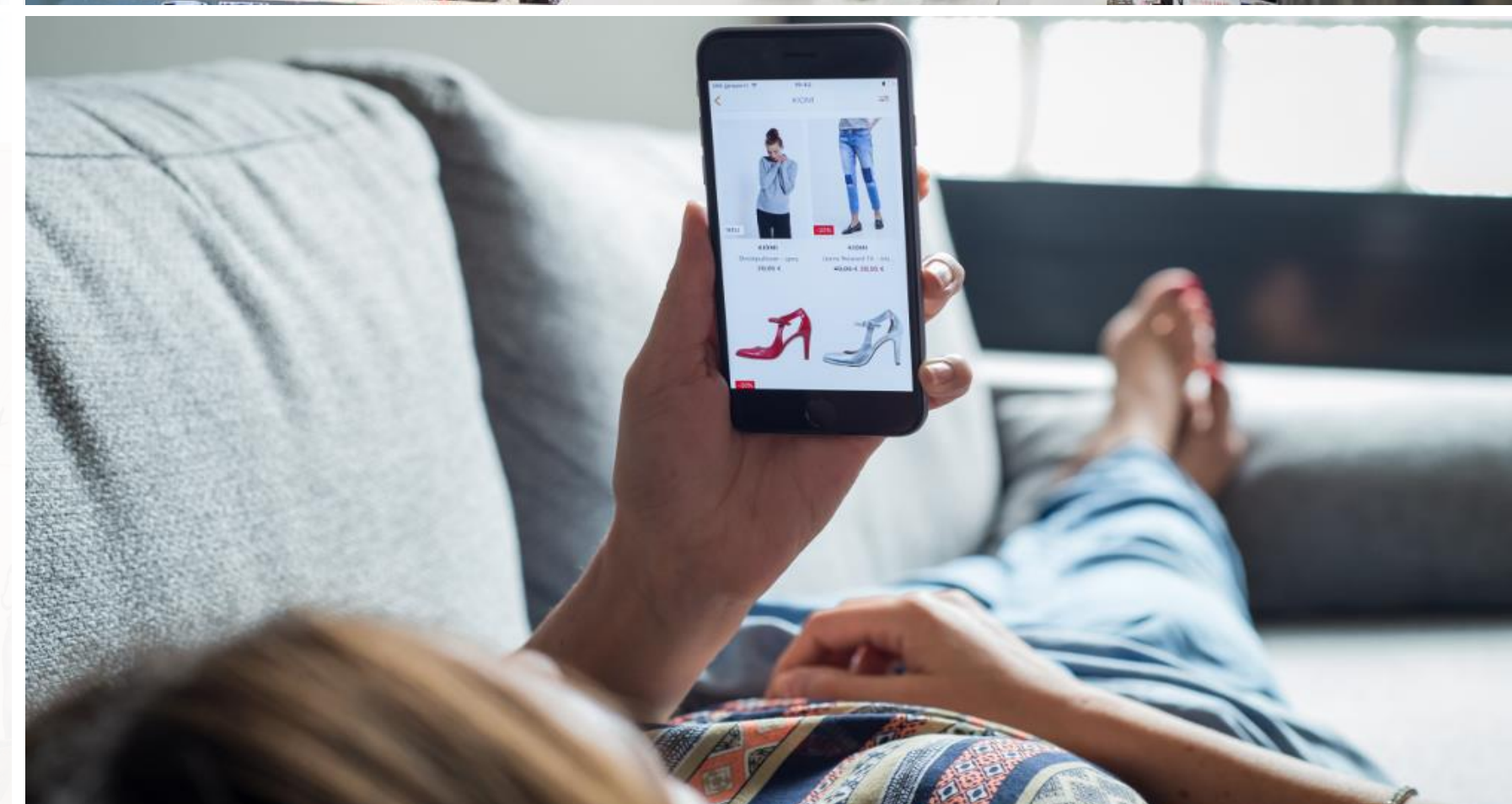
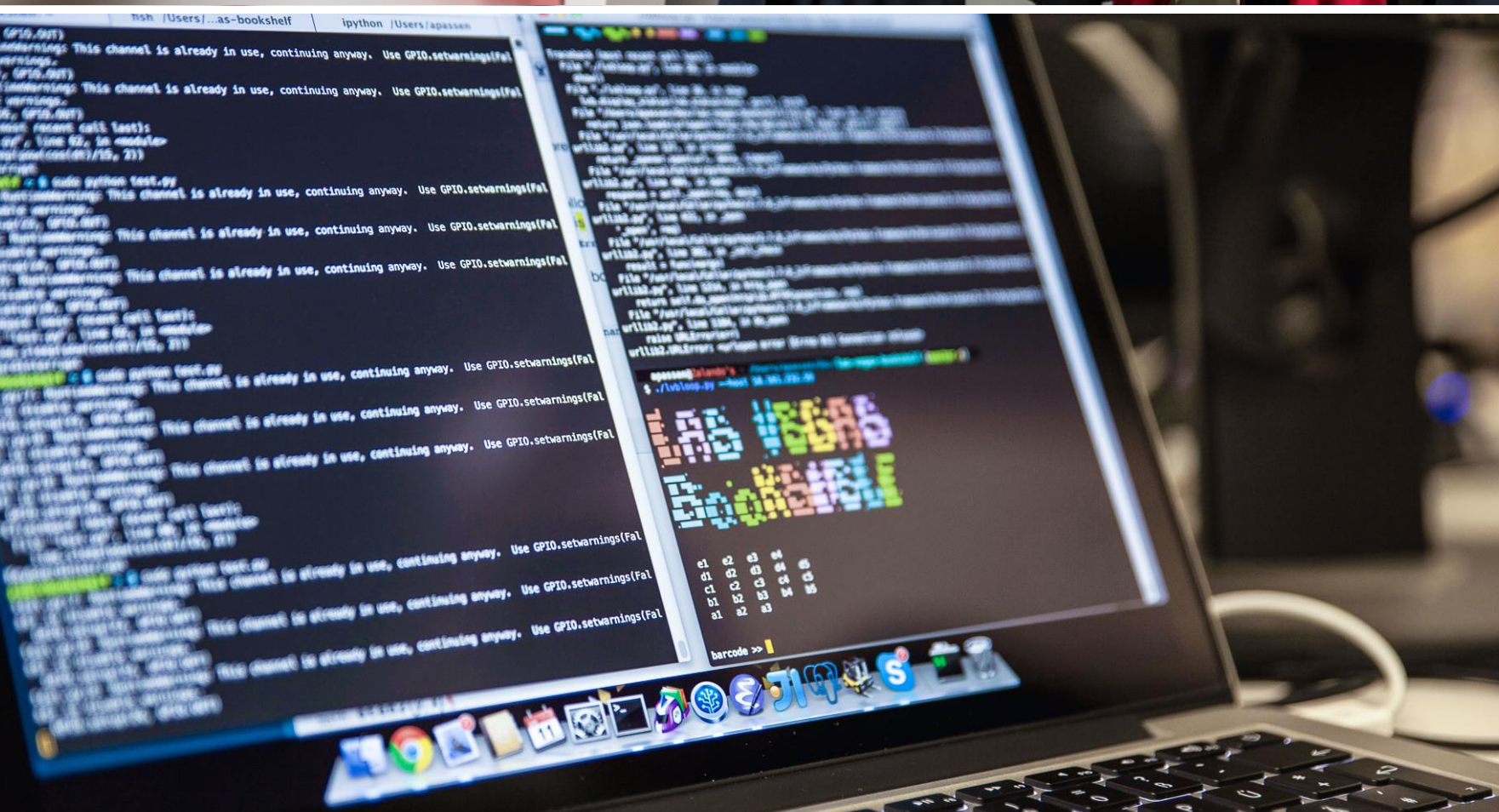
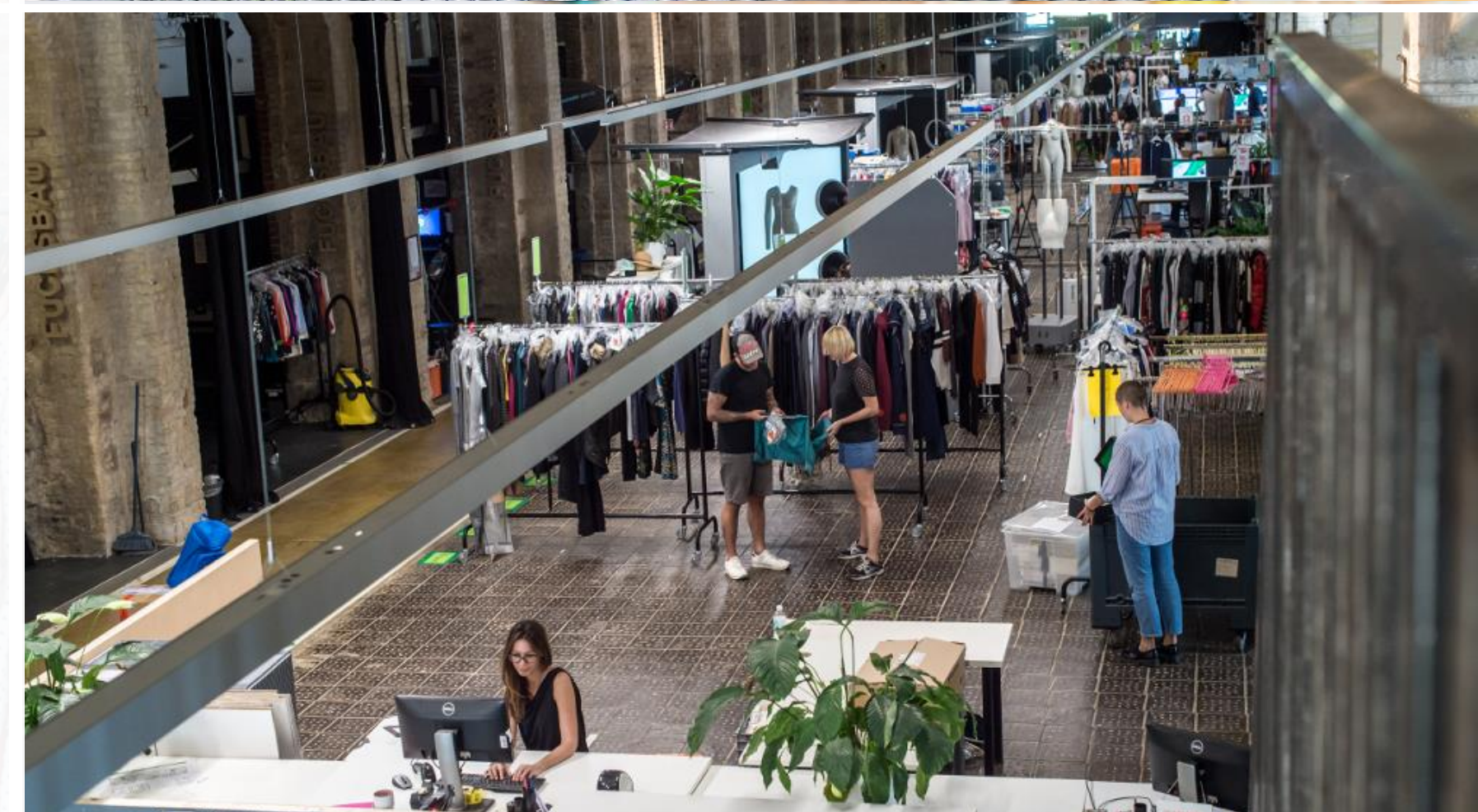




