



WESTWING

Westwing
Analyst Day 2019

November 08, 2019

The Westwing Management Board

We are pursuing a long-term vision to revolutionize home & living



Founder & Chief Executive Officer

- At Westwing since 2011
- 21 years of professional experience, thereof 13 years eCommerce/Internet
- Bain & Company, dooyoo, Friendity, Daimler



Founder & Chief Creative Officer

- At Westwing since 2011
- 14 years of professional experience
- ELLE Magazine, ELLE Décoration



Chief Financial Officer

- At Westwing since 2011
- 13 years of professional experience
- RBR Capital Advisors, Bain & Company
- 2 PhD's (Mathematics, Economics), CFA



AGENDA

- Westwing Strategy
- Business Model, Issues 2019, Key Initiatives
- Customers & Creative
- Financials and long-term targets

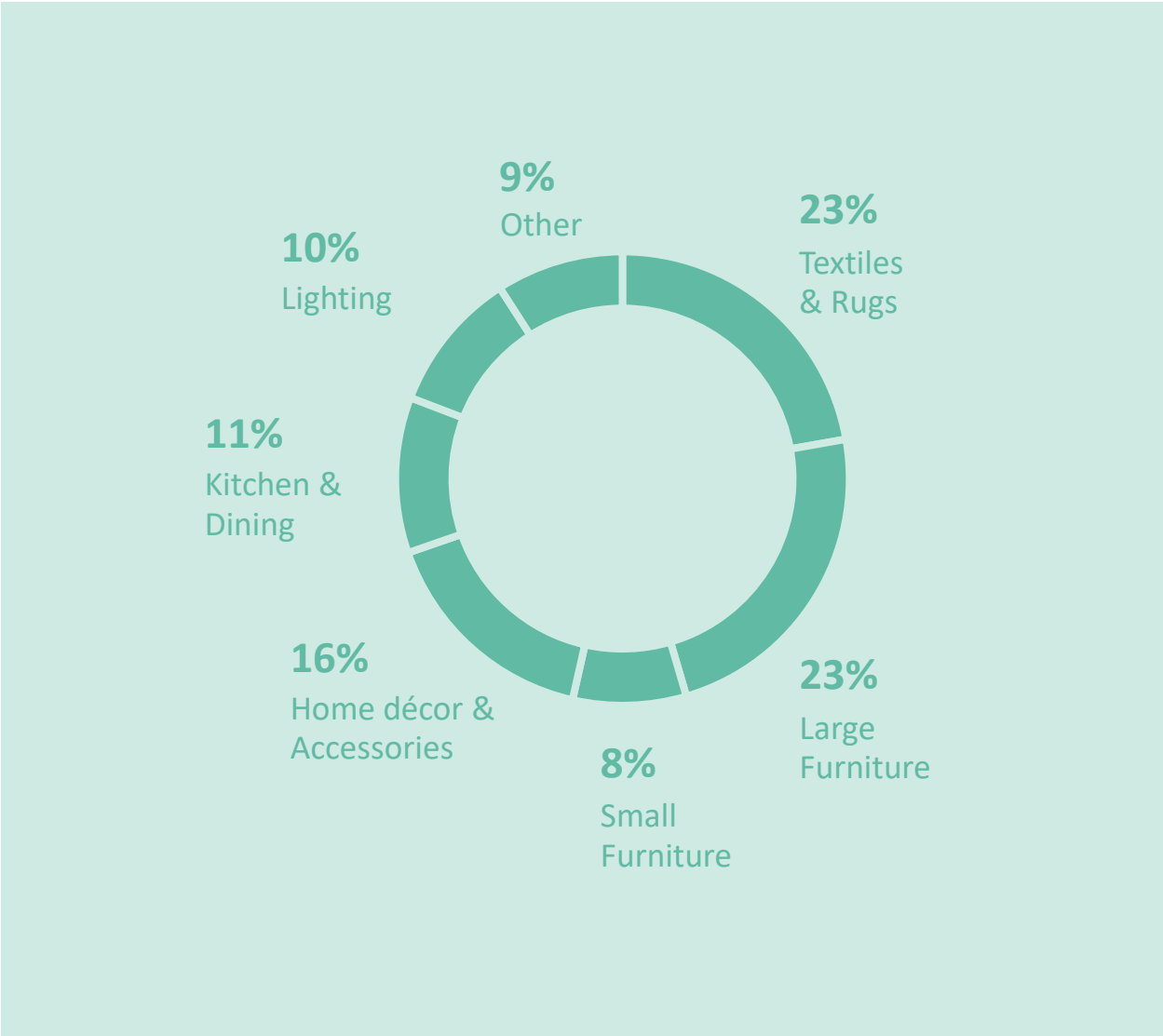


OUR MISSION

“ To inspire and make
every home a
beautiful home ”



Westwing sells gorgeous, inspirational products across the full range of the home & living category

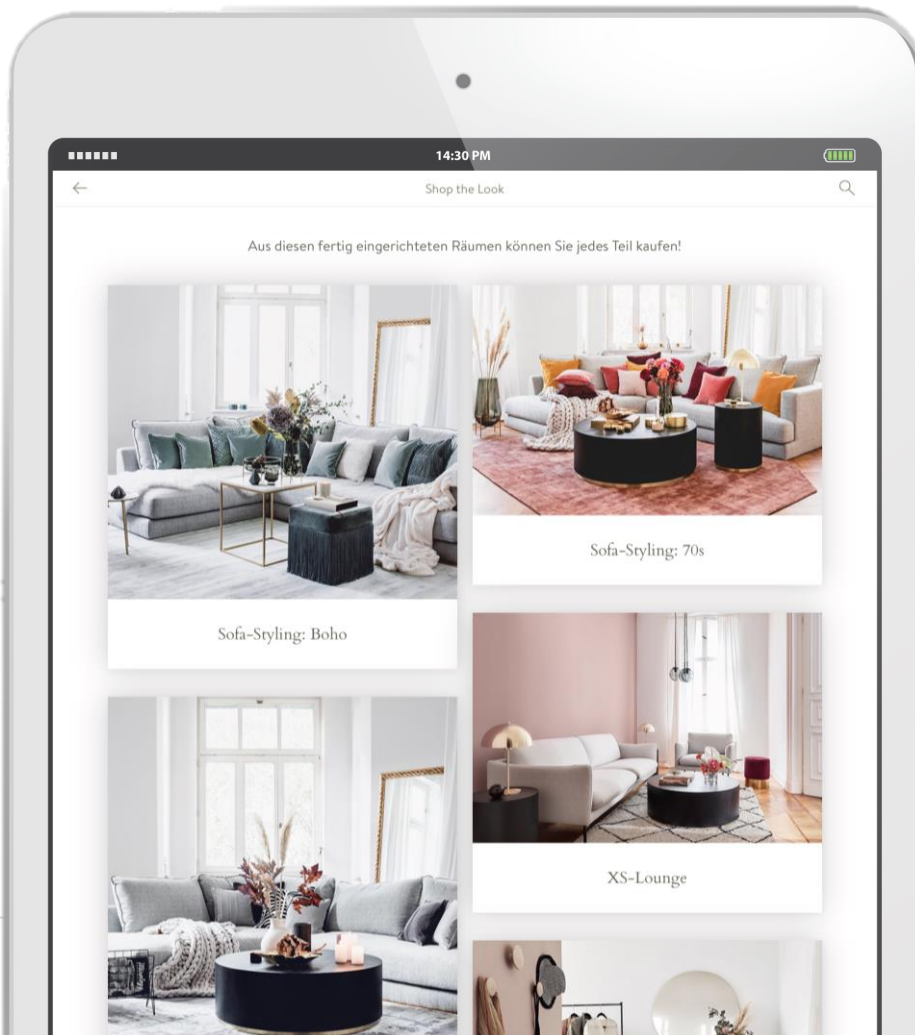


Note: Based on GMV 2018

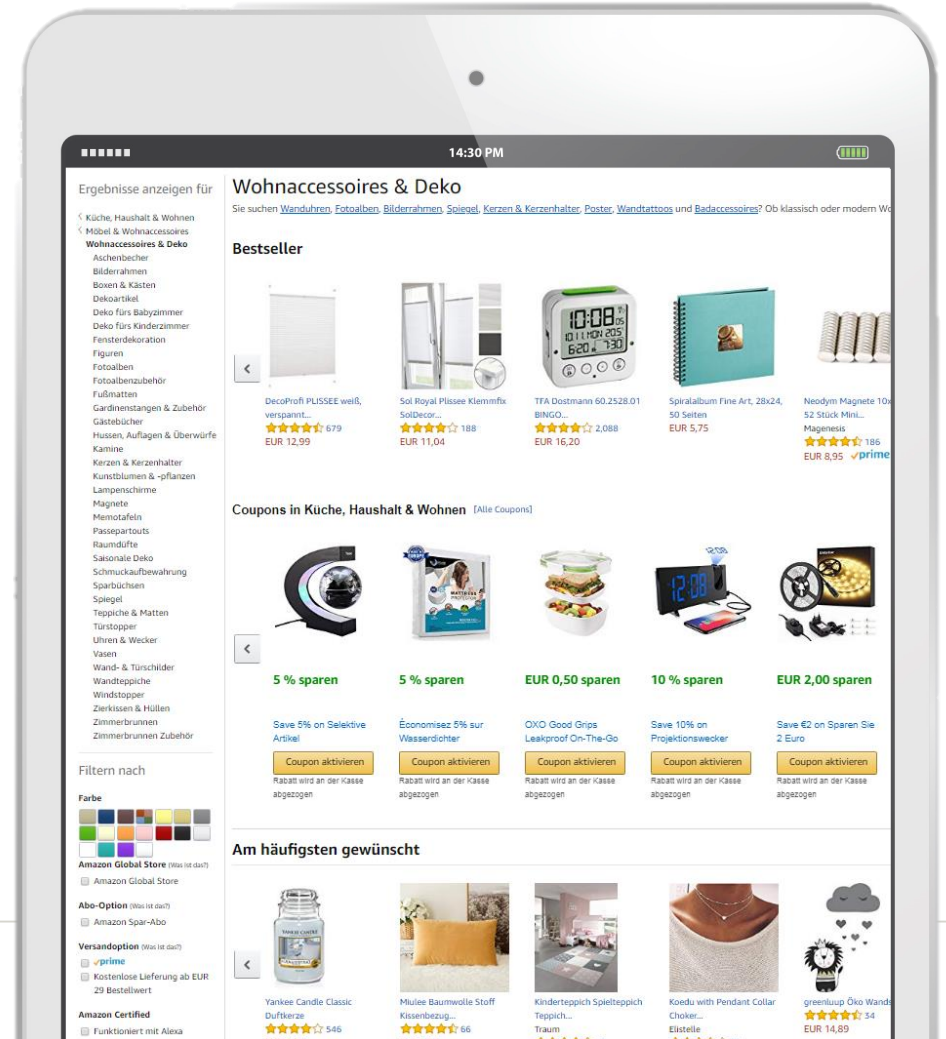
We are the leader in "inspiration-based eCommerce"

WESTWING

Typical eCommerce



VS




We uniquely combine inspiration and shopping in a “curated shoppable magazine”


Inspiration/Content

Magazin

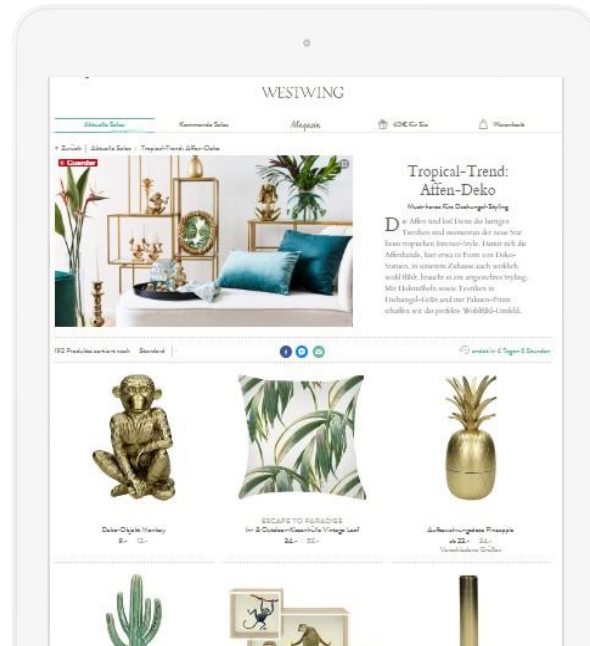
6 Tipps für ein wunderschönes Büro



Die Fleckentipp für ein geschicktes Büro: "Magazin-Tipps" sind nicht nur für den Schreibtisch, sondern auch für den Raum geeignet.



Tipp 1: Kunst, Blumen & Kerzen: Es soll leben!
Einfach, schnell und kostengünstig ist die große Wirkung als die der Farben aus Kunst-Blumen & Kerzen im Büro oder Wohnzimmer vorhanden, die auch im Zuhause gemütlich machen. Bei Duftkerzen am besten auf unempfindliche, weiße Duffe achten.



Commerce



69.-
Wandobjekt-Set Spike, 3-tlg.



22.99
Schmuckhalter Trigem



ab 49.-
Gerahmter Fotodruck Love



18.99
Duftkerze Aromatherapy
(Rose, Fresse & Lilie)

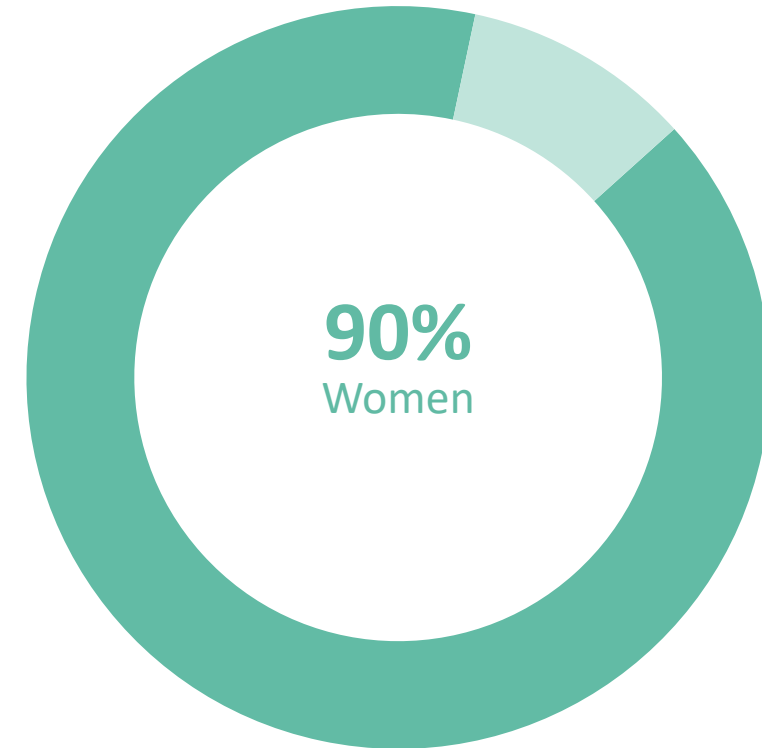


ab 39.-
Wandspiegel Metal



69.-
Samt-Hocker Cherry

We focus on women as they take the vast majority of home decisions



Westwing customers

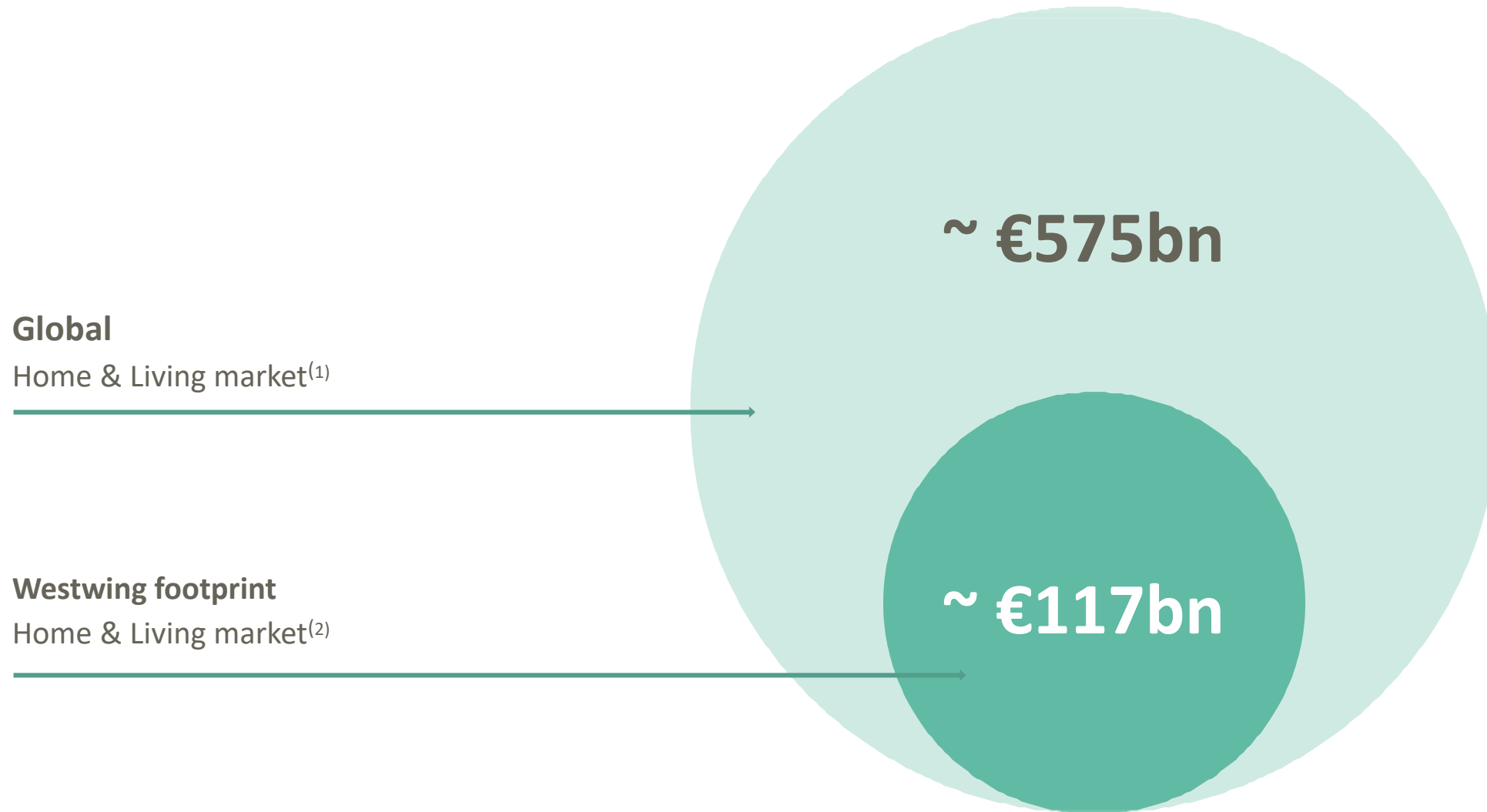
Source: Westwing annual customer survey 2017 Germany



Our brand has very strong customer loyalty

85%
of our sales are with
customers who
visit us on average
100x
per year

We are targeting a huge addressable market ...

