



# FINANCIAL PERSPECTIVE

CAPITAL MARKETS DAY 2017



BIRGIT HADERER  
RUBIN RITTER

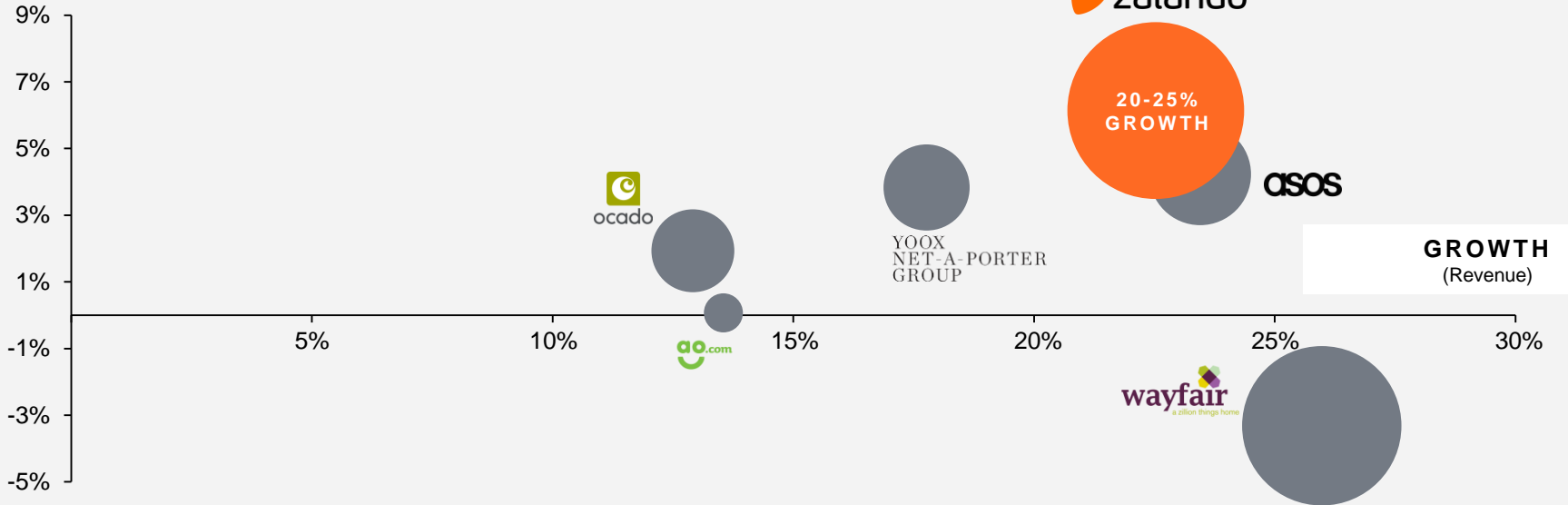
20-06-2017



# WE HAVE A UNIQUE FINANCIAL PROFILE: PROFITABLE GROWTH AT SCALE

**PROFITABILITY**  
(EBIT margin)

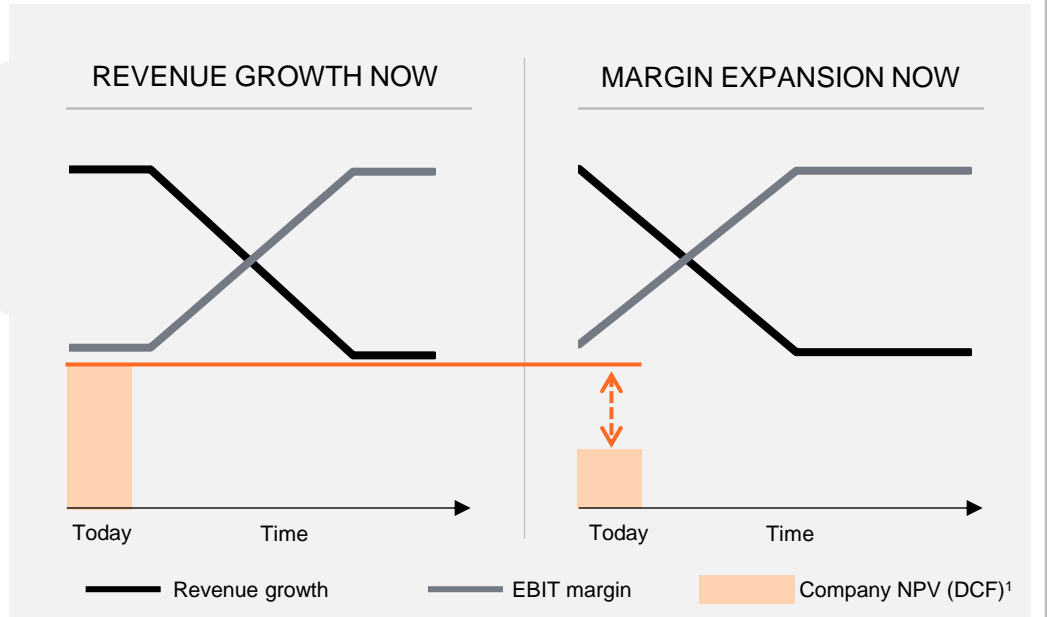
**SCALE**  
(Revenue)



# WE WILL CONTINUE TO EXECUTE ON THIS FINANCIAL PROFILE

## CONSISTENT STRATEGY SINCE IPO

Focus on growth with willingness to invest is maximizing value

