



# WESTWING

FY 2021 Results

Munich, March 29, 2022

## 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
- Summary & Q&A
- Appendix



## Business Update



# Update on the conflict in Ukraine

## How we are supporting

- Westwing has donated EUR 100,000 in emergency aid to Caritas International
- Flexible vacation and breaks offered to Ukrainian team members to deal with family matters
- Legal, visa and relocation and mental health assistance for impacted team members provided through our external partners
- Collection drive conducted by our teams in partnership with the Ukrainian Church of Mary Protection in Munich as well as Municipal Help Point in Poznan, close to Westwing's warehouses
- Donations of Westwing inventory for immediate use for refugees



## Impact to our operations

- Ukraine is the 3<sup>rd</sup> largest nationality at the Westwing team, with >300 team members plus temporary warehouse workers
- Limited impact on warehouse operations so far
- Trucking and other areas with Eastern European workers might be affected, but not visible right now
- Significant share of wood for furniture is coming from Ukraine, Russia, Belarus; we are working with suppliers and partners to source wood from other countries
- Generally, there is a high risk and low visibility on consumer/market sentiment

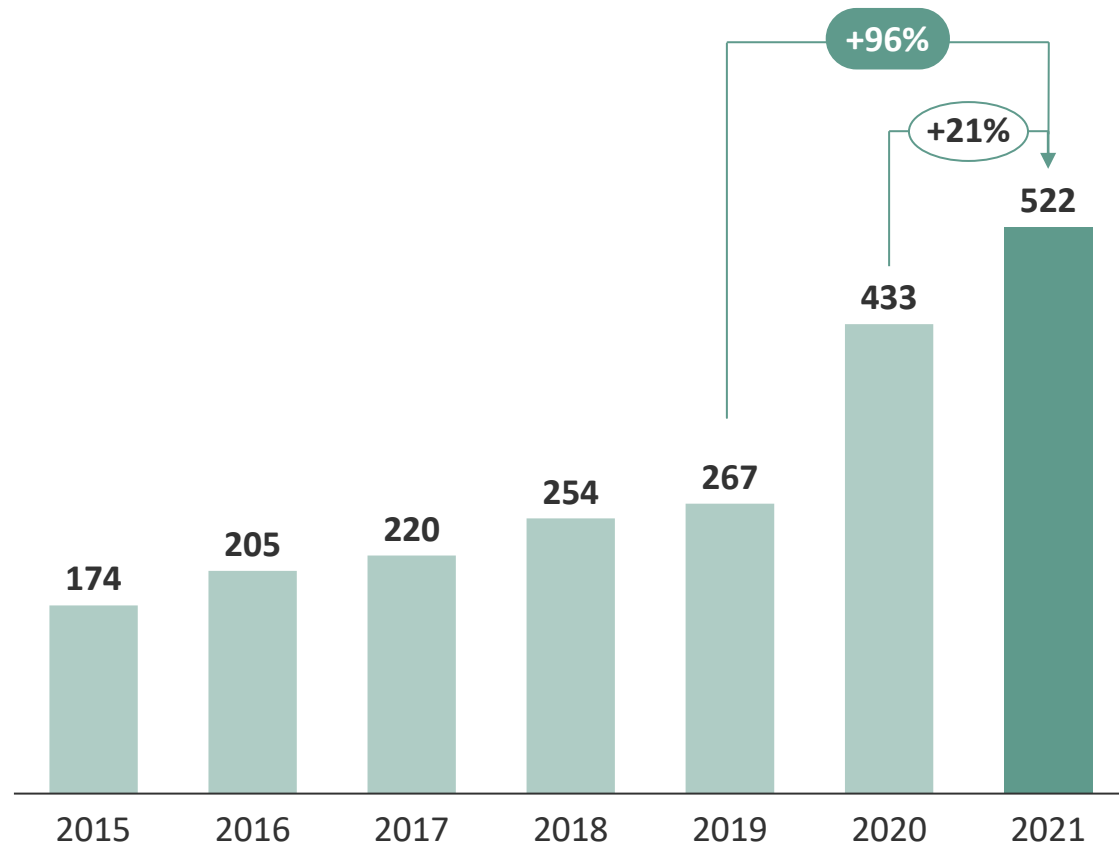
# 2021 Summary

FY 2021 RESULTS	<b>GROWTH</b>	<b>EUR 522m Revenue</b> , 21% growth on top of strong baseline from last year
	<b>PROFITABILITY</b>	Profit generation of <b>EUR 40m Adj. EBITDA</b> at 7.7% Adj. EBITDA margin
	<b>FREE CASH FLOW</b>	<b>Positive Free Cash Flow</b> of <b>EUR 2.7m</b> while financing inventory buffers against supply chain disruptions
<b>ACTIVE CUSTOMERS</b>	<b>Loyal active customer</b> base at 1.7m end of 2021, +11% vs. end of 2020 driven by existing as well as new customer acquisition	
<b>COHORT UPDATE</b>	<b>91% GMV retention in 2021</b> in line with a strong first half of the year followed by a weaker second half; 2021 and 2020 cohorts continue to behave in line with pre-pandemic cohort behavior	

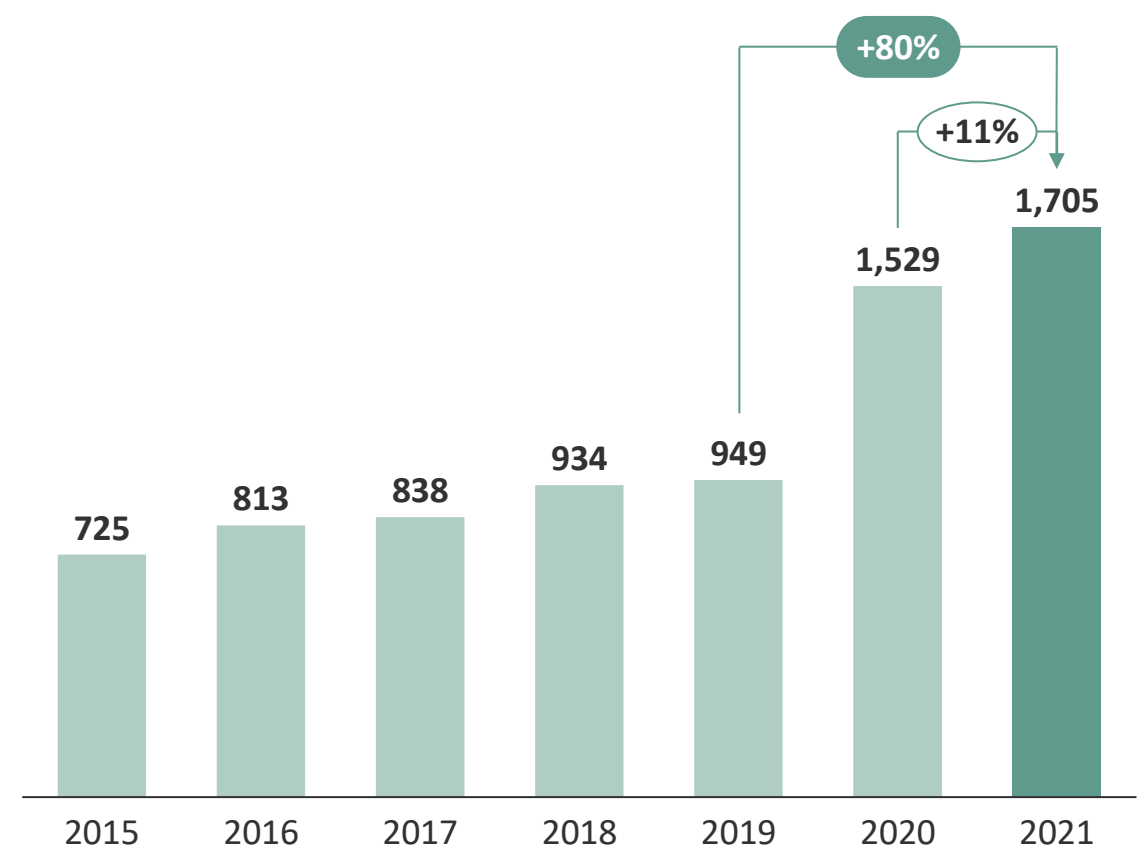
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# FY 2021 Revenue growth of 21% on top of an exceptionally high baseline from 2020; +96% growth vs. 2019

Revenue [in EUR m]



Active Customers LTM [in k]

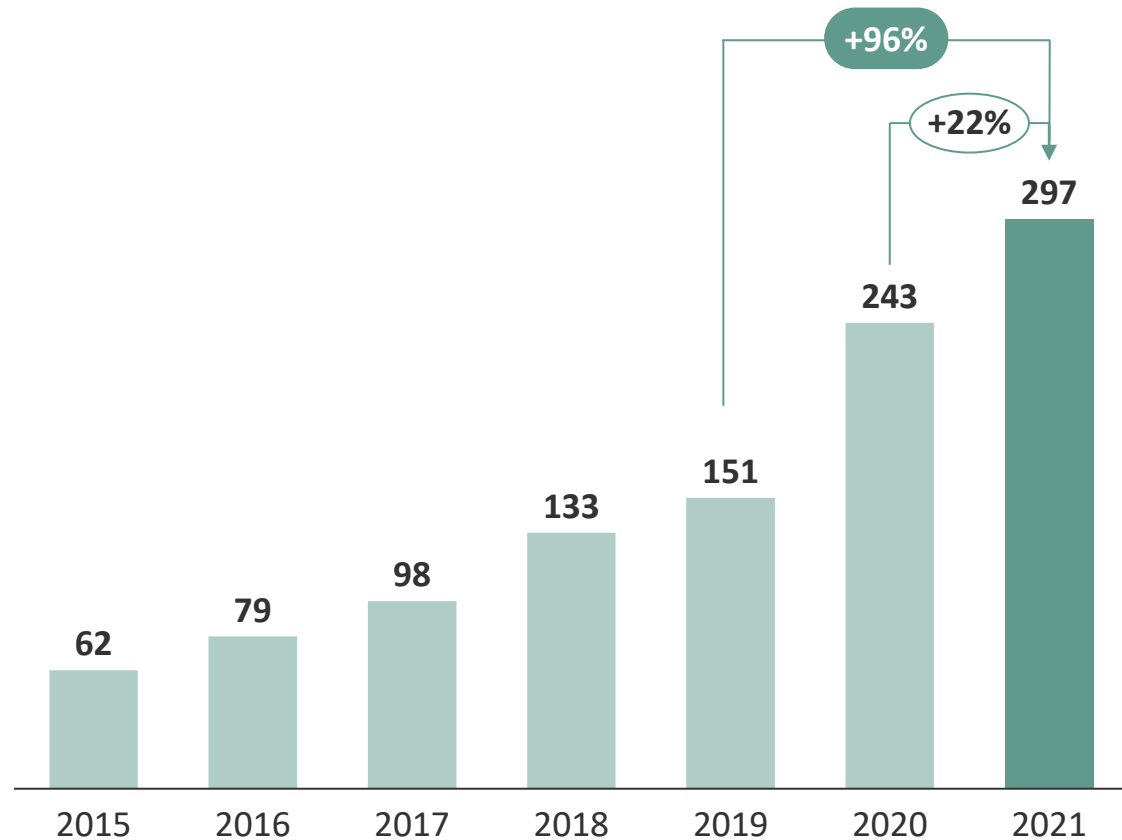


Note: All figures unaudited.

