

A decorative living room scene. In the foreground, a light-colored armchair with a pink textured pillow is on the left. A small table holds a stack of books, including 'GOOP CLEAN BEAUTY' and 'BEING HONEST', two lit candles in holders, and a white bust. In the background, a tall white pedestal holds a vase of colorful flowers (purple, pink, red) and a lit candle. The wall features white paneling.

# WESTWING

FY 2022 Results

Munich, March 30, 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

## Q4 2022 results

- **Positive Adj EBITDA** of EUR +4m and **strong Free Cash Flow** of EUR +12m in Q4 2022
- **Cash at EUR 76m** per end of Q4 2022 (EUR +12m vs Q3 2022)

2

## Clear focus on financial stability in FY 2023

- The **macro environment remains challenging**, but we are confident to **return to growth in the second half of 2023**
- Navigating the current **uncertainty** and **difficult market environment** with **financial stability**

3

## Strong rating improvement confirms our ESG strategy

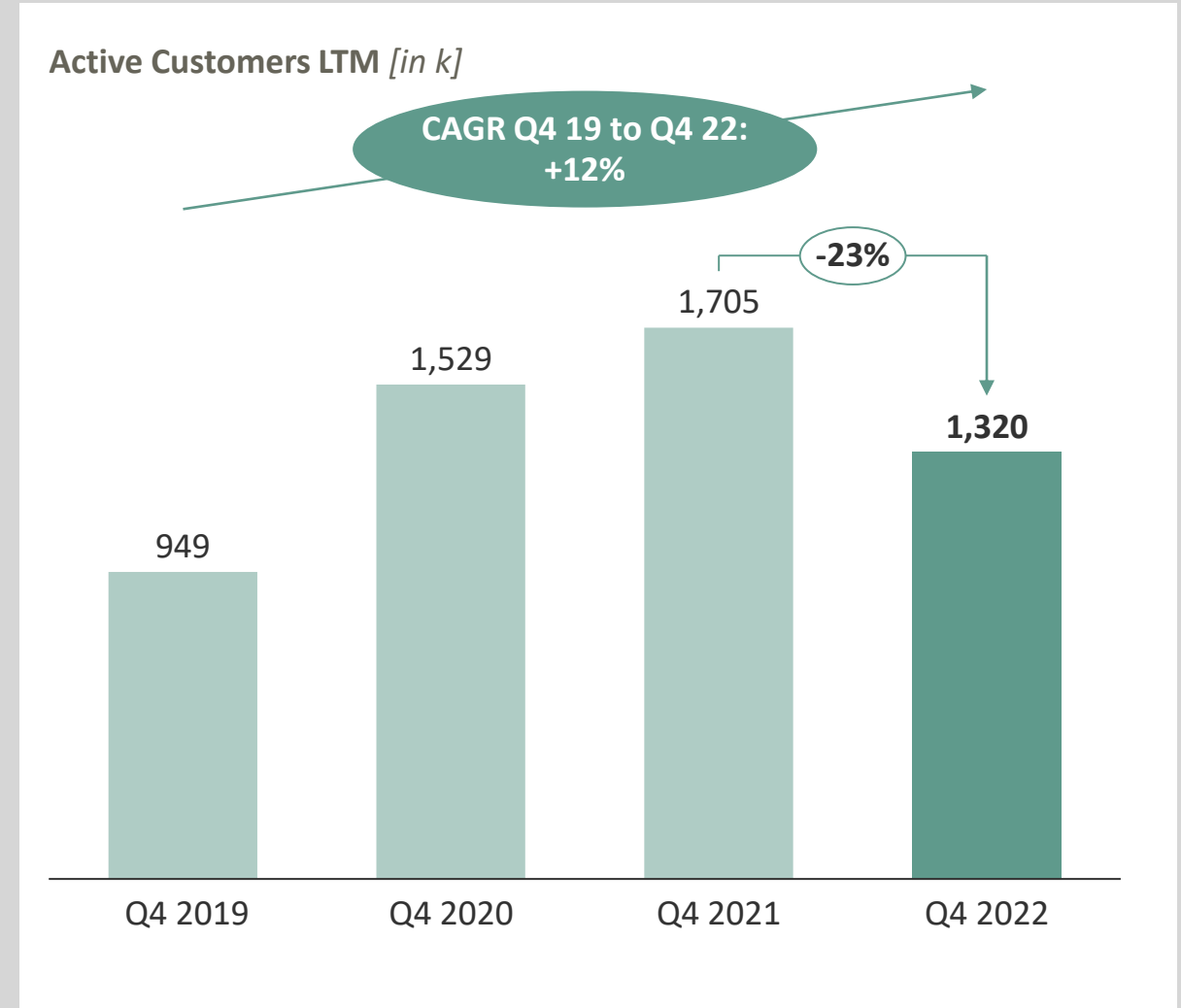
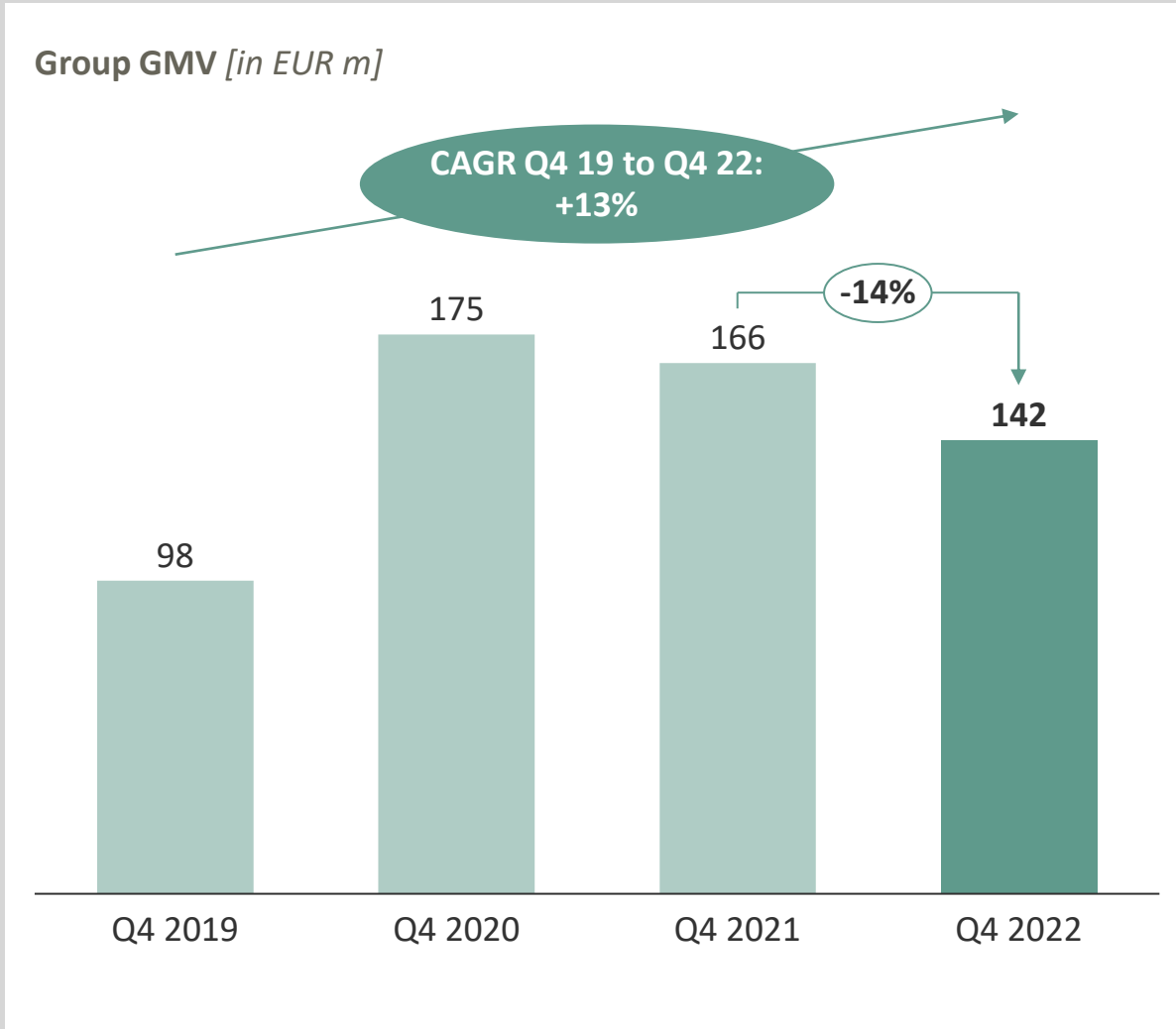
- We continue to successfully **embed sustainability deeply into our operating model**
- 2022 rating confirms Westwing as an **ESG industry leader**

4

## Progress on Westwing's full potential

- **One Westwing** implementation progresses as planned with promising results
- **Westwing Collection well on track** to target share of **+50% group GMV**

# 1 GMV and Active Customer increasing at a CAGR of +13% and +12% vs. Q4 2019



Note: All figures unaudited.

