

Company Presentation windeln.de SE



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Agenda

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Company Overview



Key Investment Highlights

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windeln.de remains an interesting investment case.

1

Attractive and growing market segment:
E-commerce for baby and family products

2

Strong partnership with European
suppliers & Chinese cross-border
e-commerce companies

3

Excellent infrastructure to China with in-house
expertise of Chinese
market to capture China growth opportunity

4

Significant progress made on cost side as well as
margins; further efficiency projects ahead



Facts 2021

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windeln.de is one of the leading online retailers for baby, children and family products in the German speaking region and a strong cross-border e-commerce to China.

• FOR DAS WICHTIGSTE
• AUF DIESER WELT



Presence in
DACH & China



226k+
Orders in 2021



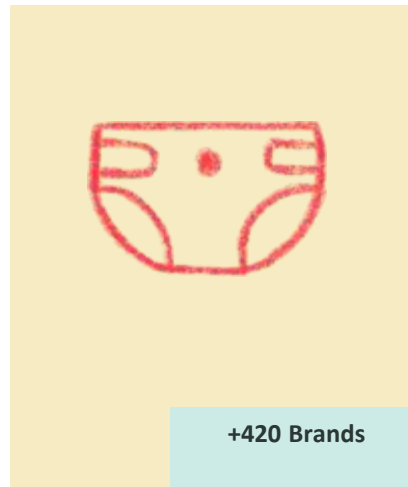
144k+
Active Customers in 2021



6 Sales channels to China
+ DE & CH online shop



20 million
Page Views in 2021



+420 Brands



EUR 52 million
revenues in 2021

Management Board and Supervisory Board

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Strong Management Board and Supervisory Board with extensive experience in e-commerce.

Management Board



Bastian Salewsky, CEO

Marketing, Category Management, HR, Pricing, Privat Label, Product Data, Legal, IT, Finance and Controlling, Accounting



Xiaowei (Sean) Wei

China Business

Supervisory Board

Clemens Jakopitsch

Chairman

- Extensive experience in mgmt. consulting in the field of commercial & technology sector
- In Supervisory Boards of several companies

Maurice Reimer

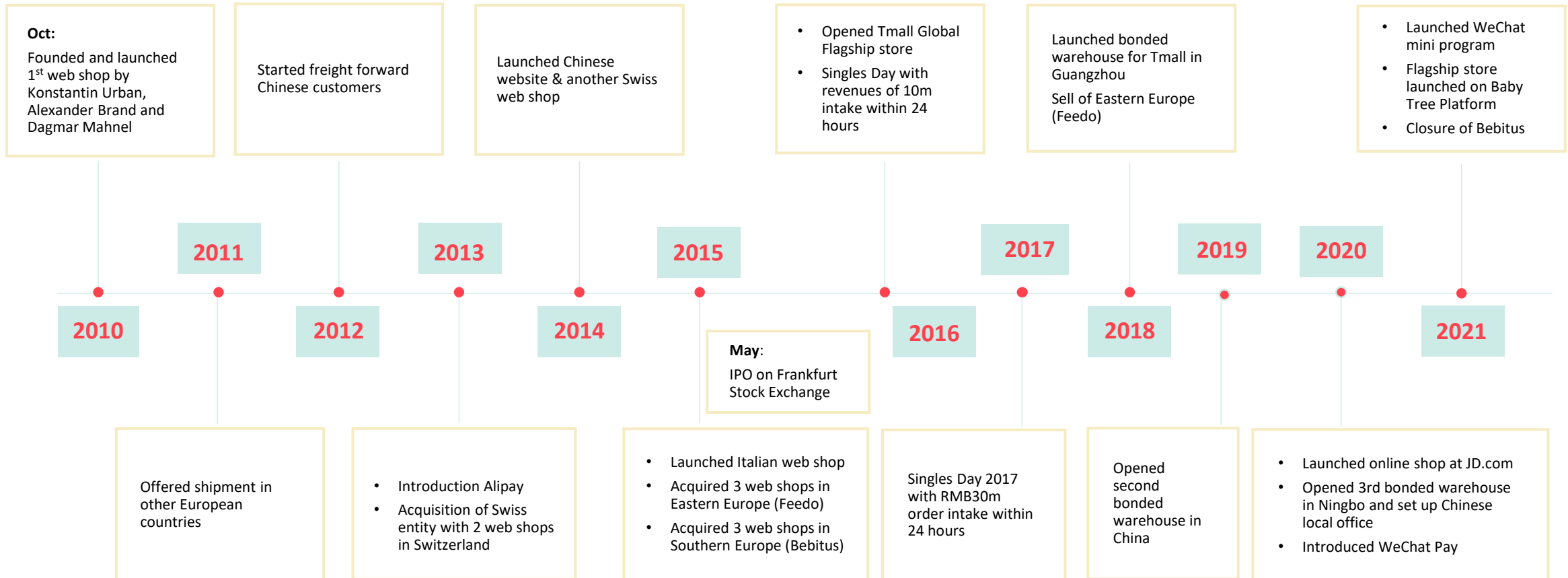
- Managing partner of Hauptstadt Mobile HM GmbH
- Many years experiences in intl. e-commerce and new economy

