

A modern living room with a warm, orange-toned sofa. In the background, there is a wooden sideboard with a white vase containing dried grasses and other decorative items. A window on the left shows a view of a city. The room is decorated with a white rug and a wooden chair with a woven seat. A large, abstract floral artwork is visible on the wall behind the sofa.

# WESTWING

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## Capital Markets Day 2021

Munich, May 12, 2021

## 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.*

# Today's speakers

**Stefan Smalla**



Founder & Chief Executive Officer

**Delia Lachance**



Founder & Chief Creative Officer

**Sebastian Säuberlich**



Chief Financial Officer

Our mission

“**To inspire and make every home a beautiful home.**”



# Our agenda for today

**Westwing's unique business model**



**Westwing's love brand**



**Strategy and Targets 2024/25**



**Financials**



**Q&A**



# Summary of Westwing Capital Markets Day 2021

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- 1 Westwing uniquely combines the **superior profitability of a consumer love brand** with the **opportunity of a high-growth eCommerce** business
  - 2 **Creativity, inspiration and loyalty are at the very core** of Westwing - this is what makes us a **consumer love brand** and this is how we **differentiate**
  - 3 The **opportunity is massive** in our **EUR 120 billion market** due to **dynamic eCommerce adoption** and our **brand's transformational power** to make everyone a **Home Enthusiast**
  - 4 With our **"Westwing Customer Experience 2.0"** we follow a **clear strategy** to **grow to EUR 1 billion revenue** by 2024/25
  - 5 We are a highly profitable and cash-generating, high-growth business targeting **15% Adj. EBITDA margin** in the long term
-

# Westwing's unique business model

Speaker: Stefan Smalla



# Westwing: The Home & Living consumer love brand



Interior design is never just about what you see, it's about what you feel.



● **Love brand**



We have built a brand that customers love

● **Much more than furniture**



We sell gorgeous products across all Home & Living categories

● **Inspiration, curation, editorial**



We inspire our customers with the best products, styles, and rich editorial content

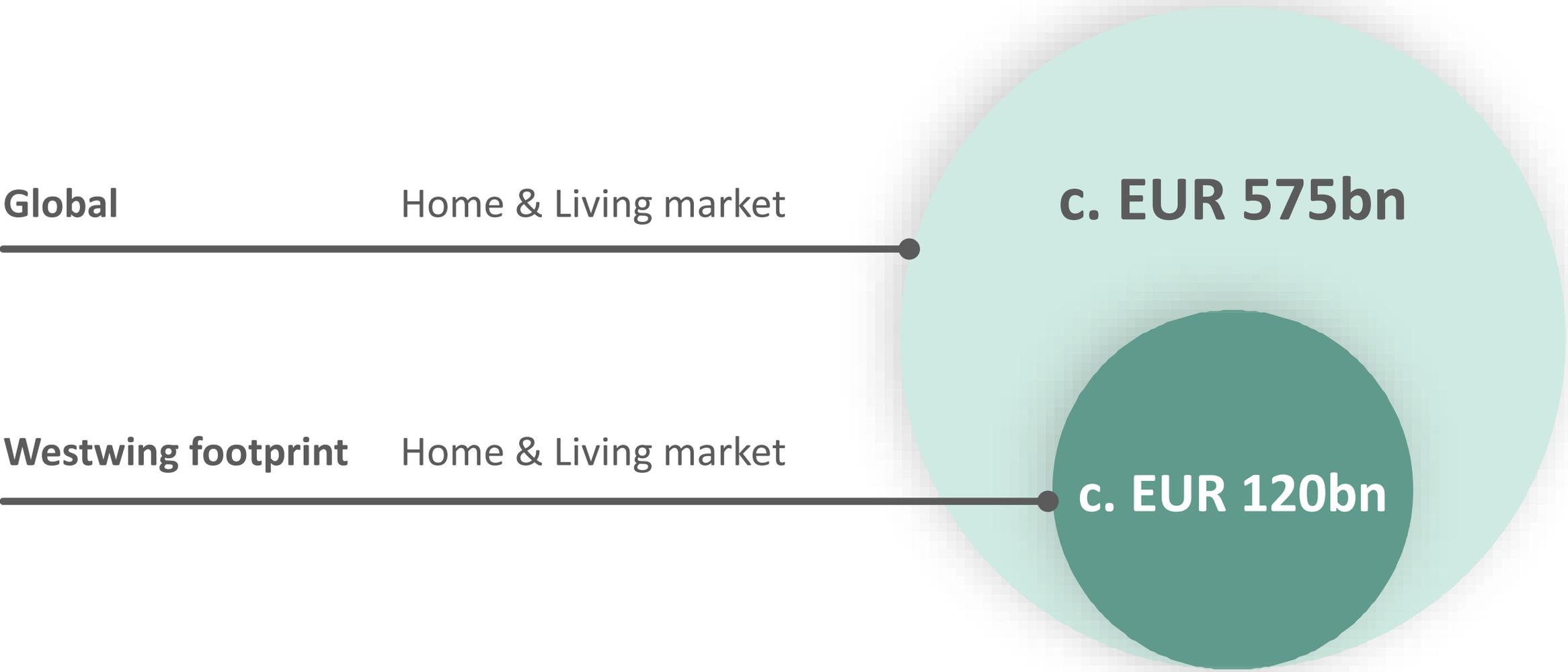
We are uniquely combining the profitability of a consumer love brand with the opportunity of a high-growth eCommerce business in a EUR 120 billion market



We are uniquely combining the profitability of a consumer love brand with the opportunity of a high-growth eCommerce business in a EUR 120 billion market



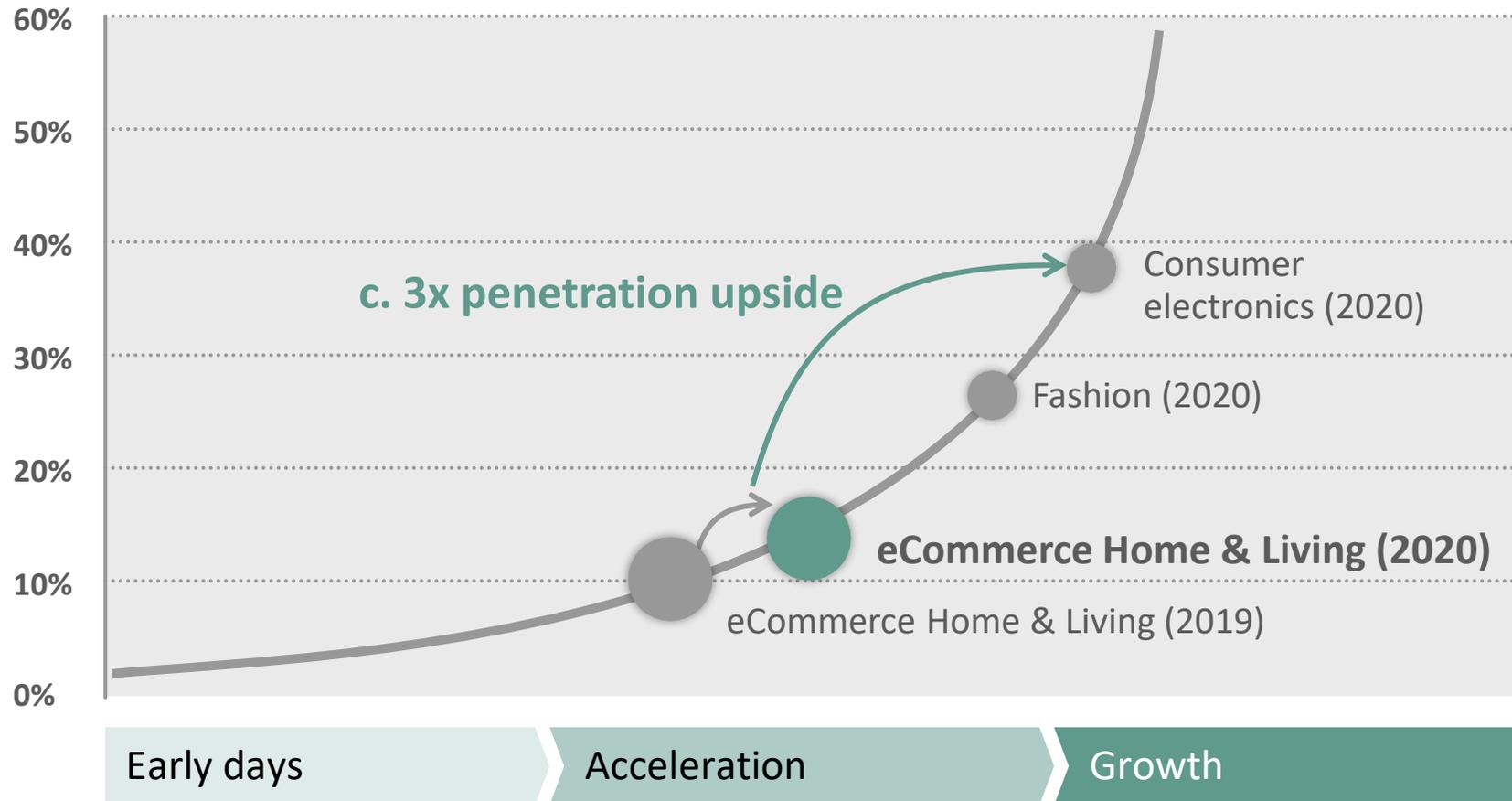
# We are targeting a huge addressable market



Source: Euromonitor International as of April 19, 2021. Scope: Home & Living is defined as "Homewares and Home Furnishings"

# Home & Living is very early in eCommerce and provides a massive growth opportunity

eCommerce market penetration of total market [%]



Source: Euromonitor International as of April 19, 2021. Scope: Home & Living is defined as "Homewares and Home Furnishings" within Westwing's European footprint. Consumer electronics market defined as "Category Consumer Electronics" and Fashion market defined as "Category Apparel" for Western European markets.

We are uniquely combining the profitability of a consumer love brand with the opportunity of a high-growth eCommerce business in a EUR 120 billion market



# Consumer love brands generate superior profitability by building long-term customer relationships

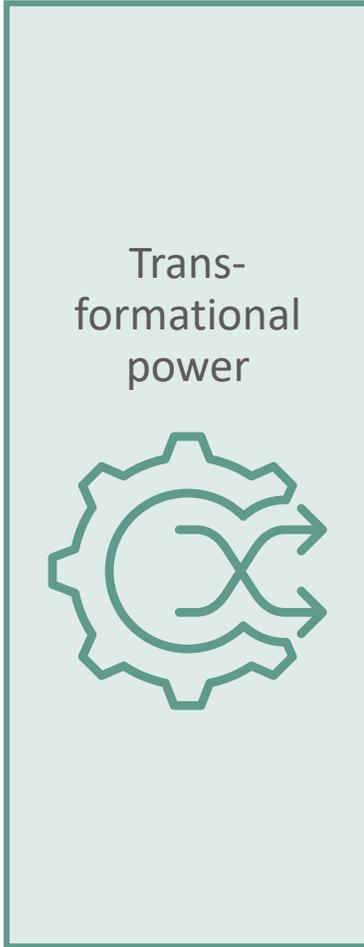
	Consumer love brand	Standard eCommerce
 <b>Customer lifetime value</b>	High	Low
 <b>Pricing and margin power</b>	High	Low
 <b>Marketing efficiency</b>	High	Low
 <b>Profitability</b>	High	Low

# All consumer love brands start from a core of enthusiasts – the great ones have the transformational power to make everyone an enthusiast

## Best practice consumer love brands



Core of  
**DESIGN ENTHUSIASTS**



**EVERYONE** becomes an enthusiast for well-designed electronics products



Core of  
**SPORTS ENTHUSIASTS  
AND ATHLETES**



**EVERYONE** becomes a sports enthusiast and athlete, or dress like one



Core of  
**COFFEE ENTHUSIASTS**



**EVERYONE** becomes an enthusiast for casual high-quality and on-the-go coffee

WESTWING

Core of **HOME ENTHUSIASTS**



**EVERYONE** becomes a Home Enthusiast

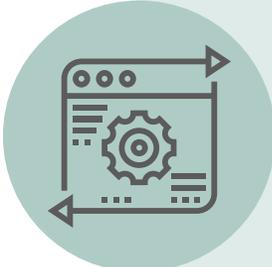
We are uniquely combining the profitability of a consumer love brand with the opportunity of a high-growth eCommerce business in a EUR 120 billion market



# WESTWING

# 85%

of sales from  
customers who visit  
us on average



**>100x  
per year**



The loyalty of our customers results in best-in-class repeat order shares of 80%



Best-in-class

**80%**

of orders are placed by

**loyal repeat customers**

Note: Repeat order share calculated as average of 2019 and 2020

# We have almost subscription-like GMV retention rates

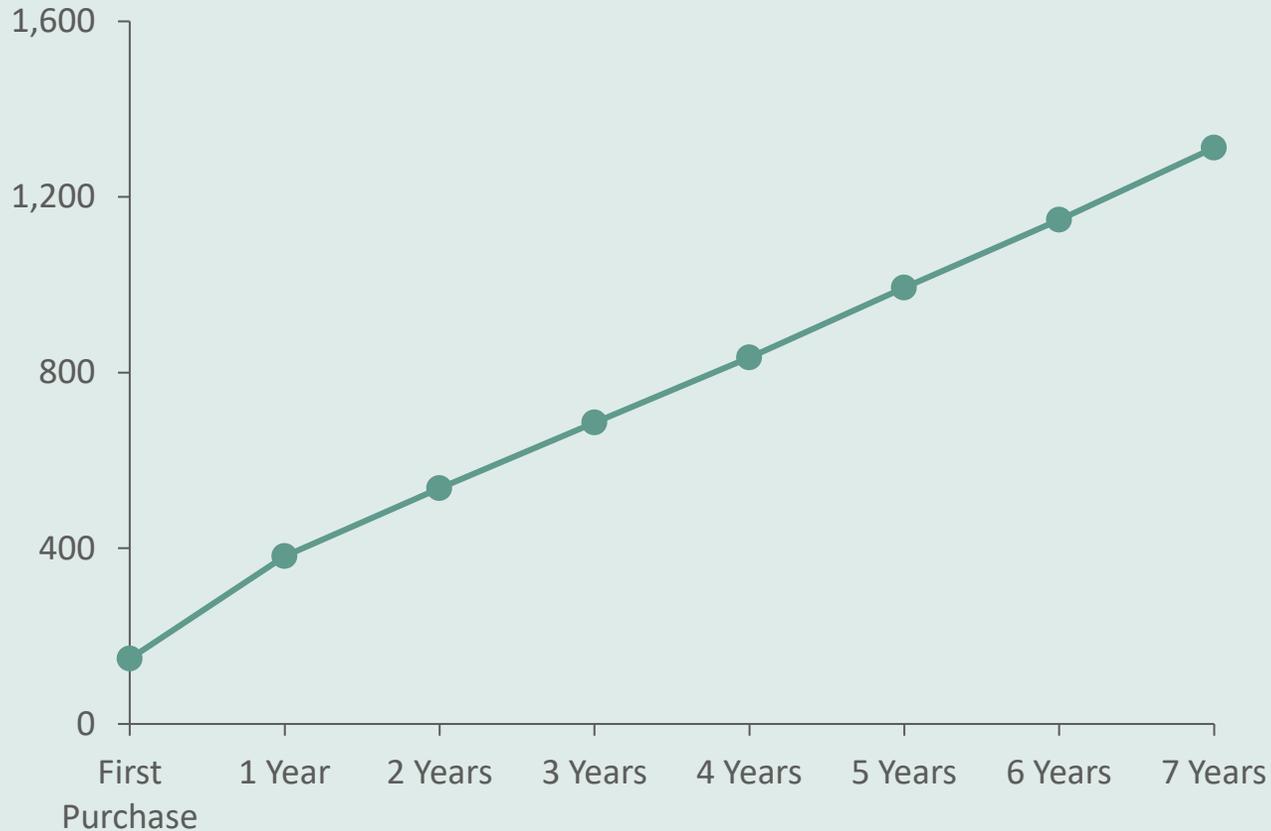
GMV and retention rate of existing members [EUR m, GMV share of previous year in %]



Note: Members are defined as successful registrations (incl. mail address). Cohorts of new vs. existing members are based on registration date.

# Westwing customers have a very high lifetime spend: EUR 1,300 after 7 years already (and counting)

Cumulative GMV per DACH customer over 7 years [EUR]



## **1,300 EUR GMV after 7 years**

Loyal customer base results in a very high lifetime spend



## **7 years and counting**

Customer lifetime spend continues to increase and increase, it doesn't stop

Business model: We build our customers' loyalty through our unique Flywheel

**Organic Marketing**

**Daily Themes**

**Westwing Collection**

**Permanent Assortment**



Business model: We build our customers' loyalty through our unique Flywheel

**Organic Marketing**



**Daily Themes**



**Westwing Collection**



**Permanent Assortment**



WESTWING

# Daily Themes are the start and end of our business model Flywheel – as a curated shoppable magazine, we combine daily inspiration, freshness and unique content

## Daily themes



## Broad Home & Living assortment



## Storytelling presentation



## Rich editorial content



### Sichtschutzwände für draußen

Neugierige Nachbarn? Mit den Sichtschutzwänden haben Sie einfach mal Ruhe. Jede Garten-Party, das Sonnen oder Daydrinking auf Ihrer Terrasse bleiben so herrlich privat

Endet So., 09.05. 23:59



## Attractive prices



### In- & Outdoor-Stuhl Miriam

249.- ~~329.-~~

Unser Preis\* Originalpreis

1

In den Warenkorb

Lieferdatum: in 3 bis 4 Wochen

# We uniquely combine inspiration and shopping in a “curated shoppable magazine”

Inspiration/content



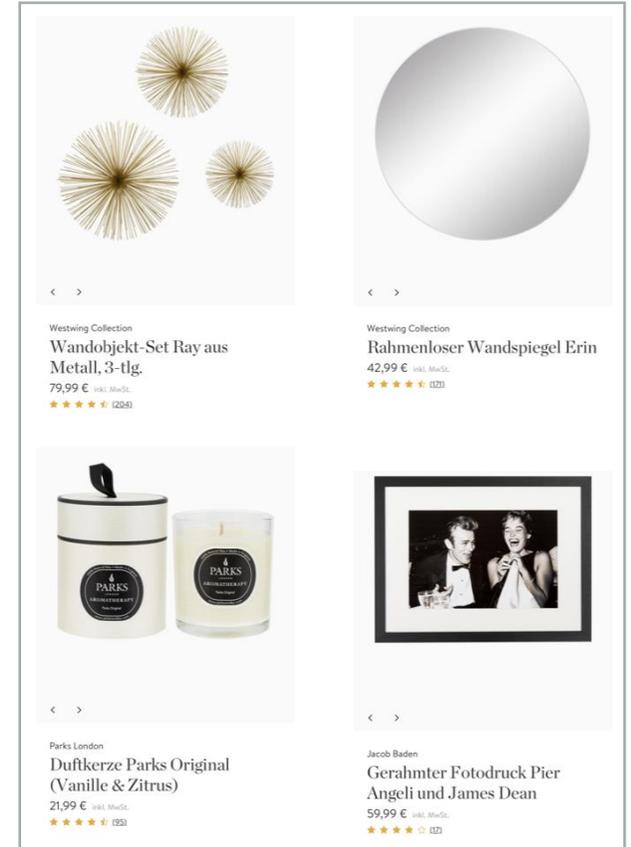
Badezimmer einrichten  
Unsere Interior  
Experten verraten  
Ihnen die besten Tipps  
& Tricks für die  
Badezimmer  
Einrichtung. Lassen Sie  
sich inspirieren!

Balkon gestalten  
Der Balkon ist ein  
schöner Rückzugsort an  
langen Sommertagen.  
Grund genug ihn etwas  
zu verschönern. Wir  
zeigen Ihnen die besten  
Tipps zum Balkon  
gestalten!



eCommerce

## Combining ‘best of both worlds’ in an online curated platform



# With our daily newsletter, we gradually pull our customers into our world and build loyalty and brand trust



Daily emails introducing the events of the day



Events are exclusive product offerings based on ...