# 1 We continue to deliverer against our financial priorities



## Protecting unit economics

- Increasing **high-margin Westwing Collection** share
- Retail **price increases**
- Further **shipping fee** introduction
- Implementing **fulfillment efficiencies**



## Strong cost discipline

- Progressing as planned to deliver **EUR 30m of cost reduction** p.a.<sup>(1)</sup> across SG&A, Marketing, and CAPEX



## Decisive net working capital management

- **EUR -22m Net Working Capital reduction** per end of Q4 2022 vs peak of Q2 2022



## Maintaining a strong cash position

- **EUR 76m Cash & Cash Equivalents** per end of Q4 2022 (EUR +12m vs Q3 2022)



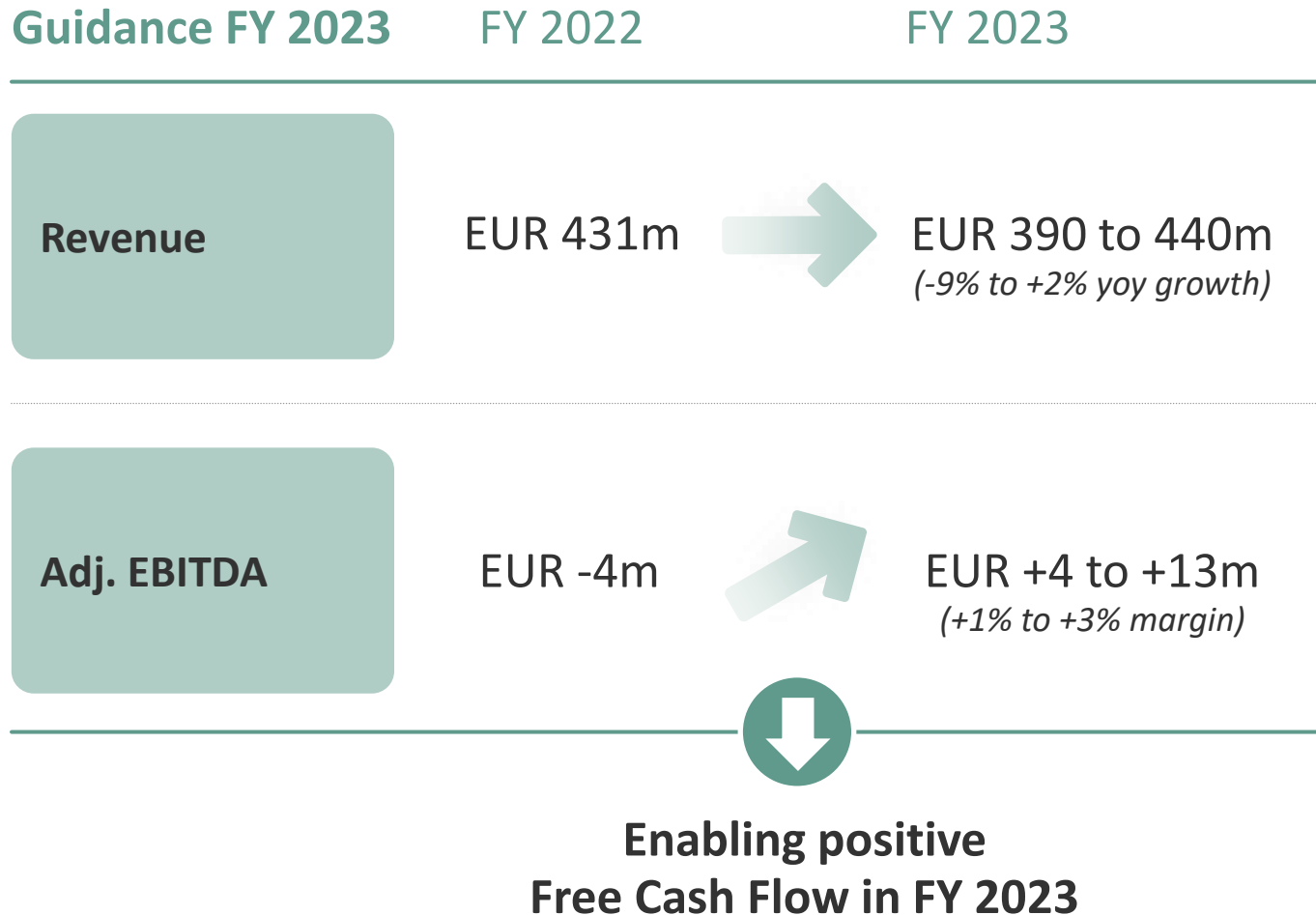
## Q4 2022 results

**Positive Adj EBITDA**  
of EUR +4m and 3.3% margin

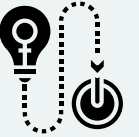
**Strong Free Cash Flow**  
at EUR +12m in Q4 2022

Note: (1) Savings calculated vs annualized Q1 2022 baseline. 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 Annual Report 2022.

## 2 Our clear focus is on financial stability in FY 2023



### FY 2023 financial priorities



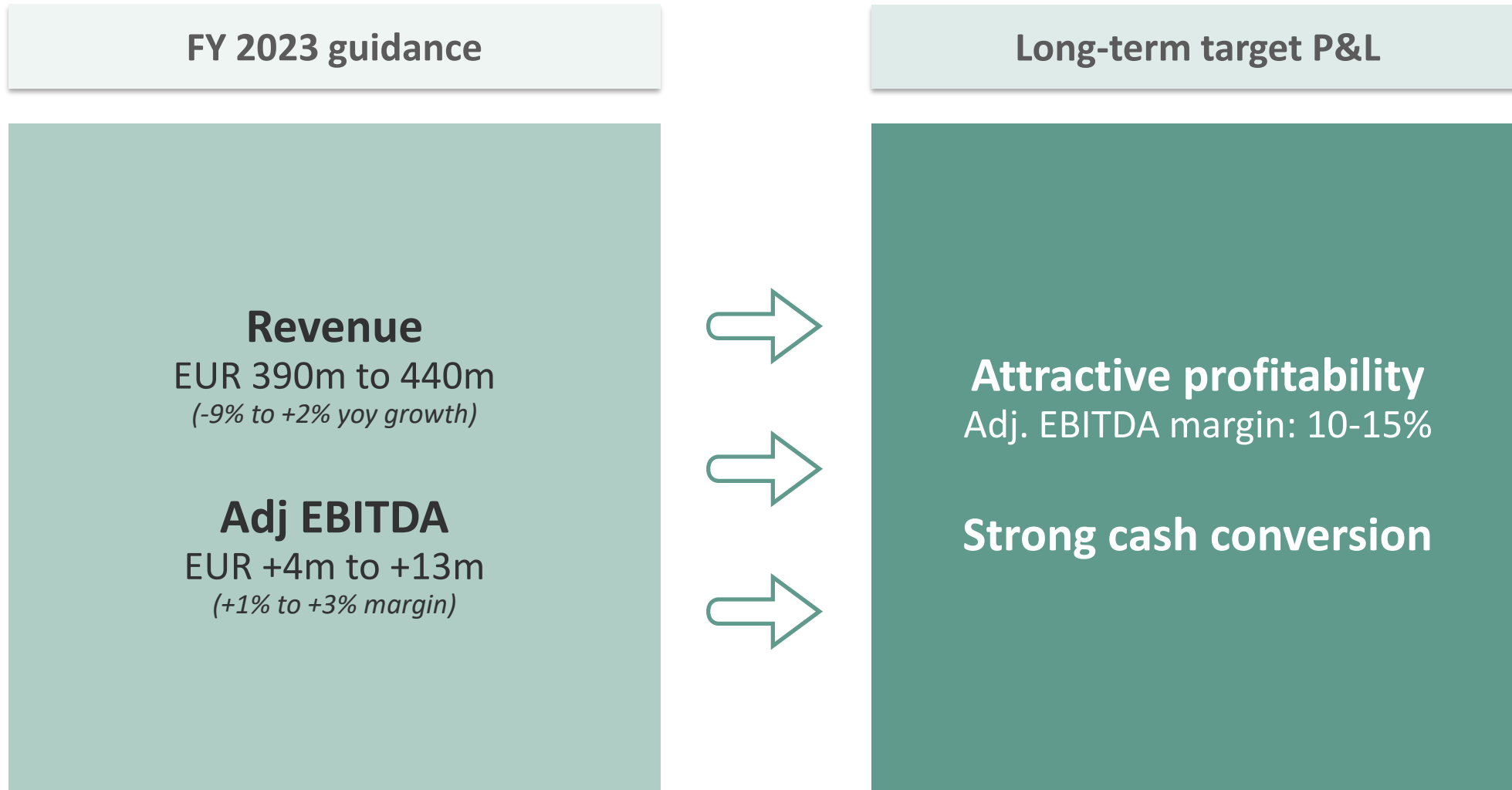
- The macro environment remains challenging, but we are confident to **return to growth in the second half of 2023**
- The 2022 baseline is significantly weaker for the second half of the year
- **Improving Unit Economic:** Strong focus on margin discipline and fulfillment efficiencies
- **Strict cost discipline:** Ensure full P&L benefit of implemented savings across SG&A and Marketing

