Financial Deep Dive

Speaker:
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12 March 2026

2026

zalando

Financial Results 2025

01

Business highlights: We focus on strategy execution, accelerating our growth and creating shareholder value

Strong strategy execution

62m
active customers

1.1bn
B2B revenue[1], EUR

10m
synergy delivery[2] & acceleration by one year, EUR

Delivered at high end of 2025 guidance

+14.7%
GMV[3] growth year-on-year

+16.8%
revenue growth year-on-year

591m
adjusted[4] EBIT in EUR

Capital allocation framework

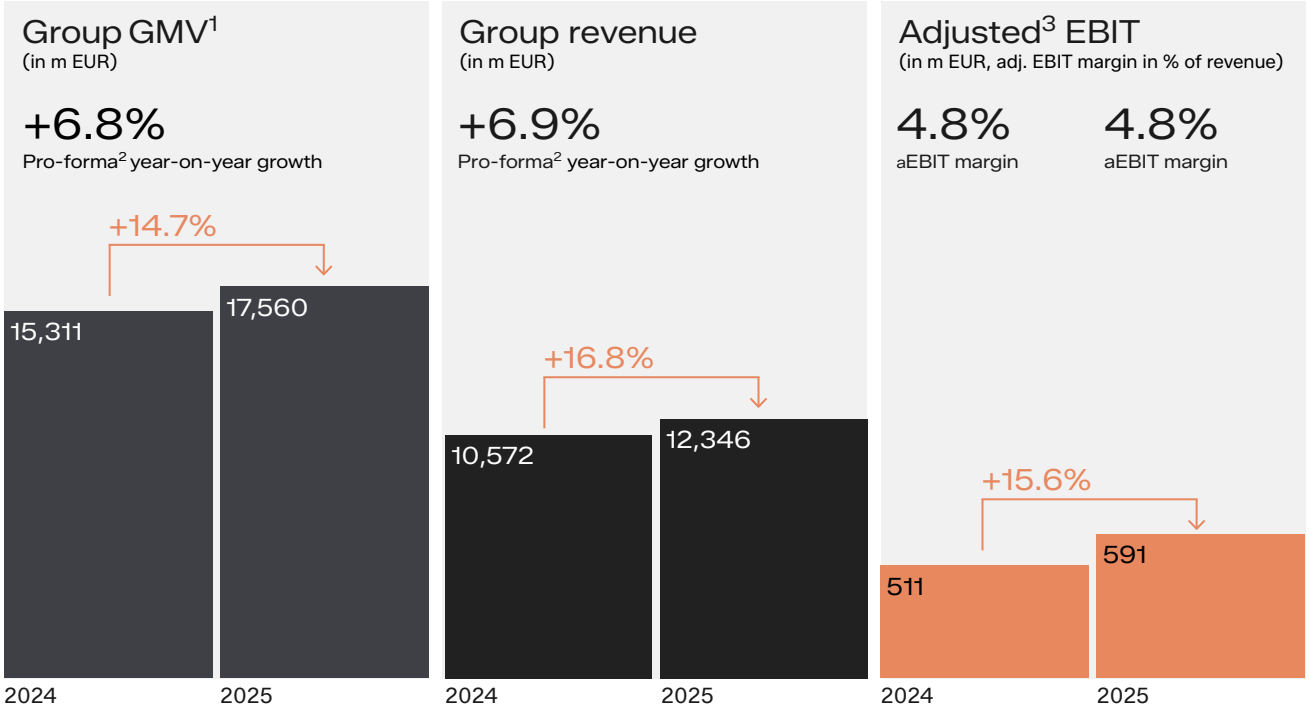
1.9bn
strong cash position, EUR

~2.0%
capex / revenue ratio until 2028

up to 300m
share buy-back, EUR

[1] FY 2025 contains 23.9m EUR reconciliation of inter-segment revenue
[2] Before integration cost
[3] B2C Gross merchandise volume after returns (GMV), dynamically reported
[4] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects and acquisition-related expenses

Group: We delivered on our guidance with growth in all business segments



GMV & revenue

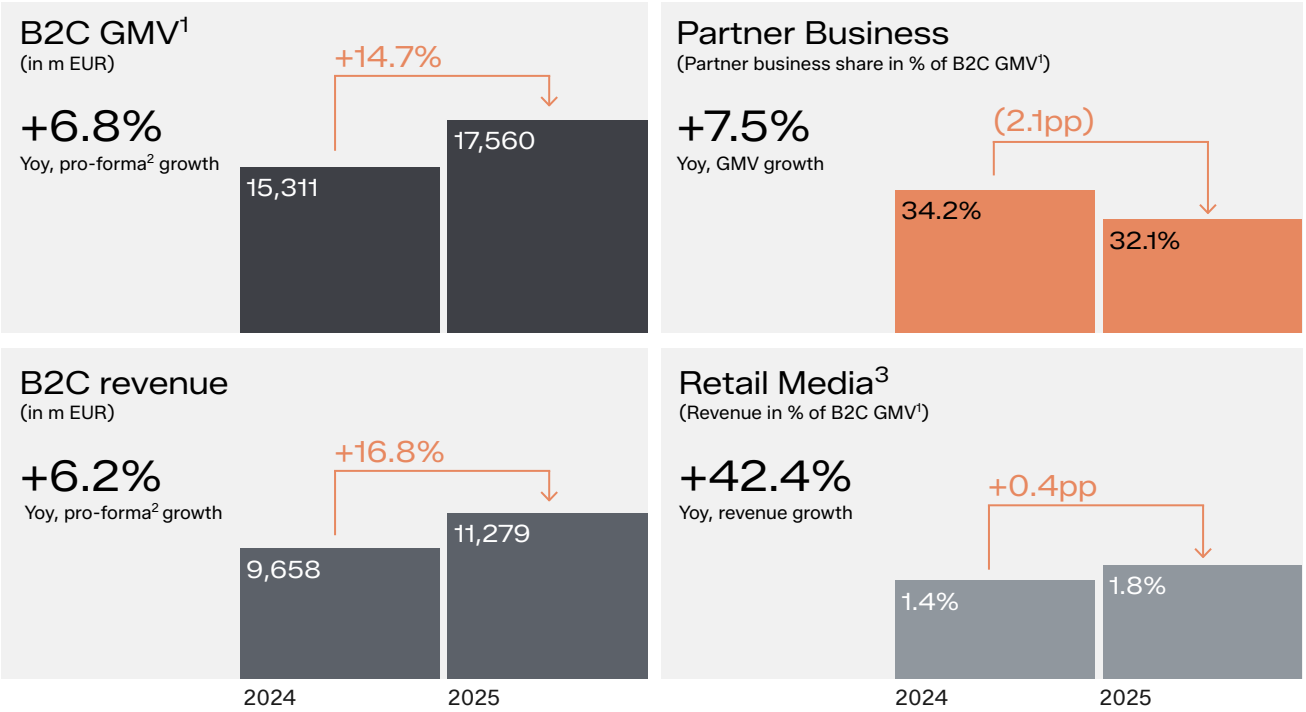
- Reported: increase primarily due to the inclusion of ABOUT YOU and solid business performance of Zalando
- Acceleration in GMV growth demonstrates continued resilience in a muted macroeconomic landscape
- Strong performance in Retail Media, ZEOS Fulfillment and SCAYLE contributed to revenue growth

Adjusted EBIT

- Profitability remained solid despite dilutive impact from ABOUT YOU inclusion
- ABOUT YOU adjusted EBIT break-even including synergies
- Zalando stand-alone margin at 5.3% (+0.5pp year-on-year)