Christian Reitermann

- CEO of the Ogilvy Group – Asia Pacific
- In the Supervisory Board of several companies
- Independent director of Babytree

Development History and Business Milestones

windeln.de launched its first web shop in Germany in October 2010 and has gradually developed a strong focus towards the Chinese market, where it generated nearly 80% of revenues in Q1 2022.



Transformation Process

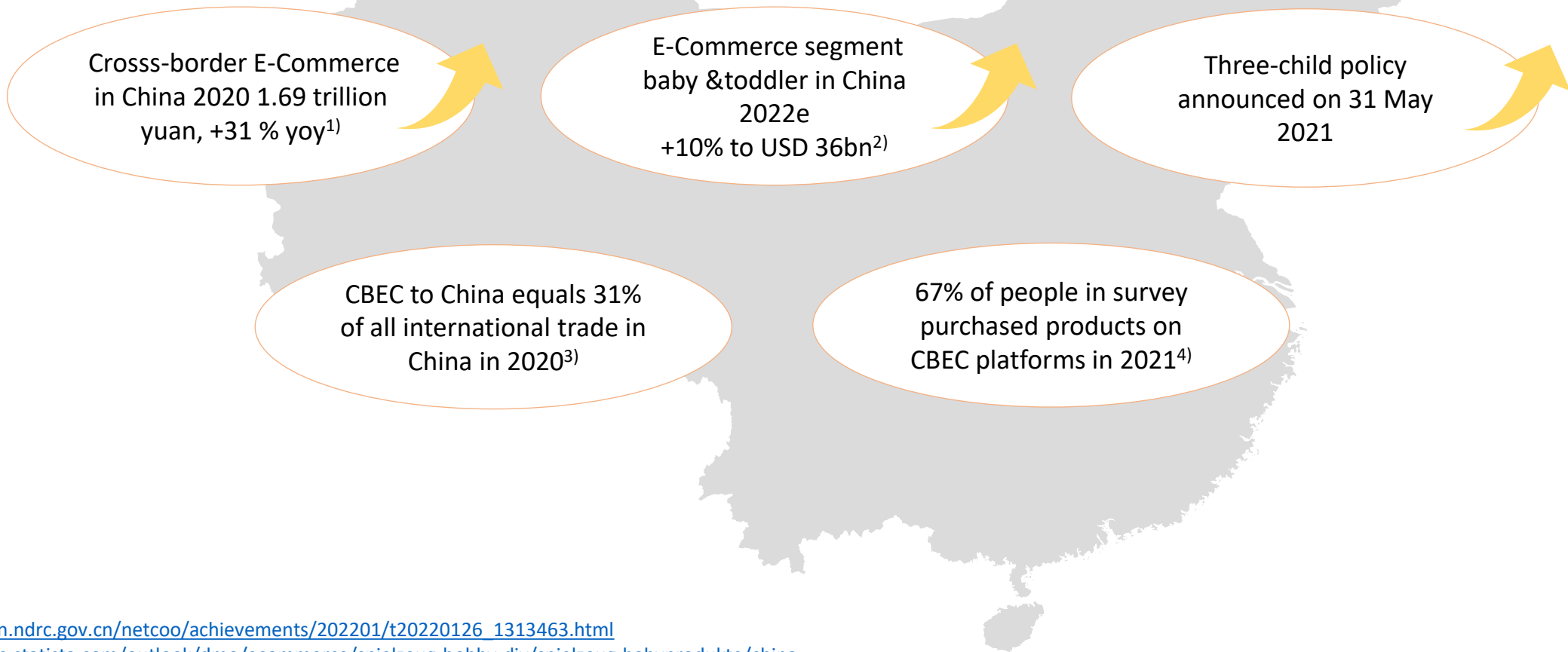
windeln.de went through an intensive transformation process over the past years and several efficiency and profitability measures were executed.



China

Market in China

The Chinese market is highly attractive.