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 Annual Report 2022.



2

## Driving clear short-term priorities in 2023 to support the path towards our long-term target of 10-15% Adj. EBITDA and strong cash conversion



Note: Long-term target figures provided here are indicative and do not represent official company guidance. 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 Annual Report 2022.

2

## Our high-margin Westwing Collection and scalable platform will result in a very attractive long-term profitability

	FY 2022	FY 2023 expected	Long-term target P&L	
<i>[in % of revenue]</i>				
<b>Contribution margin</b>	25%	+25 to +27%	+30 to +32%	Westwing Collection share gains and logistic scale
<b>Marketing ratio</b>	-9%	-9 to -10%	-9 to -11%	Consumer love brand results in attractive marketing ratio
<b>G&amp;A ratio<sup>(1)</sup></b>	-21%	-17 to -19%	-10 to -12%	Operating leverage based on proven scalability of platform
<b>D&amp;A ratio</b>	+4%	+4 to +5%	+2 to +3%	
<b>Adj. EBITDA margin</b>	-1%	+1 to +3%	+10 to +15%	

Note: (1) Includes "Other result". Figures provided here are indicative and do not represent official company guidance. 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 Annual Report 2022.

### 3 Rating improvement confirms our ESG strategy

#### 2022 sustainability highlights and data



##### Supplier engagement

>95%

of our non-EU Westwing Collection suppliers have been audited on social aspects



##### Materials & Packaging

8%

FY 2021



60%

FY 2022

use of FSC®-certified wood in our Westwing Collection



##### Planet & People

Committed to the Science Based Targets initiative to help limit global warming to

1.5°C

#### Westwing MSCI ESG rating 2022

MSCI  
ESG RATINGS



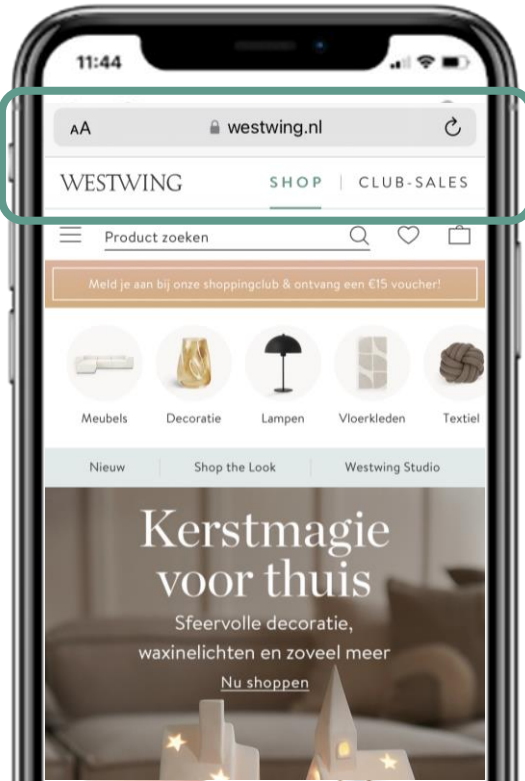
Leader

# “OneWestwing” is on track, as we roll-out the better and more intuitive customer experience across the European markets

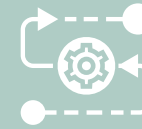
4



“OneWestwing” pilot in NL with positive results



“OneWestwing” webpage rolled-out in all countries



## Next milestones



Merging Shop and Club mobile apps



Consolidate back-end Technology stack to enable synergies

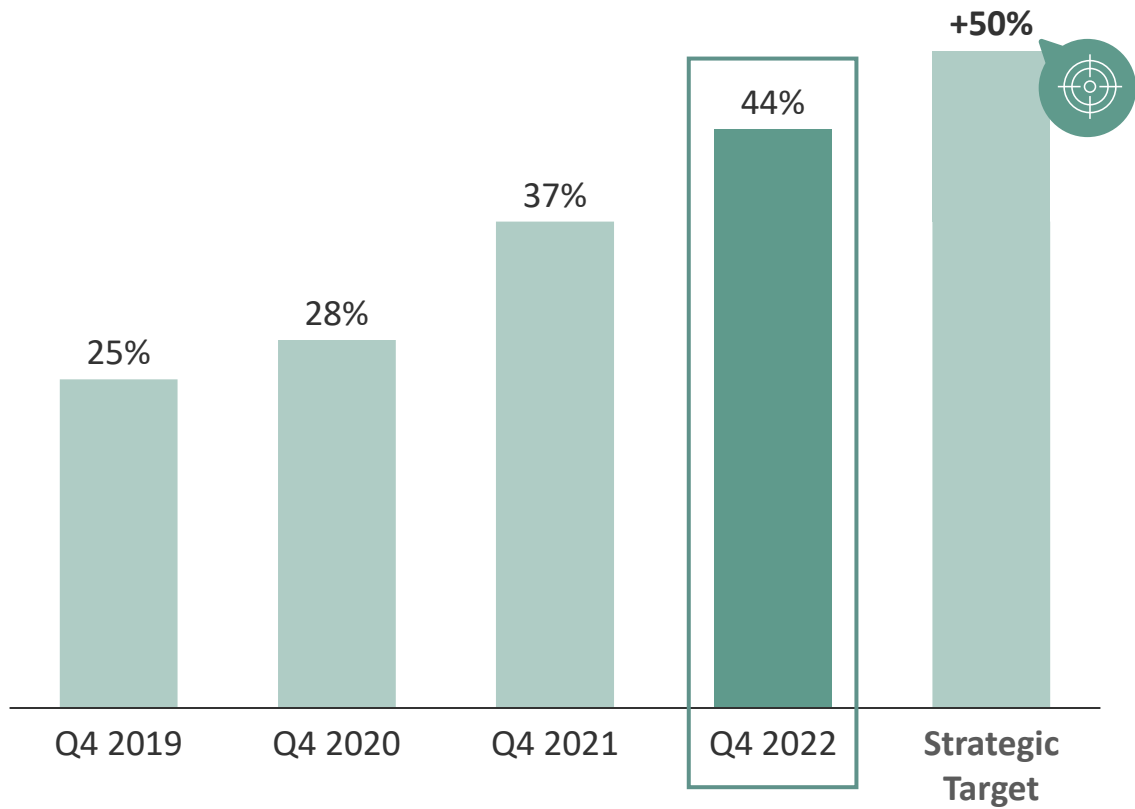


Continuously optimize marketing, conversion, and traffic drivers within the new set-up to maximize GMV uplift