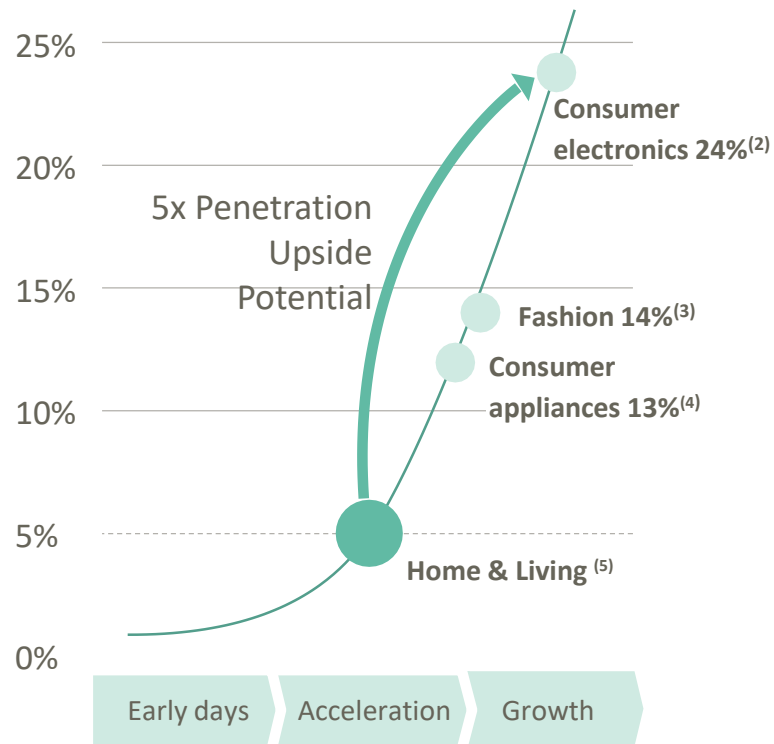


Source: Euromonitor

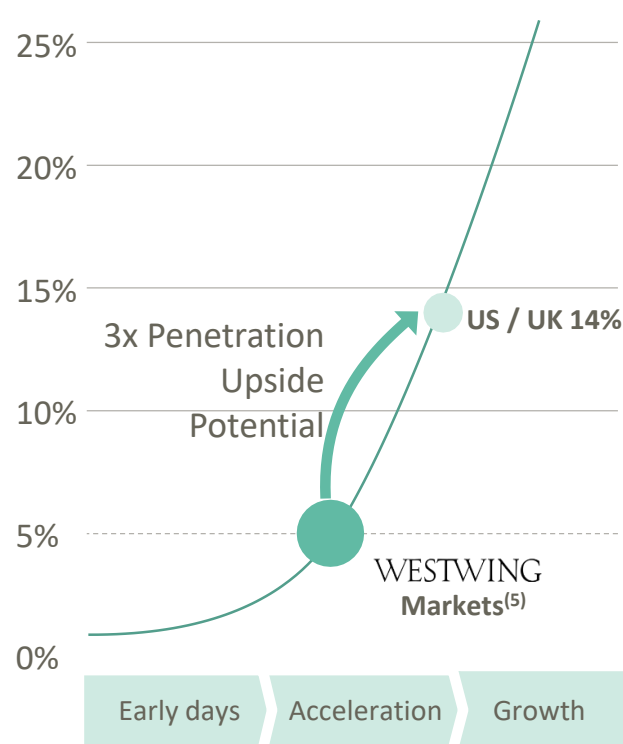
Notes: (1) Home & Living market defined as Euromonitor Passport: Home and Garden categories "Homewares" and "Home Furnishings". Refers to global retail value sales including sales tax at current prices (EUR using 2017 fixed exchange rates); (2) Home & Living market defined as Euromonitor Passport: Home and Garden categories "Homewares" and "Home Furnishings". Refers to retail value sales including sales tax at current prices (EUR using 2017 fixed exchange rates) for countries in which Westwing is present

...that is at the tipping point of online acceleration

Online penetration by industry in Westwing markets⁽¹⁾



Home & living online penetration by geography



Comments

Drivers of online acceleration later than other verticals

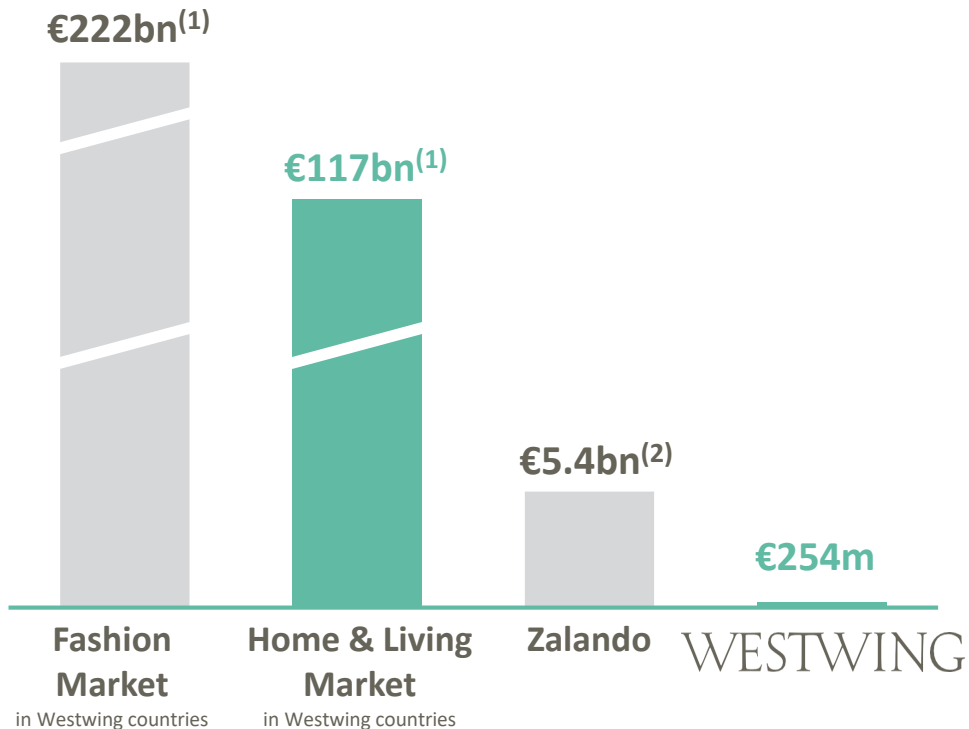
- Demographics: home & living customers are typically older than e.g. fashion or consumer electronics customers
- Shopping is not search-based, rather inspiration-based, so search-based websites don't work as well
- Highly fragmented market and no strong brands to push eCommerce adoption
- Complex operations that need to be set up due to breakable and large-sized products

Source: Euromonitor

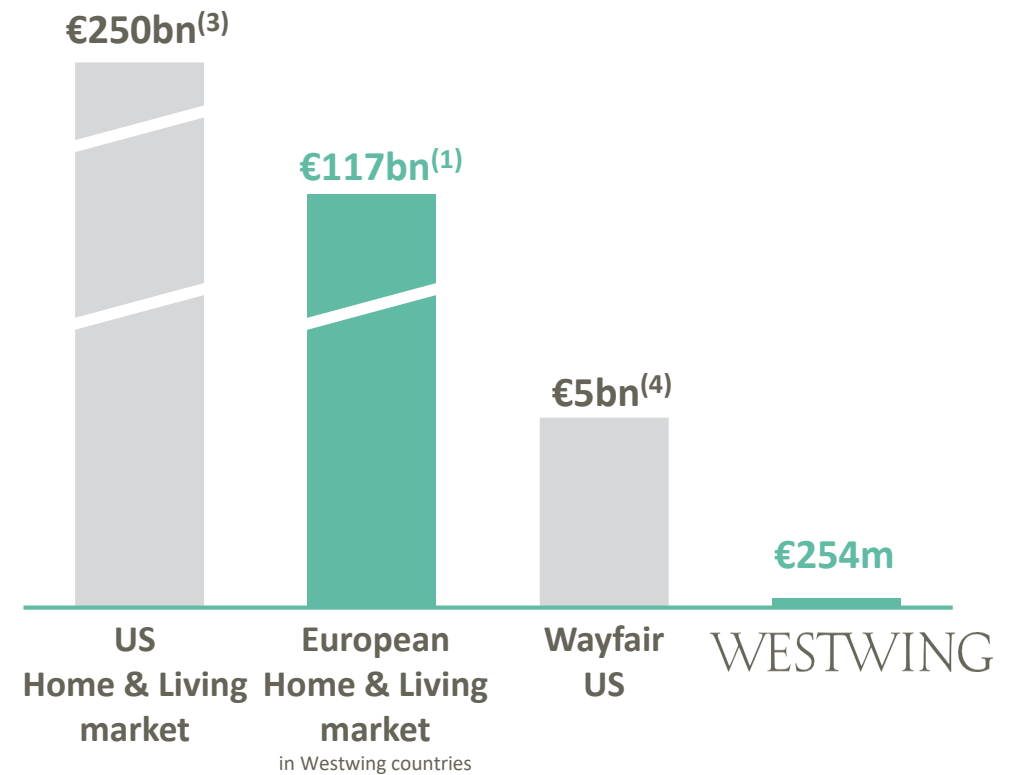
Notes: (1) All numbers refer to countries in which Westwing is present; online market size refers to internet retailing sales; in EUR using 2017 fixed exchange rates as per June 2018; (2) Consumer electronics market defined as Euromonitor Passport: category Consumer Electronics; (3) Fashion market defined as Euromonitor Passport: category Apparel and Footwear; (4) Consumer Appliances market defined as Euromonitor Passport: category Consumer Appliances; (5) Home & Living market defined as Euromonitor Passport: Home and Garden categories "Homewares" and "Home Furnishings".

Massive opportunity in Home & Living eCommerce for Westwing

Opportunity for Westwing when comparing to other industries: Fashion



Opportunity for Westwing when comparing to other Geographies: US



Notes: (1) Euromonitor Passport. Home & Living market: Home and Garden categories "Homewares" and "Home Furnishings". Fashion market: category Apparel and Footwear. Global retail value sales including sales tax for Westwing countries (2) Zalando global sales as of FY2018 (3) 2018 US Home and Living market as per Euromonitor, Wayfair estimates (4) Wayfair US Net Revenues FY2018

Highly fragmented & subscale
supplier base leading to the
absence of strong consumer
brands in Home & Living market

SAMSUNG



Cushion
?

APPLE

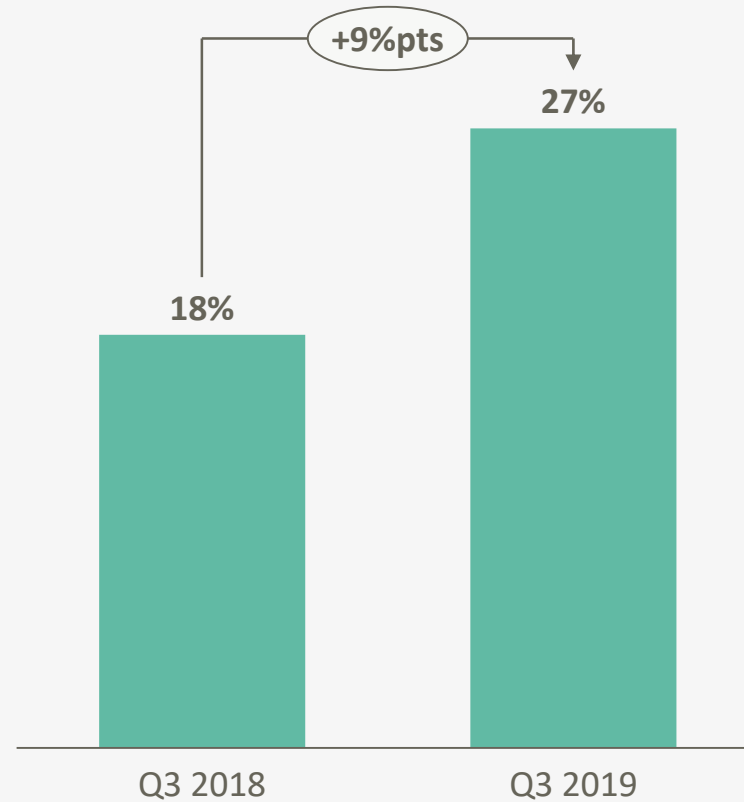
RALPH
LAUREN



Key differentiation for Westwing: Own & Private Label



Westwing Own & Private Label Share
(in % of GMV)



- 5,000 + Own & Private Label SKUs
- Beautiful products that our customers crave and desire
- Full control over supply chain and quality
- Highly competitive pricing
- Contribution margins are 8-10ppts higher

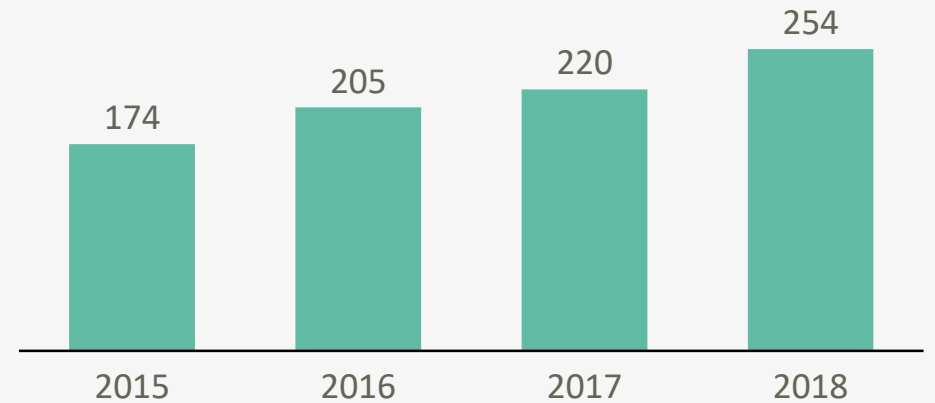
Customer loyalty drives attractive business model

82% of orders from repeat customers

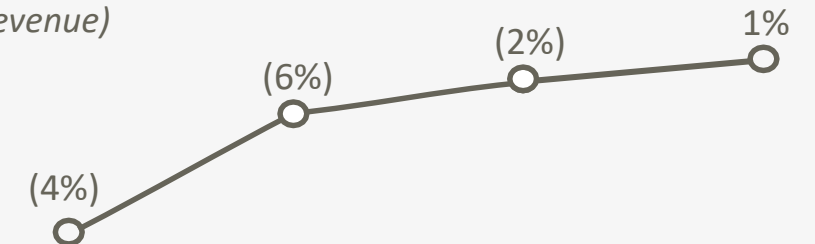
85% of sales from customers who visit us on average **100x per year**

1,000€ cumulative GMV per Customer in DACH Segment after 5 years

Revenue
(in EURm)



Adj. EBITDA margin
(% of revenue)



Our business combines a number of drivers for profitable growth





AGENDA

- Westwing Strategy
- Business Model, Issues 2019, Key Initiatives
- Customers & Creative
- Financials and long-term targets

Business model, issues 2019 and key initiatives

1 Business fundamentals strong

- ✓ Customer loyalty very strong
 - 81% of orders from repeat customers
 - EUR 326 GMV/Active Customer LTM
- ✓ Business model (daily themes, permanent assortment, private label, organic marketing) in all 11 countries, built on DACH blueprint
- ✓ Own & Private label share continues to grow strongly to 27% of Group GMV
 - Gain of 9%pts vs Q3-2018 at 8-10%pts better contribution margin than 3rd-party
- ✓ Strong Free Cash-Flow profile
 - 3-4% Capex (mostly capitalized technology)
 - Neutral Net Working Capital
 - Cash burn 2019 mostly driven by EBITDA loss and post-IPO inventory increases
- ✓ Cash balance strong at EUR 68m

2 2019 challenges back on track

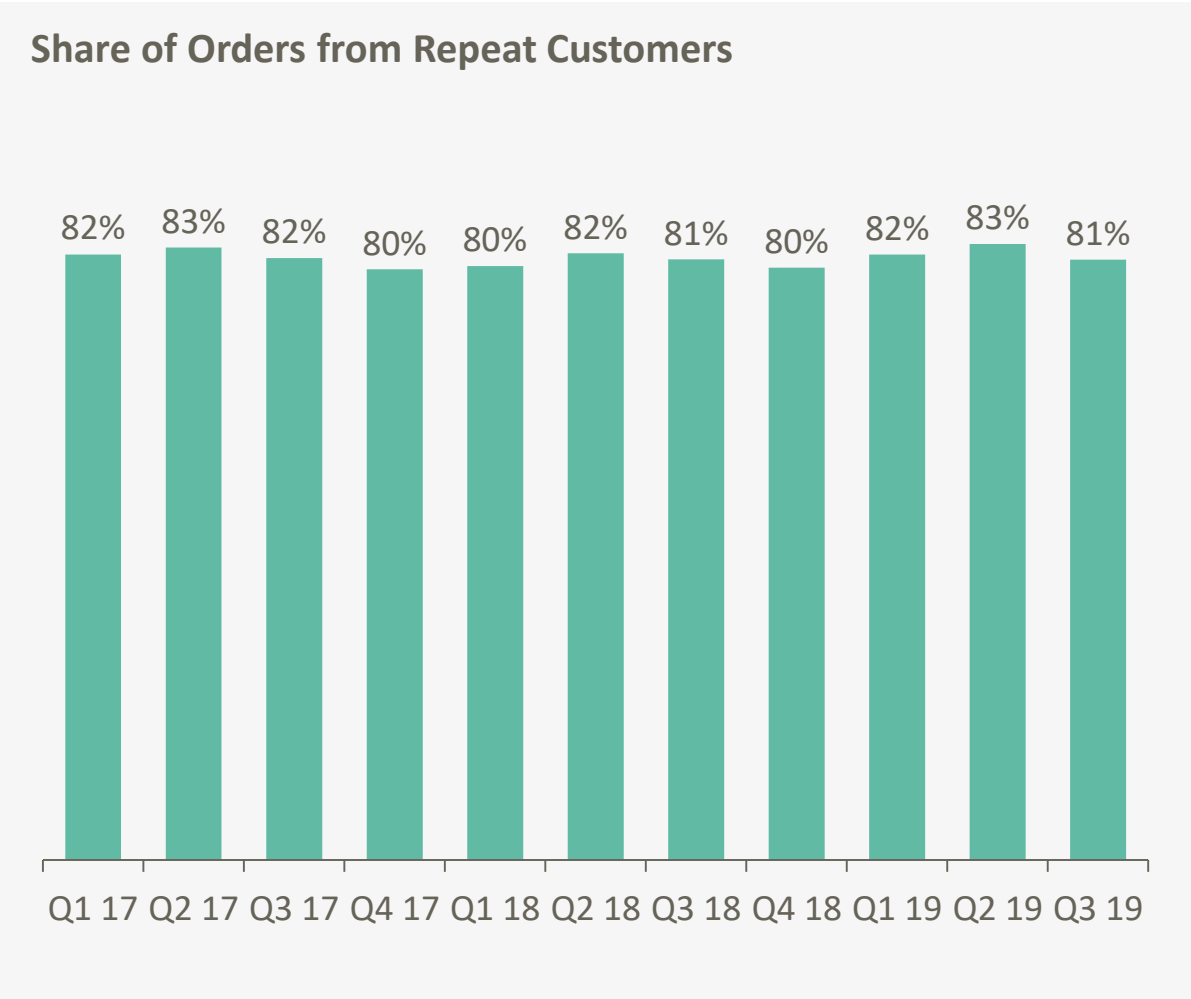
- ✓ Logistics back on track
 - New warehouse in Poland running well, now improving productivity for benefits of lower factor costs
 - Sufficient Group warehouse capacity for 2020, moderate 2021 expansion expected
- ✓ Topline growing
 - GMV at 13% yoy in Q3 (vs 1% in H1)
- ✓ Contribution margin strong
 - Always seasonally low in Q3; this year Q3 at 20% better than last year's 18% in Q3
 - Gross margin all-time high 44.3%
- ✓ New customer acquisition ramping up
 - Active customers improving to 926k at the end of Q3 from 909k at the end of Q2
 - Higher number of low-price point products
 - First impacts from increased Marketing

