

A modern living room with a white armchair, a grey sofa, a coffee table, and a vase of flowers. The room is bright and airy, with large windows in the background. The white armchair is in the foreground, and the grey sofa is to the right. A coffee table with a bowl of fruit and a cup is in front of the sofa. A vase of flowers sits on a side table in the background.

WESTWING

Q2 2021 Results

Munich, August 12, 2021

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 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



Summary

Q2 2021 RESULTS	GROWTH	EUR 132m Revenue, at 19% revenue growth on top of strong previous year 91% growth baseline
	PROFITABILITY	EUR 11m Adj EBITDA at 8.1% Adj EBITDA margin
	FREE CASH FLOW	EUR 7m of Free Cash Flow; LTM Free Cash Flow at EUR 44m and 8% LTM Free Cash Flow margin
CUSTOMERS	Loyal active customer base at 1.7m end of Q2 2021, +47% vs Q2 2020	
WESTWING CUSTOMER EXPERIENCE 2.0	Progressing on our strategic agenda towards EUR 1 billion revenue by 2024/25; Highlights: Launch of two new exclusive Westwing Collections, 80,000 sqm new warehouse building project, accelerated Technology investments, and strong ESG results	
FY 2021 GUIDANCE	Guidance of EUR 510-550m Revenue (18-27% growth) and Adj EBITDA of EUR 42-55m (8-10% Adj EBITDA margin) confirmed	

Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for a tax claim provision against a divested entity regarding previous years, and (iii) income/expenses for the centralization of the French business.

COVID-19 continues to impact the world –

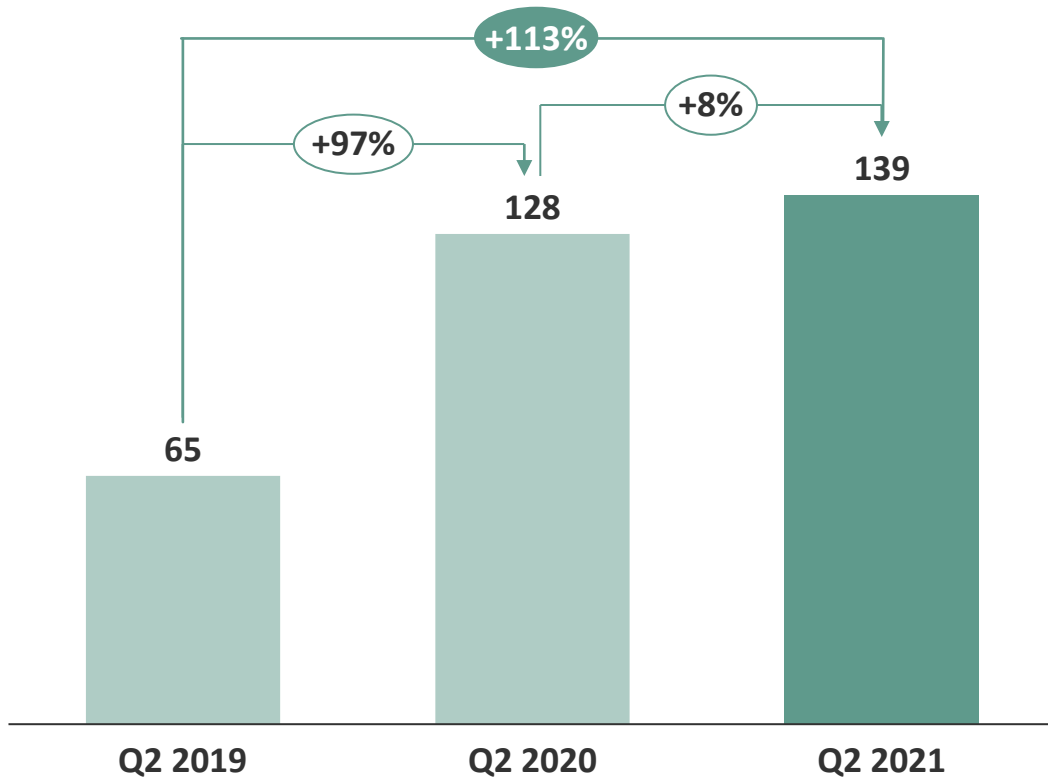
Health and safety of our employees, customers, partners remain our top priority

- Westwing warehouses and photo studios continue to operate with **highest hygiene standards, social distancing measures, etc.**
- We take **comprehensive safety measures to minimize the risk of a temporary warehouse closure**, yet a risk remains
- **Westwing team vaccination campaign under way** to support employee safety
- **Office teams continue to work mostly from home**, and we cautiously review how and when we can partially return to our offices

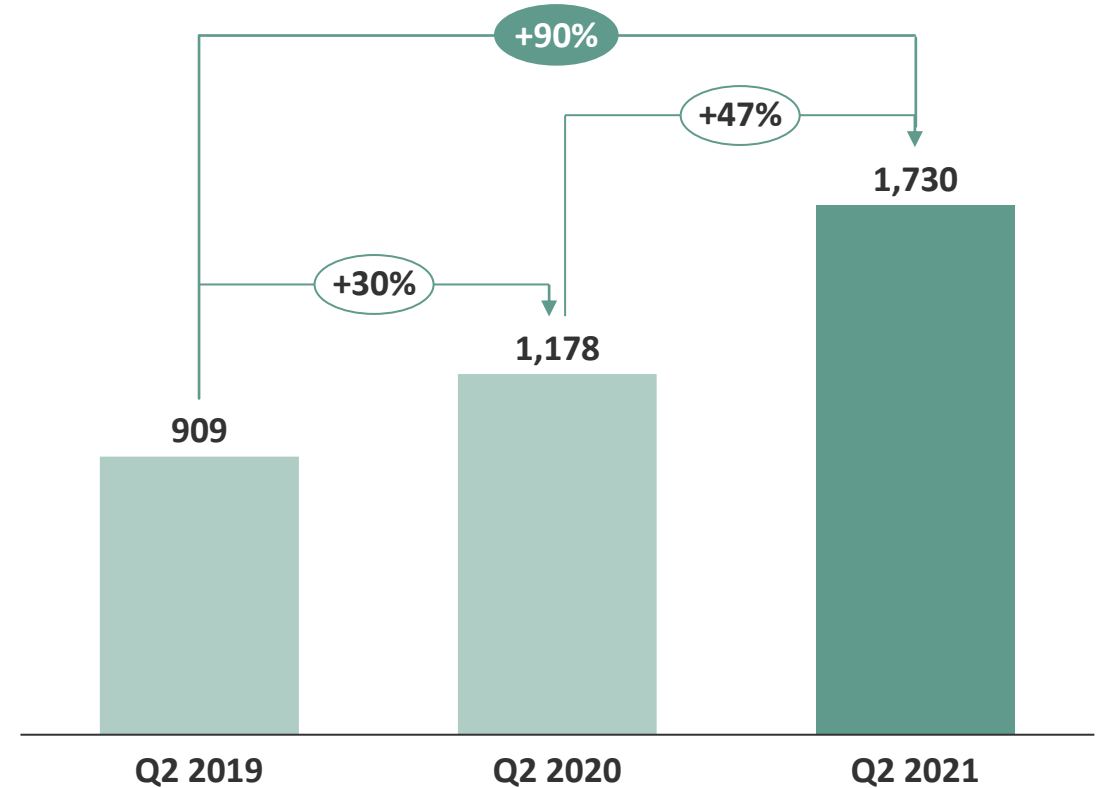


Topline level shift confirmed, continued growth on top of last year's extraordinary baseline

