

A photograph of a bedroom interior. In the foreground, a bed is covered with a light-colored, textured duvet. Several pillows are arranged on the bed: a large blue and white striped round pillow, two rectangular pillows with a blue and white geometric pattern, and several plain white and beige pillows. The background wall is covered in a light-colored, textured wallpaper with a subtle floral or leaf pattern. A lamp is visible on the right side of the frame.

# WESTWING

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## Q1 2023 Results

Munich, May 11, 2023

## 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.*



## AGENDA

- Q1 2023 Financial Update
- Q&A

## Q1 2023 Financial Update



# Q1 2023 financial update

1

## Q1 2023 topline

- Group GMV at EUR 118m at -8% yoy in Q1 2023 impacted by **baseline effects** from previous year and continued **low consumer sentiment**
- Westwing remains significantly larger compared to 2019: **Revenue is up by 67%**

2

## Delivering on cost saving targets

- **Costs are already down by EUR 29m** on an annualized basis versus the **committed EUR 30m of gross savings** (compared to Q1 2022 baseline)

3

## Turnaround on profitability and Cash Flow

- **Strong margins and cost saving initiatives** result in **EUR 5m Adj. EBITDA** at **4.9% Adj. EBITDA margin** in Q1 2023 (EUR +7m vs Q1 2022)
- **EUR 10m positive Free Cash Flow – an improvement of EUR +27m vs Q1 2022**; return to negative **Net Working Capital at EUR -5m** in Q1 2023 (EUR -30m vs peak of Q2 2022)

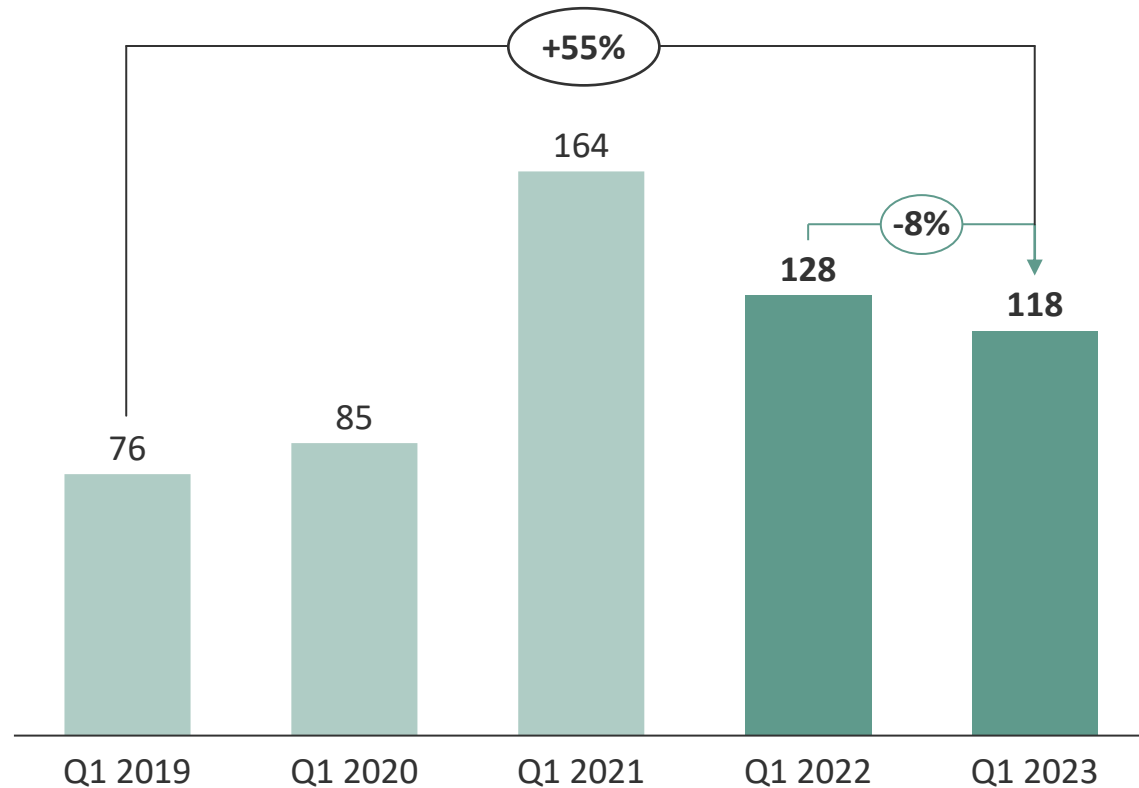
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## FY 2023 guidance confirmed

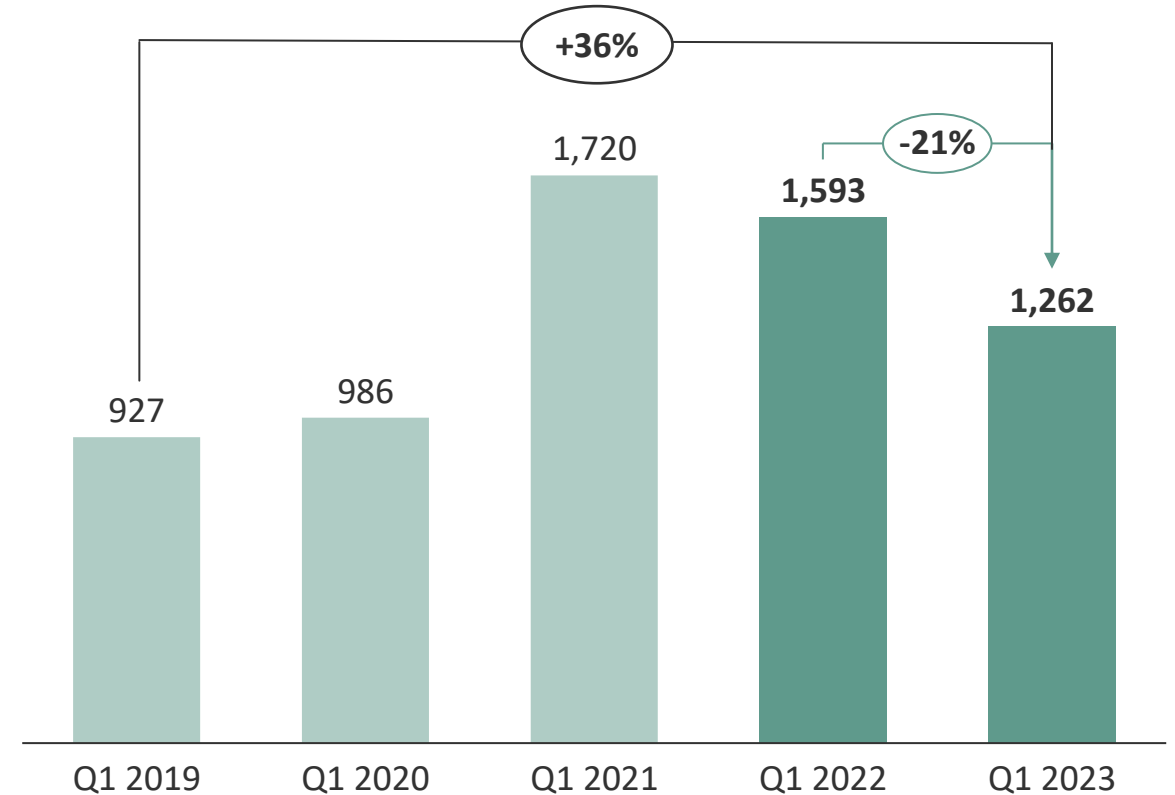
- **FY 2023 guidance confirmed**: Revenue of EUR 390 to 440m (-9% to +2% yoy growth) and Adj. EBITDA of EUR +4 to +13m (+1% to +3% margin)

