



WESTWING

Q2 2023 Results

Munich, August 10, 2023

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.



AGENDA

- Business Update
- Financial Update
- Q&A

Business Update



State of Westwing

1 Topline has stabilized

- Despite a **challenging market** environment Q2 2023 **GMV** and **Active Customers stabilized**
- **Return to sustainable growth** expected in the second half of 2023

2 Third profitable quarter in a row

- Q2 2023 with **clearly positive Adj. EBITDA** at EUR 4m, improved by EUR +7m yoy
- **Free Cash Flow break even** in Q2 2023, improved by EUR +13m yoy

3 Strong progress across all strategic initiatives

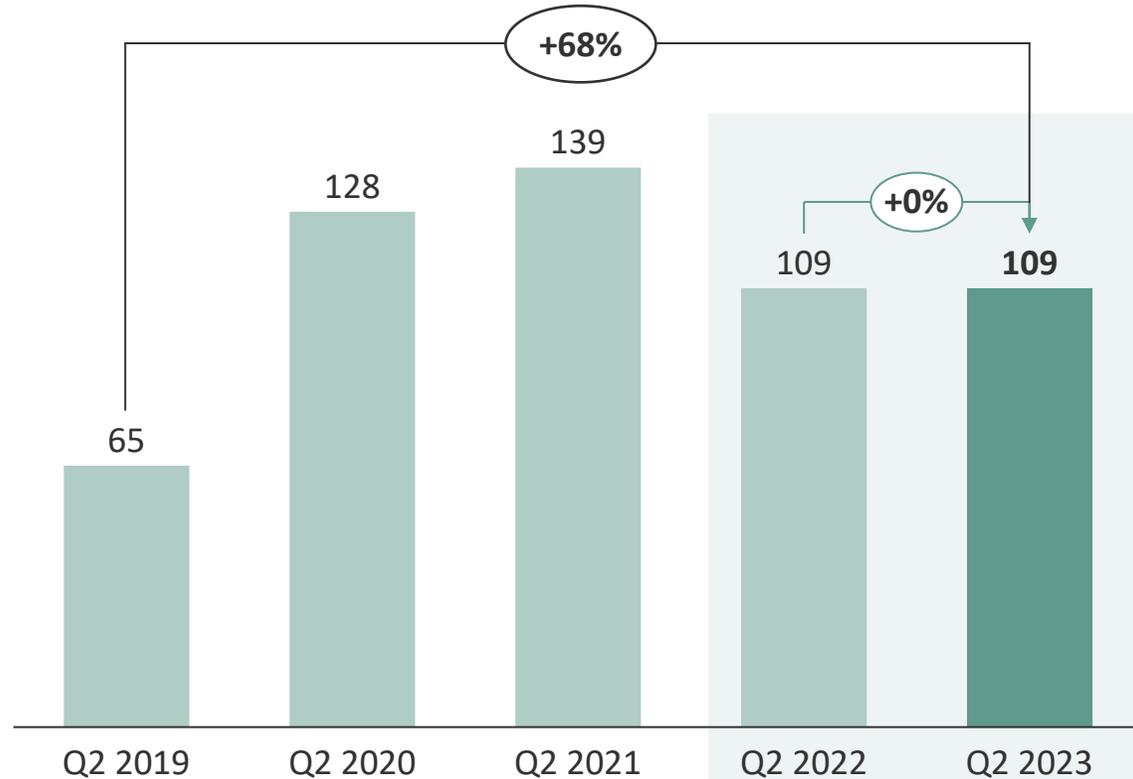
- **Westwing Collection share** increased **by 8%pts yoy to 46%** of Group GMV in Q2 2023
- **OneWestwing implementation** reached important milestone in line with plan

4 FY 2023 guidance confirmed, likely in upper half

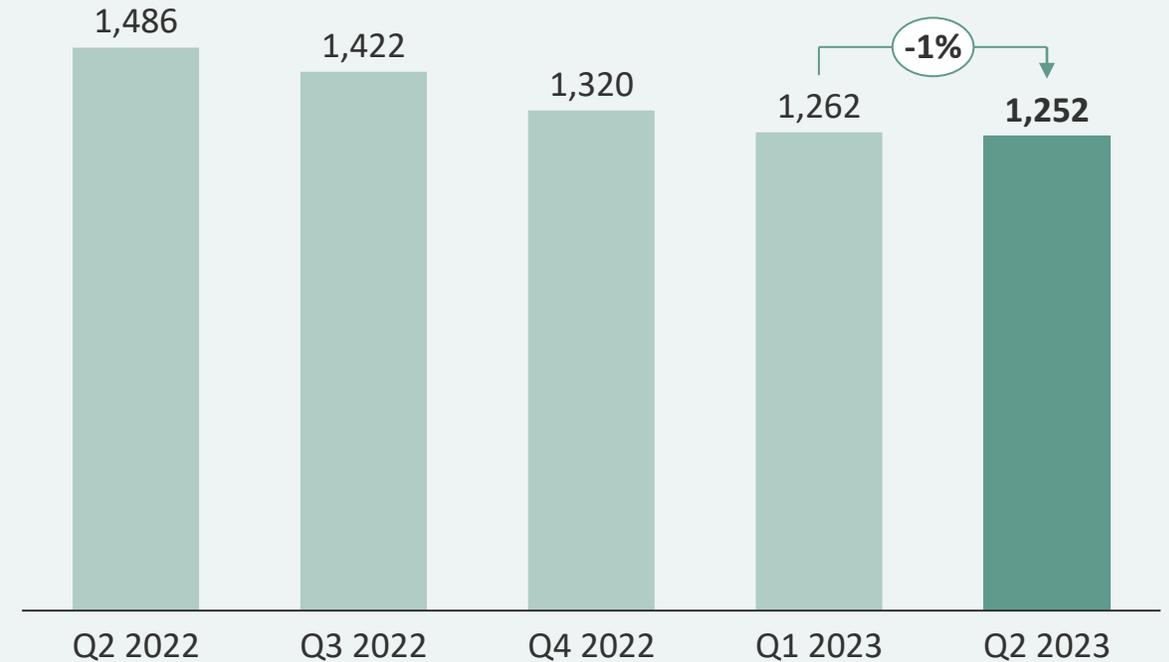
- **FY 2023 guidance confirmed**, currently we expect to achieve revenue and Adj. EBITDA in the **upper half of the guidance**
- **FY 2023 guidance:** Revenue of EUR 390 to 440m (-9% to +2% yoy growth) and Adj. EBITDA of EUR +4 to +13m (+1% to +3% margin)

1 Topline has stabilized despite an ongoing difficult market environment

Group GMV [in EUR m]



