



Bericht des Vorstands

# Report of the Management Board

# Agenda

AGM 2021

## 2020 Report

Zalando Strategy

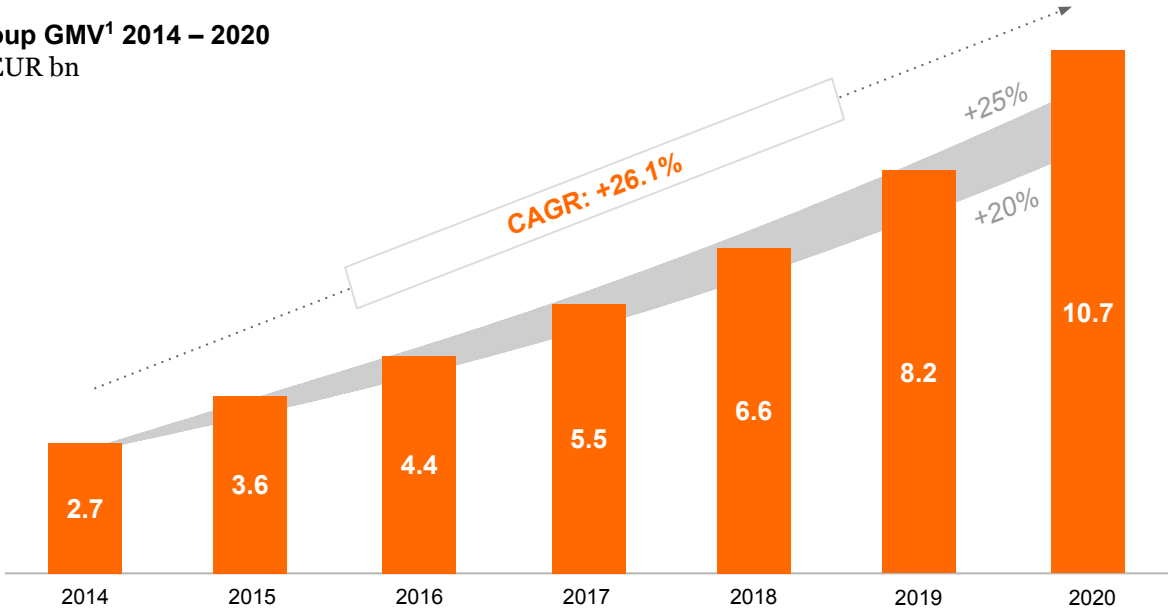
Growth Ambition

# Our consistent growth track record since the IPO is a clear confirmation of our strategy:

Since 2014, we have grown GMV 4x



**Group GMV<sup>1</sup> 2014 – 2020**  
in EUR bn



- ✓ **Outgrew European online fashion market by factor of 2 – 3x2**
- ✓ **Exceeded EUR 10bn GMV target set on CMD in 2017**
- ✓ **Remained consistently profitable with high re-invest into growth**

1) Gross Merchandise Volume (GMV) incl. VAT  
2) Source: Euromonitor International, February 2020. Values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax

**2020 was a year like no other.**

We responded decisively to challenges posed by the COVID-19 pandemic.

Prio

1

Ensure safety of our people



Prio

2

Safeguard financial stability



Prio

3

Be part of the solution



# We have accelerated our growth as European fashion platform throughout 2020



We have become more **European.**

**Our platform** has become increasingly important.

Our business has become more **sustainable.**

The successful implementation of our strategy is also reflected  
in our financial performance.



EUR **10.7** bn  
GMV

**30.4** %  
GMV Growth

**38.7** m  
Active Customers

**5.4** bn  
Site Visits

EUR **420.8** m  
Adj. EBIT

EUR **369.6** m  
Distributable Profit

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Growth Ambition



**Our vision is to be the**  
Starting Point for Fashion in Europe



To achieve our “Starting Point” vision,  
we are transitioning towards a sustainable platform business model



## Customers

Our vision is to be the  
**Starting Point for Fashion**  
in Europe



## Partners

To achieve our vision, we are  
transitioning towards a true  
**platform business**



## People and Planet

In order to win the hearts and minds  
of consumers, we want to build a  
**sustainable platform**