# 1 Westwing remains significantly larger compared to pre-pandemic FY 2019 baseline

Group GMV [in EUR m]



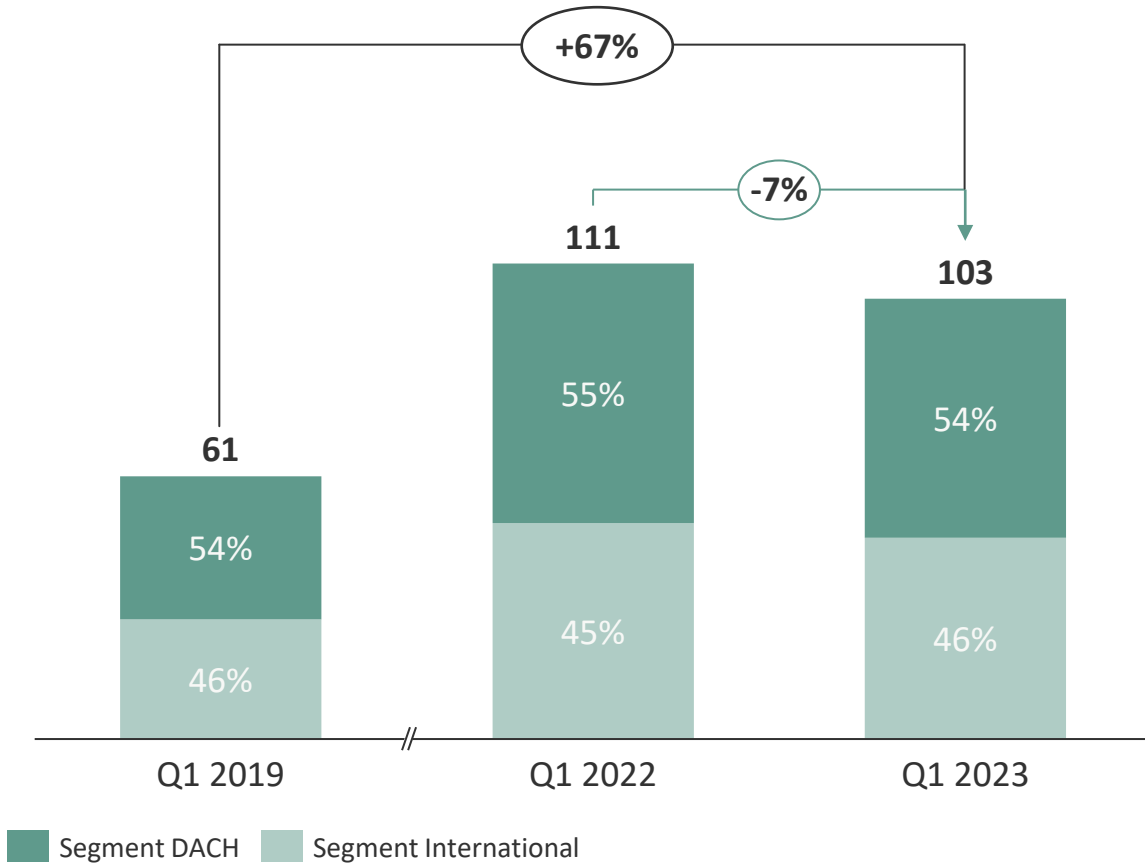
Active Customers LTM [in k]



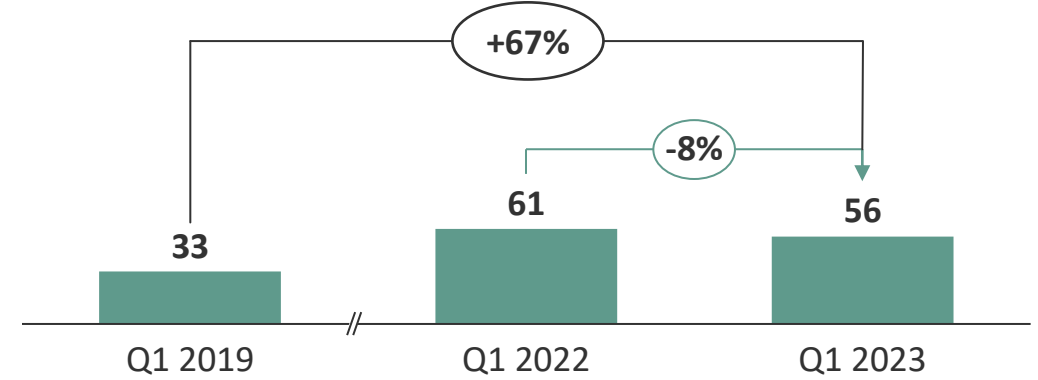
Note: All figures unaudited.

