

# ZALANDO SE – SCREAM OF JOY?<sup>1</sup>

## 1. ZALANDO SE

Zalando SE (hereinafter referred to as Zalando) is a Germany-based online shoes and fashion retailer and that was founded in 2008. The Company offers a portfolio of women, men and children clothing. Its product range comprises a range of shoes, clothes, accessories, beauty products and sports goods from more than 1,500 brands, including fashion companies, designer work and products of zLabels, a private labels arm of the Company. The company is operating across 17 markets and expanded its business “beauty” to two more countries, namely Austria and Poland in 2018. Major shareholders of Zalando include the Swedish investment group Kinnevik, Rocket Internet and Bestseller-Group owner Anders Holch Povlsen.

Zalando was created in 2008, just a few days before the start of the financial crisis. After their successful launch in Germany, Austria and Switzerland, Zalando quickly established itself also in non-German-speaking markets due to their strong marketing and unique CR business strategy. In 2010, the company expanded its product range to include more than just shoes, which is when Zalando Lounge, and Zalando Sports were created. The following year was marked by establishing new warehouses in Erfurt, TV adverts “scream with joy!”, market expansion and the distribution of over 800,000 copies of the Zalando Magazine. In 2012 the Zalando magazine was created as an iPad app, increasing their customer base rapidly. Strategic partnerships with Germany’s Next Top Model on the ProSieben Channel, finally helped the company to find new investors, DST Global supported Zalando in their development across Europe for a 4% share in the company. Zalando’s constant focus on product expansion was marked by adding a home section to their portfolio offering home ware products in the same year.

Today, the company is not a start-up anymore but a European company that employs more than 15,000 people from more than 100 countries, lead by management board members Robert Gentz, David Schneider and Rubin Ritter. The focus today lies mainly in logistics and technology, so that the company can meet their customers’ growing requirements.

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<sup>1</sup> Case written by Katrin Mazurek, Verena Schneider and Jonas Michalzik; and supervised by Oriol Amat, BSM Universitat Pompeu Fabra, 2018.

## 2. INVESTORS

In the early days of the business, Global Founders Capital, also known as Rocket Internet, played the most crucial role for Zalando. As one of the world's largest e-commerce centric venture capital firms and a start-up incubator, they invested \$ 70,000 in the Zalando start-up before it expanded its product portfolio from shoes to various new categories and changed its name from initially Fliptops.de to Zalando. After eight funding rounds Zalando managed to raise a total of 467.7 million Euro. Today its major shareholders are the Swedish Investment firm Kinnevik with more than 31 % of the shares and the Danish billionaire Anders Holch Povlsen with 10 % of all shares in 2018. Rocket Internet has sold most of its shares in Zalando and owns only a small portion of less than 1 % in 2018. Only in 2012 Zalando received a big portion of debt financing, in form of a long-term loan amounting to 40.7 € million. The money was primarily to extent Zalando's logistic center in Erfurt.

## 3. THE INDUSTRY

As one of the biggest online retailers, Zalando operates in the online-retailing sector of the European Fashion Market. So, what are the characteristics of the European fashion market and specifically its online retailing sector?

The European Fashion market has experienced major changes in recent years. Digitalization, increasing competition and changes in consumer behavior are the main drivers for those changes<sup>2</sup>. The resulting strong shift towards online retailing has transformed the way consumers shop who purchase more and more online. One of the main reasons for the change in consumer behavior is the possibility to shop 24/7, the comparability of prices, the greater variety and time saving reasons<sup>3</sup>. As a result the online-retail apparel shopping sector has been growing over the last few years and the growth is forecasted to continue<sup>4</sup>. In 2018, the e-

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<sup>2</sup> Orendorff, A. (2018, March 16). *The State of the Ecommerce Fashion Industry: Statistics, Trends & Strategy* [Web log post]. Retrieved December 24, 2018 from <https://www.shopify.com/enterprise/ecommerce-fashion-industry>

<sup>3</sup> Chaffey, D. (2017). *The reasons why consumers shop online instead of in stores*, retrieved from: <https://www.smartinsights.com/ecommerce/ecommerce-strategy/the-reasons-why-consumers-shop-online-instead-of-in-stores/>

<sup>4</sup> Webdata Solutions GmbH (2016). *Marktanalyse: Das war das Jahr 2016 im E-Commerce*, retrieved from: <https://webdata-solutions.com/2016/12/21/marktanalyse-das-war-das-jahr-2016-im-e-commerce/>

commerce-fashion industry generated \$481 billion revenue worldwide and this number is predicted to grow by more than 70% until 2022<sup>5</sup>.

For Zalando this growing sector provides many opportunities, but there are also threats connected with the activity of the market. To better understand these opportunities and threats of the online fashion industry, the Porter's Five Forces framework is going to be applied.

### 3.1 PORTER'S FIVE FORCES

#### *Buyer Power*

The bargaining power of buyers in the online fashion industry is high. Due to its easy access, simple compatibility and many competitors, the online fashion industry is very vulnerable and buyers have the power to push down prices or change retailers. And customer's expectations are growing. With a 24/7 customer service, orders for free and the possibility to return for free if the product didn't fit to mention only some of the demands customer's have nowadays<sup>6</sup>. Companies like Zalando must give their consumers the incentive to stay loyal.

Moreover, due to the use of social media, consumers get influenced for product ideas from others<sup>7</sup>. Retail companies have to react on it, by not only advertising social media but by also providing direct buying paths in social media channels like Facebook or Instagram, where consumers spend most of the time<sup>8</sup>.

#### *Supplier Power*

The bargaining power of suppliers is low to medium. Most apparel companies get their product from third world manufacturers with relatively low bargaining power. Moreover, due to the large number of suppliers their power is further limited, because retailers can easily obtain their products from a different supplier<sup>9</sup>.

