

Q2



Zalando Q2/25 Earnings call

6 August 2025

Speaker:

Robert Gentz, Co-CEO

David Schröder, Co-CEO and interim CFO

zalando

Executive Summary

- 01 H1 performance reflects continued growth and increased profitability**
Strong GMV growth of 6.2% and even stronger revenue growth of 7.6% paired with continued adjusted EBIT margin expansion to 4.4%
- 02 In B2C, new discovery feed provides personalised content at scale driving user engagement**
Strategic growth initiatives progressing as planned with upgraded loyalty programme reaching 10m members and expansion of platform and existing propositions to more markets
- 03 B2B continued its double digit growth trajectory driven by ZEOS Fulfilment**
Launched Shopify App connecting Shopify merchants directly to ZEOS Fulfilment. This marks a foundational step towards a broader portfolio of partnerships with leading e-commerce platforms
- 04 Successfully closed ABOUT YOU transaction**
Received European Commission merger control clearance and acquired 91.5% of ABOUT YOU's share capital (excluding treasury shares)
- 05 New combined guidance for FY 2025 including ABOUT YOU as of July 11**
Pro-forma GMV and revenue growth of 4 – 7%, adjusted EBIT range of 550 – 600m EUR, 200 – 280m EUR capex and negative net working capital





We are delivering our strategy across all three growth pillars

MULTI-BRAND PLATFORM

Differentiation through quality



- Upgraded loyalty programme reached more than 10 million members
- On schedule to expand platform into Portugal and Greece in H2

Lifestyle expansion



- Strong H1 growth in Sports, Family & Kids, Designer and Beauty propositions
- Launched Beauty in Finland, Norway & Spain
- Lounge by Zalando live in Croatia, Slovenia, Hungary and Estonia, with Latvia and Norway to follow soon

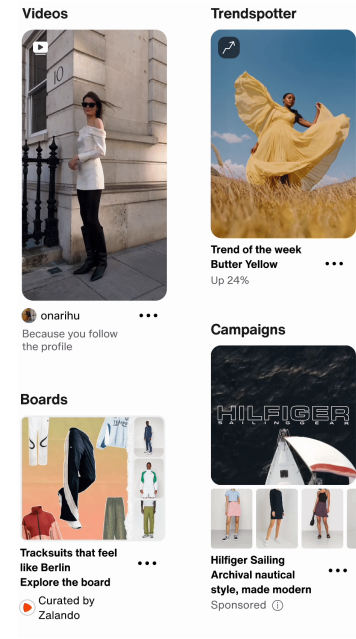
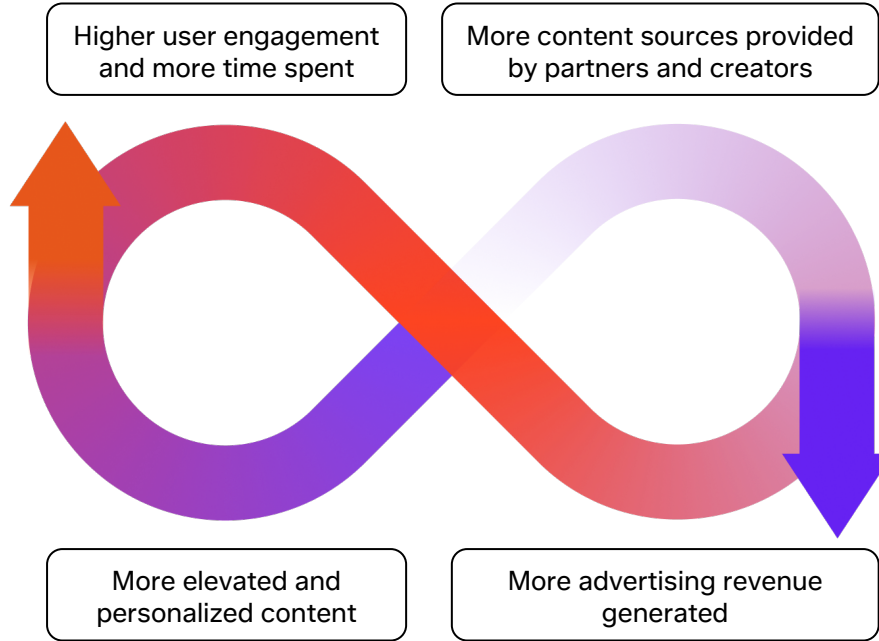
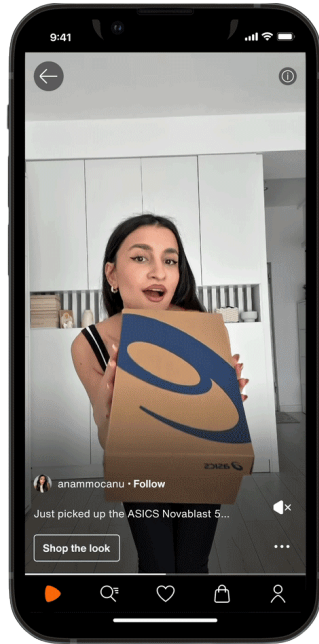
Inspiration & entertainment