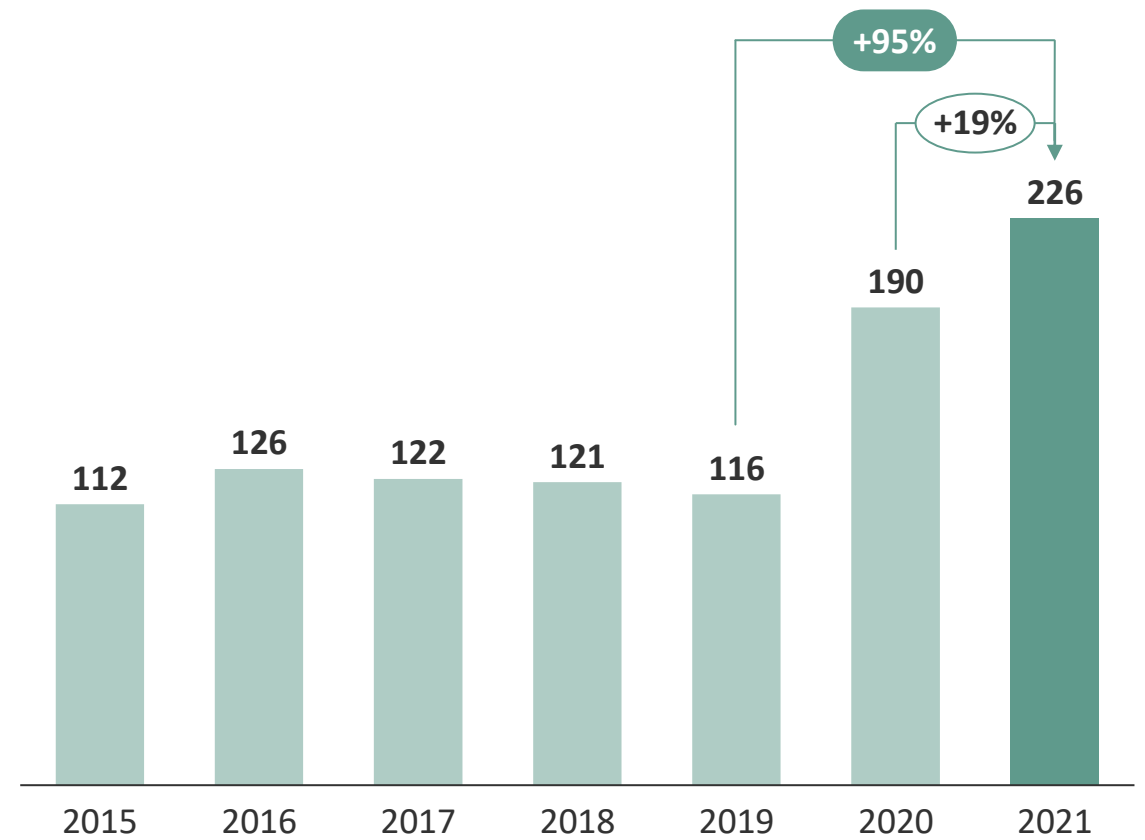


# Positive development across both the DACH and International segment

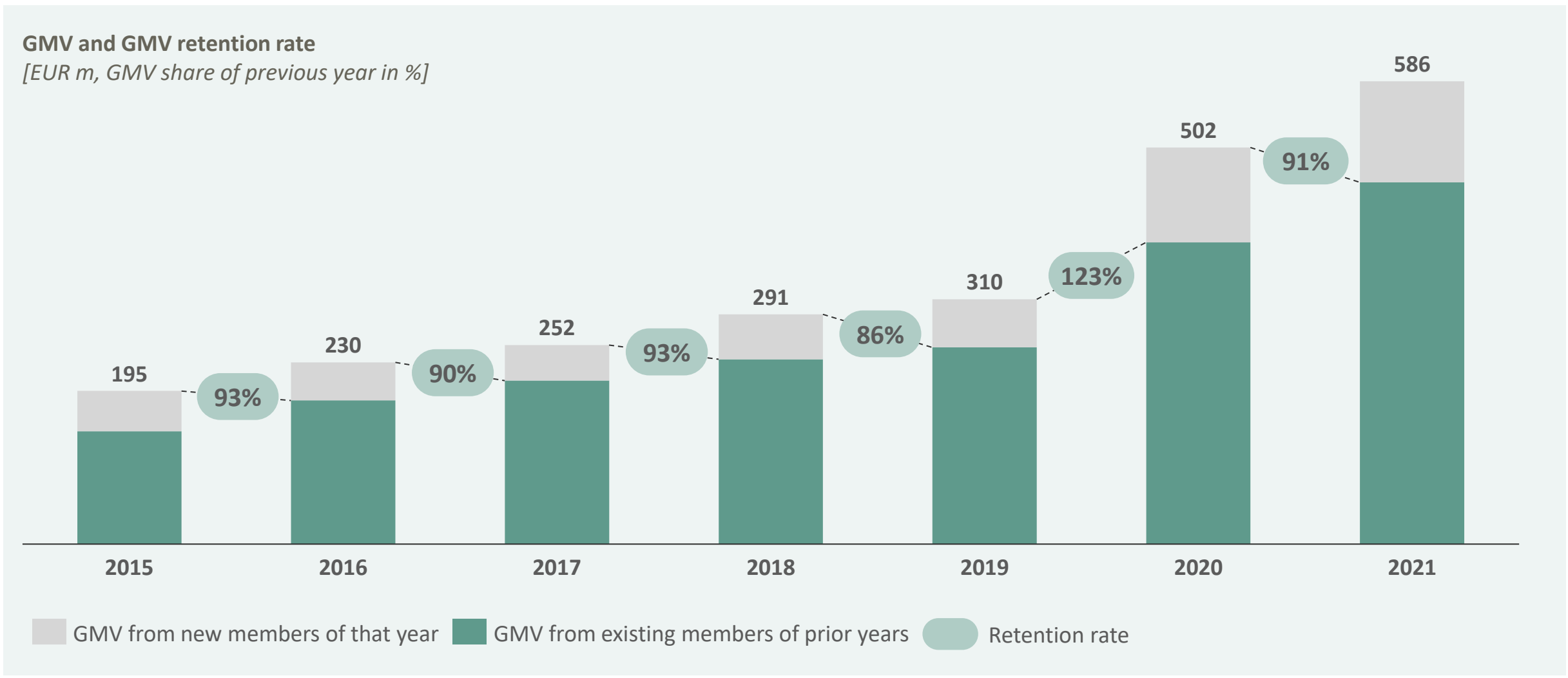
DACH segment revenue [in EUR m]



International segment revenue [in EUR m]



# Strong GMV retention in H1 2021 followed by a weaker H2 2021 leads to an overall full year retention rate of 91%

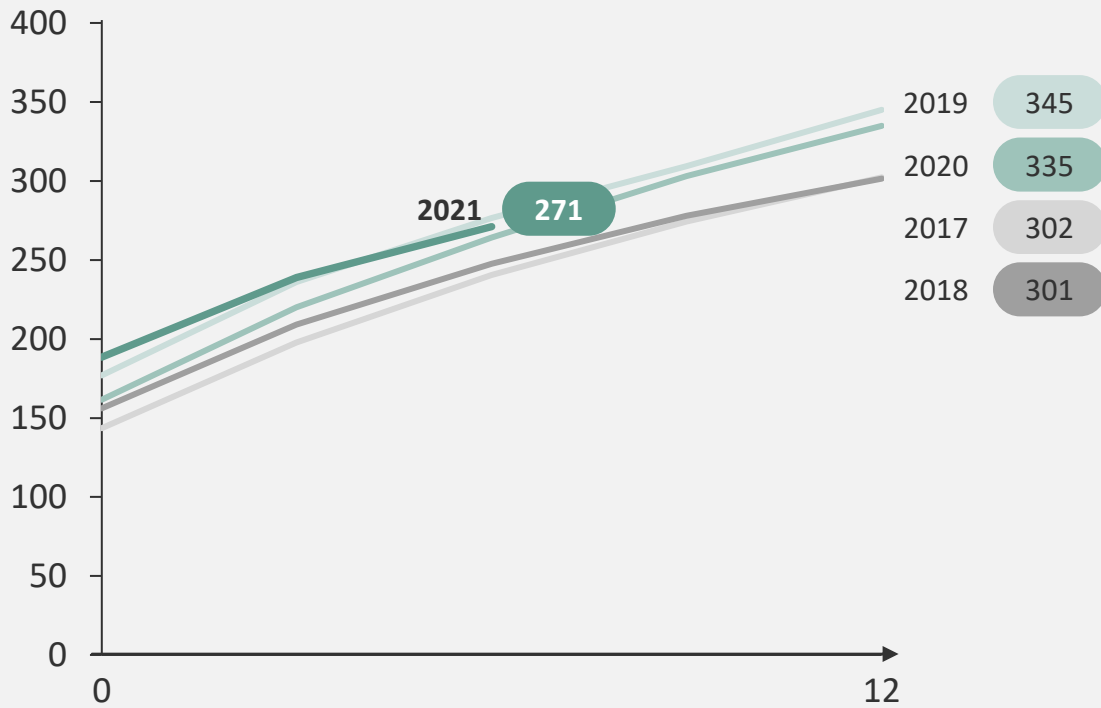


Note: Members are defined as successful registrations (incl. mail address). Cohorts of new vs. existing members are based on registration date.

