



Q3 2023 Results

Munich, November 9, 2023

WESTWING

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.

1. Business Update

Westwing returns to growth with 4th profitable quarter in a row

1 Return to growth

- Q3 Group GMV grew by 5% year-over-year to EUR 107m.
- Home & Living market, overall and online, is likely to be in decline.
- Westwing's growth is expected to continue in Q4.

2 Continued profitability & very strong cash position

- In the seasonally weaker Q3, Adj. EBITDA was still at +3% or EUR 2.4m, 8%pts better than Q3 2022.
- Net Working Capital was negative despite discontinued trade financing and seasonality.
- Free Cash Flow was at EUR 3m, net cash very strong at EUR 69m end of quarter.

3 Robust and improving metrics

- # of Active Customers⁽¹⁾ returned to growth for the first time since the end of the pandemic.
- Average GMV LTM per Active Customer⁽¹⁾ increased 6% year-over-year in Q3.
- Westwing Collection share increased to 48% of Group GMV in Q3.

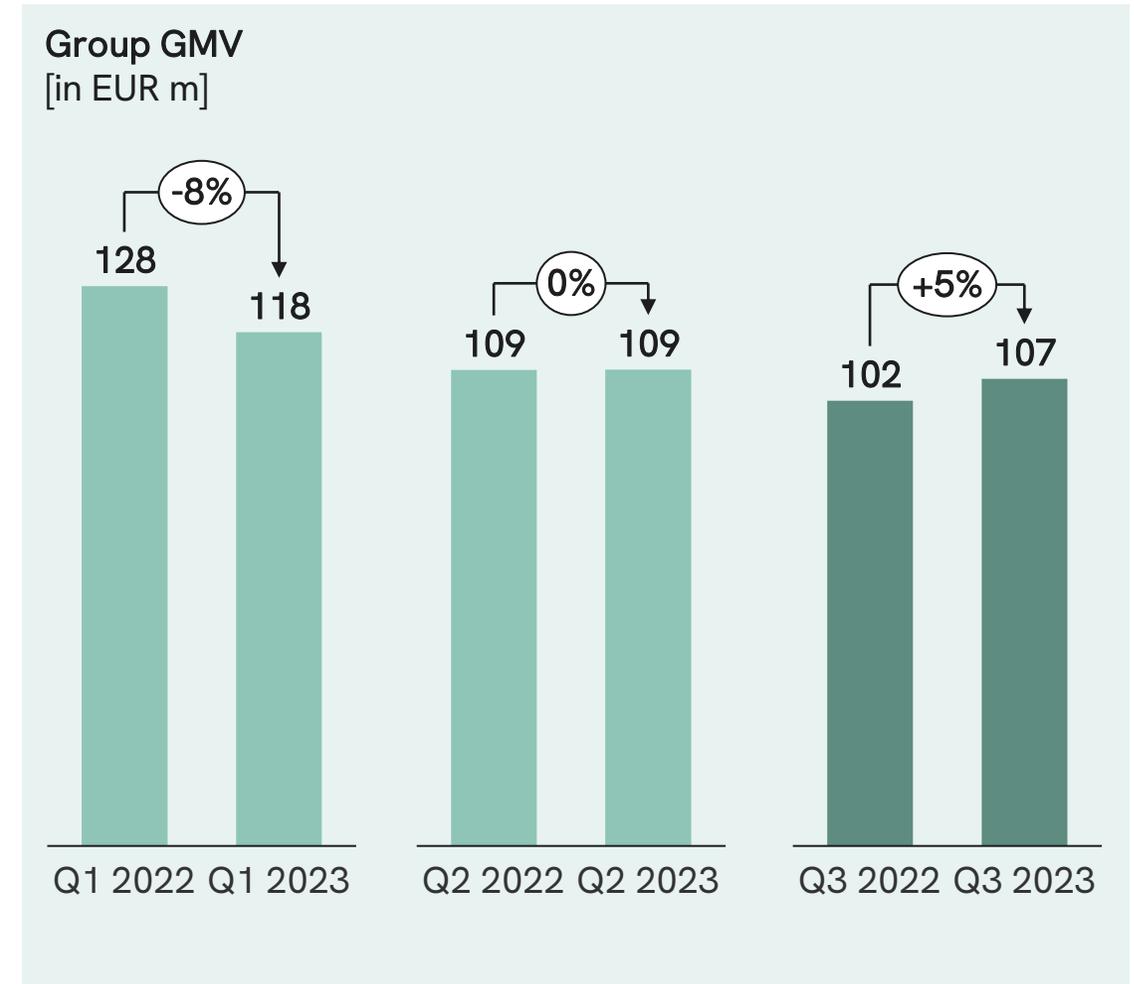
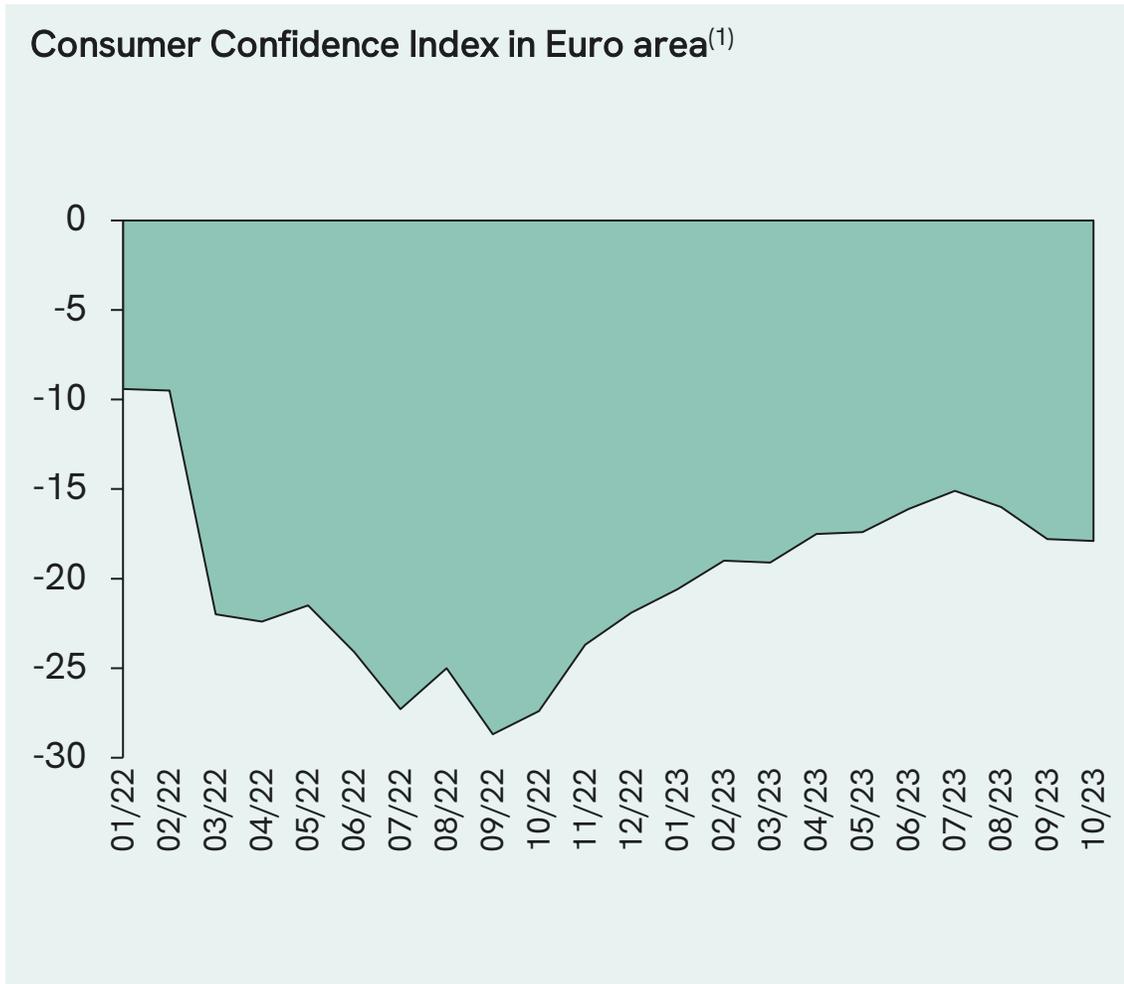
4 Continued delivery of strategic projects

- OneWestwing is completed in DACH and mostly completed in other countries.
- We've refreshed our brand and launched a brand awareness campaign in Germany.
- A project to use a lot more Software-as-a-Service (SaaS) vs. proprietary Technology has started.