1) https://en.ndrc.gov.cn/netcoo/achievements/202201/t20220126_1313463.html

2) <https://de.statista.com/outlook/dmo/ecommerce/spielzeug-hobby-diy/spielzeug-babyprodukte/china>

3) <https://www.e-commerce-magazin.de/dank-cross-border-e-commerce-chancen-im-chinesischen-markt-nutzen/>

4) iiMedia Research found on http://www.china.org.cn/business/2022-04/26/content_78187084.htm

Sales Channels China

In the past years windeln.de successfully extended its shops and sales channels in China.

Jd.com



WDL Flagship Store

WeChat mini program



WDL Shop

B2B



WDL business customers

Tmall



WDL Flagship Store

Chinese webshop



WDL own shop

Chinese logistics set-up

windeln.de has an excellent logistics network and internal know-how to fulfill demand for CBEC products to China.

Direct delivery for our online shop windeln.com.cn from Halle/Germany



3 local bonded warehouses in mainland China for our shops windeln.com.cn, Tmall Global and JD.com



Local and regional sourcing in China

- Lower delivery times
- Lower cash conversion cycle

NEW

Strategy

Strategy

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windeln.de with strong focus on margins and revenue growth in China.

- ✓ Focus on existing markets, channels and sales channels in the German-speaking region and in China
- ✓ Diversification of product range and profitable growth in China, e.g. through higher customer retention activities
- ✓ Increase in margins in the DACH business through adjustment of product range
- ✓ Further reduction of cost structure and increase in efficiency in other sales and administrative areas



Our Vision

We want to make a difference in the lives of moms, dads and their youngest - no matter the topic.

Whether the diaper supply is coming to an end, the once huge crib suddenly becomes too small or products are needed for a family adventure - with more than 10 years of experience, we put our heart into caring for the well-being of the little ones and their parents. This is how we contribute to shape the future of our next generations on a daily basis.

We see it as our task to give our customers the best possible service and to improve it every day. We are a specialist in a very emotional environment, and we take our responsibility to satisfy our customers through information, security and service very seriously. We want to offer attractive prices, informative content in cooperation with midwives, doctors and therapists as well as a quick and reliable delivery.

Due to the increasing online affinity of young families, esp. since 2020, we expect that consumers will increasingly shop online. We aim to be their trusted partner and the brand of choice for young families in the German-speaking region with strong cross-border e-Commerce to also provide products to our customers in China.

Bastian Salewsky, CEO windeln.de

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Our Mission

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We are always there for you.

Around the clock with plenty of products online - for the most precious gift in this world: our children.

The birth of a child is an exciting and wonderful, but also challenging time for parents. When small and large miracles happen, that turn everything upside down. We address everything that challenges parents, even sensitive issues. Because there are phases in life where we need clear statements, unadorned and real. That's life with children - colorful and dynamic, beautiful, but challenging.

We believe that parents do everything they can to provide their child with the best possible start in life - every single day. We see ourselves as a trusting friend at mom and dad's side. With our actions, we take care of the well-being of children and their families, because it is about nothing more important than the future of our next generations.

We are windeln.de SE



Financials

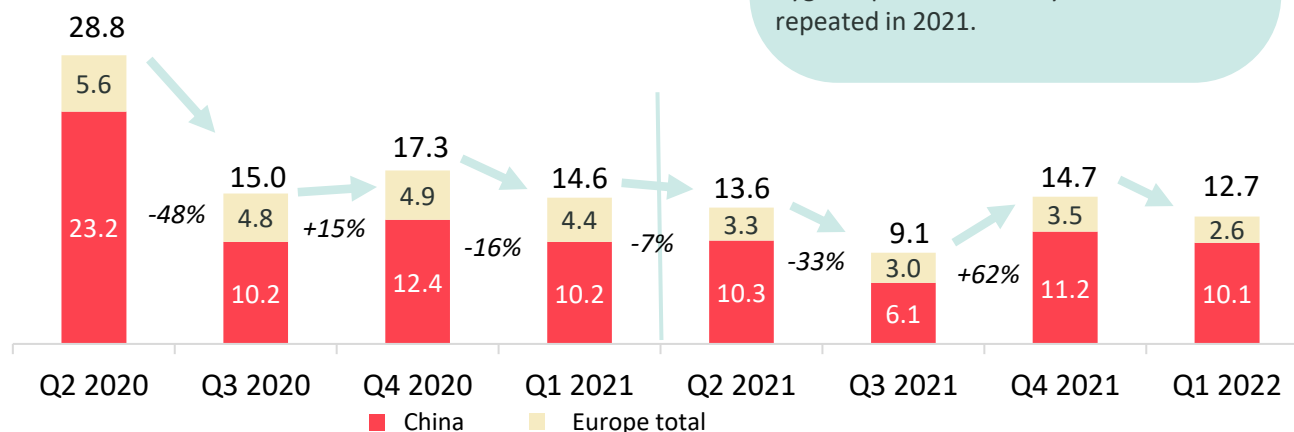


Revenue development full year 2021 & Q1 2022

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Revenues by quarter year over year

