



# First Quarter 2021 Results

May 27, 2021



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## Financial summary Q1 2021

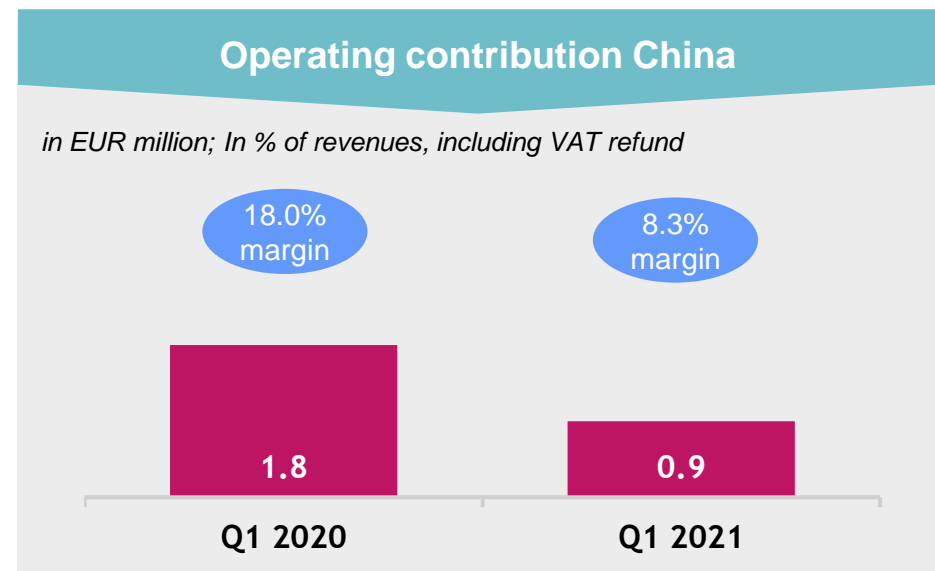
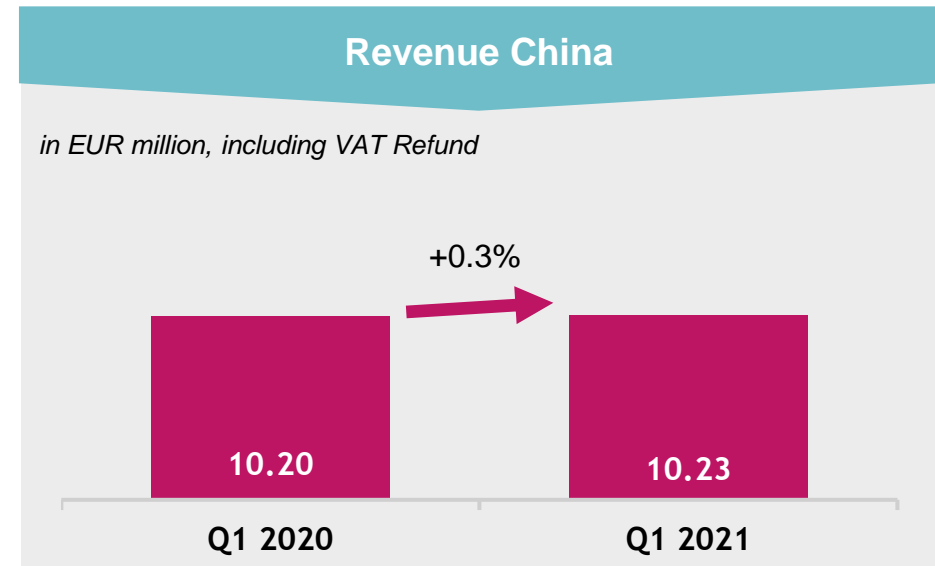