Themes



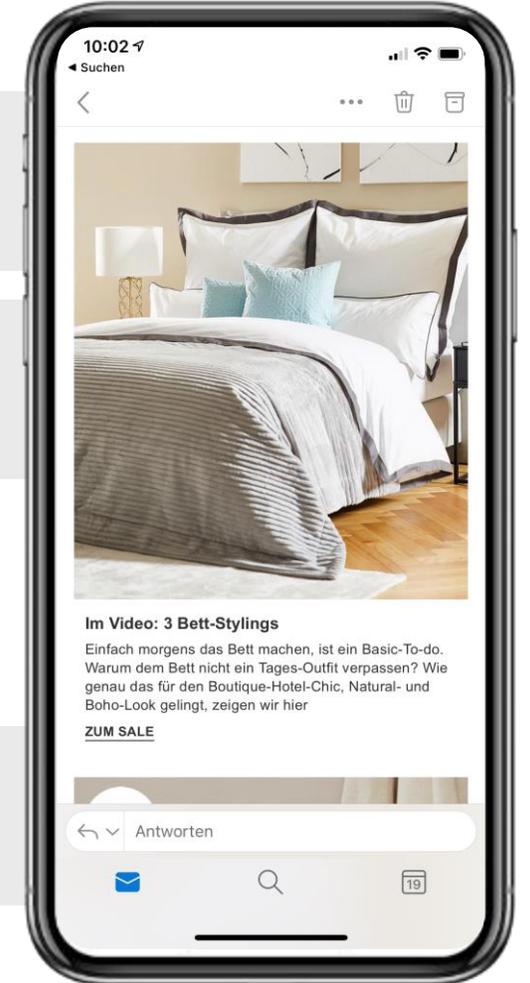
Brands



Home stories



On average, c. 6 events per day



# The Daily Themes model provides urgency and playful fear-of-missing-out to customers, which helps in building loyalty and conversion

## Products available for a limited time

1-300 SKUs per event

250,000<sup>1)</sup> SKUs per year

5,000 suppliers



**Urgency and playful fear-of-missing-out translates into loyalty and conversion**

Beautiful imagery triggers inspiration

Curated selection of products featured as part of the event

Limited stock triggers urgency

Best price, but not focused on discounts



Events centered around themes

Time limitation triggers urgency

Business model: We build our customers' loyalty through our unique Flywheel

**Organic Marketing**



**Daily Themes**



**Westwing Collection**



**Permanent Assortment**



WESTWING

In our Permanent Assortment WestwingNow, we then monetize our loyal customers at very attractive margins through cross-selling and up-selling

WESTWING

DAILY THEMES

Acquire, retain, engage

- Efficient acquisition and retention
- Very high customer engagement and repeat purchases
- Rich data on customer preferences and supplies

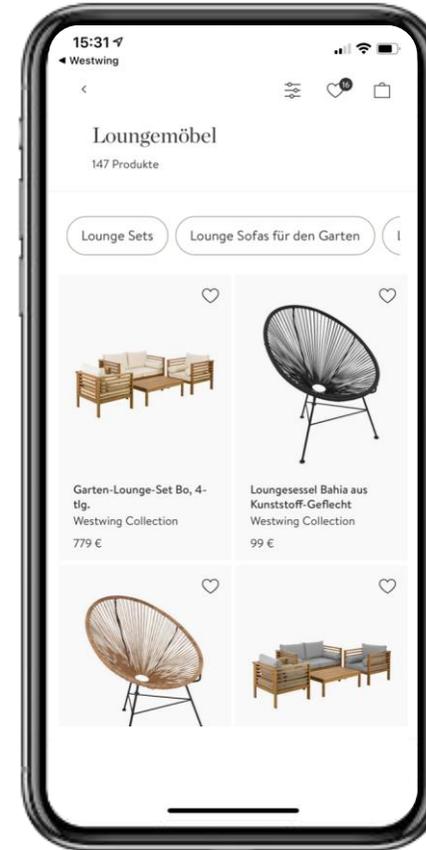


WESTWING *NOW*

PERMANENT ASSORTMENT

Cross-sell and up-sell

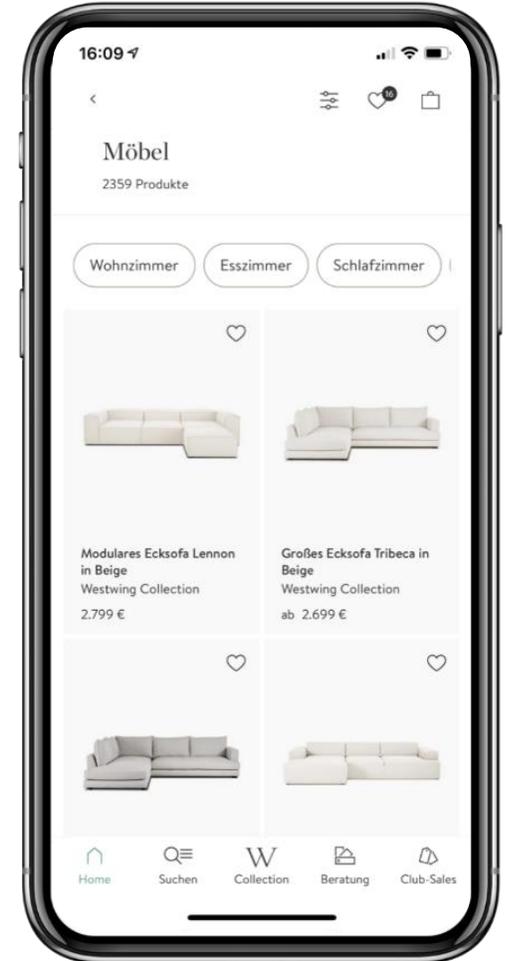
- Scalable supply at even higher margins (esp. Westwing Collection)
- High growth and profitability
- Leverage collected customer data to offer relevant assortment



Our Permanent Assortment serves our loyal Daily Themes customers for considered and planned purchasing decisions

## WESTWING*NOW*

- ✓ **c. 15,000 products** always available
- ✓ **Search feature** to look for specific products
- ✓ **Filters** to drill down into specific categories
- ✓ **Shop the looks** with 400+ rooms furnished and shoppable
- ✓ **Wishlist** to save products for later



Business model: We build our customers' loyalty through our unique Flywheel

**Organic Marketing**



**Daily Themes**



**Westwing Collection**

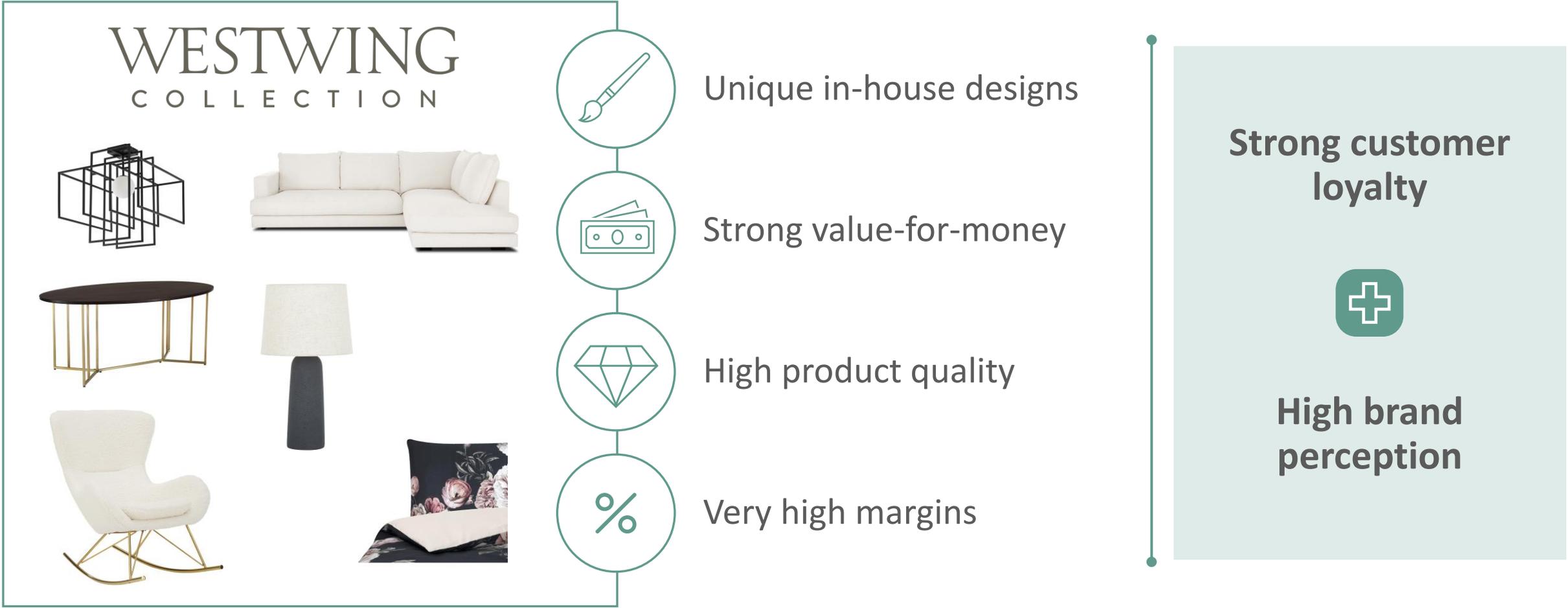


**Permanent Assortment**

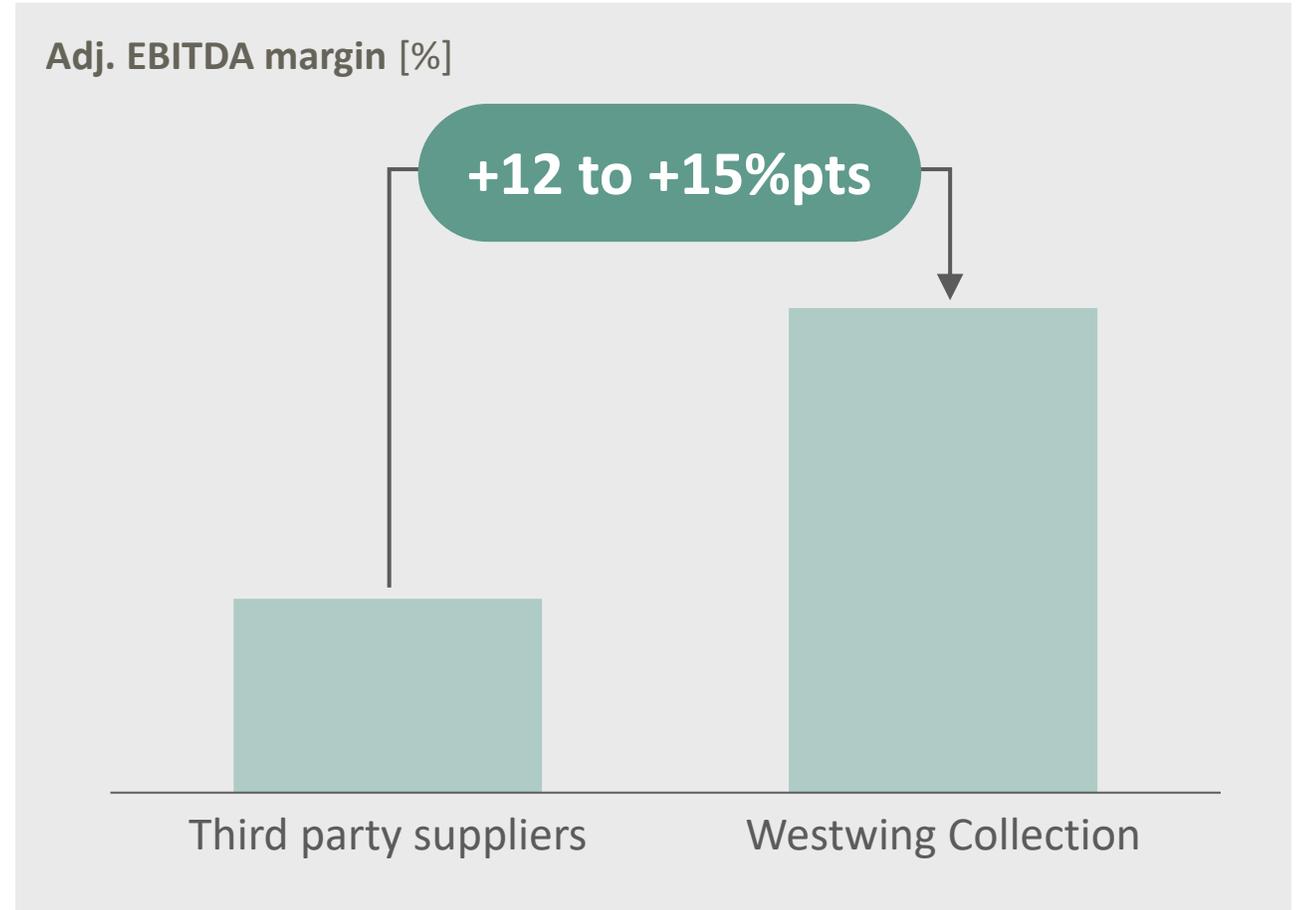
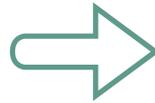
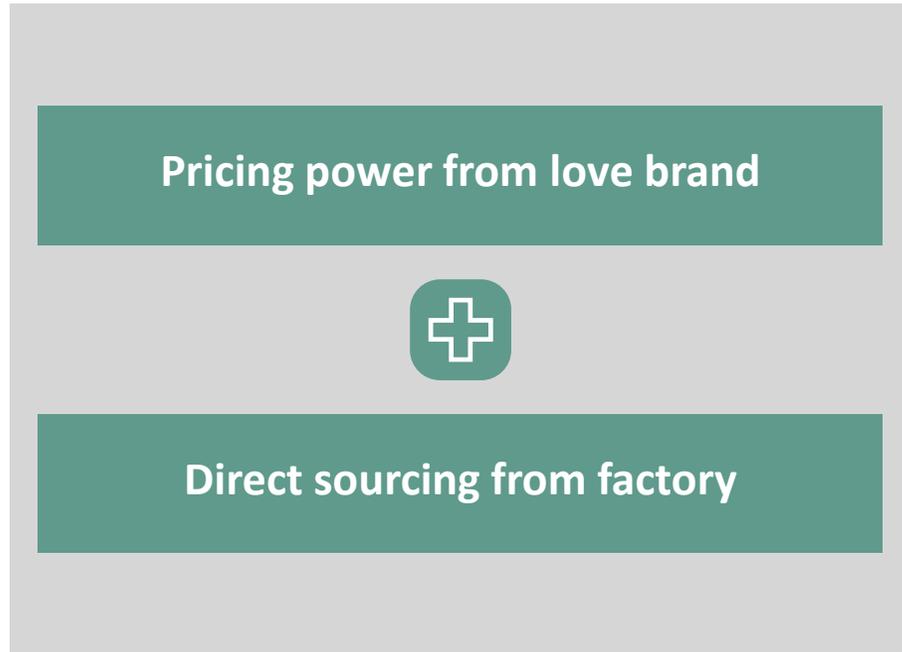


WESTWING

# Our Westwing Collection leverages the loyalty to our love brand with bestsellers tailored to the taste of our customers at good prices, high quality, and very high margins



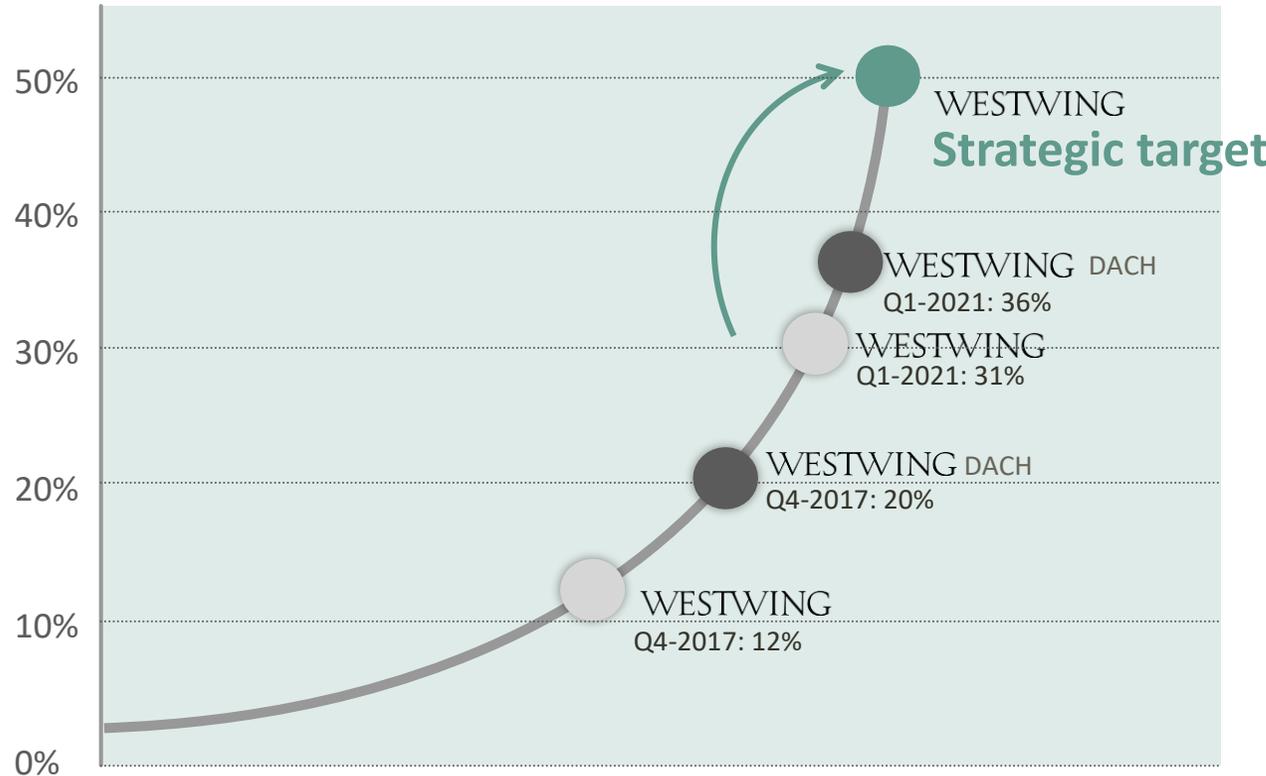
We generate extraordinary Westwing Collection margins because of our pricing power and sourcing power: 12-15%pts higher Adj. EBITDA margin than from third party suppliers



Note: Westwing Collection Adj. EBITDA upside originates from its higher contribution margin.

# Westwing Collection is our most powerful strategic initiative – we are growing our Westwing Collection share to 50% of GMV in the long term

Westwing Collection share of total GMV [%]



## Drivers

1

**Increased customer reach and awareness of Westwing Collection**

2

**Category expansion of Westwing Collection to cover the whole range of Home & Living categories**

3

**International growth of Westwing Collection**

Business model: We build our customers' loyalty through our unique Flywheel

**Organic Marketing**



**Daily Themes**



**Westwing Collection**



**Permanent Assortment**



WESTWING

Our Organic Marketing model is the ultimate love brand builder – we provide inspiration and content to our target group through a magnitude of engaging channels



CRM

**4,700**

email newsletters  
in 2020



YouTube

**1,200,000**

views in Q1/21

**98,000**

key words

in top 10 search  
engine ranking



Pinterest

**2,000,000**

traffic in 2020

Referral  
marketing

**500,000**

successful invites to  
friends in 2020

EUR

**53,000,000**

PR media value  
in 2020



Instagram

**7,400,000**

followers

**53,000,000**

weekly unique reach

**7**

posts/day/country

Content  
marketing

**4,350**

videos and

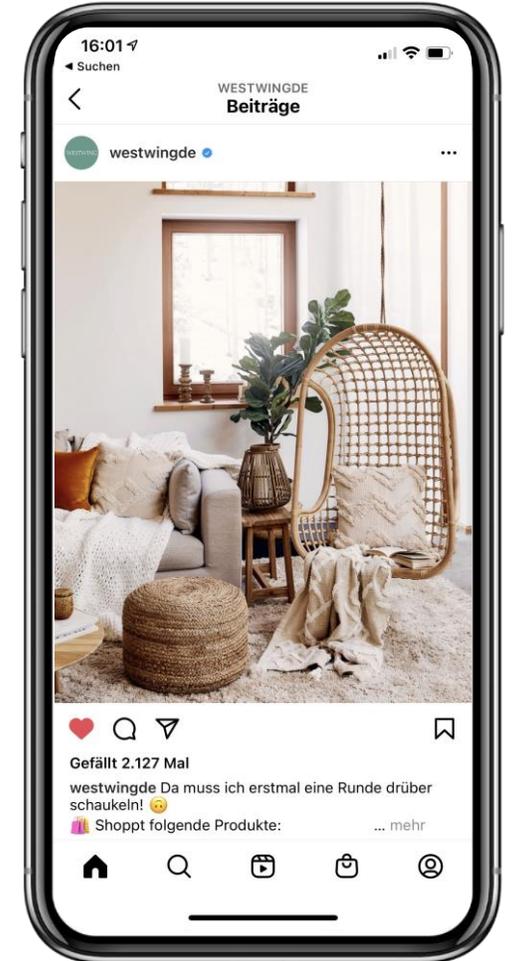
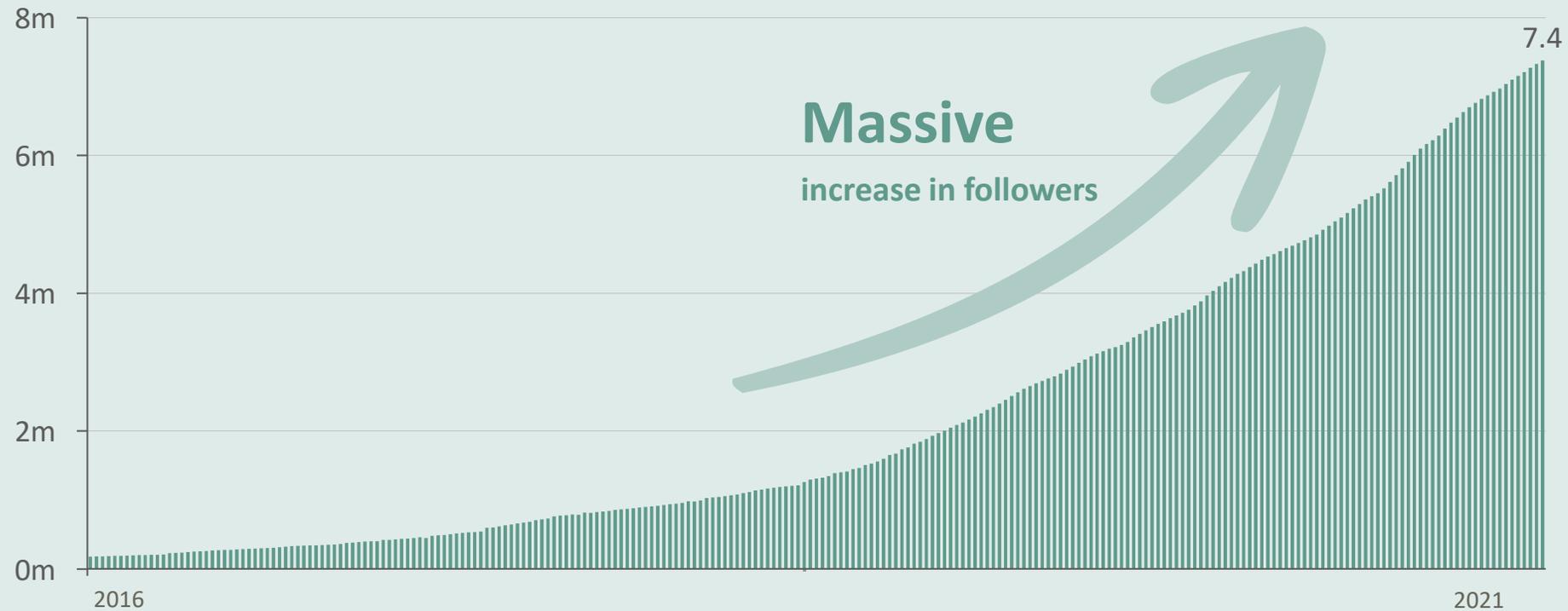
**10,800**

pictures produced  
in 2020

# Our biggest Organic Marketing channel is Instagram with massive increase in followers

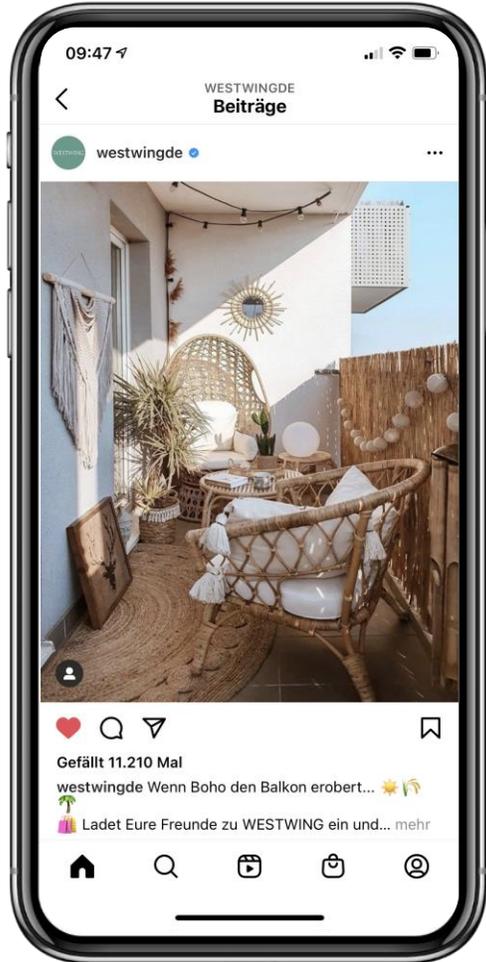
## Instagram followers now at >7 million across Europe and growing

Weekly development of Instagram followers [m]



Note: Instagram followers based on the sum of all Instagram accounts of each country Westwing is active in