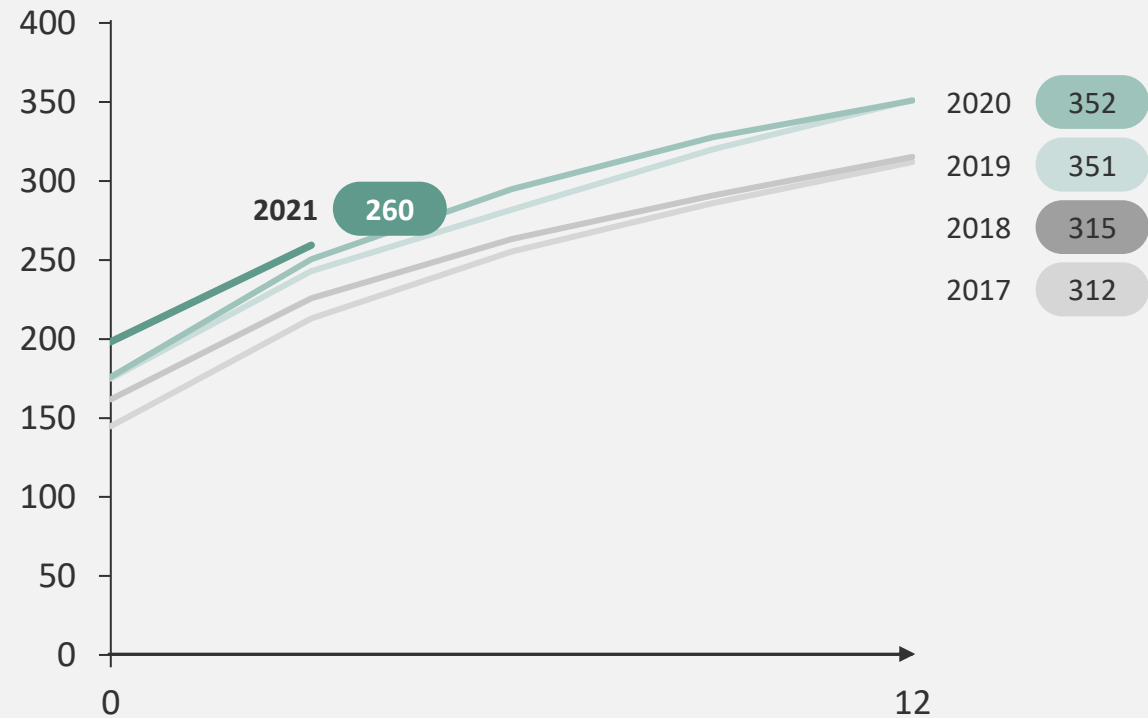
# 2020 and 2021 cohort behavior in line with pre-pandemic cohorts

Cumulative GMV per first time buyer<sup>(1)</sup>  
[in months after first purchase]

Q2 cohort



Q3 cohort



Cohorts: — 2017 — 2018 — 2019 — 2020 — 2021

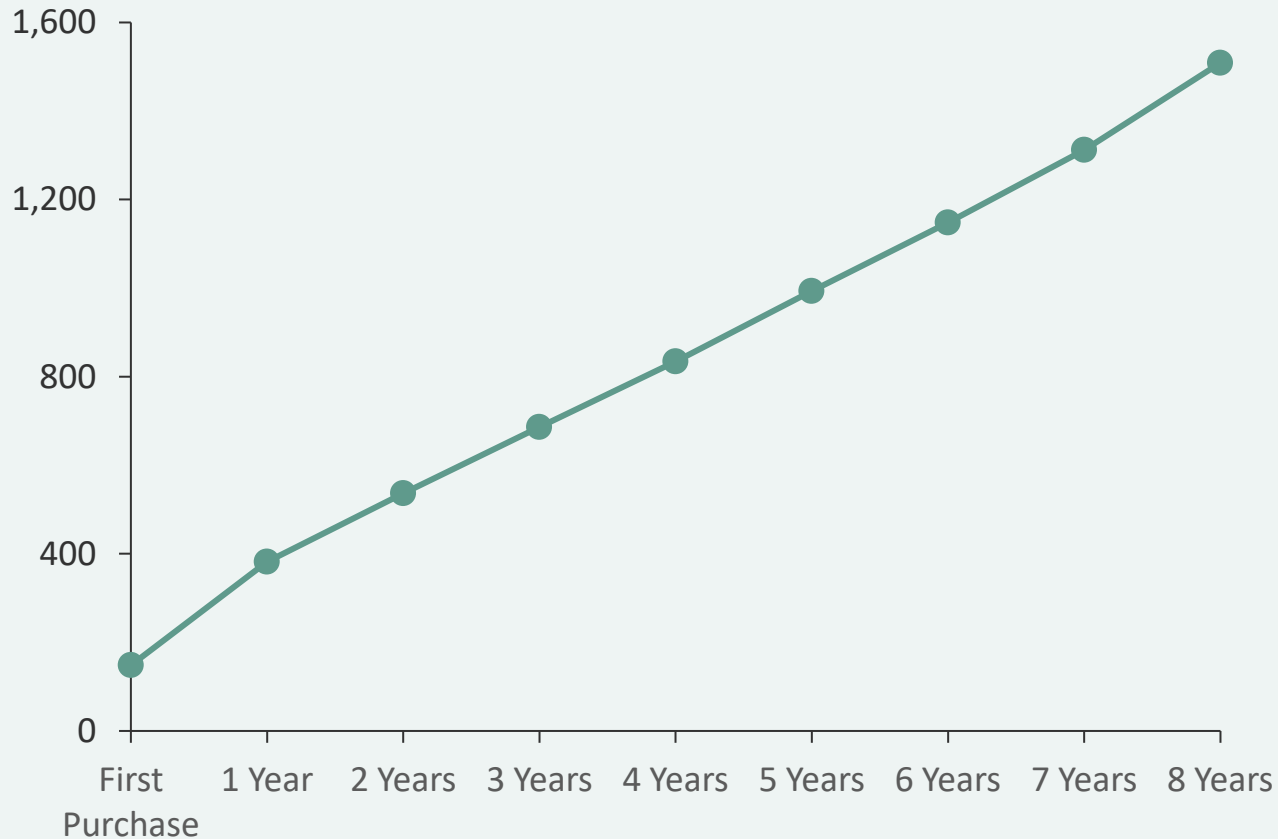
Note: All figures unaudited.

(1) In calendar months where the first month of purchase equals month 0.



# Loyalty of our customers results in a very attractive customer lifetime spend

Cumulative GMV per DACH customer over 8 years [EUR]



## 1,500 EUR GMV after 8 years

Loyal customer base results in a very high lifetime spend



## 8 years and counting

Customer lifetime spend continues to increase and increase, it doesn't stop

# Strategic update 2022: Managing a very uncertain 2022 by navigating growth with a long-term focus and protecting profitability



1

Protecting topline in a dynamic and uncertain macro environment, while managing profitability levels alongside inflationary headwinds and continued supply chain challenges

2

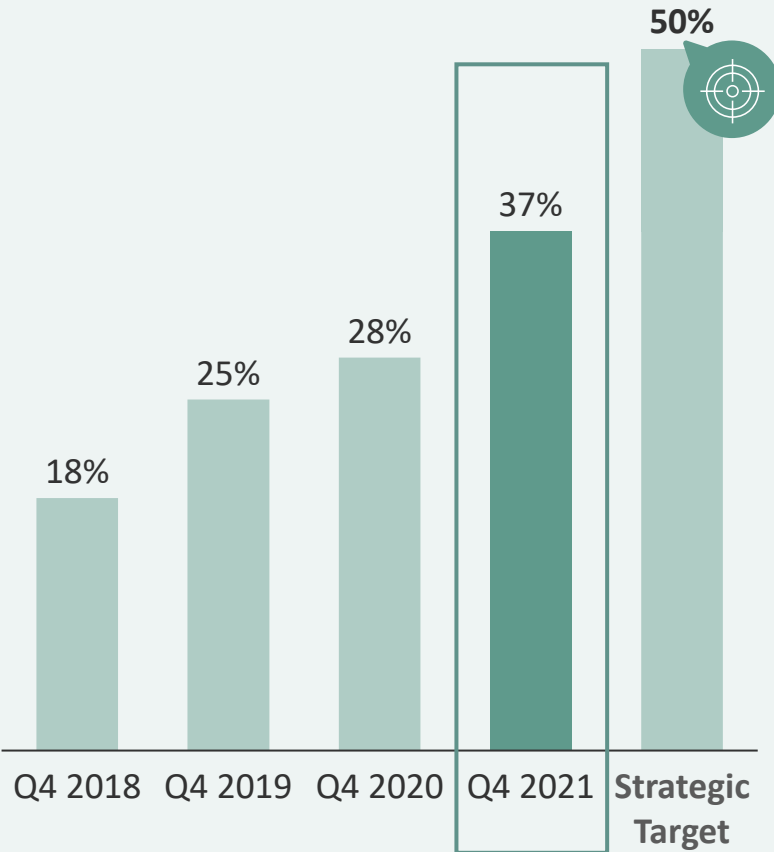
Driving strategic investments for long-term growth in line with our Customer Experience 2.0 strategy

3

Remaining long-term oriented by focusing on key areas to enable future growth, despite the short-term macro developments

