Zalando Q2 Earnings Call

Speakers:
Robert Gentz, Co-CEO
Anna Dimitrova, CFO

4 August 2026

2026

zalando

Executive Summary

01 **H1 performance: solid growth and increase in profitability**
GMV growth of 21.0% and revenue growth of 22.2%, increased adjusted EBIT year-on-year to 270m EUR

02 **AI: Advancing our AI capabilities to bring further traction to both our B2C and B2B business**
Driving momentum for Zalando Assistant in B2C through various product improvements and translating our AI capabilities into scalable B2B revenue streams with SCAYLE Studios

03 **B2C: GMV growing across all three of our consumer apps - ABOUT YOU, Lounge and Zalando**
Partner business remains a central engine to drive growth. Concurrently, within the Zalando App we are capturing lifestyle expenditures with upgraded customer journeys in Sports, an exciting new pre-owned luxury fashion partnership and the launch of a dedicated Home & Living category

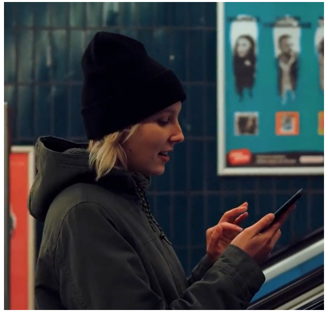
04 **B2B: Accelerated double-digit revenue growth trajectory**
ZEOS achieved successful go-lives, such as Marks & Spencer, while SCAYLE secured major enterprise client wins, including Wortmann Group, one of Europe’s largest shoe retailers

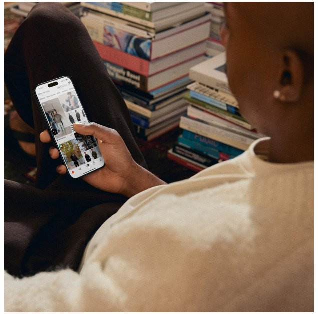
05 **Outlook: Refining our full year 2026 guidance**
GMV and revenue growth in the lower half of 12 – 17% range, adj. EBIT range of 680 –720m EUR (prev. 660 – 740m EUR), 240 – 300m EUR capex and negative net working capital position

Billions of customer interactions give us the ultimate AI advantage, driving growth and efficiency

Growth ↗

Personalised shopping
Retail media
Value added services





Efficiency +

Operational excellence
Faster decision making
Cost & resource savings

Data foundation

Supply chain data | Product data | Size & fit data | Rich content data | Behavioural data

>60m
active customers

>7,000
brands

~3,000
data scientists and engineers

SCAYLE launched AI-powered fashion and lifestyle content studio translating our AI capabilities into scalable revenue streams

Securing first clients with SCAYLE STUDIOS - SCAYLE's AI-powered content engine for fashion and lifestyle

S.OLIVER GROUP | BETTY BARCLAY GROUP | GOLDNER | ABOUT YOU

SCAYLE STUDIOS

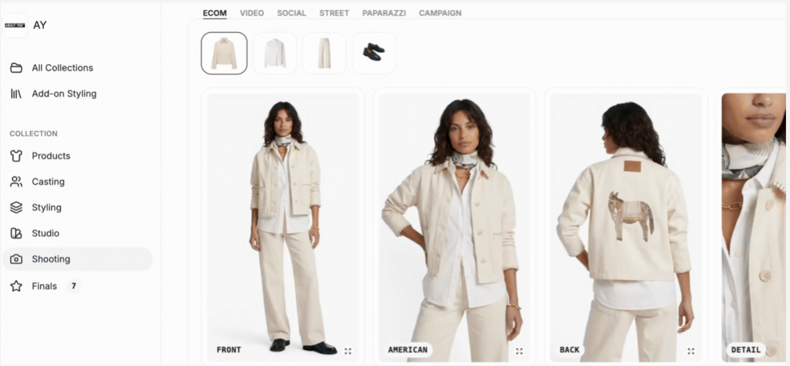
AI CONTENT ENGINE

>95% Time to market reduction vs. classic photo productions

~90% Cost reduction vs. classic photo productions

>100 Live brands after just 2.5 months in the market

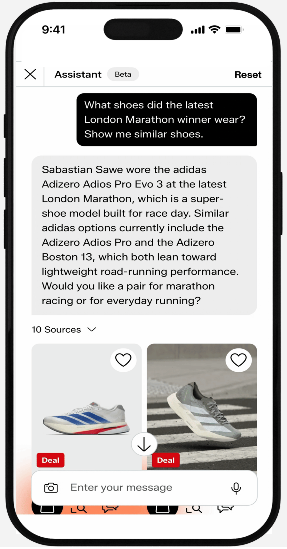
>1m EUR Annual recurring revenue run rate



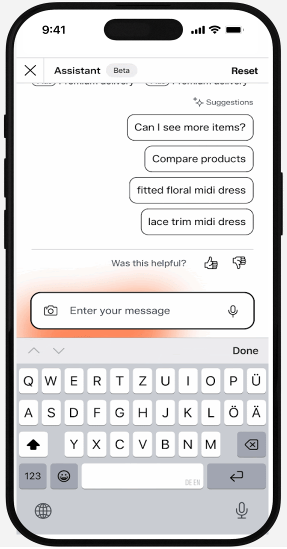
Self-service solution that translates the end-to-end process of a fashion shoot into a digital production workflow

Transforming our AI-powered Zalando Assistant into a personal lifestyle companion that meaningfully supports the core Zalando customer journey

Weekly roll-out of new capabilities...