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<sup>5</sup> Orendorff, A. (2018). *The State of the Ecommerce Fashion Industry: Statistics, Trends & Strategy*, retrieved December 24, 2018 from: <https://www.shopify.com/enterprise/ecommerce-fashion-industry>

<sup>6</sup> CBI Ministry of Foreign Affairs (2018). *Which trends present opportunities and threats on the European apparel market?*, retrieved from: <https://www.cbi.eu/market-information/apparel/trends/>

<sup>7</sup> Connolly, B. (2017). *4 Trends driving the future of online shopping*, retrieved from: [http://www.olapic.com/resources/4-trends-future-online-shopping\\_article-v1re/](http://www.olapic.com/resources/4-trends-future-online-shopping_article-v1re/)

<sup>8</sup> Orendorff, A. (2018). *The State of the Ecommerce Fashion Industry: Statistics, Trends & Strategy*, retrieved December 24, 2018 from: <https://www.shopify.com/enterprise/ecommerce-fashion-industry>

<sup>9</sup> Bush, T. (2016) *Five Forces Analysis of the Fashion Retail Industry* retrieved from: <https://pestleanalysis.com/five-forces-analysis-of-fashion-retail-industry/>

### *Competitive Rivalry*

Due to digitalization and after the abolition of the importation quotas in 2004, new international competitors emerge who are now able to reach customers worldwide<sup>10</sup>. Zalando's biggest competitor are Amazon and Asos, but also retailers such as Zara and H&M increase their e-commerce and threaten Zalando's market share<sup>11</sup>. The threat of competition in the online fashion sector therefore is high. Especially companies like Zalando, who distribute other brands, are vulnerable to competition, because they are easier to substitute. On the other hand, strong brand names are important and Zalando is well-known and has created a positive image beyond consumers<sup>12</sup>. Zalando has managed to keep their prices very attractive for its customers and has been able to provide added value through its excellent customer services.<sup>13</sup> This helps the company to get market share in an industry where the threat of competition is fierce.

### *Threat of New Entries*

The threat of new entries is medium to low. There are no government regulations or barriers to the entry in the market. However, because the market is so dense, it is hard for new companies to survive and find success.<sup>14</sup> Moreover, online retailers require a high investment in infrastructure, marketing and big data to monitor consumer's online shopping behavior.<sup>15</sup> Without making use of economies of scale, new entrants have no chance to be successful in this highly competitive market.

### *Threat of Substitution*

The threat of substitution is medium. For the product in the online fashion market there almost no substitutes, e.g. clothes. But with so many companies offering similar products,

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<sup>10</sup> European Commission, *Textiles and clothing in the EU*, retrieved from: [https://ec.europa.eu/growth/sectors/fashion/textiles-clothing/eu\\_en](https://ec.europa.eu/growth/sectors/fashion/textiles-clothing/eu_en)

<sup>11</sup> Bloomberg (2017) *Zalando Slumps as European Retailers Battle for Online Share*, retrieved from: <https://www.businessoffashion.com/articles/news-analysis/zalando-slumps-as-european-retailers-battle-for-online-share>

<sup>12</sup> Hawk, K. (2017) *What is Product Branding and Why It's Essential in Retail*, retrieved from: <https://www.shopify.com/retail/what-is-product-branding-and-why-its-essential-in-retail>

<sup>13</sup> R.S. (2017) *7 reasons why Zalando's customers are loyal while competitors complain*, retrieved from: <https://www.linkedin.com/pulse/7-reasons-why-zalandos-customers-loyal-while-complain-sabina>

<sup>14</sup> Pratap, A. (2017) *Fashion Industry Five Forces*, retrieved from: <https://www.cheshnotes.com/2017/07/fashion-industry-five-forces/>

<sup>15</sup> CBI Ministry of Foreign Affairs *Which trends present opportunities and threats on the European apparel market?*, retrieved from: <https://www.cbi.eu/market-information/apparel/trends/>

competition is the real threat of substitute. It's easy for the consumer to substitute one retailer with another.

To sum up the model of Porter's Five Forces framework, the online fashion industry is an industry where the bargaining power of suppliers and the threat of entries and the threats of substitutes are medium to low. For companies operating in this sector the threats are composed of the fierce competition and the bargaining power of buyers. For Zalando the real challenge will be to meet customers wants and to always discover new trends in time to stay one of the big players in the online fashion retail market.

### 3.2 RANKING OF THE MAIN PLAYERS IN THE INDUSTRY REVENUE<sup>16</sup>

Zalando is a fashion retailer as much as a technology company, which is why it competes in the market on both levels. Since 2017, Zalando's revenue is ranked first among its top 10 competitors in the apparel retail industry. Over the last two quarters in 2018 the company's revenue grew by 5.1%:

Rank (2018)	Company	Revenue (in millions)
1st place	Zalando	\$ 6,200
2nd place	ASOS	\$ 2,500
3rd place	YOOX Group	\$ 2,000
4th place	House of Fraser	\$ 1,800
5th place	Farfetch	\$ 385
6th place	Topshop	\$ 200
7th place	Lesara	\$ 75
8th place	ASD.com	\$ 35.9
9th place	Lulus	\$ 28
10th place	Mr Porter	\$ 7.5
11th place	Tomasso	\$ 2.7

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**Figure 1: Sales Ranking 2018 - Comparison to Online Fashion Retailers**

Although Zalando became known as the biggest online fashion retailer in Europe with a total revenue of 3.6 billion EUR in 2016<sup>19</sup>, it is only ranking 9th when compared to other big

<sup>16</sup>MBASKool (2018). *Top 10 eCommerce Companies in the World 2017*. Retrieved from <https://www.mbaskool.com/fun-corner/top-brand-lists/17194-top-10-ecommerce-companies-in-the-world-2017.html?limitstart=0>

<sup>17</sup>Owler, Inc (2018). *Zalando's Competitors, Revenue, Number of Employees, Funding and Acquisitions*. Retrieved from <https://www.owler.com/company/zalando>

<sup>18</sup>Wahba, P. (2018, August 20). *Farfetch Files for IPO on New York Stock Exchange*. [Web log post]. Retrieved December 24, 2018 from <http://fortune.com/2018/08/20/farfetch-ipo/>

<sup>19</sup>Specht, F. (2018, March 8). *Zalando's battle against Amazon*. Retrieved from <https://www.handelsblatt.com/today/finance/fashion-retailer-zalandos-battle-against-amazon/23571550.html?ticket=ST-816318-ugLbZII2SAEAHsHk3nx4-ap1>

players in the e-commerce industry. Competition is intense in this sector and big companies, such as Amazon can profit from a stronger network of logistics centers. Zalando, on the other hand, is a step ahead in some areas using a set of new, targeted shopping programs, through which shoppers can buy personalized outfits from fashion consultants. The aim of these “Zalon” offers is to lower the number of returned items, one of the main factors which decrease profits for online retailers<sup>20</sup>. Analysts believe that Zalando’s long-term trend will continue to stay positive in the future; however growth will be slower due to the high competition of the players mentioned below:

Rank (2016)	Company	Revenue (in billions)
1st place	Amazon	\$136.00
2nd place	Alibaba	\$15.60
3rd place	Walmart	\$13.00
4th place	Otto	\$12.10
5th place	JD	\$11.60
6th place	Priceline	\$10.70
7th place	eBay	\$8.90
8th place	Rakuten	\$7.00
9th place	Zalando	\$4.10
10th place	GroupOn	\$3.60

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**Figure 2: Sales Ranking 2016 - Comparison to biggest E-commerce players**

## 4. ZALANDO’S BUSINESS MODEL

### 4.1 STRATEGY

#### *Digitizing the fashion industry with Zalando’s platform strategy*

Zalando’s driving mission is the reimagination of the fashion market. The company considers itself as “Europe’s leading online fashion platform [with a view to connecting] [...] customers, brands and partners”<sup>22</sup>. Apart from the brand’s centerpiece, Zalando’s online shop, the company pursues a so-called platform strategy to provide a wide-range of services and values for all types of stakeholders such as customers, fashion designers or partner companies. Zalando has always been aiming to become one of the main drivers of digitization of the

<sup>20</sup> Specht, F. (2018, March 8). *Zalando’s battle against Amazon*. Retrieved from <https://www.handelsblatt.com/today/finance/fashion-retailer-zalandos-battle-against-amazon/23571550.html?ticket=ST-816318-ugLbZII2SAEAHsHk3nx4-ap1>

<sup>21</sup> MBASKool (2018). *Top 10 eCommerce Companies in the World 2017*. Retrieved from <https://www.mbaskool.com/fun-corner/top-brand-lists/17194-top-10-ecommerce-companies-in-the-world-2017.html?limitstart=0>

<sup>22</sup> Zalando SE (2018). *Who we are*. Retrieved from <https://corporate.zalando.com/en/company/who-we-are>

fashion market in a changing industry. In 2018, the company cooperates with almost 2.000 brands and opened up 17 international European markets and offers different locally-oriented solutions to each of them - which is considered as one of Zalando's competitive advantages. Furthermore, Zalando has set new standards in the online fashion retail industry with a free delivery as well as an attention-getting 100-day right of return which has been Zalando's unique selling proposition for a long time.

#### *4.2 THE SERVICES AROUND THE ZALANDO PLATFORM*

As Europe's leading online fashion platform, Zalando is offering a multitude of service around the three main business fields of the company: fashion store, Offprice and zLabels. Offprice is a Zalando business which is focused on the sale of previous trends for registered members online or in one of the company's outlet stores. zLabels are the company's private labels with a total of 16 brands which the company started to develop from 2010 on.

Moreover, Zalando offers an individual style advice service (Zalon) and offers its logistic distribution channels to its partner companies (Zalando Fulfillment Solutions) as well as personalized marketing solutions for brand partners.

#### *4.3 CORPORATE GOVERNANCE ALIGNED WITH HIGH ETHICAL STANDARDS*

Following this strategy and service portfolio, Zalando is counting on a sustainable and successful long-term strategy based on high ethical standards. Consequently, the company's governance structure "follows the recommendations of the German Code of Corporate Governance" and consist of three bodies<sup>23</sup>:

- The **Management Board** represented by the three Co-CEO's of the company who make substantial decisions for the development of the company in close cooperation with the Supervisory Board.
- The **Supervisory Board** which represents shareholders as well as employees with a total of 9 elected representatives. Being informed by the Management Board, the Supervisory Board occupies a controlling function to the Management Board.
- The **Shareholders' Meeting** which decides about certain issues such as the appropriation of net income and needs to ratify the actions of the two other bodies.

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<sup>23</sup> Zalando SE (2018). *Our basic principles*. Retrieved from <https://corporate.zalando.com/en/company/our-basic-principles>

Moreover, Zalando adopted a Code of Ethics and Conduct as well as a compliance management system to audit the businesses development regarding its ethical guidelines.

#### *4.4 MARKET AND CUSTOMER SEGMENTATION*

Some of the main market segments of Zalando include: Women, Men, Children, High End Brands, High Street Brands and Sportswear.<sup>24</sup> Furthermore, Zalando segments its consumers in seven different types, called zTypes. Those are classified into socio-demographic-related areas based on their buying patterns. This segmentation provides a competitive advantage for Zalando, as it provides an end-to end consistency when targeting customers of the same group. These end-consumers can be addressed across the entire lifecycle of a fashion product and are not based on classical customer typologies, e.g. individual focus groups.<sup>25</sup>

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<sup>24</sup> CLEVERISM (2014, October 13). *Zalando - E-Commerce retailer*. Retrieved from <https://www.cleverism.com/zalando-ecommerce-retailer/>

<sup>25</sup> Zalando SE (2018). *zTypes: How Zalando Media Solutions reimagines customer segmentation*. Retrieved from <https://corporate.zalando.com/en/newsroom/en/stories/ztypes-how-zalando-media-solutions-reimagines-customer-segmentation>



## PART I

### 5. EVOLUTION OF ZALANDO BETWEEN 2008 AND 2013

#### 5.1 GROWTH AND EXPANSION

From the beginning on Zalando's development was shaped by an aggressive growth strategy. After its foundation in October 2008 Zalando was only an online retailer for shoes of selected brands. A short time later, after its first success, the product portfolio was extended by handbags. Already in 2009 the company managed to increase its sales figures to such an extent that the company had to move to a bigger office because the goods didn't fit in the old office anymore. In the same year the company expanded to Austria. Despite the expansion, the company kept its unique business model and also online shoppers from Austria could benefit from free deliveries and free returns. As a result, Zalando continuously increased its sales figures and the company had to move for the second time in 2009 because employee numbers increased rapidly.<sup>26</sup> In the same year Zalando launched its first TV advertisement, followed by further massive investments in TV spots and online banner and the company became known for its funny commercials under the name "scream of joy".<sup>27</sup>

In 2010, Zalando enlarged its portfolio from shoes and handbags to fashion in general and customers in France and the Netherlands were now able to order online. As a result the company managed to increase its revenues from 6 million € to 154 million € in 2010. However, due to huge operating expenses, especially because of the free shipment and return policy, revenues do not necessarily result in profit. In 2010 the company presented a net loss of 23.1 million € including a negative cash flow from operating activities of 18 million €.