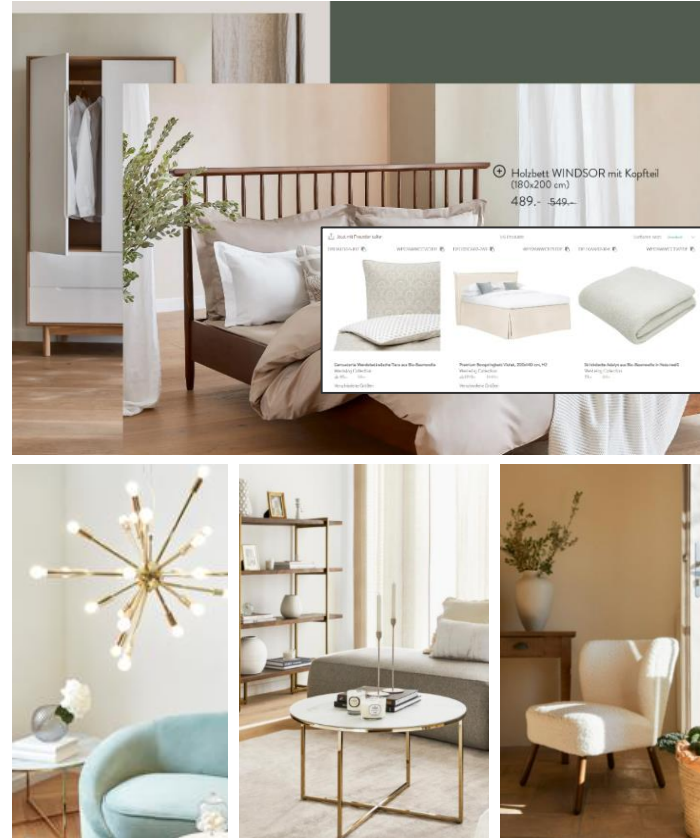
# Our high-margin Westwing Collection continues to be on track towards the 50% strategic target share

Westwing Collection share [as % of GMV]



## WE CARE by Westwing Collection

Von uns entworfene Lieblingsstücke, die mit ausgewählten, nachhaltigen Materialien kreiert wurden. Die Superstars? Bio-Baumwolle, recycelte Materialien und FSC-zertifiziertes Holz



## 2021 Highlights

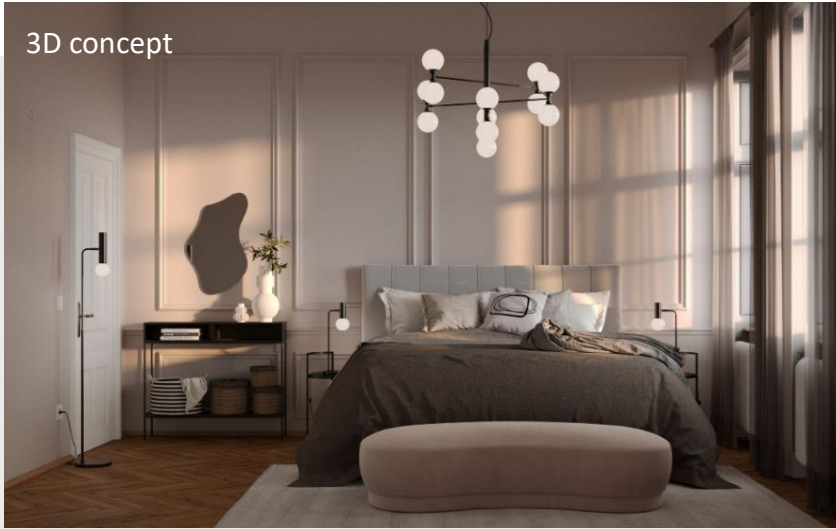
- **9%pts** improvement in Q4 2021 vs. Q4 2020 in Westwing Collection share (as % of GMV)
- FY 2021 Westwing Collection GMV: **EUR 200m** (+55% vs. FY 2020)
- Filter feature added to website for **sustainable Westwing Collection products**

## Initiatives for 2022

- **Category expansion** for future growth: textiles, wardrobes, decoration and tabletop
- **WE CARE** by Westwing Collection sustainable line launch and expansion
- Increasing share of Westwing Collection in the **International segment**



# New and innovative businesses powering future growth: (1/2): Provide unmatched customer experience with Westwing Studio



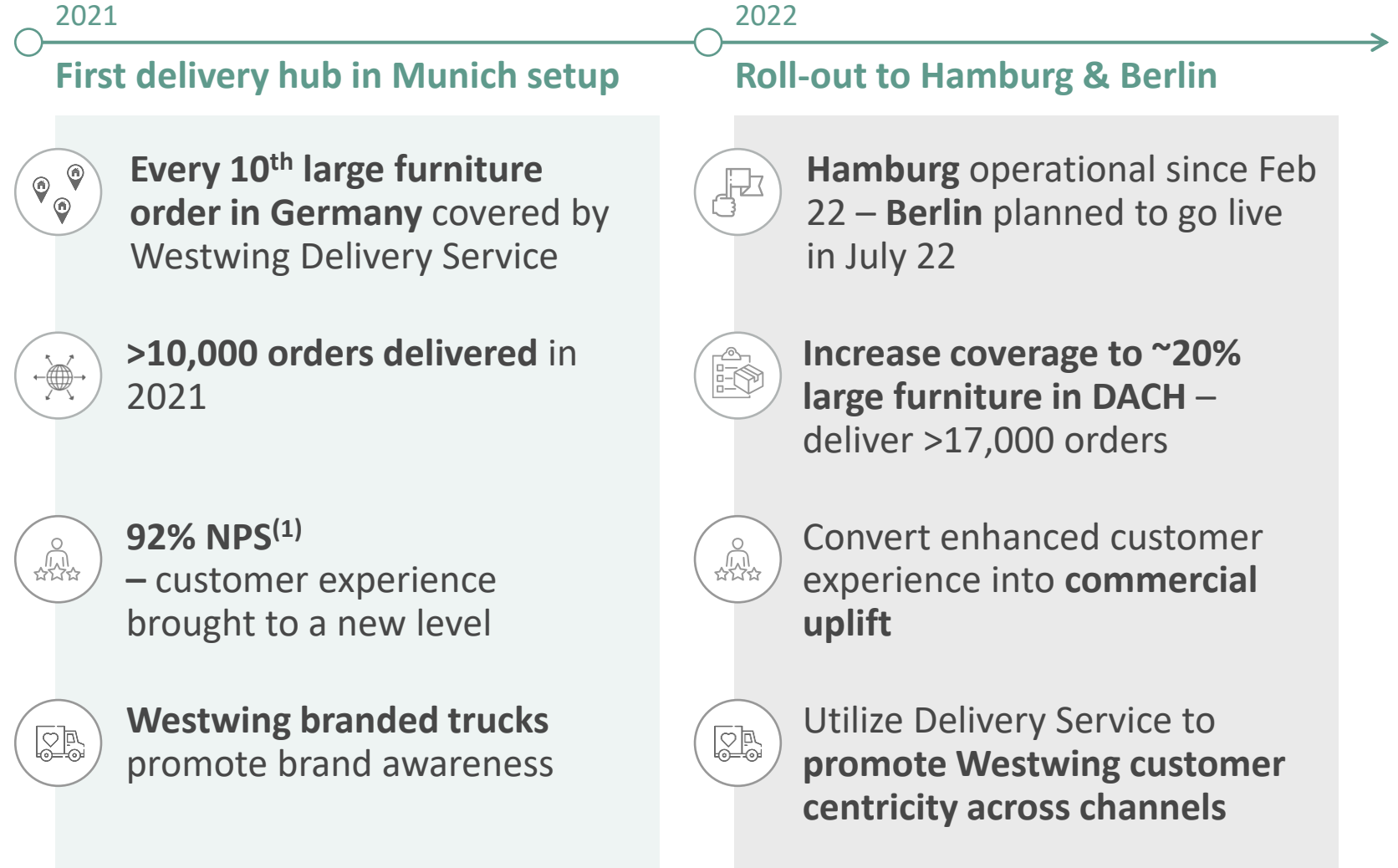
- ✓ Available countries  
Germany, France  
and Netherlands
- ✓ 7,100 individually  
designed rooms for  
4,800 customers in  
2021
- ✓ Average GMV per  
customer  
More than EUR 2,000

Focus 2022

⇒ Scaling service in  
existing countries

⇒ Differentiating our  
offering to customer  
segments

# New and innovative businesses powering future growth: (2/2): Successful multi-city rollout of Westwing Delivery Service



(1) Net Promoter Score, average score.



# Our ambition on sustainability: Enabling a sustainable way to live beautifully



Sustainability touches all parts of our business, from people to products and from customers to supply chain.

Our new **Sustainability Strategy 2030** accordingly covers all aspect of our **business model** based on our belief that there is a sustainable way to live beautifully.

  
*we  
care*

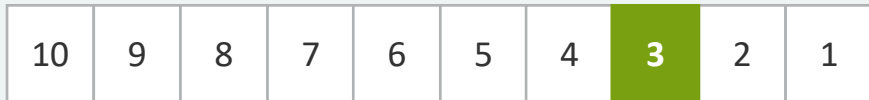
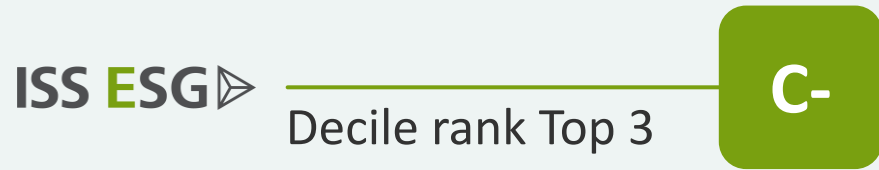
by **WESTWING**  
COLLECTION





# Sustainability is already deeply embedded into our operating model

Westwing is scored within the top 30% of our industry



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Selected sustainability initiatives already implemented

-  Climate neutral in our own operations since 2021
-  100% recycled<sup>(1)</sup> packaging
-  +100 campaigns with our WE CARE<sup>(2)</sup> label launched in 2021
-  90% of returns being resold on our site
-  99% of our (non-EU) suppliers for Westwing Collection audited on social aspects

Note: As of December 2021.

(1) Outbound packaging from our warehouses; valid for warehouses in Germany, Poland, and Italy. (2) “WE CARE” label is assigned to brands based on select sustainability criteria as defined by Westwing.