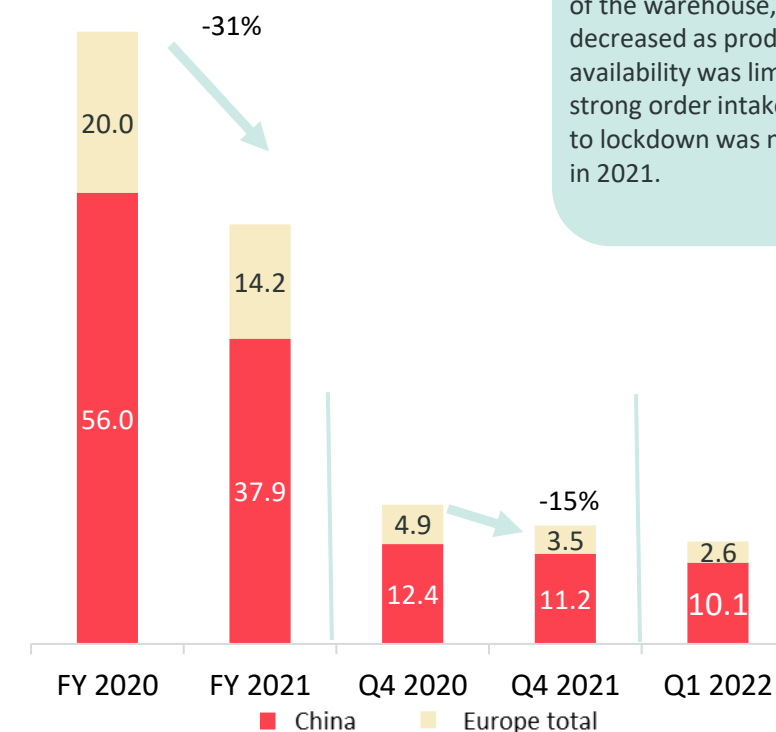
in EUR million, Group total



only continuing operations

Revenues year over year

in EUR million, Group total



Margin development full year 2021 & Q1 2022

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Comments

	FY		Q1	
	2020	2021	2021	2022
Revenues	76.1	52.1	14.7	12.8
Gross profit	21.3%	19.6%	16.1%	28.9%
Fulfilment costs ¹⁾	(7.7)%	(7.9)%	(8.7)%	(8.3)%
Marketing costs ²⁾	(3.4)%	(3.6)%	(3.6)%	(3.7)%
Operating contribution	7.8	4.2	0.6	2.2
Operating contr. Margin	10.2%	8.0%	3.8%	17.0%
Adj. Other SG&A ³⁾	(16.4)	(13.6)	(4.0)	(3.0)
Adj. Other SG&A ³⁾	(21.5)%	(26.1)%	(27.4)%	(23.2)%
Adj. EBIT (EUR)	(8.6)	(9.5)	(3.5)	(0.8)
Adj. EBIT (%)	(11.3)%	(18.1)%	(23.6)%	(6.2)%

FY 2021: 1.7 pp below the margin of the FY 2020. With a margin of approx. 20%, Europe remained on prior years level. The gross margin of segment China decreased by 2.2 pp.

Q1 2022: 12.8 pp above the margin of Q1 2021 with a margin of approx. 22% for Europe and 30% for China well above Q1 2021

FY 2021: Decrease of operating contr. margin by 2.2 pp is caused by the same reasons as the decline of gross profit. Moreover, less revenues led to less absorption of fix costs in logistics and marketing.

Q1 2022: Strong increase in line with increasing gross profit by 13.2 pp. Also significantly lower costs than in Q1 2021

FY 2021: Adj. EBIT deteriorated by 6.8 pp to -18.1 %. The Group expected a strong improvement of adj. EBIT in 2021 but adjusted their forecast to a significant deterioration. Q1 2022: Adj. EBIT significantly above Q1 2021 (+17.4 pp) and on track to reach ambitious goals for 2022

China and Europe segments full year 2021 & Q1 2022

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		FY		Q1	
		2020	2021	2021	2022
Revenues (EUR m)	Europe	20.1	14.2	7.1	2.6
	China	56.0	37.9	10.2	10.1
	Total Group	76.1	52.1	17.3	12.7
Operating Contribution (EUR m; % of revenues)	Europe	(0.4)	(0.7)	(0.2)	(0.2)
	Europe in %	(1.8)%	(4.9)%	(3.4)%	(8.1)%
	China	8.2	4.9	0.8	2.4
	China in %	14.6%	12.9%	8.3%	23.4%
	Total Group	7.8	4.2	0.6	2.2
	Total Group in %	10.2%	8.0%	3.6%	16.9%