- **Revenues from continuing operations decreased by EUR 0.3m or 2% compared to the same period of the previous year (Q1 2021: EUR 14.6m / Q1 2020: EUR 14.9m).**
  - In the first quarter of 2020, revenues included a VAT refund of 0.8 EURm. Adjusted for this effect, revenue increased by 3% compared to the same period of the previous year.
  - In Europe, the decrease in revenues is mainly due to the relocation of the Group's main warehouse, causing a limited availability of certain products in March 2021.
  - Revenue in China of EUR 10.2m is at the same level as the same period last year.
  - In March of the previous year, first effects from COVID-19-related increase in e-commerce business due to lockdowns were recognized in Europe and China.
- **Adj. EBIT from continuing operations declined from EUR -2.4m to EUR -3.5m year-over-year.**
  - In the previous year's quarter, EBIT was positively affected by the VAT refund, adding 0.6m to the previous year EBIT as a one-off effect.
  - A further impact in Q1 2021 was the set-up of a new office in China that led to increased personnel expenditures. Recruitment started in Q2 2020, meaning that Q1 2020 was not affected by higher personnel costs from this measure.
- **Liquidity decreased over the first three months to EUR 5.0m on March 31, 2021 (Dec. 31, 2020: EUR 8.5m)**
  - Main reasons: Net loss for the period increased by EUR 0.9m to EUR 4.1m due to EUR 0.6m positive effect from VAT refund in Q1 2020 and personnel costs related with the team set-up in China. Furthermore, the Group built up additional net working capital of EUR 0.7m.
  - Successfully executed capital increase in March 2021 resulted in a net cash inflow of EUR 1.4m.
- **Financial targets for full year 2021 confirmed: Strong revenue growth and strong EBIT improvement yoy; adj. break-even target for full year 2022.**

## China: Stable revenue year-over-year



- Q1 2020 included **VAT refund of 0.8 EURm**
- Without consideration of VAT refund:
  - **Revenue increased** by 0.8m
  - Contribution Margin decreased by 0.2m
- windeln.de launched its **own WeChat Mini Program** in Q1 2021
  - Messenger app WeChat is used by **more than 900 million users in China**
  - Shopping platform is **directly linked** to the messenger app WeChat (App in App)
  - Through the WeChat Mini Program, the group mainly sells **baby food, drugstore items and toys.**

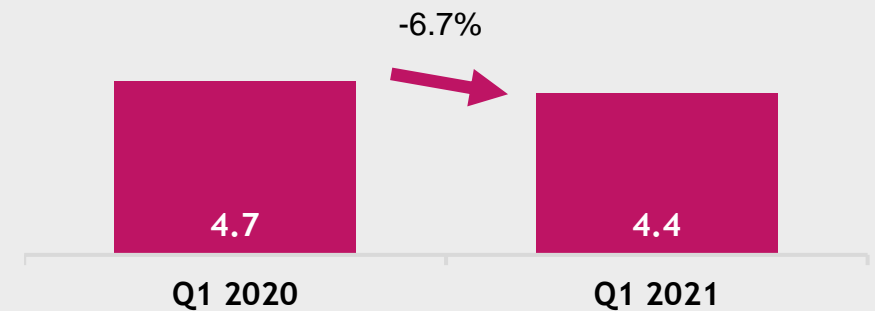


## Europe: Limited availability of certain products due to warehouse relocation slows down revenue development



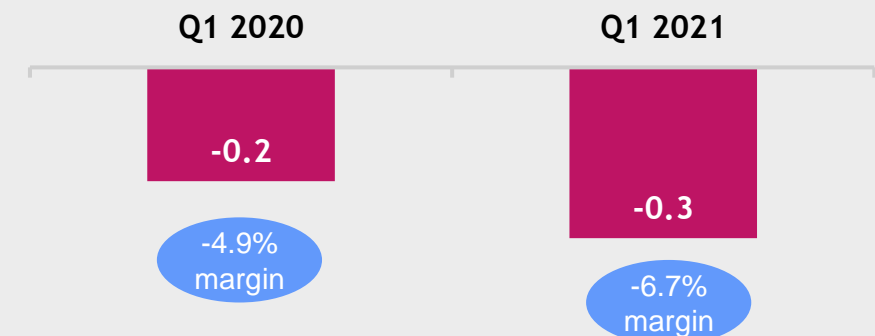
### Revenue Europe cont.

in EUR million



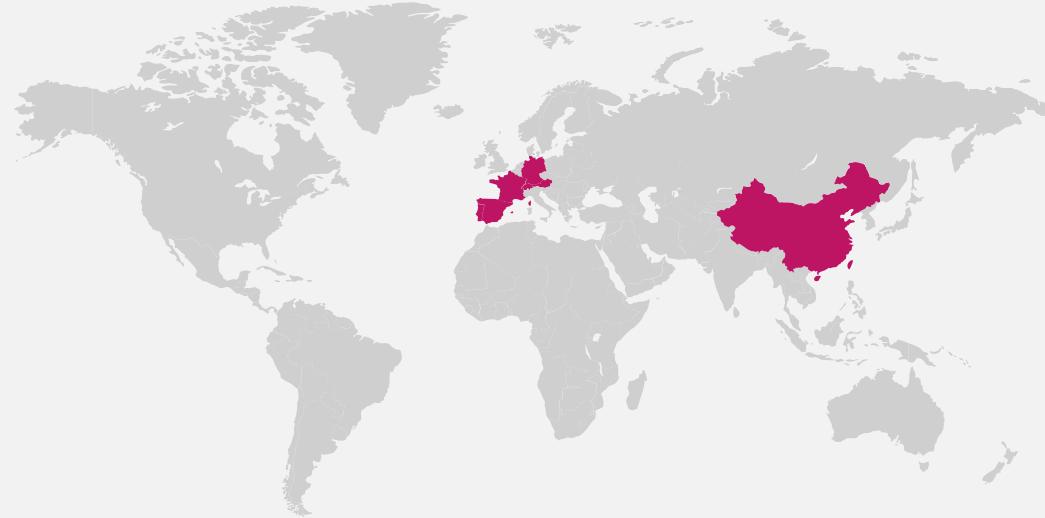
### Operating contribution Europe cont.

