

**Quarterly
Statement**
Q1 2020



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Zalando at a Glance

	Jan 1 – Mar 31, 2020	Jan 1 – Mar 31, 2019	Change
Group key performance indicators			
Site visits (in millions)	1,137.5	923.9	23.1%
Mobile visit share (as % of site visits)	84.6	82.4	2.3pp
Active customers (in millions)	31.9	27.2	17.2%
Number of orders (in millions)	37.0	31.4	17.8%
Average orders per active customer (LTM*)	4.7	4.5	5.1%
Average basket size (LTM*, in EUR)	56.1	57.0	-1.5%
Results of operations			
Gross merchandise volume** (GMV) (in EUR m)	1,991.2	1,748.9	13.9%
Revenue (in EUR m)	1,524.2	1,378.2	10.6%
EBIT (in EUR m)	-113.1	-18.4	>100%
EBIT (as % of revenue)	-7.4	-1.3	-6.1pp
Adjusted EBIT (in EUR m)	-98.6	6.4	>100%
Adjusted EBIT (as % of revenue)	-6.5	0.5	-6.9pp
EBITDA (in EUR m)	-62.5	24.4	>100%
EBITDA (as % of revenue)	-4.1	1.8	-5.9pp
Adjusted EBITDA (in EUR m)	-48.0	49.2	>100%
Adjusted EBITDA (as % of revenue)	-3.2	3.6	-6.7pp
Financial position			
Net working capital (in EUR m)	41.3	-147.7***	>100%
Equity ratio (as % of balance sheet total)	35.7	38.9***	-3.2pp
Cash flow from operating activities (in EUR m)	-260.8	-58.6	>100%
Cash flow from investing activities (in EUR m)	-41.8	-24.4	71.2%
Free cash flow (in EUR m)	-302.6	-78.4	>100%
Capex (in EUR m)	-47.8	-42.3	12.9%
Cash and cash equivalents (in EUR m)	1,034.0	869.8	18.9%
Other			
Employees (as of the reporting date)	13,825	13,763***	0.5%
Basic earnings per share (in EUR)	-0.35	-0.07	391.1%
Diluted earnings per share (in EUR)	-0.35	-0.07	391.1%

pp = percentage points

For an explanation of the performance indicators please refer to the glossary to the annual report 2019 (section 4.1).

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

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

**) GMV (gross merchandise volume) is defined as the value of all merchandise sold to customers after cancellations and returns and including VAT, dynamically reported. It does not include B2B revenues (e.g. Partner Program commission, Zalando Marketing Services or Zalando Fulfillment Solutions) and other B2C revenues (e.g. service charges like express delivery fees); these are included in revenue only. GMV is recorded based on the time of the customer order.

***) As of Dec 31, 2019

1.1 FINANCIAL PERFORMANCE OF THE GROUP

- Q1 2020 financials were significantly impacted by the evolving coronavirus crisis and its negative impact on consumer spending across Europe
- GMV and revenue grew by 13.9% and 10.6%; after strong growth in January and February, demand dropped sharply in March as a result of government-imposed lockdowns
- Adjusted EBIT stands at EUR -98.6m, adjusted EBIT margin at -6.5%, mainly due to lower than expected demand and an exceptional inventory write-down of EUR -40.2m

1.1 Financial Performance of the Group

The performance in the first quarter of 2020 came in below our expectations due to effects of the coronavirus crisis. After strong growth in January and February this year, the company saw a significant decrease in consumer demand as a consequence of social distancing measures imposed by governments across Europe. GMV and revenue grew by 13.9% and 10.6% respectively compared to the corresponding prior-year period. As a result of the lower sales growth in the first quarter and an exceptional inventory write-down due to revised sales expectations for the current season, we generated an adjusted EBIT of EUR -98.6m and an adjusted EBIT margin of -6.5%.

