



# WESTWING

Q1 2022 Results

Munich, May 11, 2022

## 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.**”



## AGENDA

- Business update
- Financial update
- Q&A

## Business Update



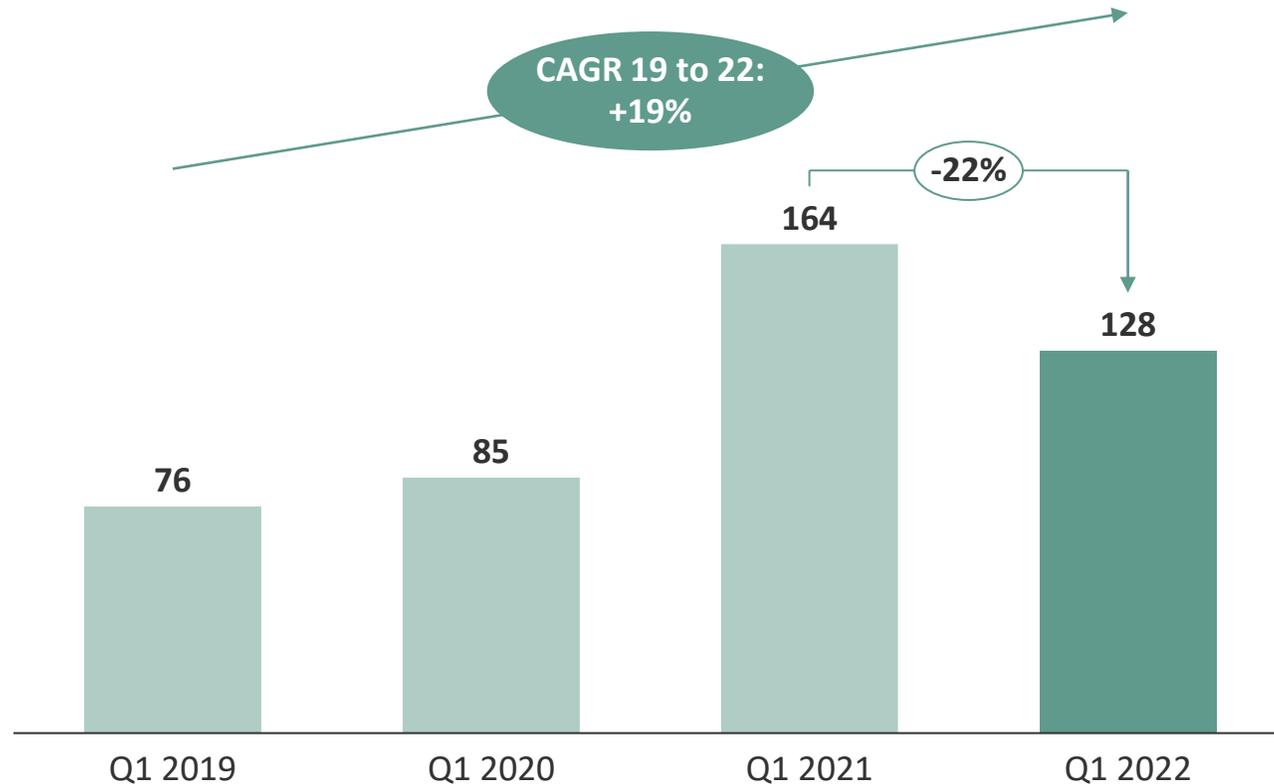
# Summary

<b>Q1 2022 RESULTS</b>	<b>GROWTH</b>	<b>EUR 111m revenue</b> , down by -20% yoy due to strong baseline from previous year and a challenging demand environment with low consumer sentiment
	<b>PROFITABILITY</b>	<b>Adj. EBITDA of EUR -1.7m</b> at -1.5% Adj. EBITDA margin driven by lower topline alongside strategic growth investments
	<b>FREE CASH FLOW</b>	<b>Free Cash Flow of EUR -17m</b> affected by a temporary increase of Net Working Capital
<b>ACTIVE CUSTOMERS</b>		<b>Loyal active customer</b> base at 1.6m end of Q1 2022, -7% vs. the exceptionally high level of Q1 2021; up by 61% compared to Q1 2020
<b>WESTWING COLLECTION</b>		Westwing Collection continues to be on track towards the 50% strategic target share. 37% GMV share in Q1 2022 up by 6% pts. vs. Q1 2021
<b>FY 2022 OUTLOOK</b>		We now expect to meet the lower half of the full year guidance in terms of Revenue (EUR 460m to 540m at -12% to +3% yoy growth) and Adj. EBITDA (EUR -9m to +16m at -2% to +3% Adj. EBITDA margin)

Note: All figures 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) income/expenses for the French business restructuring. "Adjusted EBITDA" is calculated by adjusting for these items.

# Topline growth down due to extraordinarily high baselines from last year and a difficult market environment with low demand for Home & Living online

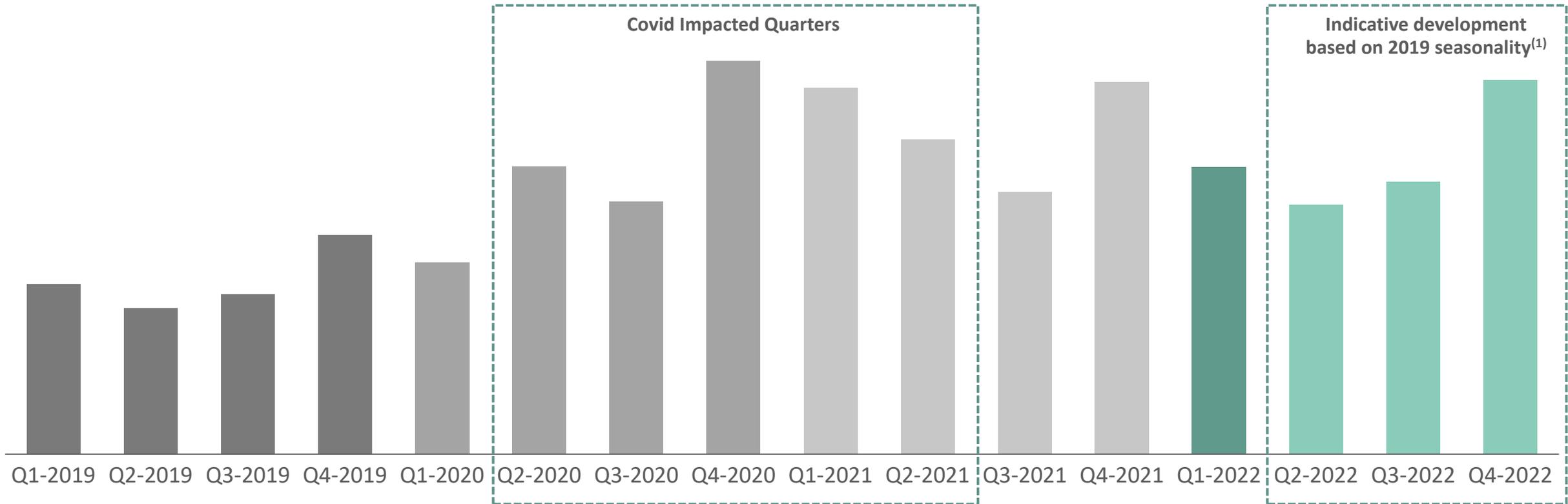
Group GMV [in EUR m]



- Macro insecurity triggered by rising energy costs, higher inflation rates and war in the Ukraine negatively affecting consumer sentiment
- Adverse market developments in combination with extraordinary baseline effects driving negative year-over-year growth
- Challenging topline developments were visible across the whole eCommerce Home & Living sector

# First half of 2022 still facing extremely strong baselines from last year; applying 2019 seasonality on a weak Q1 2022, we return to growth in the second half of 2022