in EUR million; in % of revenues



- **Relocation** of the Group's main warehouse to Halle/Saale began during Q1 2021
- **Inbound from suppliers** were relocated to the new warehouse and the **migration of existing stock** from the previous warehouse started in March
- Outbound of orders for the German and Swiss webshops went **live at the new location at the beginning of Q2 2021**
- Absolute **Operating contribution broadly at previous year's level**

## We are working on key projects to strengthen our profitability and to further scale the business



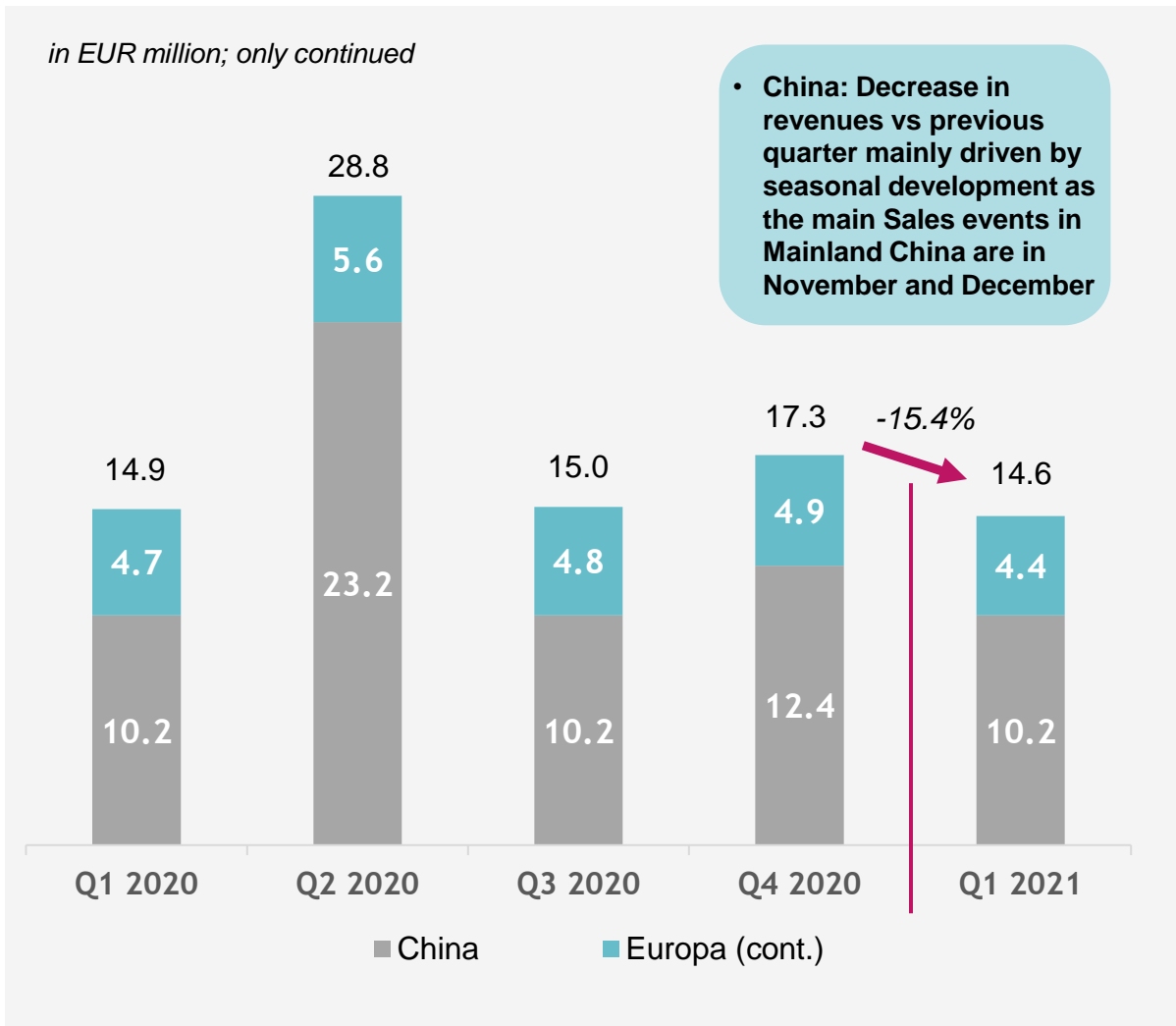
- IT shop outsourcing
- Relocation of German warehouse
- Evaluating sale of Bebitus
- Building capacity and competence in China