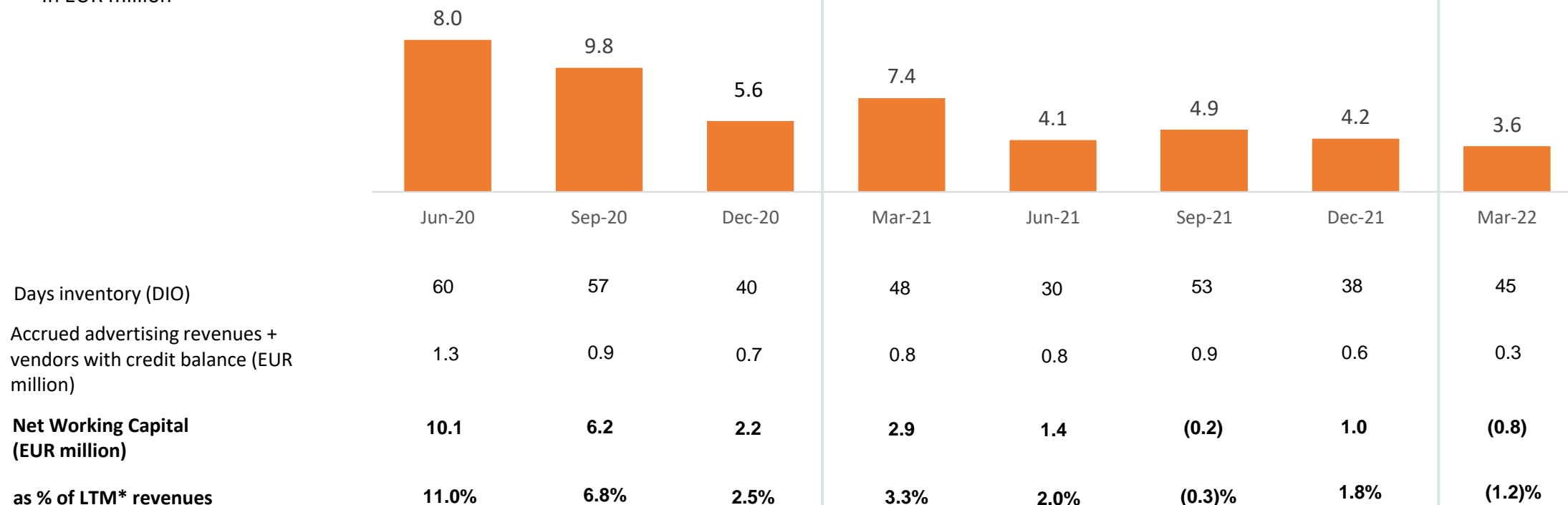
Comments

- FY 2021: Revenues in Europe and China both decreased, as they were affected by ongoing one-off effects (Covid-19, relocation of warehouse, restrictions of deliveries, conservation of liquidity) – Q1 2022: Stable revenues in China with still decreasing revenues in Europe
- Profitability in Europe impacted by relocation of warehouse
- Ongoing projects to increase profitability (increasing the margin in Germany)
- Decline in profits due to decrease of revenues compared to prior year in 2021 but recovering in Q1 2022
- Operating contribution deteriorates FY 2021 in comparison to prior year period but recovering in Q1 2022