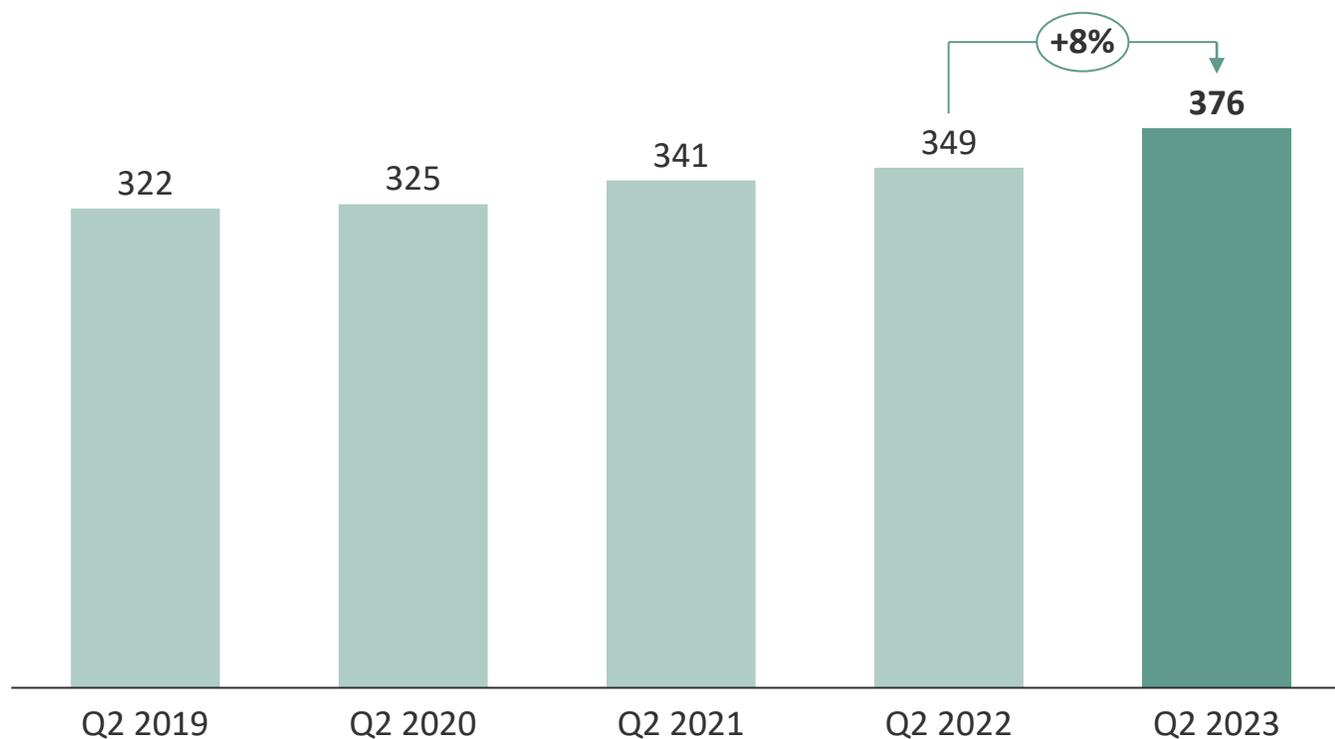
Active Customers [in k]



Note: All figures unaudited. Active Customers defined as customers who has made a valid order within the last 12 months per end of the respective quarter.

1 Successful expansion of share of wallet with customers

GMV per Active Customer LTM [in EUR]



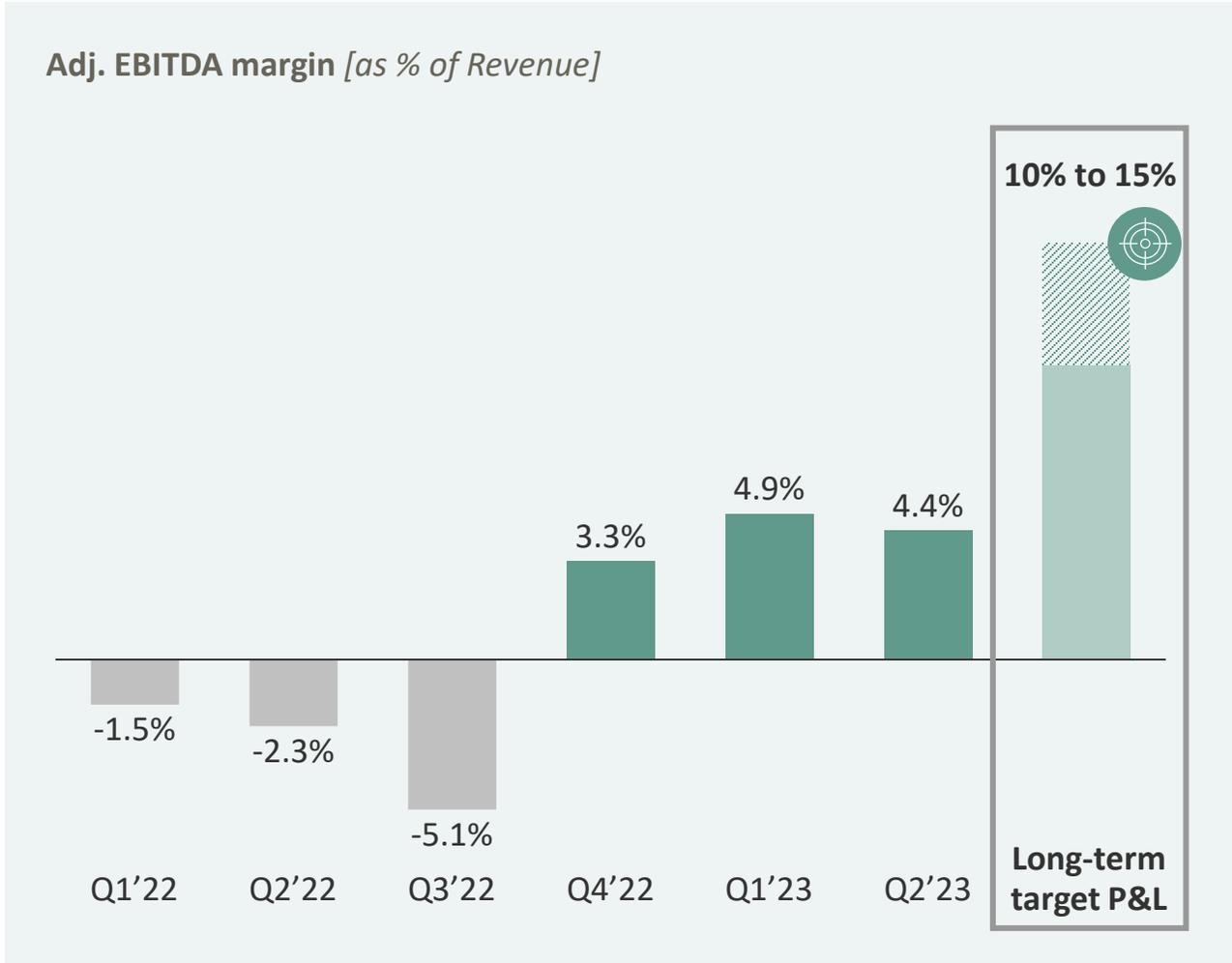
We are successfully expanding our share of wallet with customers through...