Web search to answer queries on events or fashion trends



Customer care capabilities to provide assistance

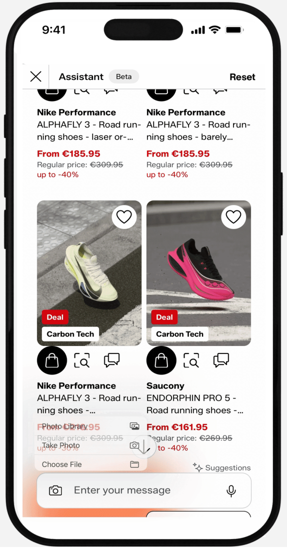
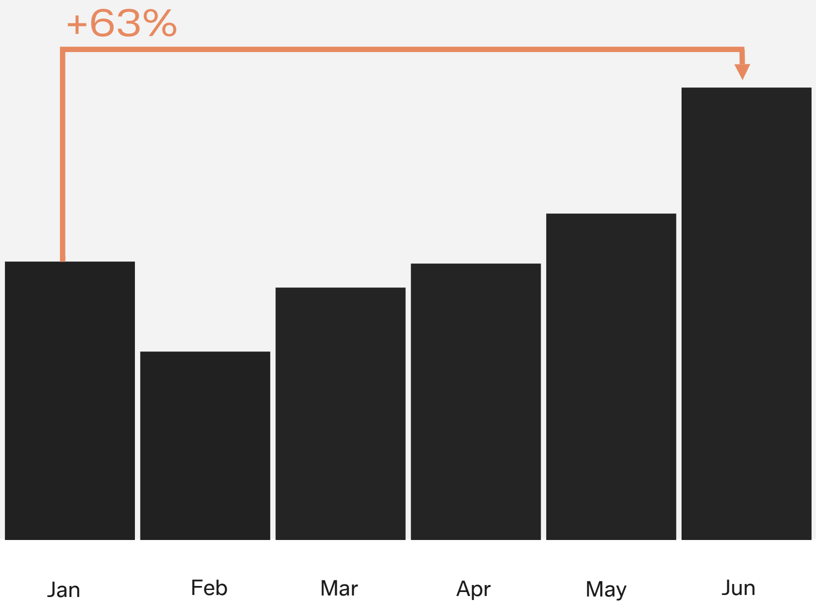


Image upload for visual discovery

...boosts user engagement for Zalando Assistant

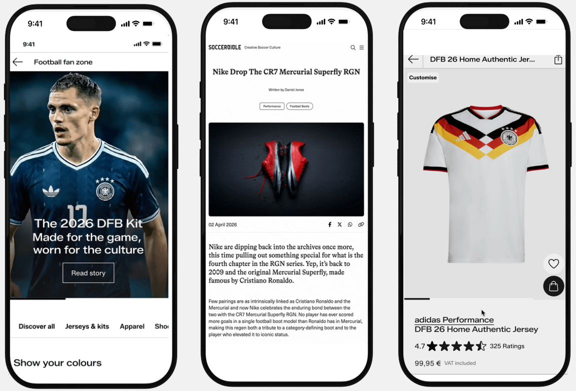
high-value actions[1]



[1] High-value actions include add-to-wishlist, add-to-cart, and purchase

In B2C, we are doubling down on our lifestyle opportunity to increase our share of customer wallet

Upgrading customer journeys in Sports



Fan homes

Boot room

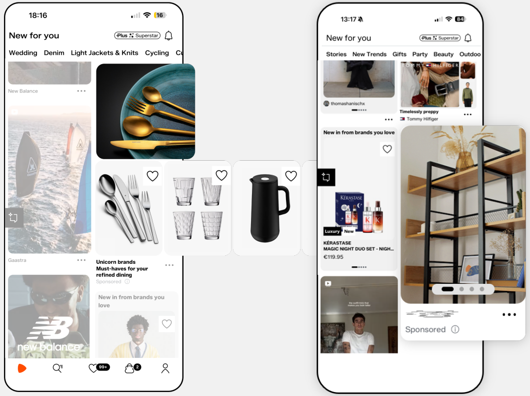
Jersey customisations

Bringing Pre-owned luxury fashion to millions of Zalando customers

14 European markets

50 iconic brands

Launching dedicated Home & Living category

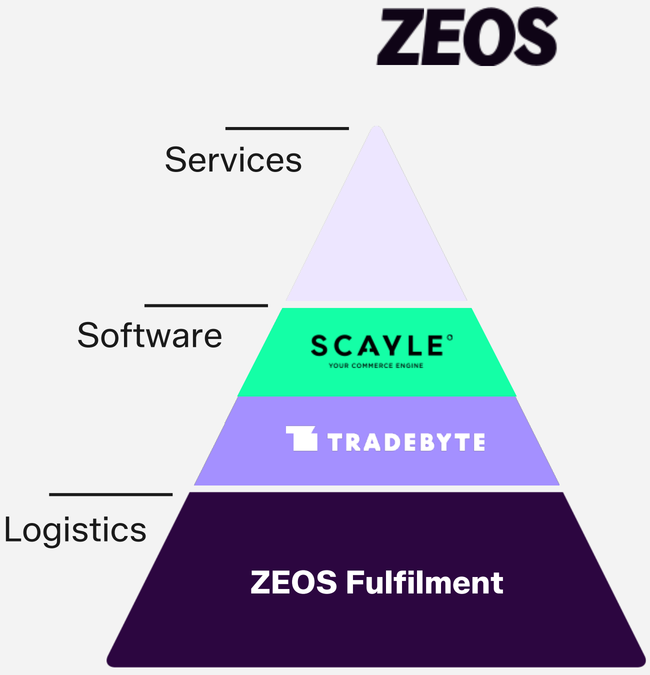


50+ brand partners

25,000+ Home & Lifestyle products

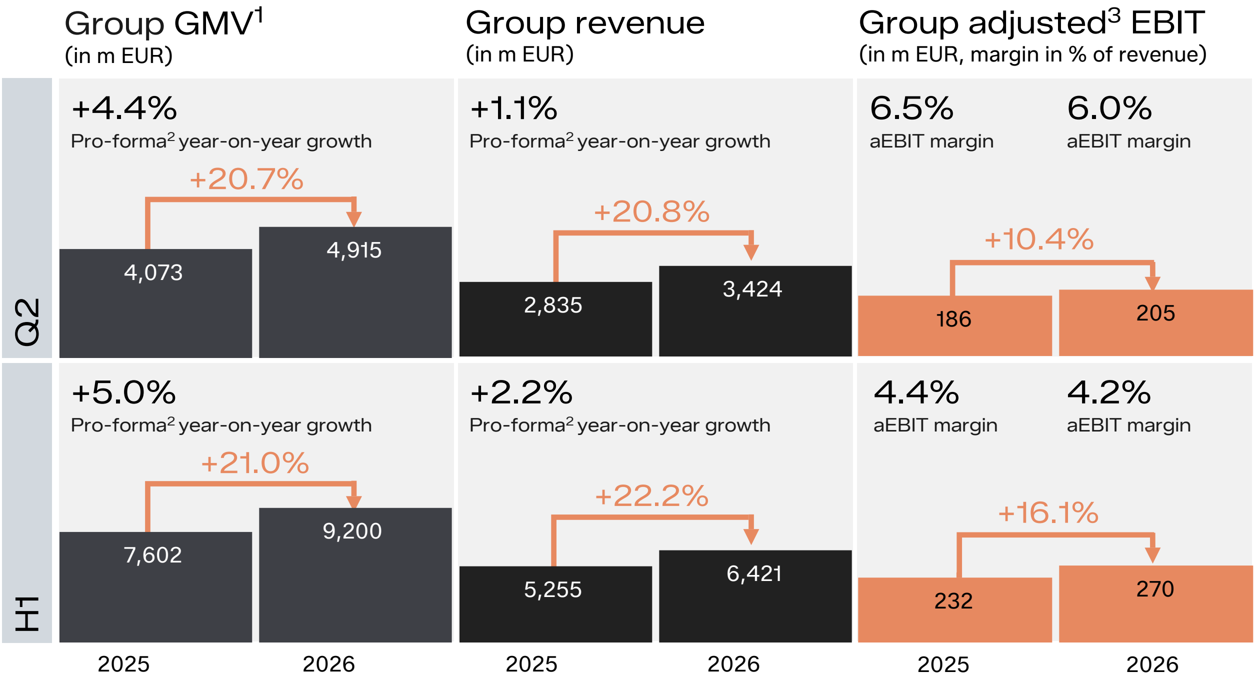
Driving growth by winning major enterprise clients and achieving successful go-lives at ZEOS and SCAYLE