Consolidated Income Statement Q1 2020

IN EUR M	Jan 1 – Mar 31, 2020	As % of revenue	Jan 1 – Mar 31, 2019	As % of revenue	Change
Revenue	1,524.2	100.0%	1,378.2	100.0%	0.0pp
Cost of sales	-986.2	-64.7%	-828.7	-60.1%	-4.6pp
Gross profit	538.0	35.3%	549.5	39.9%	-4.6pp
Selling and distribution costs	-579.7	-38.0%	-492.8	-35.8%	-2.3pp
Administrative expenses	-84.2	-5.5%	-77.8	-5.6%	0.1pp
Other operating income	14.1	0.9%	5.2	0.4%	0.5pp
Other operating expenses	-1.3	-0.1%	-2.5	-0.2%	0.1pp
Earnings before interest and taxes (EBIT)	-113.1	-7.4%	-18.4	-1.3%	-6.1pp

1.1 FINANCIAL PERFORMANCE OF THE GROUP

Performance indicators

PERFORMANCE INDICATORS	Jan 1 – Mar 31, 2020	Jan 1 – Mar 31, 2019	Change
Mobile visit share (as % of site visits)	84.6	82.4	2.3pp
Active customers (in millions)	31.9	27.2	17.2%
Average orders per active customer	4.7	4.5	5.1%
Average basket size (in EUR)	56.1	57.0	-1.5%
Gross merchandise volume (GMV) (in EUR m)	1,991.2	1,748.9	13.9%
Fulfillment cost ratio (as % of revenue)	29.9	28.7	1.2pp
Marketing cost ratio (as % of revenue)	8.1	7.0	1.1pp
Adjusted EBIT (in EUR m)	-98.6	6.4	>100%

Development of GMV and Revenue

In Q1 2020, Zalando increased GMV by EUR 242.3m compared to the prior-year period to EUR 1,991.2m. This corresponds to year-on-year GMV growth of 13.9%. While the first two months of 2020 showed strong GMV growth, this metric was severely impacted in March as COVID-19 continued to spread across Europe coupled with mitigation measures imposed by governments and their negative impact on consumer spending. Overall, the increase in GMV was mainly driven by a higher number of active customers as well as an increase in average orders per active customer compared to the corresponding prior-year period. Our customer KPIs continued to grow, albeit at a slower rate, despite the drop in demand caused by the coronavirus crisis. The group had 31.9 million active customers compared to 27.2 million active customers as of March 31, 2019, an increase of 17.2%. Supported also by an increasing use of mobile devices, the average number of orders per active customer rose by 5.1%. The continued strong growth of our Partner Program led to an increased Partner Program share in GMV and also contributed to the increase in GMV overall. At the same time, the average basket size declined slightly by 1.5% compared to the prior-year period, driven by category mix and higher discounting levels in March as the Mid Season Sale (MSS) was moved forward to cushion the effect of the coronavirus crisis on inventory levels.

Revenue increased by EUR 146.0m compared to the prior-year period to EUR 1,524.2m. This corresponds to year-on-year revenue growth of 10.6%. The increase in GMV was higher than the increase in revenue. This is mainly the result of the strong growth of the Partner Program, which is fully reflected in the GMV metric, while revenue only includes the commission income and service fees from partners.

Development of EBIT

The group recorded EBIT of EUR -113.1m in the first quarter of 2020 (prior-year period: EUR -18.4m). The deterioration in the EBIT margin of 6.1 percentage points to -7.4% (Q1 2019: -1.3%) was mainly driven by the cost of sales, which increased by 4.6 percentage points, and by selling and distribution costs, which increased by 2.3 percentage points, in proportion to revenue. Selling and distribution costs contain both fulfillment and marketing costs.

Cost of sales rose by EUR 157.4m to EUR 986.2m, leading to a gross margin decline of 4.6 percentage points. The development of cost of sales was heavily impacted by the coronavirus crisis, which led to an exceptional inventory write-down as a result of the revised sales expectations for the current season as well as to increased promotional activity.

Compared to the first quarter of 2019, fulfillment costs as a percentage of revenue rose by 1.2 percentage points. This negative development was mainly caused by increasing warehousing costs as a result of lower utilization and unusually high absenteeism.

The marketing cost ratio declined by 1.1 percentage points compared to the prior-year period as we continued our long term oriented, ROI based marketing approach and therefore saw elevated marketing spend levels similar to those in the quarters since Q2 2019.