... an exceptional **love brand** strategy

... a strong focus on an exciting **Westwing Collection** and **Shop** offering

... a best in class **customer experience**

2 Q2 2023 marks the third profitable quarter in a row



Unit economics significantly improved

- Increasing high-margin Westwing Collection share
- Strong fulfillment efficiencies



Cost saving initiatives

- Announced cost saving initiatives successfully implemented
- A high cost discipline will be maintained



Successful net working capital management

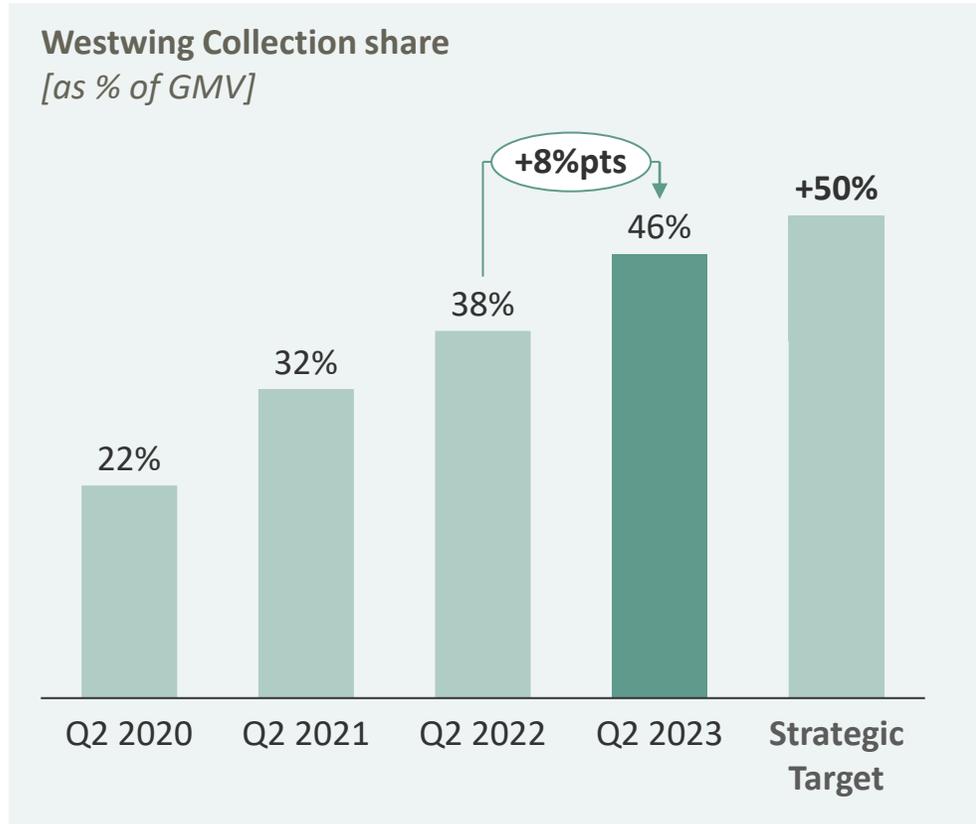
- Continued overstock reduction
- Returned to negative net working capital



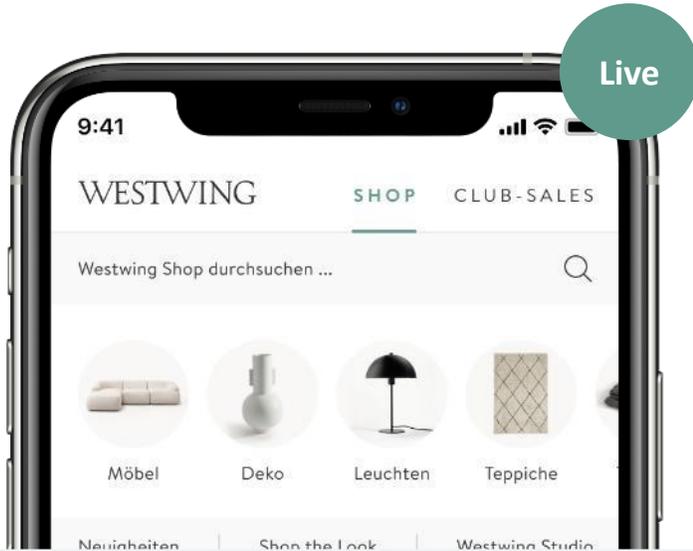
Strong cash position maintained

- EUR 76m Cash per end of Q2 2023

3 Westwing Collection well on track to target share of +50% of GMV

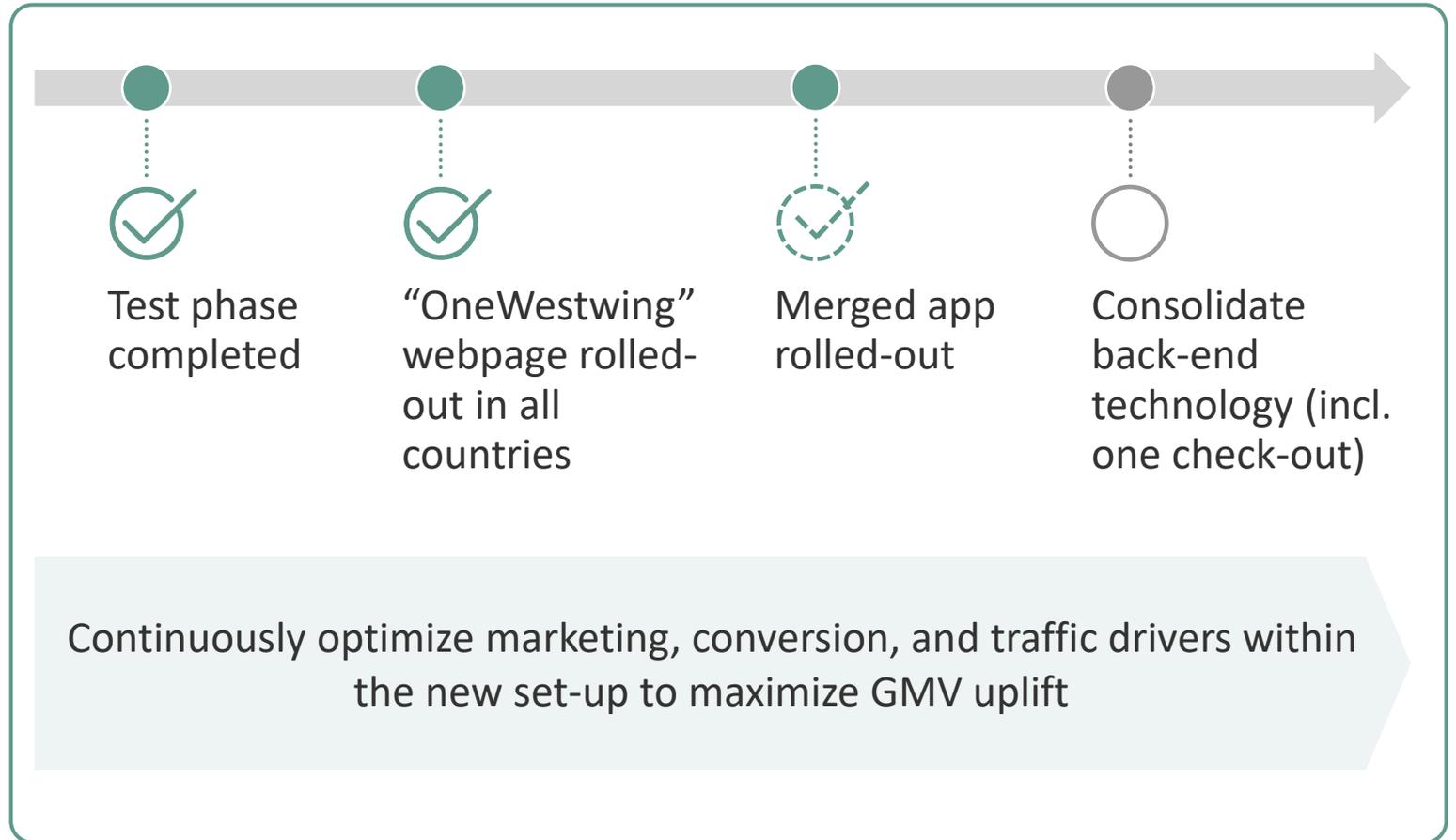


3 OneWestwing implementation reached important milestones and is fully on track



OneWestwing

We are merging Shop and Club under the OneWestwing initiative, bringing our two business models closer together for a seamless customer experience.



