

Q1 2024 results

Munich, 7 May 2024



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 fulfilment centres, inaccurate personnel and capacity forecasts for fulfilment centres, 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

State of Westwing

✓ We delivered strong Q1 2024 financial results.

- Revenue growth of 6% year-over-year (yoy) in a declining market.
- Number of active customers⁽¹⁾ growing for the first time yoy since the end of the pandemic.
- Contribution margin of 32% (+4pp yoy) and marketing ratio of -13% (-4pp yoy).
- Adjusted EBITDA of EUR 6 million at 6% margin (+1pp yoy).
- Free cash flow of EUR 4 million (Q1) and net cash of EUR 82 million (end of Q1).

✓ We are confirming our FY 2024 guidance.

- Revenue of EUR 415 million to EUR 445 million (-3% to +4% yoy growth).
- Adjusted EBITDA of EUR 14 million to EUR 24 million (+3% to +5% adjusted EBITDA margin).

✓ We are continuing our transformation to build a scalable platform.

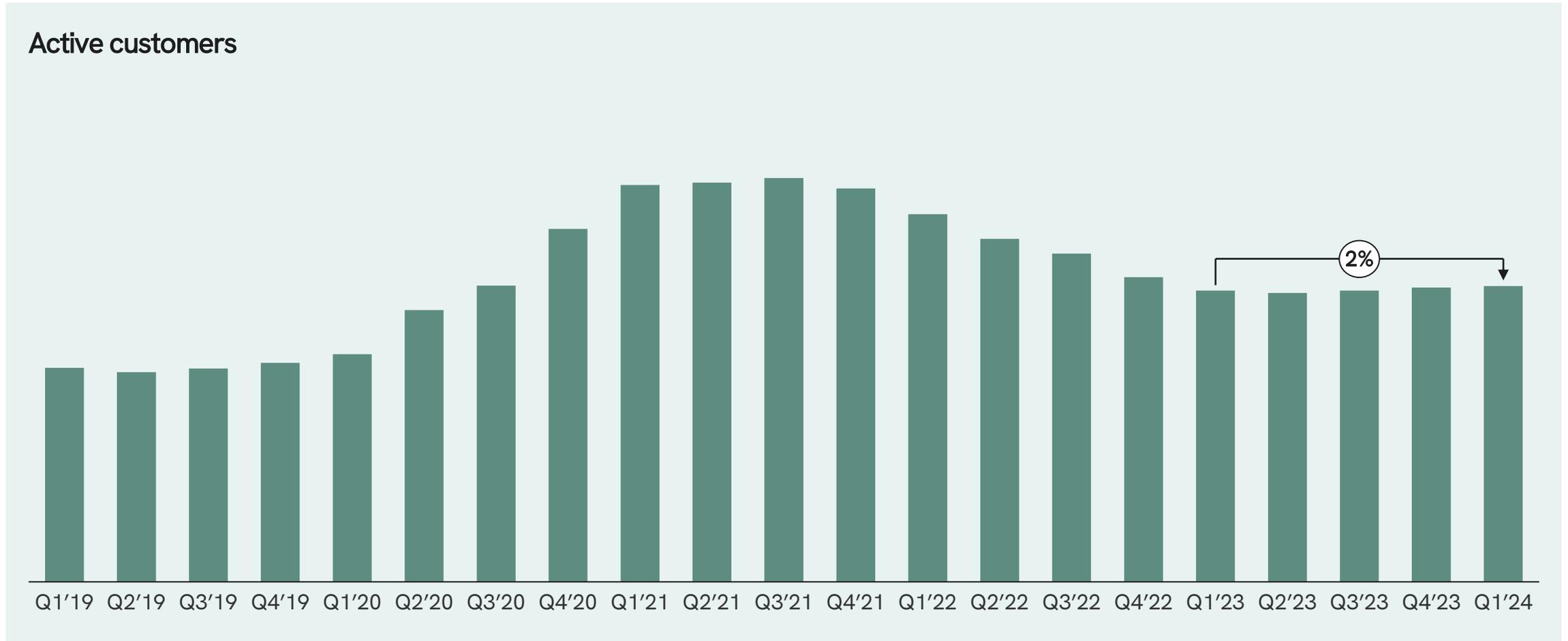
- Westwing Collection share increased to 51% of Group GMV in Q1 2024, a new all-time high.
- We strengthened our premium brand positioning further, e.g. with an installation at Milan Design Week.

