



WESTWING

THE LEADER IN INSPIRATION-BASED
HOME & LIVING ECOMMERCE IN EUROPE

*June 2019

Disclaimer

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 has always been led by the founders

We are pursuing a long-term vision to revolutionize home & living



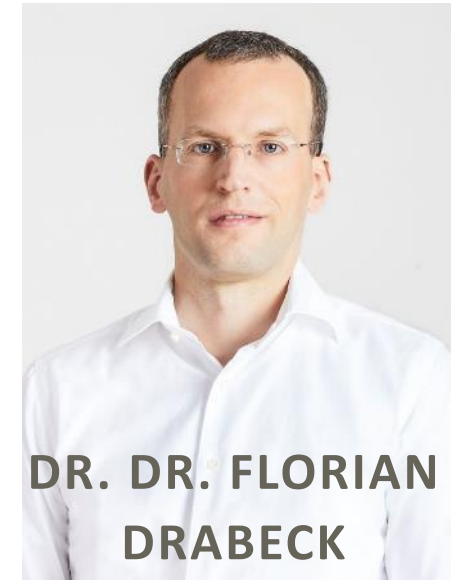
Founder & Chief Executive Officer

- At Westwing since 2011
- 20 years of professional experience, thereof 12 years eCommerce/Internet
- Bain & Company, dooyoo, Friendity, Daimler



Founder & Chief Creative Officer

- At Westwing since 2011
- 13 years of professional experience
- ELLE Magazine, ELLE Décoration



Chief Financial Officer

- At Westwing since 2011
- 12 years of professional experience
- RBR Capital Advisors, Bain & Company
- 2 PhD's (Mathematics, Economics), CFA

We founded Westwing 8 years ago to become the leading inspiration-based Home & Living eCommerce brand in Europe

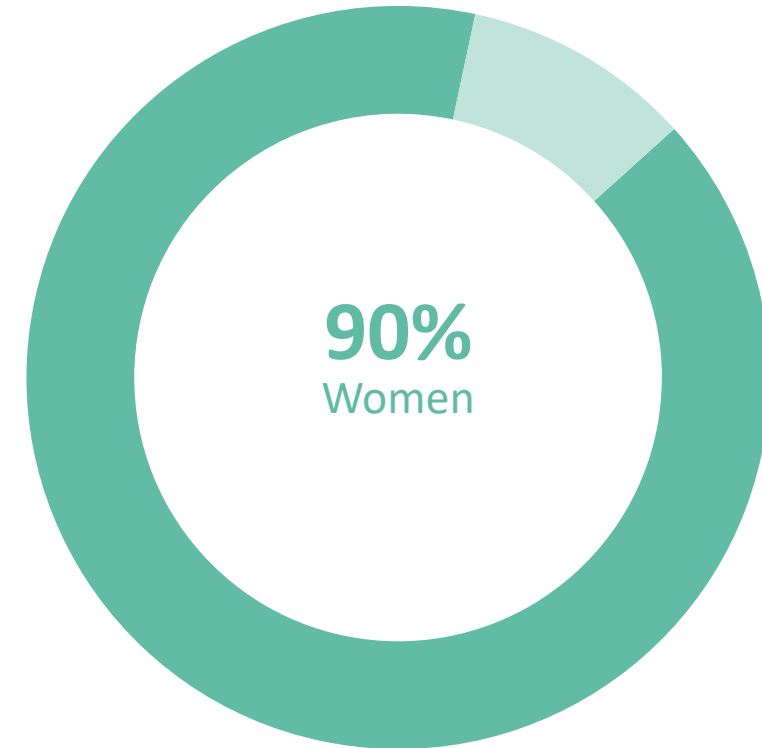
- Our mission is “To inspire and make every home a beautiful home”
- We sell beautiful home & living products like textiles, rugs, furniture, lighting, decoration
- Westwing is a “curated shoppable magazine”, fresh every day
- Our customers are 90% women, and they are very loyal:
We do 85% of our sales with customers who visit us on average 100 times a year
- The opportunity is massive: EUR 117bn market in our geographies, very early in eCommerce
- Customer loyalty leads to profitable growth: EUR 254m in Revenue in FY 2018, we are Adj. EBITDA profitable, and have net cash of >EUR 100m on the bank



Our brand has very strong customer loyalty

85%
of our sales are with
customers who
visit us on average
100x
per year

We focus on women as they take the vast majority of home decisions



Westwing customers

Source: Westwing annual customer survey 2017 Germany

“Men buy, women shop”

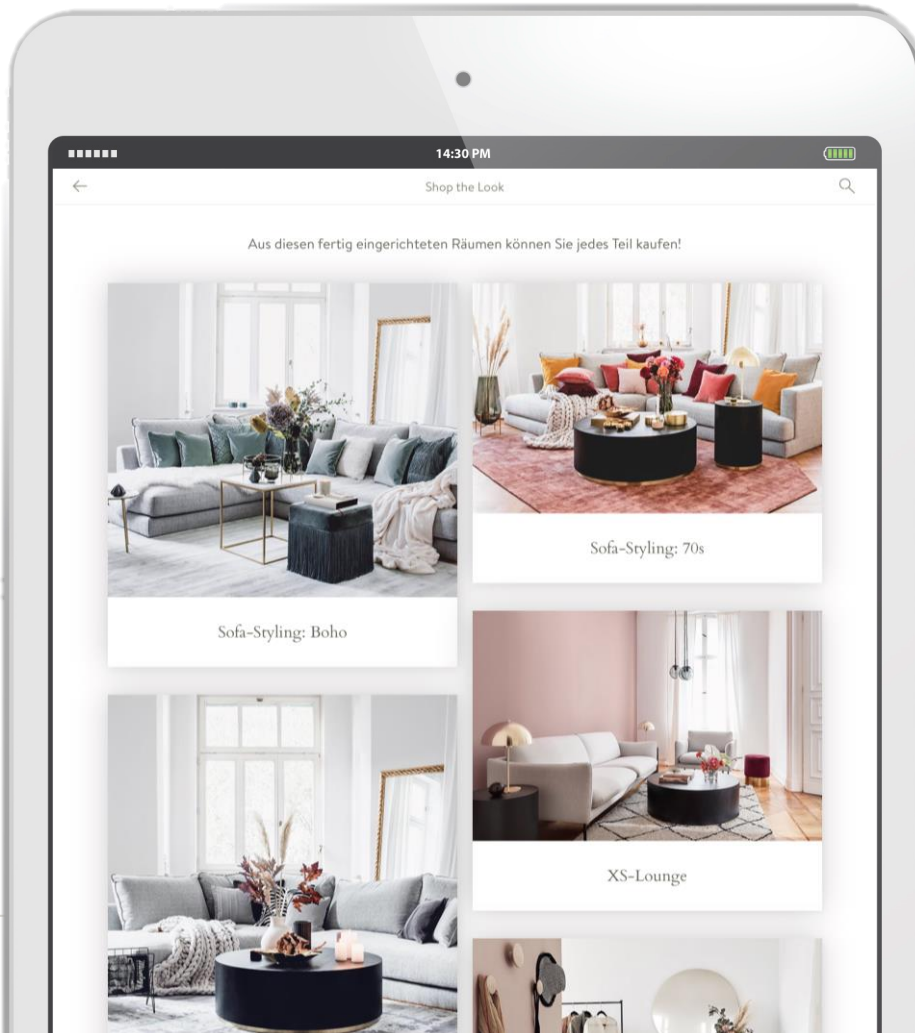


- **Women aged 25-60 years**
- **Interior decoration interested**
Want guidance and ideas. Want their home as stylish as their wardrobe
- **Want to have a home not just a house,**
see their home as reflection of their personality
- **Enjoy redecorating and hosting,**
important part of their lifestyle,
desire to add decoration pieces
- **Enjoy bargains,** no compromise on quality and style
- **Impulse buyers,** not necessarily always seeking to completely re-furnish

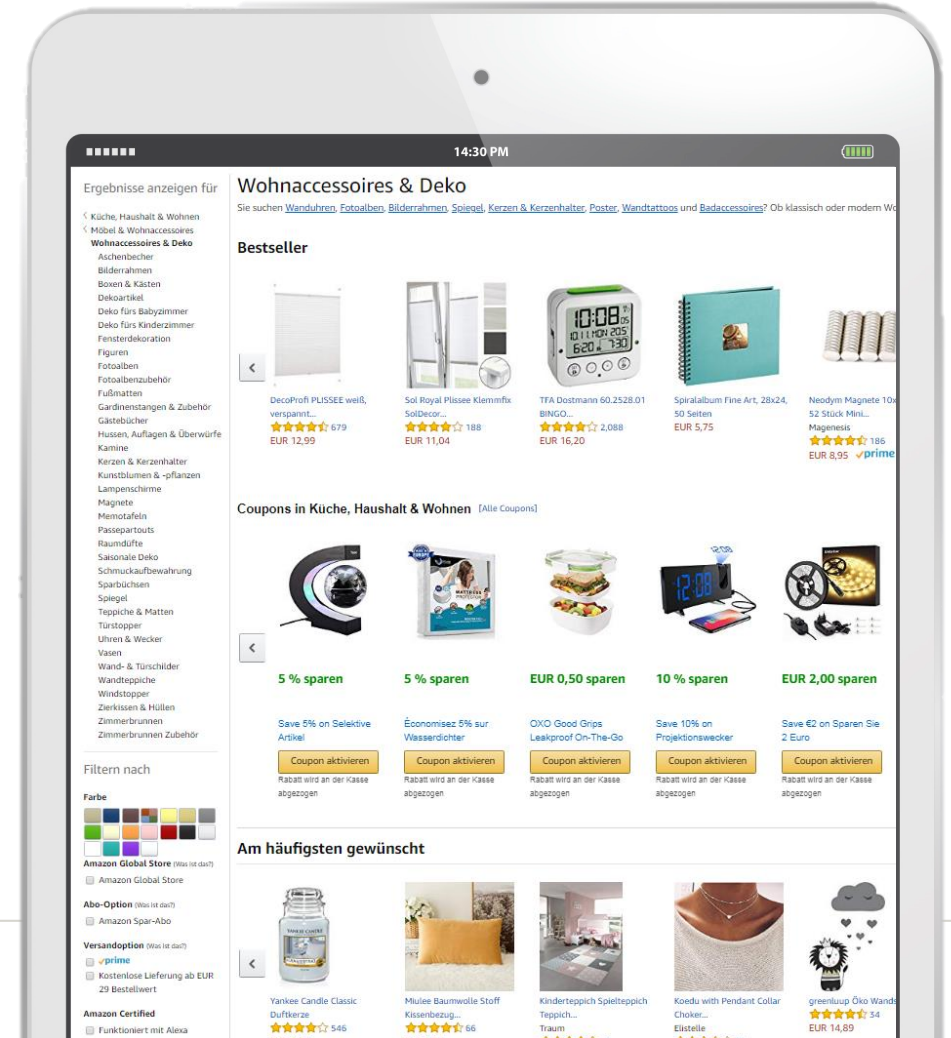
We are the leader in “inspiration-based eCommerce”, which works much better for home & living than typical eCommerce

WESTWING

Typical eCommerce

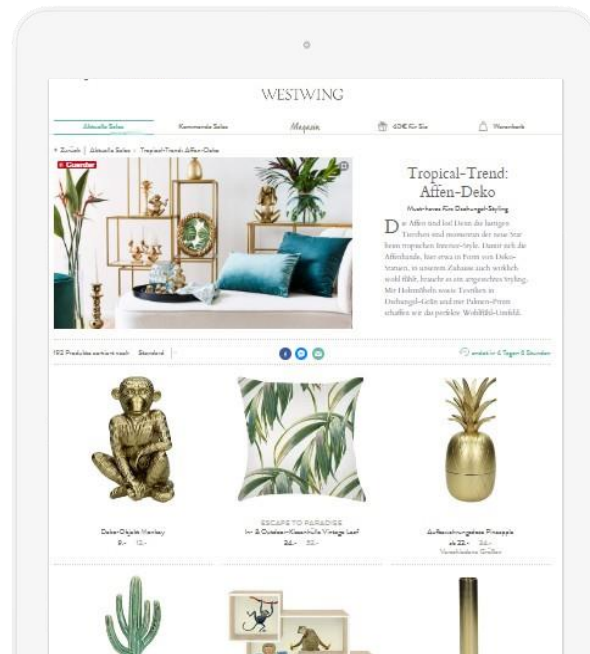
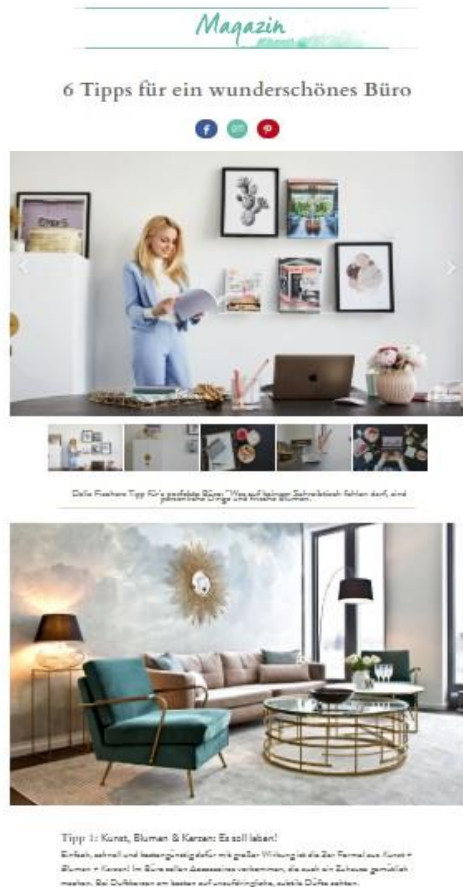


VS



We uniquely combine inspiration and shopping in a “curated shoppable magazine”

Inspiration/Content



Combining ‘best of both worlds’
in an online curated platform



Commerce



69.-
Wandobjekt-Set Spike, 3-tlg.



