

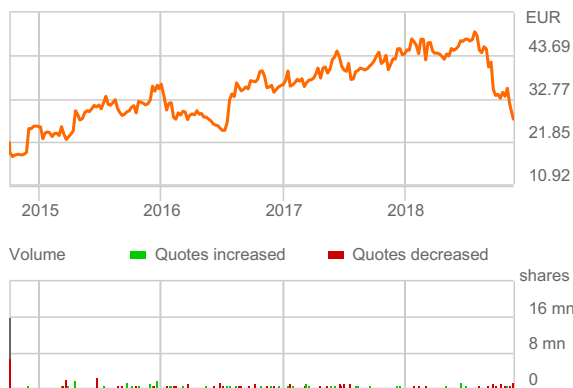
## COMPANY PROFILE

Zalando (<https://corporate.zalando.com>) is Europe's leading online fashion and lifestyle platform for women, men and children. We offer our customers a one-stop, convenient shopping experience with an extensive selection of lifestyle articles including shoes, apparel, accessories and beauty products, with free delivery and returns. Our assortment of almost 2,000 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 17 European markets we serve: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland, Poland, and the United Kingdom. Our logistics network with five centrally located fulfillment centers allows us to efficiently serve our customers throughout Europe, supported by warehouses in Northern Italy, France and Sweden with a focus on local customer needs. We believe that our integration of fashion, operations and online technology gives us the capability to deliver a compelling value proposition to both our customers and fashion brand partners.

### Key Highlights

- \* Large and growing addressable market, with goal to grow from 1% market share to 5%+ (=€20bn revenues)
- \* Leading European online platform for fashion with >2.5bn visits per year (~80% coming from mobile devices, >24m active customers)
- \* Preferred partner for fashion brands, being their digital strategy
- \* Best-in-class e-commerce logistics infrastructure and technology team
- \* Attractive financial profile: 20-25% revenue growth, solid profitability, strong capital base

## SHARE CHART



## CALENDAR

**Nov 06, 2018** Publication quarterly statement (call-date Q3)

## MANAGEMENT BOARD



Robert Gentz



David Schneider



Rubin Ritter

## SUPERVISORY BOARD

- > Lothar Lanz (Chair)
- > Alexander Samwer
- > Jørgen Madsen Lindemann
- > Anthony Brew
- > Beate Siert
- > Anders Holch Povlsen
- > Dominik Asam
- > Shanna Prevé
- > Konrad Schäfers

## SHARE PRICE INFORMATION

ISIN	DE000ZAL1111
WKN	ZAL111
Share type	Ordinary
Bloomberg Code	ZAL:GR
Reuters Code	ZALG.F
Ticker	ZAL
Branch	eCommerce
Index	Stoxx Europe 600, MSCI Germany Index, MDax (3,1% share*)
Segment	Prime Standard
Last Dividend	0.00 EUR (for 2017)
No. of shares	250,488,963
Market Cap (basic)	EUR 6.88 bn
52 week high	50.34 EUR
52 week low	27.12 EUR
Stock exchanges	Prime Standard in Frankfurt; open market in Berlin-Bremen, Düsseldorf, Hamburg, Hannover, Munich and Stuttgart

\*Average February 2017

## SHAREHOLDER STRUCTURE

Ultimate Shareholder <sup>1</sup>	Ownership
Kinnekiv AB (publ)	31.31%
Anders Holch Povlsen	10.02%
Baillie Gifford & Co	6.64%
Zerena GmbH	4.93%
Founders <sup>2</sup>	3.65%
Vanguard World Funds	2.99%
Allianz Global Investors GmbH	2.99%
Other shareholders	34.49%
Free Float <sup>3</sup>	59%

<sup>1</sup> Voting rights held directly or by a subsidiary. Last update: 01 October 2018

<sup>2</sup> Aggregate shareholding of the founders

<sup>3</sup> Free float as defined by Deutsche Börse AG amounts to 58.67%. The overview reflects the notifications pursuant to sec. 33 WpHG ("BaFin-notifications") and sec. 41 WpHG (change in total voting rights).

