

20
24

Full Year
Publication

Speakers:

Robert Gentz, Co-CEO

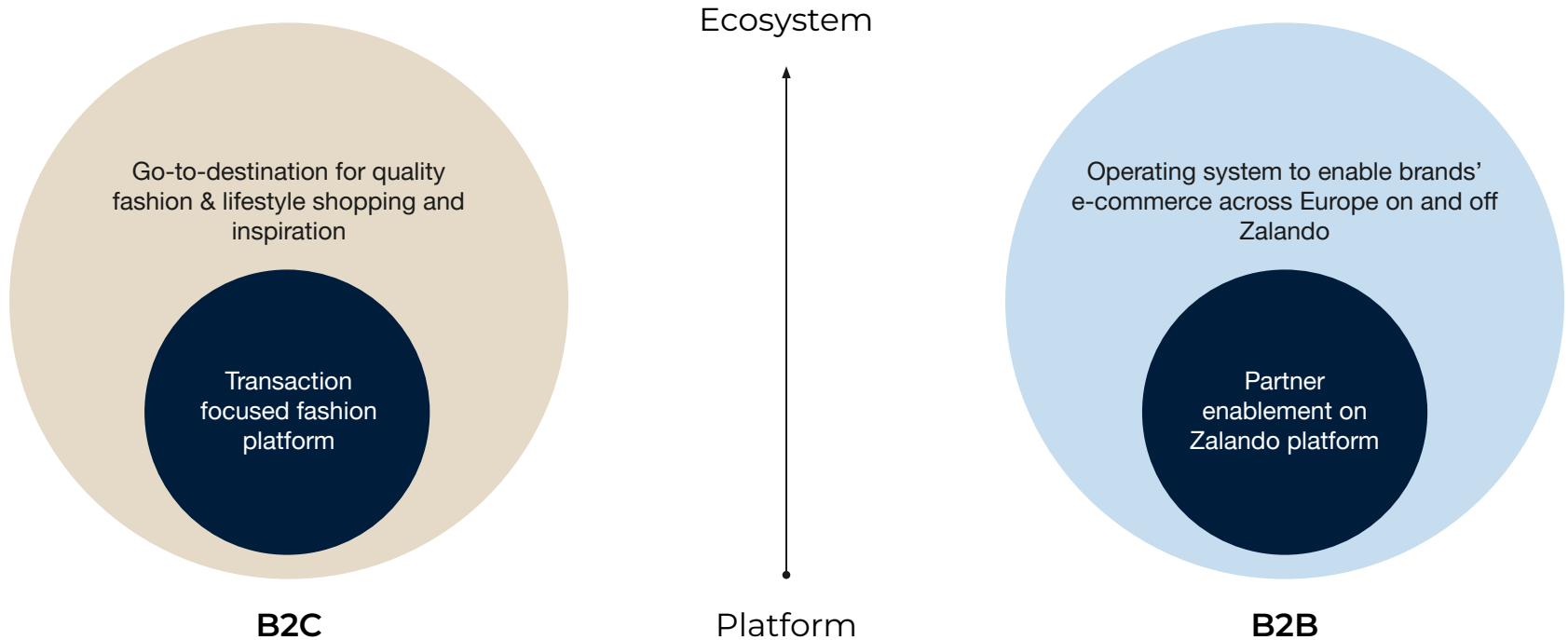
David Schröder, Co-CEO

zalando



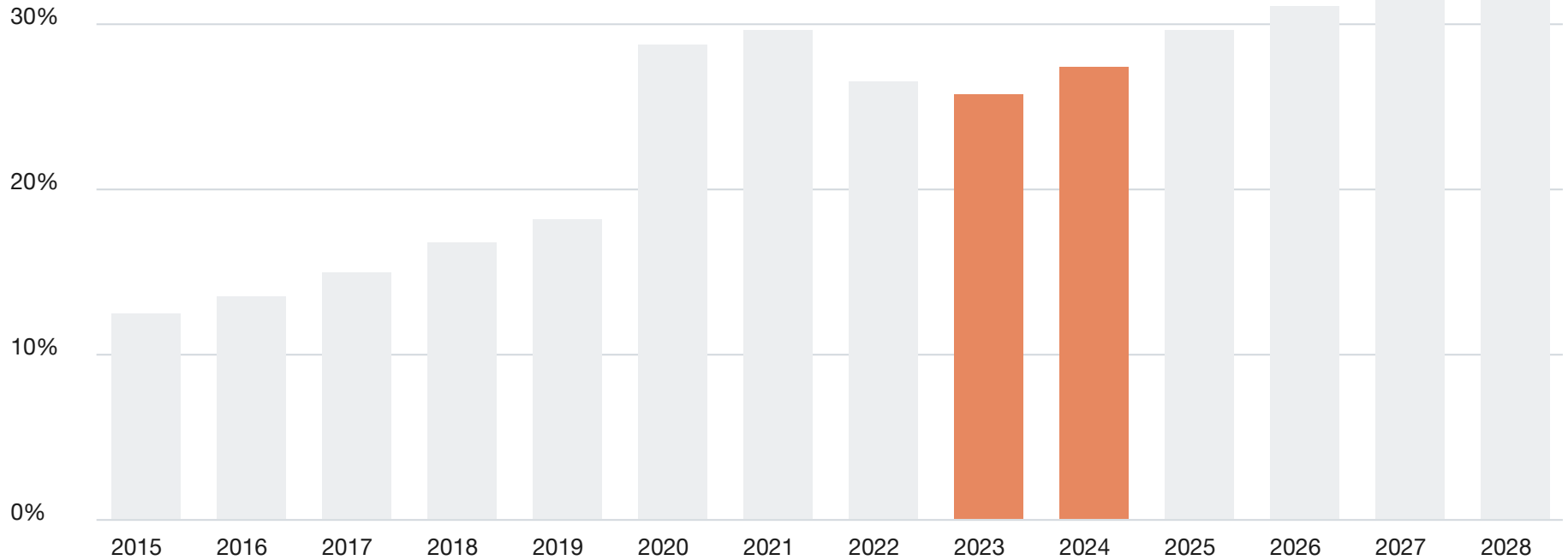
In 2024, we successfully laid the foundation to build the pan-European ecosystem for fashion & lifestyle e-commerce

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)

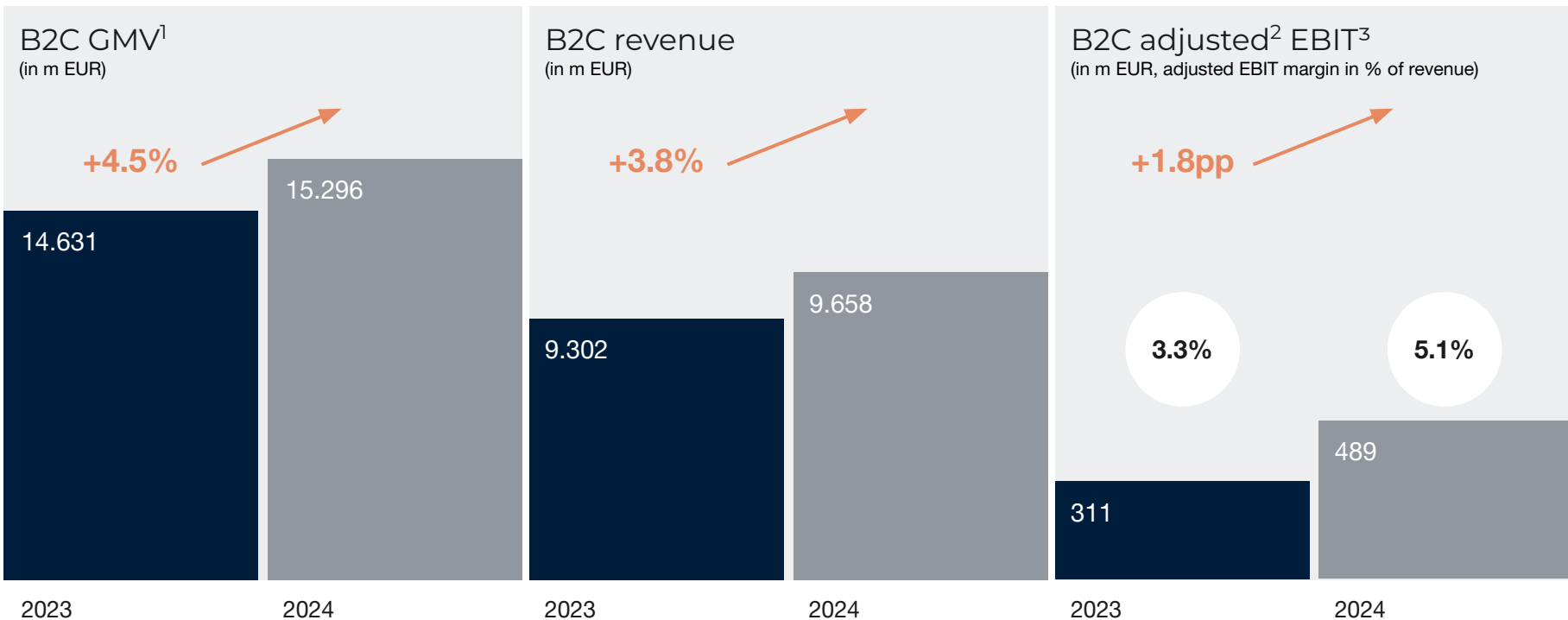


¹ Euromonitor online penetration as of February 2025, international forecasts, values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excl. Russia)

In 2024, we successfully returned to growth and delivered on our profitability ambitions

		FY 2024 results	Guidance 2024
Growth	GMV	4.5%	0% – 5%
	Revenue	4.2%	0% – 5%
Profitability	Adjusted ¹ EBIT (in m EUR)	511 (4.8% margin)	380 – 450

Our B2C growth vector delivered accelerated growth and significantly improved profitability

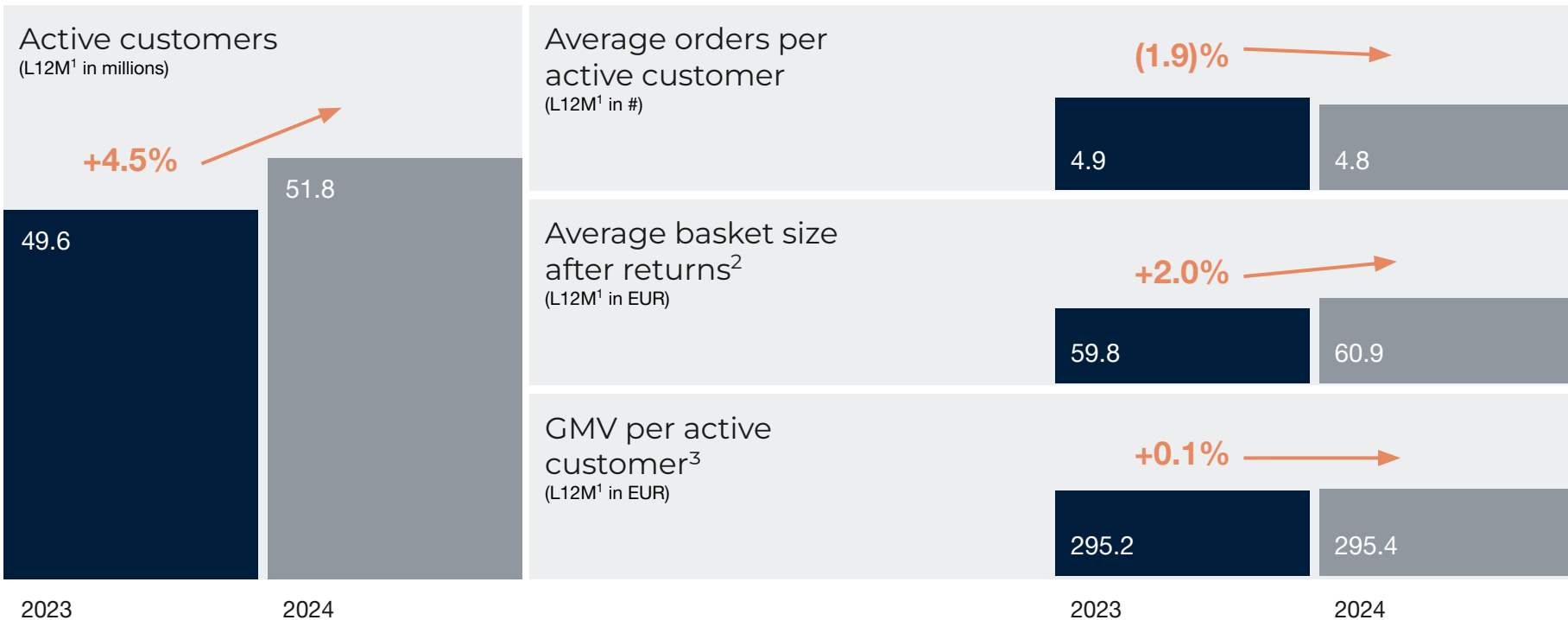


¹ Gross merchandise volume after returns (GMV); dynamically reported

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

³ FY 2024 contains (0.4)m EUR | FY 2023 0.0m EUR reconciliation of inter-segment EBIT

