



Zalando Q1 Earnings Call

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

6 May 2026

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zalando

Executive Summary

- 01 Q1 performance: Strong start to the year**
GMV growth of +21.7% and revenue growth of +23.8%. Adjusted EBIT increased year-on-year to 65m EUR
- 02 AI: Continued strong traction on AI across our business**
Leveraging our unique fashion and lifestyle data, AI is delivering substantial impact across customer experience, logistics and platform excellence, driving both growth and efficiency
- 03 B2C: Scaling our multiple consumer apps built on our powerful platform**
Strong growth across all three consumer apps with ABOUT YOU and Lounge by Zalando achieving double-digit growth rates
- 04 B2B: Continued double-digit revenue growth trajectory**
Expanded our reach, launching ZEOS in Norway and adding two new marketplaces. We now serve a total of 26 markets and 20 sales channels
- 05 Outlook: Confirming our full year 2026 guidance**
GMV and revenue growth at 12 – 17%, adjusted EBIT range of 660 – 740m EUR, 240 – 300m EUR capex and negative net working capital





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

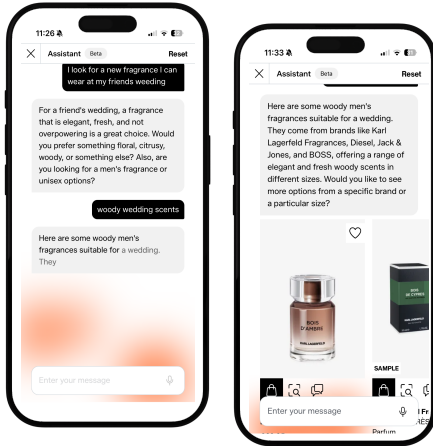
>7,000
brands

~3,000
data scientists and engineers



We continue to see strong traction on AI across our business

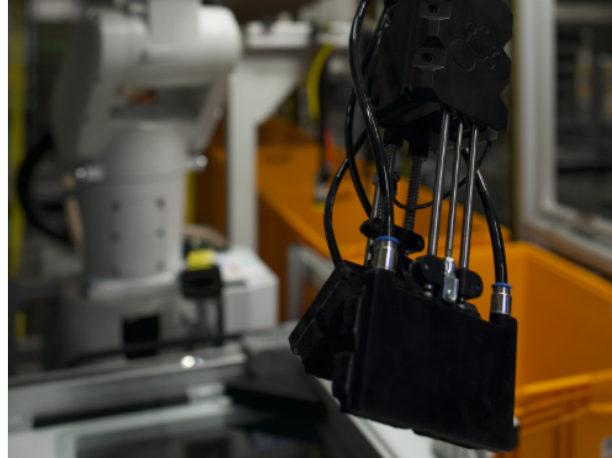
Supporting personalised Sports- and Beauty-advice through our Zalando Assistant



~10 million

customers interacted with Zalando Assistant¹

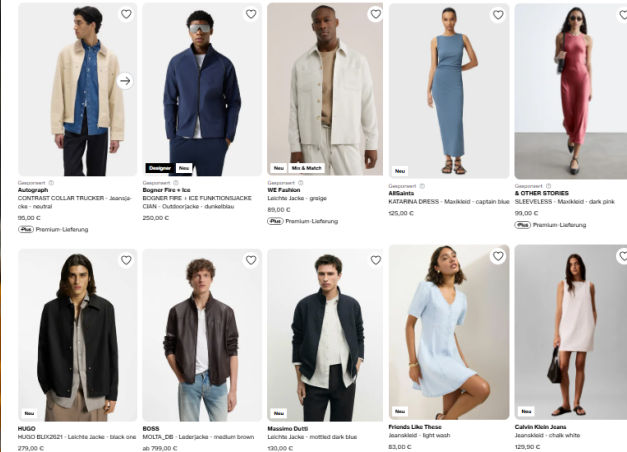
Scaling AI-powered robots for efficiency gains in logistics