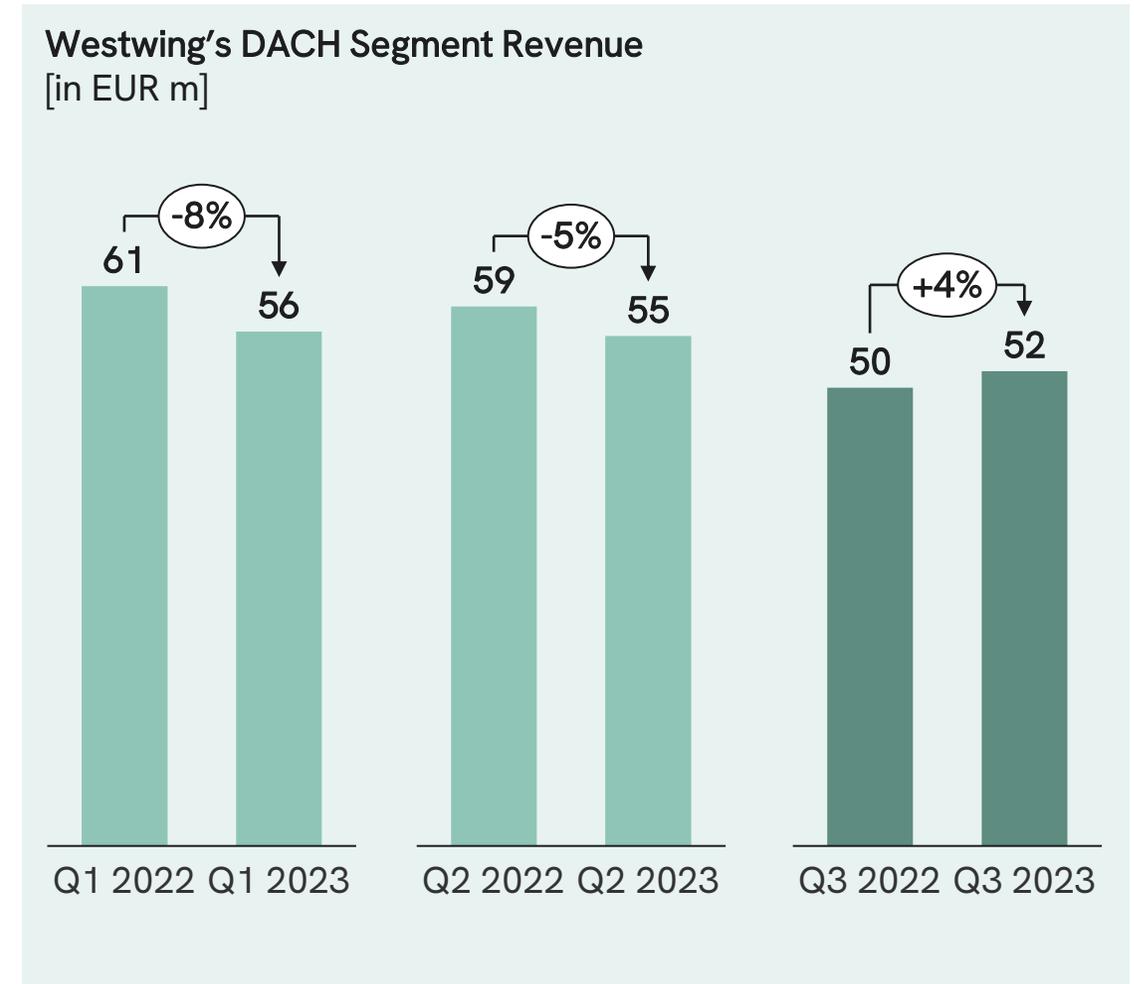
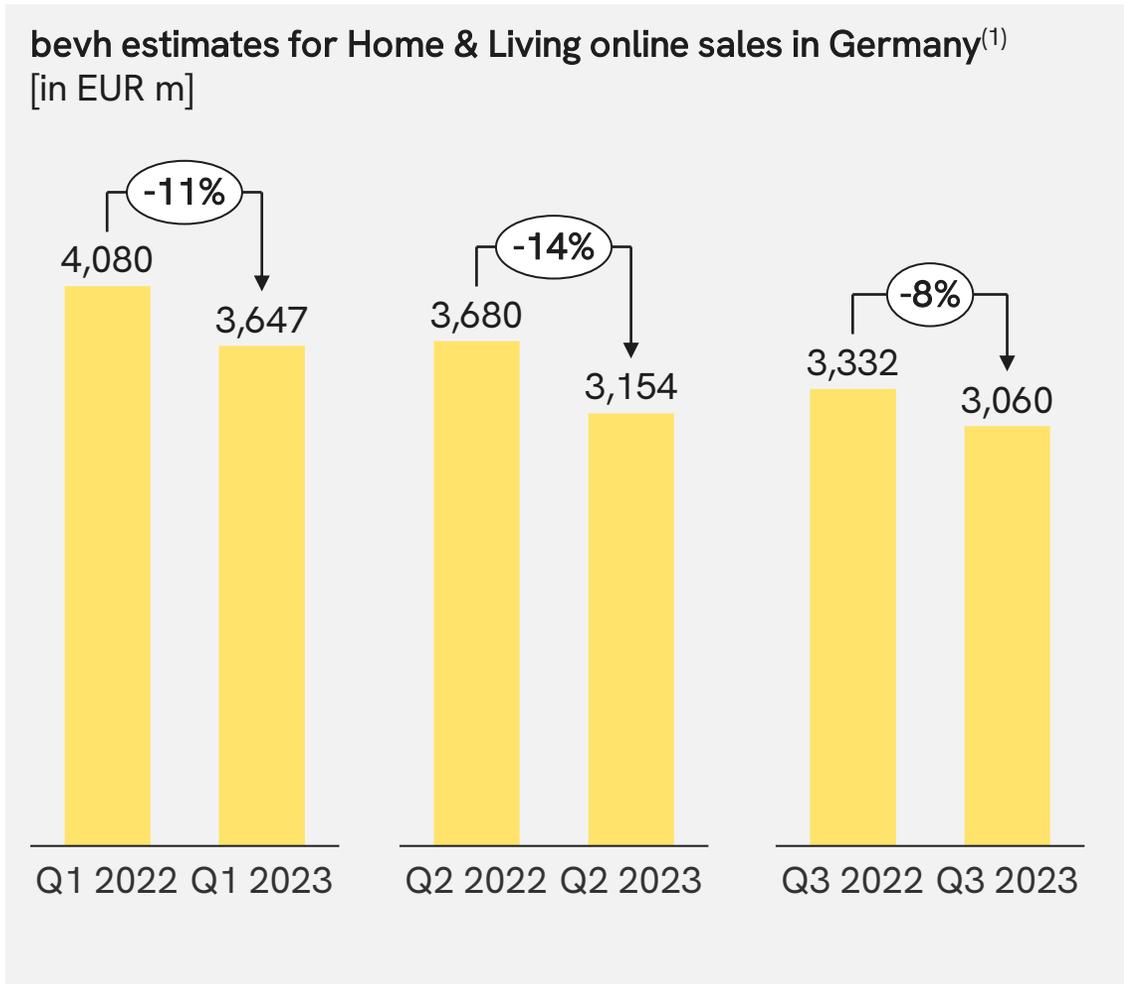
5 Guidance for FY 2023 upgraded

- Besides brand awareness investments, we'll also see one-offs from the SaaS project in Q4.
- We expect Adjusted EBITDA of EUR +13m to EUR +19m at a margin of 3% to 4% (previously: in the upper half of the range of EUR +4m to EUR +13m with a margin of 1% to 3%).