3 Work in progress

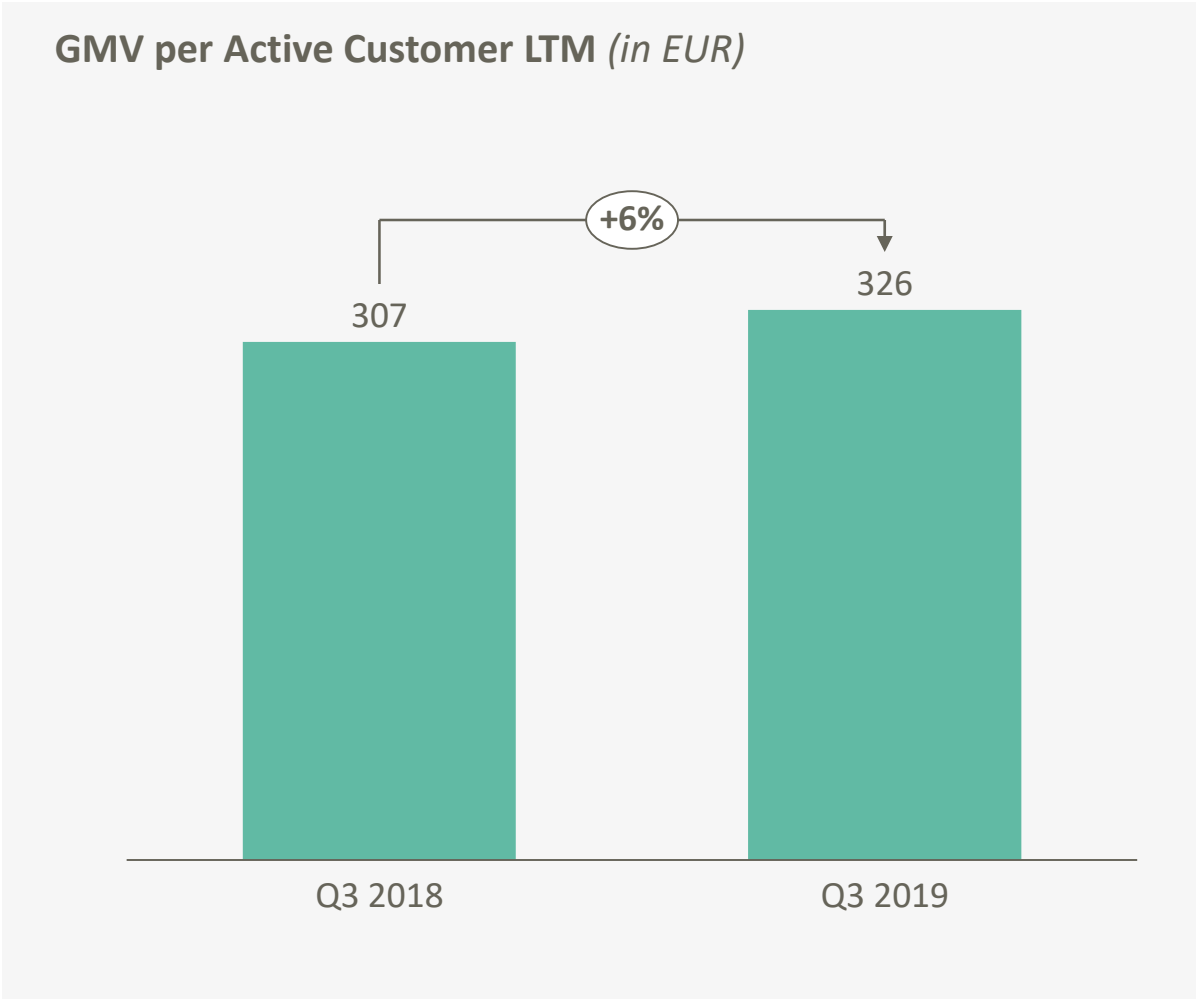
- International segment
 - Back growing for first time since 2018
 - Italy improving, Q3 only single-digit decline
 - France restructuring/centralization done
- Operating leverage
 - After SG&A increase for International roll-out, we expect absolute SG&A cost roughly stable through 2019 and also 2020
 - Biggest profitability driver going forward is operating leverage
- Marketing
 - Target Marketing cost ratio updated to 9% with new investments leveraging existing organic assets
 - Payback times attractive at 12-15 months, with strong profitability in years thereafter
- Profitable growth
 - Expect it for Q4 2019

Our customer loyalty is very strong

81% of orders from repeat customers ...



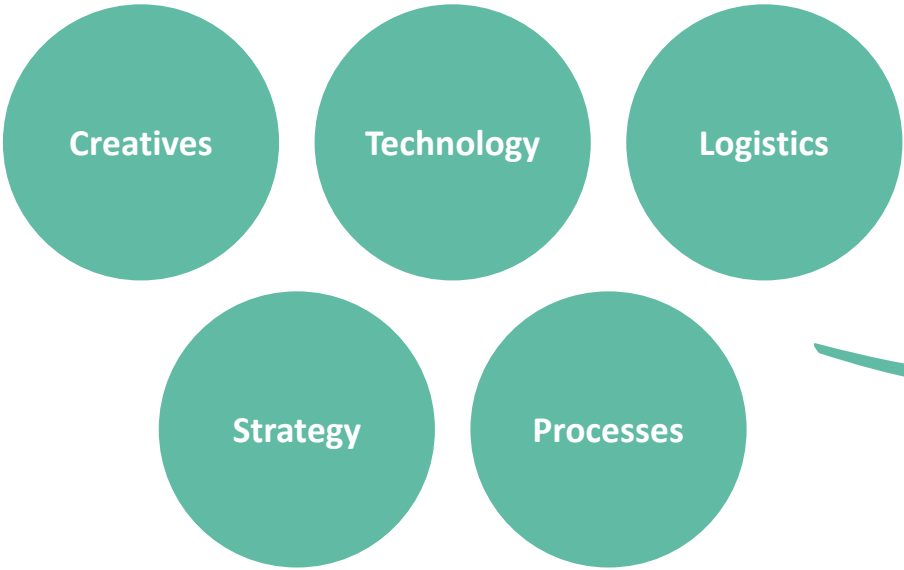
... with increasing share of wallet



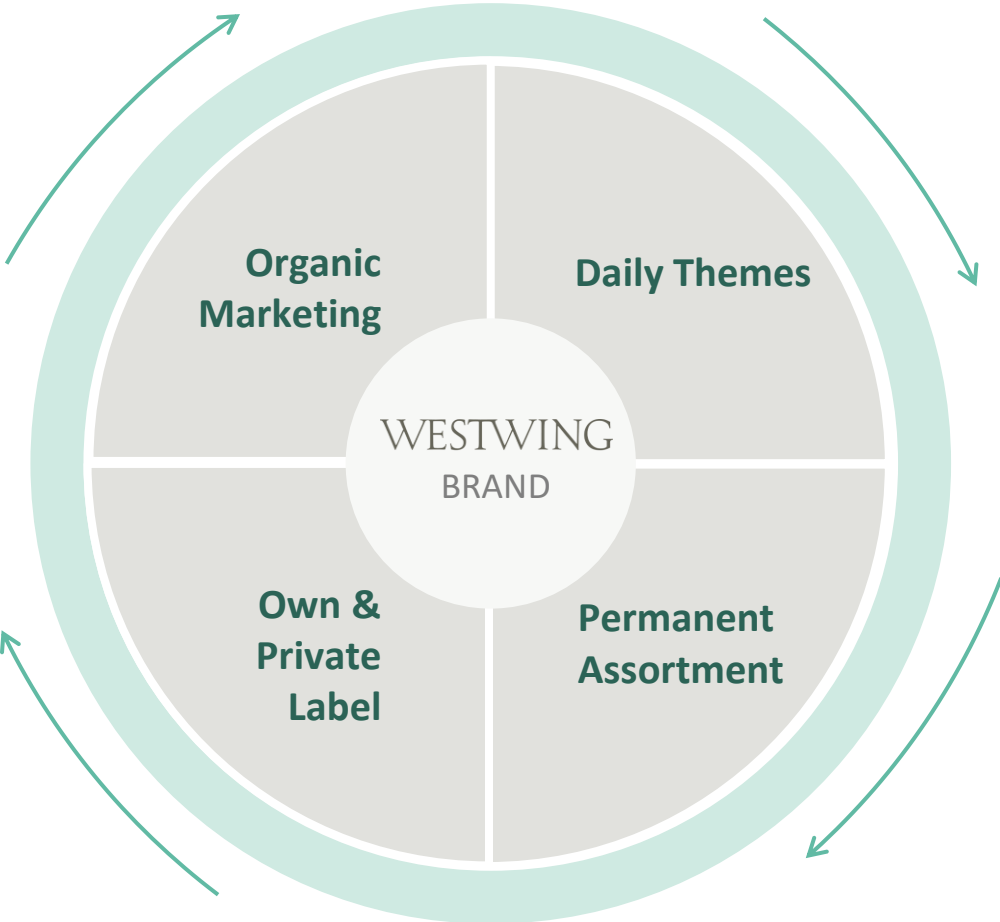
Note: Unaudited

Attractive business model

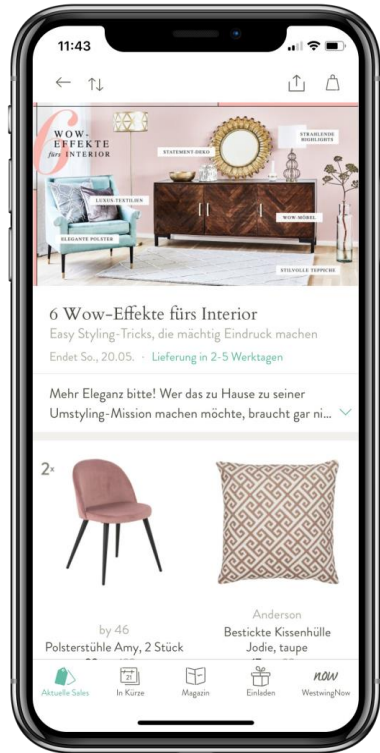
Tapping comprehensive platform



Virtuous cycle of all elements working together

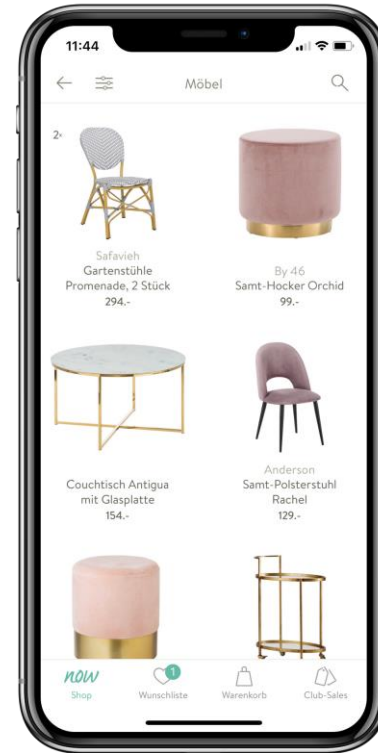


We operate a unique business model where we acquire customers in one model and monetize them in both models



WESTWING

- Efficient acquisition and retention
- Very high customer engagement and repeat purchases
- Rich data on customer preferences and supplies



WESTWING *now*

- Scalable supply at even higher margins (esp. Own & Private Label)
- Leverage collected customer data to offer relevant assortment



Acquire, retain, engage

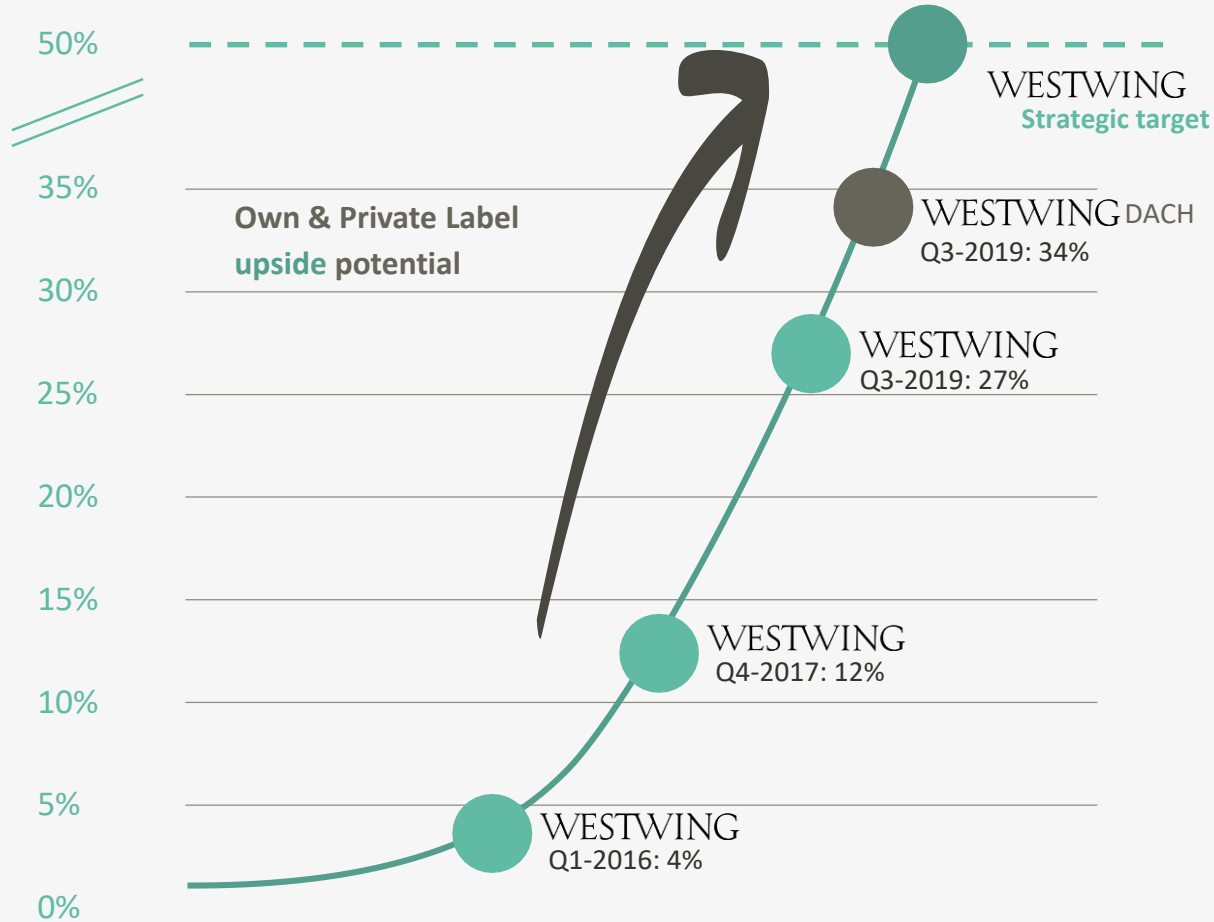
Cross-sell and up-sell

WESTWING PLATFORM

(Own & Private Label, marketing, technology, warehouses, data, etc.)

1 Own & Private Label is our most powerful strategic initiative, by now 27% of Group GMV (at 8-10%pts higher contribution margin)









Own & Private Label Share
(in % of GMV)



Full business model rolled out in all markets

WESTWING*NOW*



-  Launched in April 2015
-  Launched in July 2016
-  Launched in November 2017
-  Launched in February 2018
-  Launched in April 2018
-  Launched in September 2018
-  Launched in March 2019
-  Launched in July 2019

Cash-efficient business model, and EUR 68m cash on the bank

Neutral Net Working Capital

- Our customers typically pay us before we pay our suppliers
- Attractive payment terms with suppliers
- Inventory light business model

Few Capex

- Only 3-4% of revenue in Capex
- Most of our Capex is capitalized technology costs
- No Capex for own warehouses, only selective fittings acquired

Net cash of EUR 68m

- No external debt
- Key investments already made (e.g working capital, international roll-out, SG&A)
- Cash Flow expected to improve in line with EBITDA

2 Logistics now back on track: Warehouse move to Poland and closure of Berlin warehouse completed



What we had planned:

- Move of our largest warehouse from Berlin to Poland to (i) benefit from cost savings and (ii) have additional capacity for growth (in particular, Private Label and permanent assortment)

What did not work well:

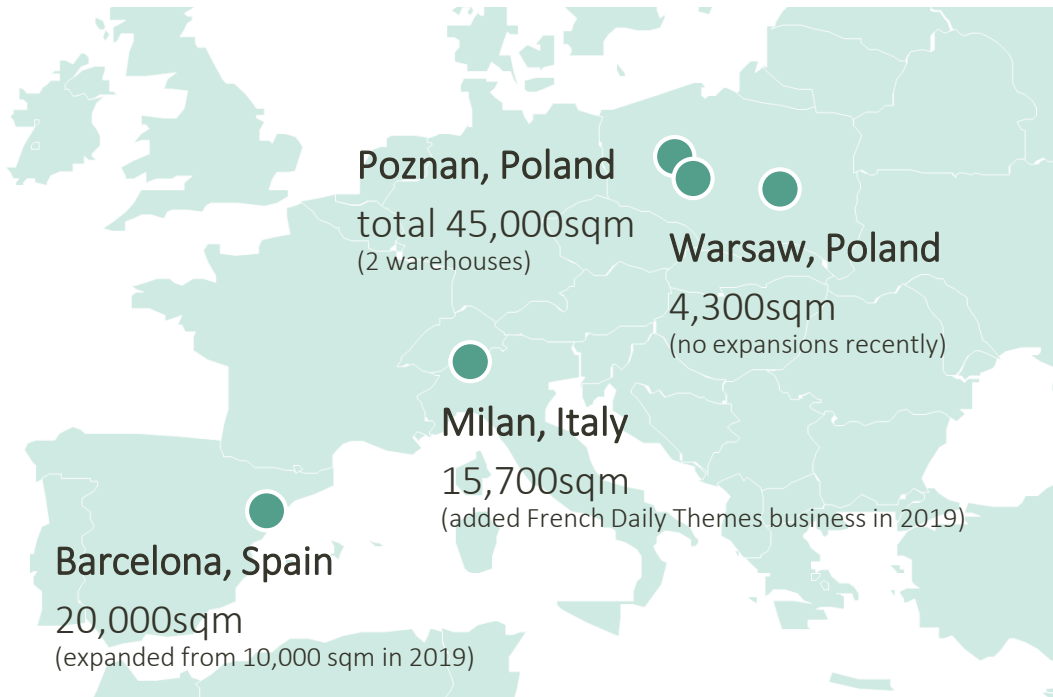
- Project delayed, e.g. due to local regulatory issues; required us to run our original warehouse in Berlin in parallel longer than planned
- In addition, due to the challenges, attention was diverted from other areas of the business (e.g. returns process); direct and indirect costs related to the move around 3%pts of revenue in H1 2019

Where we are today:

- New warehouse is fully running, and the Berlin warehouse is closed
- With the parallel warehouse operations cost gone, we are now focused on reaping the benefits of the original business case
- After taking over operations from 3PL who built the warehouse, we are now optimizing efficiencies

Our warehouse footprint now includes 5 warehouses

Warehouse footprint focused on lower-cost countries



Key logistics priorities for 2020

- Silent running (no disruptions, no expansion projects)
- Bring operational warehousing cost down with productivity gains, to mitigate freight increases
- Quality improvements
- Even faster on-stock delivery
- Optimize efficiencies between warehouse operations and supply chain management

Our warehouse setup offers a good balance of speed and cost: Inbound

Inbound product supply flows



- All Private Label products get inbound centrally in Poznan, either from Eastern European or Asian manufacturers
- Third party suppliers typically get inbound in the closest local warehouse