We clearly outperformed the market in our largest geography

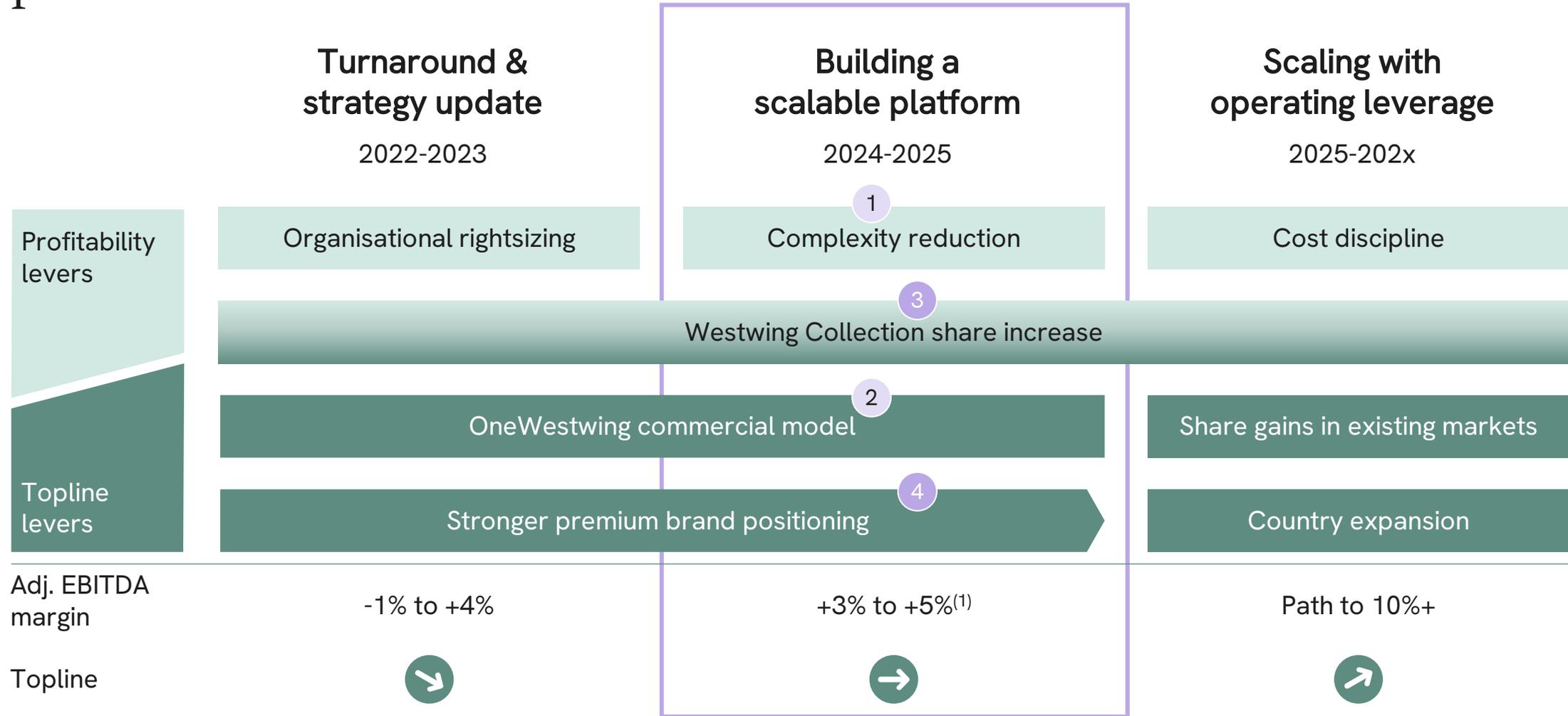
Year-over-year sales growth



For the first time since the end of the pandemic, the number of active customers increased year-over-year

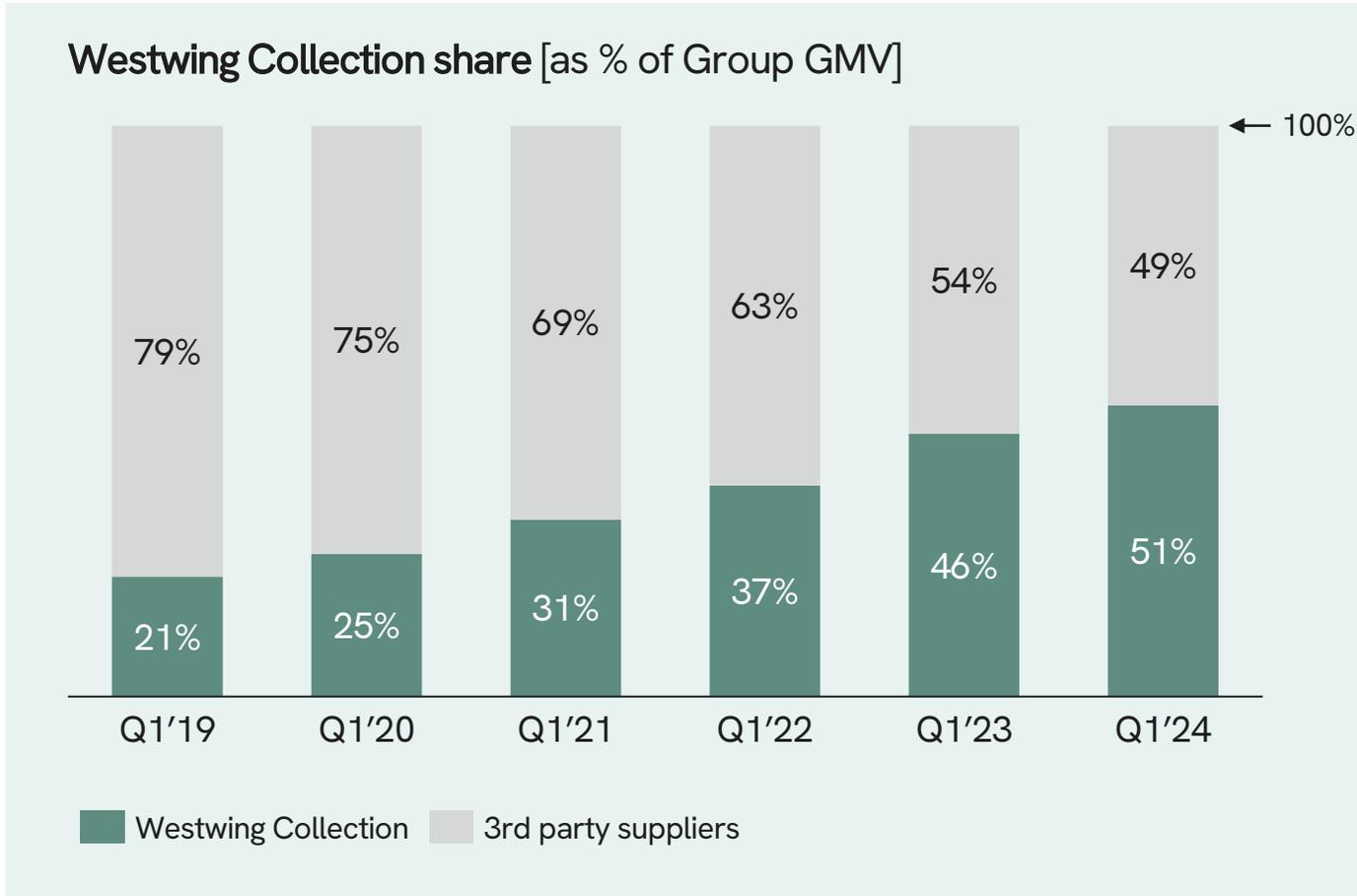


Recap: We are in the middle of a 3-step plan to unlock Westwing's value potential



