

A festive Christmas scene featuring several wrapped gifts. In the foreground, a gift wrapped in brown paper with a red ribbon and a white snowflake ornament sits on a red gift box. The scene is decorated with white snow-like powder. In the background, a wicker basket contains a small Christmas tree with warm white lights, and a wooden chair is visible. Other wrapped gifts are scattered around, including one with a white ribbon that says 'CHRISTMAS' and a red gift box.

# WESTWING

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Q3 2021 Results

Munich, November 11, 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. ”

WESTWING





## AGENDA

Business Update

Financial Update

Summary & Q&A

Appendix



## Business Update





# Summary

Q3 2021 RESULTS	<b>GROWTH</b>	<b>EUR 103m Revenue</b> , 5% growth on top of strong baseline from Q3 last year
	<b>PROFITABILITY</b>	EUR -0.4m Adj. EBITDA at -0.3% Adj. EBITDA margin
	<b>FREE CASH FLOW</b>	YTD Free Cash Flow at EUR -0.5m driven mainly by seasonality effects and investments into inventory to mitigate against supply chain disruptions
<b>Active Customers</b>	<b>Loyal active customer</b> base at 1.7m end of Q3 2021, +36% vs. Q3 2020	
<b>Supply Chain Update</b>	<b>Continued supply chain disruptions</b> impacting profitability; risk of inventory shortage mitigated through stock buffer: good product availability for Q4 expected	
<b>Westwing Collection</b>	Strategically important <b>Westwing Collection share up by 12%ppts</b> from Q3 2020 to 38% in Q3 2021	
<b>FY 2021 Guidance</b>	Revenue guidance of EUR 510-550m (18-27% growth) confirmed with Adj. EBITDA expected at the lower end of the guided range of EUR 42-55m (8-10% Adj. EBITDA margin)	

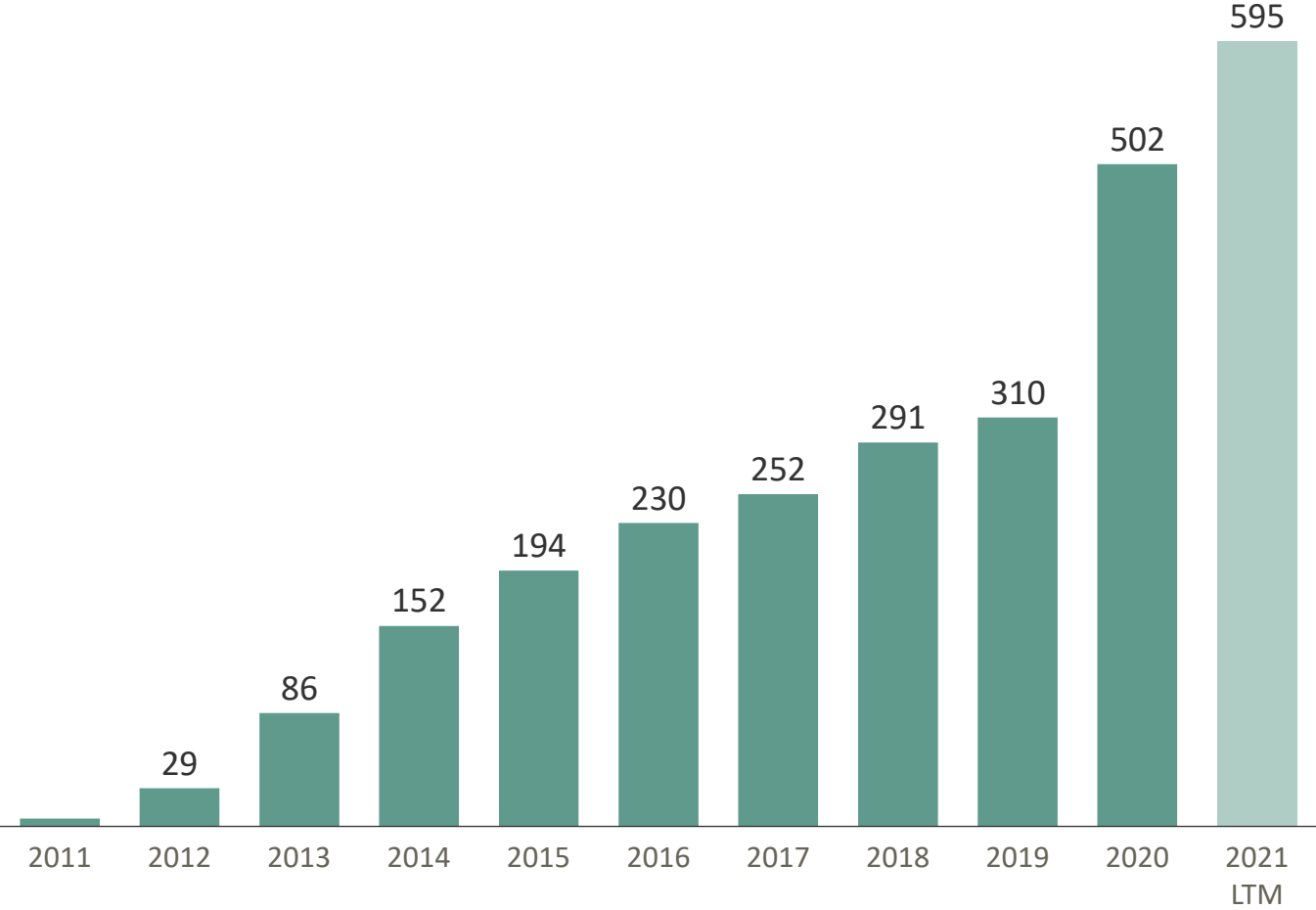
Note: Unaudited.

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# Westwing turns 10: A Growth Story

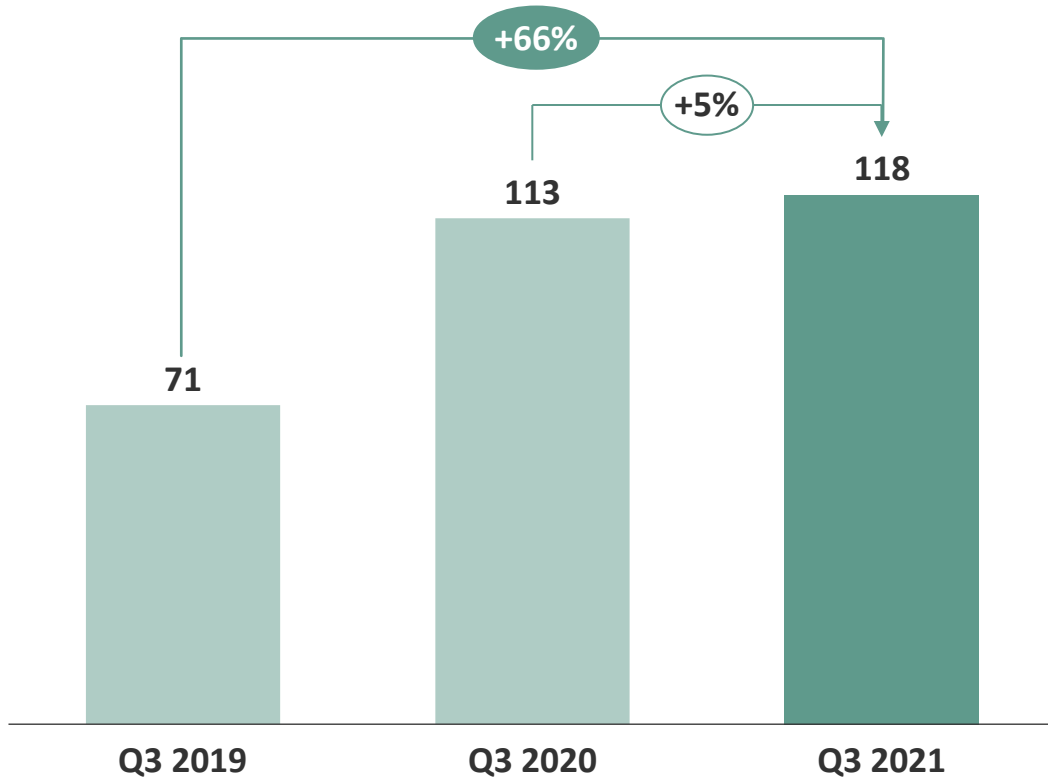
GMV (in EUR m)



