



# WESTWING

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Q1 2021 Results

Munich, May 12, 2021

## Disclaimer | Forward looking statements

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*Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made and are subject to significant risks and uncertainties. You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed on this call due to a number of factors, including without limitation, risks from macroeconomic developments, external fraud, inefficient processes at fulfillment centers, inaccurate personnel and capacity forecasts for fulfillment centers, hazardous material / conditions in production with regard to private labels, lack of innovation capabilities, inadequate data security, lack of market knowledge, risk of strike and changes in competition levels.*



Our mission

“**To inspire and make every home a beautiful home.**”



# Agenda

## Business update



## Financial update



## Q&A





Business update



# Summary

<b>Q1 2021 RESULTS</b>	<b>GROWTH</b>	EUR 138m Revenue, very strong growth of 105% yoy
	<b>PROFITABILITY</b>	Very strong profitability of EUR 20m Adj EBITDA at 14.2% Adj EBITDA margin
	<b>FREE CASH FLOW</b>	EUR 14m of Free Cash Flow; LTM Free Cash Flow at EUR 60m and 12% LTM Free Cash Flow margin
<b>CUSTOMERS</b>		Number of active customers increased to 1.7m (+74% yoy); growth continues to be driven by high loyalty of existing customers as well as strong new customer acquisition
<b>Q2 2021 UPDATE</b>		Entering spring/summer seasonality with c. 15% GMV yoy growth, while comparing against very strong peak baseline of last year
<b>FY 2021 Guidance</b>		Guidance of EUR 510-550m Revenue (18-27% growth) and Adj EBITDA of EUR 42-55m (8-10% Adj EBITDA margin) confirmed

Note: All figures unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the restructuring of the Italian and French business.



# COVID-19 update: Serious situation in Europe; health & safety is our number one priority; pro-actively managing risks

## Due to the serious COVID-19 situation in Europe, health & safety remain our number one priority...

**Customer safety is of utmost importance to us.**  
To live up to this priority, we operate with wide-ranging hygiene measures in our warehouses and, together with our freight carriers, in delivery

Warehouses and photo studios operate with **highest hygiene standards, social distancing measures, and stringent testing routines**

**Majority of office teams are mostly working from home** at excellent productivity levels. **Increasing focus on team cohesion**

## ...while pro-actively manage risks

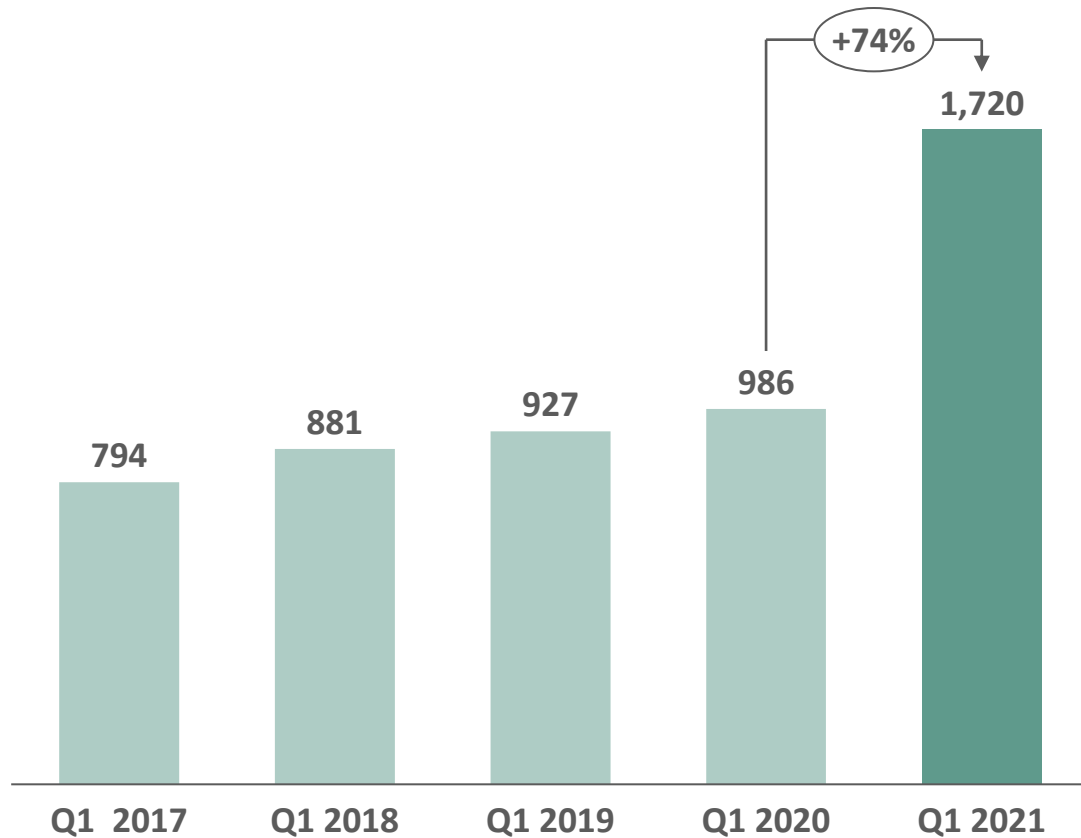
We take comprehensive safety measures to minimize the risk of a **temporary warehouse closure** due to a wide-ranging COVID-19 outbreak, yet a risk remains

**Stringent testing routines** to identify COVID cases early on

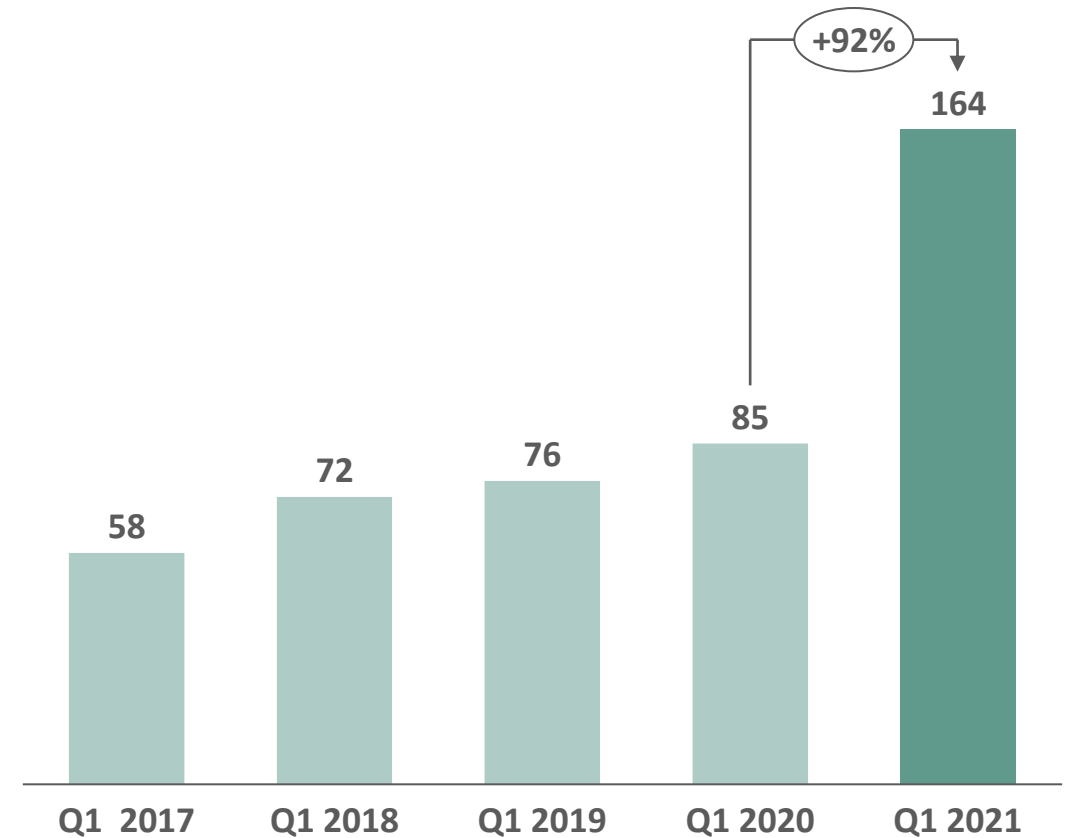
We **pro-actively** check how and when we can support the **vaccination campaign** as a company