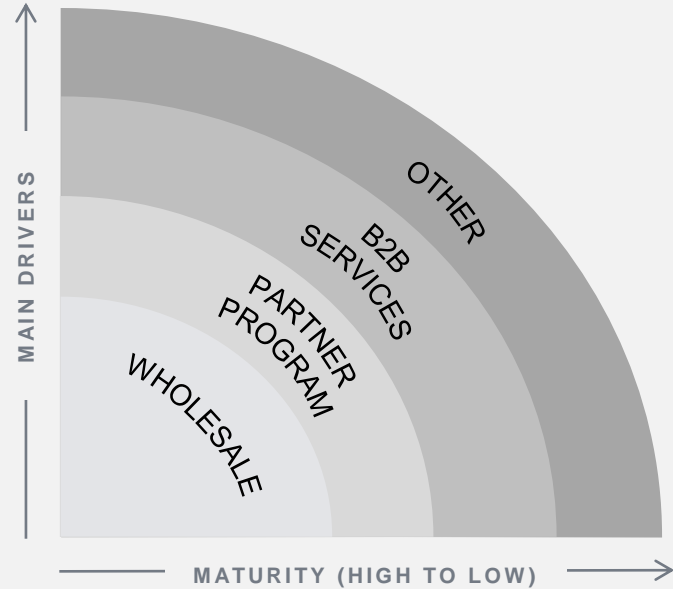


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## CONSISTENT STRATEGY SINCE IPO

Focus on growth with willingness to invest is maximizing value

Financial profile has four main drivers



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Focus on growth with willingness  
to invest is maximizing value