# Our customers' engagement on social media is best-in-class



## We trail only Mercedes-Benz in social media engagement in Germany

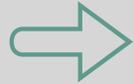
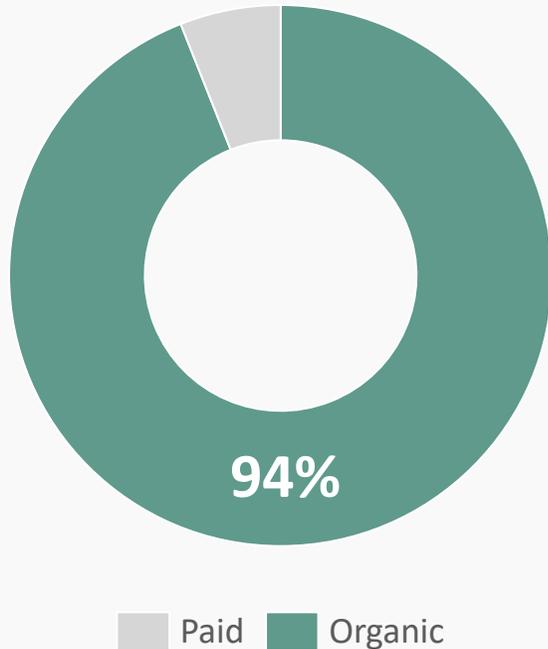
Brand analysis for December 2020

  
# of interactions

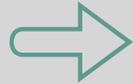
1		Mercedes-Benz	2.5m
2	WESTWING	Westwing DE	2.2m
3		Netflix	2.1m
4		Audi	1.2m
5		Disney	0.9m

# We generate 94% of our traffic through our own channels

Traffic share Organic vs. Paid Marketing in 2020 [%]



Offering our customers a **vast amount of relevant content and inspiration** is the basis to our organic success



Traffic focused on **engagement** not conversion

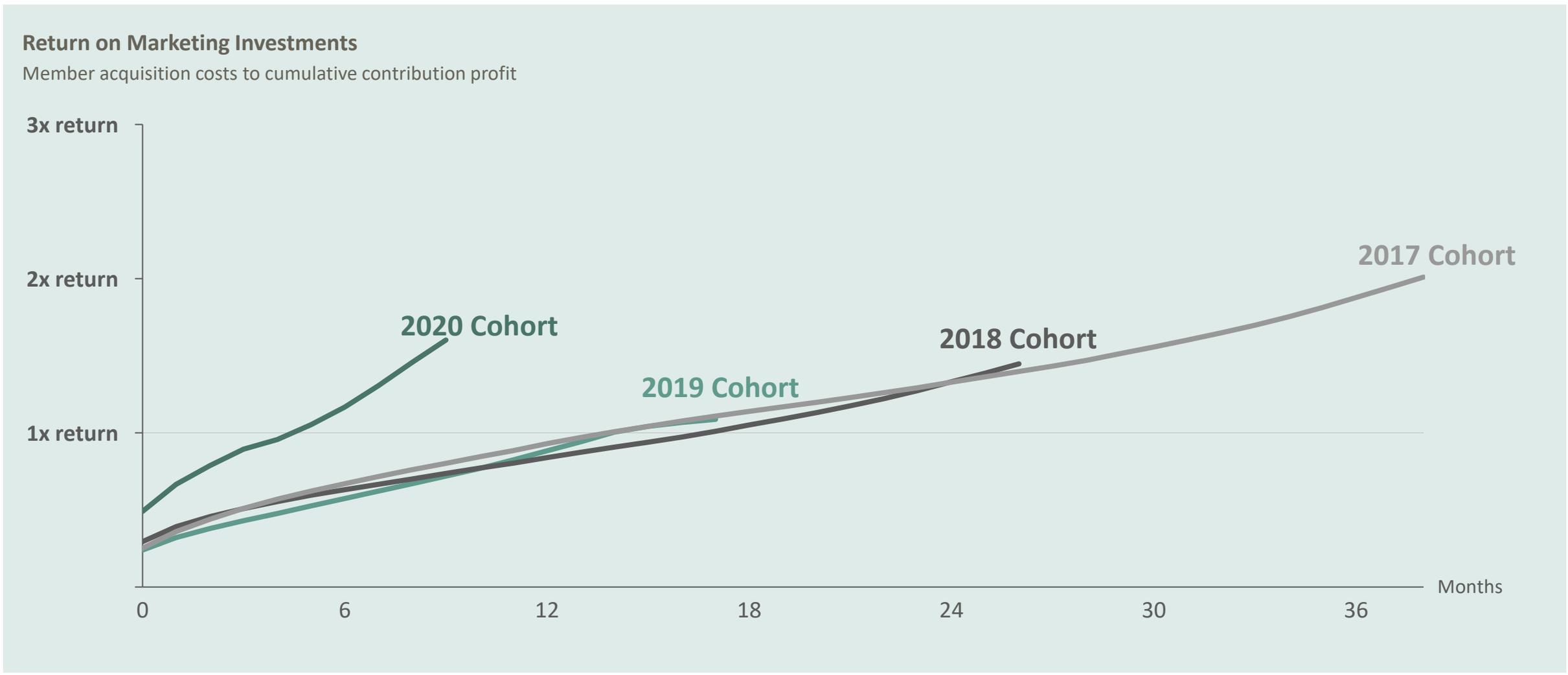


Strong organic visits driven by daily **newsletter** and **social media**

# Our Organic Marketing model is highly differentiated vs. typical Paid Marketing models

	Westwing Organic Marketing model	Typical Paid Marketing model
 <b>Asset-building</b>	High	Low
 <b>Operating leverage</b>	High	Low
 <b>Inspiration and engagement</b>	High	Low
 <b>Entry barrier for competitors</b>	High	Low
 <b>Competitive advantage</b>	Expertise Creative talent	Budget Algorithms

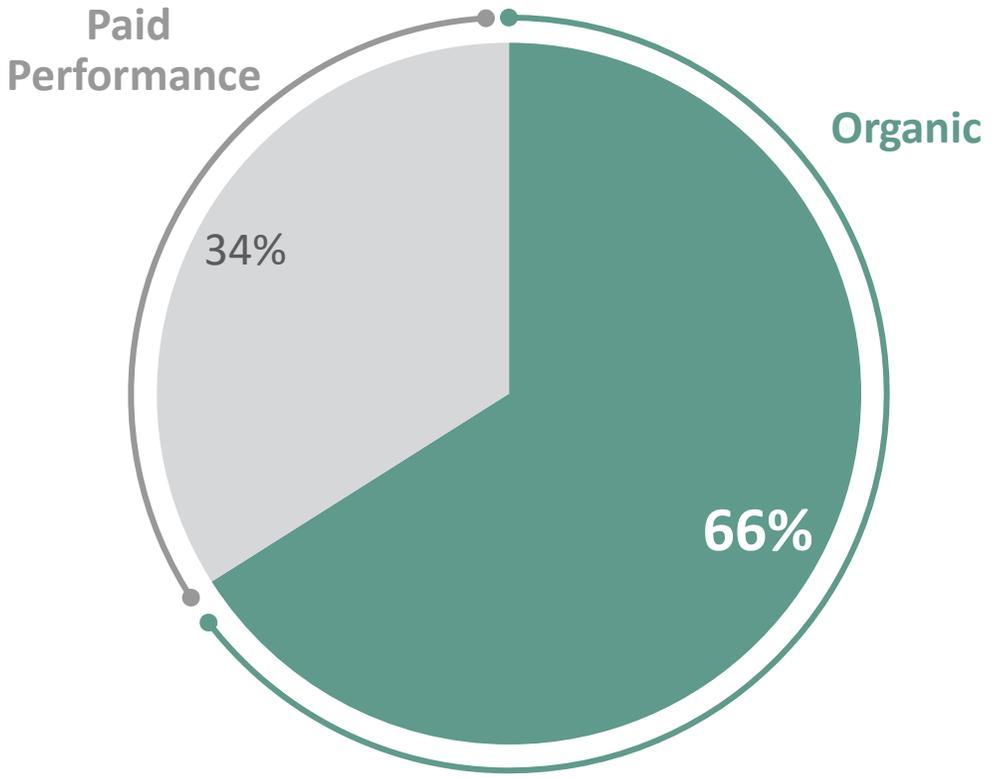
# Our Organic Marketing model results in rapid payback times of c. 12 months and extremely high long-term ROIs



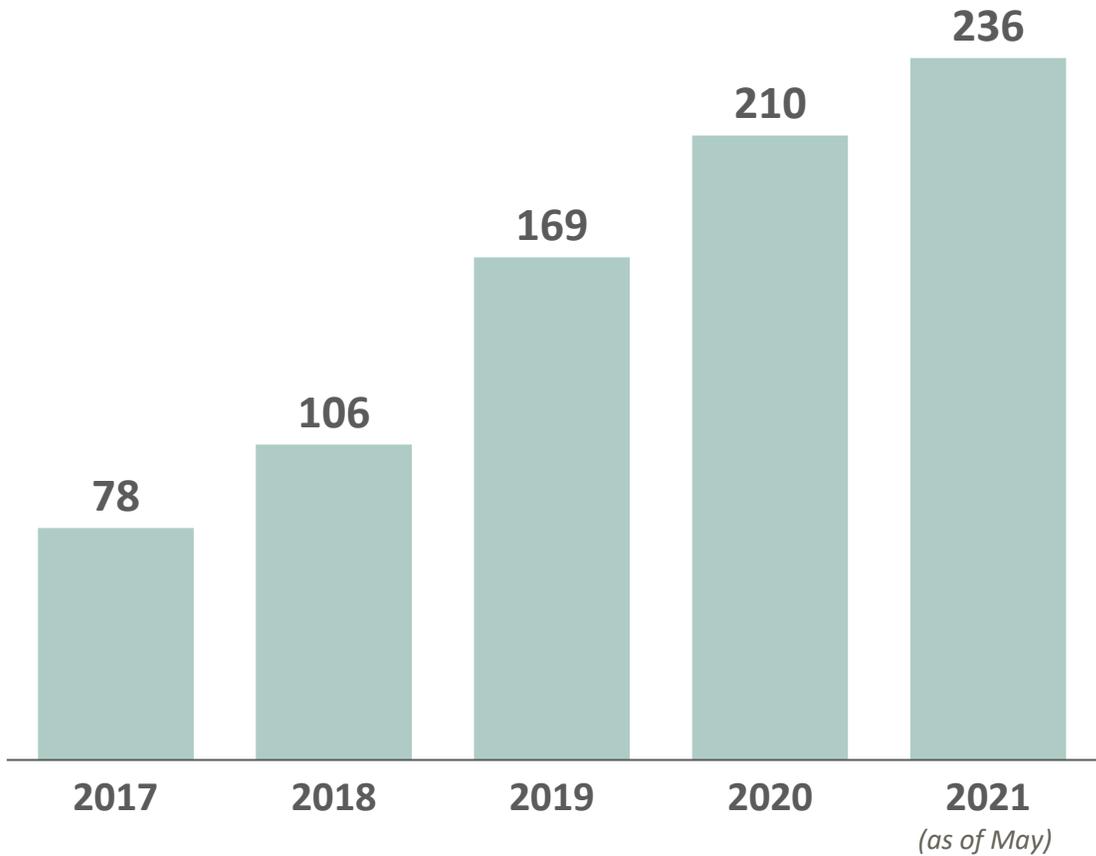
Note: Return of marketing investments calculated as cumulative contribution profit in relation to member acquisition costs of a given cohort. Member acquisition costs defined as marketing costs of a given period divided by new members in the respective period.

Accordingly, we allocate most of our marketing invests into Organic and support these investments with Paid channels

Share of Organic vs. Paid Marketing investments in 2020 [%]



Employees in Organic Marketing functions [employees per end of period]



# The Westwing Flywheel is the perfect business model to serve our customers



## We attract and serve our customers through ...



**Daily inspiration**



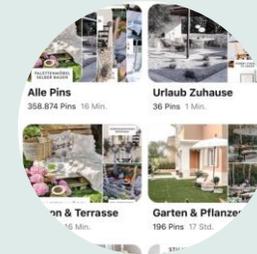
**Great content**



**Attractive prices**



**Bestsellers from Westwing Collection**



**Effective and efficient communication**

The Flywheel is supported by a state-of-the-art platform of Creative experts, leading-edge inhouse Technology, scalable customized Operations, a passionate and diverse team

### Creative



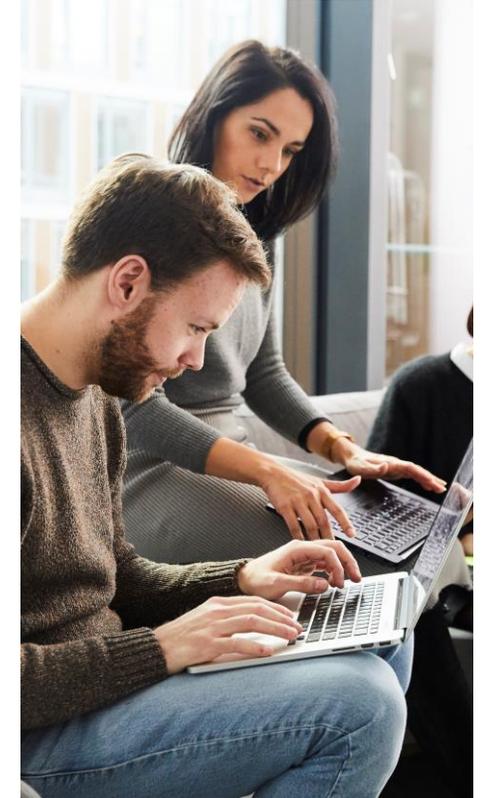
### Technology



### Operations



### Team



# 200+ Creatives are the foundation of our love brand



**Delia Lachance**  
Founder & Chief  
Creative Officer



**Sebastian Freitag**  
Creative Director  
Daily Themes Global



**Alexandra Tobler**  
Creative Director  
Westwing Collection



**Giorgia d'Amico**  
Head of Content  
Production



**Marta Suchodolska**  
Creative Director  
Poland/CEE



**Alice Etro**  
Creative Director  
Italy



**Ana de Olazábal**  
Creative Director  
Spain



**Sarah Bachmair**  
Creative Director  
DACH

## Creative Team 200+ world-class experts

- ✓ Creatives cover all business areas
- ✓ Creatives scout and define new styles and trends
- ✓ Creatives curate from a vast ocean of brands and products
- ✓ Creatives take the final decision in product offering



# We are a Technology company through and through



## Westwing's purpose-built Technology platform

Inspirational and state-of-the-art front-end on sites and apps



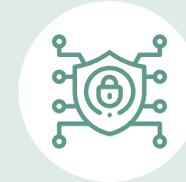
Scalable Operations platform for order fulfillment



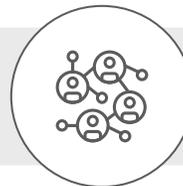
Big data analytics capabilities



Cloud based and highest data security standards



In-house Technology team



of 180+ engineers

# The front-end to our customers on sites and apps strengthens our love brand



Möbel  
[Jetzt shoppen](#)



Deko  
[Jetzt shoppen](#)

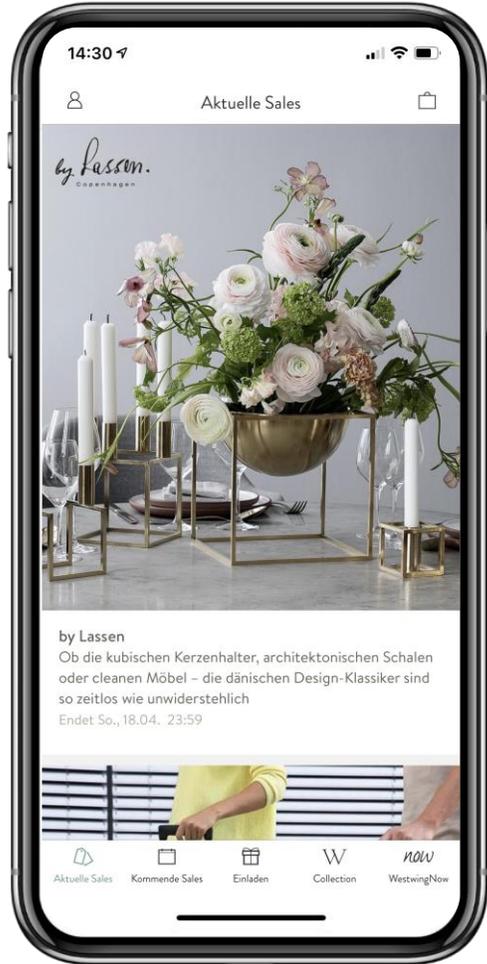


Leuchten  
[Jetzt shoppen](#)



Textilien & Teppiche  
[Jetzt shoppen](#)

# We are mobile-first



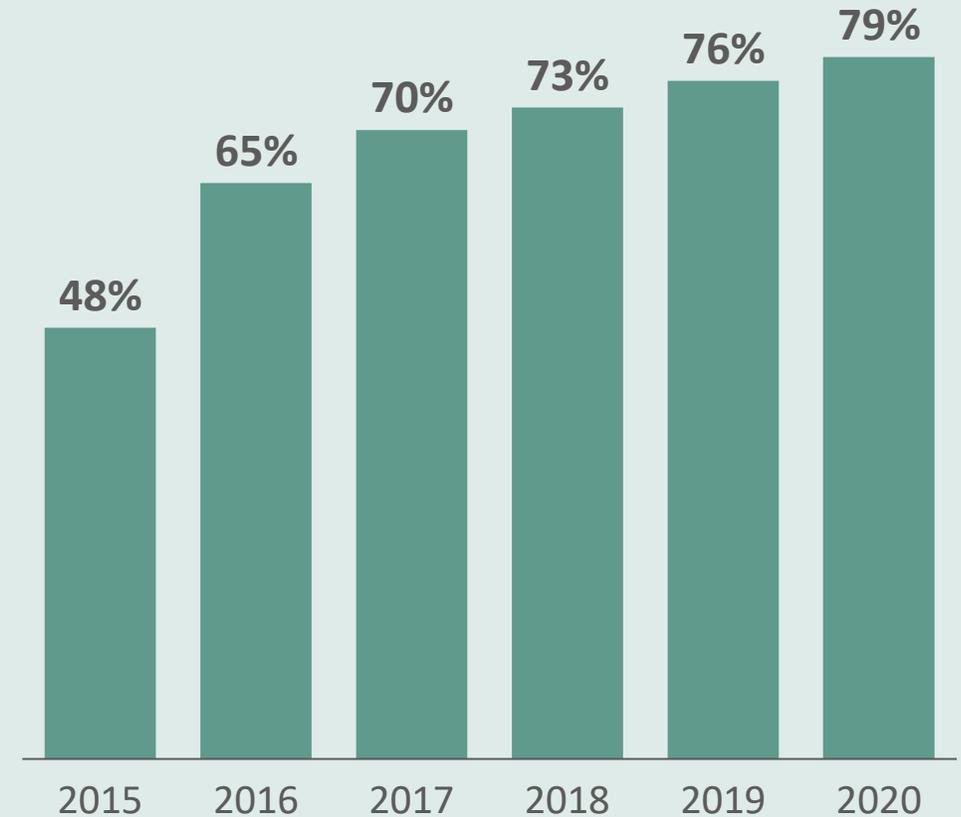
Focus on mobile leads to constantly **improving customer experience** and subsequent **conversion uplifts**



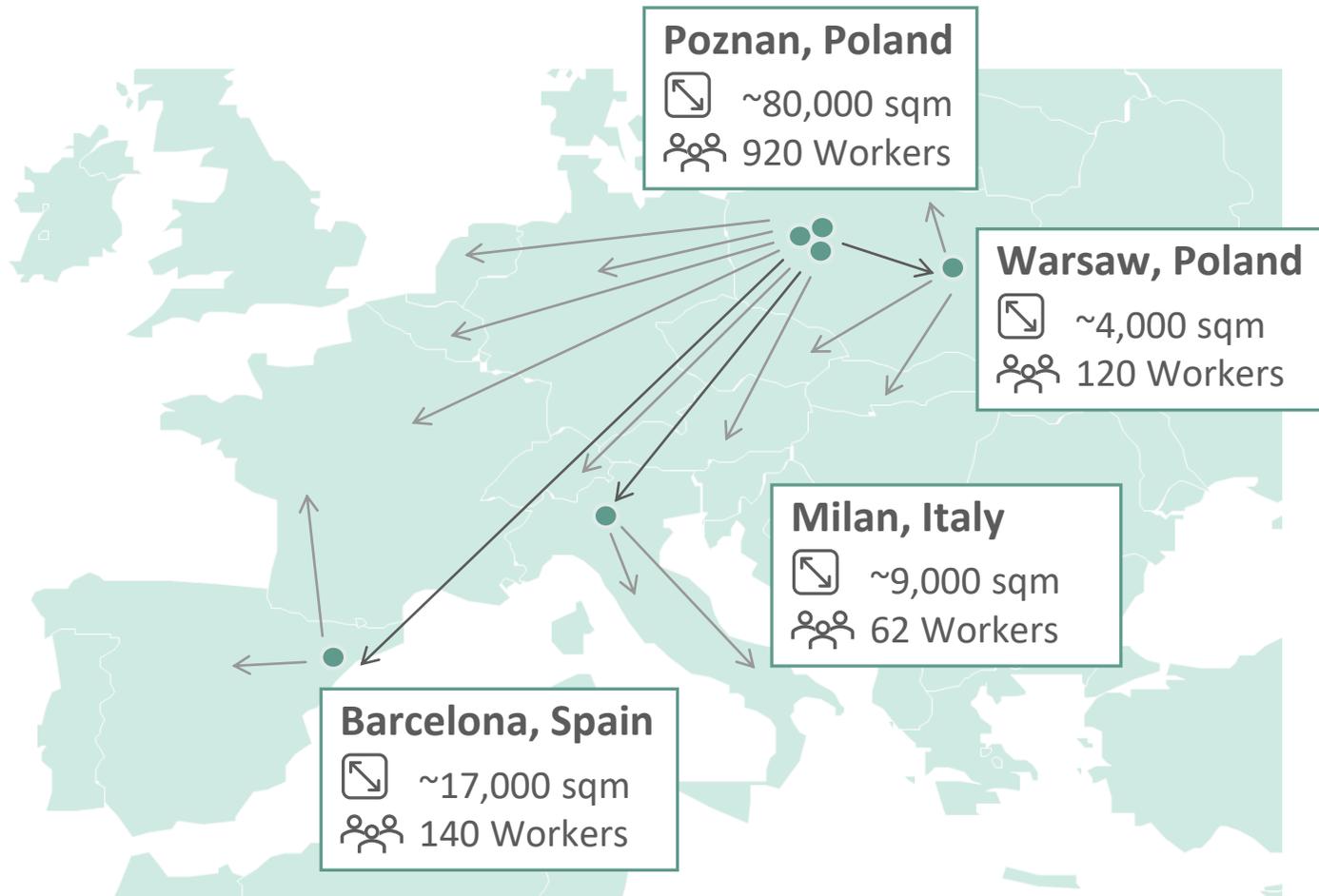
(5/5 Westwing app rating)

Based on c. 70,000 ratings

Mobile visit share of total visits [%]



# We have built a European logistics and warehouse network that masters the complex logistics in the Home & Living market



European logistics network of **6 warehouses**

**110,000 sqm** warehouse space provides capacity for c. **EUR 650m** of revenue

European wide management of **>30** international and local freight partners

**Highly scalable** and **CAPEX-light** expansion options

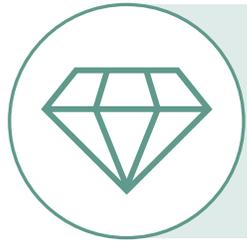
**In-house developed** fulfilment Technology platform