[1] Gross merchandise volume after returns (GMV), dynamically reported
[2] On a pro-forma basis as of 11 July, assuming ABOUT YOU had been part of the group in the prior-year period. Pro-forma numbers were not subject to financial audit.
[3] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects and acquisition-related expenses

B2C: Accelerated growth driven by ABOUT YOU, lifestyle expansion, partner business and retail media



B2C GMV & revenue

- Lifestyle expansion drives strong growth in Lounge, Sports, Kids & Family and Beauty
- Roll-out of upgraded Zalando Plus serving more than 16m customers
- Zalando launch in Portugal and Greece
- Strong performance in both, retail and partner business

Partner Business

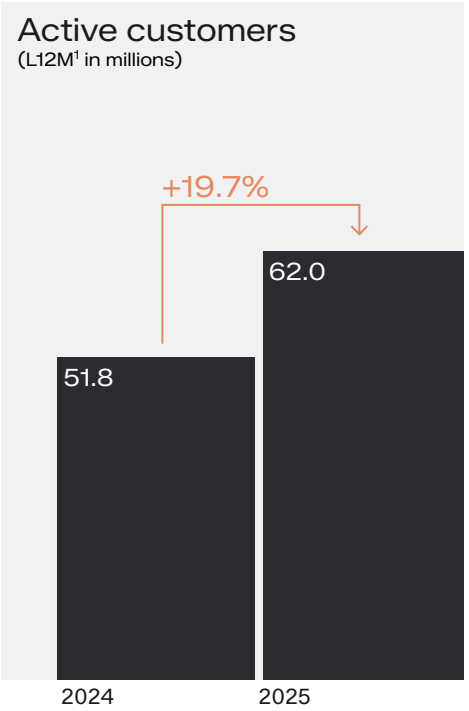
- Decline in partner business share due to inclusion of ABOUT YOU
- Stand-alone Zalando share at 34.5% of GMV, ABOUT YOU with low single digit partner business share in 2025

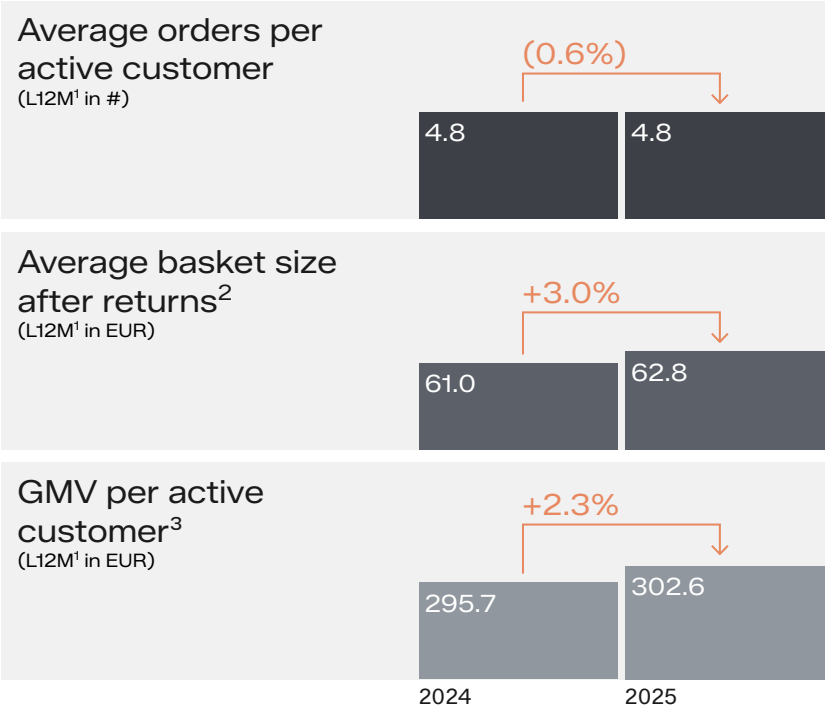
Retail Media

- 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] On a pro-forma basis as of 11 July, assuming ABOUT YOU had been part of the group in the prior-year period; the corresponding prior year amounts were not subject to the 2024 financial statement audit
[3] Retail Media defined as Zalando Marketing Services (ZMS) and ABOUT YOU Retail Media

B2C: Increased customer reach and customer spending





Active customers

- Growth primarily driven by inclusion of ABOUT YOU and expansion of individual customer bases
- Joint-customer base of ~6m customers with a significantly higher spending compared to customers that only shop on one platform

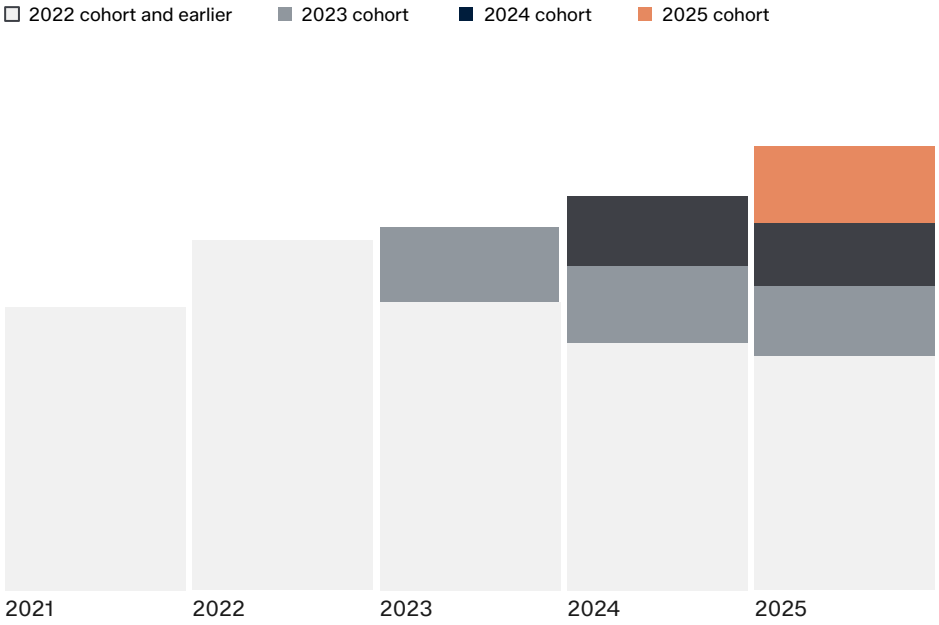
GMV per active customer

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

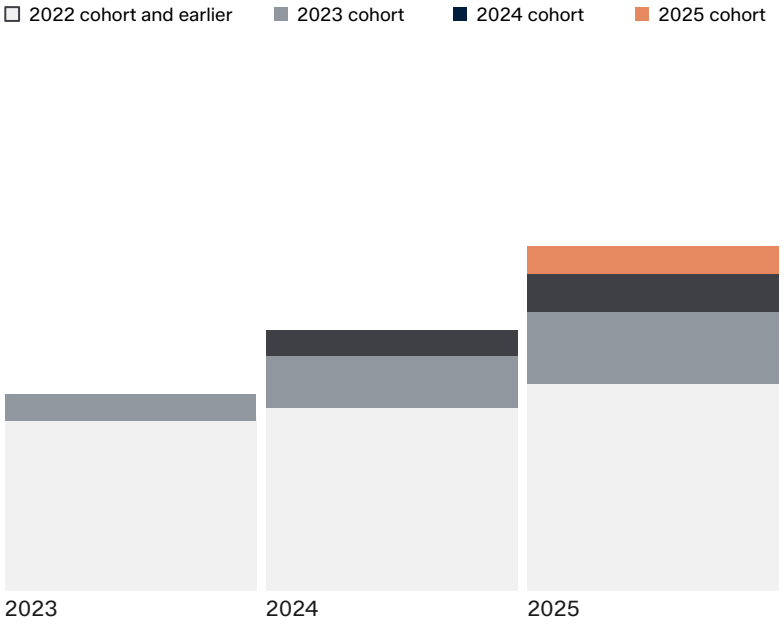
[1] L12M = last twelve months
[2] Defined as GMV L12M divided by the number of orders
[3] Defined as GMV L12M divided by the number of active customers