Quarterly GMV [in EUR m]

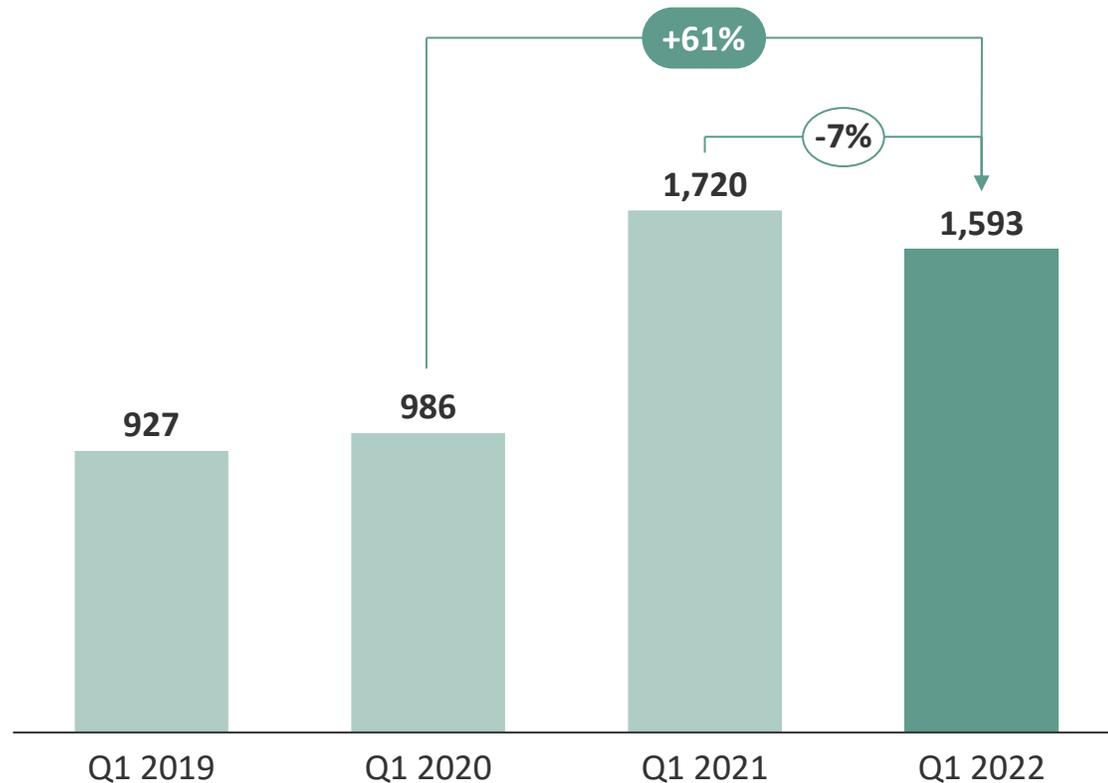


Note: All figures unaudited;

(1) Assuming the same relative size of quarters in 2022 as reported in 2019; forecasted figures provided are indicative and do not represent official company guidance.

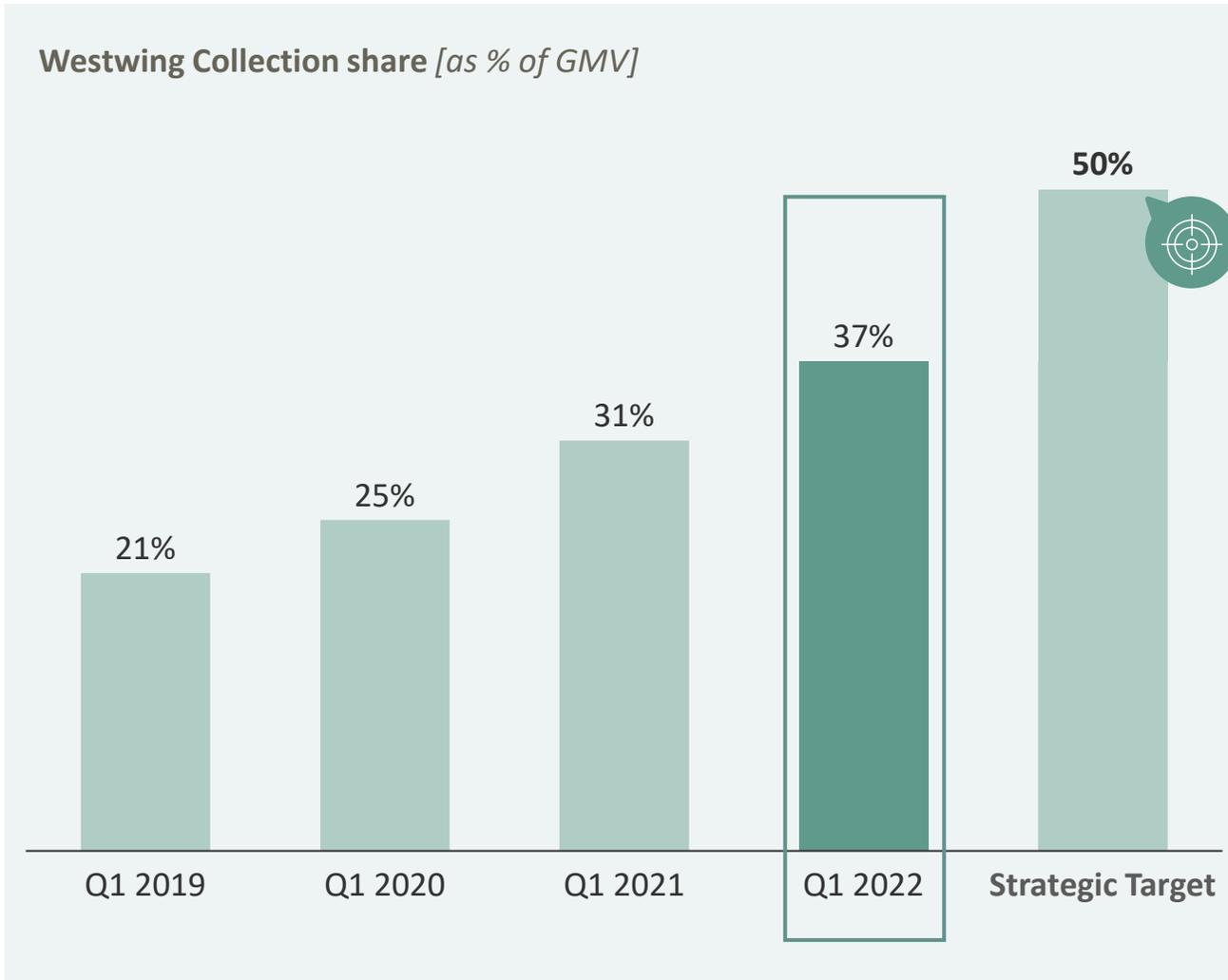
# Active Customers down by 7% yoy vs. the exceptionally high level of Q1 2021; up by 61% compared to Q1 2020

Active Customers LTM [in k]



- Consumer sentiment in Q1 2022 weighing on demand for Home & Living
- Lower demand for Home & Living is causing higher churn as well as lower new customer acquisition
- Number of new customers acquired in Q1 2022 down vs. previous year due to extraordinary baseline, but still significant above pre-Covid levels

# Our high-margin Westwing Collection continues to be on track towards the 50% strategic target share



## Highlights



- **6%pts** improvement in Q1 2022 vs. Q1 2021 in Westwing Collection share (as % of GMV)
- **Expansion of Westwing Collection into further categories:** Decoration and Tableware
- 15% of overall Westwing Collection products available online are **certified sustainable**<sup>(1)</sup>
- **On track to meet goals** outlined in Sustainability Strategy 2030 for Westwing Collection

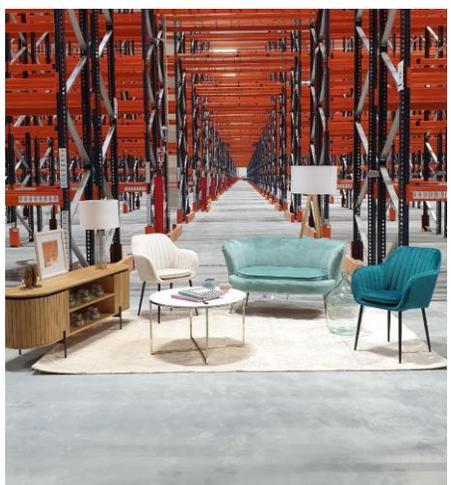
Note: All figures unaudited;  
(1) 18% of wooden products are FSC certified and 10% of cotton products are GOTS certified.

