

A photograph of an outdoor lounge area. In the foreground, two white lounge chairs with white cushions are positioned on a wooden deck. A small round table between them holds a glass bottle and two glasses. A white umbrella with a black scalloped edge stands behind the chairs. The background features a stone wall, a row of trees, and a clear sky. The scene is lit with warm, golden light, suggesting late afternoon or early morning.

Q2 2024 results

Munich, 8 August 2024

Disclaimer | Forward-looking statements

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 in these statements due to a number of factors. These include, without limitation, risks from macroeconomic developments, external fraud, inefficient processes at fulfilment centres, inaccurate personnel and capacity forecasts for fulfilment centres, hazardous materials/production conditions with regard to private labels, insufficient innovation capabilities, inadequate data security, insufficient market knowledge, strike risks and changes in competition levels.

1. Business update



State of Westwing

✓ We continued to grow in a challenging market.

- **GMV growth** of 5% and **revenue growth** of 4% year-over-year (yoy) despite market headwinds.
- **Adjusted EBITDA** of EUR 4 million at 4% margin (-1pp yoy) with improved contribution margin and brand awareness investments.
- **Free cash flow** of EUR -7 million due to timing of payments & seasonal inventory effects. **Net cash** of EUR 72 million (end of Q2).

✓ We made good progress on our 3-step plan to unlock Westwing's full value potential.

- We completed **reorganisations in Italy and Spain** and are implementing further **centralisation** measures.
- Our new, mostly Software-as-a-Service (SaaS) based **technology platform** went live in the first 2 countries, in line with plan.
- **Westwing Collection share** increased to 53% of Group GMV in Q2 2024, reaching a new all-time high.
- We continued to strengthen our **premium brand positioning** and are preparing to **launch more new countries** next year.

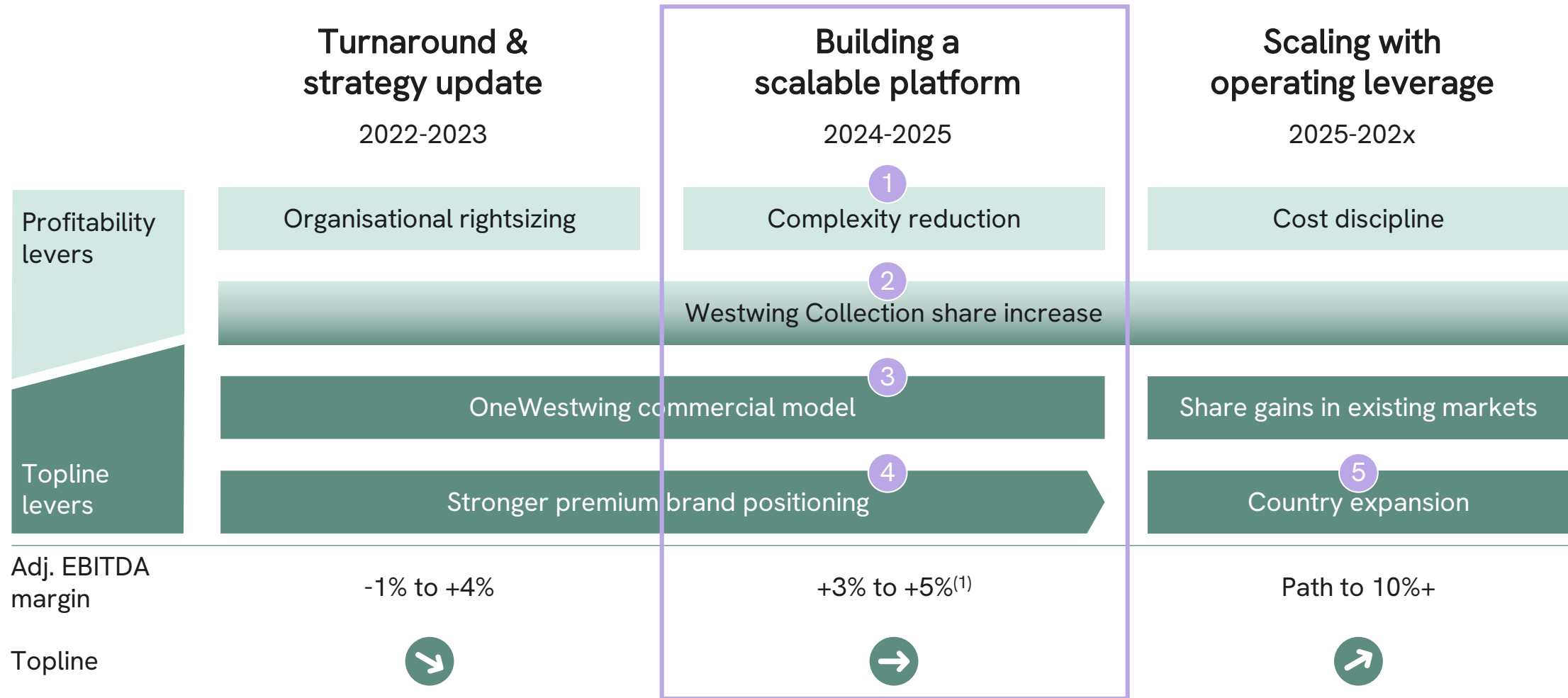
✓ We are progressing towards our ambitious sustainability targets.

- We continued to increase the **sustainable products and packaging** share of our Westwing Collection.

✓ We are confirming our FY 2024 guidance.

- **Revenue** of EUR 415 million to EUR 445 million (-3% to +4% yoy growth).
- **Adjusted EBITDA** of EUR 14 million to EUR 24 million (+3% to +5% adjusted EBITDA margin).

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



1 3 4 Recap: We are building a lean tech platform and are centralising our organisation & product assortment

Measures

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

Impact in 2024

As communicated

Topline loss

Low to mid single-digit % of FY 2024 Group revenue

One-off cash costs for implementation

EUR -10 to -15 million

Higher D&A

EUR -3 to -4 million

Return on investment





SaaS tech platform: Short payback period of one year after full implementation.

Other measures: Complexity reduction with longer payback period.


Positive impact on premium brand positioning.

