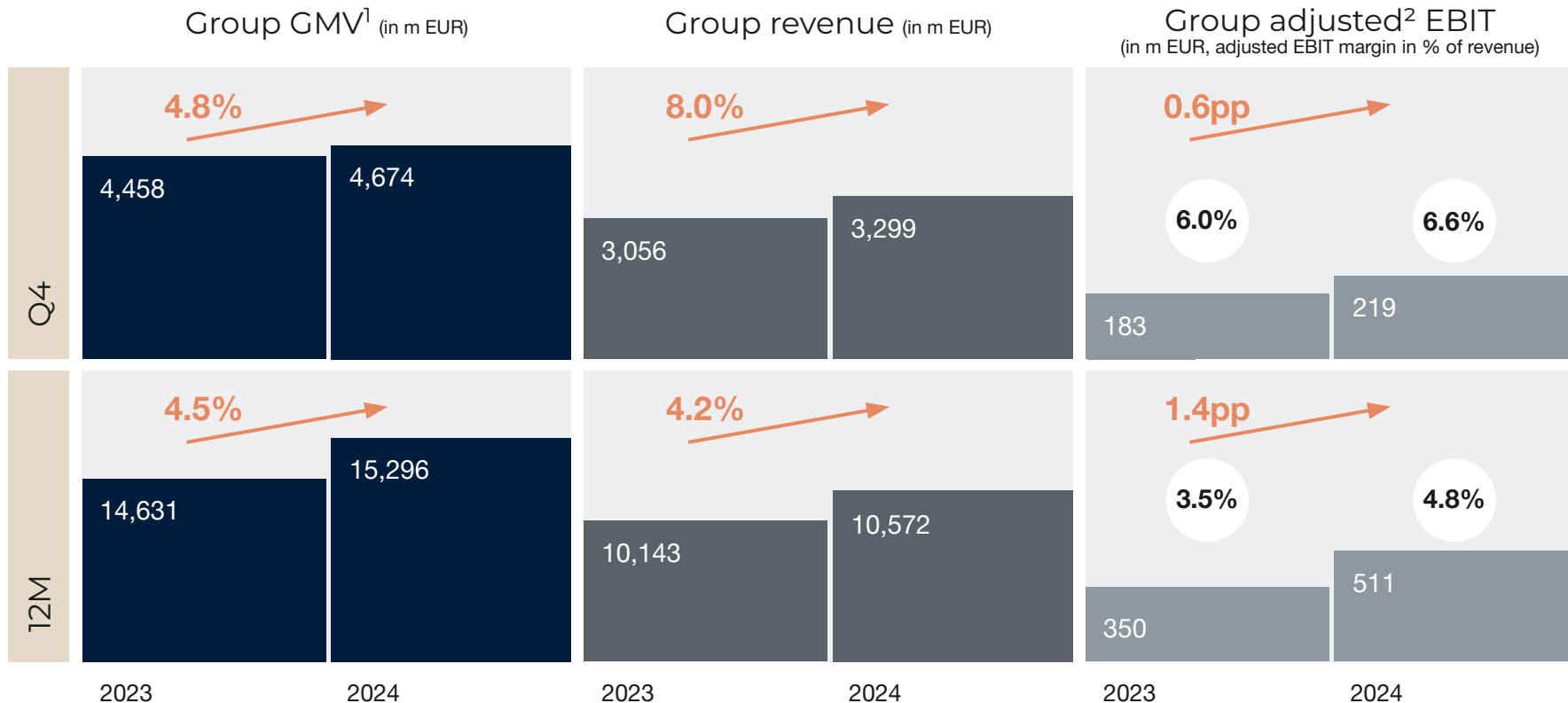
Investment highlights

Our Q4 and FY 2024 results and 2025
outlook

Appendix



Q4 with continued growth in GMV and revenue as well as improved profitability

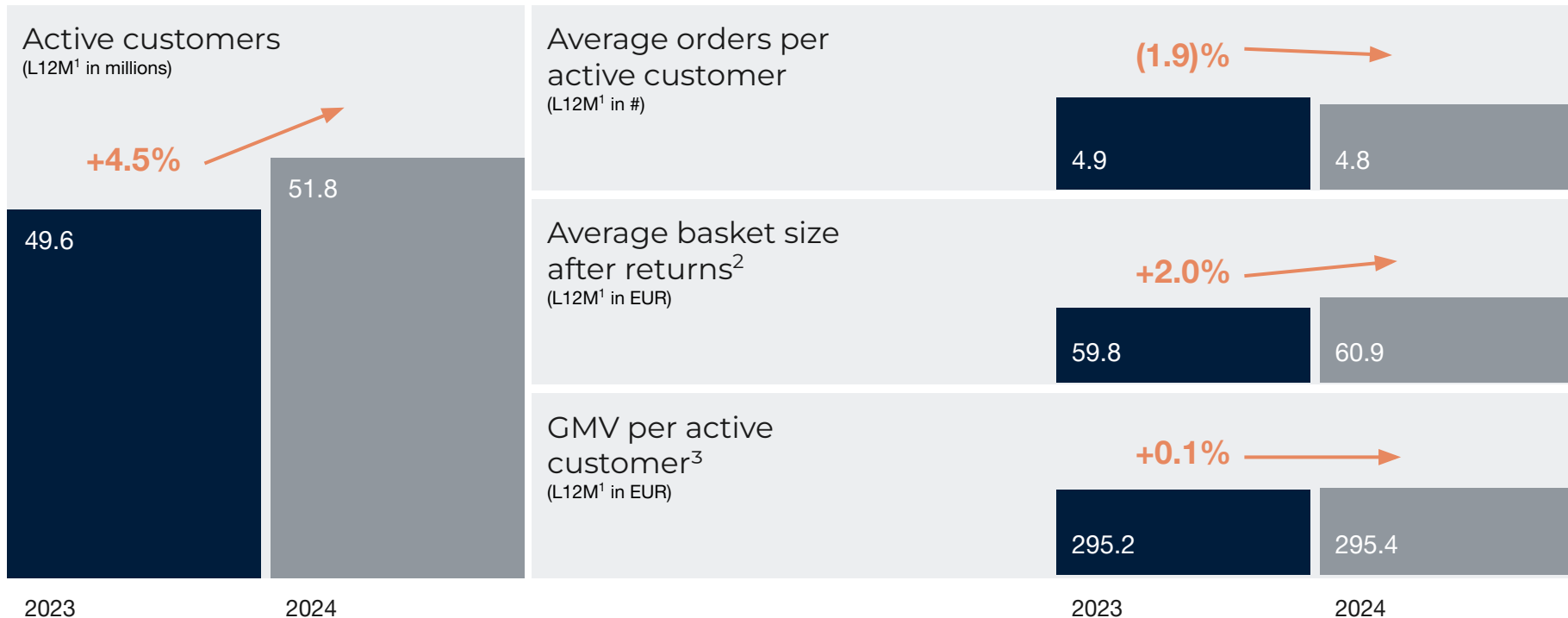


¹ Gross Merchandise Volume after Returns (GMV): dynamically reported