In the following year Zalando launched its business in the UK, Italy and Switzerland, followed by the expansion into several countries, among which are Sweden, Belgium, Spain, Denmark, Finland, Poland, Norway and Luxembourg in 2012 and 2013.

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<sup>26</sup> Westfälische Nachrichten (2013, November 28). *Vergleich deutscher Startups des Jahres 2008 und deren Entwicklung bis heute*. Retrieved from <https://www.wn.de/Freizeit/Ratgeber/Karriere/2013/11/1376152-Karriere-Vergleich-deutscher-Startups-des-Jahres-2008-und-deren-Entwicklung-bis-heute>

<sup>27</sup> German Retail Blog (2012, August 29). *Zalando - Germany's online shoe-ting star*. Retrieved from <https://www.german-retail-blog.com/topic/past-blogs/zalando-germanys-online-star-198>

## 5.2 ZALANDO'S OWN LOGISTIC NETWORK

Due to the rapid growth in order numbers, Zalando started its own logistic network in the summer of 2011 by building the first Zalando warehouse in Brieselang, Germany. The new warehouse was supposed to facilitate logistics in order to reach the customer faster and more efficient, and in order to build a custom-made inventory system.<sup>28</sup> In 2012 and 2013 the company invested further huge amounts, raised with debt-financing, to build new logistic centers in Erfurt and Mönchengladbach (both in Germany) with a total of 6.800 employees.

Although the company has been online in 15 countries by 2013 and has been operating three own warehouses, their cash flow from operating activities kept decreasing, resulting in a negative number of -94.3 million € in 2012. Also their net losses continued to worsen until it reached its peak in 2013 with a total loss of 116.6 million €. Zalando became the victim of its own success. With a progressive internationalization and increasing sales figures the expenses for marketing and logistics grew immense.<sup>29</sup> In addition, the high number of free returns promoted an inventory problem. Because of the increasing amount of order, the company had to invest heavily in inventories. So, returns, indeed, cost resources and time.<sup>30</sup>

The following timeline contains the main milestones of Zalando's development from its foundation in 2008 until 2013<sup>31</sup>:

October 2008	Zalando was founded as an online retail shop for shoes
September 2009	Zalando launches its first German TV-spot of the campaign "scream of joy"
Spring 2010	Zalando expands its range to include clothing and launches its exclusive Zalando Lounge under the claim "Exclusive brands for amazing prices"
September 2010	Zalando launches its own in-house-developed shop technology
December 2010	"zLabels" creates its first private label
May 2011	The first international Zalando Lounge is launched in France
July 2011	Zalando opens its first self-operated fulfillment center in Germany

<sup>28</sup> Guinebault, M. (2012, December 16). *Zalando opens its own logistics center*. [Web log post]. Retrieved December 24, 2018 from [https://www.fashionnetwork.com/news/Zalando-opens-its-own-logistics-center,301285.html#.XB\\_c4i2X9Z0](https://www.fashionnetwork.com/news/Zalando-opens-its-own-logistics-center,301285.html#.XB_c4i2X9Z0)

<sup>29</sup> German Retail Blog (2012, August 29). *Zalando - Germany's online shoe-ting star*. Retrieved from <https://www.german-retail-blog.com/topic/past-blogs/zalando-germanys-online-star-198>

<sup>30</sup> Stuart Inc (2017, October 31). *The winning returns strategy - A Zalando case study*. Retrieved from <https://blog.stuart.com/the-winning-returns-strategy-a-zalando-case-study-1f2d2c0d7033>

<sup>31</sup> Zalando SE (2018). *Highlights*. Retrieved from <https://corporate.zalando.com/en/company/highlights>

December 2011	Zalando launches its partner program which allows brands and retailers to directly integrate their products into the Zalando online store
March 2012	The first Zalando outlet is opened in Berlin
December 2012	Zalando opens the first self-designed fulfillment center in Erfurt, Germany and launches its smart phone application
July 2013	The second self-constructed fulfillment center is opened in Mönchengladbach, Germany
December 2013	Zalando becomes a private German stock corporation (AG)
December 2013	Zalando extends its partner program to Austria, France, the Netherlands, Belgium, Switzerland and Italy and soon to the UK

## QUESTIONS PART I

1. Think about the main strengths and weaknesses of Zalando's business model (qualitative analysis).
2. Think about main strengths and weaknesses of Zalando's financial performance considering the company's financial statements between 2010 and 2013 (quantitative analysis).
3. Calculate the real working capital as well as the working capital needs. What does the result tell us about the operating liquidity of Zalando?
4. Would you say, Zalando is on a good or on a bad way considering their financial indicators?
5. Considering the relevant causes for the negative results in the past years, which advices would you give Zalando in order to reach a positive result (EBT) in the income statement of 2014? Proof their effectiveness.

<b>Income statement Zalando SE</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
in million €				
Sales growth to year before	52,1%	127,2%	231,2%	-
Revenues	1.762,0	1.158,7	509,9	154,0
Cost of Sales	-1.047,0	-623,8	-270,7	-79,9
<b>Gross Profit</b>	<b>715,0</b>	<b>534,8</b>	<b>239,3</b>	<b>74,0</b>
Gross margin (%)	40,6%	46,2%	46,9%	48,1%
Selling and distribution costs	-733,5	-560,7	-260,2	-81,8
Administrative expenses	-105,1	-63,2	-32,6	-12,9
Other operating income	12,5	6,3	2,5	0,7
other operating expenses	-2,9	-0,8	-7,9	-3,2
<b>Total operating expenses</b>	<b>-829,0</b>	<b>-618,4</b>	<b>-298,2</b>	<b>-97,2</b>
<b>EBIT</b>	<b>-114,0</b>	<b>-83,6</b>	<b>-58,9</b>	<b>-23,2</b>
EBIT (%)	-6,5%	-7,2%	-11,6%	-15,0%
Total operating expenses (%)	-47,0%	-53,4%	-58,5%	-63,1%
<b>Financial result</b>	<b>-3,3</b>	<b>-1,0</b>	<b>-0,6</b>	<b>0,0</b>
Financial result (%)	-0,2%	-0,1%	-0,1%	0,0%
<b>EBT</b>	<b>-117,3</b>	<b>-84,6</b>	<b>-59,6</b>	<b>-23,1</b>
EBT (%)	-6,7%	-7,3%	-11,7%	-15,0%
Income Taxes	0,7	-0,5	-0,2	0,0
<b>Net income for period</b>	<b>-116,6</b>	<b>-85,1</b>	<b>-59,7</b>	<b>-23,1</b>
Net income (%)	-6,6%	-7,3%	-11,7%	-15,0%