# Q1 2021 with strong growth across all metrics

Active Customers LTM (in k)



GMV (in EUR m)

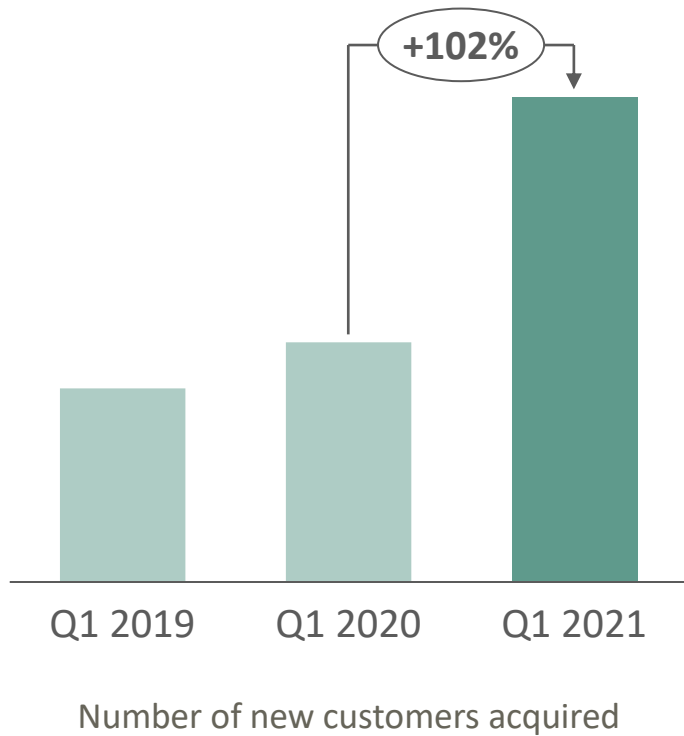


Note: All figures unaudited.

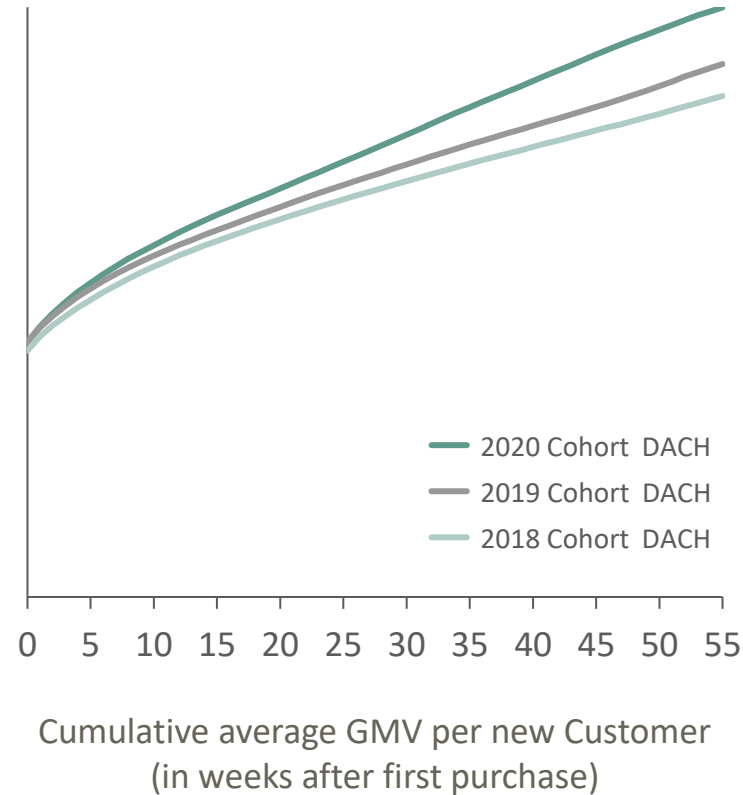


# Customer update Q1 2021 – New customer acquisition doubled

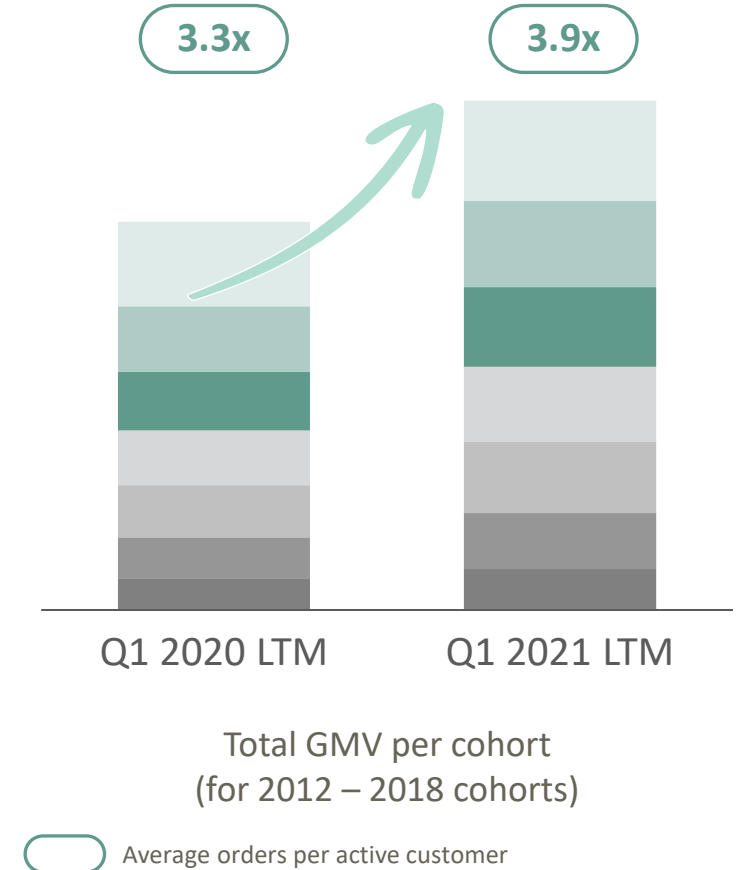
### Significantly increased new customer acquisition