# 1 Q1 2023 Group Revenue is up by +67% vs Q1 2019

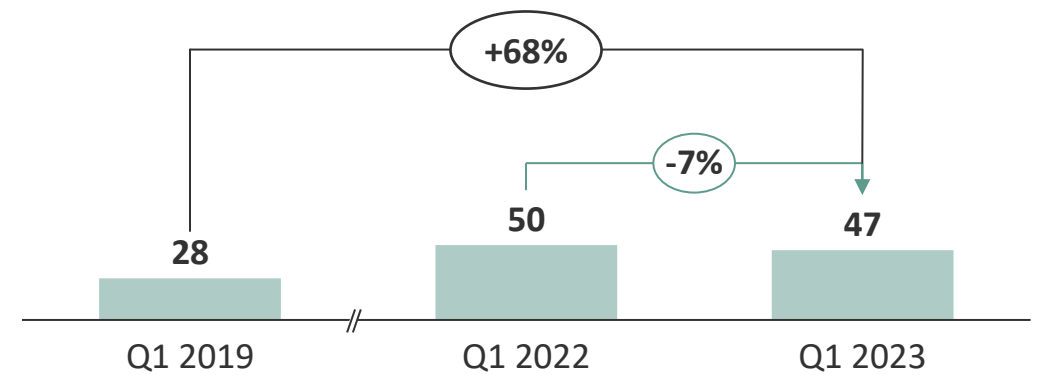
Group Revenue [in EUR m]



DACH Segment Revenue [in EUR m]

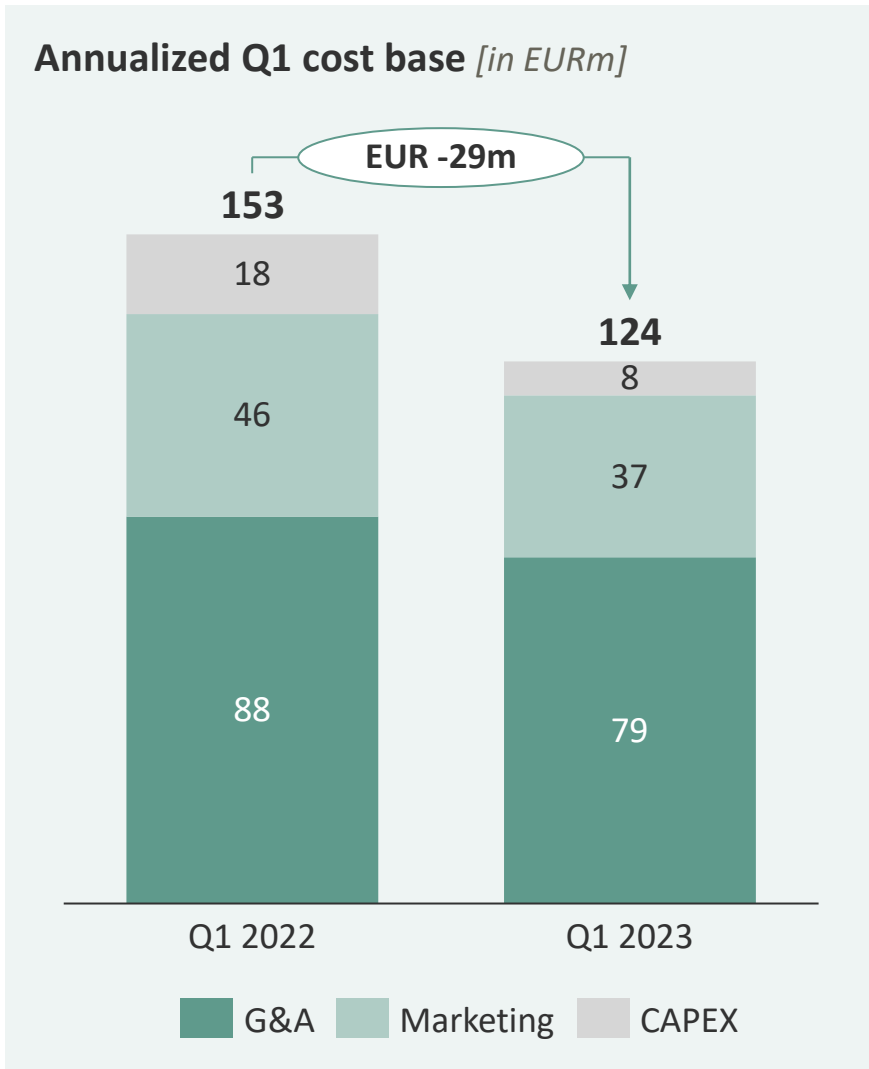


International Segment Revenue [in EUR m]



Note: All figures unaudited.

## 2 We are delivering on our cost saving targets across G&A, Marketing, and CAPEX



We are **on track to deliver our committed gross savings of EUR 30m** vs Q1 2022 baseline



**Marketing savings** are mainly achieved through roughly equal parts of personnel cost savings and reduced performance marketing expenditures



**G&A and CAPEX savings** are mainly achieved through a reduction in headcount as well as operational efficiencies across the organization



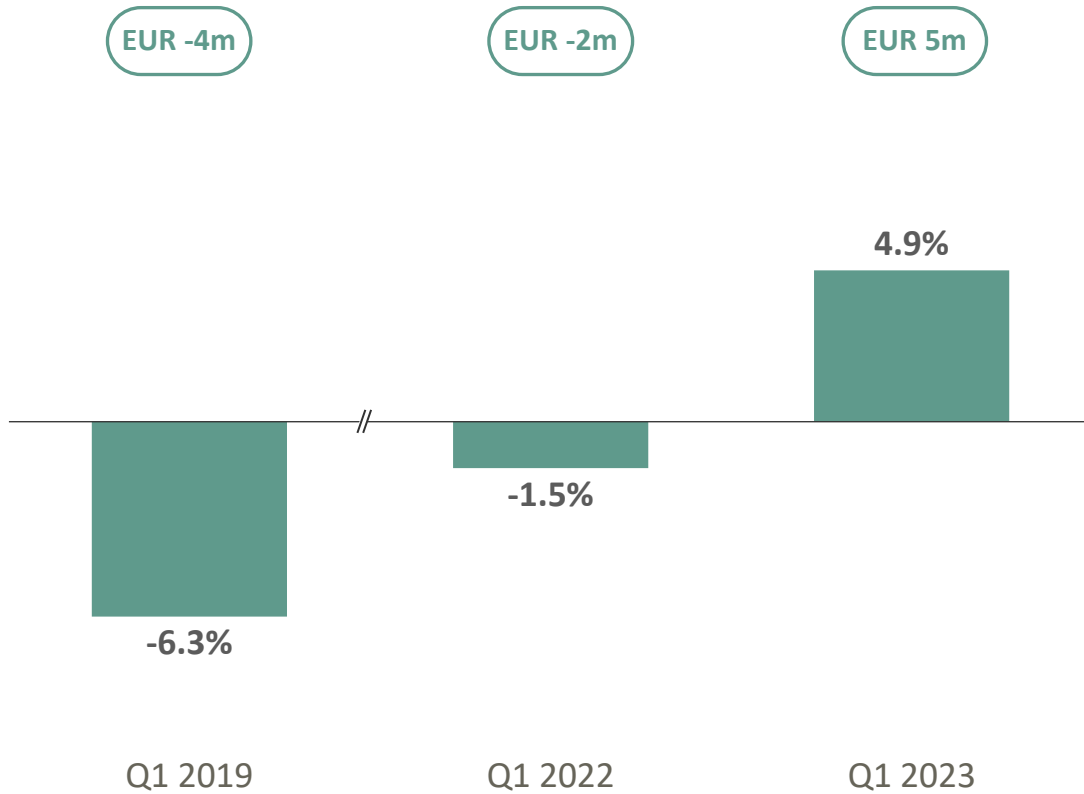
### 3 Q1 2023 results showcase our turnaround on profitability

