

FY 2023 Results

Munich, 28 March, 2024



Disclaimer | Forward looking statements

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1. Business update



Key achievements in FY 2023



We delivered strong financial results.

- **Stable topline vs. 2022 in a shrinking market** with EUR 481m GMV (EUR 429m Revenue), in upper half of guidance.
- **Adjusted EBITDA** of EUR 18m, in upper half of updated (increased) guidance, and **Free Cash Flow** of EUR 30m in FY 2023.



We improved margins & cost structure and kicked off further improvements.

- Strong operational improvements in **contribution margin** and **G&A** as a result of total committed EUR 30m cost savings.
- Project to move to a mostly **Software-as-a-Service (SaaS)** solution vs. proprietary Technology has started.



We further grew our Westwing Collection.

- **Westwing Collection share** increased by 6pp year-over-year to 47% of total GMV FY 2023, driving contribution margin.



We rolled out the OneWestwing commercial model.

- **Seamless customer experience across Shop and Club Sales** is completed in DACH and mostly in International markets.



We strengthened our premium brand positioning.

- Focus on **positioning** across product assortment, brand Marketing incl. brand refresher, on-site content, collaborations, and offline presence.



We progressed towards our ambitious Sustainability targets.

- We continued our focus on **Sustainability across products, planet, and people**.
- Our **long-term Science Based Targets** are **officially validated** regarding reduction in greenhouse gas emissions for Scope 1, 2 and suppliers.

EUR 481m GMV in FY 2023

+4% GMV per Active Customer

1.3m Active Customers for FY 2023,
growth in H2 versus H1 2023

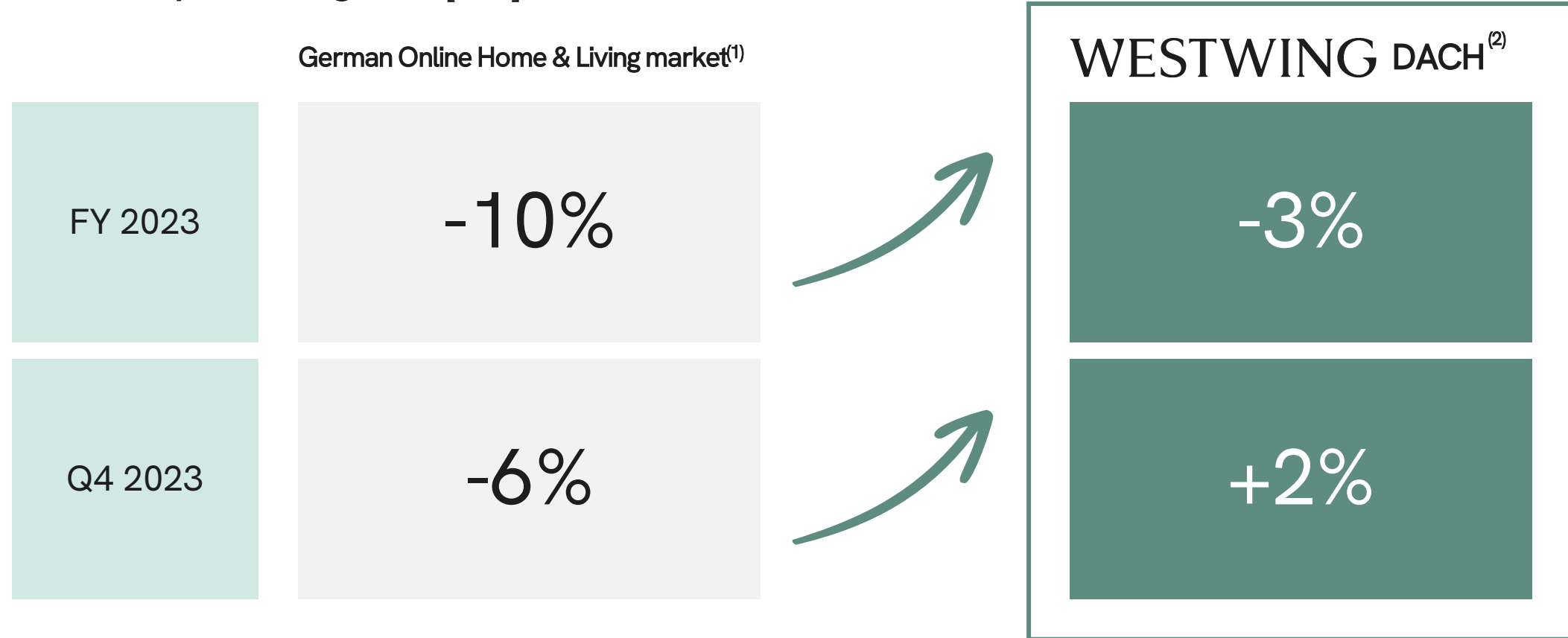
We delivered on our 2023
topline promise



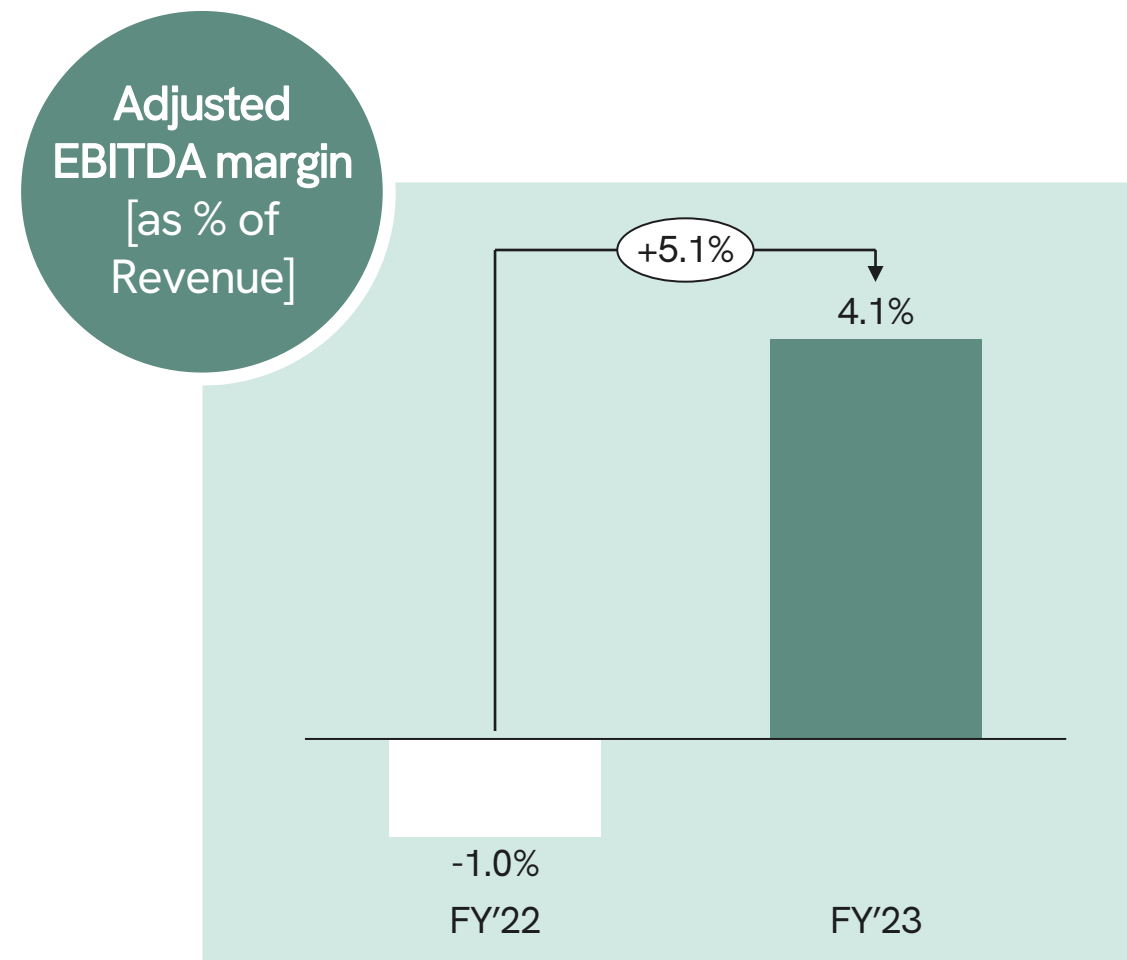
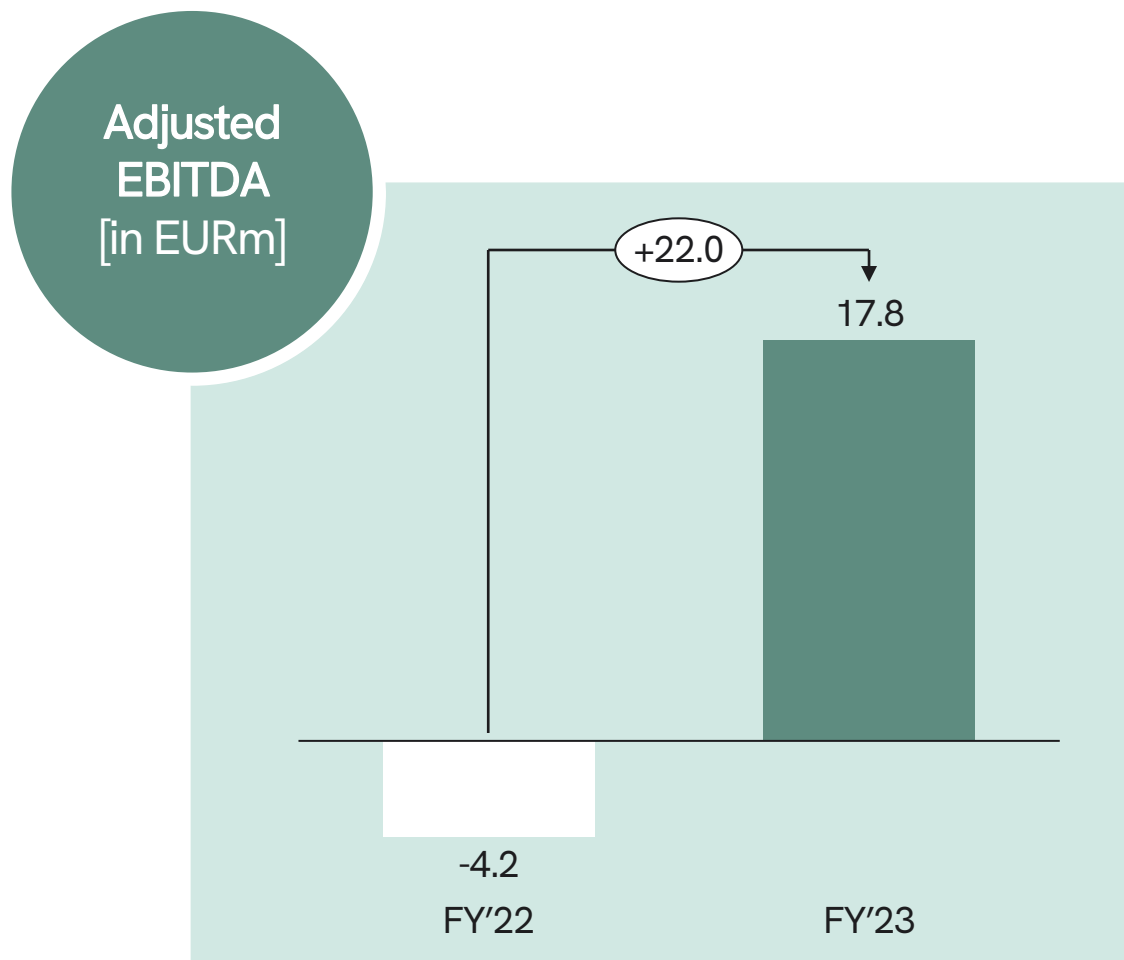
Note: All figures unaudited.