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## FINANCIAL INFORMATION

EUR m	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	Q4/17	2017	Q1/18
<b>Revenue</b>	796.1	916.4	834.8	1,091.6	3,639.0	980.2	1,100.5	1,074.7	1,333.7	4,489.0	1,196.0
% growth	23.7%	25.0%	17.1%	25.7%	23.0%	23.1%	21.5%	28.7%	22.2%	23.4%	22.0%
Cost of Sales	(462.7)	(483.2)	(490.6)	(593.1)	(2,029.6)	(574.8)	(585.0)	(636.2)	(733.6)	(2,529.6)	(722.0)
<b>Gross Profit</b>	333.4	433.3	344.3	498.4	1,609.4	405.4	515.5	438.5	600.1	1,959.4	474.0
% margin	41.9%	47.3%	41.2%	45.7%	44.2%	41.4%	46.8%	40.8%	45.0%	43.6%	39.6%
Selling and Distribution Costs	(277.2)	(310.0)	(283.1)	(353.5)	(1,223.7)	(339.2)	(377.7)	(384.0)	(429.8)	(1,530.8)	(429.7)
Administrative Expenses	(40.6)	(48.9)	(48.7)	(53.1)	(191.3)	(52.8)	(60.4)	(62.6)	(67.1)	(242.9)	(61.1)
Other Operating Income	1.5	3.5	1.3	10.4	16.7	2.7	1.5	3.2	4.3	11.8	2.7
Other Operating Expenses	(0.7)	(0.7)	(1.1)	(1.6)	(4.1)	(1.1)	(2.7)	(1.0)	(5.1)	(9.9)	(1.1)
<b>EBIT</b>	16.4	77.2	12.7	100.7	207.0	14.9	76.3	(5.9)	102.3	187.6	(15.2)
% margin	2.1%	8.4%	1.5%	9.2%	5.7%	1.5%	6.9%	(0.5%)	7.7%	4.2%	(1.3%)
Net Financial Result	(6.2)	1.7	(3.3)	(6.3)	(14.1)	(3.6)	(2.3)	(3.7)	(2.8)	(12.4)	(3.4)
<b>EBT</b>	10.3	78.9	9.4	94.4	192.9	11.3	74.0	(9.6)	99.5	175.2	(18.6)
% margin	1.3%	8.6%	1.1%	8.6%	5.3%	1.2%	6.7%	(0.9%)	7.5%	3.9%	(1.6%)
Income and Other Tax	(5.7)	(28.0)	(4.4)	(34.4)	(72.5)	(6.2)	(26.5)	(1.5)	(39.4)	(73.6)	3.5
<b>Net Income</b>	4.6	50.9	5.0	60.0	120.5	5.1	47.4	(11.1)	60.1	101.6	(15.1)
% margin	0.6%	5.6%	0.6%	5.5%	3.3%	0.5%	4.3%	(1.0%)	4.5%	2.3%	1.3%
Depreciation & Amortization	9.1	10.1	11.1	17.8	48.2	12.6	13.6	15.2	17.4	58.7	17.9
<b>EBITDA</b>	25.5	87.3	23.8	118.5	255.2	27.5	89.8	9.4	119.7	246.4	2.7
% margin	3.2%	9.5%	2.9%	10.9%	7.0%	2.8%	8.2%	0.9%	9.0%	5.5%	0.2%
Equity-settled Share Based Compensation (SBC)	3.8	3.7	6.8	5.6	19.9	5.4	5.5	6.3	10.3	27.5	4.7
<b>Adjusted EBIT (before SBC)</b>	20.2	80.9	19.5	95.6	216.3	20.3	81.8	0.4	112.6	215.1	0.4
% margin	2.5%	8.8%	2.3%	8.8%	5.9%	2.1%	7.4%	0.0%	8.4%	4.8%	0.0%
<b>Adjusted EBITDA (before SBC)</b>	29.3	91.0	30.6	113.4	264.5	32.8	95.3	15.7	130.0	273.8	18.3
% margin	3.7%	9.9%	3.7%	10.4%	7.3%	3.4%	8.7%	1.5%	9.7%	6.1%	1.5%

## KEY FINANCIAL INDICATORS

	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	Q4/17	2017
Site Visits (m) <sup>1</sup>	479.5	480.2	468.6	563.2	1,991.6	617.6	595.2	615.8	735.1	2563.5
Mobile Visit Share (in % of Site Visits) <sup>2</sup>	62.3%	64.7%	67.0%	68.1%	65.6%	68.8%	69.7%	71.8%	72.1%	70.7%
Active Customers (m) <sup>3</sup>	18.4	18.8	19.2	19.9	19.9	20.4	21.2	22.2	23.1	23.1
Number of Orders (m) <sup>4</sup>	15.6	17.5	16.4	19.6	69.2	19.9	22.2	22.5	25.8	90.5
Average Orders per Active Customer	3.2	3.3	3.4	3.5	3.5	3.6	3.7	3.8	3.9	3.9
Average Basket Size (in EUR) <sup>5</sup>	66.5	66.2	62.8	70.2	66.6	63.0	64.5	62.0	67.8	64.5
Adjusted Fulfillment Costs (% of Revenue) <sup>6</sup>	24%	23%	24%	22%	23%	25%	27%	27%	24.9%	25.9%
Adjusted Marketing Costs (% of Revenue) <sup>7</sup>	10%	10%	10%	10%	10%	9%	7%	8%	7%	7.9%