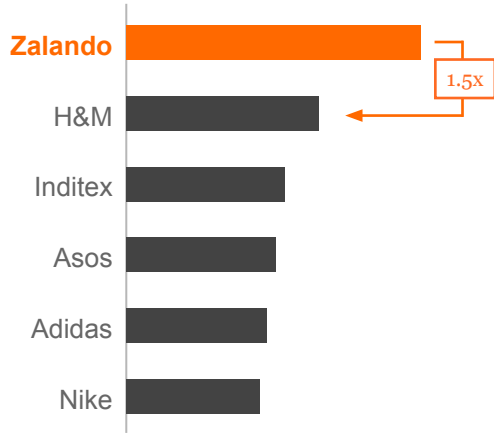
# Customers:

Key indicators clearly point in the direction Starting Point



## Most visited fashion destination

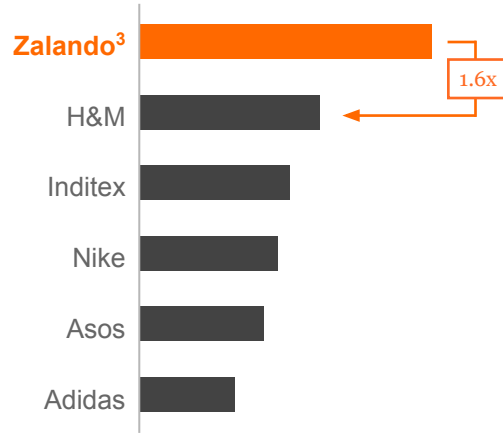
Total unique visitors 2020<sup>1</sup>



~5.4bn total visits in 2020

## Most downloaded fashion App

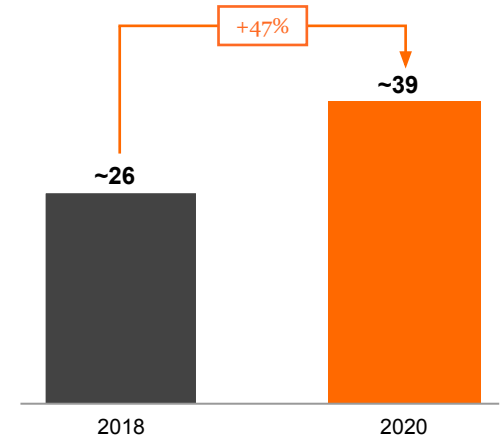
Total app downloads 2020<sup>2</sup>



57% of orders done via App

## ~39m active customers

Active customers in # m



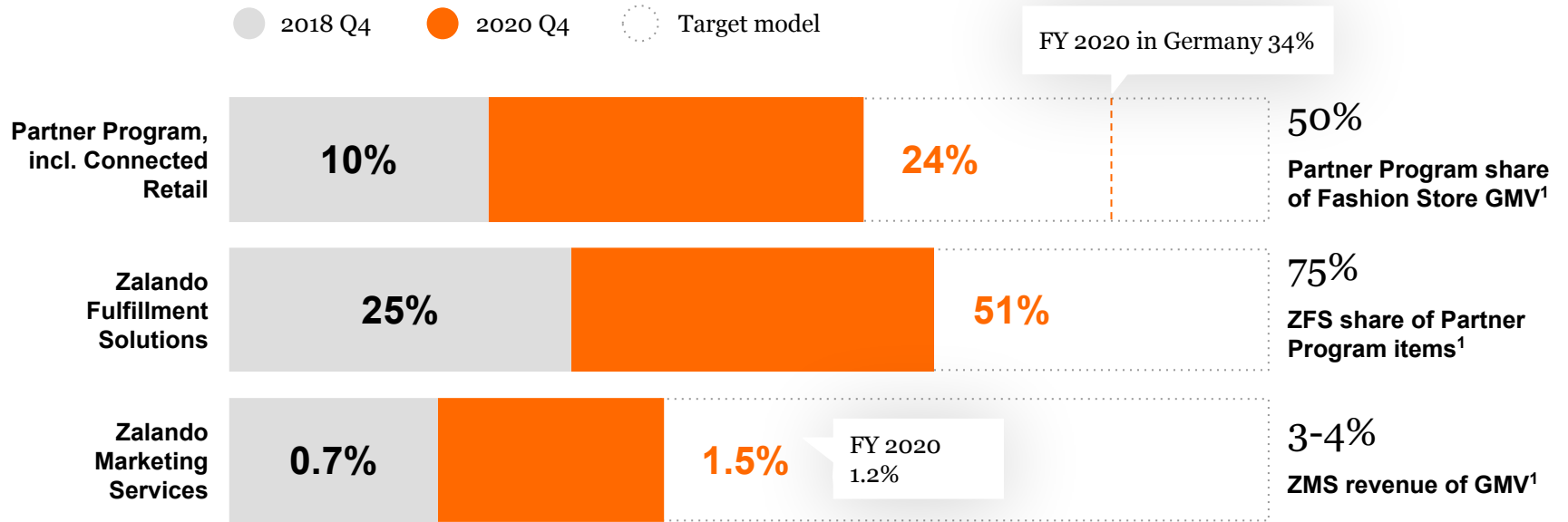
4.8 orders per active customers

1) Source: Comscore, February 2021  