Administrative expenses increased from EUR 77.8m in the prior-year period to EUR 84.2m in Q1 2020, increasing slightly by 0.1 percentage points in proportion to revenue. The ratio remained largely stable despite lower than expected demand levels thanks to slower hiring and a continued focus on efficiency.

Other operating income increased from EUR 5.2m in the prior-year period to EUR 14.1m in Q1 2020, caused almost entirely by a gain recognized from the sale and lease back of undeveloped land in Berlin (Zalando Campus) previously presented under assets held for sale, successfully laying the foundation for future campus expansion.

Adjusted EBIT

In order to assess the operating performance of the business, Zalando's management also considers adjusted EBIT and the adjusted EBIT margin before expenses for equity-settled share-based payments, restructuring costs and non-operating one-time effects. In Q1 2020, Zalando generated an adjusted EBIT of EUR -98.6m (prior year: EUR 6.4m), and an adjusted EBIT margin of -6.5% (prior year: 0.5%). EBIT includes the following expenses from equity-settled share-based payments. More information can be found in the notes to the annual financial statements 2019 (section 3.5.7 (21.)).

Share-Based Compensation Expenses per Functional Area

IN EUR M	Jan 1 – Mar 31, 2020	Jan 1 – Mar 31, 2019	Change
Expenses for equity-settled share-based payments	14.5	11.8	2.7
Cost of sales	1.0	0.8	0.2
Selling and distribution costs	2.7	2.0	0.7
thereof marketing costs	0.7	0.5	0.2
thereof fulfillment costs	2.0	1.5	0.5
Administrative expenses	10.8	8.9	1.8

In Q1 2020, EBIT contains no restructuring costs or non-operating one-time effects. In the first quarter of 2019, EBIT contained restructuring costs of EUR 13.1m that were incurred mainly in connection with the restructuring of our private label business.

1.2 Results by Segment

The condensed segment results for Q1 2020 show that the segments were impacted by the coronavirus crisis to varying degrees.

Segment Results of the Group Q1 2020

IN EUR M	Fashion Store	Offprice	All other segments	Total	Reconciliation	Total Group
Revenue	1,391.6	184.7	37.4	1,613.8	-89.6	1,524.2
thereof intersegment revenue	81.3	0.0	8.3	89.6	-89.6	0.0
Earnings before interest and taxes (EBIT)	-111.7	6.2	-7.6	-113.1	0.0	-113.1
Adjusted EBIT	-99.6	7.8	-6.8	-98.6	0.0	-98.6

Segment Results of the Group Q1 2019

IN EUR M	Fashion Store	Offprice	All other segments	Total	Reconciliation	Total Group
Revenue	1,268.5	136.8	102.6	1,507.9	-129.7	1,378.2
thereof intersegment revenue	56.5	0.0	73.3	129.7	-129.7	0.0
Earnings before interest and taxes (EBIT)	-1.0	2.7	-20.5	-18.8	0.4	-18.4
Adjusted EBIT	8.4	3.8	-6.2	6.0	0.4	6.4

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

Fashion Store Results by Region Q1 2020

IN EUR M	DACH	Rest of Europe	Fashion Store
Revenue	663.6	728.0	1,391.6
thereof intersegment revenue	39.7	41.7	81.3
Earnings before interest and taxes (EBIT)	-17.7	-94.0	-111.7
Adjusted EBIT	-11.6	-88.0	-99.6

Fashion Store Results by Region Q1 2019

IN EUR M	DACH	Rest of Europe	Fashion Store
Revenue	621.7	646.8	1,268.5
thereof intersegment revenue	28.2	28.2	56.5
Earnings before interest and taxes (EBIT)	21.7	-22.6	-1.0
Adjusted EBIT	26.3	-18.0	8.4

In Q1 2020, revenue in the Fashion Store segment grew by 9.7%, in the Offprice segment by 35.1% and decreased in All other segments by 63.6 %, compared to the prior-year period.

The revenue increase in the Fashion Store is mainly due to solid growth in active customers and average orders per active customer. Revenues increased strongly in the first two months, but with the spread of the coronavirus throughout Europe, revenue growth was severely impacted in March.

