



First quarter 2019 results

May 28, 2019



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Further strategic and operational progress in Q1; revenue basis lower due to margin focus



- **We made further progress on our business**
 - China: new investors, in the process of building up local team in Shanghai, lower product packaging costs
 - DACH: further margin improvements, technical enhancements for shop offering
 - Rest of Europe (Bebitus): new Head of Bebitus, margin improvements, technical enhancements
 - Corporate: capital increase, new CTO, communication workshops across the firm
- **EUR 20.8 million revenues in Q1 2019**
 - Lower than previous year due focus on profitability (and seasonally strong Q4 quarter)
- **Adj. EBIT Q1 2019 improved year over year to EUR -4.0 million after EUR -5.2 million in previous year (EUR -5.9 million including Feedo)**
 - Operating contribution at EUR 0.9 million slightly lower than in previous year (EUR 1.3 million)
 - Adj. other SG&A significantly reduced from EUR -6.5 million in Q1 2018 to EUR -4.9 million (-24.6% yoy)
- **Successful equity capital increase with gross issuance proceeds of EUR 10.1 million**
 - Liquidity position at EUR 15.5 million end of March
 - Use of proceeds to conclude restructuring and grow business in China
- **Outlook for 2019 unchanged; adj. EBIT break-even target for early 2020**
 - Clear revenue growth, improvement of operating contribution and adj. EBIT in 2019
 - Cash outflow to be further reduced in 2019 despite moderate working capital build up to support growth

Business Highlights

Matthias Peuckert



After significant restructuring in 2019 we focus now on sustainable and profitable growth



Phase 1: transformation

2018

- ✓ Shape the organization and advance corporate culture
- ✓ Focus on customers
 - ✓ Assortment review and adoption to customer needs
 - ✓ New tools implemented:
 - ✓ Search
 - ✓ Pricing
 - ✓ Automated ordering
 - ✓ New services implemented:
 - ✓ Pregnancy support (app)
 - ✓ Storchenbox
- ✓ Reduce complexity
- ✓ Realize synergies

Phase 2: growth

2019/
2020

- Explore new adjacent growth areas (e.g. new product categories and channels)
- Increase share of specialty products
- Create new shopping experience for young families
- Partnership with all relevant brands and suppliers
- More services:
 - Midwife support
 - Content from experts e.g. doctors, influencers

2022

Vision
2022

To become **Europe's leading e-tailer for young families**, building on educational and emotional content guiding young parents through this exciting and life changing experience

We strengthened the China business strategically; Q1 revenues lower given strong Q4 and previous year basis



Business update

- New Asian investors on board as part of capital increase in March
- Extension of local team in Shanghai for Chinese business
- Higher purchase threshold for cross-border ecommerce customers
- New packaging concept (EUR ~100,000 savings p.a.)

