

ANNUAL GENERAL MEETING ZALANDO SE

2 June 2015
Tempodrom, Berlin







WELCOME TO THE ANNUAL GENERAL MEETING 2015

The Management Board welcomes you

David Schneider

Fashion & Brand Relations, Brand Marketing

Robert Gentz

Technology, Strategy & Business Development

Rubin Ritter

Commercial Business, Operations & Finance



Business update 2014

Well positioned for the future



Diverse assortment:

> 150.000 products from > 1.500 brands

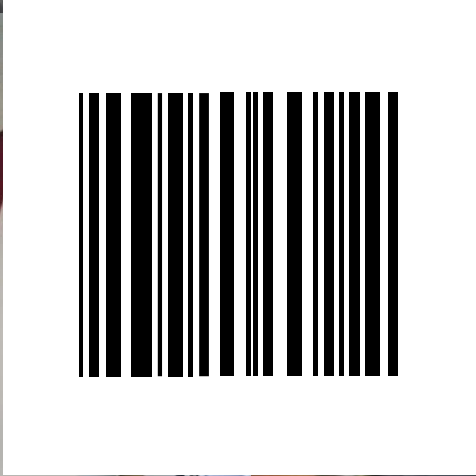
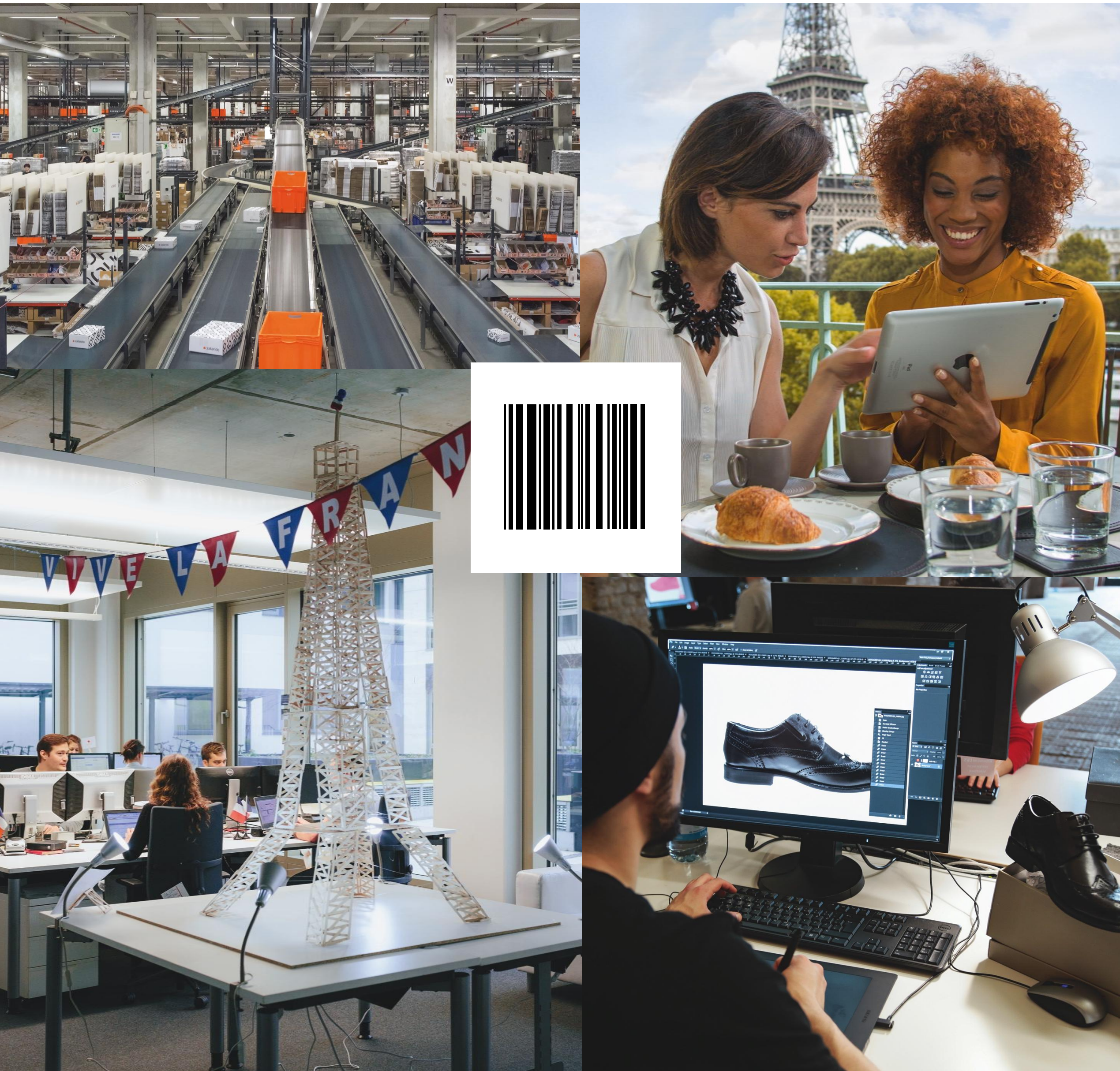
Gateway to Europe:

Brand partnerships with Topshop & Gap

Fashion = Art & Science:

Combination of trend scouts with smart data

Excellence in operations – the operational backbone



Fulfillment as core competence:

100% insourcing, Erfurt & Mönchengladbach ramp-up

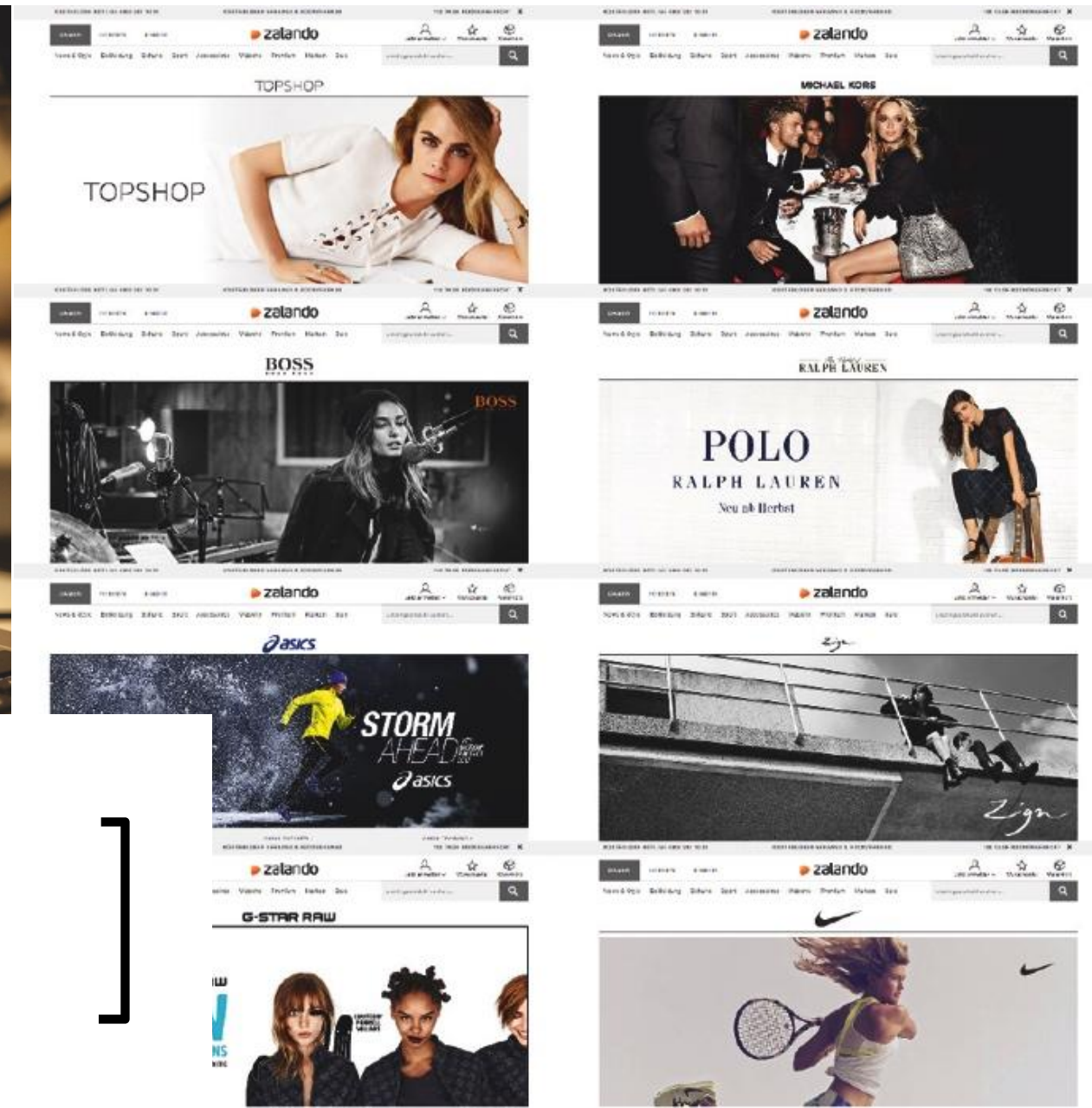
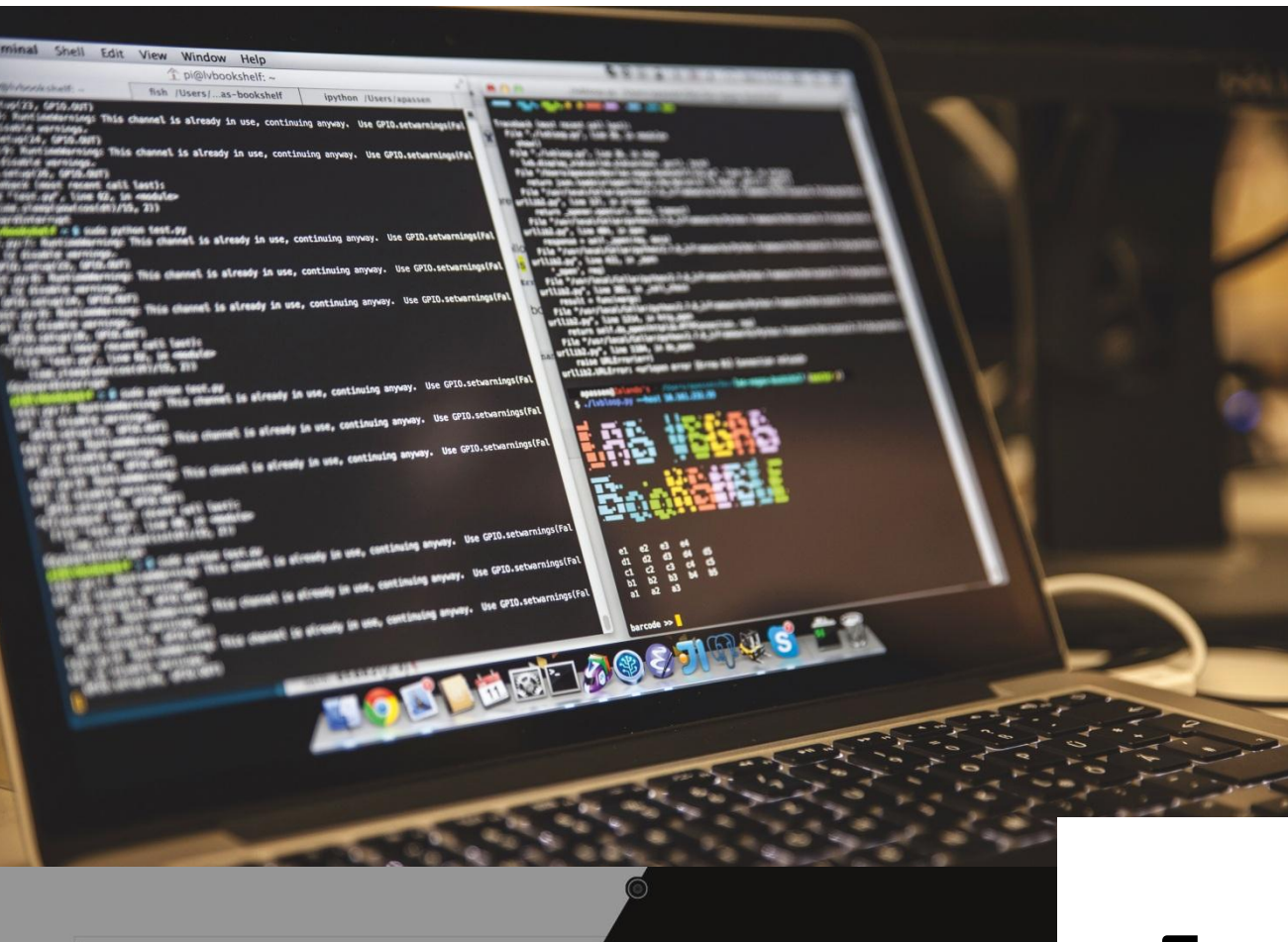
More service:

Continuous improvements, e.g., express delivery

Local throughout Europe:

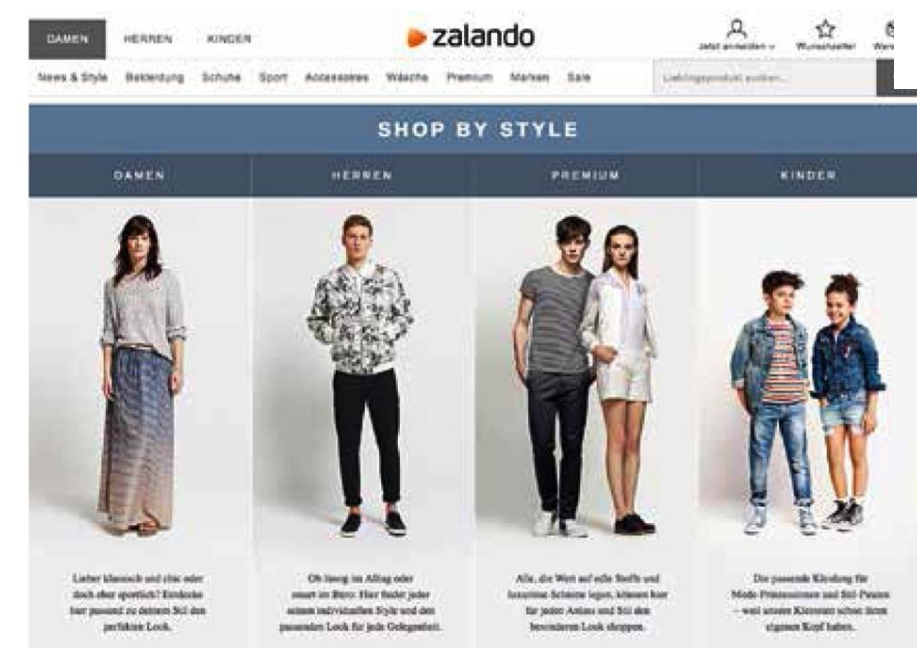
Assortment, payment methods, currencies, customer service

Brilliance in technology – technology drives innovation



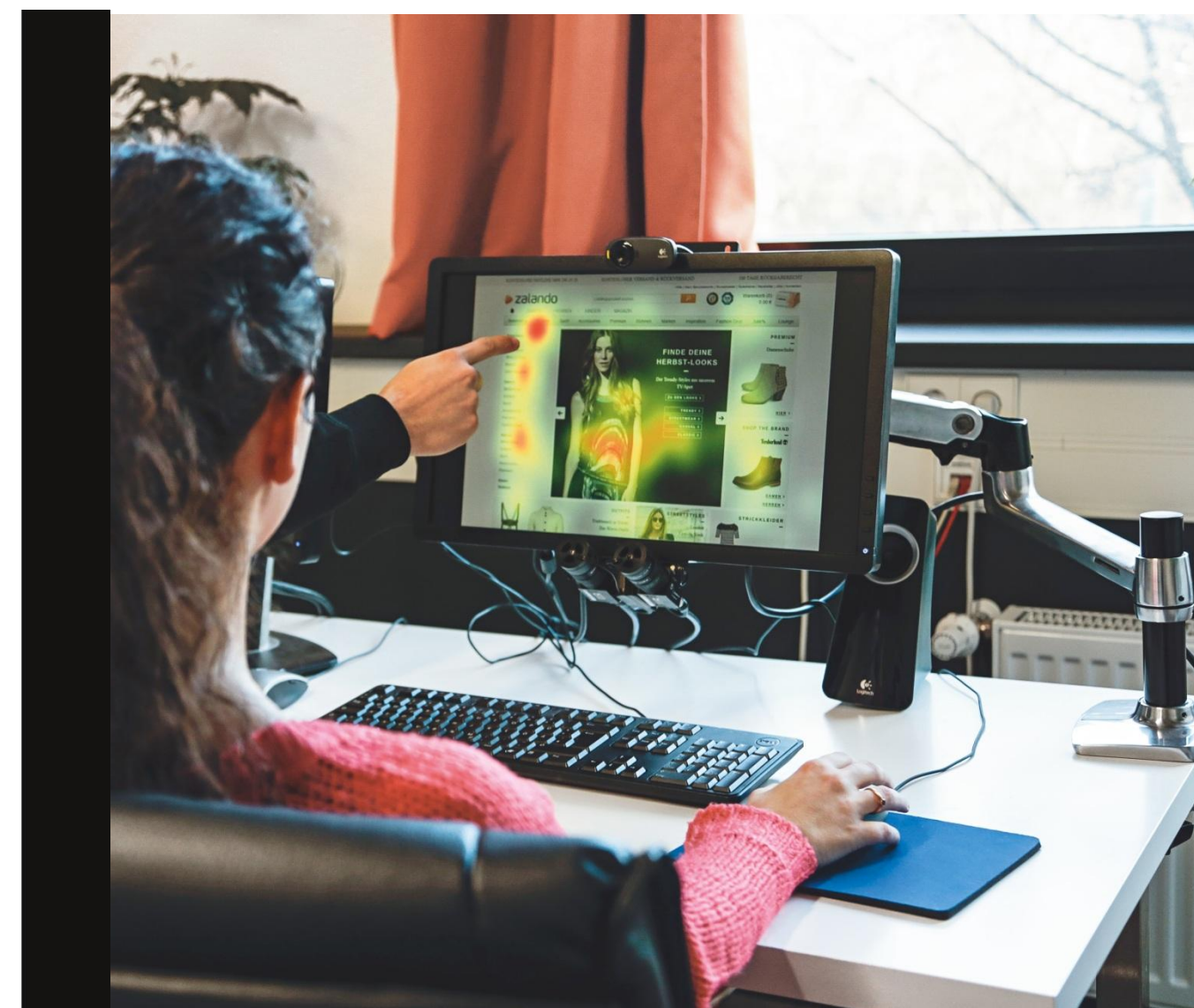
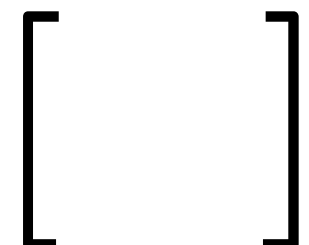
DAS INDIVIDUELLE SCHAUFENSTE

UNSER VERSTÄNDNIS VON MODE-SHOPPING UMFASST WEIT MEHR ALS NUR DAS SUCHEN UND FINDEN DES NEUEN LIEBLINGSSTÜCKS.



Zalando-Kunden möchten auch beim Gang durch unsere **virtuelle Einkaufsstraße** von Marken- und Schaufenstern inspiriert werden. Sie legen Wert auf hochwertige Stilberatung und wünschen sich neben einem breiten Sortiment auch besondere Mode für spezielle Anlässe. Wir haben uns daher das Ziel gesetzt, unsere Kunden noch persönlicher anzusprechen. Erste positive Auswirkungen unterstreichen diesen Anspruch: Features sind interaktiver, Produktbilder bekommen mehr Platz, werden emotionaler und teilweise durch 360-Grad-Ansichten ergänzt.