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

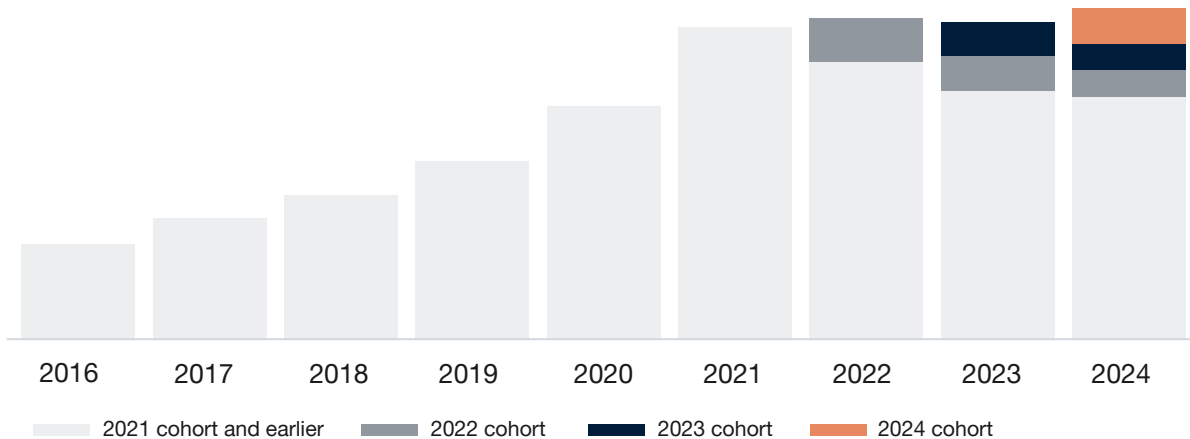


7 ¹ L12M = last twelve months
² Defined as GMV divided by the number of orders
³ Defined as GMV divided by the number of active customers

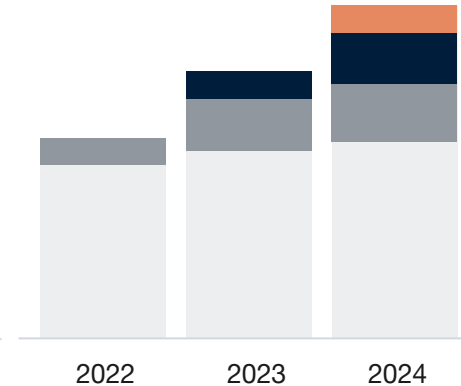
Underlying customer cohort development reflects our focus on profitable growth and customer lifetime value



Cohort¹ development in GMV (in m EUR)



Profit contribution² per customer (in EUR)



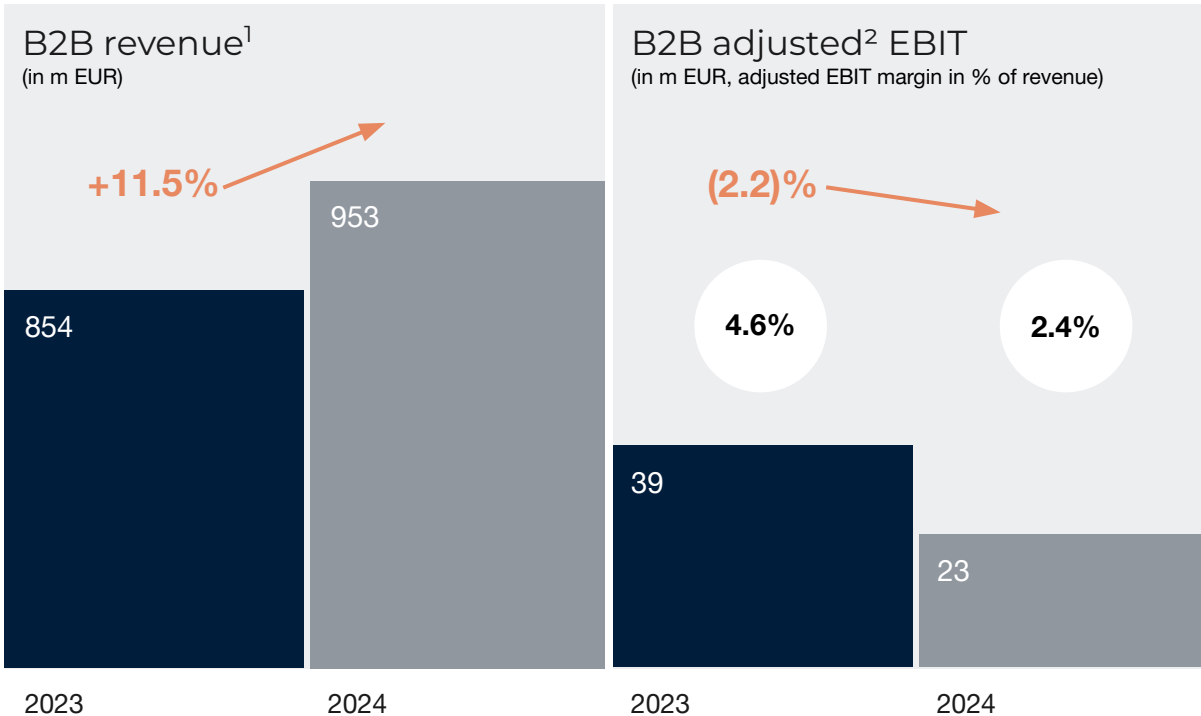
¹ Cohort refers to customers grouped by the calendar year in which they first placed an order with Zalando. Bar shows EUR million GMV

² Accumulated profit contribution before marketing expenses, i.e. gross profit less fulfillment costs, by all orders of that specific acquired customer

Strong increase in B2C gross margin driven by improved retail margins and scaling partner business



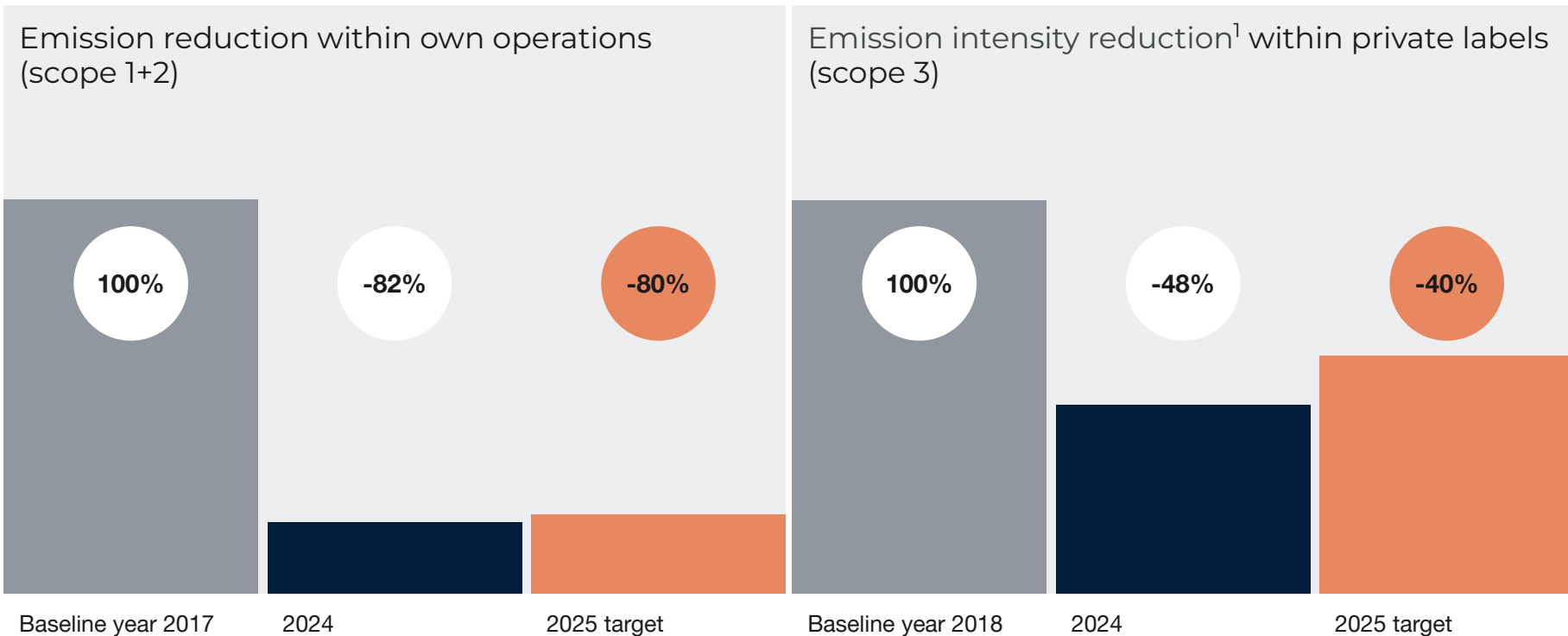
Our B2B growth vector delivered double digit growth driven by ZEOS logistics




10 ¹ 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

On our path towards net-zero, we were able to achieve significant emission reductions





In our B2C business, we are
delivering on our vision to
become the go-to destination for
quality fashion, lifestyle shopping
and inspiration

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 for stages
Body measurements

>300k customers with completed body measurements

More sustainable & inclusive choices

+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.