## SEGMENTAL FINANCIAL INFORMATION

EUR m	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17	Q2/17	Q3/17	Q4/17	2017
<b>Revenue</b>	796.1	916.4	834.8	1,091.6	3,639.0	980.2	1,100.5	1,074.7	1,333.7	4,489.0
DACH	405.8	471.4	407.1	529.4	1,813.8	475.0	542.9	497.7	630.0	2,145.6
Rest of Europe	334.5	383.2	374.0	478.4	1,570.2	428.3	469.8	489.7	585.8	1,973.6
Other	55.8	61.8	53.7	83.8	255.1	76.9	87.8	87.2	117.9	369.9
<b>As % of Total</b>										
DACH	51.0%	51.4%	48.8%	48.5%	49.8%	48.5%	49.3%	46.3%	47.2%	47.8%
Rest of Europe	42.0%	41.8%	44.8%	43.8%	43.1%	43.7%	42.7%	45.6%	43.9%	44.0%
Other	7.0%	6.7%	6.4%	7.7%	7.0%	7.8%	8.0%	8.1%	8.8%	8.2%
<b>Segment Revenue Growth</b>	23.7%	25.0%	17.1%	25.7%	23.0%	23.1%	20.1%	28.7%	22.2%	23.4%
DACH	16.9%	14.7%	9.7%	17.5%	14.8%	17.0%	15.2%	22.3%	19.0%	18.3%
Rest of Europe	26.3%	34.3%	24.3%	32.7%	29.6%	28.0%	22.6%	30.9%	22.5%	25.7%
Other	76.9%	68.9%	30.8%	46.2%	53.2%	37.8%	42.1%	62.5%	40.7%	45.0%
<b>EBIT</b>	16.4	77.2	12.7	100.7	207.0	14.9	76.3	(5.9)	102.3	187.6
DACH	37.4	63.8	38.1	82.2	221.4	32.8	54.0	12.8	76.0	175.6
Rest of Europe	(18.5)	14.4	(20.8)	18.7	(6.2)	(21.4)	15.0	(19.1)	35.0	9.6
Other	(2.4)	(1.0)	(4.5)	(0.2)	(8.1)	3.4	7.3	0.4	(8.7)	2.5
<b>% EBIT Margin</b>	2.1%	8.4%	1.5%	9.2%	5.7%	1.5%	6.9%	(0.5%)	7.7%	4.2%
DACH	9.2%	13.5%	9.3%	15.5%	12.2%	6.9%	9.9%	2.6%	12.1%	8.2%
Rest of Europe	(5.5%)	3.8%	(5.6%)	3.9%	(0.4%)	(5.0%)	3.2%	(3.9%)	6.0%	0.5%
Other	(4.4%)	(1.6%)	(8.5%)	(0.2%)	(3.2%)	4.4%	8.3%	0.5%	(7.3%)	0.7%
<b>Adjusted EBIT (before SBC)</b>	20.2	80.9	19.5	95.6	216.3	20.3	81.8	0.4	112.6	215.1
DACH	39.3	65.7	41.4	80.0	226.3	35.5	56.7	15.7	80.7	188.5
Rest of Europe	(17.0)	15.9	(17.9)	15.7	(3.3)	(19.1)	17.3	(16.2)	39.6	21.6
Other	(2.1)	(0.6)	(4.0)	(0.1)	(6.7)	3.9	7.8	0.9	(7.6)	5.0
<b>% Adjusted EBIT Margin (before SBC)</b>	2.5%	8.8%	2.3%	8.8%	5.9%	2.1%	7.4%	0.0%	8.4%	4.8%
DACH	9.7%	13.9%	10.2%	15.1%	12.5%	7.5%	10.4%	3.2%	12.8%	8.8%
Rest of Europe	(5.1%)	4.1%	(4.8%)	3.3%	(0.2%)	(4.5%)	3.7%	(3.2%)	6.8%	1.1%
Other	(3.7%)	(1.0%)	(7.4%)	(0.1%)	(2.6%)	5.1%	8.8%	1.1%	(6.5%)	1.3%