- Enhancement of business model (export from China)
- Launch of further platforms in China
- Evaluation funding of net working capital
- Developing a new corporate identity

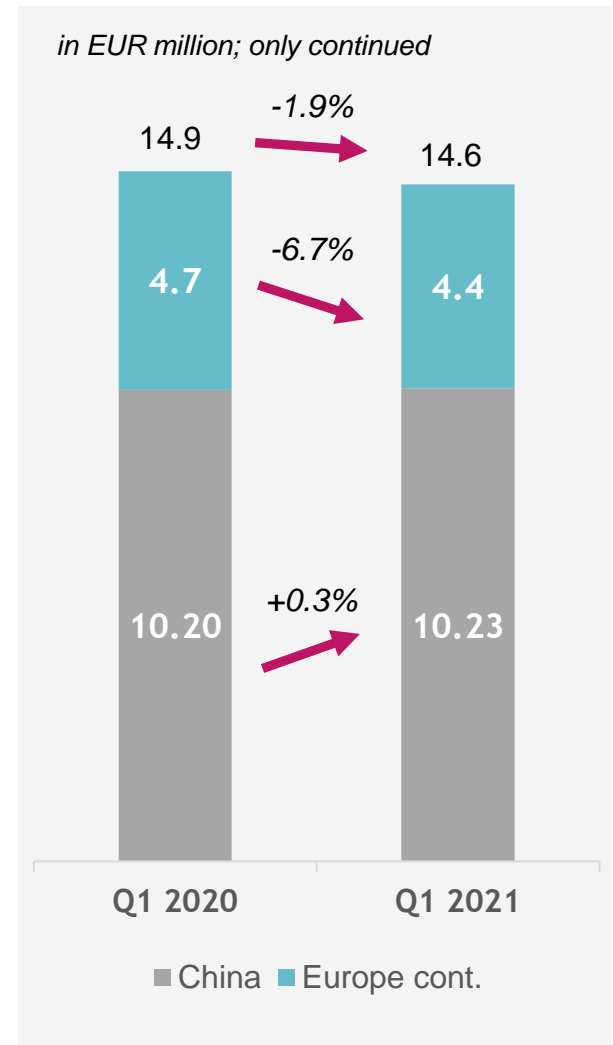
# Revenue development Q1 year over year



## Revenues by quarter year over year



## Q1 Revenues year over year



## Sales mix affects margin; previous year's quarter influenced by positive one-off effect (VAT refund)



EUR million % of revenues continuing operations	Q1	
	2020	2021
Revenues	14.9	14.6
Gross profit	26.1%	16.1%
Fulfilment costs <sup>1</sup>	(11.0)%	(8.7)%
Marketing costs <sup>2</sup>	(4.3)%	(3.6)%
Operating contribution	1.6	0.6
Operating contr. margin	10.8%	3.8%
Adj. Other SG&A <sup>3</sup>	(4.0)	(4.0)
Adj. Other SG&A <sup>3</sup>	(27.0)%	(27.4)%
Adj. EBIT	(2.4)	(3.5)
Adj. EBIT	(16.3)%	(23.6)%

Q1 2020 incl. EUR 0.8m positive effect from **VAT refund**; adjusted for this effect, **revenue growth of 3%** achieved y-o-y

4pp of the decline in Gross Profit and Operating Contribution Margin is due to the **VAT refund** in the previous year

In addition, the percentage of deliveries from the local Chinese warehouses has increased, which leads to less Gross Profit, but more favorable fulfilment costs than for the direct delivery from Germany to Chinese customers

Q1 2020 incl. **EUR 0.6m positive effect from VAT refund**; adjusted for this effect EBIT decreased by EUR 0.4m

In addition, the **establishment of the new Team China** led to increased costs in order to increase growth in this strategically most important region

Note: 1,2,3 see appendix for definitions.