Eine neue Funktion, die dem Bedürfnis nach einem individuellen Angebot gezielt entgegenkommt, ist **Mein Zalando**. Anhand seiner Einkaufshistorie gibt dieser Feed jedem Kunden personalisierte Marken- und Produktempfehlungen und hebt das Kundenerlebnis damit auf eine persönliche Ebene. Auch in den kommenden Jahren werden viele unserer Neuerungen dazu dienen, das Online-Shopping individueller und besser zu machen.



Digital fashion:

Technology platform:
proprietary, scalable

The customer goes mobile:

- > 130m monthly site visits*
- > 50% mobile site visits*
- > 8,5m app downloads*

Innovation through technology:

- ~700 employees
- ~75% with focus on innovation

* As of 31/03/2015

Attractive employer for 8,300 employees*



~8,300 employees*:

Logistics: ~4,500*

Technology: ~700*

Diversity as success factor:

> 100 nationalities

> 50% female

Opinion of employees matters:

International Employee Board

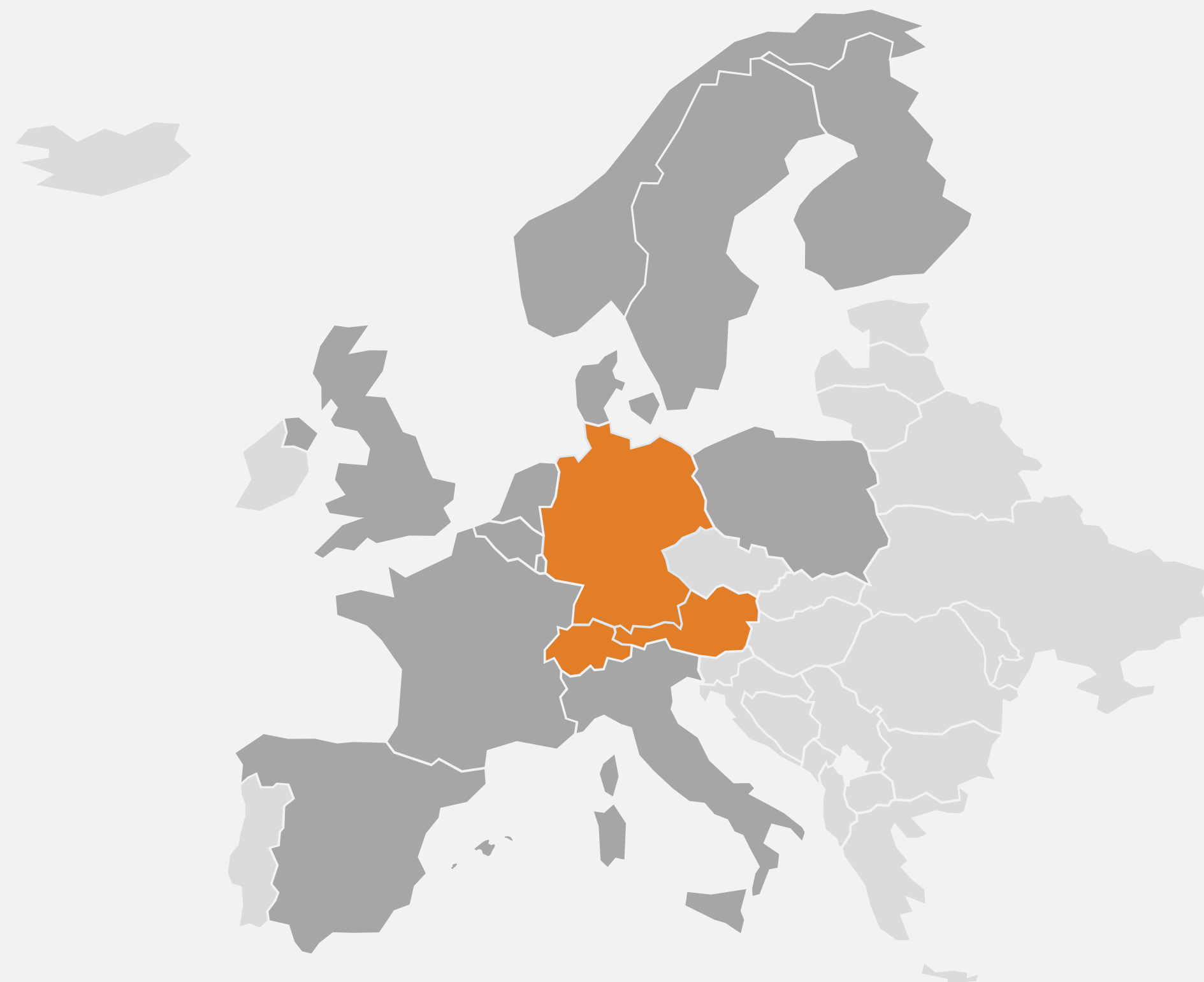
since September 2014

* As of 31/03/2015

Our goals beginning 2014	Results 2014
<p>Gain market share Revenue & growth</p>	<p>€2,214m 25.7% ✓</p>
<p>Reach break-even EBIT* & margin*</p>	<p>€82m 3.7% ✓</p>
<p>Use capital efficiently Free cash flow**</p>	<p>€124m 5.6% ✓</p>

* Exclusive share-based compensation

** Exclusive changes in restricted cash

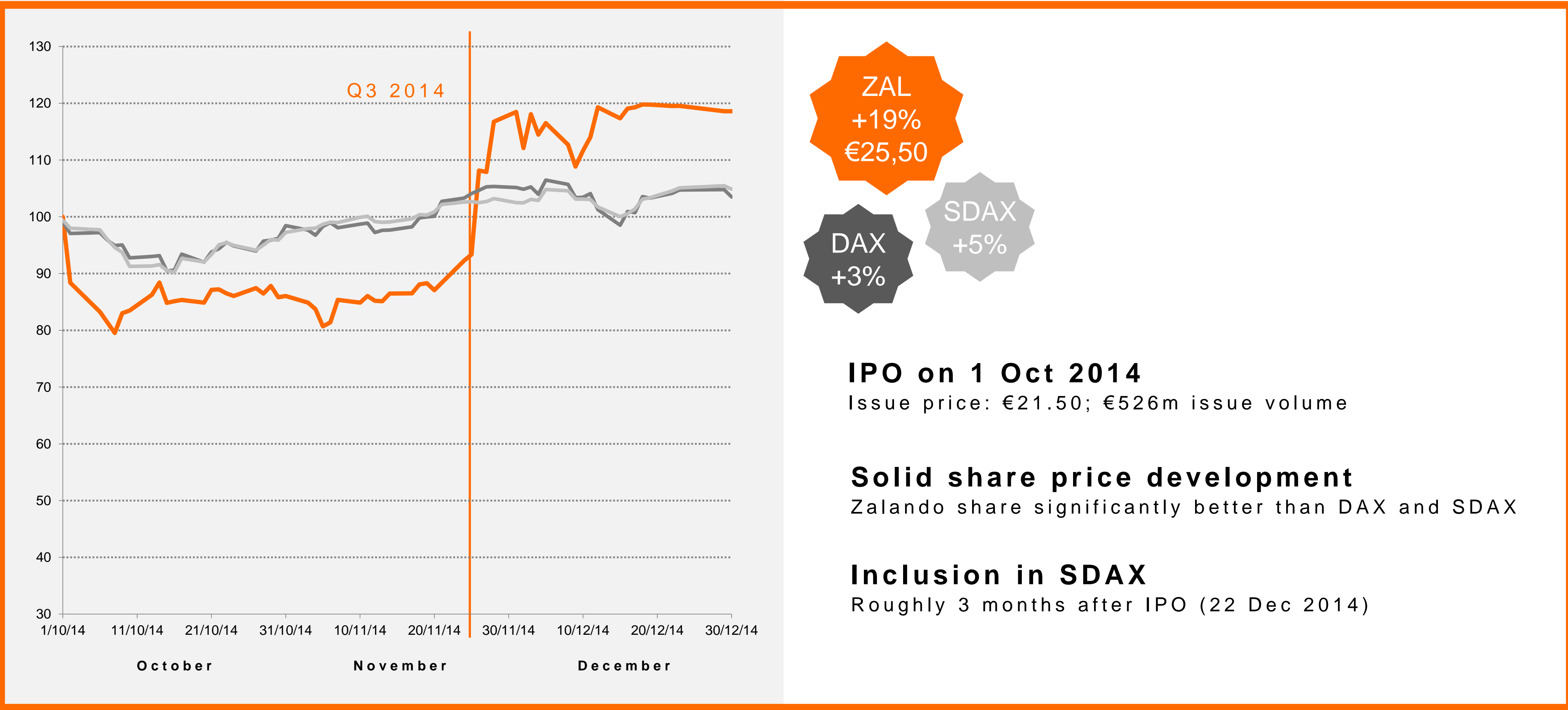


Results 2014

	Revenue & growth	EBIT* & margin*
DACH	€1,234m (+17%)	€83m (6.7%)
Rest of Europe	€863m (+37%)	-€12m (-1.3%)
Others**	€117m (+55%)	€11m (9.0%)