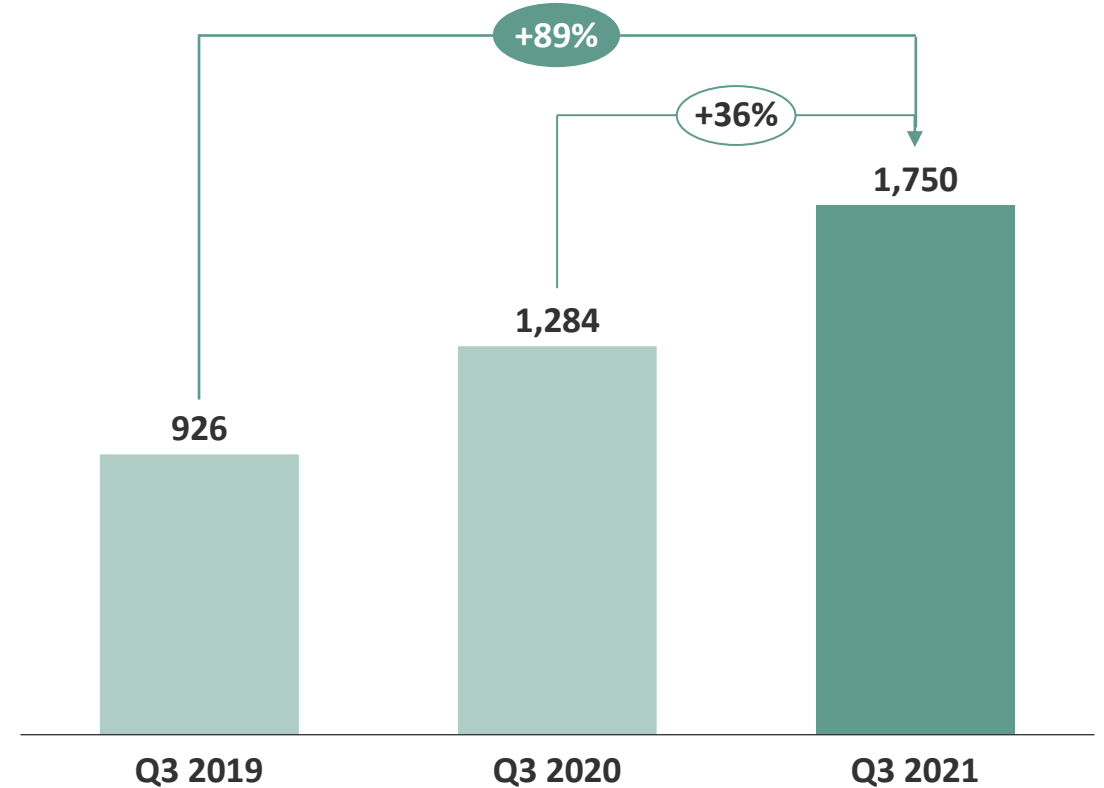
Note: Unaudited.

# 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 with temporal impact on profitability



## Current status

- **Global cargo disruptions cause continued increase of sea freight rates and capacity issues**; challenges expected to remain at least into H1 2022
- **Supply volatility** caused bulk delivery peaks from suppliers, resulting in temporary but significant increase in **inventory holding, warehouse handling and storage costs**
- Sell-off of inventory at lower margins to **increase storage capacity**



## Mitigating measures

- **Good product availability for Q4** ensured through significant investments into inventory
- **Close collaboration with suppliers** to ensure optimal availability (detailed forecasting with suppliers, prioritization and early reservation of production capacity)
- **Consumer price increases** to partially offset cost inflation from container rates and raw material prices



## Financial impact

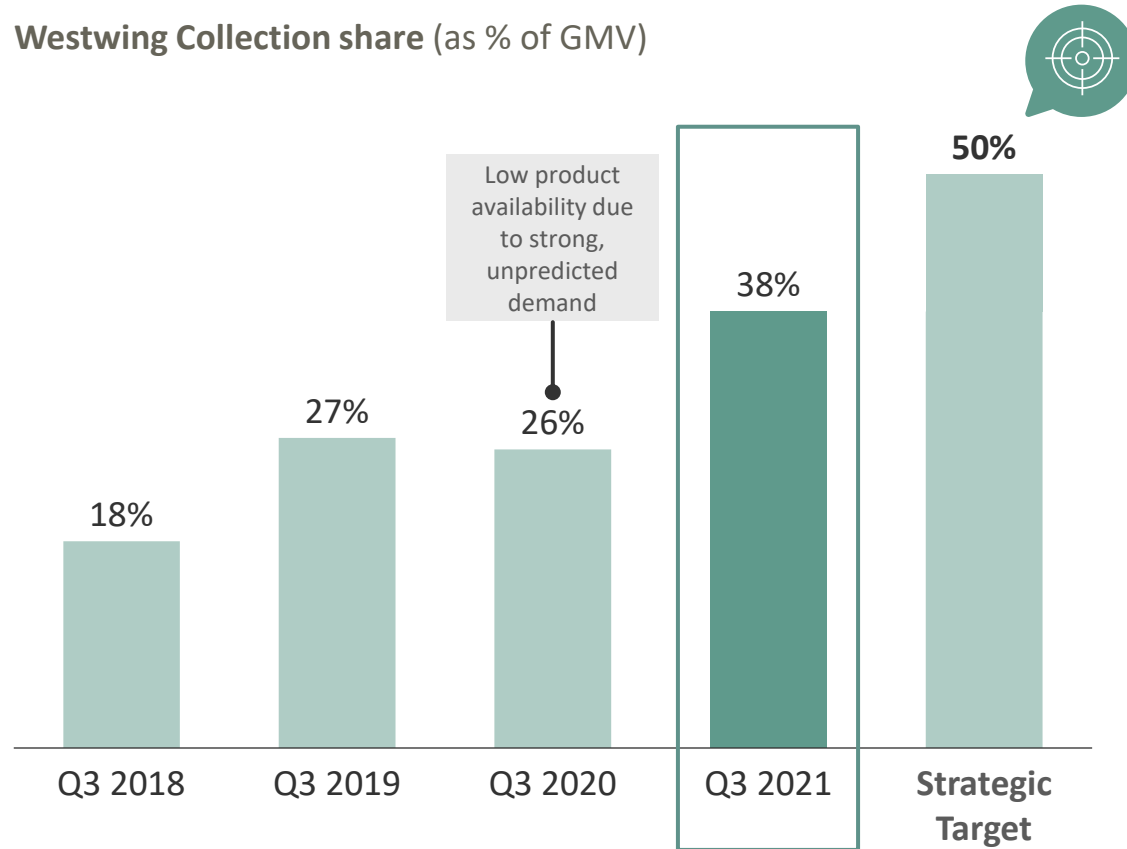
- External challenges expected to last for the remainder of the year and at least into the first half of 2022, leading to a reduction in gross and contribution margins
- **Temporary increase in Net Working Capital over next quarters likely**, as we secure stock and ensure supply through pre-payments and inventory buffer