Capacity Workers → Delivery areas → Cross-Warehouse

# Impressions from our main warehouse in Poznan, Poland



# Our customer service team ensures customer centricity from the core



## In-house team to ensure highest quality standards

Team of 160 FTE with c. 75% in-house agents



## Fast and solution-oriented service

Average hotline waiting time: 15 sec<sup>1)</sup>

98% of customer tickets answered within 24 hours<sup>1)</sup>



## High customer satisfaction

Trustpilot score of 4.6<sup>2)</sup>

“ **What our customers say**

*Fast answer and perfectly solved! Thank you!*

*That's what I call service, fast and uncomplicated. Great!*

*Super friendly and competent service agent.*

”



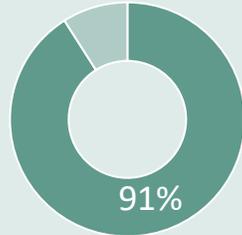
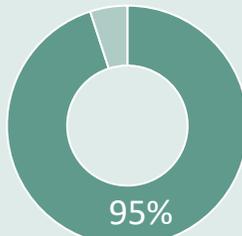
# Key to our success is our team and their passion

**We are proud to have built a truly diverse team...**

-  **1,775 employees**
-  **60+ nationalities**
-  **Employees**  
**62% female**  
**38% male**
- Senior leaders**  
**53% female**  
**47% male**

**...and our very own and positive culture at Westwing**

 **Employee satisfaction survey<sup>1)</sup>**

-  **Satisfaction with working at Westwing**  
**91%**
-  **Feeling of belonging to team**  
**95%**

Note: Group data per end of 2020, employees based on headcount, Senior leaders defined as executives and their direct reports  
1) Employee satisfaction survey in March 2021 for HQ in Munich

# Westwing is managed by our experienced Executive team



**Stefan Smalla**  
Chief Executive Officer  
10 years at Westwing



**Sebastian Säuberlich**  
Chief Financial Officer  
7 years at Westwing



**Delia Lachance**  
Chief Creative Officer  
10 years at Westwing



**Andreas Hoerning**  
Managing Director  
Permanent Assortment &  
Westwing Collection  
6 years at Westwing



**Matthias Siede**  
Managing Director Daily  
Themes  
10 years at Westwing



**Steffani Busch**  
Chief Operating Officer  
5 years at Westwing



**Tobias Seitz**  
Chief Marketing Officer  
8 years at Westwing



**Miriam Rabung**  
Director HR & Organization  
5 years at Westwing



**Adam Maschek**  
Chief Technology Officer  
10 years at Westwing



**Sebastian Freitag**  
Global Creative Director  
9 years at Westwing



**Alessa Vogler**  
Interim Head of Corporate  
Development  
2 years at Westwing



**Jutta Rumpel**  
Head of Corporate  
Development  
*(on maternity leave)*  
0.5 years at Westwing

Based on the consumer love brand strategy and focus on inspirational eCommerce, the Westwing business model is superior to standard eCommerce retail models

	Westwing	Standard eCommerce
 <b>Customer loyalty</b>	High	Low
 <b>Pricing power</b>	High	Low
 <b>Own collection share</b>	High	Low
 <b>Marketing model</b>	Mainly Organic	Mainly Paid
 <b>Marketing ratio</b>	Moderate	High
 <b>Profitability</b>	High	Low

## Key takeaways from Westwing's unique business model

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- 1 We are a **Home & Living consumer love brand**
  - 2 We uniquely combine the **profitability of a consumer love brand** with the opportunity of a **high-growth eCommerce business** in a EUR 120 billion market that is moving online
  - 3 Our business model, the unique **Westwing Flywheel**, perfectly serves our **customers of Home Enthusiasts** and builds **extremely strong loyalty**
  - 4 Our **Organic Marketing model** is highly differentiated vs. typical eCommerce models and perfectly **leverages our creative and inspirational core**
  - 5 Westwing's love brand and inspirational eCommerce business model result in a **superior profitability compared to standard eCommerce**
-

# Westwing's love brand

Speaker: Delia Lachance



‘Love brands’ – brands that exert such strong attraction on consumers that they are not only preferred over other brands but are actually ‘loved’



## How does the love show?

- Consumers highly identify with the brand; it becomes part of their life and personality
- Consumers have a higher brand loyalty and stay connected
- Consumers become ‘blinded by love’ – the connection with the brand is more important than the price tag or actual needs
- Consumers become brand advocates and promoters – beloved brands are protected by their fans
- Love brand companies attract better talent

## We are the leading love brand for Home Enthusiasts



Love is all about an emotional connection. Love is not rational.

Love has a lot of reciprocity. The love we have for our customers is shown in everything we do – it is part of our brand DNA. Our mission is to make every home a beautiful home, to inspire our customers at every touchpoint and be their one friend who always has the best interior advice.

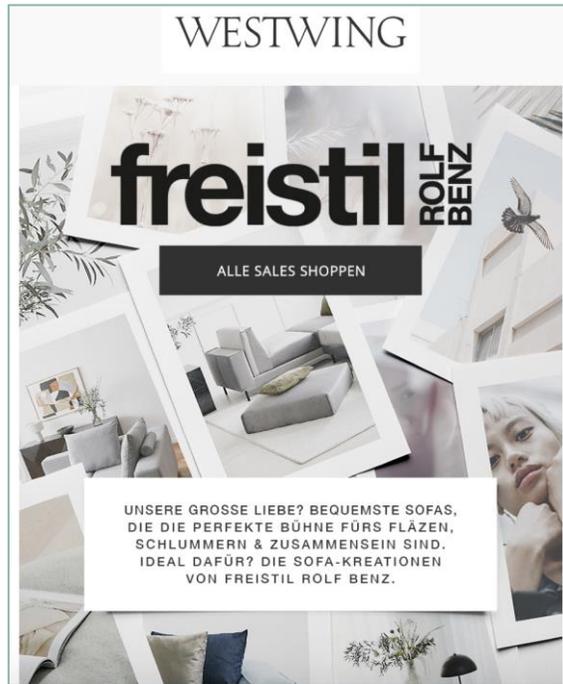
This intimate connection that we create with our customers and that we tenderly nurture every day makes us the leading love brand for Home Enthusiasts.

# We are the leading love brand for Home Enthusiasts. And this is how we do it: **Customer communication**

We **stay in touch and create meaningful connections** with our customers and our Westwing community by offering much more than others – curation, great advice, entertainment, daily inspiration!

Our newsletter is our daily dose of inspiration delivered to millions of Westwing customers every day.

## Daily newsletter



Our most personal voice to our customers and a community of likeminded friends rather than simply customers. Several times per day, we engage with our community of 7 million followers on Instagram.

## Social media



# We are the leading love brand for Home Enthusiasts. And this is how we do it: **Brand experiences**

We always innovate and offer new experiences to our customers. We provide value, we exceed their expectations, and we offer the most **memorable brand interactions**.

## Westwing Academy

We constantly innovate new channels to interact with our customers and educate them.

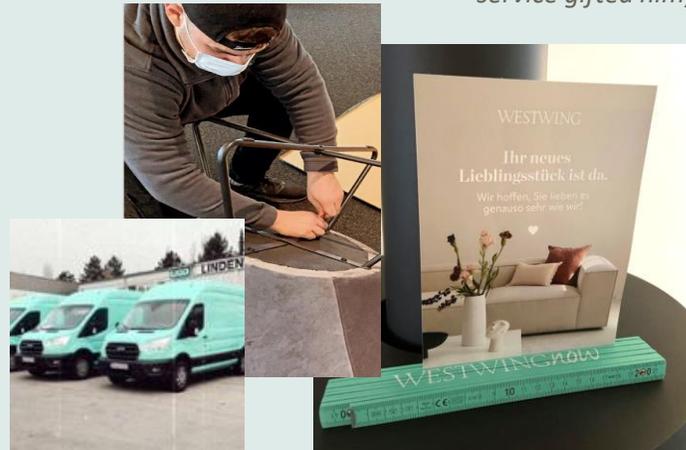


## Delivery Service

New love project:  
Delivering beautiful homes, the Westwing way.

“ 10/10 ★ rating  
for the "Westwing Delivery Service"!  
Excellent customer experience!

– Lennart S., Munich (customer feedback incl. picture of the measuring stick and the card our delivery service gifted him)



## Interior Design Service

“ I shed tears when I saw the concept for the first time – Julia F., Neuaigen (customer email in response to the concept created by our Interior Design Service)



# We are the leading love brand for Home Enthusiasts. And this is how we do it: **Brand advocacy**

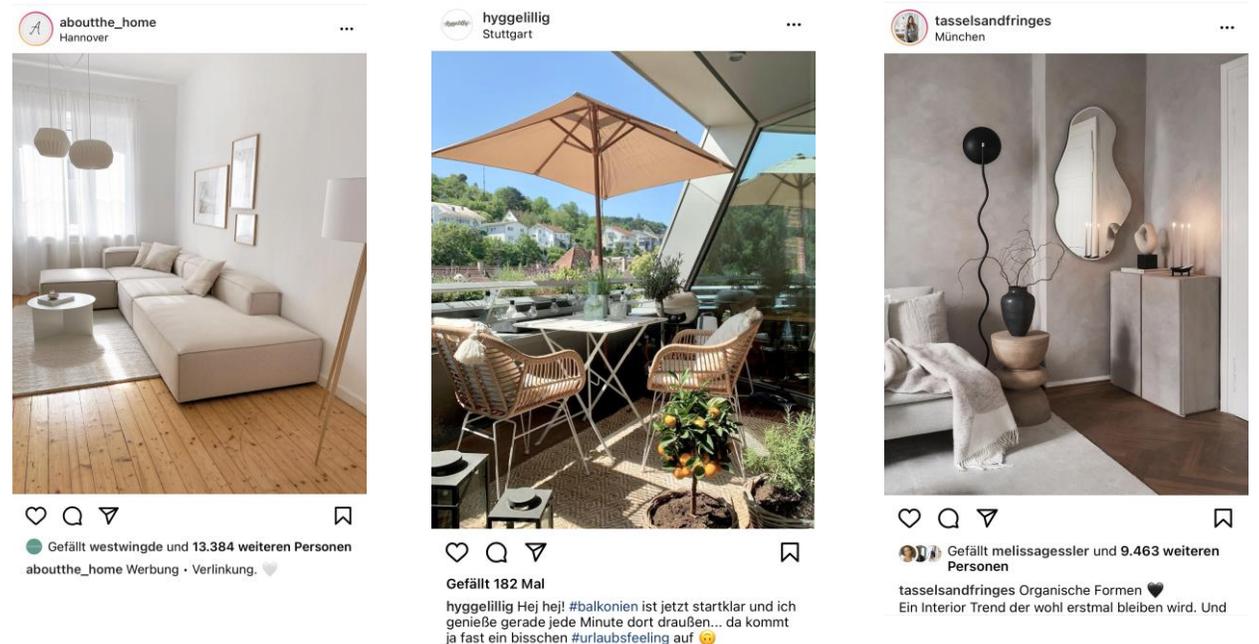
Love radiates! Our employees and our customers are the best and most **authentic brand advocates and brand ambassadors** we can have, and they eagerly show their love on social media.

## Employee & customer home stories



## User-generated content

With the #MyWestwingStyle hashtag, over **188,000 pictures** have already been shared on Instagram by our Westwing community – and counting. **#MyWestwingStyle**



# We are the leading love brand for Home Enthusiasts. And this is how we do it: **Current trends**

Being with the **Zeitgeist** and **engaging in current trends** is a key priority for us! Our business model and our strong community allow us to identify customer needs and respond in real-time.

## Offering

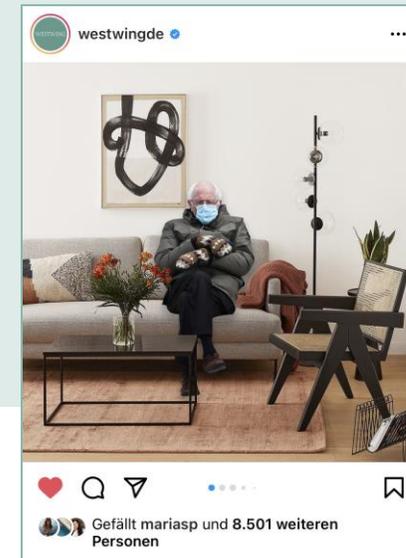
From baking banana bread to celebrating an intimate socially distant wedding – we know what is on our customers' minds.

Bestes Brot selber backen  
SO GELINGT'S GARANTIERT – VERSPROCHEN!

ALLE SALES SHOPPEN



Laughing together as well as getting through rough patches together – this is what strengthens relationships. We live with our customers in the here and now – be it by sharing a laugh or entertaining with glances into our favorite influencers' homes while being stuck at home.



## Social Media & Influencers



# We are the leading love brand for Home Enthusiasts. And this is how we do it: **Sustainability**

The planet is our home, and we are all about homes and the people living in them. **Sustainability is a top priority for us**, and we launched several initiatives to support this evolving goal that is also important to our customers.



WESTWING

Westwing Forest

This forest was created by  
Westwing

4,600  
TREES

Our boxes are made from 100% recycled material. Even the color (turquoise coating) is biodegradable. We actively and steadily work towards reducing the footprint we leave behind.



**Project Westwing Forest**  
For every friend our customers referred to Westwing, a tree was planted.



Mater  
Für ihre fair produzierten Design-Möbel kombiniert die ...  
Endet Mi., 06.01. 23 Uhr

Zum Sale



With our 'We care' label we want to highlight brands that care about the environment and share our ethical values.

# We are the leading love brand for Home Enthusiasts

## And this is how we do it: Collaborations

Having **strong cooperations with style icons** and telling great authentic stories via PR is essential to our love brand strategy. Seeing the tastemakers with our products makes Westwing a truly aspirational brand – a go-to brand for Home Enthusiasts!

**volver a empezar**

**ZU HAUSE BEI Sylvie Meis**

**IL NUOVO UFFICIO DI CHIARA FERRAGNI? UNA GIUNGLA URBANA CHE TOCCA IL LATO GLAM DEL DESIGN**

*Westwing, il restyling del tempio di The Blonde Salad è un cambio look fashionissimo*

**EXKLUSIVE EINBLICKE BEI CHIARA FERRAGNI**

**Nuovo ufficio per Chiara Ferragni e per la sua crew di The Blonde Salad:** l'imprenditrice digitale da 21,8 milioni di followers su Instagram ha trasferito la sede della sua azienda, pur rimanendo nel cuore di Milano, in uno spazio più grande. Il motivo? Molto probabilmente, ampliamento e consolidamento del suo business. Con un fatturato annuale che si aggira intorno ai 18 milioni di euro, Chiara controlla e amministra infatti ben tre aziende che promettono crescita e avanzamento nonostante le ripercussioni economiche negative del Covid-19

**Gabriela PALATICH** se ha mudado de Estambul al centro de MADRID a una casa de hechuras clásicas que ha llenado de DISEÑO. Cozy pero funky, como dice ella.

# We are the leading love brand for Home Enthusiasts

## And this is how we do it: Emotions

We want to win Home Enthusiasts' hearts and we are not afraid to show emotions to do so. **We always speak to their heart!**



### Outdoor im Romantik-Stil

Ein Hauch charmante Nostalgie kombiniert mit zarten Details bringt auch draußen den feminin-verträumten Look auf den Punkt



### Comeback der Weihnachtspost

Es muss keine Schönschrift, sondern handschrieben sein! Mit liebevoll gestalteten Karten-Sets, schönem Schreibtisch-Zubehör und ganz persönlichen Botschaften darf diese Weihnachtstradition wieder richtig stilvoll zelebriert werden



### Hunter

Die robusten und langlebigen Halsbänder, Leinen und Hunde-Accessoires aus der Bielefelder Manufaktur machen den Alltag unserer Fellfreunde noch ein bisschen schöner



### Geschirr mit Herz

Boltze präsentiert uns eine Geschirr-Auswahl mit Nostalgie-Touch, die zeitgemäße Tisch-Deko trotzdem ganz hervorragend perfektioniert



### Ostergeschenke für Papa

Für den Papa nur das Beste? Da ist auch der Osterhase on board! Bildbänder, Rotweingläser, Diffuser, Dekanter, Füller & vieles mehr



### Ravensburger

Familienfreizeit unplugged: Von 3D-Puzzles über Spieleklassiker bis zu kreativen Bastelspielen



### Hoptimist

Deko-Glück für alle, die eine kleine Aufmunterung gebrauchen können. Denn die süßen Design-Figuren sind eh längst Kult



### Weihnachts-Roadtrip nach Hause

Die wohl schönste Autofahrt des Jahres braucht cooles Gepäck, Entertainment, Tech-Gadgets & vieles mehr

# So, who are these Home Enthusiasts? Home Enthusiasts are all those who ...

... have a deep passion to beautify their home



... make up the majority of spend in the Home & Living market



... make Home & Living part of their lifestyle

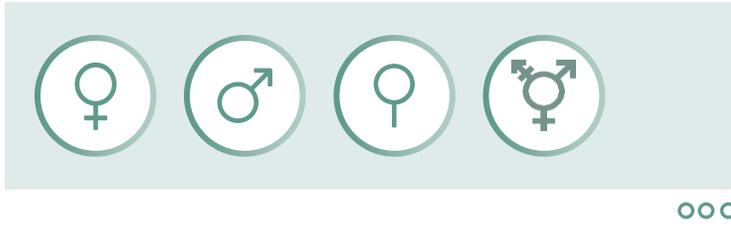


... are highly engaged and interested in daily content for Home & Living

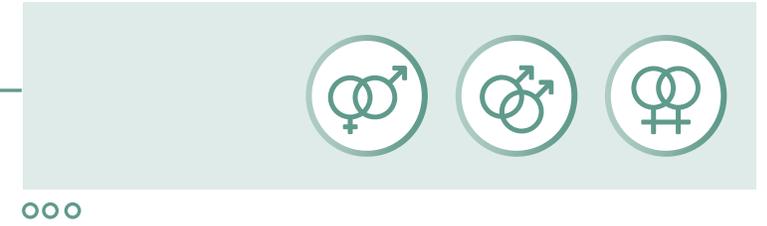


Home Enthusiasts are across all of society, independent of gender, sexual orientation, age, income, religion, and ethnicity

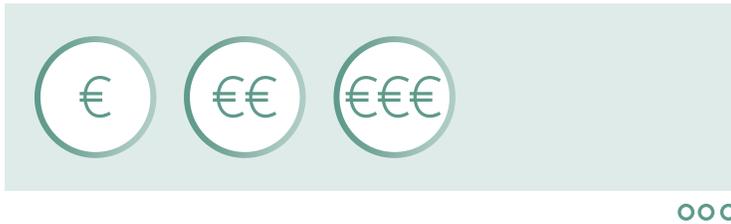
All genders



All sexual orientations



All incomes



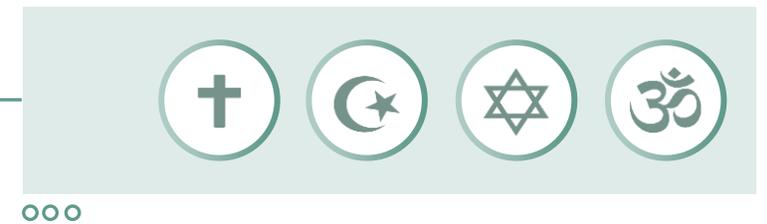
All ethnicities



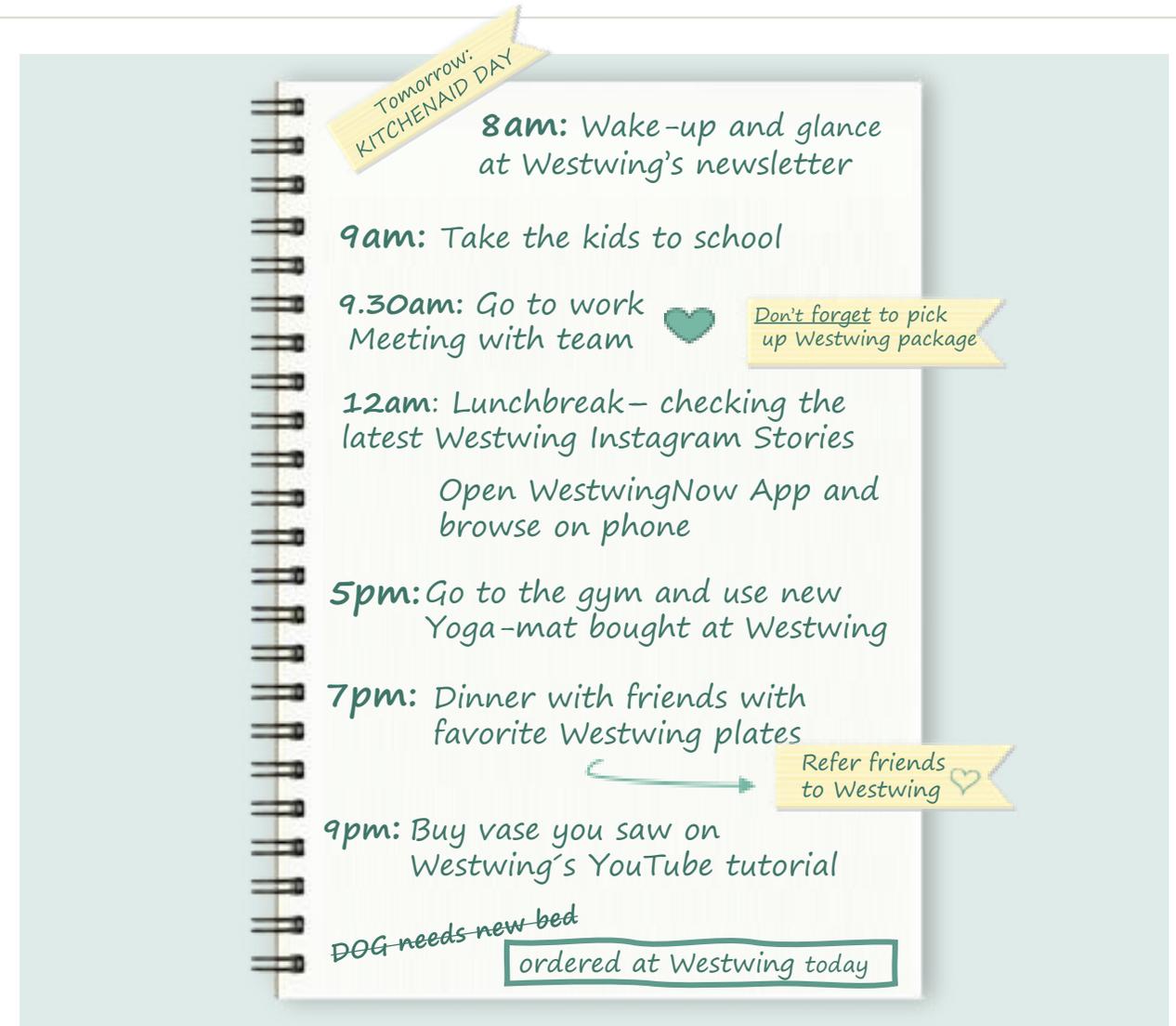
All ages



All religions



# We have the perfect business model to serve Home Enthusiasts, so that we are part of our customers' lives and routines and create strong brand intimacy



# We are storytellers, not only sellers

Westwing is a **'shoppable magazine'**, we are not only a retailer – we are much more

We are a place for **inspiration, entertainment, information, and advice** – a place to immerge and fall in love with interior & our brand

Our **storytelling retail approach is unique** in the online industry and strengthens our relationships with the leading brands

Our ability to give deeper context to brands and their products offers a **whole new brand experience** to customers

**Beautiful visuals, home stories, influencers, styling advice, ...** are part of our storytelling and make Westwing a place for inspiration, a helpful friend, a knowledgeable expert and an **opinion leader for interior**

*Example:*  
To present the trendy Dutch interior brand Zuiver we took our customers into the home of founder Caroline van Velze offering exclusive insights.



