



WESTWING

Q1 2019 Results

May 7, 2019

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

- Results and Business Update
- Financial Details
- Q&A
- Appendix



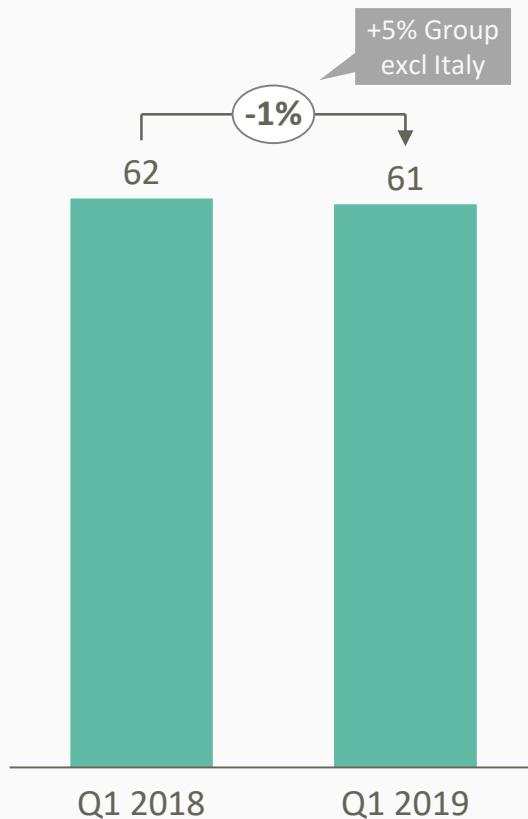
OUR MISSION

“ To inspire and make
every home a
beautiful home ”

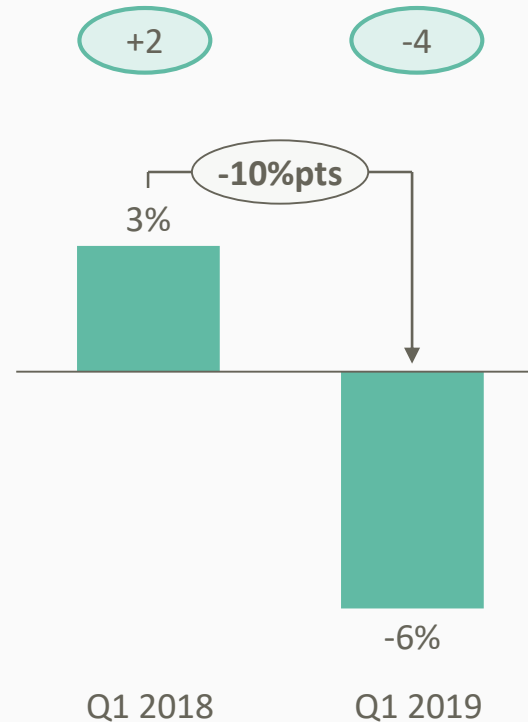


Weak Q1 2019 on growth and profitability; guidance FY 2019 revised; investments into future growth under way

Group Revenue (in EUR m)



Group Adj EBITDA (in % of Revenue)



Highlights in Q1 2019

- Loyalty strong with 82% of orders from repeat customers
- DACH segment solid with +11% growth despite strong baseline +59% growth in Q1 2018
- Own and Private Label share increased to 21% (+8%pts yoy)
- Significant investments into future growth under way: roll-out of successful DACH model internationally, new warehouse of 35,000 sqm in Poznan (Poland) opened, organic marketing teams ramped up, technology push on mobile, private label

Lowlights in Q1 2019

- Weak revenue at -1% yoy due to International/Italy, impact of growth invests not yet visible, strong Q1 2018 baseline
- Contribution margin at only 19% (-3%pts yoy) driven by both gross margin and fulfilment effects
- SG&A ratio at 21% (+5%pts yoy) due to growth investments fully in P&L but growth impact not there yet

Outlook FY 2019

- Revising guidance for FY 2019: revenue growth of 6-12%, Adj. EBITDA break-even (0% with range of -1% to +1%)

New Own & Private Label product releases

**Cushions
Ariana & Aria**
EUR 19.99

*From Art to Interior: Trending
abstract faces on deco cushions*



**Armchair
Sola**
EUR 299

*Stylish Boho in-
and outdoor
armchair*

**Side & Couch tables
Renee**
From EUR 99

*Side table and
couch table in 2
size that combines
a practical two-
level solution with
modern minimal
design*



Sideboard Leif
EUR 649

*Timeless eye-catching
herringbone
sideboard*

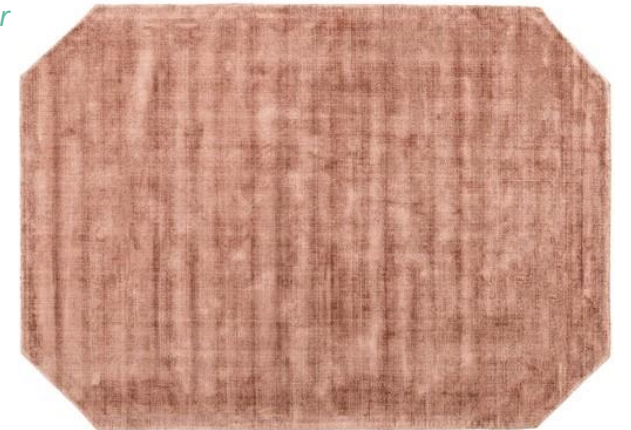


Sofa Brooks
From EUR 1,299

*3-seater or corner sofa that
fits everywhere but still super
stylish with leather and metal
details*

