

## ▶ zalando (XTRA: ZAL) 2Q17 and 1H17 Trading Update: Results Expected to Just Miss Consensus

- Zalando reported preliminary figures for 2Q17, with revenues of €1,091–€1,109 million, up 19%–21% year over year, and adjusted EBIT of €80–€86 million, versus the consensus estimates of €1,109 million and €86.7 million, respectively.
- Preliminary figures for 1H17 show a revenue increase of 21%–22% to €2,071–€2,089 million and adjusted EBIT of €100–€106 million, versus the consensus estimates of €2,099 million and €106.9 million, respectively.
- Zalando remains positive about the outlook for the full year, thanks to continued investment in fulfillment capabilities and the launch of the new membership program Zalando Zet.

### 2Q17 and 1H17 Trading Update

In preliminary figures for 2Q17, Zalando reported revenues of €1,091–€1,109 million, up 19%–21% year over year, compared to the consensus estimate of €1,109 million. Adjusted EBIT came in at €80–€86 million versus the consensus estimate of €86.7 million, and corresponded to an adjusted EBIT margin of 7.3%–7.8%.

Preliminary figures for 1H17 show revenue increased 21%–22% to €2,071–€2,089 million, compared to the consensus estimate of €2,099 million. Zalando reported adjusted EBIT of €100–€106 million for the first half, versus the consensus estimate of €106.9 million, and corresponded to an adjusted EBIT margin of 4.8%–5.1%.

Based on the preliminary figures for the reported periods, it looks like the company will just miss the consensus estimates. Nevertheless, Zalando remains positive about the outlook for the full year, thanks to continued investment in fulfillment capabilities and the launch of the new membership program Zalando Zet.

### Outlook

Zalando has previously guided for FY17 revenue growth of between 20% and 25%. Co-CEO Rubin Ritter said, “we continue to outperform the market and deliver on our 20%–25% growth corridor.”

The consensus estimate for FY17 revenue stands at €4,478.9 million, implying annual year-over-year growth of 23.1%. Consensus expects operating profit of €252.76 million, implying adjusted FY17 EBIT margin of 5.6%. The consensus estimate for FY17 EPS stands at €0.68.

Full financial figures for 2Q17 and 1H17 will be published on August 10, 2017.



FLASH REPORT

---

**Deborah Weinswig, CPA**

Managing Director  
Fung Global Retail & Technology  
New York: 917.655.6790  
Hong Kong: 852.6119.1779  
China: 86.186.1420.3016  
deborahweinswig@fung1937.com

**Filippo Battaini**  
Research Associate

---

**Hong Kong:**

8th Floor, LiFung Tower  
888 Cheung Sha Wan Road, Kowloon  
Hong Kong  
Tel: 852 2300 4406

**London:**

242–246 Marylebone Road  
London, NW1 6JQ  
United Kingdom  
Tel: 44 (0)20 7616 8988

**New York:**

1359 Broadway, 18th Floor  
New York, NY 10018  
Tel: 646 839 7017

**[FungGlobalRetailTech.com](http://FungGlobalRetailTech.com)**