The Offprice segment was able to maintain its strong performance despite the crisis. The business of Zalando Lounge even seemed to gain momentum as consumers reduced their need-based shopping activity, but continued to be attracted by deals and discounts. The positive performance was partially offset by the deterioration of our Zalando Outlets business, which suffered from mandatory store closures as a result of the government-imposed coronavirus confinement measures.

In All other segments, revenue dropped by 63.6%, primarily as a result of the restructuring of the private label business in Q1 2019. The private label business was restructured, reorganized and has been integrated in the Fashion Store segment since Q2 2019. The coronavirus crisis also impacted the performance of our emerging businesses and slowed their revenue growth.

With an EBIT margin of -8.0% in Q1 2020, the Fashion Store segment showed negative profitability. Year-on-year, the EBIT margin decreased by 8.0 percentage points, mainly due to a lower gross margin and a higher fulfillment cost ratio in comparison to the prior-year period. Key drivers were lower demand, exceptional inventory write-offs and lower utilization of warehouses.

The Offprice segment recorded EBIT of EUR 6.2m with the EBIT margin increasing from 2.0% in the prior-year period to 3.4% in Q1 2020. The increase was mainly caused by a higher gross margin as a result of improved stock availability in the market and marketing savings.

All other segments recorded a decrease in EBIT margin of 0.3 percentage points, resulting in an EBIT margin of -20.3% in Q1 2020. The development is the result of overall slower than expected growth within the segment.

Adjusted EBIT

EBIT comprises the following expenses from equity-settled share-based payments:

Share-Based Compensation Expenses per Segment

IN EUR M	Jan 1 – Mar 31, 2020	Jan 1 – Mar 31, 2019	Change
Equity-settled share-based compensation expenses	14.5	11.8	2.7
Fashion Store	12.1	9.3	2.8
Offprice	1.5	1.1	0.4
All other segments	0.8	1.3	-0.5

In the prior-year period, EBIT also contained restructuring costs of EUR 13.1m in All other segments that were incurred in connection with the restructuring of the private label business. In Q1 2020, no such costs were recorded.

The Fashion Store segment generated an adjusted EBIT margin of -7.2% in Q1 2020. Compared to the prior-year period, the adjusted EBIT margin decreased by 7.8 percentage points. The Offprice segment recorded an increase in the adjusted EBIT margin of 1.4 percentage points from 2.8% in the prior-year period to 4.2% in Q1 2020. All other segments recorded a decrease of 12.1 percentage points, resulting in an adjusted EBIT margin of -18.1% in the first quarter of 2020.

1.3 Cash Flows

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

Condensed Statement of Cash Flows

IN EUR M	Jan 1 – Mar 31, 2020	Jan 1 – Mar 31, 2019
Cash flow from operating activities	-260.8	-58.6
Cash flow from investing activities	-41.8	-24.4
Cash flow from financing activities	359.6	-42.6
Change in cash and cash equivalents	57.0	-125.5
Exchange-rate related and other changes in cash and cash equivalents	0.5	0.4
Cash and cash equivalents at the beginning of the period	976.5	995.0
Cash and cash equivalents as of March 31	1,034.0	869.8

In the first quarter of 2020, Zalando generated a negative cash flow from operating activities of EUR -260.8m (prior year: EUR -58.6m). The decrease compared to the prior-year period of EUR 202.2m was mainly impacted by net working capital as well as a lower net income. Predominantly, it related to a strong increase in inventories due to inbounds of the spring / summer collection and lower business volume as well as a strong decrease in trade payables due to generally reduced spending and faster pay-out terms to support our partners.

Cash outflow from investing activities is mainly impacted by capex, being the sum of the payments for investments in property, plant and equipment and intangible assets excluding payments for acquisitions, amounting to EUR 47.8m (prior year: EUR 42.3m). Capex mainly included investments in the logistics infrastructure relating primarily to the fulfillment centers in Verona (Nogarole Rocca), Olsztynek, Lodz (Gluchow) and Erfurt as well as capital expenditures on internally developed software. In Q1 2019, cash flow from investing activities also contained payments received for the interest in the proceeds from the sale of developed land owned by third parties of EUR 21.8m. This resulted from the participation in the increase in sales price of the Zalando Campus property. The amount had been recognized in the income statement over several years beginning in 2015.