# Revenue broadly stable, margins impacted by sales mix



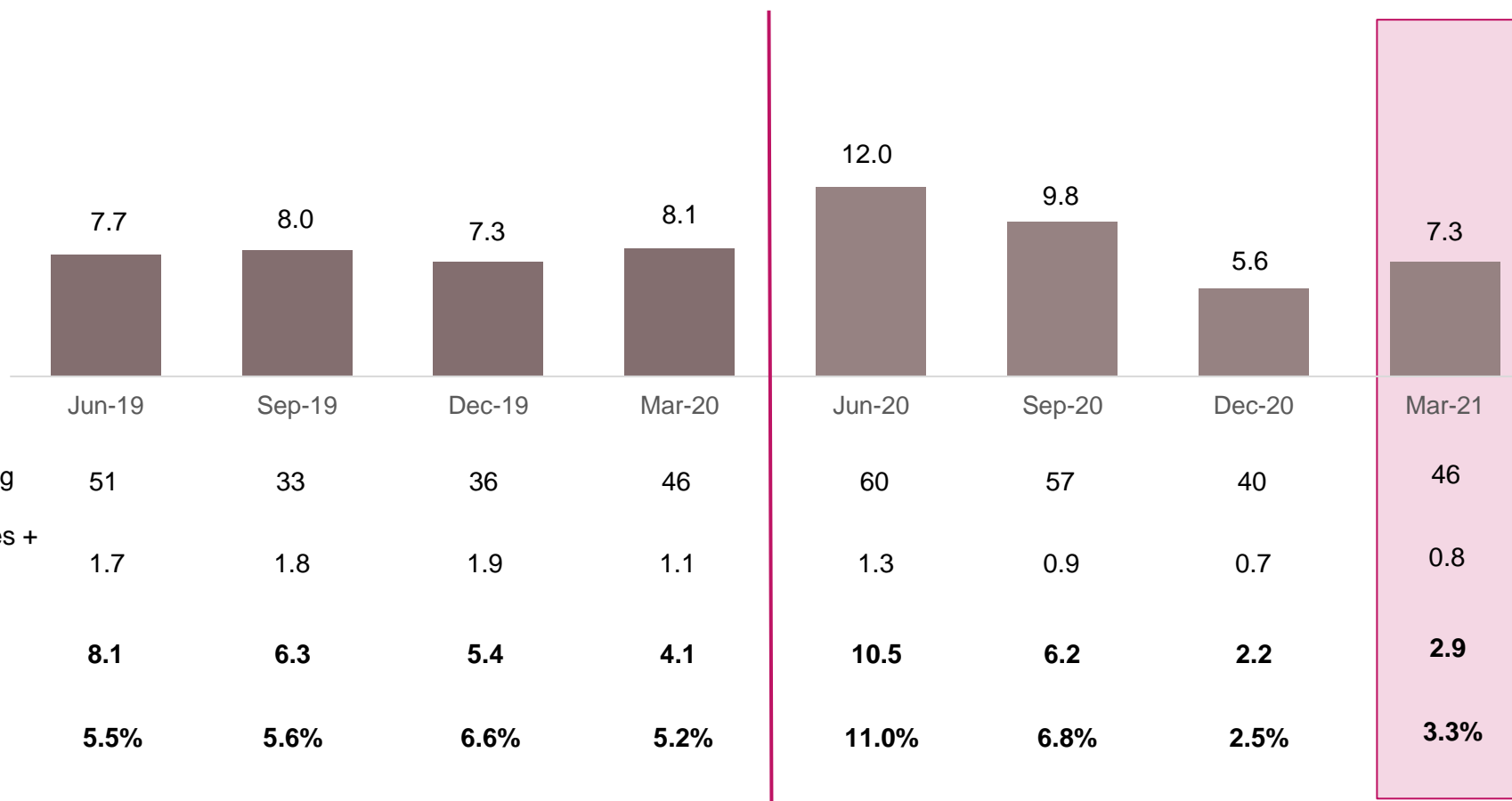
		Q1		Comments on 2021/Q1
EUR million % of revenues		2020	2021	
Revenues (EUR m)	Europe (cont.)	4.7	4.4	<p>Limited availability of certain products due to <b>warehouse relocation</b> slows down revenue development</p> <p>Q1 2020 incl. EUR 0.8m positive effect from <b>VAT refund</b>; adjusted for this effect, <b>revenue growth in China of 9%</b> achieved y-o-y</p>
	China	10.2	10.2	
	excl. VAT refund	9.4	10.2	
	<b>Total Continued</b>	<b>14.9</b>	<b>14.6</b>	
Operating Contribution (EUR m; % of revenues)	Europe (cont.)	(0.2)	(0.3)	<p>Limited availability due to <b>warehouse move</b> leading to less sale of high margin products</p>
	Europe (cont.)	(4.9)%	(6.7)%	
	China	1.8	0.9	<p><b>Higher business volume with intermediaries and business customers</b> with less Operating Contribution, but also less Other SG&amp;A costs</p>
	excl. VAT refund	1.0	0.8	
	China	18.0%	8.3%	
	<b>Total Continued</b>	<b>1.6</b>	<b>0.6</b>	
	<b>Total Continued</b>	<b>10.8%</b>	<b>3.8%</b>	