[in % of revenue]	Q1 2019	Q1 2022	Q1 2023	Delta 23 vs. 19	Delta 23 vs. 22	
<b>Gross margin</b>	42.4%	48.7%	50.3%	+7.9%pts	+1.6%pts	Strong Westwing Collection share gains
Fulfilment ratio	-23.8%	-23.4%	-22.4%	+1.4%pts	+1.0%pts	Efficiency improvements in logistics
<b>Contribution margin</b>	18.6%	25.3%	27.9%	+9.3%pts	+2.6%pts	
Marketing ratio	-7.3%	-10.4%	-9.0%	-1.7%pts	+1.4%pts	Successful implementation of cost savings across G&A and Marketing
G&A ratio <sup>(1)</sup>	-20.8%	-20.0%	-18.6%	+2.2%pts	+1.5%pts	
D&A ratio	3.2%	3.6%	4.6%	+1.4%pts	+1.0%pts	
<b>Adj. EBITDA margin</b>	-6.3%	-1.5%	4.9%	+11.2%pts	+6.5%pts	

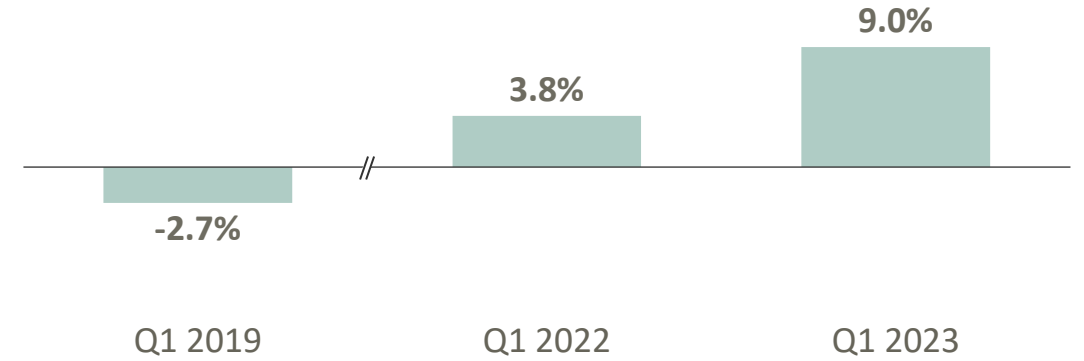
Note: (1) Includes "Other result". Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its Q1 2023 report. All figures unaudited.

### 3 Group profitability at 4.9% Adj. EBITDA margin in Q1 2023

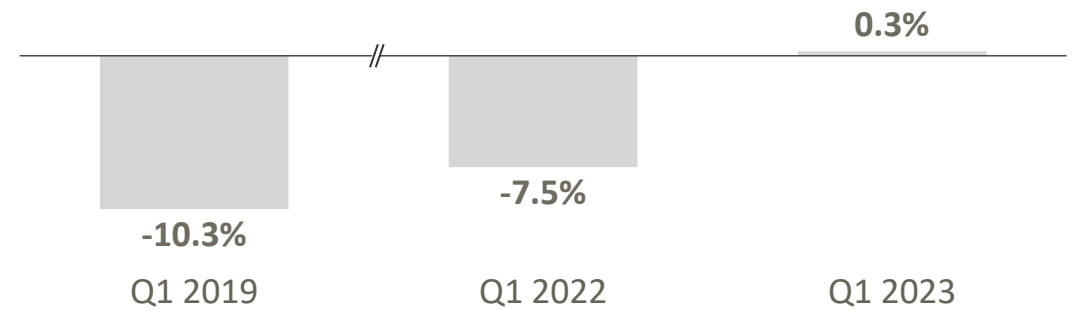
Group Adj. EBITDA [in % of revenue]



DACH Segment Adj. EBITDA [in % of revenue]