Net working capital development by quarter

Inventory

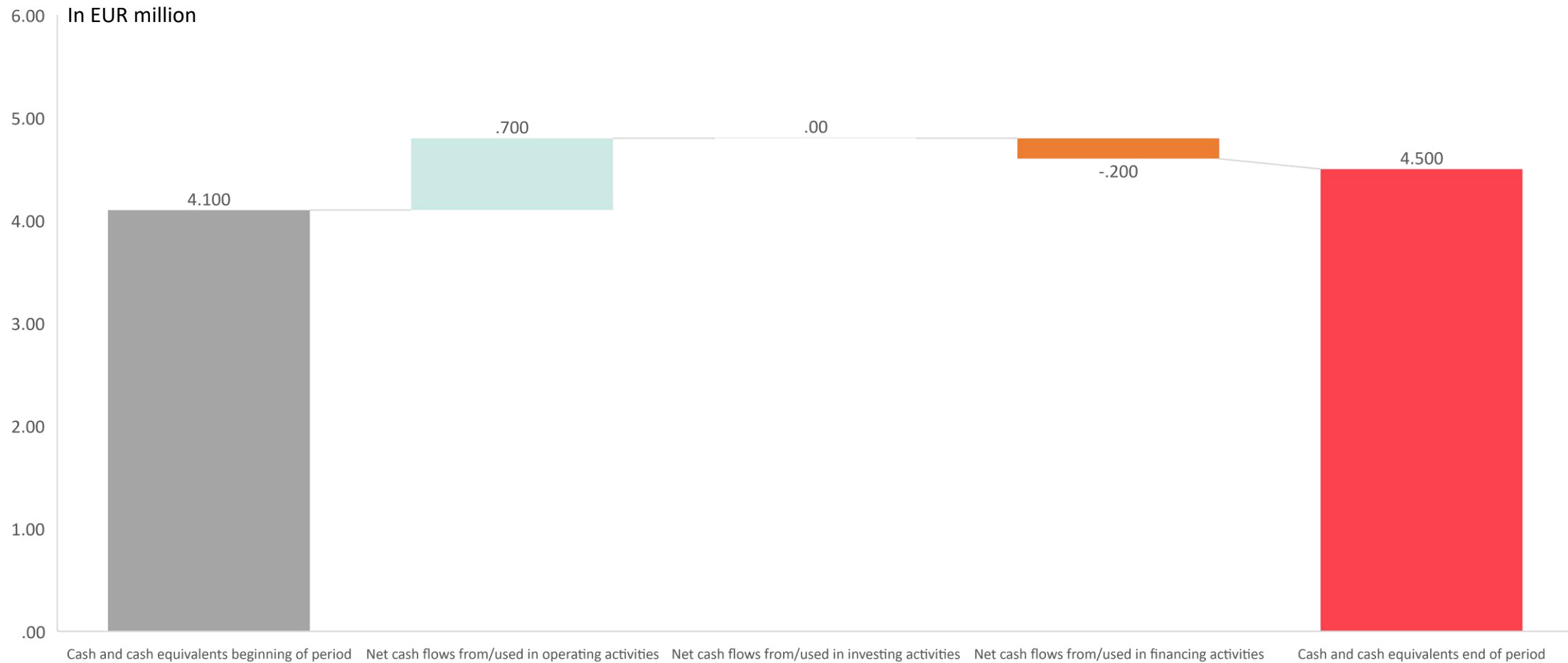
In EUR million



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. Figures include Bebitus;
 without remeasurement according to IFRS 5
 * LTM = last twelve months