1 3 4 Restructuring of Italy and Spain is completed, including consolidation of logistics centres

Measures

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

 Completed

 Ongoing

134 We will use the momentum for the next step of complexity reduction and premiumisation

Measures

Mostly Software-as-a-Service (SaaS) tech platform ▶▶	Mostly global product assortment for IT/ES ✓	Mostly global product assortment for CEE ⁽¹⁾ ▶	Premiumisation of global product assortment ▶
Consolidation of local PL/IT/ES logistics centre footprint ✓	Restructuring of IT/ES corporate functions ✓	Restructuring of CEE ⁽¹⁾ related business functions ▶	Consolidation of HQ related business functions ▶

- ✓ Completed
- ▶▶ Ongoing
- ▶ Started

134 We will use the momentum for the next step of complexity reduction and premiumisation while lowering the expected one-off implementation costs

Measures

Mostly Software-as-a-Service (SaaS) tech platform	Mostly global product assortment for IT/ES	Mostly global product assortment for CEE ⁽¹⁾	Premiumisation of global product assortment
Consolidation of local PL/IT/ES logistics centre footprint	Restructuring of IT/ES corporate functions	Restructuring of CEE ⁽¹⁾ related business functions	Consolidation of HQ related business functions

- ✓ Completed
- ▶▶ Ongoing
- ▶ Started

Impact in 2024

Updated

Topline loss	Low to mid single-digit % of FY 2024 Group revenue, main impact in H2
One-off cash costs for implementation	EUR -10 to -12 million
Higher D&A	EUR -3 to -4 million



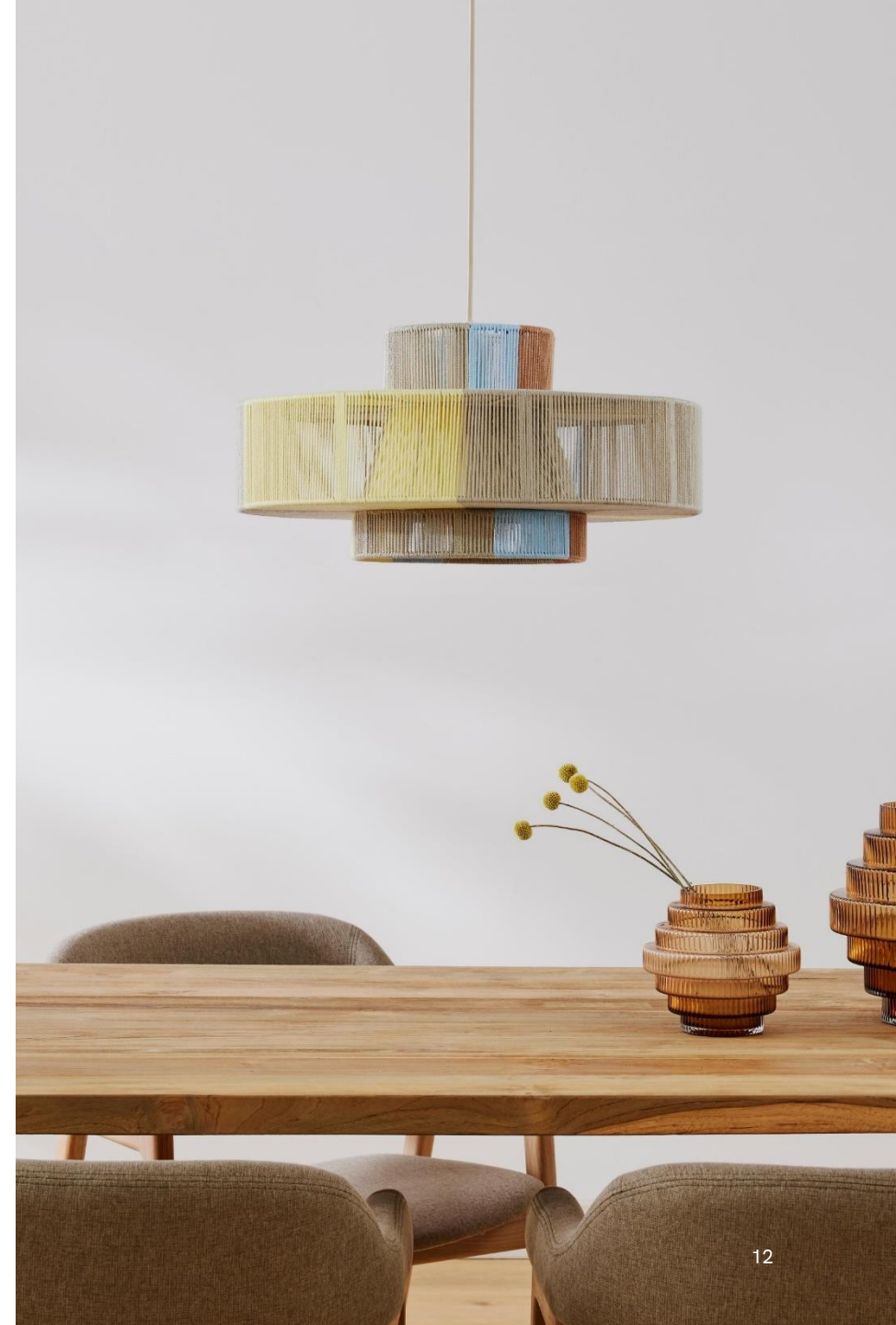
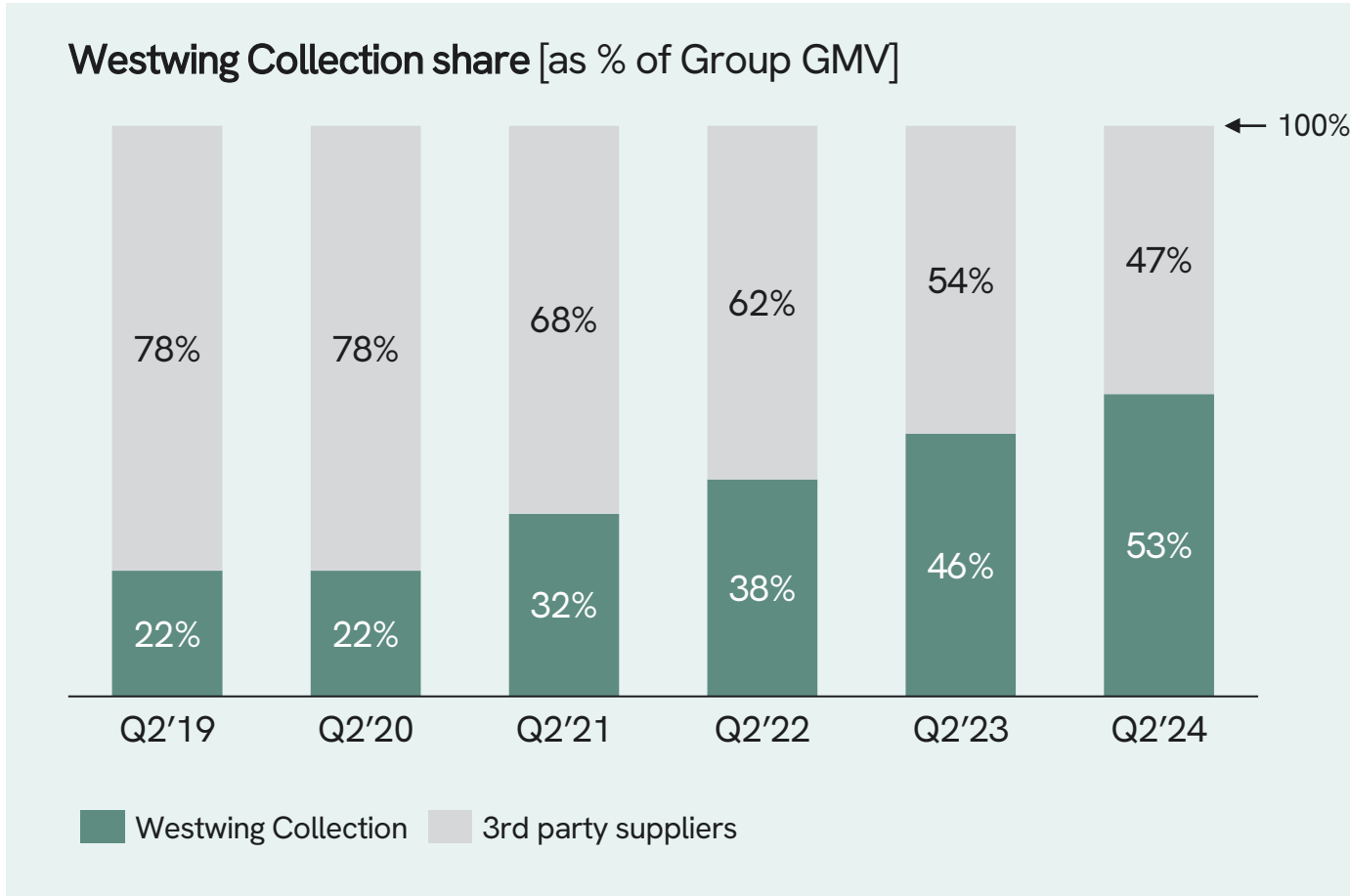
Return on investment