As a result, free cash flow decreased by EUR 224.2m from EUR -78.4m to EUR -302.6m compared to the prior year.

In Q1 2020, Zalando made use of its revolving credit facility which resulted in cash inflows from financing activities of EUR 375.0m. Furthermore, cash flow from financing activities includes cash outflows for the repayment of the principal portion of lease liabilities of EUR 15.3m (prior year: EUR 10.0m). In the prior-year period, cash flow from financing activities also included payments for the repurchase of treasury shares of EUR 38.8m. In Q1 2020, no treasury shares were repurchased.

Overall, cash and cash equivalents increased by EUR 57.5m during the first quarter of 2020, resulting in Zalando carrying cash and cash equivalents of EUR 1,034.0m as of March 31, 2020. The current cash position enables us to invest through-cycle, even at this challenging time.

1.4 Financial Position

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

Assets

IN EUR M	Mar 31, 2020		Dec 31, 2019		Change	
Non-current assets	1,500.5	32.7%	1,455.1	33.6%	45.4	3.1%
Current assets	3,094.5	67.3%	2,878.0	66.4%	216.5	7.5%
Total assets	4,595.0	100.0%	4,333.1	100.0%	261.9	6.0%

Equity and Liabilities

IN EUR M	Mar 31, 2020		Dec 31, 2019		Change	
Equity	1,638.1	35.7%	1,683.8	38.9%	-45.6	-2.7%
Non-current liabilities	919.3	20.0%	542.6	12.5%	376.7	69.4%
Current liabilities	2,037.6	44.3%	2,106.7	48.6%	-69.1	-3.3%
Total equity and liabilities	4,595.0	100.0%	4,333.1	100.0%	261.9	6.0%

In the first quarter of 2020, total assets increased by 6.0%. The balance sheet is dominated by working capital, cash and cash equivalents as well as equity.

During the first quarter, additions to intangible assets amounted to EUR 19.1m (prior year: EUR 14.8m) while additions to property, plant and equipment totaled EUR 13.0m (prior year: EUR 29.2m).

Right-of-use assets have a carrying amount of EUR 519.4m as of March 31, 2020. These mainly relate to lease contracts for fulfillment centers and office buildings as per IFRS 16.

Inventories mainly comprise goods required for Zalando's wholesale business. The 19.5% increase in inventories to EUR 1,312.3m predominantly relates to the delivery peak of the spring / summer collection.

Equity decreased from EUR 1,683.8m to EUR 1,638.1m in the first three months of the fiscal year. The EUR 45.7m decrease primarily stems from the negative net income for the quarter. Thus, the equity ratio fell from 38.9% at the beginning of the year to 35.7% as of March 31, 2020.

Lease liabilities of EUR 549.7m were recognized per Q1 2020, thereof EUR 477.5m as non-current, and EUR 72.3m as current. They represent the discounted financial obligations resulting from lease contracts as per IFRS 16.

Current liabilities decreased by EUR 59.1m in the reporting period. This decrease is mainly attributable to trade payables and similar liabilities, which dropped by EUR 76.6m, decreasing from EUR 1,708.3m to EUR 1,631.7m in the reporting period. The decrease is mainly related to the lower business volume due to the current COVID-19 situation and the early payment strategy of Zalando by capitalizing on cash discounts.

Under reverse factoring agreements, suppliers' claims against Zalando totaling EUR 396.3m as of March 31, 2020 were transferred to various factoring providers (December 31, 2019: EUR 394.5m). These items were recognized in the statement of financial position under trade payables and similar liabilities.

Net working capital, consisting of inventories and trade and other receivables less trade payables and similar liabilities, rose from EUR -147.7m as of December 31, 2019 to EUR 41.3m as of March 31, 2020. The increase mainly results from the increase in inventories of EUR 214.0m and the decrease in trade payables and similar liabilities of EUR 76.6m which was only partly compensated by the increase in trade and other receivables of EUR 101.6m.

