

Financial Information and Key Performance Indicators

Financial Information 2011 – 2014

EUR m	2011 ¹	2012 ¹	2013	2014
Revenue	509.9	1,158.7	1,762.0	2,214.0
<i>% growth</i>	-	127.2%	52.1%	25.7%
Cost of Sales	(275.7)	(623.8)	(1,047.0)	(1,255.3)
Gross Profit	234.3	534.8	715.1	958.7
<i>% margin</i>	45.9%	46.2%	40.6%	43.3%
Selling and Distribution Costs	(271.5)	(560.7)	(733.5)	(793.8)
Administrative Expenses	(23.6)	(63.2)	(105.1)	(109.1)
Other Operating Income	2.5	6.3	12.5	12.2
Other Operating Expenses	(0.7)	(0.8)	(2.9)	(5.8)
EBIT	(58.9)	(83.6)	(113.9)	62.1
<i>% margin</i>	(11.6%)	(7.2%)	(6.5%)	2.8%
Net Financial Result	(0.6)	(1.0)	(3.3)	(4.5)
EBT	(59.6)	(84.6)	(117.3)	57.7
<i>% margin</i>	(11.7%)	(7.3%)	(6.7%)	2.6%
Income Taxes	(0.2)	(0.5)	0.7	(10.5)
Net Income	(59.7)	(85.1)	(116.6)	47.2
<i>% margin</i>	(11.7%)	(7.3%)	(6.6%)	2.1%
Depreciation & Amortization	1.8	6.2	14.9	25.8
EBITDA	(57.2)	(77.3)	(99.0)	88.0
<i>% margin</i>	(11.2%)	(6.7%)	(5.6%)	4.0%
Equity-settled Share Based Compensation (SBC)	2.1	6.5	5.3	19.8
Adj. EBIT (before SBC)	(56.8)	(77.1)	(108.6)	82.0
<i>% margin</i>	(11.1%)	(6.7%)	(6.2%)	3.7%
Adj. EBITDA (before SBC)	(55.0)	(70.9)	(93.7)	107.8
<i>% margin</i>	(10.8%)	(6.1%)	(5.3%)	4.9%

¹ 2011 and 2012 adjusted for the accounting principles applied in 2013.

Key Performance Indicators 2011 – 2014

	2011	2012	2013	2014
Site Visits (m) ²	324.6	738.3	1,217.0	1,363.8
Mobile Visit Share (in % of Site Visits) ³	4.6%	13.0%	26.8%	42.3%
Active Customers (m) ⁴	4.8	9.2	13.1	14.7
Number of Orders (m) ⁵	11.0	23.0	35.1	41.4
Average Orders per Active Customer ⁶	2.29	2.50	2.68	2.82
Average Basket Size (in EUR) ⁷	58.1	62.3	62.5	66.6
Adj. Marketing Costs (% of Revenue) ⁸	26.7%	22.6%	17.6%	13.2%
Adj. Fulfillment Costs (% of Revenue) ⁹	26.5%	25.6%	23.9%	22.3%

² Site Visits defined as the number of series of page requests from the same device or source (either via website, m.sites, t.sites or apps) in the measurement period. A visit is considered ended when no requests have been recorded in more than 30 minutes.

³ Mobile Visit Share (%) defined as the number of visits via m.sites, t.sites or apps divided by the total number of Site Visits in the measurement period.

⁴ 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.

⁵ 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.

⁶ Average Orders per active customer defined as Number of Orders of the last twelve months divided by active customers.

⁷ Average Basket Size defined as the Gross Merchandise Volume (including gross merchandise volume from Zalando's partner program) after cancellations and returns that customers spend divided by the number of delivered orders in the measurement period. Gross Merchandise Volume is defined as the total amount spent by Zalando's customers (including VAT) less cancellations and returns in the relevant measurement periods.

⁸ Adj. 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 before SBC costs.

⁹ Adj. 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 before SBC costs.

