

Zalando continues logistics expansion as margins come under pressure

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Fashion e-retailer Zalando is pressing on with logistics investments as its profit margins come under pressure despite double-digit revenue growth in the first quarter. The German-based firm said in a trading update today that it expects growth of 22 – 24% to revenues of €971-987m in the first quarter of 2017, according to preliminary figures.

Zalando expects to achieve an adjusted EBIT of €10-30 million, corresponding to an

adjusted EBIT margin of 1.0-3.0%, in the quarter. This could thus be lower than the corresponding figure of €20.2m, or a 2.5% profit margin, for the same period last year.

The company also confirmed its full-year guidance of revenue growth in a range of 20-25% and an adjusted EBIT margin in the range of 5.0-6.0%.

Source: [CEP-Research](#)