- Strong performance of advertising solution ZMS with +45% revenue growth in H1
- Launched AI-driven discovery feed, delivering even more personalised inspiration and boosting organic customer engagement

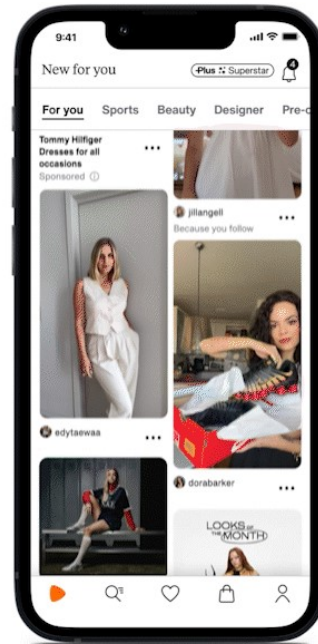
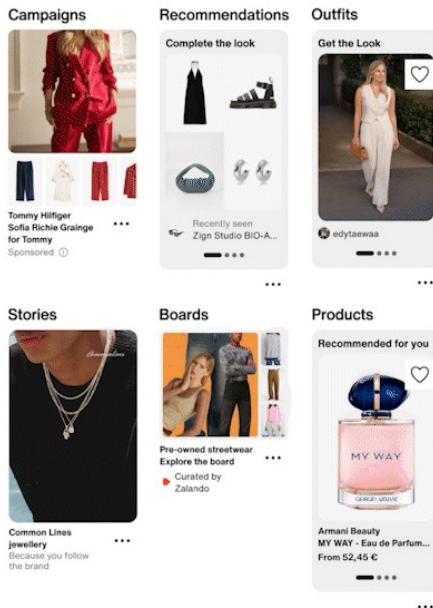


Personalised content at scale drives user engagement, time spent and advertising



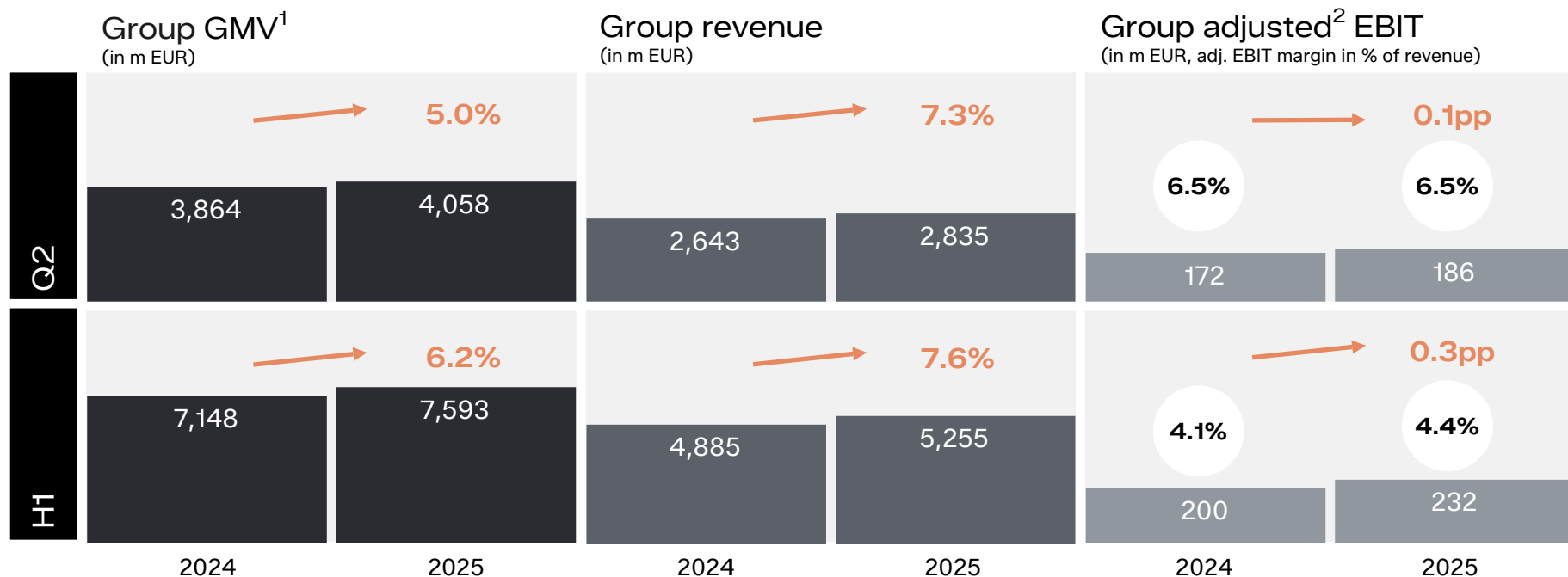


Making the customer experience more inspiring and personalised with our new AI-driven discovery feed - boosting customer engagement and supporting our advertising business