We clearly outperformed the market in our largest geography

Year-over-year sales growth [in %]



We delivered on our promised Adjusted EBITDA profitability...





EUR 30m
Free Cash
Flow

EUR 82m
Net Cash

EUR -8m
Net
Working
Capital

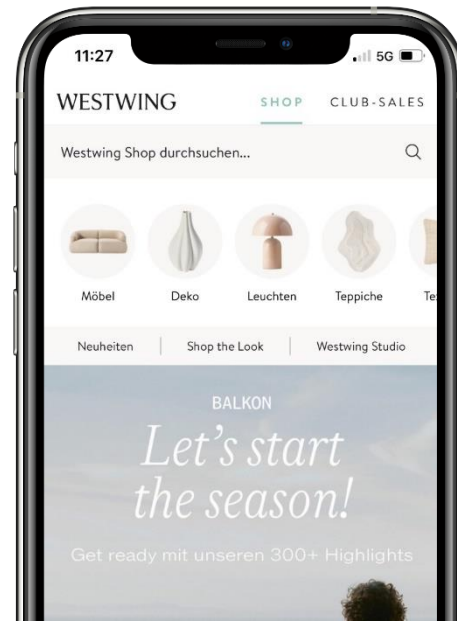
... and have a very strong cash position with no debt.

Note: Free Cash Flow for FY 2023. Net Cash and Net Working Capital as per 31 December 2023. Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the Company refers to the corresponding definitions in its FY 2023 report.

Besides focusing on margins and costs, we achieved the results by driving our key strategic initiatives



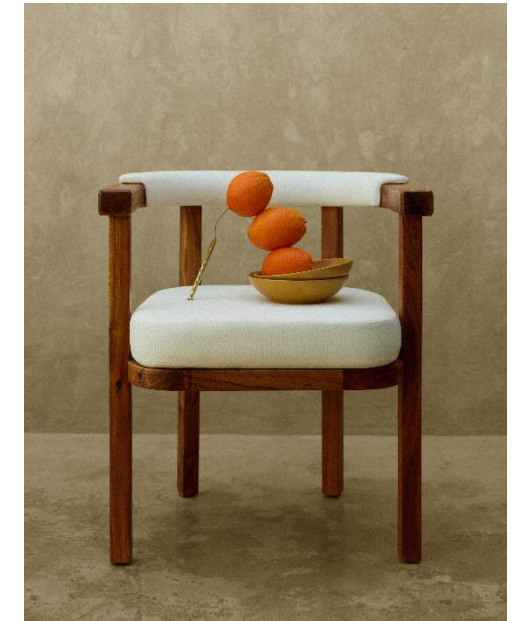
**Westwing Collection
share increase**



**OneWestwing
commercial model**



Premium positioning



Sustainability

2023 marked the turnaround for Westwing. On top, we were able to prove that our new commercial model with a focus on Shop and Westwing Collection clearly works.

We made good progress regarding Sustainability in 2023

Our Sustainability report will be released on 4 April 2024

Products	48 % of online Westwing Collection products feature the WE CARE label ⁽¹⁾	100% transition to sustainable packaging achieved (Westwing Collection)	100% of non-EU and 67% of EU Westwing Collection suppliers evaluated on social aspects	43 % share of plastic packaging with >60% recycled content		
	Planet	GHG emissions reduction targets validated by the Science Based Targets initiative (SBTi) <i>See details on next slide</i>	43 % reduction of GHG emissions from Scopes 1 and 2 ⁽²⁾	34 % share of renewable electricity in our own operations		5 Product Carbon Footprints (PCFs) calculated for Westwing Collection products
People			39 % reduction in total lost time accidents at our Logistics centres	640 hours volunteered with community projects		Social standard launched for our Logistics centres in Poland

We received validation for our ambitious long-term Science Based Targets

Long-term Science Based Targets

75%

reduction in GHG emissions⁽¹⁾ for Scope 1 and 2⁽²⁾

80%

of suppliers⁽³⁾ have Science Based Targets

Validated by Science Based Targets initiative



2. Financial update

We delivered on our updated FY 2023 guidance



Revenue

2023 guidance

EUR 390 to
440m

-9% to +2%
yoy growth

2023 results

EUR 429m

-1%
yoy growth



Adjusted
EBITDA

EUR 13 to 19m

+3% to +4%
margin

EUR 18m

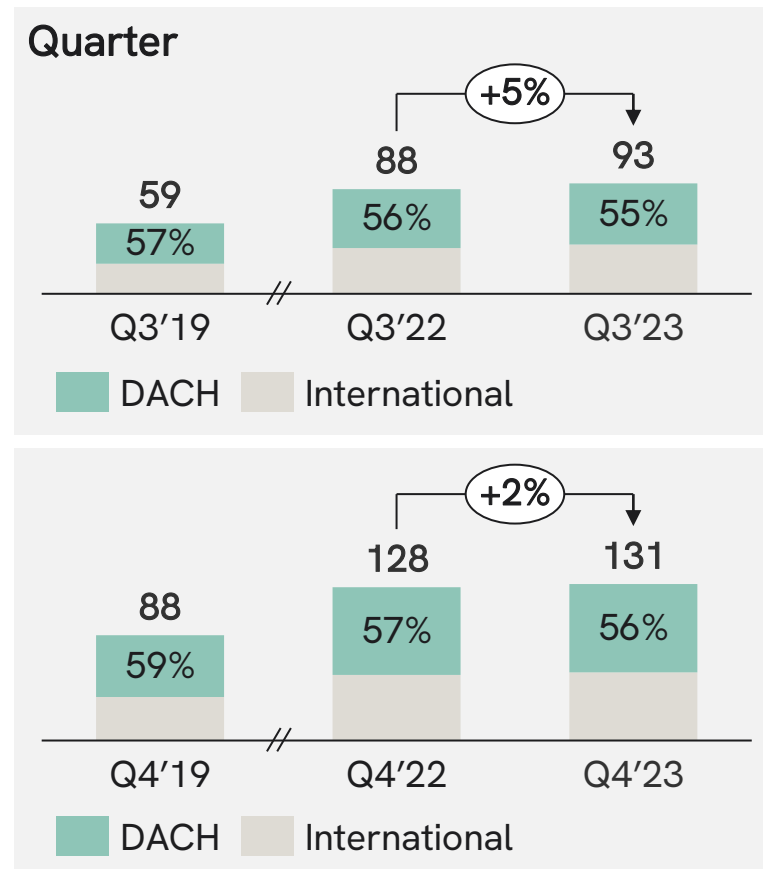
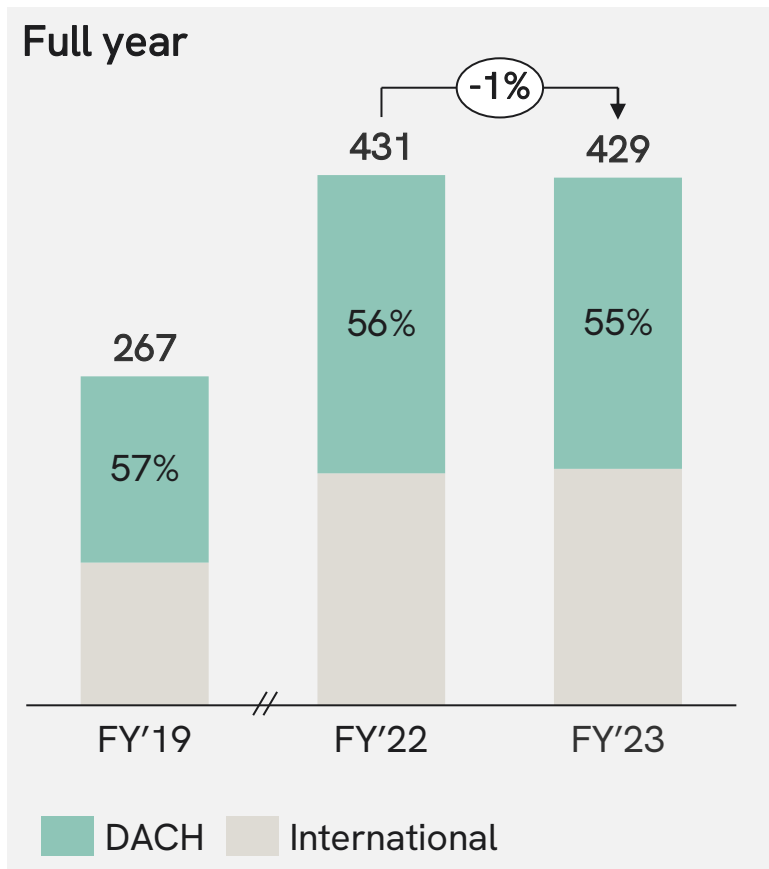
+4%
margin