# Our Sustainability strategy 2030 sets clear focus areas and commitments to reach true sustainability in all part of our business



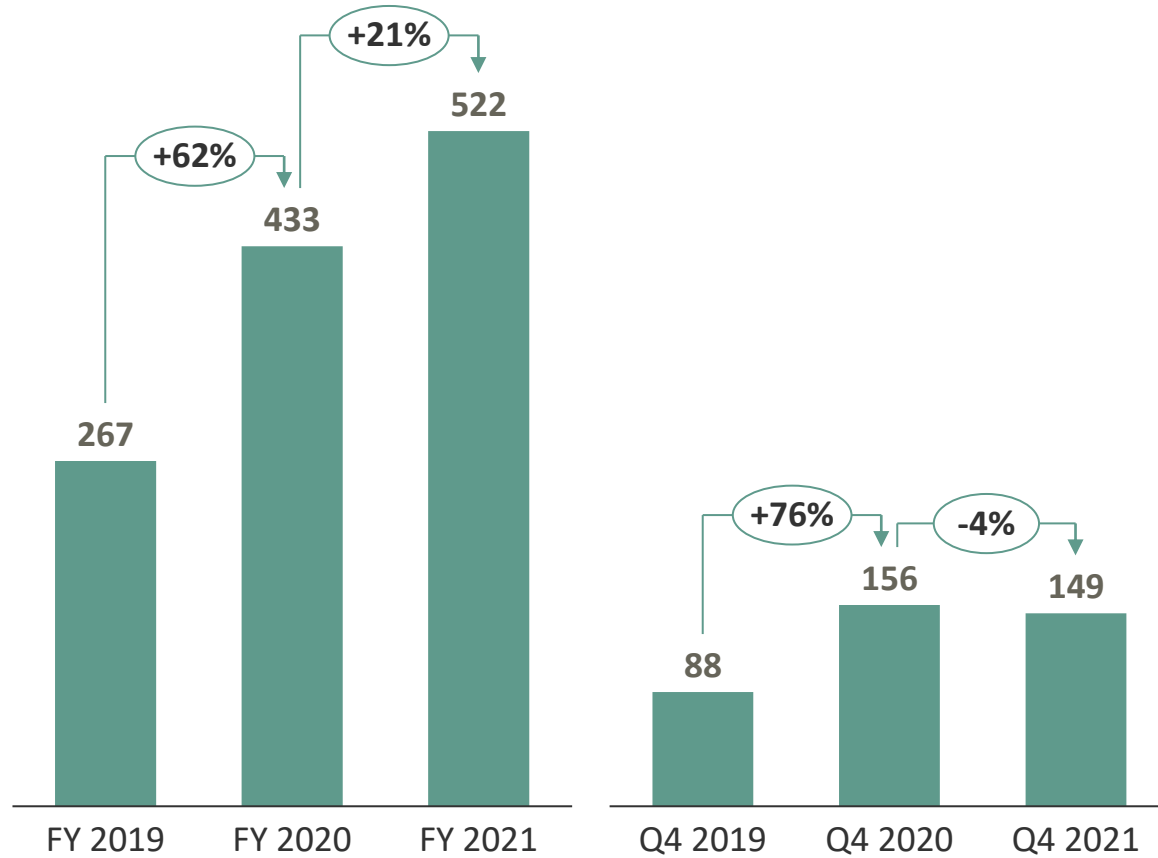
## Financial Update



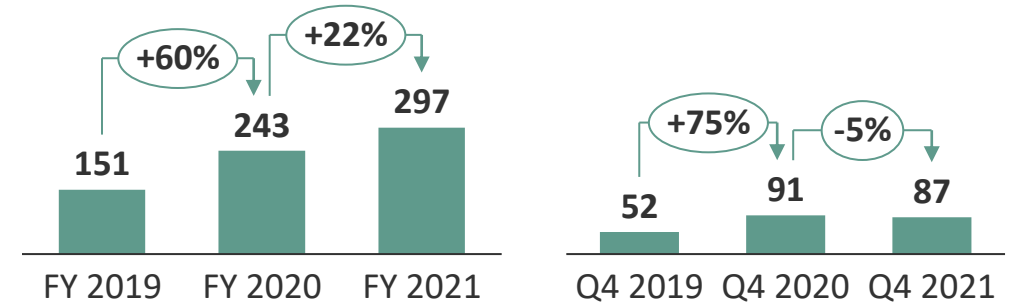


# Continued revenue growth of +21% in FY 2021, on top of last year's extraordinary baseline

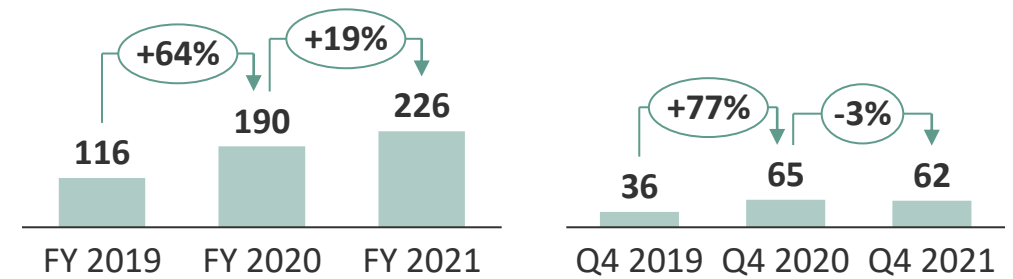
Group Revenue [in EUR m]



DACH Segment Revenue [in EUR m]



International Segment Revenue [in EUR m]



# Income statement details

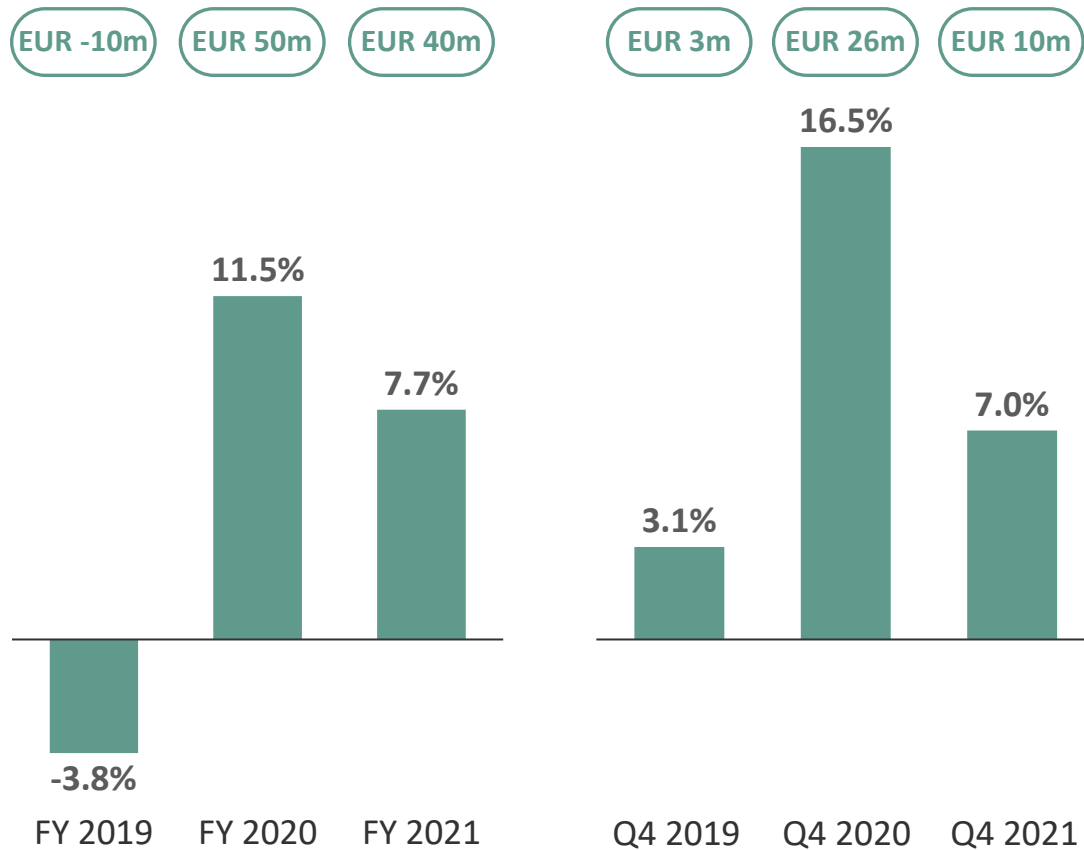
<i>[in % of revenue]</i>	Q4 2019	Q4 2020	Q4 2021	Delta 21 vs. 20	FY 2019	FY 2020	FY 2021	Delta 21 vs. 20	
<b>Gross margin</b>	47.1%	51.3%	47.6%	-3.8%	44.6%	49.4%	49.1%	-0.3%	Higher sea freight rates compensated by increased Westwing Collection share
<b>Fulfilment ratio</b>	-21.1%	-18.8%	-20.0%	-1.2%	-23.2%	-19.9%	-20.5%	-0.6%	Rise in logistics and warehousing costs due to temporary supply chain disruptions and inflation
<b>Contribution margin</b>	26.0%	32.5%	27.6%	-4.9%	21.4%	29.5%	28.7%	-0.9%	
<b>Marketing ratio</b>	-8.2%	-7.0%	-9.5%	-2.6%	-8.6%	-7.1%	-9.4%	-2.3%	Growth investments into Marketing
<b>G&amp;A ratio<sup>(1)</sup></b>	-17.7%	-11.0%	-13.4%	-2.5%	-20.0%	-13.3%	-14.0%	-0.7%	Growth investments into Technology and Westwing Collection
<b>D&amp;A ratio</b>	2.9%	1.9%	2.4%	+0.5%	3.4%	2.5%	2.5%	+0.0%	
<b>Adj. EBITDA margin</b>	3.1%	16.5%	7.0%	-9.5%	-3.8%	11.5%	7.7%	-3.8%	

(1) Includes "Other result".