GMV (in EUR m)



Active Customers LTM (in k)





Global supply chain situation remains challenging; associated profitability and offering risks are limited

Current status

- **Global cargo disruptions cause increasing freight rates and capacity issues**, predictability of capacity and prices is extremely difficult; **challenges expected to remain well into 2022**
- Continued **raw material price inflation** especially on timber, textiles, and foam
- Severe COVID situation caused a **significant lower production capacity in India** and subsequent supply shortages



Mitigating measures

- **Close collaboration with suppliers** to ensure availability of our offering to customers (detailed forecasting with supplier, prioritization, early reservation of production capacity)
- **Cost inflation** (container rates and raw materials) mostly **mitigated through price increases**



Financial impact

- **Gross Margin** net impact of supply chain issues and cost inflation is assumed **around 1% of revenue** for FY 2021
- **Temporarily increased Net Working Capital likely**, as we secure stock and ensure supply through pre-payments and inventory buffer



Westwing Customer Experience 2.0 will guide our path to 2024/25

Westwing Customer Experience 2.0

Double down on our Creative & inspirational core

- Westwing Collection
- Creative team
- Organic marketing
- Video & Live shopping
- AR/3D/CGI



Set the next level of Order & post-order experience

- Westwing Delivery Service
- Westwing Interior Design Service
- Personalization



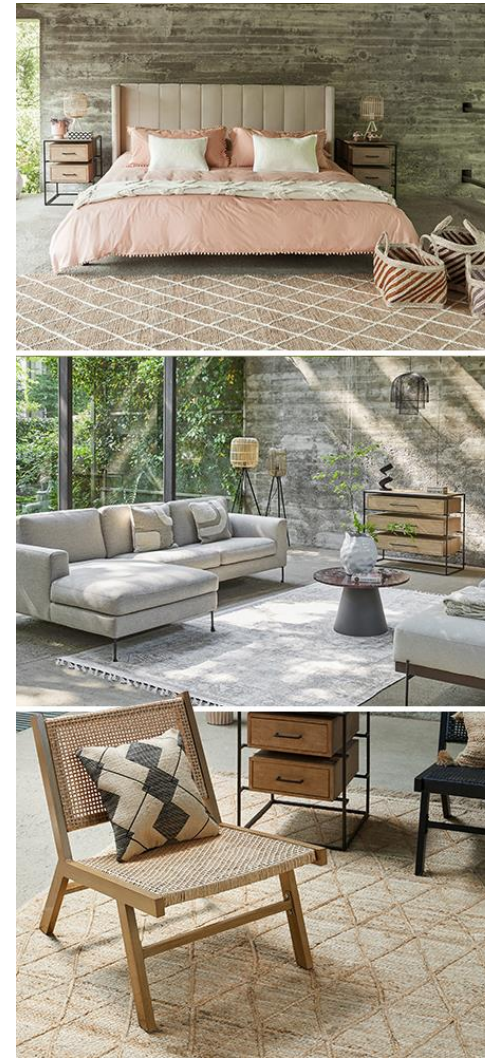
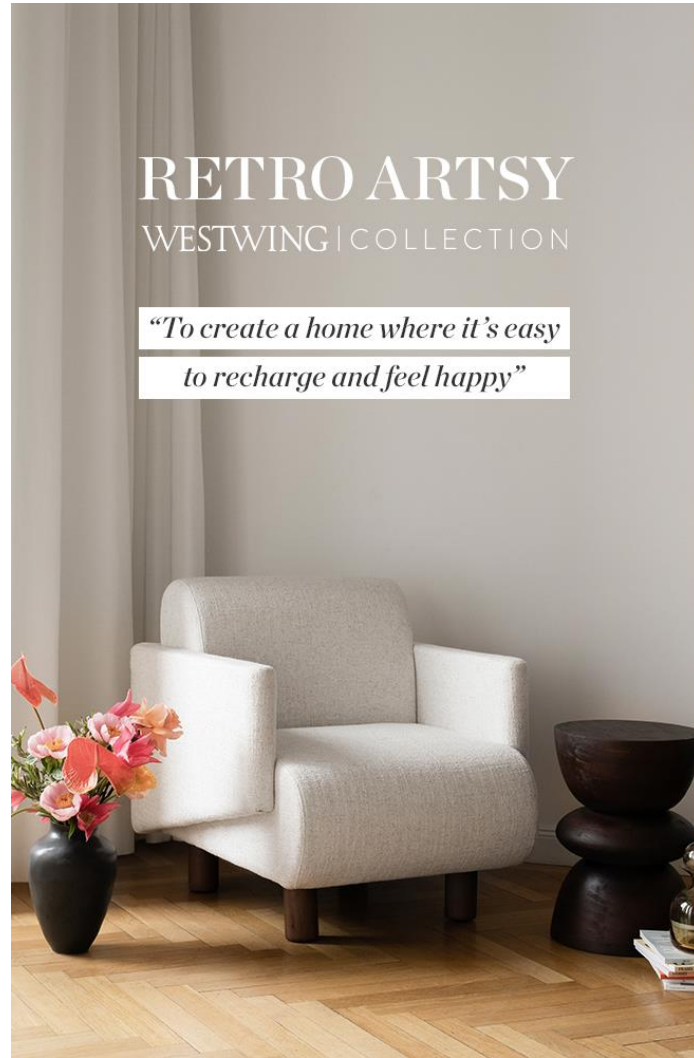
Scale up Business model & platform

- Supplier partnerships
- Technology scale-up
- International profitability
- Warehouse capacity



Deeply embed **Sustainability** into our operating model

Launch of two exclusive Westwing Collections in recent months



80,000 sqm new warehouse building project started



Together with a developer we have **started the construction on a new warehouse** to create **additional capacity for our growth strategy** towards EUR 1bn in sales



Size

80,000 sqm (+option to expand by another 30,000 sqm)