# Additional shipping capacity secured with the opening of a new warehouse



## Q1 2022: Poznan, Poland

- Successfully opened in February 2022 on plan
- Dedicated for larger products
- **Capacity:** 80k m<sup>2</sup> (optional expansion of 30k m<sup>2</sup>)
- **Shipping Capacity:** c. EUR 250m

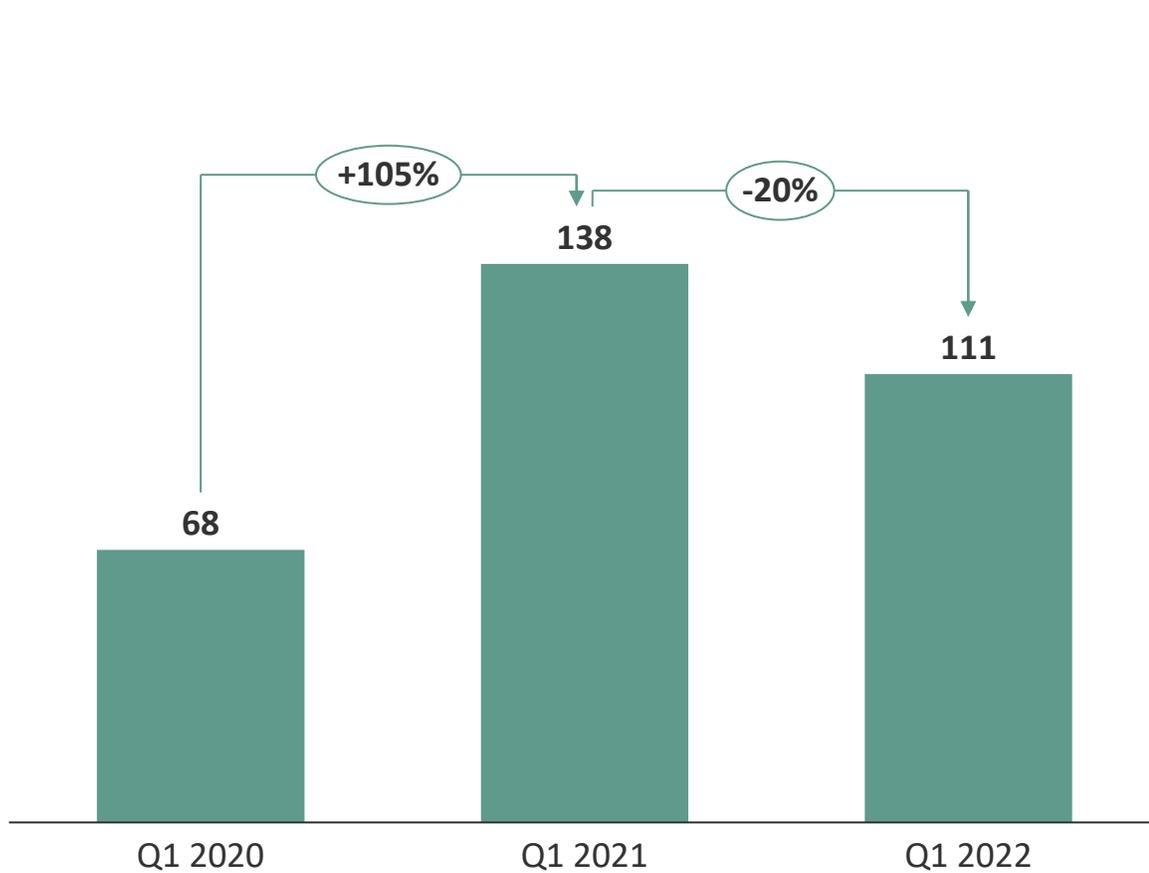


## Financial Update

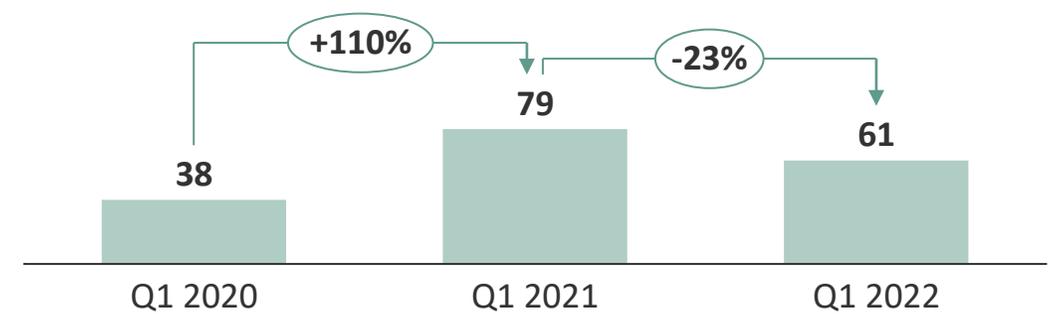


# Revenue growth of -20% in Q1 2022 driven by last year's extraordinary baseline and decreasing consumer sentiment

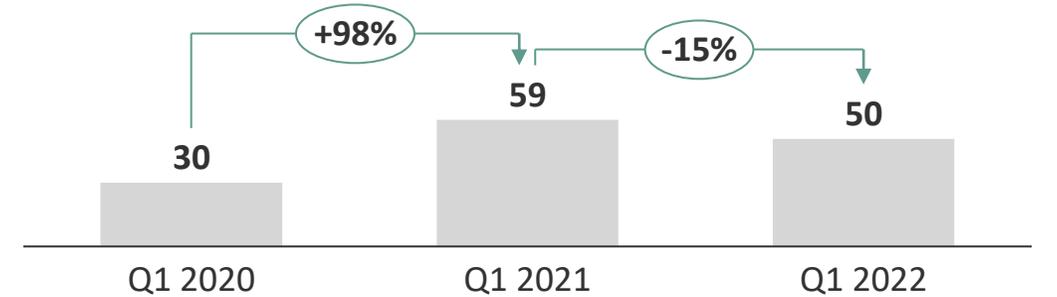
Group Revenue [in EUR m]



DACH Segment Revenue [in EUR m]



International Segment Revenue [in EUR m]



Note: All figures unaudited.