Financial Update



Sebastian Westrich joined as Chief Financial Officer



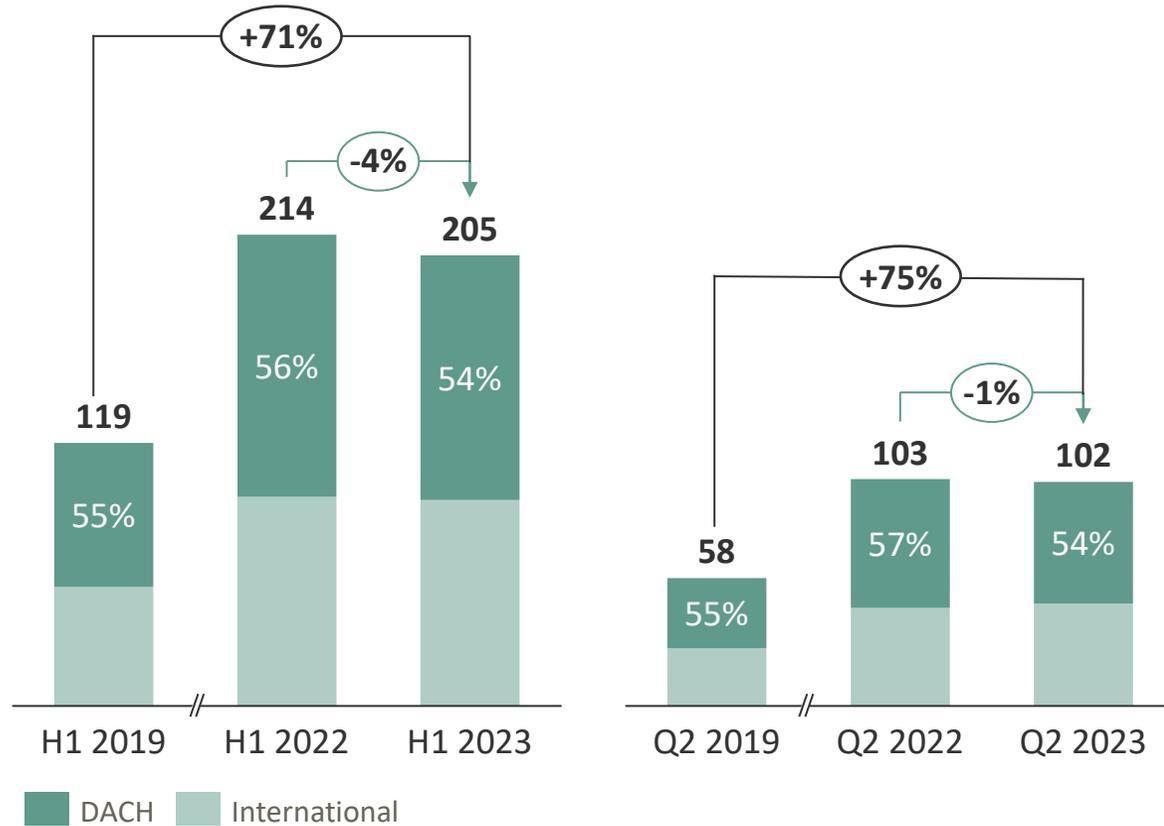
Sebastian Westrich

Chief Financial Officer, Westwing Group SE

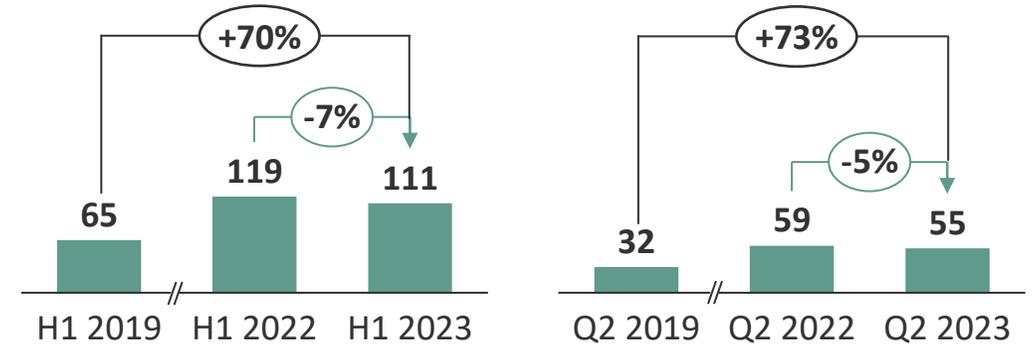
- Aug 2023** ● **Chief Financial Officer, Westwing Group SE**
- 2020 ● Chief Financial Officer, Cyberport GmbH & Burda Commerce SE
- 2019 ● Managing Director, Burda Digital SE
- 2016 ● Head of Investment Management, Burda Digital SE

Topline stabilized despite a very challenging market environment

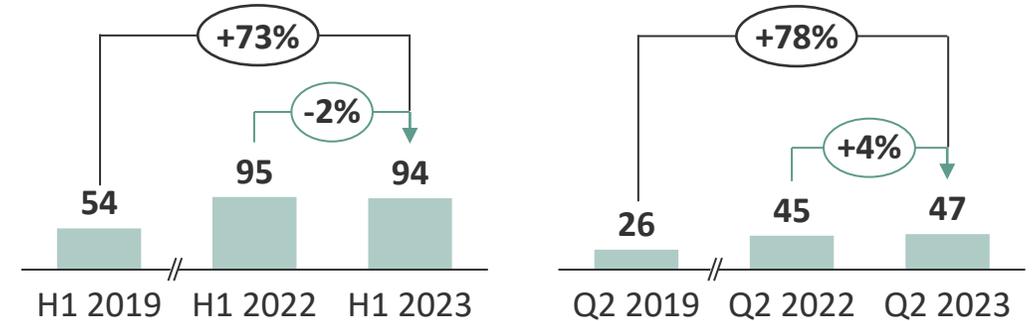
Group Revenue [in EUR m]



DACH Segment Revenue [in EUR m]



International Segment Revenue [in EUR m]



Note: All figures unaudited.