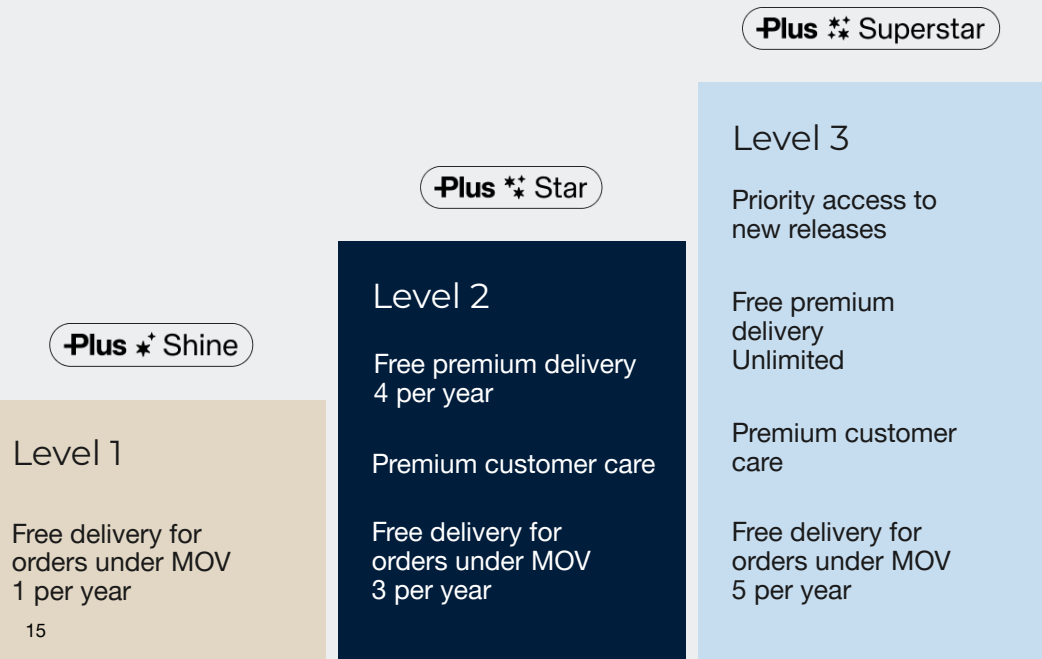
New

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%

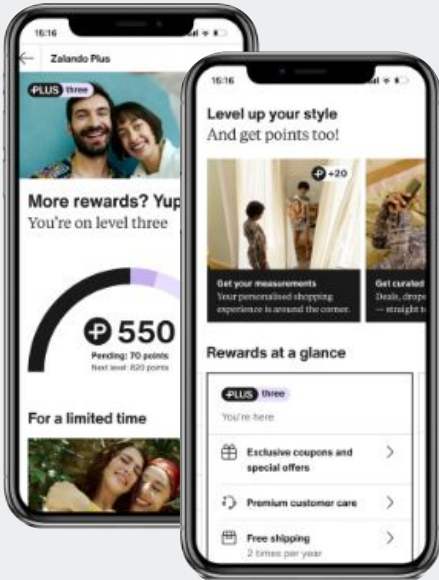
of Zalando customers are not yet part of Zalando Plus

>60%

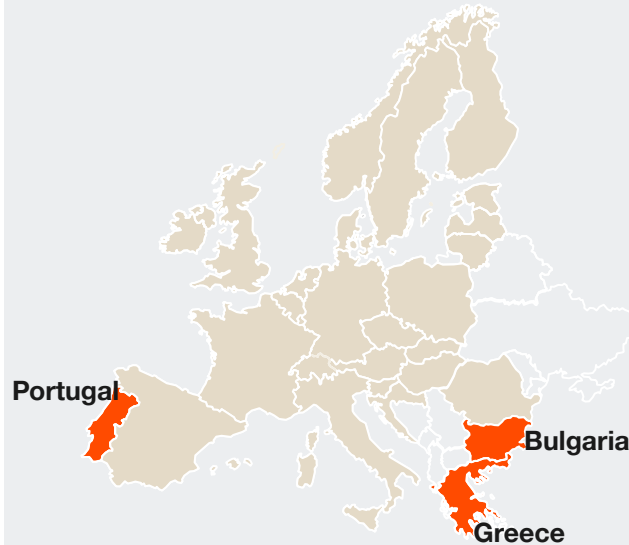
of Zalando customers state they seek rewards for their loyalty

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

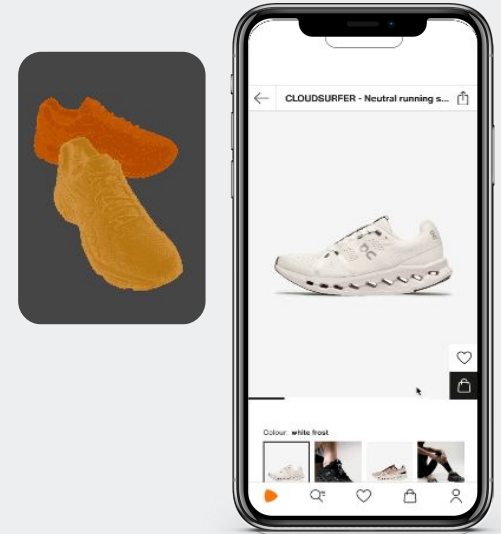
Roll-out loyalty programme to majority of our markets



Market expansion to Portugal, Greece and Bulgaria



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



Our B2C growth vector is built on three strategic growth pillars

MULTI-BRAND PLATFORM

Differentiation through quality



Lifestyle expansion

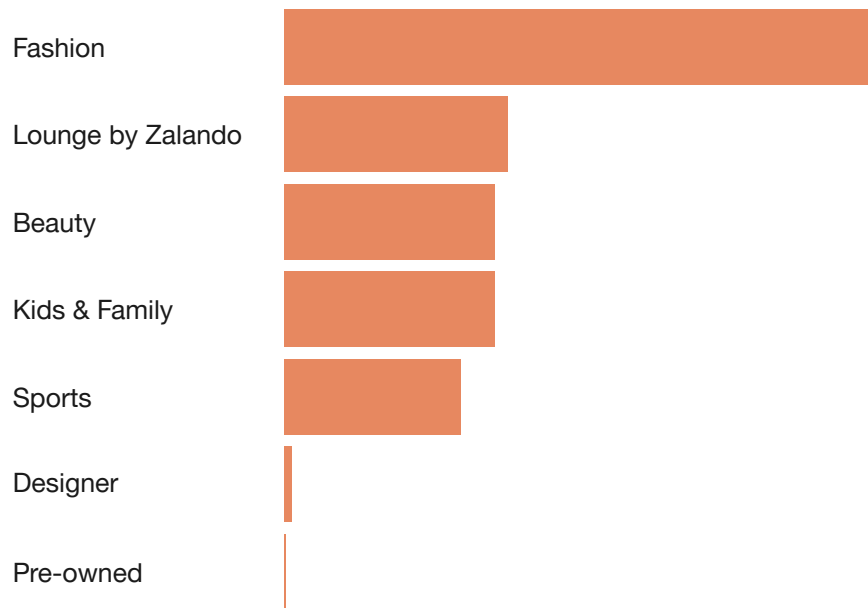


Inspiration & entertainment



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

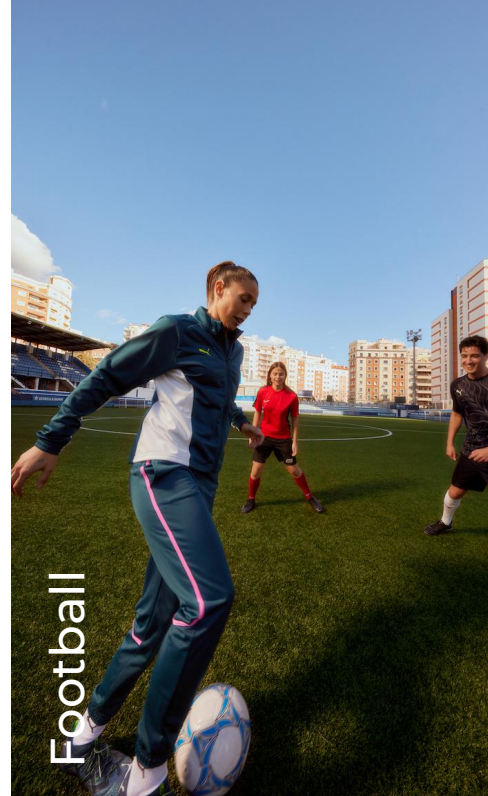
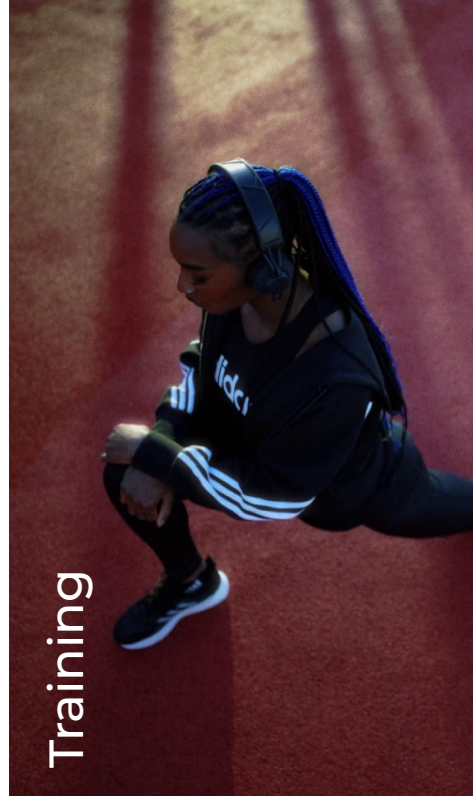
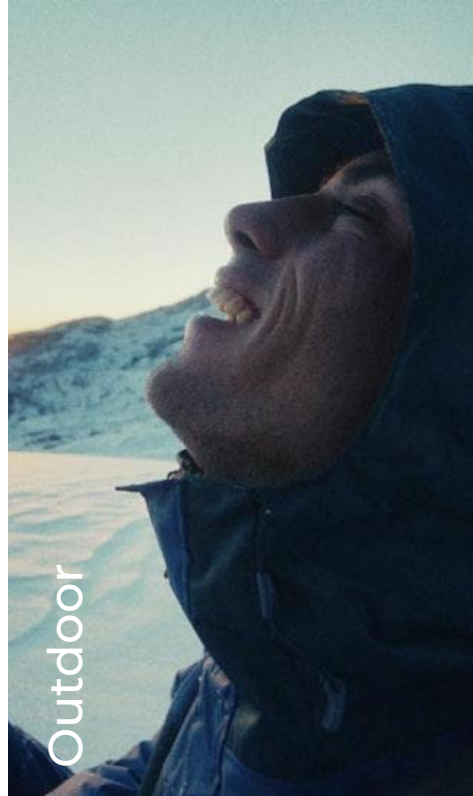
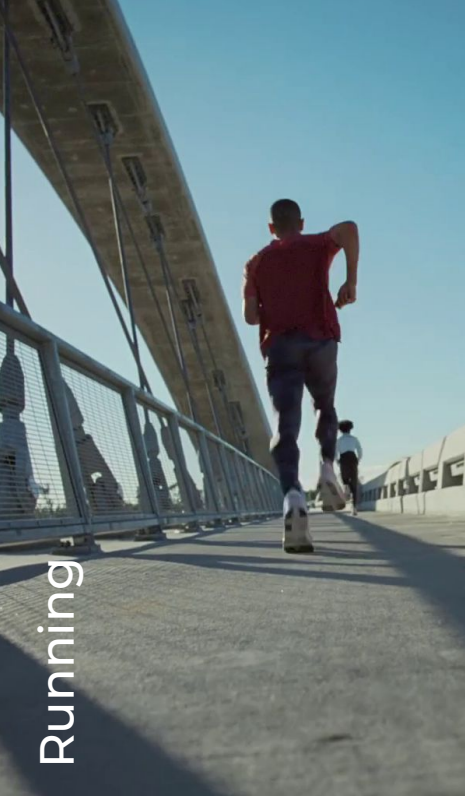
Increase in customers per proposition¹
(in m) (illustrative)