<b>Balance sheet Zalando SE</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Total assets in million €				
<b>Non-current assets</b>	<b>176</b>	<b>85</b>	<b>25</b>	<b>3</b>
intangible assets	21	10	4	1
PPE	106	43	15	1
Financial assets	48	32	7	1
deferred tax assets	1	0	0	0
<b>Current assets</b>	<b>896</b>	<b>740</b>	<b>249</b>	<b>95</b>
Inventories	333	231	108	41
Prepayments	1	2	1	0
Trade and other receivables	87	66	34	14
other financial assets	14	14	1	3
other non-financial assets	45	45	4	3
Cash and cash equivalents	417	382	102	34
<b>Total assets</b>	<b>1.072</b>	<b>825</b>	<b>274</b>	<b>98</b>

<b>Balance sheet Zalando SE</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Equity and liabilities in million €				
<b>Equity</b>	<b>546</b>	<b>458</b>	<b>105</b>	<b>35</b>
capital reserves	833	629	190	60
other reserves	0	-1	0	0
accumulated profit / loss	-287	-170	-85	-25
<b>Non-current liabilities</b>	<b>29</b>	<b>17</b>	<b>3</b>	<b>1</b>
provisions	5	2	1	0
government grants	1	0	1	0
borrowings	17	11	0	0
other financial liabilities	3	2	1	0
other non-financial liabilities	3	2	0	1
<b>Current liabilities</b>	<b>495</b>	<b>350</b>	<b>165</b>	<b>62</b>
provisions	0	0	10	10
borrowings	3	3	0	0
trade payables and similar liabilities	410	295	135	46
prepayments received	7	2	1	0
other financial liabilities	35	32	5	0
other non-financial liabilities	40	18	14	6
<b>Total equity and liabilities</b>	<b>1.070</b>	<b>825</b>	<b>273</b>	<b>98</b>

<b>Important ratios Zalando SE</b>		<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Equity ratio	Equity/Total assets	51,0%	55,5%	38,5%	35,7%
Debt ratio	Total debt/Total assets	49,0%	44,5%	61,5%	64,3%
Debt quality ratio	CL/Total Liabilities	0,94	0,95	0,98	0,98
Current ratio	CA/CL	1,81	2,11	1,51	1,53
Quick ratio	(CA - Inventories)/CL	1,14	1,45	0,85	0,87
Acid test	Cash and equivalents/CL	0,84	1,09	0,62	0,55
ROA	Net income/Assets	-10,9%	-10,3%	-21,8%	-23,6%
ROE	Net income/Equity	-21,4%	-18,6%	-56,9%	-66,1%
<b>ROE breakdown</b>					
Margin	EBIT/Sales	-0,06	-0,07	-0,12	-0,15
Turnover	Sales/Assets	1,64	1,40	1,86	1,57
Fiscal effect	Net profit/EBT	0,99	1,01	1,00	1,00
Financial leverage I	Assets/Equity	1,96	1,80	2,61	2,80
Financial leverage II	EBT/EBIT	1,03	1,01	1,01	1,00
Financial leverage total	FL I x FL II	2,02	1,82	2,64	2,80
Financial costs	Financial expenses/Sales	-0,16%	-0,21%	-0,22%	-0,04%

<b>Cash Flow Zalando SE</b> in million €	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Net income for the period</b>	<b>-116,6</b>	<b>-83,6</b>	<b>-58,9</b>	<b>-23,2</b>
non-cash from share-based payments	5,3	6,5	2,1	1,2
depreciation of PPE and amortization	14,9	6,7	1,8	0,4
income taxes paid, less refunds	0,0	-0,6	0,0	0,0
increase/decrease in provisions	0,0	27,1	5,5	10,0
other non-cash income/expenses	-3,3	0,4	0,0	0,0
decrease / increase in inventories	-101,1	-120,6	-66,9	-56,9
decrease / increase in trade	-21,6	-72,1	-19,1	0,0
increase/decrease in trade payables	101,5	159,6	89,5	50,5
Increase/decrease in other assets/liabilities	40,8	-17,7	5,7	0,0
<b>Cash flow from operating activities</b>	<b>-80,2</b>	<b>-94,3</b>	<b>-41,1</b>	<b>-18,0</b>
cash paid for investments in PPE	-54,5	-37,0	-9,8	-2,5
cash paid for investments in	-19,3	-9,5	-3,2	0,0
cash paid for acquisitions of shares in	0,0	0,0	0,0	-0,4
change in restricted cash	-16,4	-24,7	-6,3	0,0
<b>cash flow from investing activities</b>	<b>-90,2</b>	<b>-71,3</b>	<b>-19,2</b>	<b>-2,9</b>
cash received capital increases by the shareholders	199,3	0,0	128,2	35,0
cash repayments of loans	-3,2	-0,8	0,0	-0,2
Cash received from loans	9,1	15,1	0,0	0,0
<b>cash flow from financing activities</b>	<b>205,2</b>	<b>446,1</b>	<b>128,2</b>	<b>34,8</b>
<b>net change in chash and cash equivalents</b>	<b>34,9</b>	<b>280,5</b>	<b>67,9</b>	<b>13,9</b>
cash and cash equivalents beginning of the period	382,3	101,8	34,0	20,1
<b>cash and cash equivalents as of Dec 31</b>	<b>417,2</b>	<b>382,3</b>	<b>101,8</b>	<b>33,9</b>

## PART II

### 6. EVOLUTION OF ZALANDO BETWEEN 2014 AND 2018

*“The feedback we received from investors and employees was great. The significant investor demand, which substantially exceeded the amount of shares offered, reflects confidence and high interest in Zalando and our long-term growth opportunity.”<sup>32</sup>*

Rubin Ritter, member of Zalando’s management board

The year 2014 has been an important year for Zalando in various respects. On the one hand, Zalando’s IPO as well as another increase of capital reserves provided the company a positive cash flow from financing activities of more than 500 million €. On the other hand, the company managed to improve the operating numbers and closed the year for the first time in Zalando’s history with a profit of around 47 million €. Well-equipped with these new financial capabilities (the issued capital was the first equity increase that has not been related to capital reserves), Zalando continued its broad internationalization and fired the starting pistol for huge investments in its distribution infrastructure (mainly self-designed and self-constructed fulfillment centers) as well as intangible assets (most likely software and other technology related to the online platform) in the following years. Furthermore, Zalando managed to continue this trend in the years after. The annual results provided further strong operating cash flows which placed Zalando in the very comfortable position to make cost-intensive investments without asking for additional external funds. In fact, Zalando’s balance sheet never showed an equity ratio below 50% while the liabilities mainly contained trade payables and only insignificant amounts of loans or borrowings.