Zuiver

Zu Besuch in Amsterdam: Wie man die Design-Schätze der Marke am besten stylt, zeigt Creative Director Caroline van Velze in ihrem eigenen Zuhause

Endet Heute, 23 Uhr

### ALTBAU-FLAIR MIT MODERNEM TWIST

Dass es sich in einem denkmalgeschützten Grechtershaus zeitgemäß leben lässt, beweist Caroline van Velze! In Amsterdam hat sich die Kreativdirektorin von ZUIVER mit ihrem Mann 1997 an eine Ruine gewagt und diese nach Jahren des Renovierens ins Traumzuhause für sich und ihre funktöpfige Familie verwandelt. Wir durften uns umsehen!

Wanduhr Minimal 39,- 80,-

Jetzt mit Freunden teilen 128 Produkte Sortieren nach: Standard

Sessel Lakina Zuiver 17% 89,-

Zweierhalbzüher-Sofa Jean Zuiver 799,- 999,-

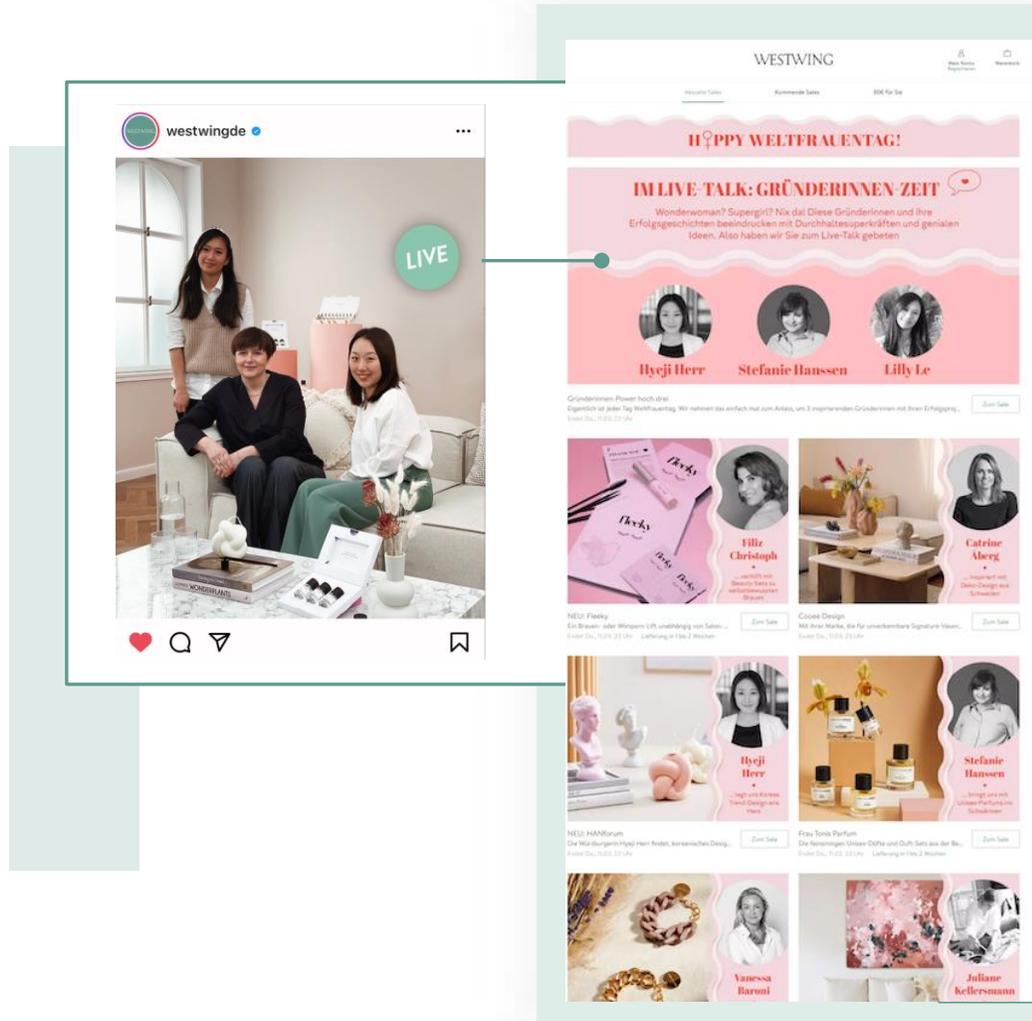
Garderobe Pirovada Zuiver 7% 100,-

# We are storytellers, not only sellers

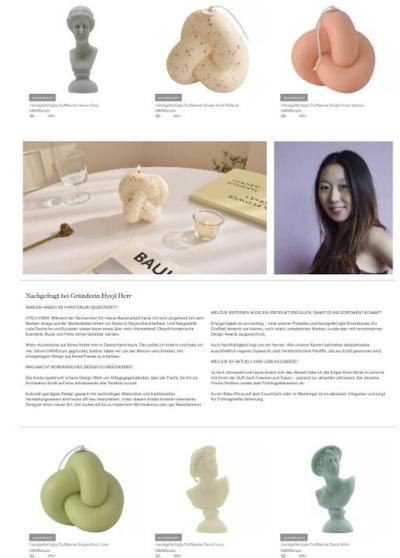
What's on Westwing today? Our **offering changes daily** and our shoppable entertainment approach creates **daily curiosity by our customers**

**Added-value content** creates a special connection with our customers and leads to **increased loyalty**

Our customers **come to Westwing** to have fun, be inspired, be informed about new trends, styles and design – **not only when they need something**



*Example: On World Women's Day we featured 7 brands that were founded by women. We created special product- and brand-related content for our customers to offer a completely new brand experience including live video talks, interviews, styling advices and a 360-degree communication on all channels.*



# Core to our business is our Creative team of 200+ Creatives, who bring our love brand to life and take many of the most important decisions in our company

The **Creative mindset** at Westwing spans **across the whole organization**

Creatives are **strategically positioned in all departments**, in all Westwing countries, also outside the 'classic' Creative areas

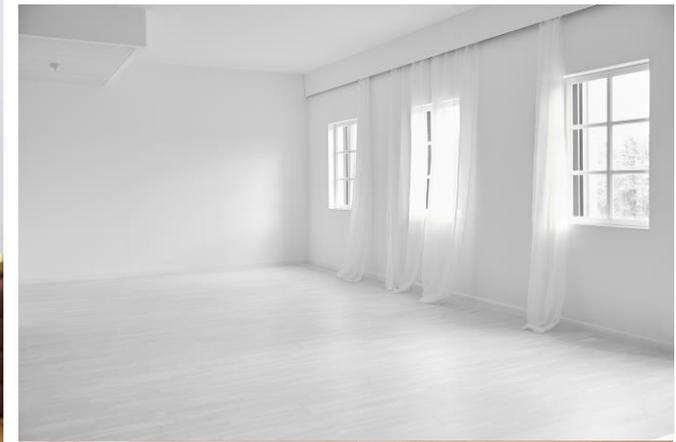
Creatives at Westwing are the **guardians of brand love**: from strategy to Operations, Creatives are highly involved and the **driving engine for innovation!**

The core of our business, the offering, is driven by Creatives to **ensure the most customer-centric retail approach**

Creatives at Westwing across countries and departments



# At the heart of our Westwing universe are our Creative Directors and the Westwing Creative Studios – the place where our unique 360-degree communication is born



# Our Westwing Collection – an affair of the heart



## WESTWING | COLLECTION

- A collection of more than 3,500<sup>1)</sup> products for interior lovers
- Brings a touch of luxury to everyday life
- Surprisingly affordable
- Approx. 2 million<sup>2)</sup> items sold in the last 12 months
- Accounts for >30%<sup>3)</sup> of our Group GMV and growing
- Several hundred employees are working towards the success of it across the Group



Note: 1) As of May 2021; 2) As of May 2021; 3) In Q1 2021

# Westwing Collection is the perfect representation of our love brand: beautiful bestsellers with high design aesthetics at fantastic price points for every home

Westwing Collection are products with high design aesthetics and at the same time very relatable, they have a great price point and are perfect for daily use in every home.



Westwing Collection  
**Handgemachte Steingut-Schalen  
Thalia in Blaugrau, 2 Stück**

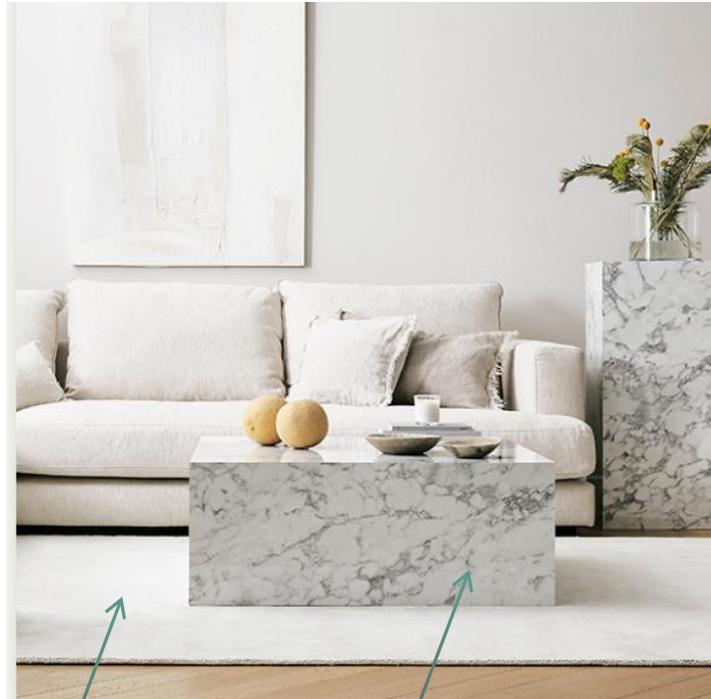
19,99 € inkl. MwSt.

★★★★★ (168)

Westwing Collection  
**Handgewebter Viskoseteppich Jane  
in Elfenbeinfarben**

379 € inkl. MwSt.

★★★★★ (2190)



Westwing Collection  
**Couhtisch Lesley in Marmor-Optik**

389 € inkl. MwSt.

★★★★★ (132)



Westwing Collection  
**Beistelltisch Benno aus Mangoholz  
in Schwarz**

179 € inkl. MwSt.

★★★★★ (85)

# Westwing Collection Lennon sofa: from influencer design favorite to family couch



- A true bestseller initially discovered by the fashion-forward tastemakers for its **unique design aesthetic**
- Quickly spilled over to the masses because of its practical modularity and its **amazing value for money**
- Available in in 6 different colors, 8 more coming incl. different types of fabrics
- 500 reviews with 4.9/5 stars<sup>1)</sup>



Note: 1) As of April 2021

# Our customers love our Westwing Collection that represents >80% of our bestsellers in our permanent assortment with an average rating of 4.5 stars



Westwing Collection  
**Goldfarbenes Besteck-Set Shine aus Edelstahl, in verschiedenen Setgrößen**  
22,99 € inkl. MwSt.  
★★★★★ (609)



Sehr zufrieden  
★★★★★  
von Verifizierter Kunde am 19/02/2021  
Wunderschönes mattes Besteck. Sehr zu empfehlen

Vase perfekt  
★★★★★  
von Gerda G. am 29/03/2021  
Die Vase ist sehr schön und hochwertig - im Moment im Gebrauch für den Osterstrauch



Westwing Collection  
**Große handgefertigte Vase Latona aus Keramik**  
39,99 € inkl. MwSt.  
★★★★★ (192)



Westwing Collection  
**Samt-Polsterstuhl Tess**  
229 € inkl. MwSt.  
★★★★★ (274)

Sehr schöne Stühle  
★★★★★  
von Selma R. am 25/03/2021  
Endlich Eleganz, Qualität, Service und bezahlbar. Ohne Mängel. Danke Westwing



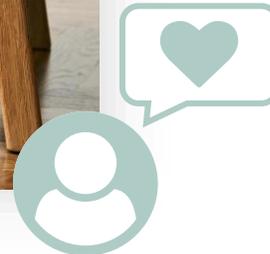
Westwing Collection  
**Graues Samt-Polsterbett Glamour mit Kopfteil**  
899 € inkl. MwSt.  
★★★★★ (5)

Wunderschön!  
★★★★★  
von Stanislava V. am 27/01/2021  
Das Bett ist in natura genauso schön wie auf den Bildern. Es ist massiv und war leicht aufzubauen. Die Lieferung verlief reibungslos und schnell. Bis jetzt bin ich sehr zufrieden. :)

## At Westwing, we work with a Creative-first approach in everything we do



- Just like the big love brands do (Apple, Nike, Dior) – **design is done by the Creative team**, not an Excel sheet
- It's about **connecting with customers on an emotional level**, because emotions drive purchase decisions and long-term customer bonds
- Our **team is full of Home Enthusiasts**, we really love making a home beautiful and so do our customers and that is why we click with them
- **Only this approach makes Home Enthusiasts and opinion leaders fans of our brand and turns everybody into a Home Enthusiast!**



# Strategy and Targets 2024/25

Speaker: Stefan Smalla



Our creative and inspirational core is the basis of everything we do



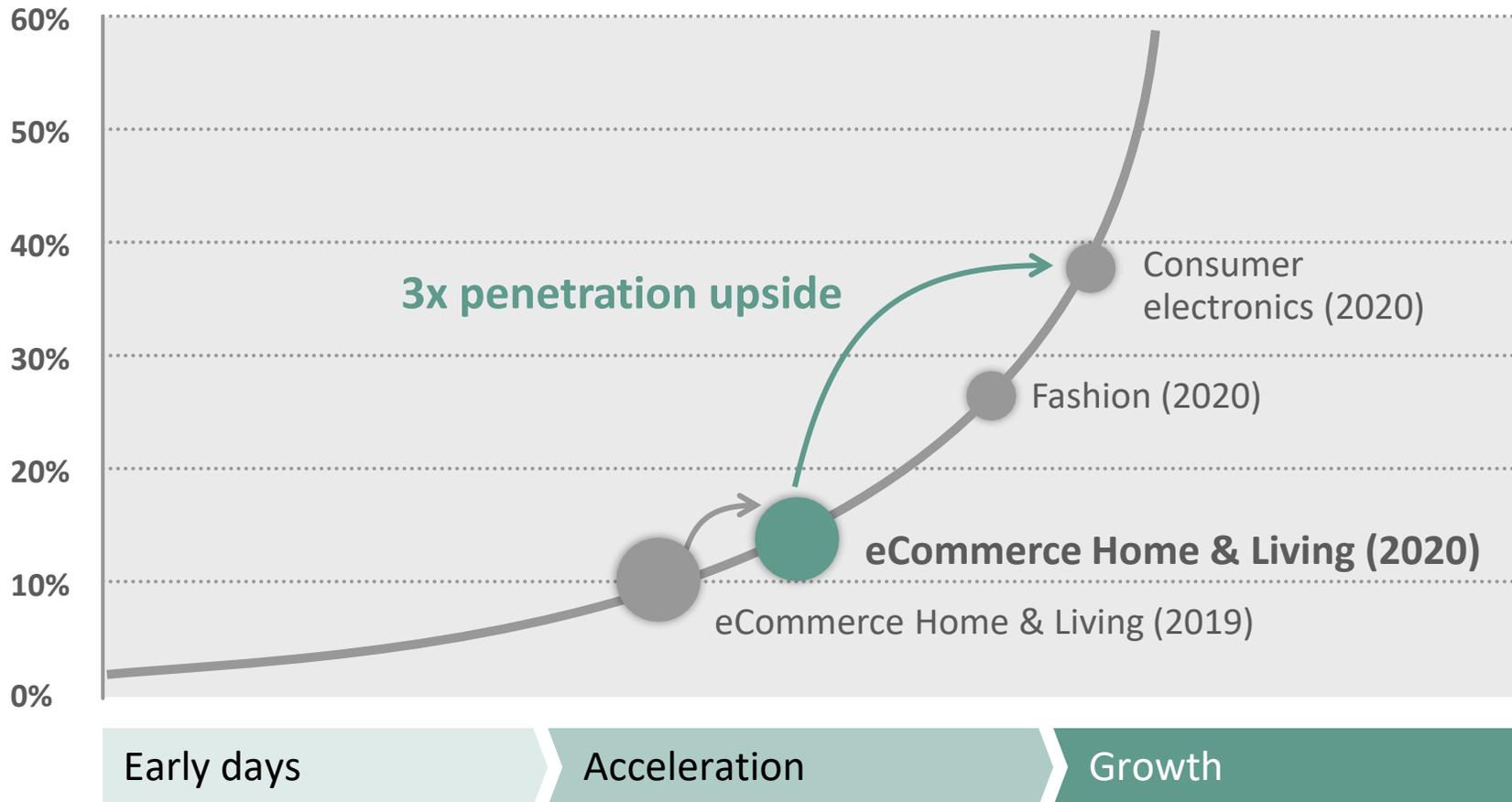
# Targets 2024/25:

European Home & Living eCommerce consumer love brand at EUR 1 billion revenue



# Largest driver to meet our EUR 1 billion target is extremely attractive market growth, based on a strong and dynamic eCommerce adoption for years to come

eCommerce market penetration of total market [%]



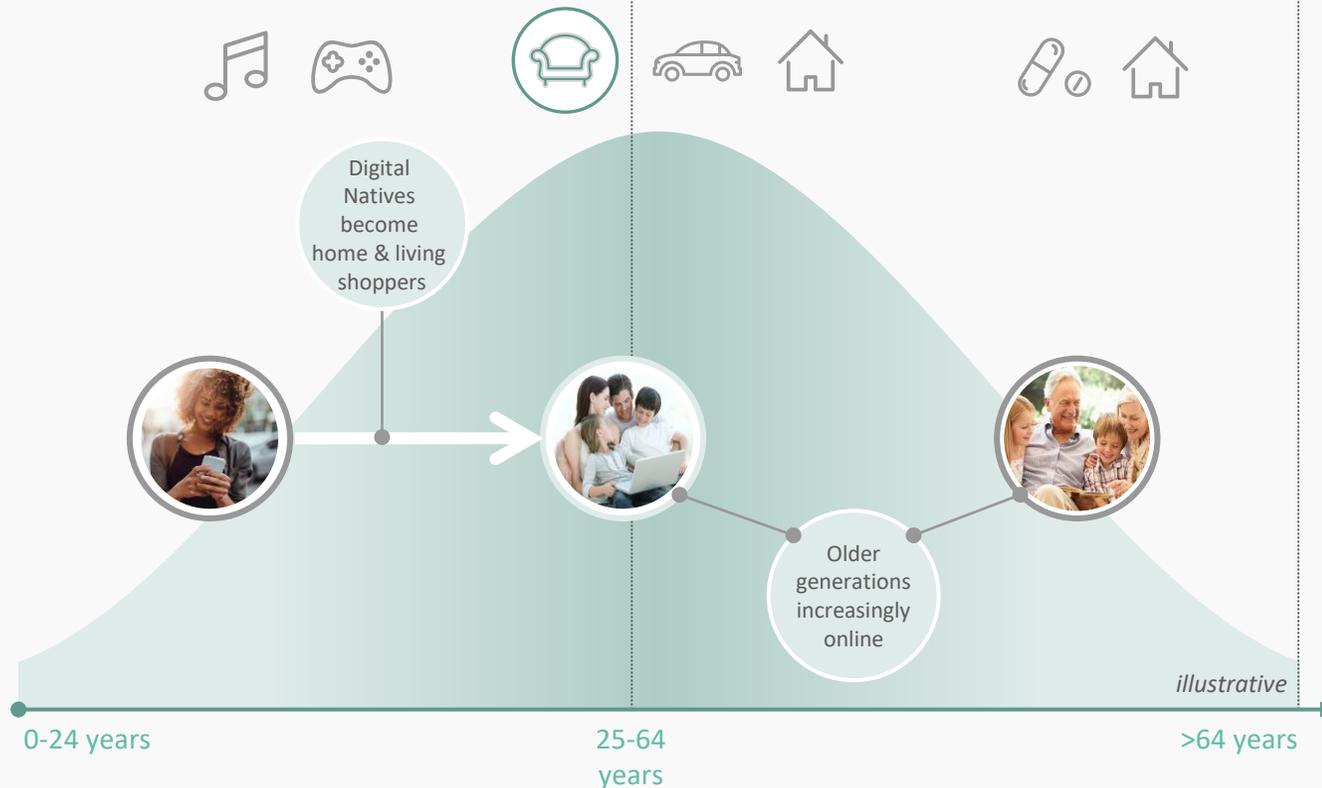
Each percentage point of higher eCommerce adoption equals an addition of



**EUR 1.2bn**  
eCommerce spend!

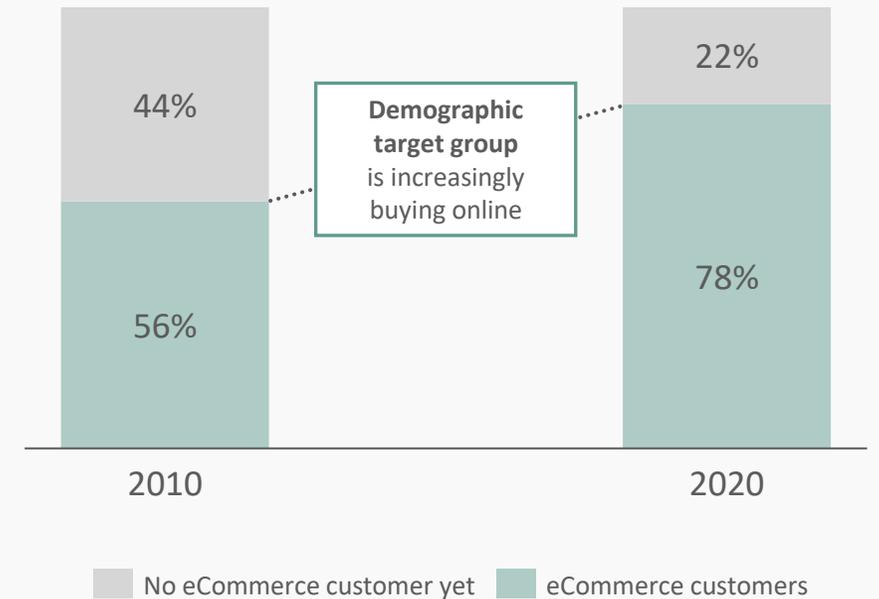
# eCommerce adoption is further accelerated by eCommerce-trained millennials entering home shopping age and older generations increasingly buying online

## Millennials entering the target demographic ...



## ... and our target demographic is buying increasingly online

Share of population between 25 and 54 years in Europe who has ordered goods or services online<sup>1)</sup> [%]



# Technology trends such as Augmented Reality will enhance the use cases for Home & Living eCommerce significantly

## Live example of Augmented Reality in our WestwingNow app



Massive upside of **trying products in one's own home through Augmented Reality** vs. offline showrooms