*Extending
our bestseller
with new
shapes and
colors*

**Rug
Jane**
From
EUR 199



We inspired our customers with a vast variety of daily themes



Moderner Alpin-Style



Frida Kahlo



Gemütlicher Chalet-Style



Trendfarbe Terrakotta



Customer Highlights Q1 2019 (1/2)



OPENING THE OUTDOOR SEASON

Westwing opened the outdoor season in style to help meet all our customers' outdoor needs from furniture pieces and decoration items to beach towels. Among others, we ran a very successful outdoor themed day in DACH that sold 3,800 products in just 4 days featuring brands such as Bizzotto, Nordlux, etc. Furthermore, we added over 1,500 outdoor products to our permanent assortment coupled with 4 fully shoppable looks.

IMPROVED WESTWINGNOW MOBILE HOMEPAGE

Westwing continuously strives to provide a best-in-class mobile customer experience. For our permanent assortment, we recently redesigned the mobile website homepage that 45% of visitors see. We made the homepage more editorial by introducing bigger mobile-optimized images, direct links to our top categories and best-selling products, and prominently highlighted our shoppable looks.



STYLE YOUR ROOM COMPETITION



Westwing asked our customers to design their dream room by selecting products from our permanent assortment and placing them into their wishlists. The competition saw a soaring response from our customers with over 500,000 products added to wishlists by 75,000 customers within the first week of the competition alone.

FABRIC SAMPLES BEFORE CUSTOMERS BUY

Westwing customers can now get fabric samples delivered to their homes for no extra cost so that they can get a better feel for the fabric and color of a product before making a final purchase decision. Customers have currently access to over 50 different fabric samples for 196 SKUs. Since the launch of the feature in early February we have already shipped over 1,300 fabric samples.



NEW FILM & PHOTO STUDIO TO BOOST CONTENT PRODUCTIONS

Westwing opened a new film & photo studio to push our content to the next level by shooting even more on-brand and inspiring Home and Living content. The studio spans 300sqm and is equipped with brand new settings and backdrops and over 400 props ranging from small decoration items to poufs and sofas, which we store in our adjacent 800sqm film & photo studio warehouse.

VIVA ESPAÑA – WESTWINGNOW LAUNCHED IN SPAIN

Westwing launched our permanent assortment of over 15,000 bestsellers for our Spanish customers. Since the launch we have seen excellent reception from the 3 million people invited. In the first 2 weeks alone, we had over 159,000 visitors and adoption rates higher even than those seen in DACH when we had launched the permanent assortment there.



Customer Highlights Q1 2019 (2/2)

EXTENSIVE ORGANIC INTERNATIONAL PRESS COVERAGE

Westwing's press strategy is to gain organic press through our high-end content and close relationships with the international media. Our press partners especially loved the glimpse into Delia Fischer's Montreal home. The homestory was published in the most prestigious media across our markets, including two features in Vogue Italy as well as articles in Polish Harpers Bazaar and Cosmopolitan, in total reaching 9.6 million readers and adding up to a media value of EUR 380,000, all organic and unpaid.

OPTION TO BROWSE BY POPULAR PRODUCT RANGES

Westwing created an option for customers to browse our favorite Own and Private Label product ranges on our permanent assortment website. Our customers can now easily access 9 of our most popular Westwing Collection ranges such as the Cucita, Fluente and others directly under the furniture category. This helps feature our Own and Private Label collection more prominently as well as allows customers to view all products within a specific collection on one page.



MORE EDITORIAL AND RICH CONTENT ADDED TO OUR DAILY THEMES

Westwing aims to be more than just a place to shop but also a source for Home and Living inspiration so that our customers keep coming back to us. Therefore, we have enriched our daily themes pages with even more quality content infusions. Our campaigns now look more editorial with bigger pictures coupled with styling tips and other engaging content created across all our creative teams at Westwing.

FOLLOWING DELIA TO MONTREAL AND FURNISHING AN APARTMENT FROM SCRATCH

Westwing presented a breath-taking shopping experience for our campaign around Delia's second apartment in Montreal. The apartment was conceptualized and designed by our interior design service team using over 200 products from our Autumn/Winter Westwing Collection. Our sites were painted alive with tons of inspiring content from films to imagery that was promoted on social media by us and 70 influencers internationally generating a reach of over 25 million, 180,000 social media engagements and EUR 372,000 in GMV within a few days. Furthermore, we established this successful marketing concept as a blueprint for many other inspiring campaigns going forward.



FURNISHED VICTORIA'S SECRET MODEL ROMEE STRIJD'S APARTMENT

Westwing was proud to be chosen by the famous Dutch Victoria's Secret model, Romee Strijd, to design and furnish her apartment in Amsterdam. We carefully handpicked our beautiful Own and Private Label Westwing Collection products to give her apartment an Urban look with a Boho touch. The campaign was featured in DACH and the Netherlands and sold over 2,100 products and generated a reach of 10.6 million on Instagram.