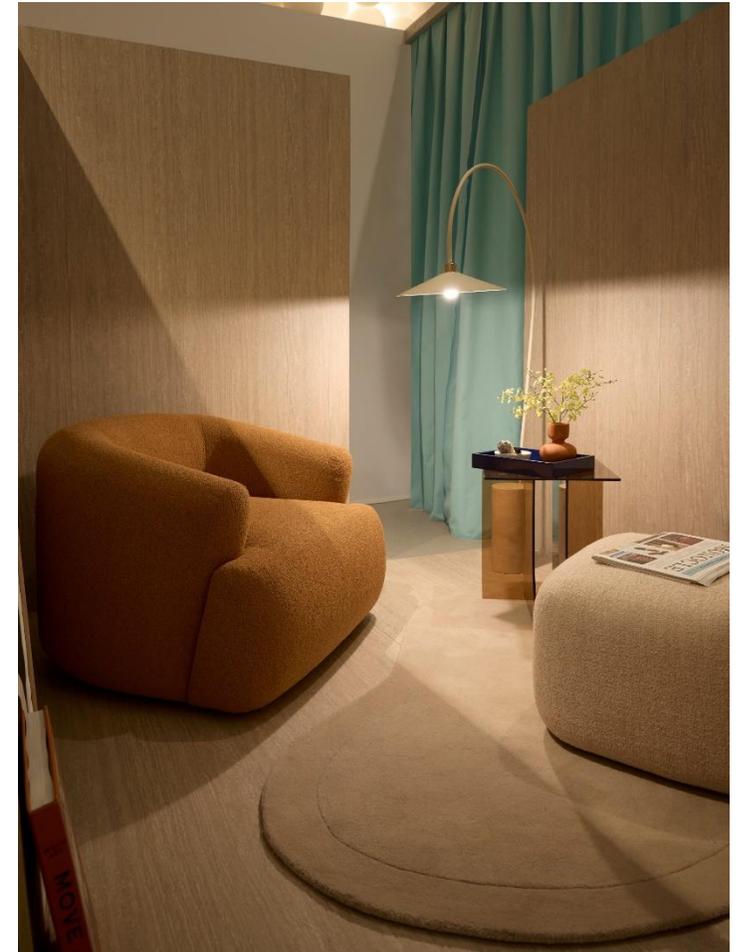
3 Westwing Collection share increase

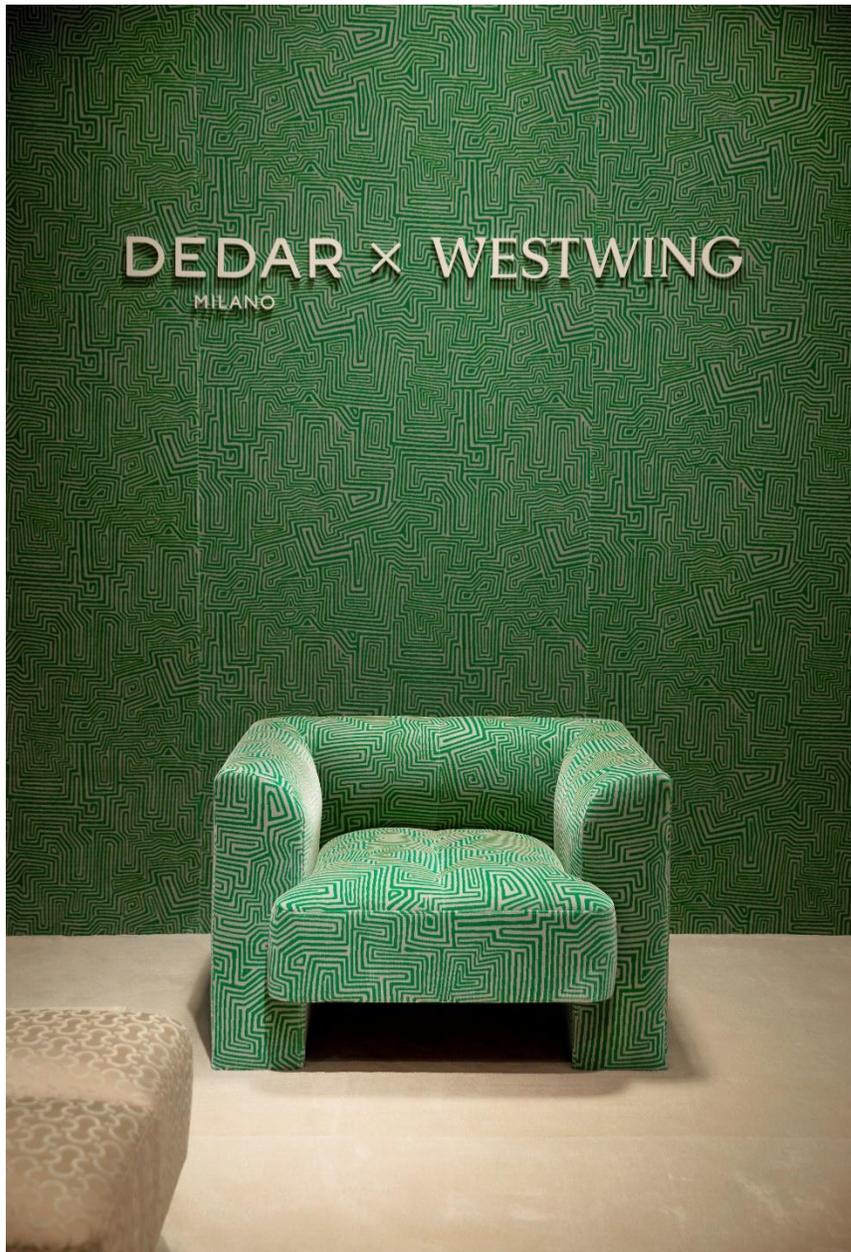
Westwing Collection share continued to increase



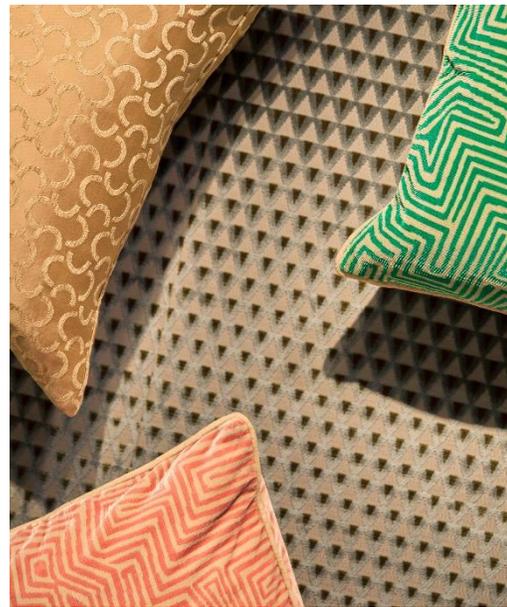
4 Stronger premium brand positioning

During Milan Design Week, we presented design highlights of the Westwing Collection, e.g. sofa 'WOLKE', with an immersive exhibition...