**3D models in a real-world environment** are a game changer for our customer experience



**Augmented Reality** improves conversion rates and return rates

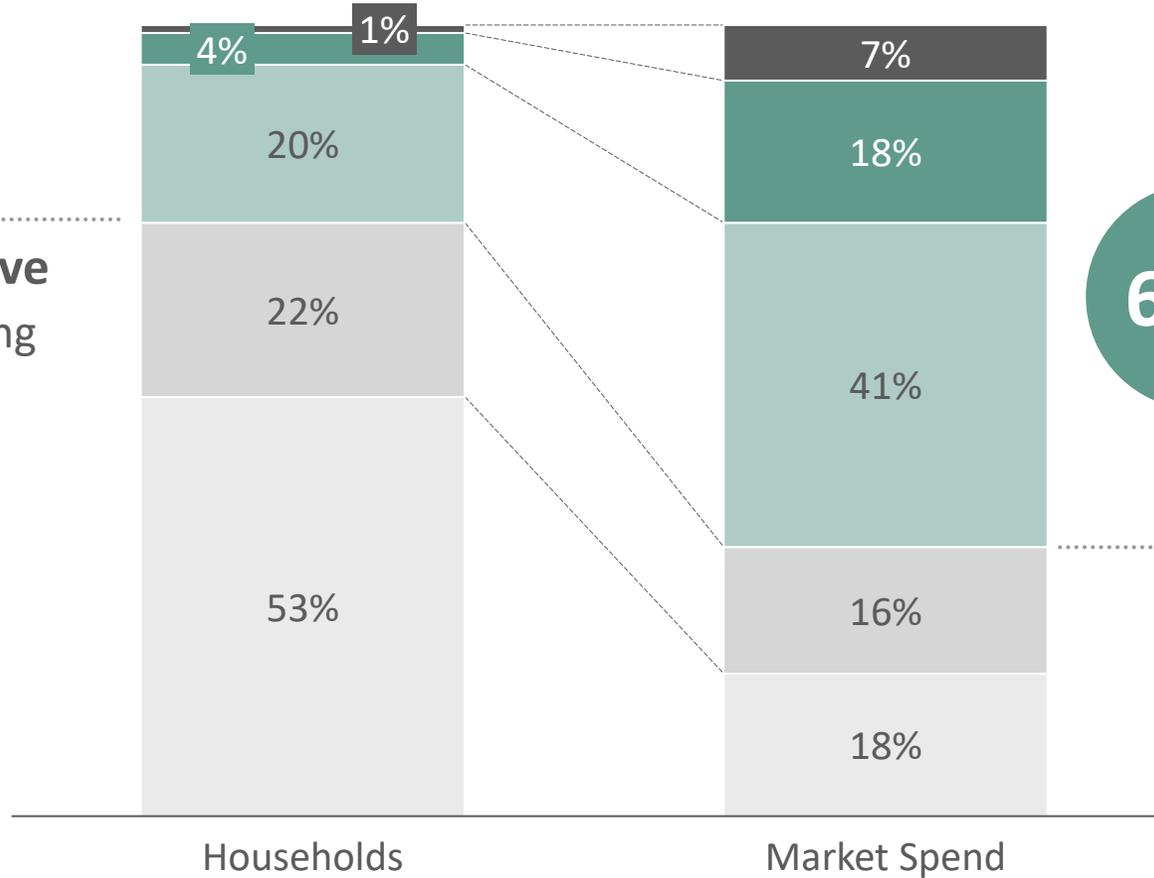
The armchair on the image is not really there.  
**It's Augmented Reality!**

# We target c. 70% of market volume

Home & Living market spend by households [%]

**25%** of households

Our **inspirational core** and **love brand image** is highly appealing to this top target group



**66%** of market spend  
 Equals **c. EUR 80 billion** of spend in our market

Legend: >5,000€ (dark grey), 3,000-5,000€ (dark green), 1,000-3,000€ (medium green), 500-1,000€ (light grey), 0-500€ (very light grey)

Source: Based on consumer surveys with GfK (2018) and YouGov (2020) for Germany

We will continue to be at the forefront of the strongly growing Home & Living eCommerce market through our unique Flywheel business model

**Organic Marketing**

**Daily Themes**

**Westwing Collection**

**Permanent Assortment**



# Westwing Customer Experience 2.0 will guide our path to 2024/25

## Westwing Customer Experience 2.0

### Double down on our Creative & inspirational core

- Westwing Collection
- Creative team
- Organic marketing
- Video & Live shopping
- AR/3D/CGI



### Set the next level of Order & post-order experience

- Westwing Delivery Service
- Westwing Interior Design Service
- Personalization



### Scale up Business model & platform

- Supplier partnerships
- Technology scale-up
- International profitability
- Warehouse capacity

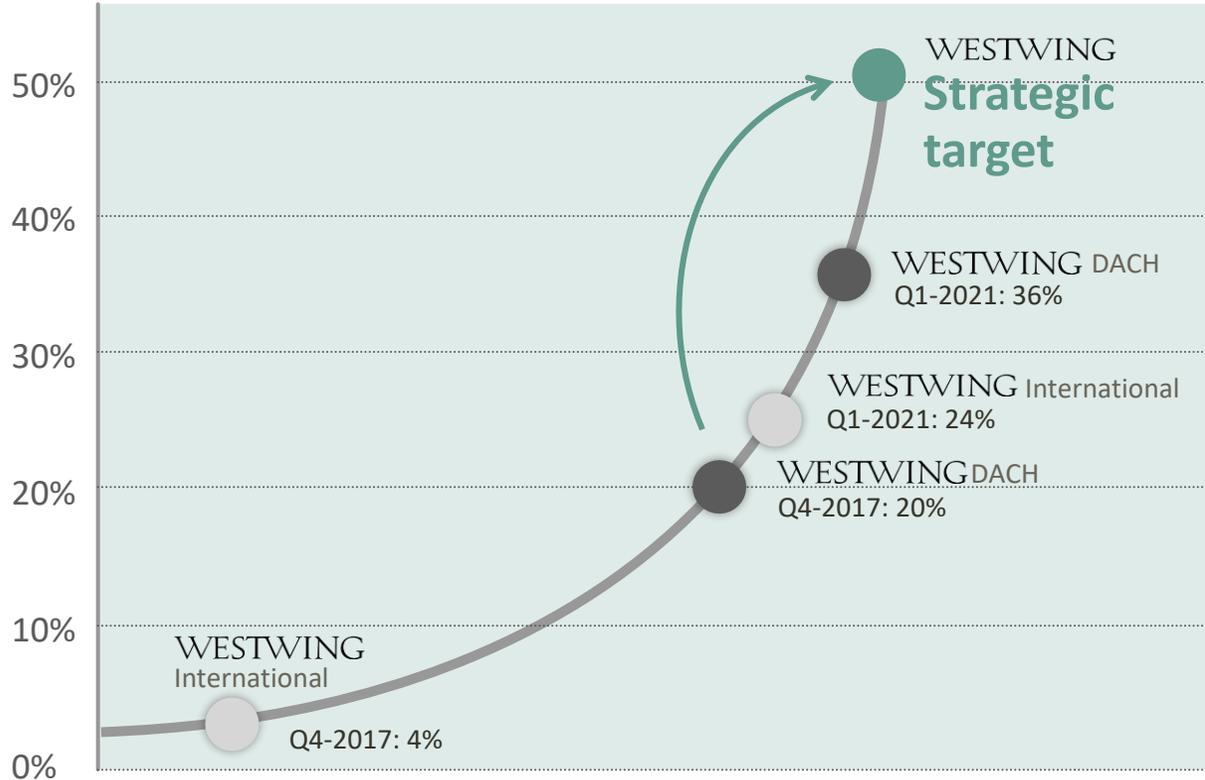


Deeply embed **Sustainability** into our operating model

# Key Initiatives of Westwing Customer Experience 2.0

## Westwing Collection as most powerful strategic initiative

Westwing Collection share of total GMV [%]



### Drivers

1

**Increased customer reach and awareness of Westwing Collection**

2

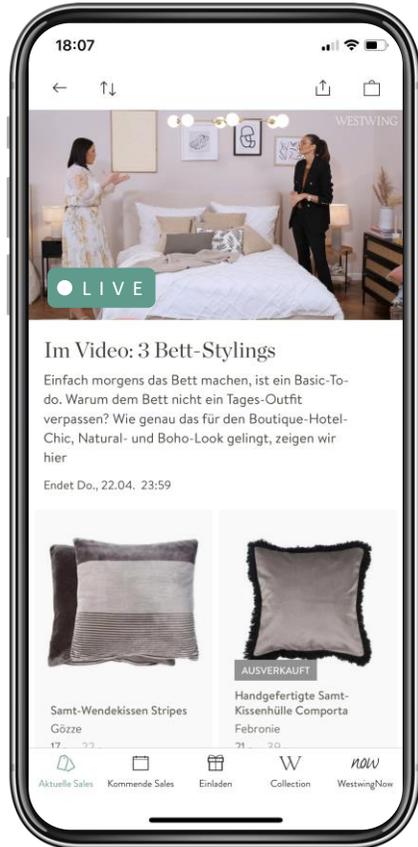
**Category expansion of Westwing Collection to cover the whole range of Home & Living categories**

3

**International growth of Westwing Collection**

## Key Initiatives of Westwing Customer Experience 2.0

### First mover in Video & Live shopping for Home & Living



Customers interact with us during our Live Shopping events and can directly purchase products

41  
Live shopping events already done

## Key Initiatives of Westwing Customer Experience 2.0

# Westwing Delivery Service as a game changer for an unmatched customer experience



**Better customer experience**



**Branding on the streets through own Westwing fleet**



**Higher customer loyalty**



**Focus on large products**

## Customer feedback



**94%**

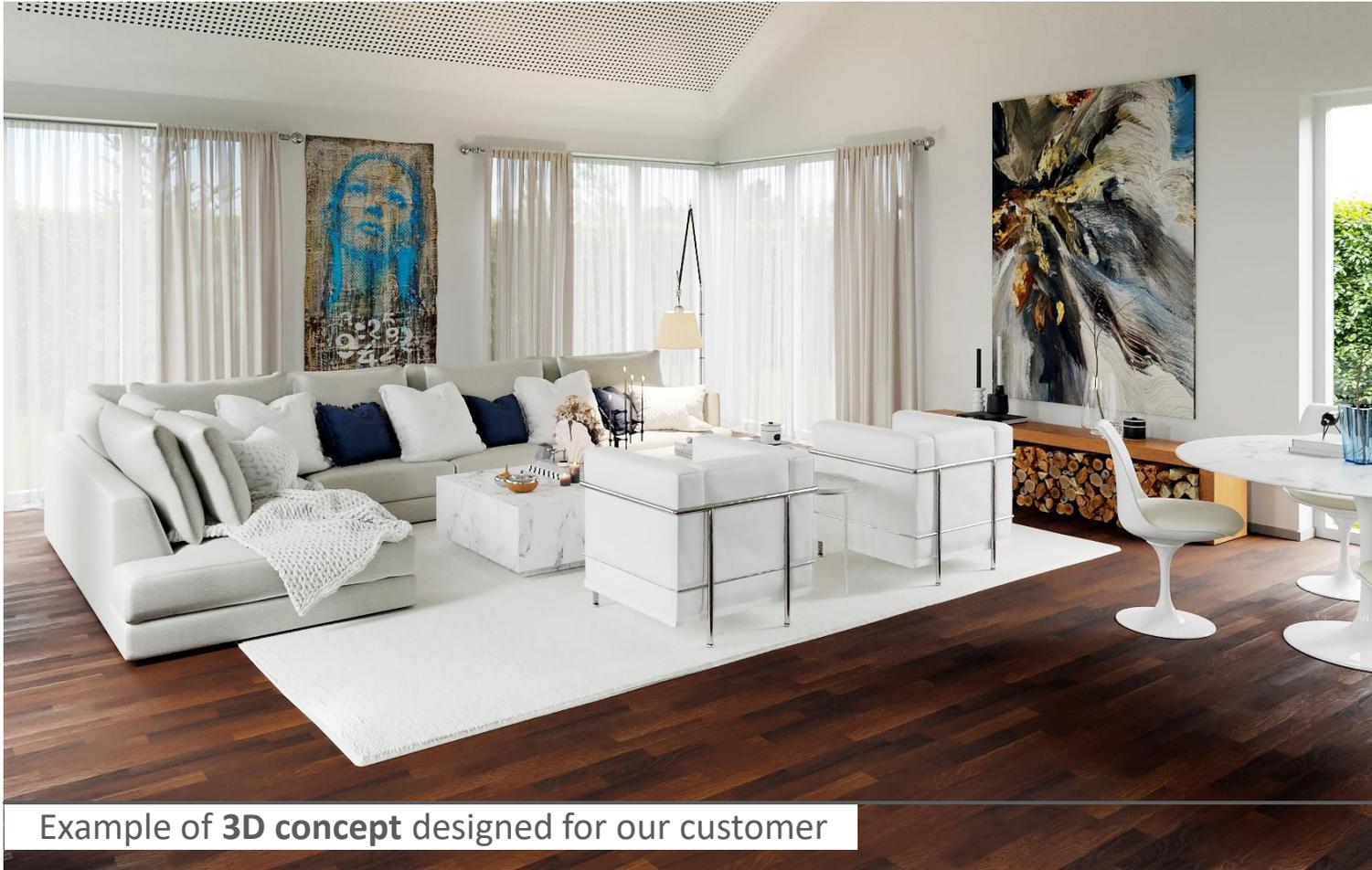
Net Promoter Score  
in Q1 2021

“**Extremely friendly and helpful, in each aspect extraordinary. A substantial reason to buy at Westwing again.**”

Pilot in Munich ongoing → **Further geographical roll-out planned**

## Key Initiatives of Westwing Customer Experience 2.0

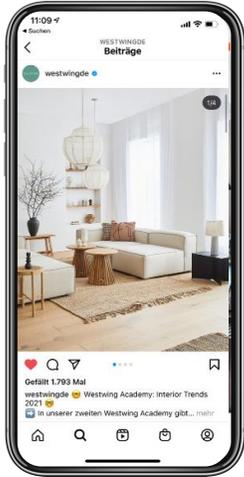
# Westwing Interior Design Service builds loyalty and increases customer spend



- 1 Stronger customer relationships** through personal interaction and individualization
- 2 EUR 2,200 GMV** per customer within 12 months after **Interior Design Service** concept
- 3 Already generating c. EUR 9m<sup>1)</sup> of GMV**
- 4 Scalable service:** Expansion of the service to all our markets and customers planned (for now in DACH, NL, FR)

# Key Initiatives of Westwing Customer Experience 2.0

## Social media expansion in core channels and new channels

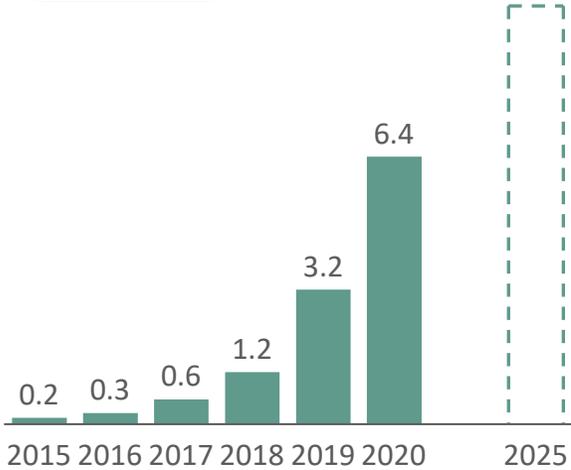


**Instagram**

We are active since **2015**



**Global followers [m]**

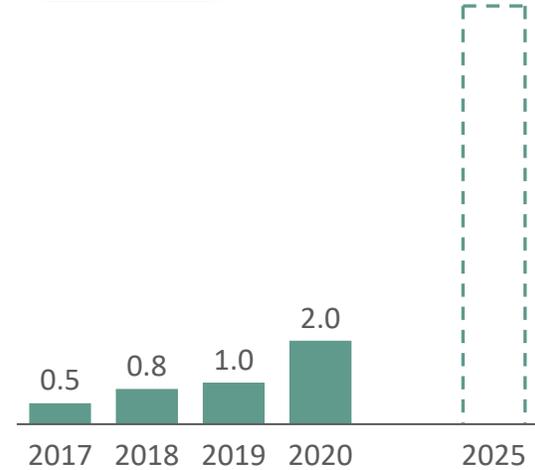


**Pinterest**

We are active since **2017**



**Global traffic [m]**

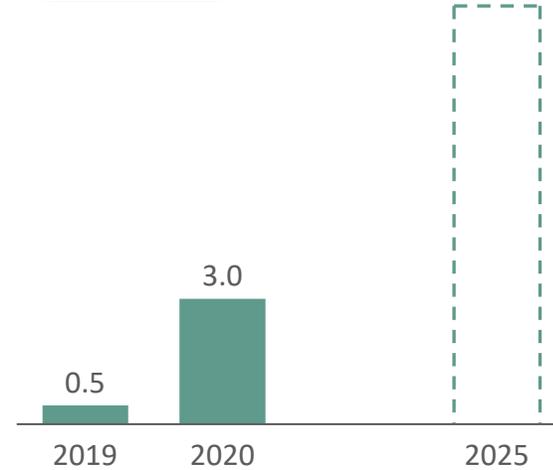


**YouTube**

We are active since **2019**



**Global views [m]**

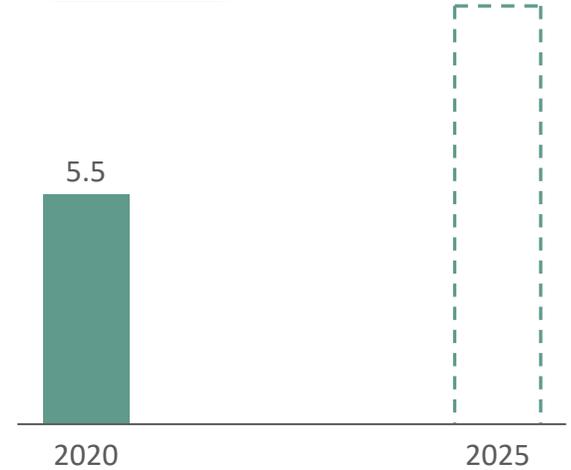


**TikTok**

We are active since **2020**

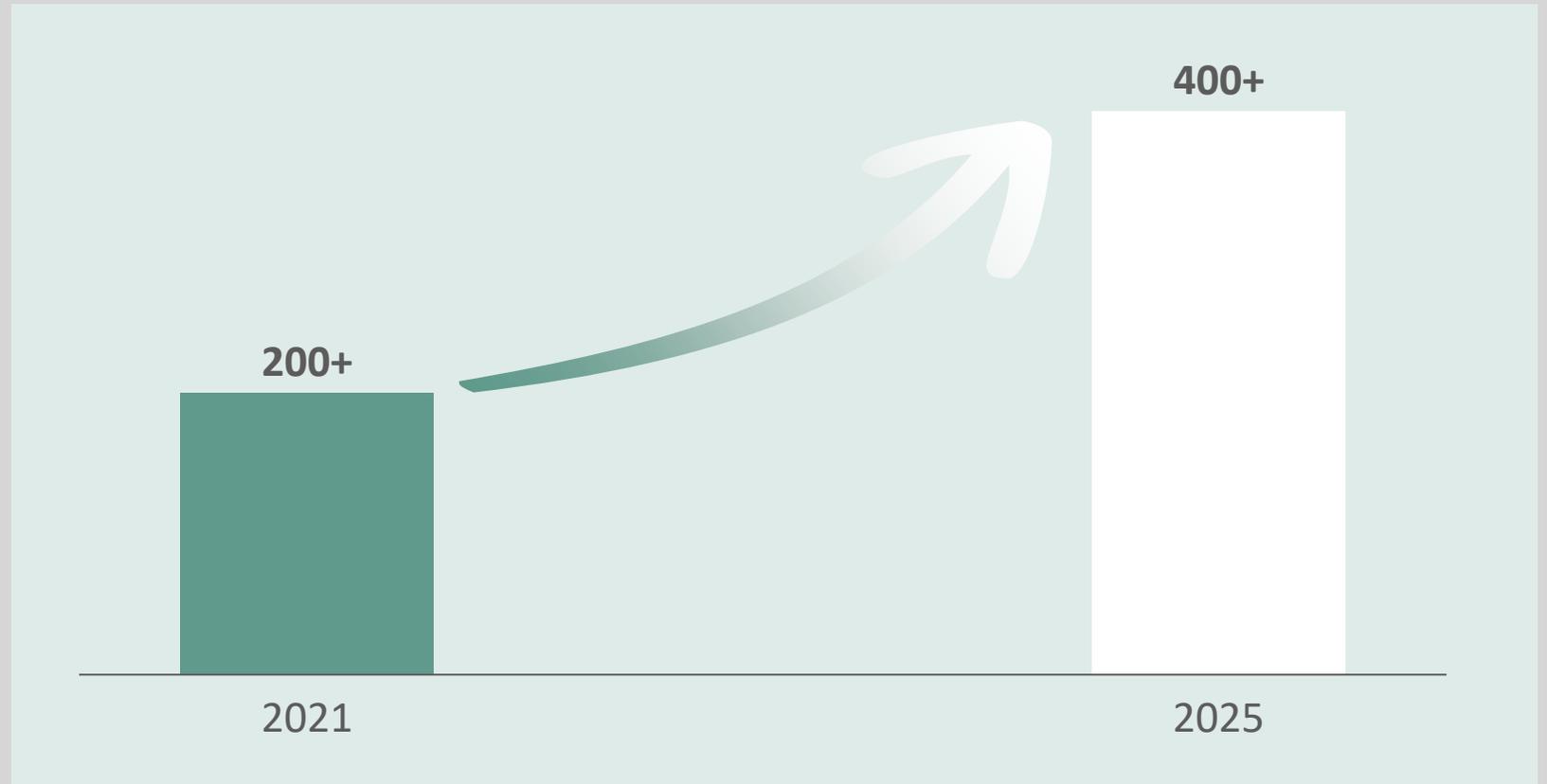


**Global views [m]**



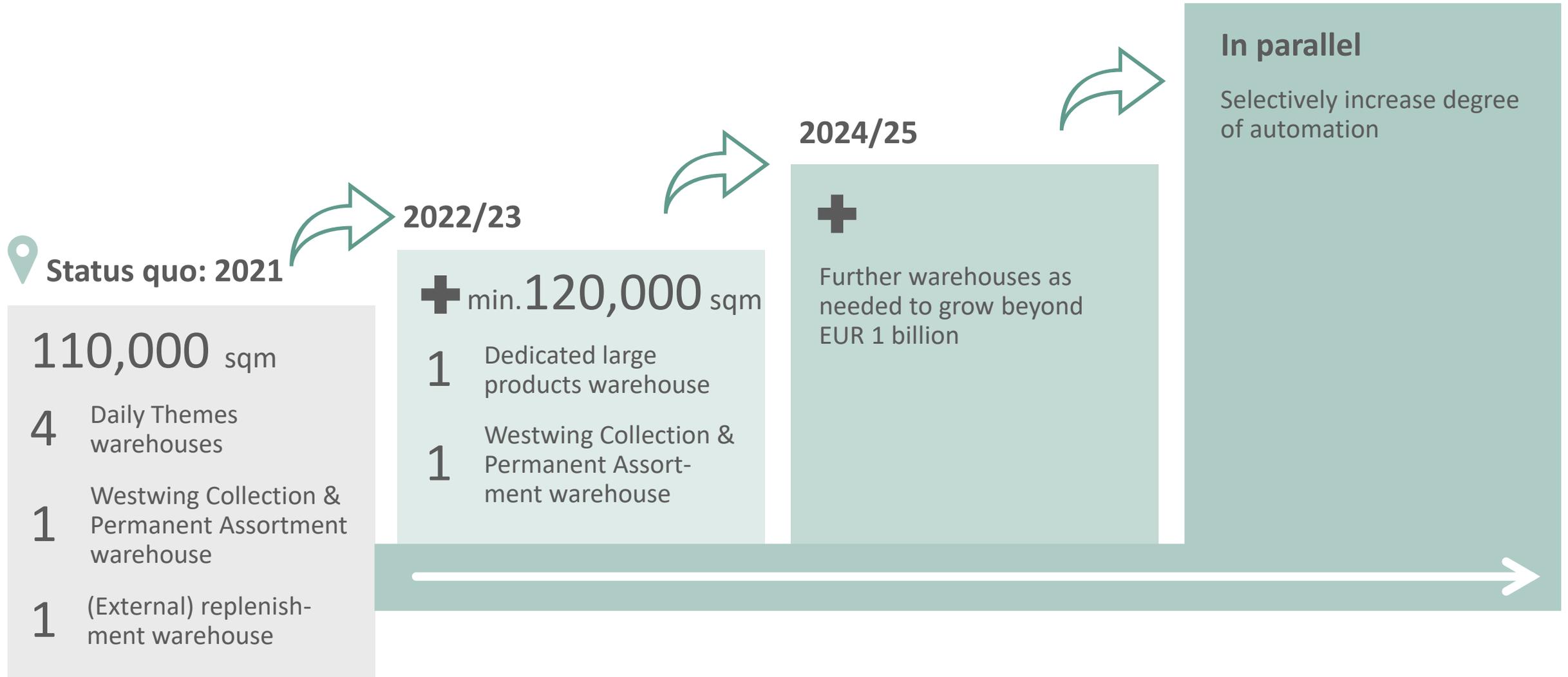
Key Initiatives of Westwing Customer Experience 2.0  
Double down on Creative team at our core