* Exclusive share-based compensation

** Segment „Others“ mainly includes revenues from „Zalando Lounge“, as well as two outlet stores in Berlin and Frankfurt

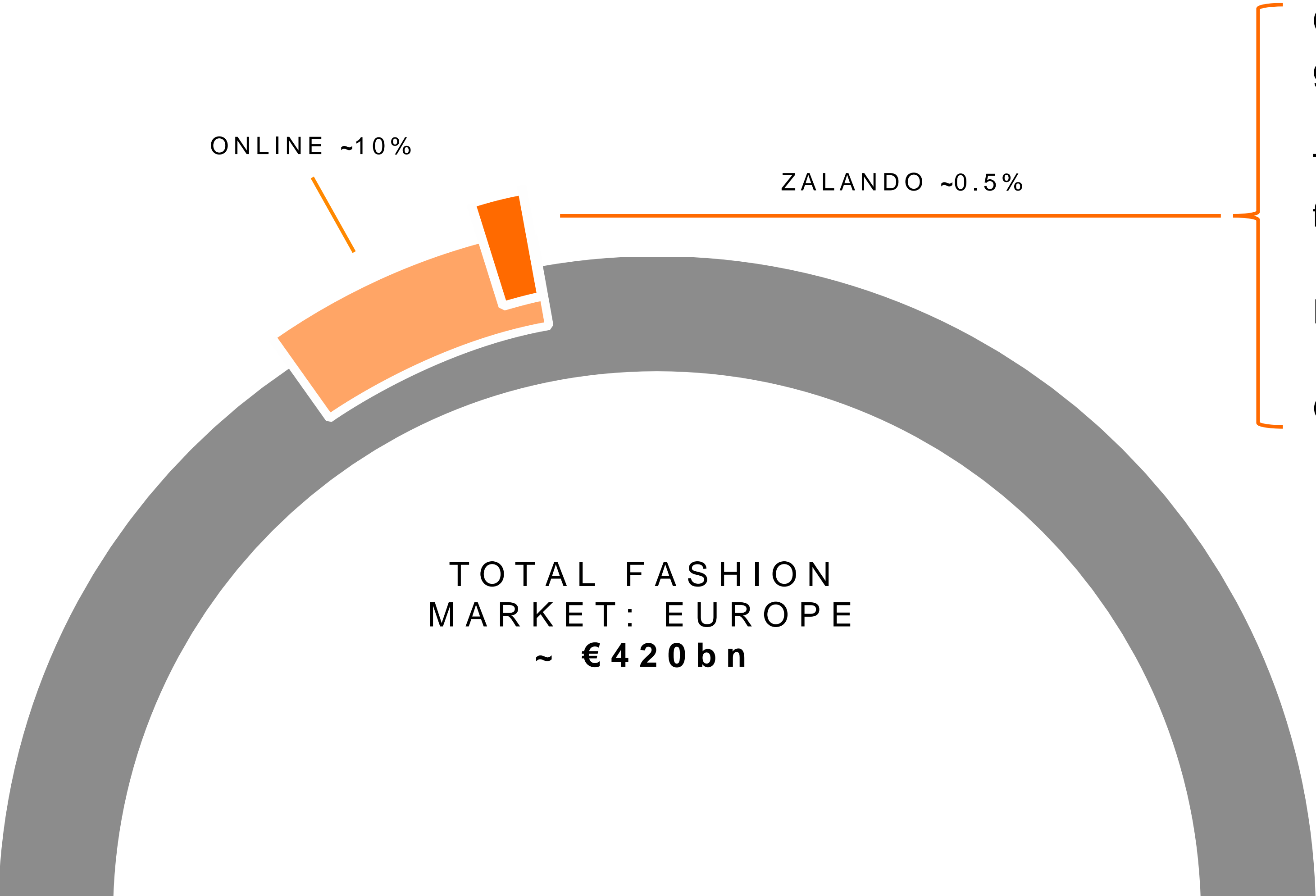




Outlook 2015

Profitable growth with
future investments

We are in the pole position for continued growth



Clear market leader with strong growth opportunities

Tailored, scalable technology and fulfillment infrastructure

Profitable and well capitalized

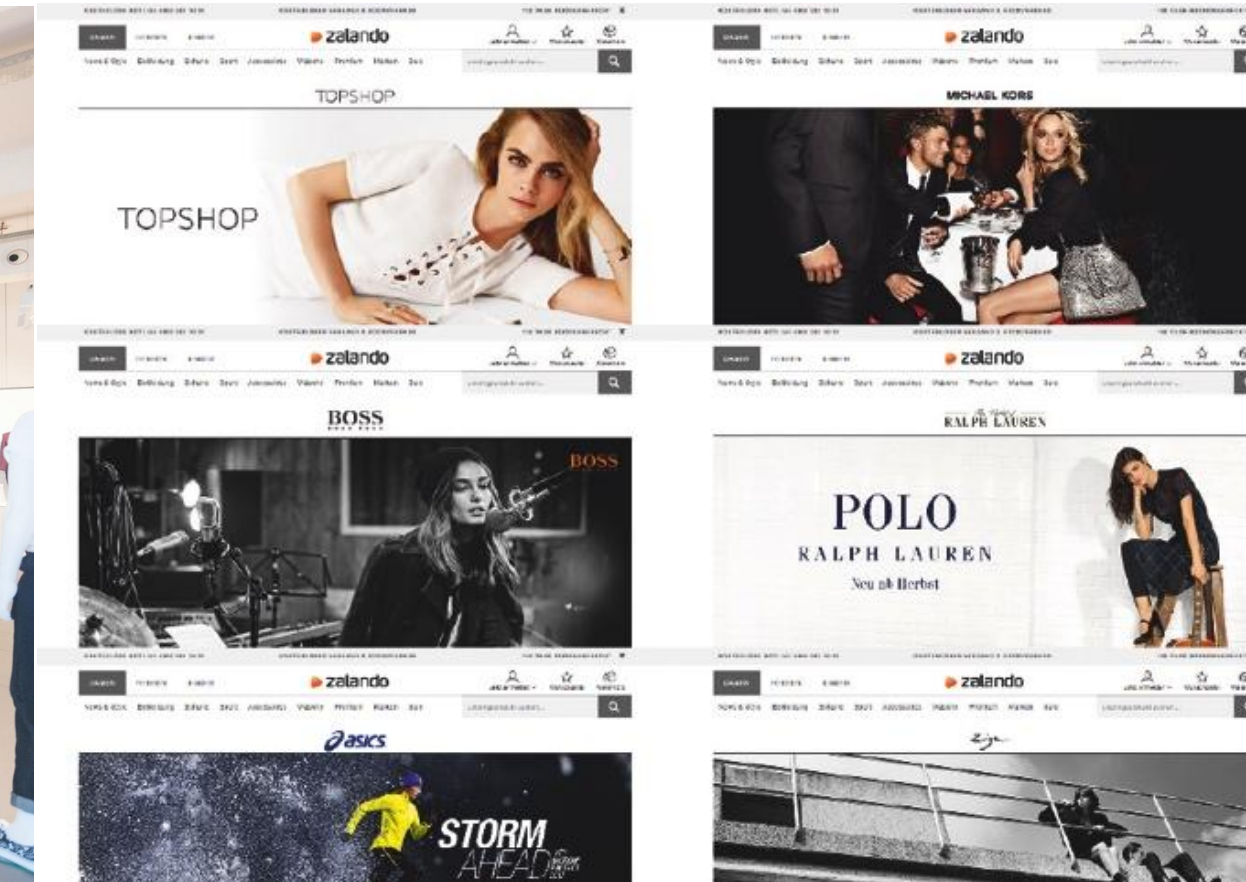
Great team in place

Initiatives in fashion

Grow specialty categories:
Women sports, underwear, plus sizes

Offer attractive price points:
Fast fashion, positioning private labels

Strengthen brand relations:
Joint marketing,
„Shop in Shop”, etc.



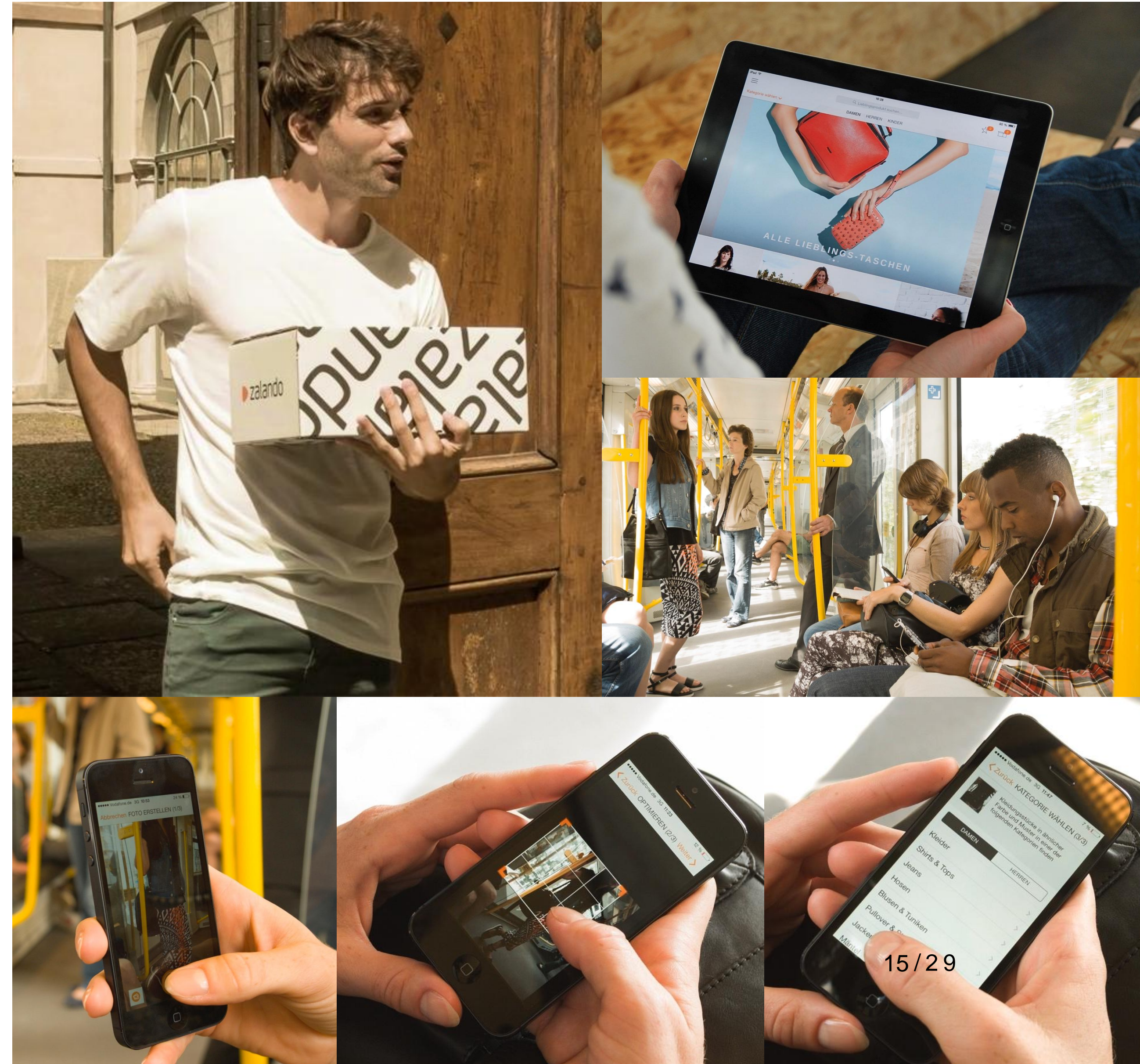
Continuous improvements in customer experience



Onsite experience:
Personalised feed,
„curated shopping“, etc.