# Tremendous growth in Westwing Collection to an all time high of 38% of Group GMV in Q3 2021

## Strong increase in Westwing Collection share in Q3 2021 towards the 50% strategic target

Westwing Collection share (as % of GMV)



- Strong increase in Westwing Collection share, resulting from greater **customer reach** and **awareness** combined with further **category expansion**
- The **DACH Segment** leads the way in Westwing Collection share adoption, showcasing the full potential at **42% GMV share in Q3 2021**
- **Strong focus on persevering a great customer experience** by ensuring **good product availability** during uncertain times of stressed supply chains; adequate inventory levels for the seasonally strongest fourth quarter



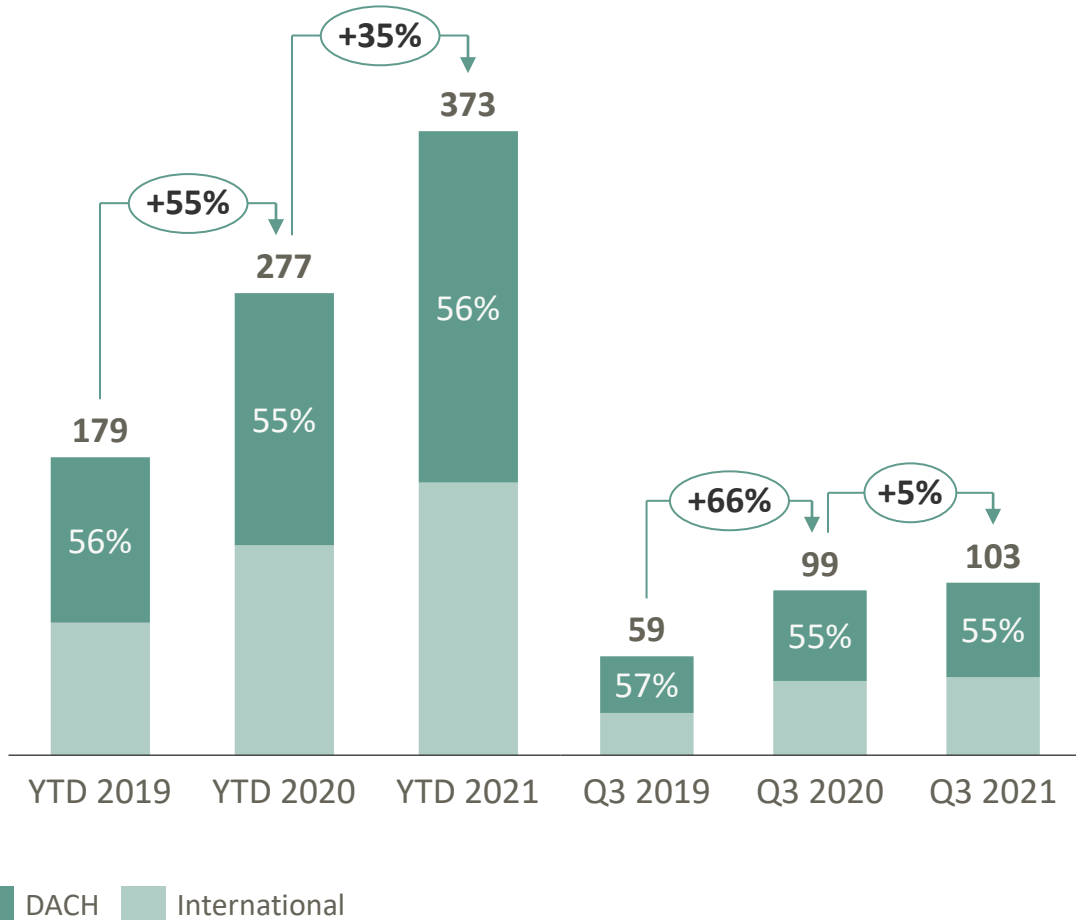
## Financial Update



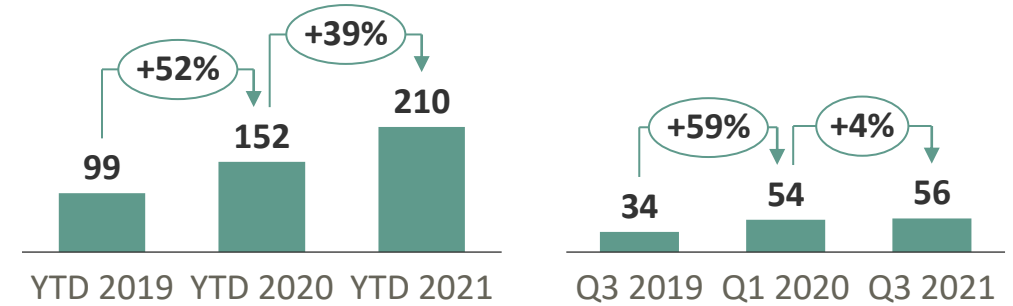


# Revenue growth of 5% in Q3 2021 on top of last year's extraordinary baseline

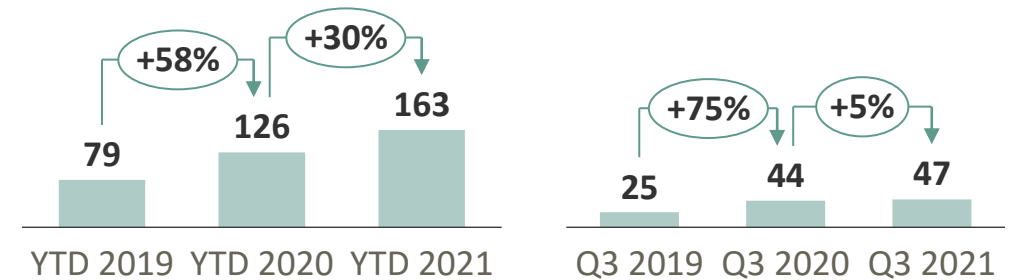
Group Revenue (in EUR m)



DACH Segment Revenue (in EUR m)



International Segment Revenue (in EUR m)



# Income statement details

(in % of revenue)	YTD 2019	YTD 2020	YTD 2021	Delta 20 vs. 21	Q3 2019	Q3 2020	Q3 2021	Delta 20 vs. 21	
<b>Gross margin</b>	43.3%	48.3%	49.8%	+1.4%pts	44.3%	49.2%	49.0%	-0.2%pts	Higher sea freight rates compensated by increased Westwing Collection share
<b>Fulfilment ratio</b>	-24.3%	-20.5%	-20.7%	-0.2%pts	-24.2%	-19.9%	-22.7%	-2.8%pts	Rise in warehousing costs due to temporary supply chain disruptions
<b>Contribution margin</b>	19.1%	27.8%	29.1%	+1.3%pts	20.2%	29.3%	26.2%	-3.0%pts	
<b>Marketing ratio</b>	-8.8%	-7.3%	-9.4%	-2.1%pts	-10.9%	-7.8%	-11.9%	-4.0%pts	Growth investments into Marketing
<b>G&amp;A ratio<sup>(1)</sup></b>	-21.2%	-14.6%	-14.2%	+0.4%pts	-20.6%	-13.2%	-18.0%	-4.8%pts	Growth investments into Technology and Westwing Collection
<b>D&amp;A ratio</b>	3.7%	2.8%	2.5%	-0.2%pts	4.3%	2.7%	3.3%	+0.6%pts	
<b>Adj. EBITDA margin</b>	-7.3%	8.8%	8.0%	-0.7%pts	-7.1%	10.9%	-0.3%	-11.3%pts	