We will increase  
our Creative team to  
**400+ FTE by 2025**



# Key Initiatives of Westwing Customer Experience 2.0

## Scale up warehouse capacity



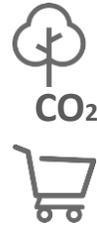
# Key Initiatives of Westwing Customer Experience 2.0

## Sustainability: Strong progress, and much more upcoming (1/2)



### Planet

#### Climate



Carbon neutral Munich HQ since 2020

Calculate emissions from own operations in 2021<sup>1)</sup>

Emission compensation option to be offered to customers in 2021/22

#### Packaging



100% recycled paper from sustainably-managed forests in two warehouses<sup>2)</sup>

Optimized material usage with smart packaging machines<sup>3)</sup>

#### Operations



100%

Waste recycled in our biggest warehouses<sup>4)</sup>

>90%

Product returns being resold

>90k

Orders have been consolidated at customer request in 2020



Testing electric vehicles for Westwing Delivery Service initiated

Note: 1) Scope 1, 2 and part of Scope 3; 2) Warehouses in Warsaw, Poland and Milan, Italy; 3) Warehouses in Poznan, Poland and Milan, Italy; 4) Warehouses in Poznan, Poland

# Key Initiatives of Westwing Customer Experience 2.0

## Sustainability: Strong progress, and much more upcoming (2/2)



### Products

#### Offering



70

WeCare Sustainability events in Daily Themes<sup>1)</sup>



Sustainability label introduced for GOTS & FSC certified products in Westwing Collection and Permanent Assortment

#### Westwing Collection



100%

Westwing Collection suppliers have signed our code of conduct

30-50%

Qualified new Westwing Collection products sustainable (e.g., FSC, GOTS) by 2022

50%

Westwing Collection wooden furniture and textiles sustainable (e.g., FSC, GOTS) by 2023

Note: 1) Between March 2020 and April 2021

# Key Initiatives of Westwing Customer Experience 2.0

## Next-level customer experience with 3D and Augmented Reality (AR)

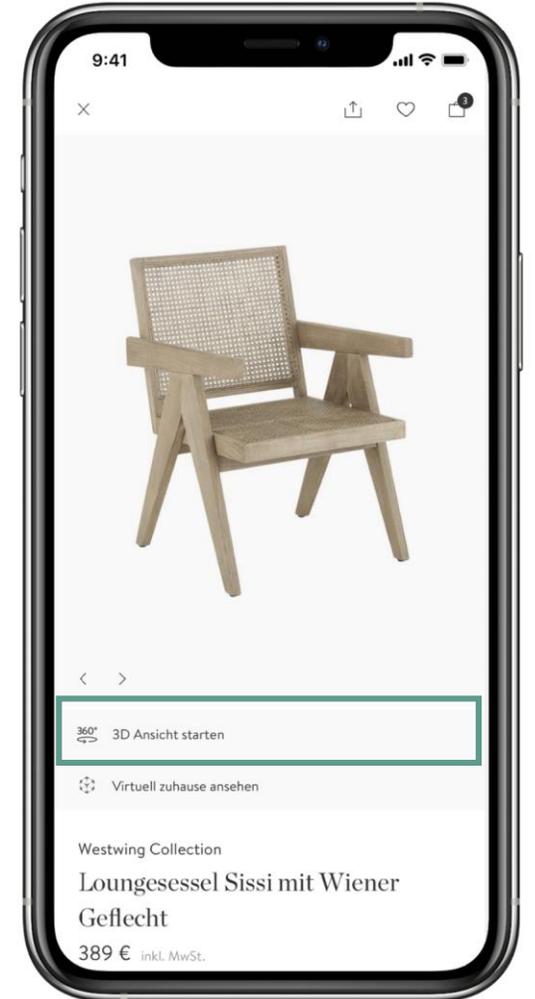


We let customers try products in their own homes with AR...

Products with AR feature  
Currently **1,074** → Future **5,000**  
incl. majority of Westwing Collection



...and will show products in 360-degree model viewer



With our Customer Experience 2.0 we will grow to EUR 1 billion...

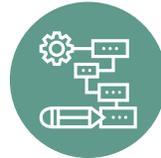
Double down on  
our  
**Creative &  
inspirational core**



Set the next level  
of  
**Order & post-  
order experience**

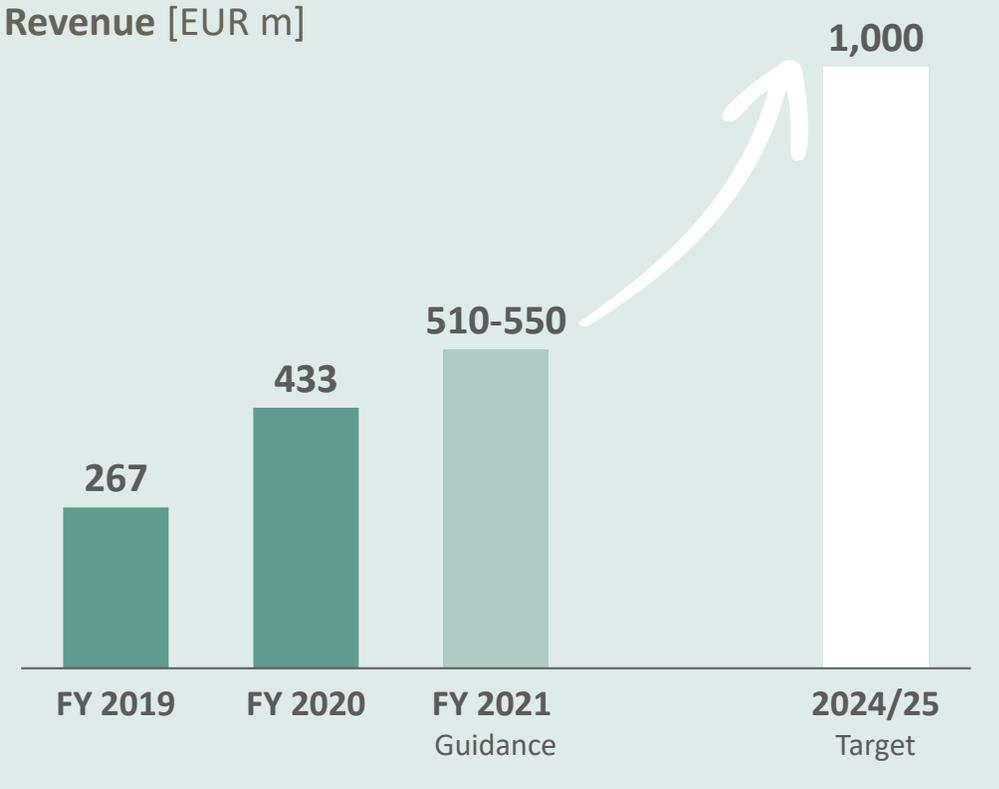


Scale up  
**Business model  
& platform**



Deeply embed **Sustainability** into our  
operating model

Revenue [EUR m]



...and will be very profitable due to our consumer love brand



## Targets 2024/25

EUR >100m Adj. EBITDA

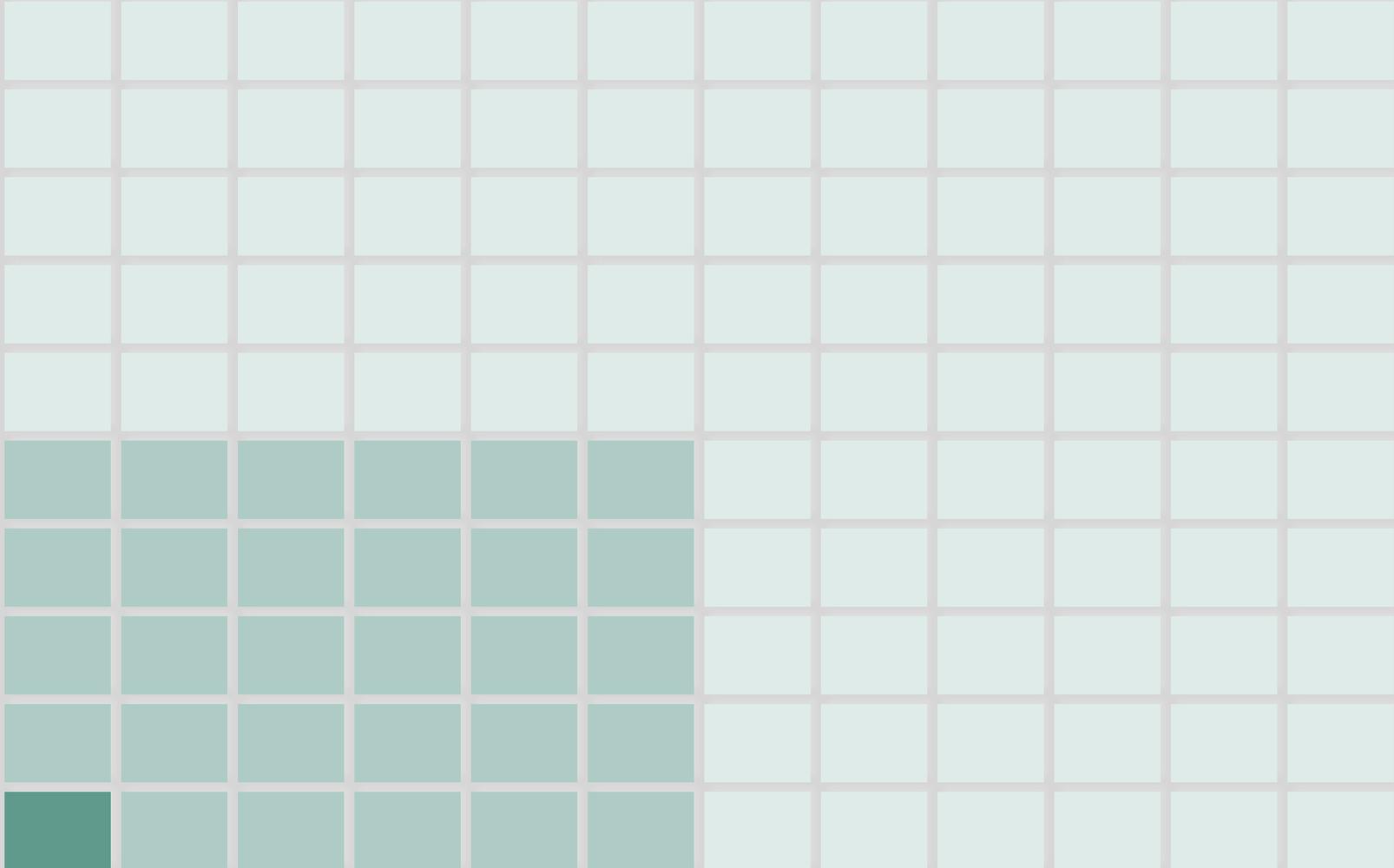
10-12% Adj. EBITDA margin

The long-term opportunity is massive in our EUR 120 billion market – at EUR 1 billion we will have a market share of less than 1%

Total Home & Living market EUR 120 billion

eCommerce Home & Living market

Westwing EUR 1 billion



Note: Total Home & Living market based on Euromonitor as of April 19, 2021. Illustrative eCommerce Home & Living market projection for 2024/25.

## Key takeaways from Strategy & Targets 2024/25

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- 1 Strong and dynamic eCommerce adoption** drives high market growth for years to come

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- 2 We target c. 70% of the EUR 120 billion market** by targeting Home Enthusiasts

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- 3 In our Westwing Customer Experience 2.0** we have defined a clear strategic pathway to **grow to EUR 1 billion** in revenue with strong initiatives underway

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- 4 Our love brand and business model** will enable **high profitability of EUR >100m Adj. EBITDA**

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- 5 The long-term opportunity is massive in our EUR 120 billion market:** Even at EUR 1 billion in revenue, we will only have less than a 1% market share. We are just getting started!

# Financials

Speaker: Sebastian Säuberlich

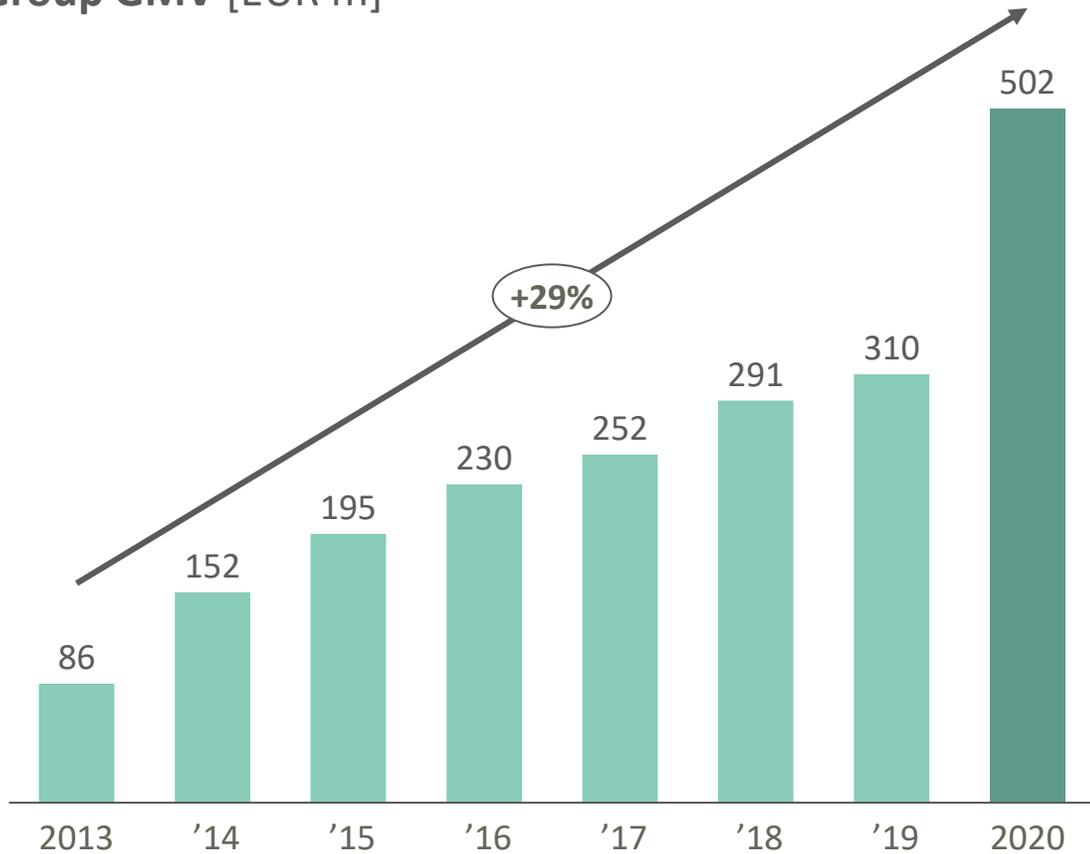


Looking back

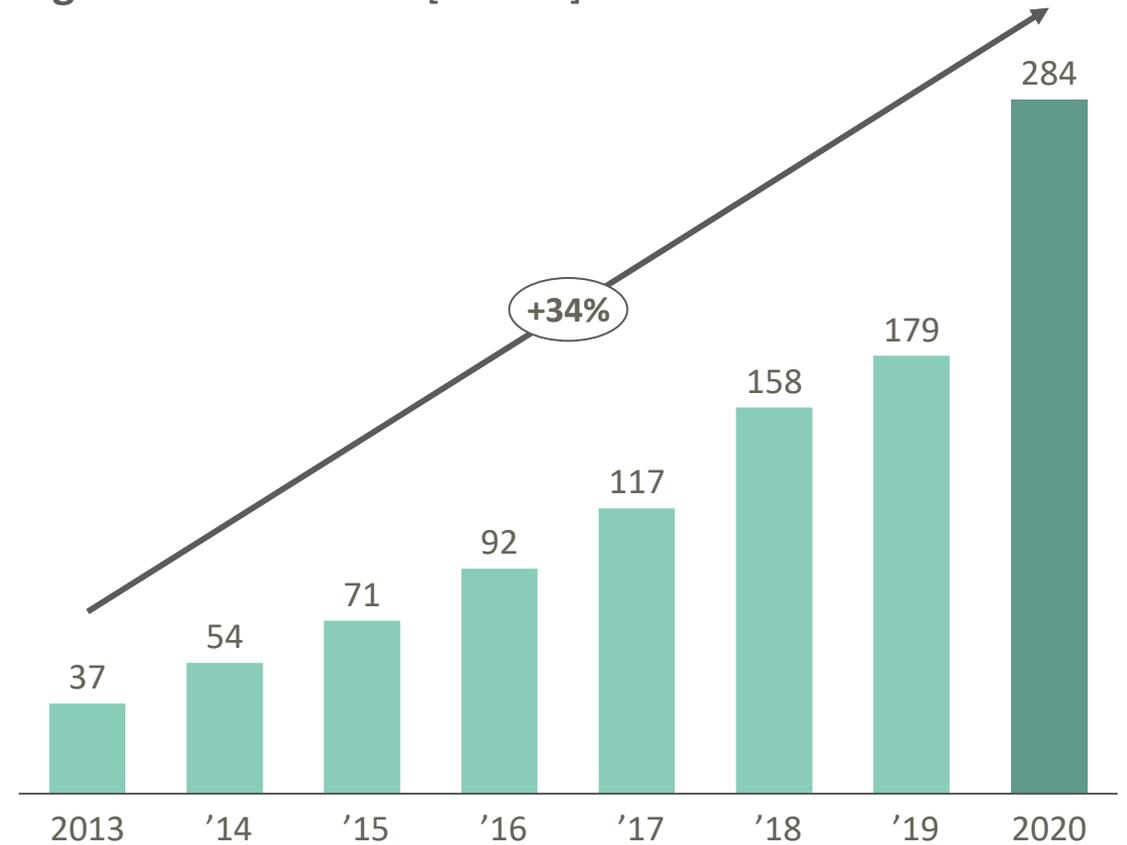


# Westwing has a record of strong growth

Group GMV [EUR m]



Segment DACH GMV [EUR m]



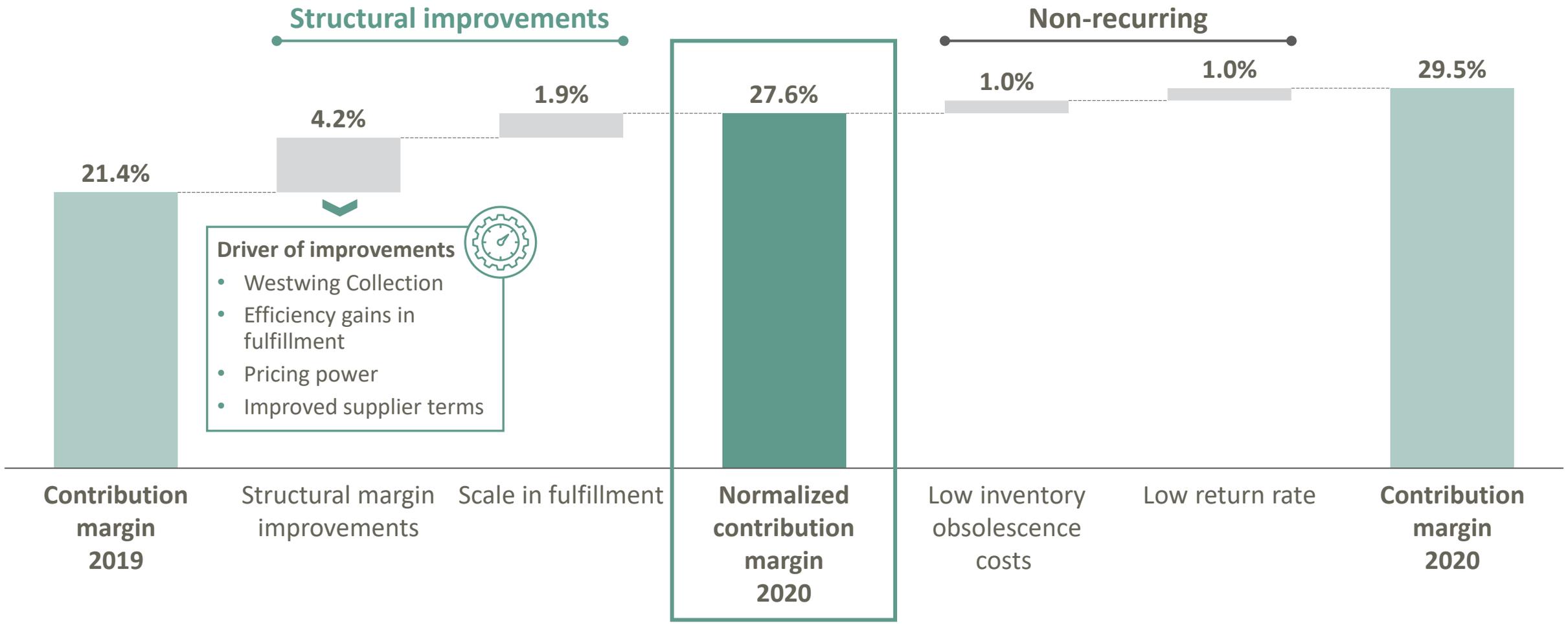
## We are very profitable at an early stage, showing the power of our consumer love brand

[% of revenue]	FY 2019	FY 2020	Delta	
<b>Contribution margin</b>	21.4%	29.5%	+8.1%pts	Mostly structural improvements, driven by Westwing Collection combined with scale and efficiency gains in fulfillment
<b>Marketing ratio</b>	-8.6%	-7.1%	+1.5%pts	Consumer love brand results in attractive marketing ratio
<b>G&amp;A ratio<sup>1)</sup></b>	-20.0%	-13.3%	+6.7%pts	Operating leverage
<b>D&amp;A</b>	3.4%	2.5%	-1.0%pts	
<b>Adj. EBITDA</b>	-3.8%	11.5%	+15.4%pts	
	EUR -10m	EUR 50m	EUR +60m	
<b>Free Cash Flow</b>	-8.3%	9.1%	+17.4%pts	Strong cash conversion based on low CAPEX and negative NWC
	EUR -22m	EUR 40m	EUR +62m	

Note: 1) Including other income and expenses; Adj. EBITDA is excluding (i) share-based compensation expenses, (ii) expenses for the restructuring of the Italian and French business.