Our warehouse setup offers a good balance of speed and cost: Outbound

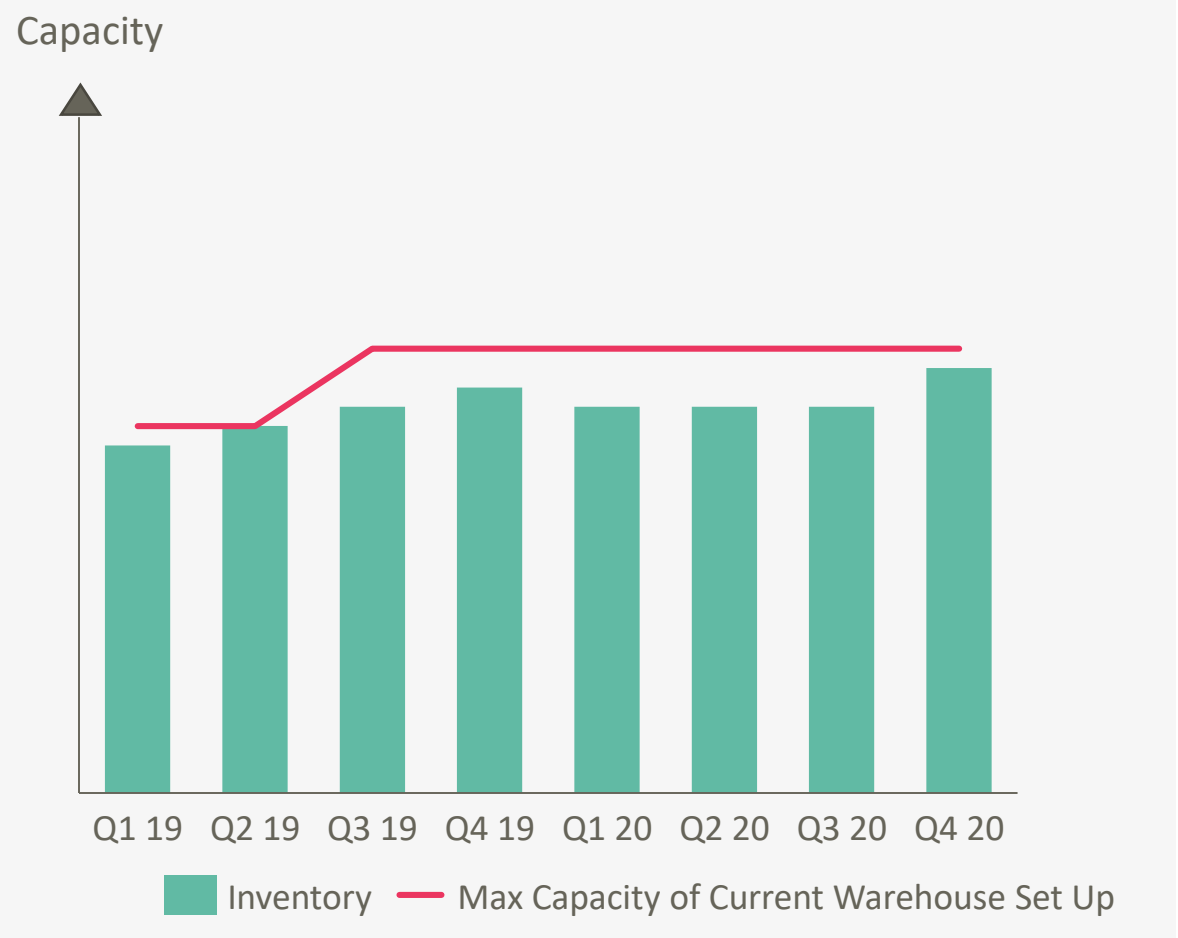
Outbound customer delivery flows



- Our biggest warehouses in Poznan cover our DACH segment plus NL/BE
- With our other warehouse locations in Poland, Italy, and Spain, we are able to deliver to all of Europe with short delivery times at good cost
- Deliveries from the central hub to Southern European countries (Italy, France, Spain) are done by bulk transports from Poznan via the respective local hubs

With current logistics setup we expect to have sufficient capacity for 2020

Inventory capacity and utilization (illustrative)



Considerations

- Current warehouse with sufficient headroom for 2020; starting 2021, moderate additions needed
- Private Label inventory investments done post-IPO, now increasing inventories to a lesser degree (with better inventory turns due to more bestseller products)
- More efficient management of existing stock, thereby increasing maximum capacity

Price pressure from freight providers, partially compensated by our teams' effort

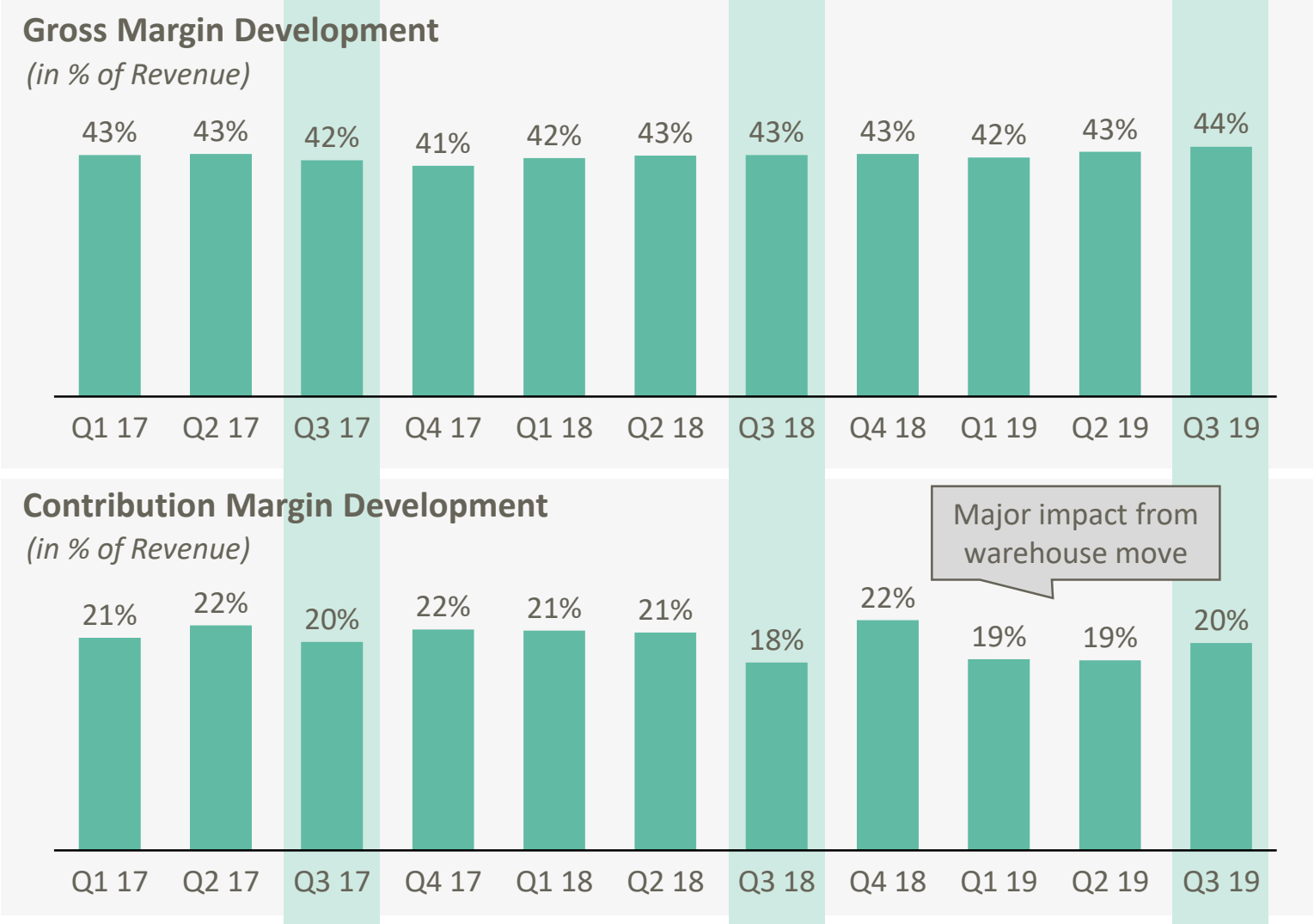
What happened

- Carriers have underestimated eCommerce growth and not invested enough, resulting in under-capacity in the market
- Freight carriers in Germany (and also some other countries) have increased prices
- Other eCommerce companies affected as well

How we have addressed and mitigated it

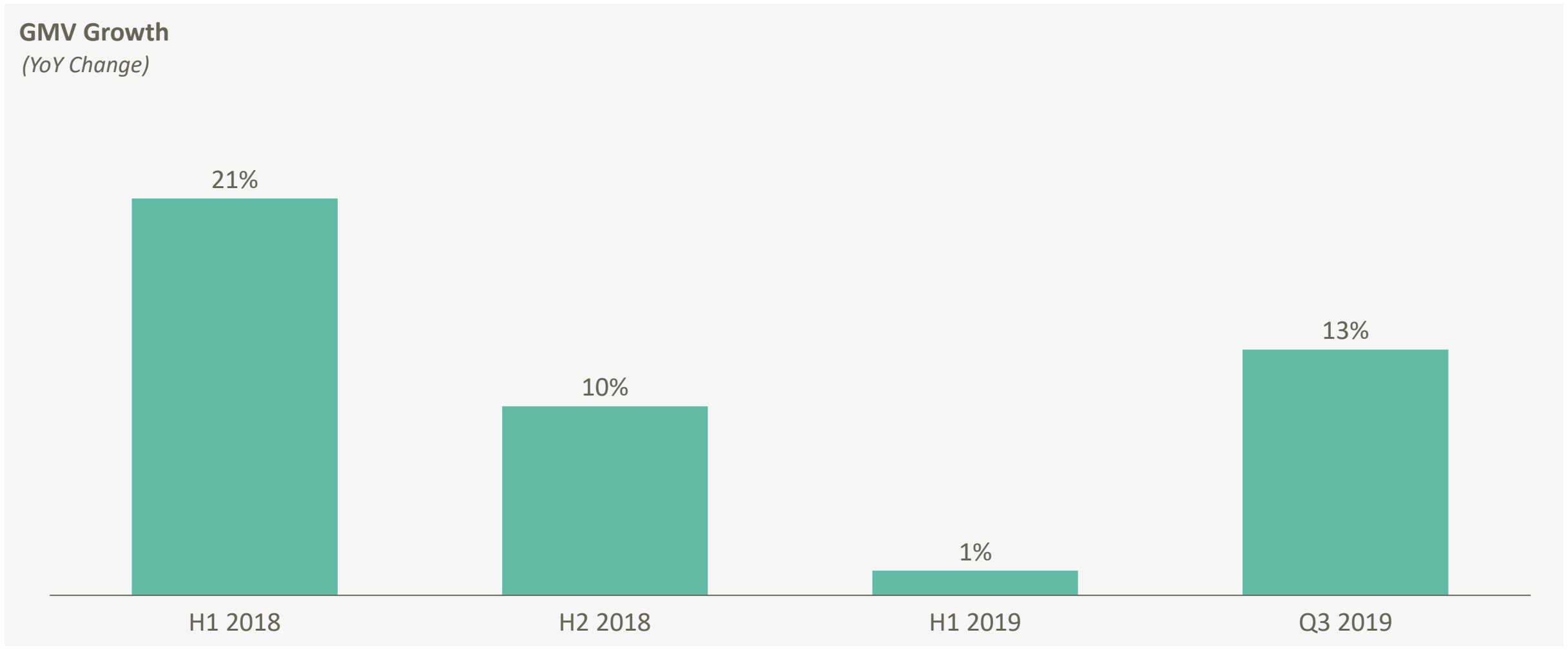
- We renegotiated with carriers and put volumes on tender
- We built up additional carriers for specific routes, thereby optimizing carrier selection for each route
- We improved our internal processes to avoid unnecessary costs for oversized packages
- We use tech-enabled solutions to reduce the number of split shipments (i.e. less shipments per order)

Contribution margin again strong with >20%



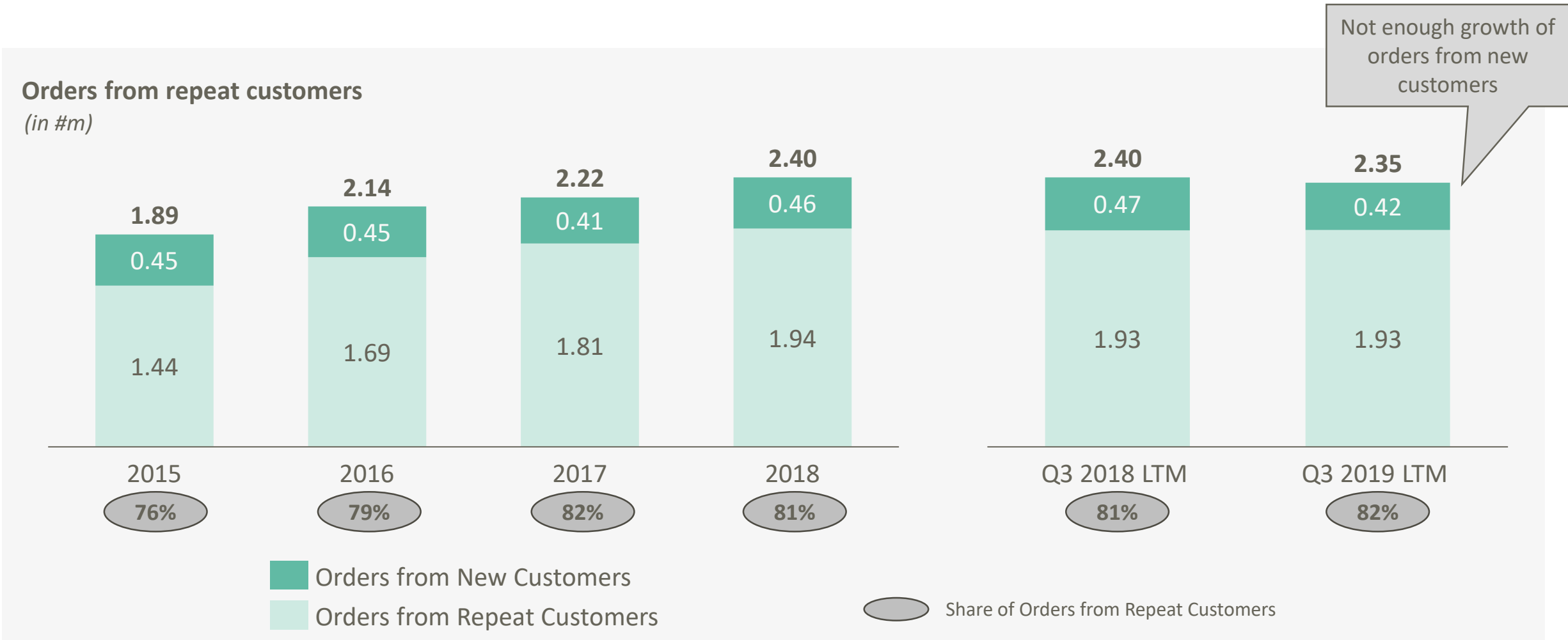
Note: Unaudited

Our topline has grown by 13% GMV in Q3 2019, after weak H1 2019

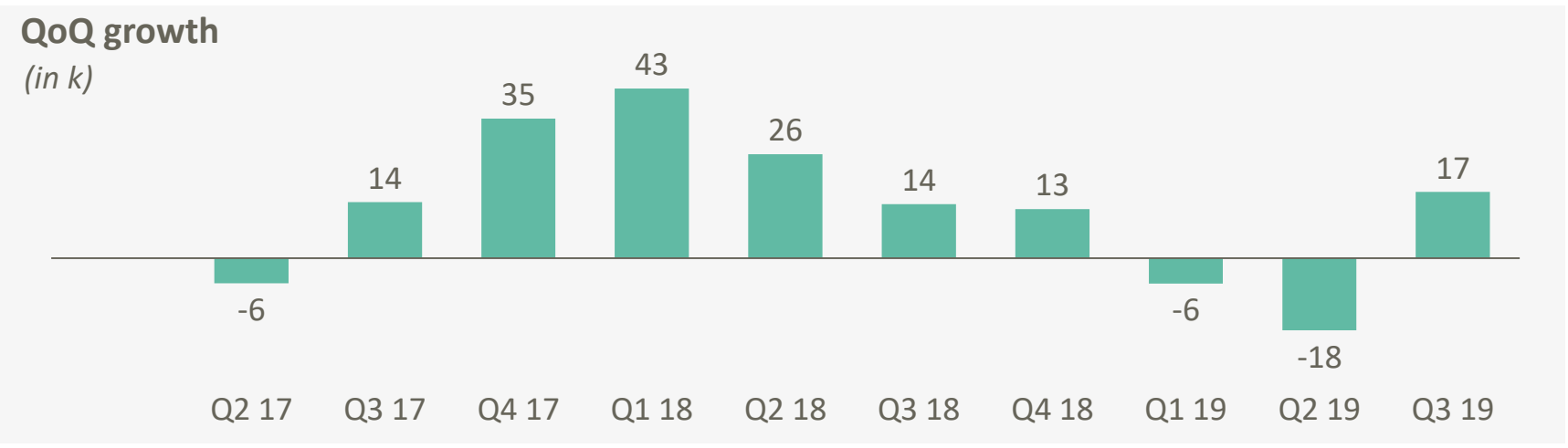
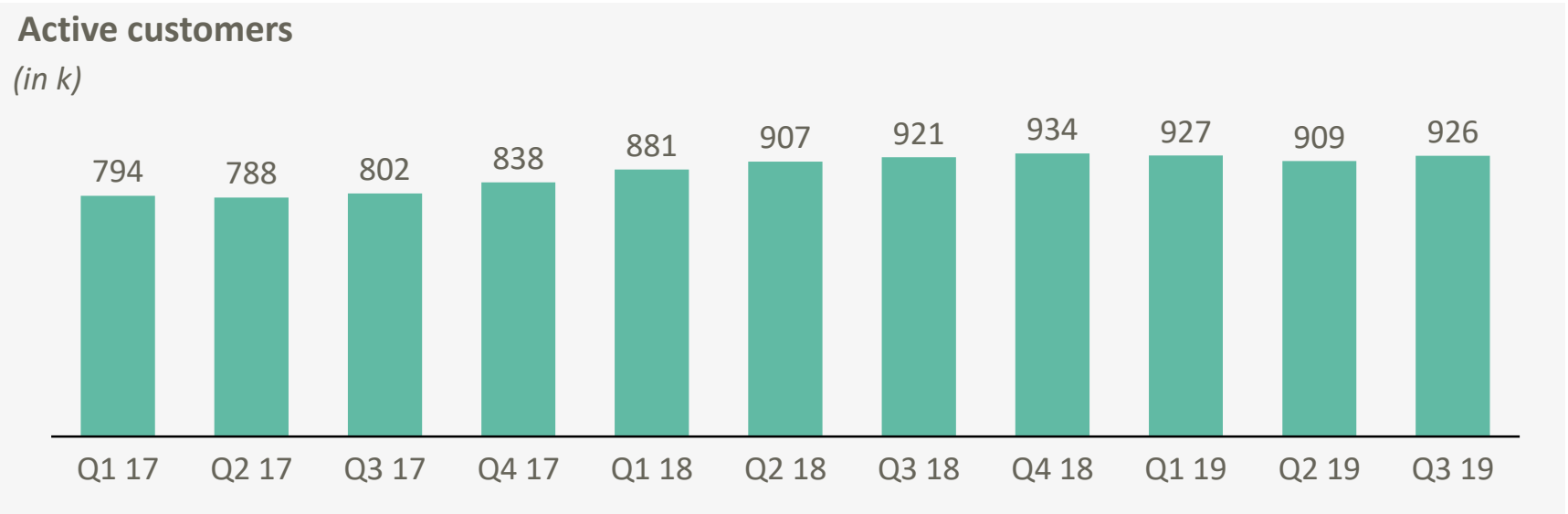


Note: Unaudited

2 Underlying cohort dynamics and loyalty very strong with continued high share of orders from repeat customers, however too few orders from new customers