China revenues

in EUR million

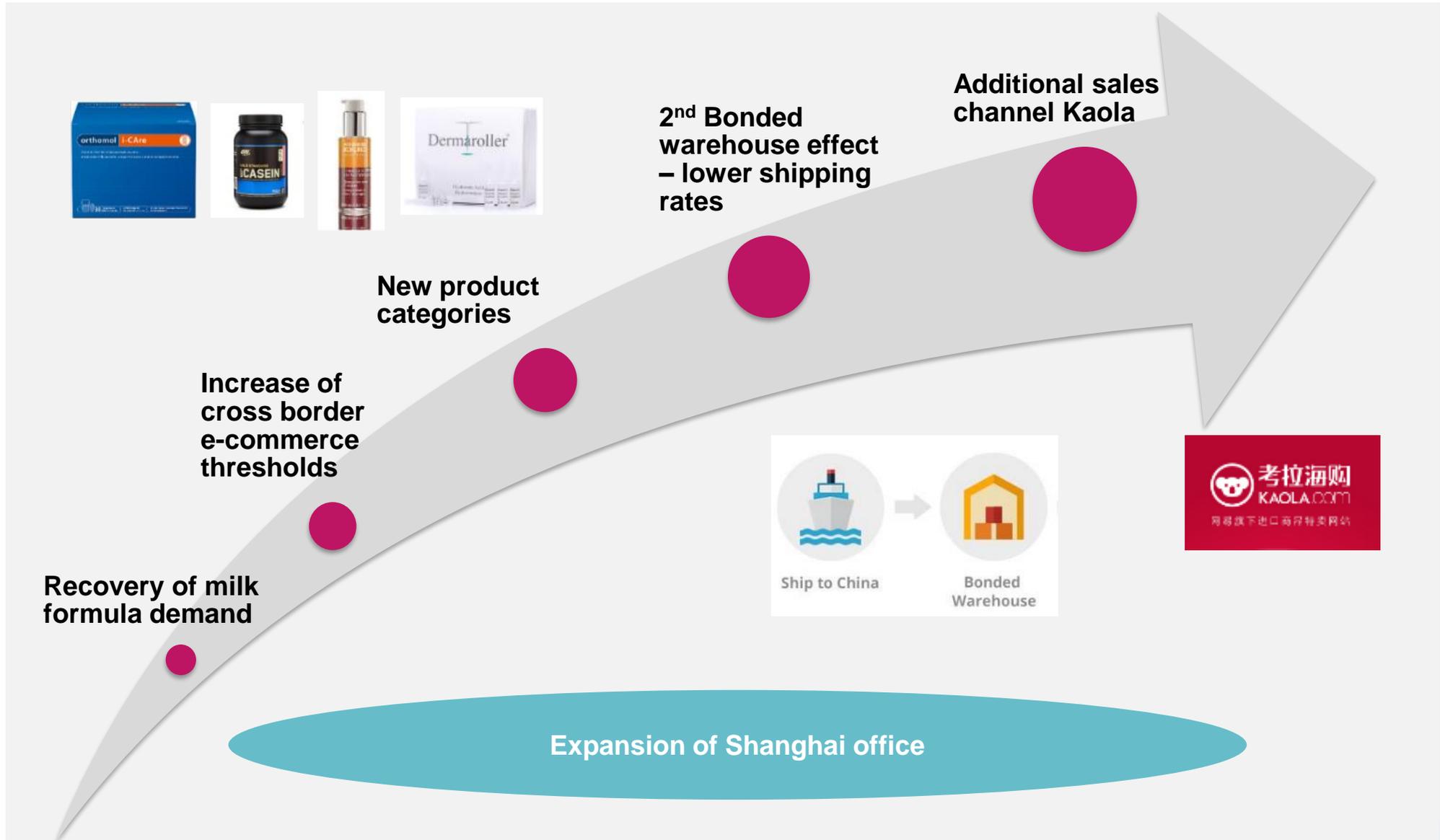


Comments on Q1 financials

- Group revenue share: 59%
- Lower revenues than in Q4 due to sales events in Q4 (singles day 11.11., black Friday, Cyber week)
- Strong revenue base in Q1 2018 (product oversupply)

Focus for China in 2019: extend sales channels and product assortment

We see significant growth potential for the Chinese business and strengthen our local presence



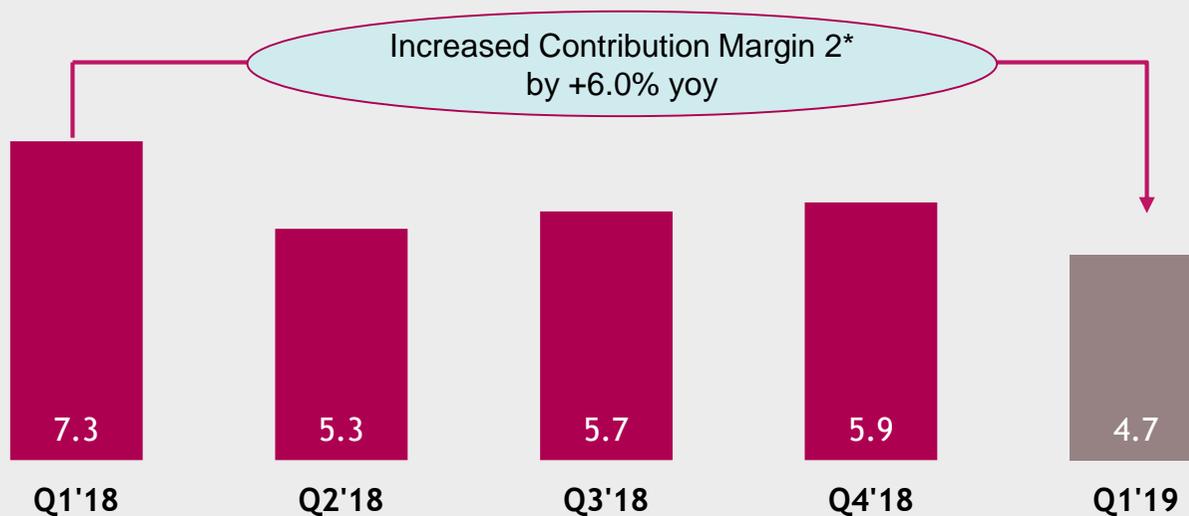
DACH with further progress on gross profit margins

Business update

- Pricing tool Omnia introduced
- New payment provider Afterpay
- New homepage launched
- Stork in windeln.de logo named to “Ellie” → customer communication tool
- „Storchentreff“ Facebook group introduced

DACH revenues

Revenues in EUR million



Comments on Q1 financials

- Group revenue share: 23%
- Further increase in profitability for the DACH business
- High revenue base in Q1 2018 (last quarter before reduction of marketing expenses)

Focus DACH 2019: increase gross profit and contribution margin

Rest of Europe with progress on gross profit margins and technical enhancements to improve customer experience