~2 million

picks are automated by robots every month

Boosting partner article onboarding for improved variety and availability

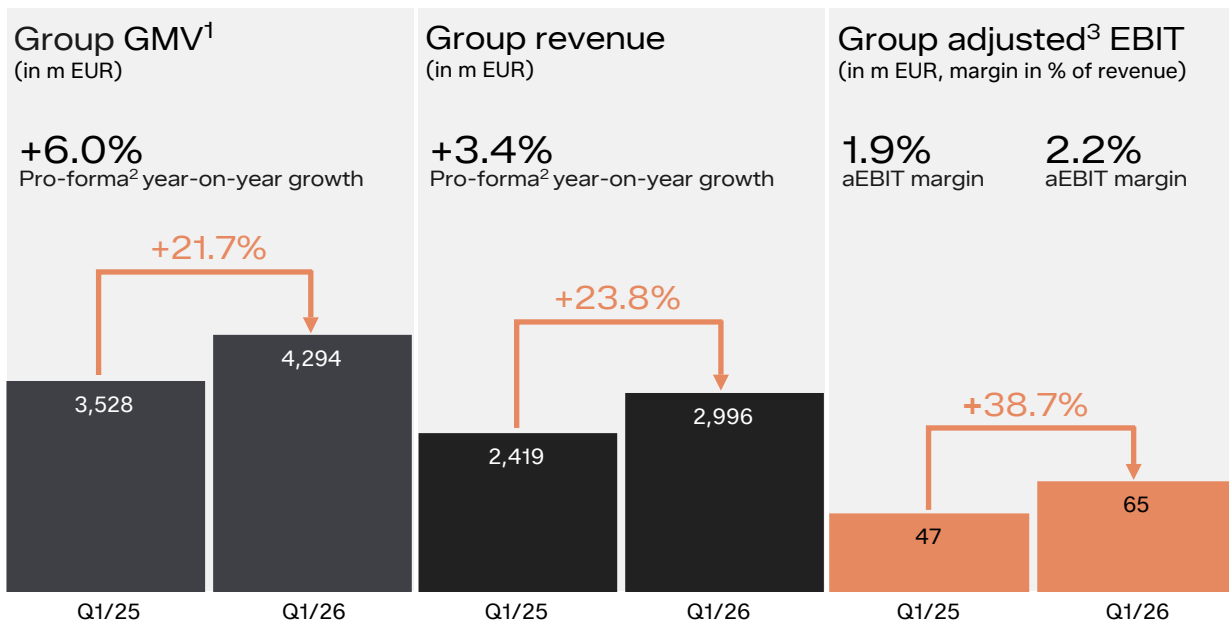


~85%

of articles are ready to go online in less than three days



Group: Q1 with continued strong pro-forma growth and increase in reported adjusted EBIT



GMV & revenue

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

Adjusted EBIT

- Group achieved gross synergies totalling 10 million EUR
- Zalando stand-alone adjusted EBIT margin improved year-on-year from 1.9% to 2.5% (+0.6pp yoy)
- ABOUT YOU achieved a positive adjusted EBIT including synergies, 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

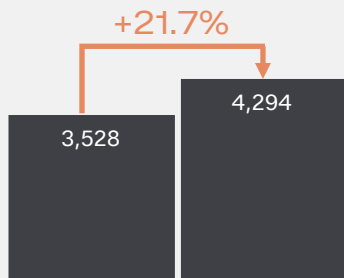
³ Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects and acquisition-related expenses



B2C: Growth driven by ABOUT YOU, Lounge by Zalando, partner business and retail media

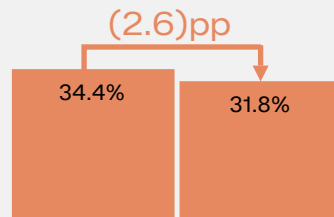
B2C GMV¹ (in m EUR)

+6.0%
Pro-forma² growth



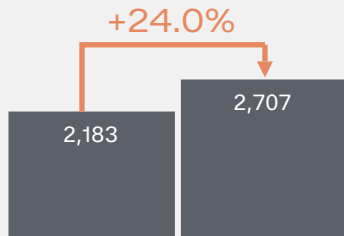
Partner business (GMV in % of B2C GMV¹)

+12.5%
Yoy, GMV growth



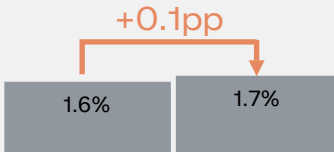
B2C revenue (in m EUR)

+2.1%
Pro-forma² growth



Retail media³ (Revenue % of B2C GMV¹)

+31.4%
Yoy, revenue growth



B2C GMV & revenue

- Strong pro-forma growth across all three consumer apps with ABOUT YOU and Lounge by Zalando achieving double-digit growth rates
- Successful start to the spring/summer season, accelerated partner business development and particularly strong growth across the lifestyle categories of sports, kids & family and beauty
- Zalando Plus served 18.5m customers in Q1
- Revenue growth trailed GMV growth as the result of strong partner business performance