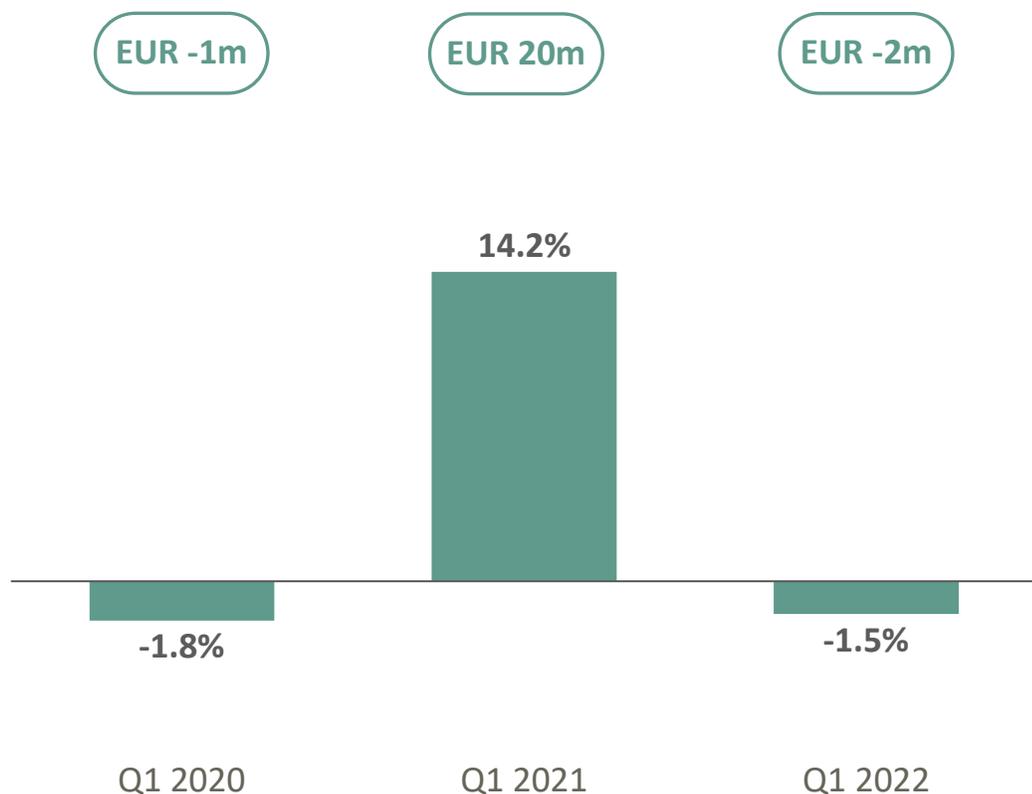
## Income statement details

<i>[in % of revenue]</i>	Q1 2020	Q1 2021	Q1 2022	Delta 21 vs. 22	
<b>Gross margin</b>	46.7%	50.6%	48.7%	-1.9%pts	Gross margin impacted by inflationary headwinds and costs related to supply chain disruptions
<b>Fulfilment ratio</b>	-22.4%	-19.4%	-23.4%	-4.0%pts	Rise in fulfillment costs due to lower utilization of increased warehouse infrastructure and ongoing high storage costs given higher inventory levels
<b>Contribution margin</b>	24.3%	31.2%	25.3%	-5.9%pts	
<b>Marketing ratio</b>	-9.5%	-7.4%	-10.4%	-3.0%pts	Marketing spend in line with target range of 9-11%
<b>G&amp;A ratio<sup>(1)</sup></b>	-20.1%	-11.8%	-20.0%	-8.2%pts	Investments into Technology and Westwing Collection to drive future growth paired with lower topline
<b>D&amp;A ratio</b>	3.5%	2.2%	3.6%	+1.4%pts	
<b>Adj. EBITDA margin</b>	-1.8%	14.2%	-1.5%	-15.7%pts	

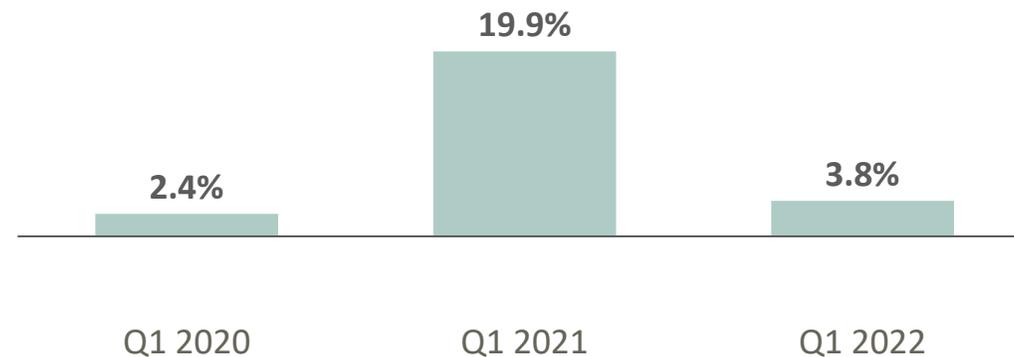
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 (1) Includes "Other result".

# Profitability currently impacted by lower topline and strategic growth investments

Group Adj. EBITDA [in % of revenue]



DACH Segment Adj. EBITDA [in % of revenue]



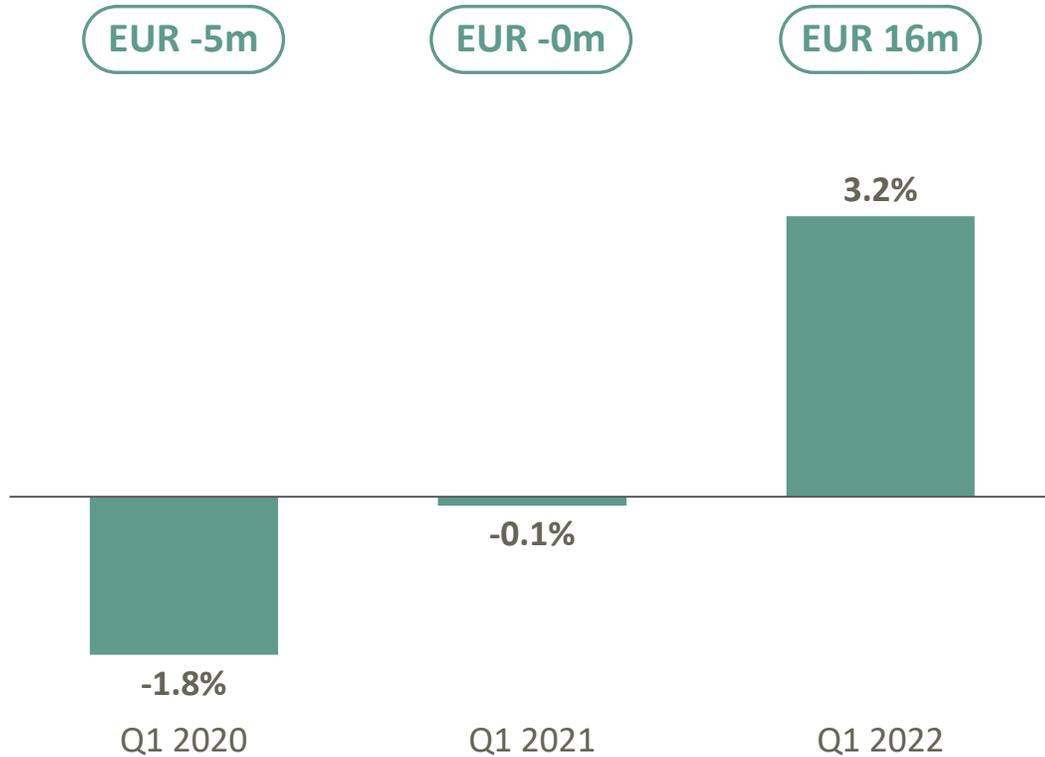
International Segment Adj. EBITDA [in % of revenue]