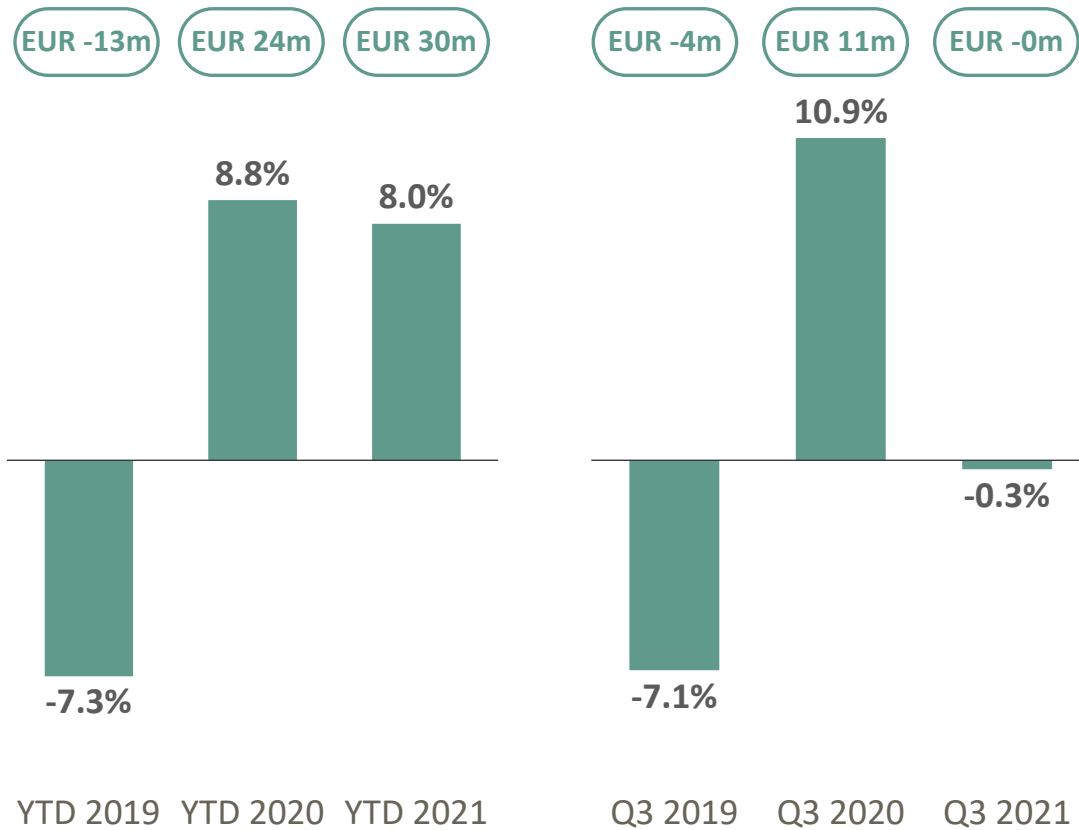
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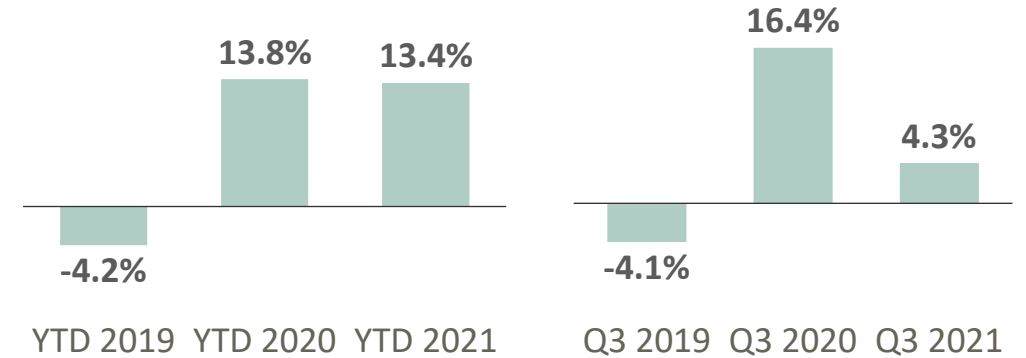


# Group profitability at -0.3% Adj. EBITDA margin in Q3 2021 as a result of growth investments as well as temporary supply chain disruptions and seasonal effects

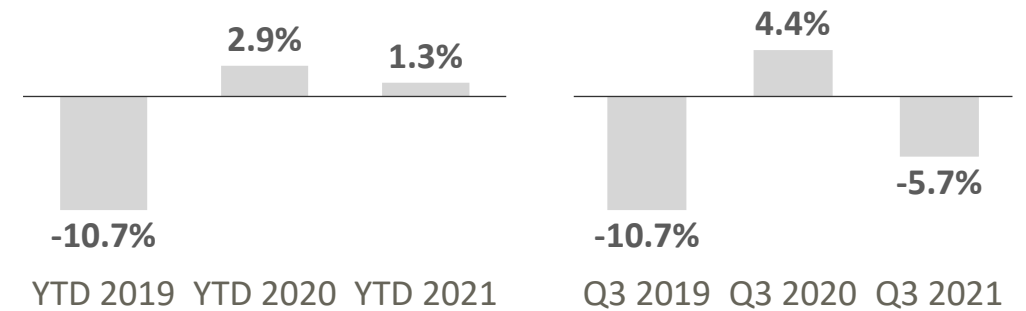
Group Adj. EBITDA (in % of Revenue)



DACH Segment Adj. EBITDA (in % of Revenue)



International Segment Adj. EBITDA (in % of Revenue)