In Q2, we continued on our profitable growth trajectory

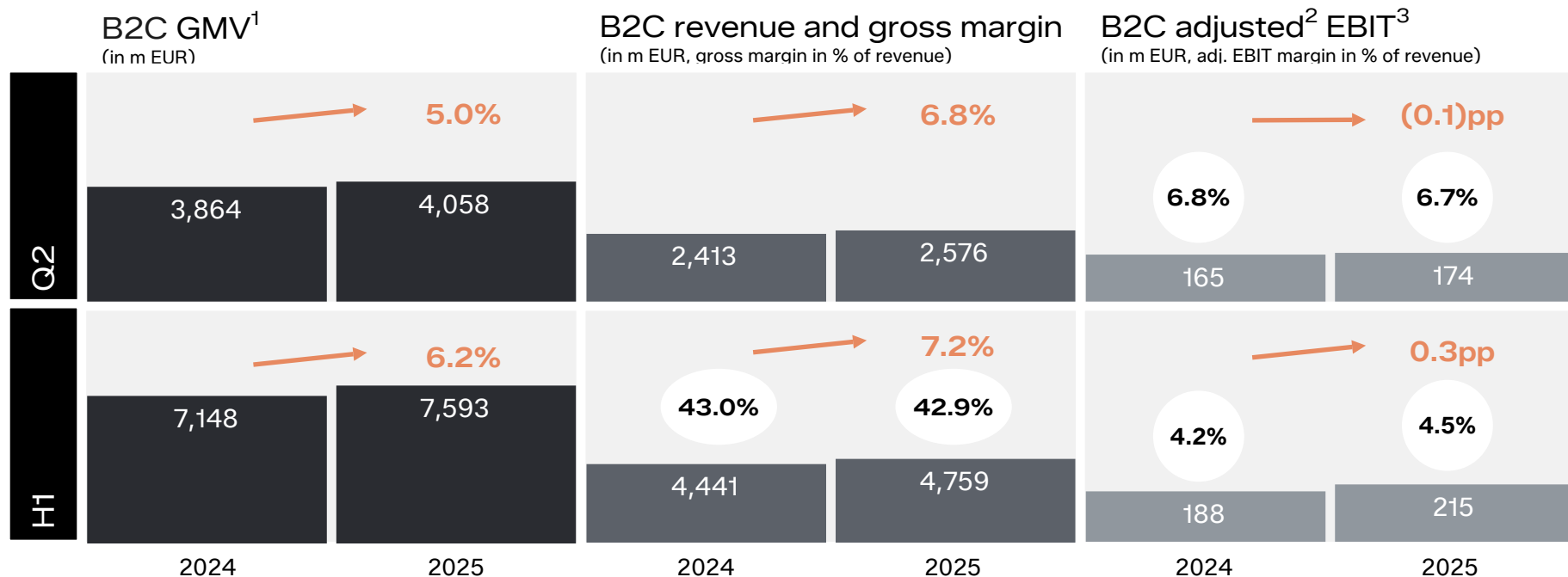


6 ¹ Gross merchandise volume after returns (GMV): dynamically reported

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



Strong growth in B2C supported by strategic growth investments and successful commercial events



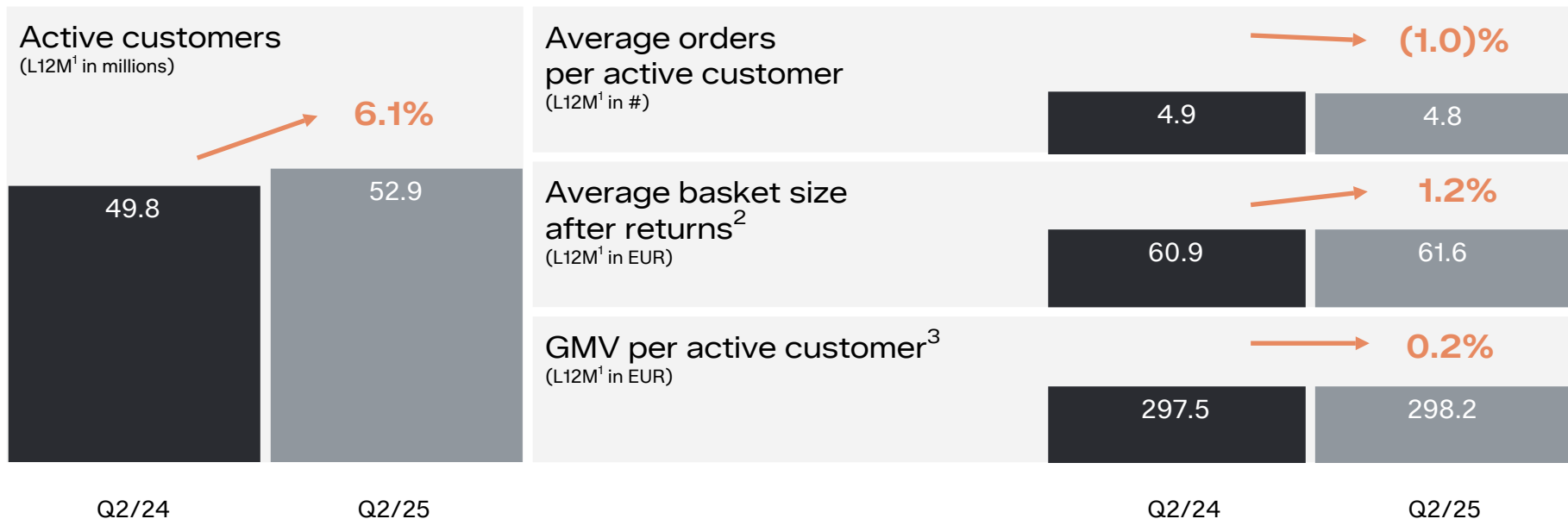
¹ Gross merchandise volume after returns (GMV): dynamically reported