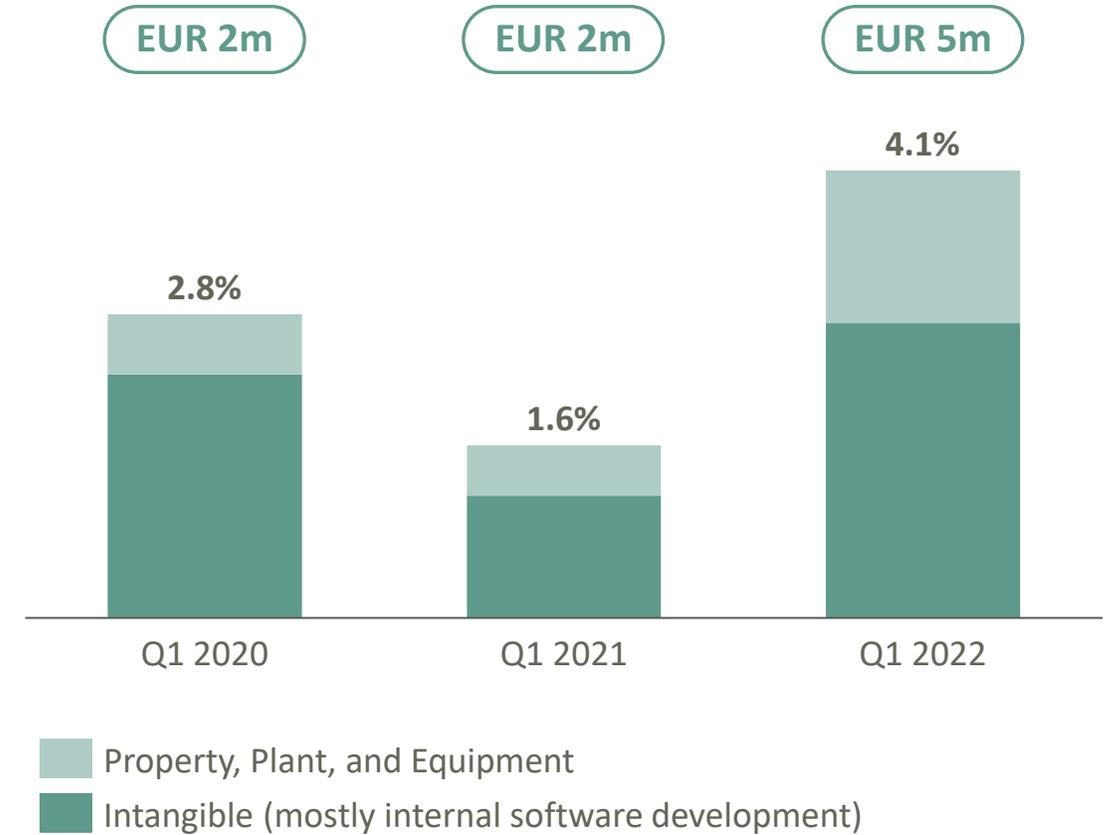
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# Net Working Capital temporarily positive at EUR 16m; CAPEX increase driven by strategic technology and warehouse investments

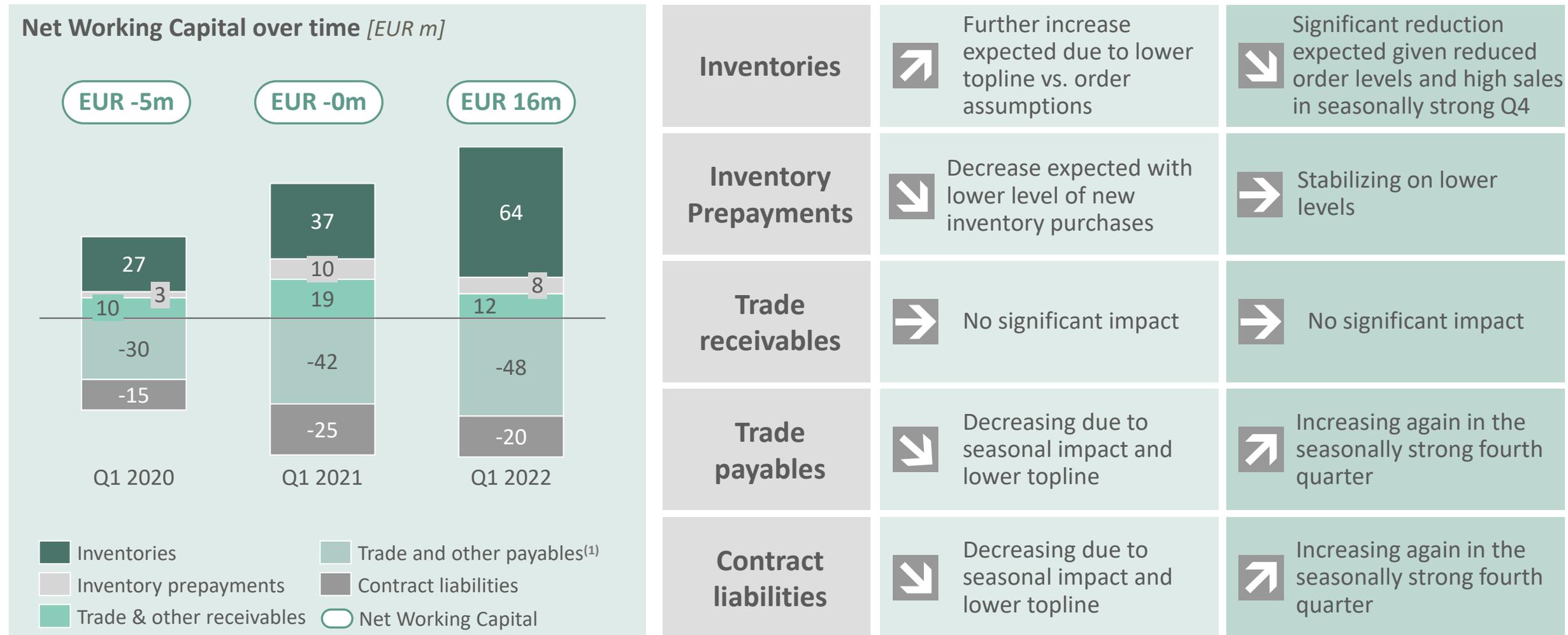
Net Working Capital [in EUR m and % of LTM revenue]



Capex ratio [in EUR m and as % of revenue]



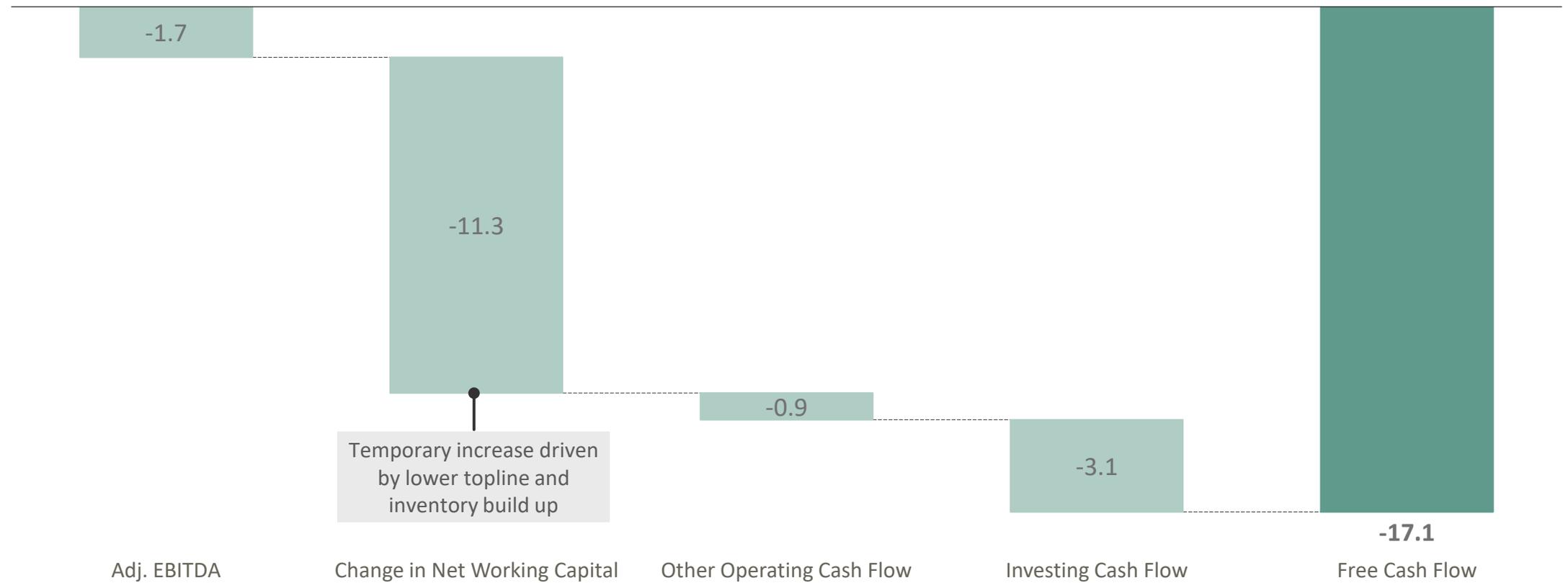
# Net working capital expected to further increase driven by high inventory levels and normal seasonality before we see improvement in Q4 2022