- SaaS tech platform: Short payback period of one year after full implementation.
- Other measures: Complexity reduction with longer payback period.
- Positive impact on premium brand positioning.

We are building a strong, highly profitable design brand, though this transformation will temporarily impact topline

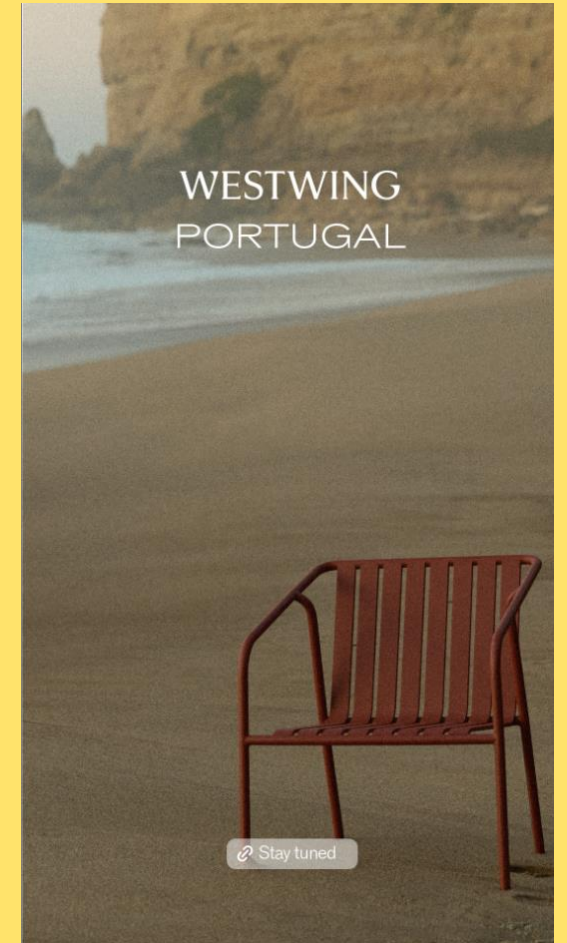
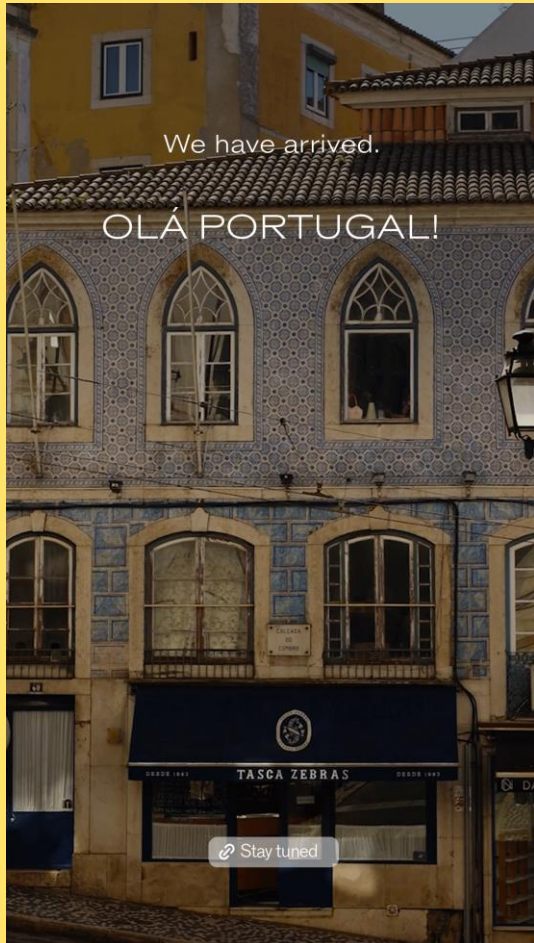


2 Westwing Collection share continued to increase



4 5

We expanded to the Portuguese market – The first expansion for Westwing in 10 years and the proof-of-concept for our new tech platform