Liquidity bridge in Q1 2022

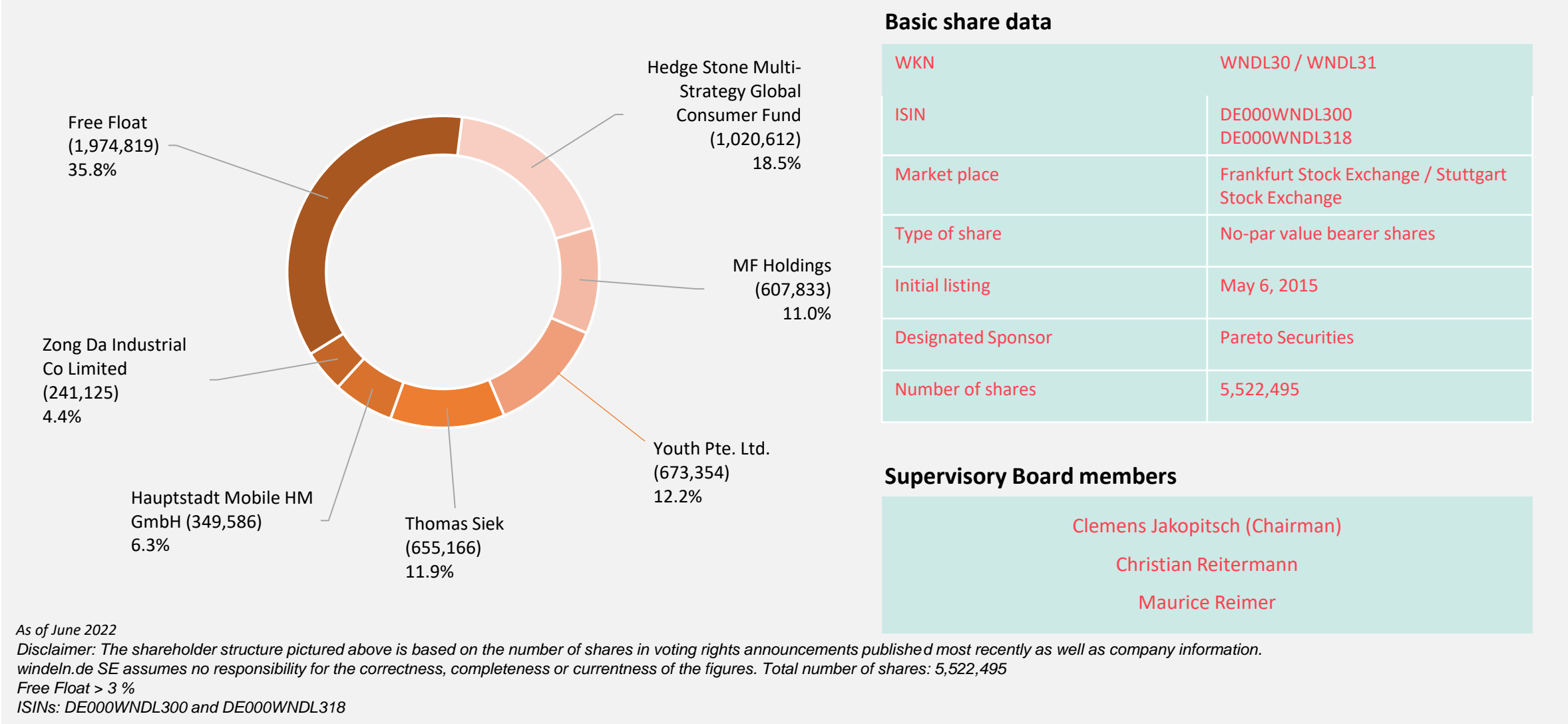
Cash available / Cash Flow



Appendix



Current Shareholder Structure



Key performance indicators quarter over quarter from continuing operations

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Excl. pannolini, Feedo and Bebitus	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22
Site Visits (in thousand) ¹	4,670	5,572	6,187	3,748	3,832	5,217	6,385	5,612
Mobile Visit Share (in % of Site Visits) ²	82.8%	89.2%	90.2%	87.4%	87.4%	92.8%	94.2%	93.5%
Mobile Orders (in % of Number of Orders) ³	63.3%	64.9%	66.3%	69.1%	67.7%	67.1%	71.3%	79.6%
Active Customers (in thousand) ⁴	297	282	283	283	271	264	264	275
Number of Orders (in thousand) ⁵	113	106	139	116	102	89	134	147
Average Orders per Active Customer (in number of Orders) ⁶	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Orders from Repeat Customers (in thousand) ⁷	74	69	87	71	65	53	67	56
Share of Repeat Customer Orders (in % of Number of Orders) ⁷	68.9%	67.6%	65.4%	63.7%	63.5%	62.6%	60.2%	58.2%
Gross Order Intake (in kEUR) ⁸	9,899	8,677	12,217	9,518	8,297	7,137	9,910	9,599
Average Order Value (in EUR) ⁹	87.6	82.2	88.0	82.1	81.0	80.2	74.2	64.9
Returns (in % of Gross Revenues from orders) ¹⁰	1.6%	2.5%	2.0%	2.3%	1.5%	2.2%	1.6%	1.6%

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. Visits to our online magazine are included until mid of Q3 2020. 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 products we offer, the level and effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics (Windeln.cn, Windeln.de and Windeln.ch) / TMall / JD. For TMall each request on the site is considered a visit.
- 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 excluded. Measured by Google Analytics (Windeln.cn, Windeln.de and Windeln.ch) / TMall / JD. For TMall each request on the site is considered a visit.
- 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. Measured by Google Analytics (Windeln.cn, Windeln.de and Windeln.ch) / TMall / JD. For TMall each request on the site is considered a visit.
- 4) We define active customers as the number of unique customers placing at least one order in one of our shops in the twelve 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.
- 5) 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 twelve months.
- 7) We define orders from repeat customers as the number of orders from active 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 our web shops 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. Gross revenues from orders are defined as the total aggregated Euro amount spent by our customers minus cancellations but irrespective of returns. The amount does not include value added tax.