MORE CARE FOR OUR VIP CUSTOMERS - IN LINE WITH OUR LOYALTY DRIVEN BUSINESS MODEL

Westwing has just launched a pilot project where we designated an exclusive team formed by some of our best customer care agents to offer intensive care to our VIP customers. This way we are creating a better and more personalized service with the goal of increasing the satisfaction among our best customers and eventually their share of wallet with us.

Details on Q1 results and measures taken/planned

	Q1 2018	Q1 2019	Delta
Revenue (EUR m)	62	61	-1.0%
Gross margin	42.3%	42.4%	+0.1%pts
Fulfilment ratio	-20.8%	-23.8%	-3.0%pts
Contribution margin	21.4%	18.6%	-2.9%pts
Marketing ratio	-5.9%	-7.3%	-1.4%pts
G&A ratio	-15.3%	-20.7%	-5.4%pts
D&A	2.5%	3.2%	+0.7%pts
Adj EBITDA	3.3%	-6.3%	-9.6%pts

Revenue

- Italy with continued negative growth (-30% in Q1) as our turnaround program is not yet showing positive effects
- International Marketing build-up is in progress, but not yet effective in new customer acquisition
- DACH with relative strength, but assortment not skewed enough towards low-price-point products
- Strong Q1 2018 baseline of 30% revenue growth



- Ongoing Italy turnaround program
- Review marketing budgets and allocation for more short-term growth effects
- Increase share of high-converting low price point products in DACH offering

Gross margin

- After 8%pts private label share increase yoy, the gross margin should have increased by c. 1%pt
- Operational problems in returns process
- Insufficient margin discipline in daily themes business
- Too aggressive 3rd-party product pricing



- Returns process fixed
- Further increase private label share
- Increase target margins in daily themes, permanent assortment, private label

Fulfilment ratio

- Delayed opening of Poznan warehouse
- Underutilized Italian warehouse costs
- As expected, carrier cost increases



- Poznan warehouse now open, increase efficiencies in the coming months
- Shift some European volumes to Italy
- Cost-optimized carrier selection

G&A ratio

- Growth investments (esp. technology, private label, permanent assortment) fully in P&L, but growth not there yet



- Project to centralize French daily themes business¹
- Complexity reduction in selected areas
- Limit further growth investments

Note: Unaudited; Adj EBITDA excluding share-based compensation expenses, in FY 2018 also IPO costs recognized in profit and loss and central costs allocated to discontinued operations
 (1) Break-even of project is expected within 24 months; given their non-recurring nature, we will exclude the related restructuring cost from our Adj EBITDA

Outlook FY 2019: Adjustment of guidance for 2019



Revenue growth rate of 6-12%

- Previously: in line with 2018 levels (i.e. within a range of 2 to 3 percentage points of 16%)
- We continue to expect growth 2019 to come mostly from second half of the year



Adj. EBITDA margin break-even

- (i.e. 0% with range of -1% to +1%)
- Previously: in line with 2018 levels (i.e. within a range of 1 percentage point of +1%)



Maintain best-in-class cash efficiency



- Our current results don't reflect the ambition level for the full year
- We expect acceleration of growth and improved profitability in H2 2019, and we will benefit from a lower growth baseline
- We are confident that we have the right strategy, team and resources in place to continue to build a profitably growing business
- Despite the revised guidance, we see ourselves on track to deliver on our long-term vision