Mobile first principle:
Focus on design & content
for mobile devices

Convenient shopping:
Fast delivery,
easy returns, etc.



Results Q1 2015	
Revenue & growth	€644m 28.5% ✓
EBIT* & margin*	€29m 4.5% ✓
Free cash flow**	-€20m -3.1% ✓

* Exclusive share-based compensation
** Exclusive changes in restricted cash and investments into short-term deposits

Our goals beginning 2015

Revenue growth 20-25%

EBIT-margin* ~ 3.4%
(~ 2014 level)**

Focus on operating capital efficiency



Update per Q1 2015

Growth at top end of range
and slightly above if positive momentum continues

EBIT-margin* ~4.5%
adjusted for Q1 overperformance

* Exclusive share-based compensation
** EBIT margin inclusive share-based compensation of 2.8%

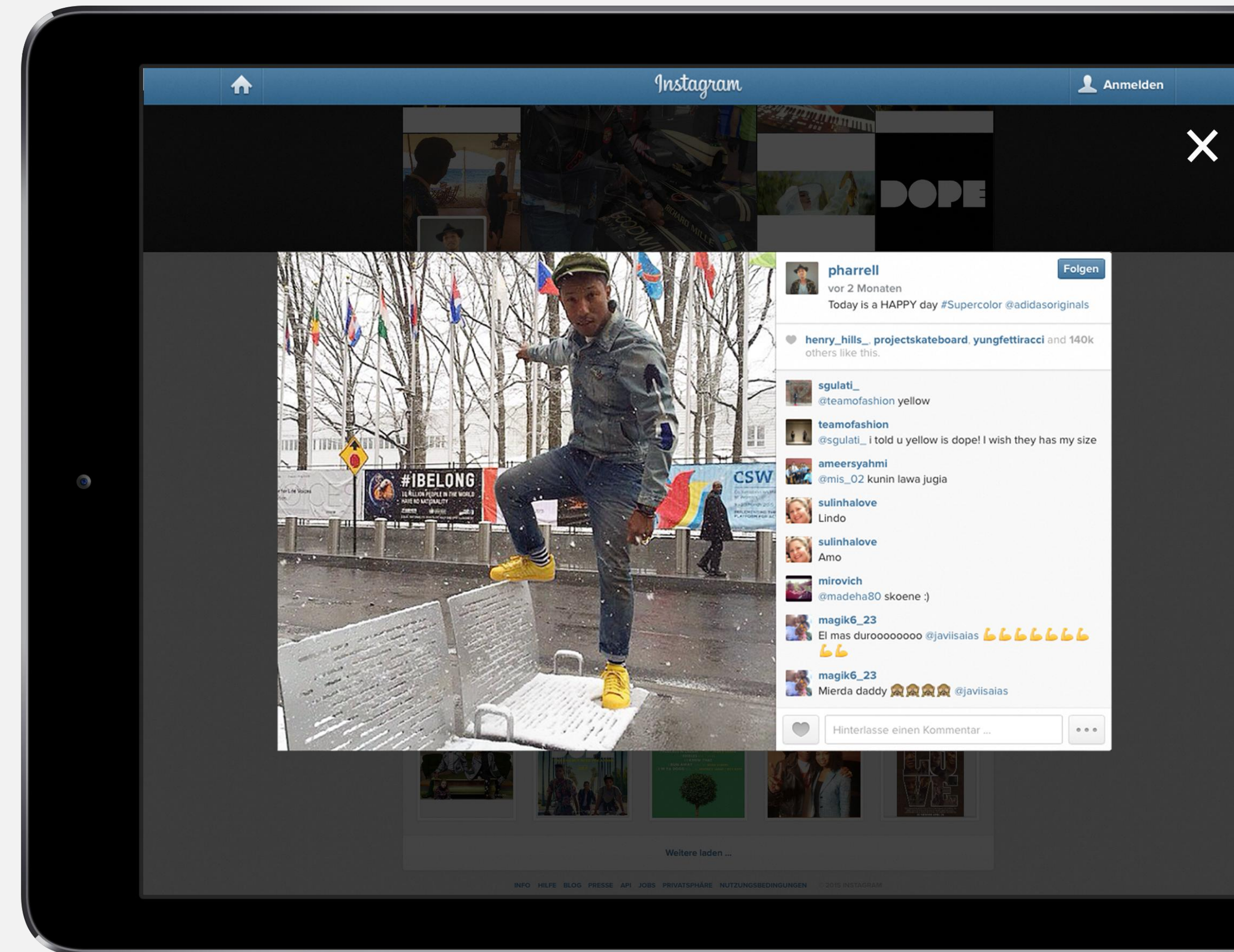


Long-term strategy
Zalando as a fashion platform

Our vision – connecting people and fashion

“I just spotted this cool sneaker on Pharrell’s Instagram account.”

CUSTOMER



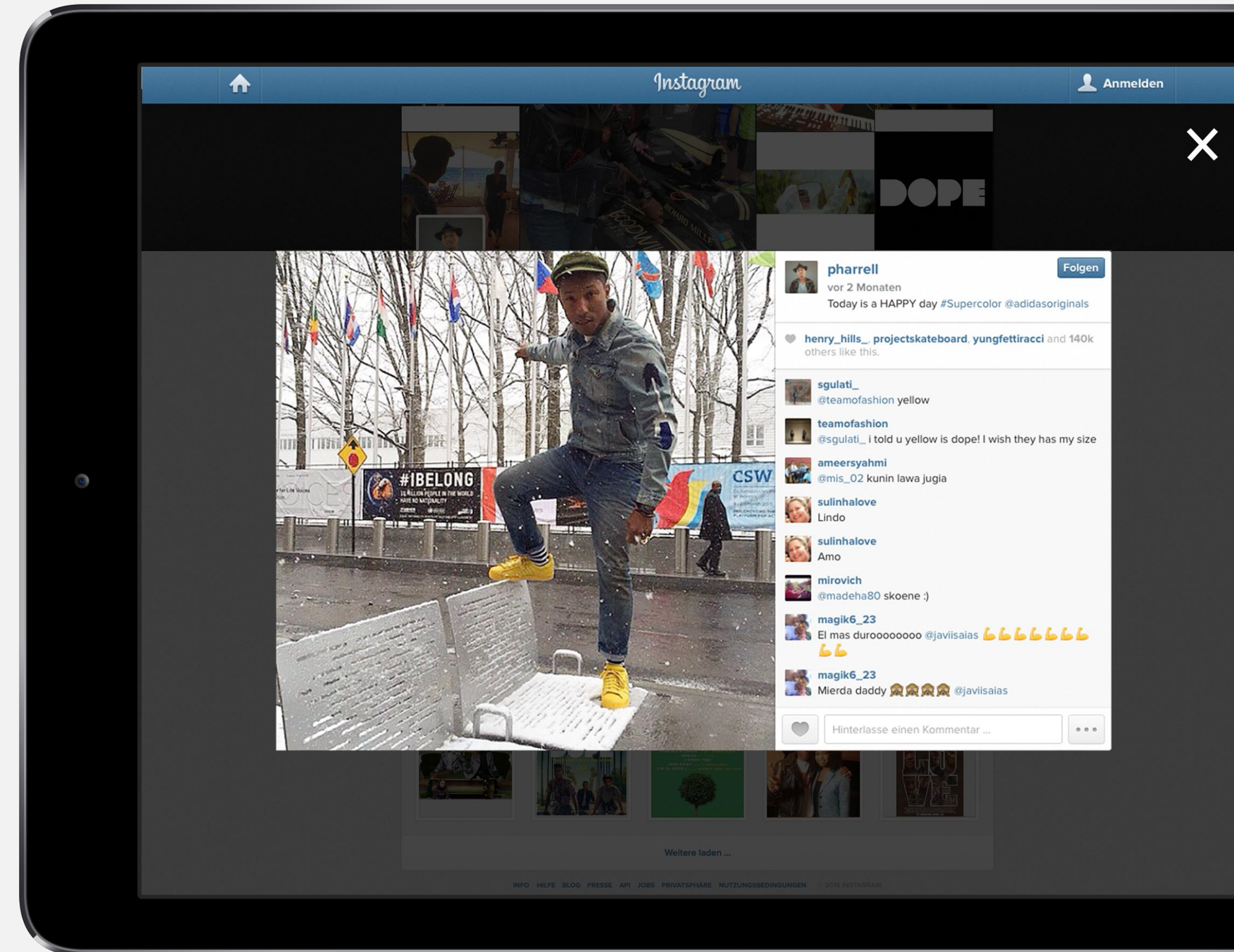
@ pharrell, 5m followers

“I just spotted this cool sneaker on Pharrell’s Instagram account.”