Our beauty proposition is experiencing strong growth as we are continuously strengthening our assortment

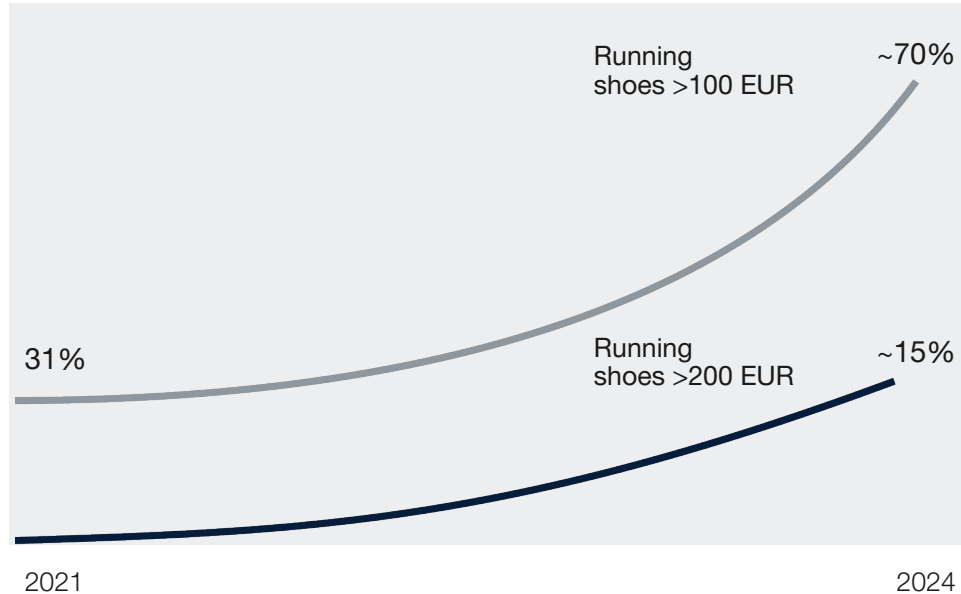


We are doubling down on our sports opportunity by creating bespoke customer experiences for our biggest sports categories ...



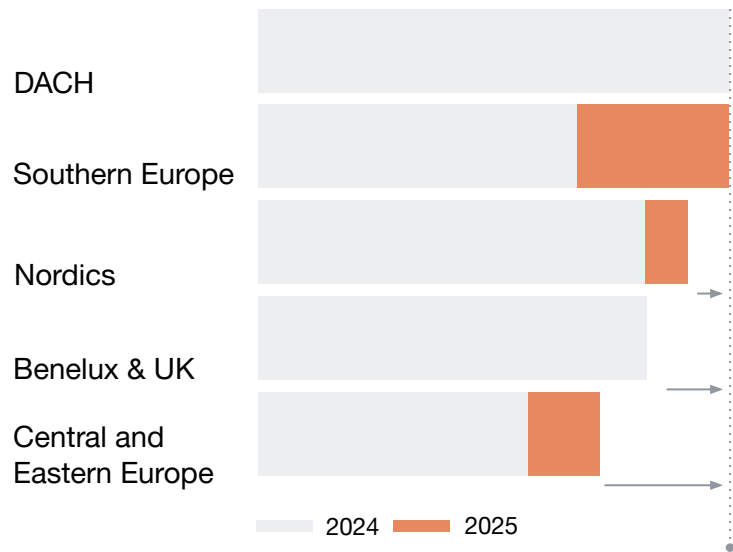
... and boosting our running assortment competency through high quality partnerships

Share of running shoes business in %

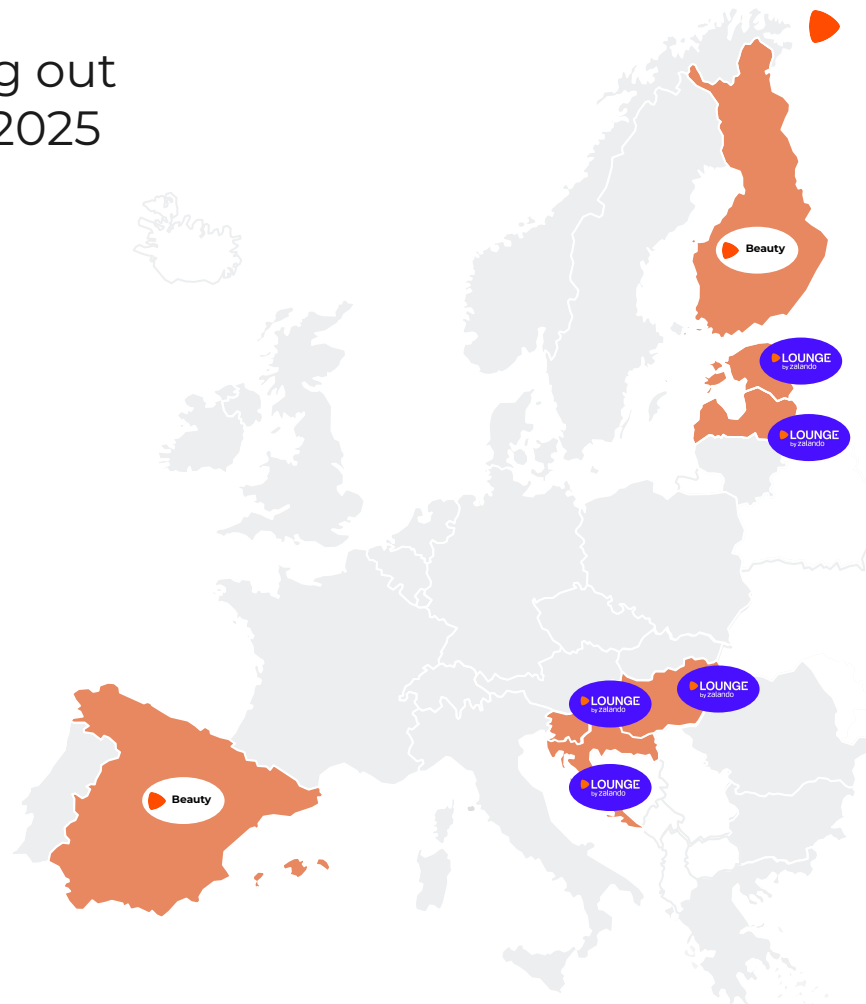


We will continue to drive growth by rolling out existing propositions to more markets in 2025

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

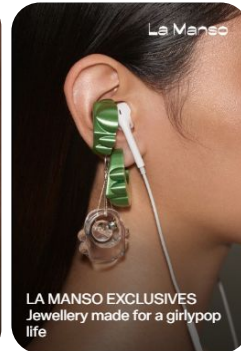
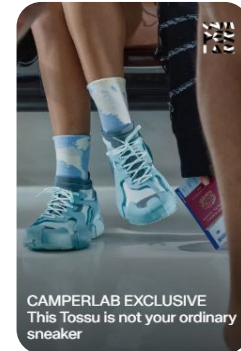
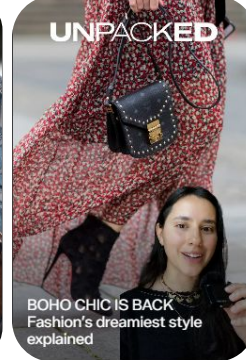
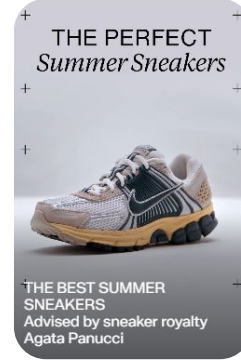
Stories published

>700

Featured brands

>7,000

Featured products



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

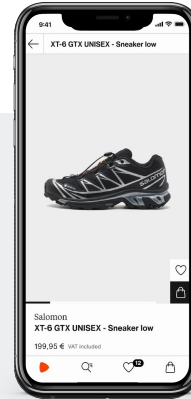
New content sources:
Talent Profiles



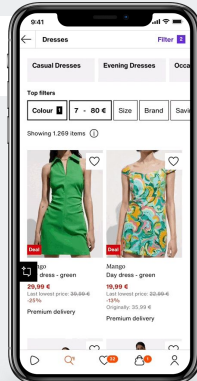
New content types:
Live Shopping



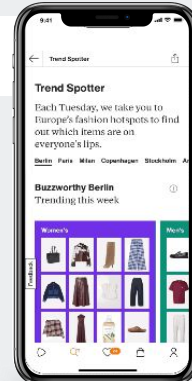
New content formats:
User Boards



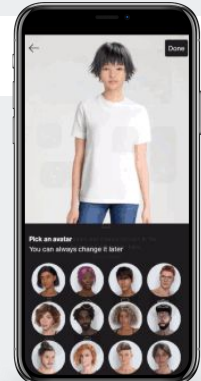
Zalando
Assistant




Trendspotter



Outfit
Builder

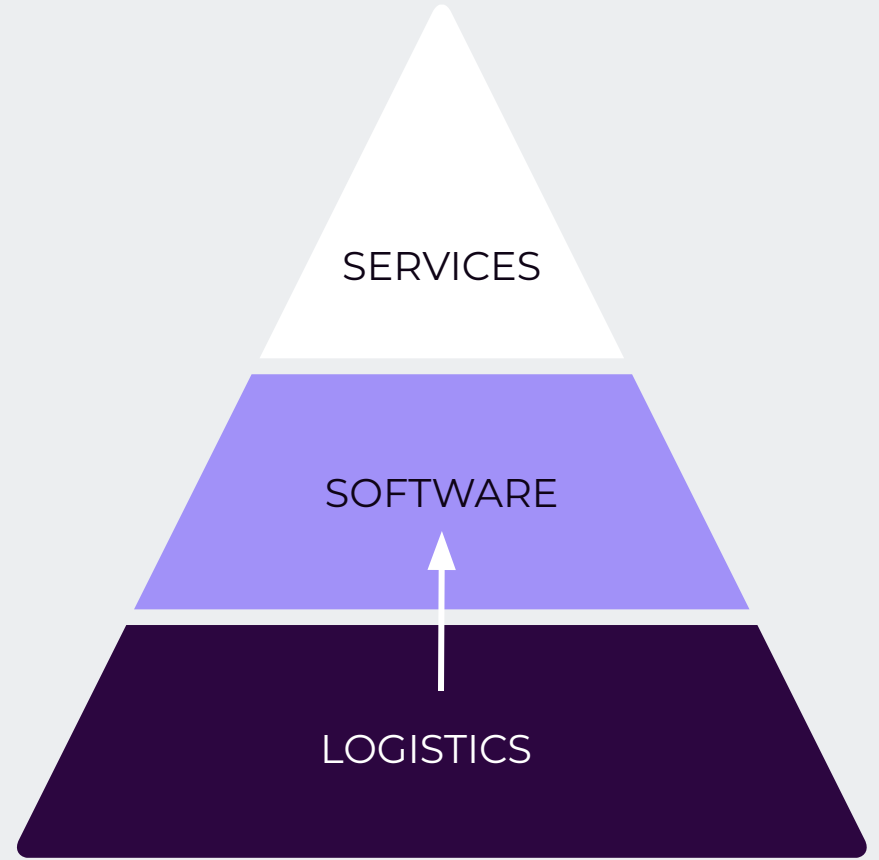




In our B2B business, we focus
on building and scaling our
Zalando e-commerce
operating system (ZEOS)