EUROPE'S LEADING ONLINE FASHION DESTINATION



Q1/2018 Earnings Call



May 8, 2018

HIGHLIGHTS AND BUSINESS UPDATE

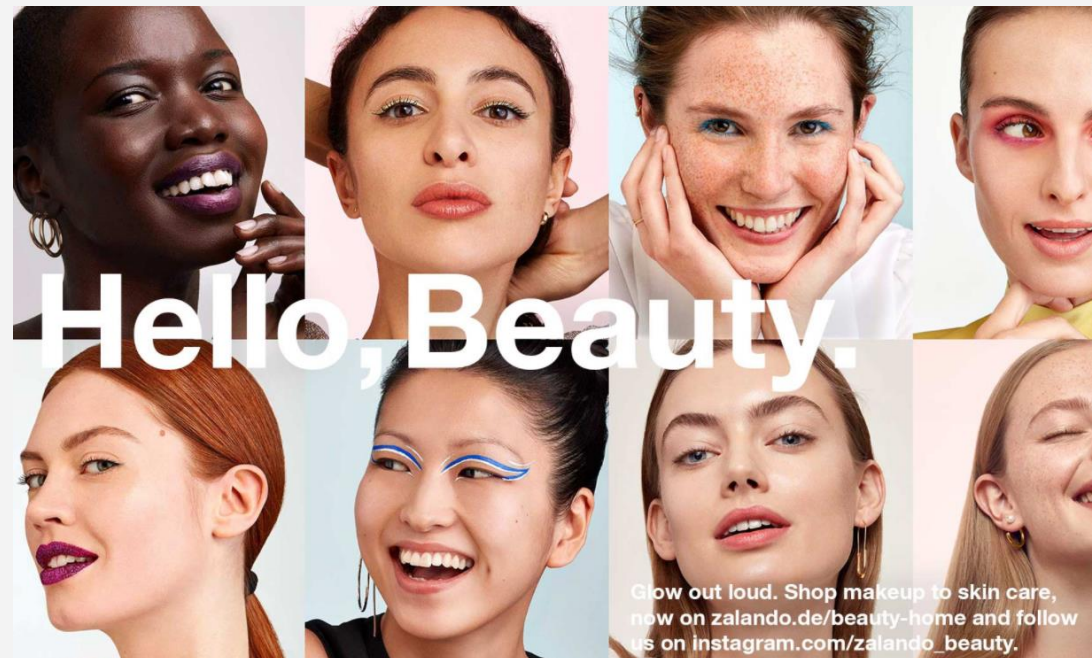
HIGHLIGHTS Q1/2018

+22%

**STRONG TOPLINE
PERFORMANCE
ACROSS ALL SEGMENTS**



**IMPORTANT
CUSTOMER KPI'S HITTING
ALL-TIME HIGHS**



**BEAUTY CATEGORY
SUCCESSFULLY
LAUNCHED**



**GUIDANCE CONFIRMED:
CONFIDENT FOR
STRONG GROWTH IN 2018**

BEAUTY CATEGORY SUCCESSFULLY LAUNCHED

>4.000 SKUs

INITIAL FOCUS ON COLOR
COSMETICS AND SKIN CARE



**#130
BRANDS**
AND MANY
MORE TO
COME...



>70%
OF BEAUTY
ORDERS ARE
MIXED BASKET
ORDERS



**ENGAGING
AND INSPIRING
CONTENT AND
ADVICE**

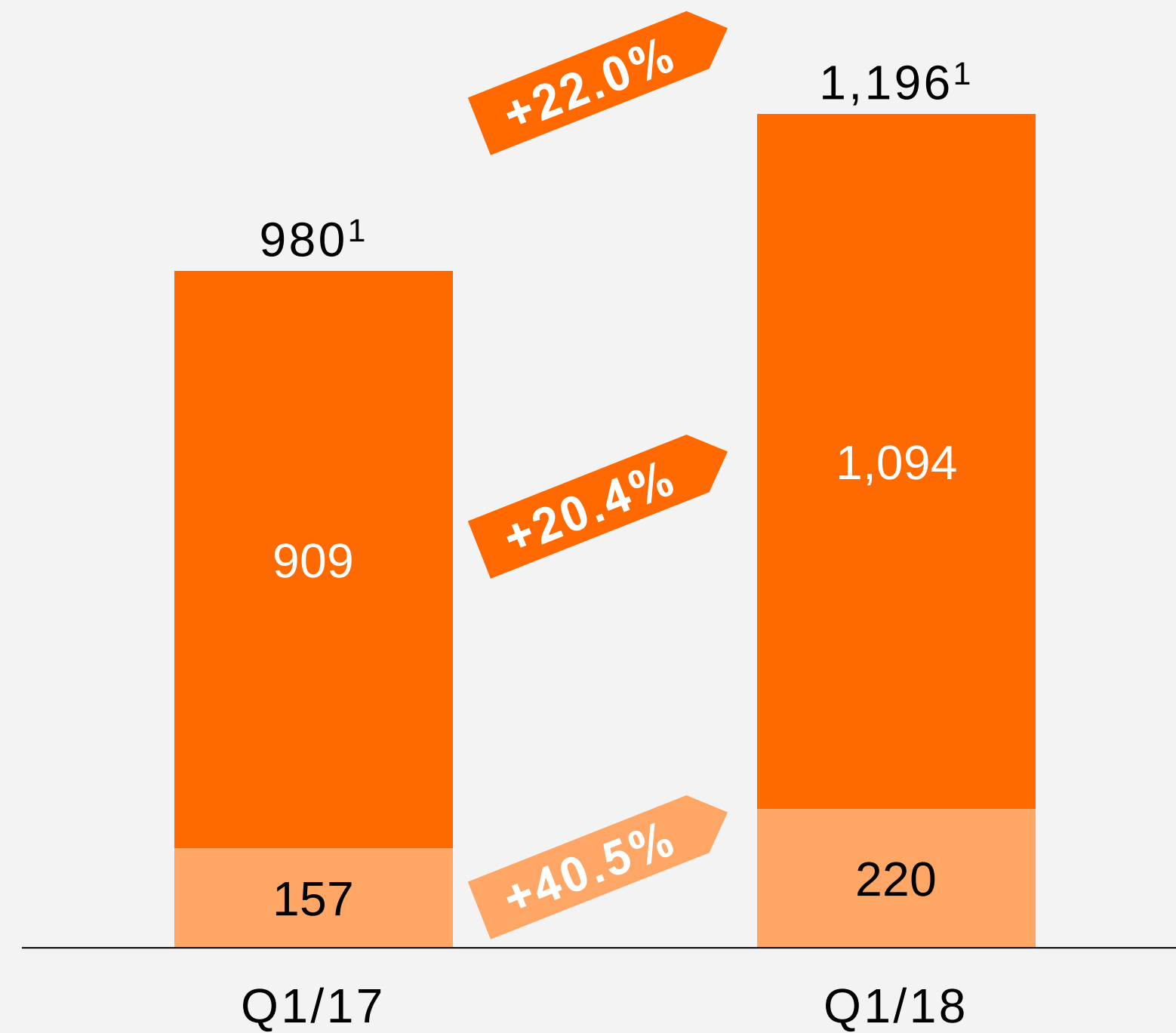


FINANCIAL UPDATE Q1/2018

STRONG TOPLINE PERFORMANCE ACROSS ALL SEGMENTS

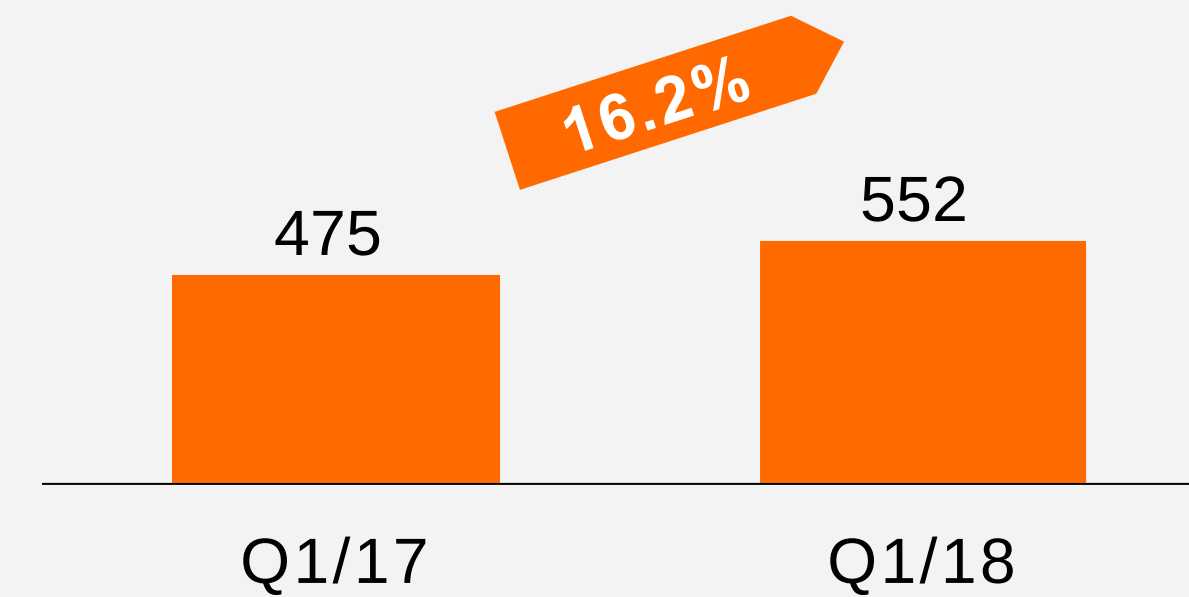
REVENUE: GROUP

 Fashion Store
 Other²
(in €m and %)