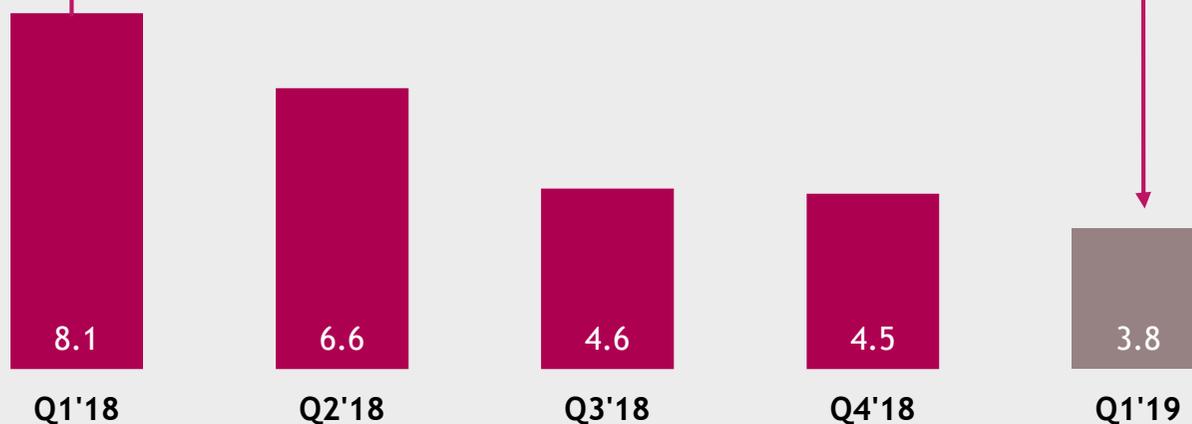
Business update

- New Head of Bebitus (Santiago Jocano) since March 2019
- Focus on vendor marketing funds for promotions
- Launch of Dynamic Yield product recommendations
- Pregnancy App live in Portugal and France

Revenues Rest of Europe revenues

Revenues in EUR million

Improvement of overall Bebitus result



Comments on financials

- Group revenue share: 18%
- Focus on increasing overall profitability of Bebitus
 - Product profitability
 - SG&A expenses

Focus Bebitus 2019: increase gross profit and contribution margin



Financial highlights and outlook

Dr. Nikolaus Weinberger

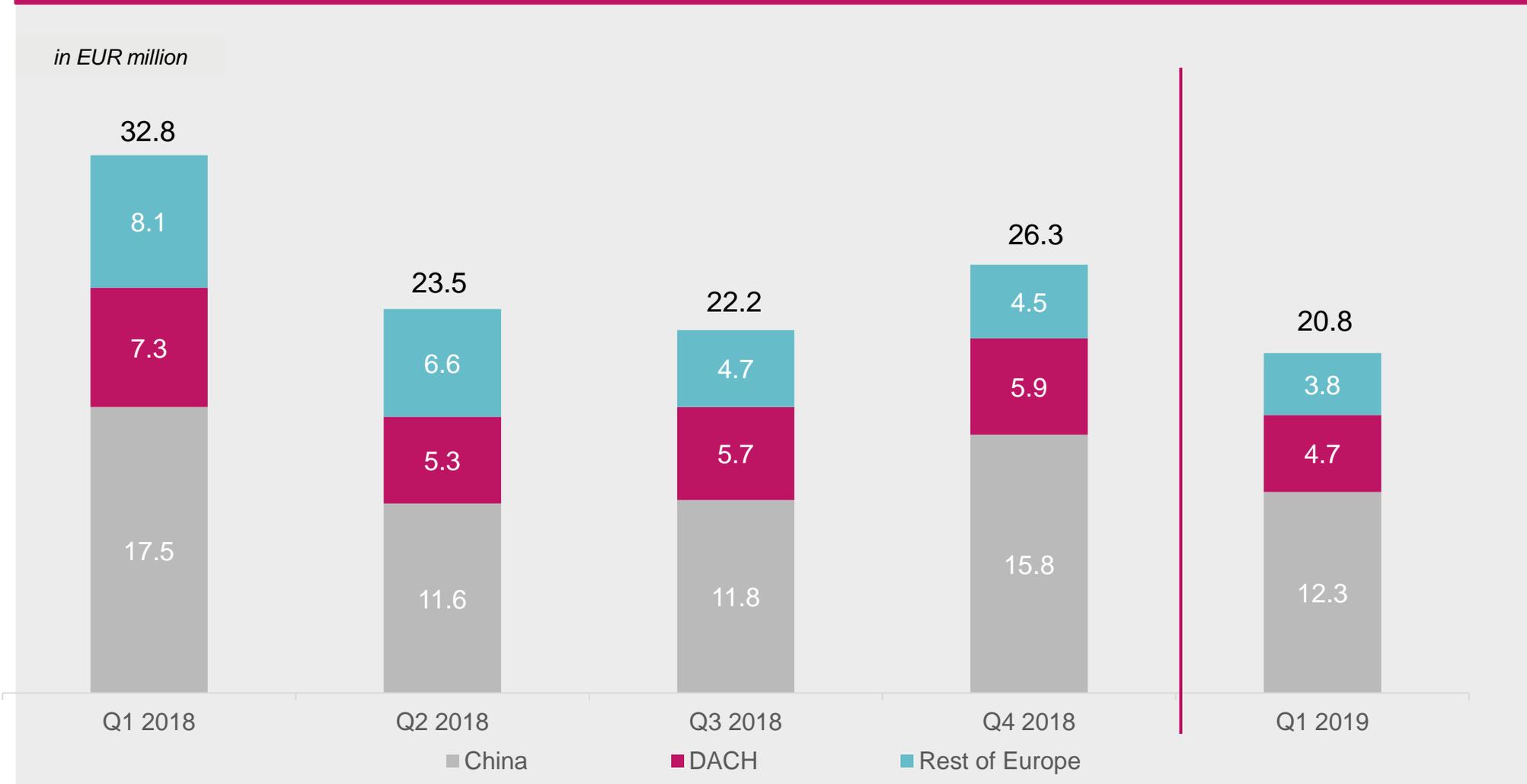


Lower revenue base due to ongoing focus on margins in Q1 2019 and seasonally strong Q4