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

³ Q2/25 contains 0.4m EUR | Q2/24 EUR (0.8)m EUR reconciliation of inter-segment EBIT; H1/25 contains 0.4m EUR | H1/24 (0.9)m EUR reconciliation of inter-segment EBIT

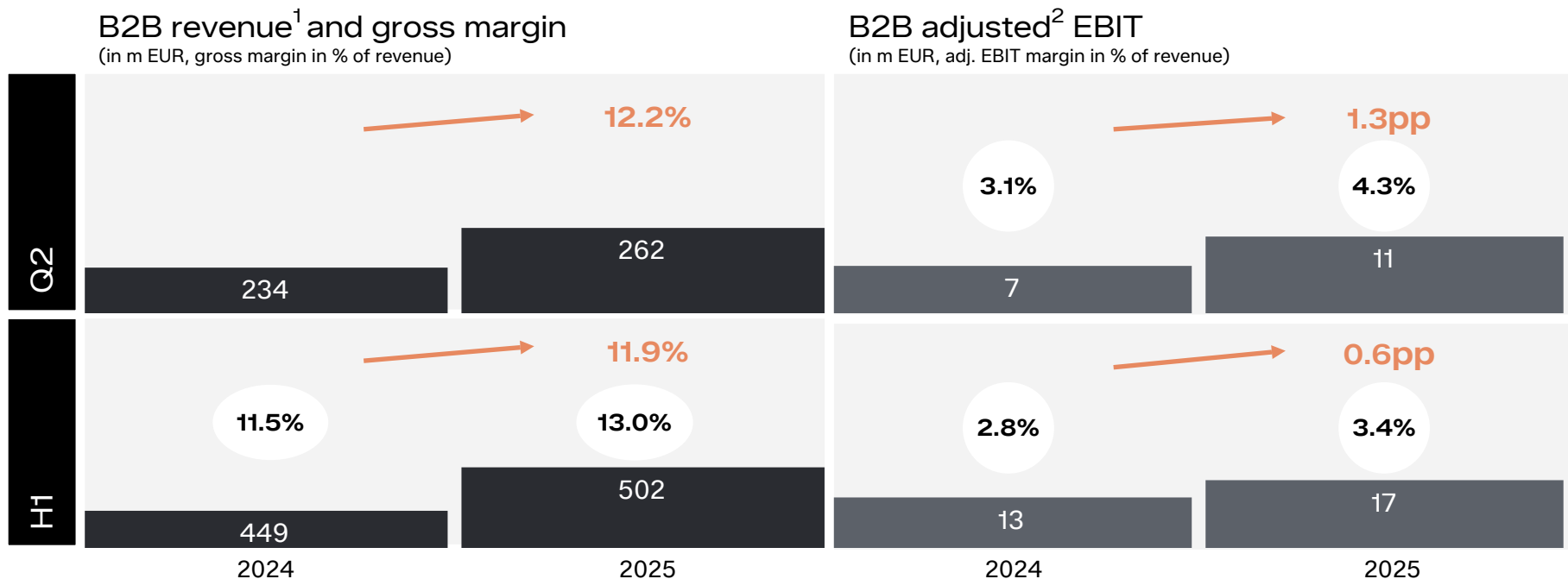


Continued strong active customer growth to new high





B2B segment with continued double digit growth and increased profitability driven by ZEOS Fulfilment





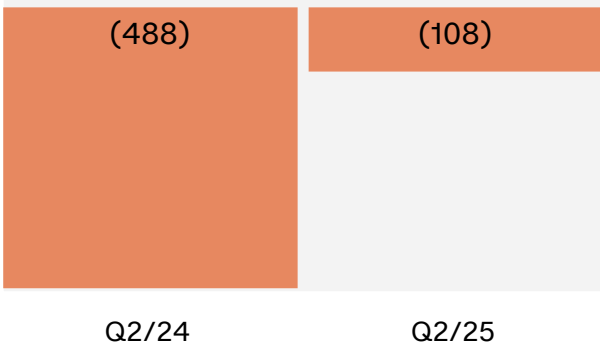
Stable adjusted EBIT margin as decline in gross profit was counterbalanced by reduction in marketing and administrative expenses

Costs and margin (in % of revenue)	H1/24	H1/25	YoY Δ	Q2/24	Q2/25	YoY Δ	
Gross profit	40.0%	40.0%	0.0pp	41.6%	40.8%	(0.8)pp	Exceptional strong prior year sell-through in our retail business and business mix effects
Fulfilment costs	(23.2)%	(23.2)%	0.0pp	(22.1)%	(22.1)%	0.0pp	
Marketing costs	(8.6)%	(8.7)%	(0.1)pp	(9.0)%	(8.7)%	0.3pp	
Admin expenses & Other	(5.0)%	(5.0)%	0.1pp	(4.7)%	(4.9)%	(0.2)pp	
Administrative costs	(5.1)%	(4.8)%	0.3pp	(4.8)%	(4.5)%	0.3pp	
Other income & expenses	0.1%	(0.1)%	(0.2)pp	0.1%	(0.4)%	(0.5)pp	EUR ~15m one-time effect resulting from organisational changes to our customer care and content production unit to ensure high quality service and production at lower cost
EBIT	3.2%	3.2%	0.0pp	5.9%	5.1%	(0.7)pp	
Adjusted ¹ EBIT	4.1%	4.4%	0.3pp	6.5%	6.5%	0.1pp	