CRÈME, ZAND & GEBROKEN WIT
Powerful Neutrals

[Ontdek hier](#)

Ontdek onze categorieën



MEUBELS



DECORATIE



LAMPEN



VLOERKLEDEN



TEXTIEL



TUIN & BALKON



KEUKEN



SERVIES



BADKAMER



KIDS



CADEAU

- 4 We collaborated with İlkay Gündoğan, the captain of the men's German national football team



We are progressing towards our ambitious sustainability targets

Q4 2023: 48%

60%
Q2 2024

of online Westwing Collection products feature the WE CARE label⁽¹⁾

Q4 2023: 67%

82% Q2 2024

of EU Westwing Collection suppliers have been evaluated on social aspects

Q4 2023: 43%

76%
Q2 2024

of plastic packaging have >60% recycled content

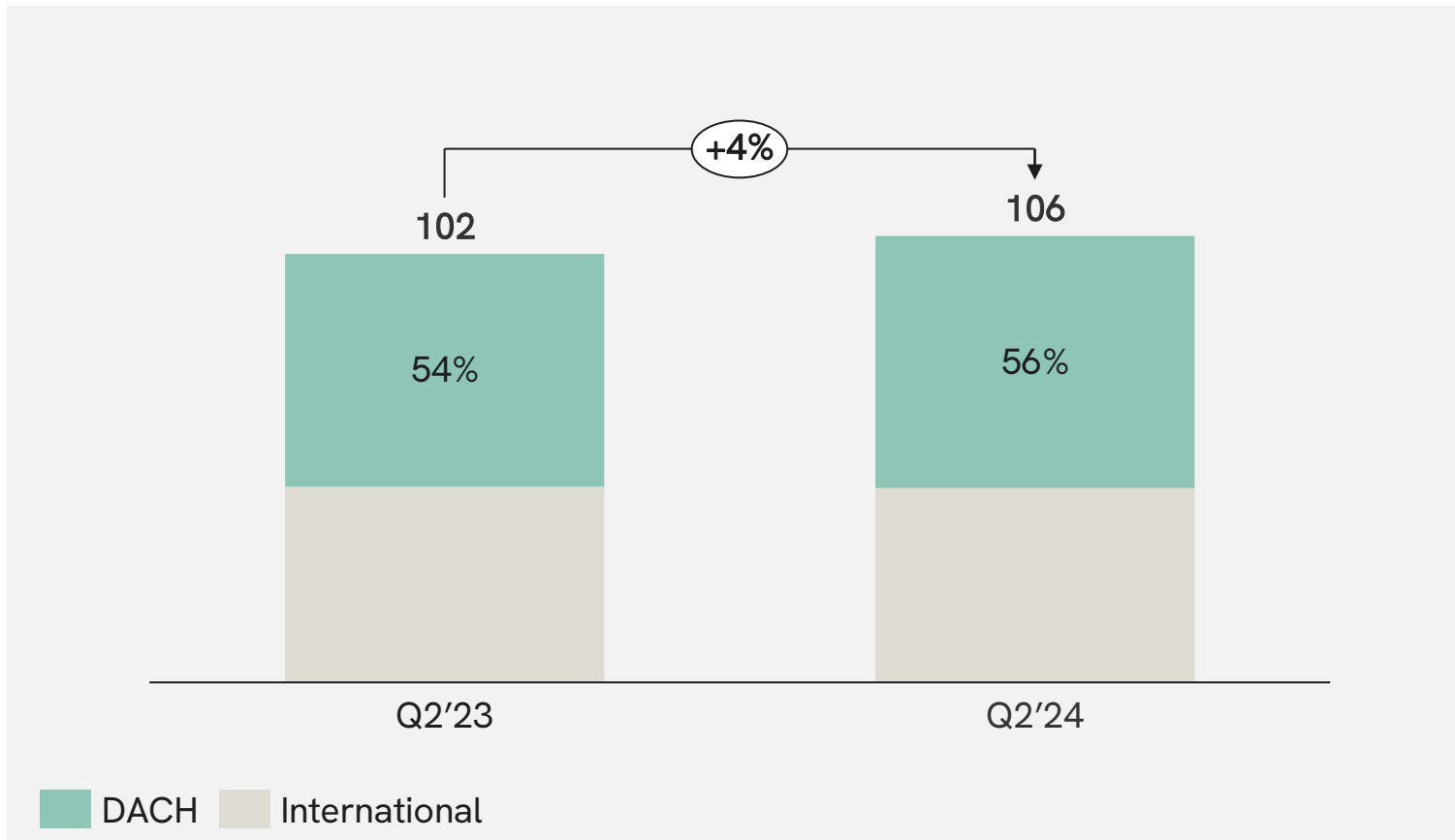




2. Financial update

Revenue growth of 4% year-over-year in the second quarter of 2024

Group revenue [in EUR million]

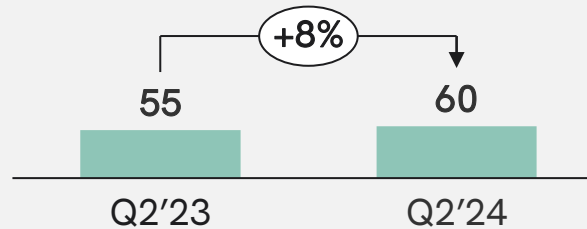
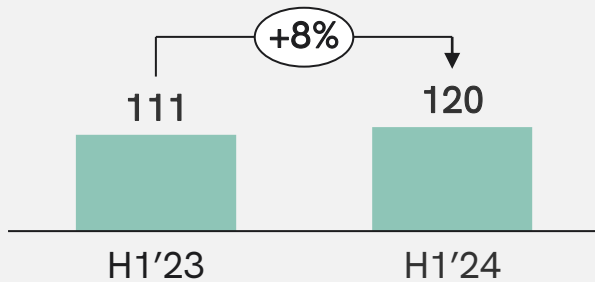


- Despite a weak market and negative topline impact of Italy and Spain, **Westwing achieved topline growth** in the second quarter of the year and **gained market share**.
- **GMV growth was 5%** year-over-year in Q2 2024.