CUSTOMER

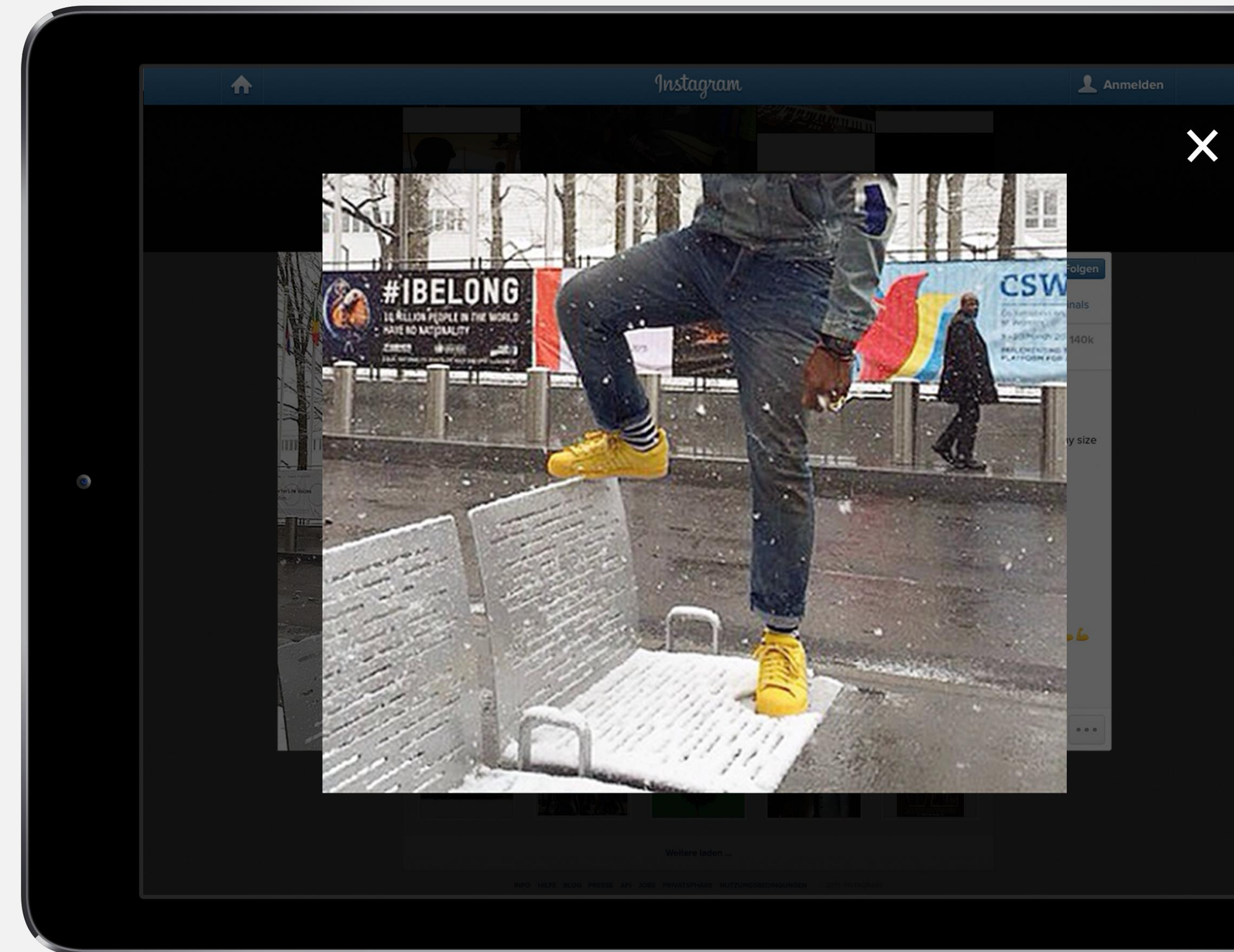
“Well, let me see which one it is.”

ZALANDO



„It's the SUPERCOLOR
SUPERSTAR Sneaker from
Adidas at a cost of €100.“

ZALANDO



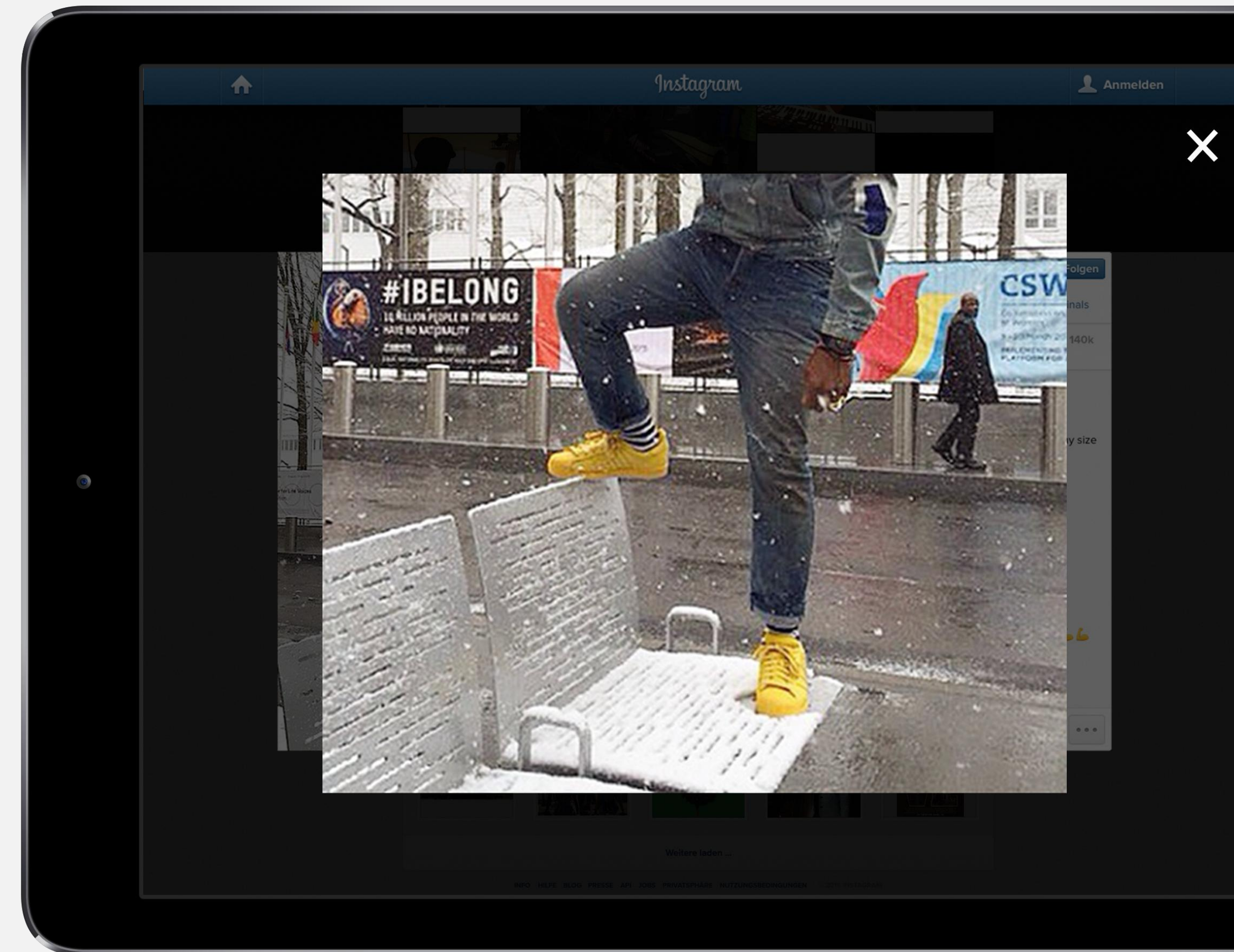
@ pharrell, 5m followers

„It's the SUPERCOLOR
SUPERSTAR Sneaker from
Adidas at a cost of €100.“

ZALANDO

“A really cool sneaker. Do
you have it in other
colours?”

CUSTOMER



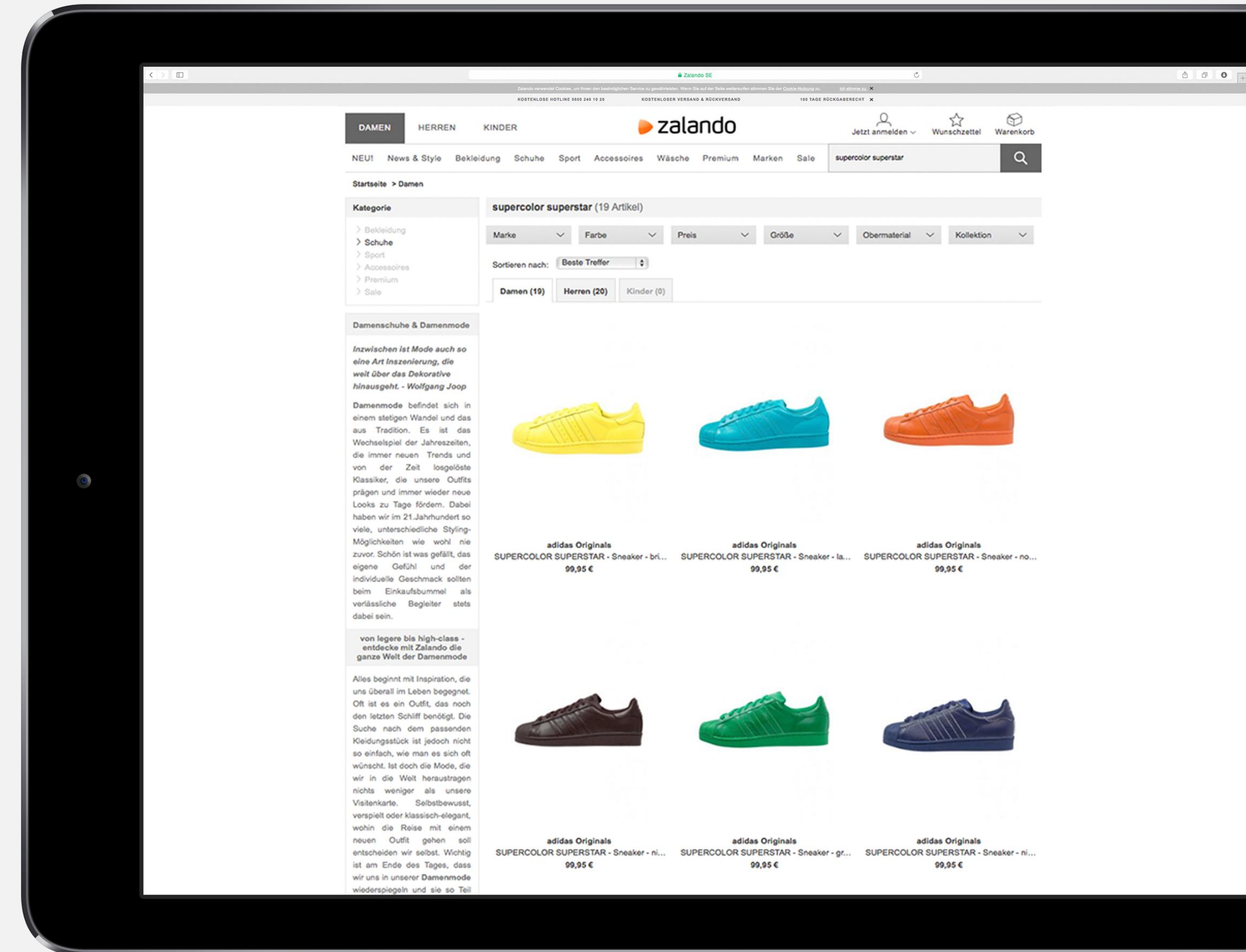
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Our vision – connecting people and fashion