Net working capital position driven by higher inventory position to support our growing retail business

Net working capital (end of Q2, in m EUR)



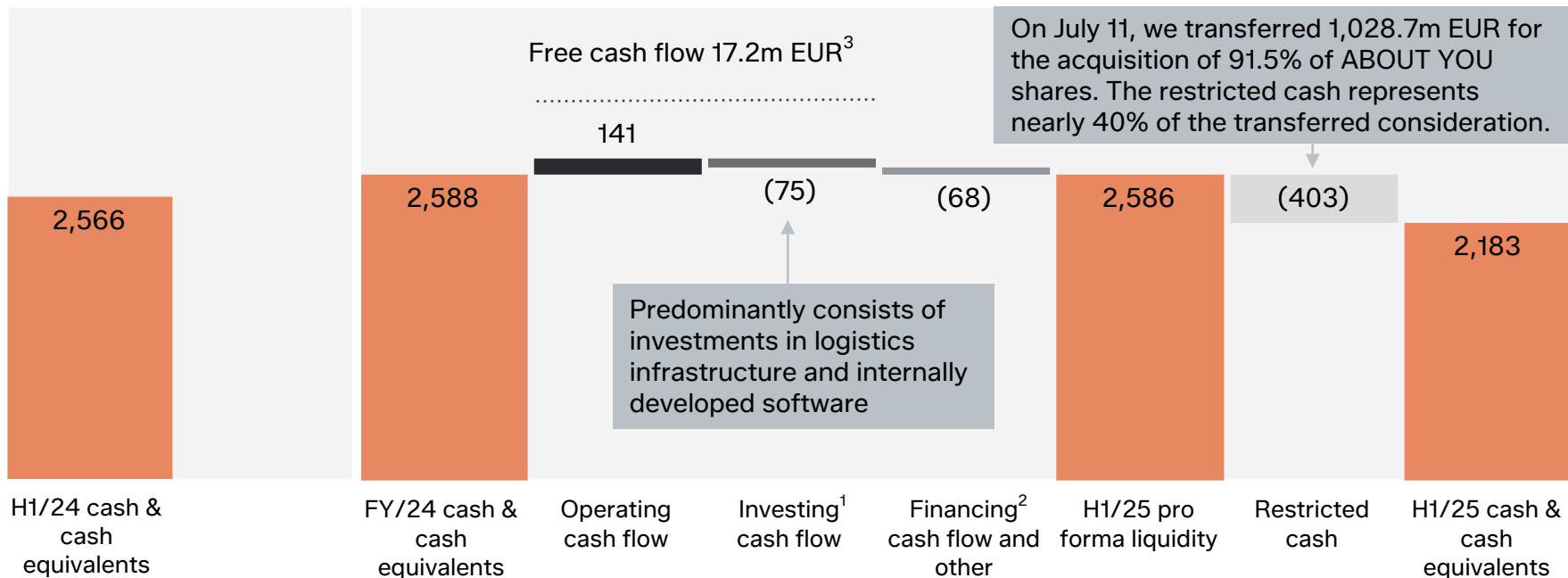
m EUR	Q2/24	Q2/25	YoY Δ
Inventories	1,444	1,659	14.9%
Trade receivables	948	1,004	5.9%
Trade payables	2,880	2,771	(3.8)%
Net working capital	(488)	(108)	

Reflecting our preparation for the autumn/winter season and low prior year baseline



Cash and cash equivalents at 2.2 billion EUR

In m EUR



¹ Includes investments in fixed assets of (43.3)m EUR, intangible assets of (50.1)m EUR, payments for acquisitions (30.3)m EUR and cash received from investments in term deposits of 49.0m EUR

² Includes financing cash flow of (65.8)m EUR and effect of exchange rate on cash and cash equivalents of (2.1)m EUR

³ Includes operating cash flow of 140.8m EUR, payments for investments in fixed assets of (43.3)m EUR, payments for investments in intangible assets of (50.1)m EUR and payment for acquisitions (30.3)m EUR



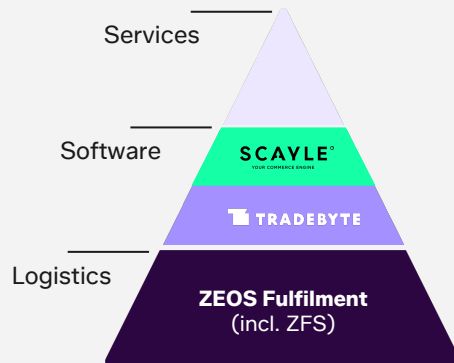
ABOUT YOU transaction successfully completed and ready to team up to lead the way in European fashion and lifestyle e-commerce