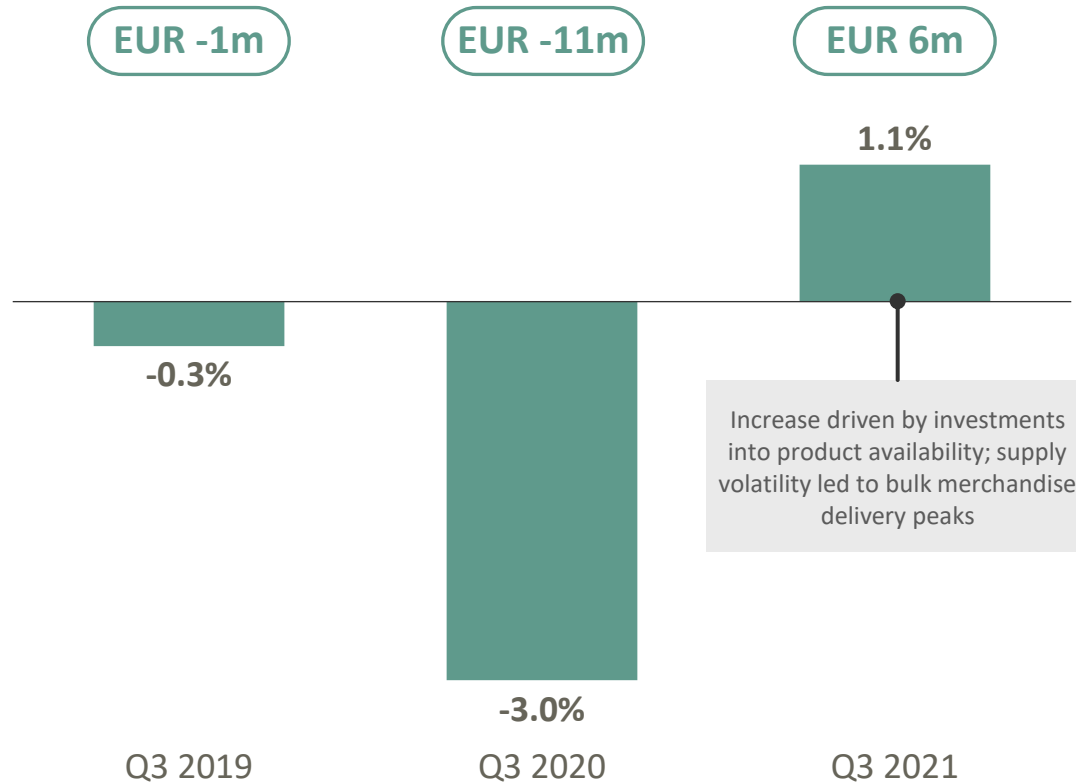
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# Net Working Capital positive at EUR 6m due to higher inventory levels during times of stressed supply chains

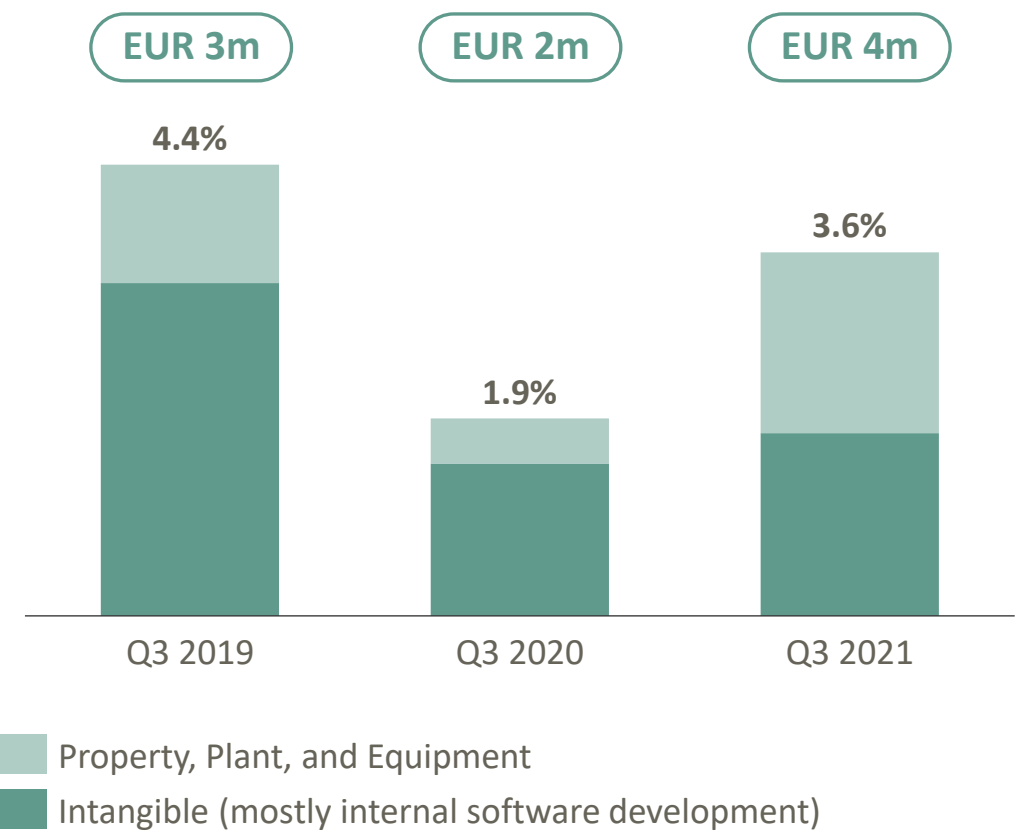
## Net Working Capital

(in EUR m and % of LTM revenue)



## Capex ratio

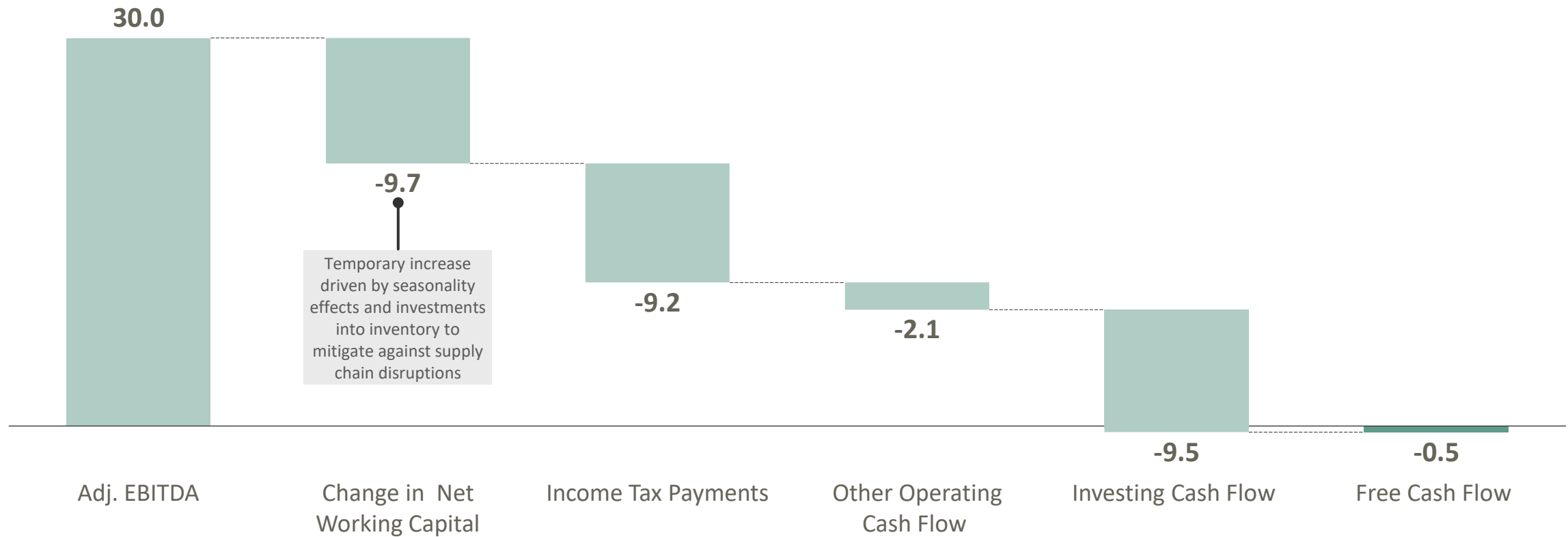
(in EUR m and as % of revenue)