Partner business

- Decline in partner business share due to inclusion of ABOUT YOU
- Zalando stand-alone share at 36.6% of GMV (+2.2pp), ABOUT YOU with low single-digit partner business share

Retail media

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

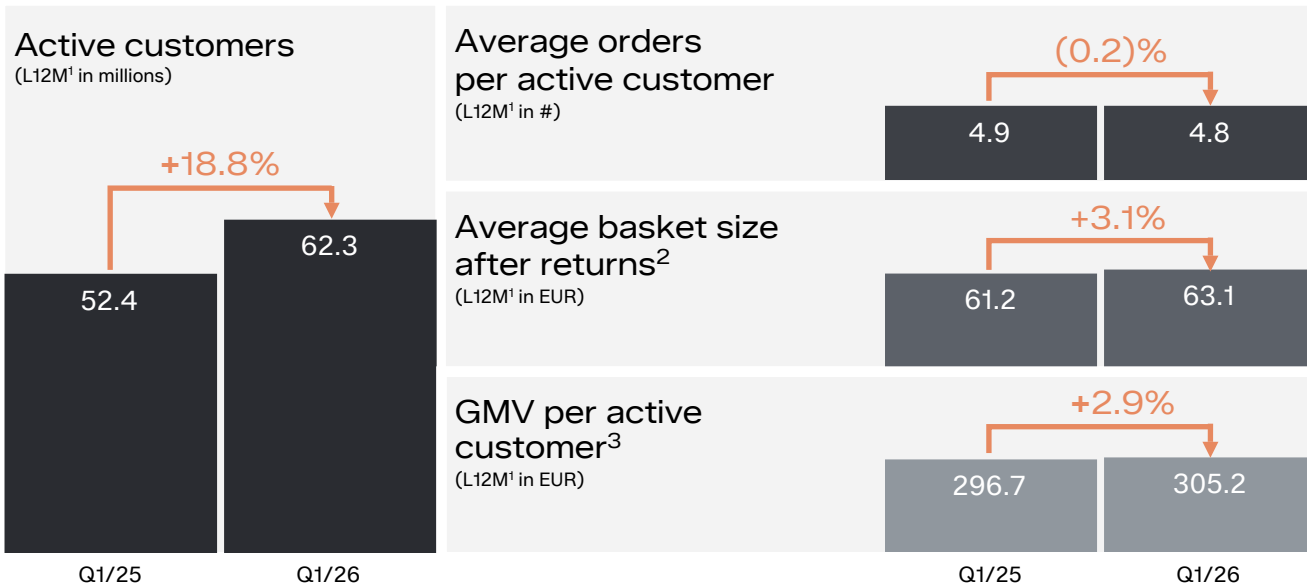
6 ¹Gross merchandise volume after returns (GMV): dynamically reported

²Pro-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

³Retail 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

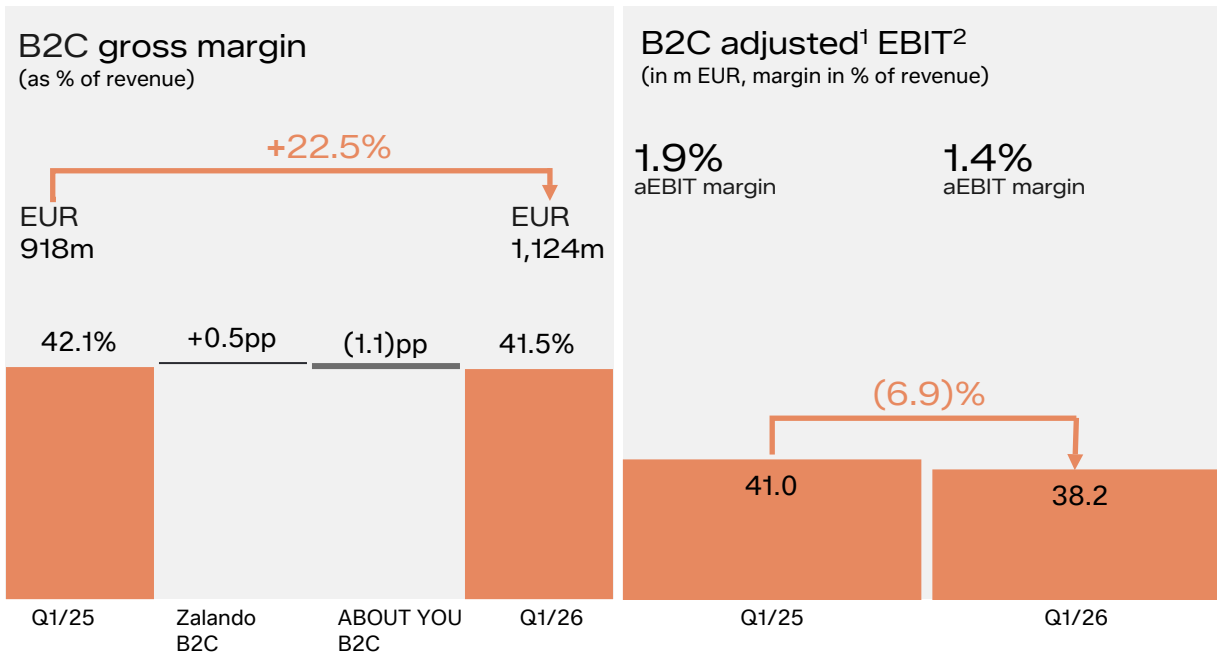
- Growth primarily driven by inclusion of ABOUT YOU and expansion of individual customer bases