B2C



Go-to-destination and dual brand strategy

B2B

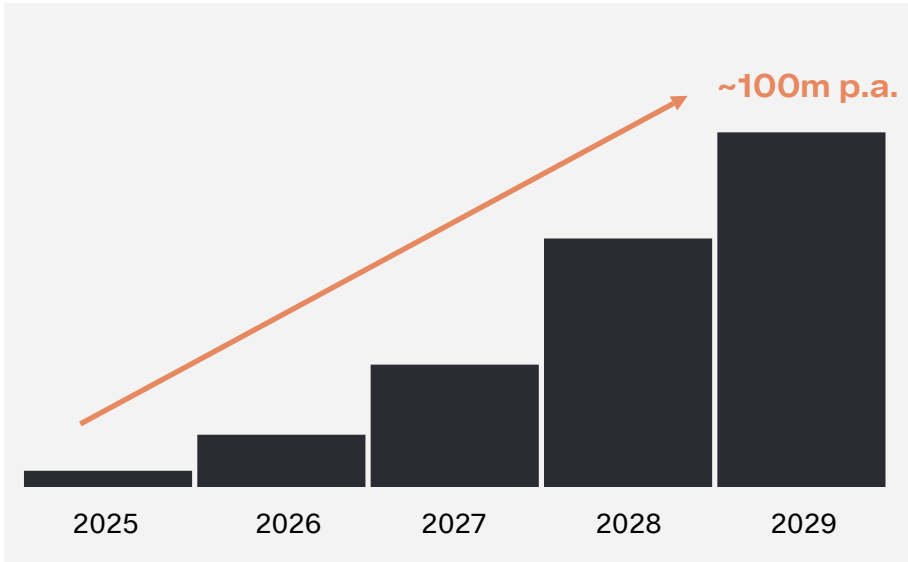


Enable brands e-commerce across all channels

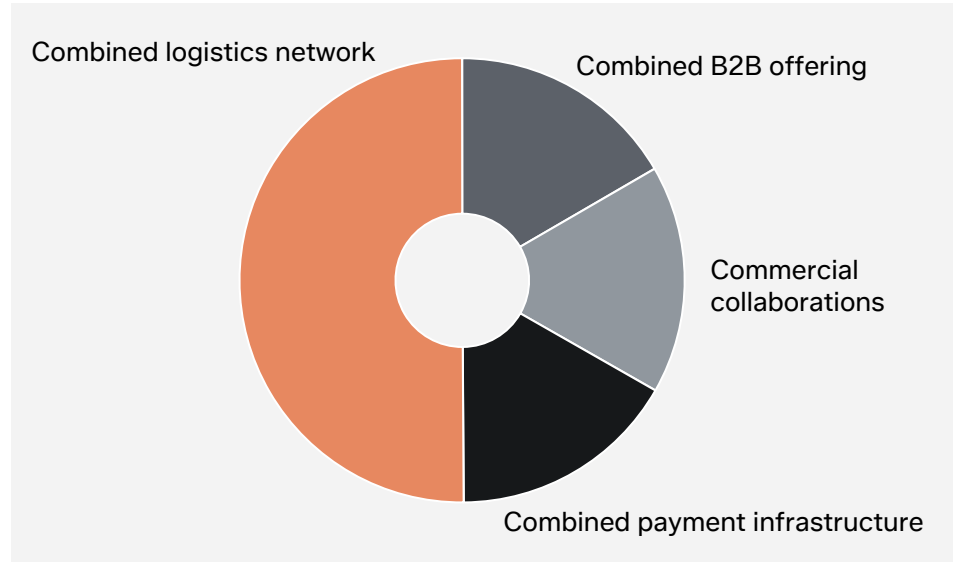


Following joint value creation planning, we confirm high synergy potential from ABOUT YOU transaction of 100m EUR on group EBIT level from 2029 onwards

Planned ramp-up of (gross) synergies
(illustrative)



Sources of synergies (in 2029)
(illustrative)





Recap on Zalando and ABOUT YOU stand-alone guidance for 2025/26

Zalando stand-alone guidance 2025

(as confirmed on May 6 2025)

Zalando stand-alone guidance 2025¹

Growth	GMV	4 – 9%
	Revenue	4 – 9%
Profitability	Adjusted ² EBIT (in m EUR)	530 – 590
Cash	Capex (in m EUR)	180 – 280
	Net working capital (in m EUR)	negative

¹ Guidance does not account for any impacts from the anticipated consolidation of ABOUT YOU, with the deal expected to close in summer
² Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects and acquisition-related expenses

ABOUT YOU stand-alone guidance 2025/26

(as confirmed on July 15 2025)

ABOUT YOU²

FY 25/26 GUIDANCE

GUIDANCE FOR FY 25/26

REVENUE	Moderate growth
ADJUSTED EBITDA	Strong growth
CAPEX ¹ & NET WORKING CAPITAL	Around FY 24/25 levels

The current guidance is partially dependent on the duration, intensity, and outcome of external events.