Segmental Financial Information 2011 – 2014

EUR m	2011 ¹⁰	2012 ¹⁰	2013	2014
Revenue	509.9	1,158.7	1,762.0	2,214.0
DACH ¹¹	377.3	773.0	1,056.1	1,234.0
Rest of Europe	106.3	335.8	630.2	862.6
Other	26.3	49.8	75.7	117.4
As % of Total				
DACH	74.0%	66.7%	59.9%	55.7%
Rest of Europe	20.9%	29.0%	35.8%	39.0%
Other	5.2%	4.3%	4.3%	5.3%
EBIT	(58.9)	(83.6)	(113.9)	62.1
DACH	(13.4)	12.5	5.3	72.3
Rest of Europe	(37.0)	(84.0)	(100.8)	(18.6)
Other	(8.5)	(12.1)	(18.4)	8.4
% EBIT Margin	(11.6%)	(7.2%)	(6.5%)	2.8%
DACH	(3.6%)	1.6%	0.5%	5.9%
Rest of Europe	(34.8%)	(25.0%)	(16.0%)	(2.2%)
Other	(32.3%)	(24.3%)	(24.3%)	7.2%
Adj. EBIT (before SBC)	(56.8)	(77.1)	(108.6)	82.0
DACH	(11.8)	15.2	8.2	83.0
Rest of Europe	(36.6)	(81.1)	(99.1)	(11.6)
Other	(8.4)	(11.2)	(17.8)	10.5
% Adj. EBIT Margin (before SBC)	(11.1%)	(6.7%)	(6.2%)	3.7%
DACH	(3.1%)	2.0%	0.8%	6.7%
Rest of Europe	(34.4%)	(24.1%)	(15.7%)	(1.3%)
Other	(31.9%)	(22.5%)	(23.5%)	9.0%

¹⁰ 2011 and 2012 adjusted for the accounting principles applied in 2013.

¹¹ "DACH" segment consists of that part of Zalando Shop business channel that generates product and services revenue from customers ordering on localized websites for Germany, Austria and Switzerland.

Balance Sheet 2011 – 2014

EUR m	2011 ¹²	2012 ¹²	2013	2014
Total Non-Current Assets	23.7	84.9	176.1	194.0
Property, Plant and Equipment	13.1	43.3	105.7	111.0
Financial Assets	6.6	31.7	48.1	49.4
Total Current Assets	247.4	740.5	895.7	1,591.6
Inventories	108.9	231.4	332.5	348.4
Trade and Other Receivables	21.0	65.6	87.2	140.1
Cash and Cash Equivalents	101.8	382.3	417.2	1,051.0
Total Assets	271.1	825.4	1,071.7	1,785.5
Total Equity	105.5	458.2	546.5	1,126.7
Capital Reserves	190.4	628.6	833.3	1,120.4
Accumulated Loss	(84.9)	(170.0)	(286.6)	(239.4)
Total Non-Current Liabilities	1.4	17.2	29.2	30.9
Total Current Liabilities	164.1	350.0	496.0	627.9
Trade Payables and Similar Liabilities	135.0	294.6	410.0	492.1
Total Equity & Liabilities	271.1	825.4	1,071.7	1,785.5

¹² 2011 and 2012 adjusted for the accounting principles applied in 2013.

Cash Flow Statement 2011 – 2014

EUR m	2011 ¹³	2012 ¹³	2013	2014
Net Income	(59.7)	(85.1)	(116.6)	47.2
Non-Cash Expenses	2.1	7.0	2.0	19.6
Depreciation	1.8	6.2	14.9	25.8
Change in Provisions	0.0	0.6	0.0	1.0
Change in Inventories and Receivables	(79.8)	(167.1)	(122.7)	(68.7)
Change in Trade Payables and Similar Liabilities	79.4	163.9	101.5	94.9
Change in Other Assets/Other Liabilities	15.0	(20.0)	40.8	55.1
Cash Flow from Operating Activities	(41.1)	(94.3)	(80.2)	174.9
Payments for Investments in Fixed and Intangible Assets	(12.9)	(46.6)	(73.8)	(51.1)
Change in Restricted Cash	(6.3)	(24.7)	(16.4)	(0.8)
Cash Flow from Investing Activities	(19.2)	(71.3)	(90.2)	(51.9)
Payments Received from Capital Increases	128.2	431.8	199.3	510.1
Cash Received from Loans	0.0	15.1	9.1	3.9
Other Cash Effective Financial Result	0.0	(0.0)	0.0	0.0
Cash Repayments of Loans	0.0	(0.8)	(3.2)	(3.2)
Cash Flow from Financing Activities	128.2	446.1	205.2	510.8
Change in Cash and Cash Equivalents	67.9	280.5	34.9	633.8