# Free Cash Flow for YTD 2021 driven by temporal investments into working capital as well as tax payments

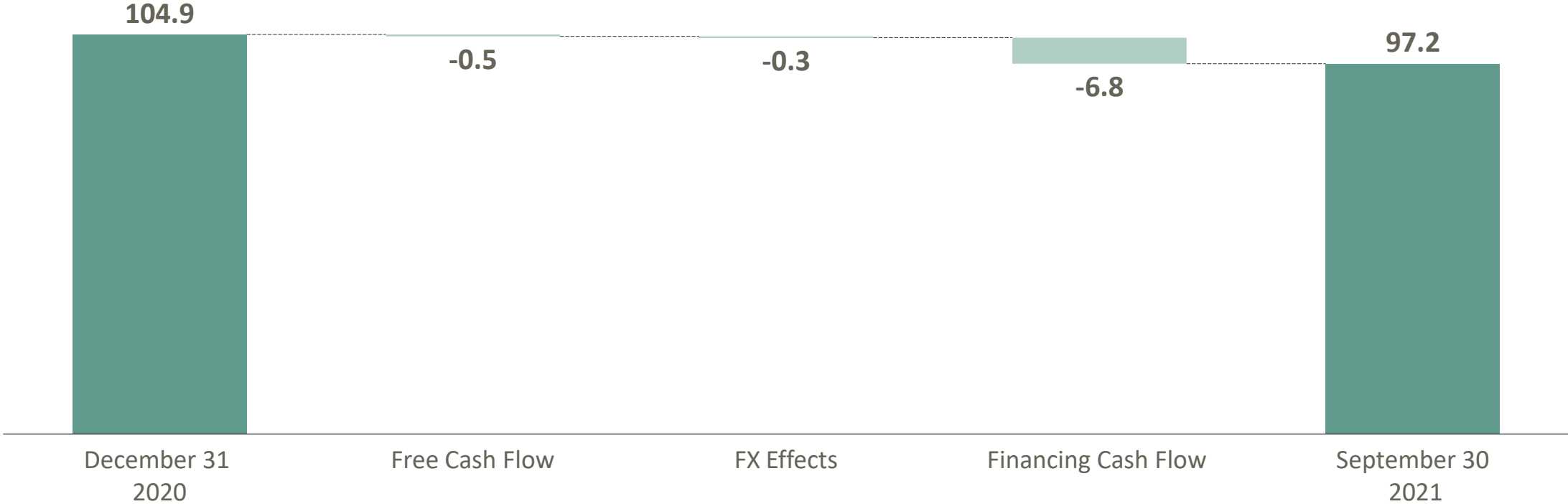
YTD Free Cash Flow bridge  
(in EUR m)



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

# Strong Net Cash position of EUR 97m

YTD Net Cash bridge  
(in EUR m)



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



## Guidance for Full Year 2021



**EUR 510-550m  
Revenue**

18-27% growth



- **Revenue guidance for FY 2021 confirmed**



**EUR 42-55m  
Adj. EBITDA**

8-10% margin



- **Profitability expected at lower-end of guidance range** due to ongoing supply chain disruptions
- A risk of profitability guidance revision for FY 2021 remains, given supply chain challenges

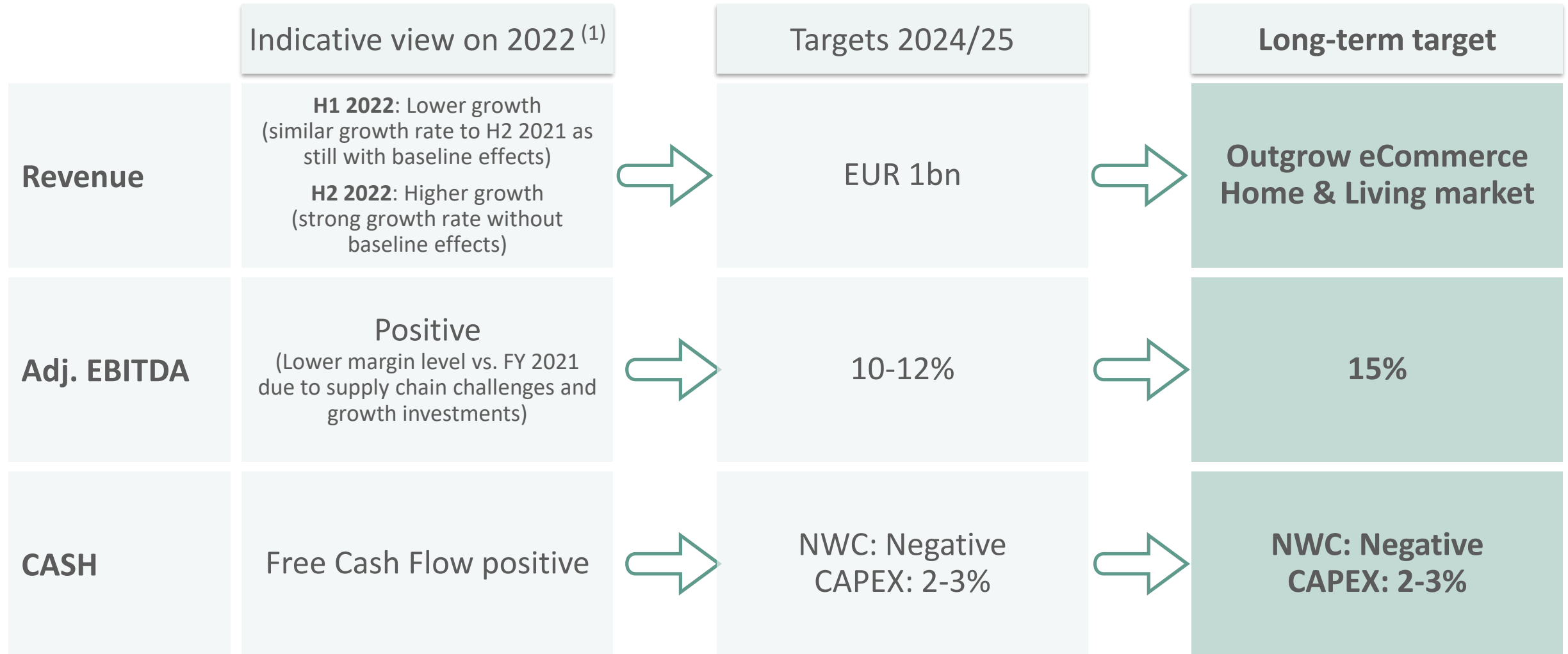
# Targets 2024/25:

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





# Prioritization of growth investments in 2022 to lay the foundation for our 2024/25 target of EUR 1bn in Revenue



Note: Unaudited. (1) Figures provided for 2022 are indicative and do not represent official company guidance.



## Summary and Q&A





# Q3 2021 Summary

**LTM Revenue: EUR 529m**

at 45% growth yoy

**LTM Adj. EBITDA: EUR 56m**

at 10.5% margin

**1.7m Active Customers**

4.6m orders delivered LTM

**Westwing Collection**

Westwing Collection at 38% share  
towards strategic target of 50%

## 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<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**

Note: Unaudited.