B2C: Including ABOUT YOU, we continue to build up a sustainable and high value customer base, contributing to profitable long term growth

Cohort[1] development in GMV
(in m EUR)

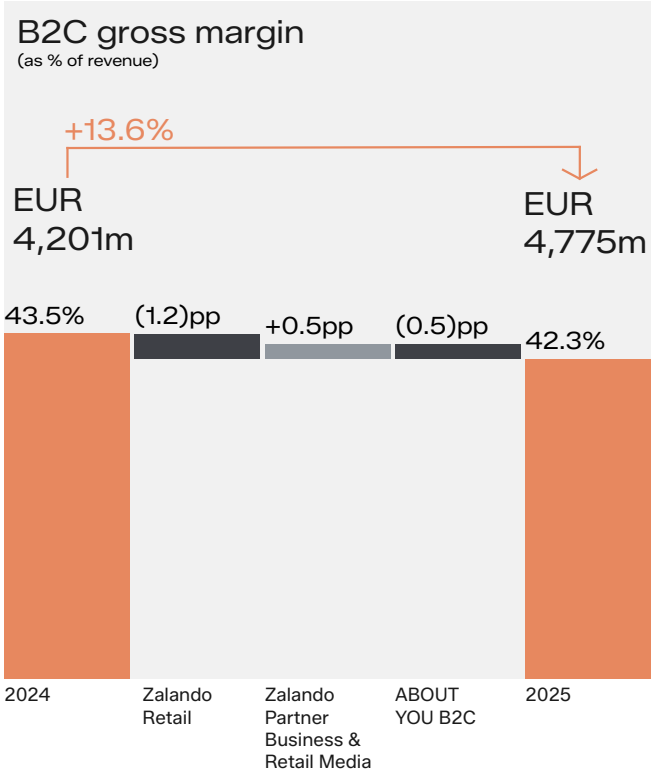


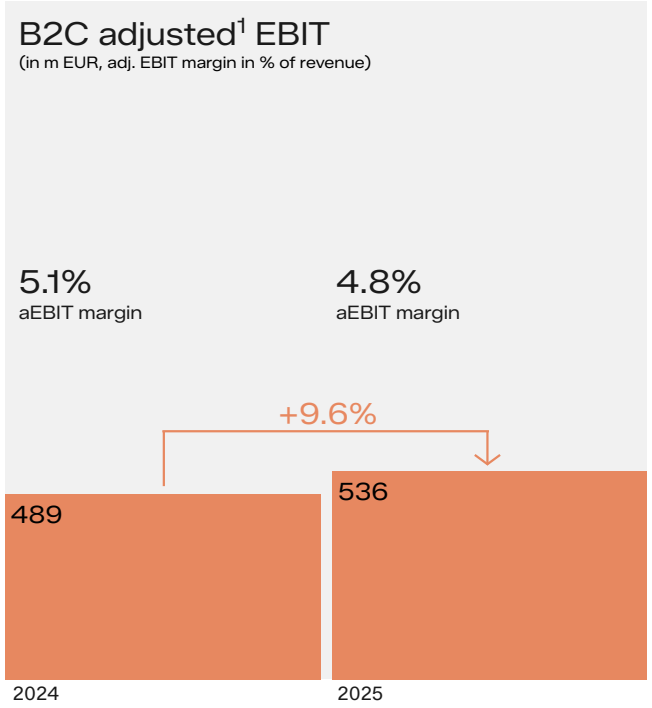
Profit contribution[2] per customer
(illustrative, in EUR)



[1] Cohort refers to customers grouped by the calendar year in which they first placed an order with Zalando or ABOUT YOU. 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

B2C: Profitability impacted by inclusion of ABOUT YOU's commerce business with improving underlying Zalando stand-alone profitability





B2C gross margin

- Gross margin impacted by Zalando B2C and inclusion of ABOUT YOU
- Margin decline partly offset by strong growth in higher-margin Partner and Retail Media businesses.
- Strong performance of Zalando Lounge, which operates on a structurally lower gross profit margin profile

B2C adjusted EBIT

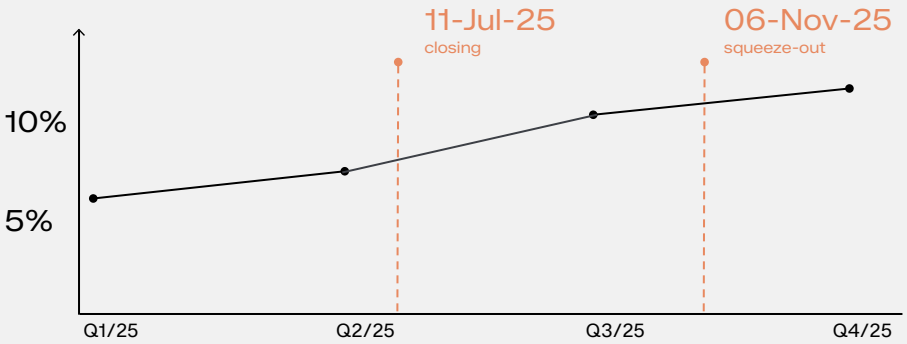
- Impact from inclusion of ABOUT YOU
- Zalando stand-alone margin slightly surpassing last years level with lower OPEX more than compensating the decline in gross margin

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

ABOUT YOU: Achieving strong growth and capturing synergies rapidly, now expecting full synergy potential of 100m EUR one year earlier than planned by 2028

ABOUT YOU with strong growth and improved profitability since closing

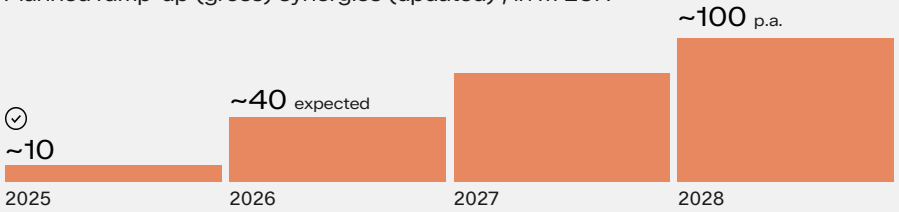
Quarterly ABOUT YOU GMV growth in 2025 (in % year-on-year)



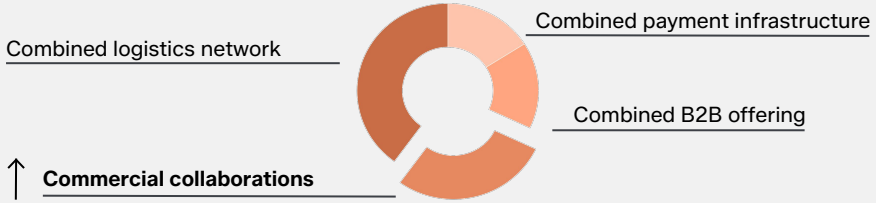
- Adjusted EBIT break-even in H2/25 including synergies
- On a full year run-rate, disciplined value creation approach shows 20% of synergies delivered already in 6 months after closing

Accelerated synergy capture with total delivery one year ahead of plan due to earlier commercial synergies