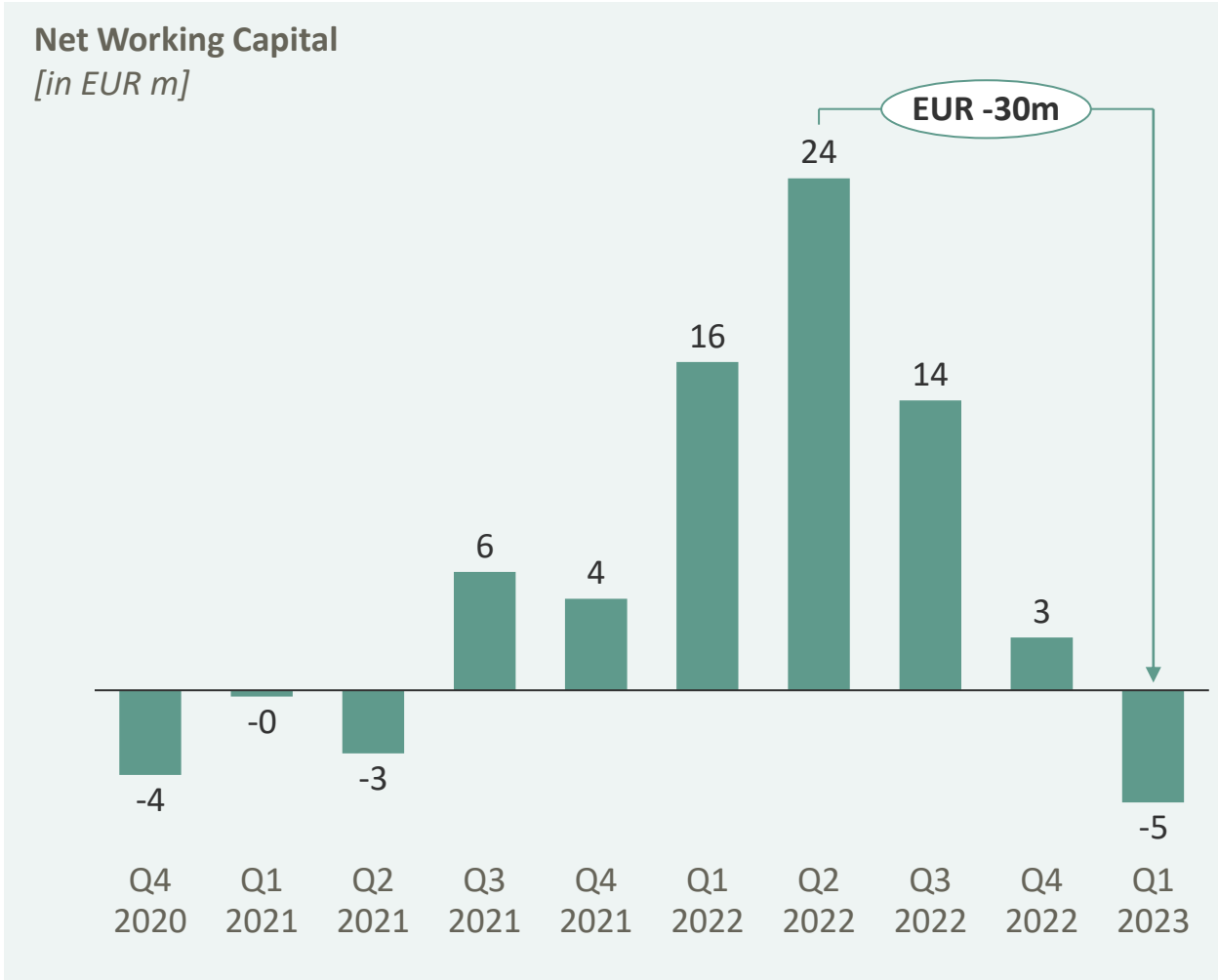


International Segment Adj. EBITDA [in % of revenue]



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 Q1 2023 report.