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# Q & A



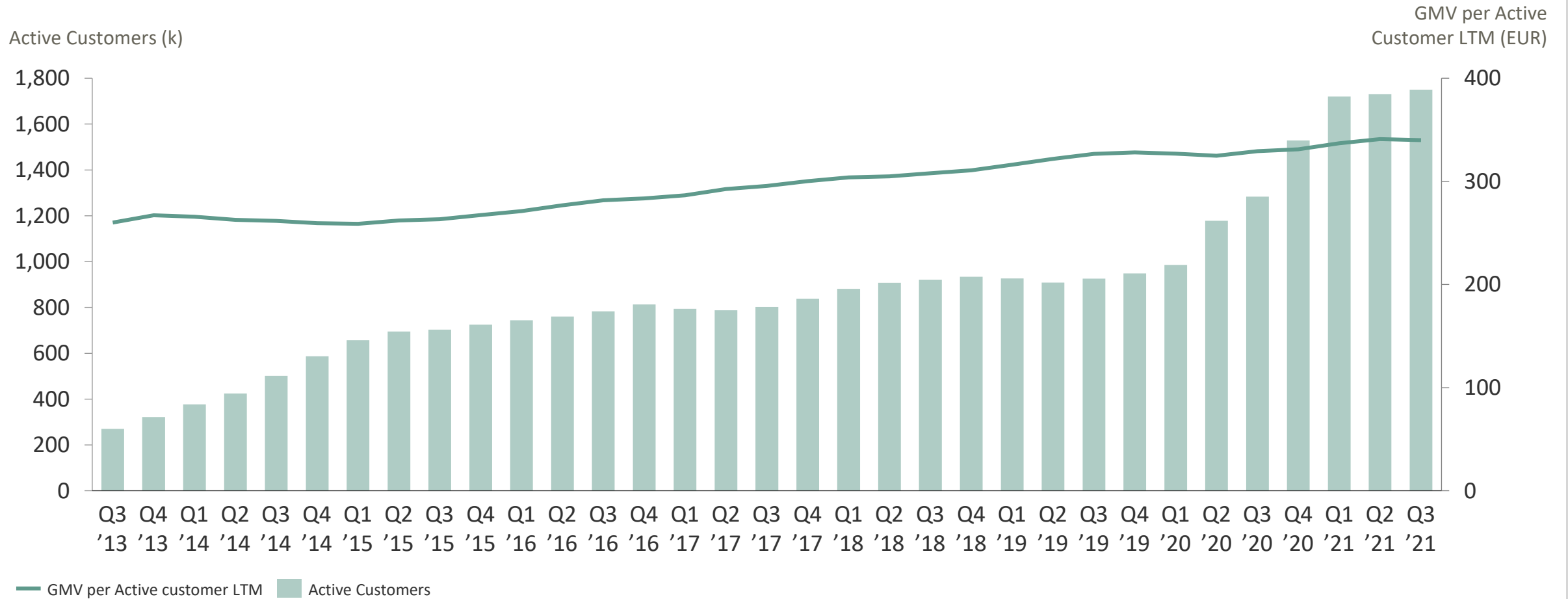
# Appendix





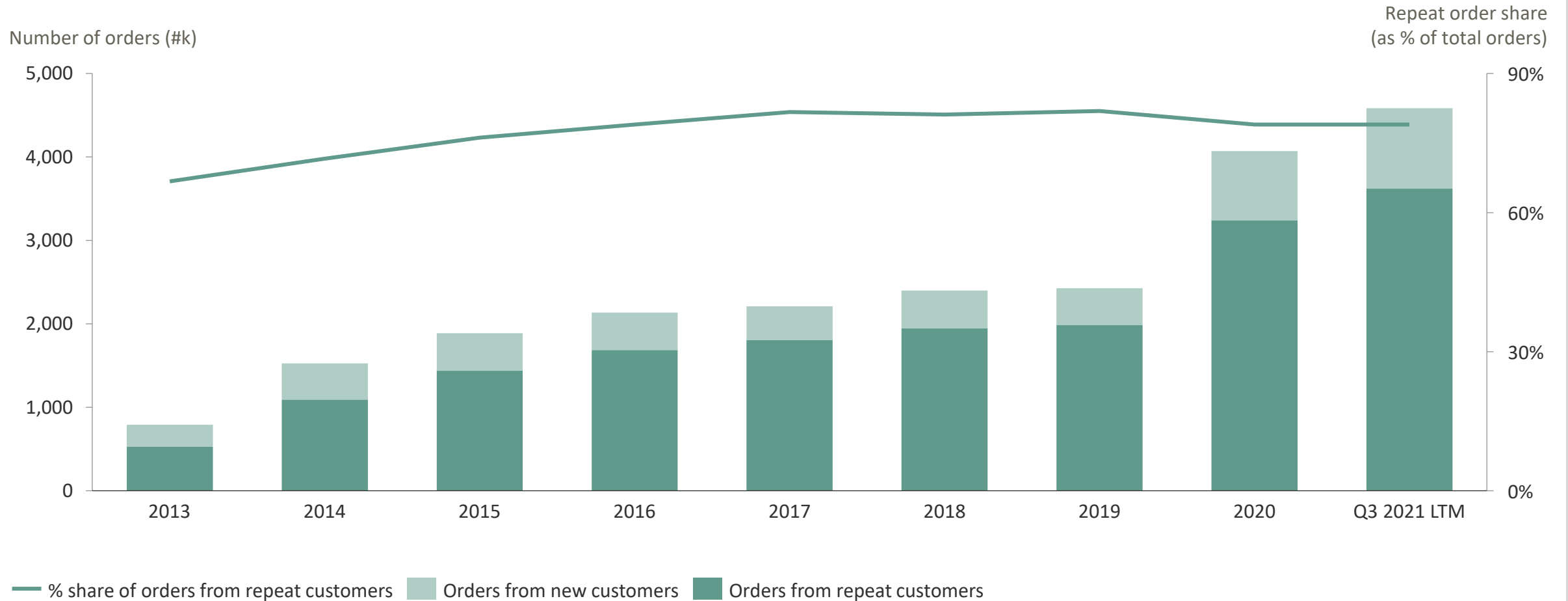
# Growing Active Customer base while expanding share of wallet

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



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

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



# 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
Westwing Collection share	in % of GMV	21%	22%	27%	25%	25%	22%	26%	28%	31%	32%	38%
Active customers	in k	927	909	926	949	986	1,178	1,284	1,529	1,720	1,730	1,750
Number of orders	in k	591	492	539	805	675	1,051	874	1,474	1,268	1,022	822
Average basket size	in EUR	129	132	132	121	127	122	129	119	129	135	144
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
Average GMV LTM per active customer	in EUR	318	322	326	327	324	325	330	328	337	341	340
GMV	in EUR m	76	65	71	98	85	128	113	175	164	139	118
Mobile visit share	in %	75%	76%	77%	76%	76%	79%	80%	79%	79%	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, unaudited	YTD 2020	YTD 2021	Q3 2020	Q3 2021
<b>Revenue</b>	<b>277</b>	<b>373</b>	<b>99</b>	<b>103</b>
Cost of Sales	-143	-188	-50	-53
<b>Gross profit</b>	<b>134</b>	<b>186</b>	<b>48</b>	<b>51</b>
Fulfilment expenses	-57	-77	-20	-23
Marketing expenses	-20	-35	-8	-12
General and administrative expenses	-47	-63	-16	-22
Other operating expenses	-2	-2	-1	-0
Other operating income	2	3	0	1
<b>Operating result</b>	<b>10</b>	<b>11</b>	<b>5</b>	<b>-6</b>
Financial result	-2	-1	-1	-1
<b>Result before income tax</b>	<b>8</b>	<b>10</b>	<b>4</b>	<b>-7</b>
Income tax expense	-3	-5	-2	-2
<b>Result for the period</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>-9</b>
<b>Reconciliation to Adj. EBITDA</b>				
<b>Operating result (EBIT)</b>	<b>10</b>	<b>11</b>	<b>5</b>	<b>-6</b>
Share-based compensation expenses	7	9	3	2
Provision tax claim discontinued operations	-	0	-	-1
Expenses SE conversion	-	0	-	0
Centralization France	-0	-0	-0	-
D&A	8	9	3	3
<b>Adj. EBITDA</b>	<b>24</b>	<b>30</b>	<b>11</b>	<b>-0</b>
<b>Adj. EBITDA margin (%)</b>	<b>8.8%</b>	<b>8.0%</b>	<b>10.9%</b>	<b>-0.3%</b>

Note: Unaudited.