Enabled positive Free Cash Flow in FY 2023

We achieved a stable topline in 2023 and returned to growth in the second half of the year

Group Revenue [in EURm]

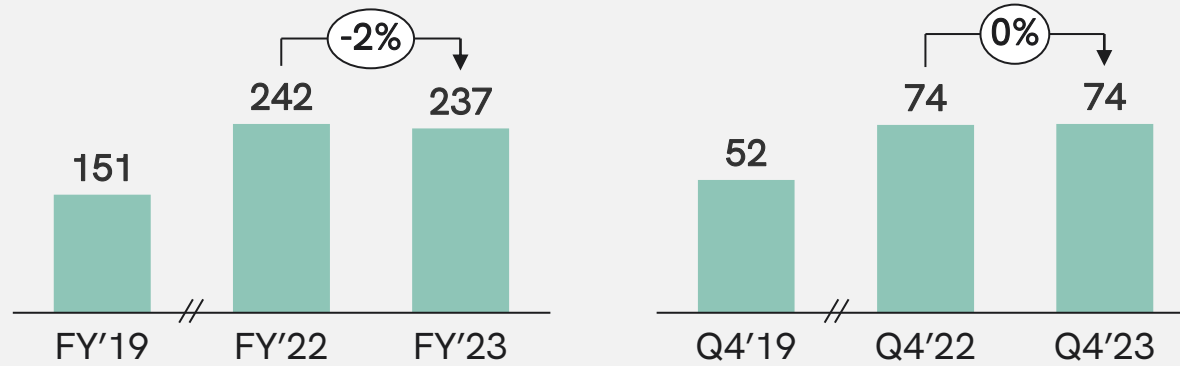


- Despite overall market decline, **Westwing achieved topline growth** in the second half of the year and **gained market share**.
- **FY 2023 GMV** at EUR 481m, on previous year's level.
- Full year **Revenue** development **slightly below GMV** development driven by **timing effect**, resulting in Revenue being slightly below previous year.

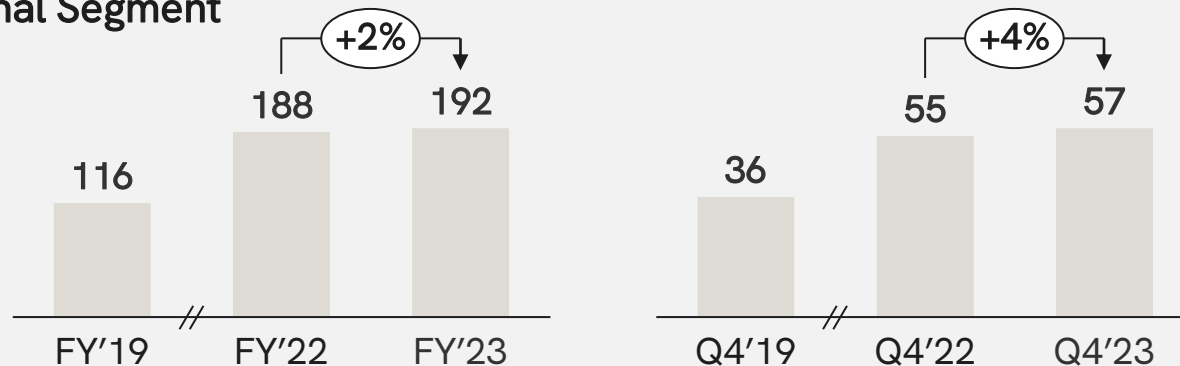
Topline development of International Segment outperformed DACH Segment

Segment Revenue [in EURm]

DACH Segment



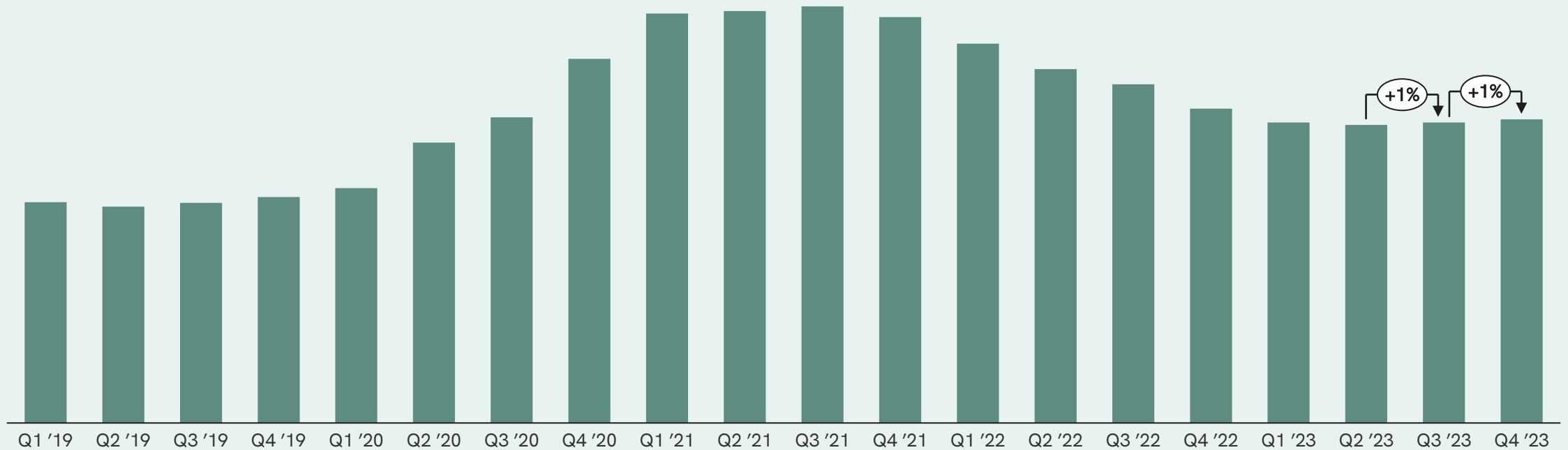
International Segment



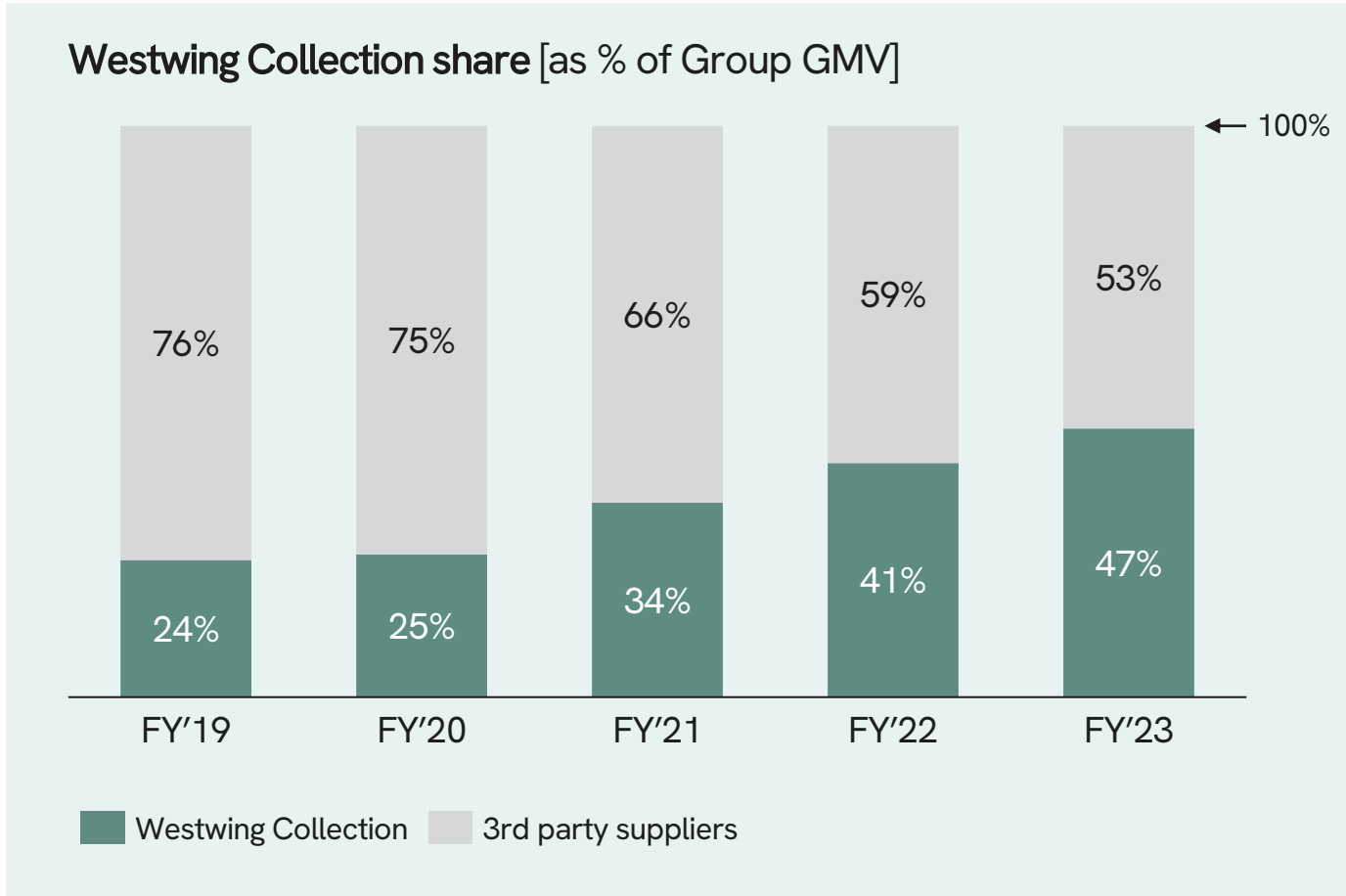
- Westwing's International Segment with growth for Q4 2023 and FY 2023, outperforming DACH Segment.