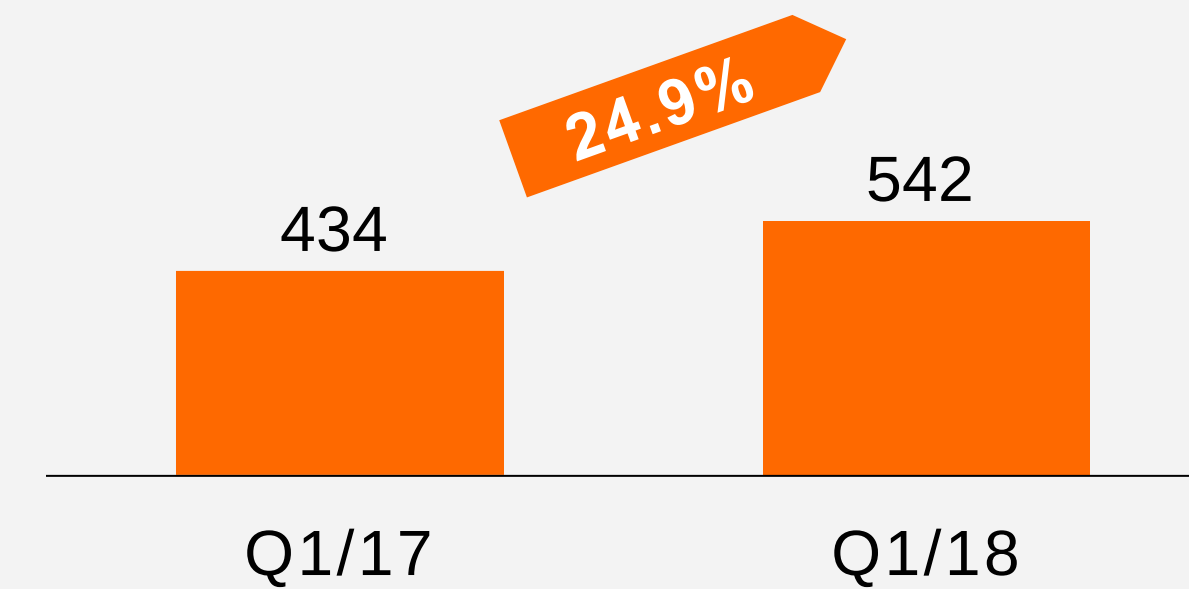


Updated segment structure since Jan 18 incl. reconciliation of internal revenues

FASHION STORE – DACH



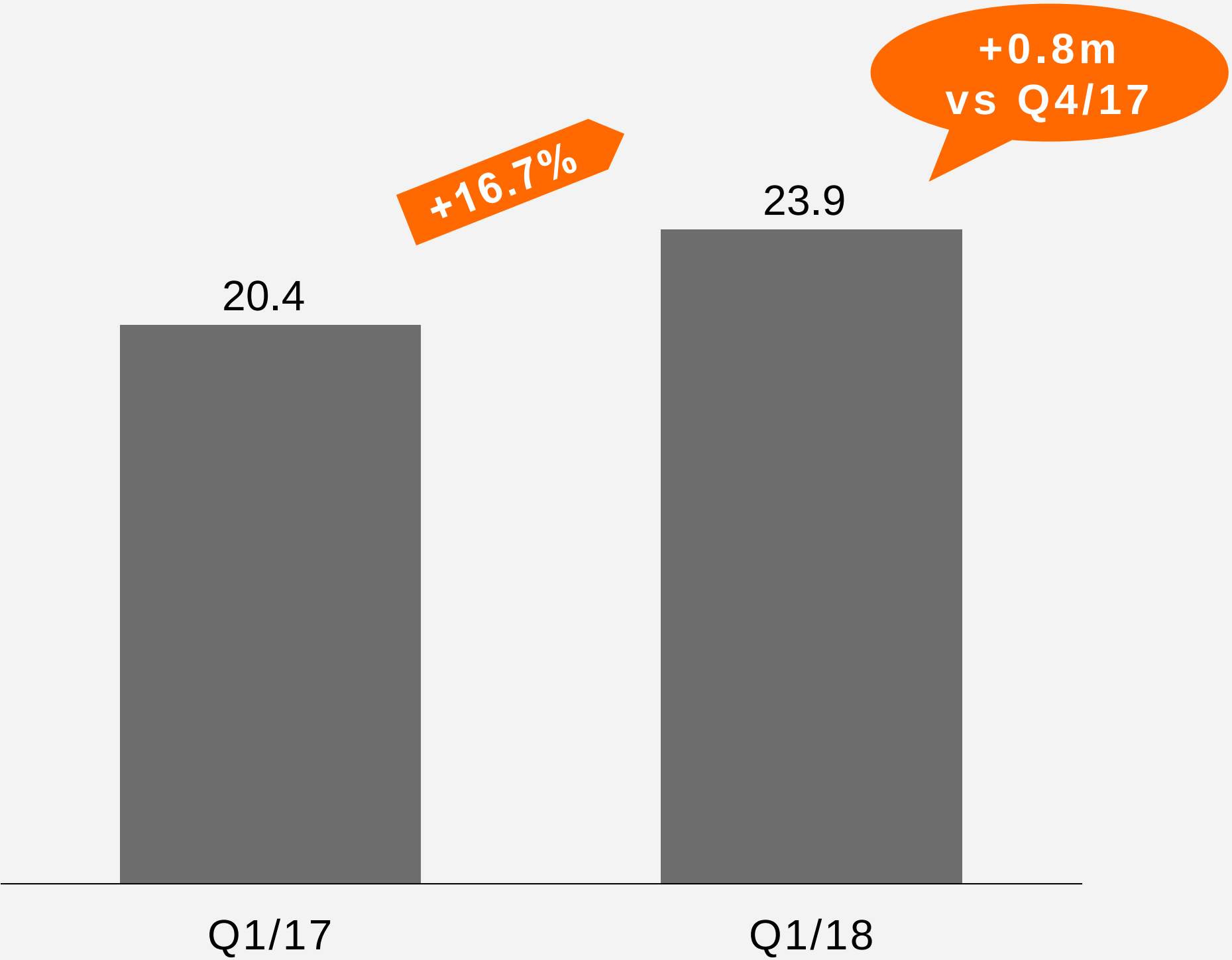
FASHION STORE – REST OF EUROPE