# Inventory and net working capital increased over Q1 2021



## Inventory

In EUR million



Note:

Net Working Capital (NWC) defined as inventories, prepayments, trade receivables, accrued advertising subsidies, vendors with credit balance, net VAT assets/liabilities minus trade payables and deferred revenues.

Numbers including Bebitus; without remeasurement according to IFRS 5

\* LTM = last twelve months

# Outlook 2021



## 2021 Target

**Revenue**



- Very strong increase yoy

**Adj. EBIT**



- Very strong improvement
- Adj. EBIT break-even target for full year 2022

**Operating CF**



- Improved cash conversion cycle for Chinese business

**Financing CF**



- Potential Further capital increase post annual shareholder meeting (AGM)



**Thank you and questions**

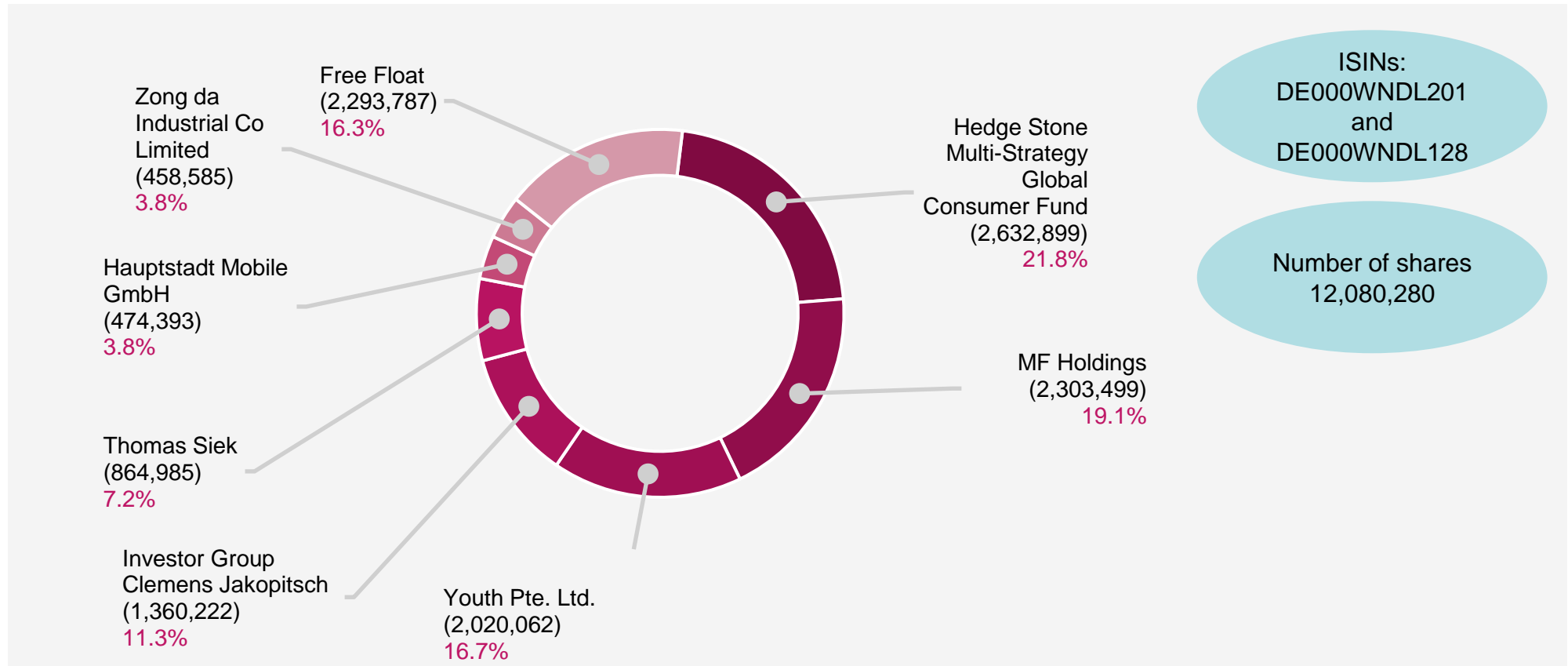


## Appendix





# Current Shareholder Structure



May 2021

Disclaimer: The shareholder structure pictured above is based on the published voting rights announcements. windeln.de SE assumes no responsibility for the correctness, completeness or currentness of the figures. Total number of shares: 12,080,280  
Free Float (> 3 %): 16.3 %  
ISINs: DE000WNDL201 und DE000WNDL128

# Key performance indicators quarter over quarter from continuing operations



Excl. pannolini, Feedo and Bebitus	Q3' 19	Q4'19	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21
Site Visits (in thousand) <sup>1</sup>	6,672	6,130	4,299	4,670	5,572	6,187	3,724
Mobile Visit Share (in % of Site Visits) <sup>2</sup>	74.2%	86.3%	84.1%	82.8%	89.2%	90.2%	87.3%
Mobile Orders (in % of Number of Orders) <sup>3</sup>	61.7%	59.0%	59.5%	63.3%	64.9%	66.3%	69.0%
Active Customers (in thousand) <sup>4</sup>	329	305	299	297	282	283	282
Number of Orders (in thousand) <sup>5</sup>	146	138	124	113	106	139	115
Average Orders per Active Customer (in number of Orders) <sup>6</sup>	2.0	2.1	1.8	1.8	1.7	1.7	1.7
Orders from Repeat Customers (in thousand) <sup>7</sup>	105	101	85	74	69	87	71
Share of Repeat Customer Orders (in % of Number of Orders) <sup>7</sup>	72.59%	72.08%	70.96%	68.91%	67.62%	65.41%	63.78%
Gross Order Intake (in kEUR) <sup>8</sup>	12,561	13,346	11,597	9,899	8,677	12,217	9,466
Average Order Value (in EUR) <sup>9</sup>	86.10	96.79	93.38	87.55	82.23	87,96	82.08
Returns (in % of Gross Revenues from orders) <sup>10</sup>	2.9%	2.2%	4.6%	1.6%	2.5%	2,0%	2.3%

## Definitions of key performance indicators



- 1) We define site visits as the number of series of page requests from the same device and source in the measurement period and include visits to our online magazine. A visit is considered ended when no requests have been recorded in more than 30 minutes. The number of site visits depends on a number of factors including the availability of the offered products, the effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics.