### 3 We returned to negative net working capital per end of Q1 2023



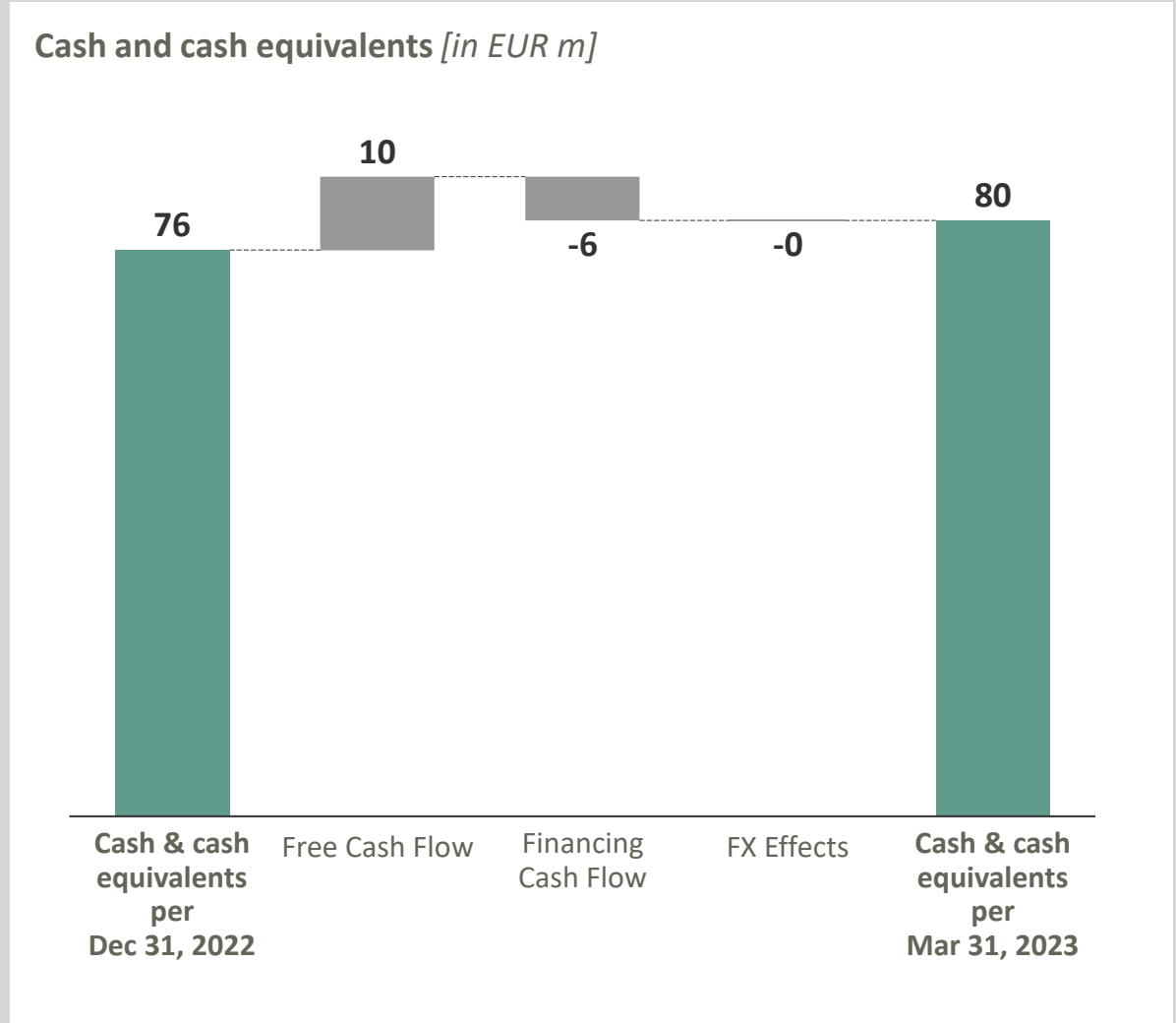
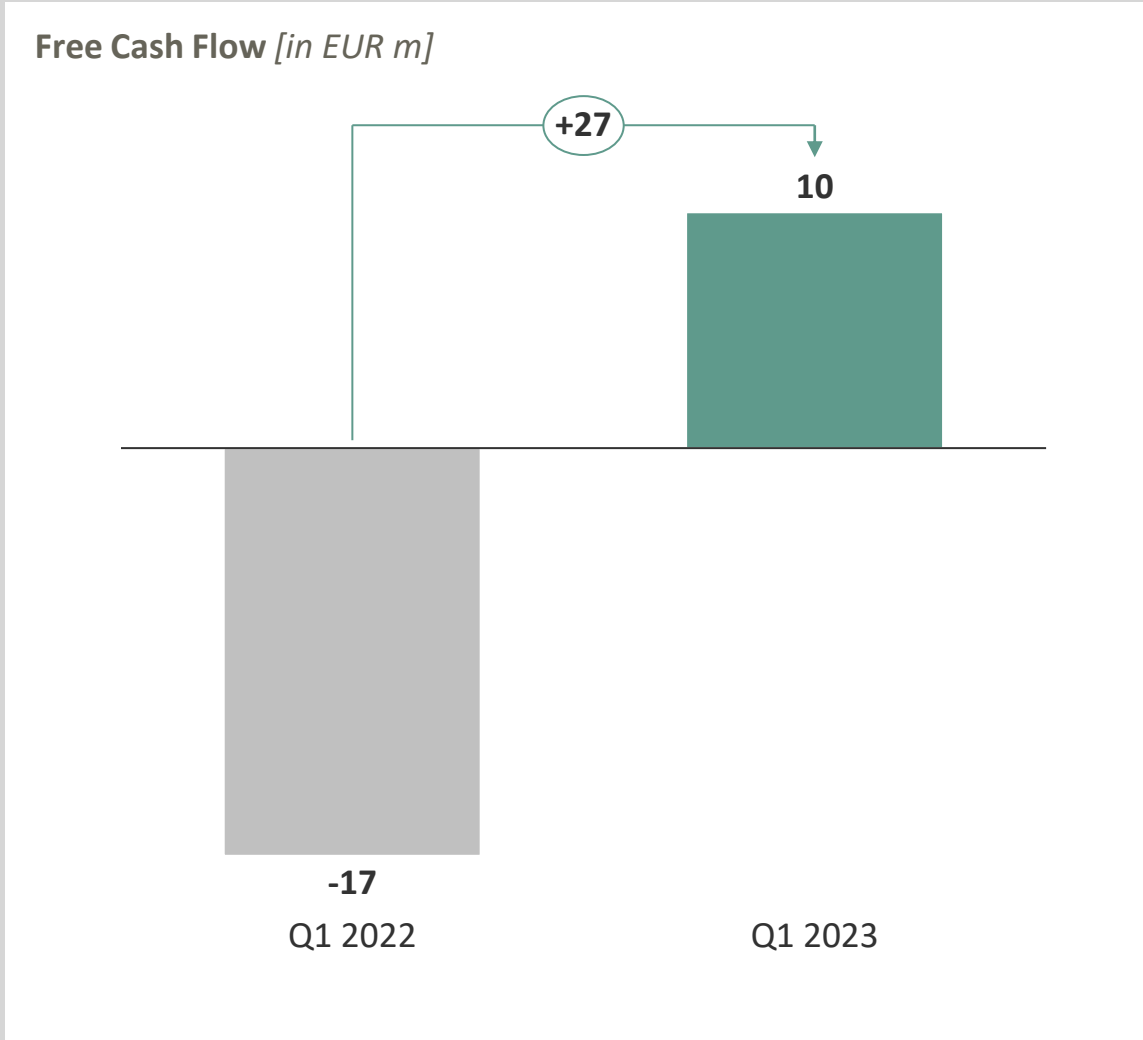
#### Decisive Net Working Capital management

- Continued **reduction of inventory overstock** at limited margin impact
- **Supplier negotiations** and seasonal effects resulted in improved trade payables
- **Trade financing** solution with an impact of EUR 7m in Q1 2023

**Net Working Capital is expected to remain on healthy levels in FY 2023, yet there will be negative seasonal effects in Q2 and Q3 2023**