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

Westwing Collection share [as % of GMV]





# Financial Update





# We delivered on our updated FY 2022 guidance



Revenue

2022 guidance

EUR 410 to 450m

-22% to -14%  
yoy growth

2022 results

EUR 431m

-18%  
yoy growth



Adj. EBITDA

EUR -15 to 0m

-4% to 0%  
margin

EUR -4m

-1%  
margin

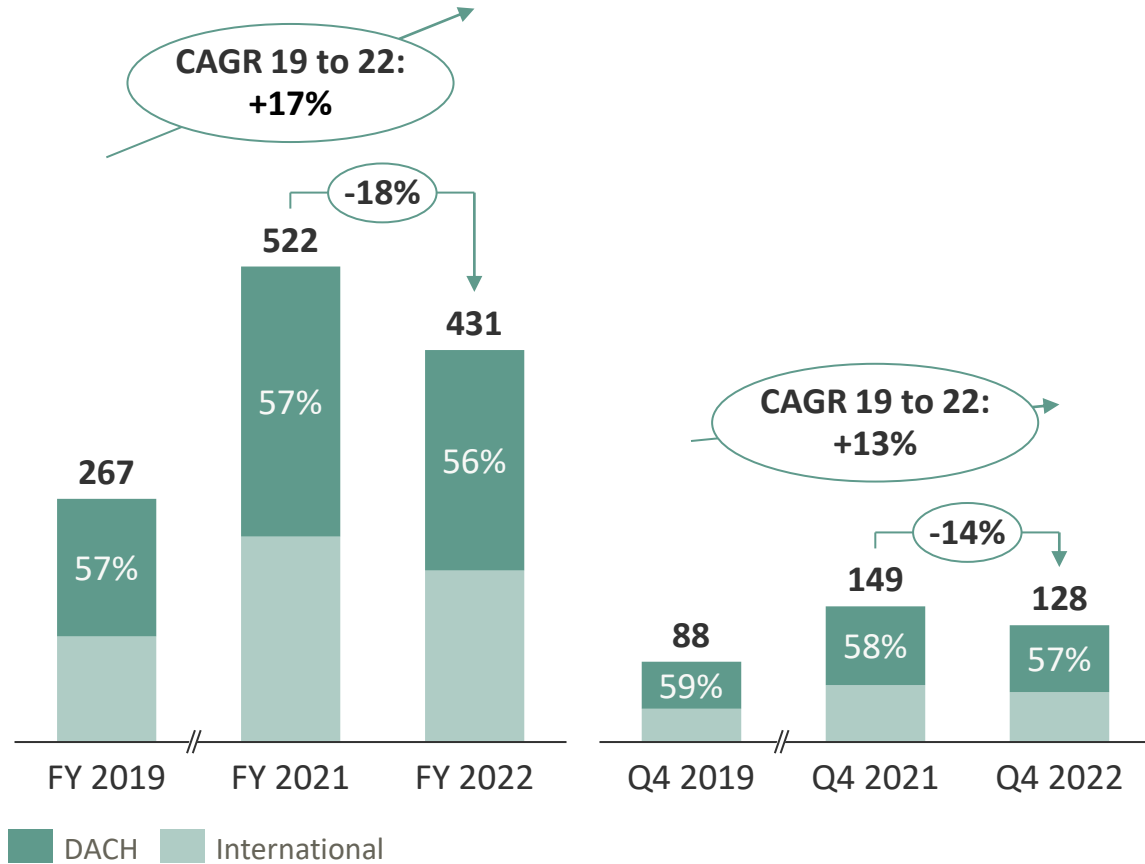


Note: Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its Annual Report 2022.

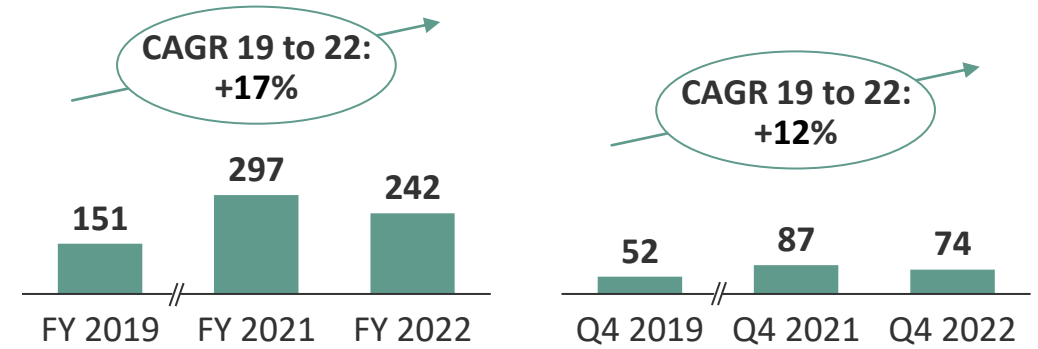


# Westwing remains significantly larger compared to pre-pandemic FY 2019 baseline

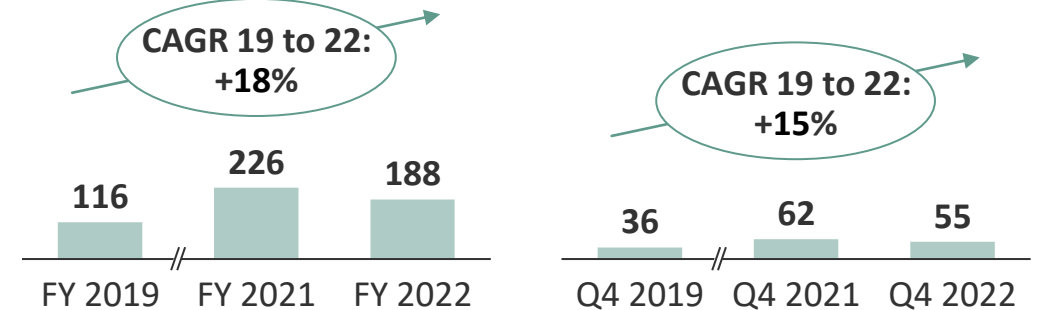
Group Revenue [in EUR m]



DACH Segment Revenue [in EUR m]



International Segment Revenue [in EUR m]