Topline recovery driven by Active Customer development – turning point reached in Q3 2023 and increasing quarter-over-quarter

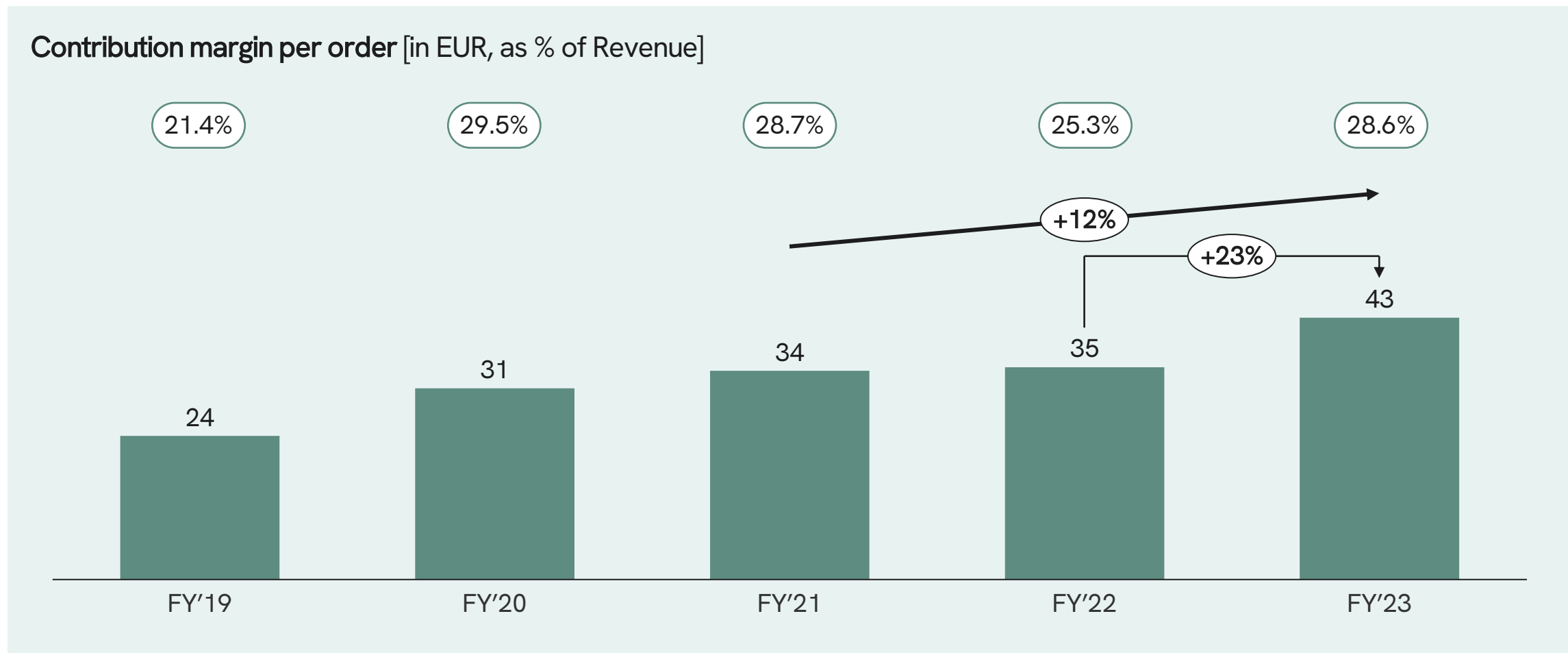
Active Customers [in m]



Westwing Collection share continued to increase



We significantly improved our contribution margin per order

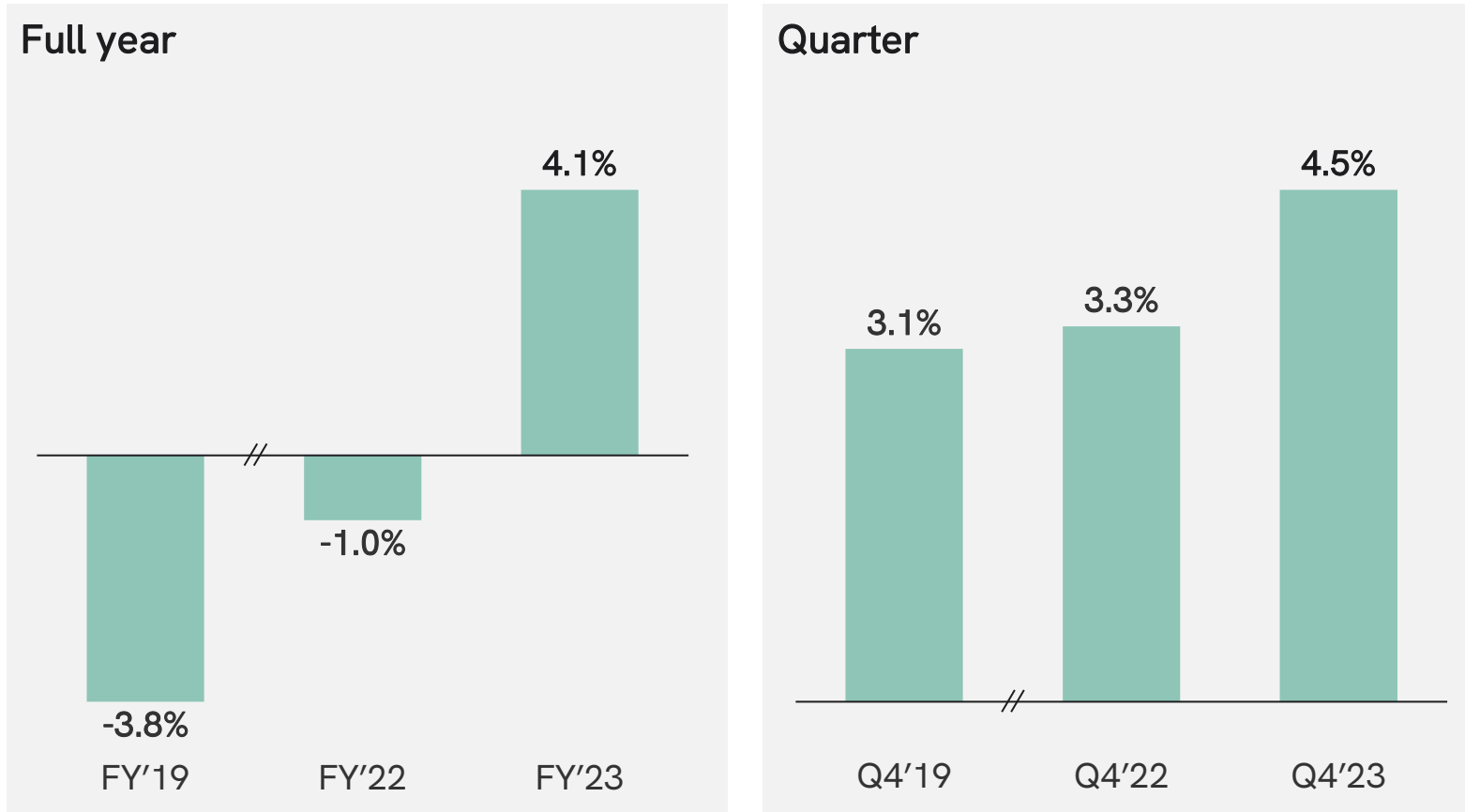


Strong improvements across most of the P&L lines

[as % of Revenue]	FY 2019	FY 2022	FY 2023	Delta 23 vs. 22	Q4 2019	Q4 2022	Q4 2023	Delta 23 vs. 22	
Gross margin	44.6%	48.1%	50.7%	+2.6pp	47.1%	47.3%	51.5%	+4.2pp	Strong Westwing Collection share gains
Fulfilment ratio	-23.2%	-22.7%	-22.1%	+0.7pp	-21.1%	-21.1%	-22.1%	-1.0pp	Costs for centralisation of Logistics centre
Contribution margin	21.4%	25.3%	28.6%	+3.3pp	26.0%	26.1%	29.4%	+3.2pp	
Marketing ratio	-8.6%	-9.1%	-10.6%	-1.5pp	-8.2%	-7.1%	-12.2%	-5.1pp	Investments into brand awareness
G&A ratio ⁽¹⁾	-20.0%	-21.4%	-18.5%	+2.9pp	-17.7%	-19.8%	-16.8%	+3.0pp	Successful implementation of cost savings
D&A ratio	3.4%	4.2%	4.6%	+0.4pp	2.9%	4.1%	4.2%	+0.1pp	Shortened lifetime of in-house developed assets; higher rent
Adj. EBITDA margin	-3.8%	-1.0%	4.1%	+5.1pp	3.1%	3.3%	4.5%	+1.2pp	

FY 2023 with profitable Adjusted EBITDA margin of 4.1%

Group Adjusted EBITDA [as % of Revenue]