Financial profile has four main  
drivers

We will continue to execute on this  
financial profile

1

GROWTH AT SCALE

2

PROFITABILITY

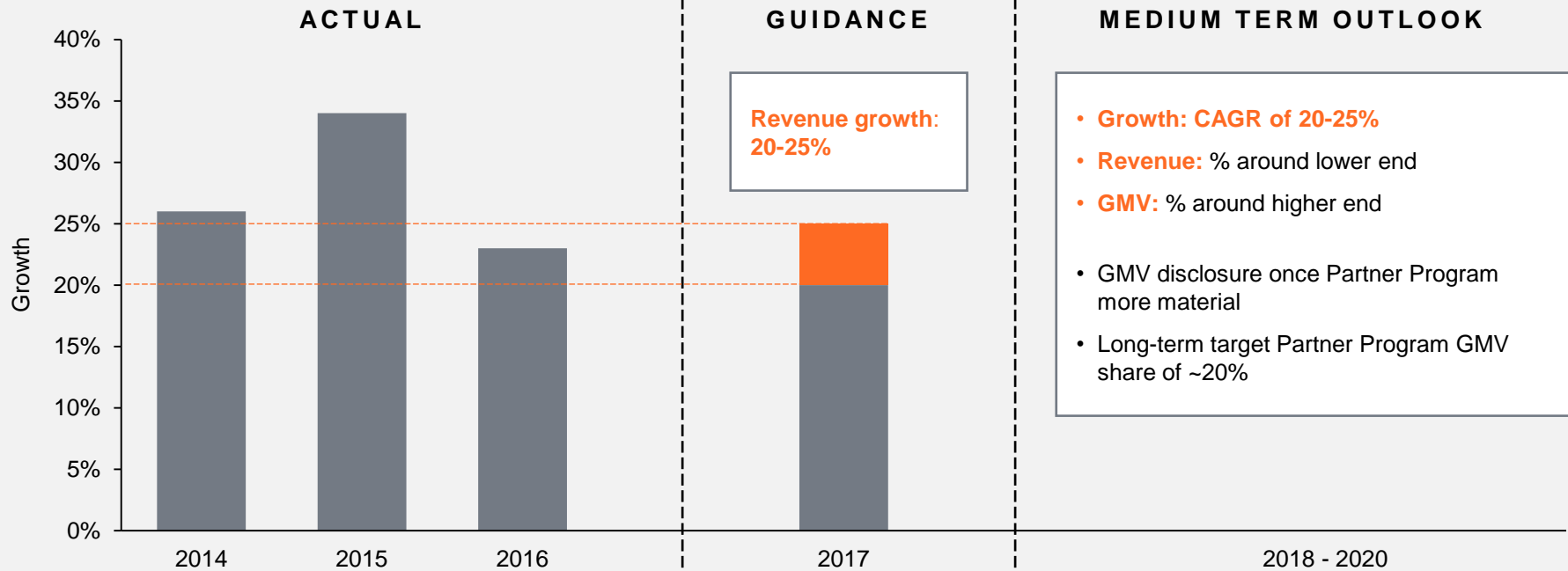
3

CAPITAL FOCUS

1

## GROWTH AT SCALE

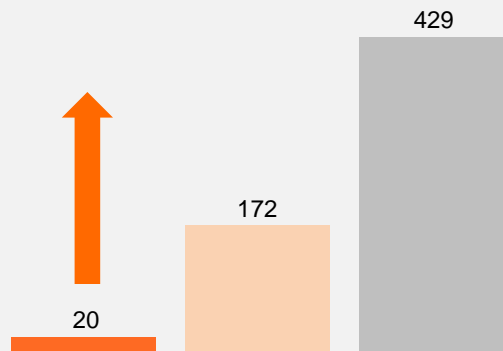
## WE WILL ~DOUBLE GMV FROM 2017 TO 2020



## WHOLESALE AND PARTNER PROGRAM GROW ALONG TWO DIMENSIONS

### ACTIVE CUSTOMER GROWTH

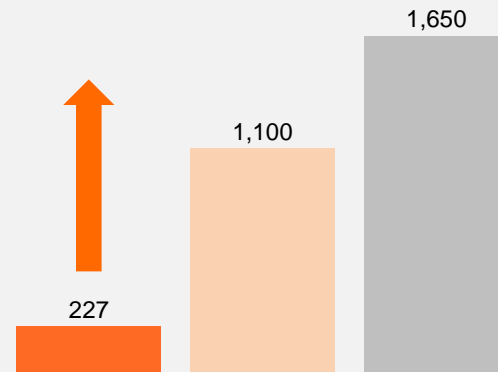
In Million



- ZAL active customers Q1/17
- ZAL target customer age (15 markets) <sup>(1)</sup>
- Total population (15 markets) <sup>(2)</sup>