# The strong contribution margin improvement in 2020 has been mostly structural

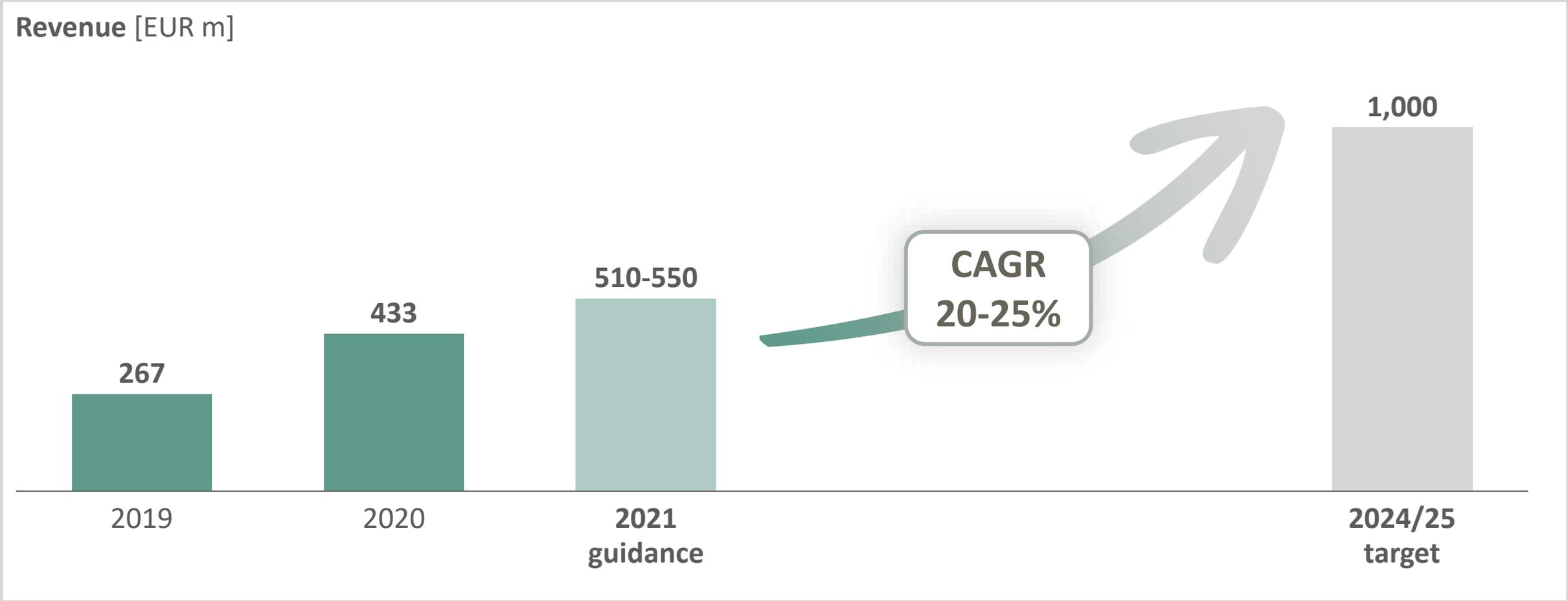
Contribution margin [% of revenue]



Targets 2024/25



Our 2024/25 target is to grow revenues to EUR 1 billion



For 2024/25, we target an attractive profitability of 10-12% Adj. EBITDA and best-in-class cash conversion

	FY 2020	FY 2021 <i>guidance</i>		Targets 2024/25
<b>Revenue</b>	EUR 433m	EUR 510-550m	→	<b>EUR 1 bn</b>
<b>Adj. EBITDA</b>	11.5%	8-10%	→	<b>10-12%</b>
<b>CASH</b>	NWC: Negative CAPEX 1.9%	NWC: Negative CAPEX: 2-3%	→	<b>NWC: Negative CAPEX: 2-3%</b>

Note: Adj. EBITDA is excluding (i) share-based compensation expenses, (ii) restructuring costs and (iii) other non-recurring effects.

# We are investing decisively and profitably into growth

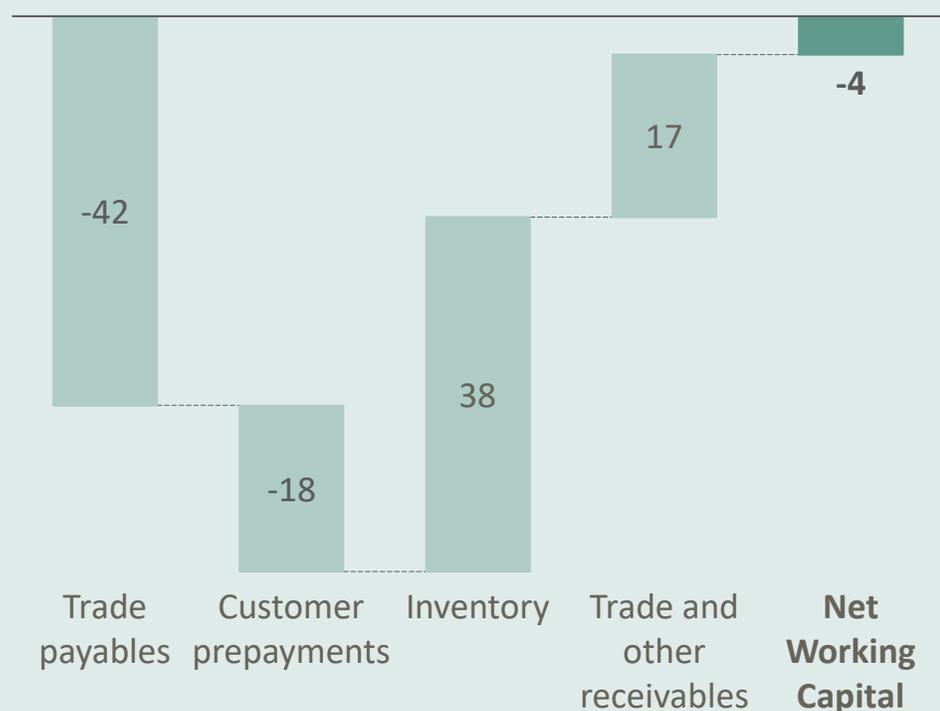
[in % of revenue]	FY 2020	FY 2021 expected	Targets 2024/2025	
<b>Contribution margin</b>	<b>29.5%</b>	<b>28-30%</b>	<b>c. 30%</b>	(+) <b>Westwing Collection</b> margin gains; (-) investments into <b>customer experience</b> and <b>warehouse capacity</b> expansion
<b>Marketing ratio</b>	<b>-7.1%</b>	<b>-8-9%</b>	<b>-9-11%</b>	<b>Marketing investments</b> for attractive growth rates
<b>G&amp;A ratio<sup>1)</sup></b>	<b>-13.3%</b>	<b>-13-14%</b>	<b>-11-13%</b>	(+) Operating leverage; (-) Growth investments into <b>Technology</b> and <b>Westwing Collection</b>
<b>D&amp;A</b>	<b>2.5%</b>	<b>2-3%</b>	<b>2-3%</b>	
<b>Adj. EBITDA</b>	<b>11.5%</b>	<b>8-10%</b>	<b>10-12%</b>	
<b>NWC</b>	<b>EUR -4m</b>	<b>Negative</b>	<b>Negative</b>	
<b>CAPEX</b>	<b>1.9%</b>	<b>2-3%</b>	<b>2-3%</b>	

Note: 1) Including other income and expenses.  
 Indicative estimates for 2021. Adj. EBITDA is excluding (i) share-based compensation expenses, (ii) restructuring costs and (iii) other non-recurring effects.

# Net Working Capital will continue to be negative

**We have a structurally negative Net Working Capital...**

[EUR m, as of Dec 31, 2020]



**...and will compensate Westwing Collection stock investments**

**Trade payables**



Increase with business; increasing focus on supplier payment terms

**Customer prepayments**



Increase with business

**Inventory**



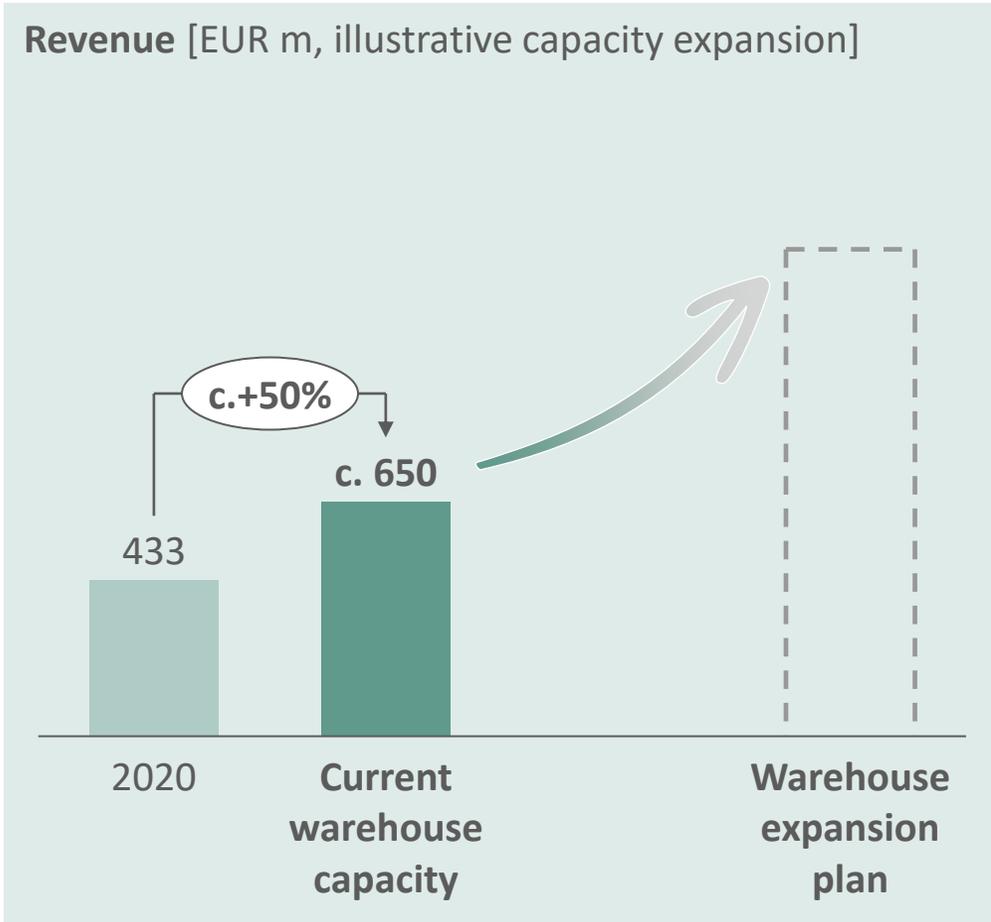
Investments into Westwing Collection stock, but stock at significantly improving inventory turns

**Trade and other receivables**

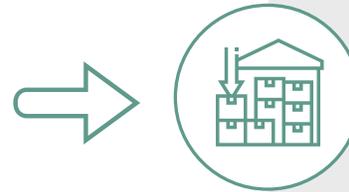


No significant impact

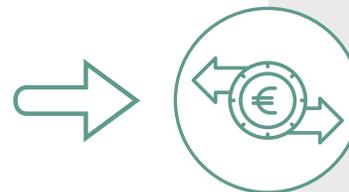
# CAPEX-light warehouse expansions ensure best-in-class cash conversion



Current warehouse set up provides **sufficient capacity for 2021 and H1 2022**



**Warehouse expansions** are planned to go live from **2022** on to provide capacity for growth



**Warehouse expansions are CAPEX-light**, ensuring our **best-in-class cash conversion**

Long-term opportunity

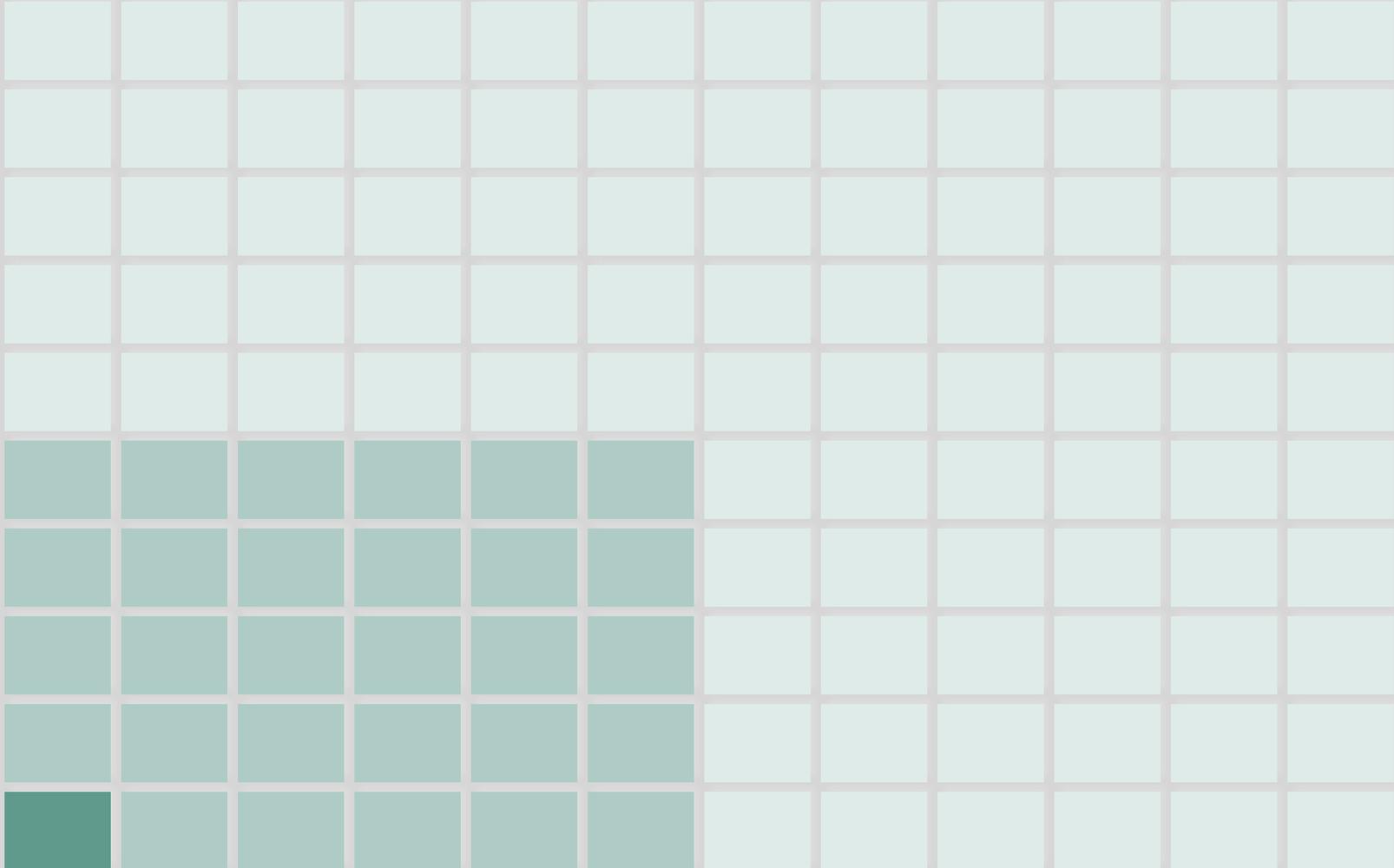


The long-term opportunity is massive in our EUR 120 billion market – at EUR 1bn we will have a market share of less than 1%

Total Home & Living market EUR 120 billion

eCommerce Home & Living market

**Westwing EUR 1 billion**



Note: Total Home & Living market based on Euromonitor as of April 19, 2021. Illustrative eCommerce Home & Living market projection for 2024/25.

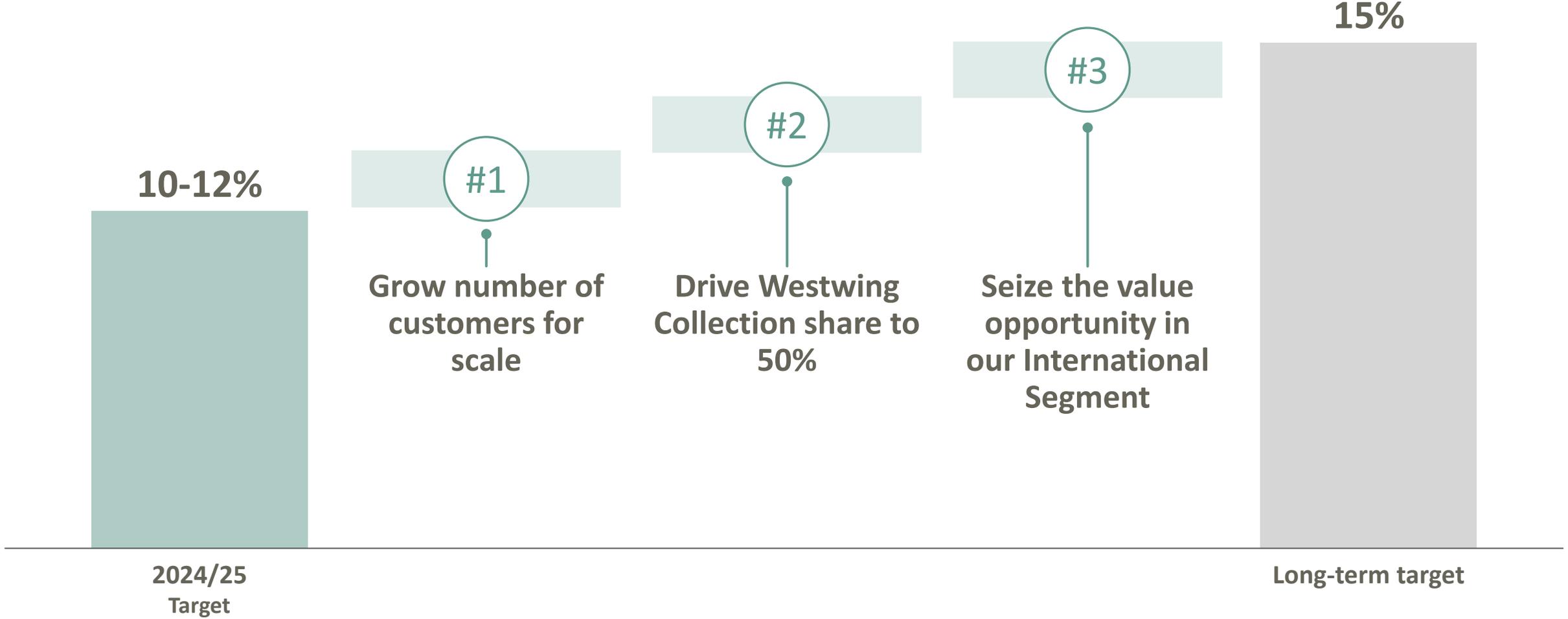
## We are raising our long-term target P&L to 15% Adj. EBITDA

	FY 2021 <i>guidance</i>	Targets 2024/25		NEW long-term target
<b>Revenue</b>	EUR 510-550m	EUR 1bn	→	<b>Outgrow eCommerce Home &amp; Living market</b>
<b>Adj. EBITDA</b>	8-10%	10-12%	→	<b>15%</b>
<b>CASH</b>	NWC: Negative CAPEX: 2-3%	NWC: Negative CAPEX: 2-3%	→	<b>NWC: Negative CAPEX: 2-3%</b>

Note: Adj. EBITDA is excluding (i) share-based compensation expenses, (ii) restructuring costs and (iii) other non-recurring effects.

# There are three strategic drivers to realize our long-term target P&L

Adj. EBITDA [% of revenue, drivers illustrative]



Note: Adj. EBITDA is excluding (i) share-based compensation expenses, (ii) restructuring costs and (iii) other non-recurring effects.

# Westwing: A highly profitable and cash-generating high-growth business

[% of revenue]	FY 2021 expected	Targets 2024/2025	NEW long- term Target	
<b>Contribution margin</b>	<b>28-30%</b>	<b>c. 30%</b>	<b>c. 32%</b>	Westwing Collection margin gains
<b>Marketing ratio</b>	<b>-8-9%</b>	<b>-9-11%</b>	<b>-8-10%</b>	Consumer love brand results in attractive marketing ratio
<b>G&amp;A ratio<sup>1)</sup></b>	<b>-13-14%</b>	<b>-11-13%</b>	<b>-10%</b>	Operating leverage based on our scalable platform
<b>D&amp;A</b>	<b>2-3%</b>	<b>2-3%</b>	<b>2-3%</b>	
<b>Adj. EBITDA</b>	<b>8-10%</b>	<b>10-12%</b>	<b>15%</b>	
<b>NWC</b>	<b>Negative</b>	<b>Negative</b>	<b>Negative</b>	
<b>CAPEX</b>	<b>2-3%</b>	<b>2-3%</b>	<b>2-3%</b>	

Note: 1) Including other income and expenses.  
Indicative estimates for 2021. Adj. EBITDA is excluding (i) share-based compensation expenses, (ii) restructuring costs and (iii) other non-recurring effects.

## Key takeaways from financial section

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- 1 Based on our **consumer love brand strategy** we have reached a very **strong profitability of 11.5% Adj EBITDA** and are **Free Cash Flow positive at EUR 40m and 9% Free Cash Flow margin** in FY 2020
- 2 We are investing decisively and profitably into growth to lay the foundation for our **long-term success**
- 3 Our 2024/25 target is to **grow to EUR 1 billion** and realize a very attractive **profitability of 10-12% Adj. EBITDA** while maintaining our **best-in-class cash conversion**
- 4 We are a highly profitable and cash-generating high-growth business and **target 15% Adj. EBITDA profitability** long-term
- 5 There are **three strategic drivers to realize our long-term target P&L**: (1) Scale, (2) grow Westwing Collection to 50% share, and (3) seize the value opportunity in our International Segment

# Our agenda for today

**Westwing's unique business model**



**Westwing's love brand**



**Strategy and Targets 2024/25**



**Financials**



**Q&A**



## Key takeaways from Westwing Capital Markets Day 2021

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- 1 Westwing uniquely combines the **superior profitability of a consumer love brand** with the **opportunity of a high-growth eCommerce** business
  - 2 **Creativity, inspiration and loyalty are at the very core** of Westwing - this is what makes us a **consumer love brand** and this is how we **differentiate**
  - 3 The **opportunity is massive** in our **EUR 120 billion market** due to **dynamic eCommerce adoption** and our **brand's transformational power** to make everyone a **Home Enthusiast**
  - 4 With our **“Westwing Customer Experience 2.0”** we follow a **clear strategy to grow to EUR 1 billion revenue by 2024/25**
  - 5 We are a highly profitable and cash-generating business targeting **15% Adj. EBITDA margin** in the long term
-



Q&A



**Thank you!**