1.5 Outlook

The full year outlook 2020 has changed compared to the outlook contained in the 2019 annual report. Zalando had explicitly excluded the effects of the coronavirus crisis in the guidance published on February 27, 2020 (GMV growth: 20% to 25%, revenue growth 15% to 20%, adjusted EBIT of EUR 225.0m to 275.0m, investments of EUR 330.0m). Due to the increasing spread of the virus in Europe and the yet unpredictable effects of the coronavirus crisis, Zalando has withdrawn its guidance on March 30, 2020.

In the now updated outlook, Zalando expects GMV and revenue growth between 10% and 20% for the current financial year 2020, whereby revenue growth will be slightly below that of GMV. The difference between GMV and revenue results from the stronger growing Partner Program as part of the platform transformation.

Moreover, Zalando expects to continue to grow profitably in 2020 and accordingly expects adjusted EBIT of between EUR 100.0m and EUR 200.0m. (EBIT EUR 50.0m to EUR 150.0m) (financial year 2019: adjusted EBIT of EUR 224.9m, EBIT of EUR 165.8m). As part of its platform strategy, the company will continue to invest in its European logistics network and technology platform and plans to invest between EUR 230.0m and EUR 280.0m in 2020 (2019: EUR 306.5m). Zalando expects net working capital to remain negative in 2020 (2019: EUR -147.7m). The ranges of the guidance reflect the still not fully predictable development of the coronavirus crisis over the course of the year.

Berlin, May 5, 2020

The Management Board

Robert Gentz David Schneider Rubin Ritter James M. Freeman, II David Schröder

1.6 Consolidated Income Statement

Consolidated Income Statement

IN EUR M	Jan 1 – Mar 31, 2020	Jan 1 – Mar 31, 2019
Revenue	1,524.2	1,378.2
Cost of sales	-986.2	-828.7
Gross profit	538.0	549.5
Selling and distribution costs	-579.7	-492.8
Administrative expenses	-84.2	-77.8
Other operating income	14.1	5.2
Other operating expenses	-1.3	-2.5
Earnings before interest and taxes (EBIT)	-113.1	-18.4
Interest and similar income	1.8	2.5
Interest and similar expenses	-9.8	-6.2
Result of investments accounted for using the equity method	0.1	-0.6
Other financial result	-12.8	1.6
Financial result	-20.7	-2.8
Earnings before taxes (EBT)	-133.8	-21.2
Income taxes	47.3	3.6
Net income for the period	-86.4	-17.6
Thereof net income attributable to shareholders of ZALANDO SE	-86.4	-17.6
Thereof net income attributable to non-controlling interests	0.0	0.0

1.7 Consolidated Statement of Financial Position

Consolidated Statement of Financial Position – Assets

IN EUR M	Mar 31, 2020	Dec 31, 2019
Non-current assets		
Intangible assets	196.7	192.8
Property, plant and equipment	704.1	708.4
Financial assets	25.3	10.1
Lease assets	519.4	525.6
Deferred tax assets	43.0	9.2
Non-financial assets	10.3	7.3
Investments accounted for using the equity method	1.7	1.6
	1,500.5	1,455.1
Current assets		
Inventories	1,312.3	1,098.3
Prepayments	0.4	0.1
Trade and other receivables	360.7	462.3
Other financial assets	92.4	42.8
Other non-financial assets	292.2	262.2
Cash and cash equivalents	1,034.0	976.5
	3,092.1	2,842.2
Assets held for sale	2.4	35.9
Total assets	4,595.0	4,333.1

1.7 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position – Equity and Liabilities