	ZEOS Fulfilment	SCAYLE COMMERCE ENGINE
Major go-lives & extensions	NEXT x ABOUT YOU M&S x own.com	OCHSNER SPORT BIOGENA EIS
Key wins	HUGO BOSS x zalando	wortmann SCHUH-HOLDING roastmarket BIKE-COMPONENTS hmv



B2B Operating System

Group: Q2 with solid pro-forma GMV growth and increase in reported adjusted EBIT



GMV & revenue

- Reported: Increase primarily due to inclusion of ABOUT YOU
- GMV growth was primarily driven by double-digit growth in partner business and ABOUT YOU
- Revenue growth was mainly driven by strong performance in B2B and ABOUT YOU

Adjusted EBIT

- Group achieved synergies over 20m EUR in H1
- Zalando stand-alone adjusted EBIT margin improved year-on-year from 6.5% to 6.6% (+0.1pp yoy) driven by strong B2B profitability increase
- ABOUT YOU achieved a positive adjusted EBIT, modestly impacting overall group profitability

[1] Gross merchandise volume after returns (GMV): dynamically reported
[2] Pro-forma figures assume the consolidation of ABOUT YOU in the prior-year period. These figures are provided for illustrative purposes only to facilitate a like-for-like comparison and were not subject to financial audit
[3] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses

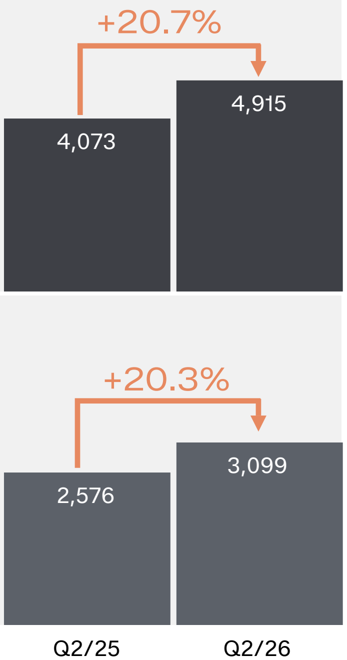
B2C: GMV growth driven by ABOUT YOU, Lounge by Zalando and an acceleration in partner business

B2C GMV[1]
(in m EUR)

+4.4%
Pro-forma[2] growth

B2C revenue
(in m EUR)

(0.6)%
Pro-forma[2] growth



Partner business
(GMV in % of B2C GMV[1])

14.4%
Yoy, GMV growth

Retail media[3]
(Revenue % of B2C GMV[1])

+39.5%
Yoy, revenue growth

B2C GMV & revenue

- ABOUT YOU and Lounge by Zalando with GMV growth above group level
- Particularly strong growth across the lifestyle categories of sports and beauty
- Zalando Plus served 20.1m customers in Q2 (up from 18.5m in Q1)
- Revenue growth trailed GMV growth as the result of strong partner business. This development is primarily a reflection of our strategic shift toward a platform-led model

Partner business

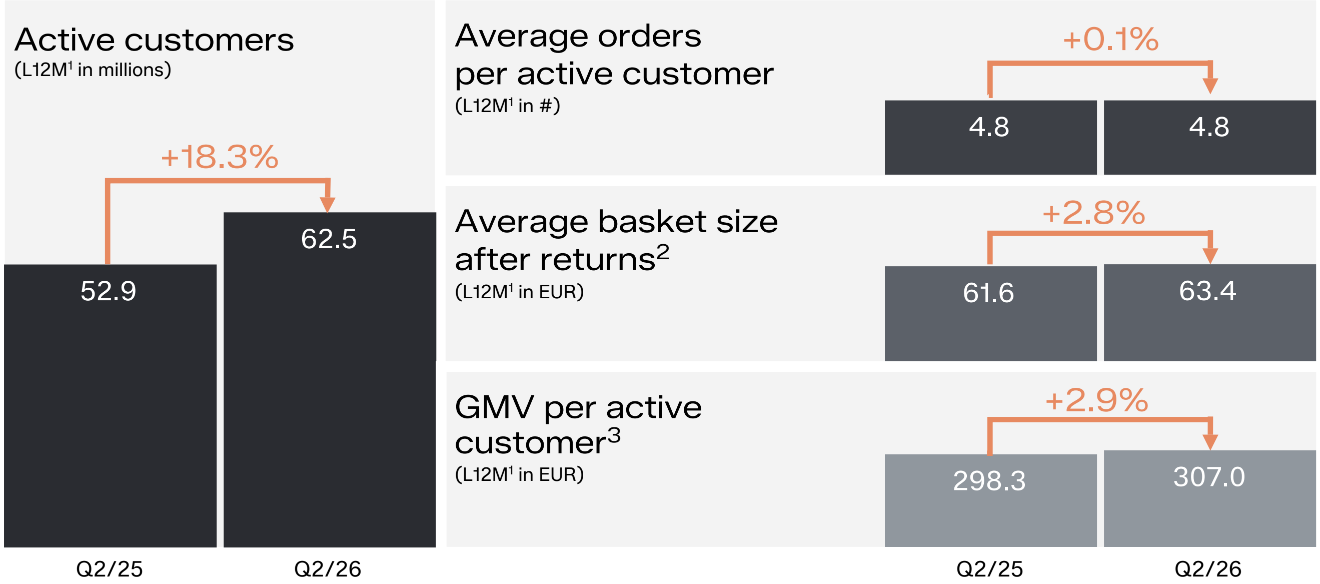
- Partner business share grew +3.2pp to 36.9% of GMV for Zalando stand-alone, ABOUT YOU with low single digit partner business share that is steadily growing
- Decline in group partner business share due to inclusion of ABOUT YOU