22.99
Schmuckhalter Trigem



ab 49.-
Gerahmter Fotodruck Love



18.99
Duftkerze Aromatherapy
(Rose, Fresse & Lilie)

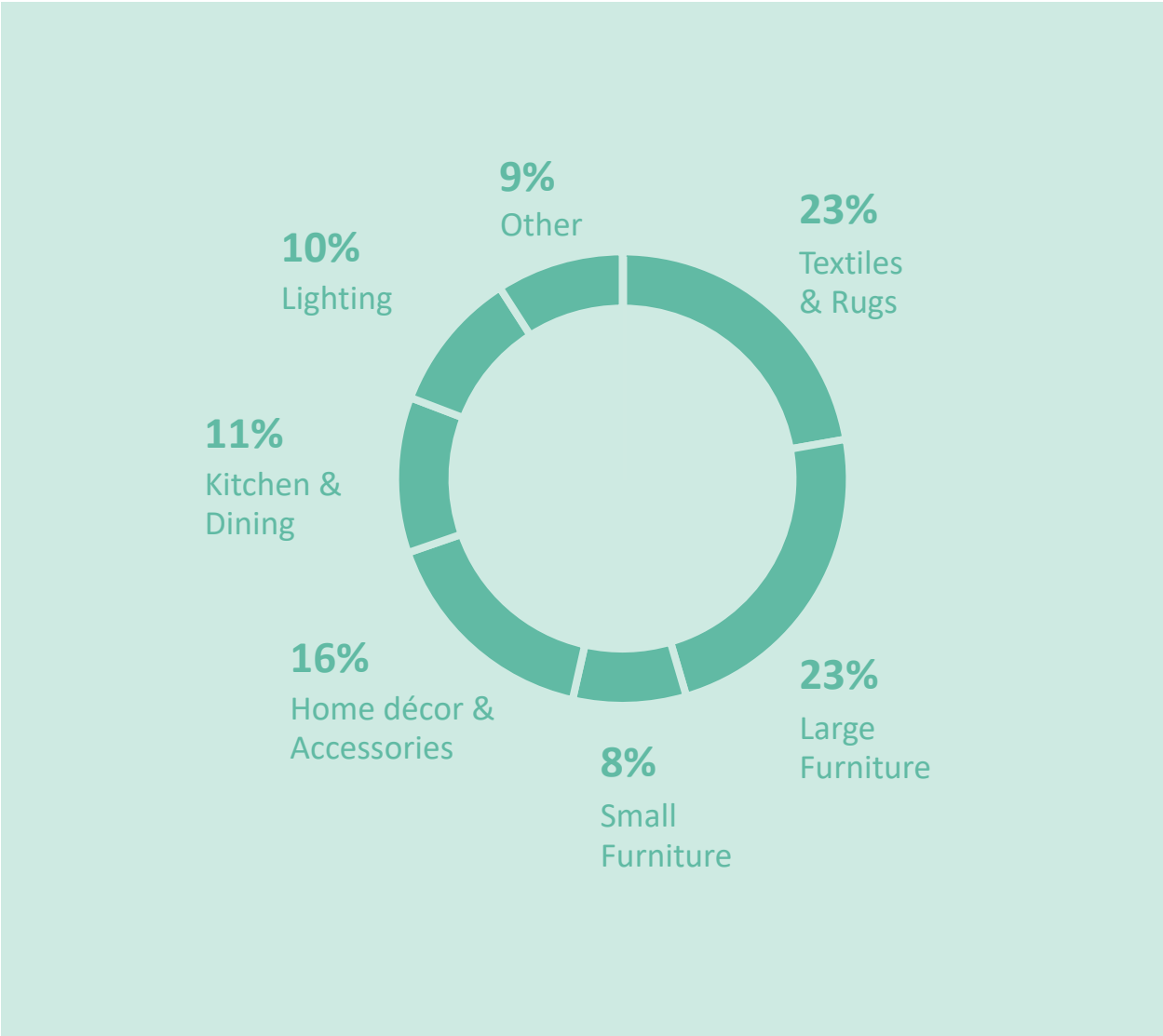


ab 39.-
Wandspiegel Metal



69.-
Samt-Hocker Cherry

Westwing sells gorgeous, inspirational products across the full range of the home & living category



Note: Based on GMV 2018

Our Creative Team is powering our brand and business model with >100 world-class Creatives

Senior Creative Leaders (4 of 10 Senior Creative Directors)



Munich

Before founding Westwing, Delia worked at ELLE Magazine / ELLE Decoration / Burda Media as Editor for Home & Living, Lifestyle and Beauty

DELIA FISCHER
Founder &
Chief Creative Officer



Warsaw

Marta is an experienced home & living journalist. Before Westwing, she worked for the most popular Polish interior design magazine „Cztery Kąty” and „Dom&Wnętrze”. She also ran a TV show. Marta studies Exterior Architecture.

MARTA SUCHODOLSKA
Creative Director



Munich

Before joining Westwing, Christine worked for more than 20 years as a journalist for several women magazines such as EKKE, Marie Claire, Glamour, Vogue Business. Most recently, she was the deputy editor-in-chief of ELLE Decoration Germany

CHRISTINE BÜRG
Founder &
Creative Director



Milan

Alexandra is an architect and a product designer with a vast international experience. She worked as a product designer in the biggest Design Studio in Brazil (India da Costa) and also as interior designer at Esther Giobbi.

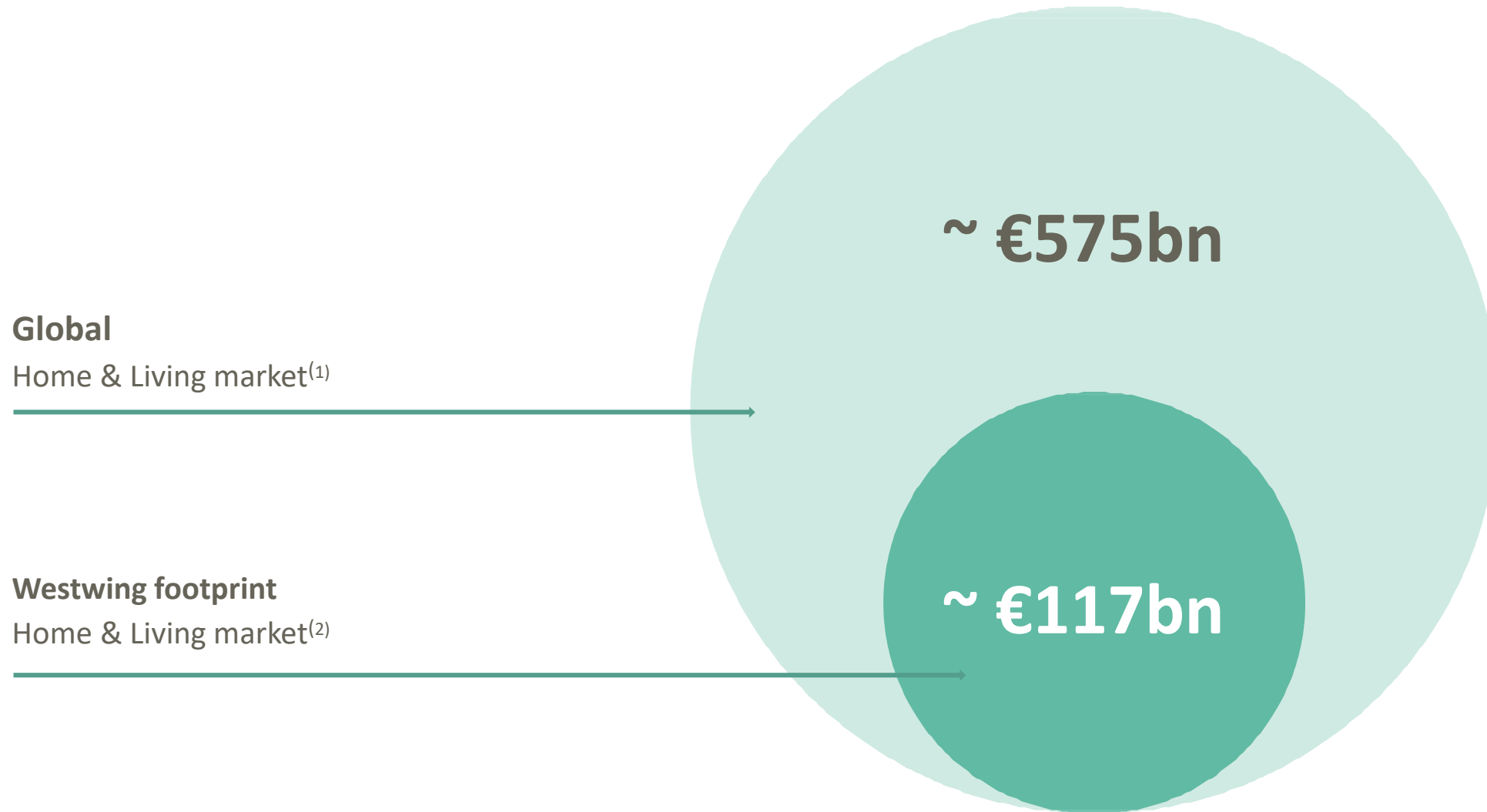
ALEXANDRA TOBLER
Creative Director

Full Creative Team >100 world-class experts strong

- **Creatives covering all business areas**
Marketing, Daily Themes, Permanent Assortment, Own & Private Label, International
- **Key roles**
Editors, Creative Merchandisers, Stylists, Art Directors, Interior Designers, Photographers, Cinemagraphers
- **Typical backgrounds**
Magazine editors-in-chief and editors (from home & living and fashion), Fashion stylists, Interior designers, Filmmakers, Fashion photographers, Graphics designers



We are targeting a huge addressable market ...

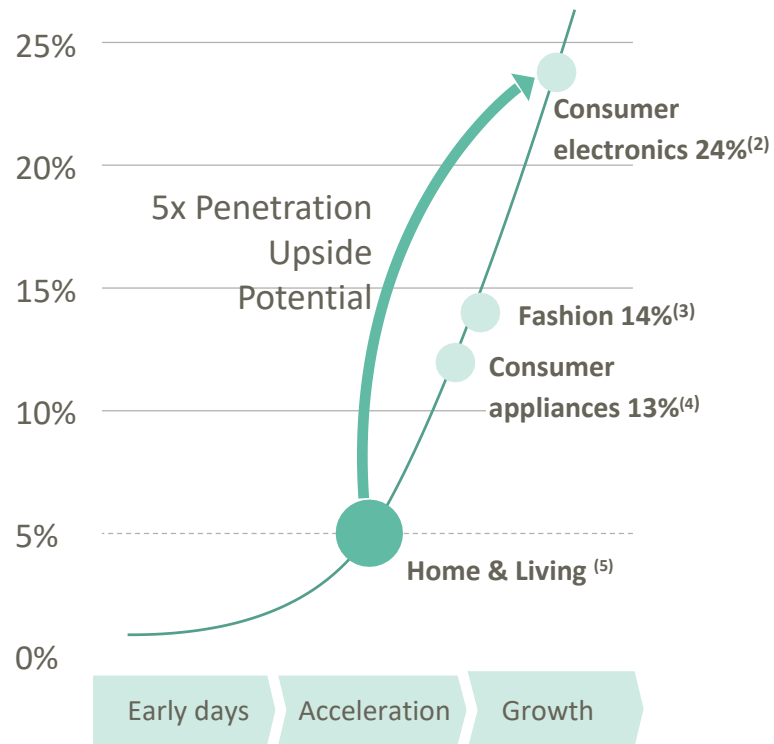


Source: Euromonitor

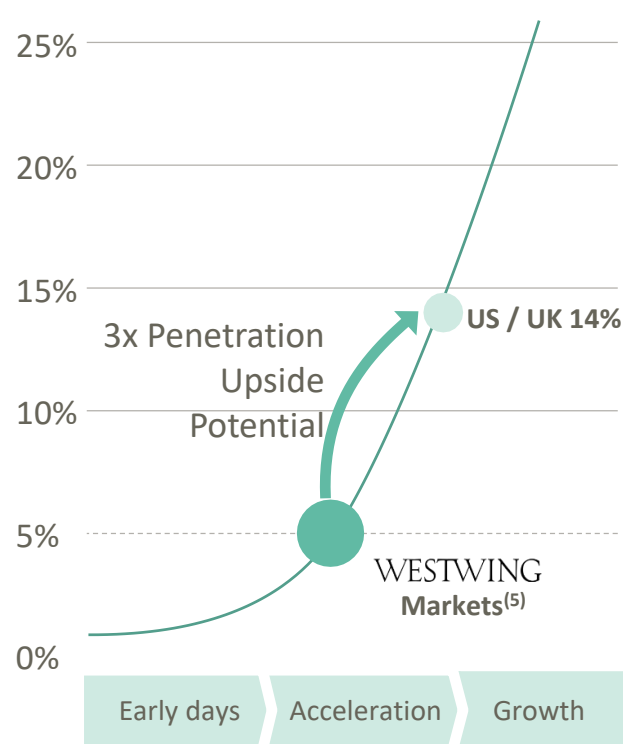
Notes: (1) Home & Living market defined as Euromonitor Passport: Home and Garden categories "Homewares" and "Home Furnishings". Refers to global retail value sales including sales tax at current prices (EUR using 2017 fixed exchange rates); (2) Home & Living market defined as Euromonitor Passport: Home and Garden categories "Homewares" and "Home Furnishings". Refers to retail value sales including sales tax at current prices (EUR using 2017 fixed exchange rates) for countries in which Westwing is present