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.

# Adjusted income statement

EUR m, in % of revenue, unaudited	YTD 2020	YTD 2021	Q3 2020	Q3 2021
<b>Revenue</b>	<b>277</b>	<b>373</b>	<b>99</b>	<b>103</b>
<i>Revenue Growth yoy</i>	55.0%	34.7%	65.9%	4.7%
Cost of Sales	-143	-188	-50	-53
<b>Gross Profit</b>	<b>134</b>	<b>186</b>	<b>48</b>	<b>51</b>
<b>Gross Margin</b>	<b>48.3%</b>	<b>49.8%</b>	<b>49.2%</b>	<b>49.0%</b>
Fulfillment expenses	-57	-77	-20	-23
Contribution profit	77	109	29	27
<b>Contribution margin</b>	<b>27.8%</b>	<b>29.1%</b>	<b>29.3%</b>	<b>26.2%</b>
Marketing expenses	-20	-35	-8	-12
General and administrative expenses	-40	-54	-13	-19
Other operating expenses	-2	-2	-1	-1
Other operating income	2	3	0	1
Depreciation and Amortization	8	9	3	3
<b>Adj. EBITDA</b>	<b>24</b>	<b>30</b>	<b>11</b>	<b>-0</b>
<b>Adj. EBITDA Margin</b>	<b>8.8%</b>	<b>8.0%</b>	<b>10.9%</b>	<b>-0.3%</b>

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# Segment reporting

DACH in EUR m, unaudited	YTD 2020	YTD 2021	Q3 2020	Q3 2021
<b>Revenue</b>	<b>152</b>	<b>210</b>	<b>54</b>	<b>56</b>
<i>yoy Growth (in %)</i>	<i>52%</i>	<i>39%</i>	<i>59%</i>	<i>4%</i>
<b>Adj. EBITDA</b>	<b>21</b>	<b>28</b>	<b>9</b>	<b>2</b>
<i>Adj. EBITDA Margin %</i>	<i>13.8%</i>	<i>13.4%</i>	<i>16.4%</i>	<i>4.3%</i>

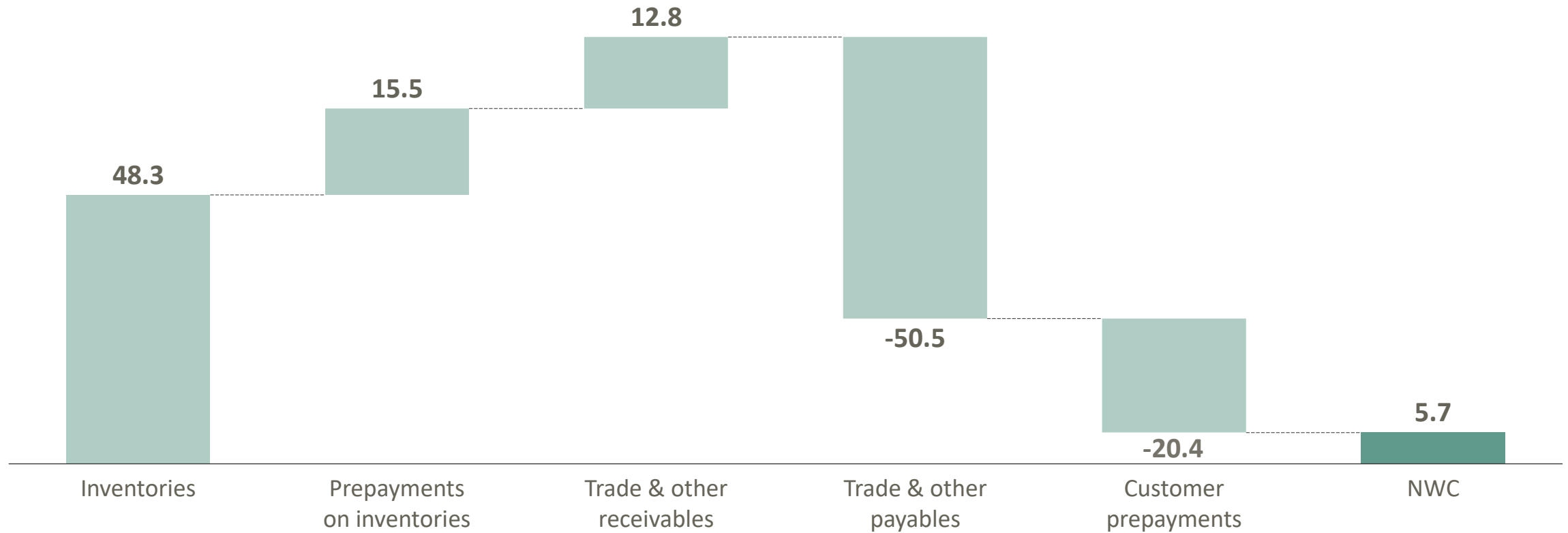
International in EUR m, unaudited	YTD 2020	YTD 2021	Q3 2020	Q3 2021
<b>Revenue</b>	<b>126</b>	<b>163</b>	<b>44</b>	<b>47</b>
<i>yoy Growth (in %)</i>	<i>58%</i>	<i>30%</i>	<i>75%</i>	<i>5%</i>
<b>Adj. EBITDA</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>-3</b>
<i>Adj. EBITDA Margin %</i>	<i>2.9%</i>	<i>1.3%</i>	<i>4.4%</i>	<i>-5.7%</i>

Note: Unaudited.

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# Net Working Capital Bridge

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



# Issued share capital

## Share Information *as of September 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	326,475

## Stock Option Programs *as of September 30, 2021*

Program	# of options outstanding	Weighted average exercise price (EUR)
VSOPs <sup>(1)</sup>	903,000	2.43 <sup>(1)</sup>
LTIP 2019 <sup>(2)</sup>	1,944,000	19.30 <sup>(2)</sup>
LTIP 2016	96,450	0.01
Other	762,725	11.13
<b>Total</b>	<b>3,706,175</b>	<b>13.00</b>

Note: Unaudited. (1) VSOPs are virtual, cash-settled option programs with an average cap of EUR 20.80, vesting end of 2022. (2) LTIP 2019 vesting end of 2022.



## Upcoming Events

Date	Event
November 23, 2021	Deutsches Eigenkapitalforum Forum, Virtual
January 10, 2022	Berenberg: German Corporate Conference USA 2022, New York
March 14, 2022	Berenberg: EU Opportunities Conference 2022, London
March 29, 2022	Publication of the Annual Report 2021
March 30, 2022	Jefferies 2nd Annual Pan-European Mid-Cap Conference
May 12, 2022	Publication of first quarter results 2022
May 18, 2022	Annual General Meeting
August 11, 2022	Publication of half-year financial report 2022
November 10, 2022	Publication of third quarter results 2022