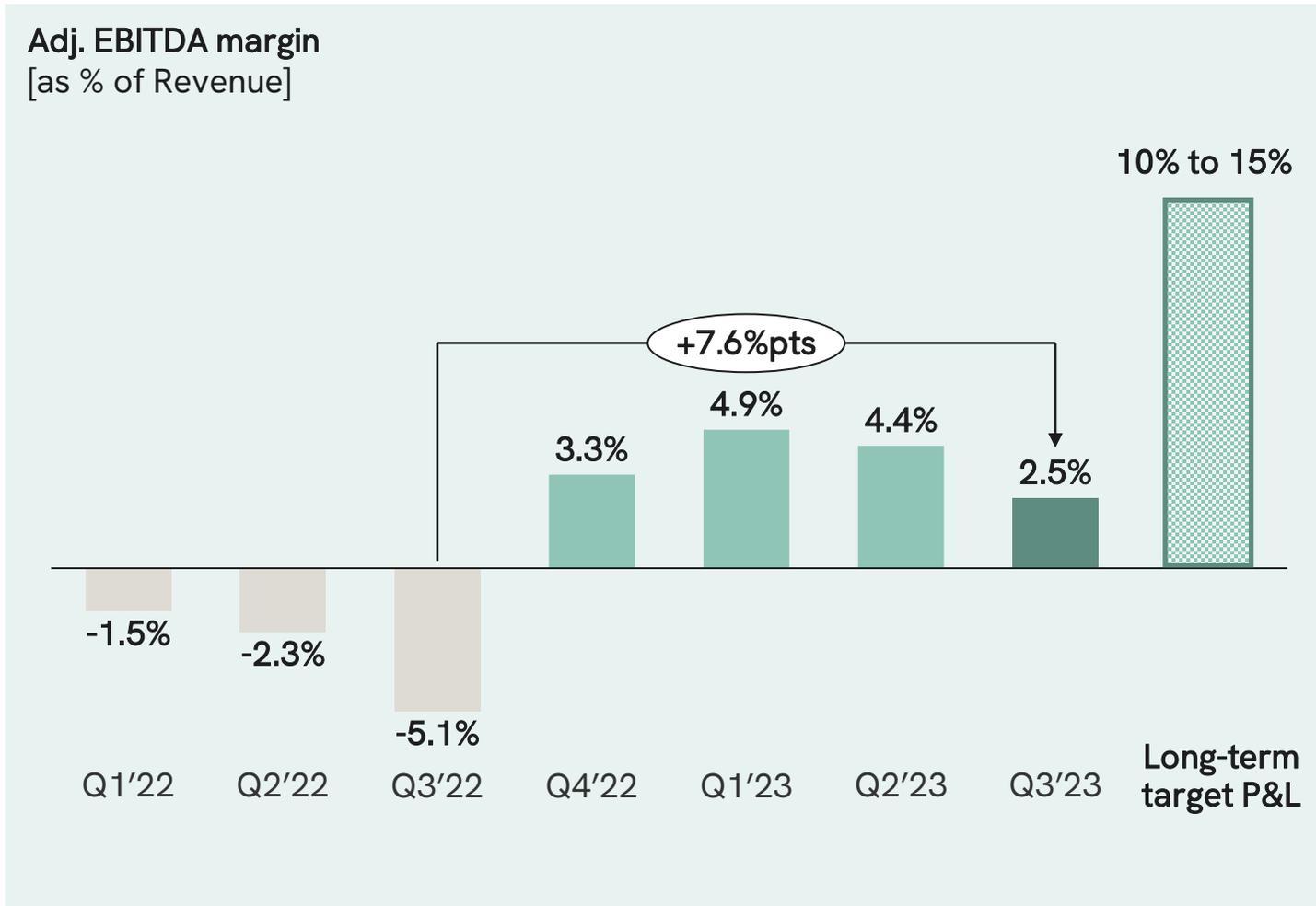
1 Westwing returned to growth in Q3 despite low consumer confidence



1 DACH Segment seems to be clearly outperforming the market



2 Westwing was profitable even in seasonally weaker Q3



Sales growth supports bottom line

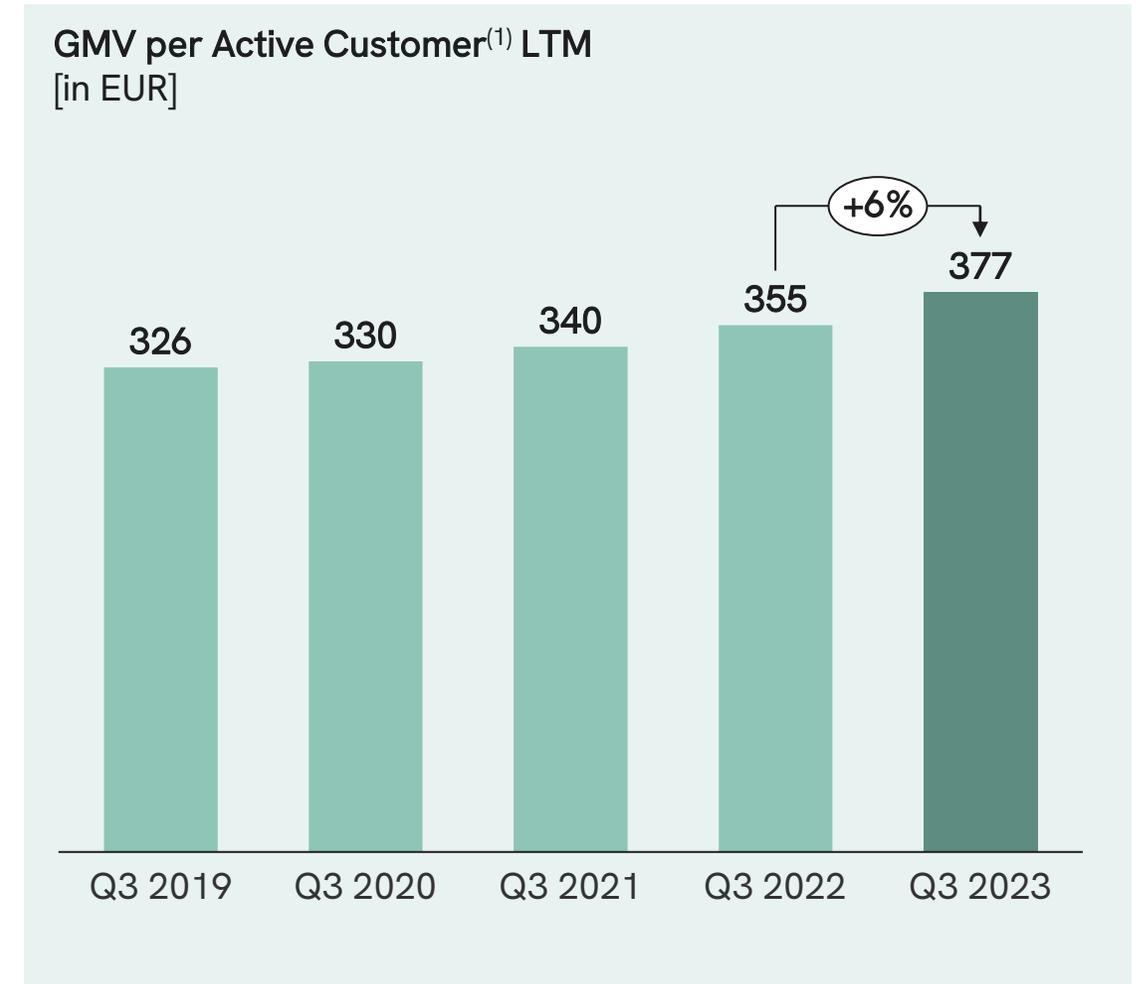
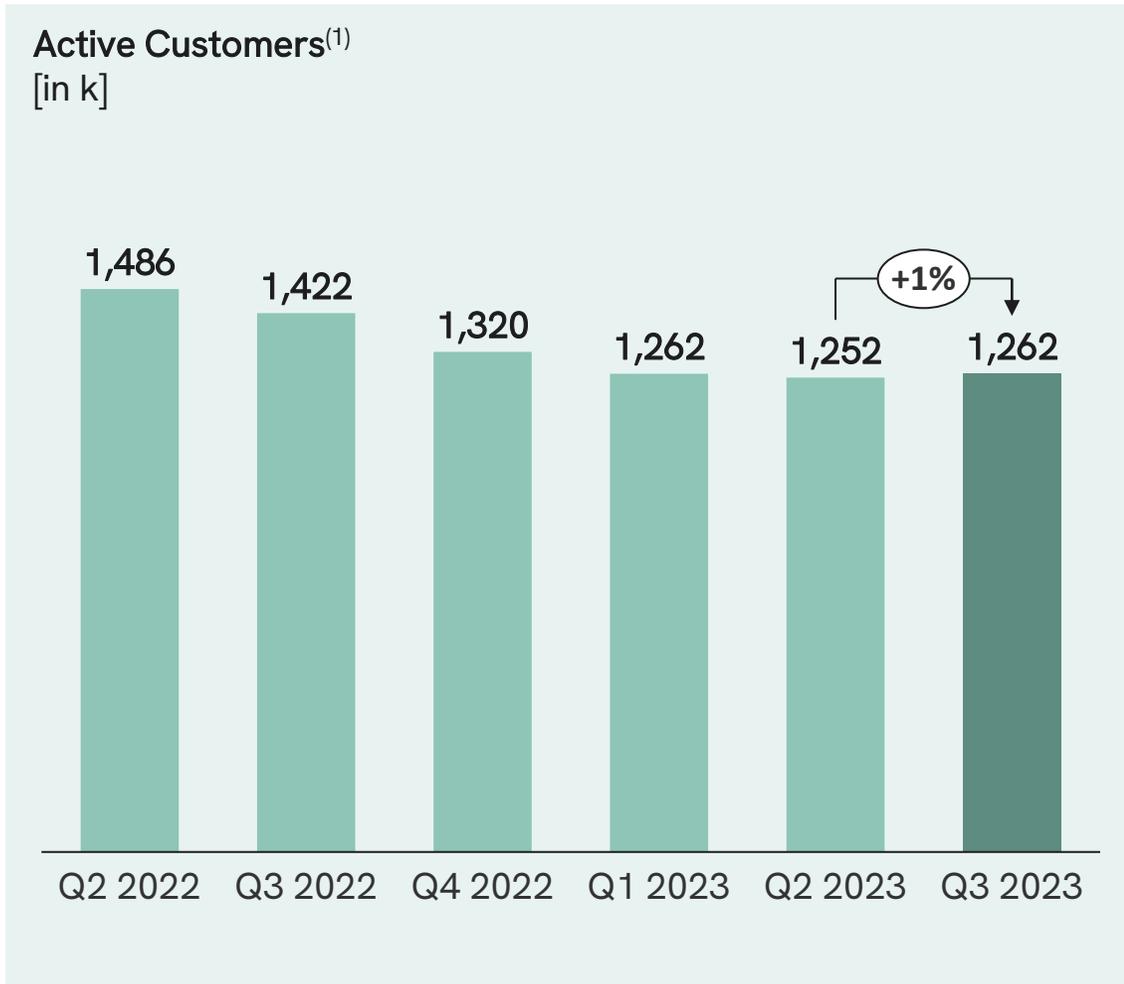