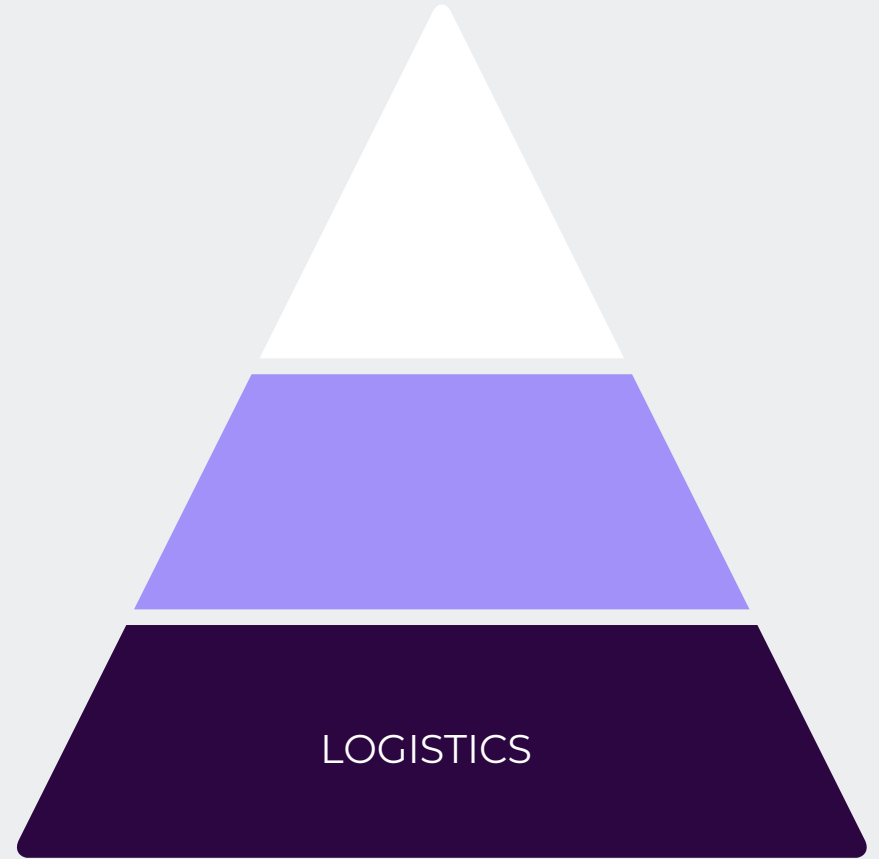
Three layers.
One operating system.

ZEOS



Three layers.
One operating system.

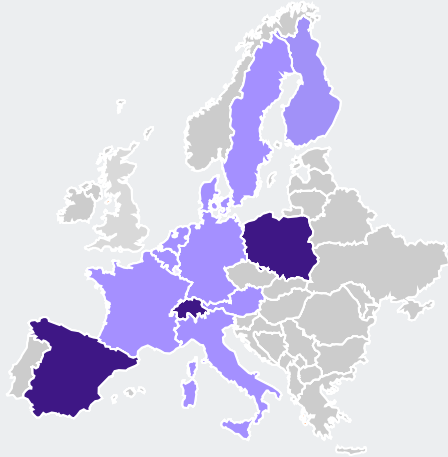
ZEOS



We made significant progress in advancing ZEOS Logistics in 2024

We launched more markets ...

12
markets
(+3)



... connected more channels ...

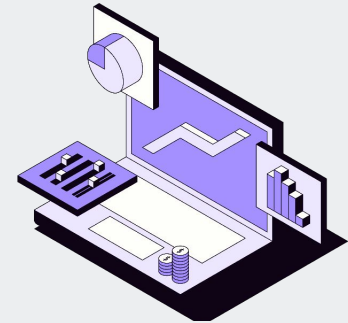
10
channels
(+3)



... and gave merchants more control

1
control panel

ZEOS One



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

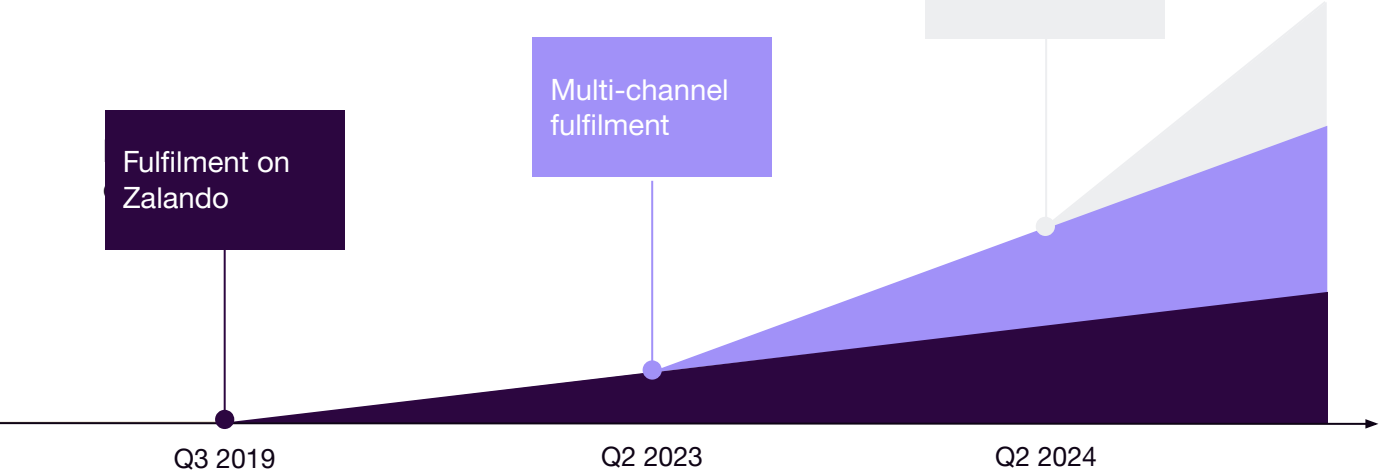
Items sold (illustrative)

>9x¹

Fulfilment on Zalando

Multi-channel fulfilment

Own.com fulfilment



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**

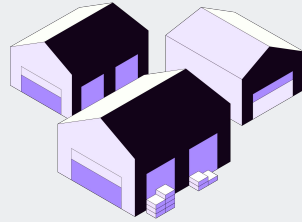
Our new partnership with NEXT will add scale and enable further logistics innovations for all merchants

NEXT

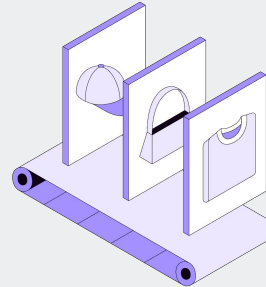
About NEXT:

- 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

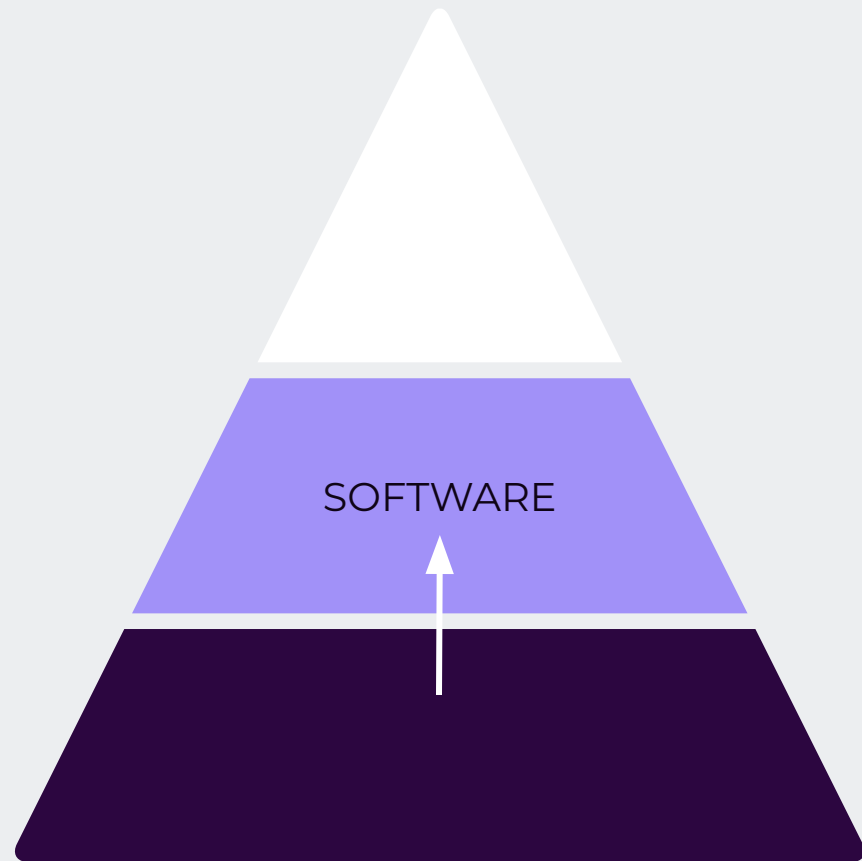


Market expansion & enhanced services

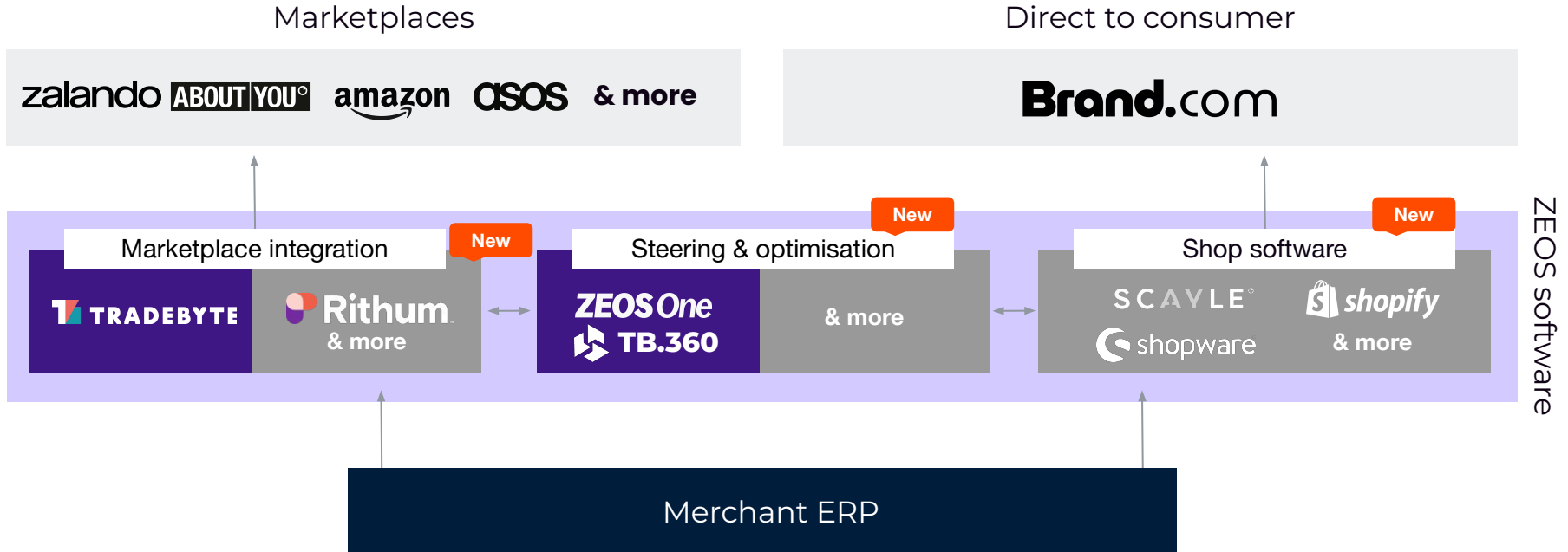


Three layers.
One operating system.