IMPORTANT CUSTOMER KPI'S HITTING ALL-TIME HIGHS

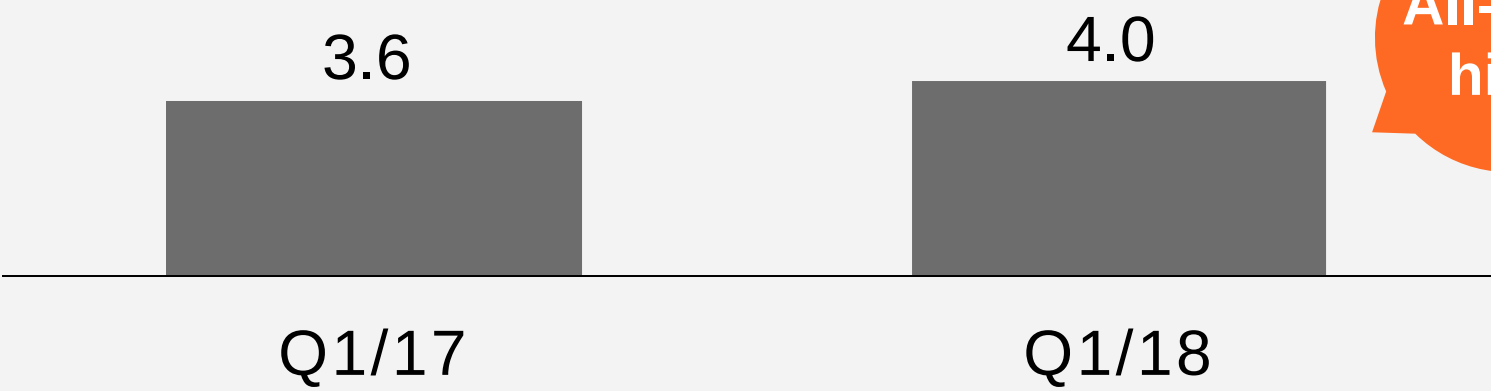
ACTIVE CUSTOMERS

(in #m)

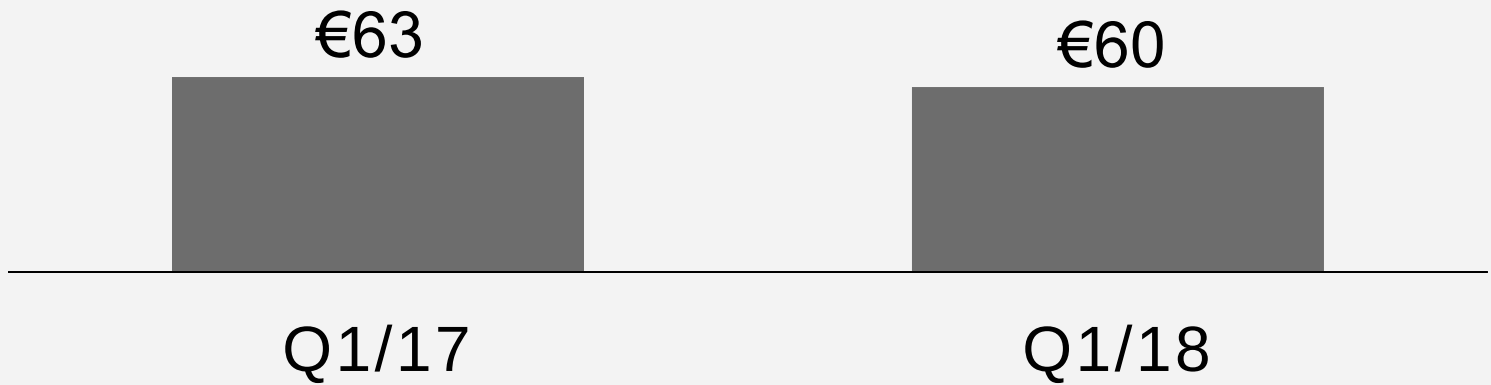


AVERAGE ORDERS PER ACTIVE CUSTOMERS

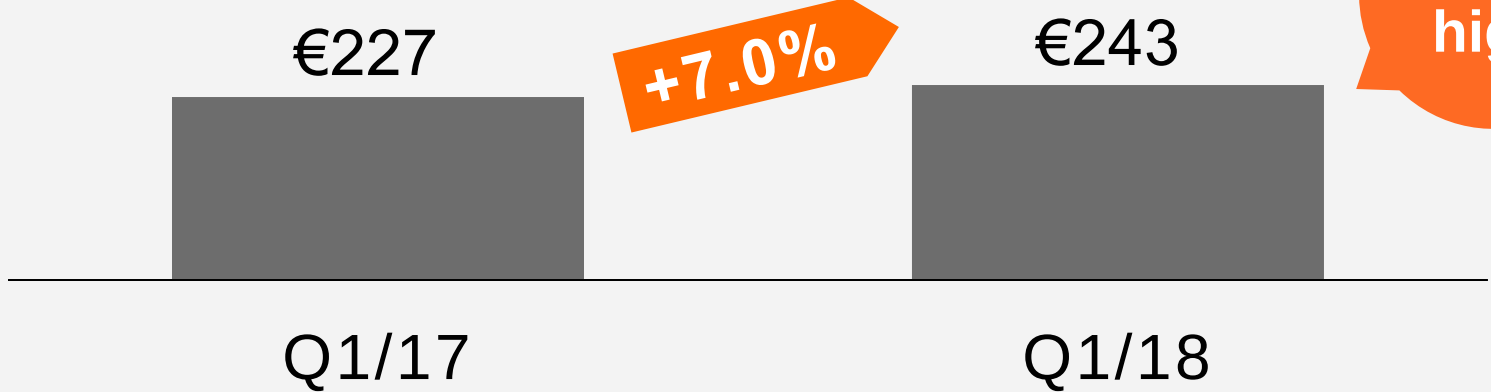
(LTM in #)