Planned ramp-up (gross) synergies (updated)[1], in m EUR

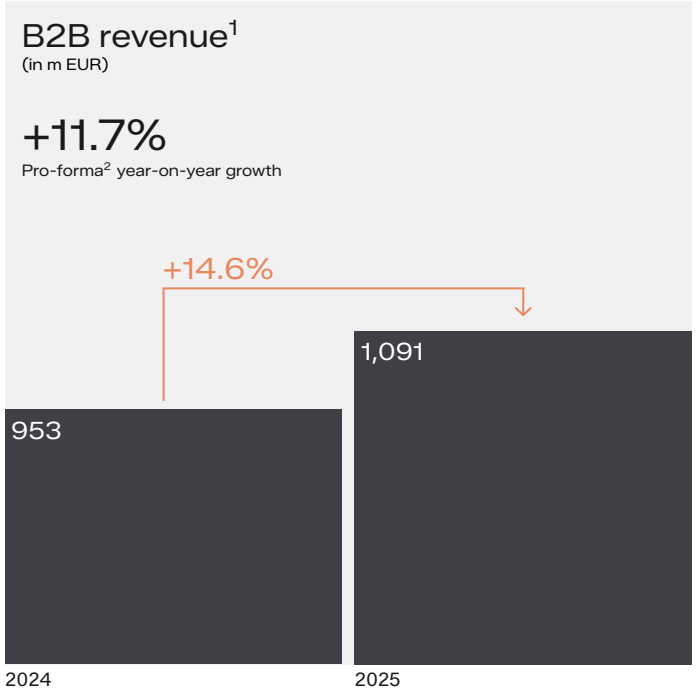


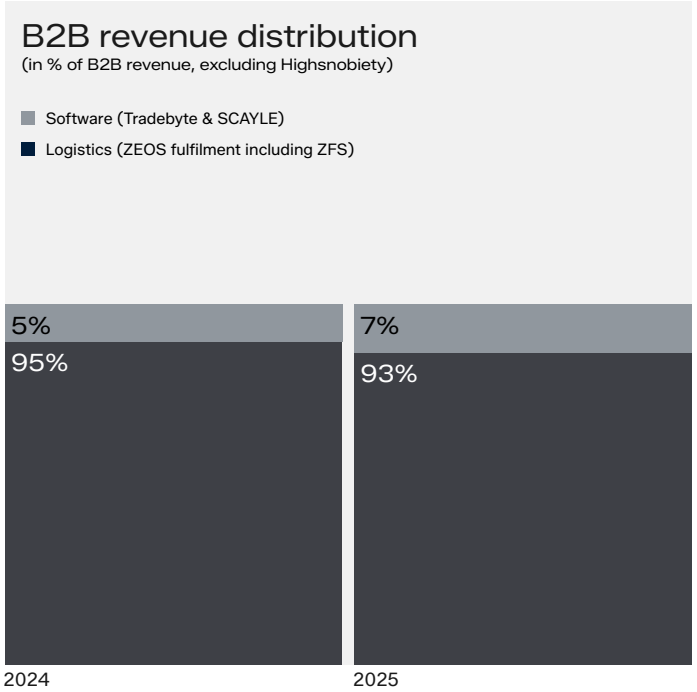
Sources of synergies in 2028 (illustrative)



[1] Before integration cost

B2B: Strong and accelerating revenue momentum





B2B revenue

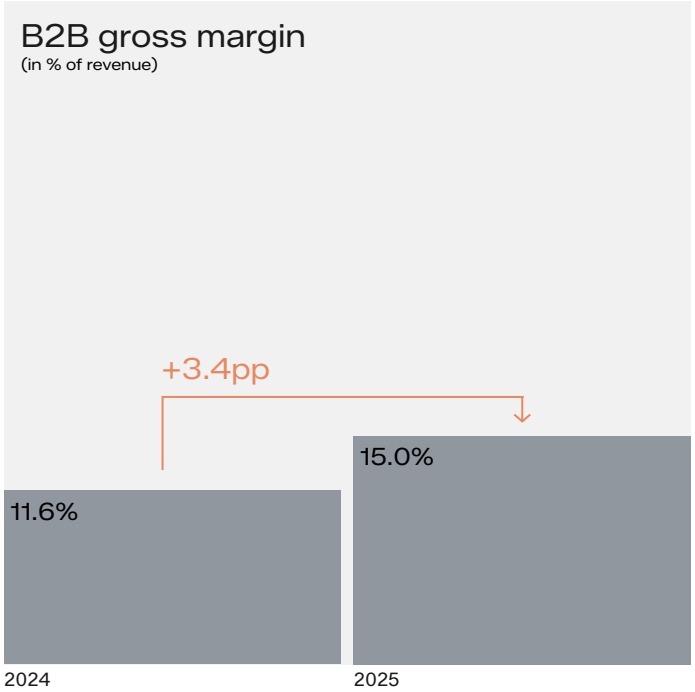
- Primarily fueled by ZEOS Fulfillment, which includes both Zalando Fulfillment Solutions and Multi-Channel Fulfillment
- ZEOS Multi-Channel Fulfillment served over 70 merchants across 18 channels shipping 5x more items year-on-year
- Additionally, the inclusion of SCAYLE supported revenue growth

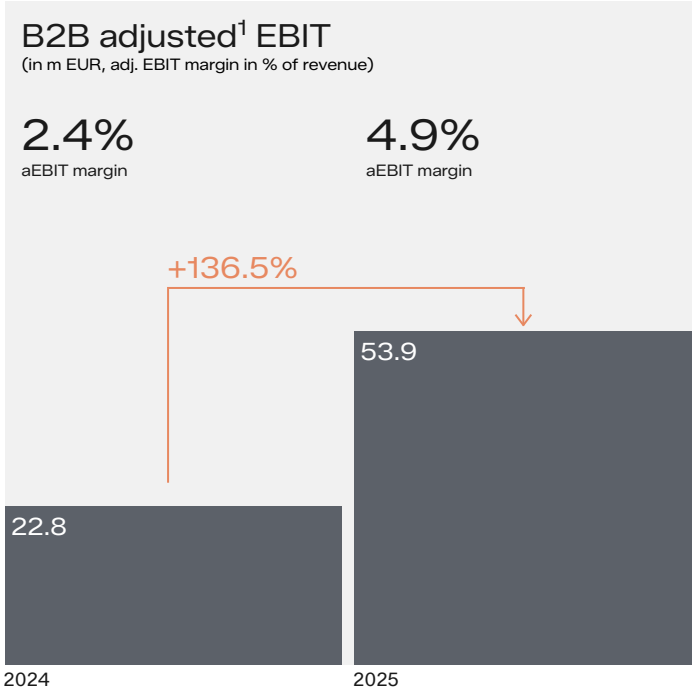
B2B revenue distribution

- B2B's major revenue stream is logistics as a service, complemented by fast growing software as a service revenues from Tradebyte and SCAYLE

[1] FY 2025 contains 23.9m EUR | FY 2024 37.8m EUR reconciliation of inter-segment revenue
[2] On a pro-forma basis as of 11 July, assuming ABOUT YOU had been part of the group in the prior-year period; the corresponding prior year amounts were not subject to the 2024 financial statement audit

B2B: Double digit revenue growth translates into profitability increase





B2B gross margin and adjusted EBIT

- Improvement was driven by increased efficiency and scale in ZEOS Fulfillment and the inclusion of software revenues from SCAYLE

[1] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects andacquisition-related expenses

Group adjusted EBIT margin stable despite inclusion of ABOUT YOU

Costs and margins
(as % of revenue)