...that is at the tipping point of online acceleration

Online penetration by industry in Westwing markets⁽¹⁾



Home & living online penetration by geography



Comments

Drivers of online acceleration later than other verticals

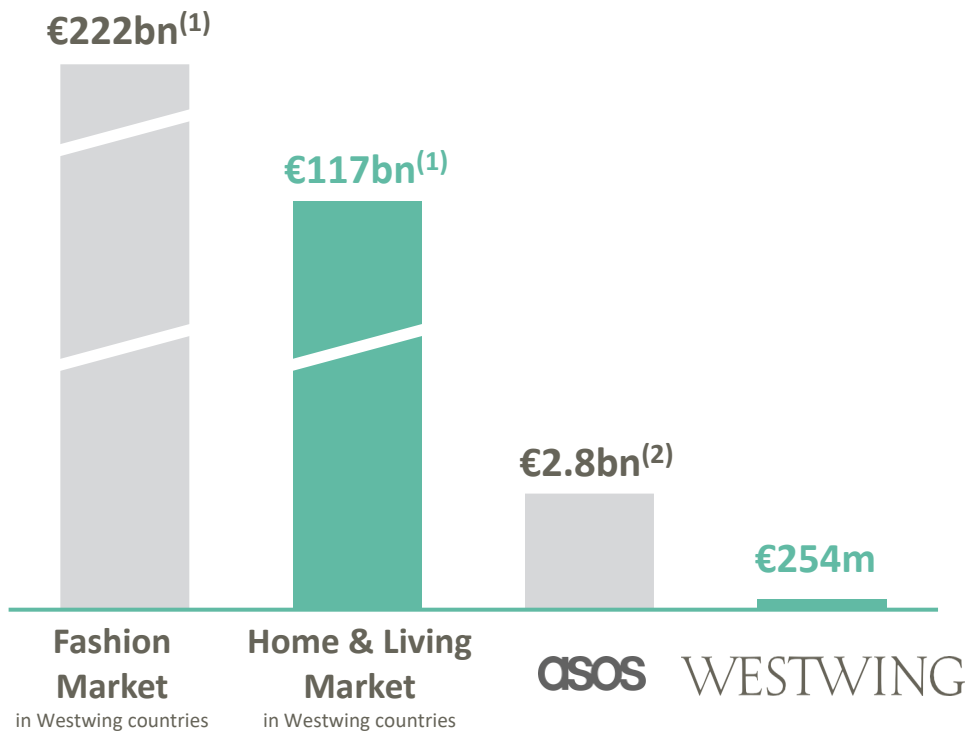
- Demographics: home & living customers are typically older than e.g. fashion or consumer electronics customers
- Shopping is not search-based, rather inspiration-based, so search-based websites don't work as well
- Highly fragmented market and no strong brands to push eCommerce adoption
- Complex operations that need to be set up due to breakable and large-sized products

Source: Euromonitor

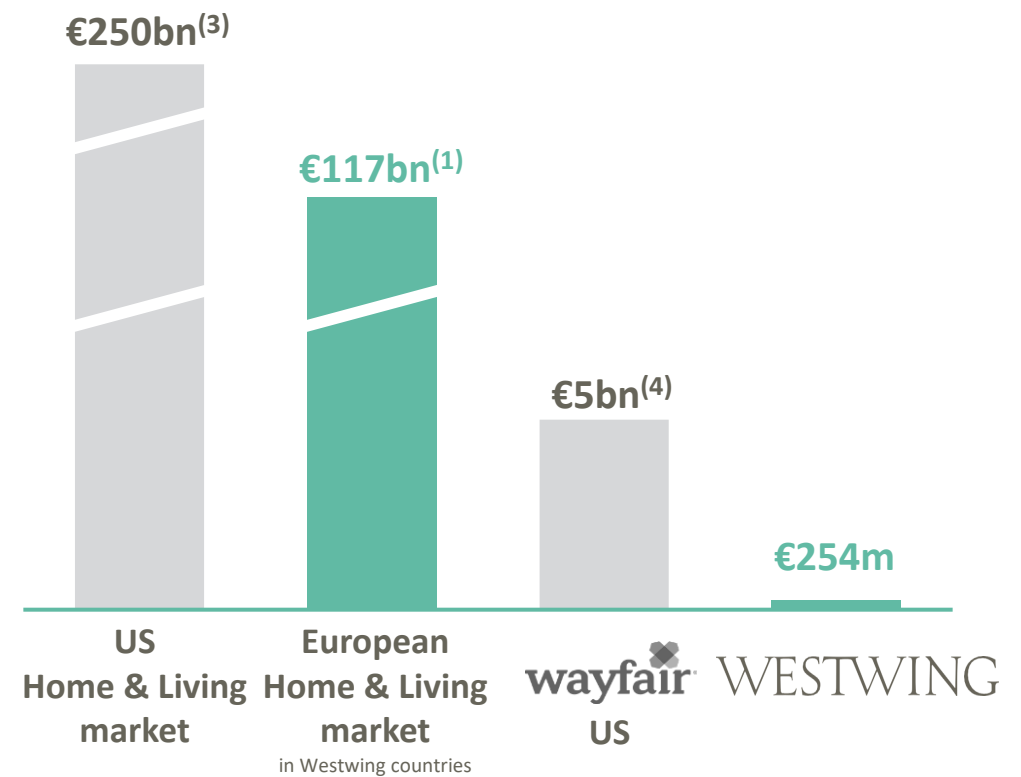
Notes: (1) All numbers refer to countries in which Westwing is present; online market size refers to internet retailing sales; in EUR using 2017 fixed exchange rates as per June 2018; (2) Consumer electronics market defined as Euromonitor Passport: category Consumer Electronics; (3) Fashion market defined as Euromonitor Passport: category Apparel and Footwear; (4) Consumer Appliances market defined as Euromonitor Passport: category Consumer Appliances; (5) Home & Living market defined as Euromonitor Passport: Home and Garden categories "Homewares" and "Home Furnishings".

Huge opportunity in Home & Living eCommerce for Westwing

Opportunity for Westwing when comparing to other industries: Fashion



Opportunity for Westwing when comparing to other Geographies: US



Notes: (1) Euromonitor Passport. Home & Living market: Home and Garden categories “Homewares” and “Home Furnishings. Fashion market: category Apparel and Footwear. Global retail value sales including sales tax for Westwing countries (2) Asos global retail sales as of FY 2018 ended 31 August 2018, ~32% of revenues are outside Europe and UK (3) 2018 US Home and Living market as per Euromonitor, Wayfair estimates (4) Wayfair US Net Revenues FY2018

Highly fragmented & subscale
supplier base leading to the
absence of strong consumer
brands in Home & Living market

SAMSUNG



Cushion
?

APPLE

RALPH
LAUREN



We are active in 11 countries in Europe

52%

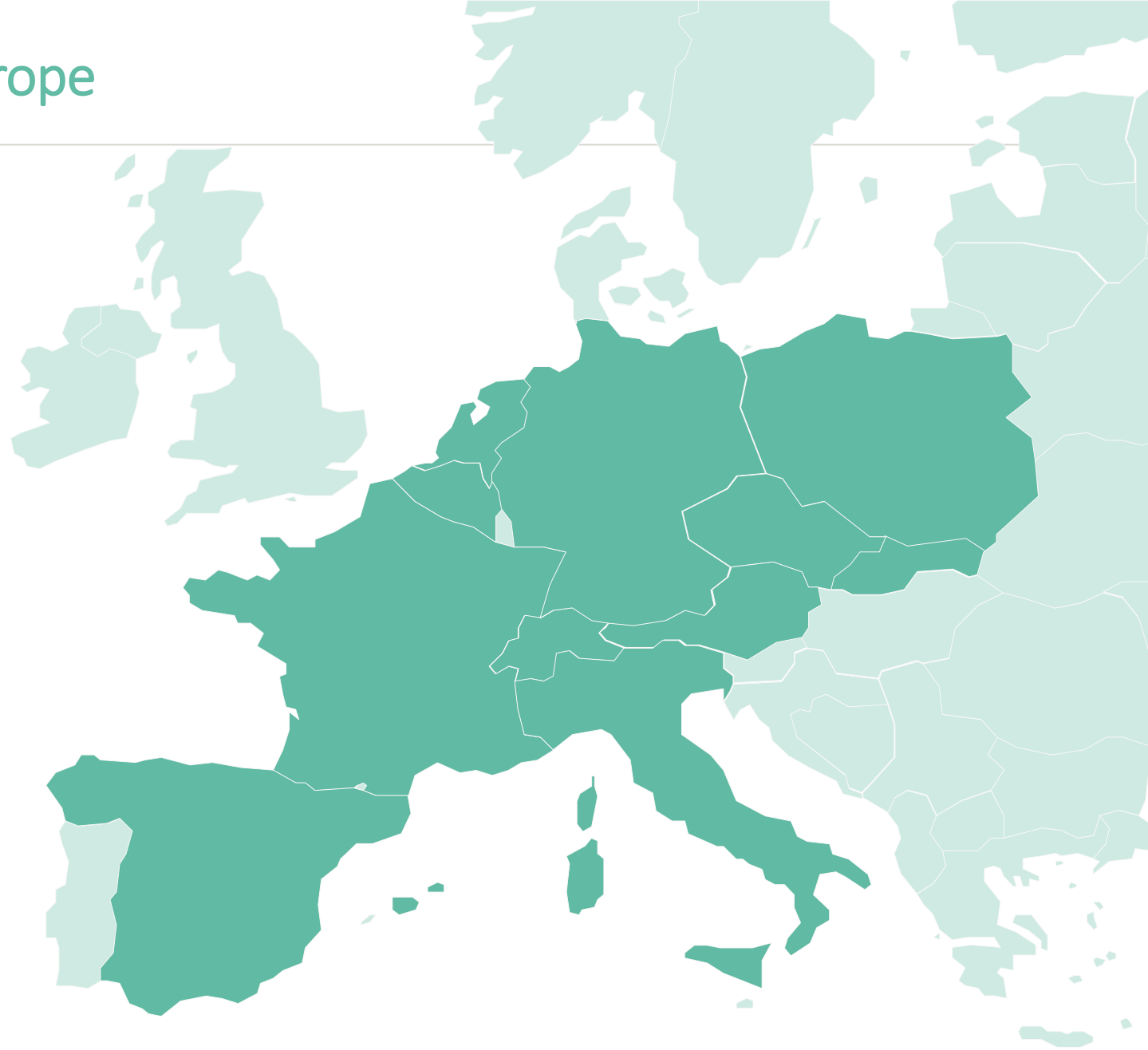
**DACH
SEGMENT**

(3 countries)

48%

**INTERNATIONAL
SEGMENT**

(8 countries)



Highly scalable platform with full value chain control

Inspiration & Curation



- Dedicated, creative staff including over 100 editors, journalists and content creators

Integrated supply chain



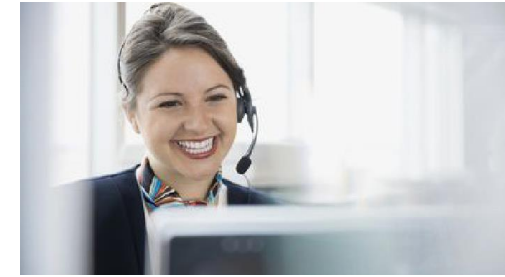
- 3rd party and Own & Private Label
- 5,000 suppliers from across the globe
- Growing share of Own & Private Label

Fulfillment



- 6 warehouses with c. 75k sqm
- 20 last-mile carriers and multiple other logistics partners
- 15 payment methods