### Customers acquired in 2020 continue to show strong repeat purchase behavior



### Existing customers are showing higher loyalty and engagement



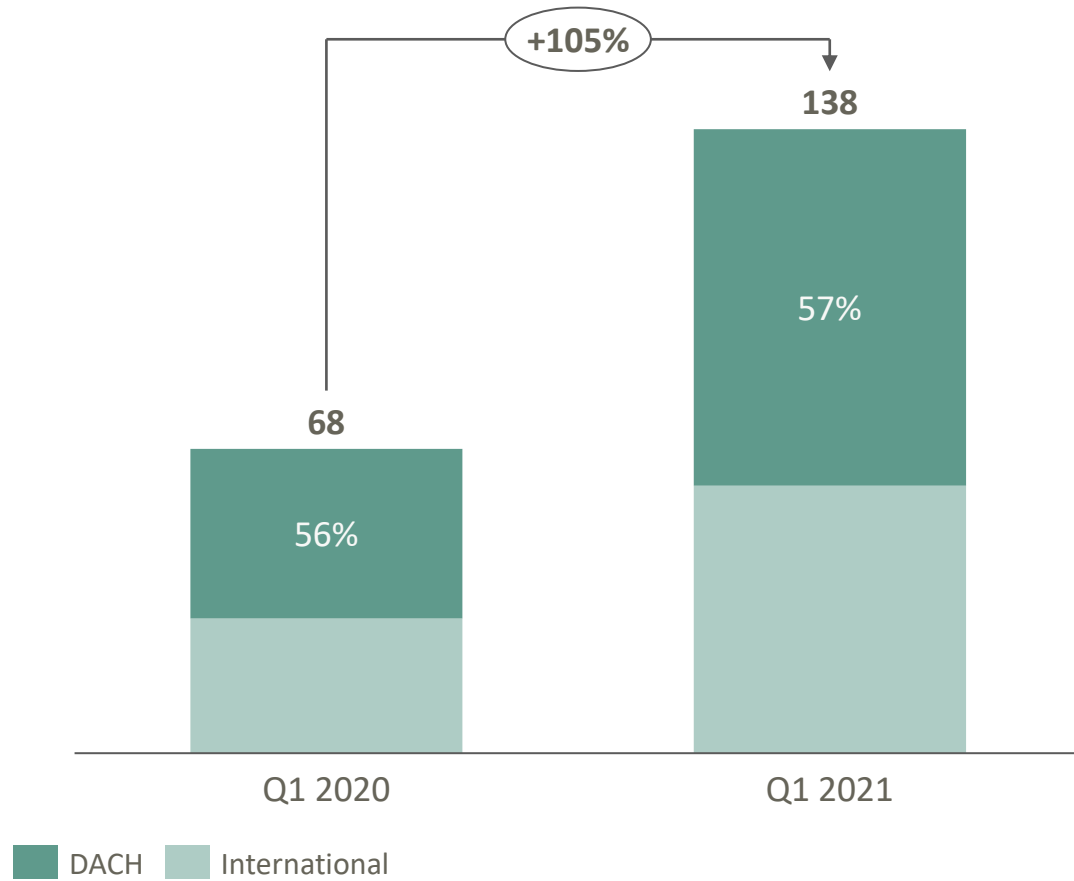
# Financial Update



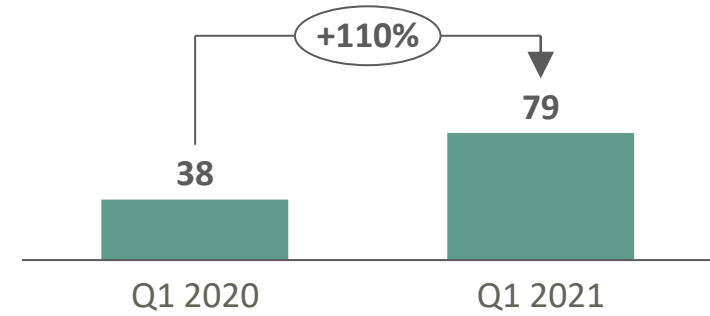


# Revenue growth accelerated to 105% in Q1 2021

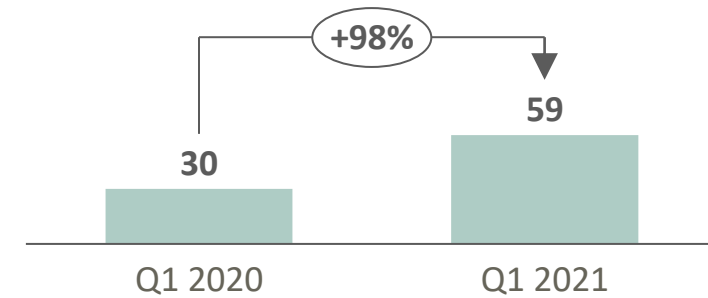
Group Revenue (in EUR m)



DACH Segment Revenue (in EUR m)



International Segment Revenue (in EUR m)



# Income statement details

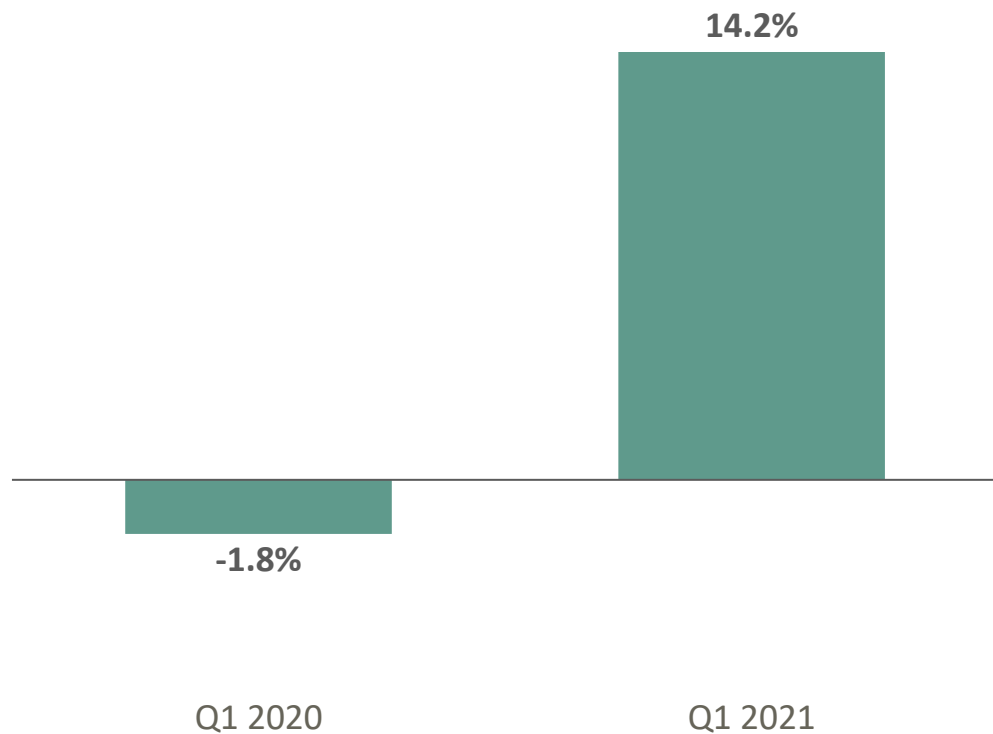
[in % of revenue]	Q1 2020	Q1 2021	Delta	
Gross margin	46.7%	50.6%	+3.9%pts	Mostly structural improvements, driven by Westwing Collection and margin gains; low inventory obsolescence costs
Fulfilment ratio	-22.4%	-19.4%	+3.0%pts	Efficiency improvements in fulfilment, scale effects in warehouses, lower return rate
Contribution margin	24.3%	31.2%	+7.0%pts	
Marketing ratio	-9.5%	-7.4%	+2.1%pts	Scale effects in our Organic Marketing
G&A ratio <sup>1)</sup>	-20.1%	-11.8%	+8.2%pts	Operating leverage, and growth investments not yet ramped up
D&A ratio	3.5%	2.2%	-1.4%pts	
Adj. EBITDA margin	-1.8%	14.2%	+15.9%pts	

Note: 1) Including other income and expenses.  
All figures unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the restructuring of the Italian and French business.