	FY/24	FY/25	YoY Δ	YoY Δ excl. adjustments[1]
Gross margin	40.7%	39.9%	(0.8)pp	(0.8)pp
OPEX	(37.0)%	(36.7)%	+0.3pp	+0.8pp
Fulfilment costs	(22.9)%	(23.0)%	(0.1)pp	(0.1)pp
Marketing costs	(9.3)%	(9.1)%	+0.1pp	+0.3pp
Administrative expenses & other	(4.8)%	(4.6)%	+0.2pp	+0.5pp
EBIT	3.7%	3.1%	(0.6)pp	
Adjusted[1] EBIT	4.8%	4.8%	0.0pp	

Gross margin

- Gross margin impacted by Zalando B2C (0.5)pp and inclusion of ABOUT YOU B2C business (0.2)pp
- Mid-term gross margin target around 40% remains

OPEX

- Decrease driven by increased efficiencies, AI-based automation and operating leverage
- Goal to be in the lower 30s by 2028

Adjusted EBIT

- Decline in gross margin fully compensated by decrease in OPEX on an adjusted basis

[1] Adjustments consider equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects andacquisition-related expenses. EBIT adjustments in 2025 amount to 203m EUR

Group net working capital driven by ABOUT YOU inclusion and strong partner business performance during Cyber Week

Net Working Capital
(m EUR)

	Q4/24	Q4/25	YoY Δ	
Inventories	1,550	2,105	+35.8%	+12.2% Zalando stand-alone
Trade receivables	926	1,138	+22.8%	+15.3% Zalando stand-alone
Trade payables	2,745	3,919	+42.8%	+23.8% Zalando stand-alone
Net working capital	**(269)**	**(676)**		

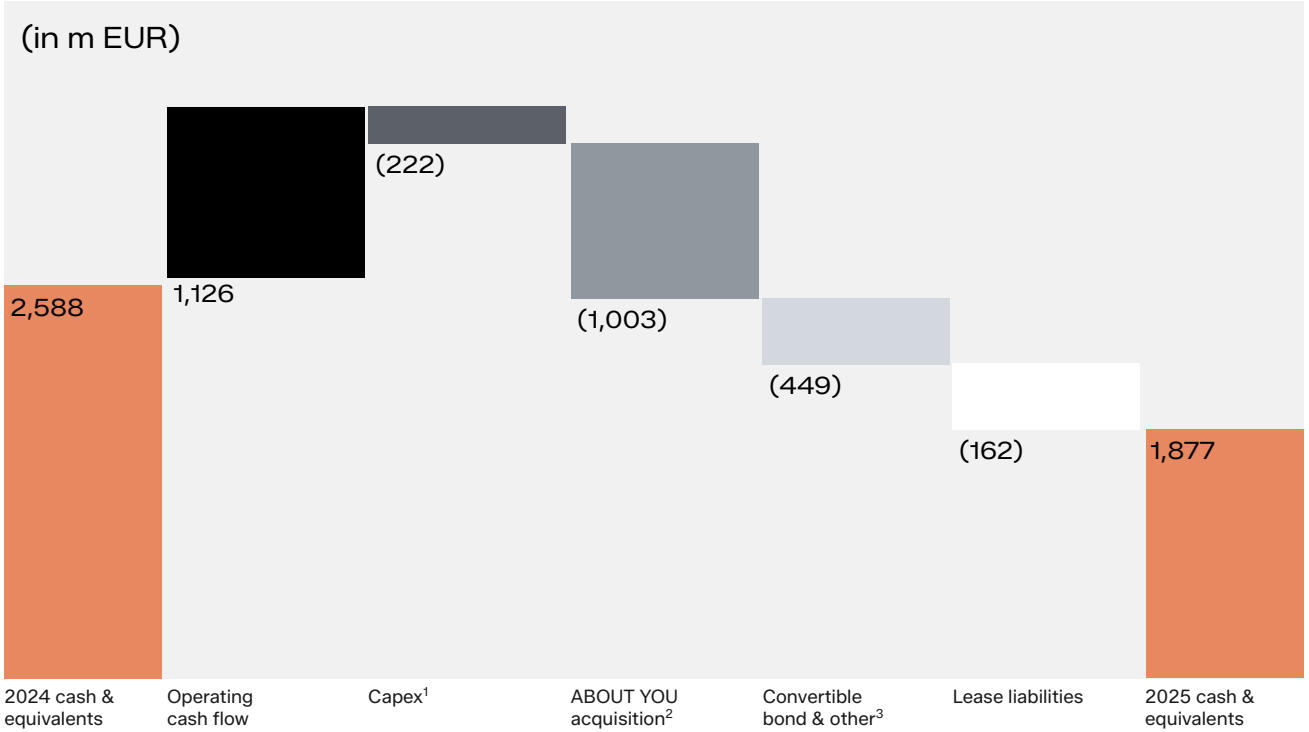
Inventories

- Zalando stand-alone inventories primarily driven by strategic expansion into lifestyle areas such as Sports
- Higher share of inventory carried in Sports, Kids & Family and Lounge leading to a corresponding increase in inventory

Trade payables

- Zalando stand-alone payables driven by strong partner business performance during Cyber Week and corresponding pay outs in early 2026

Group cash and cash equivalents remain strong after pay-down of convertible bond and consideration transferred for ABOUT YOU acquisition



Operating cash flow

- Mainly driven by operating income and development of net working capital

Capex

- Increase of ~16m EUR year-on-year relates mainly to increase in internally developed software and inclusion of ABOUT YOU

ABOUT YOU acquisition

- Payment for the acquisition of ABOUT YOU and the squeeze-out to acquire the remaining shares

Convertible bond & other

- Pay-down of convertible bond of 400m EUR, 100m EUR share buy-back

Lease liabilities

- Increase due to first-time consolidation of ABOUT YOU

[1] Includes investments in fixed assets of (98.0)m EUR and intangible assets of (124.5)m EUR
[2] Includes payments for acquisitions (906.8)m EUR and payments for the squeeze-out to acquire the remaining shares of ABOUT YOU of (96.6)m EUR
[3] Includes repayment of the convertible bond of (400.0)m EUR, payments for the repurchase of treasury shares of (98.2)m EUR and cash received from investments in term deposits of 49.0m EUR

Outlook

02

Looking ahead, we will focus on strategy execution, continued growth above market and increasing adjusted EBIT

Guidance 2026[1]

		In EUR	YoY growth
Growth	GMV[2]	19.7bn - 20.6bn	12% – 17%
	Revenue	13.8bn – 14.4bn	12% – 17%
Profitability	Adjusted[3] EBIT	660m – 740m	
Cash	Capex	240m – 300m	
	Net working capital	negative	

On a pro-forma[4] basis, the guidance represents a 5% – 10% increase year-on-year for GMV and 3% - 8% increase for revenue.

