

Zalando heading towards EUR 3 billion revenue in 2015

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- **Third quarter revenue up 42.2 per cent to EUR 713.1 million**
- **Nine month revenue up 34.9 per cent to EUR 2.1 billion, almost reaching full-year 2014 revenue level; on track towards 33-35 per cent revenue growth in 2015**
- **Profitable with nine-month adjusted EBIT at EUR 35.7 million or 1.7 per cent margin; margin impacted by ongoing strategic growth investments**

Berlin, NOVEMBER 12, 2015 // Zalando SE, Europe's leading online platform for fashion, has significantly grown market share in the third quarter and almost reached full year 2014 revenue levels after only nine months of 2015. On its guided growth trajectory, Zalando will reach close to EUR 3 billion in revenue for the full year 2015 and will have around 10,000 employees by year-end.

Group revenue in the third quarter 2015 grew by 42.2 per cent to EUR 713.1 million, adding more than EUR 200 million in incremental revenue compared to the prior year period (Q3 2014: EUR 501.4 million). Zalando's focus on the customer remained the key driver of growth, with customer satisfaction hitting an all-time high in the third quarter. Zalando introduced additional brands to extend the depth of its product range and further improved customer convenience, for example through faster delivery and easier returns. The evolving mobile offering plus successful brand building campaigns also helped to increase customer engagement.

Rubin Ritter, co-CEO of Zalando, said: "Our accelerated growth is driven by very strong customer metrics, so we are clearly making the right investments. We are confident that we will deliver a unique combination of fast growth and clear profitability for the full year, which is also the right path for us going forward."

Continued tech hiring and associated platform initiatives, plus the expansion of the fulfillment network will support Zalando's growth trajectory going forward. Initial work around its new fulfillment center in Lahr and the full build-out of its facility in Mönchengladbach have started and are on track.

Strong customer KPIs drive revenue growth

The number of active customers grew further to a total of 17.2 million (Q3 2014: 14.1 million) in the third quarter, or by 800,000 additional active customers compared to the second quarter of

2015. Zalando registered 394 million site visits in the third quarter of 2015 (Q3 2014: 322 million visits), with 58.8 per cent of visits coming from mobile devices (Q3 2014: 43.3 per cent). The Zalando app was downloaded in total around 14 million times by the end of the third quarter of 2015. Headcount rose further from 9,079 at the end of the second quarter to 9,444 at the end of the third quarter.

Fast growth coupled with profitability in the first nine months

Group revenue grew in the third quarter of 2015 to EUR 713.1 million (Q3 2014: EUR 501.4 million), putting total revenue for the first nine months of 2015 at EUR 2.1 billion (9M 2014: EUR 1.5 billion). In the *DACH* segment, revenue grew by 34.4 per cent to EUR 371.2 million in the third quarter to represent nine month revenue of EUR 1.1 billion (9M 2014: EUR 870.5 million). In the *Rest of Europe* segment, revenue grew by 52.1 per cent to EUR 300.8 million in the third quarter, putting nine month revenue at EUR 851.1 million (9M 2014: EUR 597.1 million). In the *Other* segment, revenue grew by 50.3 per cent in the third quarter to EUR 41.1 million to put nine month revenue at EUR 109.2 million (9M 2014: EUR 80.9 million).

The adjusted EBIT for the first nine months of 2015 increased by EUR 19.5 million to EUR 35.7 million, corresponding to an adjusted EBIT margin of 1.7 per cent (9M 2014: EUR 16.2 million, 1.0 per cent). For the seasonally weaker third quarter, in contrast, the adjusted EBIT decreased to EUR -23.5 million (Q3 2014: EUR 3.8 million). Gross margin remained at third quarter 2014 level, but fulfillment and marketing costs were higher: Fulfillment costs were impacted to secure a first-class customer experience even with fast-growing volumes and rose due to continued investments into the customer proposition and technology as well as lower than expected debt collection rates related to fraud cases in the first half of 2015. Marketing costs increased due to a fall/winter season switch in September 2015, compared with a late switch in October 2014, as well as strategic marketing investments into app downloads.

In the first nine months of 2015, adjusted EBIT in the *DACH* region was at EUR 44.0 million, representing a margin of 3.9 per cent (9M 2014: EUR 38.2 million, 4.4 per cent). Adjusted EBIT in the *Rest of Europe* segment was at EUR -15.1 million or a margin of -1.8 per cent (9M 2014: EUR -27.8 million, -4.6 per cent). The *Other* segment recorded an adjusted EBIT of EUR 6.8 million or a margin of 6.3 per cent (9M 2014: EUR 5.8 million, 7.1 per cent).

Zalando's third-quarter report is available [online](#), details can also be found in the [earnings presentation](#). Zalando will report figures for the fourth quarter and full year 2015 on March 1, 2016 and publish a trading update prior to that. The publication date of the trading update will be announced on the Zalando Investor Relations website in advance.

ABOUT ZALANDO

Zalando (<https://corporate.zalando.com>) is een toonaangevende pure play online fashion shop in Europa voor vrouwen, mannen en kinderen. Wij bieden onze klanten op één plek een praktische shopervaring met een uitgebreid aanbod aan fashion: schoenen, kleding en accessoires. Dit wordt aangeboden met gratis verzending en retour. Ons assortiment van meer dan 1.500 internationale merken bestaat uit wereldwijde populaire, fast fashion en lokale merken, aangevuld met artikelen van onze private labels. Ons lokale aanbod richt zich op de verschillende voorkeuren van onze klanten in elk van de 15 Europese markten waar we leveren: Oostenrijk, België, Denemarken, Finland, Frankrijk, Duitsland, Italië, Luxemburg, Nederland, Noorwegen, Spanje, Zweden, Zwitserland, Polen en het Verenigd Koninkrijk. Ons logistieke netwerk met drie centraal gelegen distributiecentra in Duitsland laat ons toe om onze klanten in heel Europa efficiënt te bedienen. Wij geloven dat wij met onze integratie van mode, bedrijfsprocessen en online technologie een overtuigend aanbod kunnen bieden aan zowel onze klanten als partners. Zalando's websites hebben meer dan 100 miljoen bezoekers per maand waarvan, in het vierde kwartaal van 2014, 48 procent de online retailer via mobiele apparaten bereikte. Dit resulteerde in 15 miljoen actieve klanten aan het einde van het kwartaal.



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