Capacity

EUR 250m GMV per year



Location

Poznan, Poland – in close proximity to our existing warehouses



Opening

H1 2022



Investment

Ground and building investments will be taken by developer

CAPEX by Westwing limited to handling equipment and installations



● Warehouse → Delivery areas

Technology investments are fueling our growth strategy

Technology investments are critical enabler of our ambitious growth strategy



Selected investment areas

Mobile front-end and App experience

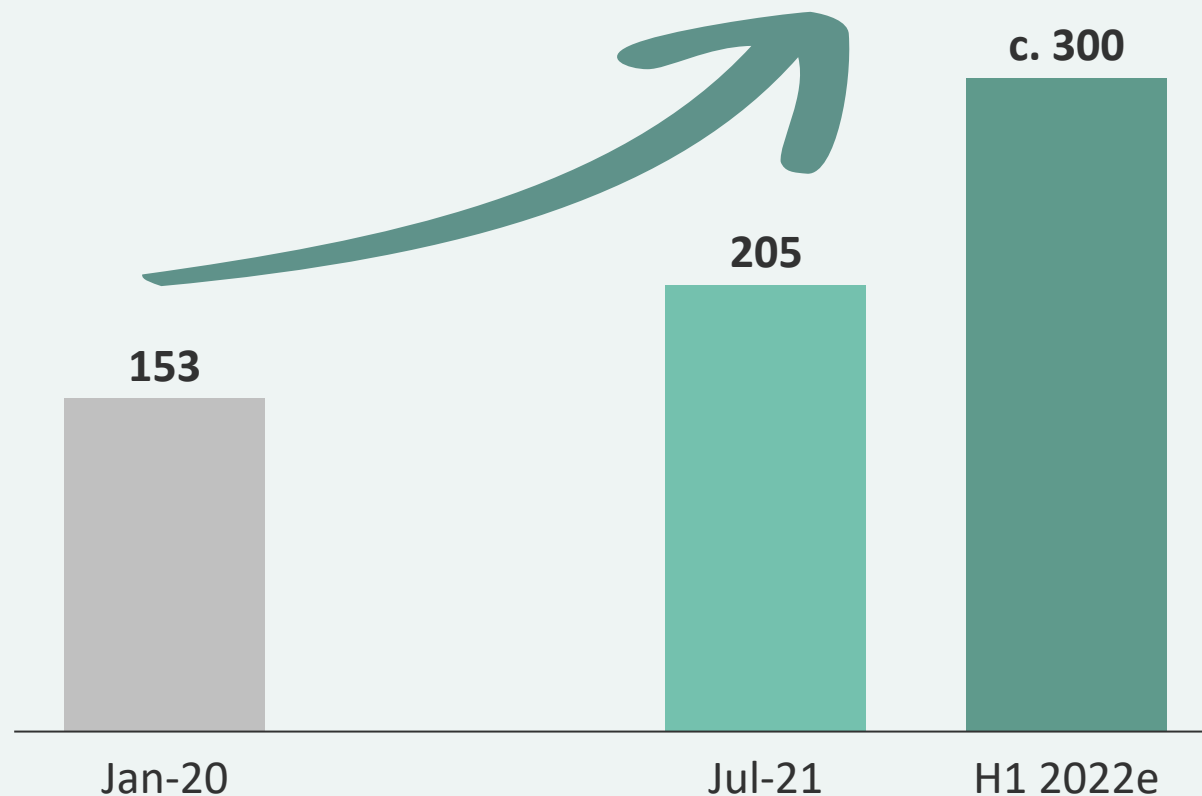
Platform scale-up

Augmented Reality, 3D

ERP and Tooling

Security

FTE in Technology [#]



ISS ESG scored Westwing within the top 30% of our industry

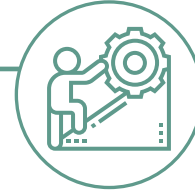
ISS ESG 
as of June 2021

**Decile rank
Top 3**



MSCI 
as of April 2021

**MSCI
ESG Ratings**



We are only at the beginning.

We are committed to deeply embed Sustainability into our operating model, and will continue to improve all aspects of ESG.

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Targets 2024/25:

European Home & Living eCommerce consumer love brand at EUR 1 billion revenue

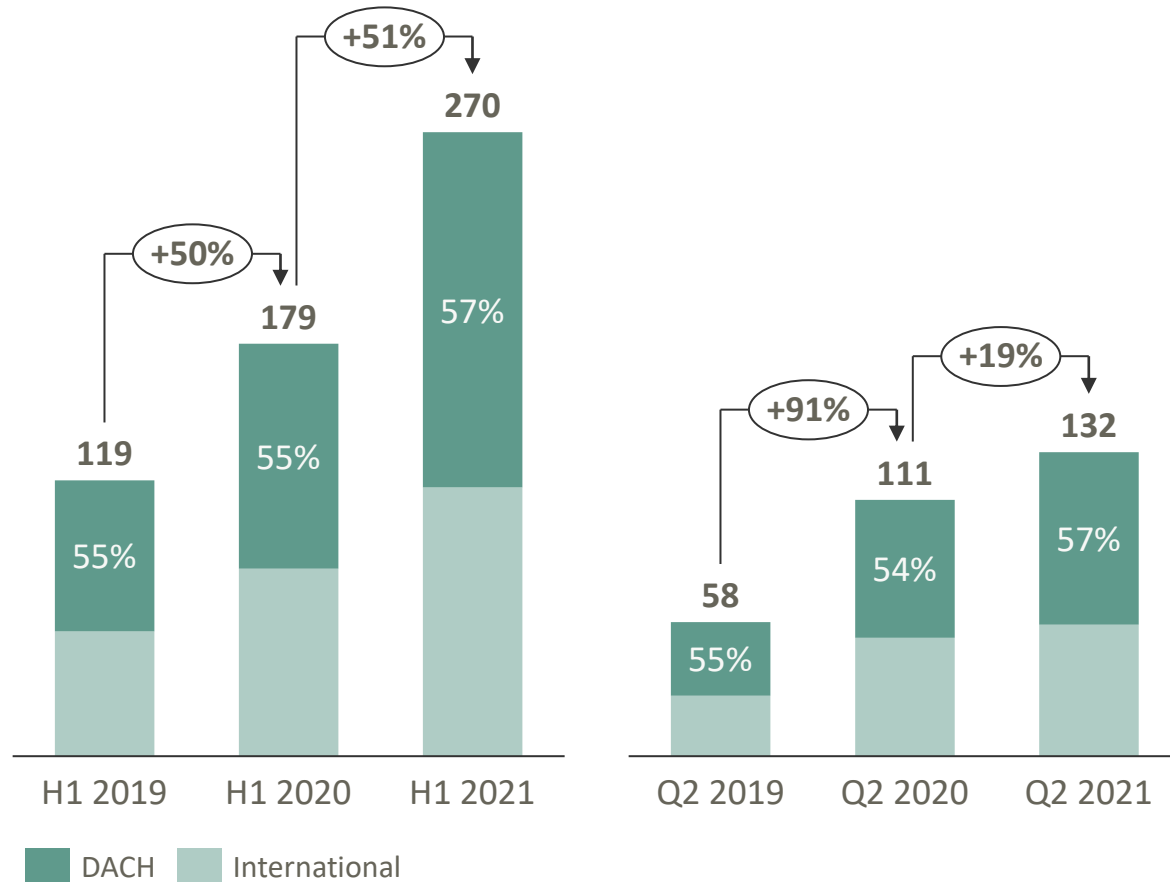


Financial Update

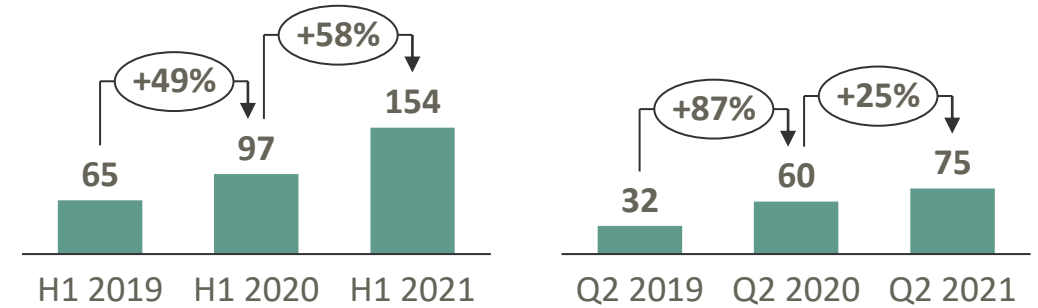


Revenue Growth at 19% in Q2 2021

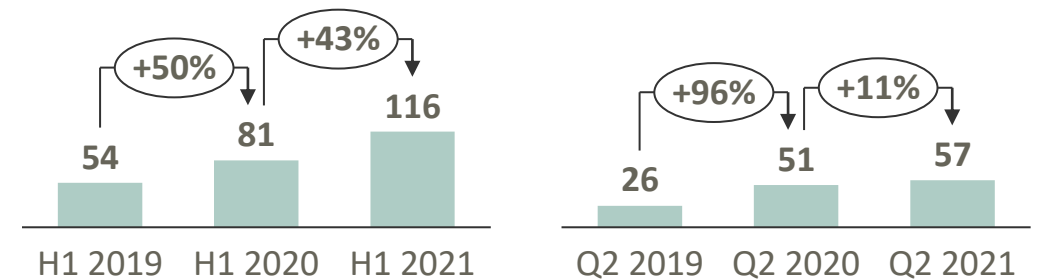
Group Revenue (in EUR m)



DACH Segment Revenue (in EUR m)



International Segment Revenue (in EUR m)



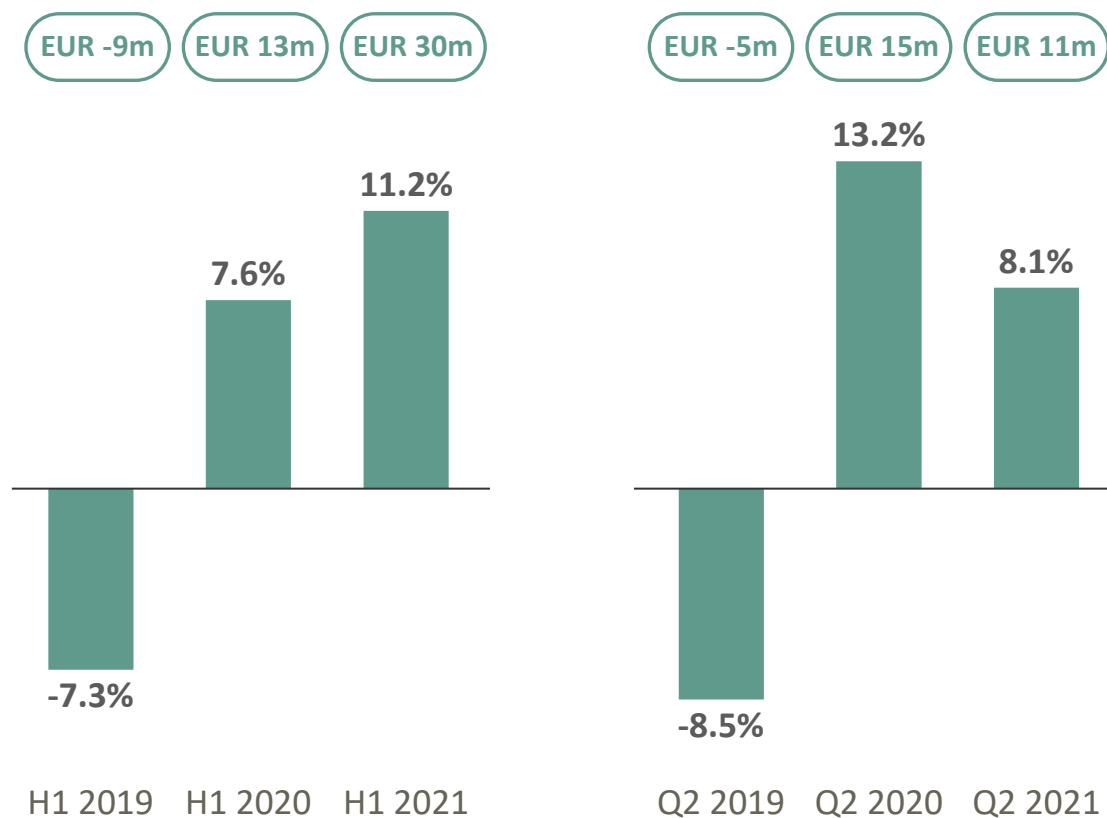
Income statement details

[in % of revenue]	H1 2019	H1 2020	H1 2021	Delta 20 vs 21	Q2 2019	Q2 2020	Q2 2021	Delta 20 vs 21	
Gross margin	42.9%	47.9%	50.1%	+2.2%pts	43.4%	48.6%	49.5%	+0.9%pts	Westwing Collection share gain
Fulfilment ratio	-24.3%	-20.9%	-19.9%	+0.9%pts	-24.9%	-19.9%	-20.5%	-0.6%pts	
Contribution margin	18.5%	27.0%	30.2%	+3.2%pts	18.5%	28.7%	29.0%	+0.4%pts	
Marketing ratio	-7.8%	-6.9%	-8.5%	-1.5%pts	-8.4%	-5.4%	-9.6%	-4.2%pts	Growth investments into Marketing
G&A ratio ¹⁾	-21.4%	-15.3%	-12.7%	+2.6%pts	-22.2%	-12.4%	-13.6%	-1.2%pts	Growth investments into Technology and Westwing Collection
D&A ratio	3.4%	2.8%	2.2%	-0.6%pts	3.6%	2.3%	2.3%	-0.0%pts	
Adj. EBITDA margin	-7.3%	7.6%	11.2%	+3.7%pts	-8.5%	13.2%	8.1%	-5.1%pts	