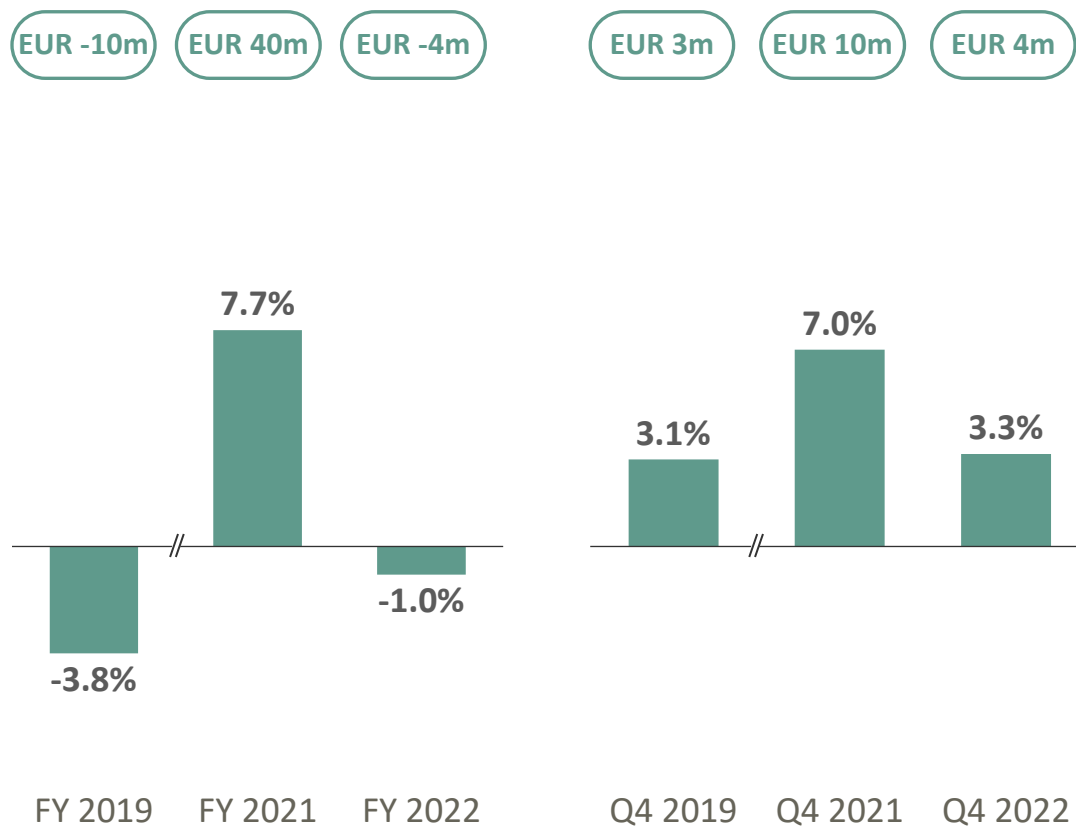
# Income statement details

[in % of revenue]	FY 2019	FY 2021	FY 2022	Delta 22 vs. 21	Q4 2019	Q4 2021	Q4 2022	Delta 22 vs. 21	
<b>Gross margin</b>	44.6%	49.1%	48.1%	-1.1%pts	47.1%	47.6%	47.3%	-0.3%pts	Cost increases and stock sell-offs mostly compensated by higher Westwing Collection share and price increases
<b>Fulfilment ratio</b>	-23.2%	-20.5%	-22.7%	-2.2%pts	-21.1%	-20.0%	-21.1%	-1.1%pts	Lower utilization and cost inflation
<b>Contribution margin</b>	21.4%	28.7%	25.3%	-3.3%pts	26.0%	27.6%	26.1%	-1.5%pts	
<b>Marketing ratio</b>	-8.6%	-9.4%	-9.1%	+0.3%pts	-8.2%	-9.5%	-7.1%	+2.4%pts	Cost savings in organic and performance marketing
<b>G&amp;A ratio<sup>(1)</sup></b>	-20.0%	-14.0%	-21.4%	-7.4%pts	-17.7%	-13.4%	-19.8%	-6.4%pts	Impact from lower scale; cost savings not yet fully effective in P&L
<b>D&amp;A ratio</b>	3.4%	2.5%	4.2%	+1.7%pts	2.9%	2.4%	4.1%	+1.7%pts	
<b>Adj. EBITDA margin</b>	-3.8%	7.7%	-1.0%	-8.7%pts	3.1%	7.0%	3.3%	-3.7%pts	

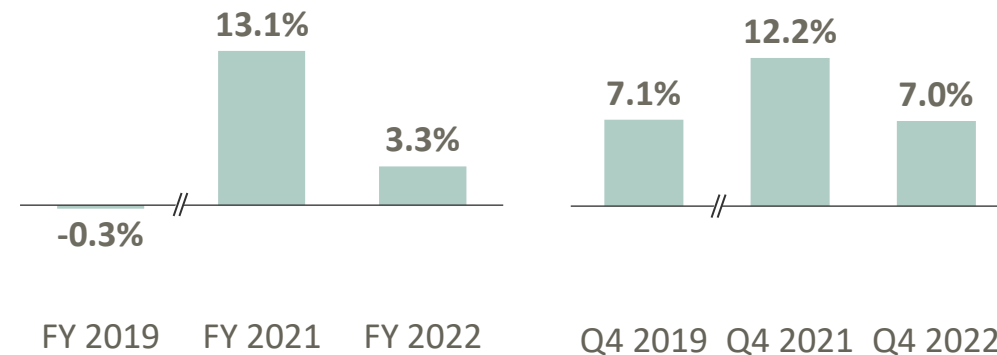
Note: (1) Includes "Other result". G&A ratio without "Other result" at 20.8% for FY 2022 and 17.9% for Q4 2022. Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its Annual Report 2022.

# Group profitability at 3.3% Adj. EBITDA margin in Q4 2022

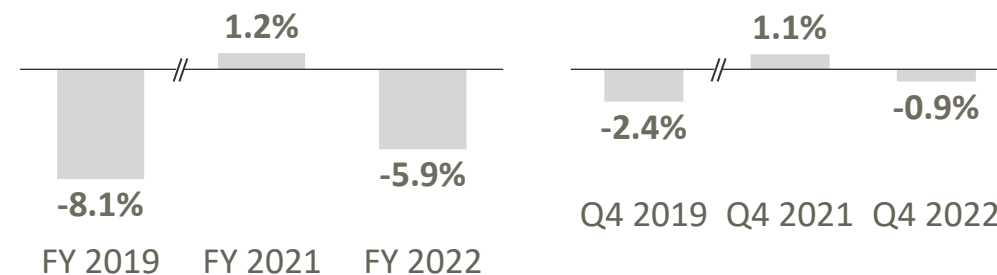
Group Adj. EBITDA [in % of revenue]



DACH Segment Adj. EBITDA [in % of revenue]



International Segment Adj. EBITDA [in % of revenue]

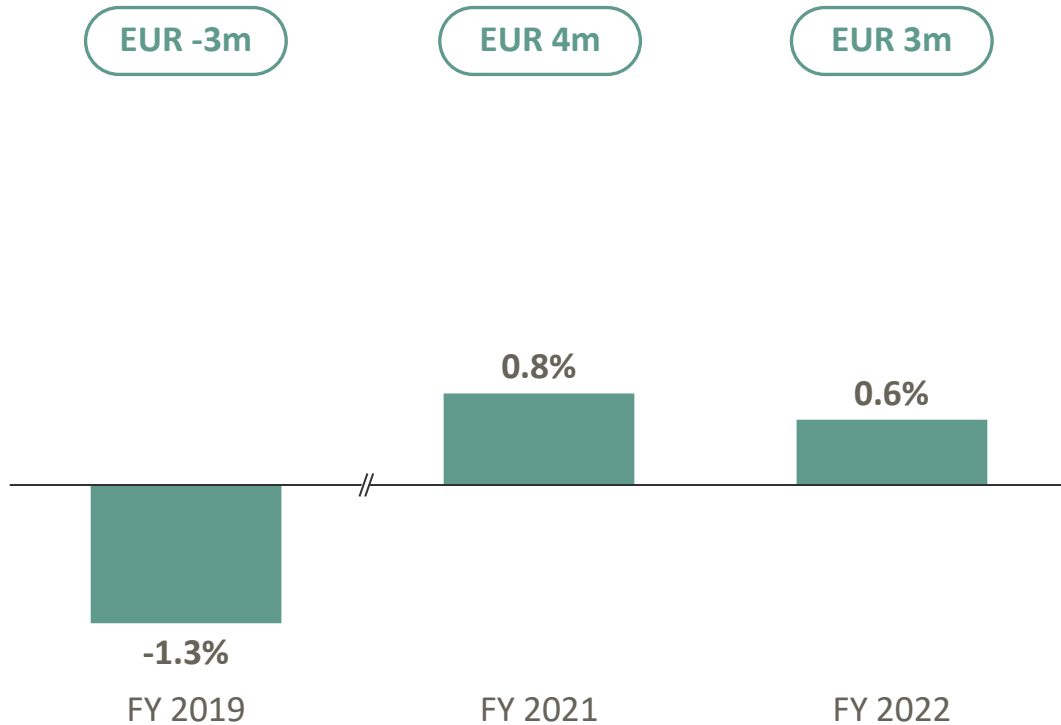


Note: Figures in this section are presented on an adjusted basis. For details regarding the exact definition of the alternative performance Adjusted EBITDA, the company refers to the corresponding definitions in its Annual Report 2022.