AVERAGE BASKET SIZE AFTER RETURNS¹



GMV PER ACTIVE CUSTOMER²

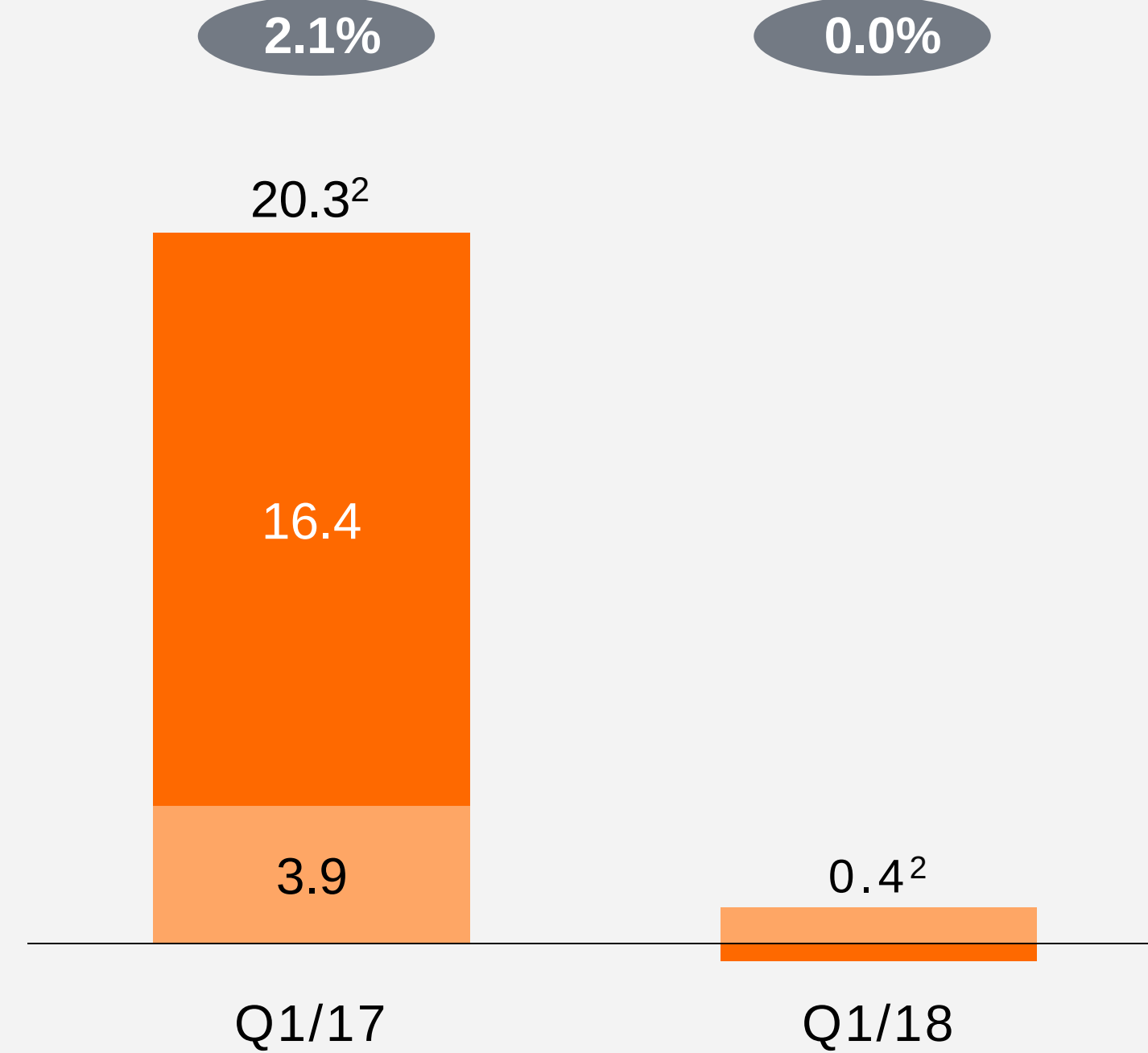


(1) Defined as the transactional revenue (incl. VAT and transactional volume of Partner Program) after cancellations or returns divided by the number of orders.
(2) GMV (gross merchandise volume) per active customer = average orders per active customer (LTM in #) x average basket size after returns (in €).

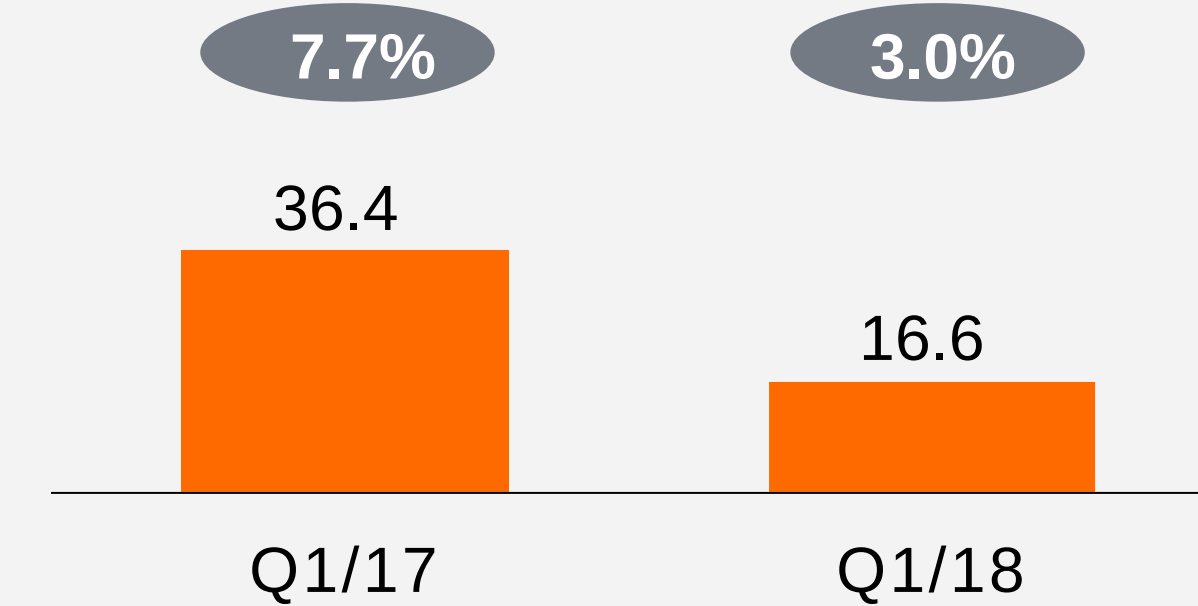
ADJ. EBIT IN BOTH SEGMENTS AROUND BREAK EVEN

ADJ. EBIT: GROUP¹

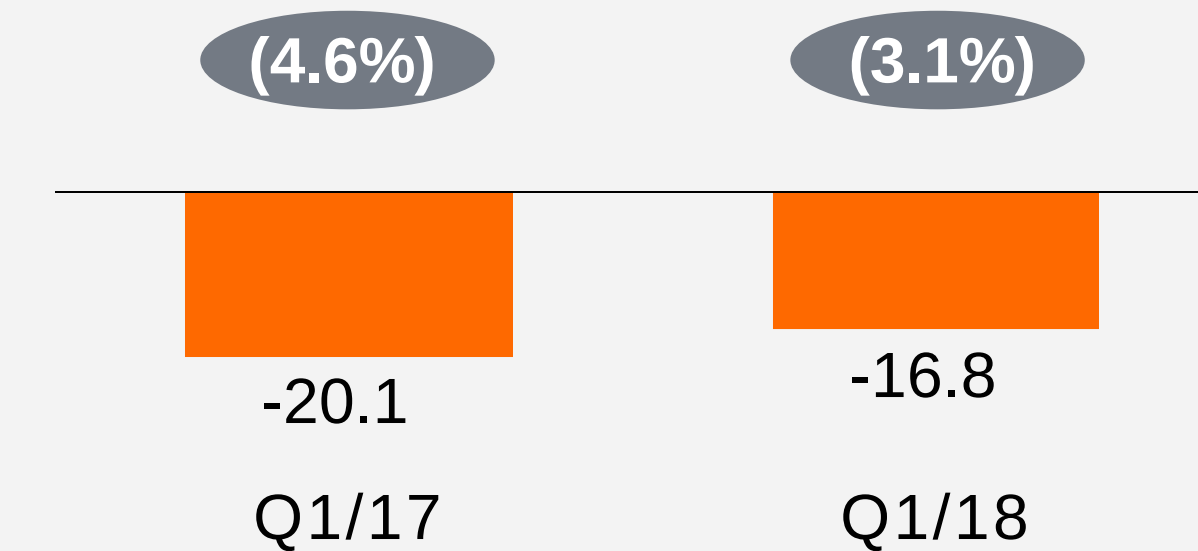
■ Fashion Store
■ Other
 (in €m and %)