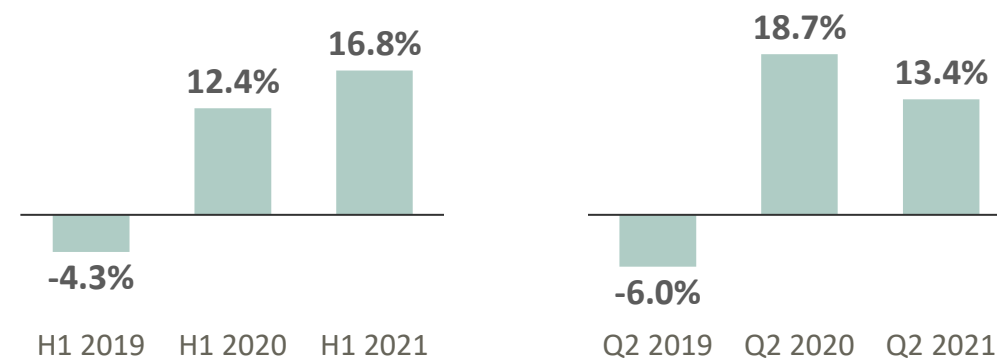
Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for a tax claim provision against a divested entity regarding previous years, and (iii) income/expenses for the centralization of the French and Italian business. 1) Includes "Other result".

Group profitability at 8% Adj EBITDA margin in Q2 2021

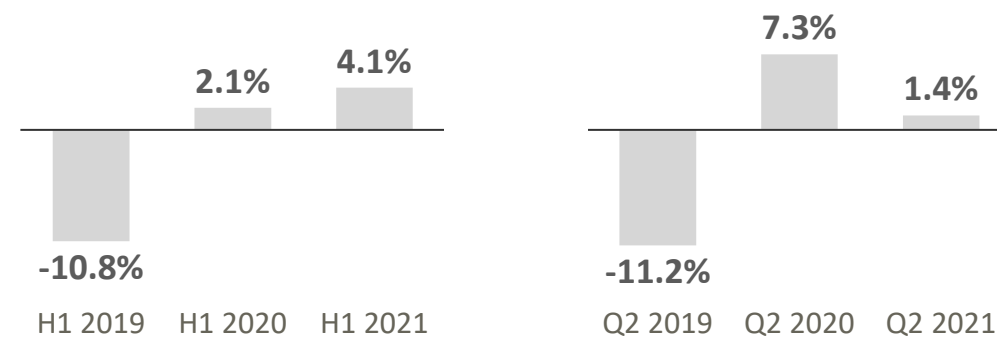
Group Adj EBITDA (in EURm and % of Revenue)



DACH Segment Adj EBITDA (in % of Revenue)



International Segment Adj EBITDA (in % of Revenue)

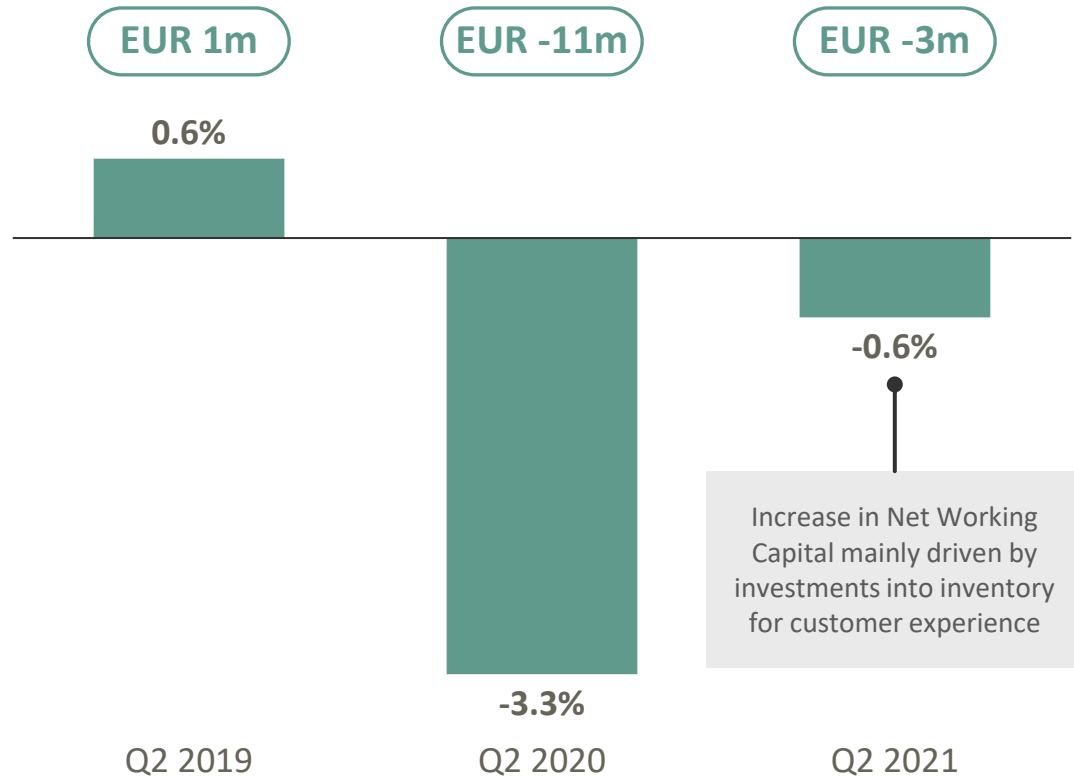


Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for a tax claim provision against a divested entity regarding previous years, and (iii) income/expenses for the centralization of the French and Italian business.