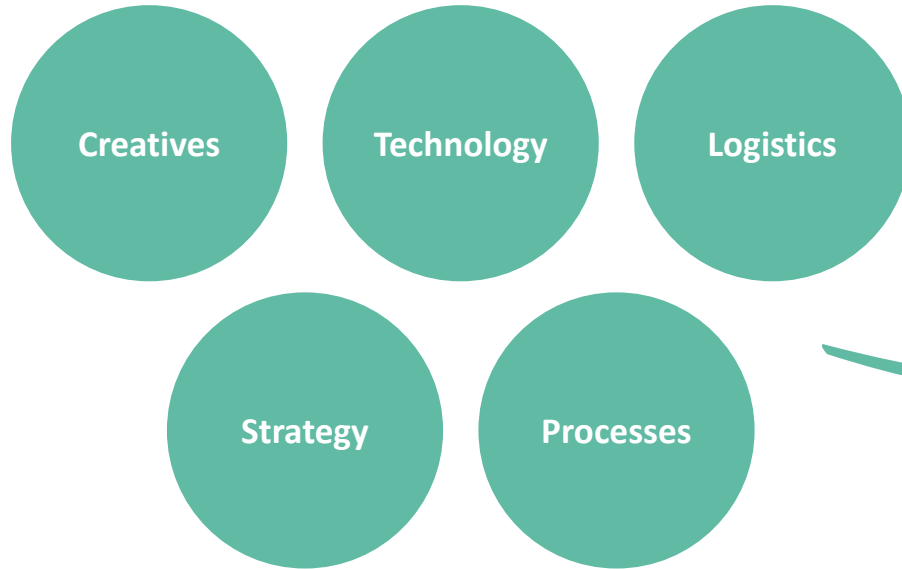
Customer service



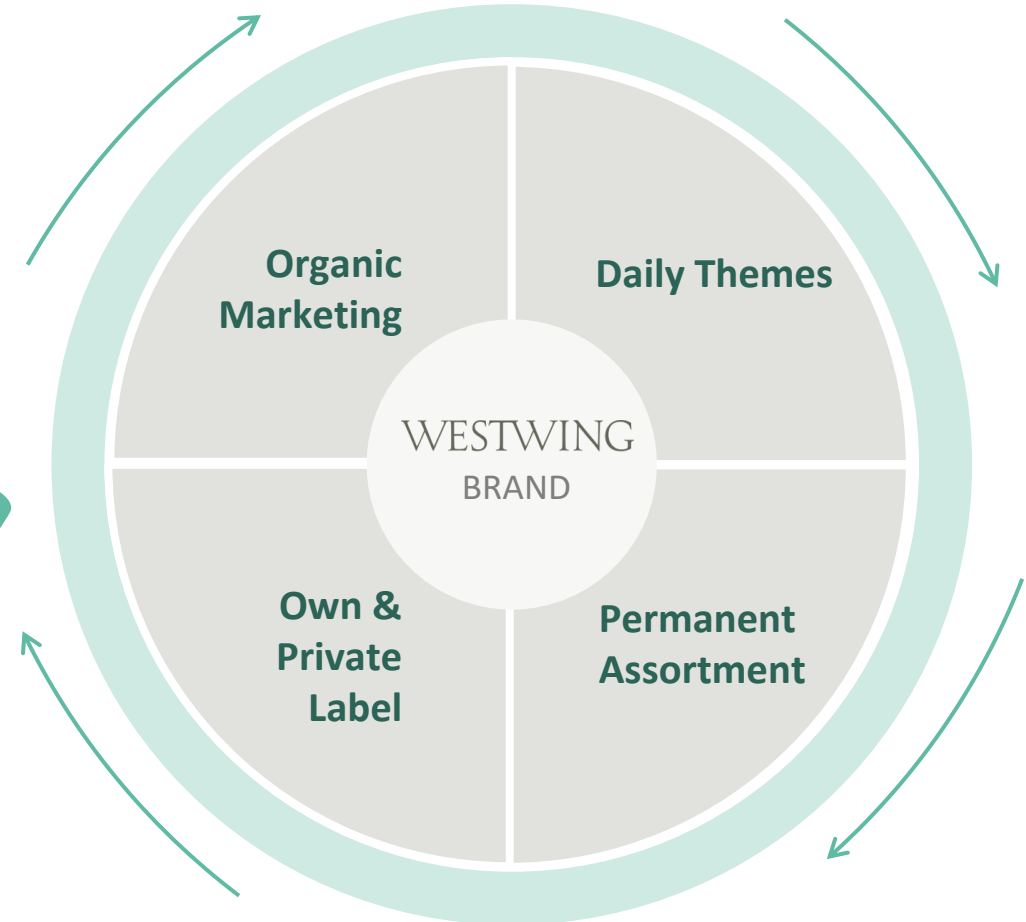
- 5 local customer service centers
- 116 FTE
- 453k new calls p.a.
- 630k new emails p.a.
- 44k chats p.a.

Our full business model: Rolled out in DACH since 2015; international roll-out ongoing

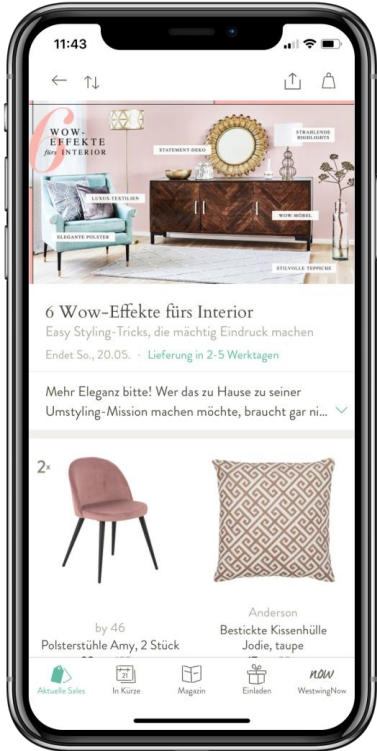
Tapping comprehensive platform



Virtuous cycle of all elements working together

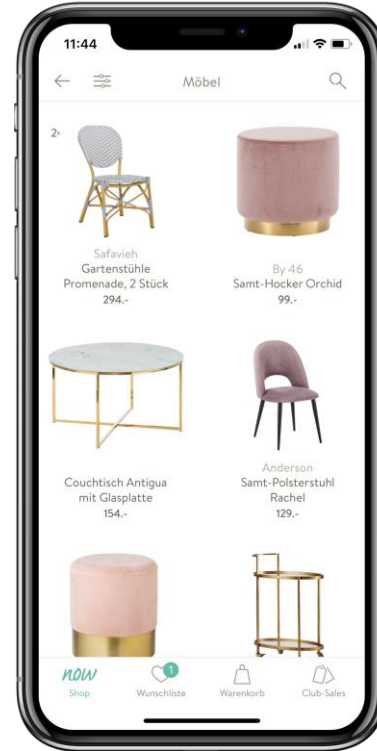


We operate a unique business model where we acquire customers in one model and monetize them in both models



WESTWING

- Efficient acquisition and retention
- Very high customer engagement and repeat purchases
- Rich data on customer preferences and supplies



WESTWINGNOW

- Scalable supply at even higher margins (esp. Own & Private Label)
- High growth and profitability
- Leverage collected customer data to offer relevant assortment

Acquire, retain, engage

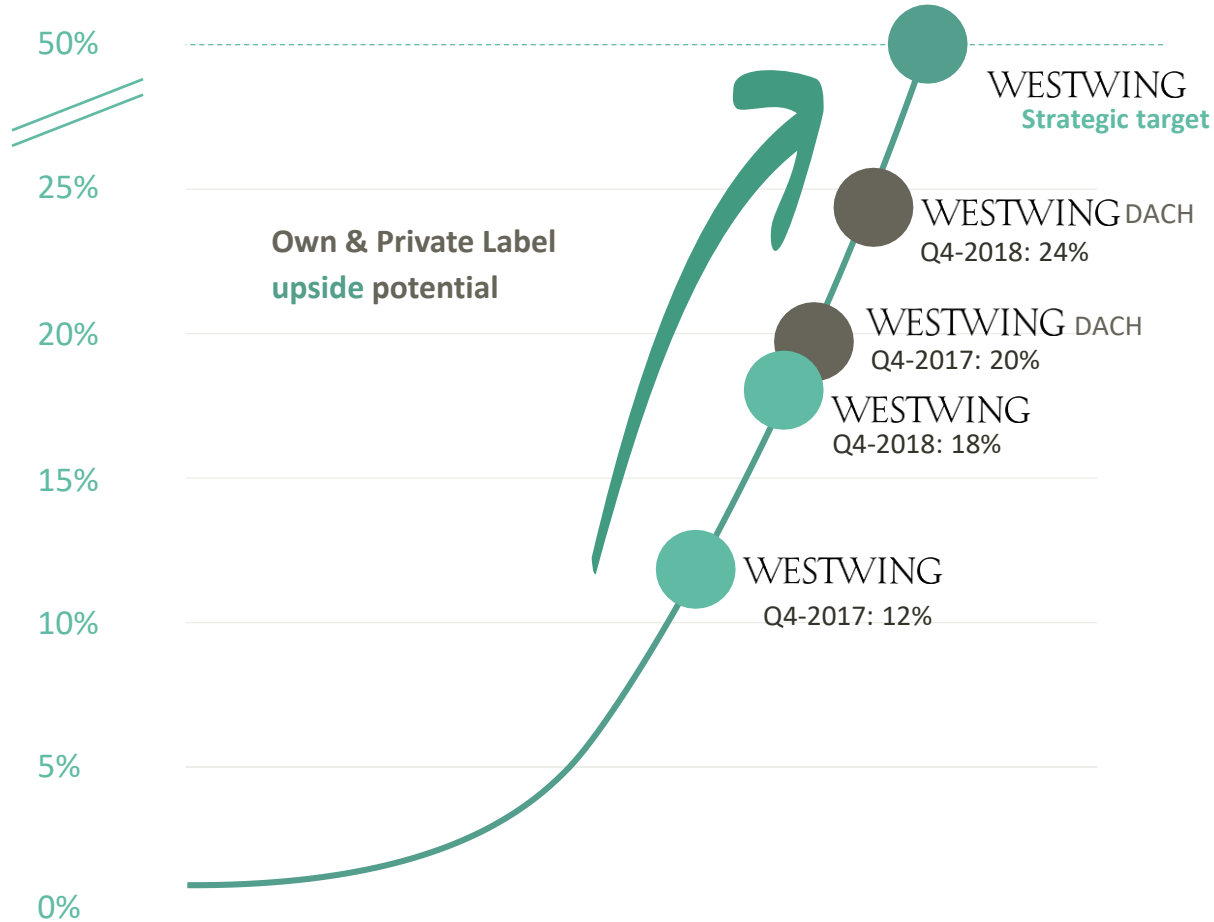
Cross-sell and up-sell

WESTWING PLATFORM

(Own & Private Label, marketing, technology, warehouses, data, etc.)

Own & Private Label is our most powerful strategic initiative

Own & Private Label share (% of GMV)



- 5,000 + Own & Private Label SKUs
- Beautiful products that our customers crave and desire
- Full control over supply chain and quality
- Highly competitive pricing
- Contribution margins are ~10ppts higher

Some of our bestselling Own & Private Label products



VELVET SOFA ALVA

Price: €999



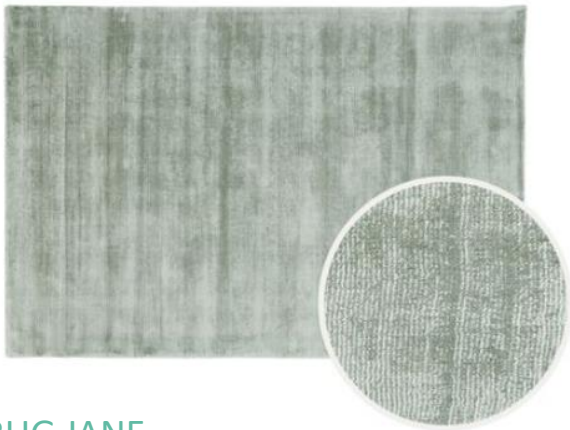
DECORATIVE FUR CODY

Price: €49



BED LINEN MARLA

Price: Starting at €29.99⁽¹⁾



RUG JANE

Price: Starting at €119⁽¹⁾



XL HANGING LAMP SPIKE

Price: €199

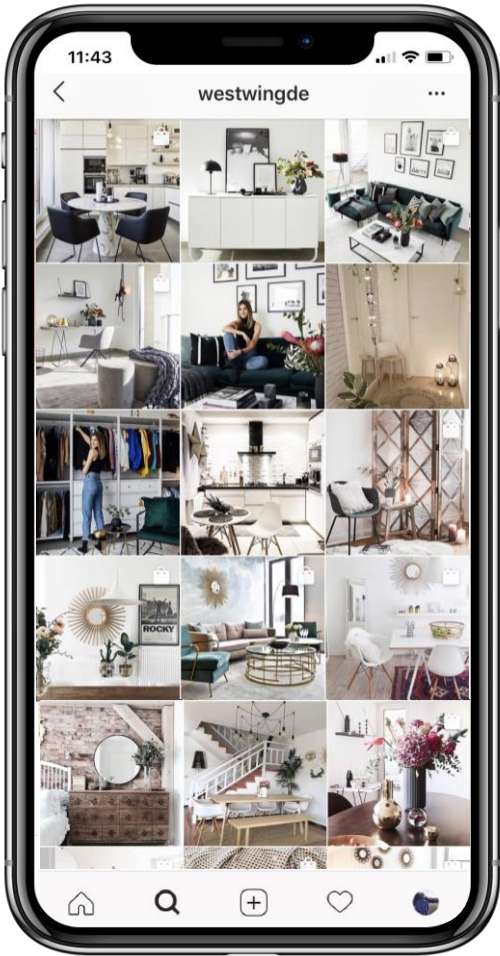


ARMCHAIR CLAIRE

Price: €114

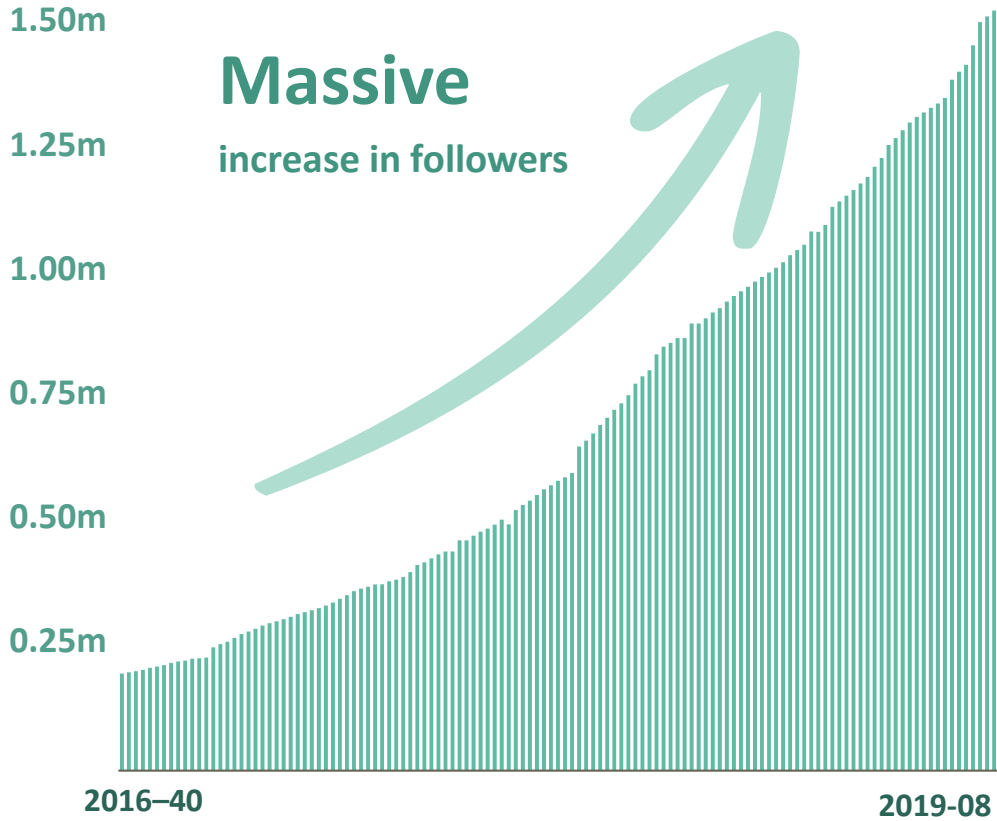
Notes: German selling prices including VAT and are as of March 2019
(1) Price depends on size