Retail media

- Zalando and ABOUT YOU retail media revenues in % of GMV comparable and with increasing growth momentum

[1] Gross merchandise volume after returns (GMV): dynamically reported
[2] Pro-forma figures assume the consolidation of ABOUT YOU in the prior-year period. These figures are provided for illustrative purposes only to facilitate a like-for-like comparison and were not subject to financial audit
[3] Retail media defined as Zalando Marketing Services (ZMS) and ABOUT YOU retail media

B2C: Active customer growth primarily driven by inclusion of ABOUT YOU, increase in spending from higher average basket size



Active customers

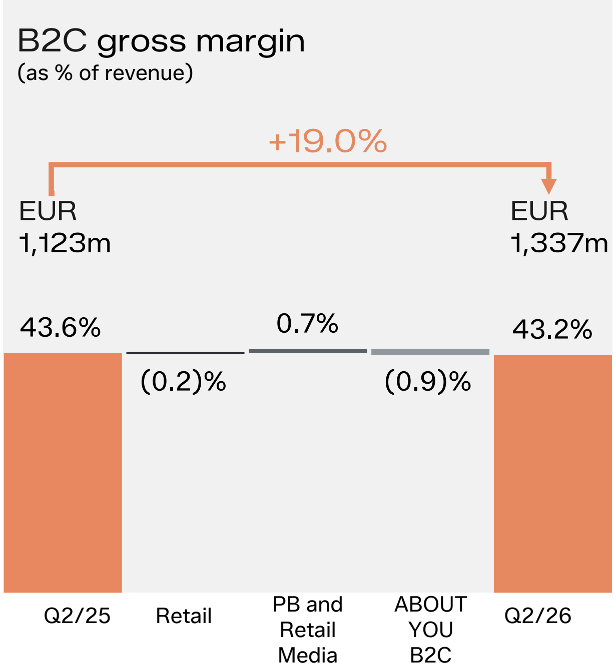
- Growth primarily driven by inclusion of ABOUT YOU as well as expansion of stand-alone customer base in Zalando and ABOUT YOU

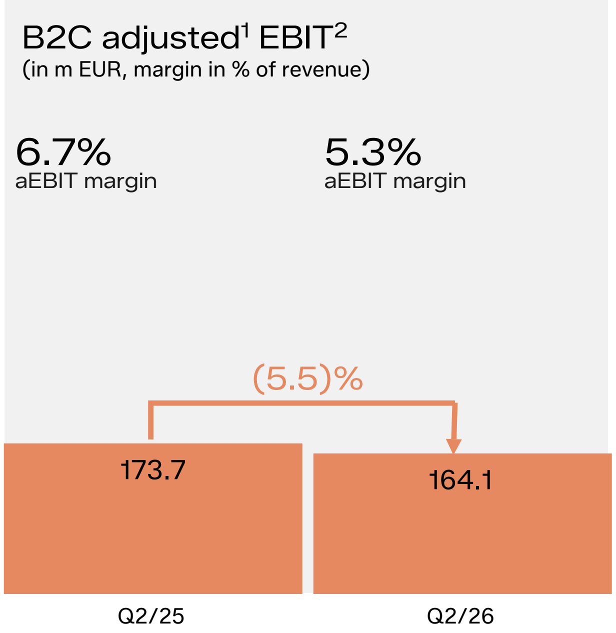
GMV per active customer

- Increased spending from existing customers
- Lower average spend of ABOUT YOU customers compensated by increasing spending of customers using both platforms

[1] L12M = last 12 months
[2] Defined as L12M GMV divided by the number of orders
[3] Defined as L12M GMV divided by the number of active customers

B2C: Profitability impacted by inclusion of ABOUT YOU's commerce business





B2C gross margin

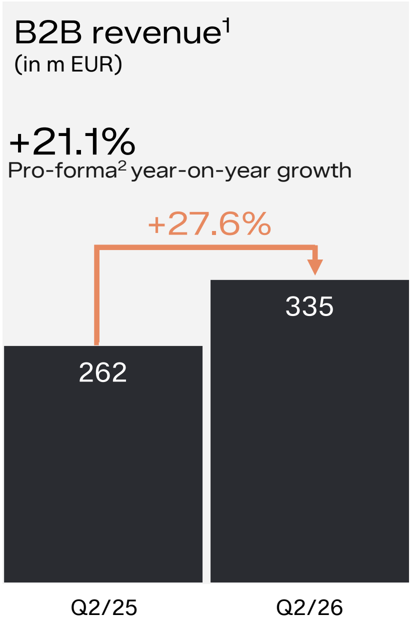
- Zalando's B2C gross margin up +0.5pp, driven by the strong growth of our partner and retail media businesses, partly offset by the cost of clearing older stock in Lounge
- Inclusion of ABOUT YOU continues to temporarily dilute overall B2C gross margin; this impact will lap in July 2026, one year following completion