Net Working Capital negative at EUR -3m; CAPEX ratio remains very low at 1.8%

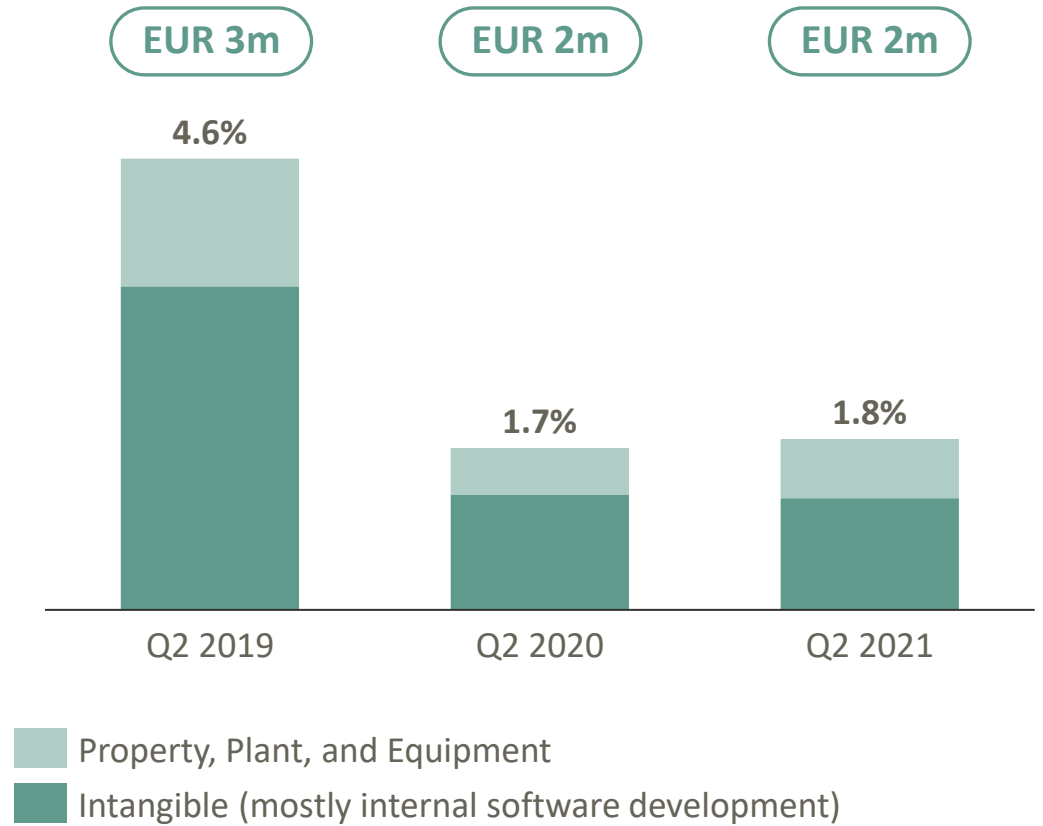
Net Working Capital

(in EUR m and % of LTM revenue)



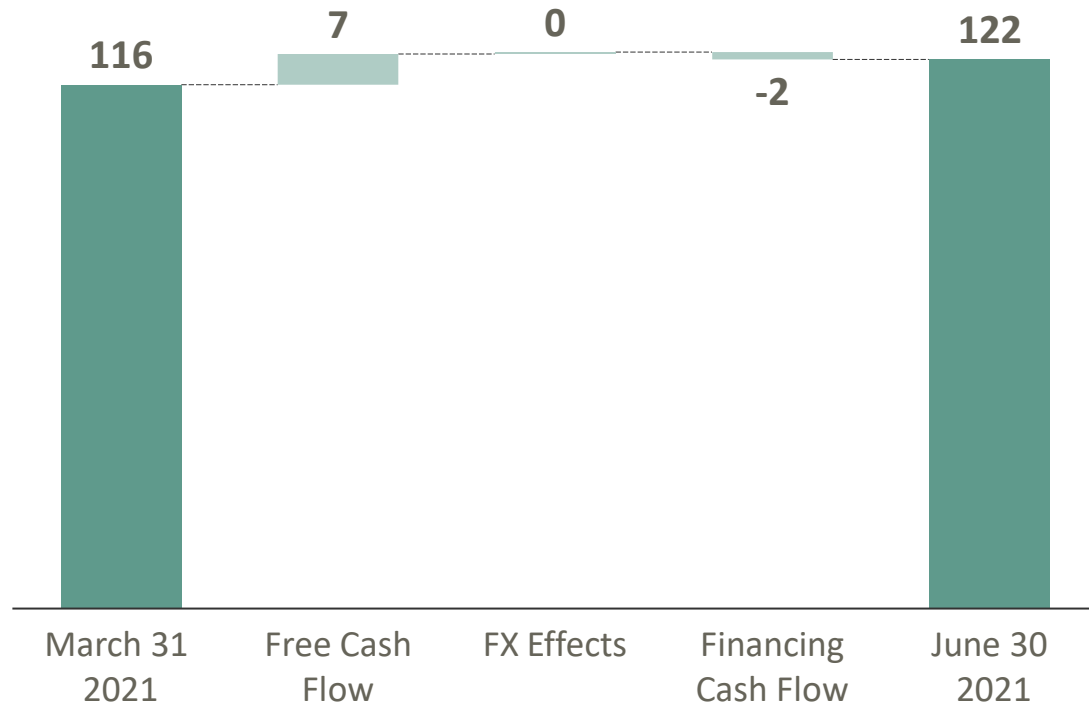
Capex ratio

(in EUR m and as % of revenue)