## BALANCE SHEET

EUR m	Q1/16	Q2/16	Q3/16	2016	Q1/17	Q2/17	Q3/17	2017
<b>Total Non-Current Assets</b>	<b>264.8</b>	<b>323.4</b>	<b>364.7</b>	<b>392.6</b>	<b>456.6</b>	<b>527.6</b>	<b>567.4</b>	<b>569.6</b>
Property, Plant and Equipment	136.6	169.4	203.0	243.0	300.3	331.8	352.2	350.5
Other Financial Assets	24.1	38.7	39.6	44.1	43.8	22.1	27.2	31.8
Non-Financial Assets	3.3	3.6	3.3	3.0	2.8	2.6	2.3	3.5
Other Non-Current Assets	100.8	111.6	118.9	102.5	109.7	171.0	185.8	183.8
<b>Total Current Assets</b>	<b>1,931.6</b>	<b>1,878.6</b>	<b>2,113.2</b>	<b>2,145.6</b>	<b>2,230.5</b>	<b>2,182.9</b>	<b>2,435.9</b>	<b>2,410.7</b>
Inventories	590.4	445.3	620.9	576.9	718.7	663.4	859.3	778.9
Trade and Other Receivables	162.8	164.4	167.4	216.0	231.4	247.0	260.1	278.7
Other Assets <sup>8</sup>	237.2	233.0	348.5	380.0	330.5	297.0	231.9	287.6
Cash and Cash Equivalents <sup>8</sup>	941.2	1,035.9	976.4	972.6	949.9	975.1	1,084.6	1,065.5
<b>Total Assets</b>	<b>2,196.4</b>	<b>2,202.0</b>	<b>2,477.9</b>	<b>2,538.2</b>	<b>2,687.0</b>	<b>2,710.5</b>	<b>3,003.4</b>	<b>2,980.3</b>
<b>Total Equity</b>	<b>1,278.3</b>	<b>1,332.5</b>	<b>1,342.9</b>	<b>1,407.5</b>	<b>1,415.1</b>	<b>1,473.6</b>	<b>1,474.9</b>	<b>1,539.0</b>
Issued capital	247.0	247.1	247.2	247.2	247.2	247.3	247.3	247.2
Capital Reserves	1,144.7	1,148.9	1,156.1	1,161.0	1,166.4	1,171.7	1,178.0	1,177.5
Retained Earnings	(0.1)	(0.9)	(2.9)	(2.4)	(5.3)	(0.6)	5.7	9.6
Accumulated Gain	(113.4)	(62.5)	(57.5)	(0.6)	6.8	54.6	44.2	104.8
Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	(0.1)
<b>Total Non-Current Liabilities</b>	<b>29.6</b>	<b>29.0</b>	<b>30.5</b>	<b>32.5</b>	<b>29.5</b>	<b>55.8</b>	<b>60.0</b>	<b>71.9</b>
Financial Liabilities	13.6	12.8	12.0	11.2	10.5	9.8	8.9	8.4
Other Non-Current Liabilities	16.0	16.2	18.5	21.4	19.0	45.9	51.1	63.5
<b>Total Current Liabilities</b>	<b>888.4</b>	<b>840.5</b>	<b>1,104.5</b>	<b>1,098.2</b>	<b>1,242.5</b>	<b>1,181.1</b>	<b>1,468.5</b>	<b>1,369.5</b>
Trade Payables and Similar Obligations	737.7	675.3	946.2	920.5	1,047.9	947.3	1,234.7	1,120.0
Other Current Liabilities	150.8	165.2	158.3	177.7	194.6	233.8	233.7	249.5
<b>Total Equity &amp; Liabilities</b>	<b>2,196.4</b>	<b>2,202.0</b>	<b>2,477.9</b>	<b>2,538.2</b>	<b>2,687.0</b>	<b>2,710.5</b>	<b>3,003.4</b>	<b>2,980.4</b>
<b>Net Working Capital</b>	<b>15.5</b>	<b>(65.5)</b>	<b>(157.9)</b>	<b>(127.6)</b>	<b>(97.7)</b>	<b>(37.0)</b>	<b>(115.3)</b>	<b>(62.4)</b>