- 2) We define mobile visit share (as % of site visits) as the number of visits via mobile devices (smartphones and tablets) to our mobile optimized websites and mobile apps divided by the total number of site visits in the measurement period. Site visits of our online magazine are fully excluded since Q3 2020. Measured by Google Analytics.
- 3) We define mobile orders (as % of number of orders) as the number of orders via mobile devices to our mobile optimized websites and mobile apps divided by the total number of orders in the measurement period. Since Q1 2017, orders from China are included. Measured by Google Analytics.
- 4) We define active customers as the number of unique customers placing at least one order in one of our shops in the 12 months preceding the end of the measurement period, irrespective of returns..
- 5) We define number of orders as the number of customer orders placed in the measurement period irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period or have been cancelled. Every order which has been placed, but for which the products in the order have not been shipped (e. g., the products are not available or the customer cancels the order), is considered “cancelled”. Cancellations are deducted from the number of orders.
- 6) We define average orders per active customer as number of orders divided by the number of active customers in the last 12 months.
- 7) We define orders from repeat customers as the number of orders from customers who have placed at least one previous order, irrespective of returns. The share of repeat customer orders represents the number of orders from repeat customers in the last twelve months divided by the number of orders in the last twelve months.
- 8) We define gross order intake as the aggregate Euro amount of customer orders placed in the measurement period minus cancellations. The Euro amount includes value added tax and excludes marketing rebates.
- 9) We define average order value as gross order intake divided by the number of orders in the measurement period..
- 10) We define returns (as % of gross revenues from orders) as the returned amount in Euro divided by gross revenues from orders in the measurement period. Since Q2 2016 including Bebitus returns. Gross revenues from orders are defined as the total aggregated Euro amount spent by our customers minus cancellations but irrespective of returns. The Euro amount does not include value added tax



## Footnotes to page 9



Note: Adjusted continuing operations shown (i.e. excluding discontinued operation Bebitus).