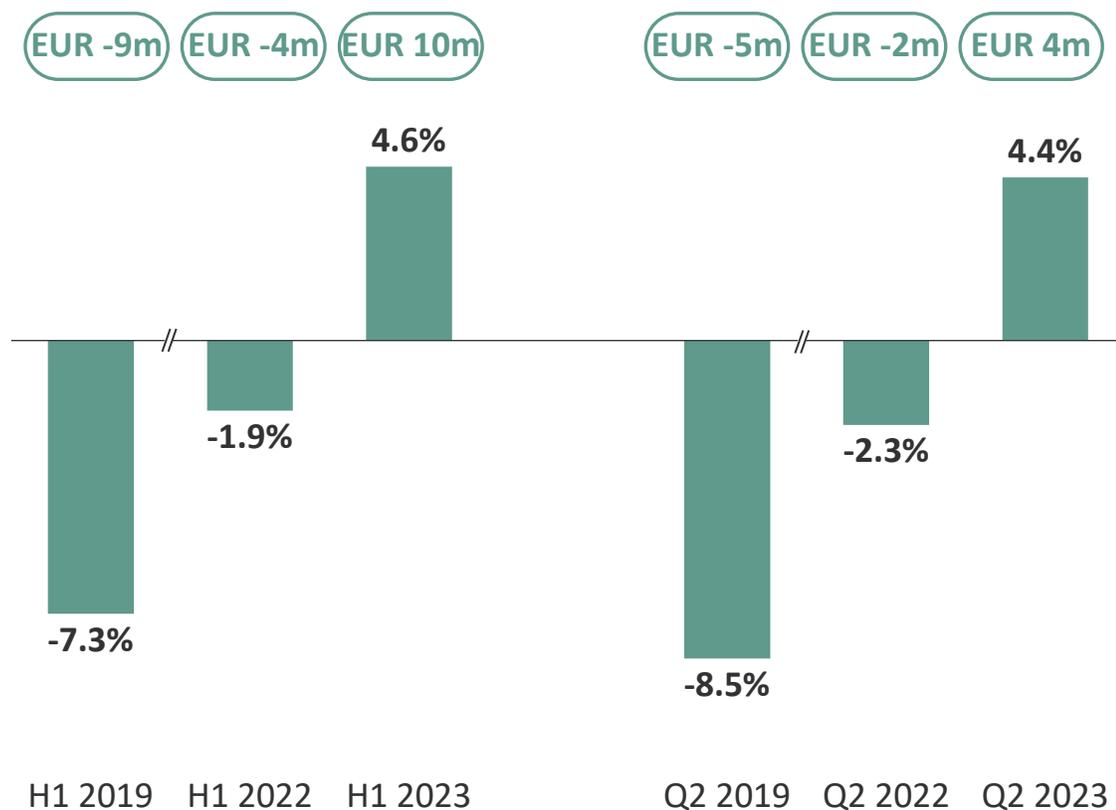
Income statement details

<i>[as % of revenue]</i>	H1 2019	H1 2022	H1 2023	Delta 22 vs 23	Q2 2019	Q2 2022	Q2 2023	Delta 22 vs 23	
Gross margin	42.9%	48.7%	50.4%	+1.7%pts	43.4%	48.6%	50.5%	+1.9%pts	Strong Westwing Collection share gains
Fulfilment ratio	-24.3%	-23.4%	-22.1%	+1.3%pts	-24.9%	-23.5%	-21.7%	+1.7%pts	Efficiency improvements in logistics
Contribution margin	18.5%	25.2%	28.3%	+3.1%pts	18.5%	25.2%	28.8%	+3.6%pts	
Marketing ratio	-7.8%	-10.2%	-9.2%	+1.0%pts	-8.4%	-10.0%	-9.4%	+0.7%pts	Successful implementation of cost savings across G&A and Marketing
G&A ratio ⁽¹⁾	-21.4%	-20.7%	-19.1%	+1.6%pts	-22.2%	-21.5%	-19.7%	+1.8%pts	
D&A ratio	3.4%	3.8%	4.6%	+0.8%pts	3.6%	4.1%	4.7%	+0.6%pts	
Adj. EBITDA margin	-7.3%	-1.9%	4.6%	+6.5%pts	-8.5%	-2.3%	4.4%	+6.6%pts	

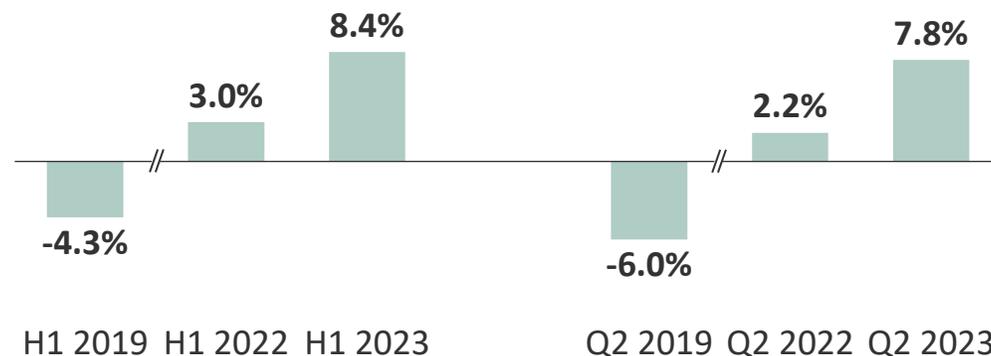
Note: (1) Includes "Other result". Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its H1 2023 report. All figures unaudited.

Group profitability at 4.6% Adj. EBITDA in H1 2023

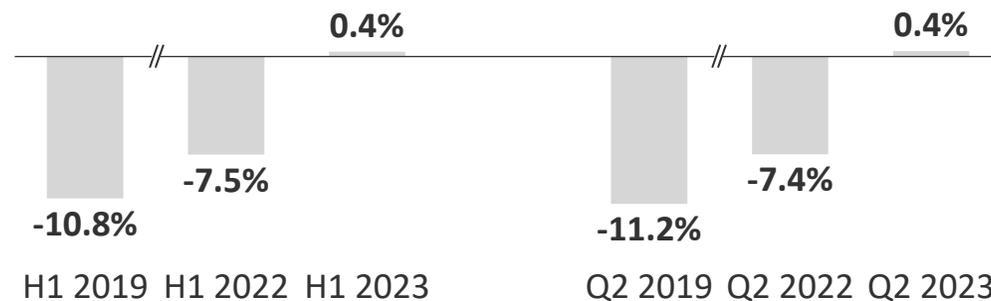
Group Adj. EBITDA [in EUR m and % of Revenue]



DACH Segment Adj. EBITDA [as % of Revenue]



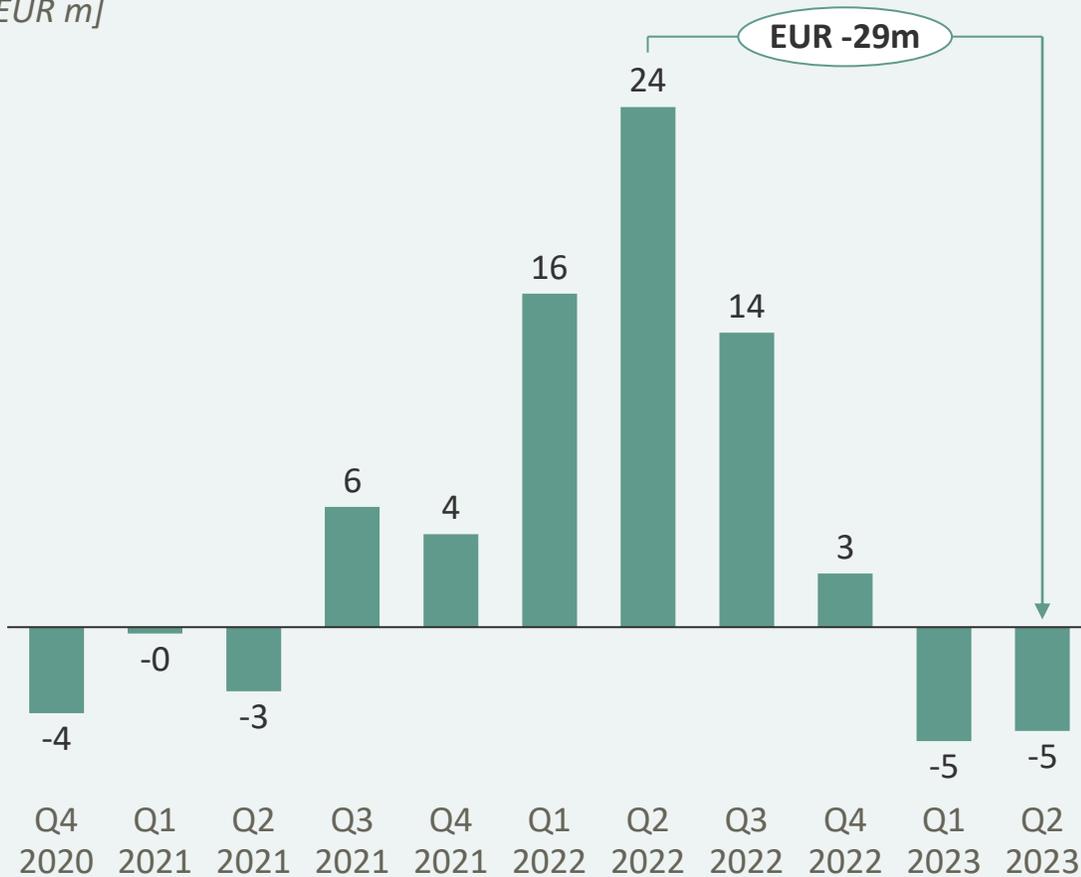
International Segment Adj. EBITDA [as % of Revenue]



Note: All figures unaudited. Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its H1 2023 report.