Segment level performance:

- B2C: Scaling our multi-app approach and AI personalization. High partner 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 including the recently announced reshaping of our logistics network, significant 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

Our mid-term guidance for the combined group including ABOUT YOU until 2028 - reflecting our ambition to accelerate our financial performance

5-year CAGR (2023 - 2028) Adj. EBIT margin in % of revenue		As communicated at our Strategy Update in March 2024 for Zalando stand-alone	Group mid-term guidance 2028 Reiterated and translated for Zalando group including ABOUT YOU[3]
Growth	GMV - CAGR	5% – 10%	8% – 13%
	Revenue - CAGR	5% – 10%	8% – 13%
Profitability	Adj.[1] EBIT margin	6% – 8% in 2028	6% – 8% in 2028
Cash generation	Capex	~3% of revenue	~2% of revenue
	Net working capital	negative	negative
	Free cash flow[2]	Strong free cash flow	Strong free cash flow

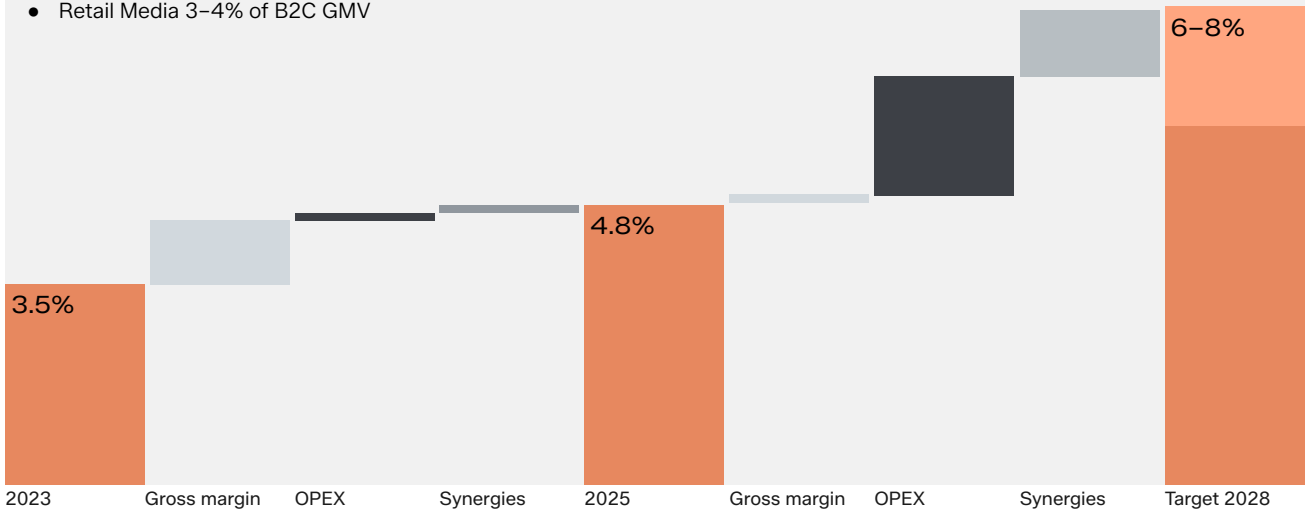
[1] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects and acquisition-related expenses
[2] Excludes M&A transactions
[3] Since 11 July 2025

We have a clear pathway to our medium-term target margin of 6–8% adjusted EBIT in 2028

Adjusted EBIT margin
(as % of revenue, illustrative)

2028 platform targets confirmed:

- Partner Business share of 40-50% of B2C GMV
- Retail Media 3–4% of B2C GMV



Stable gross margin ambition of ~40%

- B2C and B2B gross margin will continue to improve
- Increase in B2C gross margin until 2028 will be offset by fast growing lower-gross-margin B2B logistics business

Significant lower OPEX

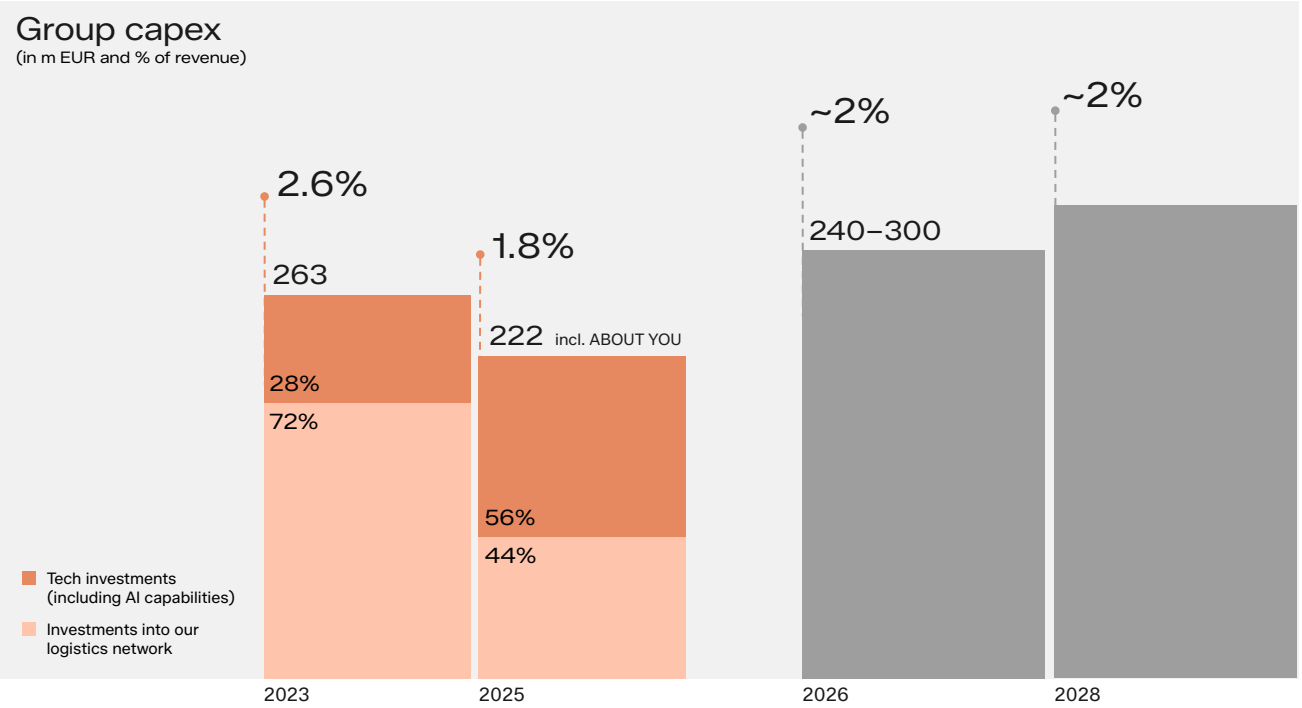
- Fulfilment: cost efficiencies will be supported by increasing utilization and AI-based automation, further support from 2026 network optimization with additional double-digit million in cost savings from 2028 onwards
- Marketing: adjusted marketing cost ratio[1] improves
- Admin: capture economies of scale and drive administrative efficiencies

Synergy capture from ABOUT YOU transaction

- Significant synergy contributions from ABOUT YOU transaction before achieving full 100m EUR synergy potential in 2028

[1] Adjusted marketing cost ratio defined as marketing cost excluding PPA (purchase price allocation for ABOUT YOU) divided by revenues

Accelerated investments in tech while keeping capex spend around 2% of revenues



Tech investments / intangibles

- Zalando invested in data, infrastructure and AI for years, embedding it across the business

Logistics network investments / tangibles

- Following the launch of our Paris and Frankfurt hubs, our network consolidation will result in exiting 4 sites, keeping 14 core distribution centers. No further footprint expansion is required in the mid-term
- Future investments into logistics will be dominated by increasing automation, upgrades to existing sites and maintenance

Updated capital allocation framework and announcement of up to 300m EUR share buy-back

01

Maintain a strong balance sheet

Maintain robust liquidity (~10% of last-twelve month revenue) to ensure operational flexibility and resilience and to cover for seasonality

02

Continue to invest to create long-term value

Focus on organic growth investments to deliver on strategic and financial objectives supported by selective M&A with strict ROI hurdles

03

Return excess capital to shareholders

Where cash exceeds operational and strategic requirements, we will engage in share buy-backs on an opportunistic basis and only when it maximises value to shareholders

Share buy-back of up to

300m EUR

Key takeaways

01

We delivered at the high-end of our FY 2025 guidance.