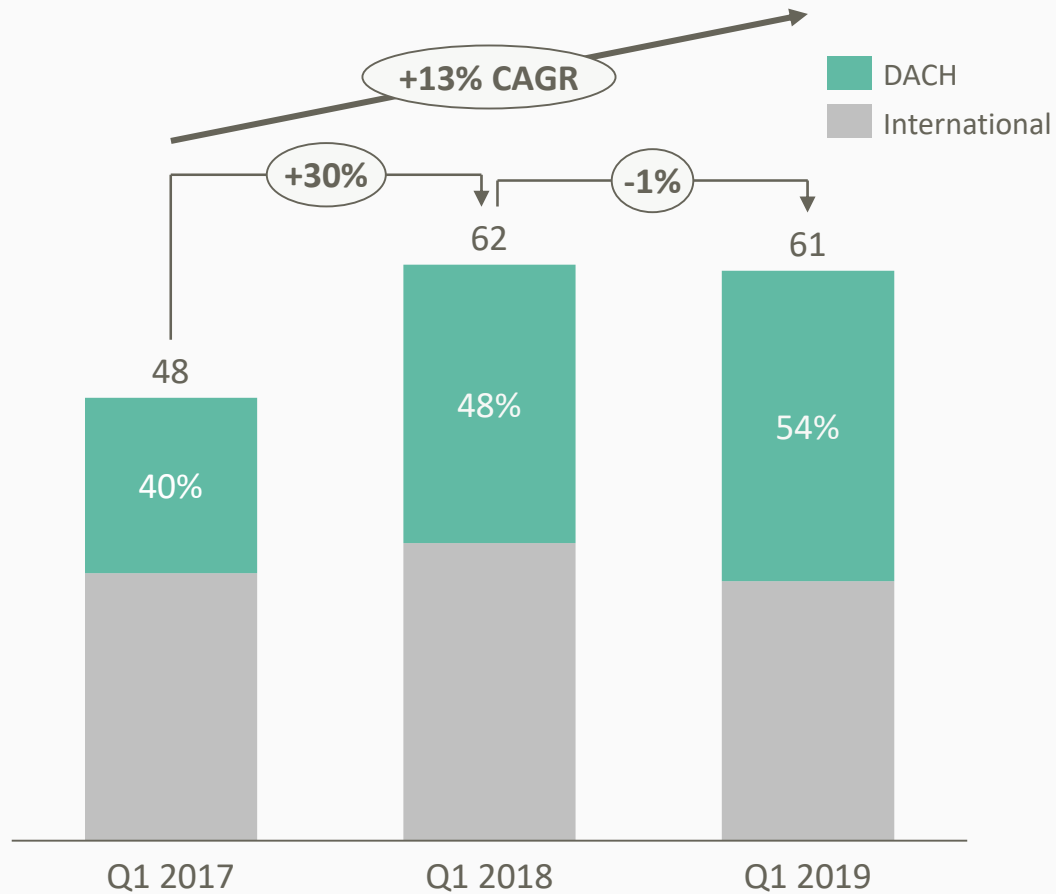


AGENDA

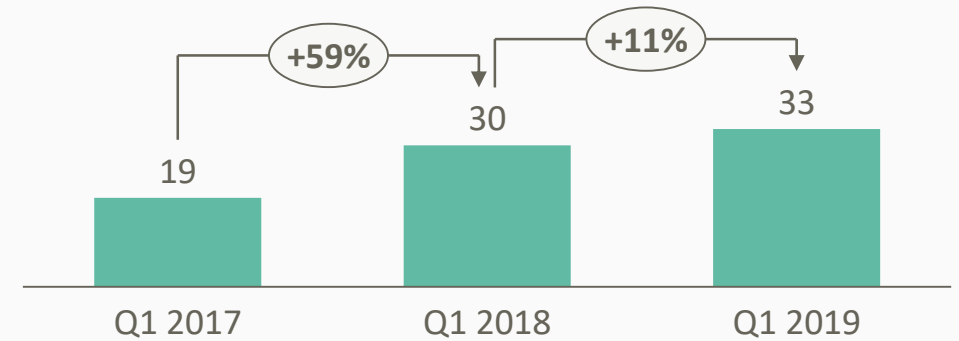
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Revenue flat in Q1 2019 due to International/Italy, impact of growth invests not yet visible, strong Q1 2018 baseline

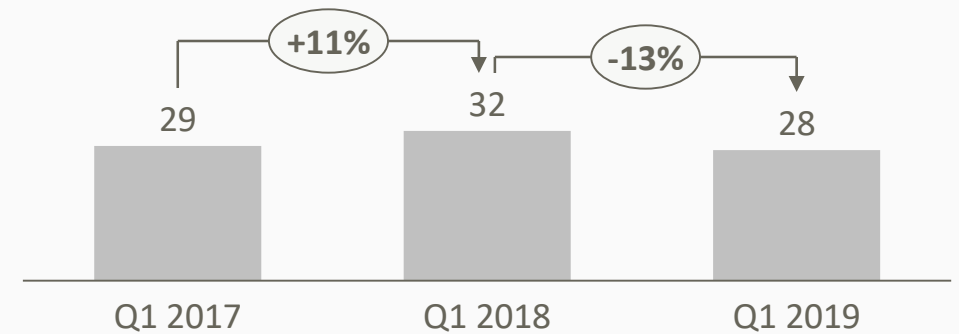
Group Revenue (in EUR m)



DACH Segment Revenue (in EUR m)