Organic Marketing model is asset-building and leverages our most important and fast-growing channel Instagram



- We use our content from daily themes and content produced in our social media film studio
- Free user-generated content #mywestwingstyle and influencers to expand our reach
- All based on our unique creativity and our love brand (hard to copy for competitors)
- Massive results after a few years with largely stable cost base

Instagram followers at 1.5 million across Europe



Our DACH segment is leading the way

Key elements of strategy

- Daily themes and loyalty model
- Permanent bestseller assortment
- Focus on Own & Private Label
- Brand building and Organic Marketing

International rollout of
DACH role model ongoing

Results FY 2018

Share of Group Revenue

52%

Revenue growth of

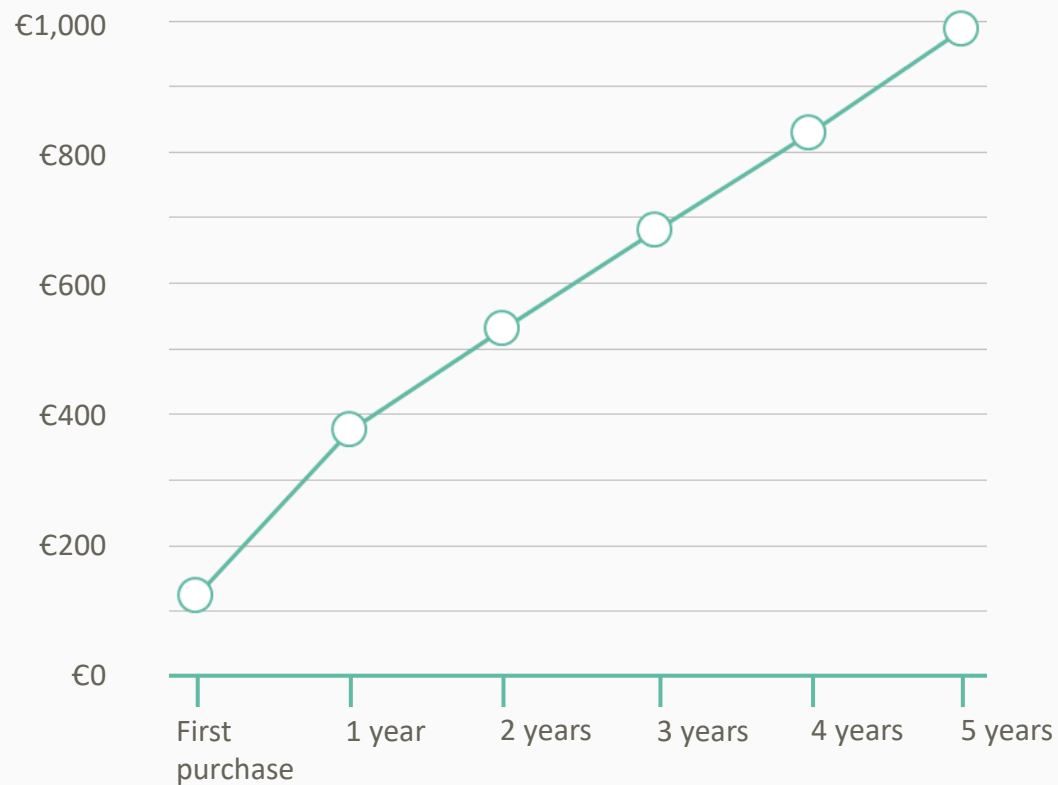
36%

Adj. EBITDA margin of

4%

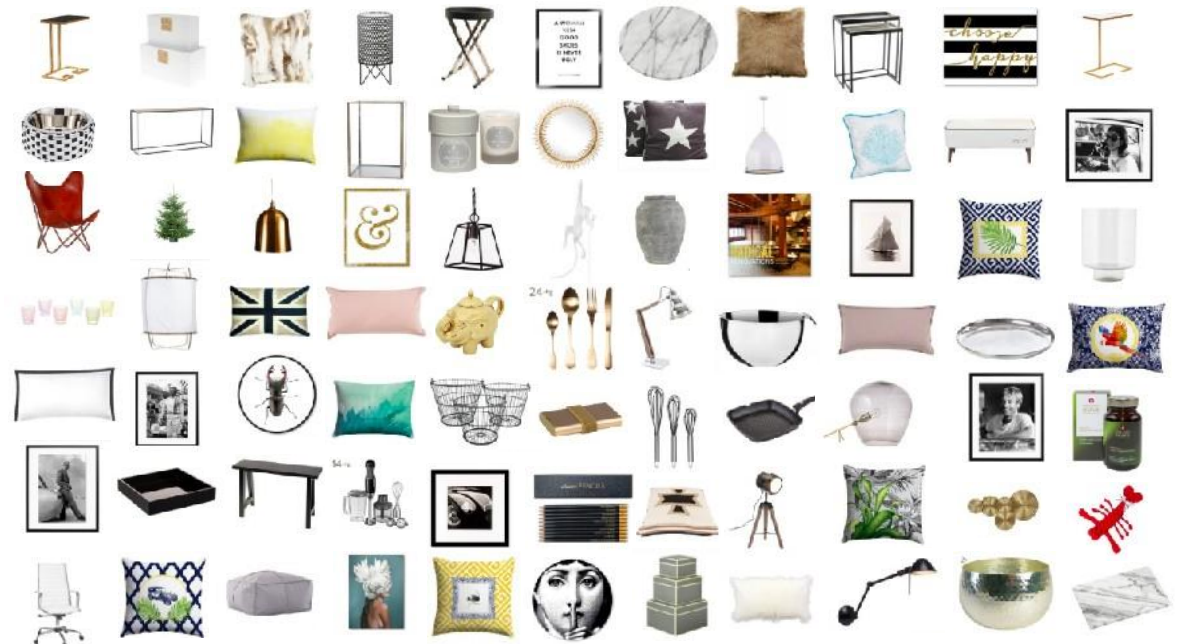
Result #1: Substantial customer lifetime value

Cumulative GMV per customer DACH over 5 years
(in EUR)



Exemplary real customer purchases

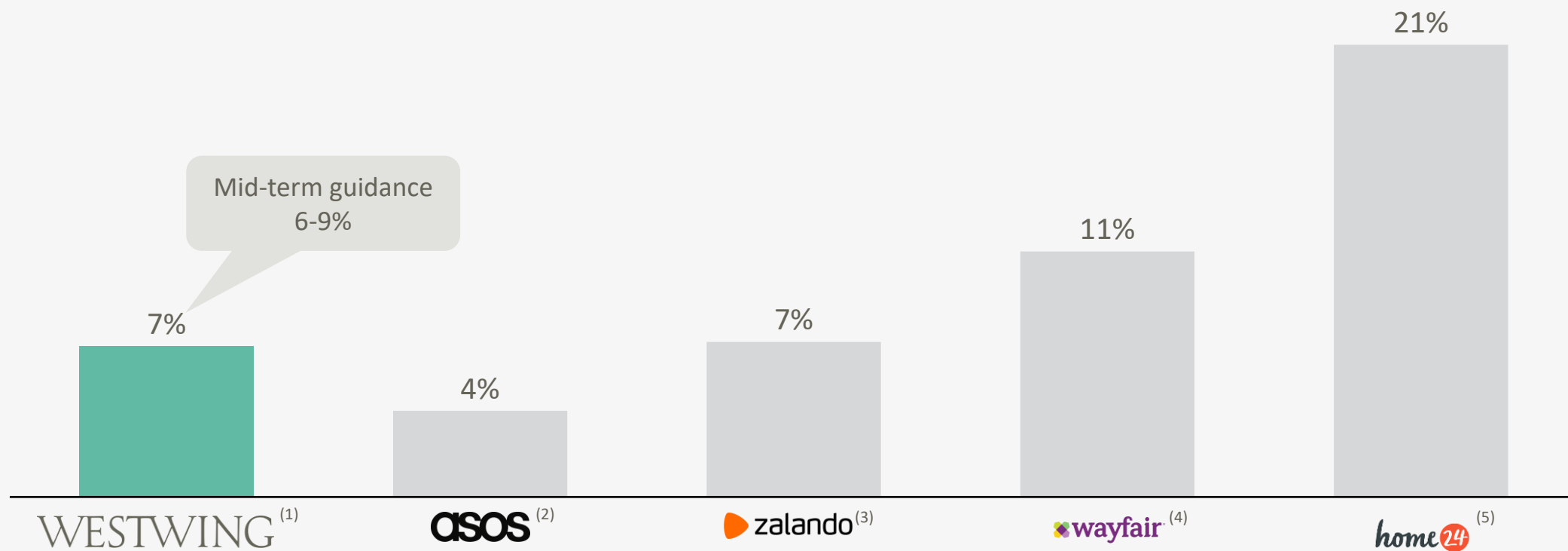
Helene L. from Augsburg (Germany)⁽¹⁾, some of her lifetime Westwing purchases



Scope: DACH, 2013 First Time Buyers
Note: (1) Customer name and city anonymized

Result #2: Best-in-class marketing ratio

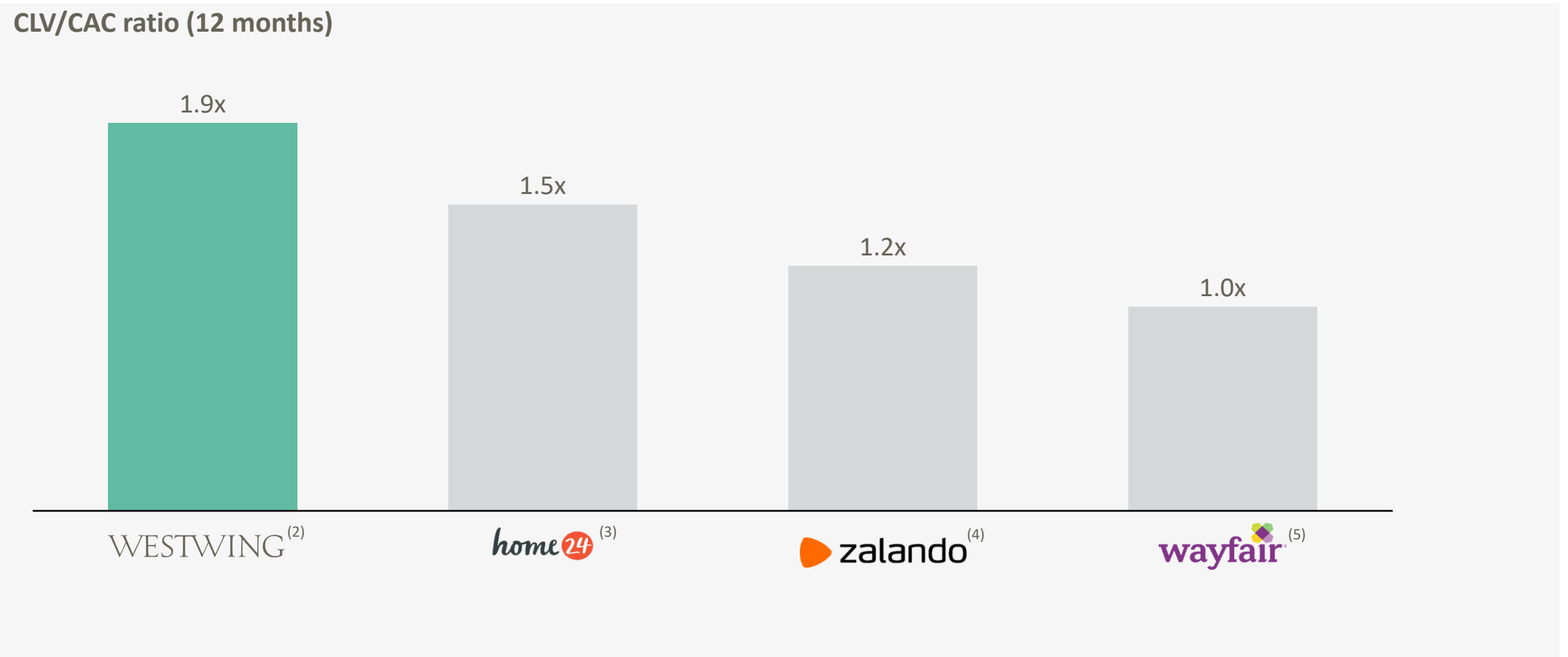
Marketing ratio
(in % of Revenue)