- 1 Fulfilment costs consist of logistics and warehouse rental expenses which are recognized within selling and distribution expenses in the consolidated statement of profit and loss
- 2 Marketing costs mainly consist of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for the marketing tools of the Group.
- 3 Other selling, general and administration expenses (other SG&A expenses) consist of selling and distribution expenses, excluding marketing costs and fulfilment costs, and administrative expenses as well as other operating income and expenses. Adjusted other SG&A expenses exclude expenses from share-based compensation, reorganization measures, de-consolidation, the warehouse move, impairments of purchased intangible assets (if applicable in the reporting period)

# Income statement Q1 2021



kEUR	Q1 2020	Q1 2021
<b>Revenues</b>	<b>14,929</b>	<b>14,644</b>
Cost of sales	-11,037	-12,284
<b>Gross profit</b>	<b>3,892</b>	<b>2,360</b>
<i>% margin</i>	26.1%	16.1%
Selling and distribution expenses	-4,911	-4,139
Administrative expenses	-1,519	-1,676
Other operating income	365	60
Other operating expenses	-57	-27
<b>EBIT</b>	<b>-2,230</b>	<b>-3,422</b>
<i>% margin</i>	-14.9%	-23.4%
Financial result	-15	-27
<b>EBT</b>	<b>-2,245</b>	<b>-3,449</b>
<i>% margin</i>	-15.0%	-23.6%
Income taxes	-2	-2
<b>Profit or loss from continuing operations</b>	<b>-2,247</b>	<b>-3,451</b>
<i>% margin</i>	-21.3%	-27.7%
<b>Profit or loss after taxes from discontinued operations</b>	<b>-934</b>	<b>-606</b>
<b>Profit or loss for the period</b>	<b>-3,181</b>	<b>-4,057</b>
<b>EBIT</b>	<b>-2,230</b>	<b>-3,422</b>
Effects of deconsolidation	-207	0
Share-based compensation	7	-39
<b>Adjusted EBIT</b>	<b>-2,430</b>	<b>-3,461</b>
<i>% margin</i>	-16.3%	-23.6%

## Bridge to adjusted EBIT: Only minor effect in the amount of EUR -39k from share-based compensation in Q1 2021

<i>EUR million</i> <i>% of revenues</i>	Q1	
	Q1 2020	Q1 2021
<b>Reported EBIT</b>	<b>(2.2)</b>	<b>(3.4)</b>
Reported EBIT	(14.9)%	(23.4)%
<i>Effects of deconsolidation</i>	(0.2)	-
<i>Share-based compensation</i>	0.0	(0.0)
<b>Adjusted EBIT</b>	<b>(2.4)</b>	<b>(3.5)</b>
Adjusted EBIT	(16.3)%	(23.6)%

# Balance sheet March 31, 2021



kEUR	December 31, 2020	March 31, 2021	kEUR	December 31, 2020	March 31, 2021
Intangible assets	2,017	1,862			
Fixed assets	1,385	1,292	Issued capital	10,982	12,080
Other financial assets	108	108	Share premium	173,714	173,920
Other non-financial assets	121	114	Accumulated loss	-174,482	-178,539
Deferred tax assets	6	6	Cumulated other comprehensive income	-11	-8
<b>Total non-current assets</b>	<b>3,637</b>	<b>3,382</b>	<b>Total equity</b>	<b>10,203</b>	<b>7,453</b>
Inventories	4,079	5,906	<b>Total non-current liabilities</b>	<b>1,738</b>	<b>1,675</b>
Prepayments	435	37	Other provisions	138	148
Trade receivables	718	576	Financial liabilities	603	621
Miscellaneous other current assets <sup>1</sup>	2,555	2,750	Trade payables	3,490	4,997
Cash and cash equivalents	8,530	5,010	Deferred revenue	2,210	1,490
<b>Total current assets</b>	<b>16,317</b>	<b>14,279</b>	Miscellaneous current liabilities <sup>2</sup>	2,661	2,321
Assets held for sale	1,089	1,044	<b>Total current liabilities</b>	<b>9,102</b>	<b>9,577</b>
<b>Total assets</b>	<b>21,043</b>	<b>18,705</b>	<b>Total equity &amp; liabilities</b>	<b>21,043</b>	<b>18,705</b>

1 Miscellaneous other current assets include income tax receivables, other current financial assets and other current non-financial assets.

2 Miscellaneous other current liabilities include income tax payables, other current financial liabilities and other current non-financial liabilities.