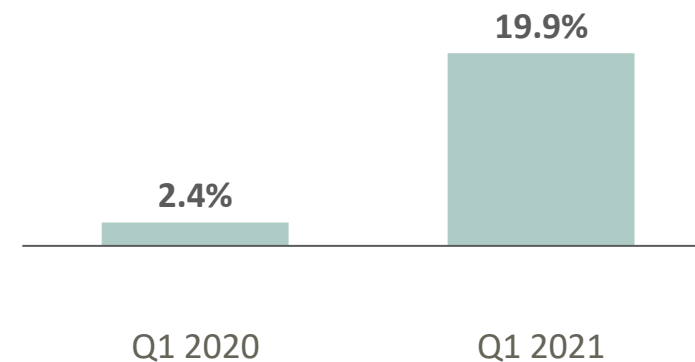


# Group highly profitable; DACH and International segments both performing well

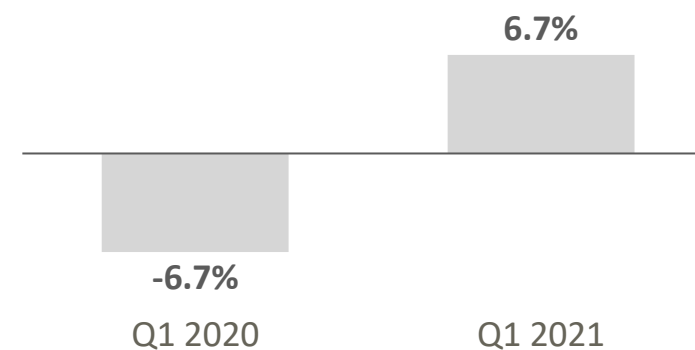
Group Adj EBITDA (in % of Revenue)



DACH Segment Adj EBITDA (in % of Revenue)



International Segment Adj EBITDA (in % of Revenue)

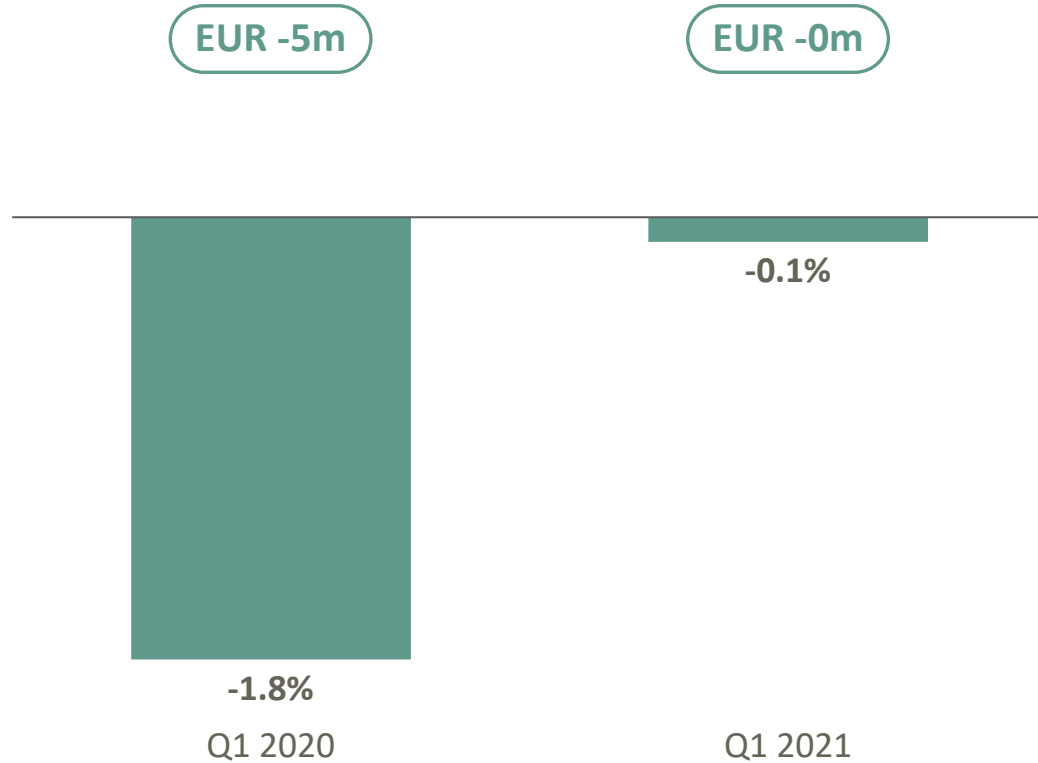


Note: All figures unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the restructuring of the Italian and French business.

# Net Working Capital negative at EUR -0.3m; CAPEX ratio very low at 1.6% due to scale effects

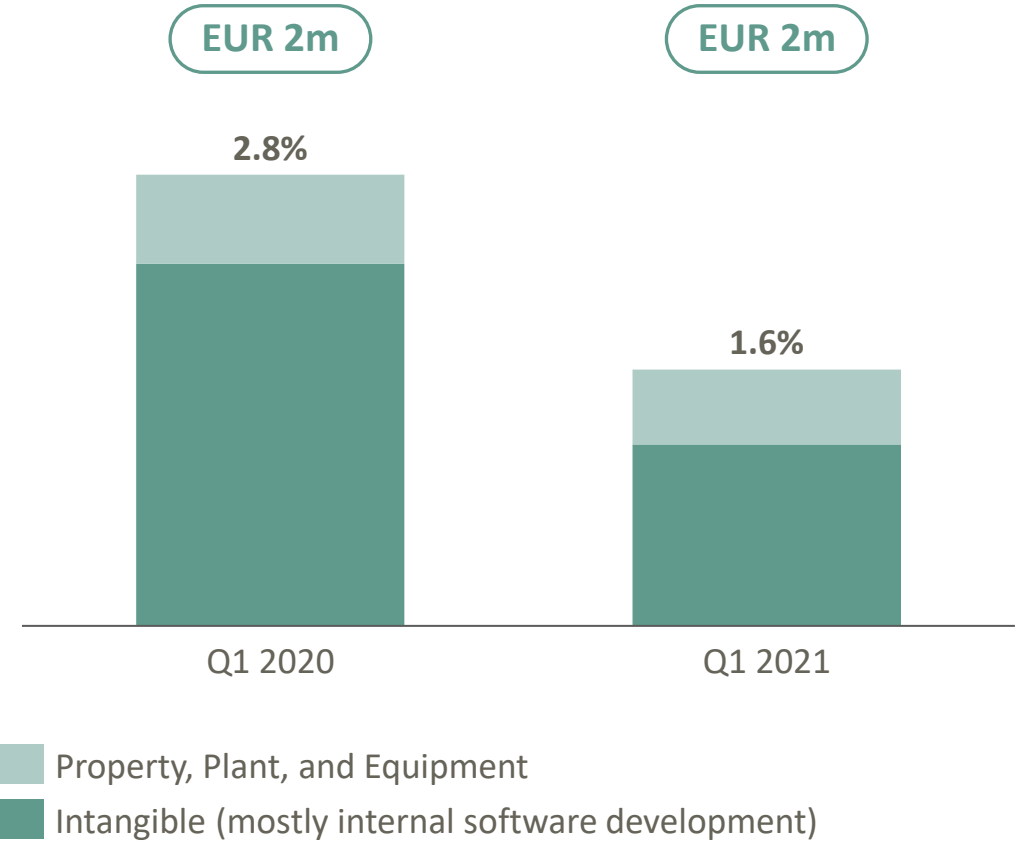
## Net Working Capital

(in EUR m and % of LTM revenue)