Source: Company reports

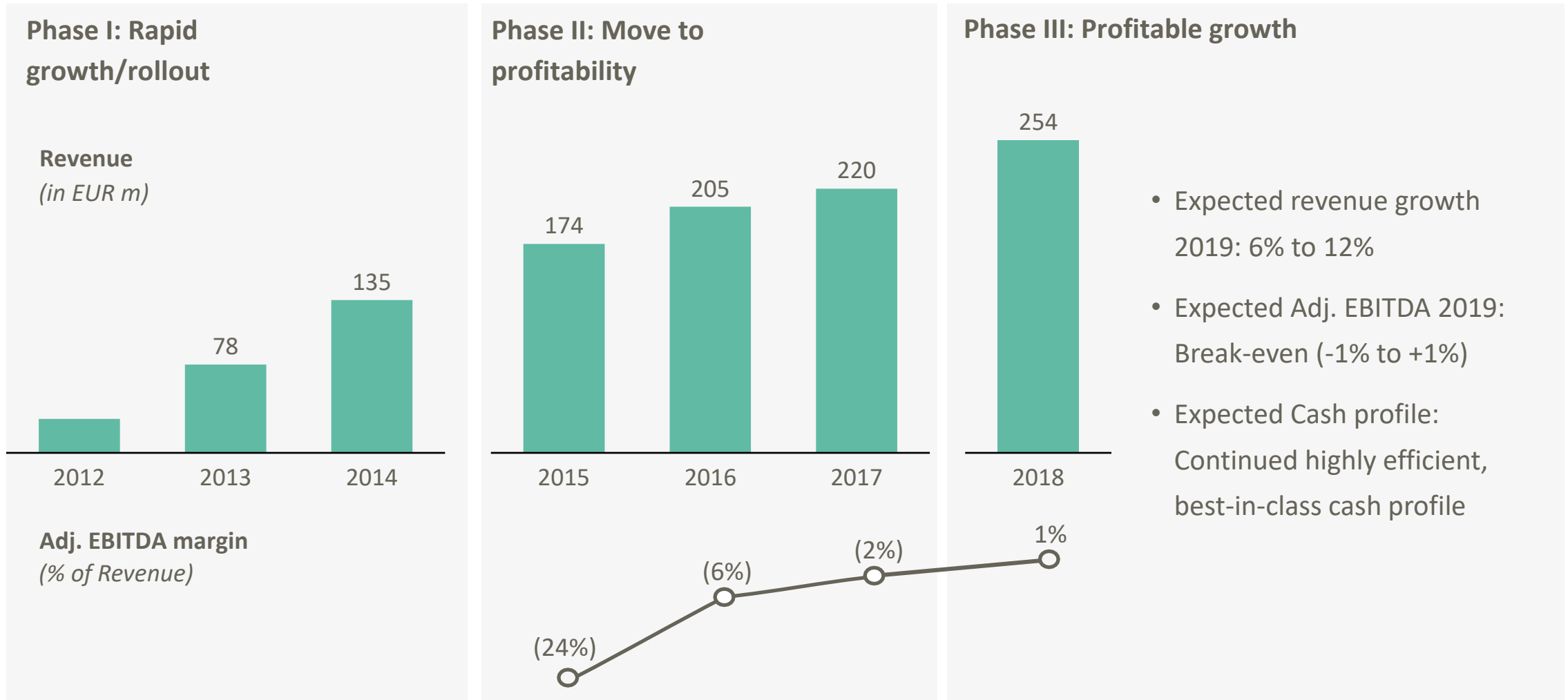
Notes: (1) Westwing as FY 2018; (2) Asos as FY 2018 ended 31 August 2018; (3) Zalando as FY 2018; (4) Wayfair as FY 2018 includes advertising costs; (5) Home24 as LTM per Q3-2018. Q4 2017 from Home24 prospectus, YTD 2018 from financial publications, includes above the line marketing share-based compensation expenses related to media service agreements

Result #3: Superior CLV/CAC⁽¹⁾ ratio ahead of other eCommerce companies



Notes: (1) CLV = Customer Lifetime Value, CAC = Customer Acquisition Cost; (2) Westwing average Q4 2016 and Q1 2017; (3) Target 12m CLV/CAC ratio mentioned in home24's prospectus. Home24 numbers do not include branding/TV cost so actual LTV/CAC is lower; (4) October 2011 cohort for Germany as per Zalando disclosure in IPO prospectus; (5) Target 12m CLV/CAC ratio mentioned in Wayfair earnings call transcript Q4 2017

Financials: We are profitably growing

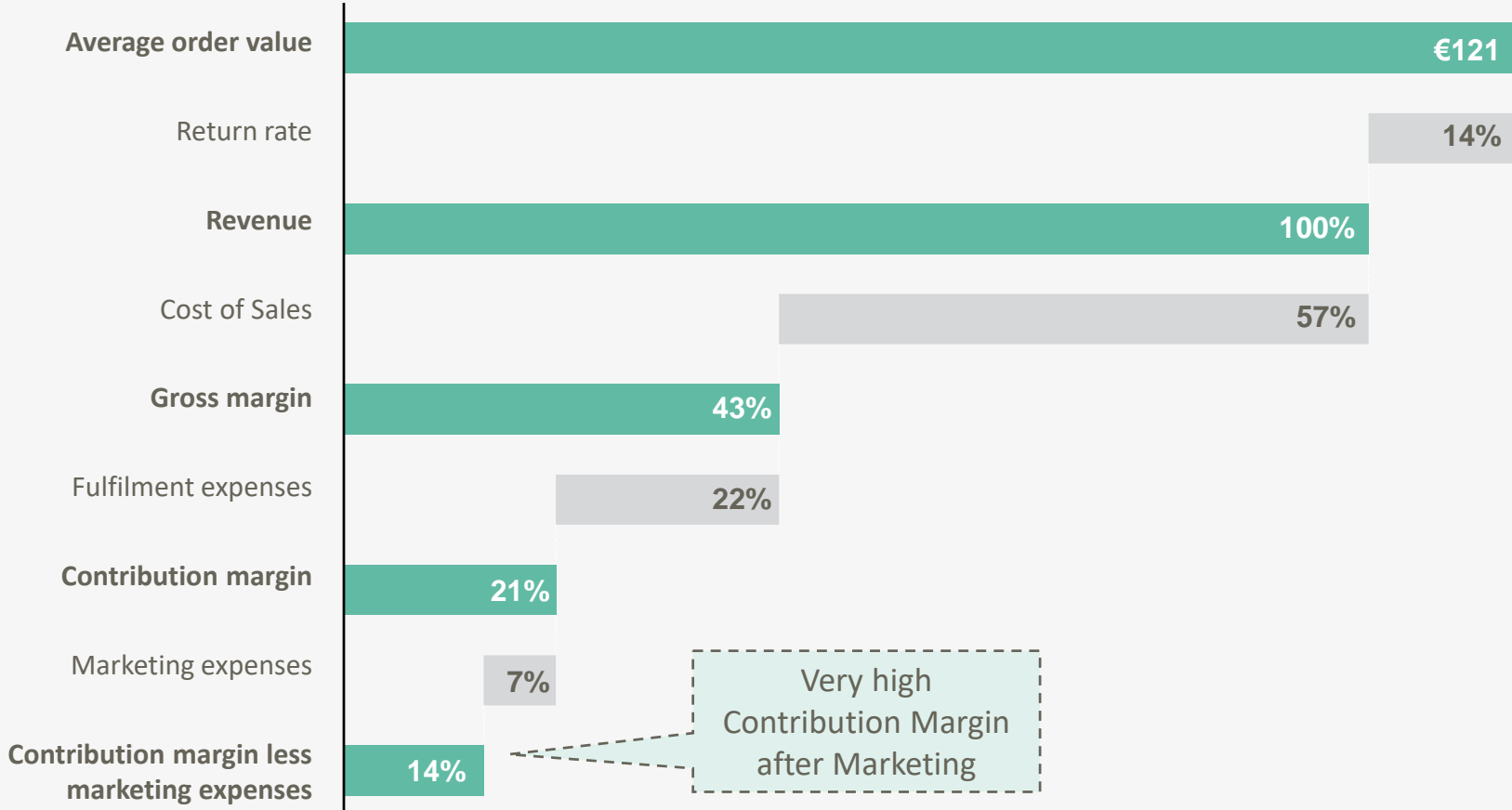


Note: Preliminary and unaudited; All figures continuing operations (ie excluding Brazil and Russia); Adj EBITDA excluding share-based compensation expenses, IPO costs recognized in profit and loss and central costs allocated to discontinued operations (Brazil and Russia were sold in Oct/Nov 2018, central costs were allocated for full year due to eg ongoing handover)

Our Contribution Margin is attractive at 21%, with a 43% Gross Margin and 22% Fulfilment expenses

Revenue and cost breakdown FY 2018

(EUR, in % of revenue, unaudited)

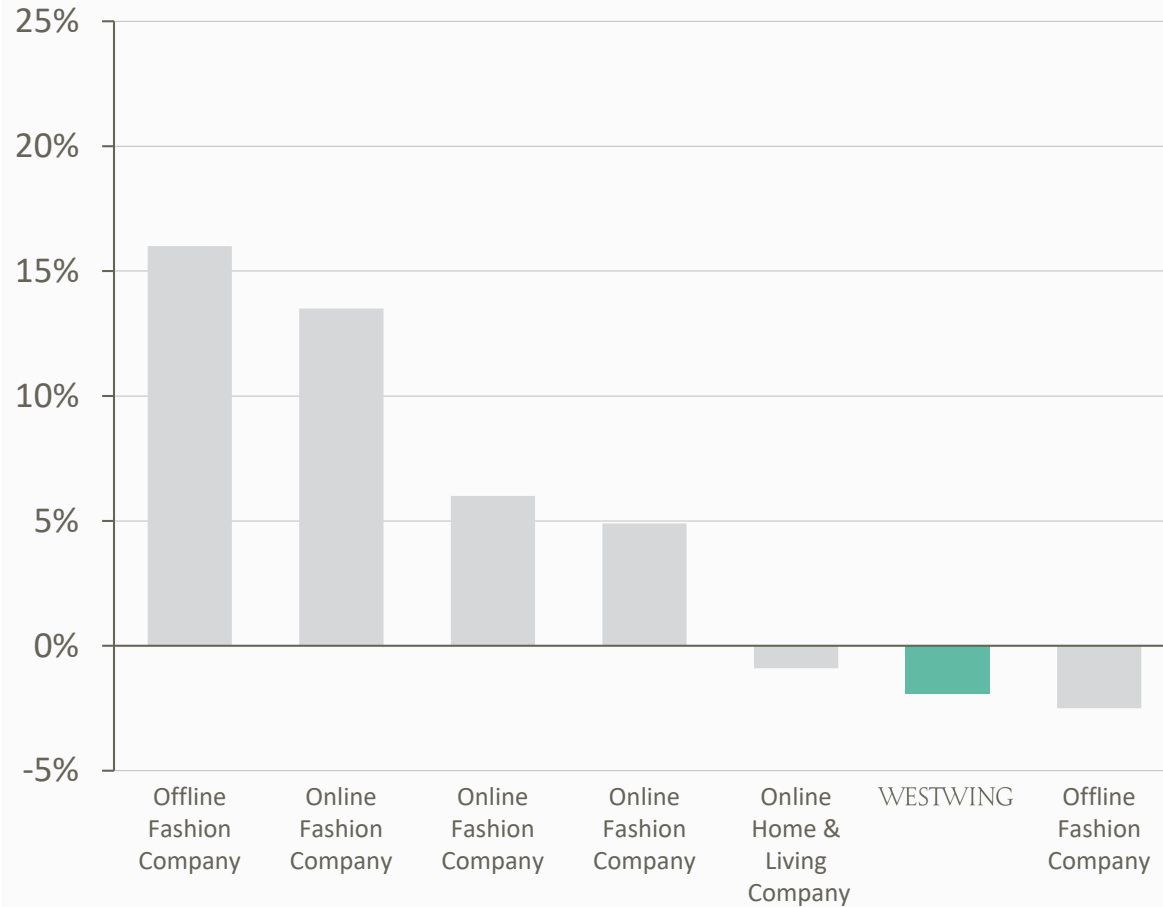


Very high Contribution Margin after Marketing

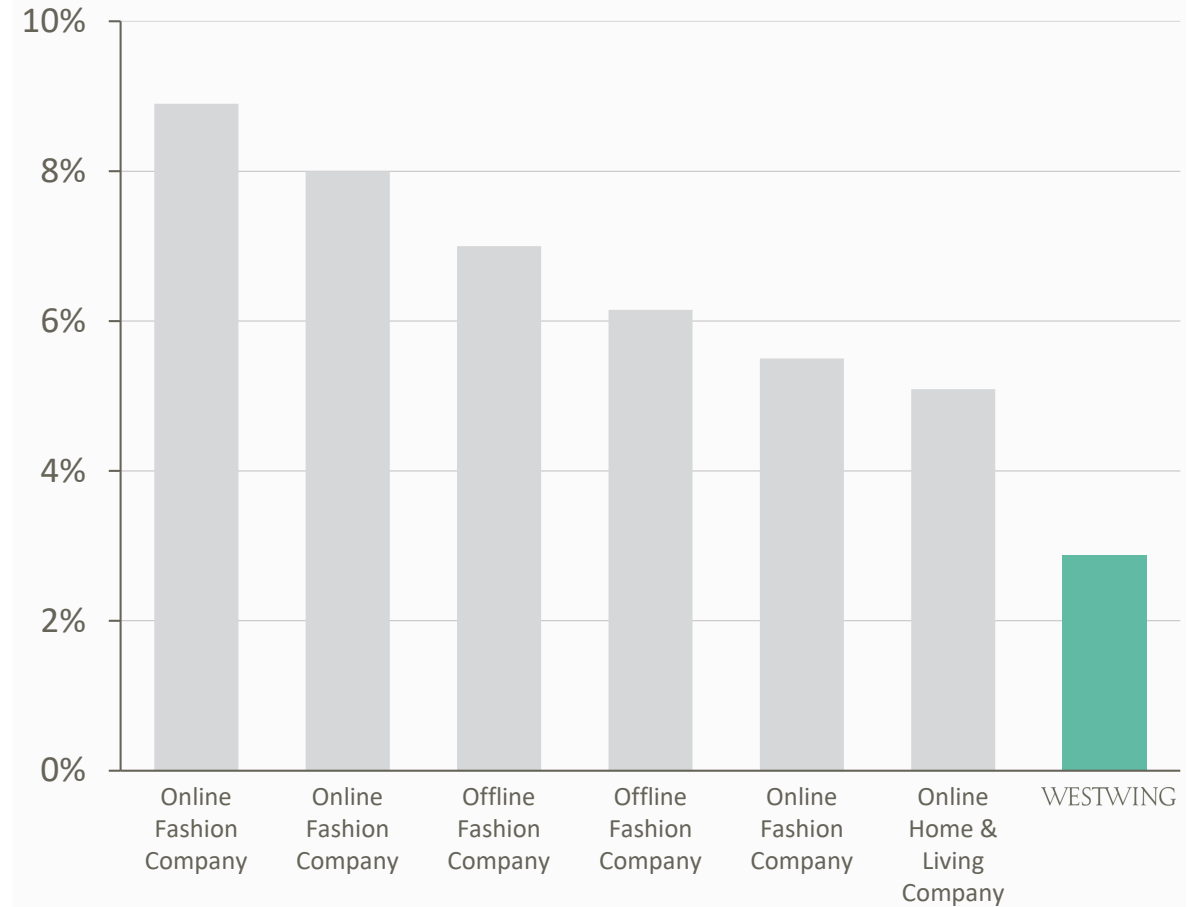
Scope: Group, excluding share-based compensation.