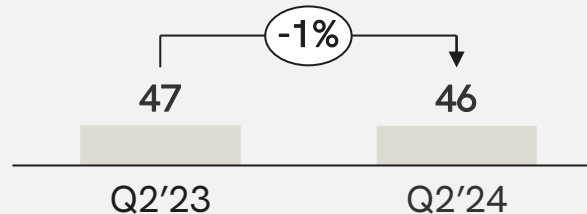
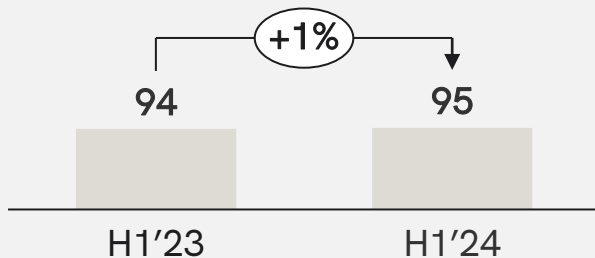
Strong topline development in the DACH segment

Segment revenue [in EUR million]

DACH segment



International segment



- Westwing's DACH segment grew by 8% year-over-year, outperforming the market.
- International segment remained relatively stable compared to last year, negatively impacted by developments in Italy and Spain.

Improvements across most of the P&L lines

[as % of revenue]	H1 2023	H1 2024	Delta 24 vs. 23	Q2 2023	Q2 2024	Delta 24 vs. 23	
Gross margin ⁽¹⁾	49.9%	51.0%	+1.1pp	50.2%	50.6%	+0.4pp	Strong Westwing Collection share gains partially offset by pressure on 3 rd party market prices and container costs.
Fulfilment ratio ⁽¹⁾	-21.6%	-19.8%	+1.8pp	-21.4%	-20.0%	+1.4pp	Efficiency gains and scale effects.
Contribution margin	28.3%	31.2%	+2.9pp	28.8%	30.6%	+1.8pp	
Marketing ratio	-9.2%	-12.7%	-3.5pp	-9.4%	-12.6%	-3.2pp	Investments into brand awareness.
G&A ratio ⁽²⁾	-19.1%	-19.0%	+0.1pp	-19.7%	-19.5%	+0.2pp	EUR -0.6 million impact (-0.6pp) of shortened lifetime of in-house developed tech assets.
D&A ratio	4.6%	5.2%	+0.6pp	4.7%	5.2%	+0.5pp	EUR 0.8 million impact (0.8pp) of shortened lifetime of in-house developed tech assets.
Adj. EBITDA margin	4.6%	4.7%	+0.1pp	4.4%	3.7%	-0.7pp	

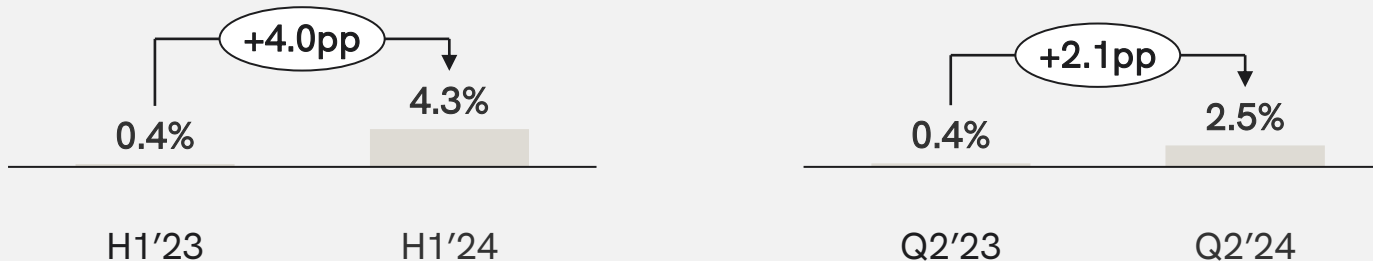
DACH and International segment both with positive adjusted EBITDA margin in Q2 2024

Segment adjusted EBITDA [as % of revenue]

DACH segment



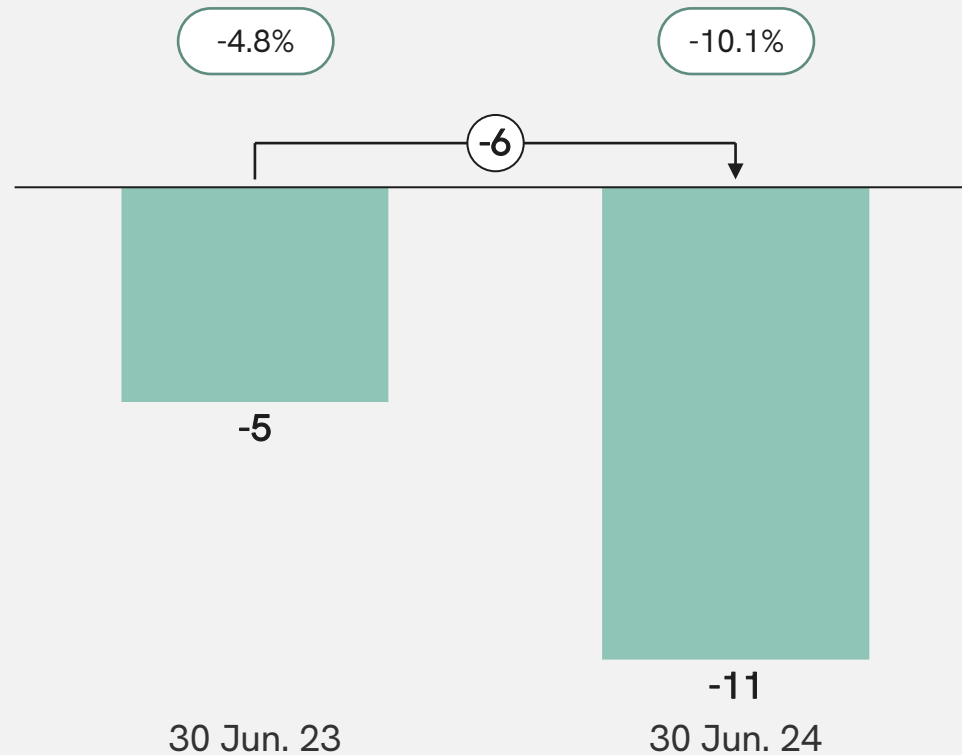
International segment



- Both DACH and International segment with clearly positive adjusted EBITDA margin in Q2 2024 and H1 2024.
- DACH segment impacted by investment into brand awareness.
- International segment driven by strong increase in Westwing Collection share.

