

## ZALANDO FOCUSES ON CONTINUED GROWTH AFTER STRONG 2016

---

- **2017 guidance in line with multi-year strategy: revenue growth of 20-25%, adjusted EBIT margin of 5.0-6.0%**
  - **2016 results: revenues of EUR 3,639 million (23.0% growth), adjusted EBIT of EUR 216.3 million (5.9% margin)**
  - **Zalando to acquire multi-channel basketball retailer KICKZ**
  - **Zalando to create more than 2,000 jobs in 2017**
- 

BERLIN, MARCH 1, 2017 // Zalando expects to continue outperforming the fashion retail market again in 2017 and grow revenues in a range of 20-25%, following a strong 2016 performance when Europe's leading online fashion platform gained market share in every single quarter. Driven by a systematic focus on consumers and suppliers, as well as further investments into the company's infrastructure, 2016 revenues grew by 23.0% to EUR 3,639 million (2015: EUR 2,958 million). The adjusted EBIT margin increased to 5.9%, which corresponds to an adjusted EBIT of EUR 216.3 million (2015: EUR 107.5 million, 3.6%). For 2017, Zalando expects an adjusted EBIT margin in the range of 5.0-6.0%.

"Strong growth requires nonstop investment. We are proud to have significantly progressed in expanding our business profitably," said co-CEO Rubin Ritter. "As we build the technology and operating system to transform the European fashion industry, we will further invest into a unique and flawless consumer experience and a stronger supplier proposition to continue to drive growth ahead of the market. At the same time, we plan to expand our team by creating more than 2,000 new jobs this year."

In 2016, about 20 million customers (+11%) shopped at Zalando, increasingly using mobile devices, enjoying a wider and deeper assortment and an even better service proposition for delivery and returns. Zalando has become a fashion destination for consumers and an increasing number of brand partners alike. Zalando enables brand partners to scale their businesses via its wholesale services, the partner program as well as Zalando's fulfillment and digital services, such as Zalando Media Solutions.

Zalando's growth is enabled by its technology and operations infrastructure. The number of employees in Zalando's technology team has increased from 1,000 in 2015 to more than 1,600. Its pan-European logistics network will expand into 20,000-30,000 m<sup>2</sup> warehouses in France and Sweden as well as a 130,000 m<sup>2</sup> logistics center in Poland.

The development in Zalando's profitability was due to improved operating costs, which reflected strong cost management and general efficiency improvements.

Capital expenditure in 2016 was at EUR 181.7 million, excluding M&A, reflecting investments primarily into infrastructure, increased automation and in-house developed software. Zalando expects capital expenditure of EUR 200 million also in 2017, primarily in the same areas.

Earlier this week Zalando has agreed to acquire the retail business of Munich-based KICKZ AG ("KICKZ"), the leading multi-channel basketball retailer. With the addition of KICKZ, Zalando will further strengthen its sports and lifestyle segment, especially in the area of basketball. The transaction is subject to merger control clearance by German and Austrian competition authorities, and is expected to close in the first half of 2017. All parties have agreed not to disclose financial details.

Zalando's fully digital annual report [Zalando City Guide](#) is now available online. iOS and Android users can discover Zalando City in virtual reality via app on the Apple App Store and Google Play. The app will be available as "Zalando City Guide".

The [earnings presentation for analysts and investors](#) is available on the [Zalando Investor Relations](#) website. Zalando will report results for the first quarter 2017 on May 9, 2017, and publish a trading update prior to that. The publication date of the trading update will be announced ahead of time.