¹ Excluding potential M&A activities



Our new combined guidance for 2025

Combined guidance 2025

(including ABOUT YOU as of July 11)

Growth	GMV (in bn EUR)	17.2 – 17.6 12 – 15%	On a pro forma basis, including ABOUT YOU as of July 11, the combined guidance represents a 4 – 7% increase year-on-year for GMV and revenue ¹
	Revenue (in bn EUR)	12.1 – 12.4 14 – 17%	
Profitability	Adjusted ² EBIT (in m EUR)	550 – 600	Combined group will continue to report in B2C and B2B segment
Cash	Capex (in m EUR)	200 – 280	On a pro forma basis, B2B revenue growth will significantly outpace B2C revenue growth
	Net working capital (in m EUR)	negative	

Key takeaways

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Q&A

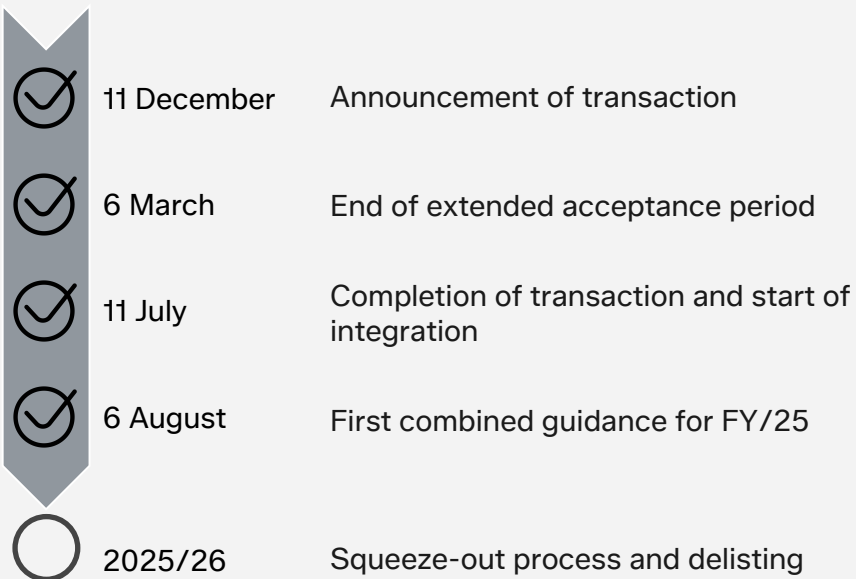


Appendix



Overview of ABOUT YOU transaction timeline and key aspects

Transaction timeline



Key aspects

Voluntary tender offer successfully completed for 6.50 EUR per share

Consideration of 1.03bn EUR paid for 91.5% of ABOUT YOU's share capital, remaining portion subject to planned squeeze-out by the way of merger

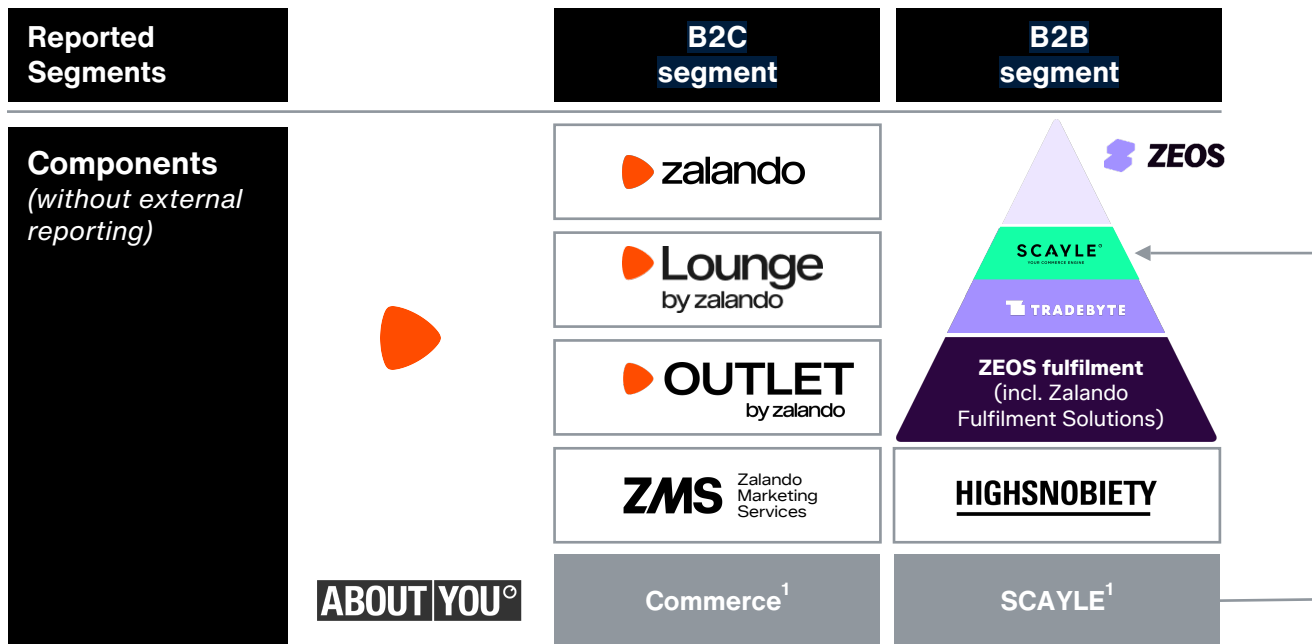
Transaction financed 100 % from existing liquidity