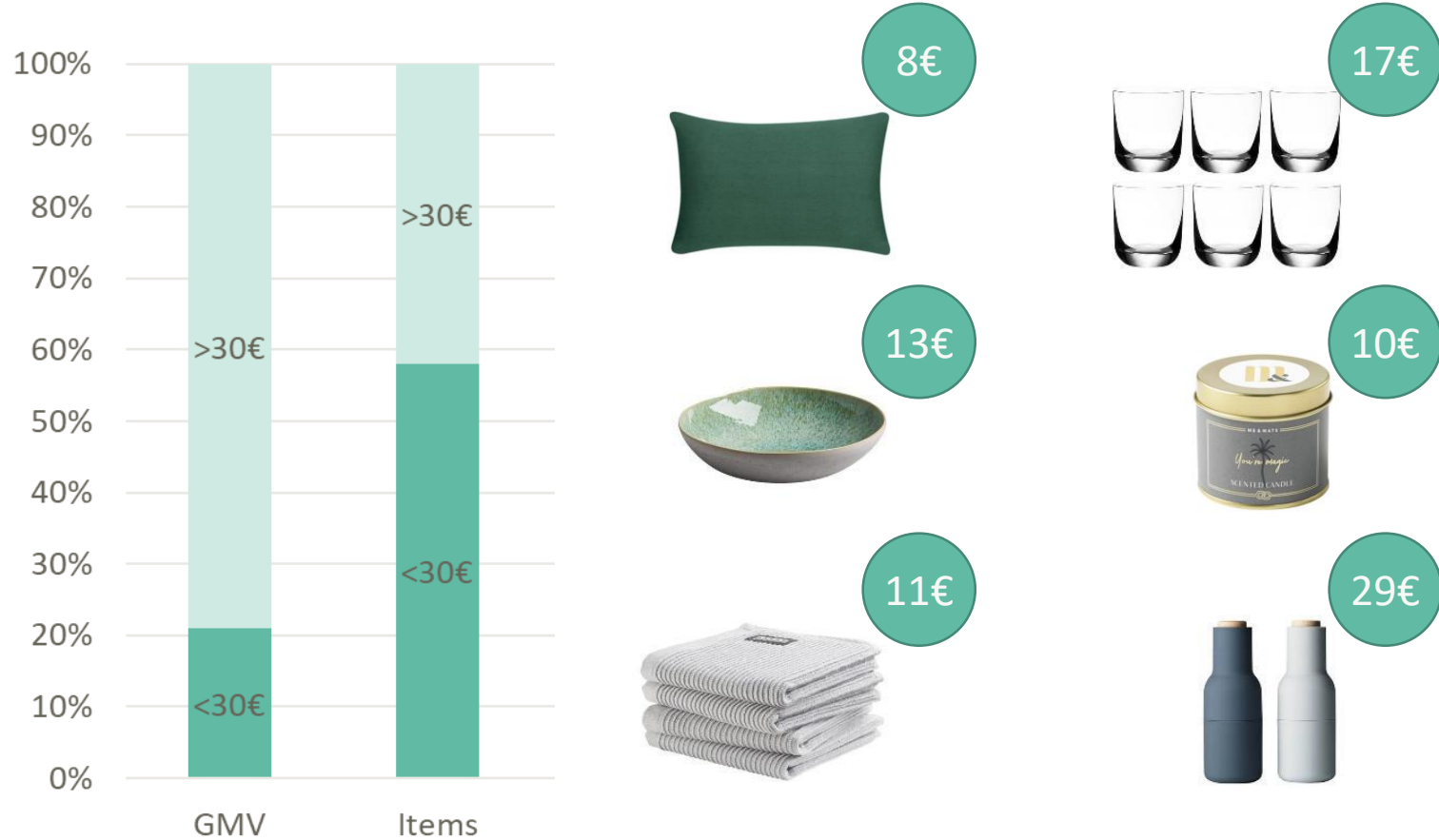
Active customer increasing again



Note: Unaudited

2 Assortment featuring high-converting low price point items which support conversion of visitors into customers

Example Daily Themes DACH by price point



Low price point items

- ... drive orders, which then drive further orders
- ... are crucial for customer loyalty
- ... suggest that our merchandizing is affordable to our customers
- ... create excitement on our sites
- ... however tend to have higher % logistics costs

We aim to increase their share further

International: Foundation set for future improvement

Done in 2018/2019

- ✓ Full business model of Daily Themes, Permanent Assortment, Private Label and Organic Marketing rolled out to all 8 International markets
- ✓ Operations footprint for efficient logistics throughout Europe set up
- ✓ Brand positioning and strategy aligned across markets
- ✓ French business which had insufficient local scale centralized to Munich
- ✓ Transformation program for Italy running and showing gradual improvements
- ✓ Selective cost cuts implemented

Next steps

- Continue copying the DACH segment blueprint and best-practices across all international markets
- Improve organic marketing further to drive growth
- Continue ramp-up of Permanent Assortment and Private Label elements of business model, including selective localization
- Successfully complete transformation program in Italy

Our International segment is important for Group profitability

Context: How we look internally at International and its profitability

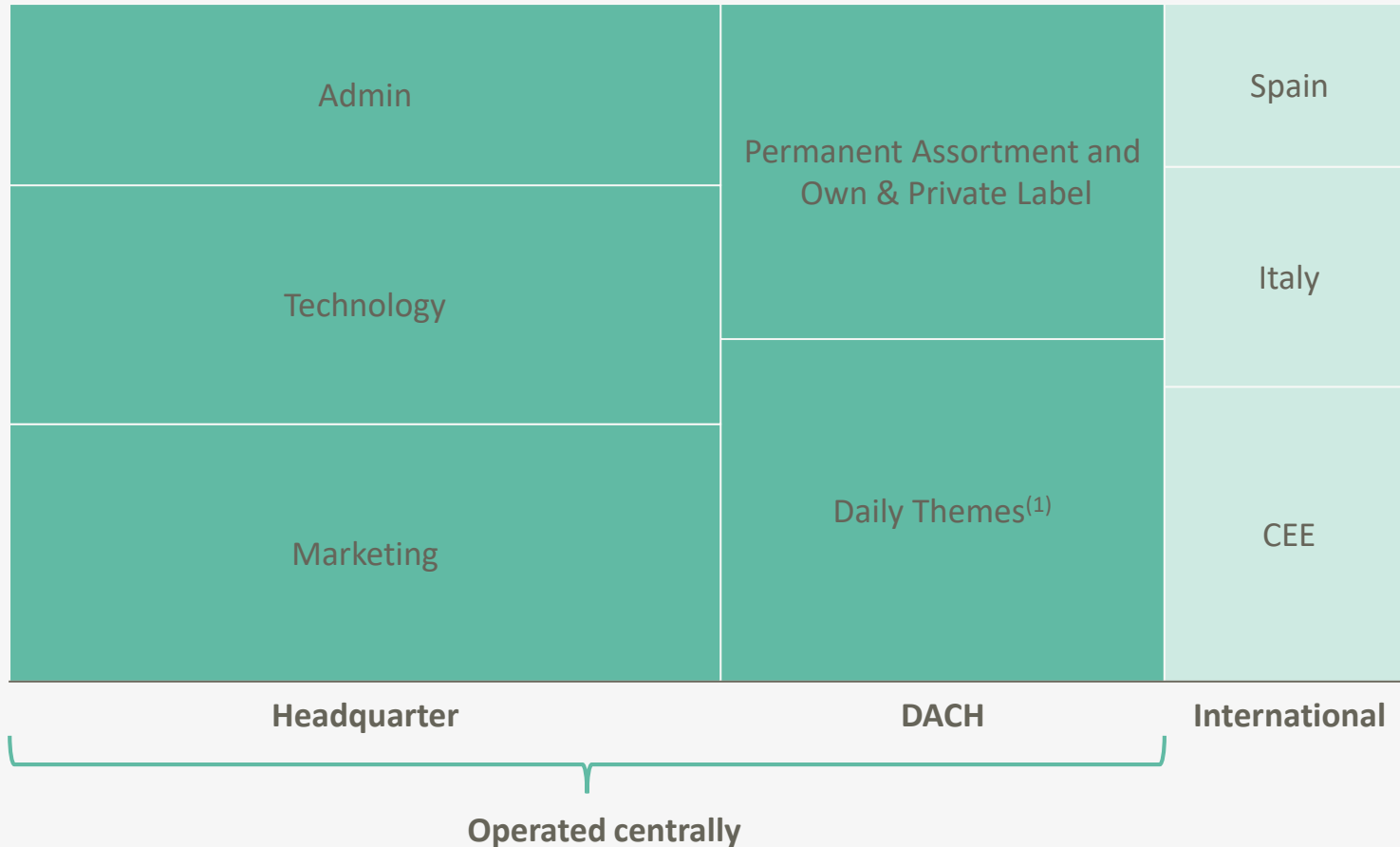
Item	Comments
Contribution profit	Retail result of Segment (or country)
- Local G&A costs	Dedicated G&A costs to run the business (large share in CEE, IT, ES is directly in country)
= Local Contribution before HQ & Marketing	Local profit before any Marketing and HQ costs
- Local Marketing spend	Variable business-specific marketing spend
= Local Contribution before HQ	Key metric to assess viability of a business; contributes to HQ when positive
- HQ G&A and HQ Marketing	Central costs to run total business; allocated to countries (typically based on revenue)
= Profit	Full profitability after HQ

Implications

- We consider the International segment and its countries as valuable because it will serve as next growth frontier in the future
- In addition, even in a weak year such as 2019, it is contributing to coverage of HQ / central costs
 - Significant parts of HQ costs (e.g. technology) by now do not depend directly on the number of countries
 - Incremental costs of additional countries very small
 - If we closed / sold International or parts thereof, DACH would have to cover more HQ costs

Most of our cost are in Headquarter/DACH

Westwing G&A and Marketing cost structure by location



How we run International countries:

- Daily themes:
 - Countries with sufficient scale are run with dedicated local retail team to be close to suppliers and to customers (CEE, Italy, Spain)
 - Smaller countries are run from Munich HQ (Netherlands/Belgium, France)
- Permanent Assortment and Private Label
 - Operated from Munich
 - Some localization in Merchandizing

Note: (1) Includes costs for centralized France, Netherlands/Belgium business.

3 Marketing: Our strategy is focused on building a brand and engaging with our customers



Focus on organic

Be early and focus on reach and engagement

Mobile and social are key to grow our customer base



Get the email when possible

Deep marketing starts with knowing the customer and following through touchpoints

email is key to send daily newsletter and stay in touch until and beyond first conversion



Mobile-first

The desktop is disappearing step-by-step, mobile is where the future is won

Social happens largely on mobile already



Investing

Everything must be invested into building the brand

Limit pay-for-play marketing spending



Asset-building marketing

Invest in people and followership more than spend

Use budgets to support great content



Beautiful and different

Don't follow the competition, be the lead, be bold

Offer engaging Home & Living content



Data-informed

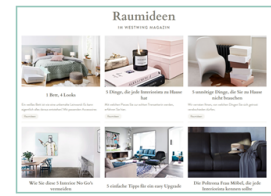
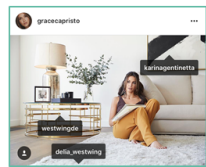
Tailor offering and marketing based on data gathered

Hire creatives and editors, mix them with analytics

Marketing: Our approach focuses on brand, engagement and inspiration

WESTWING

Influencers



Marketing focused on brand content and engagement

Strong organic visits driven by newsletter and social media

Curated, shoppable magazine
Focus on engagement

Focus on engagement
82%
share of orders from repeat customers

Fulfillment



Purchase

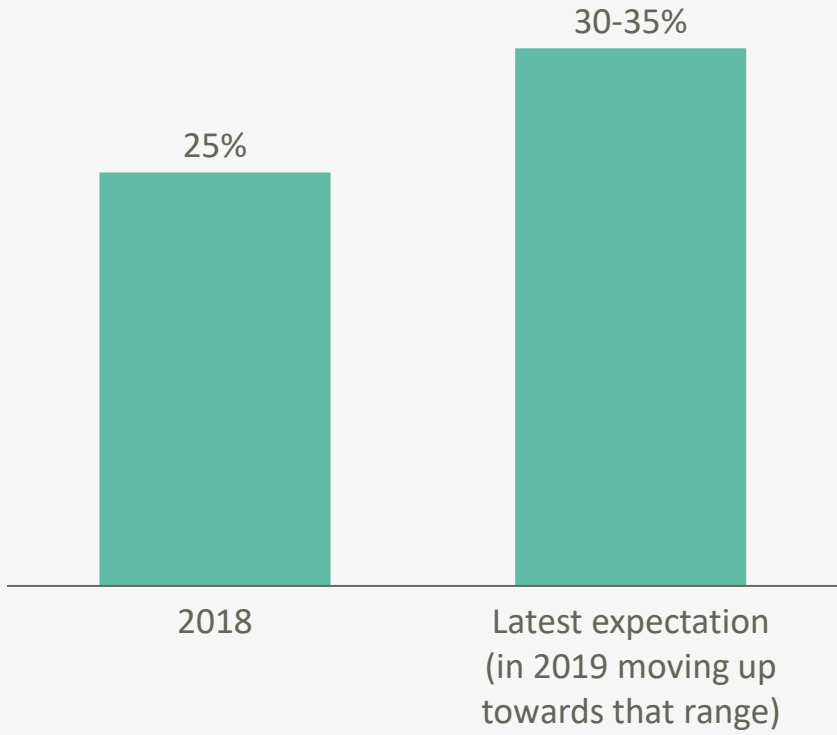


Press



Marketing: Majority of marketing costs continue to be organic

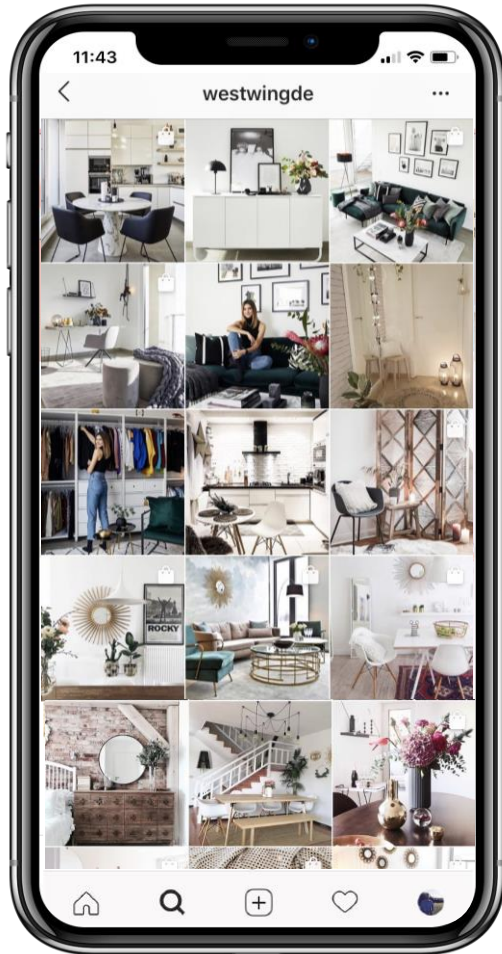
Share of paid marketing
(as % of total marketing costs)



- We currently aim for a marketing ratio of 9% to further support customer acquisition in the mid- and long-term
- Organic marketing and Social Media are the key elements of our marketing strategy
- As part of moving to 9% marketing cost ratio, we have decided to increase the share of paid marketing activities (especially paid social media, search engine advertising) to further leverage our organic assets

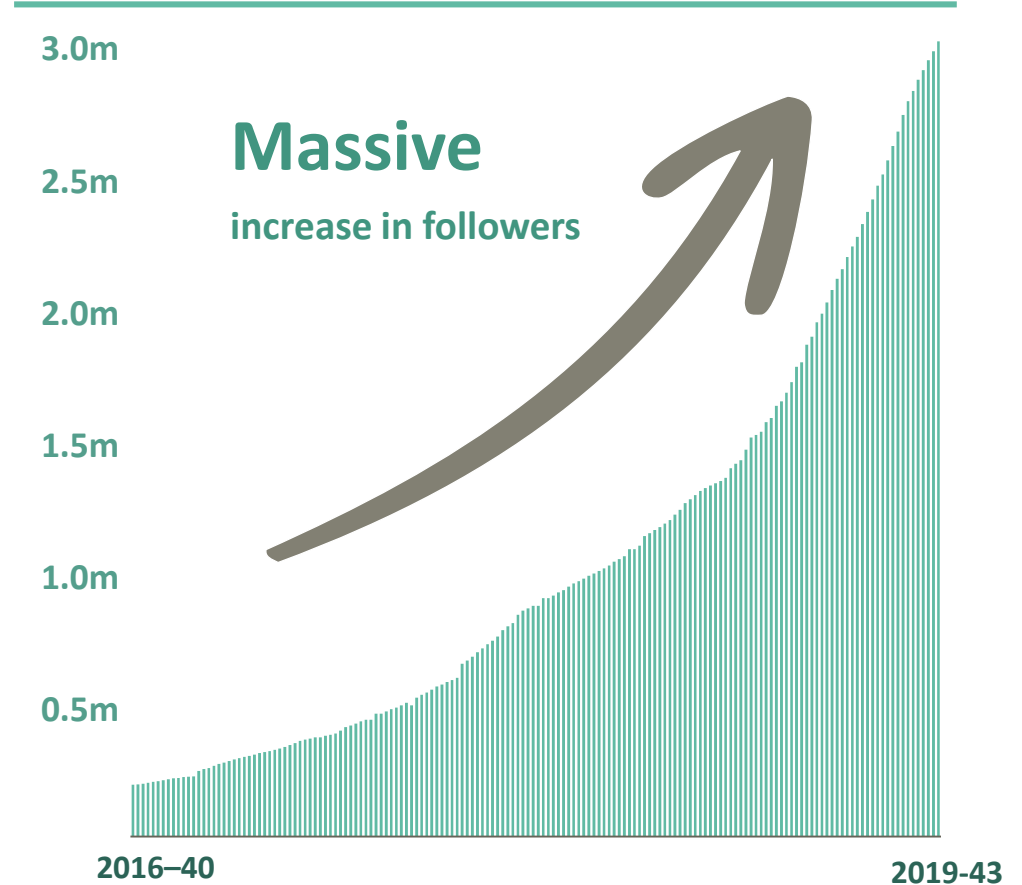
Note: Includes Paid marketing spend (e.g. SEA, Paid Social Media, Influencer)

3 Marketing: Instagram continues to be a key marketing channel for us; by now we have 3 million followers



- We use our content from daily themes and content produced in our social media film studio
- Free user-generated content #mywestwingstyle and influencers to expand our reach
- All based on our unique creativity and our love brand (hard to copy for competitors)
- Massive results after a few years with largely stable cost base

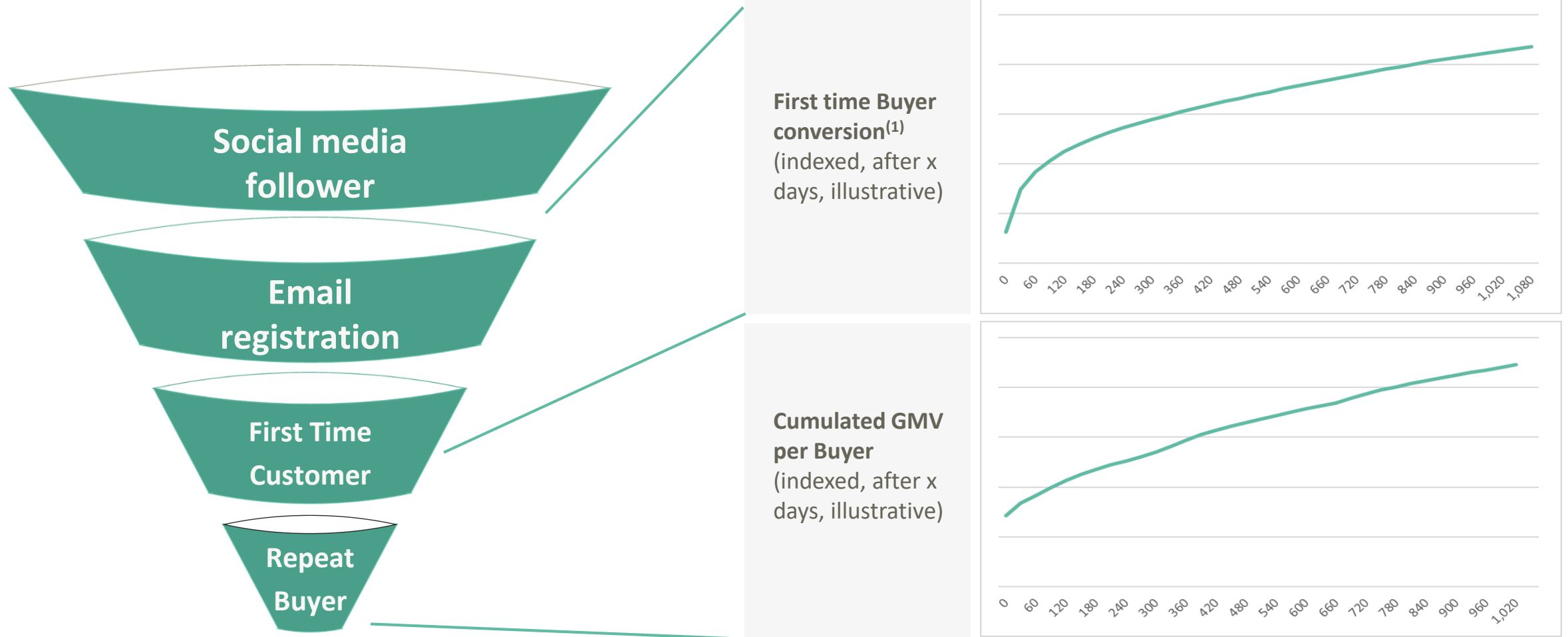
Instagram followers at 3.0 million across Europe



3 Marketing: New email addresses gradually convert to buyers, and then keep buying

Many interactions with Westwing prior to first purchase...