Revenues 2018 & Q1 2019 (quarter over quarter)

in EUR million

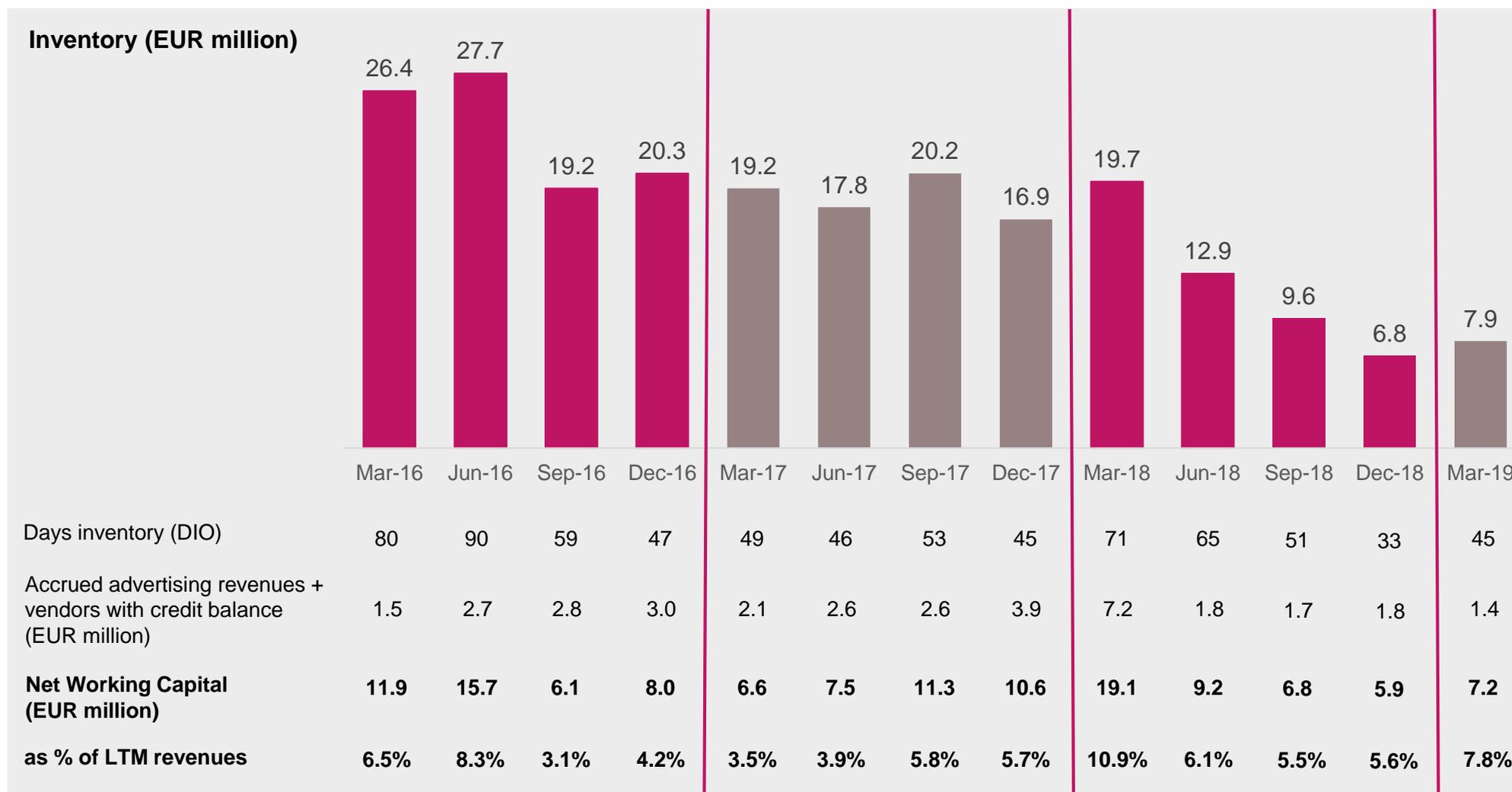


Our Q1 financials 2019 were in-line with our expectations in terms of EBIT and cash flow



EUR million % of revenues	Full year	By quarter					Q1 Development
	FY 2018	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	
Revenues	104.8	32.8	23.5	22.2	26.3	20.8	Focus on margins
Gross profit¹	24.8%	24.7%	24.0%	22.4%	27.7%	25.1%	Improved yoy
Fulfilment costs²	(16.3)%	(15.9)%	(19.7)%	(15.8)%	(14.0)%	(16.2)%	Relatively stable
Marketing costs³	(4.8)%	(4.6)%	(4.6)%	(4.8)%	(5.1)%	(4.8)%	Stable
Operating contr.	3.9	1.3	(0.1)	0.4	2.3	0.9	Positive (Q4 impacted by price corrections)
Operating contr.	3.8%	4.1%	(0.2)%	1.8%	8.7%	4.2%	
Other SG&A⁴	(22.5)	(6.5)	(5.8)	(5.3)	(4.8)	(4.9)	Significantly lowered yoy
Other SG&A⁴	(21.6)%	(20.3)%	(24.6)%	(24.0)%	(18.3)%	(23.6)%	
Adj. EBIT⁵	(18.5)	(5.2)	(5.9)	(4.9)	(2.5)	(4.0)	Improved compared to prior year quarter
<i>incl. Feedo</i>	<i>(20.4)</i>	<i>(5.9)</i>	<i>(6.8)</i>	<i>(5.1)</i>	<i>(2.5)</i>	<i>(4.0)</i>	
Adj. EBIT⁵	(17.8)%	(16.2)%	(24.9)%	(22.2)%	(9.7)%	(19.5)%	
Total Liquidity	11.1	14.2	16.9	12.8	11.1	15.5	Strengthened through capital increase

Net working capital slightly higher due to inventory build up for China business



Note: Net Working Capital (NWC) defined as inventories, prepayments, trade receivables, accrued advertising subsidies, vendors with credit balance net VAT assets/liabilities minus trade payables and deferred revenues.