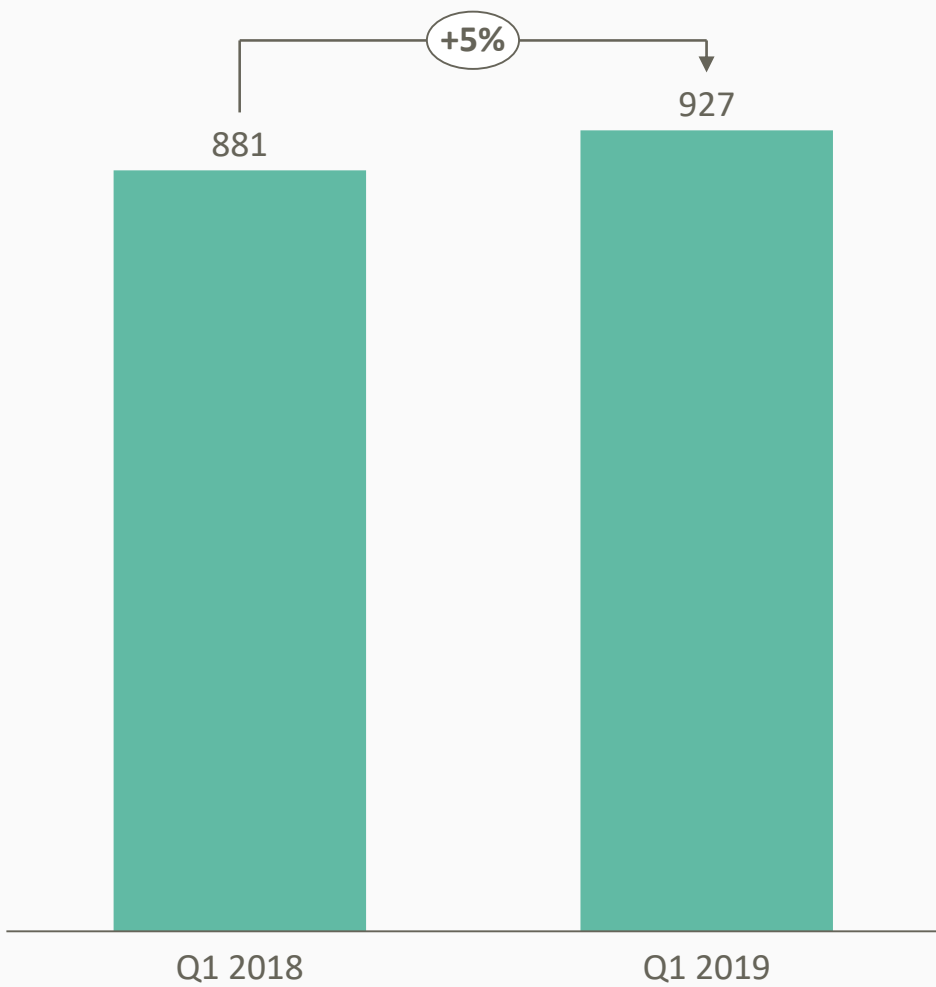


International Segment Revenue (in EUR m)

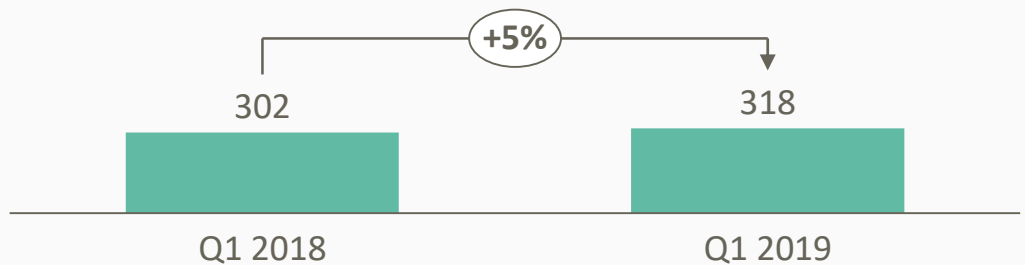


Active Customers growth at +5%; share of wallet (GMV per Active Customer) continues to increase steadily

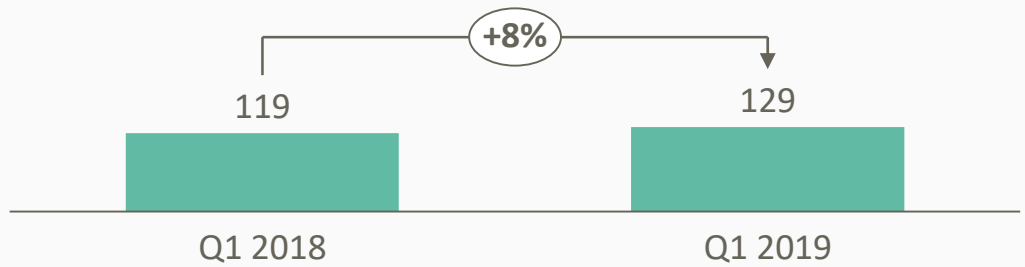
Active Customers (in k)



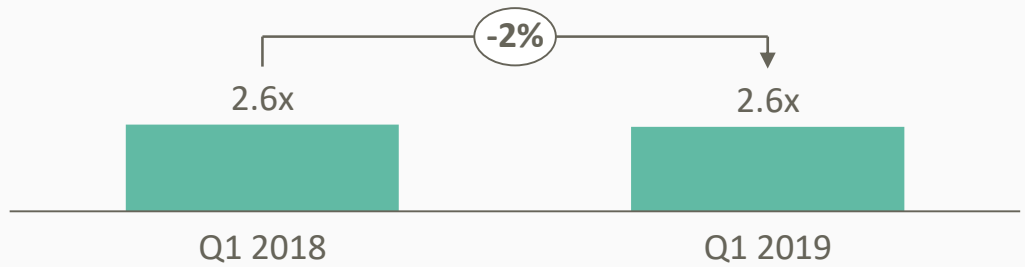
GMV per Active Customer LTM (in EUR)



Average basket size (in EUR)