Net working capital improved by EUR 29m vs previous year

Net working capital
[in EUR m]



Decisive net working capital management

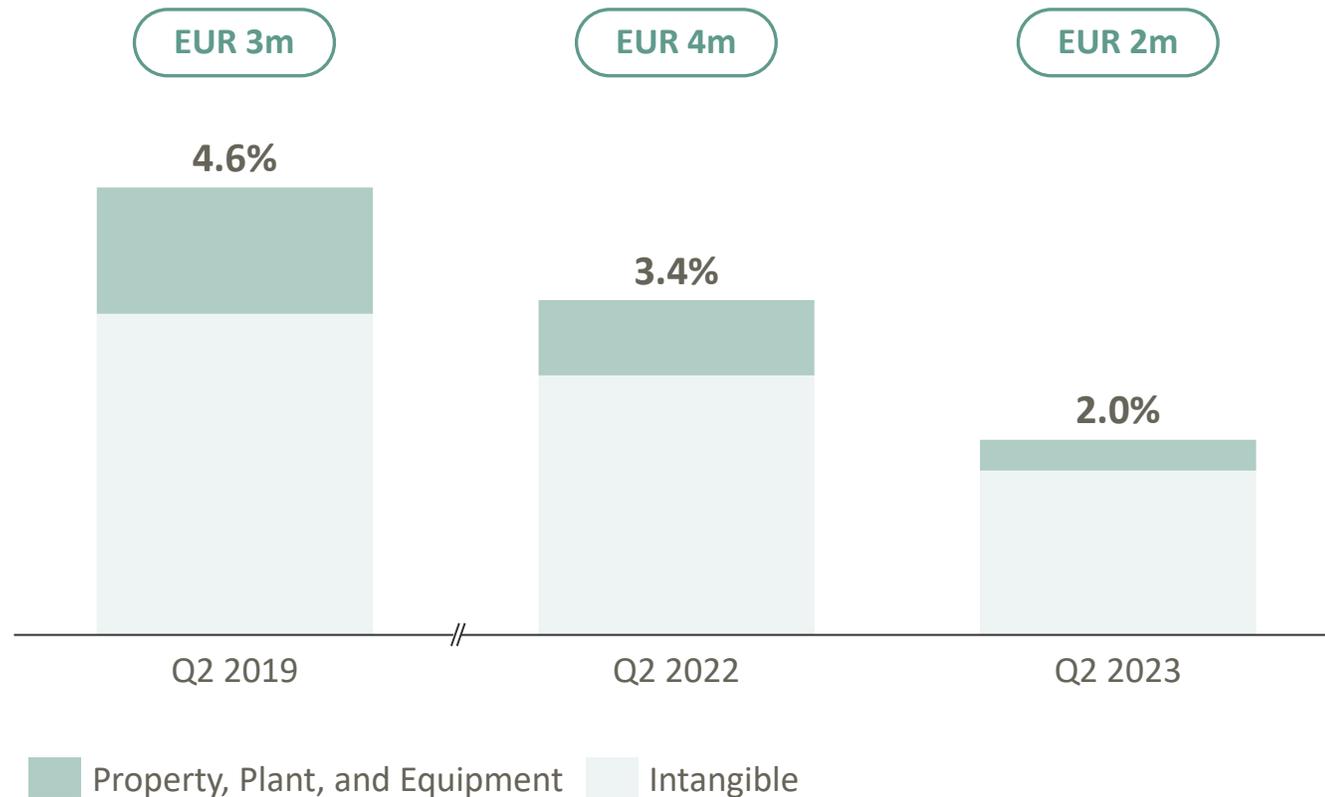
- Continued **reduction of inventory overstock** (EUR -23m inventory reduction vs Q2 2022) at limited margin impact
- **Trade financing** solution with an impact of EUR -7m in Q2 2023; further utilization under review based on our strong cash position

Net working capital is expected to remain on healthy levels in FY 2023, yet there will be negative seasonal effects in Q3 2023

Cost saving measures with clearly positive impact on CAPEX profile

Capex ratio

[in EUR m and as % of revenue]



Attractive CAPEX light business model with high degree of cash conversion of profits



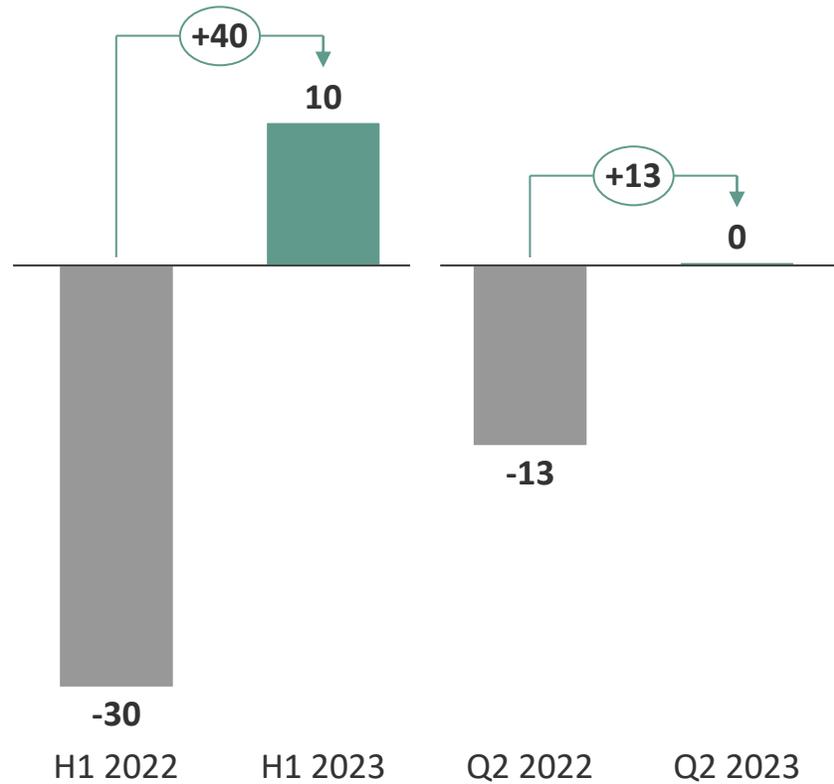
Intangible CAPEX investments decreased due to cost savings in Technology organization