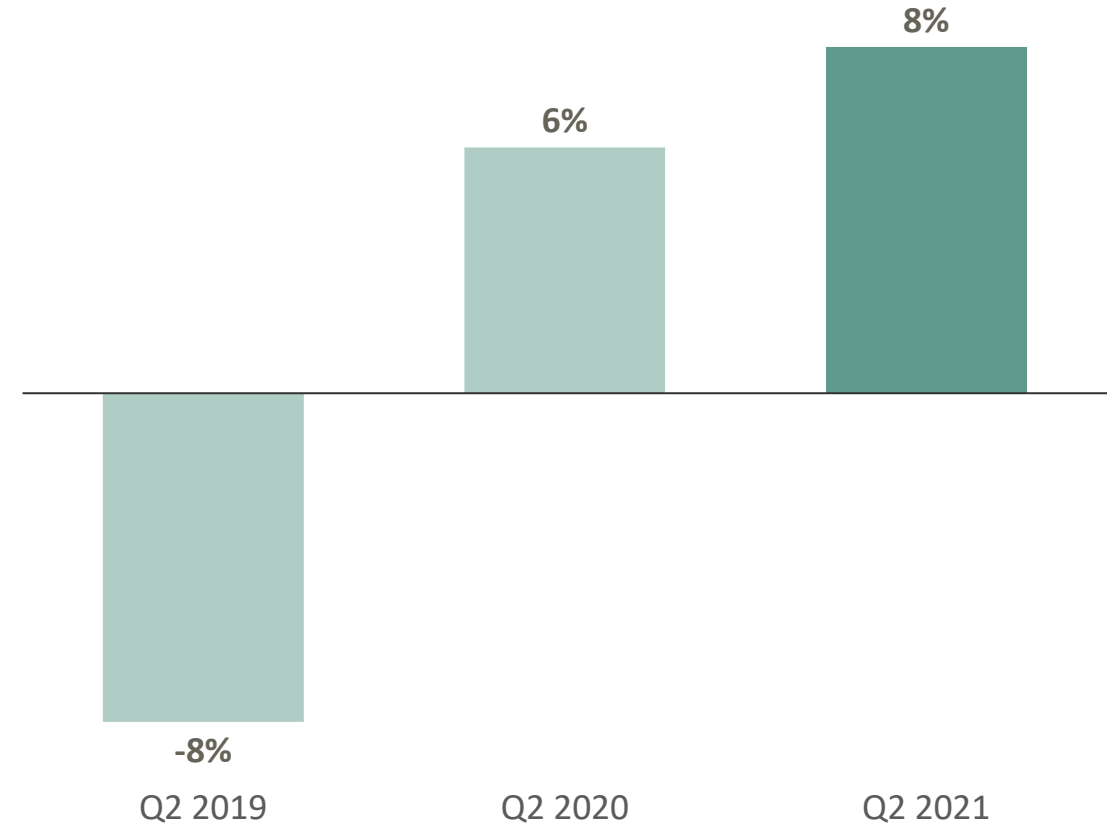


EUR 7m Free Cash Flow in Q2 2021 resulting in a strong Net Cash position of EUR 122m; Free Cash Flow margin LTM at 8%

Net Cash bridge
(in EUR m)



Free Cash Flow Margin LTM
(in % of revenue)



Note: Unaudited. Free Cash Flow defined as the sum of Operating Cash Flow and Investing Cash Flow.

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 H1 2021, the **guidance for FY 2021 is being confirmed**
- **H2 growth rates expected to be lower than H1** in line with guided full year results; Jul/Aug GMV growth at 7-11% yoy on top of the very high baseline from last year

Summary and Q&A



Q2 2021 Summary

EUR 132m Revenue

at 19% growth yoy

EUR 11m Adj EBITDA

at 8% margin

1.7m Active Customers

and 4.6m orders delivered LTM

FY 2021 guidance confirmed

EUR 510-550m Revenue and
EUR 42-55m of Adj EBITDA

Investment highlights

The opportunity is massive

Huge Home & Living market of **EUR 120bn** very early in eCommerce with **exiting growth momentum** based on a **dynamic online adoption**

Customer loyalty at the core

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

Westwing Collection

Our Westwing Collection **perfectly leverages the loyalty to our love brand** at **+12 to +15%pts Adj. EBITDA margin upside vs 3rd 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

Best-in-class cash conversion based on **negative Net Working Capital** and **low CAPEX ratio** – FY 2020 Free Cash Flow margin at 9%