# Net Working Capital back to FY 2021 levels; CAPEX ratio remains at only 3% in FY 2022

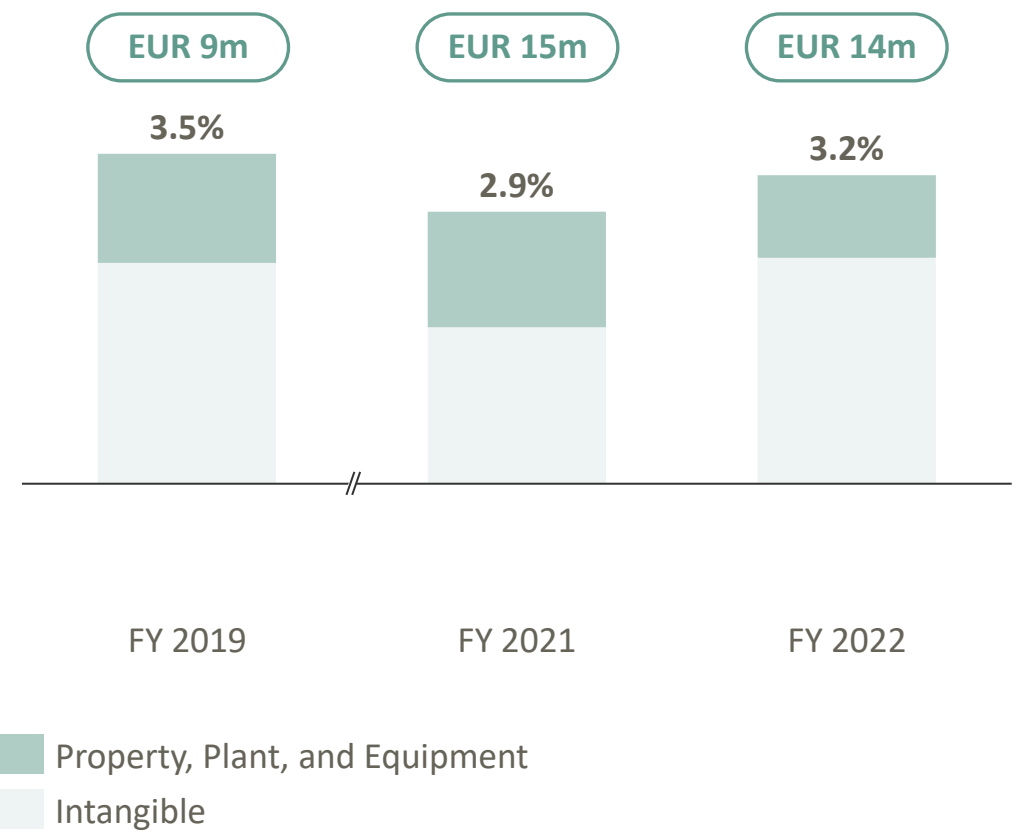
## Net Working Capital

[in EUR m and % of LTM revenue]



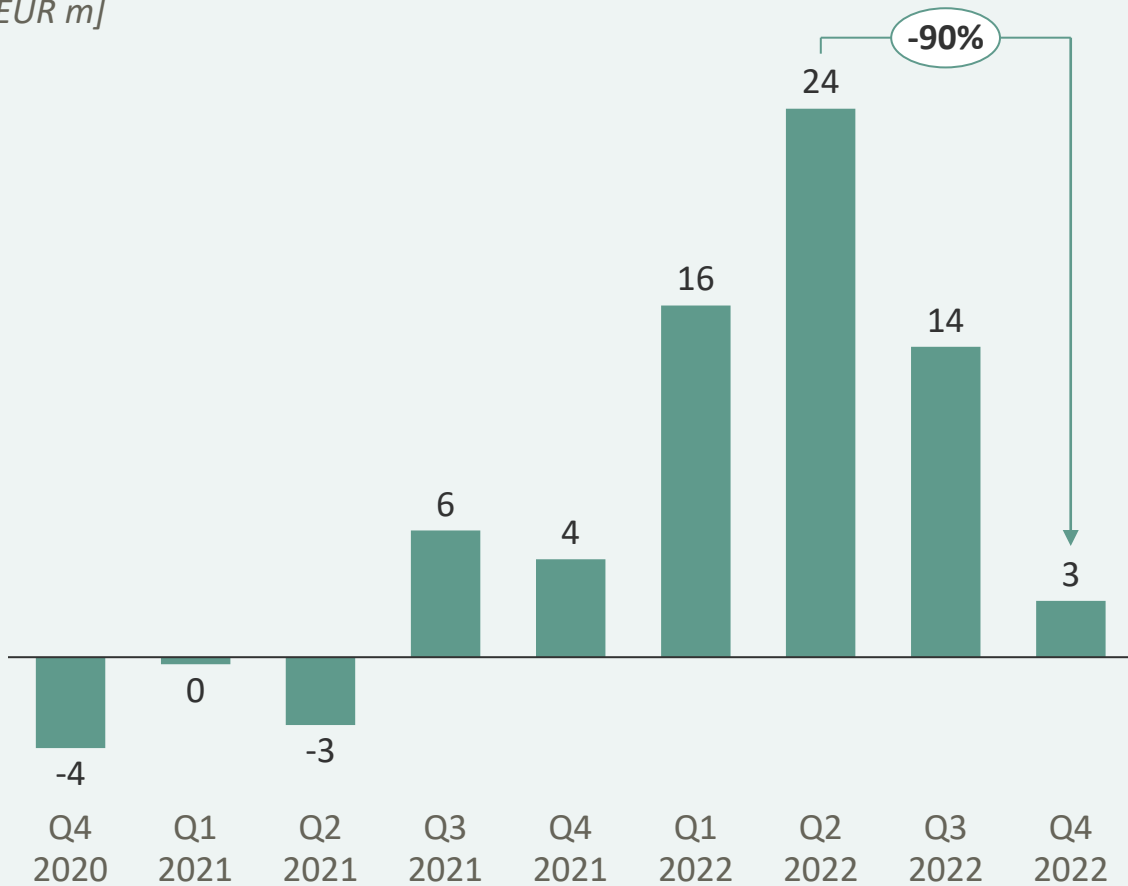
## Capex ratio

[in EUR m and as % of revenue]



# We reduced Net Working Capital back to healthy levels

Net Working Capital  
[in EUR m]