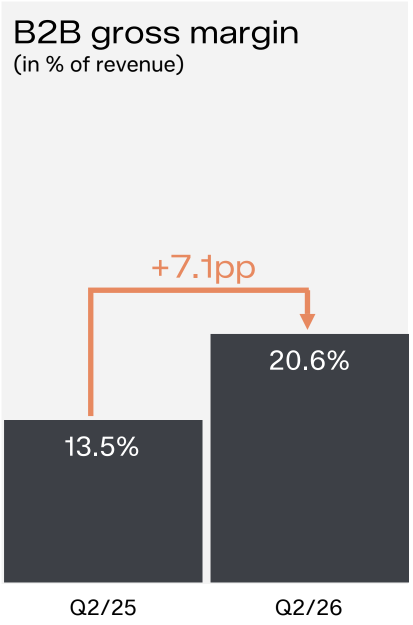
B2C adjusted EBIT

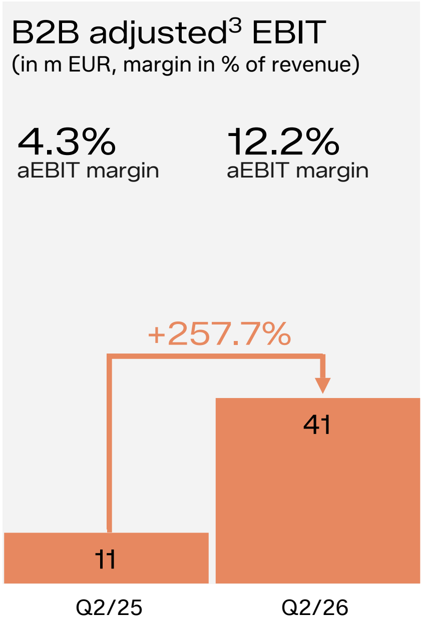
- Impact from ABOUT YOU inclusion, which still operates at a lower margin despite its strong year-on-year margin improvement
- Zalando B2C stand-alone margin slightly down (0.7)pp to 6.0% driven by a temporary increase in fulfilment costs as a result of the reshaping of our logistics network, a positive one-time in the Q2 2025 base and a negative one-time effect relating to a strike among a last mile logistics provider in Belgium
- While the reshaping of our logistic network is an expected headwind to our financials 2026, it is one of our building blocks to achieve our 2028 target margin.

[1] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses
[2] Q2/26 contains (0.0)m EUR | Q2/25 EUR 0.4m EUR of inter-segment EBIT

B2B: Accelerated double-digit revenue growth translated into strong profitability increase







B2B revenue

- Primary driver of B2B growth was ZEOS Fulfilment, which includes both Zalando Fulfilment Solutions (ZFS) and Multi-Channel Fulfilment
- Additionally, the inclusion of SCAYLE supported revenue growth
- B2B's major revenue stream is logistics as a service, complemented by fast growing software as a service revenues boosted by the inclusion of SCAYLE

B2B gross margin and adjusted EBIT

- Improvement was driven by increased efficiency and scale in ZEOS Fulfilment and the inclusion of software revenues from SCAYLE
- Adjusted EBIT margin with exceptionally strong momentum

[1] Q2/26 contains 9.0m EUR | Q2/25 3.4m EUR of inter-segment revenue
[2] Pro-forma figures assume the consolidation of ABOUT YOU in the prior-year period. These figures are provided for illustrative purposes only to facilitate a like-for-like comparison and were not subject to financial audit
[3] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses

Group adjusted EBIT margin impacted by ABOUT YOU inclusion

Costs and margins[1]

(as % of revenue)

	Q2/25	Q2/26	YoY Δ	YoY Δ excl. adjustments[2]
Gross margin	40.8%	40.9%	**0.0pp**	**0.1pp**
OPEX	(35.7)%	(37.6)%	**(1.9)pp**	**(0.6)pp**
Fulfilment costs	(22.1)%	(23.1)%	(1.0)pp	(0.7)pp
Marketing costs	(8.7)%	(9.6)%	(0.9)pp	(0.5)pp
Admin costs & Other	(4.9)%	(4.9)%	0.0pp	0.6pp
- Administrative costs	(4.5)%	(4.0)%	0.5pp	0.4pp
- Other income & expenses	(0.4)%	(0.9)%	(0.5)pp	0.2pp
EBIT	5.1%	3.2%	**(1.9)pp**	
Adjusted[2] EBIT	6.5%	6.0%		**(0.6)pp**

Gross margin

- Gross margin remained stable. This reflects the 0.5pp increase in Zalando B2C gross margin, the adverse impact from the ABOUT YOU B2C inclusion and a 0.2pp increase from B2B

OPEX

- Consolidation impact: fulfilment, marketing, and admin costs reflect the inclusion of ABOUT YOU.
- Fulfilment costs: temporary increase due to reshaping of our logistic network and one-off timing effects (including prior-year benefits), offset by operational improvements.
- Other expenses: impacted by c. 42m EUR restructuring costs.

Adjusted EBIT margin

- Expected step down primarily driven by the first-time consolidation of ABOUT YOU, which runs at a lower margin today

[1] Rounding differences may arise in the percentages and numbers in this table
[2] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses
EBIT adjustments in Q2/26 amount to 93.7m EUR (Q2/25: 40.3m EUR). See details in appendix

Net working capital position driven by ABOUT YOU inclusion

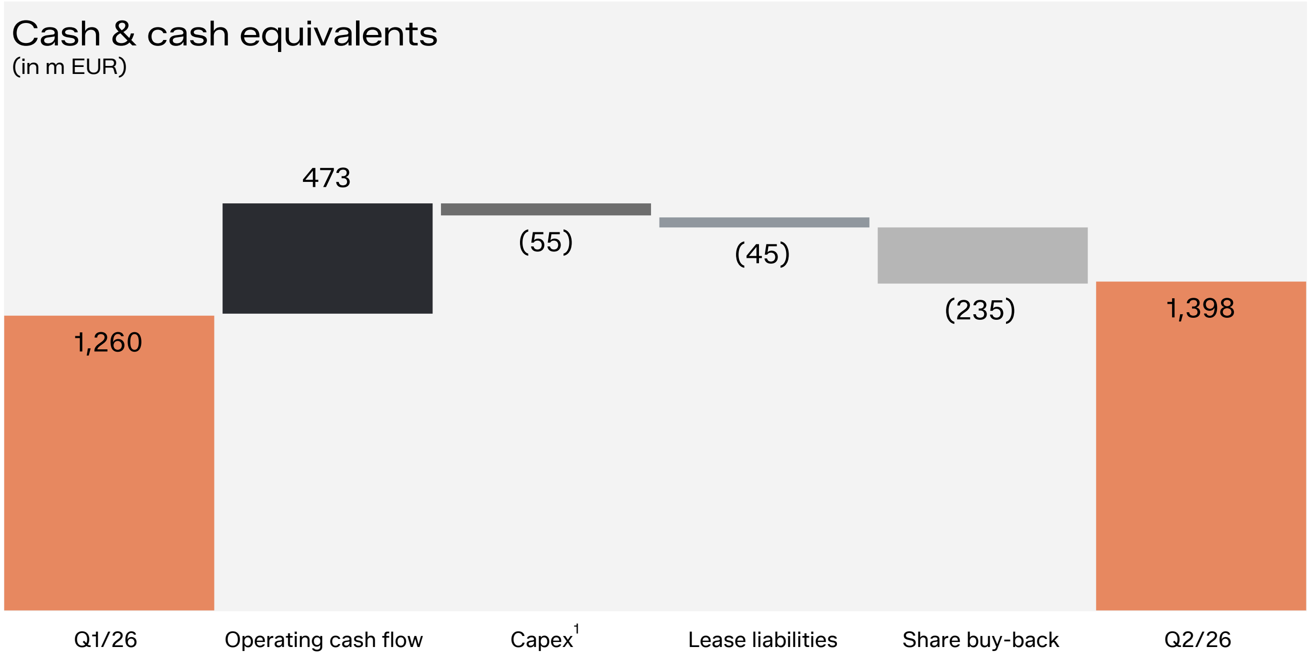
Net working capital
(m EUR)

