

6 May 2025

Zalando SE

Rating Buy
Share price (EUR) 32.21
Target price (EUR) 46.50

Bloomberg ZAL GY
Sector Consumer Goods

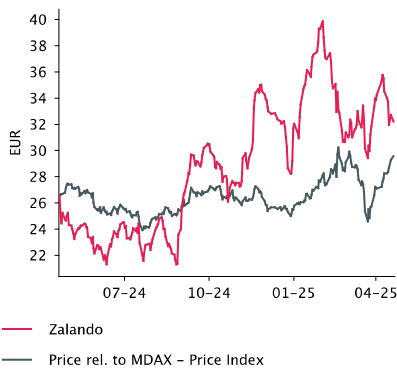
Share data

Shares out (m) 263.9
Daily volume shs (m) 35.2
Free float (%) 88.61
Market cap (EUR m) 8,735
EV (EUR m) 7,462
DPS (EUR) 0.00
Dividend yield (%) 0.0
Payout ratio (%) 0.0

Performance

ytd (%) -0.6
12 months (%) 31.8
12 months rel. (%) 20.3
Index DAX

Share price performance



Source: Bloomberg

Next triggers

27 May 2025: AGM
06 August 2025: Q1 Report

Analysts

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Q1 performance confirms full-year outlook

Zalando delivered strong results in the first quarter of FY 2025: Revenue grew 7.9% yoy to EUR 2.4bn compared with EUR 2.2bn a year earlier, also supported by a strong performance in Zalando Marketing Services. GMV (Gross Merchandise Volume) increased 6.5% yoy to EUR 3.5bn. The adjusted EBIT rose by 65% to EUR 46.7m, representing a margin of 1.9% and up 0.7 percentage points, compared with EUR 28.3m a year earlier.

Based on the positive development in the first three months, Zalando confirmed its full year guidance for FY 2025: It expects both GMV and revenue to grow between 4% to 9% this year compared with FY 2024 and adjusted EBIT to reach a level between EUR 530m and 590m. The guidance does not account for the effects from the planned acquisition of Hamburg-based ABOUT YOU. We leave our estimates and EUR 46.50 TP unchanged and confirm our BUY recommendation.

Results by segment

GMV in the B2C segment, which is equal to group GMV, increased by 6.5% in Q1 2025 and reached EUR 3,495m (prior-year period: EUR 3,283m). This development was supported by successful end of season sales and a promising start to the spring/summer season. Revenue in the B2C segment increased by 7.6% in the first quarter. The adjusted EBIT in the B2C segment showed considerable improvement, reaching a level of 41.0m EUR compared to 22.9m EUR in the prior-year period. The adjusted EBIT margin in the B2C segment was at 1.9% (prior-year period: 1.1%), despite increased marketing spending.

B2B: Revenue growth in the B2B segment continued to outgrow group revenues and showed an increase of 11.6%, reaching EUR 240m (prior-year period: EUR 215m), with Zalando Fulfilment Solutions (ZFS) being the major growth driver. The B2B segment recorded an adjusted EBIT of EUR 5.8m in the first quarter of 2025 compared to EUR 5.4m in the prior-year period. Adjusted EBIT margin reached a stable 2.4%.

Cash position remains strong

Overall, even after increasing a restricted cash position to 403.0m EUR (for the purpose of implementing the voluntary public takeover offer to the shareholders of ABOUT YOU Holding SE, Zalando paid 403.0m EUR into a trust account at the beginning of 2025), its remaining cash and cash equivalents remained strong at EUR 1,959m as of 31 March 2025 (31 December 2024: EUR 2,587m).

Key figures		2023	2024	2025e	2026e	2027e
Sales	EUR m	10,143	10,573	11,060	11,580	12,170
EBITDA	EUR m	525	742	782	860	907
EBIT	EUR m	191	392	420	485	520
EPS	EUR	0.32	0.95	1.05	1.26	1.40
Sales growth	%	-1.9	4.2	4.6	4.7	5.1
EBIT growth	%	135.7	105.3	7.2	15.5	7.2
EPS growth	%	404.8	196.3	10.7	19.9	10.7
EBITDA margin	%	5.2	7.0	7.1	7.4	7.5
EBIT margin	%	1.9	3.7	3.8	4.2	4.3
Net margin	%	0.8	2.4	2.5	2.9	3.0
EV/Sales	ratio	0.78	0.74	0.67	0.61	0.54
EV/EBITDA	ratio	15.1	10.6	9.5	8.2	7.2
EV/EBIT	ratio	41.6	20.1	17.8	14.5	12.6
P/E	ratio	93.1	25.8	31.4	26.2	23.7
P/BV	ratio	3.3	2.4	3.0	2.7	2.4
Dividend yield	%	0.0	0.0	0.0	0.0	0.0

Source: Bloomberg, Company data, Quirin Privatbank estimates

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HOLD <=-10% and < = +10%

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
06.05.2025	46.50	Buy	
12.03.2025	46.50	Buy	
05.11.2024	44.00	Buy	
08.05.2024	44.00	Buy	08.07.2016

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