### SHARE OF WALLET GROWTH

In EUR



- ZAL GMV per active customer Q1/17
- Non-ZAL customers <sup>(3)</sup>
- ZAL fashion forward customers <sup>(3)</sup>

<sup>(1)</sup> Source: Euromonitor, population aged 20-49; June 2017

<sup>(2)</sup> Source: Euromonitor, population older than 15 years; June 2017

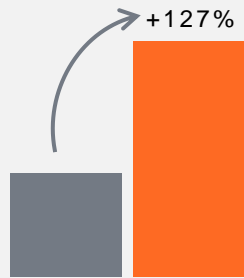
<sup>(3)</sup> Source: Zalando, external online survey, country DE, November 2016. Sample description: size = 1,976; non Zalando customers = 70%, Zalando customers = 30%



# INVESTMENTS INCREASE CUSTOMERS AND SHARE OF WALLET

## EXAMPLE: EXPANSION OF PLUS SIZE ASSORTMENT

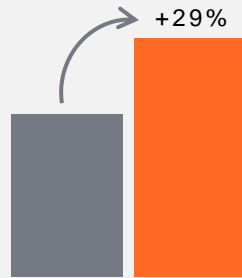
Active customer growth



■ 2015 ■ 2016

# active plus size customers<sup>1</sup>

Share of wallet growth<sup>4</sup>

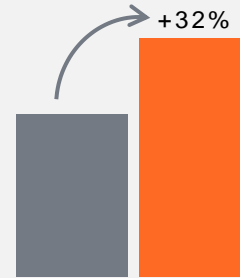


■ 2015 ■ 2016

plus size order frequency<sup>4</sup>

## EXAMPLE: ADVANCEMENT OF FASHION STORE MOBILE APP

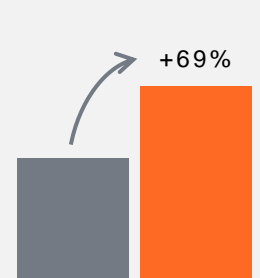
Active customer growth



■ 2015 ■ 2016

# customers acquired via app<sup>2</sup>

Share of wallet growth<sup>4</sup>



■ other channels ■ app

order frequency by acquisition channel<sup>3</sup>

## GROWTH SUPPORTED BY LESS MATURE BUT GROWING BUSINESSES

### B2B SERVICES

MEDIA & DATA  
SOLUTIONS  
(ZMS)



FULFILLMENT  
SOLUTIONS  
(ZFS)