¹³ 2011 and 2012 adjusted for the accounting principles applied in 2013.

Quarterly Financial Information Q1 2012 – Q4 2014

EUR m	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Revenue	213.9	256.7	284.3	403.9	372.0	436.6	403.8	549.6	500.7	546.4	501.4	665.6
<i>% growth</i>	-	-	-	-	73.9%	70.1%	42.1%	36.1%	34.6%	25.1%	24.2%	21.1%
Cost of Sales	(115.8)	(138.3)	(165.1)	(204.7)	(227.2)	(258.2)	(252.4)	(309.1)	(311.3)	(293.6)	(299.1)	(351.4)
Gross Profit	98.1	118.4	119.2	199.2	144.7	178.4	151.4	240.5	189.4	252.8	202.3	314.2
<i>% margin</i>	45.9%	46.1%	41.9%	49.3%	38.9%	40.9%	37.5%	43.8%	37.8%	46.3%	40.3%	47.2%
Selling and Distribution Costs	(105.2)	(136.4)	(140.2)	(178.9)	(167.0)	(189.0)	(173.7)	(203.8)	(192.0)	(199.4)	(173.9)	(228.5)
Administrative Expenses	(9.5)	(15.1)	(16.6)	(22.0)	(20.0)	(25.9)	(29.7)	(29.5)	(28.8)	(24.6)	(30.2)	(25.5)
Other Operating Income	0.3	1.1	1.7	3.2	0.8	3.8	1.9	6.0	4.2	3.6	1.4	3.0
Other Operating Expenses	(0.1)	(0.2)	0.0	(0.6)	(1.0)	0.4	(0.8)	(1.5)	(0.8)	(0.9)	(2.1)	(2.0)
EBIT	(16.4)	(32.2)	(35.9)	0.8	(42.4)	(32.3)	(50.9)	11.7	(27.9)	31.5	(2.6)	61.1
<i>% margin</i>	(7.6%)	(12.5%)	(12.6%)	0.2%	(11.4%)	(7.4%)	(12.6%)	2.1%	(5.6%)	5.8%	(0.5%)	9.2%
Net Financial Result	(0.4)	0.1	(0.3)	(0.3)	(0.7)	(1.1)	(0.9)	(0.7)	(0.8)	(0.8)	0.8	(3.6)
EBT	(16.8)	(32.0)	(36.2)	0.5	(43.1)	(33.4)	(51.8)	11.1	(28.7)	30.7	(1.8)	57.5
<i>% margin</i>	(7.9%)	(12.5%)	(12.7%)	0.1%	(11.6%)	(7.7%)	(12.8%)	2.0%	(5.7%)	5.6%	(0.4%)	8.6%
Income Taxes	(0.0)	(0.1)	(0.1)	(0.3)	(0.1)	(0.1)	(0.5)	1.3	(0.2)	(1.6)	1.3	(9.9)
Net Income	(16.8)	(32.1)	(36.4)	0.2	(43.2)	(33.5)	(52.4)	12.4	(28.9)	29.0	(0.5)	47.5
<i>% margin</i>	(7.9%)	(12.5%)	(12.8%)	0.1%	(11.6%)	(7.7%)	(13.0%)	2.3%	(5.8%)	5.3%	(0.1%)	7.1%
Depreciation & Amortization	0.8	1.3	2.1	2.0	2.9	3.2	4.6	4.2	5.5	6.9	7.1	6.4
EBITDA	(15.5)	(30.8)	(33.8)	2.8	(39.5)	(29.1)	(46.3)	15.9	(22.4)	38.4	4.5	67.5
<i>% margin</i>	(7.3%)	(12.0%)	(11.9%)	0.7%	(10.6%)	(6.7%)	(11.5%)	2.9%	(4.5%)	7.0%	0.9%	10.1%
Share Based Comp. (SBC)	1.8	1.9	1.3	1.5	1.2	1.3	1.0	1.7	5.1	3.7	6.4	4.6
Adj. EBIT (before SBC)	(14.6)	(30.2)	(34.6)	2.4	(41.2)	(31.0)	(49.9)	13.5	(22.8)	35.1	3.8	65.7
<i>% margin</i>	(6.8%)	(11.8%)	(12.2%)	0.6%	(11.1%)	(7.1%)	(12.4%)	2.4%	(4.5%)	6.4%	0.8%	9.9%
Adj. EBITDA (before SBC)	(13.8)	(28.9)	(32.5)	4.4	(38.2)	(27.8)	(45.3)	17.6	(17.3)	42.0	10.9	72.1
<i>% margin</i>	(6.4%)	(11.3%)	(11.4%)	1.1%	(10.3%)	(6.4%)	(11.2%)	3.2%	(3.5%)	7.7%	2.2%	10.8%