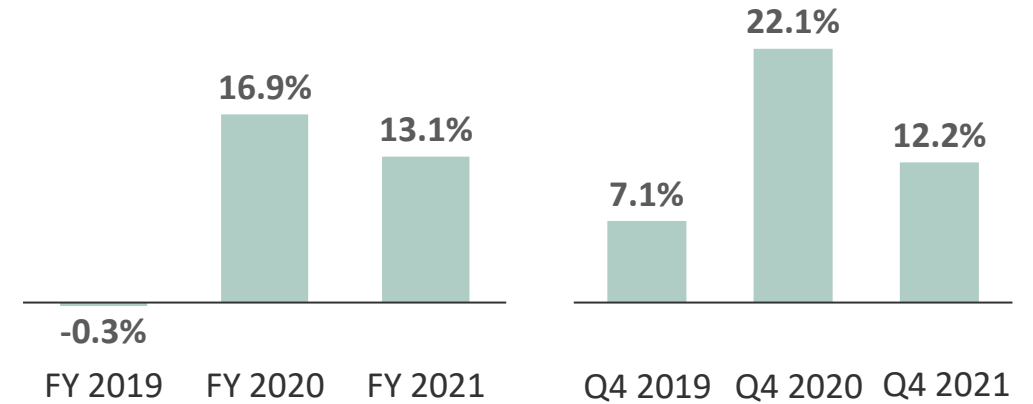
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# Full year profitability of 7.7% Adj. EBITDA margin on the back of supply chain disruptions and funding of growth investments

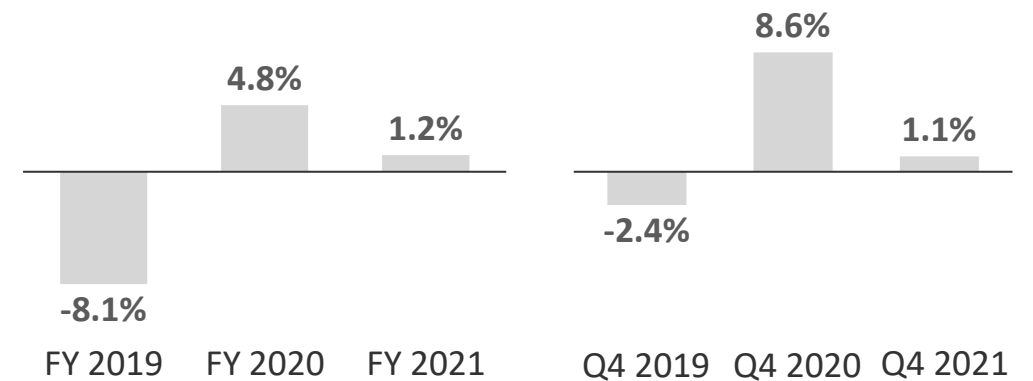
Group Adj. EBITDA [in % of revenue]



DACH Segment Adj. EBITDA [in % of revenue]



International Segment Adj. EBITDA [in % of revenue]

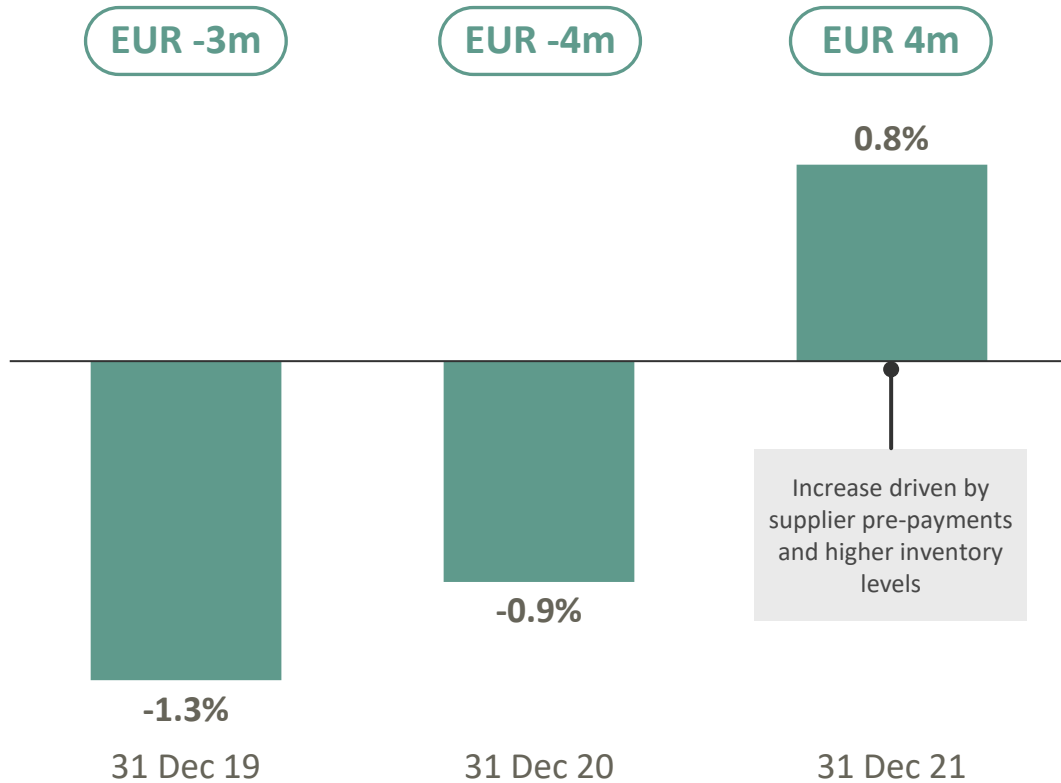


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# Net Working Capital end of 2021 temporarily positive at EUR 4m

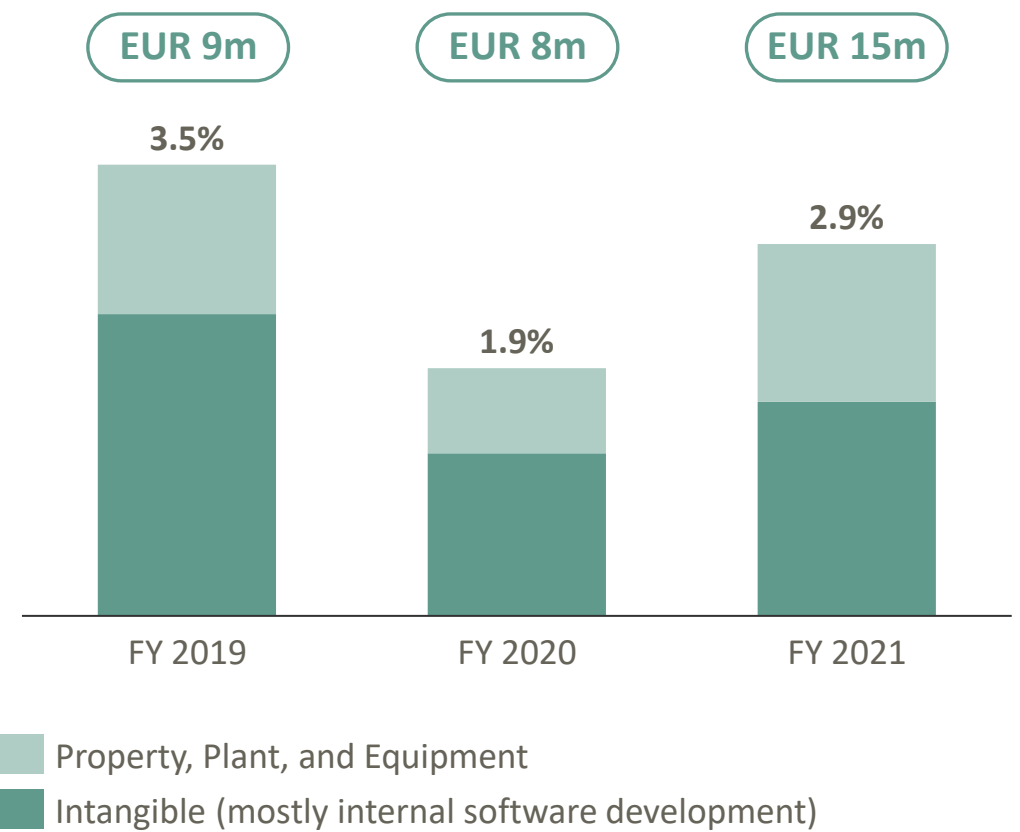
## Net Working Capital

[in EUR m and % of LTM revenue]



## Capex ratio

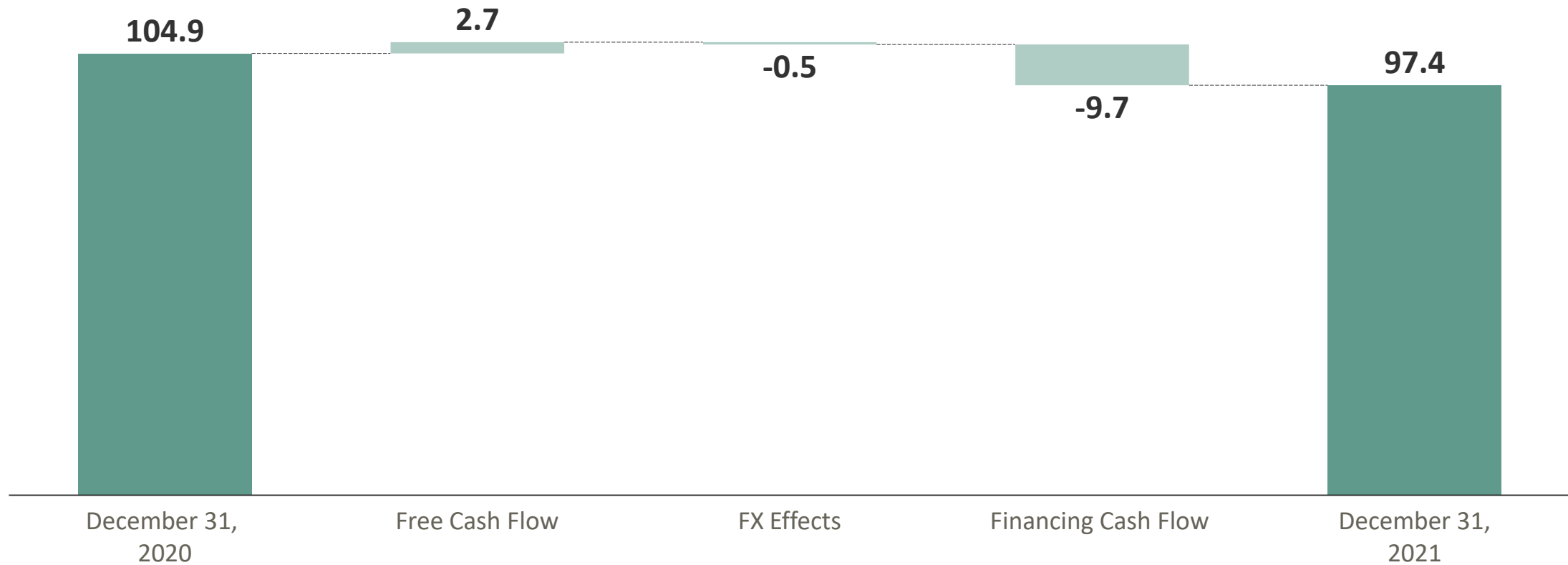
[in EUR m and as % of revenue]