Note: All figures unaudited. Contract liabilities in the IFRS balance sheet refers to customer prepayments;  
 (1) Includes accruals.

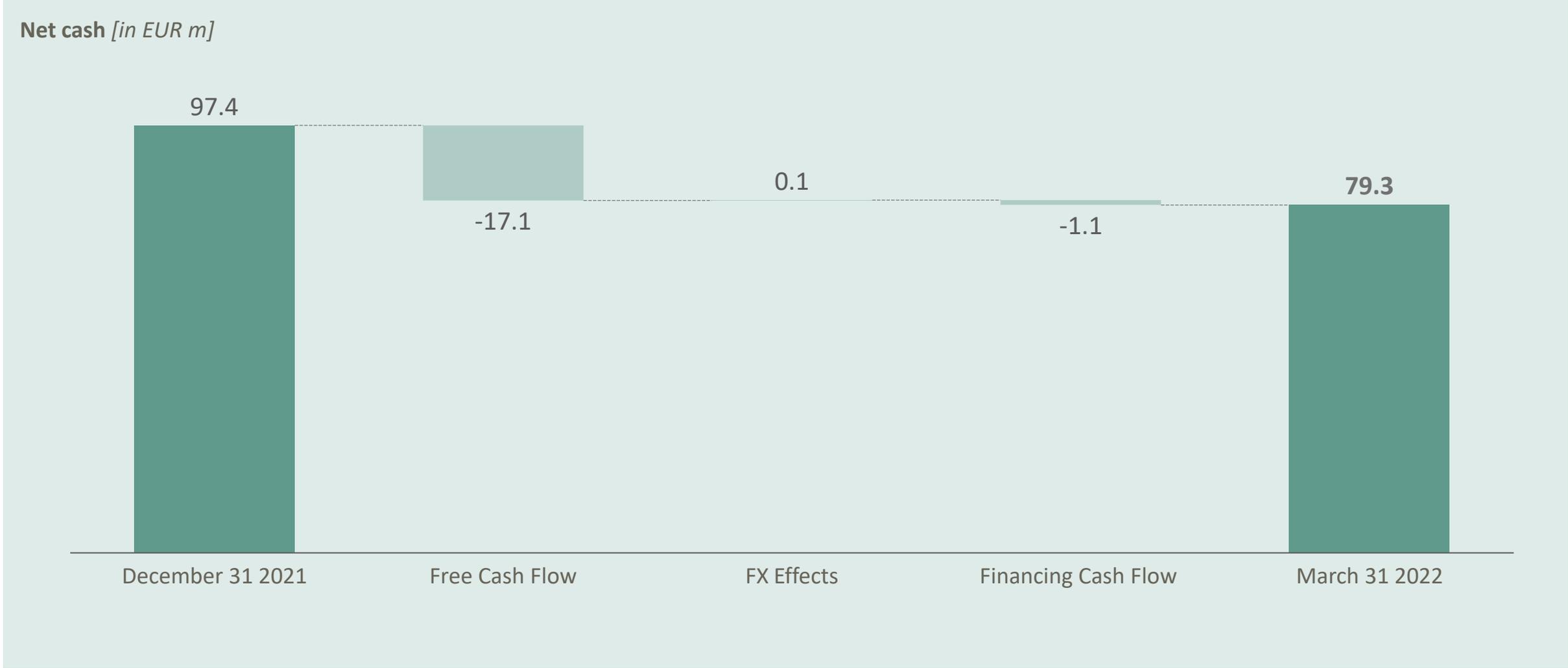
# Free Cash Flow for Q1 2022 driven by investments into working capital

Q1 Free Cash Flow bridge [in EUR m]



Note: All figures unaudited. Free Cash Flow defined as the sum of Operating Cash Flow and Investing Cash Flow.

# Strong Net Cash position of EUR 79m end of Q1 2022



Note: All figures unaudited.

# Outlook 2022

## Guidance FY 2022

As of March 29, 2022



### EUR 460m to 540m Revenue

-12% to +3% yoy growth

Positive in H2 after baseline effects phase out



### EUR -9m to +16m Adj EBITDA

-2% to +3% Adj. EBITDA margin

Much better in H2

*Based on significantly lower consumer sentiment observed across all segments over the last months, we now expect to meet the lower half of the full year guidance in terms of Revenue and Adj. EBITDA*

## Summary and Q&A



## Q1 2022 Summary

**Q1 2022 Revenue: EUR 111m**

at -20% growth yoy

**Q1 2022 Adj. EBITDA: EUR -1.7m**

at -1.5% margin

**1.6m Active Customers**

4.0m orders delivered LTM

**Westwing Collection**

Westwing Collection at 37% share  
towards strategic target of 50%

## Investment highlights

### The opportunity is massive

Huge Home & Living market of EUR 120bn is still very early in eCommerce 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: All figured 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) income/expenses for the French business restructuring. "Adjusted EBITDA" is calculated by adjusting for these items;  
(1) As of FY 2021.