## Capex ratio

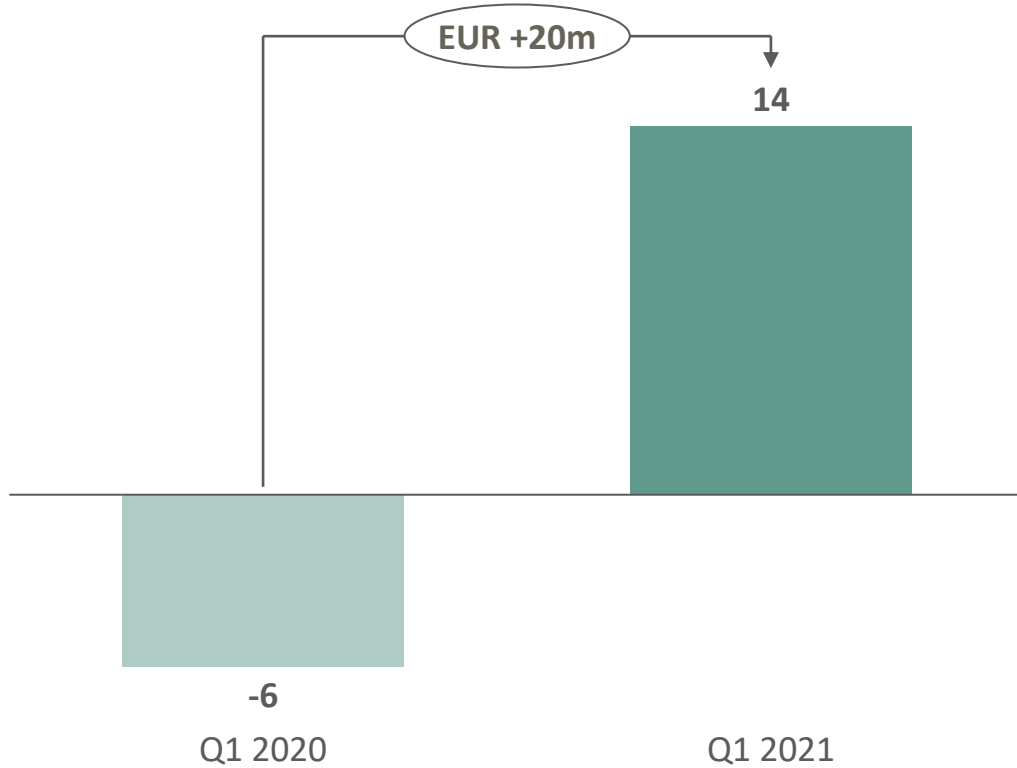
(in EUR m and as % of revenue)



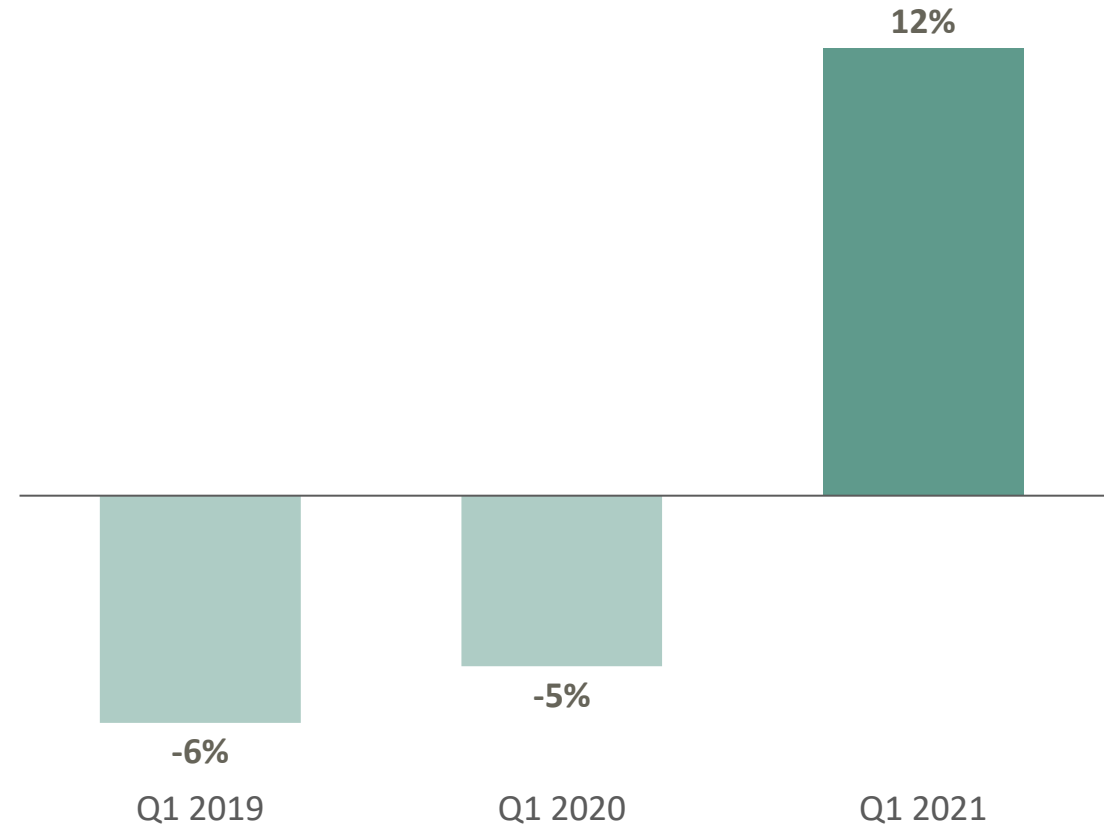


# Free Cash Flow improved by EUR +20m yoy to EUR 14m for Q1 2021; Free Cash Flow margin LTM at 12%

Free Cash Flow  
(in EUR m)