ZEOS



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



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

Build out ecosystem partnerships



Enhance steering & optimisation tooling

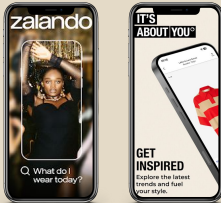


Outlook



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

Go-to-destinations for both style- and brand-led fashion & lifestyle shopping and inspiration



Dual brand strategy to better serve customers and partners

B2C

Significant value creation opportunities

Combined logistics network

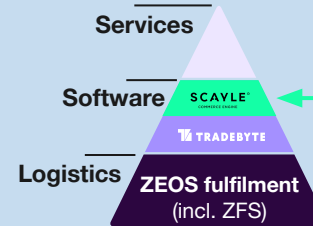
Combined payments infrastructure

Commercial collaboration

Combined B2B software offering

Group EBIT synergies of around 100 million EUR p.a. in the longer term

Operating system to enable brands e-commerce across all channels (incl. brand.com)



Scale to complement ZEOS to offer a holistic e-commerce operating system

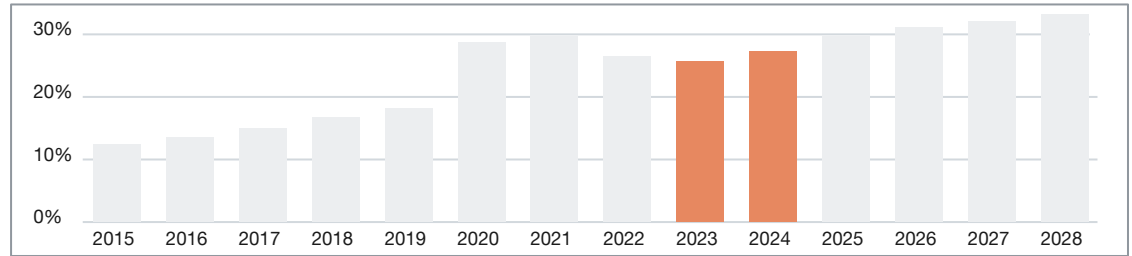
B2B

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%

37 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 CAGR ¹ (2023 – 2028) Adjusted EBIT margin in % of revenue		Zalando combined group (incl. ABOUT YOU)
Growth	GMV	5% – 10% CAGR
	Revenue	5% – 10% CAGR
Profitability	Adjusted ² EBIT margin	6% – 8% in 2028
Cash generation	Free cash flow	Strong free cash flow

38 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	

Key takeaways

1 Our ecosystem strategy is progressing well and we delivered a strong financial performance in 2024.

2 In 2025, we have exciting plans to further advance our strategy across B2C and B2B. The planned acquisition of ABOUT YOU plays perfectly into our strategy.

3 Our long term opportunity is huge. We aim to further accelerate our growth, and we are yielding an attractive financial profile at scale.



Supplementary presentation



In 2024, we successfully delivered on our financial ambitions

		2024	Updated guidance 2024
Growth	GMV	4.5%	3% – 5%
	Revenue	4.2%	2% – 5%
Profitability	Adjusted ¹ EBIT (in m EUR)	511	440 – 480
Cash	Capex (in m EUR)	207	~200
	Net working capital (in m EUR)	(269)	negative

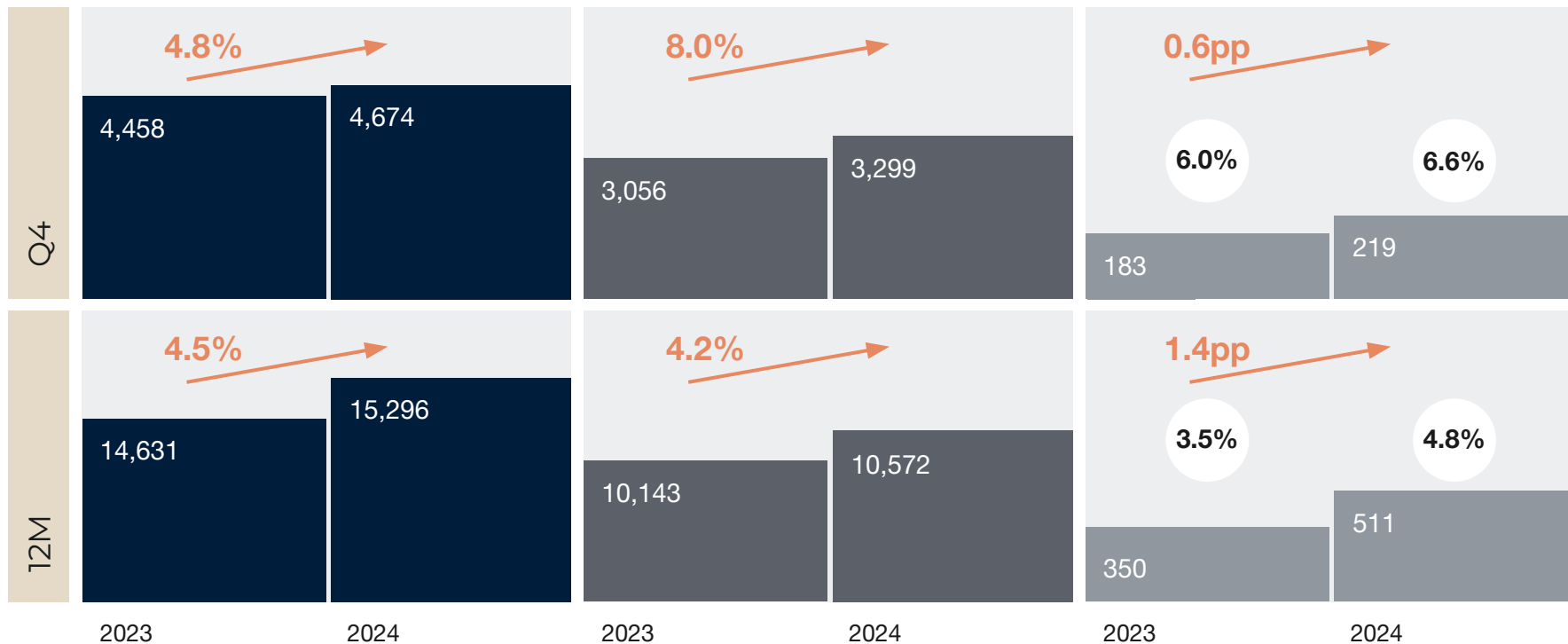
Q4 with continued growth in GMV and revenue as well as improved profitability



Group GMV¹ (in m EUR)

Group revenue (in m EUR)

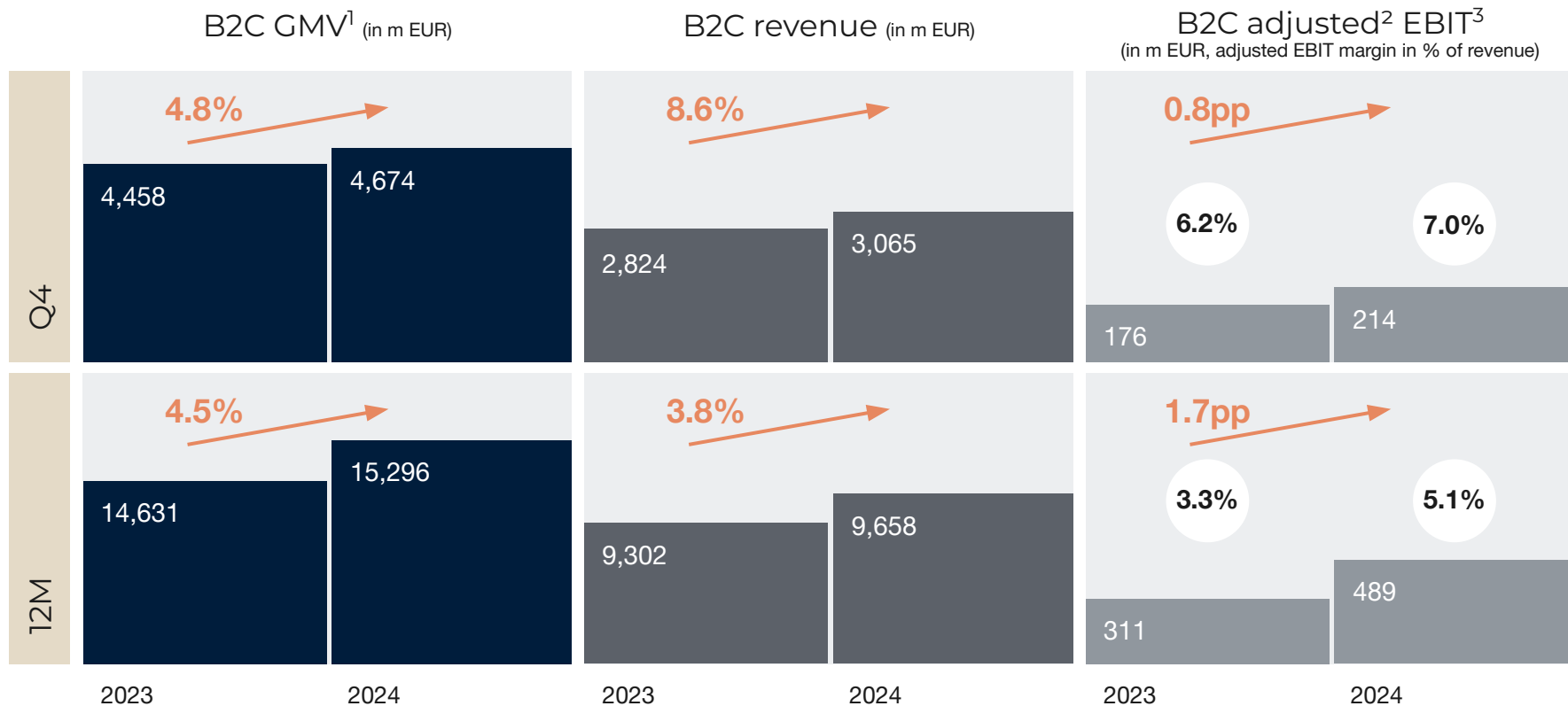
Group adjusted² EBIT
(in m EUR, adjusted EBIT margin in % of revenue)