Significant improvements in unit economics

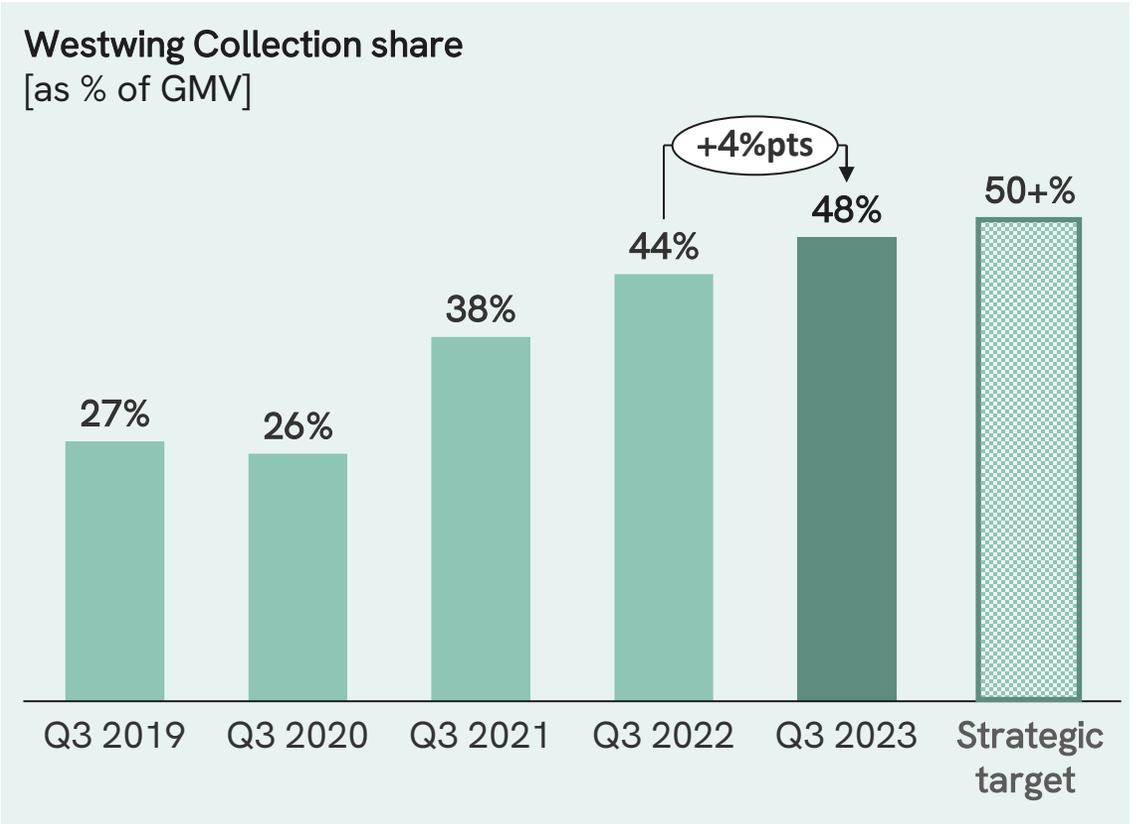


Cost discipline

3 # of Active Customers and GMV per Active Customer grew in Q3



3 Our customers simply love the Westwing Collection



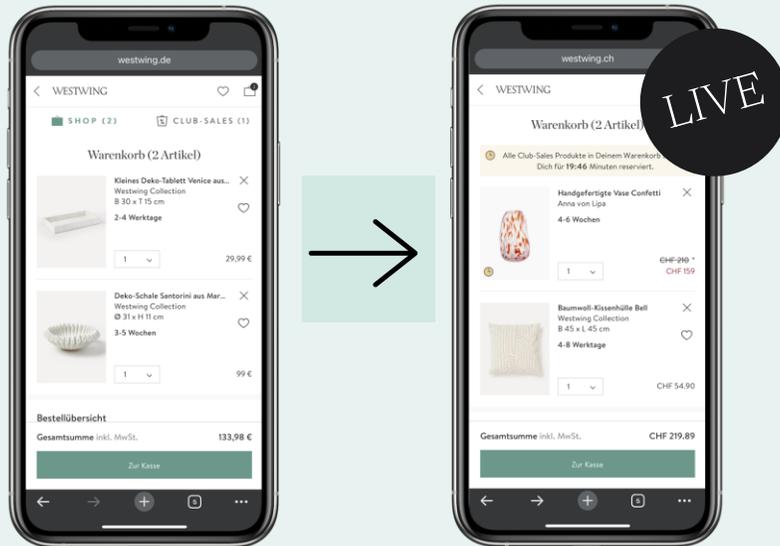
4 OneWestwing initiative for a better and more intuitive customer experience is fully on track



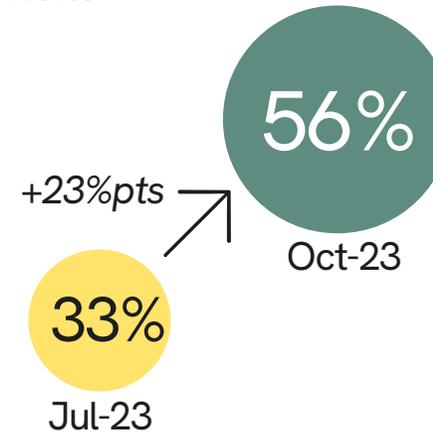
- ➔ Test phase completed
- ➔ One Westwing webpage rolled out to all countries
- ➔ Merged app rolled out



OneCart and OneCheckout now live in DE, AT & CH



App share of total Shop visits



- ➔ Consolidate back-end Technology
- ➔ Roll out OneCheckout to the remaining countries

- 4 We've refreshed our unique premium brand with new visuals



WESTWING

4 We've launched a brand awareness campaign "Live Beautiful" in Germany



The Beautiful Living Company

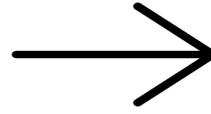


- Westwing has been investing into brand awareness since Q3 2023, which increases Marketing ratio
- The Company's evolution is embodied in the "Live Beautiful" brand campaign

4 Westwing's Technology stack will become more modern and efficient with increasing use of Software-as-a-Service (SaaS)

E-Commerce Tech has changed...