WESTWING



4 Stronger premium brand positioning

... and we showcased a collaboration with the prestigious fabric house

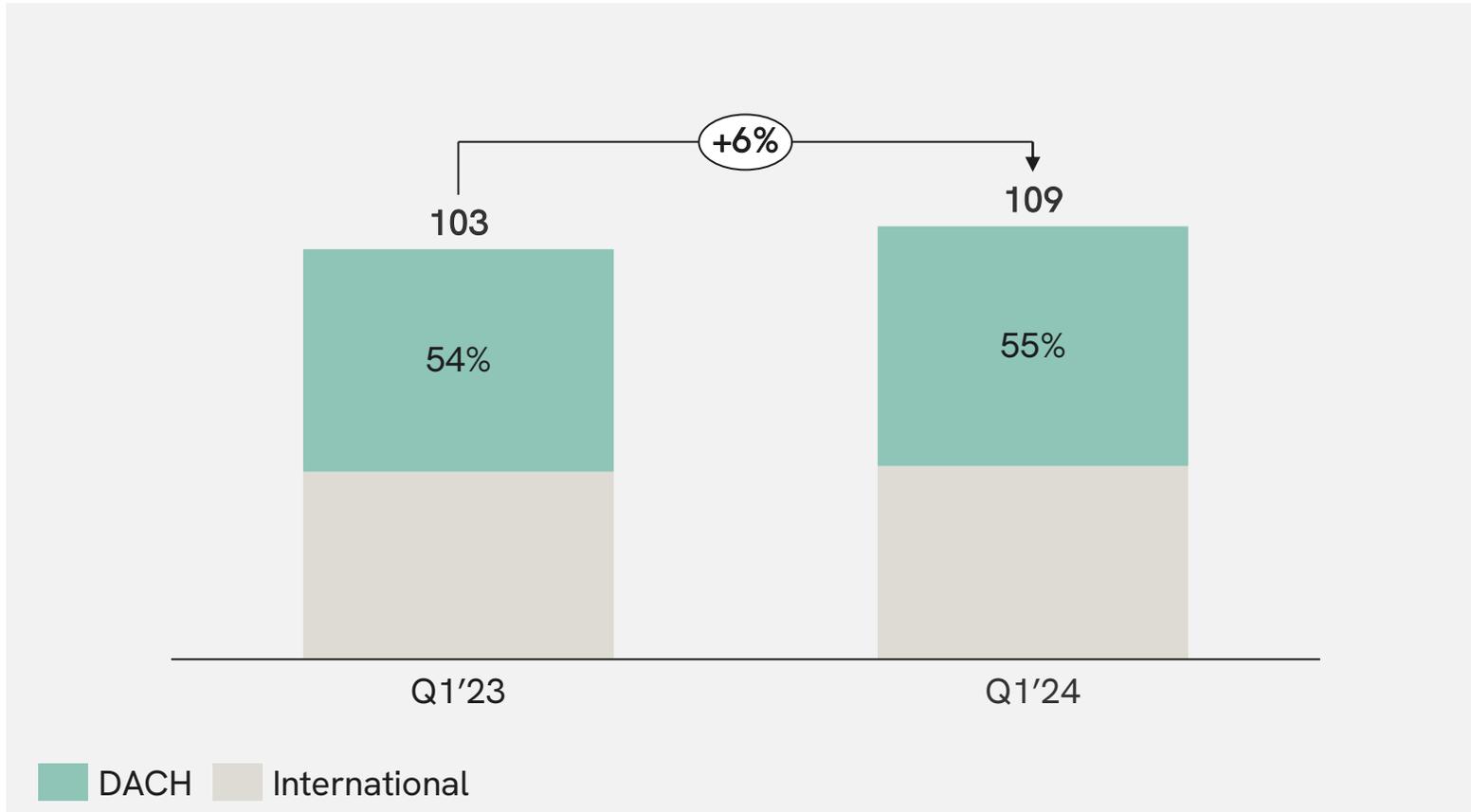
Dedar Milano

A photograph of an outdoor seating area. In the background, a dark grey fabric sofa is positioned on a wooden deck. The sofa has two large beige square pillows and one smaller beige rectangular pillow. A brown blanket is draped over the left side of the sofa. In the foreground, a wooden coffee table holds a large, rustic terracotta pot. The background shows a blurred outdoor landscape with greenery and a fence.

2. Financial update

Revenue growth of 6% year-over-year in the first quarter of 2024

Group revenue [in EUR m]

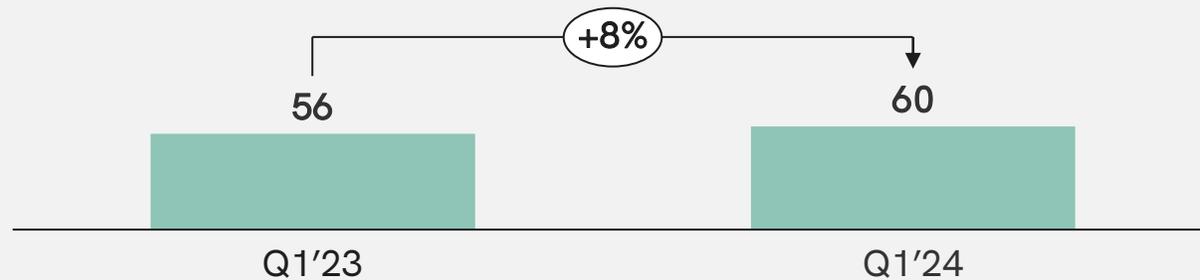


- Despite overall market decline, **Westwing achieved topline growth** in the first quarter of the year and **gained market share**.
- **Both GMV and revenue** showed a **growth of 6%** year-over-year in Q1 2024.

Positive topline development for both DACH and International segment

Segment revenue [in EUR m]

DACH segment



International segment



- Both segments with topline growth in the first quarter of 2024.
- Westwing's DACH segment grew by 8% year-over-year, clearly outperforming the market.
- International segment grew by 3% year-over-year driven by good performance of international countries, limited by Spain and Italy.

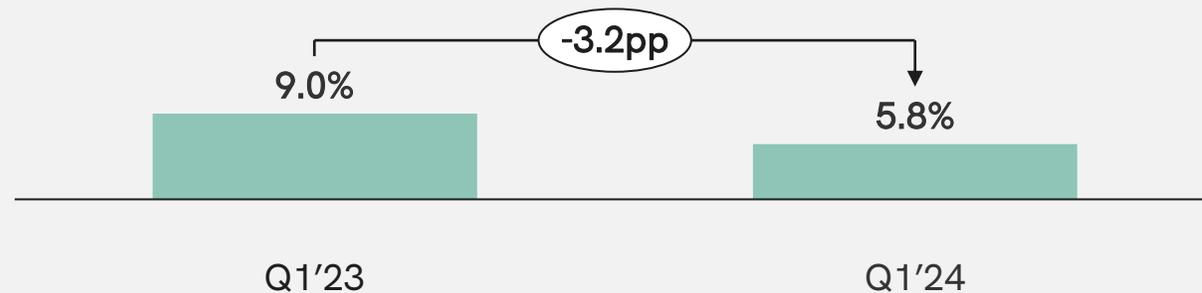
Strong improvements across most of the P&L lines