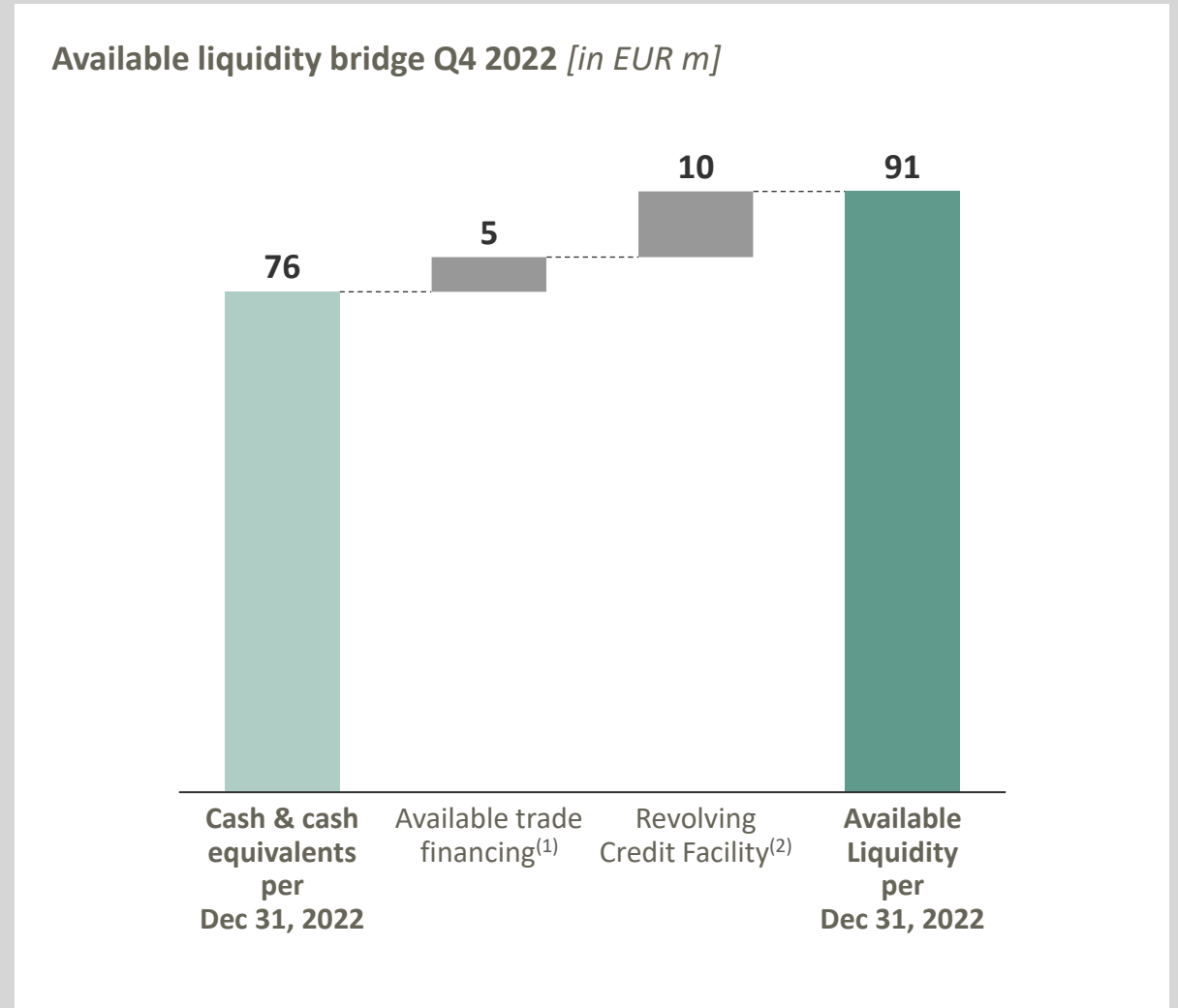
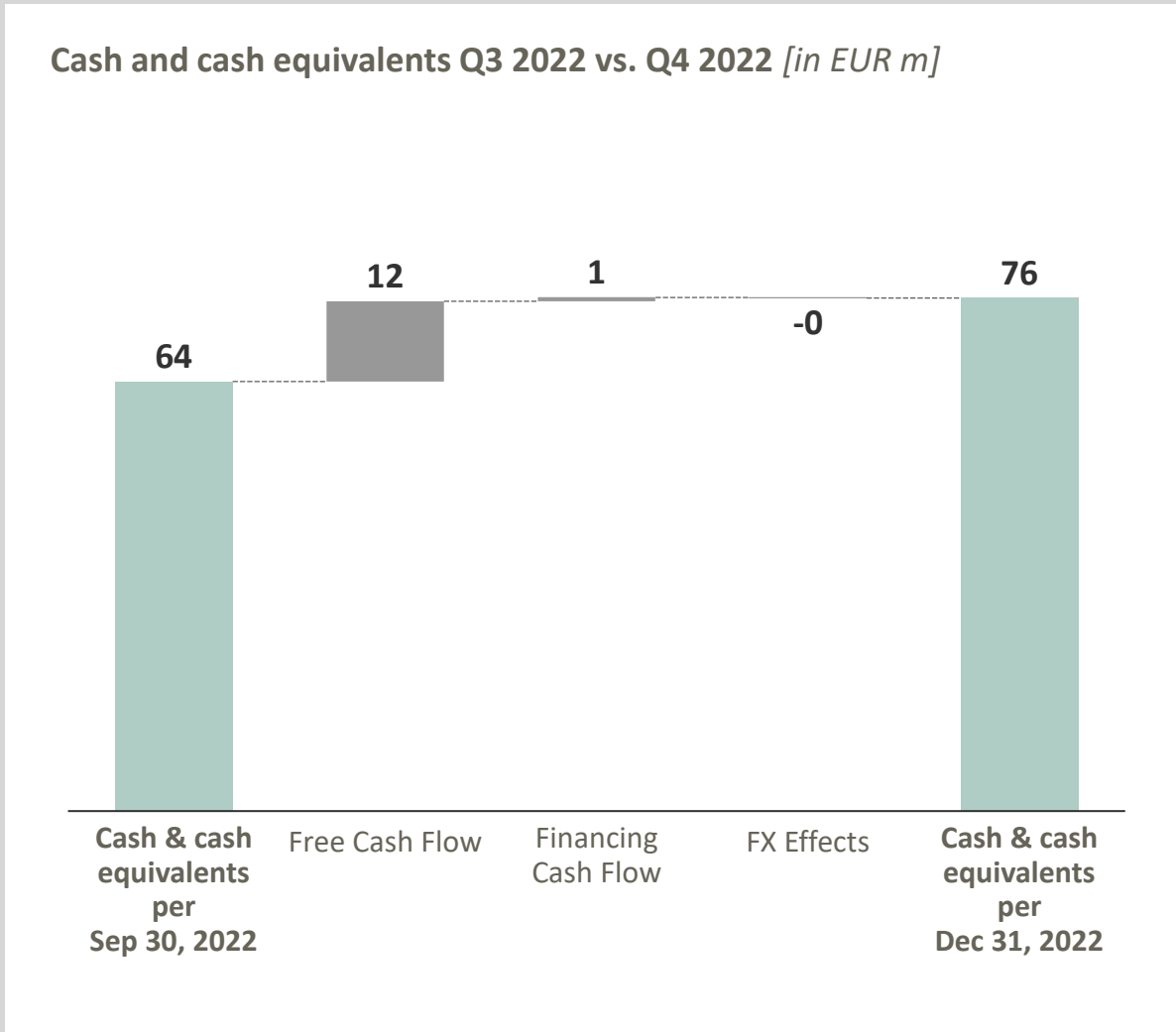
## Decisive Net Working Capital management

- Clear focus on **selling existing stock** and **reordering conservatively**
- Lower order volumes and supplier negotiations resulted in **reduced supplier prepayments**
- Introduced a **trade financing** solution with an impact of EUR 8m in Q4 2022

**Net Working Capital is expected to remain on healthy levels in FY 2023**



# Strong cash balance of EUR 76m; EUR 91m in liquidity available per end of Q4 2022



Note: Free Cash Flow defined as the sum of Operating Cash Flow and Investing Cash Flow; (1) Trade financing solution total volume: EUR 13m (of which EUR 8m utilized in Q4 2022); (2) Revolving Credit Facility (RCF) volume: EUR 10m (non-revokable till end of 2024).