- Many e-Commerce processes are standardized today
- Various SaaS providers offer reliable and scalable e-Commerce platforms
- Specialized vendors provide access to additional features
- The pace of technological innovation is accelerating, driven by Artificial Intelligence



...and we will change our platform

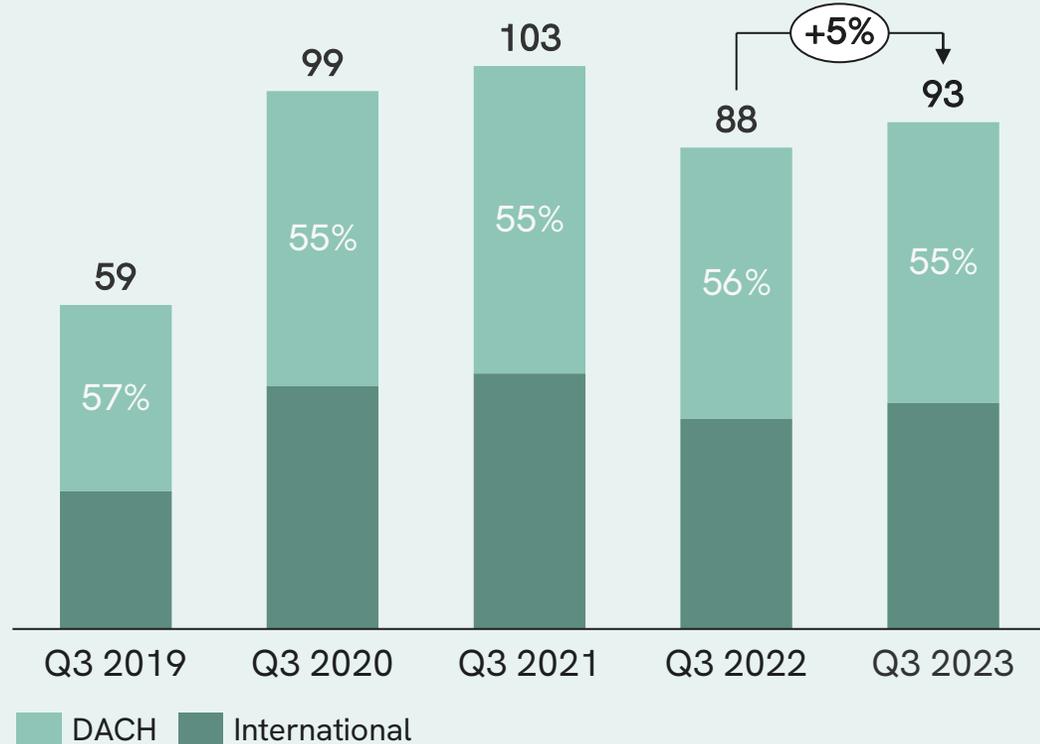
- Westwing will migrate from a proprietary e-Commerce platform to a solution largely based on SaaS in 2024/25
- Tools that uniquely provide for a differentiated customer experience will continue to be developed in-house
- Implementation costs will be incurred in Q4 2023 and in 2024/25
- We expect significantly shorter development times and lower SG&A cash costs from 2025

2. Financial Update

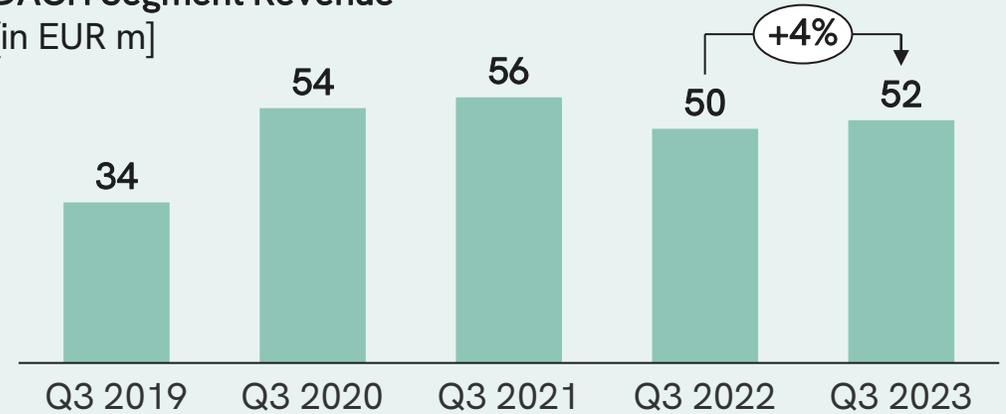
Westwing posts 5% Revenue growth in Q3

Group Revenue
[in EUR m]

CAGR 2019 to 2023: +12% ↗



DACH Segment Revenue
[in EUR m]



International Segment Revenue
[in EUR m]

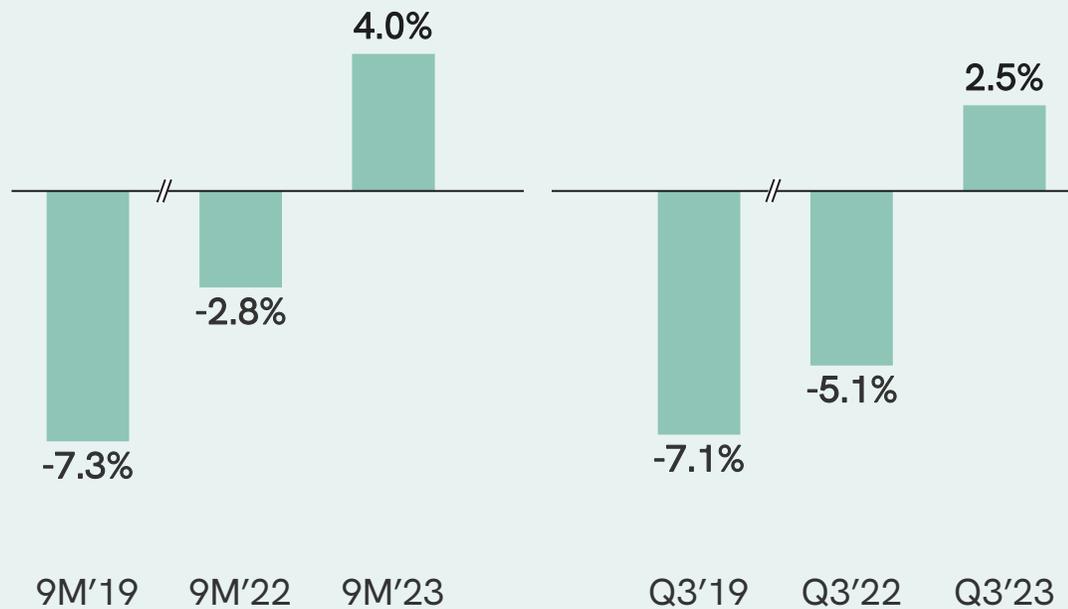


Strong improvements in most of the P&L lines

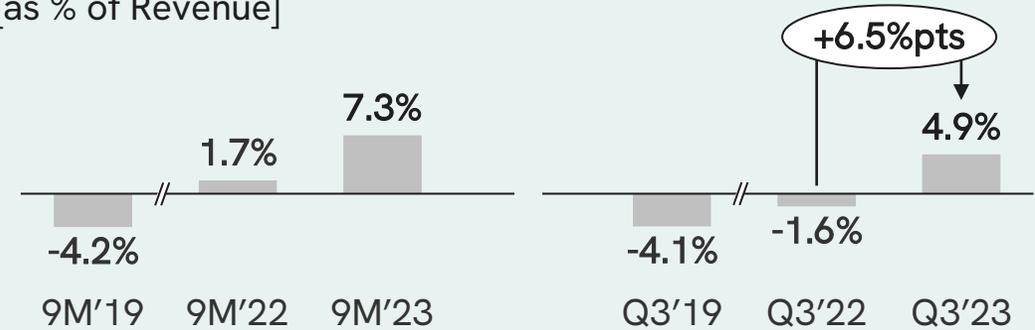
[as % of Revenue]	9M 2019	9M 2022	9M 2023	Delta 22 vs 23	Q3 2019	Q3 2022	Q3 2023	Delta 22 vs 23	
Gross margin	43.3%	48.4%	50.3%	+1.9%pts	44.3%	47.8%	50.2%	+2.4%pts	Strong Westwing Collection share gains
Fulfilment ratio	-24.3%	-23.4%	-22.0%	+1.4%pts	-24.2%	-23.4%	-22.0%	+1.5%pts	Efficiency improvements in logistics
Contribution margin	19.1%	25.0%	28.3%	+3.3%pts	20.2%	24.4%	28.2%	+3.8%pts	
Marketing ratio	-8.8%	-10.0%	-9.9%	+0.1%pts	-10.9%	-9.4%	-11.4%	-2.0%pts	Investments into customer growth & brand awareness
G&A ratio ⁽¹⁾	-21.2%	-22.1%	-19.2%	+2.8%pts	-20.6%	-25.3%	-19.5%	+5.8%pts	Successful implementation of cost savings
D&A ratio	3.7%	4.2%	4.8%	+0.6%pts	4.3%	5.2%	5.2%	-0.1%pts	
Adj. EBITDA margin	-7.3%	-2.8%	4.0%	+6.8%pts	-7.1%	-5.1%	2.5%	+7.6%pts	