[as % of revenue]	Q1 2023	Q1 2024	Delta 24 vs. 23	
Gross margin ⁽¹⁾	49.5%	51.4%	+1.8pp	Strong Westwing Collection share gains.
Fulfilment ratio ⁽¹⁾	-21.7%	-19.6%	+2.1pp	Efficiency gains and scale effects.
Contribution margin	27.9%	31.8%	+3.9pp	
Marketing ratio	-9.0%	-12.7%	-3.8pp	Investments into brand awareness.
G&A ratio ⁽²⁾	-18.6%	-18.4%	+0.1pp	
D&A ratio	4.6%	5.2%	+0.6pp	Shortened lifetime of in-house developed Tech assets.
Adj. EBITDA margin	4.9%	5.8%	+0.9pp	

DACH and International segment both with positive adjusted EBITDA margin in Q1 2024

Segment adjusted EBITDA [as % of revenue]

DACH segment



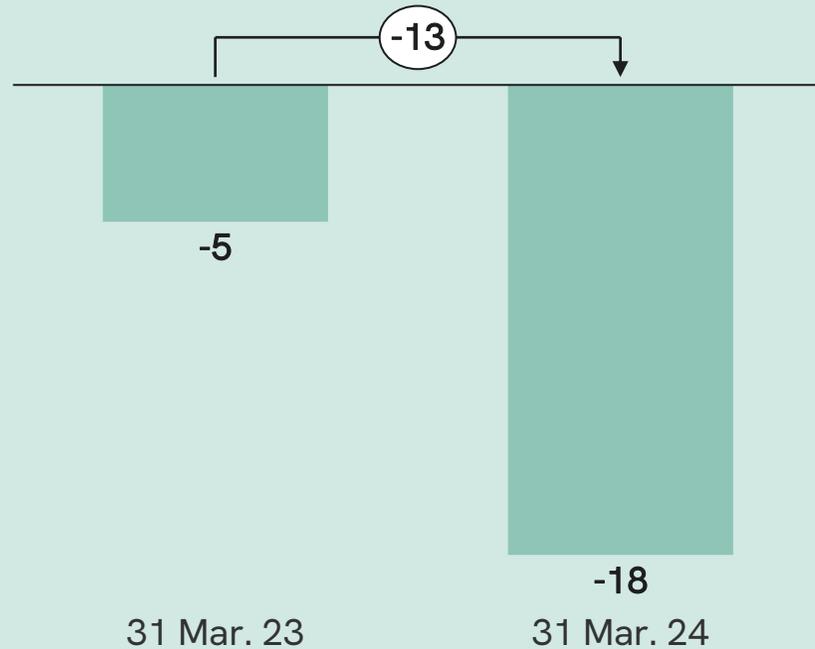
International segment



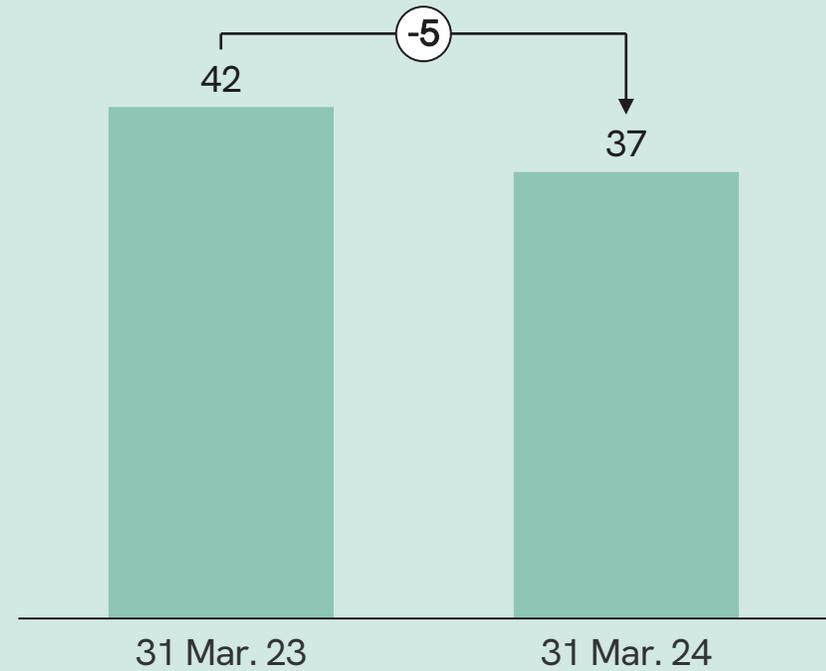
- Both DACH and International segment with clearly positive adjusted EBITDA margin in Q1 2024.
- DACH segment adjusted EBITDA profitability impacted by investment into brand awareness.
- International segment driven by strong increase in Westwing Collection share.

Net working capital position remains strong at EUR -18m and reduction of excess inventory is mostly completed

Net working capital [in EUR m]