02

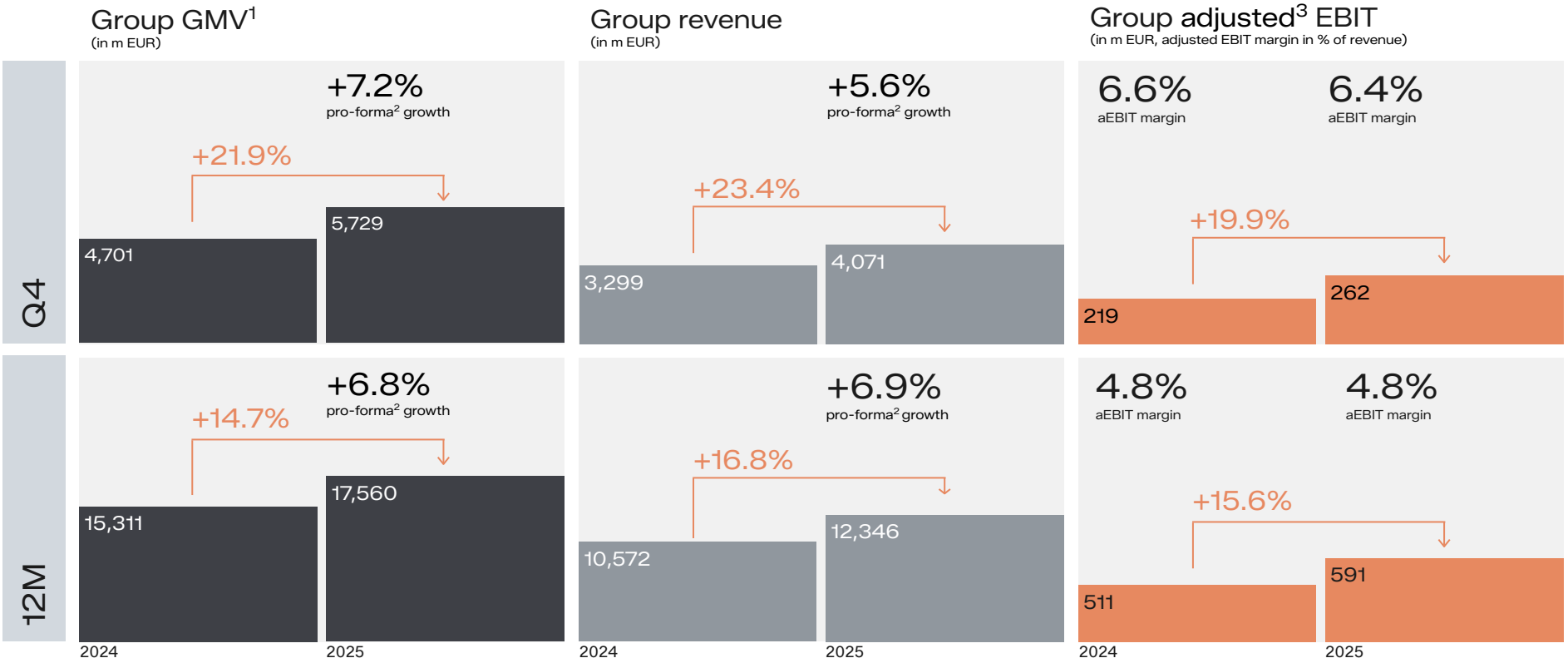
We will achieve our mid-term adjusted EBIT margin targets of 6-8% and realise 100 million EUR synergies from ABOUT YOU in 2028.

03

We announced our capital allocation framework and decided for a buy-back of up to 300m EUR.

Appendix

Q4: Group performance



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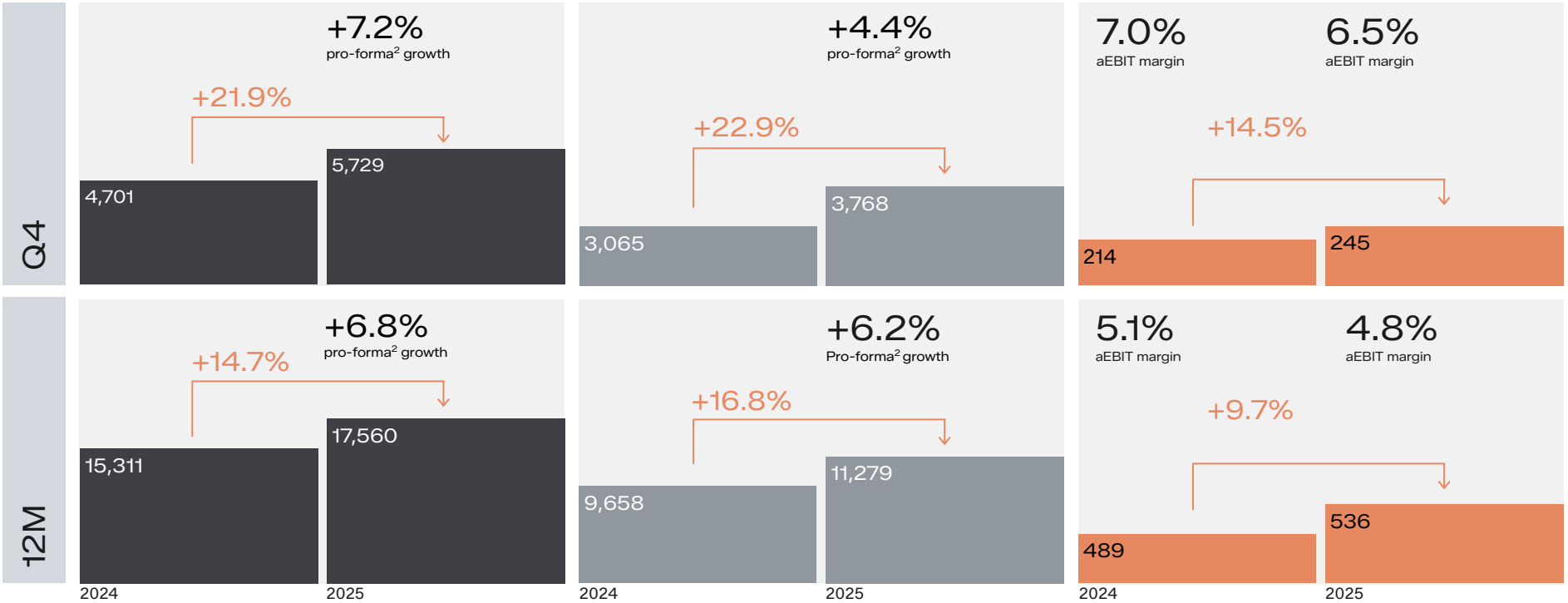
Q4: B2C