FASHION STORE – DACH



FASHION STORE – REST OF EUROPE



LATE START TO SPRING/SUMMER SEASON AND CONTINUED INVESTMENTS IMPACTING ADJ. EBIT

COSTS AND MARGINS¹

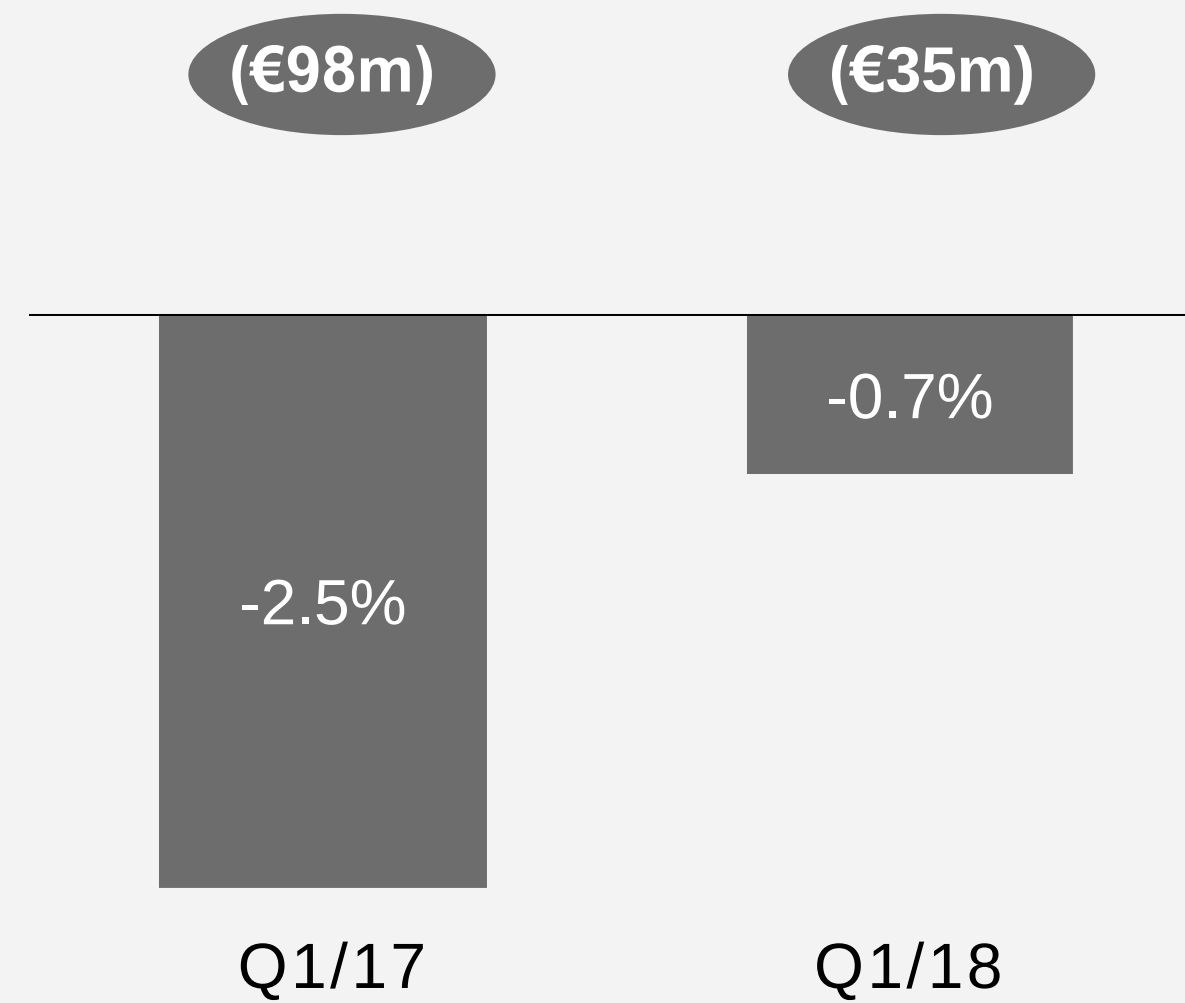
(in % of revenue)

	Q1			
	2017	2018	Delta	
COST OF SALES	(58.5%)	(60.3%)	1.8pp	Higher average discount rate due to late start of spring/summer season
GROSS PROFIT	41.5%	39.7%	(1.8pp)	
FULFILLMENT COSTS	(24.9%)	(28.1%)	3.2pp	Continued convenience and warehouse invest
MARKETING COSTS	(9.4%)	(6.9%)	(2.5pp)	
ADMINISTRATIVE EXPENSES & OTHER	(5.1%)	(4.6%)	(0.4pp)	Mainly reallocation into other cost lines ²
ADJ. EBIT	2.1%	0.0%	(2.0pp)	

CAPEX SPEND BACK-END LOADED IN 2018

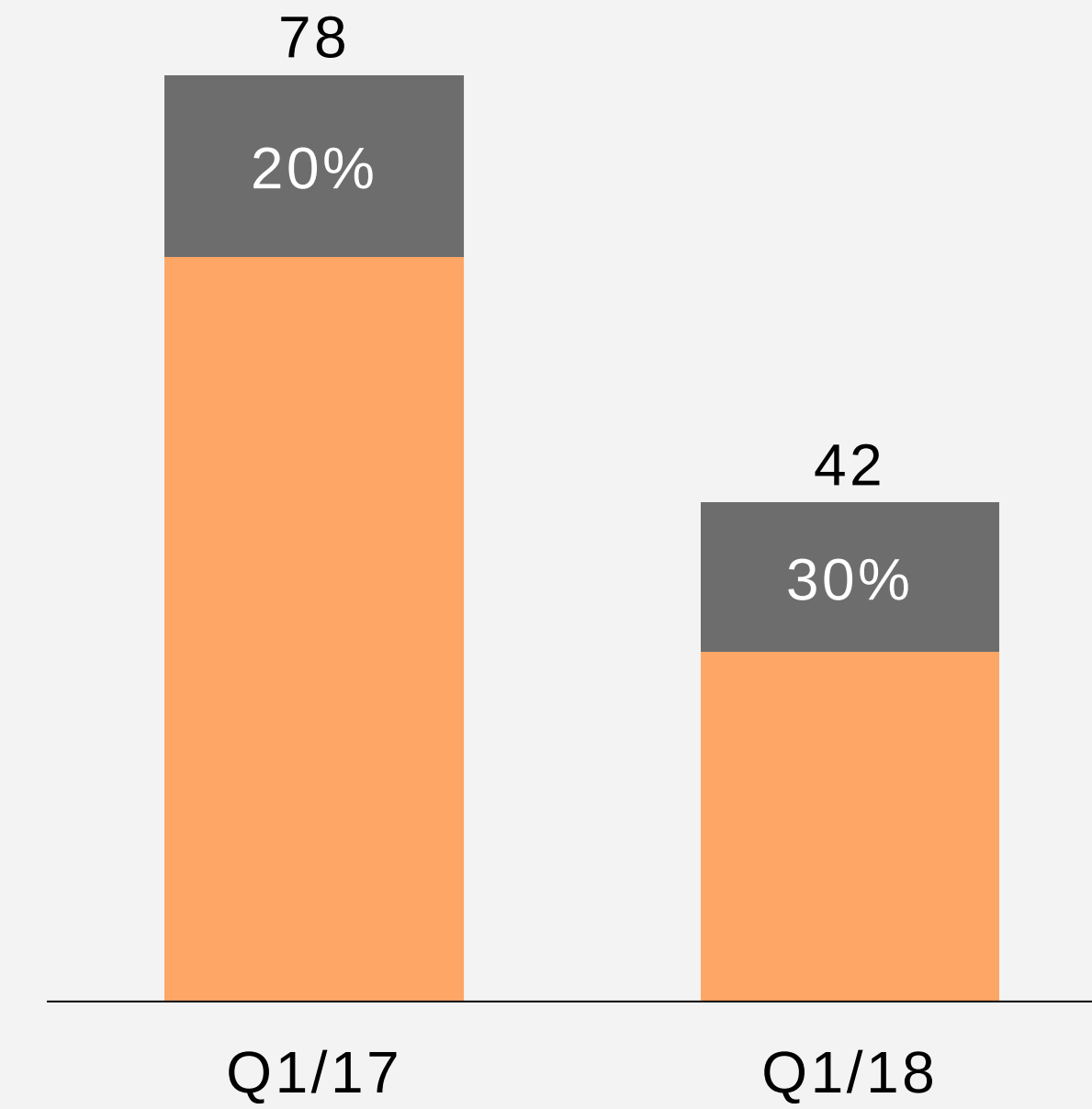
NET WORKING CAPITAL (END OF Q1)

(in % of annualized revenue)



CAPITAL EXPENDITURE¹

■ Intangibles
■ PP&E
(in €m)