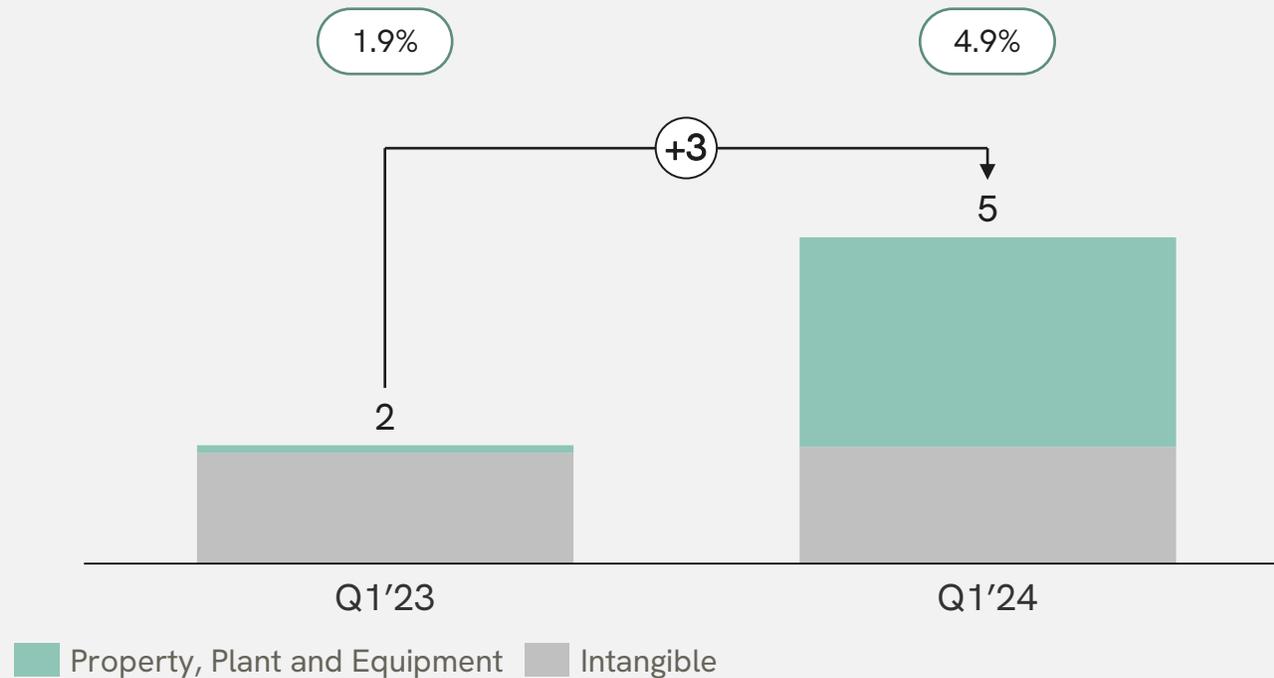


Net inventory [in EUR m]



Higher CAPEX in Q1 2024 likely to be reversed in Q2

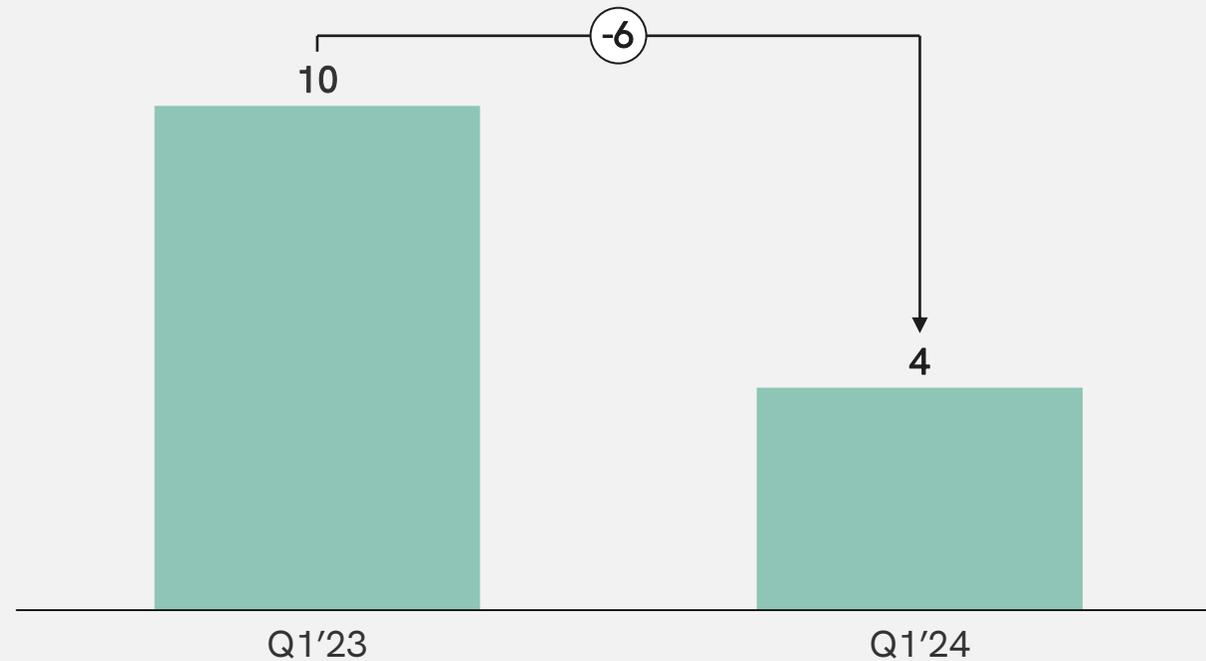
CAPEX [in EUR m, as % of revenue]



- Higher CAPEX in Q1 2024 due to **change of lease contract** of existing logistics centre equipment; effect of EUR 3m expected to be reversed in Q2 2024.

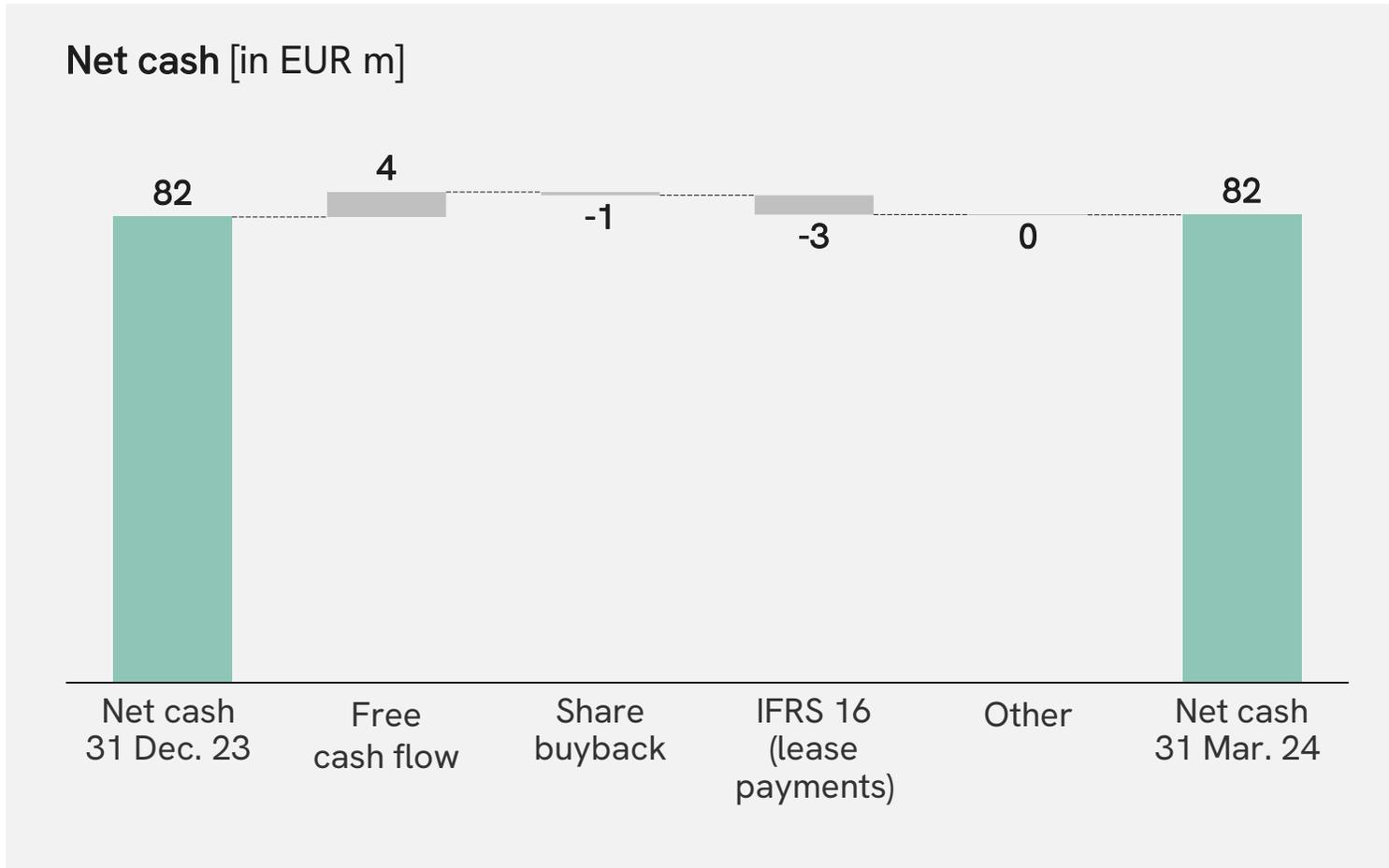
Free cash flow below previous year's level due to likely impermanent effect in investing activities