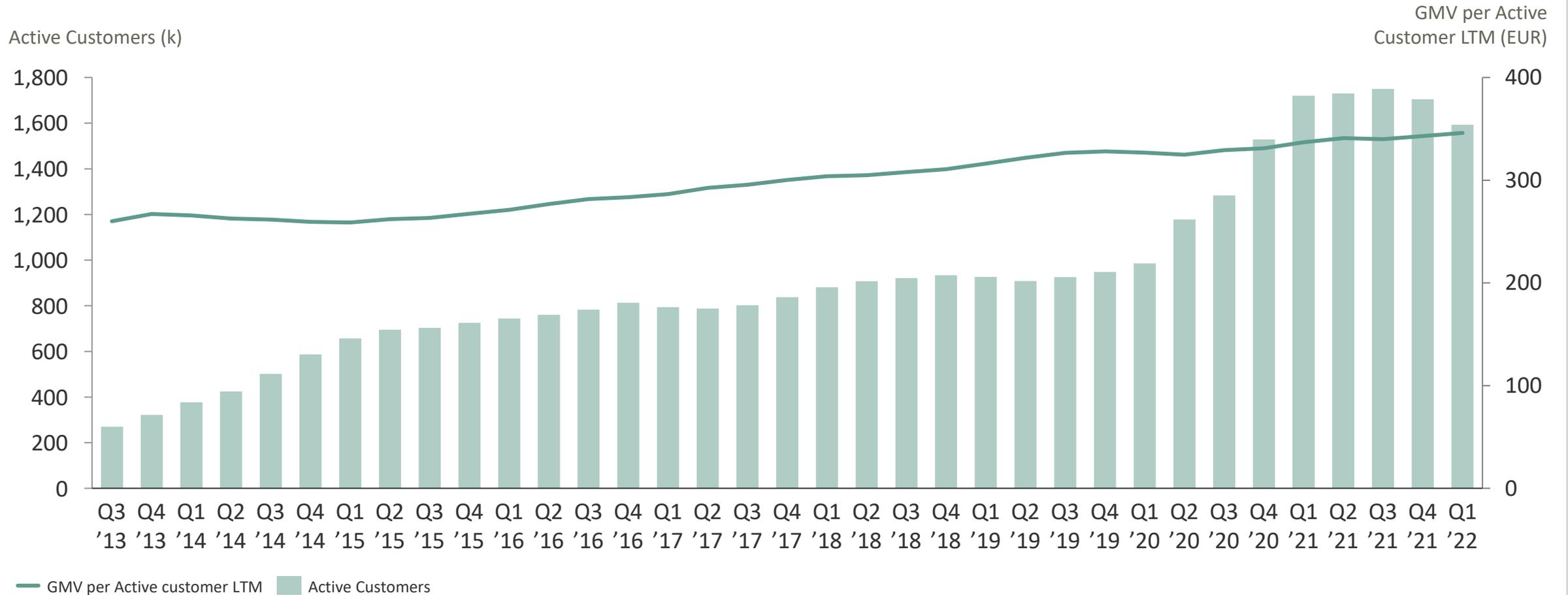
Q&A

# Appendix



# Growing Active Customer base while expanding share of wallet

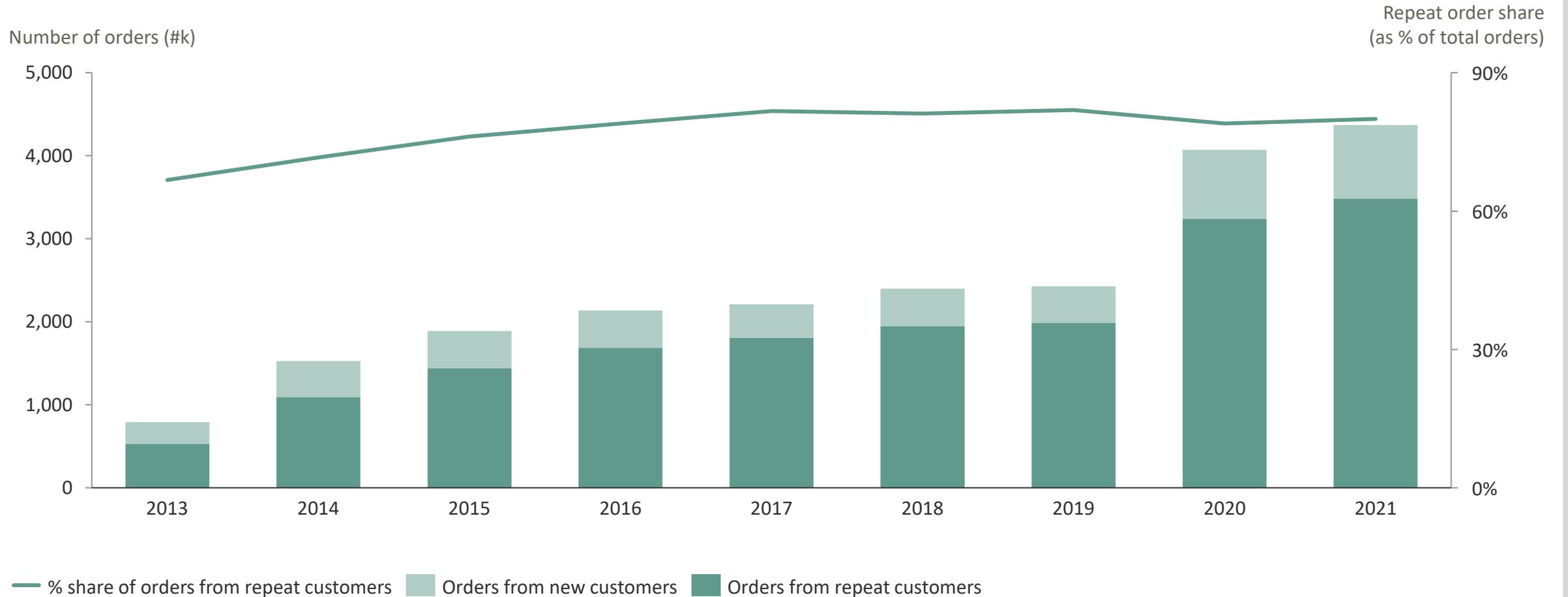
Active Customers and GMV per Active Customer [in #k and EUR]



Note: All figures 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]



Note: All figures 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	Q3 2021	Q4 2021	Q1 2022
Westwing Collection share	in % of GMV	21%	22%	27%	25%	25%	22%	26%	28%	31%	32%	38%	37%	37%
Active Customers	in k	927	909	926	949	986	1,178	1,284	1,529	1,720	1,730	1,750	1,705	1,593
Number of orders	in k	591	492	539	805	675	1,051	874	1,474	1,268	1,022	819	1,262	872
Average basket size	in EUR	129	132	132	121	127	122	129	119	129	135	144	131	147
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	2.6	2.5
Average GMV LTM per Active Customer	in EUR	318	322	326	327	324	325	330	328	337	341	340	343	345
GMV	in EUR m	76	65	71	98	85	128	113	175	164	139	118	166	128
Mobile visit share	in %	75%	76%	77%	76%	76%	79%	80%	79%	79%	80%	80%	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

Note: All figures unaudited.

# Consolidated income statement

EUR m, in % of revenue	FY 2020	FY 2021	Q1 2021	Q1 2022
<b>Revenue</b>	<b>432.9</b>	<b>522.5</b>	<b>138.4</b>	<b>111.1</b>
Cost of Sales	-218.9	-265.7	-68.4	-57.0
<b>Gross profit</b>	<b>213.9</b>	<b>256.8</b>	<b>70.1</b>	<b>54.1</b>
Fulfilment expenses	-86.1	-107.1	-26.8	-26.0
Marketing expenses	-31.0	-49.3	-10.3	-11.5
General and administrative expenses	-64.9	-79.3	-19.2	-18.3
Other operating expenses	-3.6	-3.8	-0.3	-0.7
Other operating income	3.0	3.9	0.5	0.5
<b>Operating result</b>	<b>31.4</b>	<b>21.1</b>	<b>13.9</b>	<b>-1.9</b>
Financial result	-3.5	-2.1	-0.8	-0.8
<b>Result before income tax</b>	<b>27.8</b>	<b>19.0</b>	<b>13.1</b>	<b>-2.7</b>
Income tax expense	1.9	-7.0	-1.9	-1.3
<b>Result for the period</b>	<b>29.8</b>	<b>12.0</b>	<b>11.1</b>	<b>-4.0</b>
<b>Reconciliation to Adj. EBITDA</b>				
<b>Operating result (EBIT)</b>	<b>31.4</b>	<b>21.1</b>	<b>13.9</b>	<b>-1.9</b>
Share-based compensation expenses	8.4	5.6	2.7	-3.8
Centralization France	-0.4	-0.0	-0.0	-
SE Conversion Costs	-	0.4	-	-
Provision tax claim Russia	-	0.3	-	-
D&A	10.6	13.0	3.0	4.0
<b>Adj. EBITDA</b>	<b>50.0</b>	<b>40.4</b>	<b>19.6</b>	<b>-1.7</b>
<b>Adj. EBITDA margin (%)</b>	<b>11.5%</b>	<b>7.7%</b>	<b>14.2%</b>	<b>-1.5%</b>

Note: All figures 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) income/expenses for the French business restructuring. "Adjusted EBITDA" is calculated by adjusting for these items.