## Zalando Group – Key figures (in EUR million)

	Q4 2016	Q4 2015	FY 2016	FY 2015
<b>Group revenue</b>	<b>1,091.6</b>	<b>868.5</b>	<b>3,639.0</b>	<b>2,958.2</b>
<b>% growth</b>	<b>25.7%</b>	<b>30.5%</b>	<b>23.0%</b>	<b>33.6%</b>
DACH <sup>1</sup>	529.4	450.7	1,813.8	1,580.1
<i>% growth</i>	<i>17.5%</i>	<i>24.0%</i>	<i>14.8%</i>	<i>28.0%</i>
Rest of Europe <sup>2</sup>	478.4	360.5	1,570.2	1,211.6
<i>% growth</i>	<i>32.7%</i>	<i>35.8%</i>	<i>29.6%</i>	<i>40.5%</i>
Other <sup>3</sup>	83.8	57.3	255.1	166.5
<i>% growth</i>	<i>46.2%</i>	<i>57.1%</i>	<i>53.2%</i>	<i>41.8%</i>
<b>Adjusted group EBIT<sup>4</sup></b>	<b>95.6</b>	<b>71.8</b>	<b>216.3</b>	<b>107.5</b>
<b>Adjusted group EBIT margin</b>	<b>8.8%</b>	<b>8.3%</b>	<b>5.9%</b>	<b>3.6%</b>
DACH <sup>1 4</sup>	80.0	57.9	226.3	101.9
<i>% margin</i>	<i>15.1%</i>	<i>12.8%</i>	<i>12.5%</i>	<i>6.4%</i>
Rest of Europe <sup>2 4</sup>	15.7	11.8	(3.3)	(3.3)
<i>% margin</i>	<i>3.3%</i>	<i>3.3%</i>	<i>(0.2%)</i>	<i>(0.3%)</i>
Other <sup>3 4</sup>	(0.1)	2.1	(6.7)	8.9
<i>% margin</i>	<i>(0.1%)</i>	<i>3.6%</i>	<i>(2.6%)</i>	<i>5.3%</i>
<b>Net working capital</b>	<b>(127.6)</b>	<b>(2.6)</b>	<b>(127.6)</b>	<b>(2.6)</b>
<b>Net income</b>	<b>60.0</b>	<b>102.7</b>	<b>120.5</b>	<b>121.5</b>

<sup>1</sup>. DACH segment is comprised of Germany, Austria and Switzerland.

<sup>2</sup>. Rest of Europe segment includes all other countries in which Zalando presently operates.

<sup>3</sup>. The segment Other mainly includes revenues from "Zalando Lounge", as well as three outlet stores and the new portfolio initiatives.

<sup>4</sup>. Adjusted to exclude equity-settled stock based compensation costs and non-operating one-time effects.

## Zalando Group – Key performance indicators

	Q4 2016	Q4 2015	FY 2016	FY 2015
Site visits (m) <sup>5</sup>	563.2	457.9	1,991.6	1,656.4
Mobile visit share (% of site visits) <sup>6</sup>	68.1%	59.9%	65.6%	57.1%
Active customers (m) <sup>7</sup>	19.9	17.9	19.9	17.9
Number of orders (m) <sup>8</sup>	19.6	15.4	69.2	55.3
Average orders per active customer	3.48	3.08	3.48	3.08
Average basket size (EUR) <sup>9</sup>	70.2	72.1	66.6	67.8
App downloads (m)	28	16	28	16
Headcount	11,998	9,987	11,998	9,987

<sup>5</sup>. Number of series of page requests from the same uniquely identified client at Zalando.

<sup>6</sup>. Tablets, mobile sites and apps.

<sup>7</sup>. Number of customers placing at least one order in the last twelve months irrespective of cancellations or returns.

<sup>8</sup>. Number of customer orders placed in the measurement period irrespective of cancellations or returns. An order is counted on the day the customer places the order.

<sup>9</sup>. Transactional revenue (incl. VAT and transactional volume of Partner Program) after cancellations or returns divided by the number of orders.

## NOTES TO EDITORS

---

### ABOUT ZALANDO

Zalando (<https://corporate.zalando.com>) is Europe's leading online fashion platform for women, men and children. We offer our customers a one-stop, convenient shopping experience with an extensive selection of fashion articles including shoes, apparel and accessories, with free delivery and returns. Our assortment of over 1,500 international brands ranges from popular global brands, fast fashion and local brands, and is complemented by our private label products. Our localized offering addresses the distinct preferences of our customers in each of the 15 European markets we serve: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Poland and the United Kingdom. Our logistics network with four centrally located fulfillment centers in Germany allows us to efficiently serve our customers throughout Europe, supported by a warehouse in Northern Italy with a focus on local customer needs. We believe that our integration of fashion, operations and online technology give us the capability to deliver a compelling value proposition to both our customers and fashion brand partners. Zalando's shops attract over 160 million visits per month. In the fourth quarter of 2016, more than 68 percent of traffic came from mobile devices, resulting in 19.9 million active customers by the end of the quarter.

### CONTACT ZALANDO

René Gribnitz / Vice President Communications

[rene.gribnitz@zalando.de](mailto:rene.gribnitz@zalando.de)

Alexander Styles / Financial Communications

[alexander.styles@zalando.de](mailto:alexander.styles@zalando.de)

+49 30 20968 2022