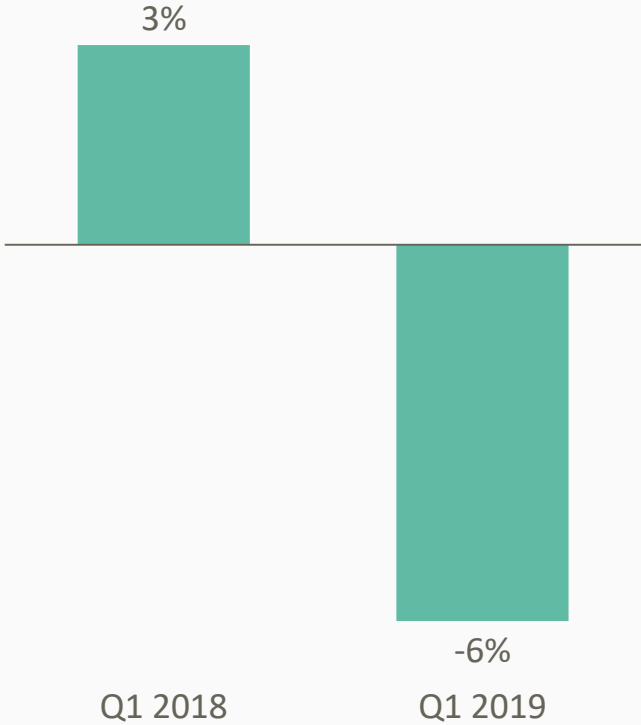


Average orders per Active Customer LTM

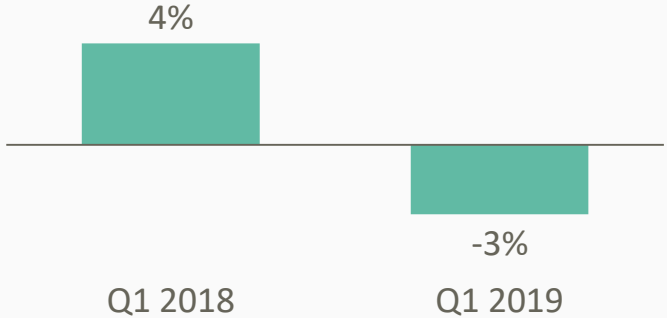


Adj EBITDA margin Q1 2019 impacted by contribution margin and investments into future growth

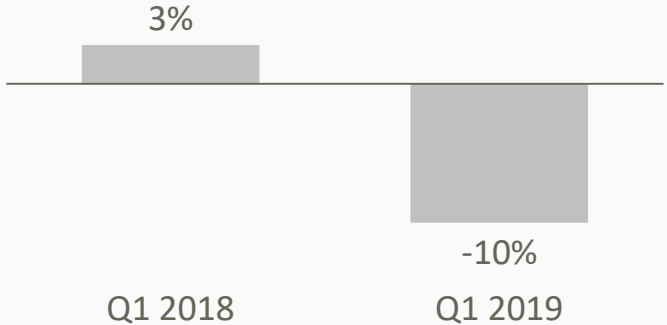
Group Adj EBITDA (in % of Revenue)



DACH Segment Adj EBITDA (in % of Revenue)



International Segment Adj EBITDA (in % of Revenue)



Note: Unaudited; Adj EBITDA excluding share-based compensation expenses, in FY 2018 also IPO costs recognized in profit and loss and central costs allocated to discontinued operations

Income statement details

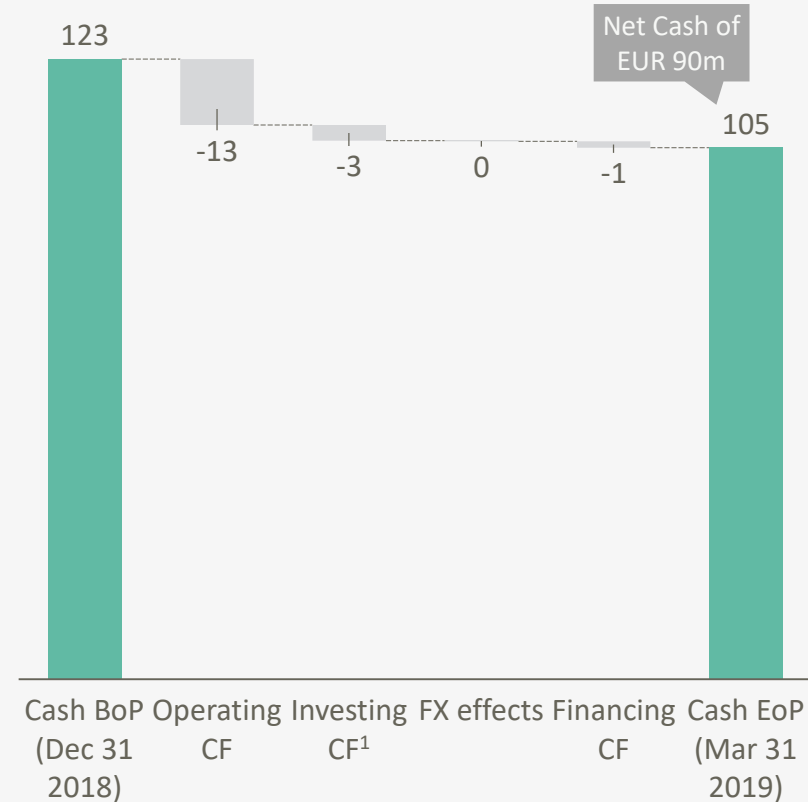
	Q1 2018	Q1 2019	Delta
Revenue (EUR m)	62	61	-1.0%
Gross margin	42.3%	42.4%	+0.1%pts
Contribution margin	21.4%	18.6%	-2.9%pts
Marketing ratio	-5.9%	-7.3%	-1.4%pts
G&A ratio	-15.3%	-20.7%	-5.4%pts
D&A	2.5%	3.2%	+0.7%pts
Adj EBITDA	3.3%	-6.3%	-9.6%pts