Apart from the investments in its distribution network, Zalando continued to increase its range of services and also started fashion events, partnerships and international pilot projects to strengthen the company’s role and influence on the whole fashion industry. For example, Zalando expanded its digital marketing unit “Zalando marketing solutions” to all 15 international markets in 2015<sup>33</sup>, organized its first “Bread & Butter”-fashion show in 2016 as well as Europe’s first platform conference called “Vizons” in 2017.<sup>34</sup>

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<sup>32</sup> Zalando SE (2014, September 29). *Zalando sets issue price per share at EUR 21.50*. Retrieved from [https://corporate.zalando.com/sites/default/files/media-download/Zalando-SE\\_IPO\\_press\\_release\\_pricing\\_en.pdf](https://corporate.zalando.com/sites/default/files/media-download/Zalando-SE_IPO_press_release_pricing_en.pdf)

<sup>33</sup> Zalando SE (2018). *Highlights*. Retrieved from <https://corporate.zalando.com/en/company/highlights>

<sup>34</sup> Zalando SE (2018). *Highlights*. Retrieved from <https://corporate.zalando.com/en/company/highlights>

Zalando did not only generate record net results in these years but also grew in terms of employees hiring almost 30% new employees in 2015 and reaching more than 15,000 employees by 2017. Consequently, staff costs seemed increased proportionally with higher amounts of employees over the following years.

Year*	2017	2016	2015	2014	2013	2012	2011	2010
Employees	15.091	11.998	9.987	7.588	6.897	4.100	1.624	404

\*Numbers of employees from annual reports and Amadeus database

The following timeline sums up the main events in Zalando's development from becoming a private German stock corporation in 2013 until 2017:

December 2013	Zalando becomes a private German stock corporation (AG)
Spring 2014	Zalando launches international apps for Smartphone and iPad (in Germany)
May 2014	Zalando becomes a Societas Europaea (SE) and goes IPO in October; Zalando opens another outlet in Frankfurt/Main, Germany
February 2015	Zalando launches the "Zalando Media Solutions" in all 15 markets
April - December 2015	Zalando launches its first two technology locations in Dublin, Ireland and Helsinki, Finland and the first international logistics center close to Milan
May 2015	Zalando launches "Zalon" in Germany, Switzerland and Austria and the partner program expands to Denmark
September 2015	Zalando launches two pilot projects: Same-day delivery in Berlin, Germany and a return-collection service in London, UK
October 2016	Zalando expands the partner program to Spain and the Zalon is launched in the Netherlands
November 2016	Another fulfillment center in Germany starts testing operations and the construction of the first fulfillment center in Poland has been started
2016	Zalando increases its on-/ and offline presence by integrating local retailers, organizing fashion shows and "Collabary" - an influencer program
October 2017	The fulfillment center network expands with two new locations near Paris, France and Stockholm, Sweden
December 2017	Zalando introduces its membership program "Zalando Plus"
May 2017	The internationalization continues with the roll-out of the partner program in Sweden and Zalon in Belgium
2017	Zalando continues with organizing conferences, fashion shows as well as programs to strengthen the collaboration with partners and local retailers



At the end of 2017, Zalando plans to operate in total 20 locations of fulfillment centers, tech hubs, outlets and others, covering eight European countries. The following maps show the distribution of the different national locations within Germany and the international locations within Europe.<sup>35</sup>



## QUESTIONS PART II

6. Explain the change in Zalando's financial performance considering your answers from the first part. What are the main reasons/characteristics of the turning point?
7. Think - again - about the main quantitative strengths and weaknesses of the company considering Zalando's financial statements until 2017. What are the main changes to the previous years?
8. Can the growth of Zalando be considered as "healthy growth" or "unhealthy growth"? What could be the main threats of unhealthy growth?

<sup>35</sup> Zalando SE, "Annual Report 2017", March 2018. Accessed on 24.12.2018. Available: <https://annual-report.zalando.com/2017/annual-report/company/short-profile/>

<b>Income statement Zalando SE</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
in million €								
Sales growth to year before	23,4%	23,0%	33,6%	25,7%	52,1%	127,2%	231,2%	-
Revenues	4.489,0	3.639,0	2.958,2	2.214,0	1.762,0	1.158,7	509,9	154,0
Cost of Sales	-2.529,6	-2.029,6	-1.624,0	-1.255,3	-1.047,0	-623,8	-270,7	-79,9
<b>Gross Profit</b>	<b>1.959,4</b>	<b>1.609,4</b>	<b>1.334,1</b>	<b>958,7</b>	<b>715,0</b>	<b>534,8</b>	<b>239,3</b>	<b>74,0</b>
Gross margin (%)	43,6%	44,2%	45,1%	43,3%	40,6%	46,2%	46,9%	48,1%
Selling and distribution costs	-1530,8	-1223,7	-1118,9	-793,8	-733,5	-560,7	-260,2	-81,8
Administrative expenses	-242,9	-191,3	-129	-109,2	-105,1	-63,2	-32,6	-12,9
Other operating income	11,8	16,7	10,2	12,2	12,5	6,3	2,5	0,7
other operating expenses	-9,9	-4,1	-7	-5,8	-2,9	-0,8	-7,9	-3,2
<b>Total operating expenses</b>	<b>-1771,8</b>	<b>-1402,4</b>	<b>-1244,7</b>	<b>-896,6</b>	<b>-829,0</b>	<b>-618,4</b>	<b>-298,2</b>	<b>-97,2</b>
<b>EBIT</b>	<b>187,6</b>	<b>207</b>	<b>89,4</b>	<b>62,1</b>	<b>-114,0</b>	<b>-83,6</b>	<b>-58,9</b>	<b>-23,2</b>
EBIT (%)	4,2%	5,7%	3,0%	2,8%	-6,5%	-7,2%	-11,6%	-15,0%
Total operating expenses (%)	-39,5%	-38,5%	-42,1%	-40,5%	-47,0%	-53,4%	-58,5%	-63,1%
<b>Financial result</b>	<b>-12,5</b>	<b>-14,1</b>	<b>-3</b>	<b>-4,5</b>	<b>-3,3</b>	<b>-1,0</b>	<b>-0,6</b>	<b>0,0</b>
Financial result (%)	-0,3%	-0,4%	-0,1%	-0,2%	-0,2%	-0,1%	-0,1%	0,0%
<b>EBT</b>	<b>175,1</b>	<b>192,9</b>	<b>86,4</b>	<b>57,6</b>	<b>-117,3</b>	<b>-84,6</b>	<b>-59,6</b>	<b>-23,1</b>
EBT (%)	3,9%	5,3%	2,9%	2,6%	-6,7%	-7,3%	-11,7%	-15,0%
Income Taxes	-73,6	-72,5	34,9	-10,5	0,7	-0,5	-0,2	0,0
<b>Net income for period</b>	<b>101,5</b>	<b>120,4</b>	<b>121,3</b>	<b>47,1</b>	<b>-116,6</b>	<b>-85,1</b>	<b>-59,7</b>	<b>-23,1</b>
Net income (%)	2,3%	3,3%	4,1%	2,1%	-6,6%	-7,3%	-11,7%	-15,0%