Continued operations shown (excl. Feedo Group).

With our capital increase in March 2019, we also brought Asian investors on board who will support the Chinese business

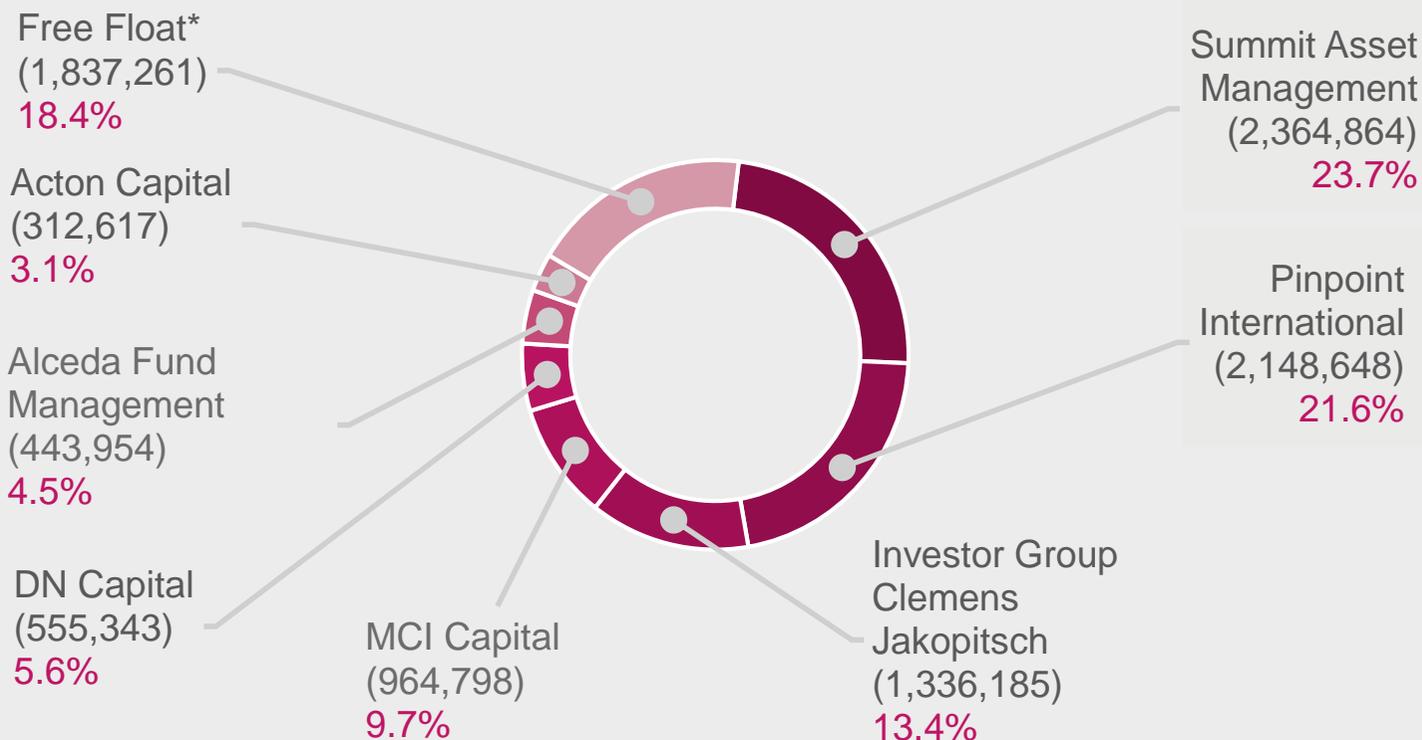


Gross proceeds of
EUR 10.1 million

6,850,023 issued shares
@EUR 1.48

New shares were admitted to trading on May 14 and merged with the old shares on May 15, 2019

New Shareholder structure (ISIN DE000WNDL193)