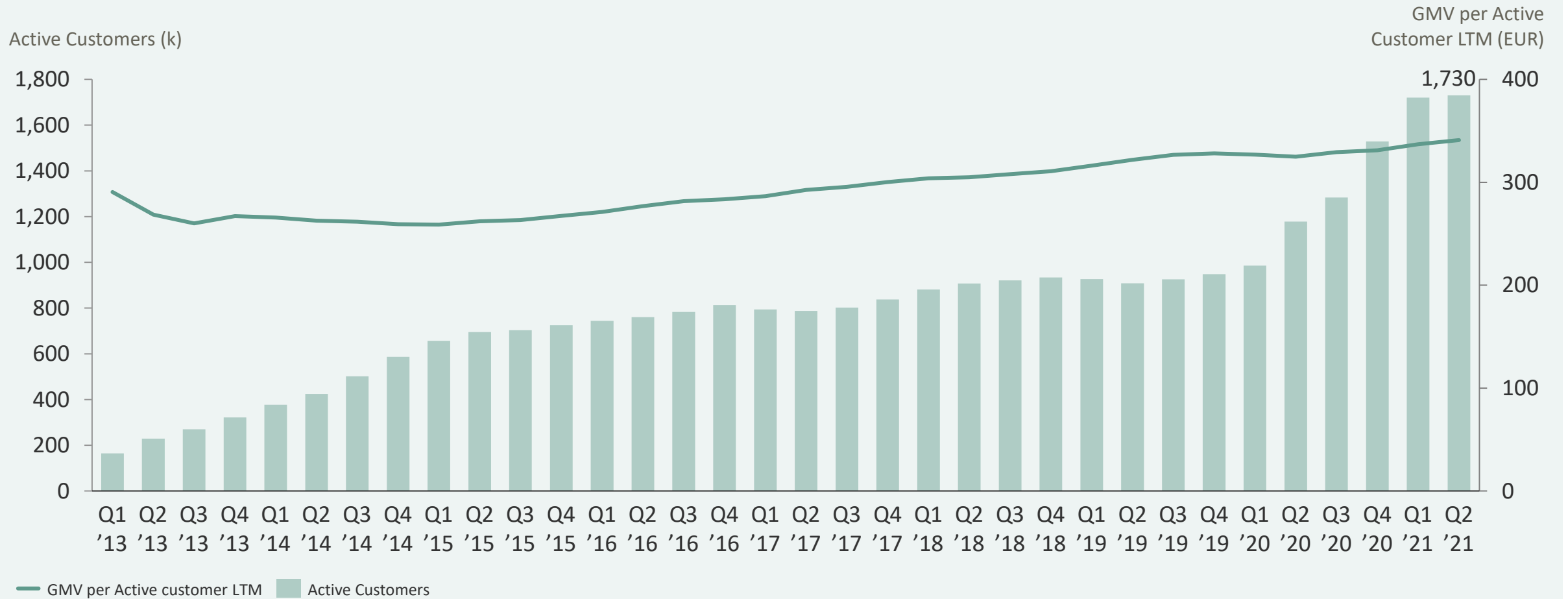
Q&A

Appendix



Growing Active Customer base while expanding share of wallet

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



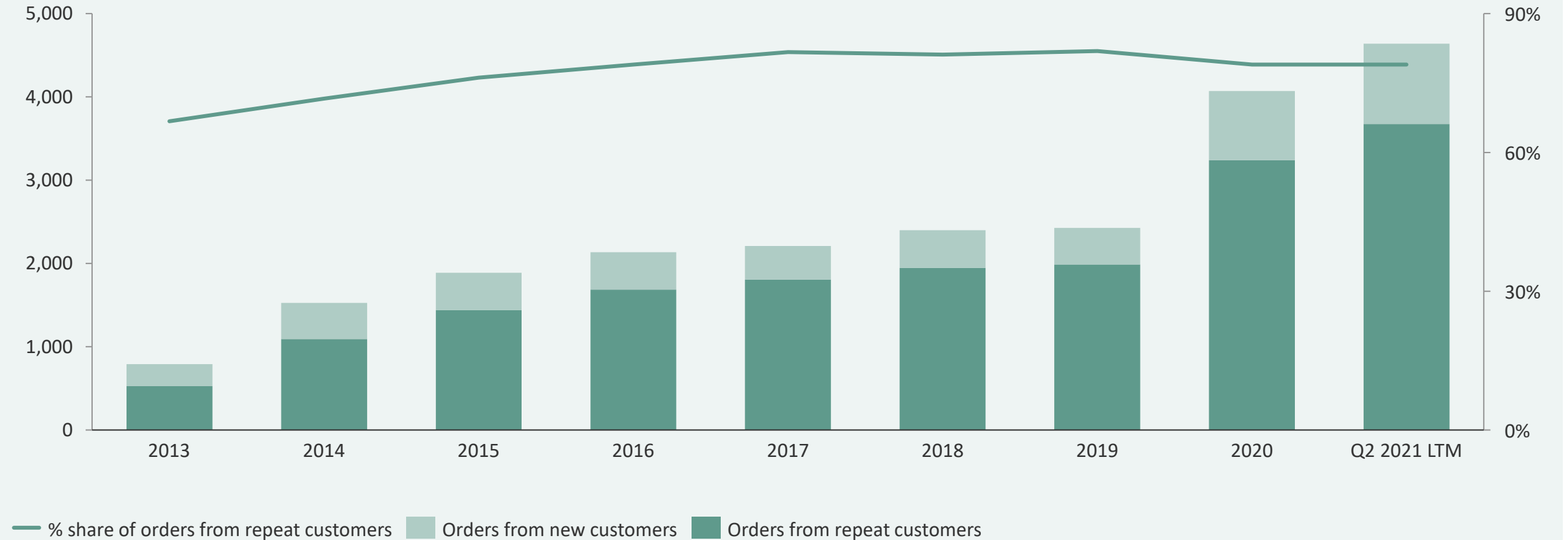
Note: Unaudited. Active customer defined as a customer who has made a valid order within the last 12 months.

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)

Repeat order share
(as % of total orders)



Note: 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
Westwing Collection share	in % of GMV	21%	22%	27%	25%	25%	22%	26%	28%	31%	32%
Active customers	in k	927	909	926	949	986	1,178	1,284	1,529	1,720	1,730
Number of orders	in k	591	492	539	805	675	1,051	874	1,474	1,268	1,022
Average basket size	in EUR	129	132	132	121	127	122	129	119	129	135
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
Average GMV LTM per active customer	in EUR	318	322	326	327	324	325	330	328	337	341
GMV	in EUR m	76	65	71	98	85	128	113	175	164	139
Mobile visit share	in %	75%	76%	77%	76%	76%	79%	80%	79%	79%	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, unaudited	H1 2020	H1 2021	Q2 2020	Q2 2021
Revenue	179	270	111	132
Cost of Sales	-93	-135	-57	-66
Gross profit	86	135	54	65
Fulfilment expenses	-37	-54	-22	-27
Marketing expenses	-12	-23	-6	-13
General and administrative expenses	-31	-41	-16	-22
Other operating expenses	-1	-2	-1	-2
Other operating income	1	2	1	1
Operating result	5	17	10	3
Financial result	-1	-1	-0	0
Result before income tax	4	16	9	3
Income tax expense	-1	-4	-1	-2
Result for the period	3	13	8	2
Reconciliation to Adj EBITDA				
Operating result (EBIT)	5	17	10	3
Share-based compensation expenses	4	6	2	4
Centralization France	-0	-0	-0	0
Provision tax claim Russia	0	1	0	1
D&A	5	6	3	3
Adj. EBITDA	13	30	15	11
Adj EBITDA margin (%)	7.6%	11.2%	13.2%	8.1%

Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for a tax claim provision against a divested entity regarding previous years, and (iii) income/expenses for the centralization of the French business.

Adjusted income statement

EUR m, in % of revenue, unaudited	H1 2020	H1 2021	Q2 2020	Q2 2021
Revenue	179	270	111	132
<i>Revenue Growth YoY</i>	49.5%	51.2%	91.3%	18.6%
Cost of Sales	-93	-135	-57	-66
Gross Profit	86	135	54	65
Gross Margin	47.9%	50.1%	48.6%	49.5%
Fulfillment expenses	-37	-54	-22	-27
Contribution profit	48	81	32	38
Contribution margin	27.0%	30.2%	28.7%	29.0%
Marketing expenses	-12	-23	-6	-13
General and administrative expenses	-27	-35	-14	-18
Other operating expenses	-1	-1	-1	-1
Other operating income	1	2	1	1
Depreciation and Amortization	5	6	3	3
Adj EBITDA	13	30	15	11
Adj EBITDA Margin	7.6%	11.2%	13.2%	8.1%

Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for a tax claim provision against a divested entity regarding previous years, and (iii) income/expenses for the centralization of the French business.

Segment reporting

DACH in EUR m, unaudited	H1 2020	H1 2021	Q2 2020	Q2 2021
Revenue	97.4	153.8	59.8	74.7
<i>YoY Growth (in %)</i>	<i>49%</i>	<i>58%</i>	<i>87%</i>	<i>25%</i>
Adj. EBITDA	12.1	25.8	11.2	10.0
<i>Adj. EBITDA Margin %</i>	<i>12.4%</i>	<i>16.8%</i>	<i>18.7%</i>	<i>13.4%</i>

International in EUR m, unaudited	H1 2020	H1 2021	Q2 2020	Q2 2021
Revenue	81.3	116.4	51.3	57.0
<i>YoY Growth (in %)</i>	<i>50%</i>	<i>43%</i>	<i>96%</i>	<i>11%</i>
Adj. EBITDA	1.7	4.8	3.8	0.8
<i>Adj. EBITDA Margin %</i>	<i>2.1%</i>	<i>4.1%</i>	<i>7.3%</i>	<i>1.4%</i>

Note: Unaudited. Adj EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for a tax claim provision against a divested entity regarding previous years, and (iii) income/expenses for the centralization of the French business.

Net Working Capital Bridge

Net Working Capital (NWC) breakdown as of June 30, 2021 (EUR m)



Issued share capital

Share Information *as of June 30, 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	343,275

Stock Option Programs *as of June 30, 2021*

Program	# of options outstanding	Weighted average exercise price (EUR)
VSOPs ⁽¹⁾	869,000	2.48 ⁽¹⁾
LTIP 2019 ⁽²⁾	1,944,750	19.30 ⁽²⁾
LTIP 2016	105,750	0.01
Other	804,725	10.73
Total	3,724,225	12.98

Note: Unaudited. (1) VSOPs are virtual, cash-settled option programs with an average cap of EUR 21.00, vesting end of 2022. (2) LTIP 2019 vesting end of 2022.

Upcoming Events

Date	Event
September 17, 2021	Citi: Small, Mid-Cap & Growth Conference 2021
September 20, 2021	Berenberg: German Corporate Conference
September 22, 2021	Baader: Investment Conference Small Cap Day
November 11, 2021	Publication of Q3 2021 results
November 23, 2021	Deutsches Eigenkapitalforum 2021