Group profitability at 4% Adj. EBITDA margin in 9M 2023

Group Adj. EBITDA
[as % of Revenue]



DACH Segment Adj. EBITDA
[as % of Revenue]

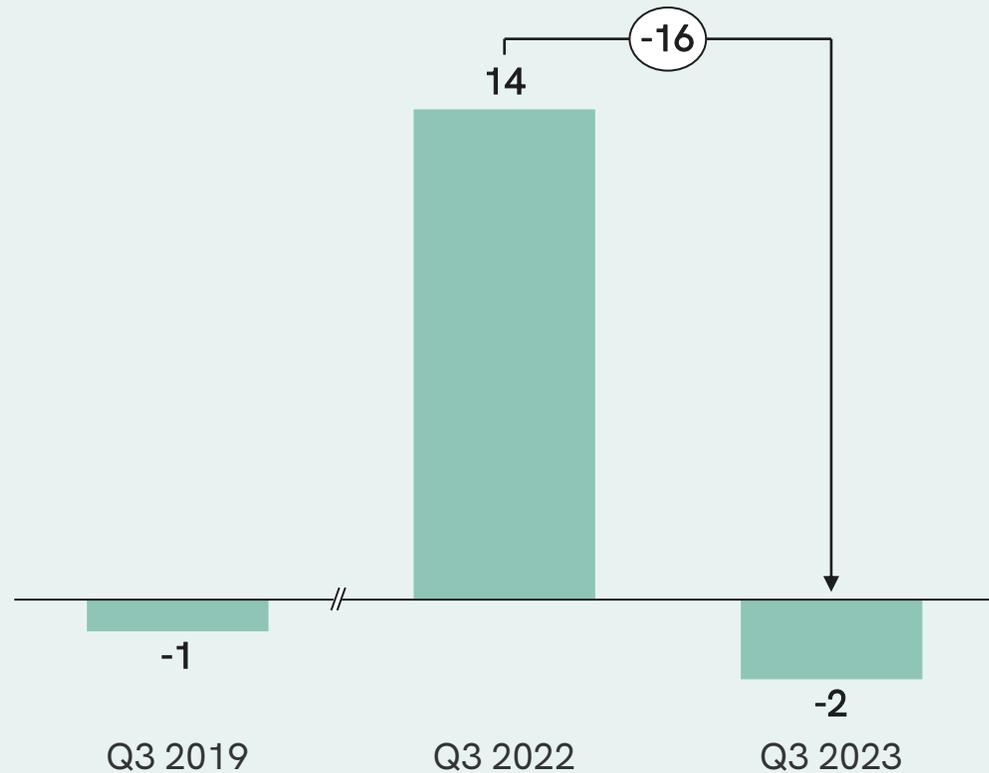


International Segment Adj. EBITDA
[as % of Revenue]



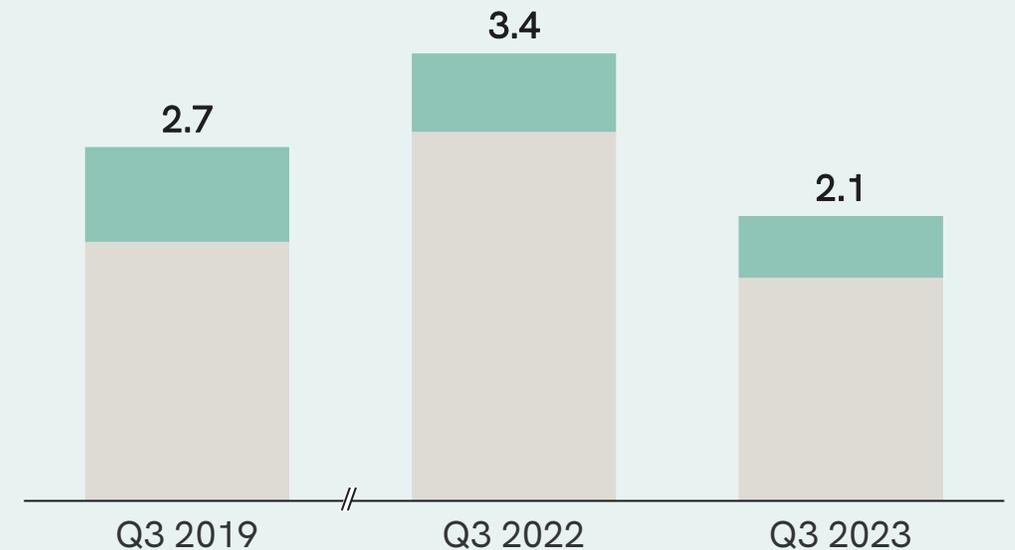
Net Working Capital improved by EUR 16m year-over-year, while CAPEX remained at a low level

Net Working Capital
[in EUR m]



Q3 2023 includes repayment of a EUR 7m trade finance facility, which increases Net Working Capital

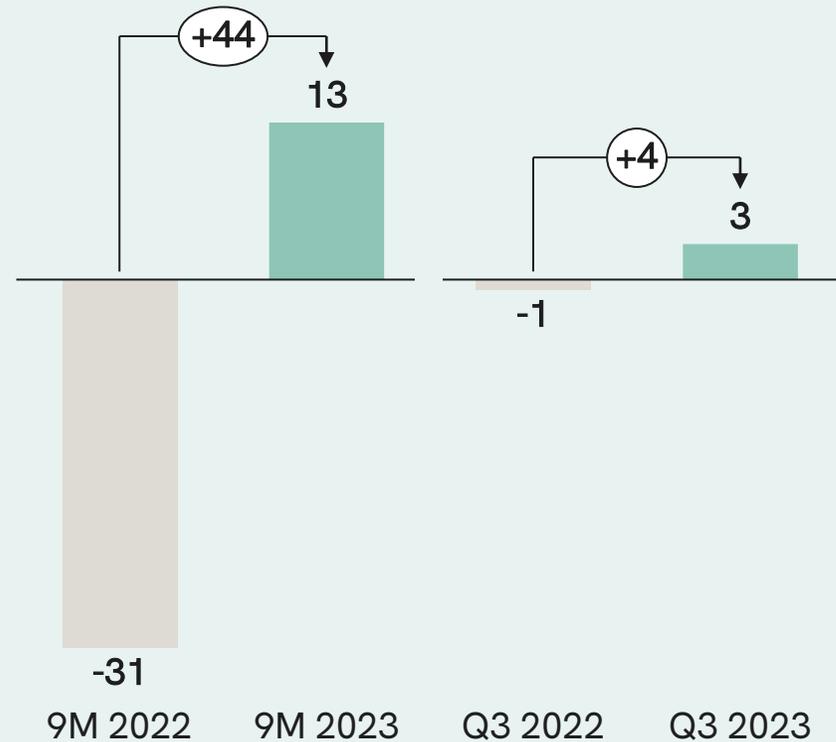
CAPEX
[in EUR m]