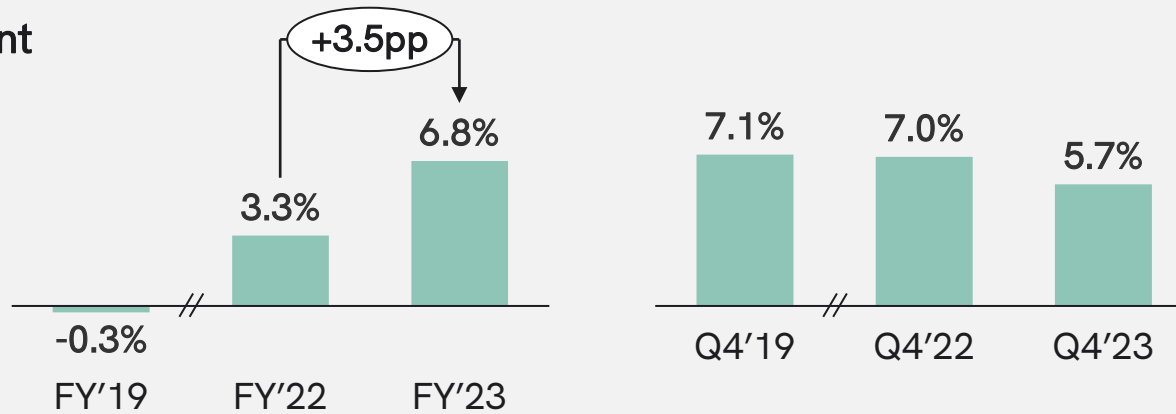


- 2023 marked a turnaround for Westwing in terms of operational efficiency and profitability.
- Adjusted EBITDA margin profitability in every quarter of 2023.
- Profitability driven by increased Westwing Collection share and successful delivery of promised cost savings and additional measures for enhanced efficiency.

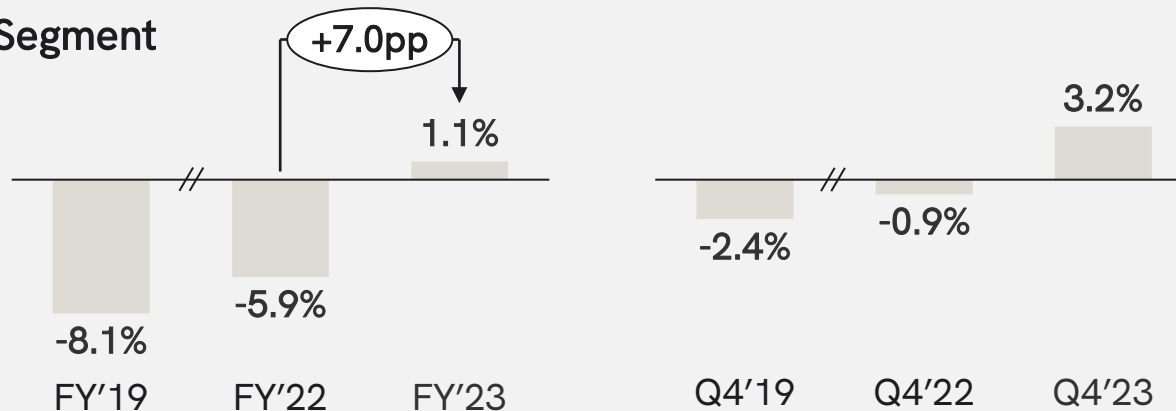
DACH and International Segment both with positive Adjusted EBITDA margin in FY 2023

Segment Adjusted EBITDA [as % of Revenue]

DACH Segment



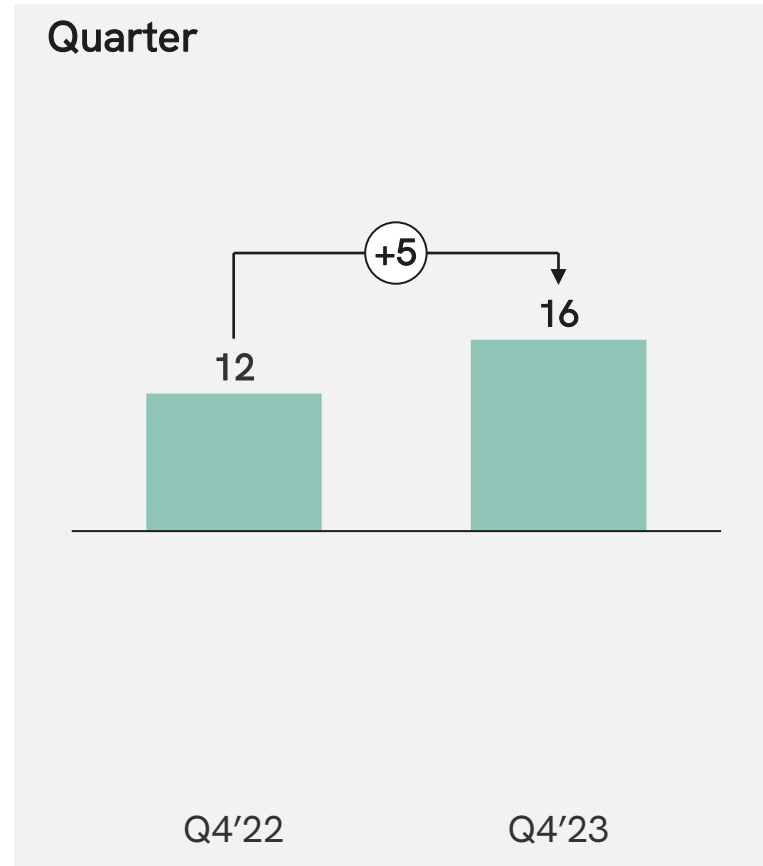
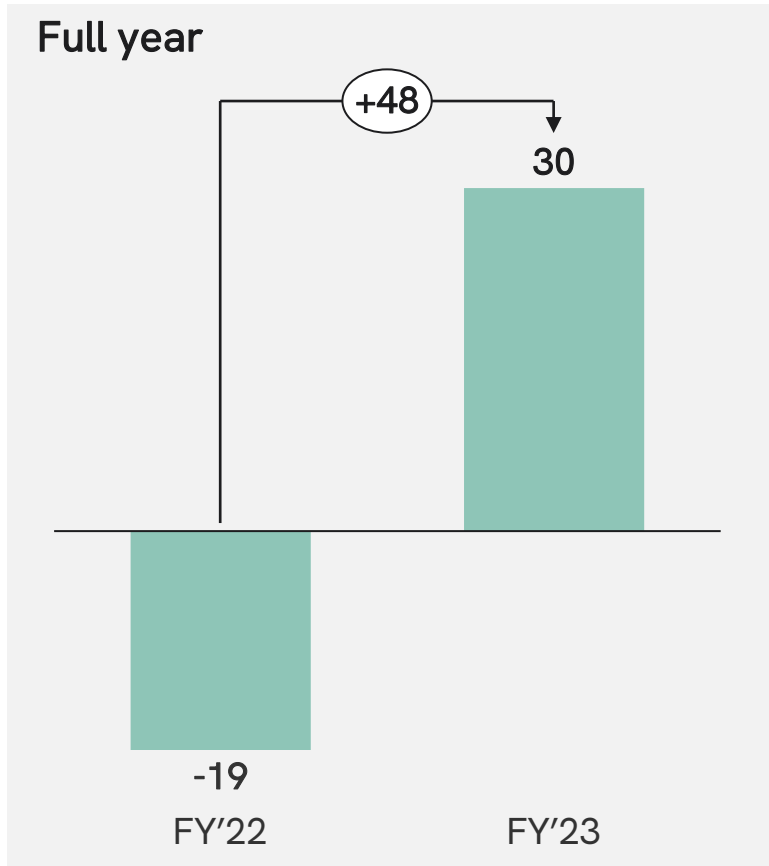
International Segment



- Both Segments with improved Adjusted EBITDA profitability year-over-year, driven by Westwing Collection share, consolidation, and efficiency gains.
- International Segment catching up very fast at +7pp Adjusted EBITDA margin improvement year-over-year, mainly driven by France and the Netherlands.
- DACH Segment Q4 impacted by investment into brand awareness.