2) Source: SensorTower, February 2021

## Partners:

We have further accelerated our transition towards a platform business

Progress towards our target model



1) Refers to our long-term target model ambition

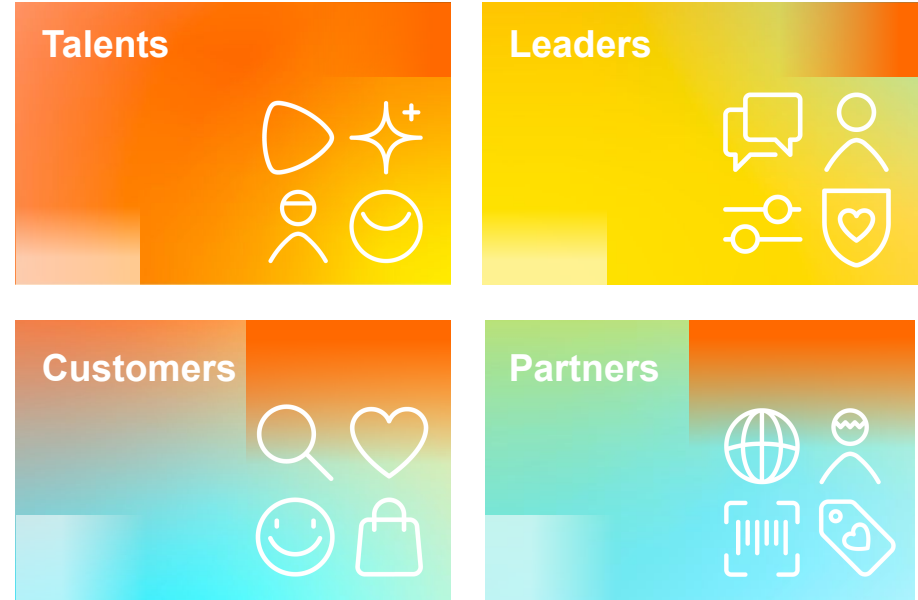
## People:

Our strategy 'do.BETTER' - for more Diversity & Inclusion

# Our vision for more Diversity & Inclusion:

To be **the Starting Point for Fashion** that is welcoming to everyone. We strive to be inclusive by design, bringing to life the diversity of our talent, leaders, customers and partners.  
**#InclusiveByDesign**