INVENTORY  
INTEGRATION



## GROWTH SUPPORTED BY LESS MATURE BUT GROWING BUSINESSES

### B2B SERVICES

MEDIA & DATA  
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### OTHERS

ZLABELS



MOVMT



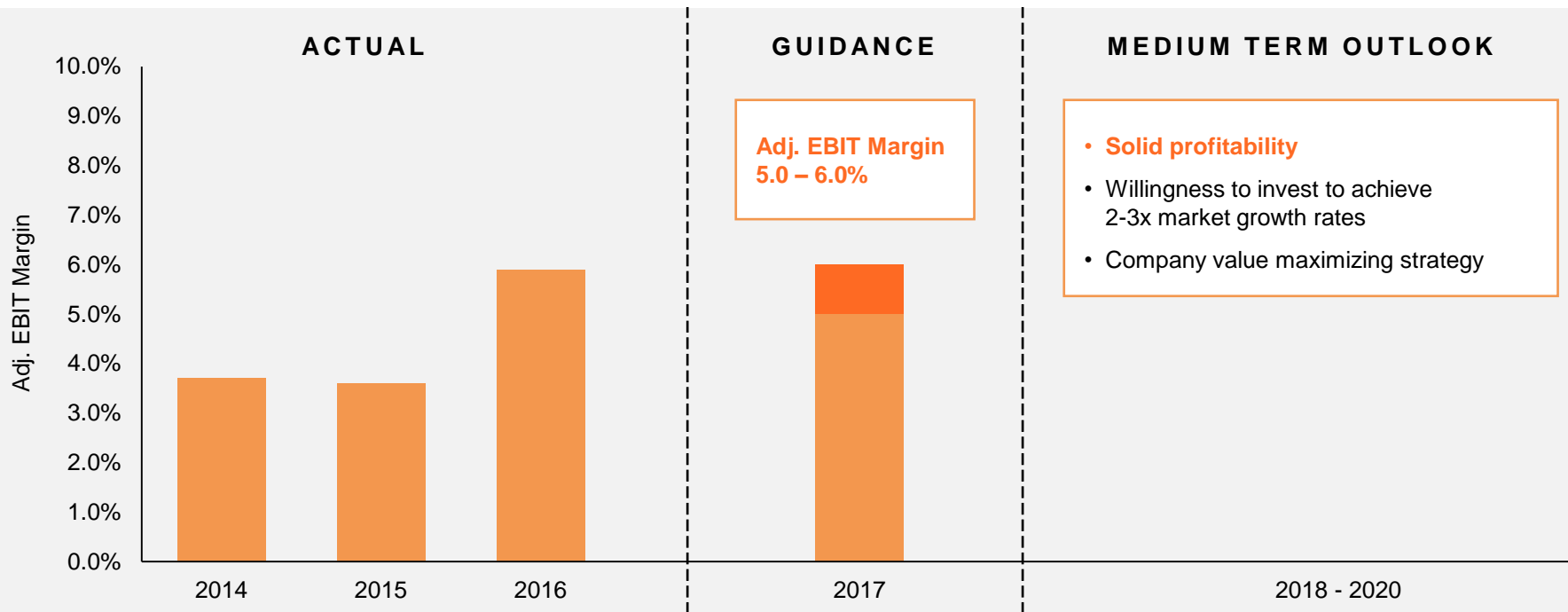
“NEXT BIG THING“



# 2

## PROFITABILITY

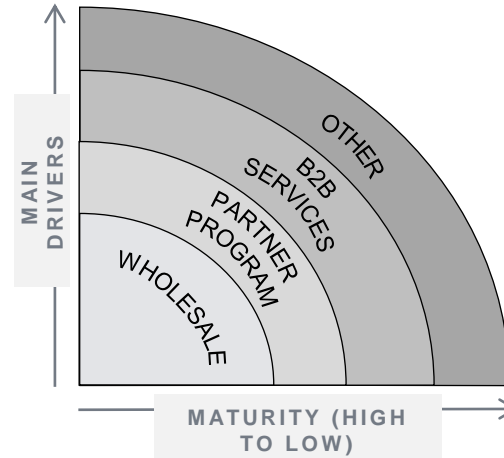
## SOLID PROFITABILITY DURING STRONG GROWTH PHASE



## LONG-TERM MARGIN EXPANSION TARGET

### LONG TERM OUTLOOK

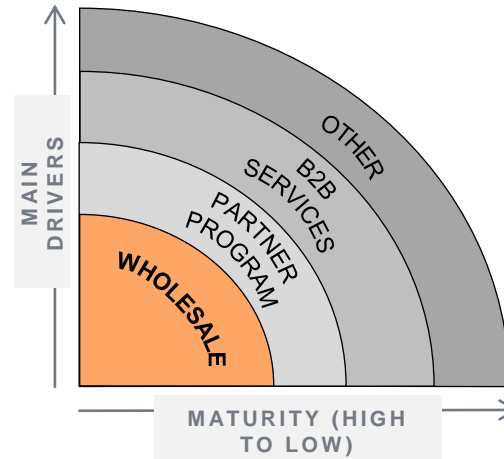
- Once growth decelerates to ~ market growth rate, margin expansion to target will follow
- Target margin has four main drivers