„This sneaker classic is available in all sort of colours. There is a selection for you.“

ZALANDO



Our vision – connecting people and fashion

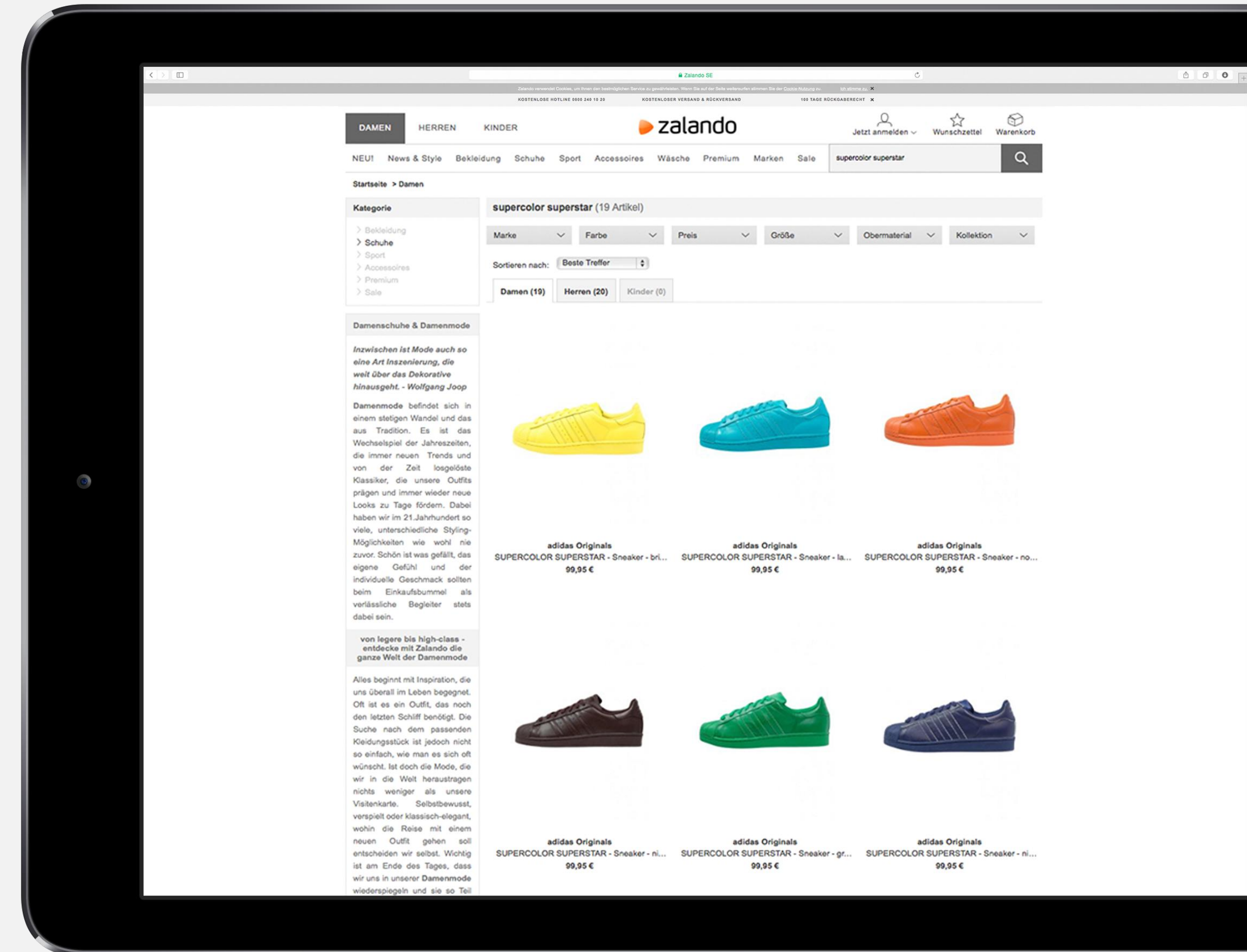


„This sneaker classic is available in all sort of colours. There is a selection for you.“

ZALANDO

“Wow, I like the green one. How can I get it in 35 minutes?”