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



Our active customer base returned to growth and we are serving more customers than ever

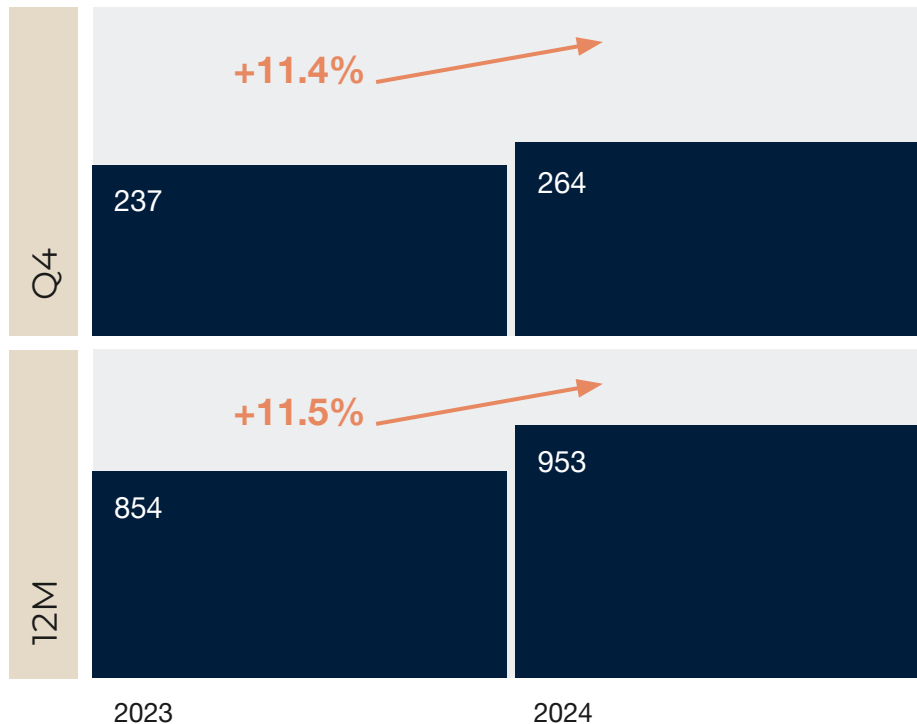


33 ¹ L12M = last twelve months
² Defined as GMV divided by the number of orders
³ Defined as GMV divided by the number of active customers