Quarterly Key Performance Indicators Q1 2012 – Q4 2014

	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Site Visits (m) ¹⁴	133.4	159.3	195.8	249.8	274.5	294.4	291.0	357.0	331.8	322.7	321.7	387.6
Mobile Visit Share (in % of Site Visits) ¹⁵	9.3%	10.7%	13.5%	16.2%	21.3%	24.9%	28.2%	31.6%	36.2%	40.7%	43.3%	47.9%
Active Customers (m) ¹⁶	5.7	6.7	7.8	9.2	10.3	11.6	12.3	13.1	13.5	13.7	14.1	14.7
Number of Orders (m) ¹⁷	4.3	5.3	5.8	7.4	7.8	9.3	8.2	9.8	9.7	10.4	9.7	11.6
Average Orders per Active Customer ¹⁸	2.36	2.41	2.47	2.50	2.56	2.62	2.67	2.68	2.74	2.77	2.81	2.82
Average Basket Size (in €) ¹⁹	61.5	57.5	61.3	66.9	60.5	58.4	60.7	69.3	63.9	65.7	64.4	71.7
Adj. Marketing Cost Ratio (in % of revenue) ²⁰	23.2%	25.0%	24.0%	19.8%	16.7%	17.6%	19.4%	16.8%	13.9%	13.3%	11.4%	13.9%
Adj. Fulfillment Cost Ratio (in % of revenue) ²¹	25.7%	27.8%	25.2%	24.3%	28.1%	25.6%	23.5%	20.1%	24.0%	22.9%	22.7%	20.1%

¹⁴ Site Visits defined as the number of series of page requests from the same device or source (either via website, m.sites, t.sites or apps) in the measurement period. A visit is considered ended when no requests have been recorded in more than 30 minutes.

¹⁵ Mobile Visit Share (%) defined as the number of visits via m.sites, t.sites or apps divided by the total number of Site Visits in the measurement period.

¹⁶ 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.

¹⁷ 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.

¹⁸ Average Orders per active customer defined as Number of Orders of the last twelve months divided by active customers.

¹⁹ Average Basket Size defined as the Gross Merchandise Volume (including gross merchandise volume from Zalando's partner program) after cancellations and returns that customers spend divided by the number of delivered orders in the measurement period. Gross Merchandise Volume is defined as the total amount spent by Zalando's customers (including VAT) less cancellations and returns in the relevant measurement periods.

²⁰ Adj. 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 before SBC costs.

²¹ Adj. 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 before SBC costs.