Fully consolidated under IFRS from 11 July 2025 (Q3 2025 onwards)

EBIT synergies of 100m EUR p.a. to be realised from 2029 onwards



Combined company will continue to report in B2C and B2B segment

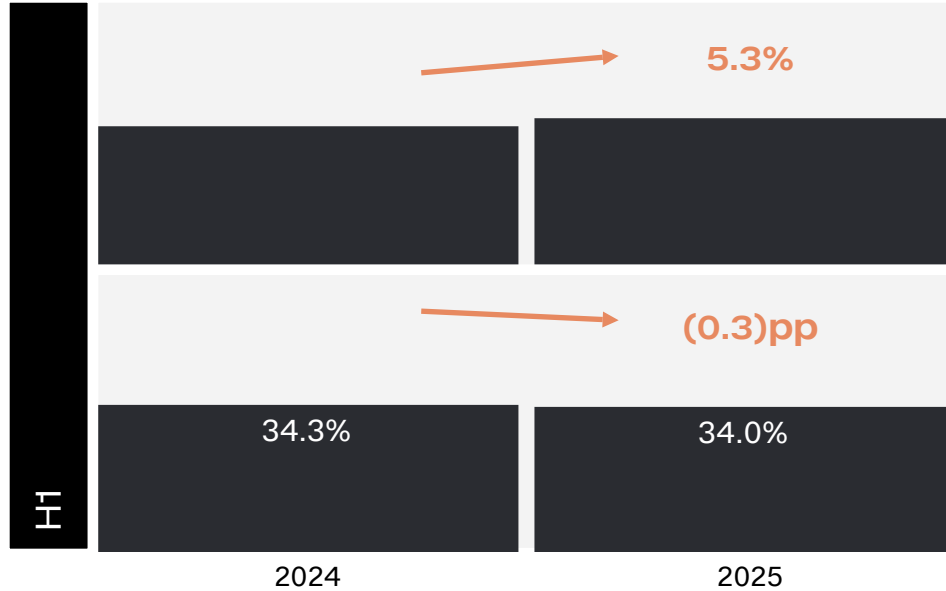




Partner business GMV grew in line with B2C overall; Zalando Marketing Services with strong growth in H1/25

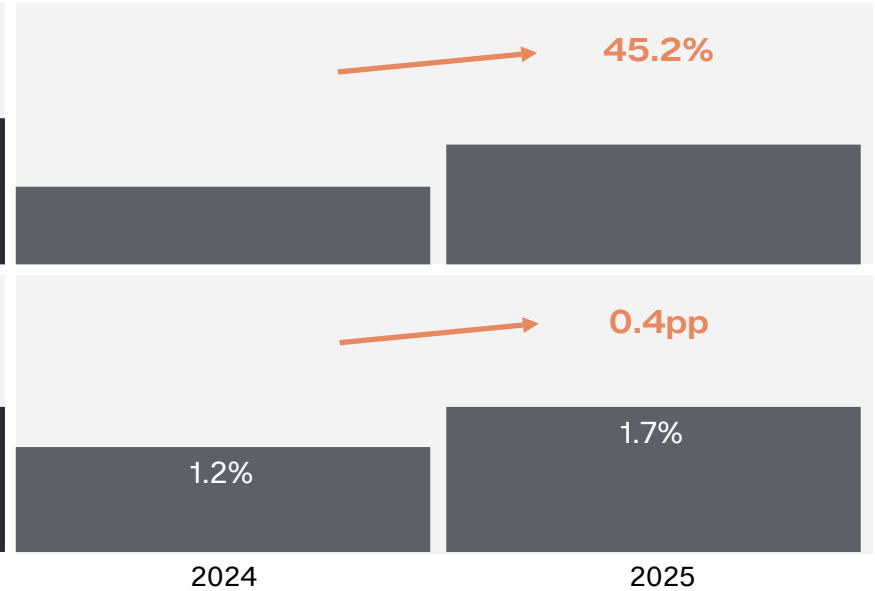
Partner Business

(GMV in m EUR and in % of B2C GMV)



Zalando Marketing Services

(revenue in m EUR and in % of B2C GMV)





Issued share capital

Share information (as of 30 June 2025)	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	264,165,533
	Issued capital	264,165,533 EUR

Stock options programmes management board (as of 30 June 2025)

Program	# Options outstanding	Weighted average exercise price (EUR)
LTI 2018 ¹	4,296,949	47.44
LTI 2019	28,070	1.00
LTI 2021	625,656	23.51
LTI 2024	125,389	23.22
LTI 2025	498,246	28.55
ZOP 2021	329,382	16.93
Total	5,903,692	40.87

Stock options programmes senior management (as of 30 June 2025)

Program	# Options outstanding	Weighted average exercise price (EUR)
EIP ²	1,556,773	42.19
ZOP 2019	7,281,413	25.66
Total	8,838,186	28.57



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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 fulfilment centres, inaccurate personnel and capacity forecasts for fulfilment centres, 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.