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



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



B2C gross margin

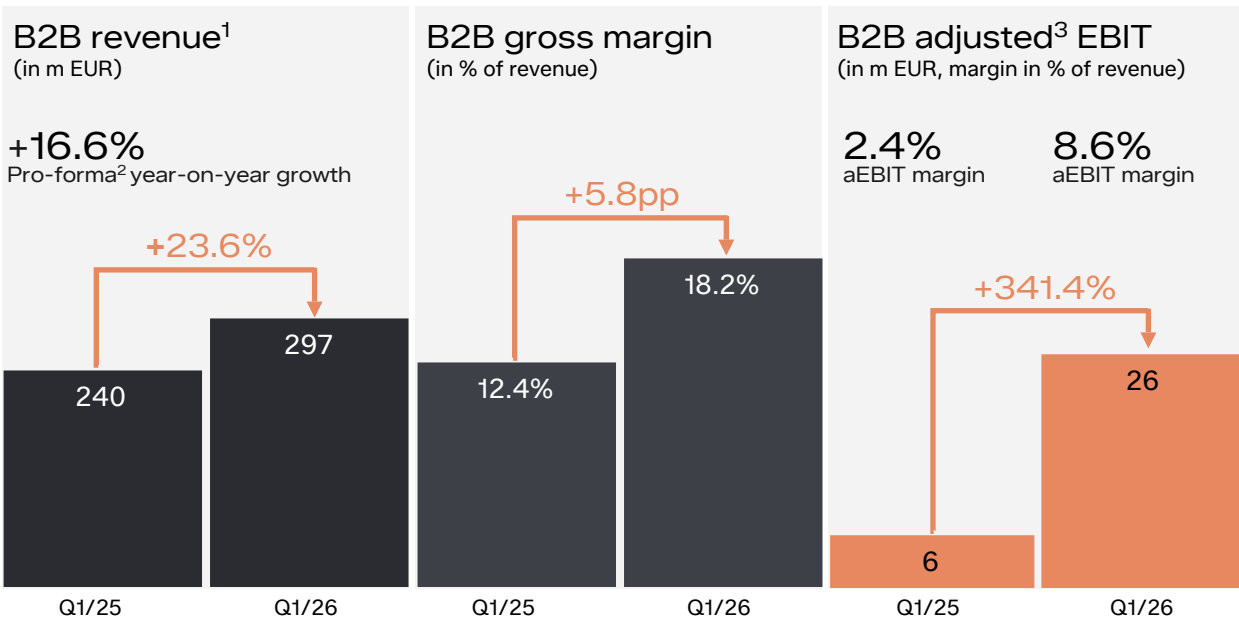
- Inclusion of ABOUT YOU temporarily diluting gross margin as increase in Zalando gross margin could not completely offset negative impact from the inclusion
- Zalando's B2C gross margin up 0.5pp, mainly thanks to a successful inventory clearing process

B2C adjusted EBIT

- Impact from ABOUT YOU inclusion which currently still has a lower margin
- Zalando B2C stand-alone margin remained broadly stable as the improved gross margin was offset by an increase in fulfilment costs