<b>Income statement Zalando SE</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Margins/percentages ...of sales								
Revenue	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
Cost of Sales	-56,4%	-55,8%	-54,9%	-56,7%	-59,4%	-53,8%	-53,1%	-51,9%
<b>Gross Profit</b>	<b>43,6%</b>	<b>44,2%</b>	<b>45,1%</b>	<b>43,3%</b>	<b>40,6%</b>	<b>46,2%</b>	<b>46,9%</b>	<b>48,1%</b>
Selling and distribution costs	-34,1%	-33,6%	-37,8%	-35,9%	-41,6%	-48,4%	-51,0%	-53,2%
Administrative expenses	-5,4%	-5,3%	-4,4%	-4,9%	-6,0%	-5,5%	-6,4%	-8,4%
Other operating income	0,3%	0,5%	0,3%	0,6%	0,7%	0,5%	0,5%	0,5%
other operating expenses	-0,2%	-0,1%	-0,2%	-0,3%	-0,2%	-0,1%	-1,6%	-2,1%
<b>Total operating expense</b>	<b>-39,5%</b>	<b>-38,5%</b>	<b>-42,1%</b>	<b>-40,5%</b>	<b>-47,0%</b>	<b>-53,4%</b>	<b>-58,5%</b>	<b>-63,1%</b>
<b>EBIT</b>	<b>4,2%</b>	<b>5,7%</b>	<b>3,0%</b>	<b>2,8%</b>	<b>-6,5%</b>	<b>-7,2%</b>	<b>-11,6%</b>	<b>-15,0%</b>
Financial result	-0,3%	-0,4%	-0,1%	-0,2%	-0,2%	-0,1%	-0,1%	0,0%
<b>EBT</b>	<b>3,9%</b>	<b>5,3%</b>	<b>2,9%</b>	<b>2,6%</b>	<b>-6,7%</b>	<b>-7,3%</b>	<b>-11,7%</b>	<b>-15,0%</b>

<b>Balance sheet Zalando SE</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Total assets in million €</b>								
<b>Non-current assets</b>	<b>570</b>	<b>393</b>	<b>253</b>	<b>194</b>	<b>176</b>	<b>85</b>	<b>25</b>	<b>3</b>
intangible assets	182	101	49	29	21	10	4	1
PPE	351	243	128	111	106	43	15	1
Financial assets	26	29	18	49	48	32	7	1
deferred tax assets	1	2	48	1	1	0	0	0
non-financial assets	4	3	4	4	0	0	0	0
Investments acc. equity method	6	15	7	0	0	0	0	0
<b>Current assets</b>	<b>2.411</b>	<b>2.146</b>	<b>1.864</b>	<b>1.592</b>	<b>896</b>	<b>740</b>	<b>249</b>	<b>95</b>
Inventories	779	577	494	348	333	231	108	41
Prepayments	3	1	1	1	1	2	1	0
Trade and other receivables	279	216	150	140	87	66	34	14
other financial assets	81	246	176	14	14	14	1	3
other non-financial assets	153	133	67	38	45	45	4	3
Cash and cash equivalents	1.066	973	976	1.051	417	382	102	34
assets held for sale	52	0	0	0	0	0	0	0
<b>Total assets</b>	<b>2.980</b>	<b>2.538</b>	<b>2.117</b>	<b>1.786</b>	<b>1.072</b>	<b>825</b>	<b>274</b>	<b>98</b>
<b>Balance sheet Zalando SE</b>								
<b>Equity and liabilities in million €</b>								
<b>Equity</b>	<b>1.539</b>	<b>1.407</b>	<b>1.271</b>	<b>1.127</b>	<b>546</b>	<b>458</b>	<b>105</b>	<b>35</b>
issued capital	247	247	247	245	0	0	0	0
capital reserves	1.182	1.161	1.141	1.120	833	629	190	60
other reserves	9	-3	1	1	0	-1	0	0
accumulated profit / loss	101	3	-118	-240	-287	-170	-85	-25
<b>Non-current liabilities</b>	<b>72</b>	<b>33</b>	<b>31</b>	<b>31</b>	<b>29</b>	<b>17</b>	<b>3</b>	<b>1</b>
provisions	16	13	9	6	5	2	1	0
government grants	0	0	2	3	1	0	1	0
borrowings	8	11	14	18	17	11	0	0
other financial liabilities	5	2	2	1	3	2	1	0
other non-financial liabilities	8	3	3	1	3	2	0	1
deferred tax liabilities	35	3	1	3	0	0	0	0
<b>Current liabilities</b>	<b>1.370</b>	<b>1.098</b>	<b>814</b>	<b>628</b>	<b>495</b>	<b>350</b>	<b>165</b>	<b>62</b>
provisions	0	2	0	1	0	0	10	10
borrowings	3	3	3	3	3	3	0	0
trade payables and similar liabilities	1.120	921	646	492	410	295	135	46
prepayments received	32	8	9	7	7	2	1	0
income tax liabilities	6	9	18	6	0	0	0	0
other financial liabilities	84	69	72	62	35	32	5	0
other non-financial liabilities	124	87	66	57	40	18	14	6
<b>Total equity and liabilities</b>	<b>2.980</b>	<b>2.538</b>	<b>2.117</b>	<b>1.786</b>	<b>1.070</b>	<b>825</b>	<b>273</b>	<b>98</b>