# Positive Free Cash Flow of EUR 2.7m leads to strong Net Cash position of EUR 97m

FY 2021 Net Cash bridge  
*[in EUR m]*



## Guidance FY 2022



### EUR 460m to 540m Revenue

-12% to +3% yoy growth

Positive in H2 after baseline effects phase out



### EUR -9m to +16m Adj EBITDA

-2% to +3% Adj. EBITDA margin

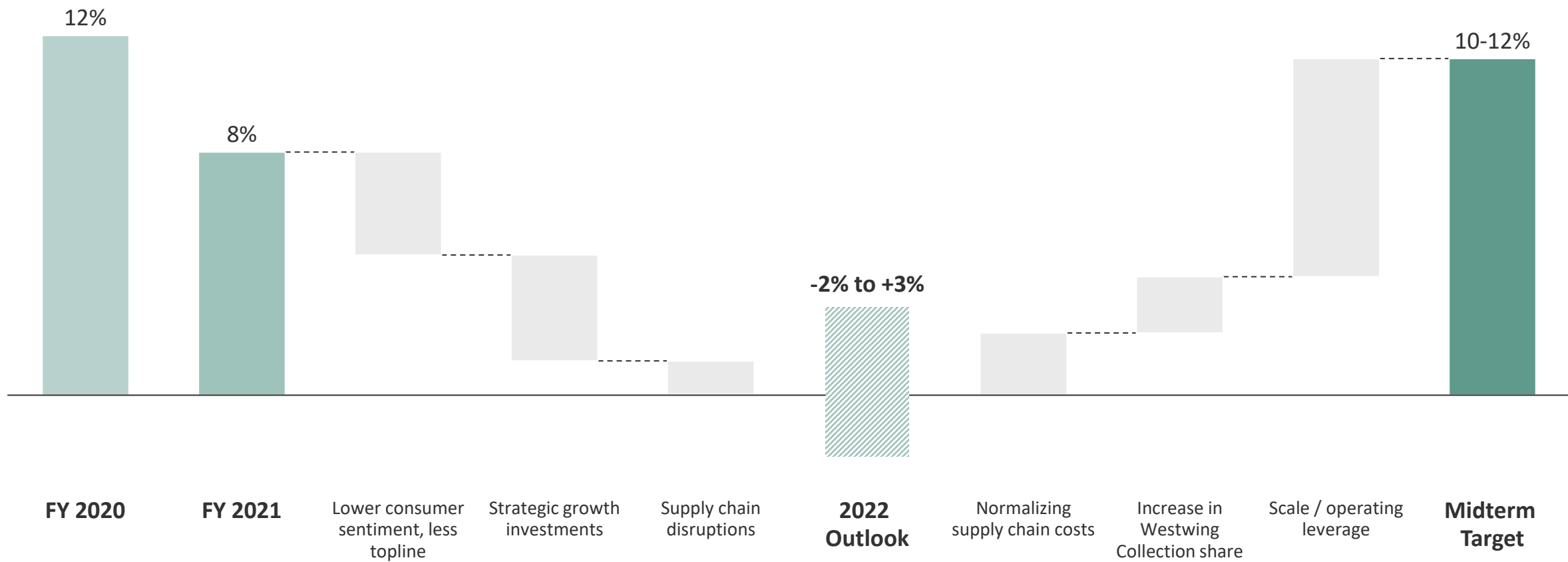
Much better in H2

## Comments

- **Low consumer sentiment** and adverse market developments in combination with **extraordinary baseline effects** to drive negative yoy growth in H1 2022
- **Positive yoy growth rates expected in H2 2022**, as baseline normalizes and consumer sentiment improves
- **Outlook is given in an environment of high uncertainty** around consumer sentiment, supply chain disruptions, inflation and geopolitical developments
- We remain confident in the mid to long-term Home & Living eCommerce market potential and Westwing's strategy; to account for the challenging market environment and low consumer sentiment in 2022 the **mid-term targets of EUR 1bn revenue and more than EUR 100m Adj. EBITDA** are moved to 2026

# We reiterate our 10-12% Adj. EBITDA mid-term target margin based on the proven scalability of our business model

**Adj. EBITDA margin**  
[in % of revenue]



Note: Indicative estimates.

## Summary and Q&A



# FY 2021 Summary

**FY 2021 Revenue: EUR 522m**

at 21% growth yoy

**FY 2021 Adj. EBITDA: EUR 40m**

at 7.7% margin

**1.7m Active Customers**

4.4m orders delivered LTM

**Westwing Collection**

Westwing Collection at 34% share  
towards strategic target of 50%

## Investment highlights

### The opportunity is massive

Huge Home & Living market of EUR 120bn is still very early in eCommerce adoption

### Customer loyalty at the core

The differentiating creative and inspirational core of Westwing drives superior loyalty with 80% repeat order share<sup>(1)</sup>

### Westwing Collection

Our growing Westwing Collection perfectly leverages the loyalty to our love brand at +12 to +15%pts Adj. EBITDA margin upside vs. 3<sup>rd</sup> party suppliers

### Attractive target P&L

Based on our highly profitable consumer love brand strategy we target a long-term profitability of 15% Adj. EBITDA

### Strong cash profile

Structurally negative Net Working Capital and low CAPEX ratio





Q&A

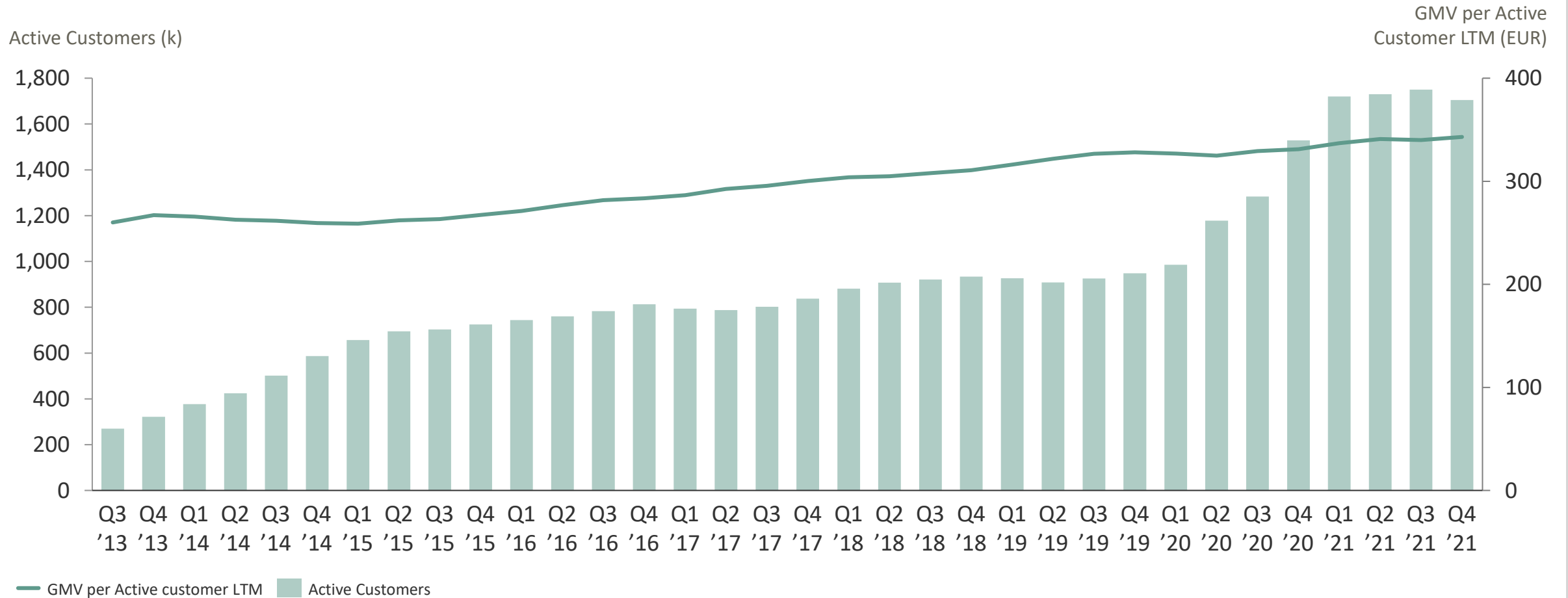


# Appendix



# Growing Active Customer base while expanding share of wallet

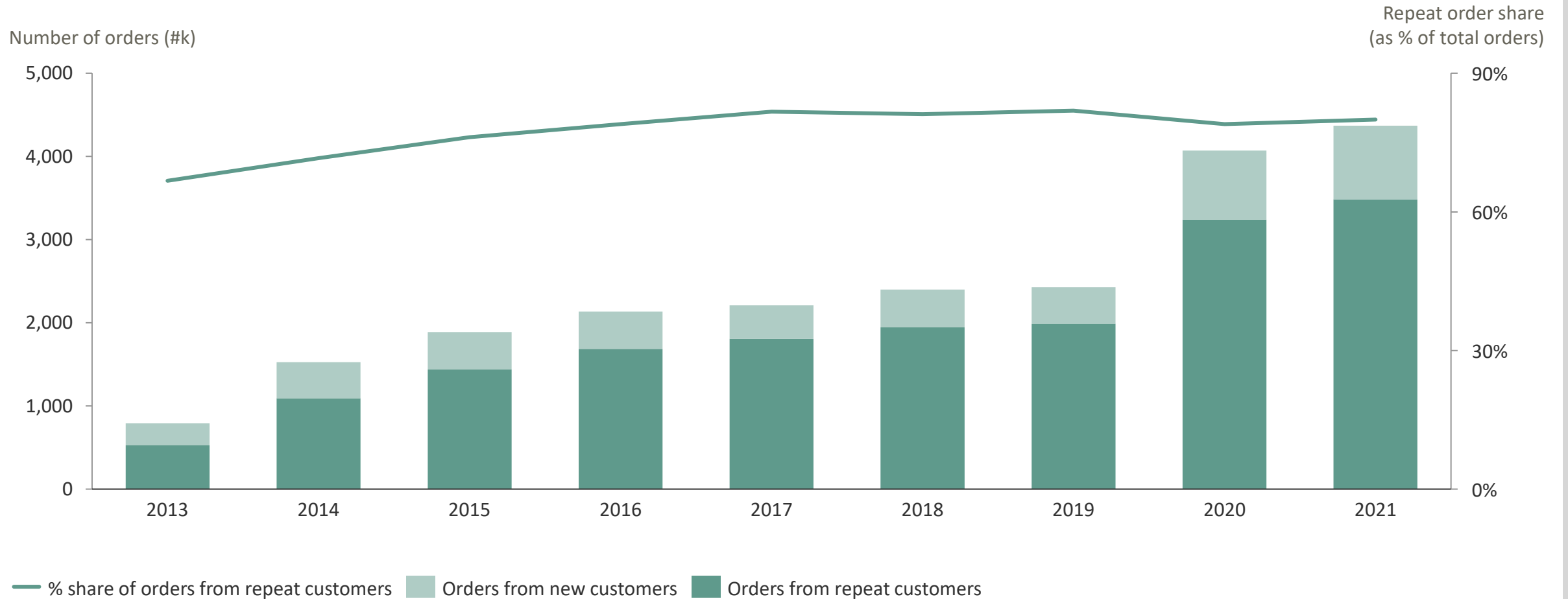
Active Customers and GMV per Active Customer (in #k and EUR)