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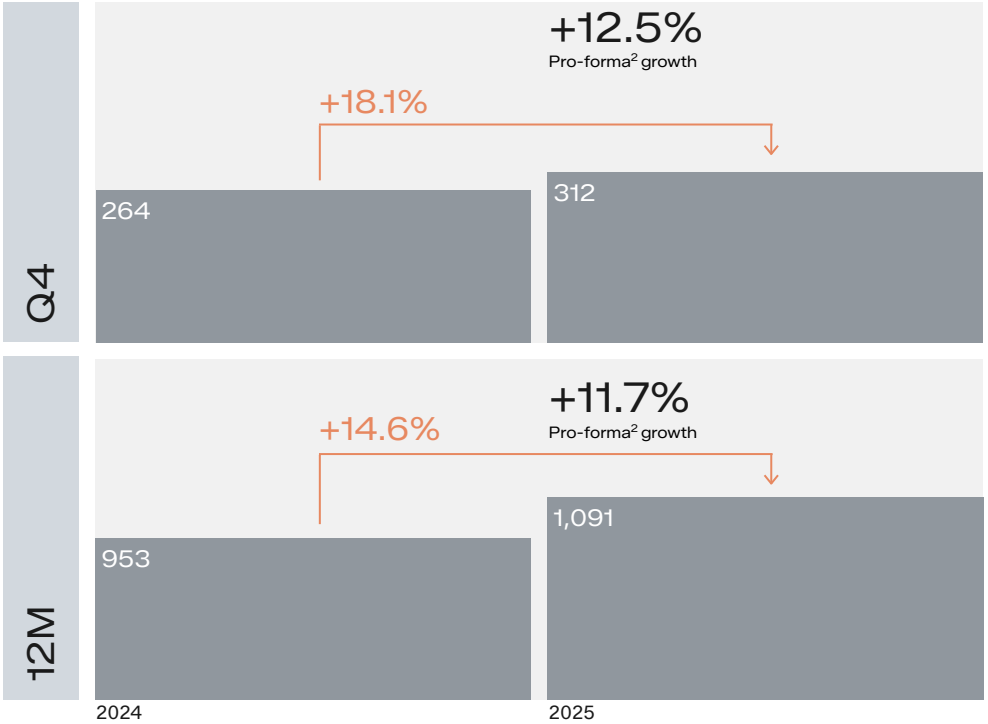
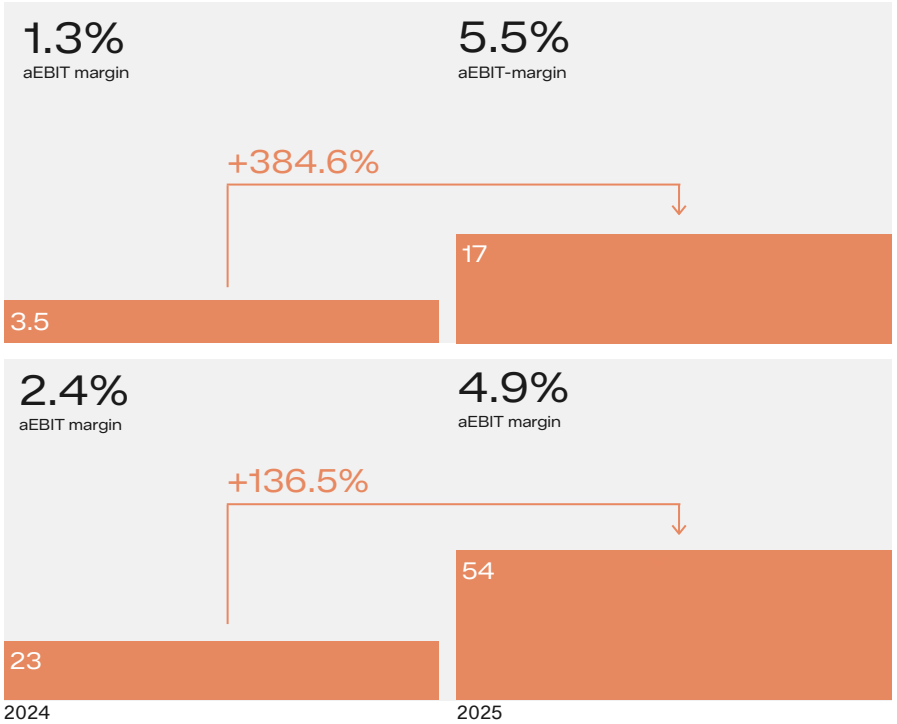
[3] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects andacquisition-related expenses
[4] Q4 2025 contains 0.1m EUR | Q4 2024 1.1m EUR reconciliation of inter-segment EBIT. FY 2025 contains 0.7m EUR | FY 2024 (0.4)m EUR reconciliation of inter-segment EBIT

Q4: B2B

B2B revenue[1]
(in m EUR)



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



[1] Q4 2025 contains 9.2m EUR | Q4 2024 29.7 m EUR reconciliation of inter-segment revenue. FY 2025 contains 23.9m EUR | FY 2024 37.8m EUR reconciliation of inter-segment revenue
[2] On a pro-forma basis as of 11 July, assuming ABOUT YOU had been part of the group in the prior-year period; the corresponding prior year amounts were not subject to the 2024 financial statement audit
[3] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects andacquisition-related expenses

Q4: P&L

Costs and margins
(as % of revenue)

	12M/24	12M/25	YoY Δ	Q4/24	Q4/25	YoY Δ
Gross profit	40.7%	39.9%	(0.8)pp	41.7%	39.9%	(1.7)pp
Fulfilment costs	(22.9)%	(23.0)%	(0.1)pp	(21.7)%	(21.8)%	(0.1)pp
Marketing costs	(9.3)%	(9.1)%	+0.1pp	(10.4)%	(9.5)%	+0.8pp
Administrative expenses & other	(4.8)%	(4.6)%	+0.2pp	(4.5)%	(4.3)%	+0.2pp
EBIT	3.7%	3.1%	(0.6)pp	5.1%	4.2%	(0.8)pp
Adjusted[1] EBIT	4.8%	4.8%	0.0pp	6.6%	6.4%	(0.2)pp

[1] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects andacquisition-related expenses

EBIT adjustments

In m EUR

	2024	2025	Change
EBIT	391.9	387.2	(4.7)
Share-based compensation	82.4	91.9	9.5
Acquisition related expenses	30.5	56.5	26.0
One-time effects	6.3	12.1	5.8
Restructuring costs	0.0	42.8	42.8
Adjusted[1] EBIT	511.1	590.7	79.6

[1] Excludes equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects andacquisition-related expenses

FY/25 GMV to revenue bridge (illustrative)

	2024 (in m EUR)	2025 (in m EUR)	Comments
Group GVM[1]	**15,311**	**17,560**	Gross merchandise value (incl. VAT)
Partner business GMV	5,241	5,637	32.1% in FY 2025 (34.2% in FY 2024) of B2C GMV
Retail GMV[1]	**10,070**	**11,924**	
Retail VAT	1,655	1,956	~16% of GMV in 2025
Retail NMV[1]	**8,415**	**9,968**	Net merchandise volume (excl. VAT)
Revenue recognition	-/+...	-/+...	Point of order (GMV) vs. customer receipt (revenue)
Other merch revenue effects	-/+...	-/+...	e.g. bulk sales revenue, hedging effects, return provisions
Merchandise sale revenue	**8,409**	**9,913**	IFRS standards, Zalando annual report
B2C service revenue	-/+...	-/+...	e.g. Partner business commissions, Retail media revenues, shipping fees, express delivery charges, dunning fees
B2B service revenue	-/+...	-/+...	e.g. ZEOS Fulfilment (including Zalando Fulfilment Solutions), Tradebyte, SCAYLE, Highsnobiety
Group revenue	**10,572**	**12,346**	IFRS standards, Zalando annual report

[1] After returns and cancellations, dynamically reported

Issued share capital

Share information (as of 31 December 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	**264,181,977**
	Issued capital	**264,181,977 EUR**

Stock option programms management board
(as of 31 December 2025)

Programm	# Options outstanding	Weighted average exercise price (EUR)
LTI 2018[1]	4,296,949	47.44
LTI 2021	625,656	23.51
LTI 2024	623,635	27.48
ZOP 2021	322,110	17.29
Total	**5,868,350**	**41.11**

Stock option programms senior management
(as of 31 December 2025)

Programm	# Options outstanding	Weighted average exercise price (EUR)
EIP[2]	1,340,755	42.47
ZOP 2019	7,952,926	23.77
Total	**9,293,681**	**26.47**

[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.