... conversion from Email registration to customer happens over time, thereafter steady spending pattern

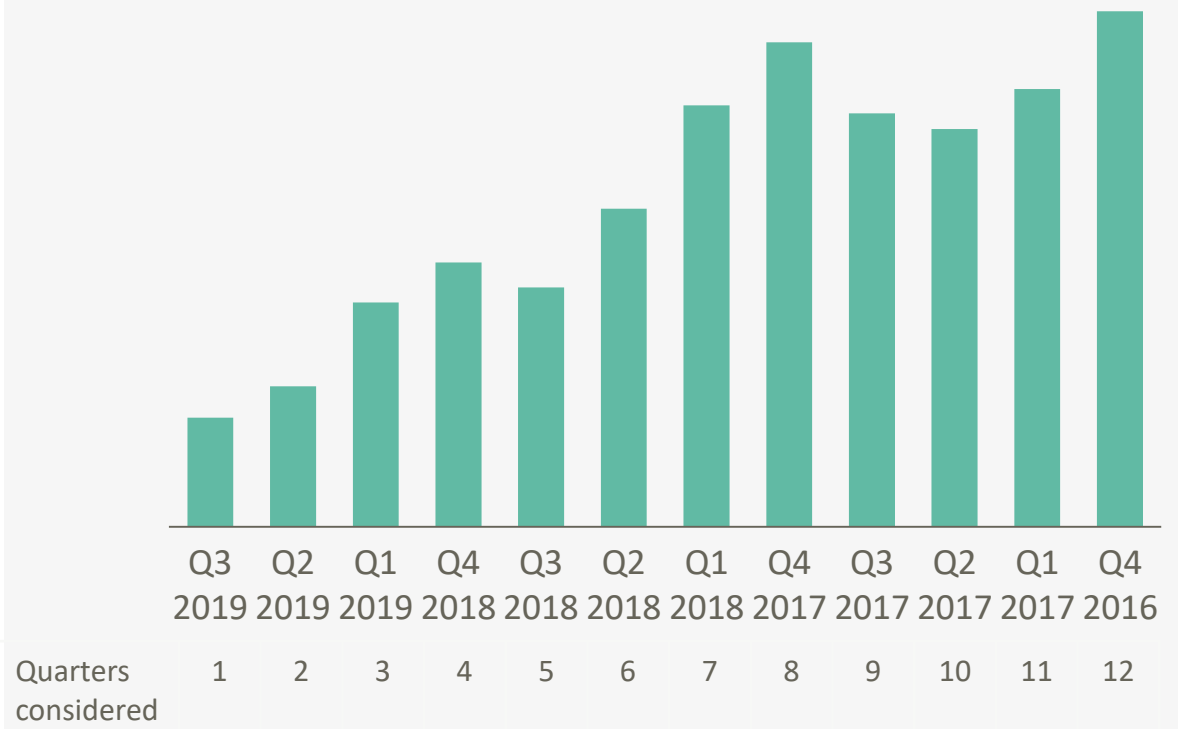


Note: (1) First time Buyer conversion is defined as the number of first time buyers as percent of the email registrations of a given cohort

Marketing: Profitability and paybacks continue to be attractive

Marketing payback to date

(first time customer cohorts at actual contribution profit, x times of marketing costs)



Typical approach for payback calculation

- As seen on the left chart, typically marketing payback time is calculated as cumulated contribution profit of first time buyer cohorts over marketing in respective periods
- Despite increased investment levels in Q3 2019, our payback time remains attractive and shows scalability of our spend

Westwing – internal methodology

- Different than the first time customer view, we internally calculate payback periods primarily based on email registration cohorts
- In this view, our payback period increased slightly from c. 12 months in 2018 to c. 12-15 months most recently
- The first time customer view (as shown on the left) is typically used by us as a cross-check over the mid- to long term periods

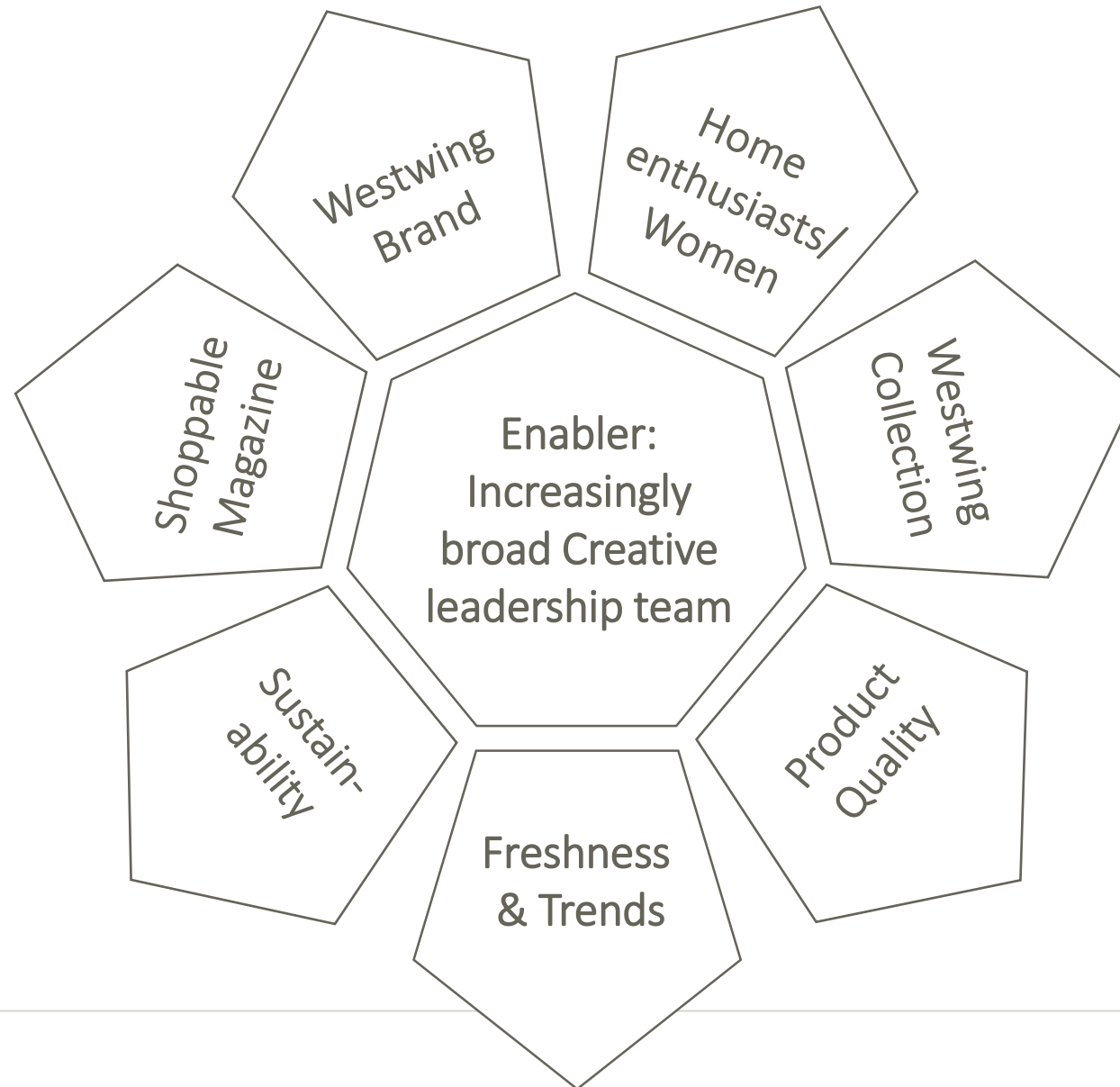
Note: Excludes minor share of marketing overhead costs (e.g. costs for Marketing Business Intelligence team)



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- Westwing Strategy
- Business Model, Issues 2019, Key Initiatives
- Customers & Creative
- Financials and long-term targets

We focus on women who love their homes, and we want to get a lot of their home & living spend online. We currently work on several key areas.



90% of our customers are women; Westwing is their trusted brand to make their homes more beautiful and find inspiration coupled with eCommerce

“Men buy, Women shop”



- **Women aged 25-60 years**
- **Interior decoration interested**
Want guidance and ideas. Want their home as stylish as their wardrobe
- **Want to have a home not just a house,**
see their home as reflection of their personality
- **Enjoy redecorating and hosting,**
important part of their lifestyle,
desire to add decoration pieces
- **Enjoy bargains,** no compromise on quality and style
- **Impulse buyers,** not necessarily always seeking to completely re-furnish

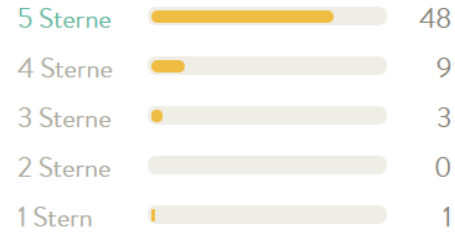
The WESTWING COLLECTION is our core initiative to differentiate Westwing further and bring unique products to the market



**Our latest WESTWING
COLLECTION launch
A Timeless Fall**

“For the colder season, it was important to us to design a look that would convey the feeling of cocooning and staying at home but in a modern way. Cuddly, soft, autumnal textures like teddy and faux fur meet toned-down nuances and a few splashes of color. The result is a sophisticated yet very inviting and cozy collection.”

Product Quality increasingly a key differentiator; we can best influence product quality in our very own Westwing Collection



★★★★★ sieht edel aus
von Verifizierter Kunde am 03/11/2019

sieht wirklich sehr schön und edel aus

★★★★★ Sehr schön
von Verifizierter Kunde am 03/11/2019

Sieht super edel aus im Wohnzimmer

★★★★★ megaaaaa
von melissa c. am 21/10/2019

ich mag es das der tisch schwer ist bleibt da stehen wo er soll bin echt zufrieden

★★★★★ Schöner Tisch
von Verifizierter Kunde am 21/10/2019

Dient bei uns als Nachttisch. Ich finde ihn hochwertig und von guter Qualität. Der Preis in meiner Meinung etwas zu hoch. Aber er sieht gut aus, das auf jeden Fall.

★★★★★ Unfassbarer Blickfang
von Roswitha J. am 05/10/2019

Sehr stylisch, gut verarbeitet. Nicht ganz so massiv wie ich dachte aber dennoch ein super Blickfang!

★★★★★ Sehr modern und elegant
von Aneta N. am 27/09/2019

Sieht aus wie echter Marmor. Top

★★★★★ Wunderschön

Sustainability is rapidly becoming a core customer concern (just like in Fashion or other industries), which we are proactively addressing

Selected Sustainability initiatives

- Decrease CO2 Footprint
- Eco-friendly packaging
- Promoting hero brands and products
- Order bundling as per customer request
- Explain sustainability characteristics of products
- Overall project management (led by Chief Creative Officer, in alignment with Supervisory Board)



STOP THE WATER WHILE USING ME!
Pflegende Naturkosmetik
Endet Do., 20.06. 23 Uhr

Zum Sale



Our boxes are from **100% recycled** cardboard and biodegradable (including the turquoise coat)

Guiding our customers on trends and how to decorate their homes is core to the Westwing value proposition, which brings customers on-site 100 times per year

WESTWING

TREND REPORT

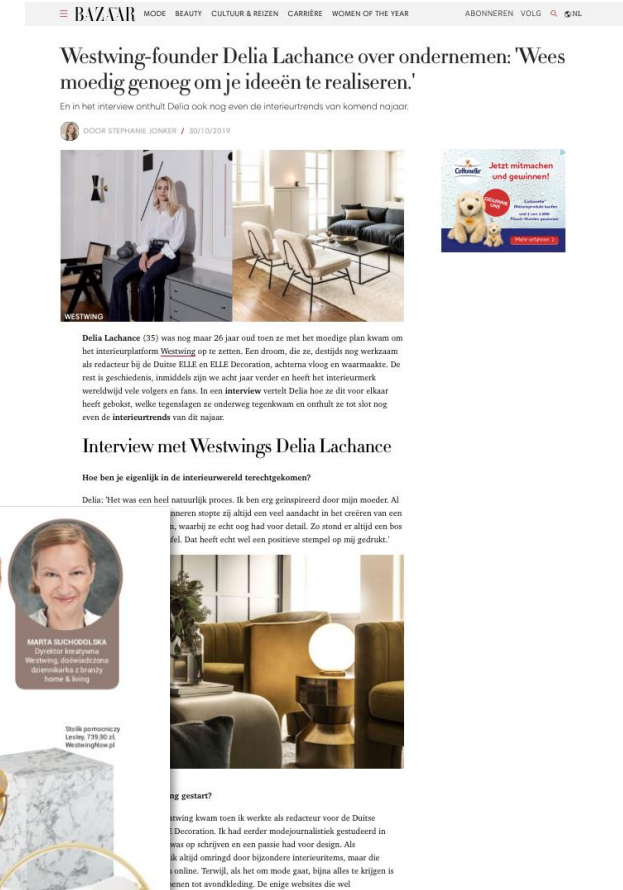
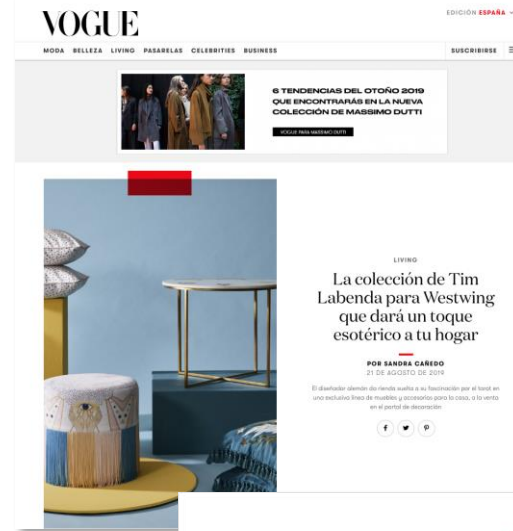
AW2020 / SS2021

A new company-wide trend guidance with **macrotrends, colortrends and most wanted products***

**insight session to come*

4 MACROTRENDS

The Westwing brand is brought to life not only on-site and with our orders, but also very much with Public Relations and Social Media



Westwing = Shoppable magazine: Creating unique, stunning, inspiring eCommerce experiences that merge content and commerce is what we do best



KitchenAid – Küchenmaschinen
Die Küchen-Ikone als MINI, CLASSIC, ARTISAN & HEAVY DUTY
Endet Mo., 11.11. 23 Uhr **Lieferung vor Weihnachten**

Zum Sale



KitchenAid – Zubehör
Mit Zitruspresse, Pasta-Maker & vielen weiteren Aufsätzen
Endet Mo., 11.11. 23 Uhr **Lieferung vor Weihnachten**

Zum Sale

Westwing Creative Leadership team is where we invest significantly into



Alexandra Tobler
Creative Director
Private Label



Sebastian Freitag
Creative Director
Daily Themes Global



Marta Suchodolska
Creative Director
Poland/CEE



Alice Etro
Creative Director
Italy

Full Creative Team >100 world-class experts strong

- **Creatives covering all business areas**
Marketing, Daily Themes, Permanent Assortment, Own & Private Label, International
- **Key roles**
Editors, Creative Merchandisers, Stylists, Art Directors, Interior Designers, Photographers, Cinemagraphers
- **Typical backgrounds**
Magazine editors-in-chief and editors (from home & living and fashion), Fashion stylists, Interior designers, Filmmakers, Fashion photographers, Graphics designers

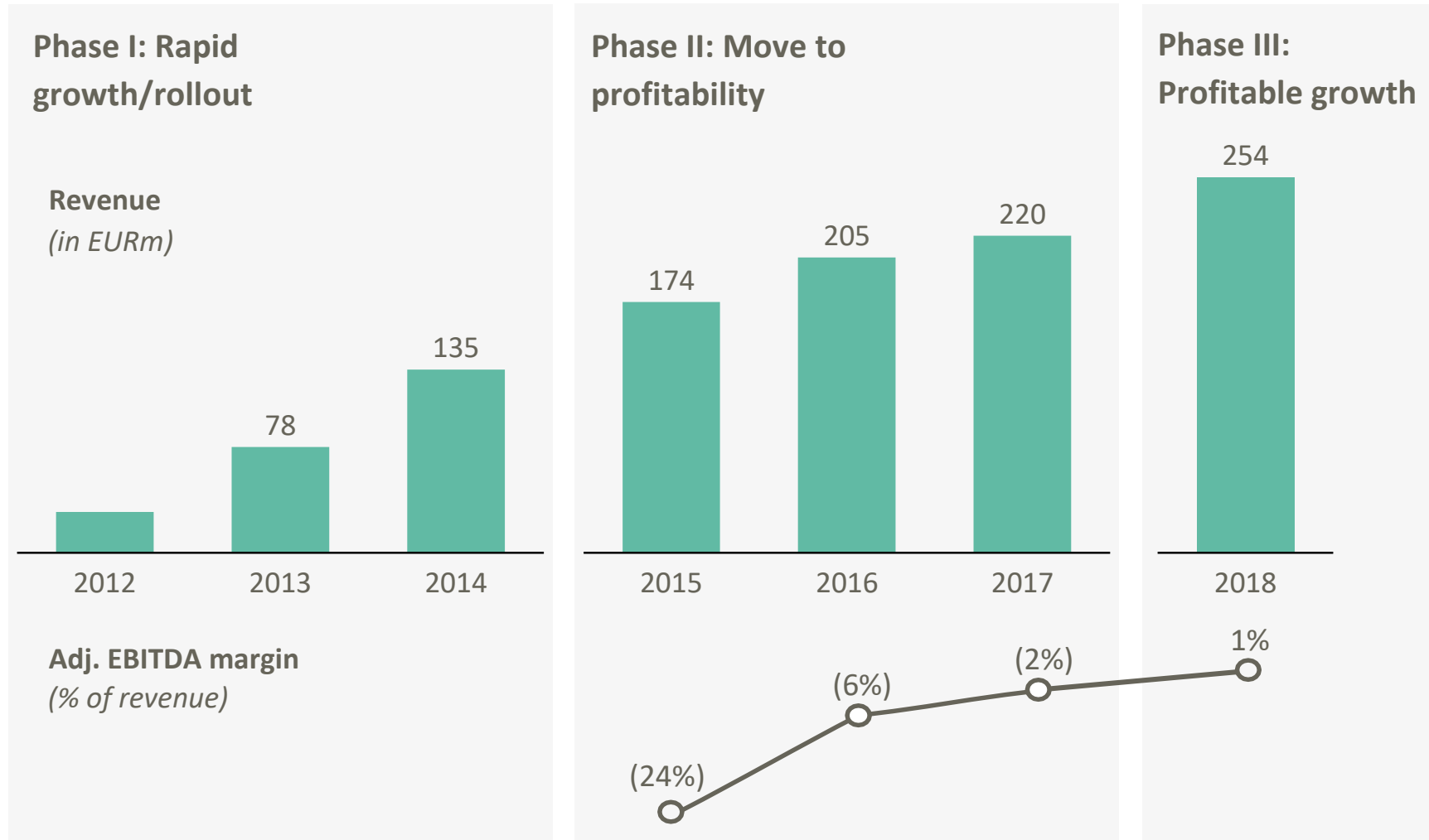




AGENDA

- Westwing Strategy
- Business Model, Issues 2019, Key Initiatives
- Customers & Creative
- Financials and long-term targets

Westwing with successful development since founding



Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the centralization of the French business in FY 2019, (iii) IPO costs recognized in profit or loss in FY2018 and (iv) central costs allocated to discontinued operations in FY2018

2019 we had several setbacks – this was a year of transition for us

2019 we had setbacks in several areas, so that the year will be a period of transition for us ...