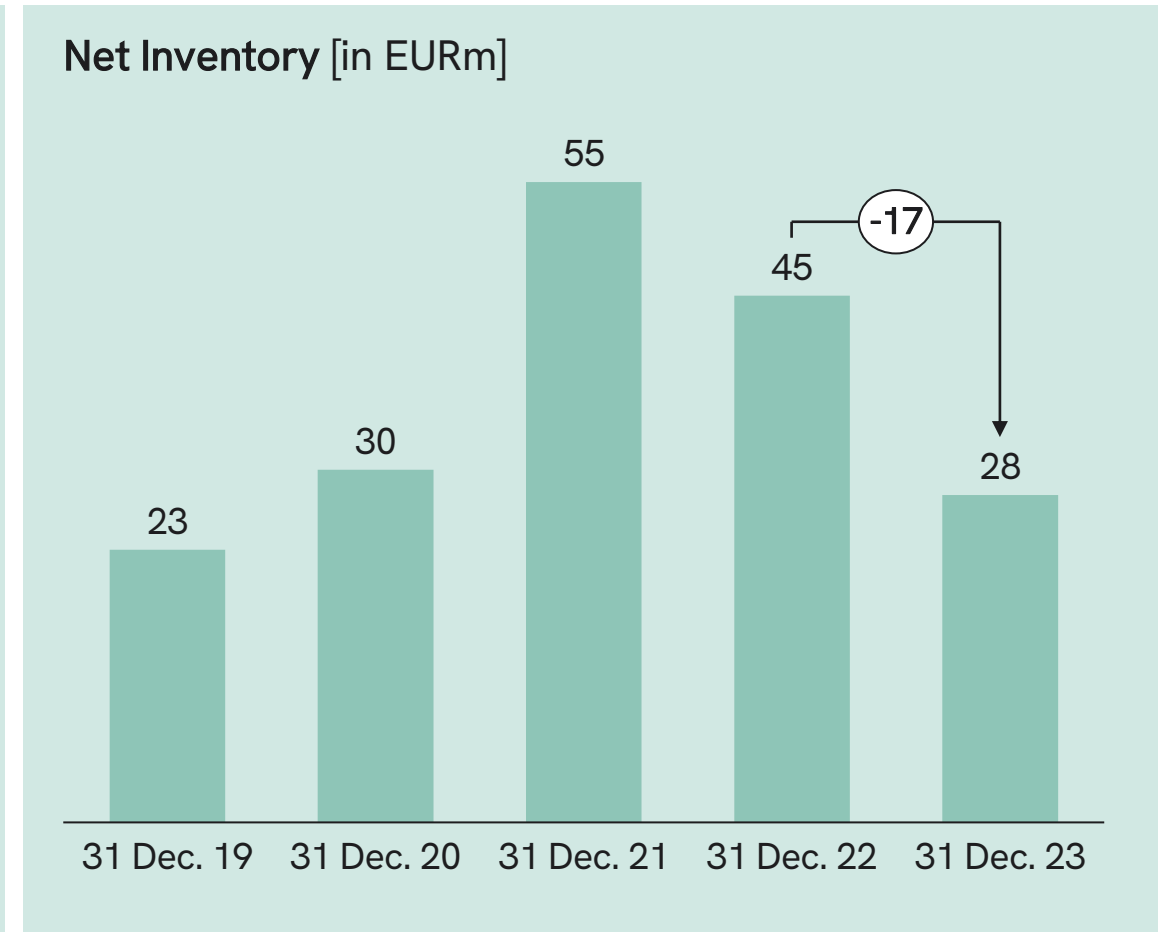
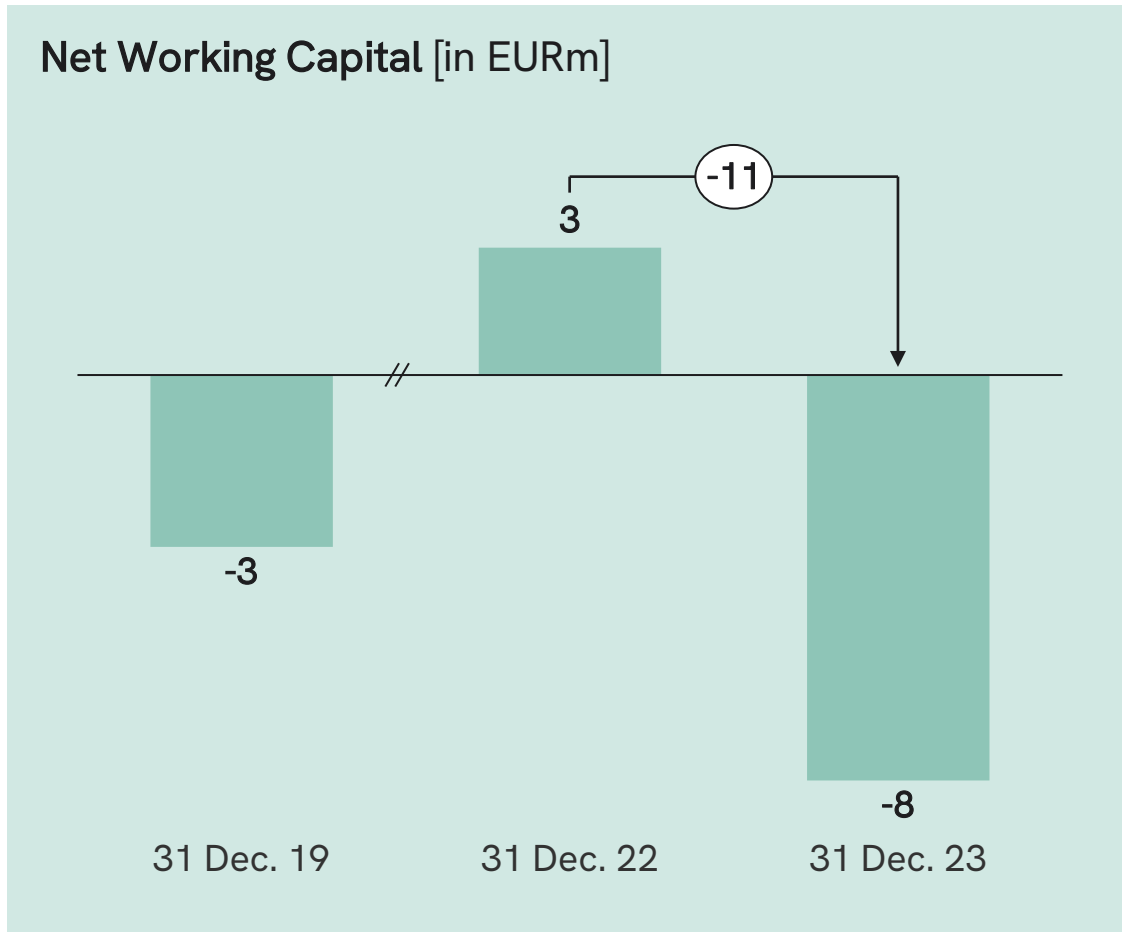
Westwing achieved a clearly positive Free Cash Flow in FY 2023

Free Cash Flow [in EURm]



- Strong positive Free Cash Flow in FY 2023 mainly driven by strong Adjusted EBITDA and Net Working Capital improvements.
- Net Working Capital improvement driven by EUR 17m reduction of excess inventory.

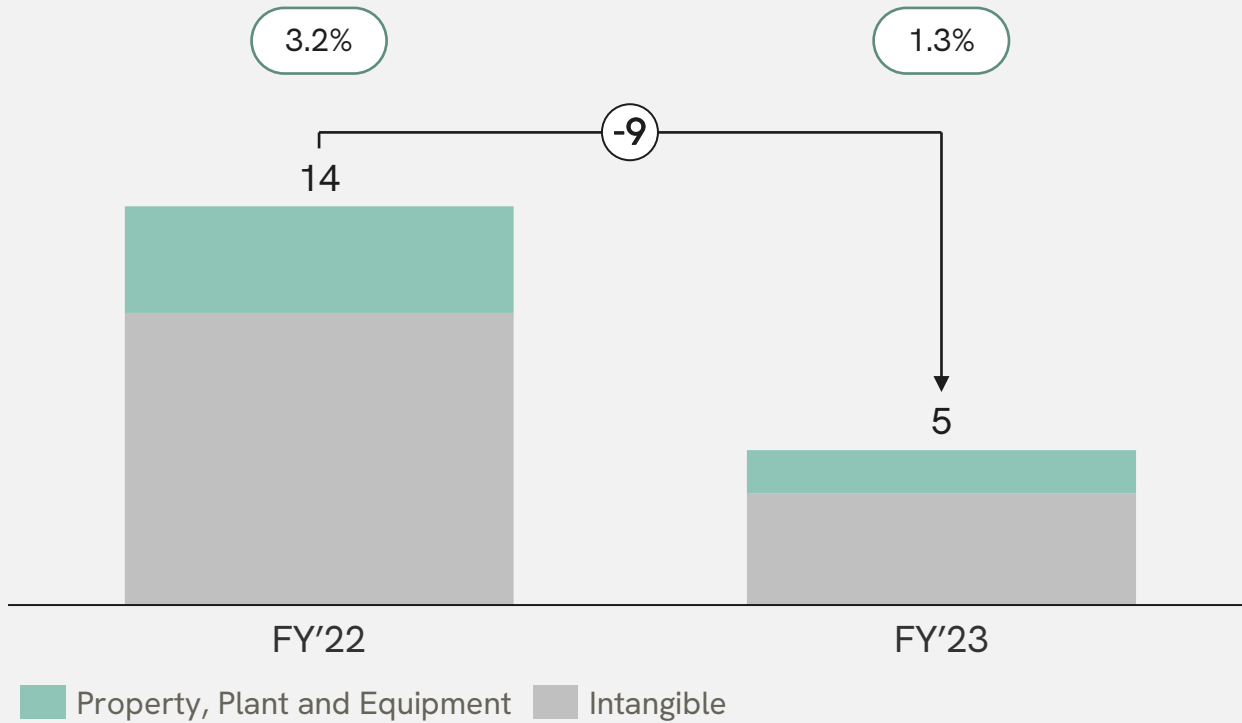
Net Working Capital improved by EUR 11m driven by EUR 17m inventory reduction year-over-year