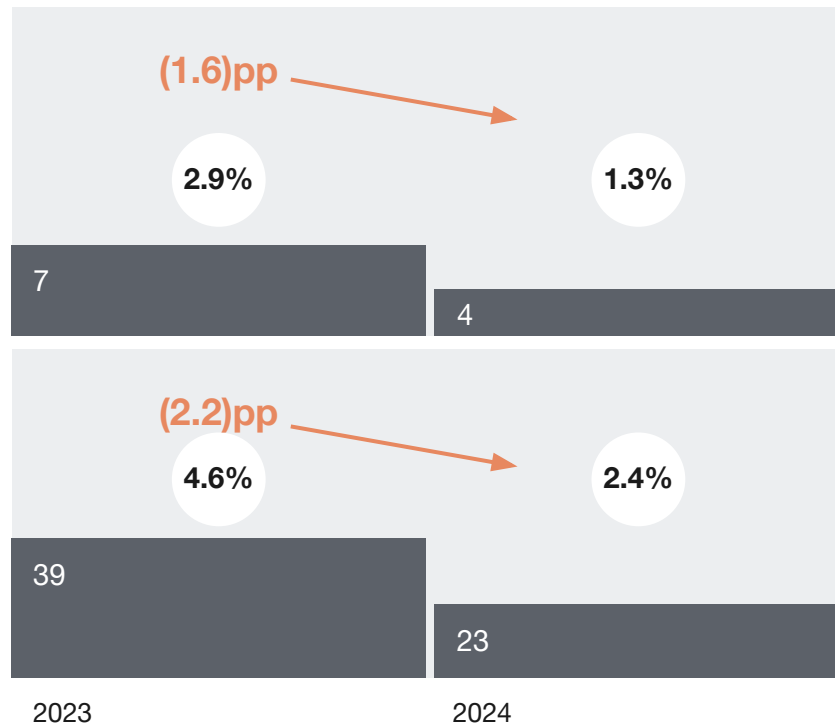


B2B with double digit growth trajectory driven by ZEOS fulfilment

B2B revenue¹ (in m EUR)



B2B adjusted² EBIT
(in m EUR, adjusted EBIT margin in % of revenue)



34 ¹ Q4 2024 contains (29.7)m EUR | Q4 2023 (4.3)m EUR reconciliation of inter-segment revenue. FY 2024 contains (37.8)m EUR | FY 2023 (13.1)m EUR reconciliation of inter-segment revenue

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

Adjusted EBIT margin uplift driven by continued strength in gross profit margin more than offsetting strong increase in marketing costs

Costs and margin (in % of revenue)	2023	2024	YoY Δ	Q4/23	Q4/24	YoY Δ	
Gross profit	38.7%	40.7%	1.9pp	39.4%	41.7%	2.3pp	← Improved inventory management and sell-through rates
Fulfilment costs	(24.2)%	(22.9)%	1.4pp	(22.0)%	(21.7)%	0.2pp	
Marketing costs	(7.4)%	(9.3)%	(1.8)pp	(8.3)%	(10.4)%	(2.1)pp	← Accelerated ROI-based investments in marketing to drive brand heat and strong customer growth
Administrative expenses & Other	(5.2)%	(4.8)%	0.4pp	(4.2)%	(4.5)%	(0.3)pp	
EBIT	1.9%	3.7%	1.8pp	4.9%	5.1%	0.2pp	
Adjusted ¹ EBIT	3.5%	4.8%	1.4pp	6.0%	6.6%	0.6pp	



Agenda

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Our FY and Q4 2024 results and 2025
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Appendix



Issued share capital

(as of 31 December 2024)	Stock exchange	Frankfurt Stock Exchange
	Market segment	Regulated Market (Prime Standard)
	Index listings	DAX
	Total number of shares outstanding	263,937,633
	Issued capital	263,937,633 EUR

Stock options programmes management board

(as of 31 December 2024)

Programm	# Options outstanding	Weighted average exercise price (EUR)
LTI 2018 ¹	4,296,949	47.44
LTI 2019	296,442	24.38
LTI 2021	849,280	29.90
LTI 2024	125,389	23.22
ZOP 2021	322,616	16.48
Total	5,890,675	41.54

Stock options programmes senior management

(as of 31 December 2024)

Programm	# Options outstanding	Weighted average exercise price (EUR)
SOP 2014 ²	164,051	31.60
EIP ²	2,222,038	41.28
ZOP 2019	7,177,420	26.00
Total	9,563,509	29.65

37 ¹ Only to 35% to be settled with new shares, remaining backed by treasury shares

² Settled with new shares



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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 fulfilment centers, inaccurate personnel and capacity forecasts for fulfilment 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.