B2B: Double-digit revenue growth translated into strong profitability increase



B2B revenue

- Primary driver of B2B growth was ZEOS Fulfillment, which includes both Zalando Fulfillment Solutions (ZFS) and multi-channel fulfillment
- 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 Fulfillment and the inclusion of software revenues from SCAYLE
- Adjusted EBIT margin improved considerably due to favourable one-off provision release of 4m EUR. Without these adjustments, our margin would have been 7.4%

9 ¹ Q1/26 contains 7.7m EUR | Q1/25 3.0m 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 non-operating one-time effects and acquisition-related expenses



Improved group adjusted EBIT margin despite ABOUT YOU inclusion, EBIT impacted by one-off exit costs related to closure of Erfurt logistic site

Costs and margins¹

(as % of revenue)

	Q1/25	Q1/26	YoY Δ	YoY Δ excl. adjustments ¹
Gross margin	39.1%	39.1%	0.0pp	0.0pp
OPEX	(38.2)%	(41.8)%	(3.6)pp	0.2pp
Fulfilment costs	(24.4)%	(25.1)%	(0.6)pp	(0.6)pp
Marketing costs	(8.7)%	(9.2)%	(0.5)pp	(0.1)pp
Admin costs & Other	(5.1)%	(7.6)%	(2.5)pp	0.9pp
- Administrative costs	(5.2)%	(4.5)%	0.7pp	0.8pp
- Other income & expenses	0.1%	(3.1)%	(3.2)pp	0.1pp
EBIT	0.9%	(2.7)%	(3.5)pp	
Adjusted² EBIT	1.9%	2.2%		0.3pp

Gross margin

- Gross margin remained stable. This reflects the 0.4pp increase in Zalando B2C gross margin and the adverse impact from the ABOUT YOU inclusion

OPEX

- Decrease driven by increased efficiencies, AI-based automation and operating leverage in admin cost
- Fulfilment costs increased due to the consolidation of ABOUT YOU and temporary transition costs as we consolidate our network and fully ramp up our new logistic sites
- Other expenses impacted by 97m EUR restructuring costs

Adjusted EBIT

- Improvement was driven by operational efficiencies in admin cost

10 ¹Rounding differences may arise in the percentages and numbers in this table

² Excluding equity-settled share-based payment expense ("SBC"), restructuring costs, significant non-operating one-time effects and acquisition-related expenses
EBIT adjustments in Q1/26 amount to 144.5m EUR (Q1/25: 25.3m EUR). See details in appendix



Net working capital position driven by ABOUT YOU inclusion

Net working capital

(m EUR)

	Q1/25	Q1/26	YoY Δ	
Inventories	1,911	2,341	+22.5%	+1.9% Zalando stand-alone
Trade receivables	933	956	+2.4%	(3.0)% Zalando stand-alone
Trade payables	2,930	3,537	+20.7%	+4.1% Zalando stand-alone
Net working capital	(86)	(240)		

Significant slow down
vs. 12.2% in Q4/25

Inventories

- Zalando stand-alone inventory grew at a more moderate rate compared to the prior quarter as we effectively cleared extra inventory resulting from strong partner business performance in Q4
- Aligned our buying plans in retail with strong growth momentum of the partner business to maintain healthy stock levels going forward