Quarterly Segmental Financial Information Q1 2012 – Q4 2014

EUR m	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Revenue	213.9	256.7	284.3	403.9	372.0	436.6	403.8	549.6	500.7	546.4	501.4	665.6
DACH	155.0	178.6	189.0	250.4	222.6	267.6	243.4	322.5	283.9	310.3	276.3	363.5
Rest of Europe	49.3	66.2	82.8	137.6	134.1	152.0	141.4	202.8	193.2	206.1	197.8	265.5
Other	9.6	11.9	12.4	15.9	15.2	17.1	19.1	24.3	23.5	30.0	27.3	36.5
As % of Total												
DACH	72.5%	69.6%	66.5%	62.0%	59.9%	61.3%	60.3%	58.7%	56.7%	56.8%	55.1%	54.6%
Rest of Europe	23.0%	25.8%	29.1%	34.1%	36.0%	34.8%	35.0%	36.9%	38.6%	37.7%	39.4%	39.9%
Other	4.5%	4.6%	4.4%	3.9%	4.1%	3.9%	4.7%	4.4%	4.7%	5.5%	5.4%	5.5%
EBIT	(16.4)	(32.2)	(35.9)	0.8	(42.4)	(32.3)	(50.9)	11.7	(27.9)	31.5	(2.6)	61.1
DACH	1.7	(6.9)	(4.6)	22.4	(9.4)	(3.7)	(11.0)	29.4	(3.1)	25.5	7.5	42.4
Rest of Europe	(16.8)	(23.7)	(25.9)	(17.6)	(30.7)	(25.8)	(34.2)	(10.2)	(23.5)	2.2	(11.7)	14.5
Other	(1.2)	(1.6)	(5.4)	(3.9)	(2.3)	(2.9)	(5.8)	(7.4)	(1.3)	3.8	1.6	4.3
% Margin	(7.6%)	(12.5%)	(12.6%)	0.2%	(11.4%)	(7.4%)	(12.6%)	2.1%	(5.6%)	5.8%	(0.5%)	9.2%
DACH	1.1%	(3.9%)	(2.4%)	8.9%	(4.2%)	(1.4%)	(4.5%)	9.1%	(1.1%)	8.2%	2.7%	11.7%
Rest of Europe	(34.1%)	(35.8%)	(31.3%)	(12.8%)	(22.9%)	(17.0%)	(24.2%)	(5.0%)	(12.2%)	1.0%	(5.9%)	5.4%
Other	(12.6%)	(13.3%)	(43.4%)	(24.7%)	(15.2%)	(16.9%)	(30.2%)	(30.6%)	(5.5%)	12.8%	6.0%	11.7%
Adj. EBIT (before SBC)	(14.6)	(30.2)	(34.6)	2.4	(41.2)	(31.0)	(49.9)	13.5	(22.8)	35.1	3.8	65.7
DACH	2.8	(6.5)	(4.2)	23.1	(8.8)	(2.9)	(10.4)	30.3	(0.2)	27.5	10.9	44.8
Rest of Europe	(16.3)	(22.4)	(25.3)	(17.1)	(30.3)	(25.4)	(33.9)	(9.6)	(21.8)	3.4	(9.4)	16.2
Other	(1.1)	(1.3)	(5.2)	(3.7)	(2.1)	(2.7)	(5.6)	(7.3)	(0.7)	4.2	2.3	4.8
% Margin	(6.8%)	(11.8%)	(12.2%)	0.6%	(11.1%)	(7.1%)	(12.4%)	2.4%	(4.5%)	6.4%	0.8%	9.9%
DACH	1.8%	(3.6%)	(2.2%)	9.2%	(3.9%)	(1.1%)	(4.3%)	9.4%	(0.1%)	8.9%	3.9%	12.3%
Rest of Europe	(33.1%)	(33.9%)	(30.5%)	(12.4%)	(22.6%)	(16.7%)	(23.9%)	(4.7%)	(11.3%)	1.7%	(4.7%)	6.1%
Other	(11.2%)	(10.9%)	(41.5%)	(23.0%)	(13.8%)	(15.9%)	(29.6%)	(30.0%)	(3.1%)	14.0%	8.4%	13.0%