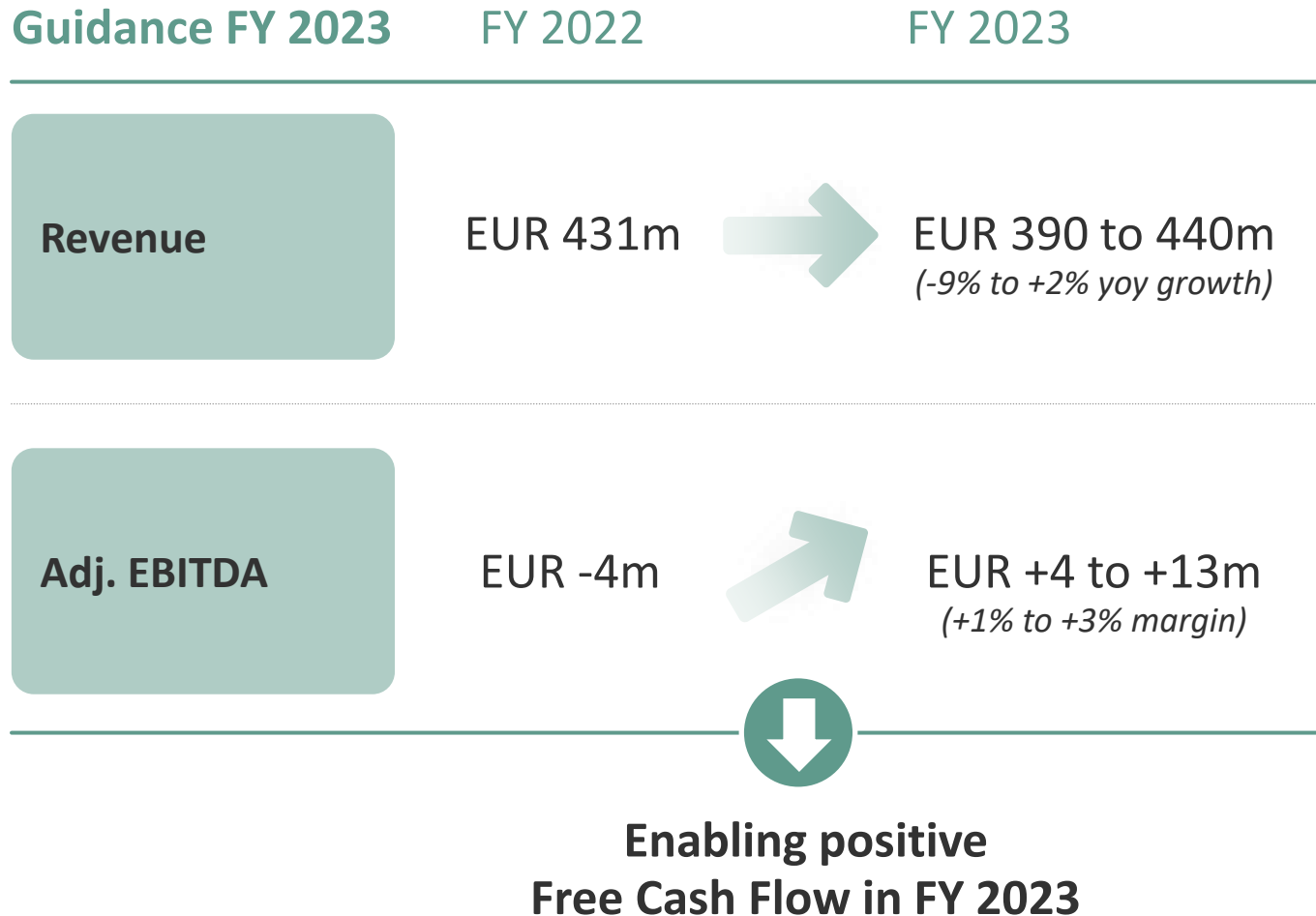
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# Operating profit and successful net working capital management result in EUR 10m Free Cash Flow in Q1 2023, an improvement of EUR 27m vs Q1 2022

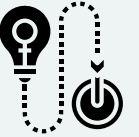


Note: All figures unaudited.

## 4 FY 2023 guidance confirmed



### FY 2023 financial priorities



- We are confident to **return to positive growth rates in the second half of 2023**
- **Strong unit economics and successful cost saving measures** are expected to enable **positive Adj. EBITDA profitability on a full year basis**
- The second and third quarter are expected at lower profitability levels due to seasonal effects

## Investment Highlights



# Investment highlights

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## The opportunity is massive

Huge Home & Living market of EUR 130b very early in eCommerce

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## 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<sup>(1)</sup>**