# Adjusted income statement

EUR m, in % of revenue	FY 2020	FY 2021	Q1 2021	Q1 2022
<b>Revenue</b>	<b>432.9</b>	<b>522.5</b>	<b>138.4</b>	<b>111.1</b>
<i>Revenue Growth yoy</i>	62.0%	20.7%	104.9%	-19.7%
Cost of Sales	-218.9	-265.7	-68.4	-57.0
<b>Gross Profit</b>	<b>213.9</b>	<b>256.8</b>	<b>70.1</b>	<b>54.1</b>
<b>Gross Margin</b>	<b>49.4%</b>	<b>49.1%</b>	<b>50.6%</b>	<b>48.7%</b>
Fulfillment expenses	-86.2	-107.1	-26.8	-26.0
Contribution profit	127.7	149.7	43.2	28.1
<b>Contribution margin</b>	<b>29.5%</b>	<b>28.7%</b>	<b>31.2%</b>	<b>25.3%</b>
Marketing expenses	-30.9	-49.3	-10.3	-11.5
General and administrative expenses	-56.9	-73.4	-16.6	-22.1
Other operating expenses	-3.6	-3.5	-0.3	-0.7
Other operating income	3.0	3.9	0.5	0.5
Depreciation and Amortization	10.6	13.0	3.0	4.0
<b>Adj. EBITDA</b>	<b>50.0</b>	<b>40.4</b>	<b>19.6</b>	<b>-1.7</b>
<b>Adj. EBITDA Margin</b>	<b>11.5%</b>	<b>7.7%</b>	<b>14.2%</b>	<b>-1.5%</b>

Note: All figures unaudited. Figures in this section are presented on an adjusted basis, i.e. excluding (i) share-based compensation (in Fulfillment, Marketing and General and Administrative expenses) and (ii) income/expenses for the French business restructuring. "Adjusted EBITDA" is calculated by adjusting for these items.

# Segment reporting

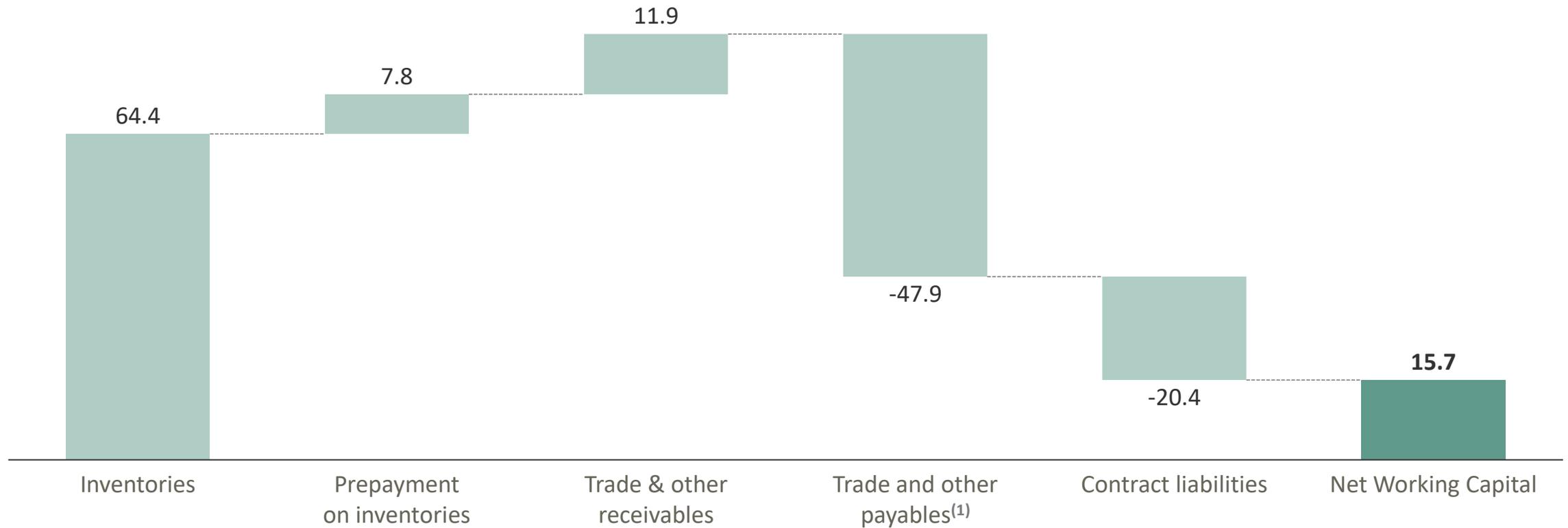
DACH in EUR m	FY 2020	FY 2021	Q1 2021	Q1 2022
<b>Revenue</b>	<b>242.6</b>	<b>296.8</b>	<b>79.1</b>	<b>60.7</b>
<i>yoy Growth (in %)</i>	<i>60.2%</i>	<i>22.4%</i>	<i>110.2%</i>	<i>-23.3%</i>
<b>Adj. EBITDA</b>	<b>41.0</b>	<b>38.8</b>	<b>15.8</b>	<b>2.3</b>
<i>Adj. EBITDA Margin %</i>	<i>16.9%</i>	<i>13.1%</i>	<i>19.9%</i>	<i>3.8%</i>

International in EUR m	FY 2020	FY 2021	Q1 2021	Q1 2022
<b>Revenue</b>	<b>190.3</b>	<b>225.7</b>	<b>59.3</b>	<b>50.4</b>
<i>yoy Growth (in %)</i>	<i>64.2%</i>	<i>18.6%</i>	<i>98.2%</i>	<i>-15.0%</i>
<b>Adj. EBITDA</b>	<b>9.2</b>	<b>2.8</b>	<b>4.0</b>	<b>-3.8</b>
<i>Adj. EBITDA Margin %</i>	<i>4.8%</i>	<i>1.2%</i>	<i>6.7%</i>	<i>-7.5%</i>

Note: All figures 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) income/expenses for the French business restructuring. "Adjusted EBITDA" is calculated by adjusting for these items.

# Net Working Capital

Net Working Capital (NWC) breakdown as of March 31, 2022 [EUR m]



Note: All figures unaudited;  
(1) Includes accruals.

# Issued Share Capital

## Share Information *as of March 31, 2022*

<b>Type of Shares</b>	Ordinary bearer shares with no-par value (Stückaktien)
<b>Stock Exchange</b>	Frankfurt Stock Exchange
<b>Market Segment</b>	Regulated Market (Prime Standard)
<b>Number of Shares issued</b>	20,903,968
<b>Issued Share Capital</b>	EUR 20,903,968
<b>Treasury Shares</b>	326,475

## Stock Option Programs *as of March 31, 2022*

<b>Program</b>	<b># of options outstanding</b>	<b>Weighted average exercise price (EUR)</b>
VSOPs <sup>(1)</sup>	889,375	2.45 <sup>(1)</sup>
LTIP 2019 <sup>(2)</sup>	1,842,450	19.30 <sup>(2)</sup>
LTIP 2016	96,450	0.01
Other	754,925	11.24
<b>Total</b>	<b>3,583,200</b>	<b>12.90</b>

Note: All figures unaudited; Equity programs are shown on pre-conversion basis;

(1) VSOPs are virtual, cash-settled option programs with an average cap of EUR 21.49, vesting end of 2022; (2) LTIP 2019 vesting end of 2022.

## Upcoming Events

**May 17, 2022**

**Bank of America Consumer eCommerce Virtual Field Trip**

**May 18, 2022**

**Annual General Meeting**

**August 11, 2022**

**Publication of half-year financial report 2022**

**September 13, 2022**

**Jefferies Virtual Home Retail Summit 2022**

**September 19, 2022**

**Berenberg and Goldman Sachs Eleventh German Corporate Conference**

**November 10, 2022**

**Publication of quarterly statement Q3 2022**