Note: Unaudited; Adj EBITDA excluding share-based compensation expenses, in FY 2018 also IPO costs recognized in profit and loss and central costs allocated to discontinued operations

Strong Net Cash of EUR 90m; after negative Free Cash Flow in Q1 we will see improvements for remainder of year, due to seasonality, as every year in the past

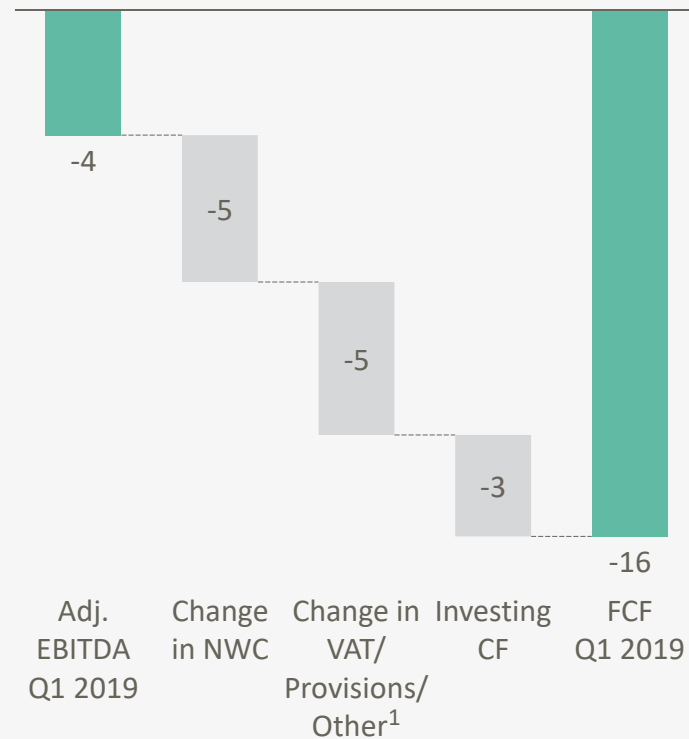
Cash bridge in Q1 2019

(in EUR m)



Adj EBITDA to Free Cash Flow Q1 2019

(in EUR m)



Comments on FY 2019

- Our Cash Flow is always weak in Q1 and strong in Q4; very volatile throughout the year due to seasonality; i.e. Q1 Cash Flow is not indicative for the full year
- **For Q2-Q4 2019 we expect Free Cash Flow not to exceed a total outflow of EUR -10m**, and possibly be significantly better, due to:
 - Absolute Adj EBITDA expected to be higher for FY 2019 than for Q1 2019 (updated guidance)
 - Investments in NWC will be significantly lower in remaining quarters of the year
 - Investing CF expected will be on similar level for remaining quarters of the year
- Note on 2018 Free Cash Flow baseline: As disclosed before, 2018 FCF contained EUR 11m positive (one-time) effects from sale of Brazil/Russia businesses

Neutral Net Working Capital driven by low inventories and strong supplier payment terms; best-in-class Capex ratio

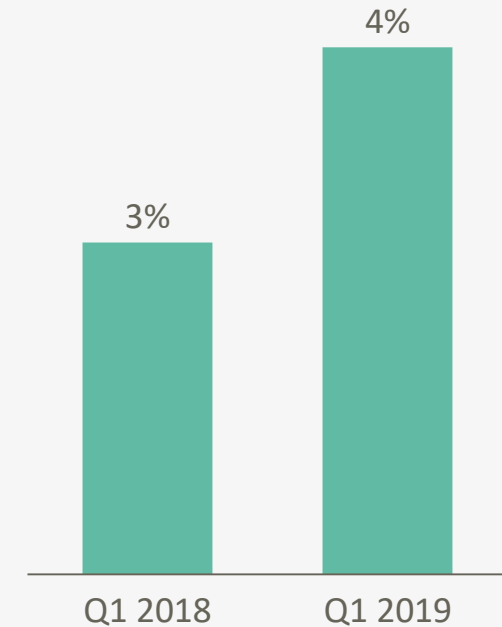
Net Working Capital (NWC) break down as of March 31 2019

(EUR m)



Capex ratio Q1 2019

(as % of Revenue)





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A modern bedroom with a light blue bed, a patterned rug, and gold accents. The room features a light blue quilted bed with several pillows, a black and white patterned rug, and a gold wire chair. A green speech bubble with the text "Q&A" is overlaid on the image. The room is decorated with gold lamps, a gold wire shelf, and a gold wire chair. The walls are white and feature three gold-framed mirrors. The floor is made of light wood.