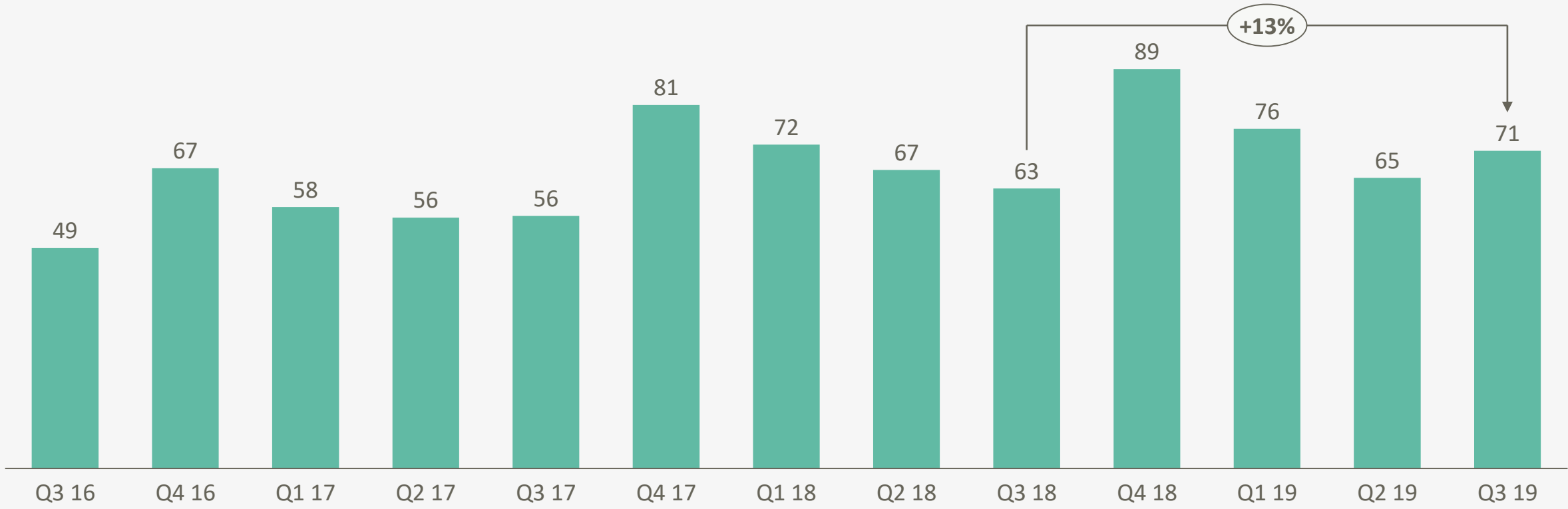
- Contribution margin: Warehouse move from Berlin to Poznan cost us around 3%pts of margin in H1
- SG&A: In Q4 2018 post-IPO we did growth investments (especially Private Label, WestwingNow, Technology, public-company related costs); while EUR costs stable were 2019, no operating leverage due to lack of growth
- Marketing: Not enough new customers due to too low marketing impact
- International: Strong decline in Italy in first half of the year

... we are now again approaching 2018 performance and will end the year stronger than last year

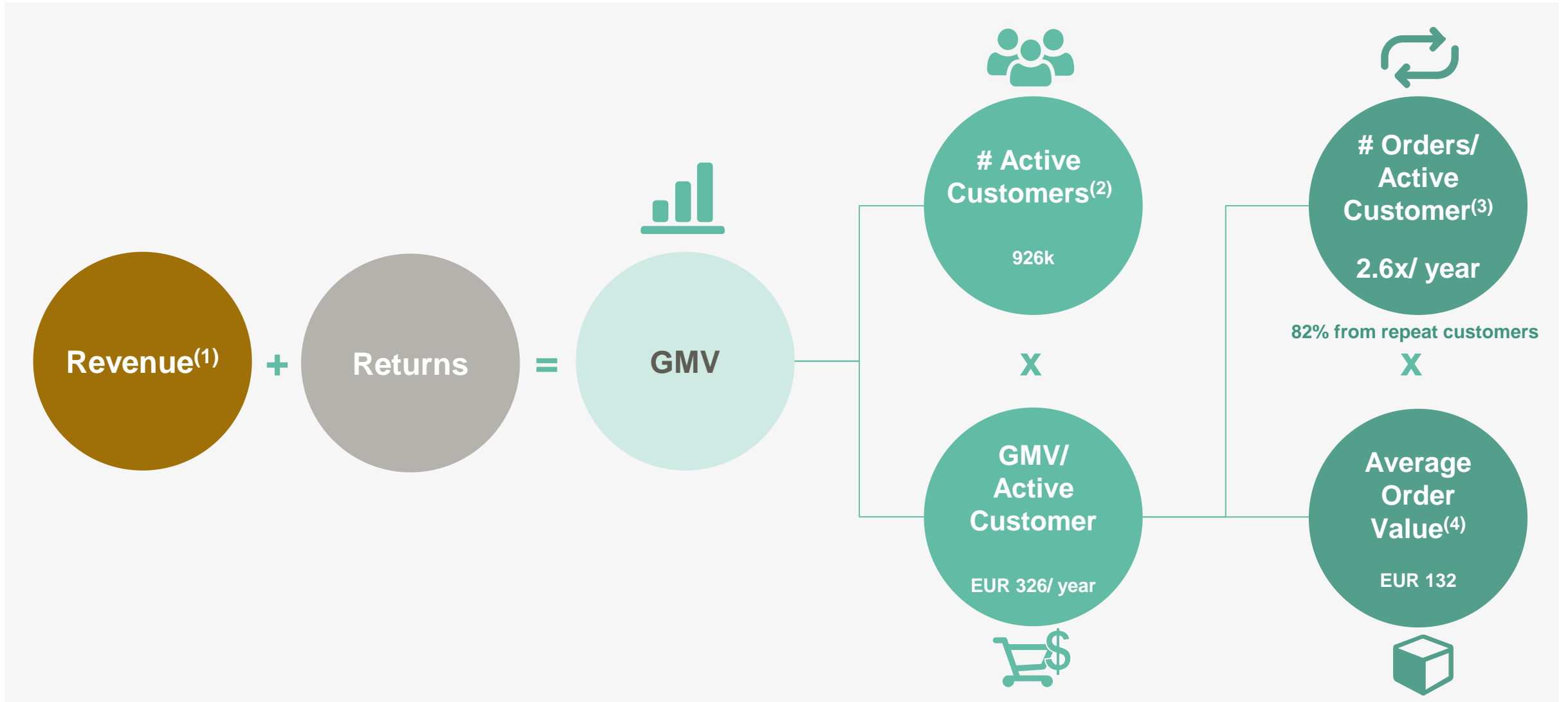
- Contribution margin: Private Label share increased to 27% of GMV
- S&GA and cash: Investment needed made and full business model rolled out in all countries
- Marketing: Improved marketing model by leveraging organic assets; increased marketing ratio from a 6-7% ratio in 2017/2018 towards 9%
- International: Centralization of France done as too small to sustain locally; Italy transformation program showing first results

GMV and revenue growth increasing again

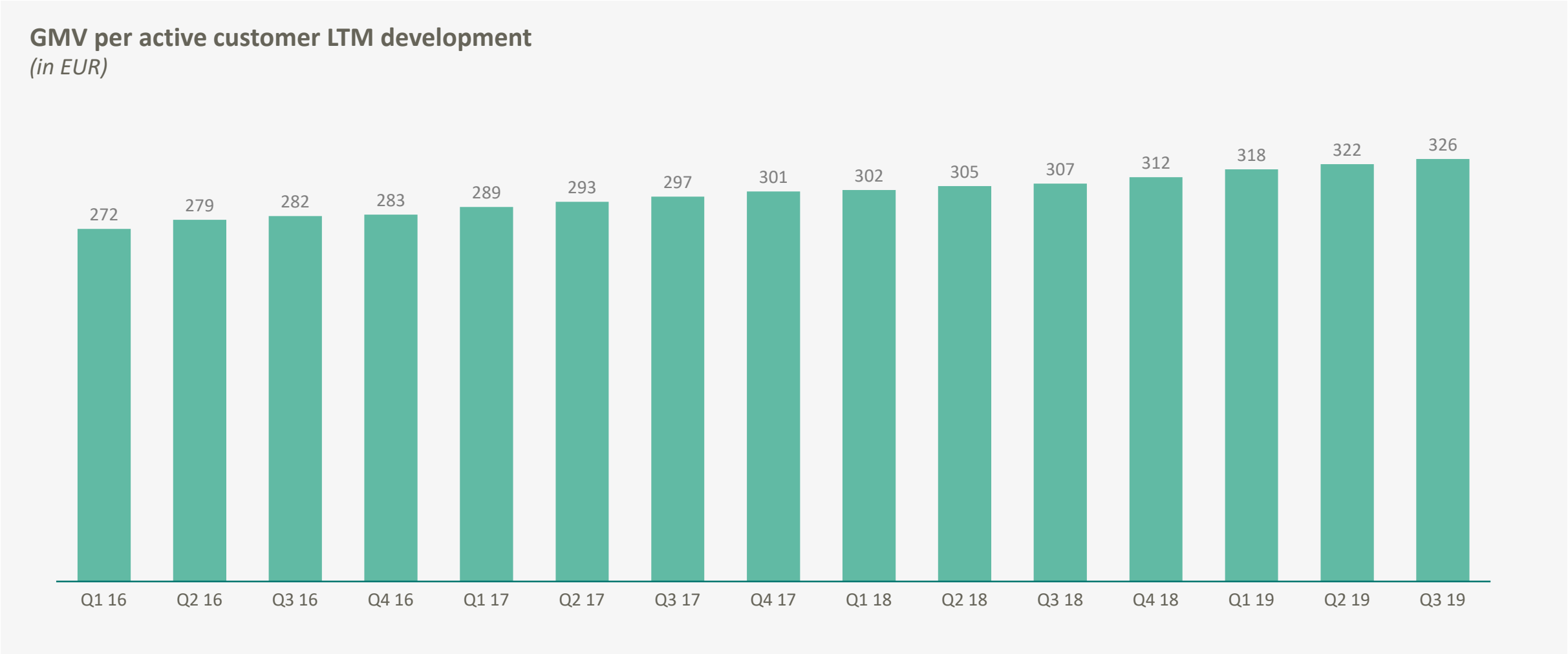
Group GMV development last 13 quarters
(in EURm)



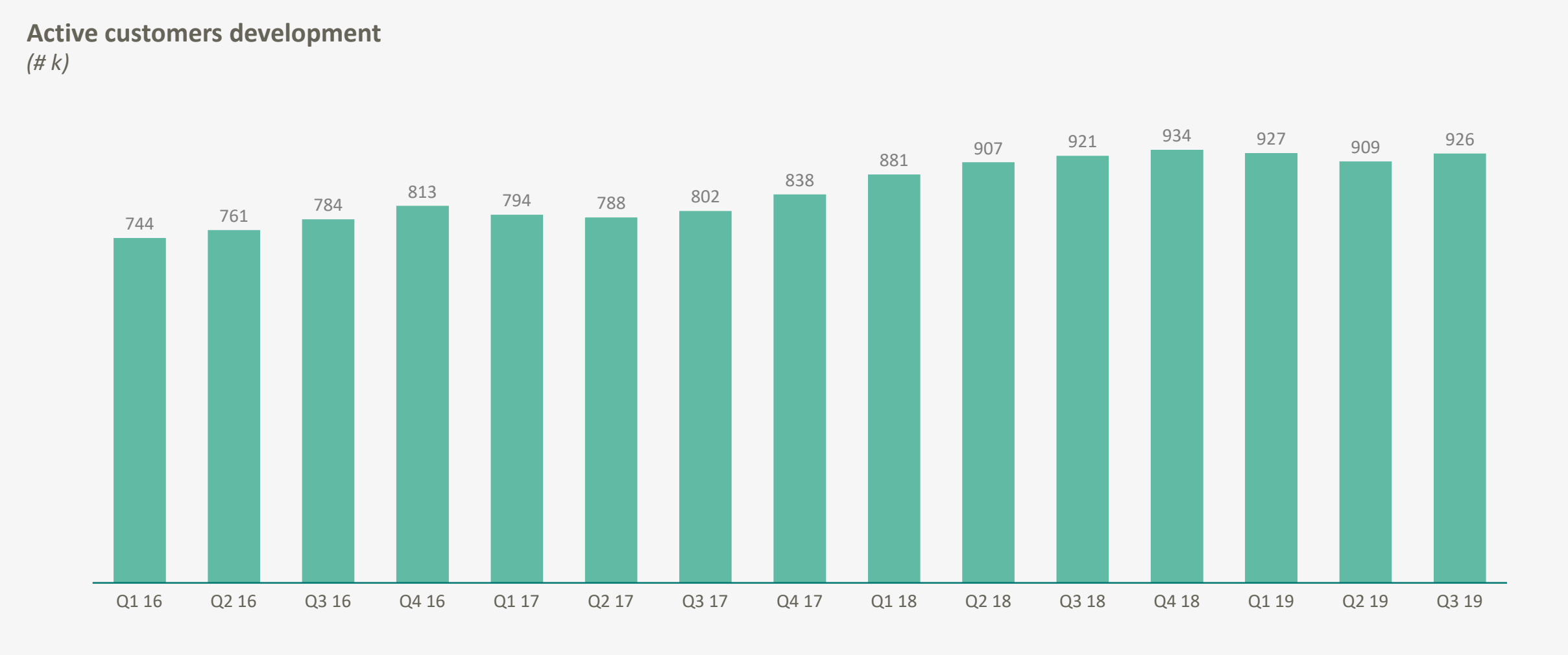
Backup: Our revenue and GMV build-up



Our share of wallet with our customers increases steadily



Active Customers increasing again



Segments: Our DACH segment continues to be role model and is back on track; International improving as country specific challenges being addressed

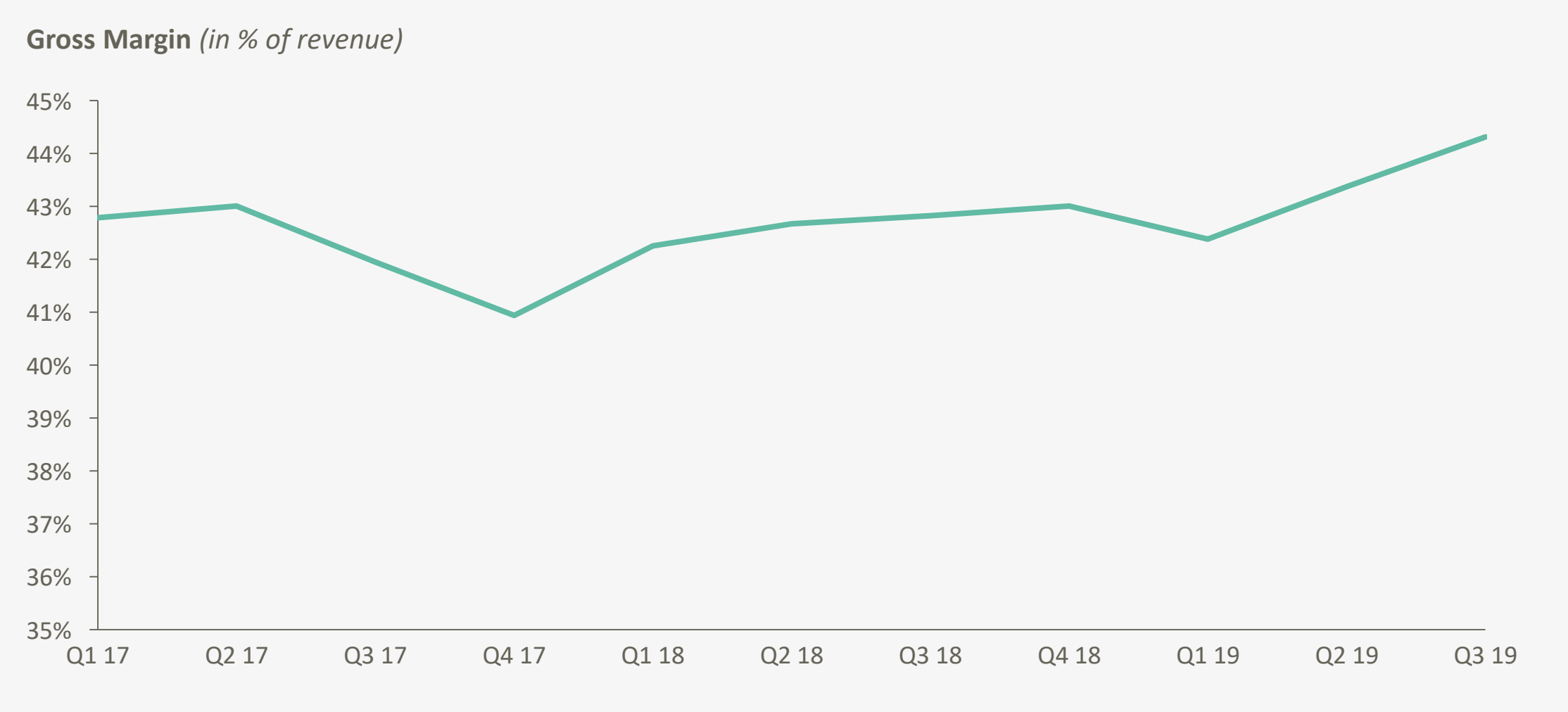
Segment revenue and adj. EBITDA development

(in EURm, in % of revenue)

	2015	2016	2017	2018	9M 2018	9M 2019
DACH						
Revenue	62	79	98	133	89	99
Adj. EBITDA	(13)	(3)	1	6	3	(4)
Adj. EBITDA margin	(21%)	(4%)	1%	4%	3%	(4%)
International						
Revenue	112	126	122	121	86	79
Adj. EBITDA	(29)	(9)	(5)	(3)	-1	(9)
Adj. EBITDA margin	(26%)	(7%)	(4%)	(2%)	(1%)	(11%)