Income statement FY 2020/2021 & Q1 2022

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kEUR	FY 2020	FY 2021	Q1 2021	Q1 2022
Revenues	76,067	52,092	14.644	12.778
Cost of sales	-59,883	-41,906	-12.284	-9,081
Gross profit	16,184	10,186	2.360	3.697
% margin	21.3%	19.6%	16.1%	28.9%
Selling and distribution expenses	-19,038	-15,490	-4.139	-3.179
Administrative expenses	-6,319	-5,529	-1.676	-1.303
Other operating income	809	230	60	67
Other operating expenses	-305	-185	-27	-80
EBIT	-8,669	-10,788	-3.422	-798
% margin	-11.4%	-20.7%	-23.4%	-6.2%
Financial result	-68	-99	-27	-19
EBT	-8,737	-10,887	-3.449	-817
% margin	-11.5%	-20.9%	-23.6%	-6.4%
Income taxes	-3	-12	-2	-2
Profit or loss from continuing operations	-8,740	-10,899	3,451	-819
Profit or loss after taxes from discontinued operations	-5,008	-2,649	-606	-74
Profit or loss for the period	-13,748	-13,548	-4,057	-893
% margin	-18.1%	-26.0%	-27.7%	-7.0%
EBIT	-8,669	-10,788	-3.422	-798
Effects of deconsolidation	-207	-	-	-
Share-based compensation	61	-22	-39	9
Expenses in connection with data leak	-	243	-	-
Impairment of intangible assets	-	1,132	-	-
Costs of warehouse move	250	-	-	-
Adjusted EBIT	-8,565	-9,435	-3.461	-789
% margin	-11.3%	-18.1%	-23.6%	-6.2%

Bridge to adjusted EBIT

	Full year	
EUR million; % of revenues	FY 2020	FY 2021
Reported EBIT	(8.7)	(10.8)
Reported EBIT in %	-11.4%	-20.7%
Effects of deconsolidation	(0.2)	0
Share-based compensation	0.1	(0.0)
Expenses in connection with data leak	0	0.2
Impairment of intangible assets	0	1.1
Costs of warehouse move	0.3	0
Adjusted EBIT	(8.6)	(9.4)
Adjusted EBIT in %	-11.3%	-18.1%

Impairment of assets in connection with the outsourcing of store architecture amounting to 1.1 m EUR (Q4 2021)

Cash flow statement FY 2021 & Q1 2022



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kEUR	FY 2020	FY 2021	Q1 2022
Cash and cash equivalents at the beginning of the period	8.4	8.5	4.1
Net cash flows from/used in operating activities	(7.1)	(10.4)	0.7
Net cash flows from/used in investing activities	(0.5)	(0.0)	(0.0)
Net cash flows from/used in financing activities	7.7	6.0	(0.2)
Net increase/decrease in cash and cash equivalents	0.2	(4.4)	0.5
Cash and cash equivalents at the end of the period	8.5	4.1	4.6

Balance sheet December 31, 2021

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kEUR	December 31, 2020	December 31, 2021
Intangible assets	2,017	241
Fixed assets	1,385	1,035
Other financial assets	108	109
Other non-financial assets	121	94
Deferred tax assets	6	1
Total non-current assets	3,637	1,480
Inventories	4,079	4,219
Prepayments	435	6
Trade receivables	718	764
Miscellaneous other current assets ¹	2,555	1,693
Cash and cash equivalents	8,530	4,115
Total current assets	16,317	10,797
Assets held for sale	1,089	-
Total assets	21,043	12,277

kEUR	December 31, 2020	December 31, 2021
Issued capital	10,982	16,567
Share premium	173,714	174,854
Accumulated loss	-174,482	-188,030
Cumulated other comprehensive income	-11	10
Total equity	10,203	3,401
Total non-current liabilities	1,738	1,334
Other provisions	138	358
Financial liabilities	603	313
Trade payables	3,490	4,040
Deferred revenue	2,210	801
Miscellaneous current liabilities ²	2,661	2,030
Total current liabilities	9,102	7,542
Total equity & liabilities	21,043	12,277

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.

Balance sheet March 31, 2022

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kEUR	December 31, 2021	March 31, 2022
Intangible assets	241	276
Fixed assets	1,035	974
Other financial assets	109	109
Other non-financial assets	94	86
Deferred tax assets	1	2
Total non-current assets	1,480	1,447
Inventories	4,219	3,599
Prepayments	6	32
Trade receivables	764	583
Miscellaneous other current assets ¹	1,693	1,507
Cash and cash equivalents	4,115	4,557
Total current assets	10,797	10,278
Assets held for sale	-	
Total assets	12,277	11,275

kEUR	December 31, 2021	March 31, 2022
Issued capital	16,567	5,522
Share premium	174,854	174,771
Accumulated loss	-188,030	-177,878
Cumulated other comprehensive income	10	15
Total equity	3,401	2,430
Total non-current liabilities	1,334	1,282
Other provisions	358	252
Financial liabilities	313	303
Trade payables	4,040	4,447
Deferred revenue	801	1,173
Miscellaneous current liabilities ²	2,030	1,838
Total current liabilities	7,542	8,013
Total equity & liabilities	12,277	11,725

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.

Thank you!

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