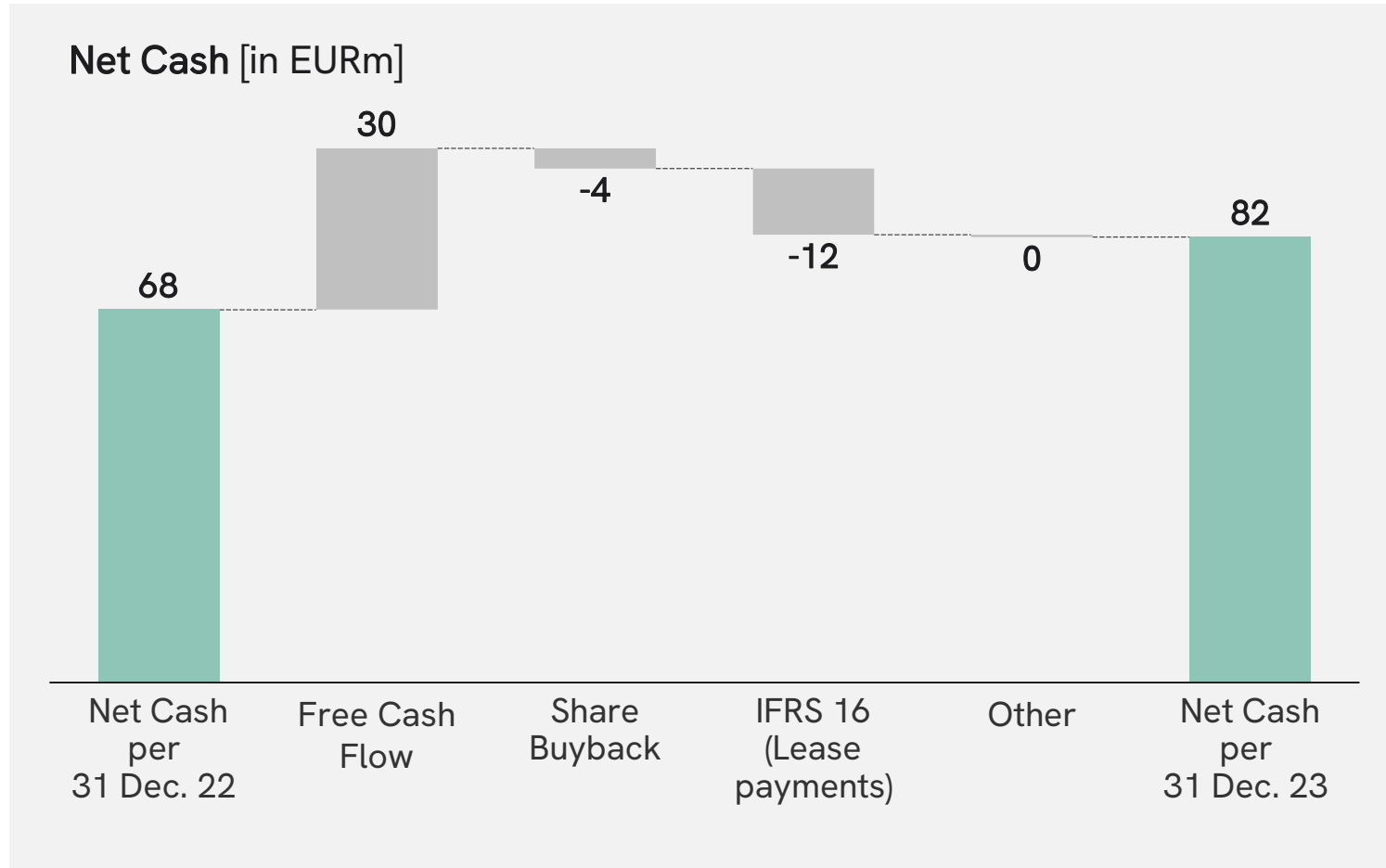
We reduced CAPEX by EUR 9m year-over-year

CAPEX

[in EURm, as % of Revenue]



We strengthened our balance sheet with EUR 82m Net Cash per end of 2023



- **Very strong Net Cash** balance sheet position with **zero debt** per end of 2023.
- Strong Net Cash position providing us with **strategic optionality** and the confidence to **focus on our long-term strategy**, e.g. by investing into our commercial model, brand positioning, complexity reduction and country expansion.

3. Path to full value potential



We are in the middle of a 3-step plan to unlock Westwing's value potential



1 Complexity reduction

We are building a lean Technology platform and centralising our organisation & product assortment further

Mostly Software-as-a-Service (SaaS) Tech solution	Consolidation of local PL/IT/ES Logistics centre footprint
Restructuring of IT/ES corporate functions	Mostly global product assortment for IT/ES



2 Stronger premium brand positioning



360° approach

Premium services such as Westwing branded delivery fleet, interior design service, best in class customer care.



Collaborations

Cooperations with premium & luxury brands and well-known personalities.

Product assortment

Unique premium assortment of own design Westwing Collection and best 3rd party design brands = Europe's premium one-stop destination.



On-site content

Attractive, inspirational storytelling with refined visuals and tone of voice to support customers' purchasing decisions.



Brand Marketing

Clear premium brand positioning across all channels incl. refreshed brand appearance & awareness campaign "Live Beautiful".



Offline presence

Physical retail space in premium locations, so far at Jungfernstieg/Hamburg and within Breuninger's fashion & lifestyle store/Stuttgart.

2 Stronger premium brand positioning

We just opened our second physical retail space and first ever store-in-store at Breuninger's flagship fashion & lifestyle house in Stuttgart



3 Country expansion

Westwing is active in 11 European countries – upcoming geographic expansion will follow entirely different setup vs. past

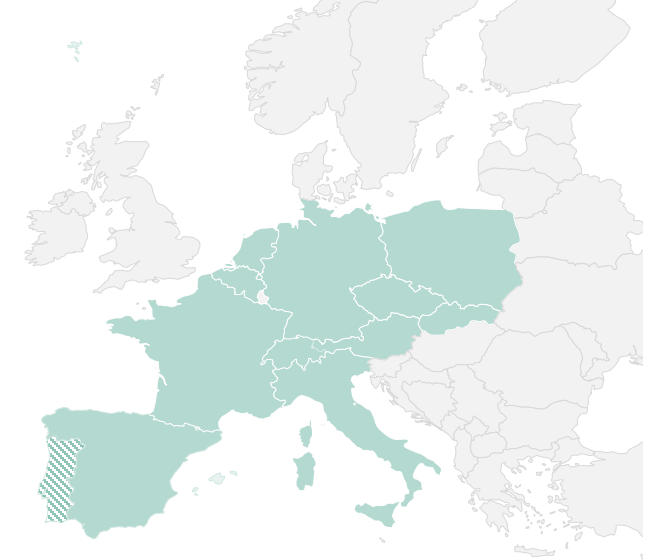
Westwing country expansion in the past

- **Local setup** with office, Logistics centre & staff.
- **Local supply base & product assortment** (3rd party products).
- **Club Sales** based.
- **Small scale effects.**



Upcoming Westwing country expansion

- **Managed by HQ** and served by central Logistics centre.
- **Mostly global supply & product assortment;** AI supported translations.
- **Shop and Westwing Collection first environment.**
- **Large scale effects.**



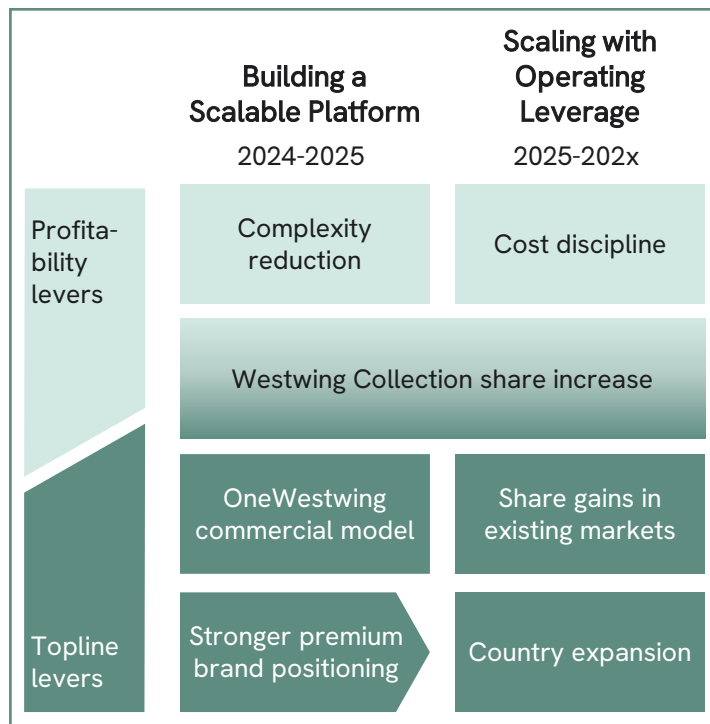
We will start Portugal as a new Westwing geography in 2024, and will add further countries from 2025 onwards based upon learnings.

4. Financial outlook

A photograph of a bedroom. A bed with a light-colored headboard and footboard is covered with dark blue bedding. To the left of the bed is a wooden nightstand with a lamp and a glass. A dark blue rug is on the floor. The text '4. Financial outlook' is overlaid on the image.

Our 3-step plan will help us to unlock Westwing's value potential with profitable growth and strong cash conversion

Exemplary



	Current state		Incremental		Long-term target P&L ⁽¹⁾
Revenue	EUR c.430m	+	EUR 170 - 370m	=	EUR 600 - 800m
Adj. EBITDA margin	4%	+	25% - 30%	=	10% - 15%
					▼
					Strong Cash Flow

Significant one-time costs for complexity reduction will arise in 2024 – implementation costs will mostly be adjusted in P&L

Measures for complexity reduction

<p>Mostly Software-as-a-Service (SaaS) Tech solution</p>	<p>Consolidation of local PL/IT/ES Logistics centre footprint</p>
<p>Restructuring of IT/ES corporate functions</p>	<p>Mostly global product assortment for IT/ES</p>

- One-off cost impact
- No one-off cost impact

Cost impact in 2024

Impact on adjusted P&L

One-off cash costs for implementation	EUR -10 to -15m	 <i>Will be adjusted</i>
Higher D&A	EUR -3 to -4m	 <i>Will be partially adjusted</i>



Return on invest

SaaS Tech solution: Short payback period of one year after full implementation.

Other measures: Complexity reduction with longer payback period.

We had a good start into 2024, but high uncertainty for rest of the year remains

	FY 2023	Guidance FY 2024
Revenue	EUR 429m	EUR 415 to 445m (-3% to +4% yoy growth)
Adjusted EBITDA	EUR 18m	EUR 14m to 24m (+3% to +5% margin)

Comments



- Good start into 2024 at +6% GMV year-over-year growth year-to-date.
 - Macro environment likely to remain very challenging.
 - We believe we can continue to grow above market, but switch to global product offering for IT/ES will likely have detrimental effect on topline in H2.
-
- Increasing Westwing Collection share.
 - Cost discipline and P&L benefits from efficiency gains.
 - Invest for complexity reduction of EUR 10-15m will be adjusted, but with full impact on cash.
 - Free Cash Flow expected to be break-even.