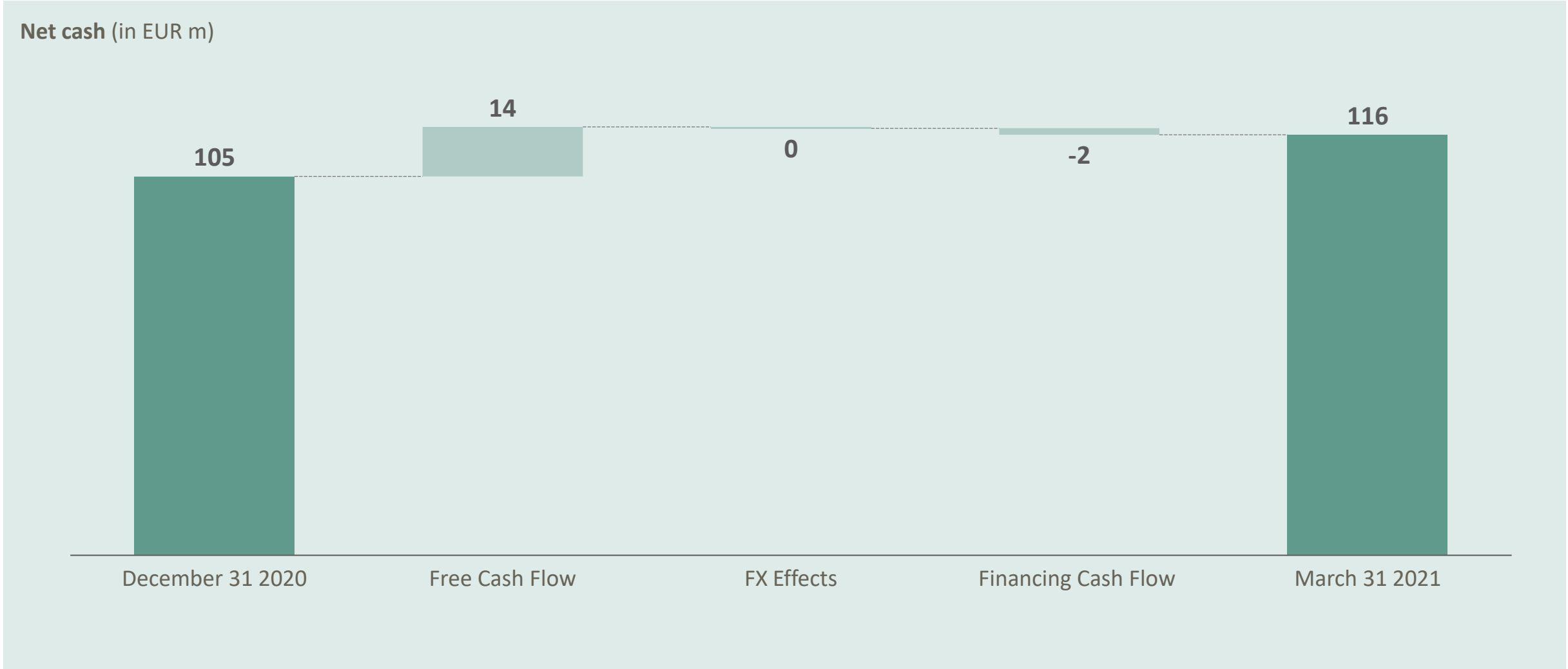


Free Cash Flow Margin LTM  
(in % of revenue)



Note: All figures unaudited. Free Cash Flow defined as the sum of Operating Cash Flow and Investing Cash Flow.

# Strong Net Cash position of EUR 116m end of Q1 2021



Note: All figures unaudited.

# Guidance for FY 2021 confirmed

## Guidance FY 2021



**EUR 510-550m Revenue**  
(18-27% growth)



**EUR 42-55m Adj EBITDA**  
(8-10% margin)

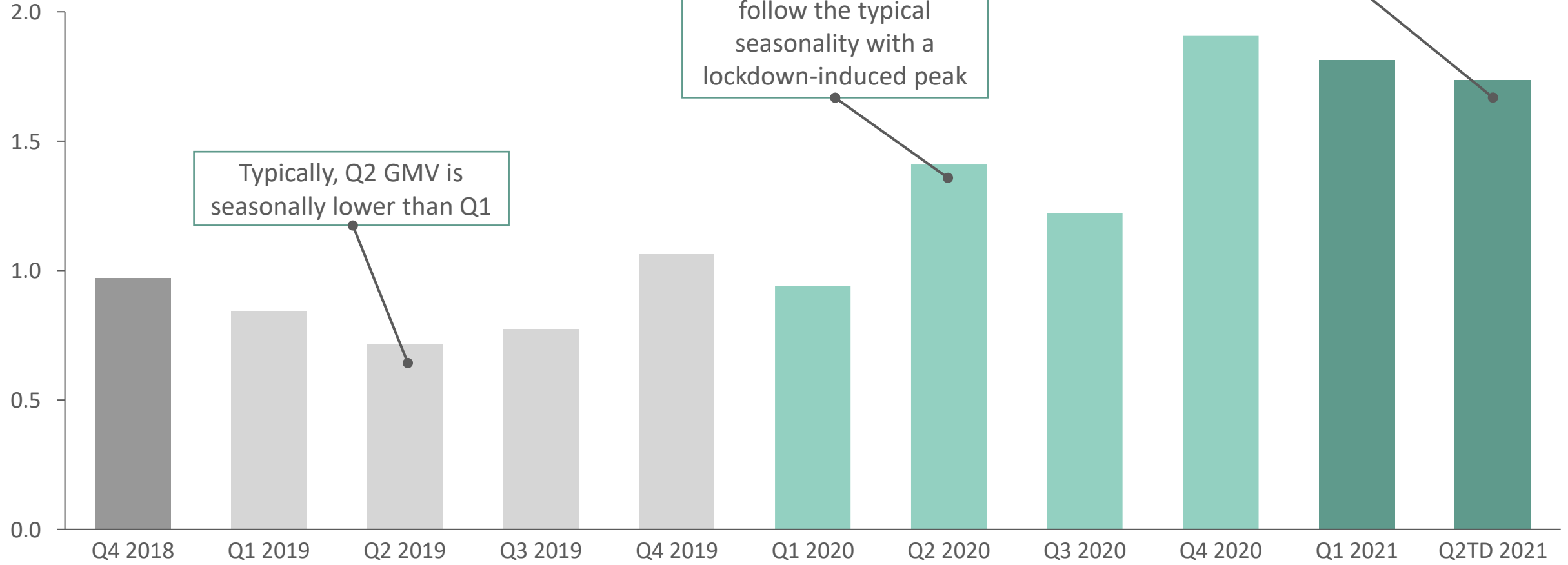
## Comments

- Based on strong Q1 and a good start into Q2, the **guidance for FY 2021 is being confirmed**
- **Growth rates are expected to be volatile** as we are now comparing against the strong baseline from last year
- We acknowledge **uncertainty** around the impact of reopening economy as the pandemic will start to wind down



# Our absolute Daily average GMV follows historic seasonality patterns while we show lower growth rates vs. 2020 baseline

Daily average GMV (in EUR m)