As of May, 2019

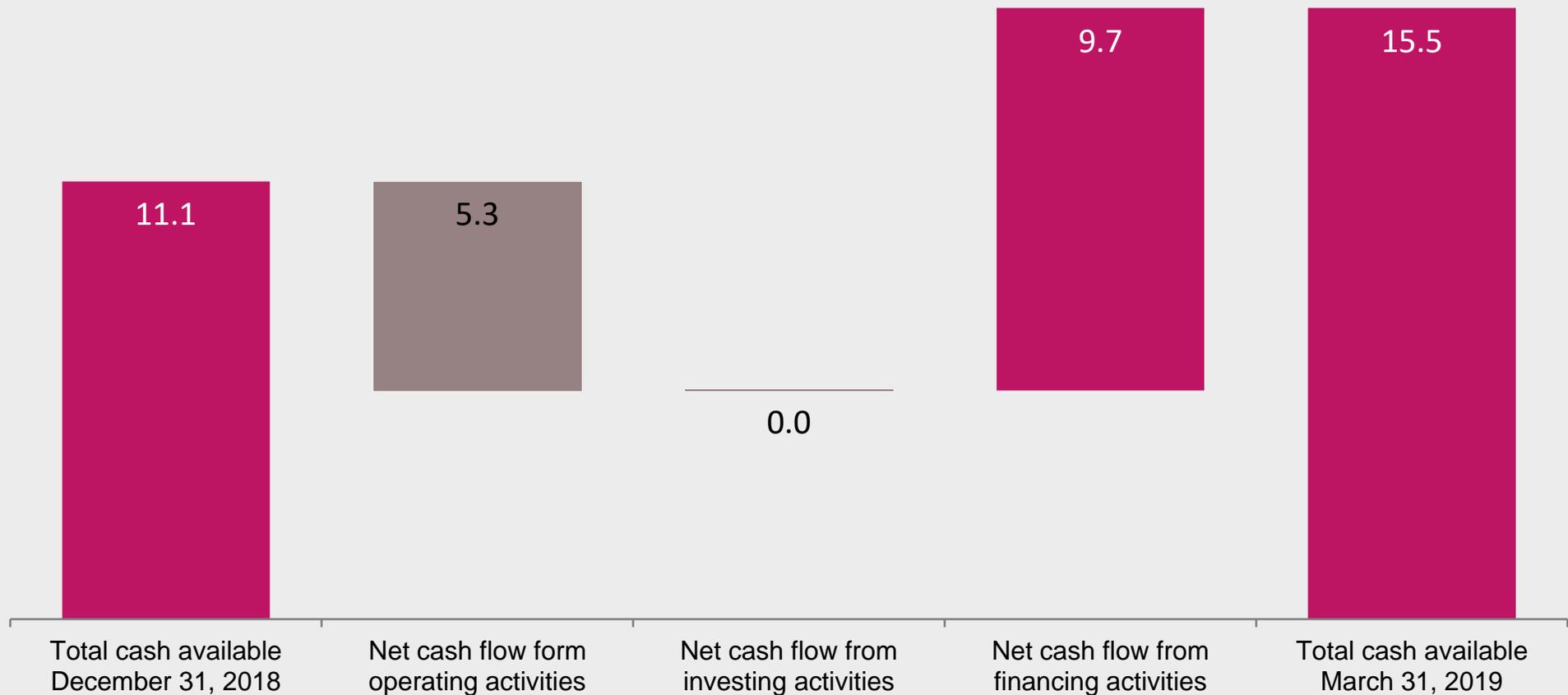
Disclaimer: The shareholder structure pictured above is based on the published voting rights announcements and company information. windeln.de SE assumes no responsibility for the correctness, completeness or currentness of the figures. Total number of shares: 9,963,670

* Free float defined as all shareholders below three percent ownership.

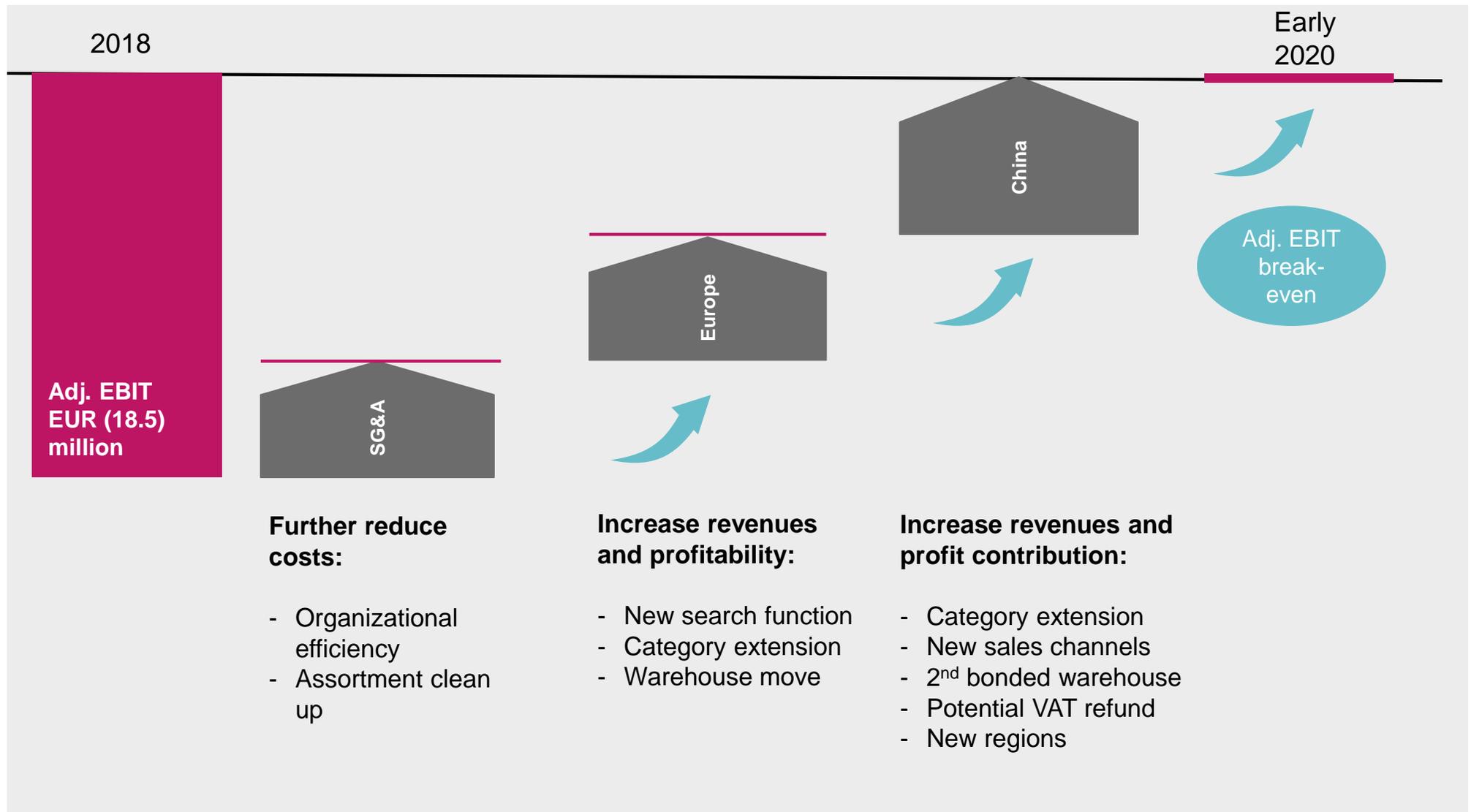
Liquidity position strengthened with capital increase