Free cash flow [in EUR m]



- Higher investing activities especially driven by **change of lease contract** of existing logistics centre and equipment.
 - CAPEX: EUR 3m
 - Rent deposit: EUR 1m
- Both effects **likely to be reversed** in Q2 2024.

We maintained our strong balance sheet with EUR 82m net cash at the end of March 2024



- **Very strong net cash** balance sheet position maintained with **zero debt** at the end of March 2024.
- Strong net cash position provides us with **strategic optionality** and the confidence to **focus on our long-term strategy** in a still challenging market with high uncertainty.

FY 2024 guidance confirmed

	FY 2023	Guidance FY 2024
Revenue	EUR 429m	EUR 415m to 445m (-3% to +4% year-over-year growth)
Adjusted EBITDA	EUR 18m	EUR 14m to 24m (+3% to +5% margin)

Comments

- Good start into 2024 but **macro environment** likely to remain challenging.
 - We believe we can **continue to grow above market**, but switch to global product offering for IT/ES will likely have **detrimental effect on topline**.
-
- Good start into 2024, typically with **seasonal peaks** in Q1 and Q4.
 - Increasing **Westwing Collection** share.
 - **Cost discipline** and P&L benefits from **efficiency gains**.
 - **Investment for complexity reduction** of EUR 10-15m will be adjusted, but with full impact on cash.
 - **Free cash flow** expected to be **breakeven**.

3. Investment highlights



Investment highlights



- **Unique assortment** of gorgeous, own design Westwing Collection and the best 3rd party design brands.
- Best in class **inspirational storytelling** with distinct visuals and tone of voice.
- **Premium services** such as interior design service and branded delivery fleet.
- **The one-stop destination** for premium Home & Living.



- Addressing sizeable **premium segment of EUR 130b** total Home & Living market⁽¹⁾ in existing 11 Westwing geographies. Future country expansion with additional potential.
- Massive **online penetration potential** in a mostly offline market.



- **Desirable brand** among design lovers, with >13m followers on social media.
- Clear **premium positioning**, only getting stronger.
- **Huge upside potential** from brand marketing invest and offline presence.
- Westwing Collection product brand with attributes of **superior design, quality and sustainability**.



- **High margins** as a result of **pricing power** based on a strong brand, as well as the unique **Westwing Collection** with further GMV share potential.
- Platform & commercial model allowing for **scaling with operating leverage** in existing countries and beyond.



- Strong **net cash position and no debt**.
- Strong **net working capital**.
- Low **CAPEX**.

Clear path towards long-term adjusted EBITDA margin of 10-15% with strong cash conversion.

4. Q&A

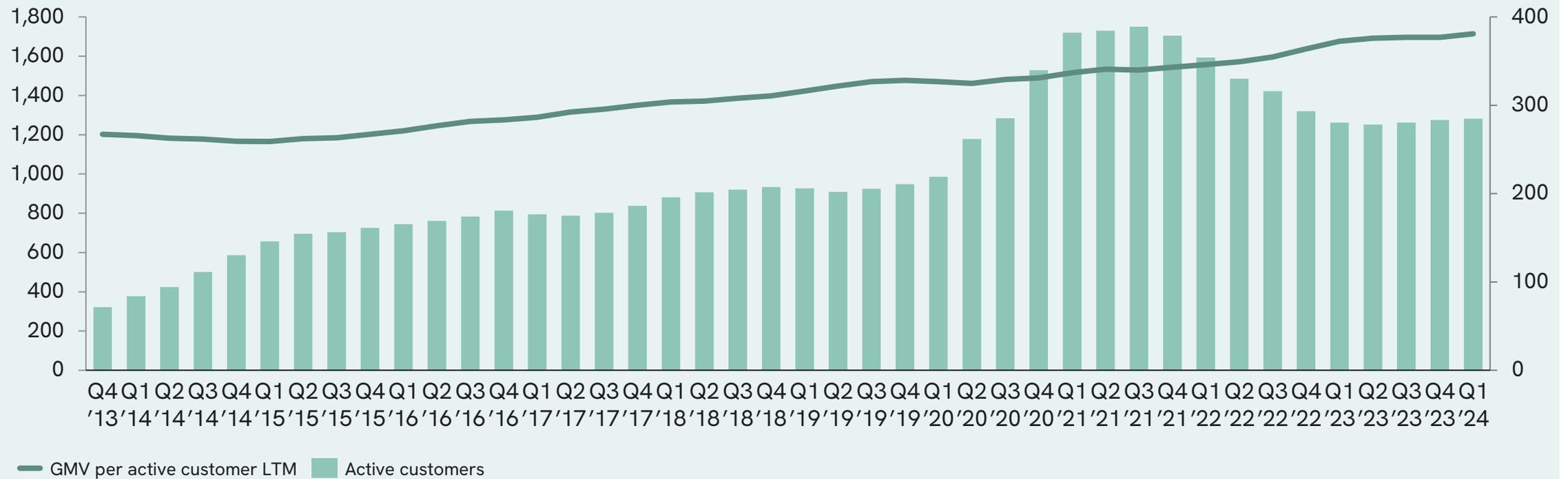
The image shows two white metal chairs with slatted backs and seats, positioned on a dark, rocky beach. The chairs are facing each other, with the ocean in the background. The sky is a mix of orange and blue, suggesting a sunset or sunrise. The text '4. Q&A' is overlaid on the left side of the image in a white, serif font.