Q&A





# Further updates on our strategy today at our Virtual Capital Markets Day

**Westwing's  
unique business model**



**Westwing's  
love brand**



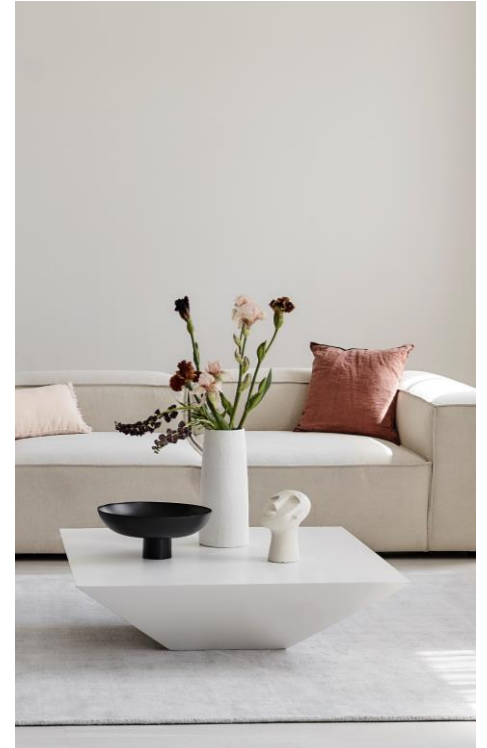
**Strategy and  
Targets 2024/25**



**Financials**



**Q&A**



**Westwing Virtual Capital Markets Day, Today at 3:00pm (CEST)**





Q&A

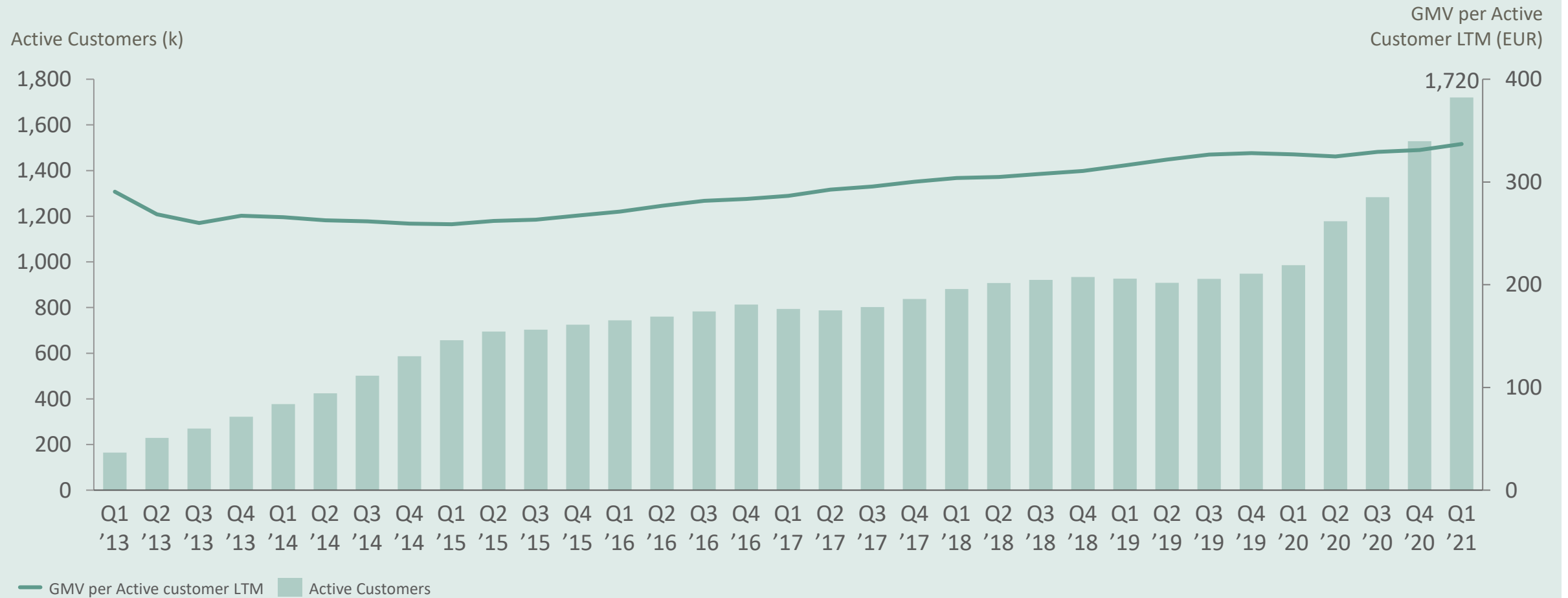


# Appendix



# Growing Active Customer base while expanding share of wallet

Active Customers and GMV per Active Customer (in #k and EUR)

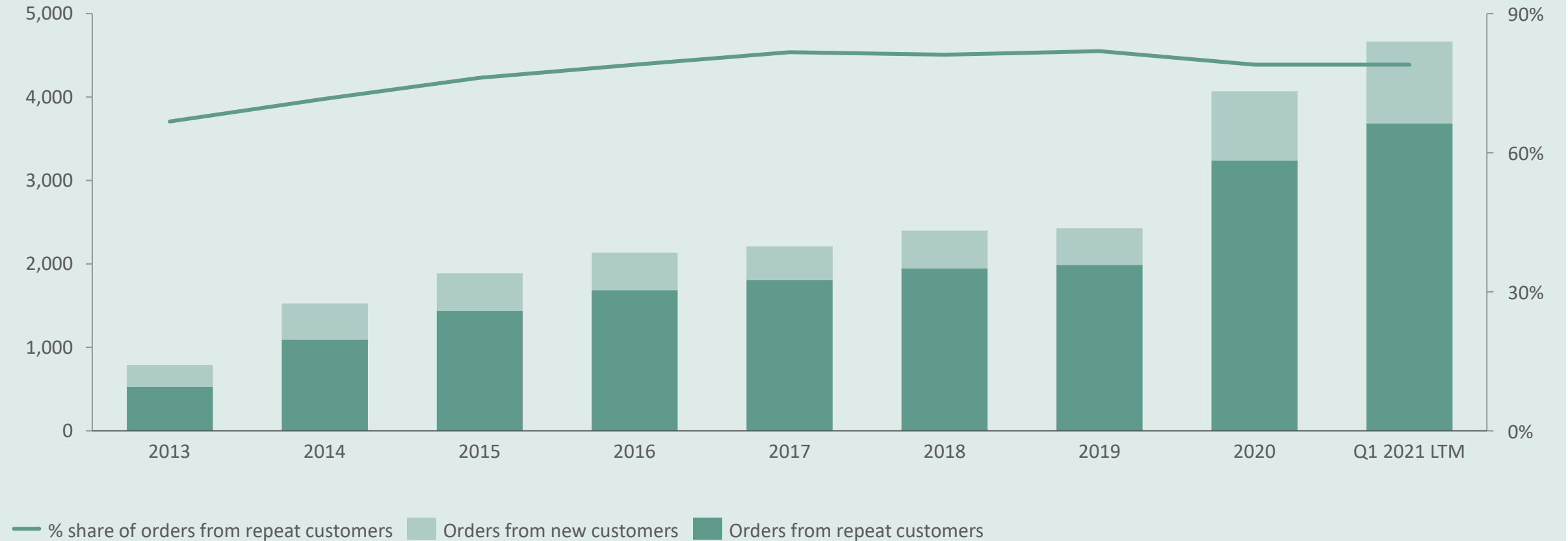


Note: All figures unaudited. Active customer defined as a customer who has made a valid order within the last 12 months.

# Loyalty-driven business model results in exceptional repeat order rates

Orders and repeat order share (in #k and % of total orders)

Number of orders (#k)



Note: All figures unaudited. Repeat orders defined as total number of valid orders (excluding failed and cancelled orders) from customers, which have placed a valid order before at Westwing.