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)



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 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Westwing Collection share	in % of GMV	21%	22%	27%	25%	25%	22%	26%	28%	31%	32%	38%	37%
Active customers	in k	927	909	926	949	986	1,178	1,284	1,529	1,720	1,730	1,750	1,705
Number of orders	in k	591	492	539	805	675	1,051	874	1,474	1,268	1,022	819	1,262
Average basket size	in EUR	129	132	132	121	127	122	129	119	129	135	144	131
Average orders LTM per active customer	in #	2.6	2.6	2.6	2.6	2.5	2.6	2.7	2.7	2.7	2.7	2.6	2.6
Average GMV LTM per active customer	in EUR	318	322	326	327	324	325	330	328	337	341	340	343
GMV	in EUR m	76	65	71	98	85	128	113	175	164	139	118	166
Mobile visit share	in %	75%	76%	77%	76%	76%	79%	80%	79%	79%	80%	80%	80%

## 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

# Consolidated income statement

EUR m, in % of revenue	FY 2020	FY 2021	Q4 2020	Q4 2021
<b>Revenue</b>	<b>433</b>	<b>522</b>	<b>156</b>	<b>149</b>
Cost of Sales	-219	-266	-76	-78
<b>Gross profit</b>	<b>214</b>	<b>257</b>	<b>80</b>	<b>71</b>
Fulfilment expenses	-86	-107	-29	-30
Marketing expenses	-31	-49	-11	-14
General and administrative expenses	-65	-79	-18	-16
Other operating expenses	-4	-4	-2	-2
Other operating income	3	4	1	1
<b>Operating result</b>	<b>31</b>	<b>21</b>	<b>21</b>	<b>10</b>
Financial result	-4	-2	-2	-1
<b>Result before income tax</b>	<b>28</b>	<b>19</b>	<b>20</b>	<b>9</b>
Income tax expense	2	-7	5	-2
<b>Result for the period</b>	<b>30</b>	<b>12</b>	<b>25</b>	<b>8</b>
<b>Reconciliation to Adj. EBITDA</b>				
<b>Operating result (EBIT)</b>	<b>31</b>	<b>21</b>	<b>21</b>	<b>10</b>
Share-based compensation expenses	8	6	1	-3
Centralization France	-0	-0	-0	0
SE Conversion Costs	0	0	0	0
Provision tax claim Russia	0	0	0	-0
D&A	11	13	3	4
<b>Adj. EBITDA</b>	<b>50</b>	<b>40</b>	<b>26</b>	<b>10</b>
<b>Adj. EBITDA margin (%)</b>	<b>11.5%</b>	<b>7.7%</b>	<b>16.5%</b>	<b>7.0%</b>

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# Adjusted income statement

EUR m, in % of revenue	FY 2020	FY 2021	Q4 2020	Q4 2021
<b>Revenue</b>	<b>433</b>	<b>522</b>	<b>156</b>	<b>149</b>
<i>Revenue Growth yoy</i>	62.0%	20.7%	76.1%	-4.2%
Cost of Sales	-219	-266	-76	-78
<b>Gross Profit</b>	<b>214</b>	<b>257</b>	<b>80</b>	<b>71</b>
<b>Gross Margin</b>	<b>49.4%</b>	<b>49.1%</b>	<b>51.3%</b>	<b>47.6%</b>
Fulfillment expenses	-86	-107	-29	-30
Contribution profit	128	150	51	41
<b>Contribution margin</b>	<b>29.5%</b>	<b>28.7%</b>	<b>32.5%</b>	<b>27.6%</b>
Marketing expenses	-31	-49	-11	-14
General and administrative expenses	-57	-73	-17	-19
Other operating expenses	-4	-3	-2	-2
Other operating income	3	4	1	1
Depreciation and Amortization	11	13	3	4
<b>Adj. EBITDA</b>	<b>50</b>	<b>40</b>	<b>26</b>	<b>10</b>
<b>Adj. EBITDA Margin</b>	<b>11.5%</b>	<b>7.7%</b>	<b>16.5%</b>	<b>7.0%</b>

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## Segment reporting

DACH in EUR m	FY 2020	FY 2021	Q4 2020	Q4 2021
<b>Revenue</b>	<b>243</b>	<b>297</b>	<b>91</b>	<b>87</b>
<i>yoy Growth (in %)</i>	<i>60%</i>	<i>22%</i>	<i>75%</i>	<i>-5%</i>
<b>Adj. EBITDA</b>	<b>41</b>	<b>39</b>	<b>20</b>	<b>11</b>
<i>Adj. EBITDA Margin %</i>	<i>16.9%</i>	<i>13.1%</i>	<i>22.1%</i>	<i>12.2%</i>

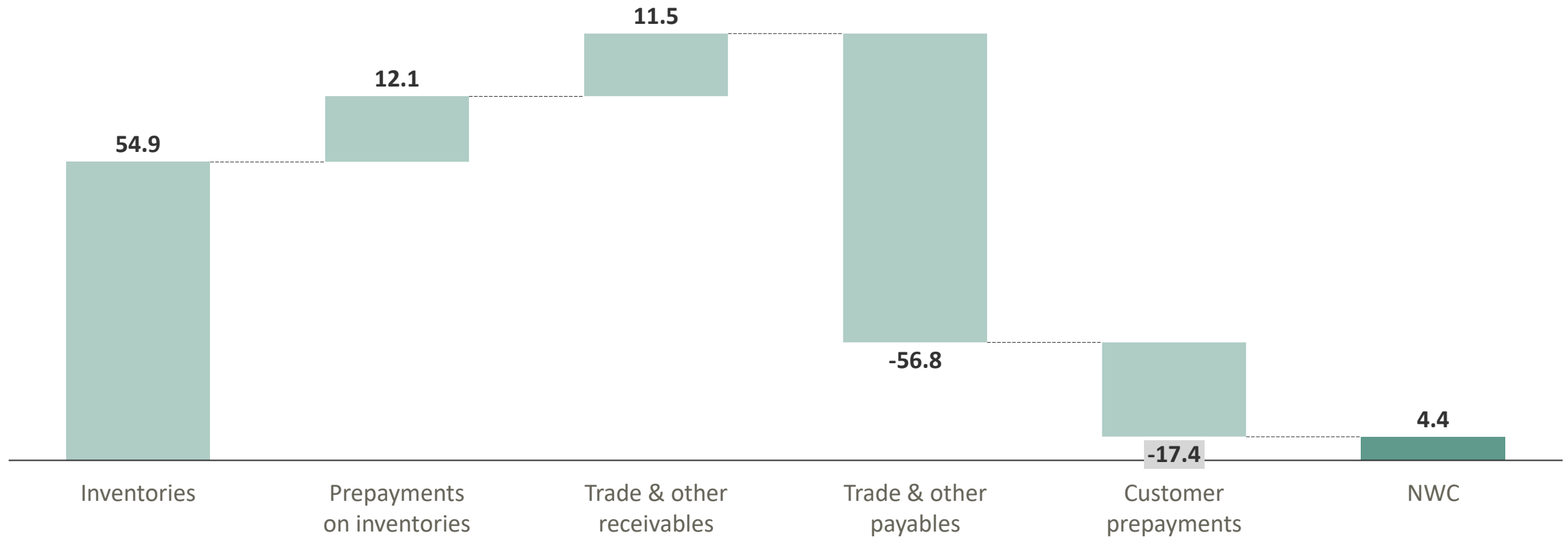
International in EUR m	FY 2020	FY 2021	Q4 2020	Q4 2021
<b>Revenue</b>	<b>190</b>	<b>226</b>	<b>65</b>	<b>62</b>
<i>yoy Growth (in %)</i>	<i>64%</i>	<i>19%</i>	<i>77%</i>	<i>-3%</i>
<b>Adj. EBITDA</b>	<b>9</b>	<b>3</b>	<b>6</b>	<b>1</b>
<i>Adj. EBITDA Margin %</i>	<i>4.8%</i>	<i>1.2%</i>	<i>8.6%</i>	<i>1.1%</i>

Figures in this section are presented on an adjusted basis, i.e. excluding (i) share-based compensation (in Fulfilment, Marketing and General and Administrative expenses) and (ii) expenses for a tax claim provision against a divested entity regarding previous years, (iii) expenses for the SE conversion and (iv) income/expenses for the French business restructuring. "Adjusted EBITDA" is calculated by adjusting for these items.



# Net Working Capital

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



# Issued share capital

## Share Information *as of December 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	326,475

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

Program	# of options outstanding	Weighted average exercise price (EUR)
VSOPs <sup>(1)</sup>	898,000	2.44 <sup>(1)</sup>
LTIP 2019 <sup>(2)</sup>	1,861,050	19.30 <sup>(2)</sup>
LTIP 2016	96,450	0.01
Other	755,075	11.24
<b>Total</b>	<b>3,610,575</b>	<b>12.90</b>

Note: (1) VSOPs are virtual, cash-settled option programs with an average cap of EUR 21.50, vesting end of 2022. (2) LTIP 2019 vesting end of 2022.

## Upcoming Events