43 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

Growth in Q4 driven by solid Cyber Week and Christmas business

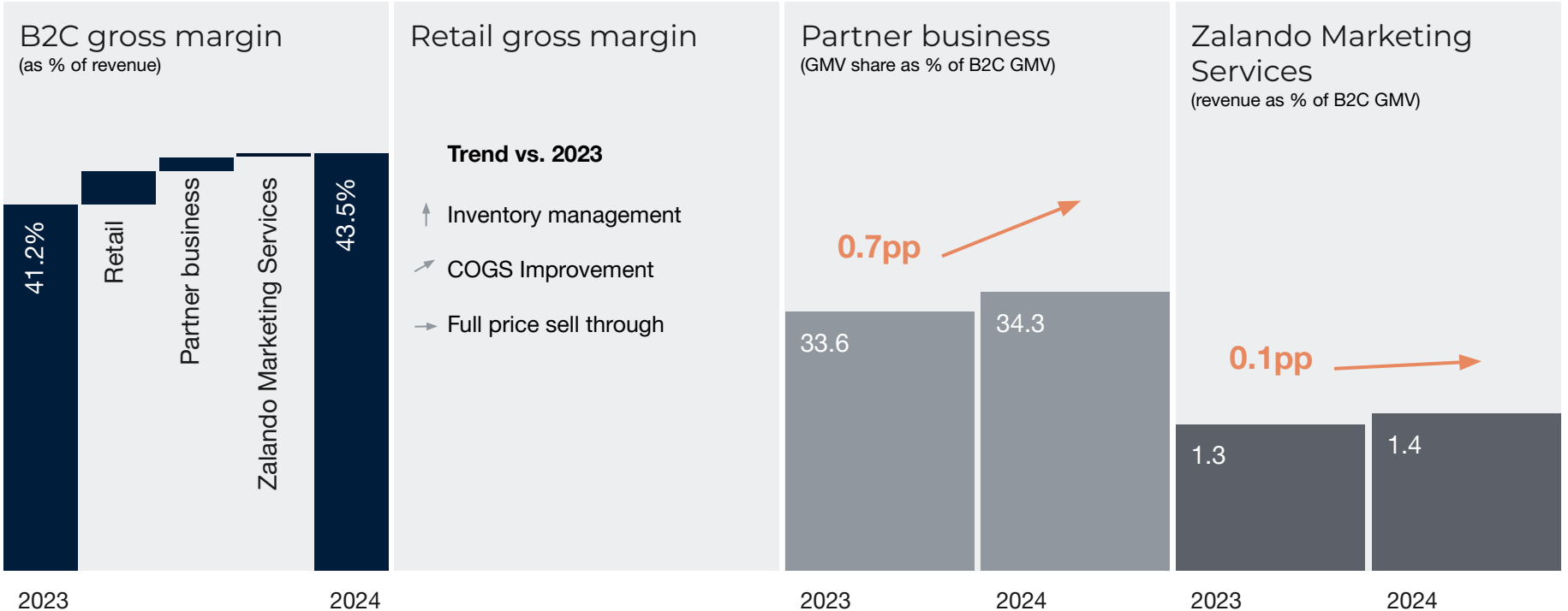


¹ Gross merchandise volume after returns (GMV); dynamically reported

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

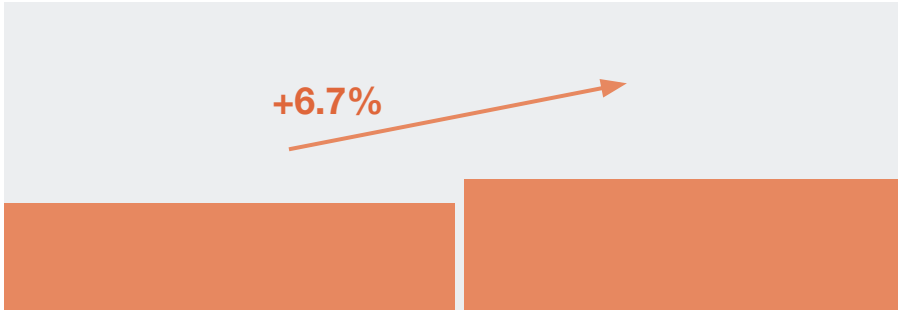
³ Q4 2024 contains 1.1m EUR | Q4 2023 EUR 0.0m EUR reconciliation of inter-segment EBIT. FY 2024 contains (0.4)m EUR | FY 2023 0.0m EUR reconciliation of inter-segment EBIT

Strong increase in B2C gross margin in FY 2024 driven by improved retail margins and scaling Partner business

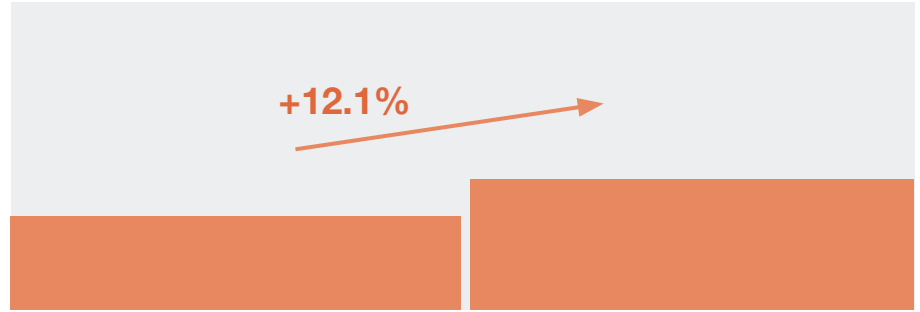


Partner business and Zalando Marketing Services showed strong growth in 2024

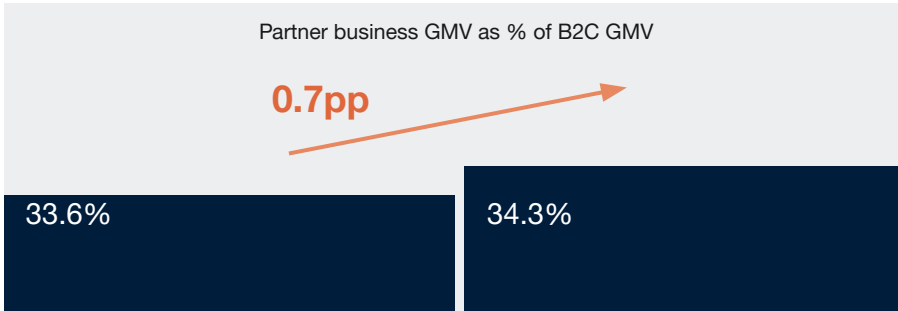
Partner business
Partner business GMV in EUR m



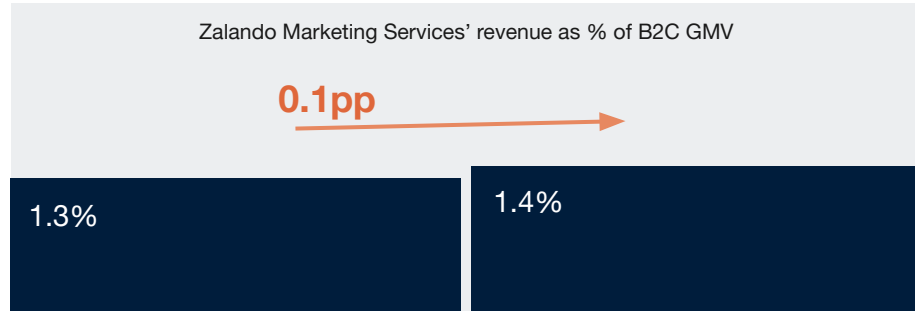
Zalando Marketing Services
Revenue in EUR m



Partner business GMV as % of B2C GMV



Zalando Marketing Services' revenue as % of B2C GMV



2023

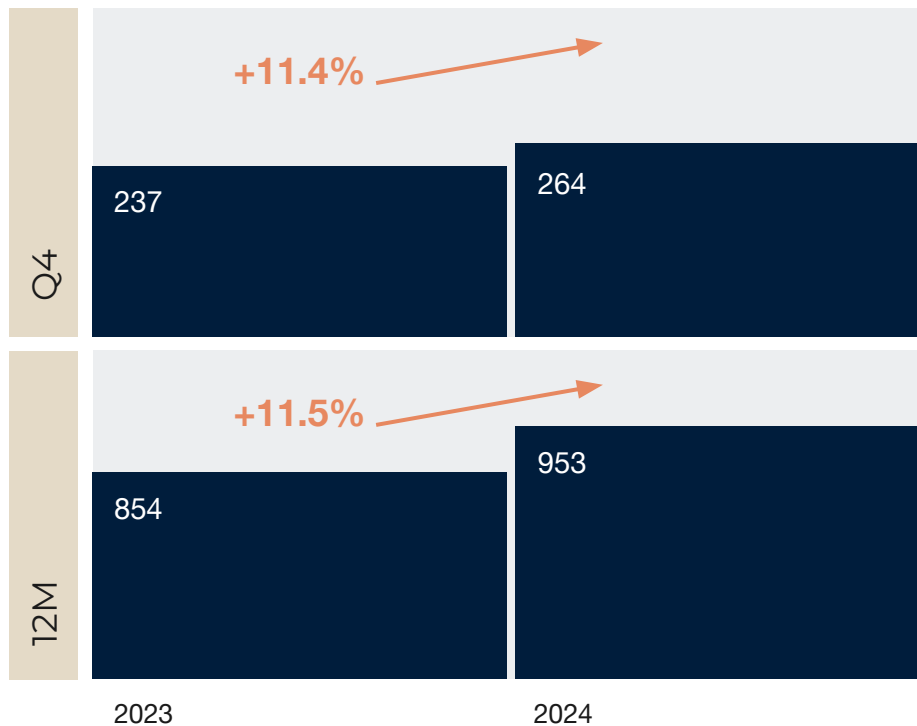
2024

2023

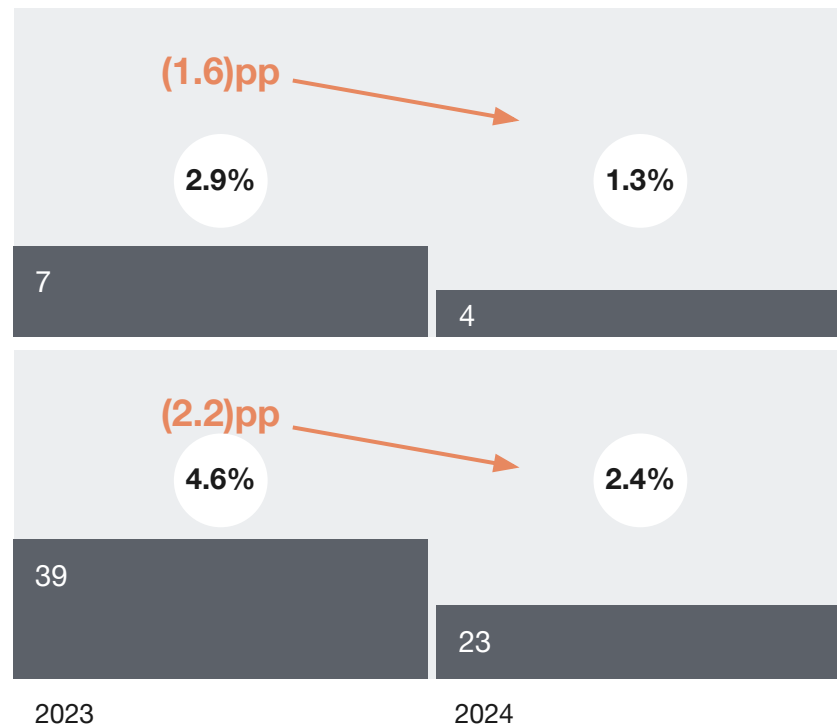
2024

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)



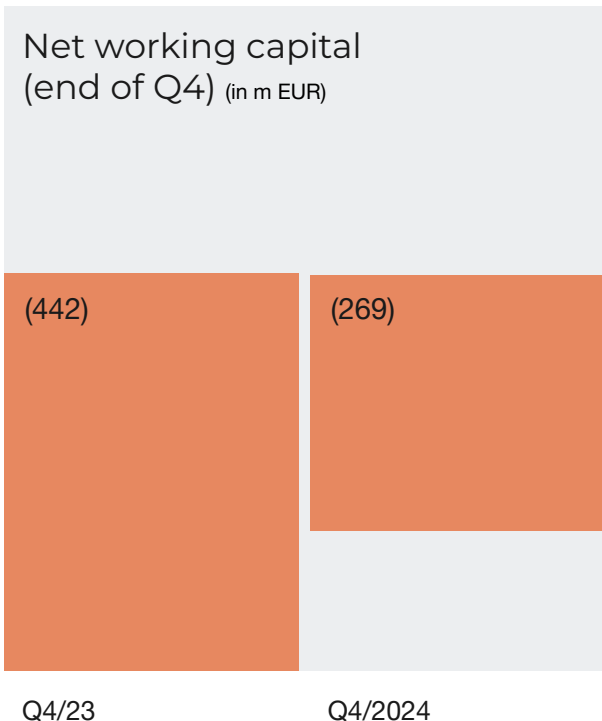
47 ¹ Q4 2024 contains (29.7)m EUR | Q4 2023 (4.3)m EUR reconciliation of inter-segment revenue. FY 2024 contains (37.8)m EUR | FY 2023 (13.1)m EUR reconciliation of inter-segment revenue