# KPI overview

Group KPIs	Unit	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021
Westwing Collection share	in % of GMV	13%	15%	18%	18%	21%	22%	27%	25%	25%	22%	26%	28%	31%
Active customers	in k	881	907	921	934	927	909	926	949	986	1,178	1,284	1,529	1,720
Number of orders	in k	611	555	507	726	591	492	539	805	675	1,051	874	1,474	1,268
Average basket size	in EUR	119	120	124	122	129	132	132	121	127	122	129	119	129
Average orders LTM per active customer	in #	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.5	2.6	2.7	2.7	2.7
Average GMV LTM per active customer	in EUR	302	305	307	312	318	322	326	327	324	325	330	328	337
GMV	in EUR m	72	67	63	89	76	65	71	98	85	128	113	175	164
Mobile visit share	in %	72%	73%	74%	74%	75%	76%	77%	76%	76%	79%	80%	79%	79%

## KPI definitions

Westwing Collection share	GMV share of Westwing Collection (formerly "Own & Private Label"): GMV of Westwing Collection business as % of GMV Group in the same reporting period
Active customers	A customer who has made a valid order within the last 12 months
Number of orders	Total number of valid orders (excluding failed and cancelled orders) of a reporting period
Average basket size	Weighted average value of an order: GMV divided by total number of orders of the same reporting period
Average orders LTM per active customer	Total number of orders of the last 12 months divided by active customers of a reporting period
Average GMV LTM per active customer	GMV of the last 12 month divided by active customers
GMV	Gross Merchandise Volume: Value of all valid customer orders placed of a reporting period (i.e. excluding cancelation and VAT, but including returns).
Mobile visit share	Share of daily unique visits per platform via mobile devices (tablets and smartphones) as % of all daily unique visits per platform of a reporting period

Note: All figures unaudited.

# Consolidated income statement

EUR m, in % of revenue, unaudited	FY 2019	FY 2020	Q1 2020	Q1 2021
<b>Revenue</b>	<b>267</b>	<b>433</b>	<b>68</b>	<b>138</b>
Cost of Sales	-148	-219	-36	-68
<b>Gross profit</b>	<b>119</b>	<b>214</b>	<b>32</b>	<b>70</b>
Fulfilment expenses	-63	-86	-15	-27
Marketing expenses	-23	-31	-6	-10
General and administrative expenses	-65	-65	-15	-19
Other operating expenses	-2	-4	-1	-0
Other operating income	1	3	1	0
<b>Operating result</b>	<b>-33</b>	<b>31</b>	<b>-5</b>	<b>14</b>
Financial result	-4	-4	-1	-1
<b>Result before income tax</b>	<b>-37</b>	<b>28</b>	<b>-6</b>	<b>13</b>
Income tax expense	-1	2	-0	-2
<b>Result for the period</b>	<b>-38</b>	<b>30</b>	<b>-6</b>	<b>11</b>
<b>Reconciliation to Adj EBITDA</b>				
<b>Operating result (EBIT)</b>	<b>-33</b>	<b>31</b>	<b>-5</b>	<b>14</b>
Share-based compensation expenses	11	8	2	3
Restructuring France and Italy	2	-0	-0	-0
D&A	9	11	2	3
<b>Adj. EBITDA</b>	<b>-10</b>	<b>50</b>	<b>-1</b>	<b>20</b>
<b>Adj EBITDA margin (%)</b>	<b>-3.8%</b>	<b>11.5%</b>	<b>-1.8%</b>	<b>14.2%</b>

Note: All figures unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the restructuring of the Italian and French business. Previous-year figures for share-based compensation restated according to IAS 8.

# Adjusted income statement

EUR m, in % of revenue, unaudited	FY 2019	FY 2020	Q1 2020	Q1 2021
<b>Revenue</b>	<b>267</b>	<b>433</b>	<b>68</b>	<b>138</b>
<i>Revenue Growth YoY</i>	5.3%	62.0%	10.0%	104.9%
Cost of Sales	-148	-219	-36	-68
<b>Gross Profit</b>	<b>119</b>	<b>214</b>	<b>32</b>	<b>70</b>
<b>Gross Margin</b>	<b>44.6%</b>	<b>49.4%</b>	<b>46.7%</b>	<b>50.6%</b>
Fulfillment expenses	-62	-86	-15	-27
Contribution profit	57	128	16	43
<b>Contribution margin</b>	<b>21.4%</b>	<b>29.5%</b>	<b>24.3%</b>	<b>31.2%</b>
Marketing expenses	-23	-31	-6	-10
General and administrative expenses	-52	-57	-13	-17
Other operating expenses	-2	-4	-1	-0
Other operating income	1	3	1	0
Depreciation and Amortization	9	11	2	3
<b>Adj EBITDA</b>	<b>-10</b>	<b>50</b>	<b>-1</b>	<b>20</b>
<b>Adj EBITDA Margin</b>	<b>-3.8%</b>	<b>11.5%</b>	<b>-1.8%</b>	<b>14.2%</b>

Note: All figures unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the restructuring of the Italian and French business.

# Segment reporting

DACH in EUR m, unaudited	FY 2019	FY 2020	Q1 2020	Q1 2021
Revenue	151	243	38	79
YOY Growth (in %)	14%	60%	12%	110%
Adj. EBITDA	0	41	1	16
Adj. EBITDA Margin (in %)	-0.3%	16.9%	2.4%	19.9%

International in EUR m, unaudited	FY 2019	FY 2020	Q1 2020	Q1 2021
Revenue	116	190	30	59
YOY Growth (in %)	-4%	64%	7%	98%
Adj. EBITDA	-9	9	-2	4
Adj. EBITDA Margin (in %)	-8.1%	4.8%	-6.7%	6.7%

Note: All figures unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the restructuring of the Italian and French business.



# Net Working Capital Bridge

Net Working Capital (NWC) breakdown as of March 31, 2021 (EUR m)



Note: All figures unaudited.

# Issued share capital

## Share Information *as of March 31, 2021*

Type of Shares	Ordinary bearer shares with no-par value (Stückaktien)
Stock Exchange	Frankfurt Stock Exchange
Market Segment	Regulated Market (Prime Standard)
Number of Shares issued	20,903,968
Issued Share Capital	EUR 20,903,968
Treasury Shares	538,250

## Stock Option Programs *as of March 31, 2021*

Program	# of options outstanding	Weighted average exercise price (EUR)
VSOP 2019 <sup>(1)</sup>	818,000	1.00 <sup>(1)</sup>
LTIP 2019 <sup>(2)</sup>	1,948,200	19.30 <sup>(2)</sup>
LTIP 2016	150,600	0.01
Other	950,500	9.38
<b>Total</b>	<b>3,867,300</b>	<b>12.24</b>

Note: All figures unaudited. (1) VSOP 2019 is a virtual, cash-settled option program which is capped at EUR 19.00, vesting end of 2022. (2) LTIP 2019 vesting end of 2022.

## Upcoming Events

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Date	Event
<b>May 12, 2021</b>	Westwing Capital Markets Day
<b>May 18, 2021</b>	Berenberg: US Conference 2021
<b>August 5, 2021</b>	Annual General Meeting
<b>August 12, 2021</b>	Publication of Q2 2021 results
<b>September 20, 2021</b>	Berenberg: German Corporate Conference
<b>September 20-24, 2021</b>	Baader: Investment Conference Small Cap Day
<b>November 11, 2021</b>	Publication of Q3 2021 results