Important ratios Zalando SE		2017	2016	2015	2014	2013	2012	2011	2010
Equity ratio	Equity/Total assets	51,6%	55,4%	60,1%	63,1%	51,0%	55,5%	38,5%	35,7%
Debt ratio	Total debt/Total assets	48,4%	44,5%	39,9%	36,9%	49,0%	44,5%	61,5%	64,3%
Debt quality ratio	CL/Total Liabilities	0,95	0,97	0,96	0,95	0,94	0,95	0,98	0,98
Current ratio	CA/CL	1,76	1,95	2,29	2,53	1,81	2,11	1,51	1,53
Quick ratio	(CA - Inventories)/CL	1,19	1,43	1,68	1,98	1,14	1,45	0,85	0,87
Acid test	Cash and equivalents/CL	0,78	0,89	1,20	1,67	0,84	1,09	0,62	0,55
ROA	Net income/Assets	3,4%	4,7%	5,7%	2,6%	-10,9%	-10,3%	-21,8%	-23,6%
ROE	Net income/Equity	6,6%	8,6%	9,5%	4,2%	-21,4%	-18,6%	-56,9%	-66,1%
<b>ROE breakdown</b>									
Margin	EBIT/Sales	0,04	0,06	0,03	0,03	-0,06	-0,07	-0,12	-0,15
Turnover	Sales/Assets	1,51	1,43	1,40	1,24	1,64	1,40	1,86	1,57
Fiscal effect	Net profit/EBT	0,58	0,62	1,40	0,82	0,99	1,01	1,00	1,00
Financial leverage I	Assets/Equity	1,94	1,80	1,66	1,58	1,96	1,80	2,61	2,80
Financial leverage II	EBT/EBIT	0,93	0,93	0,97	0,93	1,03	1,01	1,01	1,00
Financial leverage total	FL I x FL II	1,81	1,68	1,61	1,47	2,02	1,82	2,64	2,80
Financial costs	Financial expenses/Sales	-0,3%	-0,3%	-0,2%	-0,2%	-0,2%	-0,2%	-0,2%	0,0%

Cash Flow Zalando SE	2017	2016	2015	2014	2013	2012	2011	2010
in million €								
<b>Net income for the period</b>	<b>101,6</b>	<b>120,5</b>	<b>121,5</b>	<b>47,1</b>	<b>-116,6</b>	<b>-83,6</b>	<b>-58,9</b>	<b>-23,2</b>
non-cash from share-based payments	27,5	19,9	17,9	19,8	5,3	6,5	2,1	1,2
cash paid fro settlement of claims from	0,0	0,0	-2,3	0,0	0,0	0,0	0,0	0,0
depreciation of PPE and amortization	58,7	48,2	34,2	25,8	14,9	6,7	1,8	0,4
income taxes	73,6	72,5	-34,9	10,5	0,0	0,0	0,0	0,0
income taxes paid, less refunds	-49,4	-33,8	0,0	-0,2	0,0	-0,6	0,0	0,0
increase/decrease in provisions	-1,5	0,1	-0,5	1,0	0,0	27,1	5,5	10,0
other non-cash income/expenses	6,5	1,2	-1,0	-0,2	-3,3	0,4	0,0	0,0
decrease / increase in inventories	-189,4	-83,4	-145,2	-15,8	-101,1	-120,6	-66,9	-56,9
decrease / increase in trade	-61,6	-64,0	-9,0	-52,9	-21,6	-72,1	-19,1	0,0
increase/decrease in trade payables	198,4	264,3	154,9	94,9	101,5	159,6	89,5	50,5
Increase/decrease in other assets/liabilities	29,2	-69,7	-16,2	44,7	40,8	-17,7	5,7	0,0
<b>Cash flow from operating activities</b>	<b>193,7</b>	<b>257,8</b>	<b>119,4</b>	<b>174,8</b>	<b>-80,2</b>	<b>-94,3</b>	<b>-41,1</b>	<b>-18,0</b>
cash paid for investments in PPE	-189,1	-122,1	-31,0	-29,5	-54,5	-37,0	-9,8	-2,5
cash paid for investments in	-54,8	-59,6	-29,0	-21,5	-19,3	-9,5	-3,2	0,0
cash paid for acquisitions of shares in	-34,9	-30,4	-16,8	0,0	0,0	0,0	0,0	-0,4
cash received / paid for investments in term	180,0	-65,0	-155,0	0,0	0,0	0,0	0,0	0,0
change in restricted cash	10,4	0,0	35,3	-0,8	-16,4	-24,7	-6,3	0,0
<b>cash flow from investing activities</b>	<b>-88,3</b>	<b>-277,1</b>	<b>-196,5</b>	<b>-51,8</b>	<b>-90,2</b>	<b>-71,3</b>	<b>-19,2</b>	<b>-2,9</b>
cash received capital increases by the shareholders	3,9	1,1	6,4	510,1	199,3	0,0	128,2	35,0
repurchase of treasury shares	-6,7	-0,7	-1,7	0,0	0,0	0,0	0,0	0,0
payments for shares in other entities	-4,6	0,0	0,0	3,9	0,0	0,0	0,0	0,0
cash repayments of loans	-3,2	-3,2	-3,2	-3,2	-3,2	-0,8	0,0	-0,2
Cash received from loans	0,0	0,0	0,0	0,0	9,1	15,1	0,0	0,0
<b>cash flow from financing activities</b>	<b>-10,6</b>	<b>-2,9</b>	<b>1,5</b>	<b>510,8</b>	<b>205,2</b>	<b>446,1</b>	<b>128,2</b>	<b>34,8</b>
<b>net change in chash and cash equivalents</b>	<b>94,8</b>	<b>-4,1</b>	<b>-75,7</b>	<b>633,8</b>	<b>34,9</b>	<b>280,5</b>	<b>67,9</b>	<b>13,9</b>
change in cash and cash equivalents exchange rates	-1,9	0,5	0,9	0,0	0,0	0,0	0,0	0,0
cash and cash equivalents beginning of the period	972,6	976,2	1.051,0	417,2	382,3	101,8	34,0	20,1
<b>cash and cash equivalents as of Dec 31</b>	<b>1.065,5</b>	<b>972,6</b>	<b>976,2</b>	<b>1.051,0</b>	<b>417,2</b>	<b>382,3</b>	<b>101,8</b>	<b>33,9</b>