Q&A



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KPI overview

Group KPIs	Unit	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Own and Private Label share	in % of GMV	7%	9%	11%	12%	13%	15%	18%	18%	21%
Active customers	in k	794	788	802	838	881	907	921	934	927
Number of orders	in k	510	492	496	723	611	555	507	726	591
Average basket size	in EUR	115	114	114	113	119	120	124	122	129
Average orders LTM per active customer	in #	2.6	2.7	2.6	2.7	2.6	2.6	2.6	2.6	2.6
Average GMV LTM per active customer	in EUR	289	293	297	301	302	305	307	312	318
GMV	in EUR m	58	56	56	81	72	67	63	89	76
Mobile visit share	in %	67%	69%	71%	71%	72%	73%	74%	74%	75%

Consolidated income statement

EUR m, in % of revenue	FY 2017	FY 2018	Q1 2018	Q1 2019
Revenue	220	254	62	61
Cost of Sales	-127	-145	-36	-35
Gross profit	92	108	26	26
Fulfilment expenses	-47	-54	-13	-15
Marketing expenses	-14	-18	-4	-5
General and administrative expenses	-55	-56	-11	-16
Other operating expenses	-1	-1	-0	-0
Other operating income	1	1	0	0
Operating result	-24	-20	-1	-9
Financial result	-8	-7	-4	0
Result before income tax	-32	-26	-5	-10
Income tax expense	-0	0	-0	-0
Result for the period from continuing operations	-33	-26	-5	-10
Result for the period from discontinued operations	1	24	0	0
Result for the period	-32	-2	-4	-10
Reconciliation to Adj EBITDA				
Operating result (EBIT)	-24	-20	-1	-9
Share-based compensation expenses from continuing	11	8	1	4
IPO costs recognized in profit or loss	0	4	0	0
Central costs allocated to discontinued operations	4	3	0	0
D&A	5	7	2	2
Adj. EBITDA	-4	3	2	-4
Adj EBITDA margin (%)	-1.8%	1.2%	3.3%	-6.3%

Note: Unaudited; Adj EBITDA excluding share-based compensation expenses, in FY 2018 also IPO costs recognized in profit and loss and central costs allocated to discontinued operations (Brazil and Russia were sold in Oct/Nov 2018, central costs were allocated for full year due to eg ongoing handover)

Adjusted income statement

EUR m, in % of revenue	FY 2017	FY 2018	Q1 2018	Q1 2019
Revenue	220	254	62	61
<i>Revenue Growth YoY</i>	7.0%	15.6%	30.1%	-1.0%
Cost of Sales	-127	-145	-36	-35
Gross Profit	92	108	26	26
Gross Margin	42.0%	42.7%	42.3%	42.4%
Fulfillment expenses	-46	-55	-13	-15
Contribution profit	46	53	13	11
Contribution margin	21.2%	21.0%	21.4%	18.6%
Marketing expenses	-14	-18	-4	-4
General and administrative expenses	-45	-42	-9	-13
Other operating expenses	-1	-1	-0	-0
Other operating income	1	1	0	0
Central costs allocated to discontinued operations	4	3	0	0
Depreciation and Amortization	5	7	2	2
Adj EBITDA	-4	3	2	-4
Adj EBITDA Margin	-1.8%	1.2%	3.3%	-6.3%

Note: Unaudited; Adj EBITDA excluding share-based compensation expenses, in FY 2018 also IPO costs recognized in profit and loss and central costs allocated to discontinued operations (Brazil and Russia were sold in Oct/Nov 2018, central costs were allocated for full year due to eg ongoing handover)

Segment reporting

(in EUR m)

DACH	FY 2017	FY 2018	Q1 2018	Q1 2019
Revenue	98	133	30	33
<i>YoY Growth (in %)</i>	23%	36%	59%	11%
Adj. EBITDA	1	6	1	-1
<i>Adj. EBITDA Margin %</i>	1.3%	4.3%	3.9%	-2.7%
International	FY 2017	FY 2018	Q1 2018	Q1 2019
Revenue	122	121	32	28
<i>YoY Growth (in %)</i>	-3%	-1%	11%	-13%
Adj. EBITDA	-5	-3	1	-3
<i>Adj. EBITDA Margin %</i>	-4.2%	-2.2%	2.9%	-10.3%

Note: Unaudited; Adj EBITDA excluding share-based compensation expenses, in FY 2018 also IPO costs recognized in profit and loss and central costs allocated to discontinued operations (Brazil and Russia were sold in Oct/Nov 2018, central costs were allocated for full year due to eg ongoing handover)

Selected figures consolidated balance sheet and cash flow statement

(in EUR m)		
Assets	FY 2018	Q1 2019
Non-Current Assets	33	43
Current Assets	164	150
thereof cash	123	105
Total Assets	197	193
Total Liabilities + Equity	FY 2018	Q1 2019
Equity	105	99
Non-current Liabilities	32	38
Current liabilities	60	56
Total Liabilities and Equity	197	193
Cash flow	Q1 2018	Q1 2019
Operating activities	-5	-13
Investing activities	-2	-3
Financing activities	-1	-1

Financial calendar

May 07th, 2019 Publication of quarterly Financial Report Q1 2019

May 23rd, 2019 Annual General Meeting 2019

August 13th, 2019 Publication of Financial Report H1 2019

November 07th, 2019 Publication of quarterly Financial Report Q3 2019

Mo	Tu	We	Th	Fr	Sa	Su	
		1	2	3	4	5	
6	7	8	9	10	11	12	May
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30	31			
			1	2	3	4	
5	6	7	8	9	10	11	August
12	13	14	15	16	17	18	
19	20	21	22	23	24	25	
26	27	28	29	30	31		
				1	2	3	
4	5	6	7	8	9	10	November
11	12	13	14	15	16	17	
18	19	20	21	22	23	24	
25	26	27	28	29	30		