in EUR million



We target to reach adjusted EBIT break-even early 2020



Outlook 2019



Operational

- Expand in Chinese market supported by Asian investors (new platforms, new categories, new partners)
- Enhance customer offering, drive gross profit margin extension

Financial

- Clear revenue growth compared to 2018
- Clear improvement of operating contribution margin
- Further improvement in adj. EBIT
- Clear reduction of cash outflow (despite moderate increase in net working capital)

**Adj. EBIT
break-even
early 2020**





Questions



Appendix



Key performance indicators quarter over quarter



Excl. pannolini and Feedo	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	Q3 '18	Q4'18	Q1' 19
Site Visits (in thousand) ¹	22,549	18,119	18,340	16,800	12,255	9,127	9,907	10,073	10,485
Mobile Visit Share (in % of Site Visits) ²	70.5%	71.4%	74.1%	75.0%	72.3%	71.8%	70.3%	75,5%	78.8%
Mobile Orders (in % of Number of Orders) ³	47.9%	48.8%	49.6%	52.7%	53.3%	55.2%	55.1%	58,7%	61.3%
Active Customers (in thousand) ⁴	900	915	919	859	742	681	615	544	493
Number of Orders (in thousand) ⁵	523	468	457	464	330	283	244	258	201
Average Orders per Active Customer (in number of Orders) ⁶	2.2	2.2	2.2	2.2	2.0	2.2	2.1	2,0	2.0
Orders from Repeat Customers (in thousand) ⁷	391	354	424	352	302	233	192	195	145
Share of Repeat Customer Orders (in % of Number of Orders) ⁷	75.7%	76.2%	84.6%	76.6%	87.1%	74.9%	79.8%	75.9%	74.2%
Gross Order Intake (in kEUR) ⁸	45,166	45,712	43,463	43,214	29,774	25,514	21,916	23,655	17,821
Average Order Value (in EUR) ⁹	86.3	97.6	95.1	93.2	90.2	90.0	90.0	91.8	88.8
Returns (in % of Gross Revenues from orders) ¹⁰	3.9%	2.8%	2.9%	3.0%	3.4%	3.6%	4.3%	3.1%	3.4%

Definitions of key performance indicators



- 1) We define site visits as the number of series of page requests from the same device and source in the measurement period and include visits to our online magazine. A visit is considered ended when no requests have been recorded in more than 30 minutes. The number of site visits depends on a number of factors including the availability of the offered products, the effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics.
- 2) We define mobile visit share (as % of site visits) as the number of visits via mobile devices (smartphones and tablets) to our mobile optimized websites and mobile apps divided by the total number of site visits in the measurement period. Site visits of our online magazine are excluded. Additionally, we excluded visits from China until end of 2016, because the most common online translation services on which most of our customers who order for delivery to China rely to translate our website content are not able to do so from their mobile devices. Therefore, only few Chinese customers ordered via their mobile devices. Due to the launch of our website in Chinese language in December 2016, site visits from China are included since Q1 2017. Measured by Google Analytics.
- 3) We define mobile orders (as % of number of orders) as the number of orders via mobile devices to our mobile optimized websites and mobile apps divided by the total number of orders in the measurement period. Since Q1 2017, orders from China are included. Measured by Google Analytics.
- 4) We define active customers as the number of unique customers placing at least one order in one of our shops in the 12 months preceding the end of the measurement period, irrespective of returns..
- 5) We define number of orders as the number of customer orders placed in the measurement period irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled. Every order which has been placed, but for which the products in the order have not been shipped (e. g., the products are not available or the customer cancels the order), is considered “cancelled”. Cancellations are deducted from the number of orders.
- 6) We define average orders per active customer as number of orders divided by the number of active customers in the last 12 months.
- 7) We define orders from repeat customers as the number of orders from customers who have placed at least one previous order, irrespective of returns. The share of repeat customer orders represents the number of orders from repeat customers in the last twelve months divided by the number of orders in the last twelve months.
- 8) We define gross order intake as the aggregate Euro amount of customer orders placed in the measurement period minus cancellations. The Euro amount includes value added tax and excludes marketing rebates.
- 9) We define average order value as gross order intake divided by the number of orders in the measurement period..
- 10) We define returns (as % of gross revenues from orders) as the returned amount in Euro divided by gross revenues from orders in the measurement period. Since Q2 2016 including Bebitus returns. Gross revenues from orders are defined as the total aggregated Euro amount spent by our customers minus cancellations but irrespective of returns. The Euro amount does not include value added tax. Until Q1 2017 returns were calculated in relation to the net merchandise value. As the gross revenues from orders do not exclude returns and include all marketing rebates/discounts, it is more reasonable to use this KPI for the return rate calculation than the net merchandise value. The change of the calculation logic has no material impact on the reported return rate. The new calculation method is applied from Q2 2017 onwards.