	Q2/25	Q2/26	YoY Δ	
Inventories	1,659	2,070	**+24.8%**	**+3.9%** **Zalando stand-alone**
Trade receivables	1,004	1,112	**+10.8%**	**4.7%** **Zalando stand-alone**
Trade payables	2,771	3,676	**+32.7%**	**+16.2%** **Zalando stand-alone**
Net working capital	(108)	(494)		

Inventories
- Inventory excluding ABOUT YOU increased 3.9%, broadly similar to Q1
- Aligned our buying plans in retail with strong growth momentum of the partner business to maintain healthy stock levels going forward

Trade payables
- Trade payables increased year-on-year on the back of strong growth in partner business

Solid cash position of ~1.4 billion EUR



Operating cash flow

- Increase in operating cash flow, mainly characterised by the increase of trade payables on the back of a growing partner business

Capex

- Increase due to investments in ramp-up of fulfilment centres in Germany, Poland and Sweden, higher expenditure on internally developed software, and the inclusion of ABOUT YOU

Lease liabilities

- Increase due to first-time consolidation of ABOUT YOU

Share buy-back

- Cash outflow related to the 300m EUR share buy-back programme announced in March

[1] Includes investments in fixed assets of (17.7)m EUR, intangible assets of (37.0)m EUR

Refining our topline guidance for FY 2026 to the lower half and narrowing adjusted EBIT range

		Guidance 2026[1]	H1/26 results
Growth	GMV[2] (in bn EUR)	Lower half of 19.7 – 20.6 Lower half of +12 – 17% YoY	9.2 +21.0% YoY
	Revenue (in bn EUR)	Lower half of 13.8 – 14.4 Lower half of +12 –17% YoY	6.4 +22.2% YoY
Profitability	Adjusted[3] EBIT (in m EUR)	680 – 720 (previously: 660 – 740)	270
Cash	Capex (in m EUR)	240 – 300	124
	Net working capital position	negative	negative

Pro-forma[4]: GMV and revenue growth in the lower half of the previously communicated 5% – 10% GMV range (H1: +5.0%) and 3% – 8% revenue range (H1: +2.2%)

Segment level performance:

- B2C: Scaling our multi-app approach and AI personalization. High partner business growth means GMV will significantly outpace revenue
- B2B: Growing our operating system (ZEOS, SCAYLE, Tradebyte), with segment revenue expected to exceed overall group growth
- Reported B2B revenue growth will moderately outpace B2C revenue growth

[1] Our outlook excludes potential impact from a prolonged Middle East conflict. Any potential future impact cannot be reliably assessed at the moment
[2] B2C gross merchandise volume after returns (GMV): dynamically reported
[3] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses
[4] Pro-forma figures are provided for illustrative purposes only to facilitate a like-for-like comparison and do not constitute part of the formal guidance. These figures assume the consolidation of ABOUT YOU in the prior-year period to the same extent as in FY 2025

Key takeaways

01 **H1 performance: solid growth and increase in profitability**
GMV growth of 21.0% and revenue growth of 22.2%, increased adjusted EBIT year-on-year to 270m EUR

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GMV and revenue growth in the lower half of 12 – 17% range, adj. EBIT range of 680 –720m EUR (prev. 660 – 740m EUR), 240 – 300m EUR capex and negative net working capital position

Q&A

2026

zalando

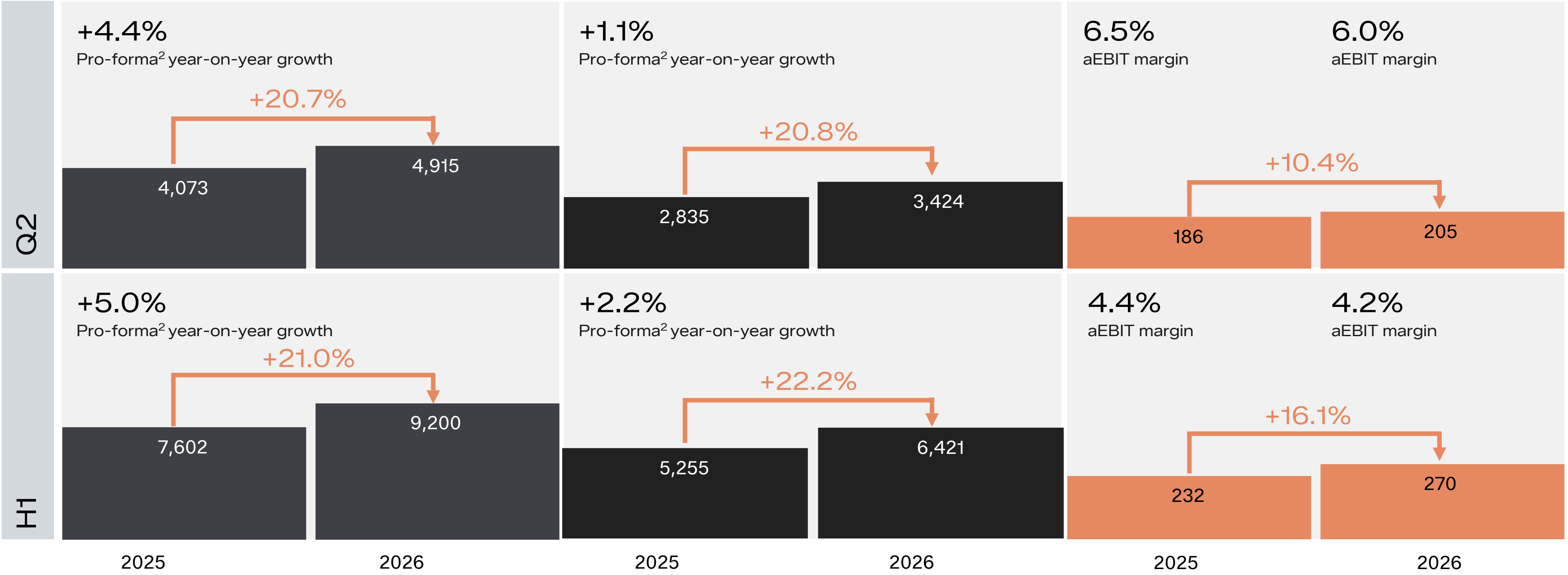
Appendix

Financial performance Q2 and H1: Group

Group GMV[1] (in m EUR)