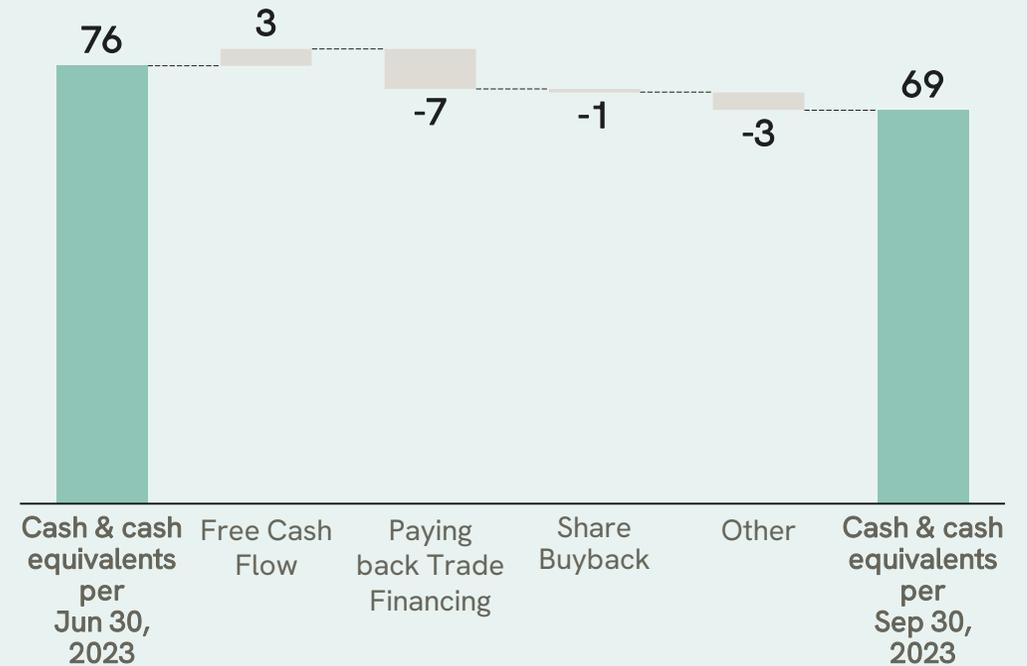
Property, Plant and Equipment Intangible

With positive Free Cash Flow, we maintained a very strong cash position

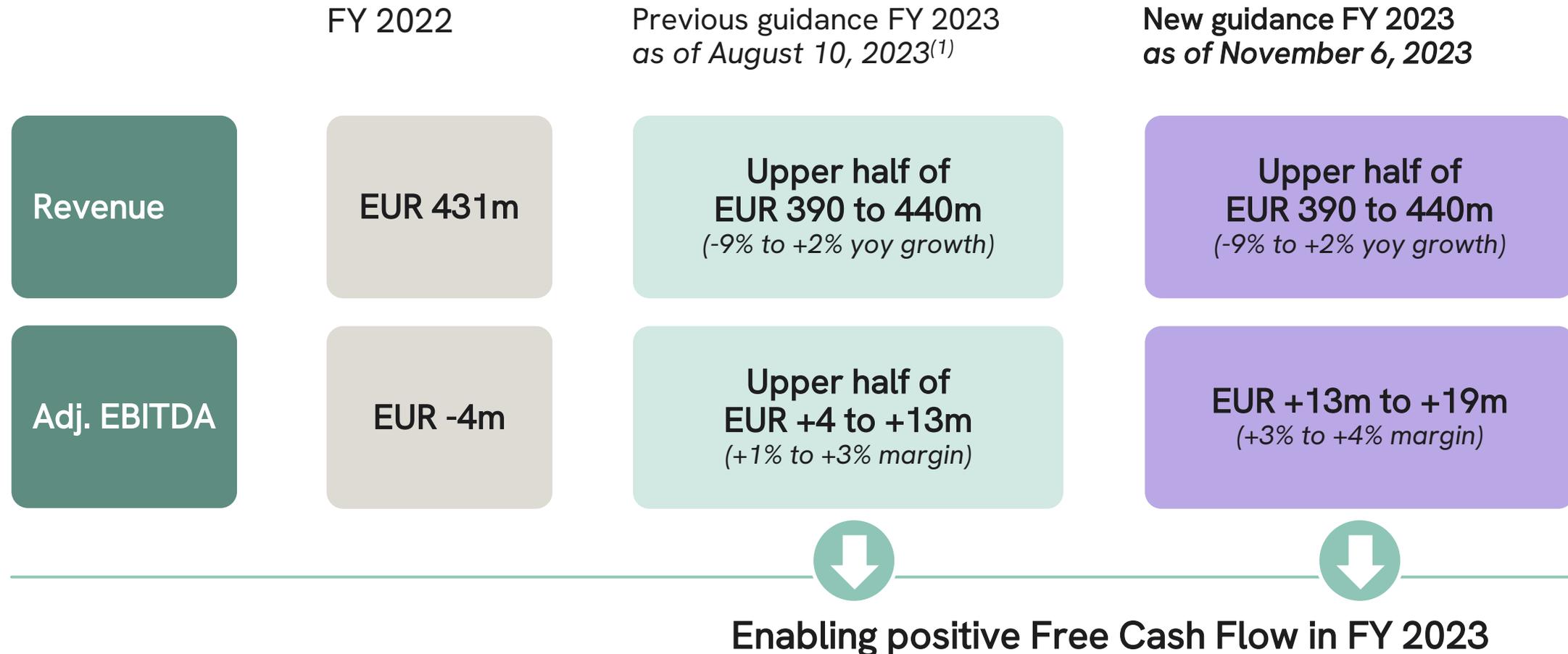
Free Cash Flow
[in EUR m]



Cash and cash equivalents
[in EUR m]



FY 2023 Revenue guidance confirmed in the upper half of the guidance range and profitability guidance raised to EUR 13m to EUR 19m



3. Investment Highlights

Investment Highlights of Europe's leading premium one-stop-shop for Home & Living

The opportunity is massive

EUR 130b Home & Living market⁽¹⁾ with massive e-Commerce potential

Westwing is situated in the highly attractive premium segment

Westwing is a premium love brand

>10 million followers on Westwing's social media channels⁽²⁾

>80% repeat purchase rate⁽³⁾

Rather young customers with high Home & Living spend

Westwing Collection is a strong driver

Creativity and brand loyalty enable margin uplift of >10%pts

The Collection already generates 48% of total GMV

Proven business model scalability

Active in 11 countries

Existing physical infrastructure allows for growth without significant further investment