Footnotes to page 12



Note: Adjusted continuing operations shown (i.e. excluding discontinued operation Feedo Group).

- 1 The adjustments of gross profit relate to income expenses of the shop pannolini.it until the shops closure, and expenses for share-based compensation.
- 2 Fulfilment costs consist of logistics and warehouse rental expenses which are recognized within selling and distribution expenses in the consolidated statement of profit and loss. Fulfilment expenses incurred in the shop pannolini.it are adjusted until the shops closure. In 2017, costs related to the closure of the Swiss location and income from the release of provisions for onerous contracts are adjusted.
- 3 Marketing costs mainly consist of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for the marketing tools of the Group. Marketing expenses incurred in the shop pannolini.it are adjusted until the shops closure.
- 4 Other selling, general and administration expenses (other SG&A expenses) consist of selling and distribution expenses, excluding marketing costs and fulfilment costs, and administrative expenses as well as other operating income and expenses. Adjusted SG&A expenses exclude expenses from share-based compensation, reorganization measures, impairments of intangible assets and income and expenses incurred in the shop pannolini.it until the shops closure. Furthermore, expenses for the integration of subsidiaries were adjusted in 2017.
- 5 Adjusted for expenses and income in connection with share-based compensation, reorganization measures, impairments of intangible assets and income and expenses of the closed shop pannolini.it. In 2017, expenses for the integration of subsidiaries were adjusted.

Income statement (continuing operations)



KEUR	FY 2018	FY 2017	Q1 2019	Q1 2018
Revenues	104,818	188,332	20,763	32,823
Cost of sales	-79,151	-140,206	-15,547	-24,953
Gross profit	25,667	48,126	5,216	7,870
<i>% margin</i>	24.5%	25.6%	25.1%	24.0%
Selling and distribution expenses	-44,751	-62,089	-7,710	-12,330
Administrative expenses	-8,626	-20,377	-1,783	-2,584
Other operating income	954	708	212	162
Other operating expenses	-806	-649	-54	-105
EBIT	-27,562	-34,281	-4,119	-6,987
<i>% margin</i>	-26.3%	-18.2%	-19.8%	-21.3%
Financial result	-3	1,081	-23	-21
EBT	-27,565	-33,200	-4,142	-7,008
<i>% margin</i>	-26.3%	-17.6%	-19.9%	-21.4%
Income taxes	446	2,954	-2	-3
Profit or loss from continuing operations	-27,119	-30,246	-4,144	-7,011
<i>% margin</i>	-25.9%	-16.1%	-20.0%	-21.4%
Profit or loss from discontinued operations	-10,573	-7,573	41	-8,877
Profit or loss for the period	-37,692	-37,819	-4,103	-15,888
EBIT	-27,562	-34,281	-4,119	-6,987
Share-based compensation	-321	8,231	88	85
Acquisition, integration and expansion costs	-	90	-	-
Reorganization	1,584	94	-14	1,056
Intangible assets	6,991	4,547	-	-
Closure pannolini.it	778	-	-	640
Adjusted EBIT	-18,530	-21,319	-4,045	-5,206
<i>% margin</i>	-17.8%	-11.3%	-19.5%	-16.2%

Balance sheet and cash flow statement



Consolidated statement of financial position

kEUR	March 31, 2019	December 31, 2018
Total non-current assets	5,951	5,345
Inventories	7,851	6,820
Prepayments	53	-
Trade receivables	1,089	1,417
Miscellaneous other current assets ¹	5,470	5,254
Cash and cash equivalents	15,504	11,136
Total current assets	29,967	24,627
Total assets	35,918	29,972
Issued capital	9,964	31,136
Share premium	173,452	170,391
Accumulated loss	-157,200	-181,119
Cumulated other comprehensive income	199	186
Total equity	26,415	20,594
Total non-current liabilities	404	38
Other provisions	195	235
Financial liabilities	658	39
Trade payables	4,158	4,573
Deferred revenue	1,491	1,581
Miscellaneous current liabilities ²	2,597	2,912
Total current liabilities	9,099	9,340
Total equity & liabilities	35,918	29,972

Consolidated statement of cash flows

kEUR	FY 2018	FY 2017	Q1 2019	Q1 2018
Net cash flows from/used in operating activities	-18,729	-27,963	-5,284	-16,214
Net cash flows from/used in investing activities	1,846	-201	-27	503
Net cash flows from/used in financing activities	1,543	3,339	9,670	1,571
Cash and cash equivalents at the beginning of the period	26,465	51,302	11,136	26,465
Net increase/decrease in cash and cash equivalents	-15,340	-24,825	4,359	-14,140
Cash and cash equivalents at the end of the period	11,136	26,465	15,504	12,324

1 Miscellaneous other current assets include income tax receivables, other current financial assets and other current non-financial assets.

2 Miscellaneous other current liabilities include income tax payables, other current financial liabilities and other current non-financial liabilities.