Net working capital remains negative with improvement of EUR 6 million year-over-year

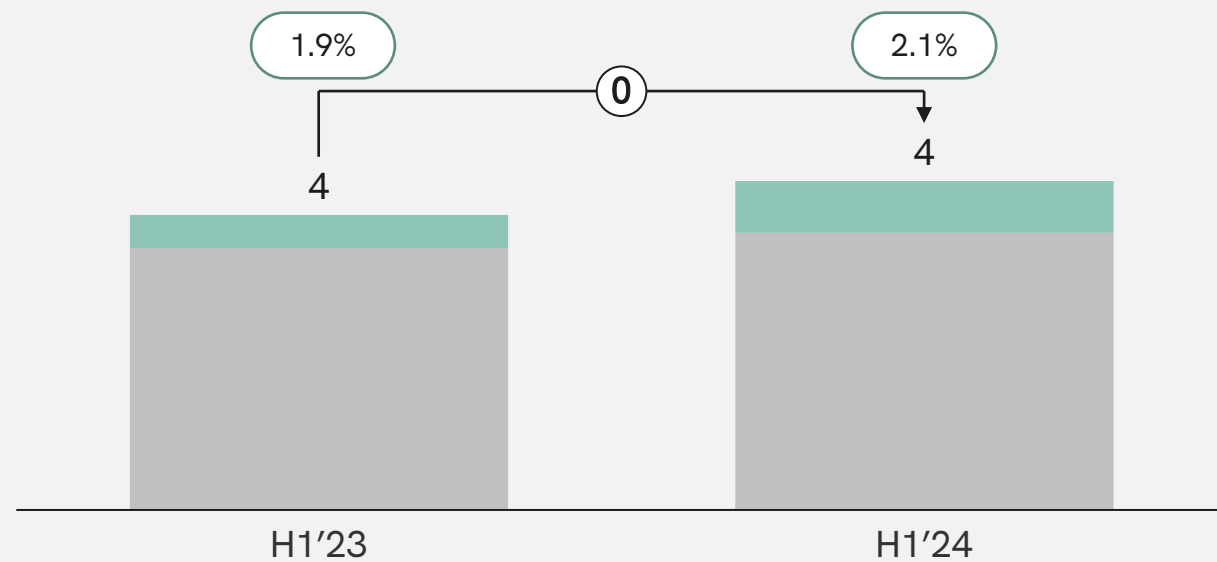
Net working capital [in EUR million, as % of revenue]



- Net working capital mainly impacted by **increased trade payables and decreased prepayments on inventories** year-over-year at the end of Q2.
- Net working capital Q2 2023 included **usage of trade financing**; without this the net working capital would have been at **EUR 2 million**.

CAPEX in H1 2024 in line with previous year's level

CAPEX [in EUR million, as % of revenue]