OUTLOOK

OUTLOOK FOR 2018 CONFIRMED: CONFIDENT FOR STRONG GROWTH IN 2018

REVENUE GROWTH OF 20 – 25%

ADJ. EBIT¹: €220M – €270M²

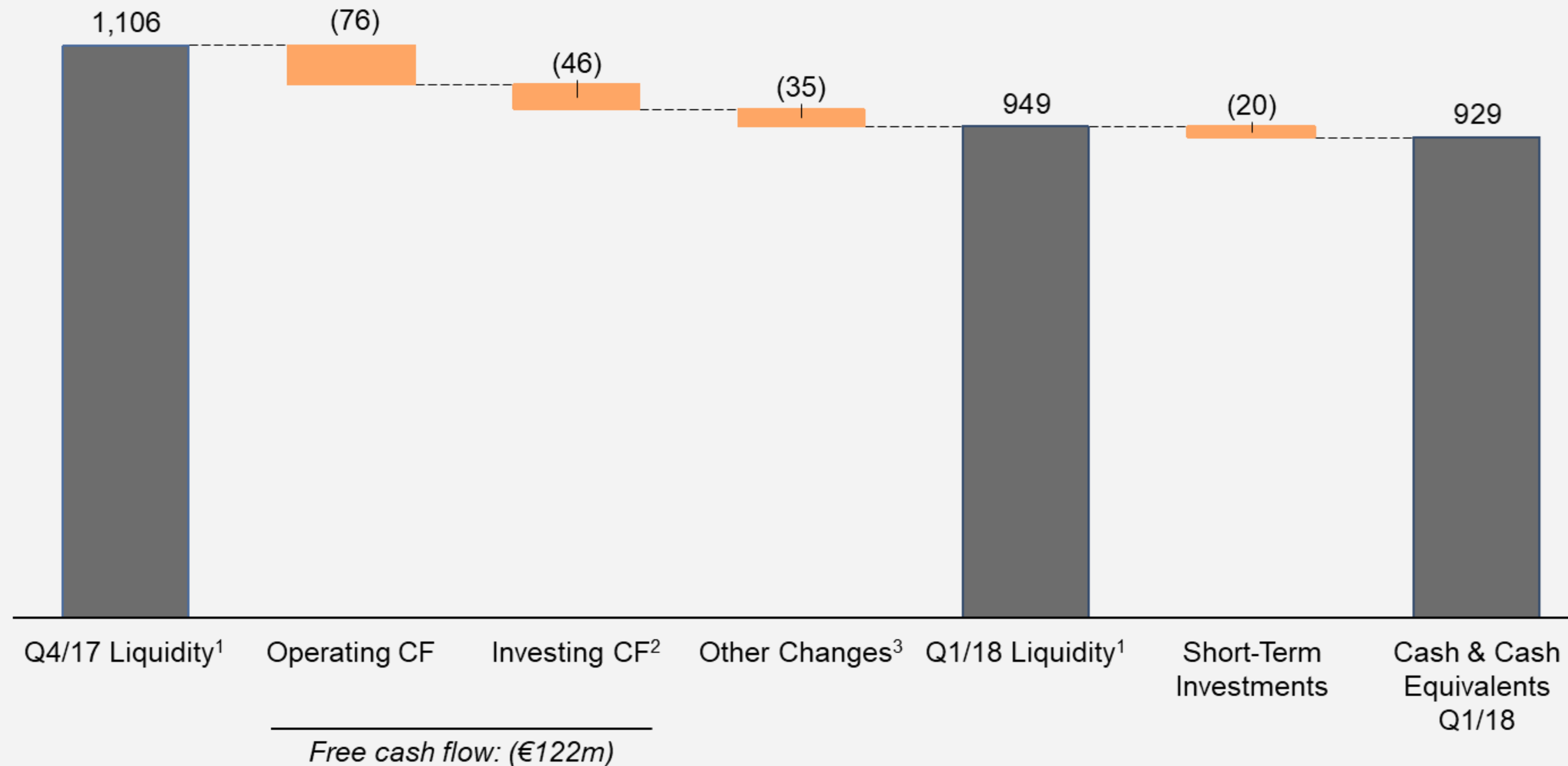
SLIGHTLY NEGATIVE WORKING CAPITAL + AROUND €350M CAPEX³



LIQUIDITY REMAINS ON SOLID LEVEL

CASH FLOW DEVELOPMENT

(in €m)



NEW SEGMENT STRUCTURE BASED ON SALES-CHANNEL VIEW

- **New segment structure** since Jan 18 based on sales-channel perspective
- **Highlights responsibility** and increases speed within the individual sales channels
- Revenue and profitability generated with external business partners **as well as internal transactions** between segments will be reported
- Segment reporting has been **supplemented by a reconciliation column** to reconcile the segment figures (including internal and external transactions) to the consolidated group figures (showing only external transactions)

(in €m)				
	FASHION STORE	OTHER	RECONCILIATION	GROUP
REVENUE	1,093.9	220.2	-118.1	1,196.0
THEREOF INTERSEGMENT	40.4	77.7	-118.1	0.0
THEREOF EXTERNAL	1053.5	142.5	0.0	1,196.0
ADJ. EBIT	(0.2)	0.2	0.4	0.4

Mostly sales from the Fashion Store to the Offprice business in Other segment

Mostly sales from the private label offering zLabels to the Fashion Store

ISSUED SHARE CAPITAL

SHARE INFORMATION

As of 31-Mar-2018

Type of Shares	Ordinary bearer shares with no-par value (<i>Stückaktien</i>)
Stock Exchange	Frankfurt Stock Exchange
Market Segment	Regulated Market (<i>Prime Standard</i>)
Index Listings	MDAX (3.1% share ¹)
Total Number of Shares Outstanding	247,979,558
Issued Share Capital	€247,979,558

SHARE STOCK OPTION PROGRAMS

As of 31-Mar-2018

Program	# Options outstanding	Weighted average exercise price (EUR)
Various	58,240	1.00
SOP 2011	1,851,300	5.65
SOP 2013	9,817,500	15.63
SOP 2014	6,161,295	19.58
Total	17,888,335	

EMPLOYEE INCENTIVE PLAN

As of 31-Mar-2018

Program	# Options outstanding	Weighted average exercise price (EUR)
EIP 2016	819,624	24.71
EIP 2017	1,081,440	36.65
EIP 2018	204,712	41.01
Total	2,105,776	32.43

INCOME STATEMENT

€m	FY/14	FY/15	FY/16	FY/17	Q1/17	Q1/18
Revenue	2,214.0	2,958.2	3,639.0	4,489.0	980.2	1,196.0
% growth	25.7%	33.6%	23.0%	23.4%	23.1%	22.0%
Cost of Sales	(1,255.3)	(1,624.0)	(2,029.6)	(2,529.6)	(574.8)	(722.0)
Gross Profit	958.7	1,334.1	1,609.4	1,959.4	405.4	474.0
% margin	43.3%	45.1%	44.2%	43.6%	41.4%	39.6%
Selling and Distribution Costs	(793.8)	(1,118.9)	(1,223.7)	(1,530.8)	(339.2)	(429.7)
Administrative Expenses	(109.1)	(129.0)	(191.3)	(242.9)	(52.8)	(61.1)
Other Operating Income	12.2	10.2	16.7	11.8	2.7	2.7
Other Operating Expenses	(5.8)	(7.0)	(4.1)	(9.9)	(1.1)	(1.1)
EBIT	62.1	89.6	207.0	187.6	14.9	(15.2)
% margin	2.8%	3.0%	5.7%	4.2%	1.5%	(1.3%)
Net Financial Result	(4.5)	(3.0)	(14.1)	(12.4)	(3.6)	(3.4)
EBT	57.7	86.6	192.9	175.2	11.3	-18.6
% margin	2.6%	2.9%	5.3%	3.9%	1.2%	(1.6%)
Income and Other Tax	(10.5)	34.9	(72.5)	(73.6)	(6.2)	3.5
Net Income	47.2	121.5	120.5	101.6	5.1	(15.1)
% margin	2.1%	4.1%	3.3%	2.3%	0.5%	(1.3%)
Depreciation & Amortization	25.8	34.2	48.2	58.7	12.6	17.9
EBITDA	88.0	123.8	255.2	246.4	27.5	2.7
% margin	4.0%	4.2%	7.0%	5.5%	2.8%	0.2%
Share Based Compensation (SBC)	19.8	17.9	19.9	27.5	5.4	4.7
Adj. EBIT¹	82.0	107.5	216.3	215.1	20.3	0.4
% margin	3.7%	3.6%	5.9%	4.8%	2.1%	0.0%
Adj. EBITDA¹	107.8	141.7	264.5	273.8	32.8	18.3
% margin	4.9%	4.8%	7.3%	6.1%	3.4%	1.5%

SHARE BASED COMPENSATION

€m	FY/14	FY/15	FY/16	FY/17	Q1/17	Q1/18
Per Income Statement Line Item						
Cost of Sales	4.4	4.5	5.0	6.9	1.3	0.6
Selling and Distribution Costs	9.6	9.0	9.9	13.7	2.7	1.3
Administrative Expenses	5.8	4.5	5.0	6.9	1.3	2.7
Share Based Compensation	19.8	17.9	19.9	27.5	5.4	4.7
As % of revenue						
Per Income Statement Line Item						
Cost of Sales	0.2%	0.2%	0.1%	0.2%	0.1%	0.1%
Selling and Distribution Costs	0.4%	0.3%	0.3%	0.3%	0.3%	0.1%
Administrative Expenses	0.3%	0.2%	0.1%	0.2%	0.1%	0.2%
Share Based Compensation	0.9%	0.6%	0.5%	0.6%	0.6%	0.4%