5. Appendix



Continuously expanding share of wallet with customers

Active customers and average GMV per active customer [in k, in EUR]



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	Q4 2023	Q1 2024
Westwing Collection share	in % of GMV	25%	22%	26%	28%	31%	32%	38%	37%	37%	38%	44%	44%	46%	46%	48%	47%	51%
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	1,275	1,282
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	939	676
Average basket size	in EUR	127	122	129	119	129	135	144	131	147	159	164	149	169	178	177	157	185
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	2.2	2.2
Average GMV LTM per active customer	in EUR	324	325	330	328	337	341	340	343	345	349	355	364	373	376	377	377	381
GMV	in EUR m	85	128	113	175	164	139	118	166	128	109	102	142	118	109	107	147	125
Mobile visit share	in %	76%	79%	80%	79%	79%	80%	80%	80%	80%	80%	80%	80%	79%	78%	79%	82%	81%

KPI definitions

Westwing Collection share	GMV share of Westwing Collection (formerly "Own & Private Label"): GMV of Westwing Collection business as % of Group GMV in the same reporting period.
Active customers	A customer who has made a valid order within the last 12 months at the 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 at the end of the reporting period.
Average GMV LTM per active customer	GMV of the last 12 months 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 sessions per platform via mobile devices (tablets and smartphones) as % of all daily unique sessions per platform of a reporting period.

Consolidated income statement

EUR m, in % of revenue	FY 2022	FY 2023	Q1 2023	Q1 2024
Revenue	430.8	428.6	102.9	108.6
Cost of sales	-228.1	-215.7	-51.9	-52.9
Gross profit	202.7	212.9	51.0	55.8
Fulfilment expenses	-94.2	-90.3	-22.3	-22.0
Marketing expenses	-40.6	-45.6	-9.2	-13.9
General and administrative expenses	-92.9	-85.2	-18.7	-21.2
Other operating expenses	-5.2	-6.2	-0.9	-1.7
Other operating income	2.6	5.9	1.5	1.5
Operating result	-27.4	-8.4	1.4	-1.5
Financial result	-2.9	-0.7	-0.5	-0.2
Result before income tax	-30.3	-9.1	0.9	-1.7
Income tax expense	-2.1	-3.3	-0.0	-0.2
Result for the period	-32.4	-12.4	0.9	-1.9
Reconciliation to adjusted EBITDA				
Operating result (EBIT)	-27.4	-8.4	1.4	-1.5
Share-based compensation expenses	-0.6	2.3	-1.0	-0.7
Restructuring severances 2022	5.7	-	-	-
Complexity reduction	-	4.1	-	2.7
Depreciation and amortisation	18.1	19.8	4.7	5.8
Adjusted EBITDA	-4.2	17.8	5.1	6.3
Adjusted EBITDA margin (%)	-1.0%	4.1%	4.9%	5.8%

Adjusted income statement

EUR m, in % of revenue	FY 2022	FY 2023	Q1 2023	Q1 2024
Revenue	430.8	428.6	102.9	108.6
<i>Revenue growth year-over-year</i>	-17.5%	-0.5%	-7.4%	5.6%
Cost of sales	-228.1	-215.7	-51.9	-52.9
Gross profit	202.7	212.9	51.0	55.8
<i>Gross margin</i>	<i>47.1%</i>	<i>49.7%</i>	<i>49.5%</i>	<i>51.4%</i>
Fulfilment expenses	-93.6	-90.3	-22.3	-21.3
Contribution profit	109.1	122.7	28.7	34.5
<i>Contribution margin</i>	<i>25.3%</i>	<i>28.6%</i>	<i>27.9%</i>	<i>31.8%</i>
Marketing expenses	-39.2	-45.3	-9.2	-13.8
General and administrative expenses	-89.7	-80.3	-19.7	-19.8
Other operating expenses	-5.2	-4.9	-0.9	-1.7
Other operating income	2.6	5.9	1.5	1.5
Depreciation and amortisation	18.1	19.8	4.7	5.6
Adjusted EBITDA	-4.2	17.8	5.1	6.3
<i>Adjusted EBITDA margin (in %)</i>	<i>-1.0%</i>	<i>4.1%</i>	<i>4.9%</i>	<i>5.8%</i>

Segment reporting

DACH in EUR m	FY 2022	FY 2023	Q1 2023	Q1 2024
Revenue	242.4	236.5	55.8	60.1
<i>Year-over-year growth (in %)</i>	-18.3%	-2.4%	-8.0%	7.7%
Adjusted EBITDA	7.9	16.1	5.0	3.5
<i>Adjusted EBITDA margin (in %)</i>	3.3%	6.8%	9.0%	5.8%
International in EUR m	FY 2022	FY 2023	Q1 2023	Q1 2024
Revenue	188.4	192.1	47.1	48.5
<i>Year-over-year growth (in %)</i>	-16.5%	2.0%	-6.7%	3.2%
Adjusted EBITDA	-11.2	2.1	0.1	3.0
<i>Adjusted EBITDA margin (in %)</i>	-5.9%	1.1%	0.3%	6.1%

In Q1 2024, we adjusted costs of EUR -2.7m related to the complexity reduction, of which only EUR -0.6m had cash impact

Complexity reduction costs in 2024

	Unadjusted P&L impact	Adjusted P&L impact	Cash impact
One-off implementation	EUR -0.2m	EUR -0.1m	EUR -0.2m
Restructuring severances	EUR -2.6m	-	EUR -0.4m
Shortened lifetime of in-house developed software	EUR -0.8m	EUR -0.8m	-

Issued share capital

Share information as at 31 March 2024

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	873,153

Stock option programs as at 31 March 2024

Program	# of options outstanding	Weighted average exercise price (in EUR)
LTIP 2023 ⁽¹⁾	478,330	11.07
ECP 2022	329,840	1.00
VSOPs ⁽²⁾	683,125	2.89 ⁽²⁾
LTIP 2019	1,828,800	19.30
LTIP 2016	96,450	0.01
Other	749,375	11.31
Total	4,165,919	12.33

Investor Relations Contact

Teresa Fischer Perez-Lozao

Director Corporate Finance

ir@westwing.de



Events

14 May 2024

German Spring Conference

19 June 2024

Annual General Meeting

8 August 2024

Publication of half-year results