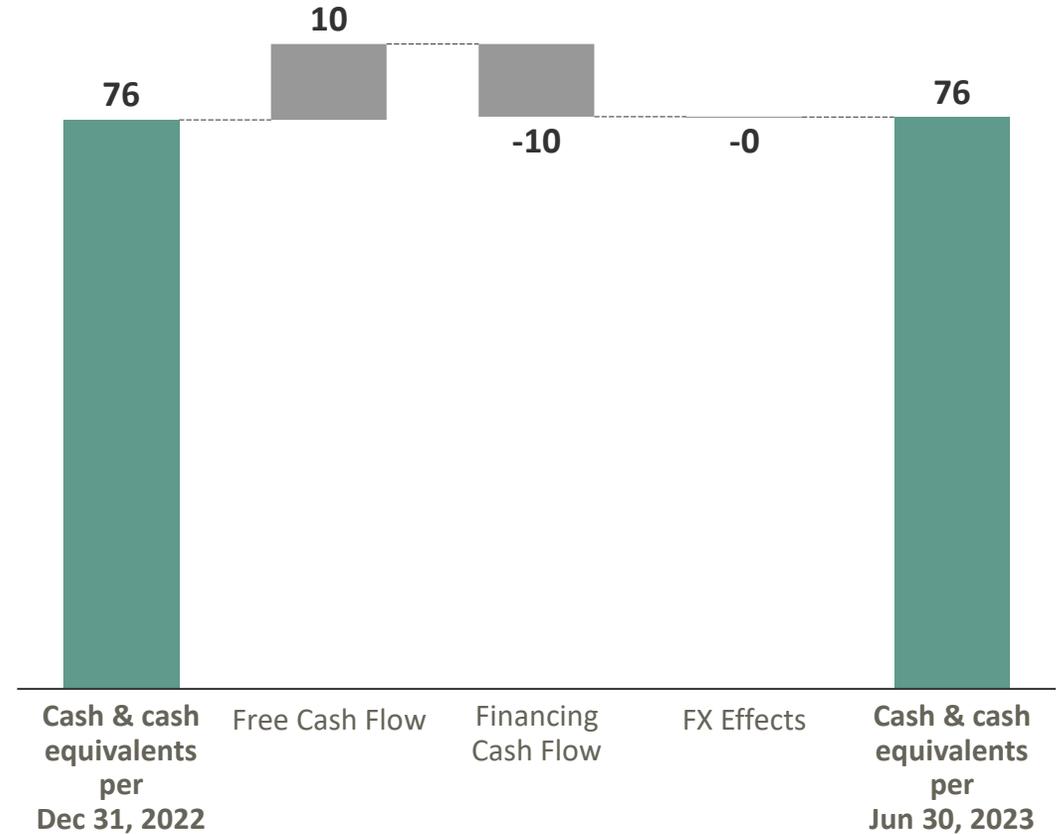
Very limited tangible investments into warehouse infrastructure needed; sufficient capacity for future growth secured

Operating profit and successful net working capital management resulted in EUR 40m Free Cash Flow improvement in H1 2023 vs previous year

Free Cash Flow [in EUR m]



Cash and cash equivalents [in EUR m]



Note: All figures unaudited.

FY 2023 guidance confirmed, likely in upper half

Guidance FY 2023

as of March 30, 2023

FY 2022

FY 2023

Revenue

EUR 431m



EUR 390 to 440m
(-9% to +2% yoy growth)

Adj. EBITDA

EUR -4m

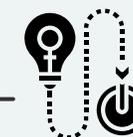


EUR +4 to +13m
(+1% to +3% margin)



Enabling positive
Free Cash Flow in FY 2023

Comments



- Revenue and Adj. EBITDA **guidance confirmed, likely in the upper half**
- **Return to sustainable growth** expected in second half of 2023
- The seasonally weaker third quarter is expected at slightly lower profitability

Note: Free Cash Flow is not part of capital market guidance for FY 2023. Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its H1 2023 report.

Investment Highlights



Investment highlights

The opportunity is massive

Huge Home & Living market of EUR 130b very early in eCommerce with Westwing providing a **unique investment opportunity into the very attractive premium segment**

Customer loyalty at the core

The **differentiating creative and inspirational core** of Westwing drives superior loyalty for our **love brand** with **>80% repeat order share⁽¹⁾**

Westwing Collection

Our Westwing Collection perfectly **leverages the loyalty to our love brand** at **>10%pts margin upside**

Strong cash profile

Our strong **balance sheet** has **ample liquidity** to navigate through the current challenging market environment

Attractive target P&L

Best in class contribution margin and scalable business model enables a long-term **Adj. EBITDA margin target of 10-15%**

A modern living room interior featuring a white, cylindrical coffee table with a black vase containing greenery, a patterned armchair, and a stack of white ottomans. The room has a light-colored wall, a window with brown curtains, and a wooden floor with a white rug. A large, semi-transparent grey circle is overlaid on the left side of the image, containing the text "Q&A" in white.

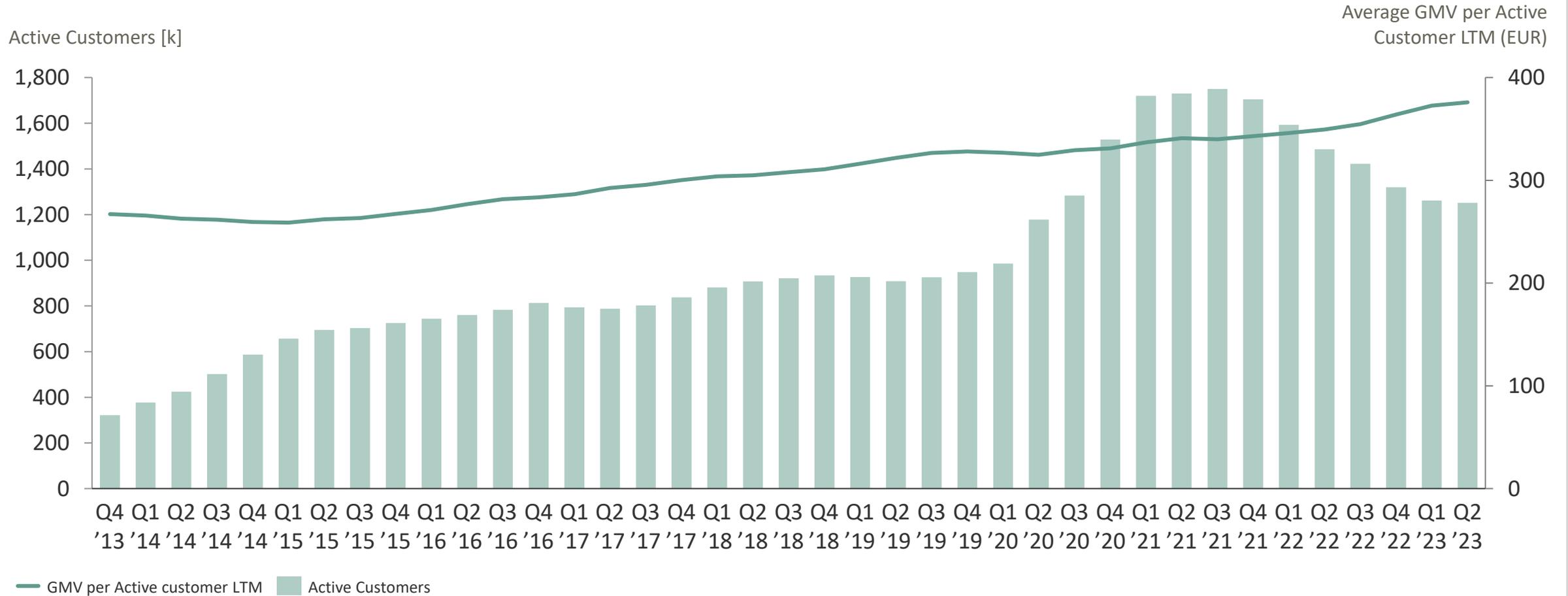
Q&A

Appendix



Continuously expanding share of wallet with customers

Active Customers and average 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.