SEGMENTS¹

€m	FY/14	FY/15	FY/16	Reported FY/17	Restated FY/17	Restated Q1/17	Q1/18
Revenue	2,214.0	2,958.2	3,639.0	4,489.0	4,489.0	980.2	1,196.0
Fashion Store					4,150.5	908.8	1,093.9
<i>thereof DACH</i>	1,234.0	1,580.1	1,813.8	2,145.6	2,150.0	475.0	552.0
<i>thereof Rest of Europe</i>	862.6	1,211.6	1,570.2	1,973.6	2,000.5	433.8	541.9
Other	117.4	166.5	255.1	369.9	690.6	156.7	220.2
Reconciliation					(352.0)	-85.4	(118.1)
As % of total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Fashion Store					92.5%	92.7%	91.5%
Fashion Store – DACH	55.7%	53.4%	49.8%	47.8%	47.9%	48.4%	46.2%
Fashion Store – Rest of Europe	39.0%	41.0%	43.1%	44.0%	44.6%	44.3%	45.3%
Other	5.3%	5.6%	7.0%	8.2%	15.4%	16.0%	18.4%
Reconciliation					(7.8%)	(8.7%)	(9.8%)
Adjusted EBIT	82.0	107.5	216.3	215.1	215.1	20.3	0.4
Fashion Store					213.7	16.4	(0.2)
<i>thereof DACH</i>	83.0	101.9	226.3	188.5	193.5	36.4	16.6
<i>thereof Rest of Europe</i>	(11.6)	(3.3)	(3.3)	21.6	20.3	(20.1)	(16.8)
Other	10.5	8.9	(6.7)	5.0	1.4	3.9	0.2
Reconciliation					0.0	0.0	0.4
% adjusted margin	3.7%	3.6%	5.9%	4.8%	4.8%	2.1%	0.0%
Fashion Store					5.1%	1.8%	(0.0%)
Fashion Store – DACH	6.7%	6.4%	12.5%	8.8%	9.0%	7.7%	3.0%
Fashion Store – Rest of Europe	(1.3%)	(0.3%)	(0.2%)	1.1%	1.0%	(4.6%)	(3.1%)
Other	9.0%	5.3%	(2.6%)	1.3%	0.2%	2.5%	0.1%
Reconciliation					0.0%	0.0%	0.3%

BALANCE SHEET

€m	Q1/17	Q1/17 (% of total assets)	Q1/18	Q1/18 (% of total assets)
Total Non-Current Assets	456.6	17.0%	588.9	19.5%
Thereof: Property, Plant and Equipment	300.3	11.2%	377.0	12.5%
Other Financial Assets	43.8	1.6%	20.1	0.7%
Non-Financial Assets	2.8	0.1%	3.3	0.1%
Other Non-Current Assets	109.7	4.1%	188.5	6.2%
Total Current Assets	2,230.5	83.0%	2,435.3	80.5%
Thereof: Inventories	718.7	26.7%	891.0	29.5%
Trade and Other Receivables	231.4	8.6%	294.8	9.7%
Other Assets ¹	330.5	12.3%	321.0	10.6%
Cash and Cash Equivalents ¹	949.9	35.3%	928.5	30.7%
Total Assets	2,687.0	100.0%	3,024.2	100%
Total Equity	1,415.1	52.7%	1,499.5	49.6%
Thereof: Issued Capital	247.2	9.2%	247.0	8.2%
Capital Reserves	1,166.4	43.4%	1,152.4	38.1%
Retained earnings	(5.3)	(0.2%)	10.4	0.3%
Accumulated Loss	6.8	0.3%	89.7	3.0%
Minority Interests	-	-	(0.1)	(0.0%)
Total Non-Current Liabilities	29.5	1.1%	64.3	2.1%
Thereof: Financial Liabilities	10.5	0.4%	7.7	0.2%
Other Non-Current Liabilities	19.0	0.7%	56.6	1.9%
Total Current Liabilities	1,242.5	46.2%	1,460.5	48.3%
Thereof: Trade Payables and Similar Obligations	1,047.9	39.0%	1,220.6	40.4%
Other Current Liabilities	194.6	7.2%	239.9	7.9%
Total Equity & Liabilities	2,687.0	100.0%	3,024.2	100%
Net Working Capital	(97.7)	(3.6%)	(34.8)	(1.2%)

CASH FLOW STATEMENT

€m	FY2014	FY2015	FY/16	FY/17	Q1/17	Q1/18
Net Income	47.2	121.5	120.5	101.6	5.1	(15.1)
Non-Cash Expenses from Share-Based Payments	19.8	17.9	19.9	27.5	5.4	4.7
Cash 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	12.6	17.9
Income Taxes	10.5	(34.9)	72.5	73.6	6.2	(3.5)
Income Taxes Paid, Less Refunds	0.0	(0.0)	(33.8)	(49.4)	(3.9)	(10.4)
Change in Provisions	1.0	(0.5)	0.1	(1.5)	(0.1)	0.1
Other Non-Cash Income	(0.2)	(1.0)	1.2	6.5	0.7	1.0
Change in Inventories and Receivables	(68.7)	(154.2)	(147.4)	(251.0)	(157.2)	(128.2)
Change in Trade Liabilities	94.9	154.9	264.3	198.4	126.5	92.4
Change in Other Assets/Other Liabilities	44.6	(16.2)	(69.7)	29.2	(11.9)	(34.8)
Cash Flow from Operating Activities	174.9	119.4	275.8	193.7	(16.7)	(75.9)
Payments for Investments in Fixed and Intangible Assets	(51.1)	(60.0)	(181.7)	(243.9)	(77.8)	(41.8)
Payments for Acquisitions	0.0	(16.8)	(30.4)	(34.9)	0.0	(4.5)
Cash Paid for Investments in Term Deposits	0.0	(155.0)	(65.0)	180.0	70.0	20.0
Change in Restricted Cash	(0.8)	35.3	0.0	10.4	0.4	0.0
Cash Flow from Investing Activities	(51.9)	(196.5)	(277.1)	(88.3)	(7.4)	(26.3)
Payments Received from Capital Increases	510.1	6.4	1.1	3.9	0.0	0.0
Cash Received from Loans	3.9	0.0	(0.7)	0.0	0.0	0.0
Repurchase of treasury shares	0.0	(1.7)	0.0	(11.3)	0.0	(33.2)
Cash Repayments of Loans	(3.2)	(3.2)	(3.2)	(3.2)	(0.8)	(0.4)
Cash Flow from Financing Activities	510.8	1.5	(2.9)	(10.6)	(0.8)	(33.6)
Change in Cash & Cash Equivalents	633.8	(75.7)	(4.1)	94.8	(25.0)	(135.9)
Effects of Exchange Rate on Cash & Cash Equivalents	0.0	0.9	0.5	(1.9)	2.2	(1.2)

KPI DEVELOPMENT

	2015	2016	Q1/17	Q2/17	Q3/17	Q4/17	2017	Q1/18
Site Visits (m) ¹	1,656.4	1,991.6	617.6	595.2	615.6	735.1	2,563.5	713.5
Mobile Visit Share (in % of Site Visits) ²	57.1%	65.6%	68.8%	69.7%	71.8%	72.1%	70.7%	76.6%
Active Customers (m) ³	17.9	19.9	20.4	21.2	22.2	23.1	23.1	23.9
Number of Orders (m) ⁴	55.3	69.2	19.9	22.2	22.5	25.8	90.5	25.4
Average Order per Active Customer	3.08x	3.48x	3.60x	3.69x	3.80x	3.92x	3.92x	4.02x
Average Basket Size (in €) ⁵	67.8	66.6	63.0	64.5	62.0	67.8	64.5	60.3
Fulfillment Cost Ratio (in % of revenue) ⁶	25.8%	23.2%	24.9%	26.8%	27.0%	24.9%	25.9%	28.1%
Marketing Cost Ratio (in % of revenue) ⁷	11.7%	10.2%	9.4%	7.3%	8.4%	7.0%	7.9%	6.9%

- (1) 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.
- (2) Mobile is defined as tablets, mobile site and apps.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.

FINANCIAL CALENDAR 2018

May 2018					June 2018					August 2018					November 2018				
M	T	W	T	F	M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
	1	2	3	4					1			1	2	3				1	2
7	8	9	10	11	4	5	6	7	8	6	7	8	9	10	5	6	7	8	9
14	15	16	17	18	11	12	13	14	15	13	14	15	16	17	12	13	14	15	16
21	22	23	24	25	18	19	20	21	22	20	21	22	23	24	19	20	21	22	23
28	29	30	31		25	26	27	28	29	27	28	29	30	31	26	27	28	29	30
Date					Action														
Wednesday, May 9					Frankfurt: Roadshow														
Wednesday, May 16					Edinburgh: Roadshow														
Wednesday, May 16					London: JPM Morgan Global Consumer and Retail Conference														
Thursday, May 17					London: Citi Internet and eCommerce Day														
Wednesday, May 23					Berlin: AGM														
Monday & Tuesday, June 4 & 5					Berlin: Capital Markets Day														
Thursday & Friday, June 7 & 8					Berlin: dbAccess - German, Swiss & Austrian Conference														
Tuesday, 7-August					Q2/2018 Results														
Tuesday, 6-November					Q3/2018 Results														

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 fulfillment centers, inaccurate personnel and capacity forecasts for fulfillment centers, 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.