Strong cash profile & attractive target P&L

Strong balance sheet with net cash of EUR 69m

Already best-in-class Contribution margin

Long-term Adj. EBITDA margin target of 10-15%

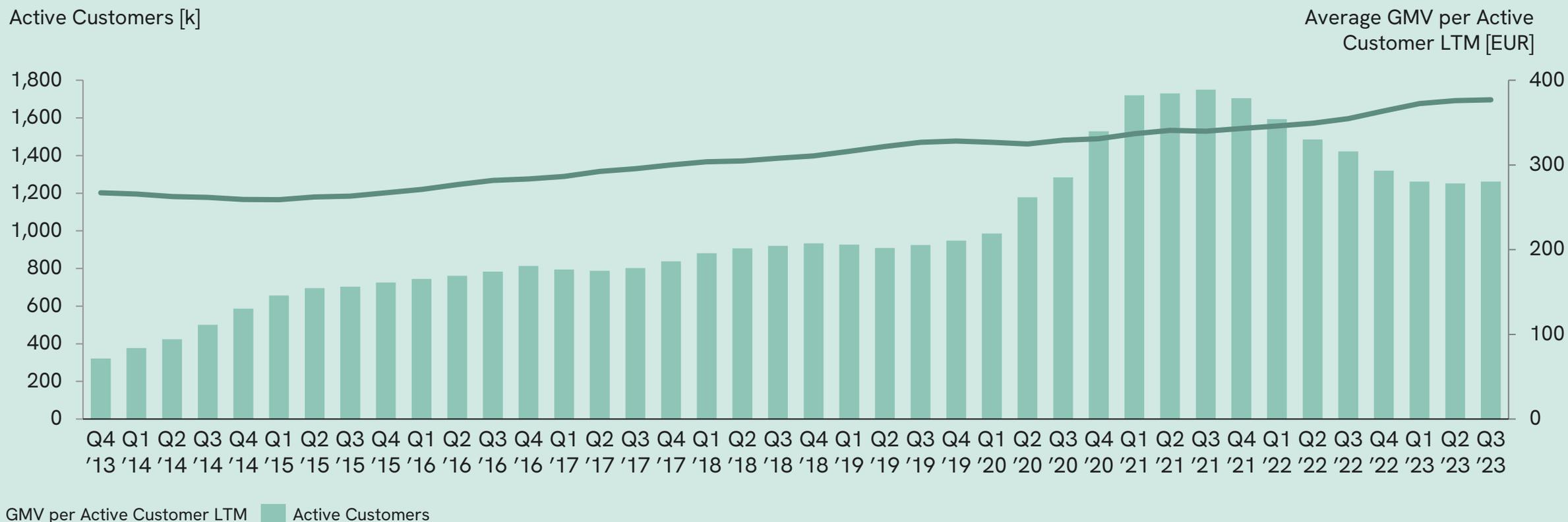
4. Q&A

5. Appendix



CONTINUOUSLY EXPANDING SHARE OF WALLET WITH CUSTOMERS

Active Customers and average GMV per Active Customer LTM



KPI overview

Group KPIs	Unit	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Westwing Collection share	in % of GMV	25%	22%	26%	28%	31%	32%	38%	37%	37%	38%	44%	44%	46%	46%	48%
Active Customers	in k	986	1,178	1,284	1,529	1,720	1,730	1,750	1,705	1,593	1,486	1,422	1,320	1,262	1,252	1,262
Number of orders	in k	675	1,051	874	1,474	1,268	1,022	819	1,262	872	685	620	951	694	614	605
Average basket size	in EUR	127	122	129	119	129	135	144	131	147	159	164	149	169	178	177
Average orders LTM per Active Customer	in #	2.5	2.6	2.7	2.7	2.7	2.7	2.6	2.6	2.5	2.4	2.4	2.4	2.3	2.3	2.3
Average GMV LTM per Active Customer	in EUR	324	325	330	328	337	341	340	343	345	349	355	364	373	376	377
GMV	in EUR m	85	128	113	175	164	139	118	166	128	109	102	142	118	109	107
Mobile visit share	in %	76%	79%	80%	79%	79%	80%	80%	80%	80%	80%	80%	80%	79%	78%	79%

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 per end of the reporting period
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 per end of the 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	9M 2022	9M 2023	Q3 2022	Q3 2023
Revenue	302.4	297.6	88.3	92.9
Cost of Sales	-156.0	-149.2	-46.1	-46.6
Gross profit	146.4	148.3	42.2	46.3
Fulfilment expenses	-70.9	-64.2	-20.7	-20.1
Marketing expenses	-31.4	-29.5	-8.8	-10.6
General and administrative expenses	-65.0	-59.6	-24.2	-19.6
Other operating expenses	-2.2	-3.6	-1.1	-0.4
Other operating income	2.2	4.5	1.3	0.9
Operating result	-20.9	-4.0	-11.4	-3.5
Financial result	-2.8	-0.7	-1.0	-0.1
Result before income tax	-23.7	-4.7	-12.4	-3.6
Income tax expense	-0.1	-0.8	0.9	-0.1
Result for the period	-23.9	-5.5	-11.4	-3.7
Reconciliation to Adj. EBITDA				
Operating result (EBIT)	-20.9	-4.0	-11.4	-3.5
Share-based compensation expenses	-4.4	1.6	-0.6	1.0
Restructuring severances 2022	4.0	-	2.9	-
D&A	12.8	14.3	4.6	4.8
Adj. EBITDA	-8.5	11.9	-4.5	2.4
Adj. EBITDA margin (%)	-2.8%	4.0%	-5.1%	2.5%

Adjusted income statement

EUR m, in % of Revenue, unaudited	9M 2022	9M 2023	Q3 2022	Q3 2023
Revenue	302.4	297.6	88.3	92.9
<i>Revenue growth yoy</i>	-19.0%	-1.6%	-14.5%	5.2%
Cost of Sales	-156.0	-147.8	-46.1	-46.3
Gross Profit	146.4	149.8	42.2	46.6
<i>Gross margin</i>	48.4%	50.3%	47.8%	50.2%
Fulfillment expenses	-70.8	-65.6	-20.7	-20.4
Contribution Profit	75.6	84.2	21.5	26.2
<i>Contribution margin</i>	25.0%	28.3%	24.4%	28.2%
Marketing expenses	-30.1	-29.3	-8.3	-10.6
General and administrative expenses	-66.7	-58.1	-22.5	-18.6
Other operating expenses	-2.2	-3.6	-1.1	-0.4
Other operating income	2.2	4.5	1.3	0.9
Depreciation and Amortization	12.8	14.3	4.6	4.8
Adj. EBITDA	-8.5	11.9	-4.5	2.4
<i>Adj. EBITDA margin (%)</i>	-2.8%	4.0%	-5.1%	2.5%

Segment reporting

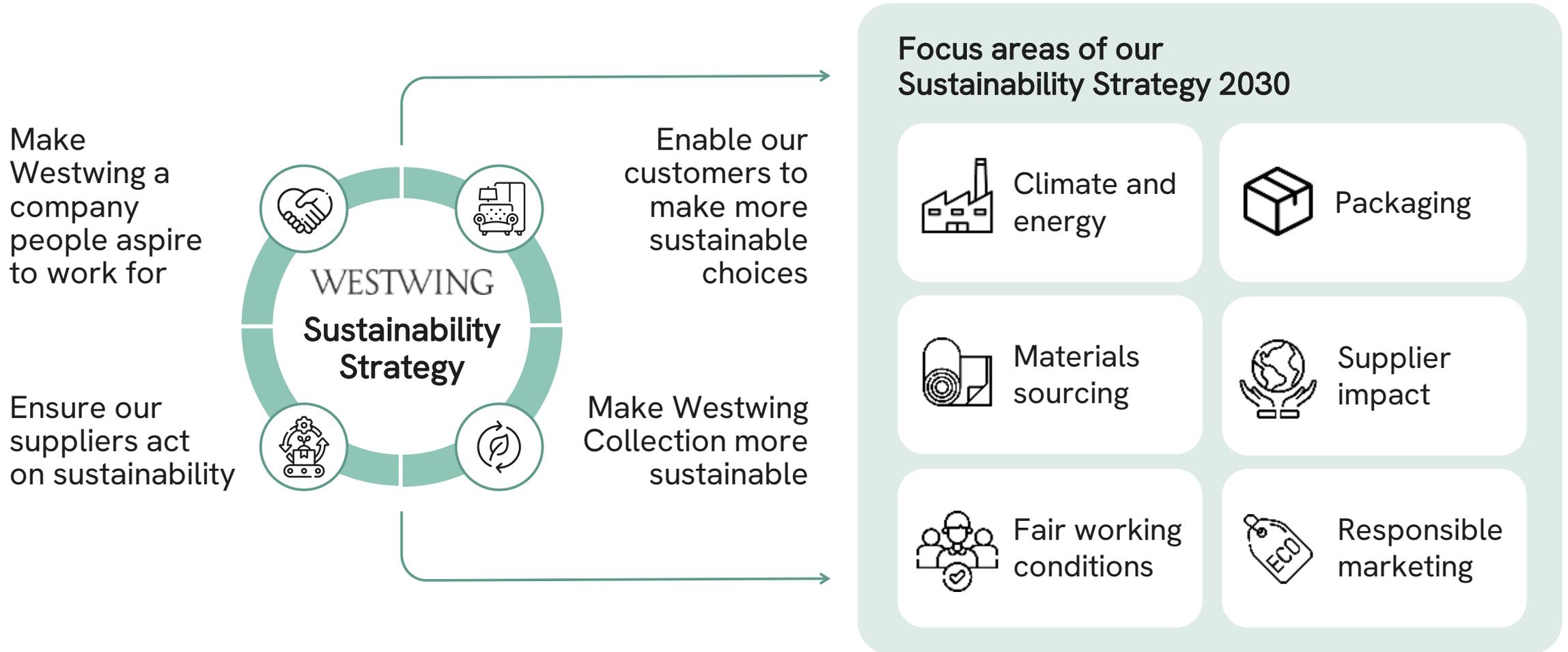
DACH in EUR m, unaudited	9M 2022	9M 2023	Q3 2022	Q3 2023
Revenue	168.9	162.6	49.7	51.5
<i>yoy growth (in %)</i>	-19.7%	-3.7%	-11.9%	3.7%
Adj. EBITDA	2.8	11.9	-0.8	2.5
<i>Adj. EBITDA margin %</i>	1.7%	7.3%	-1.6%	4.9%
International in EUR m, unaudited	9M 2022	9M 2023	Q3 2022	Q3 2023
Revenue	133.6	134.9	38.6	41.4
<i>yoy growth (in %)</i>	-18.2%	1.0%	-17.6%	7.2%
Adj. EBITDA	-10.7	0.3	-3.6	-0.1
<i>Adj. EBITDA margin %</i>	-8.0%	0.2%	-9.3%	-0.2%

NET WORKING CAPITAL

Net Working Capital breakdown as of September 30, 2023
[in EUR m]



Westwing is strongly focusing on sustainability along the entire value chain



Events

November 27-29, 2023

Deutsches
Eigenkapitalforum