## Investment Highlights



# Investment highlights

---

## The opportunity is massive

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

---

## 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>**

---

## 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

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

---





Q&A

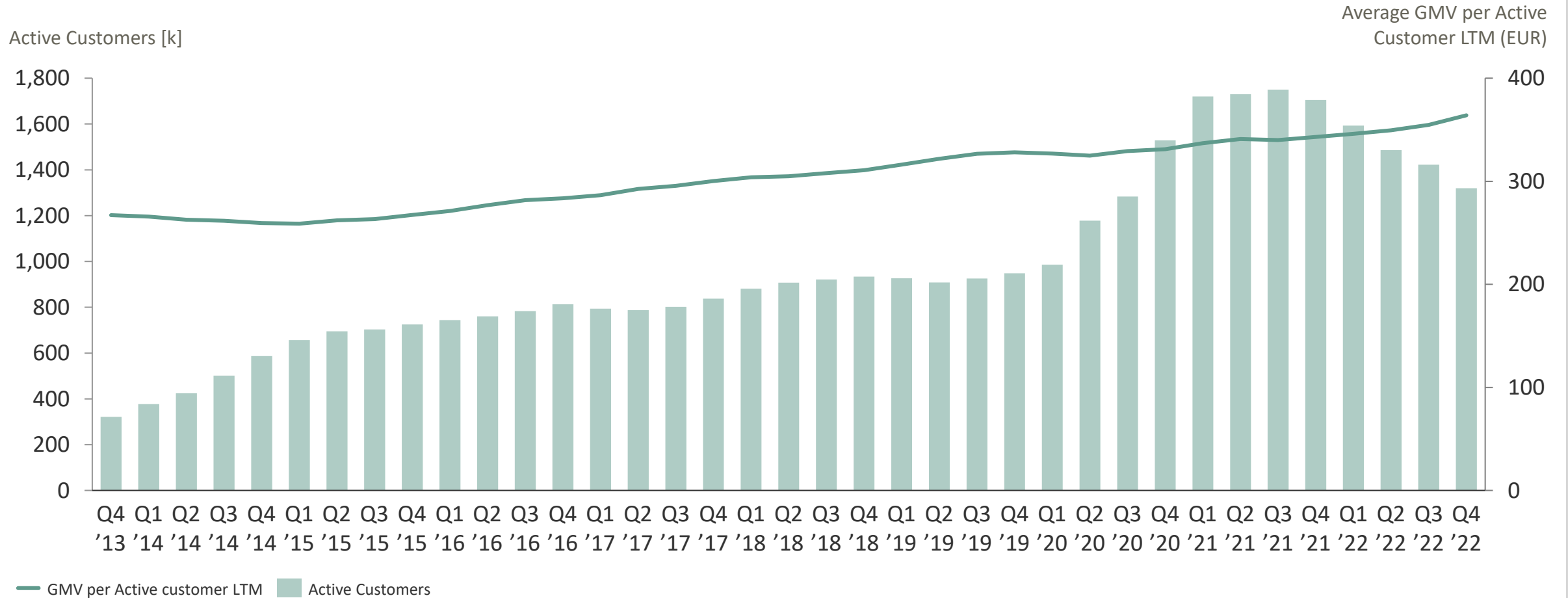


# Appendix



# 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 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	Q2 2022	Q3 2022	Q4 2022
Westwing Collection share	in % of GMV	21%	22%	27%	25%	25%	22%	26%	28%	31%	32%	38%	37%	37%	38%	44%	44%
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	1,486	1,422	1,320
Number of orders	in k	591	492	539	805	675	1,051	874	1,474	1,268	1,022	819	1,262	872	685	620	951
Average basket size	in EUR	129	132	132	121	127	122	129	119	129	135	144	131	147	159	164	149
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	2.4	2.4	2.4
Average GMV LTM per Active Customer	in EUR	318	322	326	327	324	325	330	328	337	341	340	343	345	349	355	364
GMV	in EUR m	76	65	71	98	85	128	113	175	164	139	118	166	128	109	102	142
Mobile visit share	in %	75%	76%	77%	76%	76%	79%	80%	79%	79%	80%	80%	80%	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 2021	FY 2022	Q4 2021	Q4 2022
<b>Revenue</b>	<b>522.5</b>	<b>430.8</b>	<b>149.1</b>	<b>128.4</b>
Cost of Sales	-265.7	-228.1	-78.2	-72.0
<b>Gross profit</b>	<b>256.8</b>	<b>202.7</b>	<b>71.0</b>	<b>56.4</b>
Fulfilment expenses	-107.1	-94.2	-29.8	-23.3
Marketing expenses	-49.3	-40.6	-14.2	-9.3
General and administrative expenses	-79.3	-92.9	-16.0	-27.8
Other operating expenses	-3.8	-5.2	-1.7	-2.9
Other operating income	3.9	2.6	0.8	0.4
<b>Operating result</b>	<b>21.1</b>	<b>-27.4</b>	<b>10.0</b>	<b>-6.5</b>
Financial result	-2.1	-2.9	-0.6	-0.1
<b>Result before income tax</b>	<b>19.0</b>	<b>-30.3</b>	<b>9.4</b>	<b>-6.6</b>
Income tax expense	-7.0	-2.1	-1.5	-2.0
<b>Result for the period</b>	<b>12.0</b>	<b>-32.4</b>	<b>7.8</b>	<b>-8.6</b>
<b>Reconciliation to Adj. EBITDA</b>				
<b>Operating result (EBIT)</b>	<b>21.1</b>	<b>-27.4</b>	<b>10.0</b>	<b>-6.5</b>
Share-based compensation expenses	5.6	-0.6	-3.2	3.9
Provision tax claim discontinued operations	0.3	-	-0.1	-
Expenses SE conversion	0.4	-	0.1	-
Restructuring France and Italy	-0.0	-	-	-
Restructuring severances 2022	-	5.7	-	1.7
D&A	13.0	18.1	3.6	5.3
<b>Adj. EBITDA</b>	<b>40.4</b>	<b>-4.2</b>	<b>10.5</b>	<b>4.3</b>
<b>Adj. EBITDA margin (%)</b>	<b>7.7%</b>	<b>-1.0%</b>	<b>7.0%</b>	<b>3.3%</b>

# Adjusted income statement

EUR m, in % of revenue	FY 2021	FY 2022	Q4 2021	Q4 2022
<b>Revenue</b>	<b>522.5</b>	<b>430.8</b>	<b>149.1</b>	<b>128.4</b>
<i>Revenue Growth yoy</i>	20.7%	-17.5%	-4.2%	-13.9%
Cost of Sales	-265.7	-223.8	-78.2	-67.7
<b>Gross Profit</b>	<b>256.8</b>	<b>207.1</b>	<b>71.0</b>	<b>60.7</b>
<b>Gross Margin</b>	<b>49.1%</b>	<b>48.1%</b>	<b>47.6%</b>	<b>47.3%</b>
Fulfillment expenses	-107.1	-98.0	-29.8	-27.1
Contribution profit	149.7	109.1	41.1	33.5
<b>Contribution margin</b>	<b>28.7%</b>	<b>25.3%</b>	<b>27.6%</b>	<b>26.1%</b>
Marketing expenses	-49.3	-39.2	-14.2	-9.1
General and administrative expenses	-73.4	-89.7	-19.0	-22.9
Other operating expenses	-3.5	-5.2	-1.8	-2.9
Other operating income	3.9	2.6	0.8	0.4
Depreciation and Amortization	13.0	18.1	3.6	5.3
<b>Adj. EBITDA</b>	<b>40.4</b>	<b>-4.2</b>	<b>10.5</b>	<b>4.3</b>
<b>Adj. EBITDA Margin (%)</b>	<b>7.7%</b>	<b>-1.0%</b>	<b>7.0%</b>	<b>3.3%</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 Annual Report 2022.



# Segment reporting

DACH in EUR m	FY 2021	FY 2022	Q4 2021	Q4 2022
<b>Revenue</b>	<b>296.8</b>	<b>242.4</b>	<b>86.7</b>	<b>73.5</b>
<i>yoy Growth (in %)</i>	22.4%	-18.3%	-4.8%	-15.1%
<b>Adj. EBITDA</b>	<b>38.8</b>	<b>7.9</b>	<b>10.5</b>	<b>5.1</b>
<i>Adj. EBITDA Margin %</i>	13.1%	3.3%	12.2%	7.0%

International in EUR m	FY 2021	FY 2022	Q4 2021	Q4 2022
<b>Revenue</b>	<b>225.7</b>	<b>188.4</b>	<b>62.5</b>	<b>54.9</b>
<i>yoy Growth (in %)</i>	18.6%	-16.5%	-3.3%	-12.1%
<b>Adj. EBITDA</b>	<b>2.8</b>	<b>-11.2</b>	<b>0.7</b>	<b>-0.5</b>
<i>Adj. EBITDA Margin %</i>	1.2%	-5.9%	1.1%	-0.9%

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 Annual Report 2022.



# Net Working Capital

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



Note: (1) Includes accruals.

# Issued share capital

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

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	382,230

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

Program	# of options outstanding	Weighted average exercise price (EUR)
ECP 2022	33,927	1.00
VSOPs <sup>(1)</sup>	883,625	2.46 <sup>(1)</sup>
LTIP 2019	1,828,800	19.30
LTIP 2016	96,450	0.01
Other	754,925	11.24
<b>Total</b>	<b>3,597,727</b>	<b>12.78</b>

Note: All figures unaudited. Stock option programs are categorized as granted.  
 (1) VSOPs are virtual, cash-settled option programs with an average cap of EUR 23.90

## Upcoming Events

May 11, 2023



Publication of first quarter results 2023

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