Group revenue (in m EUR)

Group adjusted[3] EBIT (in m EUR, margin in % of revenue)



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

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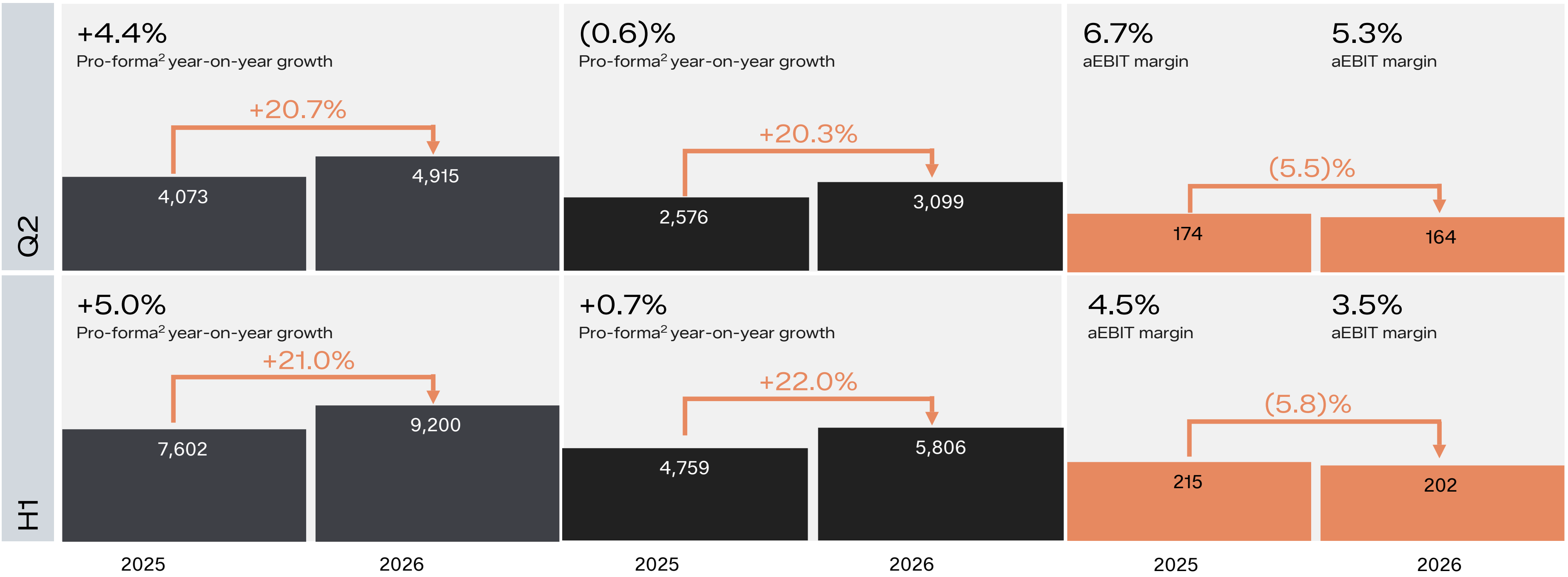
[3] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses

Financial performance Q2 and H1: B2C

B2C GMV[1] (in m EUR) | B2C revenue (in m EUR) | B2C adjusted[3] EBIT[4] (in m EUR, margin in % of revenue)



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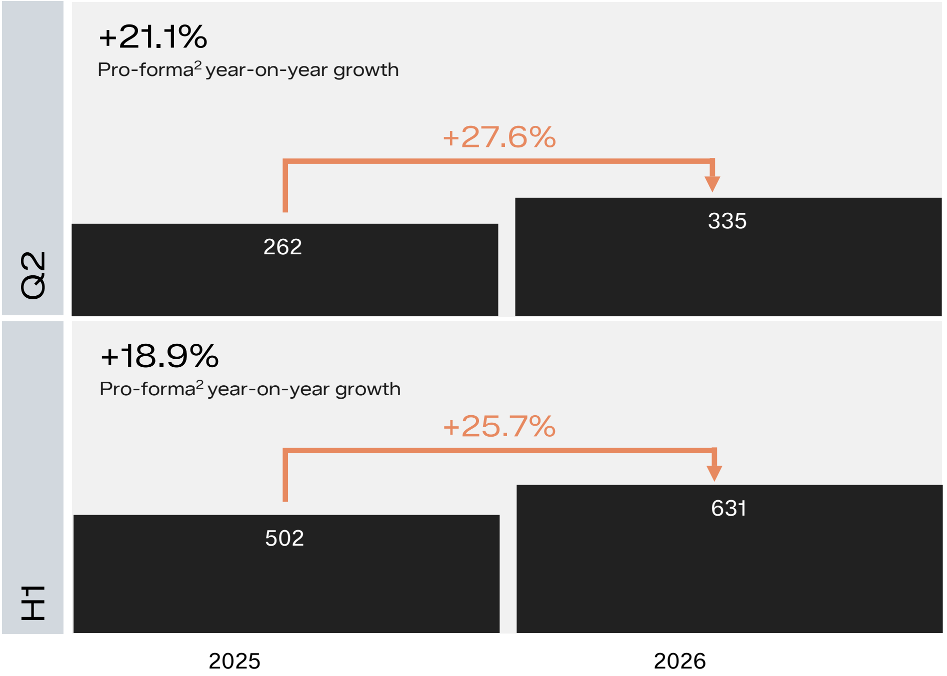
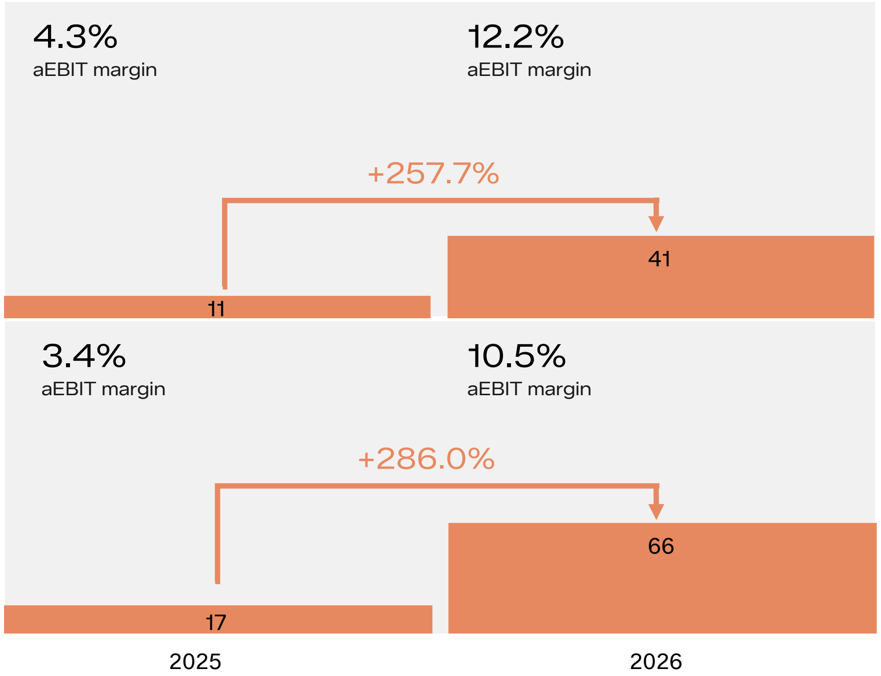
[3] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses
[4] Q2/26 contains (0.0)m EUR | Q2/25 EUR 0.4m EUR of inter-segment EBIT. H1/26 contains 1.0m EUR | H1/25 0.4m EUR of inter-segment EBIT