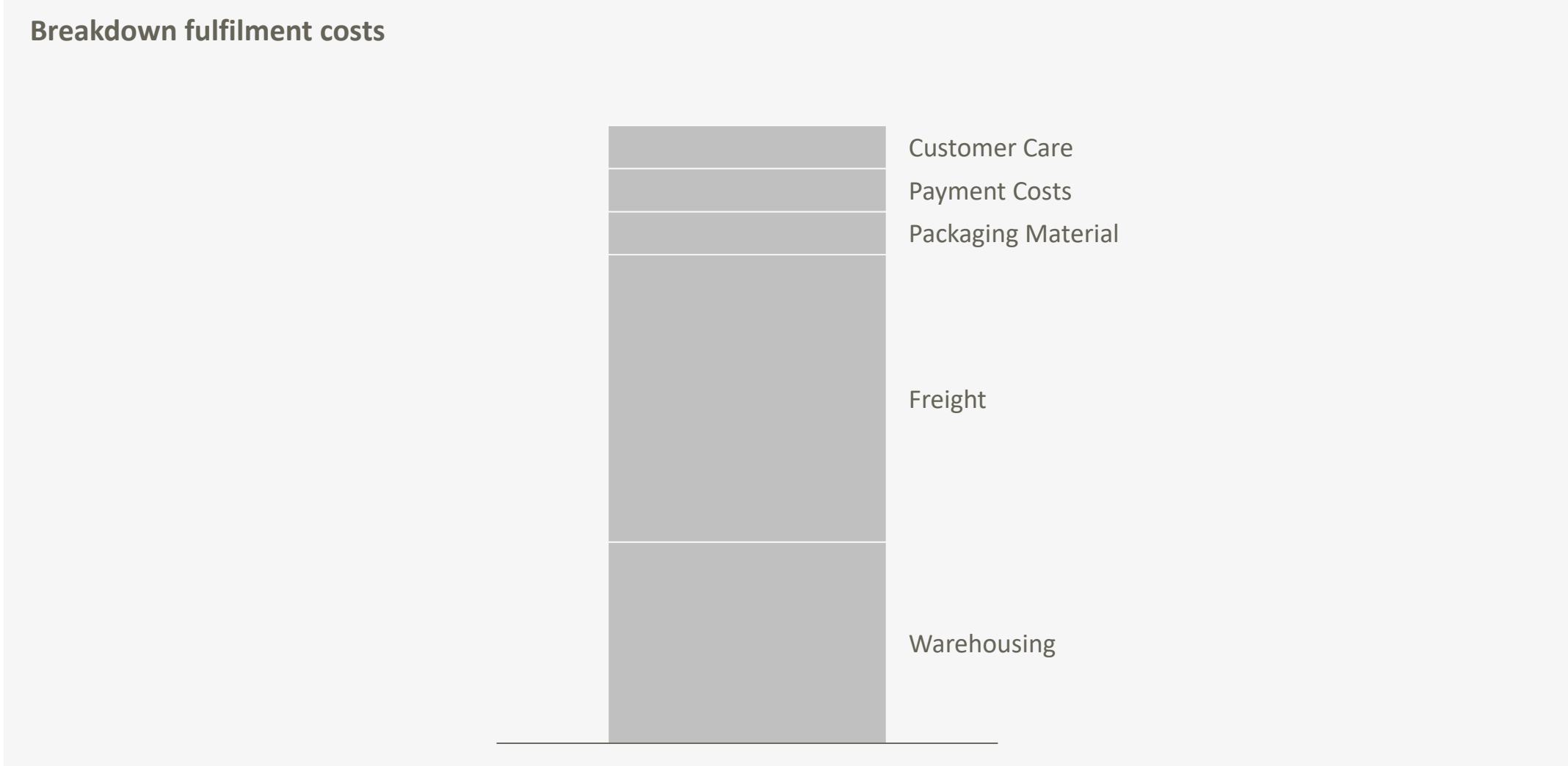
Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the centralization of the French business in FY 2019, (iii) IPO costs recognized in profit or loss in FY2018 and (iv) central costs allocated to discontinued operations in FY2018

Gross Margin: Steadily improving to 44% in Q3 2019 all-time high



Note: Unaudited

Backup: Fulfillment costs details



Note: Unaudited

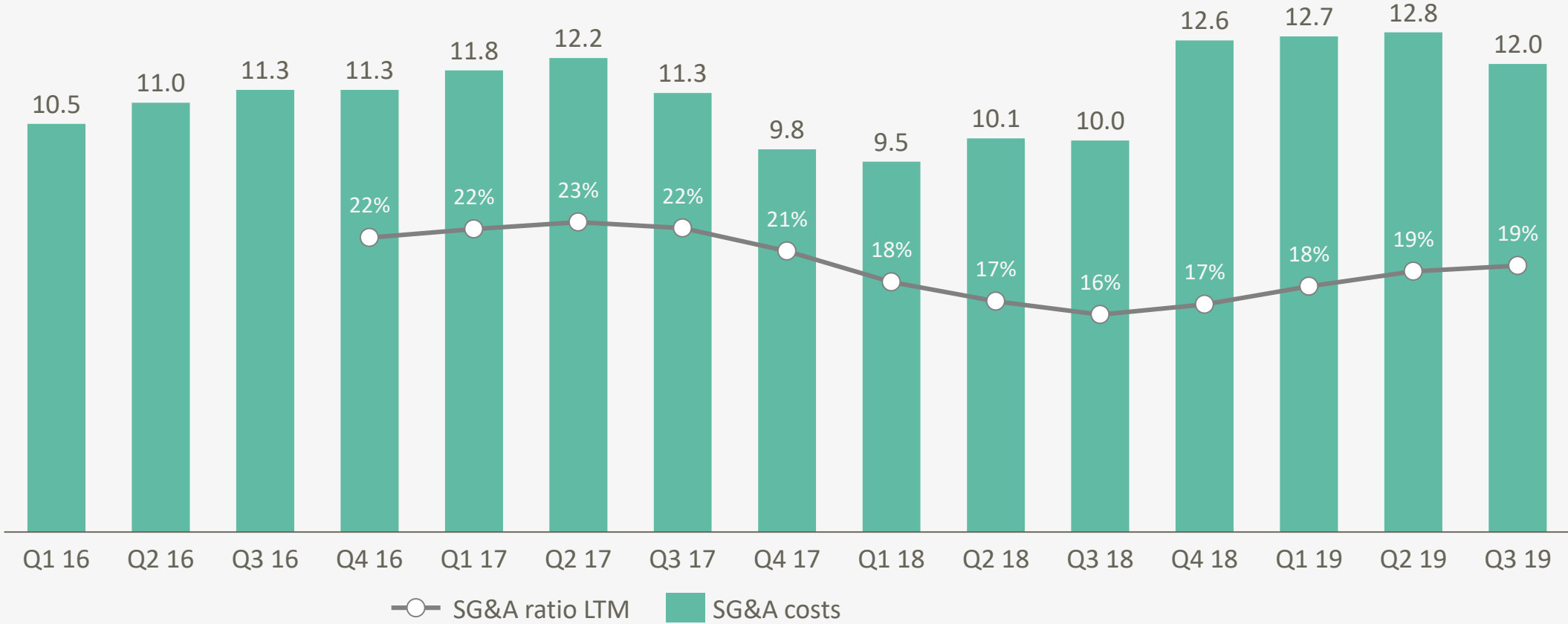
Contribution margin: Negatively impacted in H1 by logistic issues (warehouse move, carrier cost increases); Q3 again at >20%

Contribution margin break down *(in % of revenue)*

	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19
Gross Margin	42.8%	43.0%	41.9%	40.9%	42.3%	42.7%	42.8%	43.0%	42.4%	43.4%	44.3%
Fulfilment Expenses	-22.1%	-21.1%	-21.6%	-19.4%	-20.8%	-21.5%	-24.6%	-20.6%	-23.8%	-24.9%	-24.2%
Contribution Margin	20.7%	21.9%	20.3%	21.5%	21.4%	21.2%	18.3%	22.4%	18.6%	18.5%	20.2%

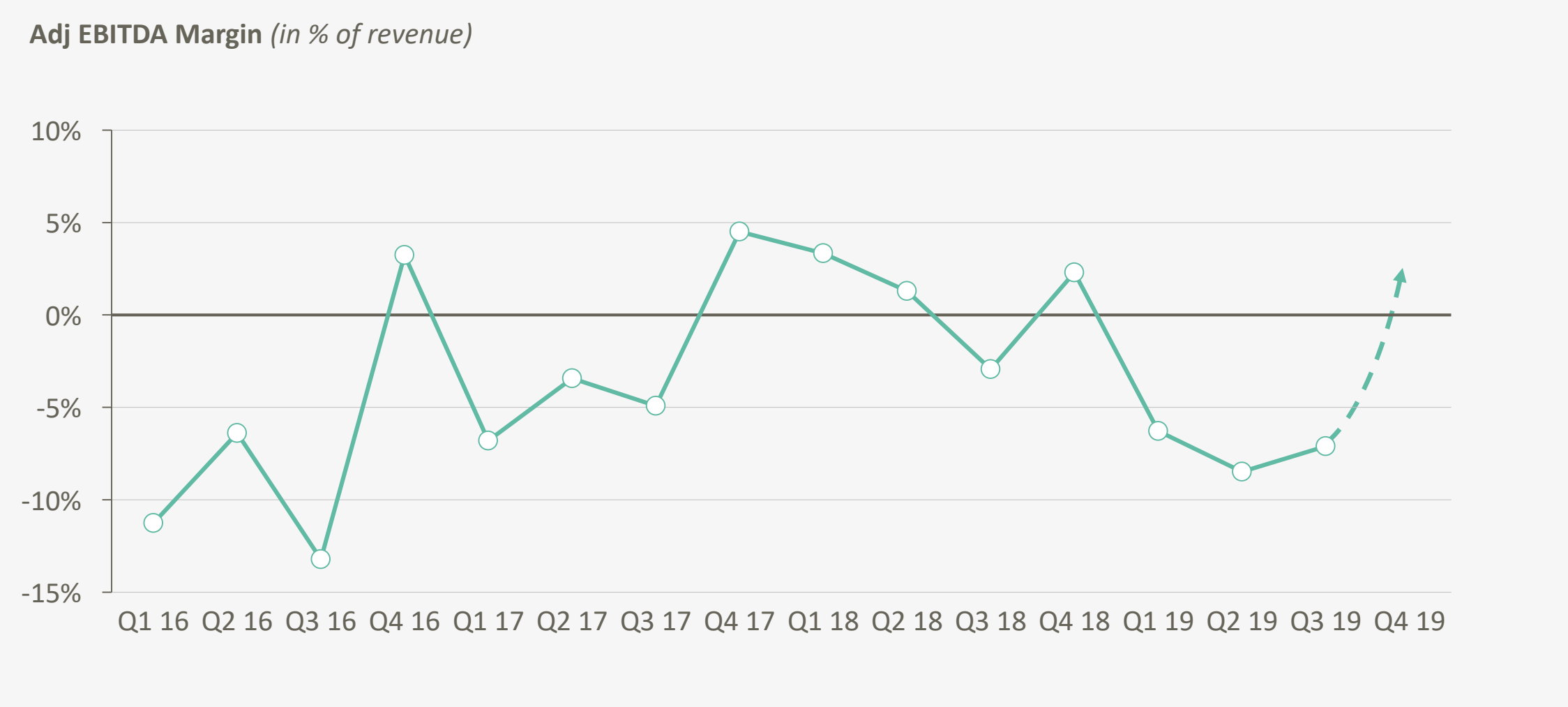
G&A costs: After investments made in Q4 2018 post-IPO, we expect to keep these costs mostly stable and benefit from operating leverage

G&A costs over time (in EURm, in % of revenue)



Note: Unaudited

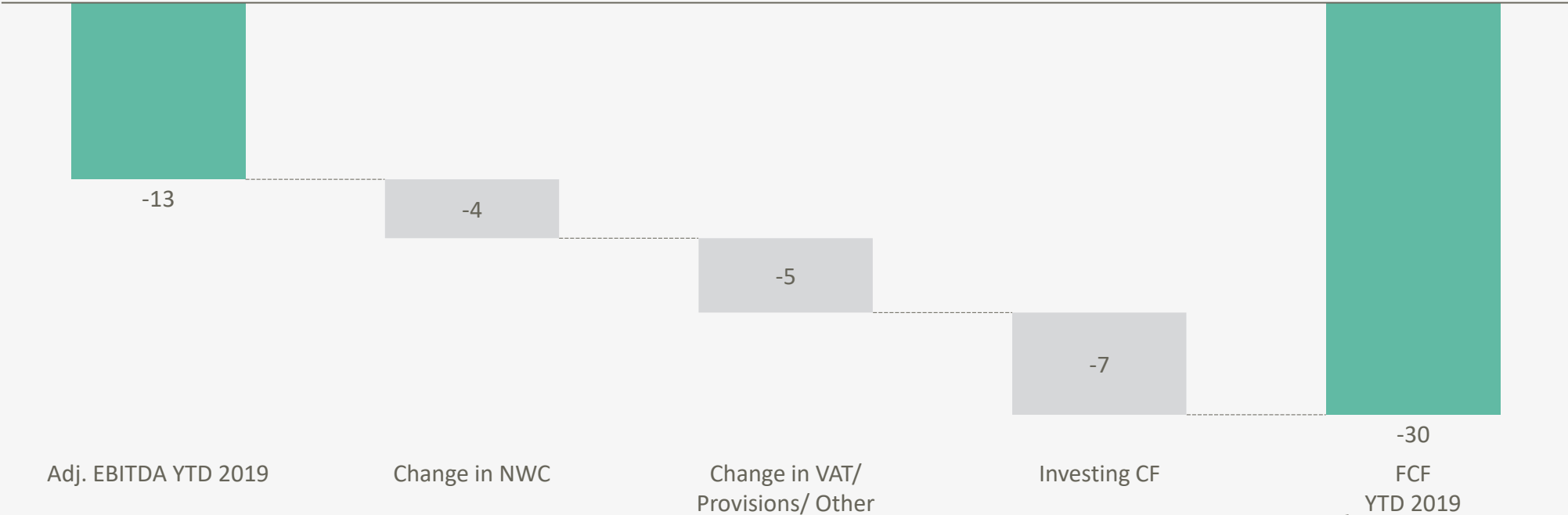
Adj EBITDA: Improving, and we expect profitable growth in Q4 2019 based on improved underlying drivers



Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the centralization of the French business in FY 2019, (iii) IPO costs recognized in profit or loss in FY2018 and (iv) central costs allocated to discontinued operations in FY2018

Cash: 2019, we incurred EBITDA losses and did one-time investments in working capital (mostly Private Label Inventory)

Adj EBITDA to Free Cash Flow YTD 2019 (in EURm)

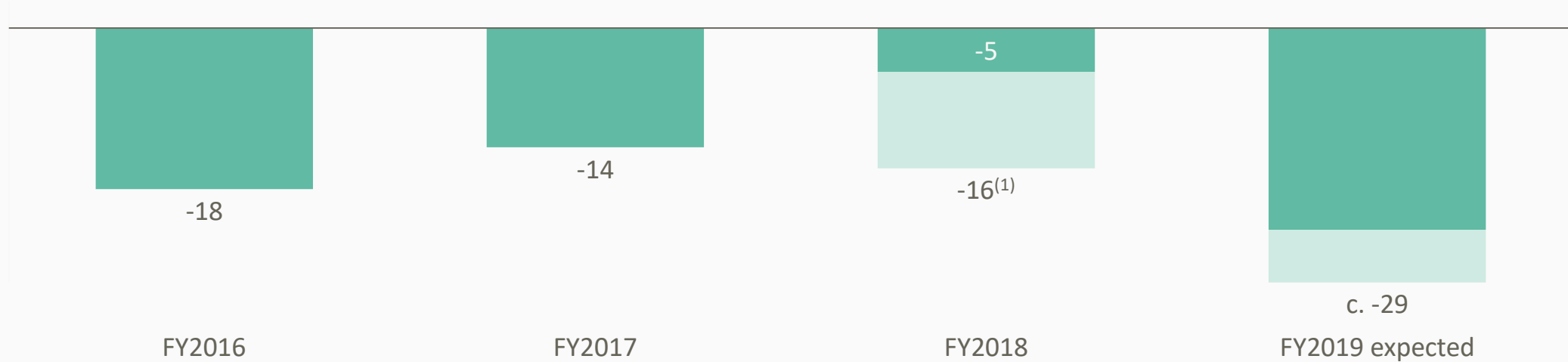


We expect max EUR -29m FCF for FY 2019 due to seasonally positive FCF in Q4

Note: Unaudited

Cash: 2019 cash flow is not representative of past and not indicative for future

Free Cash Flow FY2016 - FY2019e (in EURm)



Note: Unaudited. (1) FY2018 Free Cash Flow adjusted for positive effect of EUR 11m proceeds from Brazil divestiture.

Cash: Business model very cash efficient with roughly neutral working capital and low capex (which is mostly capitalized technology costs)

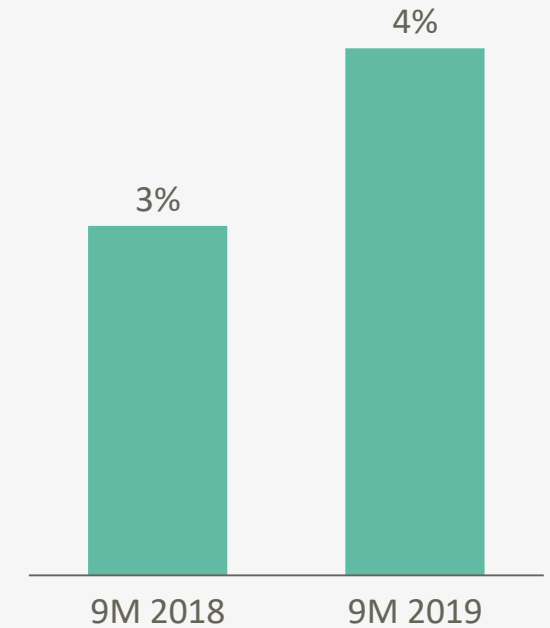
Net Working Capital (NWC) break down as of Sep 30, 2019

(EUR m)



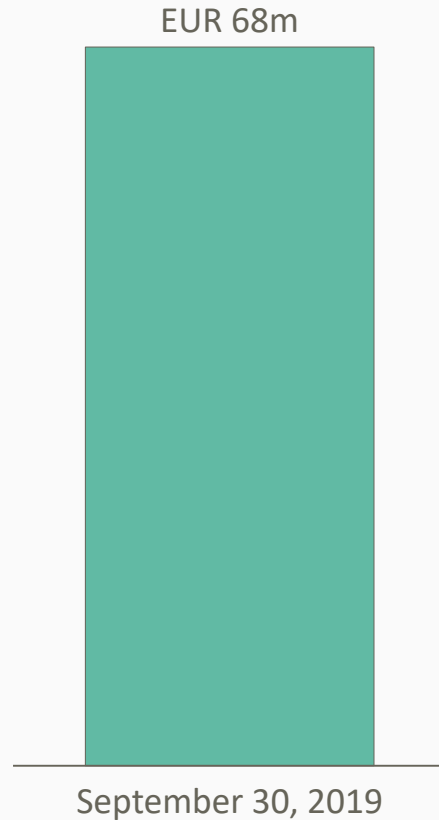
Capex ratio YTD 2019

(as % of revenue)



Cash: Our strong (net) cash position of EUR 68m is foundation for future success and growth

Cash (in EURm)



Comments

- We have repaid all our external debt in Q3 2019
- We have by now completed the entire share buy-back of EUR 3m. Around half of this already reflected in Q3 financing cash flow
- We expect positive free cash flow for remainder of the year

Strategic financial outlook: Long-term we continue to expect a target EBITDA margin of 10% and attractive cash flow

Item	2018	Long-term target	Comment
Gross margin	43%	47-49%	<ul style="list-style-type: none"> Second most important driver for increasing Adj. EBITDA margin based on higher share of high-margin Private Label (strategic target 50% share)
Contribution margin	21%	25-27%	<ul style="list-style-type: none"> Improvements mostly from Gross Margin Fulfillment costs expected to be stable after some improvements in 2020
Marketing	7%	8-10%	<ul style="list-style-type: none"> Ratio of 9% currently expected for attractive growth
SG&A + Other	17%	10%	<ul style="list-style-type: none"> Most important driver for increasing Adj. EBITDA margin based on strong cost discipline paired with operating leverage
D&A	3%	3%	<ul style="list-style-type: none"> Expected to remain at current level
Adj. EBITDA	1%	10%	<ul style="list-style-type: none"> Result of above, esp. improvements in Gross Margin and operating leverage
Free Cash Flow	-6%	7%	<ul style="list-style-type: none"> Stable working capital Operating leverage on technology (which is most of our Capex)

Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) IPO costs recognized in profit or loss in FY2018 and (iii) central costs allocated to discontinued operations in FY2018