CUSTOMER

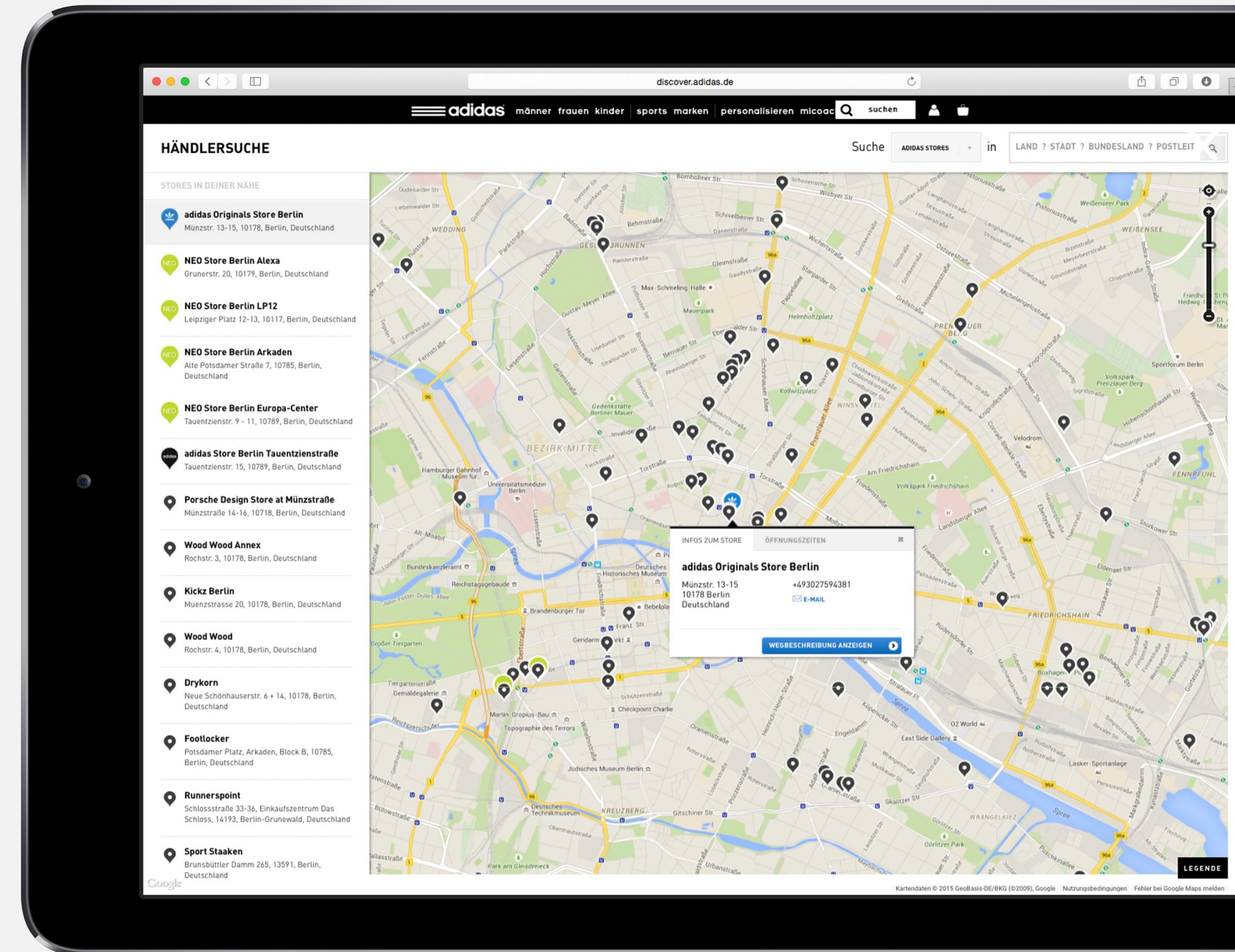


Our vision – connecting people and fashion



„You can get it at the Adidas Originals store at Münzstraße, Berlin.“

ZALANDO



Our vision – connecting people and fashion

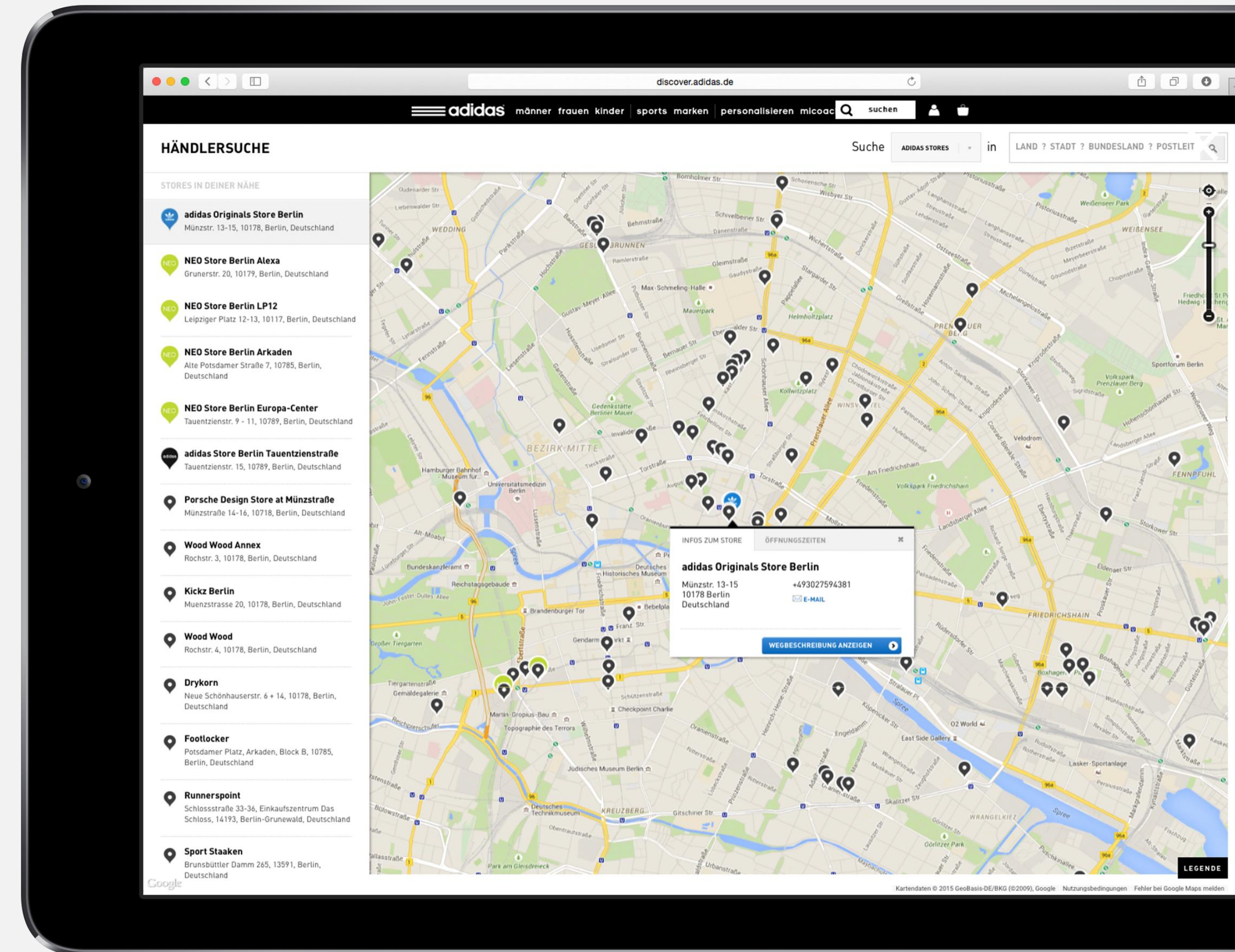


„You can get it at the Adidas Originals store at Münzstraße, Berlin.“

ZALANDO

“That’s great, but I don’t have time now, can you deliver it to me?”

CUSTOMER

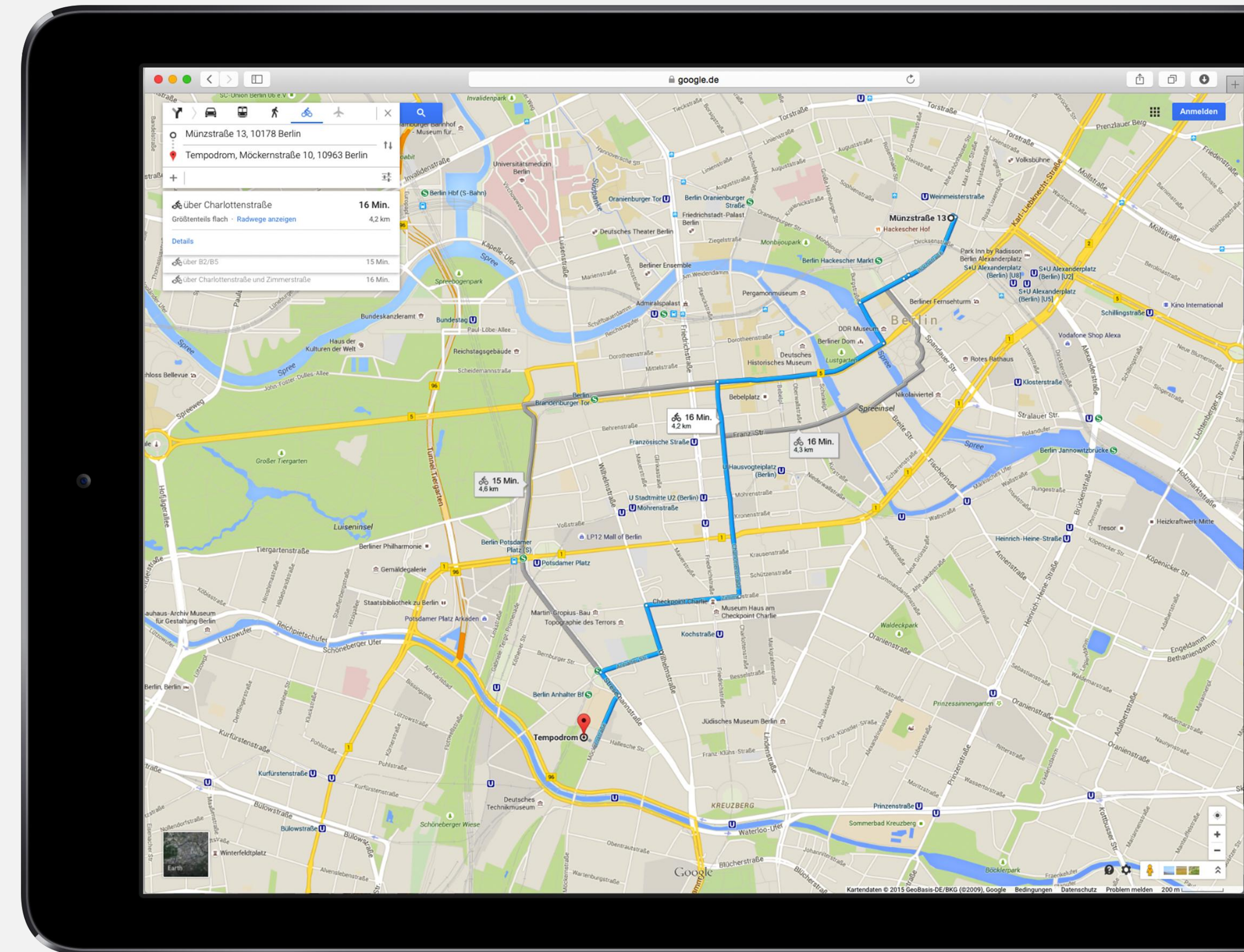


Our vision – connecting people and fashion



„Sure, we can send a bike messenger and he will be with you in 35 minutes.“

ZALANDO

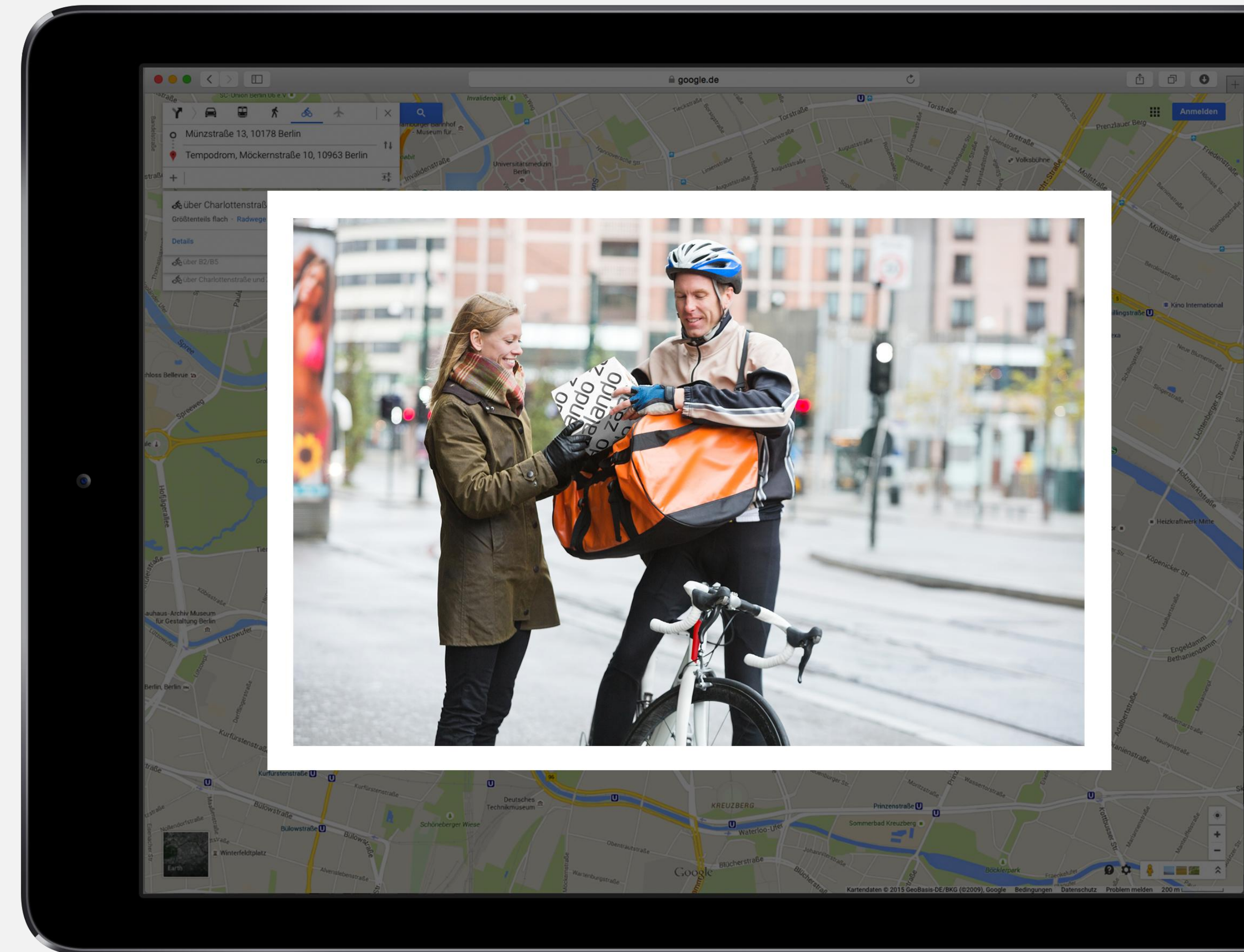


„Sure, we can send a bike messenger and he will be with you in 35 minutes.“

ZALANDO

„Perfect, I look forward to receiving it. And thank you!“

CUSTOMER



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