## CASH FLOW STATEMENT

EUR m	2014	2015	2016	2017	Q4/16	Q4/17
<b>Net Income</b>	<b>47.2</b>	<b>121.5</b>	<b>120.5</b>	<b>101.6</b>	<b>60.0</b>	<b>60.1</b>
Non-Cash Expenses from Share-Based Payments	19.8	17.9	19.9	27.5	5.6	10.3
Cash paid for settlement of Claims from Share-Based Payments	0.0	(2.3)	0.0	0.0	0.0	0.0
Depreciation	25.8	34.2	48.2	58.7	17.8	17.4
Income Taxes	10.5	(34.9)	72.5	73.6	34.4	39.4
Income Taxes Paid, Less Refunds	0.0	(0.0)	(33.8)	(49.4)	(4.6)	(14.9)
Change in Provisions	1.0	(0.5)	0.1	(1.5)	(0.6)	(1.3)
Other Non-Cash Income	(0.2)	(1.0)	1.2	6.5	1.9	4.6
Change in Inventories and Receivables	(68.7)	(154.2)	(147.4)	(251.0)	(4.7)	61.8
Change in Trade Liabilities	94.9	154.9	264.3	198.4	(20.7)	(113.9)
Change in Other Assets / Other Liabilities	44.6	(16.2)	(69.7)	29.2	(24.0)	(24.4)
<b>Cash Flow from Operating Activities</b>	<b>174.9</b>	<b>119.4</b>	<b>275.8</b>	<b>193.7</b>	<b>65.0</b>	<b>39.0</b>
Payments for Investments in Fixed and Intangible Assets	(51.1)	(60.0)	(181.7)	(243.9)	(65.9)	(68.2)
Payments for Acquisitions	0.0	(16.8)	(30.4)	(34.9)	(1.2)	(1.5)
Cash Paid for Investments in Term Deposits	(155.0)	(155.0)	(65.0)	180.0	0.0	20.0
Change in Restricted Cash	(0.8)	35.3	0.0	10.4	0.0	0.0
<b>Cash Flow from Investing Activities</b>	<b>(51.9)</b>	<b>(196.5)</b>	<b>(277.1)</b>	<b>(88.3)</b>	<b>(67.1)</b>	<b>(49.7)</b>
Payments Received from Capital Increases	510.1	6.4	1.1	3.9	0.0	3.3
Repurchase of treasury shares	0.0	(1.7)	(0.7)	(11.3)	0.0	0.0
Cash Repayments of Loans	(3.2)	(3.2)	(3.2)	(3.2)	(0.8)	(1.1)
<b>Cash Flow from Financing Activities</b>	<b>510.8</b>	<b>1.5</b>	<b>(2.9)</b>	<b>(10.6)</b>	<b>(1.5)</b>	<b>(8.3)</b>
<b>Change in Cash and Cash Equivalents</b>	<b>633.8</b>	<b>(75.7)</b>	<b>(4.1)</b>	<b>94.8</b>	<b>(3.4)</b>	<b>(19.0)</b>
<b>Effect of exchange rate on cash and cash equivalents</b>	<b>0.0</b>	<b>0.9</b>	<b>0.5</b>	<b>(1.9)</b>	<b>(0.4)</b>	<b>(0.1)</b>

<sup>1</sup> Site Visits defined as the number of series of page requests from the same uniquely identified client at Zalando, including website, m.site and apps in the measurement period. A visit is considered ended when no requests have been recorded in more than 30 minutes.

<sup>2</sup> Mobile is defined as tablets, mobile site and apps.

<sup>3</sup> Active Customers defined as the number of customers placing at least one order in the last twelve months in the measurement period irrespective of cancellations or returns.

<sup>4</sup> Number of Orders defined as the 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. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled.

<sup>5</sup> Average Basket Size defined as the transactional revenue (incl. VAT and transactional volume of Partner Program) after cancellations or returns divided by the number of orders.

<sup>6</sup> Fulfillment Cost Ratio defined as fulfillment cost as a proportion of revenue in the measurement period. Fulfillment costs mainly include logistics, content creation, service and payment expenses, as well as allocated overhead costs. Fulfillment costs therefore comprises all selling and distribution costs, except for marketing costs. All numbers shown excluding equity-settled SBC costs.

<sup>7</sup> Marketing Cost Ratio defined as marketing cost as a proportion of revenue in the measurement period. Marketing cost mainly consists of advertising expenses including search engine marketing, television, online display and other marketing channels as well as allocated overhead cost. All numbers shown excluding equity-settled SBC costs.

<sup>8</sup> Other assets includes investments into short-term deposits of €220m, which are not listed under Cash and Cash Equivalents due to their maturity of more than 3 but less than 12 months.