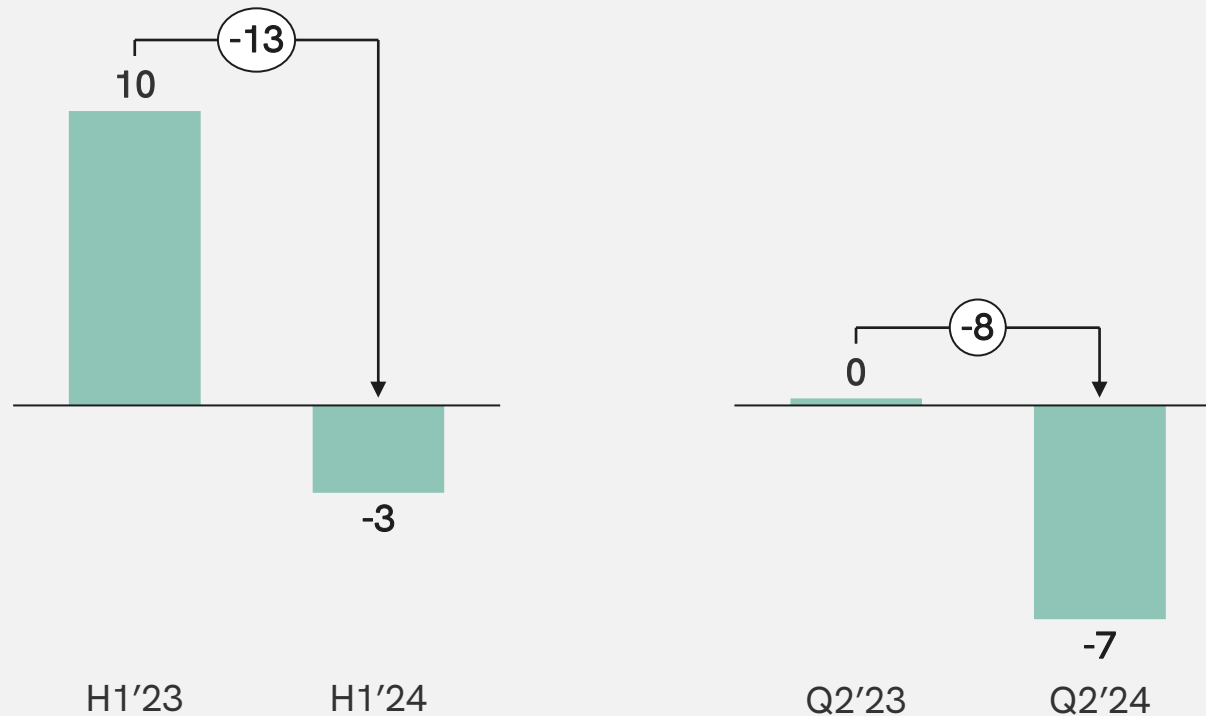


Property, plant and equipment Intangible



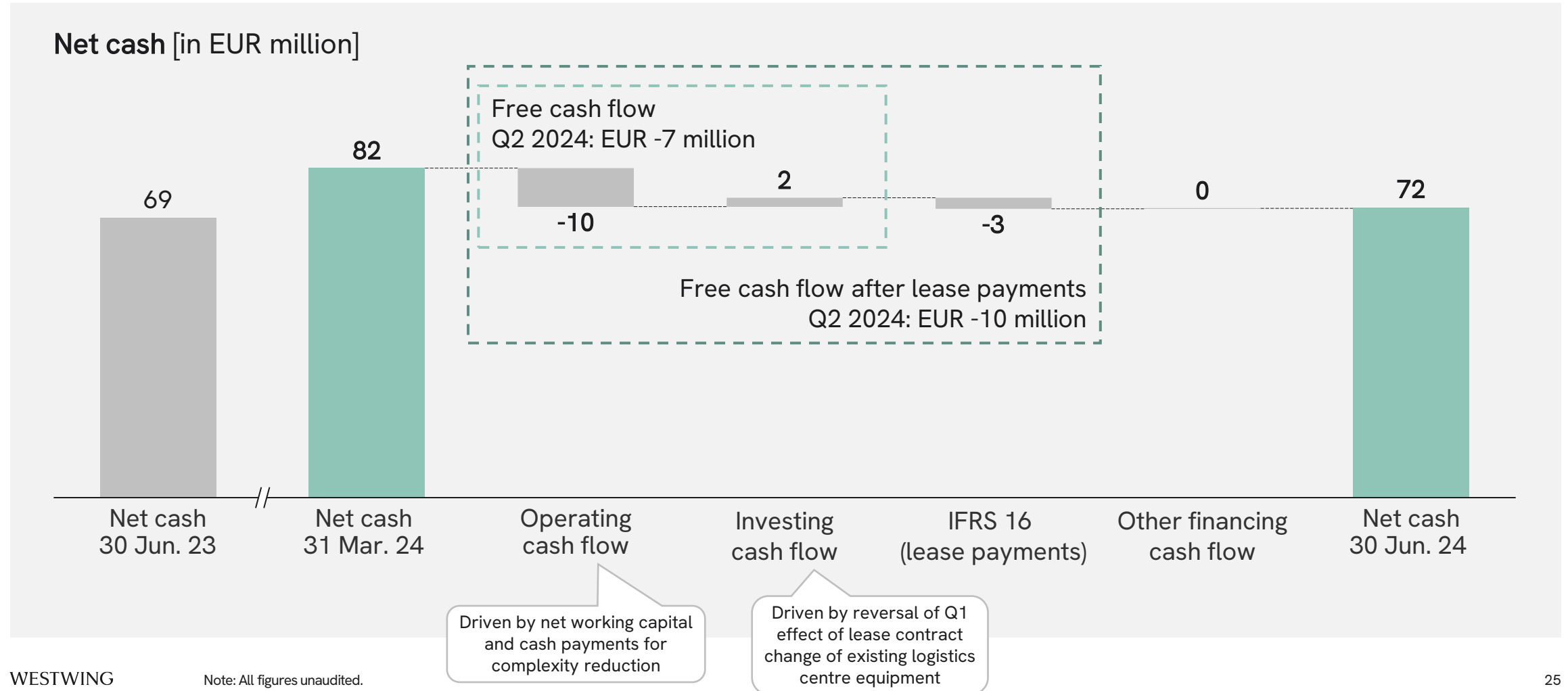
Free cash flow below previous year's level

Free cash flow [in EUR million]



- **Net working capital** effect in Q2 2024 of EUR -8 million.
 - Reduction of payables (EUR -7 million) quarter-over-quarter driven by **timing effect** from Q1 as well as seasonal development.
 - **Typical seasonal inventory** increase of EUR 2 million quarter-over-quarter after 2 years of excess inventory reduction.
- EUR -3 million **cash payments** in Q2 2024 for **restructuring expenses** as part of the complexity reduction measures.
- EUR +3 million **cash income** in Q2 2024 from completed **sale-and-lease-back** of warehouse assets.

Strong net cash position of EUR 72 million at the end of June 2024



FY 2024 guidance confirmed

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

Comments

- Good first half of 2024 but outlook for the rest of the year remains cautious.
- Complexity reduction measures will likely have detrimental effect on topline in H2.
- Increasing Westwing Collection share.
- Continued investment into brand awareness.
- Cost discipline and P&L benefits from efficiency gains.
- Investment for complexity reduction of EUR 10-12 million will be adjusted, but with full impact on cash.
- Free cash flow expected to be breakeven.

3. 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 c.130b** total Home & Living market⁽¹⁾ in existing 12 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 of **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.

4. Q&A

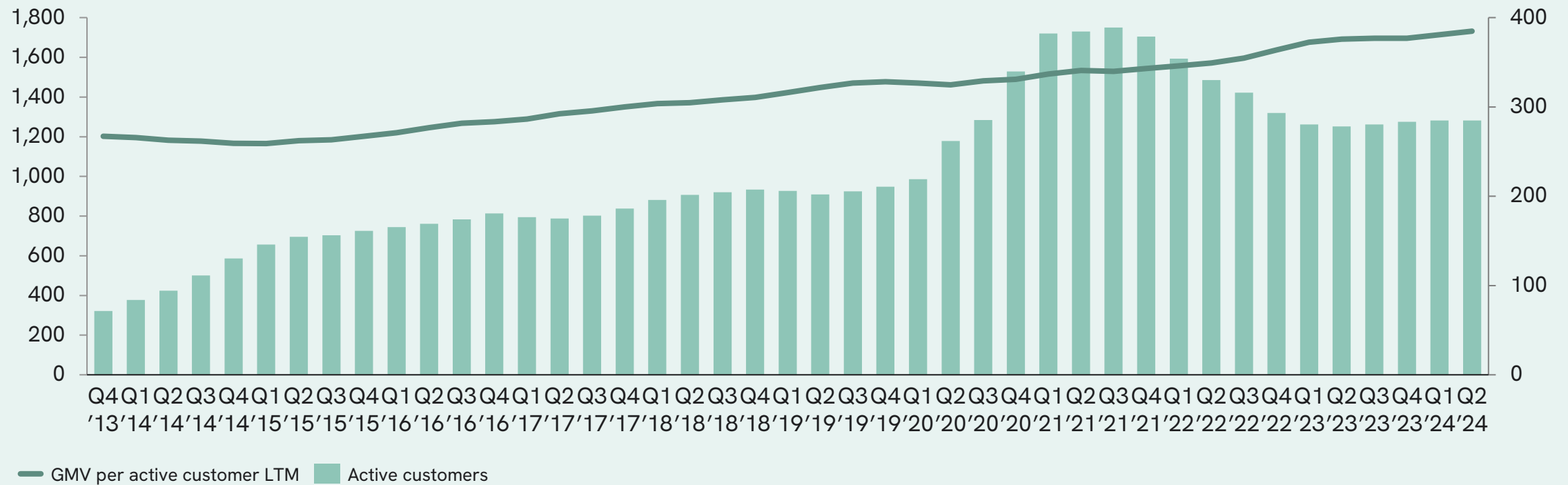


5. Appendix



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	Q1 2024	Q2 2024
Westwing Collection share	in % of GMV	25%	22%	26%	28%	31%	32%	38%	37%	37%	38%	44%	44%	46%	46%	48%	47%	51%	53%
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	1,282	1,282
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	676	578
Average basket size	in EUR	127	122	129	119	129	135	144	131	147	159	164	149	169	178	177	157	185	198
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	2.2	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	381	385
GMV	in EUR m	85	128	113	175	164	139	118	166	128	109	102	142	118	109	107	147	125	114
Mobile visit share	in %	76%	79%	80%	79%	79%	80%	80%	80%	80%	80%	80%	80%	79%	78%	79%	82%	81%	81%