Westwing has best-in-class cash efficiency and net cash reserves of EUR 108m¹

Working Capital Ratio comparison
(% of Sales)



Capex Ratio comparison
(% of Sales)



Source: Berenberg „General Retail: Safety in numbers?“ Feb 14, 2019; Westwing based on FY 2018; Capex is defined as sum of property, plant, equipment, and intangible asset purchases.

Our business combines a number of drivers for profitable growth





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International Press

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Investor Relations

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Westwing Definitions

Gross Merchandise Volume (GMV): Value of all valid customer orders placed in a given period. (i.e. excluding cancelation, but including returns), excluding VAT.

Revenue: Value of all valid customer orders shipped in a given period excluding cancelations, returns and VAT

Adjusted EBITDA: EBITDA adjusted for share-based compensation expenses, IPO costs recognized in profit or loss, and central costs allocated to discontinued operations

Private Label share of GMV: GMV of Private Label business as % of GMV Group in the same reporting period

Number of orders: Total number of valid orders (i.e. excluding cancelation)

Marketing ratio: Marketing costs as % of Revenue in a given period

Customer acquisition costs (CAC): Total Marketing Costs of a reporting period divided by First Time Buyers of the same reporting period

Customer lifetime value (CLV): Cumulated contribution profit per customer since first order over specified time period

Net Working Capital (NWC): Inventories plus prepayments on Inventories plus Trade and other Accounts Receivables less Trade and other Accounts Payable less Customer prepayments

Capex: Purchase of property, plant and equipment plus Purchase of intangible assets (including capitalized technology costs)

KPI overview

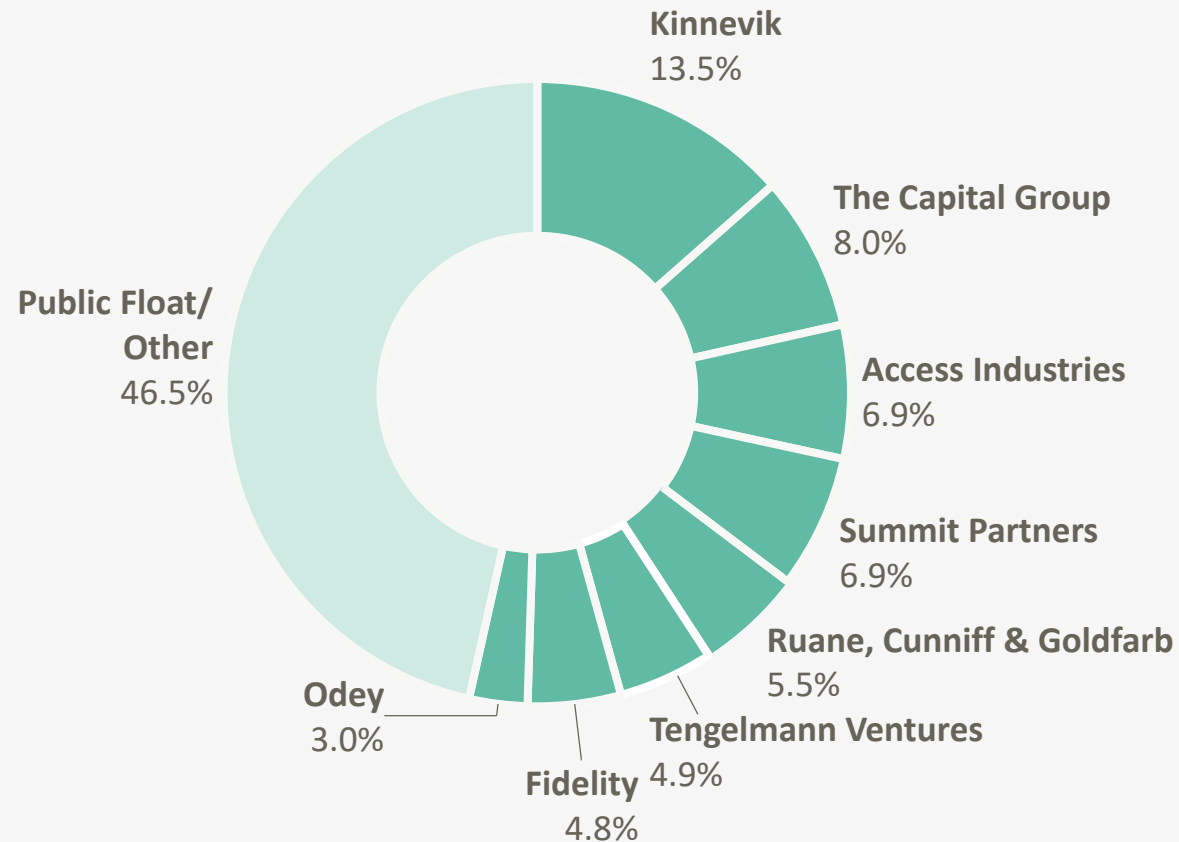
Group KPIs	Unit	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Own and Private Label share	in % of GMV	7%	9%	11%	12%	13%	15%	18%	18%
Active customers	in k	794	788	802	838	881	907	921	934
Number of orders	in k	510	492	496	723	611	555	507	726
Average basket size	in EUR	115	114	114	113	119	120	124	122
Average orders LTM per active customer	in #	2.6	2.7	2.6	2.7	2.6	2.6	2.6	2.6
Average GMV LTM per active customer	in EUR	289	293	297	301	302	305	307	312
GMV	in EUR m	58	56	56	81	72	67	63	89
Mobile visit share	in %	67%	69%	71%	71%	72%	73%	74%	74%

Note: All figures continuing operations (ie excluding Brazil and Russia)

Westwing Shareholder structure

Shareholder structure

as of Jun 2019 based on Voting Rights disclosures



Founders with long term commitment and incentive

- Pre-IPO investors have a 180 day lock-up period that expired on 8 April, 2019
- Top ~20 founders and managers with 24 months lock-up
- “Long-term incentive program 2019” vests for top ~20 people only end of 2022. There is no in-between vesting and constitutes ~10% pts of the 19% fully diluted active management shareholding

Replication of DACH business to International Segment progressing very well

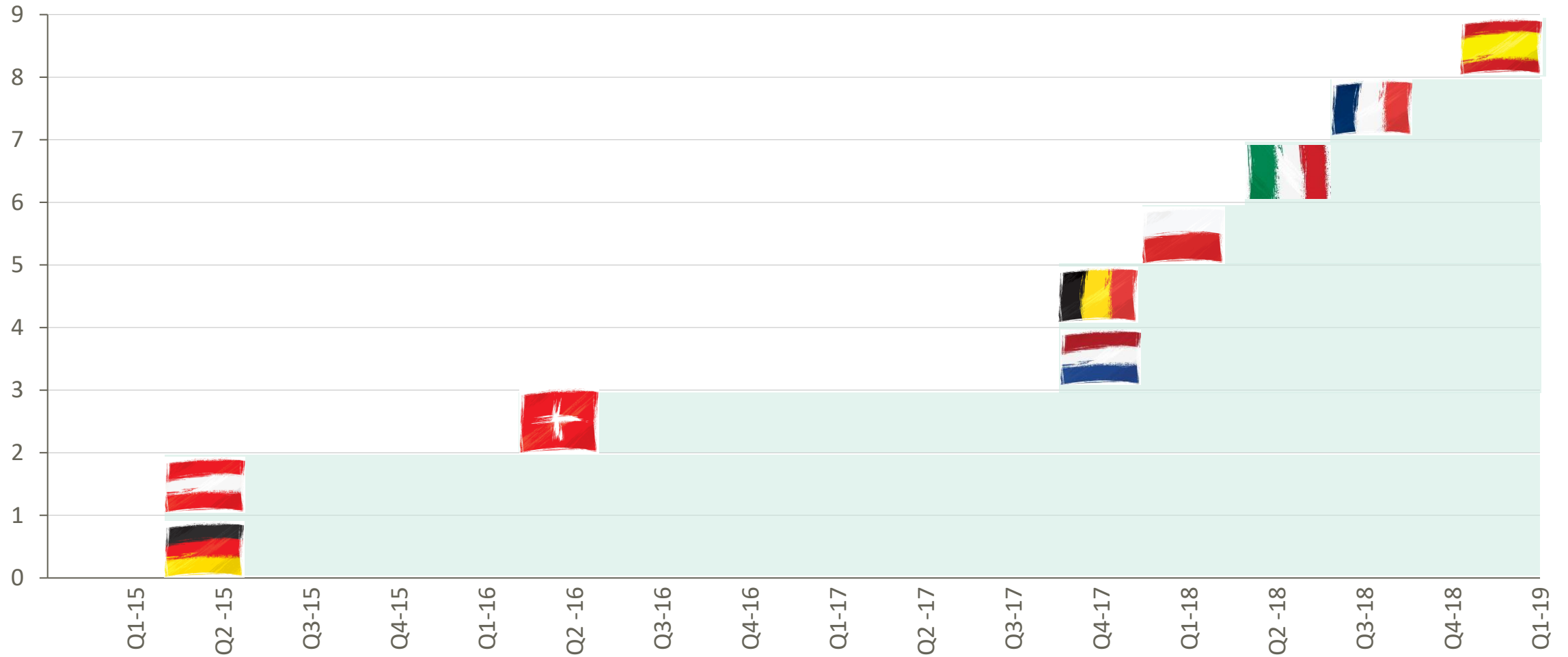
DACH is a fast-growing business model ...

- DACH highly attractive: **EUR 133m revenue, 36% yoy growth, +4% Adj EBITDA**
- Daily themes and **loyalty business model** as customer acquisition and retention machine
- **Permanent assortment** WestwingNow since 2015, for up-selling and cross-selling
- Rapidly growing share of **Own Label and Private Label (24% of GMV in Q4)**
- Organic Marketing driving strong growth and branding at only **6% marketing ratio**¹

... successfully being rolled out in international markets

- International markets have had **daily themes and loyalty model from the beginning**, and are learning from DACH with local focus
- Permanent assortment already rolled out **to 6 of 8 markets**, thereof 3 new in 2018²
- Own Label and Private Label offering **approaching 10% of GMV**
- **Ramping up Organic Marketing** for international markets
- Country-by-country, we are following the DACH example, e.g. **Poland**³ **farthest along**

Permanent assortment WestwingNow live in 9 of 11 Westwing countries



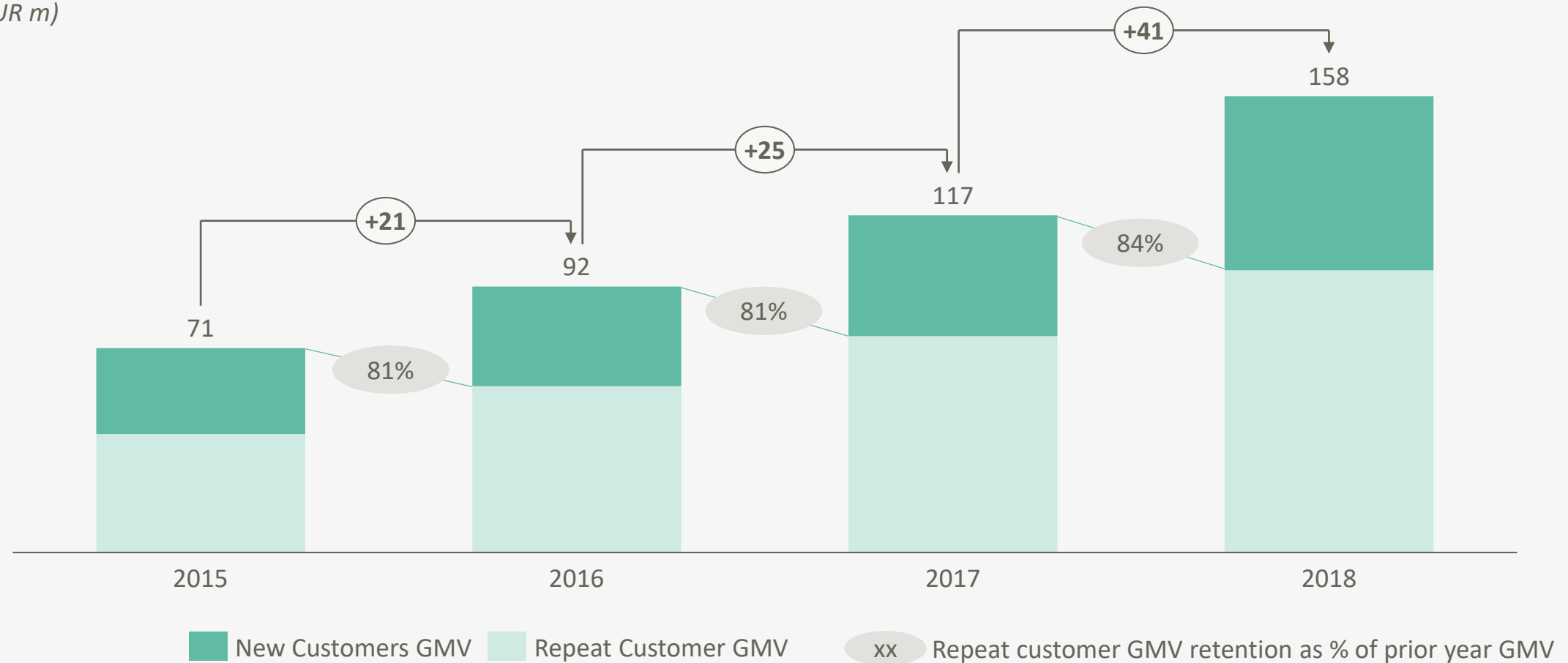
International rollout of business model: What's next