## LONG-TERM MARGIN EXPANSION TARGET

### LONG TERM OUTLOOK

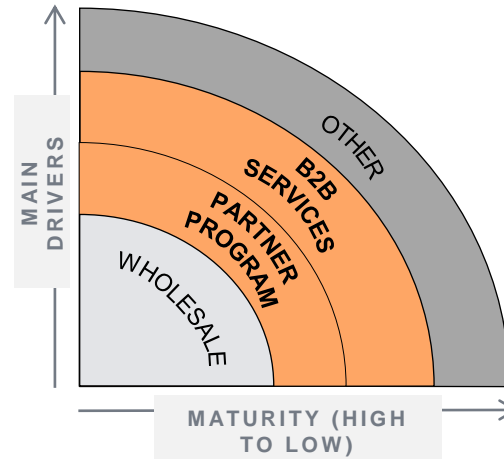
- **~10% target EBIT margin**
- Consistent message since IPO
- Achieved strong proof points  
(DACH 2016 adj. EBIT margin: 12.5 %)



## LONG-TERM MARGIN EXPANSION TARGET

### LONG TERM OUTLOOK

- **Option for more**
- PP: High margin commission business
- B2B Services
  - ZMS: High margin data & technology business
  - ZFS: Lower margin operations business with strategic benefits
- Inventory Integration: high margin SaaS business

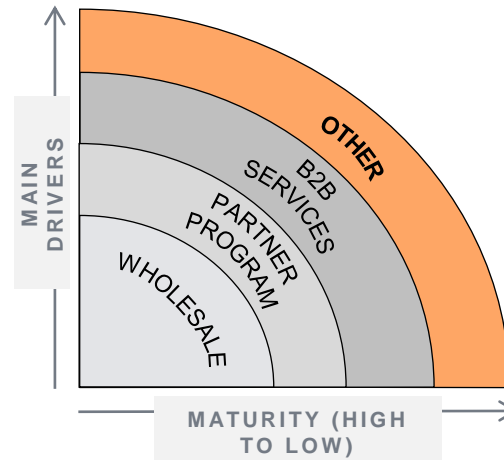




## LONG-TERM MARGIN EXPANSION TARGET

### LONG TERM OUTLOOK

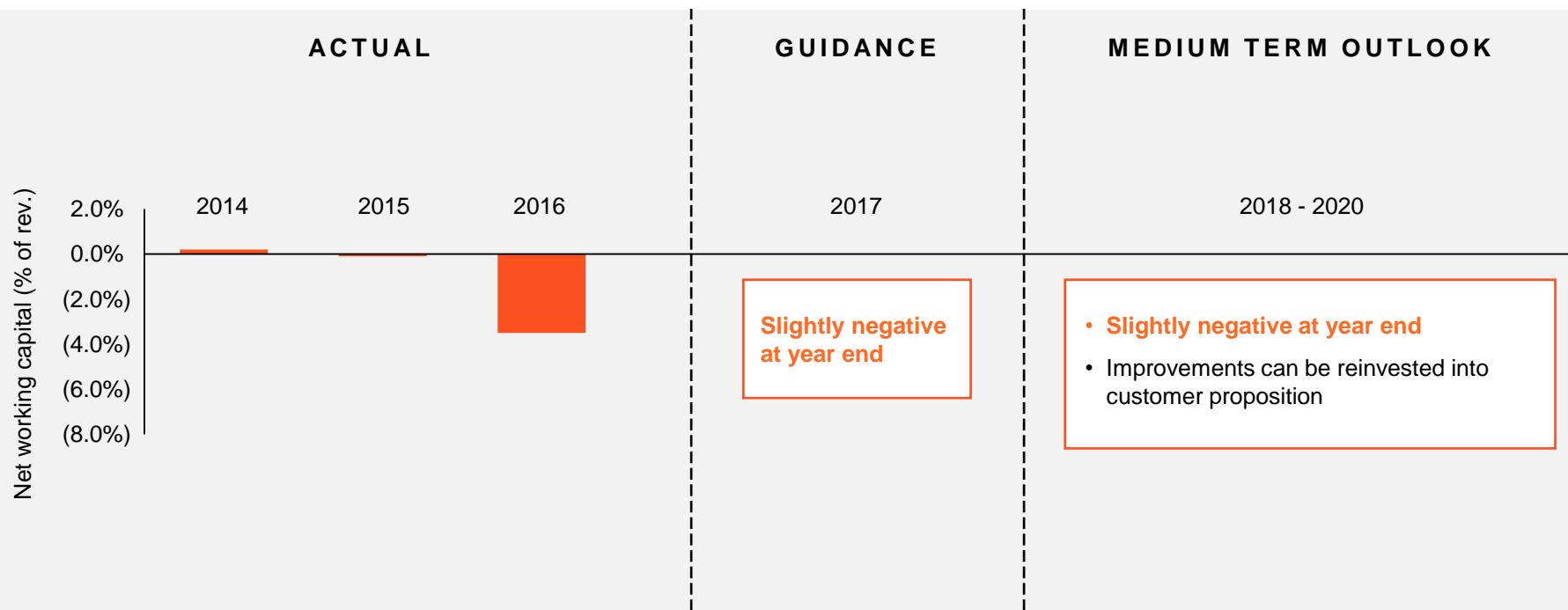
- Continuous entrepreneurial appetite
- Controlled investments
- Portfolio view