KPI overview

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

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

Note: All figures unaudited.

Consolidated income statement

EUR m, in % of revenue, unaudited	H1 2022	H1 2023	Q2 2022	Q2 2023
Revenue	214.1	204.7	103.0	101.8
Cost of Sales	-110.0	-102.6	-52.9	-50.7
Gross profit	104.2	102.1	50.1	51.1
Fulfilment expenses	-50.1	-44.1	-24.2	-21.8
Marketing expenses	-22.5	-18.8	-11.0	-9.6
General and administrative expenses	-40.8	-40.0	-22.6	-21.4
Other operating expenses	-1.1	-3.2	-0.5	-2.3
Other operating income	0.9	3.6	0.4	2.1
Operating result	-9.5	-0.5	-7.6	-1.9
Financial result	-1.8	-0.6	-1.0	-0.0
Result before income tax	-11.4	-1.1	-8.6	-2.0
Income tax expense	-1.1	-0.7	0.2	-0.7
Result for the period	-12.5	-1.8	-8.4	-2.7
Reconciliation to Adj. EBITDA				
Operating result (EBIT)	-9.5	-0.5	-7.6	-1.9
Share-based compensation expenses	-3.8	0.6	-0.1	1.6
Restructuring severances 2022	1.1	-	1.1	-
D&A	8.2	9.5	4.2	4.7
Adj. EBITDA	-4.0	9.5	-2.3	4.4
Adj. EBITDA margin (%)	-1.9%	4.6%	-2.3%	4.4%

Note: Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its FY 2022 and H1 2023 report.

Adjusted income statement

EUR m, in % of revenue, unaudited	H1 2022	H1 2023	Q2 2022	Q2 2023
Revenue	214.1	204.7	103.0	101.8
<i>Revenue Growth yoy</i>	-20.7%	-4.4%	-21.8%	-1.2%
Cost of Sales	-110.0	-101.5	-52.9	-50.4
Gross Profit	104.2	103.1	50.1	51.4
<i>Gross Margin</i>	48.7%	50.4%	48.6%	50.5%
Fulfillment expenses	-50.1	-45.2	-24.2	-22.1
Contribution Profit	54.1	58.0	26.0	29.3
<i>Contribution Margin</i>	25.2%	28.3%	25.2%	28.8%
Marketing expenses	-21.9	-18.8	-10.3	-9.5
General and administrative expenses	-44.2	-39.5	-22.1	-19.8
Other operating expenses	-1.1	-3.2	-0.5	-2.3
Other operating income	0.9	3.6	0.4	2.1
Depreciation and Amortization	8.2	9.5	4.2	4.7
Adj. EBITDA	-4.0	9.5	-2.3	4.4
Adj. EBITDA Margin (%)	-1.9%	4.6%	-2.3%	4.4%

Note: Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its FY 2022 and H1 2023 report.

Segment reporting

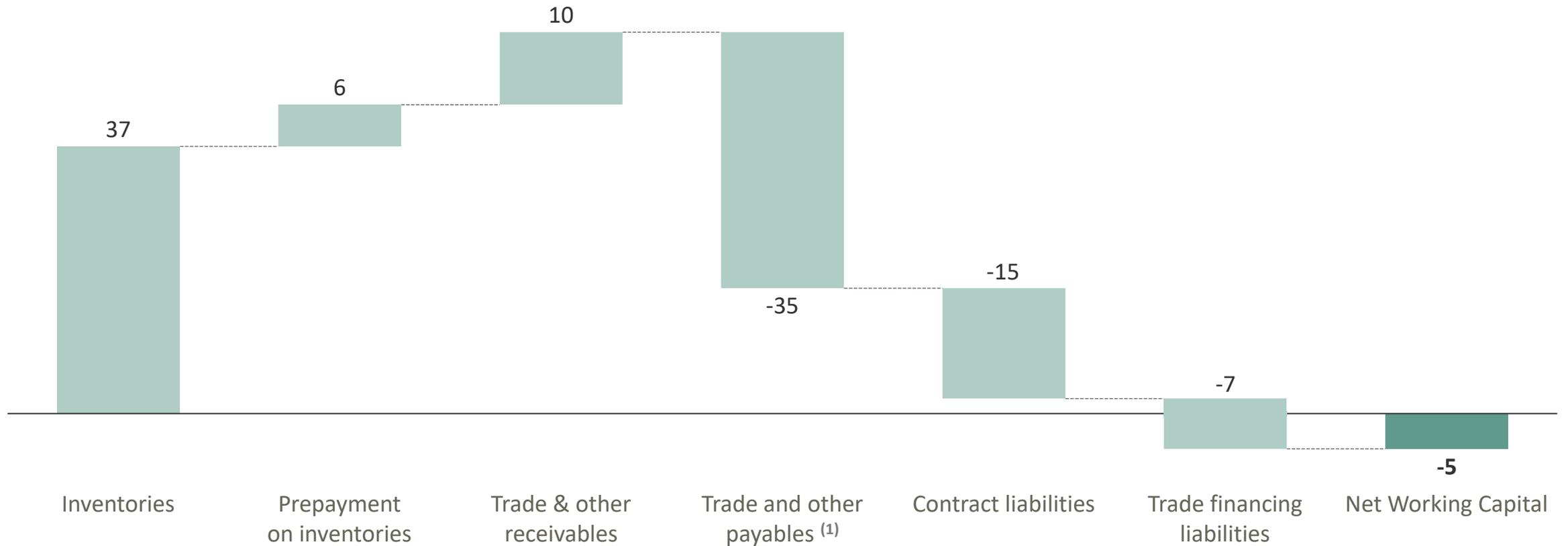
DACH in EUR m, unaudited	H1 2022	H1 2023	Q2 2022	Q2 2023
Revenue	119.2	111.1	58.5	55.3
<i>yoy Growth (in %)</i>	-22.5%	-6.7%	-22.0%	-5.5%
Adj. EBITDA	3.6	9.4	1.3	4.3
<i>Adj. EBITDA Margin %</i>	3.0%	8.4%	2.2%	7.8%

International in EUR m, unaudited	H1 2022	H1 2023	Q2 2022	Q2 2023
Revenue	95.0	93.6	44.5	46.5
<i>yoy Growth (in %)</i>	-18.4%	-1.5%	-22.0%	4.4%
Adj. EBITDA	-7.1	0.3	-3.3	0.2
<i>Adj. EBITDA Margin %</i>	-7.5%	0.4%	-7.4%	0.4%

Note: Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its FY 2022 and H1 2023 report.

Net working capital

Net working capital breakdown as of June 30, 2023 [in EUR m]



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

Issued share capital

Share Information *as of June 30, 2023*

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	671,617

Stock Option Programs *as of June 30, 2023*

Program	# of options outstanding	Weighted average exercise price (EUR)
LTIP 2023 ⁽¹⁾	422,457	10.82
ECP 2022	166,291	1.00
VSOPs ⁽²⁾	883,625	2.46
LTIP 2019	1,828,800	19.30
LTIP 2016	96,450	0.01
Other	753,275	11.26
Total	4,150,898	12.21

Note: All figures unaudited. Stock option programs are categorized as granted

(1) Assumes 100% performance achievement, final number can only be determined after 3-year performance period; exercisable earliest 4 years after grant date

(2) VSOPs are virtual, cash-settled option programs with an average cap of EUR 23.90

Upcoming Events

September 20, 2023



Baader Investment Conference

November 9, 2023



Publication of third quarter results 2023

November 27, 2023



Deutsches Eigenkapitalforum



Note: Dates could be still subject to change.