A white ceramic vase with a wide, flared rim sits on a rough, textured concrete pedestal. The background is a dark, textured fabric. The lighting is soft, highlighting the smooth surface of the vase and the grain of the concrete.

5. Investment highlights

Investment highlights



- **Unique assortment** of gorgeous, own design Westwing Collection and the best 3rd party design brands.
- Best in class **inspirational storytelling** with distinct visuals and tone of voice.
- **Premium services** such as interior design service and branded delivery fleet.
- **The one-stop destination** for premium Home & Living.



- Addressing sizeable **premium segment of EUR 130bn** total Home & Living market⁽¹⁾ in existing 11 Westwing geographies. Future country expansion with additional potential.
- Massive **online penetration potential** in a mostly offline market.



- **Desirable brand** among design lovers, with >13m followers on Social Media.
- Clear **premium positioning**, only getting stronger.
- **Huge upside potential** from brand Marketing invest and offline presence.
- Westwing Collection product brand with attributes **superior design, quality and sustainability**.



- **High margins** as a result of **pricing power** based on a strong brand, as well as the unique **Westwing Collection** with further GMV share potential.
- Platform & commercial model allowing for **scaling with operating leverage** in existing countries and beyond.



- Strong **Net Cash position and no debt**.
- Strong **Net Working Capital**.
- Low **Capex**.

Clear path towards long-term Adjusted EBITDA margin of 10-15% with strong cash conversion.

6. Q&A

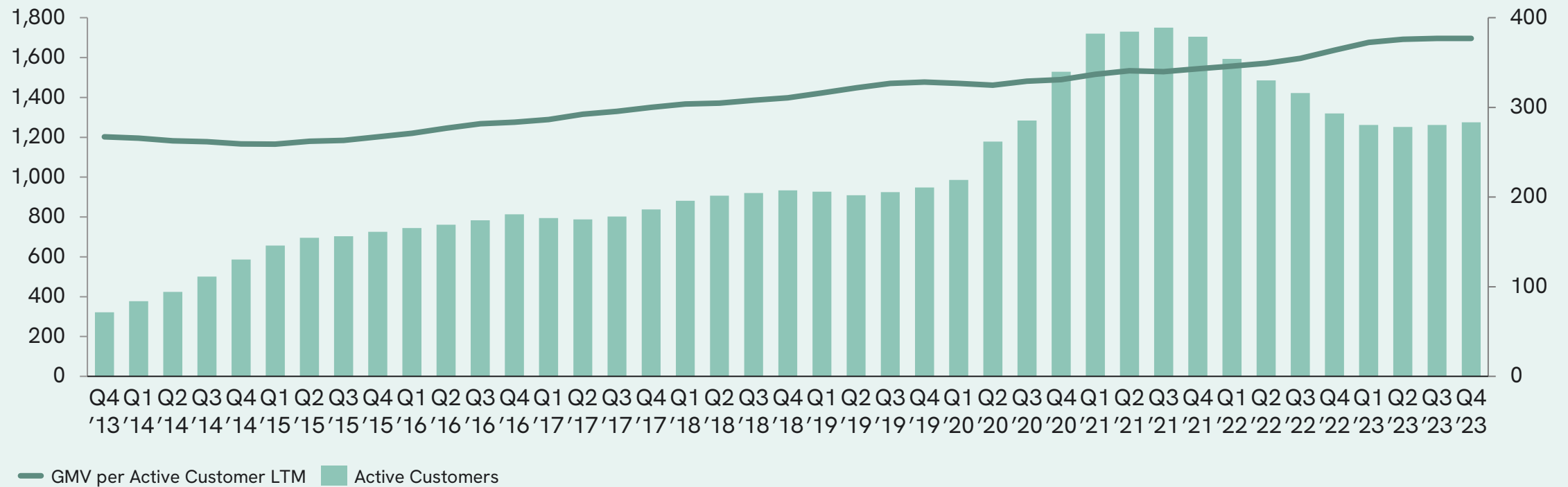


7. Appendix



Continuously expanding share of wallet with customers

Active Customers and average GMV per Active Customer [in k, in EUR]



KPI overview

Group KPIs	Unit	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Westwing Collection share in % of GMV		25%	22%	26%	28%	31%	32%	38%	37%	37%	38%	44%	44%	46%	46%	48%	47%
Active Customers	in k	986	1,178	1,284	1,529	1,720	1,730	1,750	1,705	1,593	1,486	1,422	1,320	1,262	1,252	1,262	1,275
Number of orders	in k	675	1,051	874	1,474	1,268	1,022	819	1,262	872	685	620	951	694	614	605	939
Average basket size	in EUR	127	122	129	119	129	135	144	131	147	159	164	149	169	178	177	157
Average orders LTM per Active Customer	in #	2.5	2.6	2.7	2.7	2.7	2.7	2.6	2.6	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.2
Average GMV LTM per Active Customer	in EUR	324	325	330	328	337	341	340	343	345	349	355	364	373	376	377	377
GMV	in EURm	85	128	113	175	164	139	118	166	128	109	102	142	118	109	107	147
Mobile visit share	in %	76%	79%	80%	79%	79%	80%	80%	80%	80%	80%	80%	80%	79%	78%	79%	82%

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 per end of the reporting period.
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 per end of the 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

EURm, in % of Revenue	FY 2022	FY 2023	Q4 2022	Q4 2023
Revenue	430.8	428.6	128.4	131.1
Cost of Sales	-228.1	-215.7	-72.0	-66.5
Gross profit	202.7	212.9	56.4	64.6
Fulfilment expenses	-94.2	-90.3	-23.3	-26.1
Marketing expenses	-40.6	-45.6	-9.3	-16.1
General and administrative expenses	-92.9	-85.2	-27.8	-25.6
Other operating expenses	-5.2	-6.2	-2.9	-2.6
Other operating income	2.6	5.9	0.4	1.4
Operating result	-27.4	-8.4	-6.5	-4.4
Financial result	-2.9	-0.7	-0.1	-0.1
Result before income tax	-30.3	-9.1	-6.6	-4.4
Income tax expense	-2.1	-3.3	-2.0	-2.5
Result for the period	-32.4	-12.4	-8.6	-7.0
Reconciliation to Adj. EBITDA				
Operating result (EBIT)	-27.4	-8.4	-6.5	-4.4
Share-based compensation expenses	-0.6	2.3	3.9	0.7
Restructuring severances 2022	5.7	-	1.7	-
Tech migration	-	4.1	-	4.1
D&A	18.1	19.8	5.3	5.5
Adj. EBITDA	-4.2	17.8	4.3	5.9
Adj. EBITDA margin (%)	-1.0%	4.1%	3.3%	4.5%

Adjusted income statement

EURm, in % of Revenue	FY 2022	FY 2023	Q4 2022	Q4 2023
Revenue	430.8	428.6	128.4	131.1
<i>Revenue growth yoy</i>	-17.5%	-0.5%	-13.9%	2.1%
Cost of Sales	-223.8	-211.4	-67.7	-63.6
Gross Profit	207.1	217.2	60.7	67.4
<i>Gross margin</i>	48.1%	50.7%	47.3%	51.5%
Fulfillment expenses	-98.0	-94.5	-27.1	-29.0
Contribution Profit	109.1	122.7	33.5	38.5
<i>Contribution margin</i>	25.3%	28.6%	26.1%	29.4%
Marketing expenses	-39.2	-45.3	-9.1	-16.0
General and administrative expenses	-89.7	-80.3	-22.9	-22.2
Other operating expenses	-5.2	-4.9	-2.9	-1.3
Other operating income	2.6	5.9	0.4	1.4
Depreciation and Amortisation	18.1	19.8	5.3	5.5
Adj. EBITDA	-4.2	17.8	4.3	5.9
<i>Adj. EBITDA margin (%)</i>	-1.0%	4.1%	3.3%	4.5%

Segment reporting

DACH in EURm	FY 2022	FY 2023	Q4 2022	Q4 2023
Revenue	242.4	236.5	73.5	73.9
<i>yoy growth (in %)</i>	-18.3%	-2.4%	-15.1%	0.4%
Adj. EBITDA	7.9	16.1	5.1	4.2
<i>Adj. EBITDA margin %</i>	3.3%	6.8%	7.0%	5.7%
International in EURm	FY 2022	FY 2023	Q4 2022	Q4 2023
Revenue	188.4	192.1	54.9	57.2
<i>yoy growth (in %)</i>	-16.5%	2.0%	-12.1%	4.2%
Adj. EBITDA	-11.2	2.1	-0.5	1.8
<i>Adj. EBITDA margin %</i>	-5.9%	1.1%	-0.9%	3.2%

In 2023, we adjusted costs of EUR -4.1m related to the Technology migration, of which only EUR -0.2m had cash impact

Tech migration costs in 2023

Restructuring severances

Cancellation of capitalisation of Tech development

Shortened lifetime of in-house developed software

	Unadjusted P&L impact	Adjusted P&L impact	Cash impact
Restructuring severances	EUR -0.2m	-	EUR -0.2m
Cancellation of capitalisation of Tech development	EUR -3.9m	-	-
Shortened lifetime of in-house developed software	EUR -0.5m	EUR -0.5m	-

Issued share capital

Share Information as at 31 December 2023

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	801,321

Stock Option Programs as at 31 December 2023

Program	# of options outstanding	Weighted average exercise price (in EUR)
LTIP 2023 ⁽¹⁾	478,330	11.07
ECP 2022	271,896	1.00
VSOPs ⁽²⁾	683,125	2.89 ⁽²⁾
LTIP 2019	1,828,800	19.30
LTIP 2016	96,450	0.01
Other	749,375	11.31
Total	4,107,975	12.49

Investor Relations Contact

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Events

7 May 2024

Publication of first quarter results

14 May 2024

Frühjahreskonferenz Equity Forum

19 June 2024

Annual General Meeting