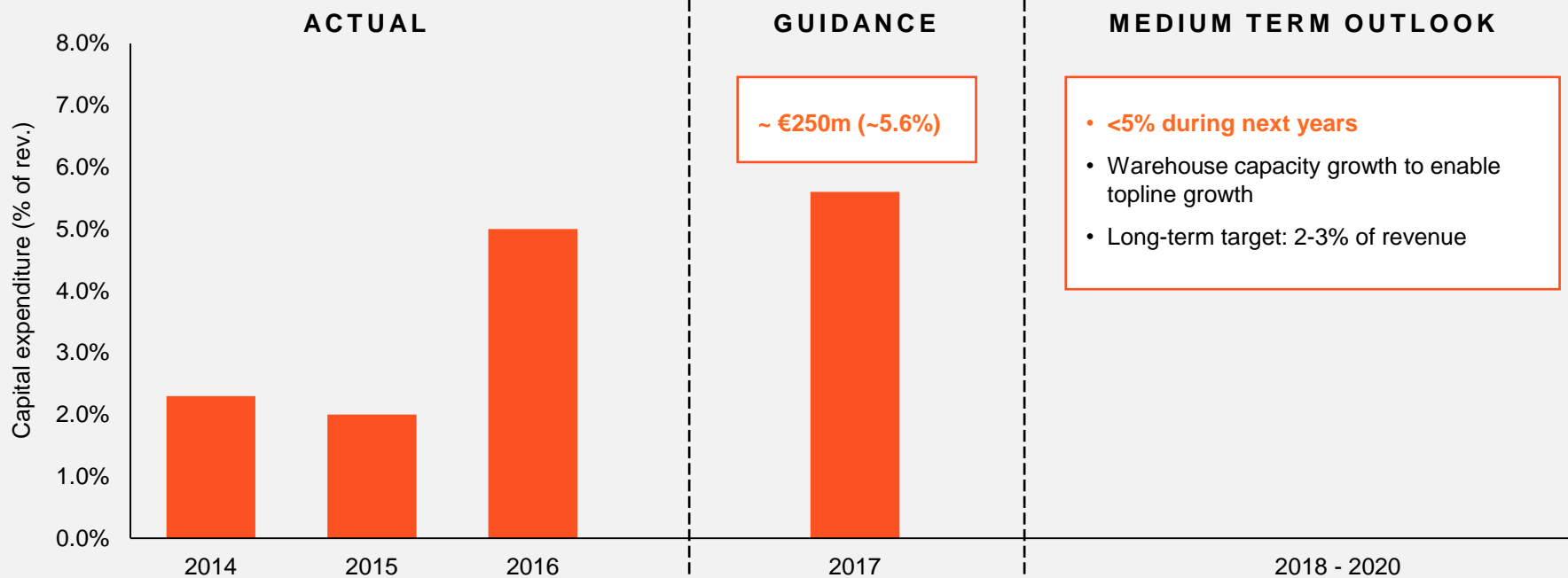
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**CAPITAL FOCUS**