IN EUR M	Mar 31, 2020	Dec 31, 2019
Equity		
Issued capital	248.7	248.7
Capital reserves	1,215.5	1,200.5
Other reserves	10.2	-15.6
Retained earnings	163.8	250.4
Equity of shareholders of ZALANDO SE	1,638.3	1,683.9
Non-controlling interest	-0.2	-0.2
	1,638.1	1,683.8
Non-current liabilities		
Provisions	41.9	42.5
Lease liabilities	477.5	481.4
Borrowings	377.0	2.7
Other financial liabilities	6.5	4.2
Other non-financial liabilities	5.2	1.1
Deferred tax liabilities	11.2	10.7
	919.3	542.6
Current liabilities		
Provisions	2.3	3.4
Lease liabilities	72.3	68.0
Borrowings	2.8	2.8
Trade payables and similar liabilities	1,631.7	1,708.3
Prepayments received	47.9	35.0
Income tax liabilities	6.4	7.6
Other financial liabilities	127.8	128.2
Other non-financial liabilities	146.4	143.4
	2,037.6	2,096.7
Liabilities associated with assets held for sale	0.0	10.0
Total equity and liabilities	4,595.0	4,333.1

1.8 Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows

IN EUR M	Jan 1 – Mar 31, 2020	Jan 1 – Mar 31, 2019
1. Net income for the period	-86.4	-17.6
2. + Non-cash expenses from share-based payments	14.4	11.8
3. + Depreciation of property, plant and equipment, lease assets and amortization of intangible assets	50.6	42.8
4. +/- Income taxes	-47.3	-3.6
5. - Income taxes paid, less refunds	-21.4	-13.3
6. +/- Increase/decrease in provisions	-1.6	0.2
7. -/+ Other non-cash income/expenses	1.9	0.3
8. +/- Decrease/increase in inventories	-214.0	-165.9
9. +/- Decrease/increase in trade and other receivables	101.6	18.5
10. +/- Increase/decrease in trade payables and similar liabilities	-70.9	75.0
11. +/- Increase/decrease in other assets/liabilities	12.3	-6.7
12. = Cash flow from operating activities	-260.8	-58.6
13. + Proceeds from disposal of non-current assets	6.0	22.5
14. - Cash paid for investments in property, plant and equipment	-28.9	-28.6
15. - Cash paid for investments in intangible assets	-18.8	-13.7
16. - Cash paid for acquisitions of shares in associated companies and acquisition of companies and prepayments for such acquisitions	0.0	0.0
17. +/- Cash received/paid for investments in term deposits	0.0	-5.0
18. + Change in restricted cash	0.0	0.4
19. = Cash flow from investing activities	-41.8	-24.4
20. + Cash received from capital increases by the shareholders less transaction costs	0.6	6.7
21. - Repurchase of treasury shares	0.0	-38.8
22. - Cash repayments of loans	-0.7	-0.4
23. + Cash received from increases in borrowings	375.0	0.0
24. - Cash payments for the principal portion of lease liabilities	-15.3	-10.0
25. = Cash flow from financing activities	359.6	-42.6
26. = Net change in cash and cash equivalents from cash relevant transactions	57.0	-125.5
27. +/- Change in cash and cash equivalents due to exchange rate movements	0.5	0.4
28. + Cash and cash equivalents at the beginning of the period	976.5	995.0
29. = Cash and cash equivalents as of March 31	1,034.0	869.8
Free cash flow	-302.6	-78.4

1.9 Financial Calendar 2020

Financial Calendar

Date	Event
Tuesday, June 23	Annual general meeting 2020
Tuesday, August 11	Publication of the second quarter results 2020
Wednesday, November 4	Publication of the third quarter results 2020

1.10 Imprint

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Statement Relating to the Future

This quarterly statement contains statements that relate to the future and are based on assumptions and estimates made by the management of ZALANDO SE. Even if the management is of the opinion that these assumptions and estimates are appropriate, the actual development and the actual future results may vary from these assumptions and estimates as a result of a variety of factors. These factors include, for example, changes to the overall economic environment, the statutory and regulatory conditions in Germany and the EU and changes in the industry. ZALANDO SE makes no guarantee and accepts no liability for future development and the actual results achieved in the future matching the assumptions and estimates stated in this quarterly statement. It is neither the intention of ZALANDO SE nor does ZALANDO SE accept a special obligation to update statements related to the future in order to align them with events or developments that take place after this quarterly statement is published.

The quarterly statement is available in English. If there are variances, the German version has priority over the English translation. It is available for download in both languages at <https://corporate.zalando.com/en/investor-relations>.