KPI definitions

Westwing Collection share	GMV share of Westwing Collection (formerly "Own & Private Label"): GMV of Westwing Collection business as % of Group GMV in the same reporting period.
Active customers	A customer who has made a valid order within the last 12 months at the 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 at the end of the reporting period.
Average GMV LTM per active customer	GMV of the last 12 months divided by active customers.
GMV	Gross Merchandise Volume: Value of all valid customer orders placed of a reporting period (i.e. excluding cancellation and VAT, but including returns).
Mobile visit share	Share of daily unique sessions per platform via mobile devices (tablets and smartphones) as % of all daily unique sessions per platform of a reporting period.

Consolidated income statement

EUR million, in % of revenue	H1 2023	H1 2024	Q2 2023	Q2 2024
Revenue	204.7	214.7	101.8	106.0
Cost of sales	-102.6	-105.3	-50.7	-52.4
Gross profit	102.1	109.4	51.1	53.6
Fulfilment expenses	-44.1	-43.3	-21.8	-21.3
Marketing expenses	-18.8	-27.4	-9.6	-13.4
General and administrative expenses	-40.0	-42.5	-21.4	-21.3
Other operating expenses	-3.2	-3.2	-2.3	-1.5
Other operating income	3.6	2.6	2.1	1.1
Operating result	-0.5	-4.3	-1.9	-2.8
Financial result	-0.6	0.1	-0.0	0.3
Result before income tax	-1.1	-4.2	-2.0	-2.5
Income tax expense	-0.7	-0.7	-0.7	-0.5
Result for the period	-1.8	-4.8	-2.7	-3.0
Reconciliation to adjusted EBITDA				
Operating result (EBIT)	-0.5	-4.3	-1.9	-2.8
Share-based compensation expenses	0.6	-0.0	1.6	0.7
Complexity reduction	-	3.2	-	0.5
Depreciation and amortisation	9.5	11.2	4.7	5.5
Adjusted EBITDA	9.5	10.2	4.4	3.9
Adjusted EBITDA margin (%)	4.6%	4.7%	4.4%	3.7%

Adjusted income statement

EUR million, in % of revenue	H1 2023	H1 2024	Q2 2023	Q2 2024
Revenue	204.7	214.7	101.8	106.0
<i>Revenue growth year-over-year</i>	-4.4%	4.9%	-1.2%	4.1%
Cost of sales	-102.6	-105.3	-50.7	-52.4
Gross profit	102.1	109.4	51.1	53.6
<i>Gross margin</i>	<i>49.9%</i>	<i>51.0%</i>	<i>50.2%</i>	<i>50.6%</i>
Fulfilment expenses	-44.1	-42.5	-21.8	-21.2
Contribution profit	58.0	66.9	29.3	32.4
<i>Contribution margin</i>	<i>28.3%</i>	<i>31.2%</i>	<i>28.8%</i>	<i>30.6%</i>
Marketing expenses	-18.8	-27.2	-9.5	-13.3
General and administrative expenses	-39.5	-40.2	-19.8	-20.4
Other operating expenses	-3.2	-3.2	-2.3	-1.5
Other operating income	3.6	2.6	2.1	1.1
Depreciation and amortisation	9.5	11.1	4.7	5.5
Adjusted EBITDA	9.5	10.2	4.4	3.9
<i>Adjusted EBITDA margin (in %)</i>	<i>4.6%</i>	<i>4.7%</i>	<i>4.4%</i>	<i>3.7%</i>

Segment reporting

DACH in EUR million	H1 2023	H1 2024	Q2 2023	Q2 2024
Revenue	111.1	119.9	55.3	59.8
<i>Year-over-year growth (in %)</i>	-6.7%	7.9%	-5.5%	8.2%
Adjusted EBITDA	9.4	6.2	4.3	2.7
<i>Adjusted EBITDA margin (in %)</i>	8.4%	5.1%	7.8%	4.5%
International in EUR million	H1 2023	H1 2024	Q2 2023	Q2 2024
Revenue	93.6	94.7	46.5	46.2
<i>Year-over-year growth (in %)</i>	-1.5%	1.3%	4.4%	-0.7%
Adjusted EBITDA	0.3	4.1	0.2	1.1
<i>Adjusted EBITDA margin (in %)</i>	0.4%	4.3%	0.4%	2.5%

Excluding adjustments, Q2 2024 EBITDA of EUR 2.7 million and EBIT of EUR -2.8 million

EUR million	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Adjusted EBITDA	5.1	4.4	2.4	5.9	6.3	3.9
Adjusted D&A	-4.7	-4.7	-4.8	-5.5	-5.6	-5.5
Adjusted EBIT	0.4	-0.3	-2.5	0.4	0.7	-1.6
Share-based compensation expenses	1.0	-1.6	-1.0	-0.7	0.7	-0.7
Complexity reduction	-	-	-	-4.1	-2.7	-0.5
EBT	0.9	-2.0	-3.6	-4.4	-1.7	-2.5
EBIT	1.4	-1.9	-3.5	-4.4	-1.5	-2.8
EBITDA	6.1	2.8	1.3	1.1	4.3	2.7

Issued share capital

Share information as at 30 June 2024

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	888,495

Stock option programs as at 30 June 2024

Program	# of options outstanding	Weighted average exercise price (in EUR)
LTIP 2023 ⁽¹⁾	478,330	11.07
ECP 2022 ⁽²⁾	361,595	1.00
VSOPs ⁽³⁾	645,625	3.00 ⁽³⁾
LTIP 2019	1,828,800	19.30
LTIP 2016	96,450	0.01
Other	749,375	11.31
Total	4,160,175	12.35

Investor Relations Contact

Teresa Fischer Perez-Lozao

Director Corporate Finance

ir@westwing.de



Events

23 September 2024

Berenberg and Goldman Sachs
German Corporate Conference

25 September 2024

Baader Investment Conference

7 November 2024

Publication of third quarter results