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## Westwing Collection

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

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## Strong cash profile

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

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## Attractive target P&L

We have a long-term **Adj. EBITDA margin target of 10-15%**

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Q&A



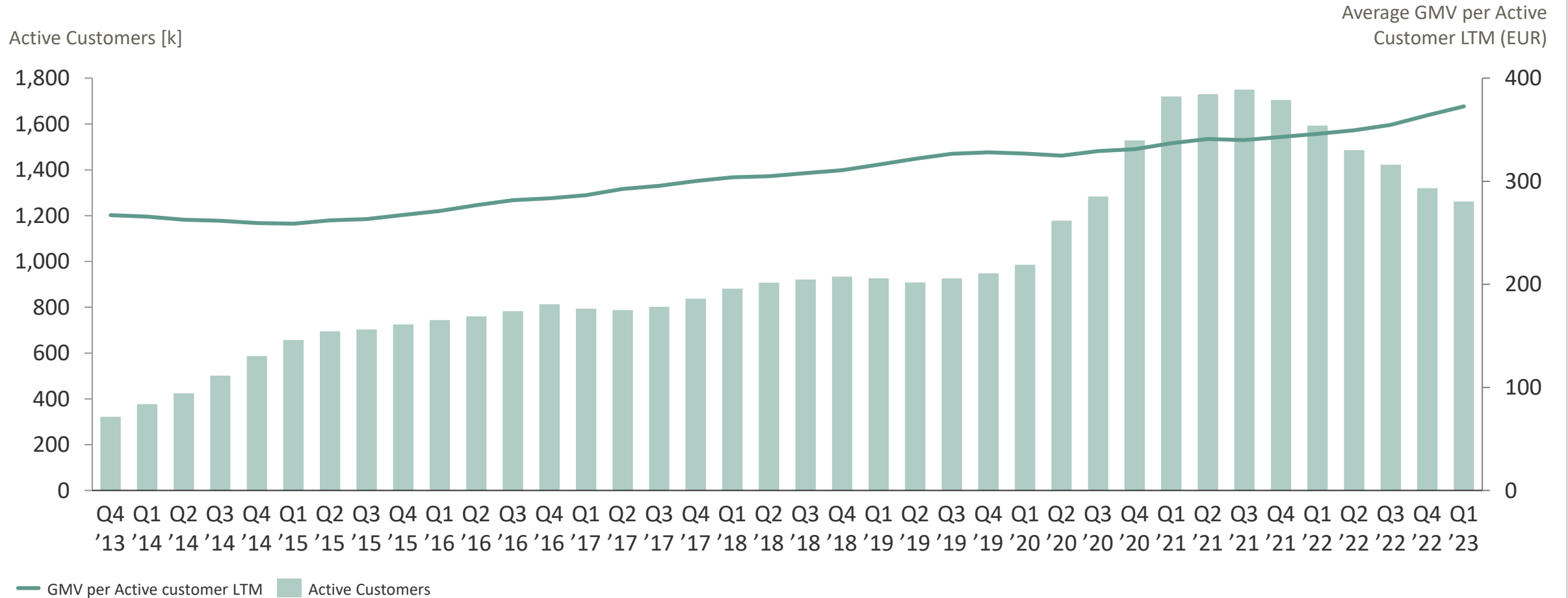


# Appendix



# 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 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
Westwing Collection share	in % of GMV	25%	22%	26%	28%	31%	32%	38%	37%	37%	38%	44%	44%	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
Number of orders	in k	675	1,051	874	1,474	1,268	1,022	819	1,262	872	685	620	951	694
Average basket size	in EUR	127	122	129	119	129	135	144	131	147	159	164	149	169
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
Average GMV LTM per Active Customer	in EUR	324	325	330	328	337	341	340	343	345	349	355	364	373
GMV	in EUR m	85	128	113	175	164	139	118	166	128	109	102	142	118
Mobile visit share	in %	76%	79%	80%	79%	79%	80%	80%	80%	80%	80%	80%	80%	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
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, unaudited	FY 2021	FY 2022	Q1 2022	Q1 2023
<b>Revenue</b>	<b>522.5</b>	<b>430.8</b>	<b>111.1</b>	<b>102.9</b>
Cost of Sales	-265.7	-228.1	-57.0	-51.9
<b>Gross profit</b>	<b>256.8</b>	<b>202.7</b>	<b>54.1</b>	<b>51.0</b>
Fulfilment expenses	-107.1	-94.2	-26.0	-22.3
Marketing expenses	-49.3	-40.6	-11.5	-9.2
General and administrative expenses	-79.3	-92.9	-18.3	-18.7
Other operating expenses	-3.8	-5.2	-0.7	-0.9
Other operating income	3.9	2.6	0.5	1.5
<b>Operating result</b>	<b>21.1</b>	<b>-27.4</b>	<b>-1.9</b>	<b>1.4</b>
Financial result	-2.1	-2.9	-0.8	-0.5
<b>Result before income tax</b>	<b>19.0</b>	<b>-30.3</b>	<b>-2.7</b>	<b>0.9</b>
Income tax expense	-7.0	-2.1	-1.3	-0.0
<b>Result for the period</b>	<b>12.0</b>	<b>-32.4</b>	<b>-4.0</b>	<b>0.9</b>
<b>Reconciliation to Adj. EBITDA</b>				
<b>Operating result (EBIT)</b>	<b>21.1</b>	<b>-27.4</b>	<b>-1.9</b>	<b>1.4</b>
Share-based compensation expenses	5.6	-0.6	-3.8	-1.0
Provision tax claim discontinued operations	0.3	-	-	-
Expenses SE conversion	0.4	-	-	-
Restructuring France and Italy	-0.0	-	-	-
Restructuring severances 2022	-	5.7	-	-
D&A	13.0	18.1	4.0	4.7
<b>Adj. EBITDA</b>	<b>40.4</b>	<b>-4.2</b>	<b>-1.7</b>	<b>5.1</b>
<b>Adj. EBITDA margin (%)</b>	<b>7.7%</b>	<b>-1.0%</b>	<b>-1.5%</b>	<b>4.9%</b>

# Adjusted income statement

EUR m, in % of revenue, unaudited	FY 2021	FY 2022	Q1 2022	Q1 2023
<b>Revenue</b>	<b>522.5</b>	<b>430.8</b>	<b>111.1</b>	<b>102.9</b>
<i>Revenue Growth yoy</i>	20.7%	-17.5%	-19.7%	-7.4%
Cost of Sales	-265.7	-223.8	-57.0	-51.2
<b>Gross Profit</b>	<b>256.8</b>	<b>207.1</b>	<b>54.1</b>	<b>51.7</b>
<b>Gross Margin</b>	<b>49.1%</b>	<b>48.1%</b>	<b>48.7%</b>	<b>50.3%</b>
Fulfillment expenses	-107.1	-98.0	-26.0	-23.1
Contribution profit	149.7	109.1	28.1	28.7
<b>Contribution margin</b>	<b>28.7%</b>	<b>25.3%</b>	<b>25.3%</b>	<b>27.9%</b>
Marketing expenses	-49.3	-39.2	-11.5	-9.2
General and administrative expenses	-73.4	-89.7	-22.1	-19.7
Other operating expenses	-3.5	-5.2	-0.7	-0.9
Other operating income	3.9	2.6	0.5	1.5
Depreciation and Amortization	13.0	18.1	4.0	4.7
<b>Adj. EBITDA</b>	<b>40.4</b>	<b>-4.2</b>	<b>-1.7</b>	<b>5.1</b>
<b>Adj. EBITDA Margin (%)</b>	<b>7.7%</b>	<b>-1.0%</b>	<b>-1.5%</b>	<b>4.9%</b>

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 Q1 2023 report.

# Segment reporting

DACH in EUR m, unaudited	FY 2021	FY 2022	Q1 2022	Q1 2023
<b>Revenue</b>	<b>296.8</b>	<b>242.4</b>	<b>60.7</b>	<b>55.8</b>
<i>yoy Growth (in %)</i>	22.4%	-18.3%	-23.3%	-8.0%
<b>Adj. EBITDA</b>	<b>38.8</b>	<b>7.9</b>	<b>2.3</b>	<b>5.0</b>
<i>Adj. EBITDA Margin %</i>	13.1%	3.3%	3.8%	9.0%

International in EUR m, unaudited	FY 2021	FY 2022	Q1 2022	Q1 2023
<b>Revenue</b>	<b>225.7</b>	<b>188.4</b>	<b>50.4</b>	<b>47.1</b>
<i>yoy Growth (in %)</i>	18.6%	-16.5%	-15.0%	-6.7%
<b>Adj. EBITDA</b>	<b>2.8</b>	<b>-11.2</b>	<b>-3.8</b>	<b>0.1</b>
<i>Adj. EBITDA Margin %</i>	1.2%	-5.9%	-7.5%	0.3%

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 Q1 2023 report.

# Net Working Capital

Net Working Capital (NWC) breakdown as of March 31, 2023 [in EUR m]



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

# Issued share capital

## Share Information *as of March 31, 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	556,918

## Stock Option Programs *as of March 31, 2023*

Program	# of options outstanding	Weighted average exercise price (EUR)
LTIP 2023 <sup>(1)</sup>	422,457	11.22
ECP 2022	73,941	1.00
VSOPs <sup>(2)</sup>	883,625	2.46 <sup>(2)</sup>
LTIP 2019	1,828,800	19.30
LTIP 2016	96,450	0.01
Other	754,925	11.24
<b>Total</b>	<b>4,060,198</b>	<b>12.50</b>

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

May 16, 2023



Annual General Meeting

August 10, 2023



Publication of half-year financial report 2023

September 18-20, 2023



Berenberg and Goldman Sachs Twelfth German Corporate Conference

September 18-22, 2023



Baader Investment Conference

November 9, 2023



Publication of third quarter results 2023

November 27, 2023



Deutsches Eigenkapitalforum