Trade payables

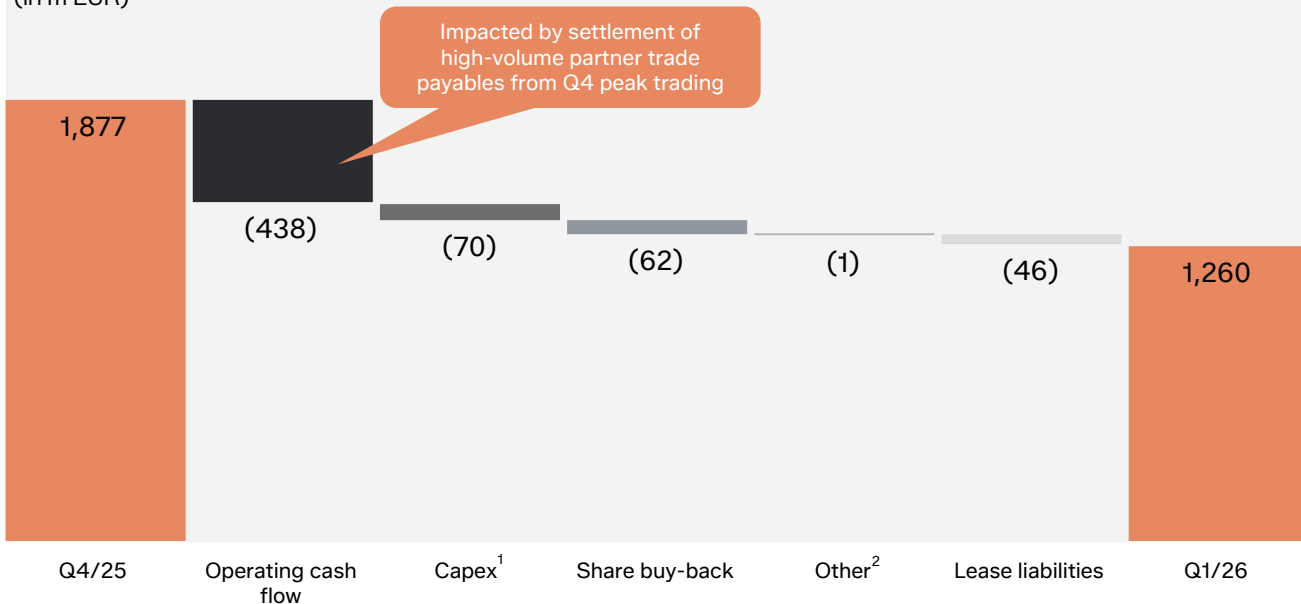
- Payables returned to more normalised level compared to the prior quarter, as we settled high volume partner payouts from Q4 peak season trading



Solid cash position of ~1.3 billion EUR

Cash & cash equivalents

(in m EUR)



Operating cash flow

- Seasonal net working capital changes as we received inventory for spring/summer season
- Impacted by timing effect of net working capital: settlement of high-volume partner trade payables from Q4 peak trading

Capex

- Increase due to investments in ramp-up of fulfilment centres in Germany, France as well as Sweden, increases in internally developed software and inclusion of ABOUT YOU

Share buy-back

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

Lease liabilities

- Increase due to first-time consolidation of ABOUT YOU

¹ Includes investments in fixed assets of (35.7)m EUR, intangible assets of (34.0)m EUR

² Includes payments for acquisitions of (5.0)m EUR, payments received from capital increases and option exercises of 0.6m EUR, and change in cash and cash equivalents due to changes in consolidation and exchange rate fluctuations of 2.9m EUR



Confirming our guidance for FY 2026

Guidance 2026¹

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

On a pro-forma⁴ 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 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 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

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GMV growth of +21.7% and revenue growth of +23.8%. Adjusted EBIT increased year-on-year to 65m EUR
- 02 AI: Continued strong traction on AI across our business**
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Q&A



Appendix



EBIT adjustments

In m EUR	Q1/25	Q1/26	Change
EBIT	21.4	(79.7)	(101.1)
Share-based compensation	20.7	28.1	+7.4
Acquisition related expenses	4.6	19.6	+15.0
One-time effects	0.0	0.0	0.0
Restructuring costs	0.0	96.8	+96.8
Adjusted¹ EBIT	46.7	64.8	+18.1



Issued share capital

Share information (as of 31 March 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	264,193,956
	Issued capital	264,193,956 EUR

Stock options programmes management board (as of 31 March 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	322,110	17.29
Total	6,687,844	38.76

Stock options programmes senior management (as of 31 March 2026)

Program	# Options outstanding	Weighted average exercise price (EUR)
EIP ²	1,328,776	42.84
ZOP 2019	8,208,537	23.59
Total	9,537,313	26.27



Zalando Investor Relations team



Patrick Kofler
Director of IR

Patrick.Kofler@zalando.de



Dorothee Schultz
Senior Manager ESG IR

Dorothee.Schultz@zalando.de



Andrea Frese
Senior Manager IR

Andrea.Frese@zalando.de



Nils Pöppinghaus
Senior Manager IR

Nils.Poeppinghaus@zalando.de



Ignacio Azpitarte Garay
Manager IR

Ignacio.Azpitarte.Garay@zalando.de

Team contact

T: +49 3020 9681 584
Zalando SE
Valeska-Gert-Straße 5
10243 Berlin

investor.relations@zalando.de
<https://corporate.zalando.com/en>



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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.