We focus on goals across four pillars

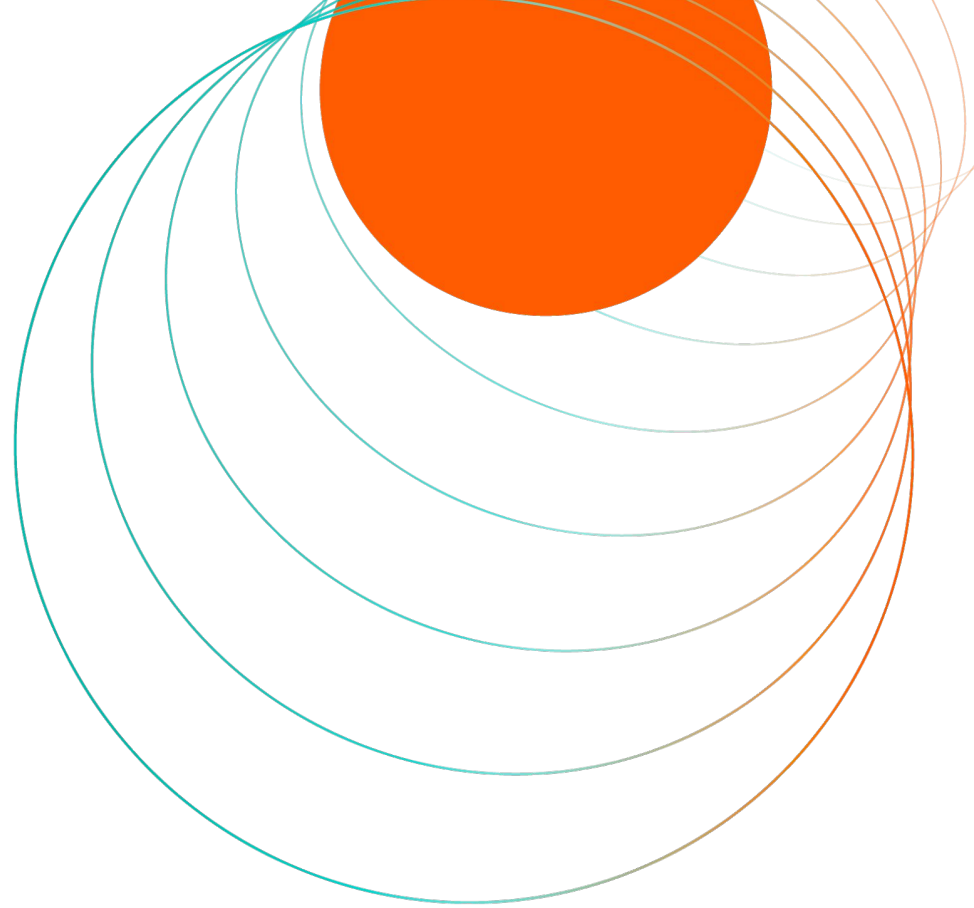


**Planet:**

We want to be part of the solution

**Our sustainability vision:**

To be a sustainable fashion platform with a net-positive impact for people and the planet.



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**Growth Ambition**

# We can capture more than 10% of the total European fashion market long-term by further executing on our vision and strategy



The COVID-19 pandemic **has accelerated change** in the fashion industry **that has long been in progress** and **blurred the boundaries between offline and online**

Our **platform strategy** allows us to **play an even bigger role in fashion** for customers and partners

**Total fashion**  
**>EUR 450bn<sup>1</sup>**

**>10%**

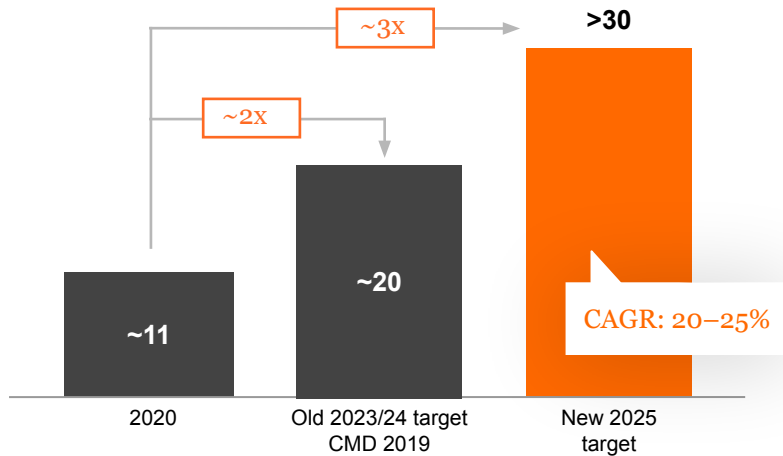
 **zalando**

1) Source: Company estimates and Euromonitor International forecasts, February 2020. Euromonitor forecasts the overall European Fashion Market to grow to roughly EUR 450bn over the next 5-10 years. Values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax

# We upgraded our 2025 GMV targets to more than EUR 30bn at our Capital Markets Day earlier this year



## GMV<sup>1</sup> growth ambition 2025 in EUR bn



## Margin trajectory

- 1 Focus on **growth potential**
- 2 Coming years marked by **growth investments**
- 3 Long term **profitability targets remain unchanged**

1) Gross Merchandise Volume (GMV) incl. VAT



In the first quarter of 2021 we made the first step to turn our ambition and vision into reality



Active customers

41.8m

+30.9% vs Q1 2020

EUR 3.2bn GMV

+55.6%

growth vs Q1 2020

Adjusted EBIT margin

4.2%

EUR 93.3m

# We have upgraded our goals for 2021



## Old FY/21 guidance

**GMV growth of 27 – 32%,  
and revenue growth  
of 24 – 29%**

**Adj. EBIT<sup>1</sup> of  
350 – 425m**

**Negative net working capital and  
EUR 350 – 400 m in Capex<sup>2</sup>**

## New FY/21 guidance

**GMV growth of 31 – 36%,  
and revenue growth  
of 26 – 31%**

**Adj. EBIT<sup>1</sup> of  
EUR 400 – 475m**

**Negative net working capital and  
EUR 350 – 400m in Capex<sup>2</sup>**

1) Excluding equity-settled share-based payment expense ("SBC") of ~EUR 65m vs previously communicated ~EUR 57m, restructuring costs and non-operating one-time effects for FY/21

2) Excludes M&A transactions



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