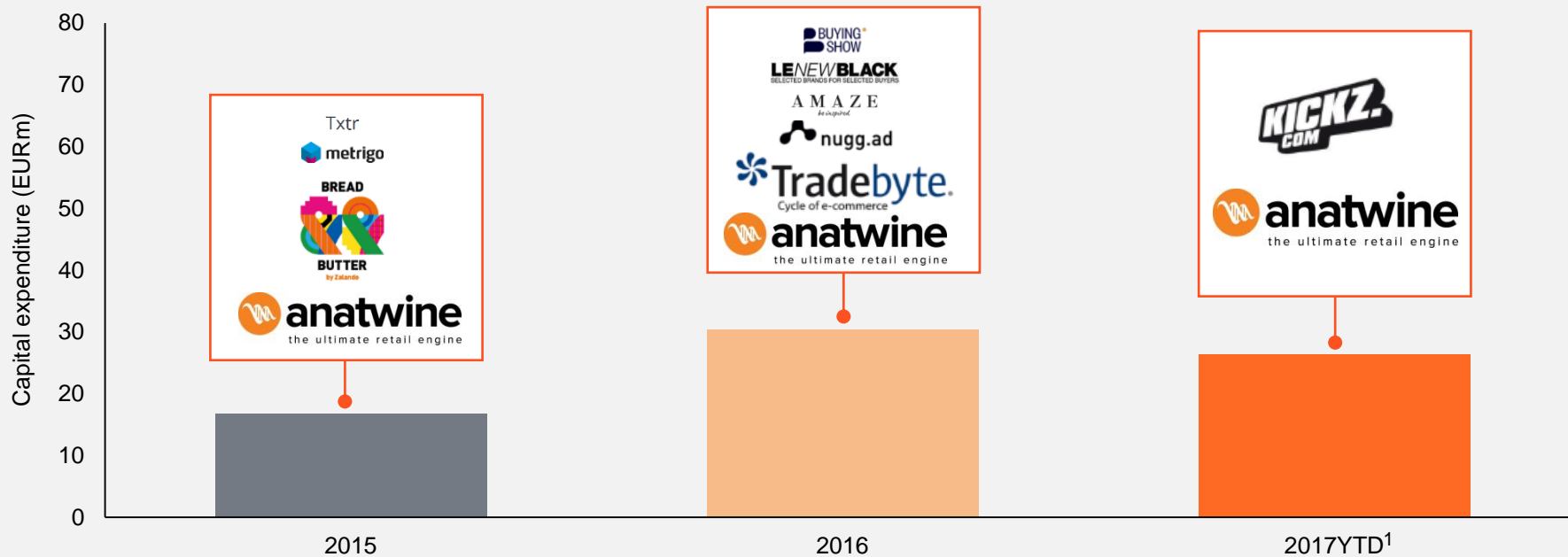
## FOCUS ON WORKING CAPITAL EFFICIENCY



## STRATEGIC GROWTH INVESTMENTS



## M&A FOCUS ON KNOW-HOW THAT DRIVES PLATFORM STRATEGY



## STRONG TRACK RECORD: PROFITABLE GROWTH AT SCALE SINCE IPO

	2014	2015	2016
REVENUE GROWTH OF 20–25%	✓	✓✓	✓
SOLID PROFITABILITY	✓✓	✓	✓✓
FREE CASH FLOW: Neutral Working Capital + Strategic Growth Investments	✓	✓	✓✓



## DISCLAIMER

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