Financial performance Q2 and H1: B2B

B2B revenue[1]
(in m EUR)



B2B adjusted[3] EBIT
(in m EUR, margin in % of revenue)



[1] Q2/26 contains 9.0m EUR | Q2/25 3.4m EUR of inter-segment revenue. H1/26 contains 16.7m EUR | H1/25 6.4m EUR of inter-segment revenue.
[2] Pro-forma figures assume the consolidation of ABOUT YOU in the prior-year period. These figures are provided for illustrative purposes only to facilitate a like-for-like comparison and were not subject to financial audit
[3] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses

P&L Q2 and H1: group

Costs and margins[1]

(as % of revenue)

	H1/25	H1/26	YoY Δ	YoY Δ excl. adjustments[2]	Q2/25	Q2/26	YoY Δ	YoY Δ excl. adjustments[2]
Gross margin	40.0%	40.0%	**0.0pp**	**0.0pp**	40.8%	40.9%	**0.0pp**	**0.1pp**
OPEX	(36.9)%	(39.5)%	**(2.7)pp**	**(0.2)pp**	(35.7)%	(37.6)%	**(1.9)pp**	**(0.6)pp**
Fulfilment costs	(23.2)%	(24.0)%	(0.8)pp	(0.6)pp	(22.1)%	(23.1)%	(1.0)pp	(0.7)pp
Marketing costs	(8.7)%	(9.4)%	(0.7)pp	(0.3)pp	(8.7)%	(9.6)%	(0.9)pp	(0.5)pp
Admin costs & Other	(5.0)%	(6.1)%	(1.2)pp	0.7pp	(4.9)%	(4.9)%	0.0pp	0.6pp
- Administrative costs	(4.8)%	(4.2)%	0.6pp	0.6pp	(4.5)%	(4.0)%	0.5pp	0.4pp
- Other income & expenses	(0.1)%	(1.9)%	(1.7)pp	0.1pp	(0.4)%	(0.9)%	(0.5)pp	0.2pp
EBIT	3.2%	0.5%	**(2.7)pp**		5.1%	3.2%	**(1.9)pp**	
Adjusted[2] EBIT	4.4%	4.2%		**(0.2)pp**	6.5%	6.0%		**(0.6)pp**

[1] Rounding differences may arise in the percentages and numbers in this table
[2] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses
EBIT adjustments in H1/26 amount to 238.2m EUR (H1/25: 65.6m EUR) and EBIT adjustments in Q2/26 amount to 93.7m EUR (Q2/25: 40.3m EUR) . See details in on the next slide

EBIT adjustments Q2 and H1

In m EUR	Q2/25	Q2/26	Change	H1/25	H1/26	Change
EBIT	**145.2**	**111.1**	**(34.1)**	**166.6**	**31.4**	**(135.2)**
Share-based compensation	20.5	27.9	+7.4	41.2	56.0	+14.8
Acquisition related expenses[2]	4.9	33.1	+28.2	9.5	52.8	+43.3
Other one-time effects	0.0	(9.4)	(9.4)	0.0	(9.4)	(9.4)
Restructuring costs	14.9	42.1	+27.2	14.9	138.9	+124.0
Adjusted[1] EBIT	**185.5**	**204.8**	**+19.3**	**232.3**	**269.6**	**+37.3**

[1] Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant other non-operating one-time effects and acquisition-related expenses
[2] Acquisition-related expenses mostly driven by the ABOUT YOU acquisition and the related amortisation of acquired brands and customer relationships as well as integration costs and other one-time effects

Issued share capital

Share information
(as of 30 June 2026)

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	250,249,984
Issued capital	250,249,984 EUR

Stock options programmes management board
(as of 30 June 2026)

Program	**# Options outstanding**	**Weighted average exercise price** (EUR)
LTI 2018 [1]	4,296,949	47.44
LTI 2021	625,656	23.51
LTI 2024	1,443,129	24.30
ZOP 2021	311,978	17.82
Total	**6,677,712**	**38.81**

Stock options programmes senior management
(as of 30 June 2026)

Program	**# Options outstanding**	**Weighted average exercise price** (EUR)
EIP [2]	229,895	31.45
ZOP 2019	7,997,384	22.34
LTI	1,278,461	0.20
Total	**9,505,740**	**19.58**

[1] Only to 35% to be settled with new shares, remaining backed by treasury shares
[2] Settled with new shares

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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 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.