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	

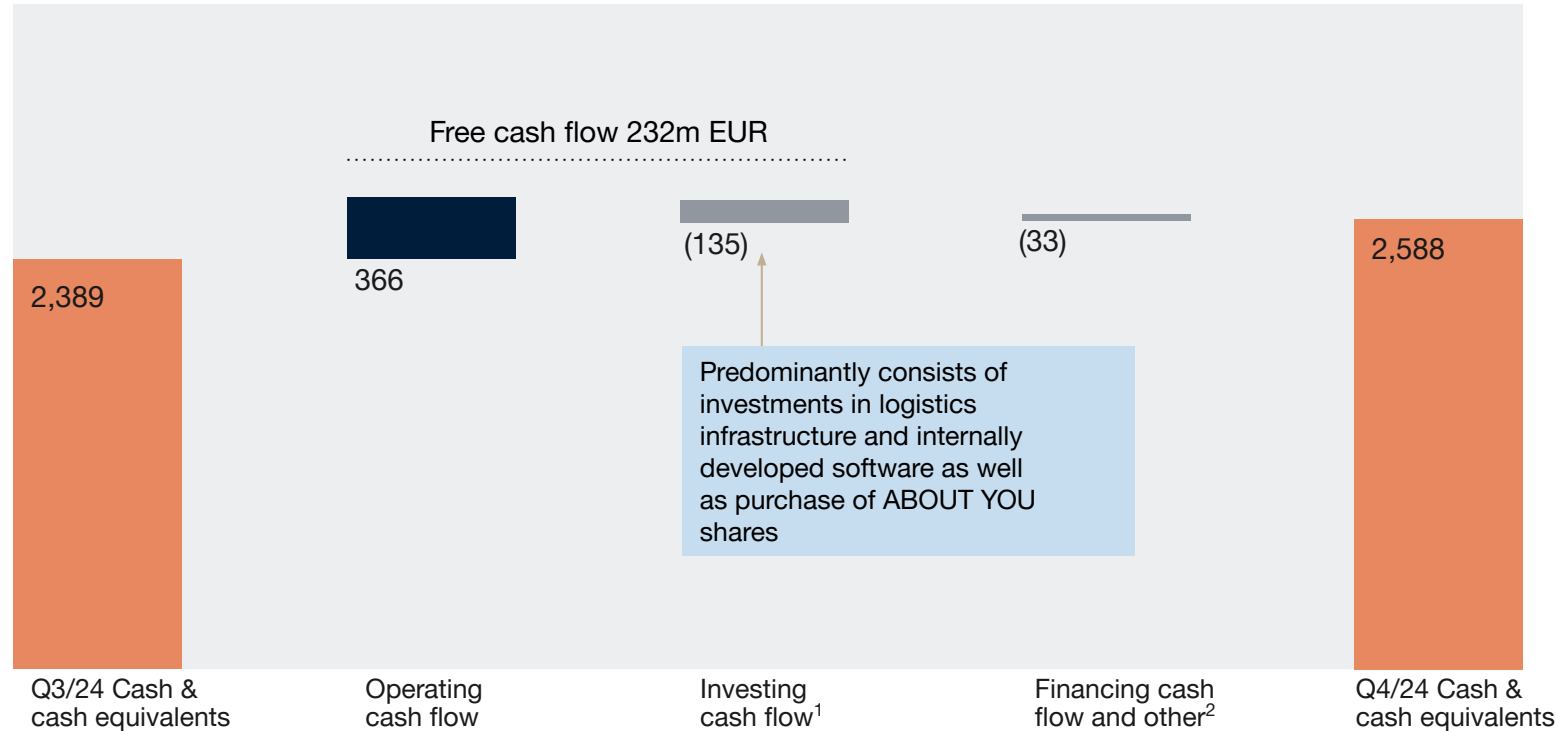
Net working capital position driven by higher inventory position to support our growing retail business



m EUR	Q4/23	Q4/24	YoY Δ
Inventories	1,441	1,550	+7.6%
Trade receivables	899	926	+3.0%
Trade payables	2,782	2,745	(1.3)%
Net working capital	(442)	(269)	

Cash and cash equivalents at ~2.6 billion EUR (Q4)

In m EUR

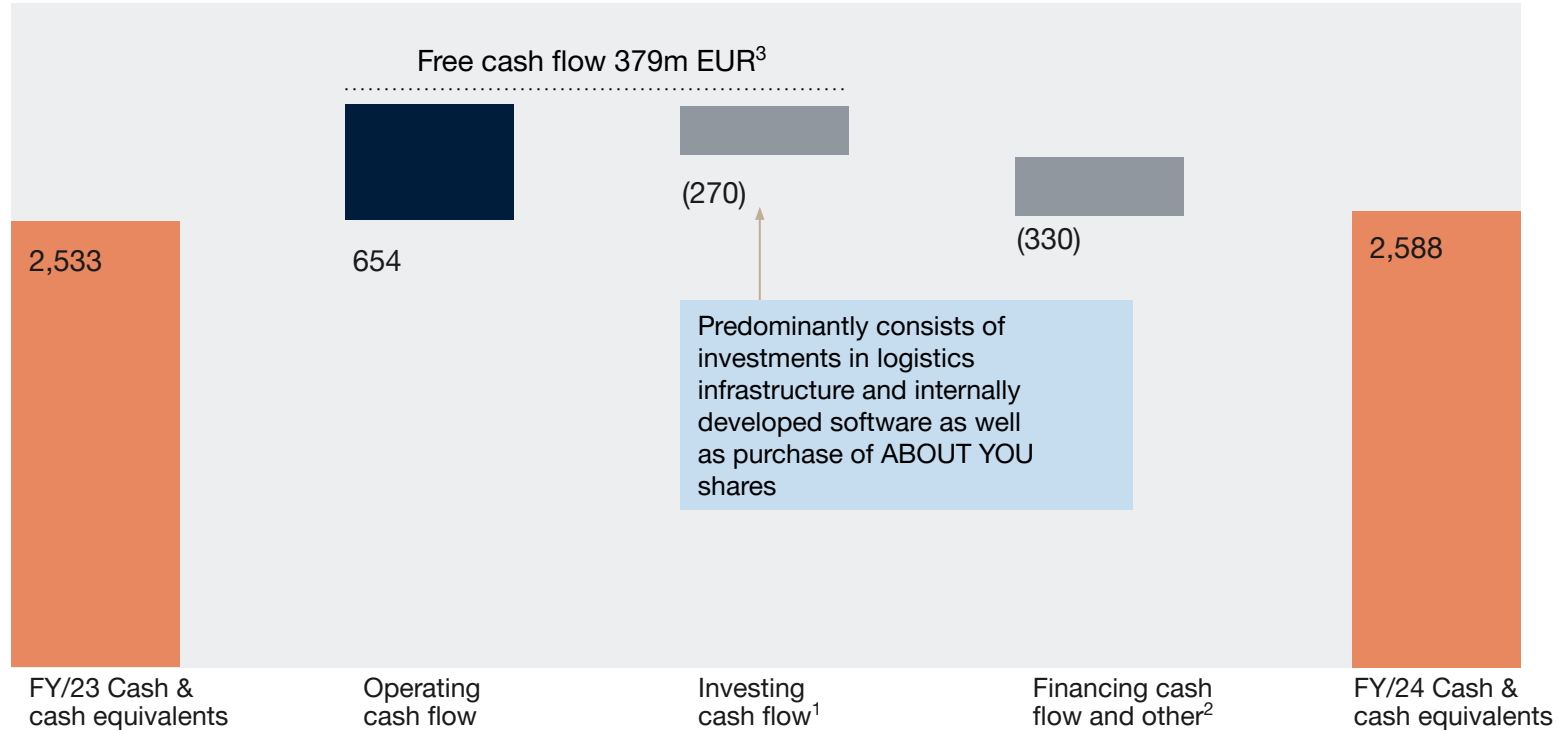


¹ Includes investments in fixed assets of (46.3)m EUR, intangible assets of (20.4)m EUR and payment for acquisition (67.9m EUR)

² Includes financing cash flow of (34.5)m EUR and effect of exchange rate on cash and cash equivalents of 1.1m EUR

Cash and cash equivalents at ~2.6 billion EUR (FY2024)

In m EUR



51 ¹ Includes investments in fixed assets of (120.6)m EUR, intangible assets of (86.2)m EUR, payment for ABOUT YOU shares of (67.9)m EUR and change in restricted cash 4.9m EUR

² Includes financing cash flow of (325.6)m EUR and effect of exchange rate on cash and cash equivalents of (4.2)m EUR

³ Free Cash Flow excludes restricted cash of 4.9m EUR

Appendix



Segment overview

FY 2023¹

	Group	B2C segment	B2B segment
GMV ² (in m EUR)	14,631.0	14,631.0	No GMV contribution
Revenue (in m EUR)	10,156.2	9,301.8	854.4
Gross margin (in % of revenue)	38.8%	41.2%	12.6%
Adjusted ³ EBIT (in m EUR)	349.9	310.8	39.2
Adj. ³ EBIT margin (in % of revenue)	3.4%	3.3%	4.6%

FY 2024¹

	Group	B2C segment	B2B segment
GMV ² (in m EUR)	15,296.2	15,296.2	No GMV contribution
Revenue (in m EUR)	10,610.3	9,657.7	952.6
Gross margin (in % of revenue)	40.6%	43.5%	11.6%
Adjusted ³ EBIT (in m EUR)	511.5	488.7	22.8
Adj. ³ EBIT margin (in % of revenue)	4.8%	5.1%	2.4%

53 ¹ Please note that Group figures exclude reconciliations

² After returns and cancellations, dynamically reported

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

FY/24 GMV to revenue bridge (illustrative)

	2023 (in EUR m)	2024 (in EUR m)	Comment
Group GMV¹	14,631	15,296	Gross merchandise value (inclusive VAT)
Partner business GMV ¹	4,910	5,239	34.3% (33.6%) of B2C GMV
Retail GMV¹	9,721	10,057	
Retail VAT	1,584	1,652	~16% of GMV
Retail NMV¹	8,137	8,405	Net merchandise volume (exclusive VAT)
Revenue recognition	-/+...	-/+...	Point of order (GMV) vs. customer receipt (revenue)
Other merchandise revenue effects	-/+...	-/+...	e.g. bulk sales revenue, hedging effects, return provisions
Revenue from the sale of merchandise	8,106	8,409	IFRS standards, Zalando annual report
B2C service revenues	-/+...	-/+...	e.g. Partner business commissions, Zalando Marketing Services, shipping fees, express delivery charges, dunning fees
B2B service revenue	-/+...	-/+...	e.g. ZEOS fulfilment (inclusive Zalando Fulfilment Solutions), Tradebyte, Highsnobiety
Group revenue	10,143	10,572	IFRS standards, Zalando annual report

Issued share capital

Share information (as of 31 December 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	263,937,633
	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

55 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 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.