- **Daily Themes:** Optimize in every market (launched mostly in 2011/12), increasingly leverage synergies from pan-European suppliers and with organic marketing
- **Permanent Assortment:** Ramp up in recently launched markets (Netherlands/Belgium 2017, Poland/Italy/France 2018, Spain 2019), launch remaining markets (Czech/Slovakia), and continue to further optimize in DACH (launched in 2015/16)
- **Private Label:** Expand category scope continuously in all markets, and drive penetration towards long-term goal of 50% share especially via Permanent Assortment business
- **Organic marketing:** Strongly invest into social media internationally (e.g. increase content/social media marketing team); leverage assets across all markets

Strong cohorts: High customer loyalty drives profitable growth

DACH GMV break down by customer cohort

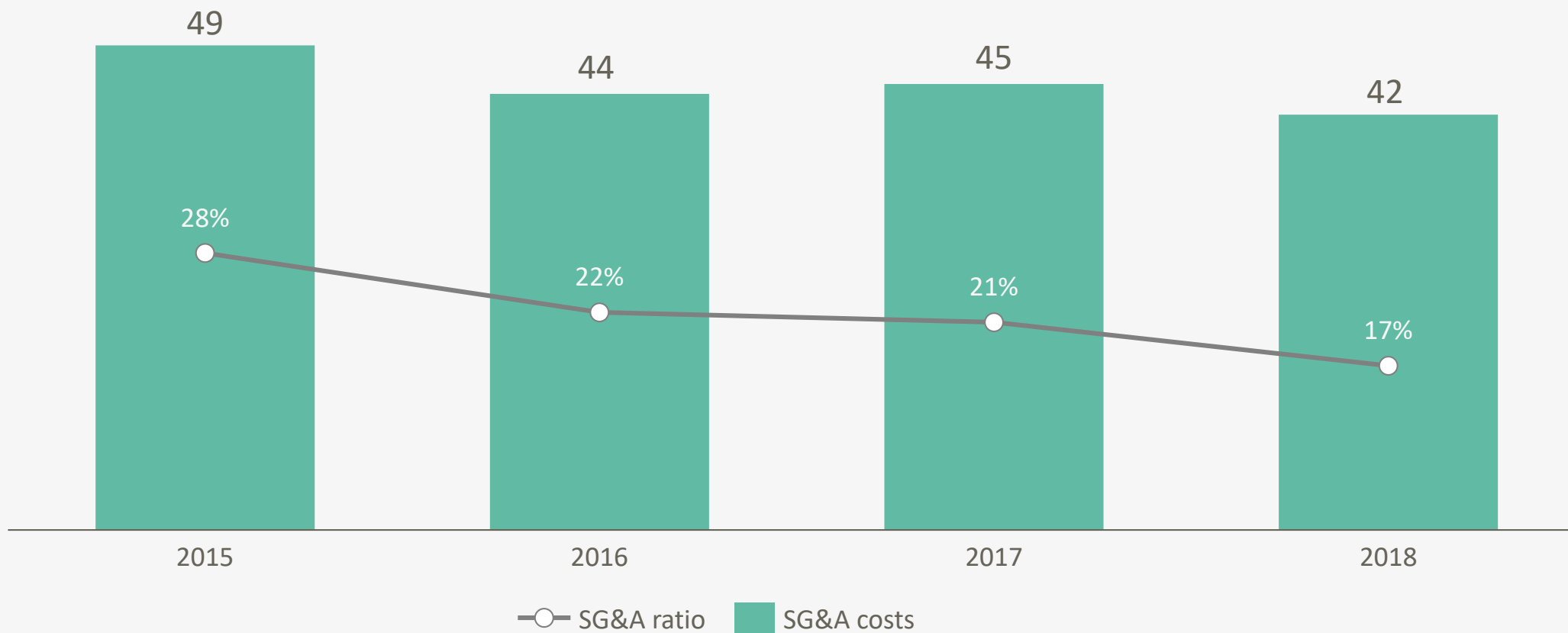
(in EUR m)



Strong operating leverage drives profitability: G&A ratio improved from 28% in 2015 to 17% in 2018

G&A costs over time

(EUR m, in % of revenue)



Note: 2018 numbers are preliminary and unaudited

DACH Segment and International Segment: P&Ls

Segment revenue and adj. EBITDA development

(EUR, in % of revenue, 2018 unaudited)

	2015	2016	2017	2018
DACH				
Revenue	62	79	98	133
Adj. EBITDA	(13)	(3)	1	6
Adj. EBITDA margin	(21%)	(4%)	1%	4%
International				
Revenue	112	126	122	121
Adj. EBITDA	(29)	(9)	(5)	(3)
Adj. EBITDA margin	(26%)	(7%)	(4%)	(2%)

- DACH is where we have implemented the complete business model first (i.e. daily themes, permanent assortment, Own & Private Label, organic marketing)
- We have started to roll it out to our International Segment. Most countries progressing well.

Note: Preliminary and unaudited; All figures continuing operations (ie excluding Brazil and Russia); Adj EBITDA excluding share-based compensation expenses, IPO costs recognized in profit and loss and central costs allocated to discontinued operations (Brazil and Russia were sold in Oct/Nov 2018, central costs were allocated for full year due to eg ongoing handover)

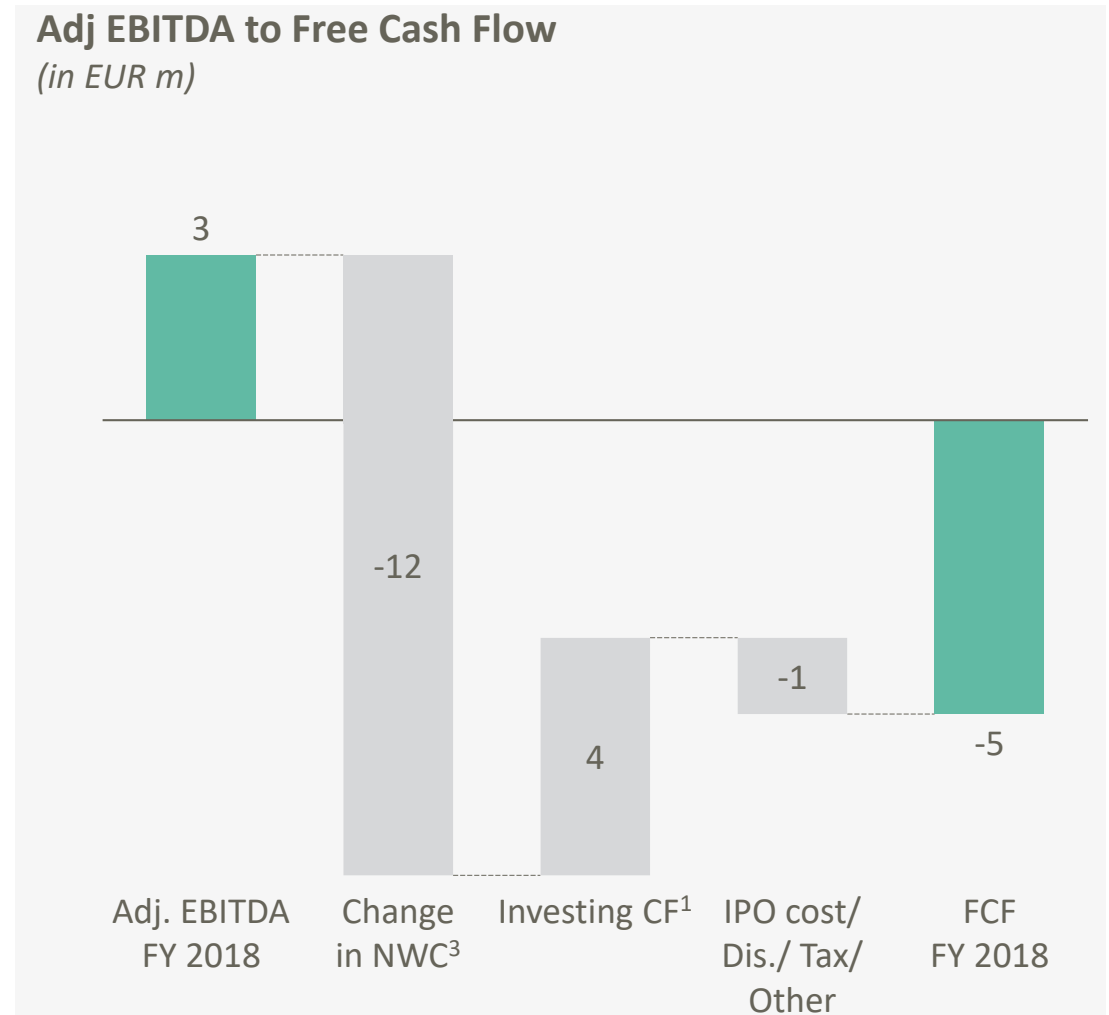
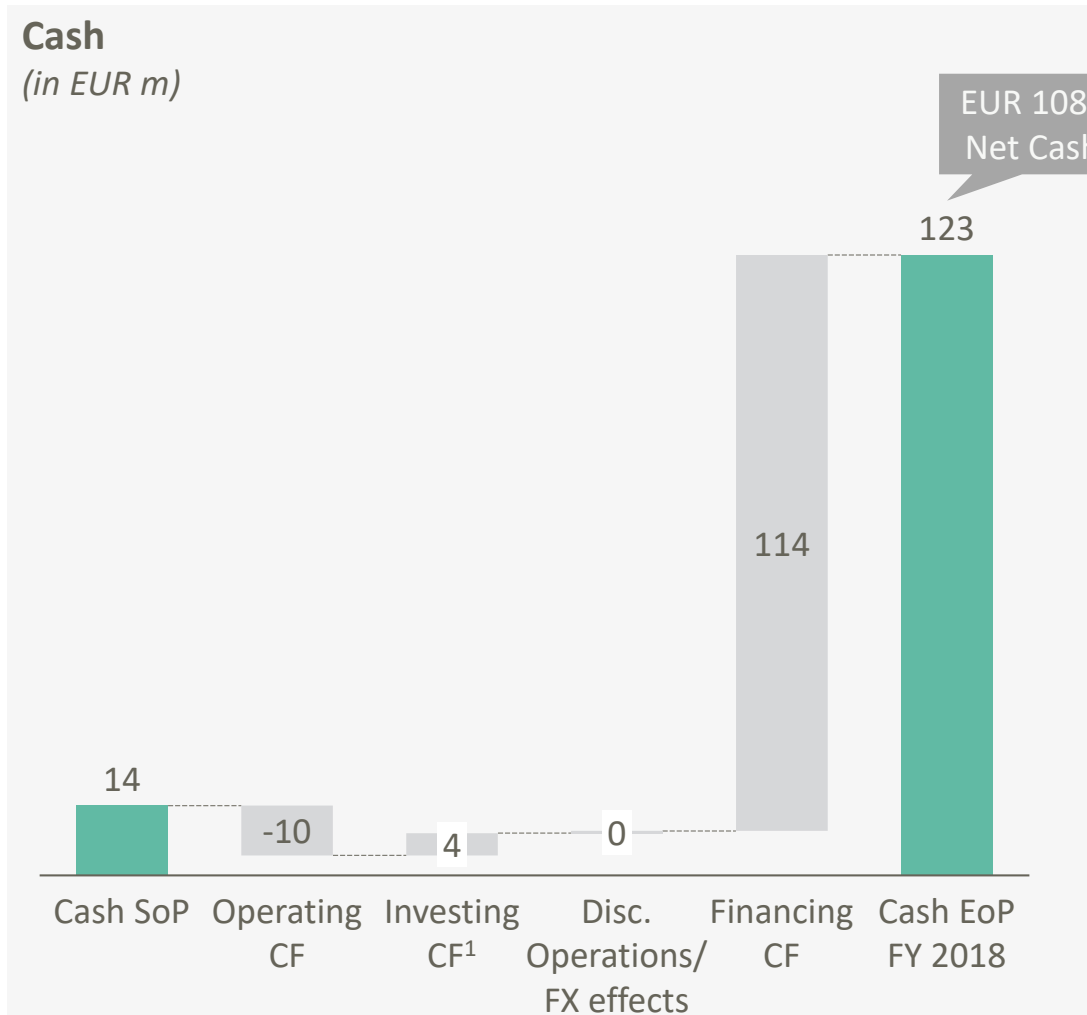
Neutral Net Working Capital: Low inventories and strong supplier payment terms

Net Working Capital (NWC) break down
(EUR m)



Note: Preliminary and unaudited; All figures continuing operations (ie excluding Brazil and Russia)

Very strong balance sheet based on cash at hand and extremely cash-efficient business model



Note: Preliminary and unaudited; Free Cash Flow defined as the sum of Operating Cash Flow and Investing Cash Flow; (1) Investing Cash flow includes ~11m of proceeds from sale of Brazil and Russia; (2) Net cash calculated as EUR 123m in cash less EUR 15m debt = EUR 108m; (3) Change in Net Working Capital based on Net Working Capital definition presented on previous slide.



OUR MISSION

“ To inspire and make
every home a
beautiful home ”

