

The logo for home24, featuring the word "home" in a dark grey sans-serif font and "24" in a white sans-serif font inside a red circle.

home24 Q2 2020 Trading Update

13 August 2020

Management summary

Q2 GOV growth rate increased to +71% YoY (vs. Q1 from +13%; currency-adjusted), despite flat marketing expenses in Q2 compared to previous year. H1 2020 -7% marketing spend

Order intake translates into currency-adjusted revenue growth of 49% in Q2, indicating strong further revenue growth potential in Q3 through open orders. Active customers leapfrog to c. 1.8 million, more net adds in Q2 than in previous four quarters combined

Strong Q2 adj. EBITDA margin of 8% (+18pp YoY), despite GOV spillover from Q2 to Q3. Milestone of LTM adj. EBITDA profitability achieved for the first time. H1 would also have been profitable without COVID induced demand effect, as structural profitability translates into scale effects

Significant cash generation from operating business in Q2, leading to H1 positive cash flow. With last three quarter in aggregate cash flow positive, broadly stable cash development over the last 12 months (EUR -4m). Cash at the end of June at EUR 47m

Q3 order intake remains on an elevated level, while we consciously balance customer satisfaction, profitability and growth. July currency-adjusted GOV growth of 49% YoY is skewed to Brazil, as the COVID restrictions on consumers are more pronounced there

home24 is raising its guidance for FY 2020, still considering significant uncertainty for H2,

- Revenue growth (currency-adjusted) in a range of +25% to +35%, and
- Adj. EBITDA margin in a range of +1 to +3%

Today's agenda

- 1 Q2 Business Update
- 2 Q2 Financials
- 3 Outlook and Q&A

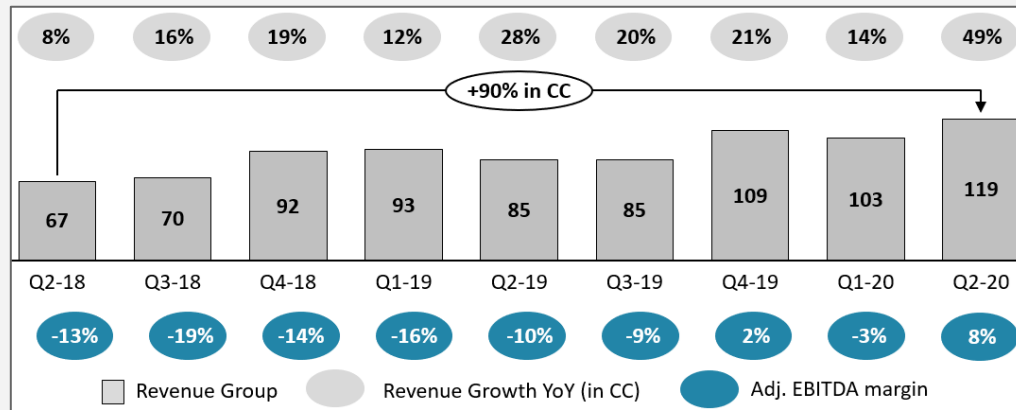
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Q2 Business Update

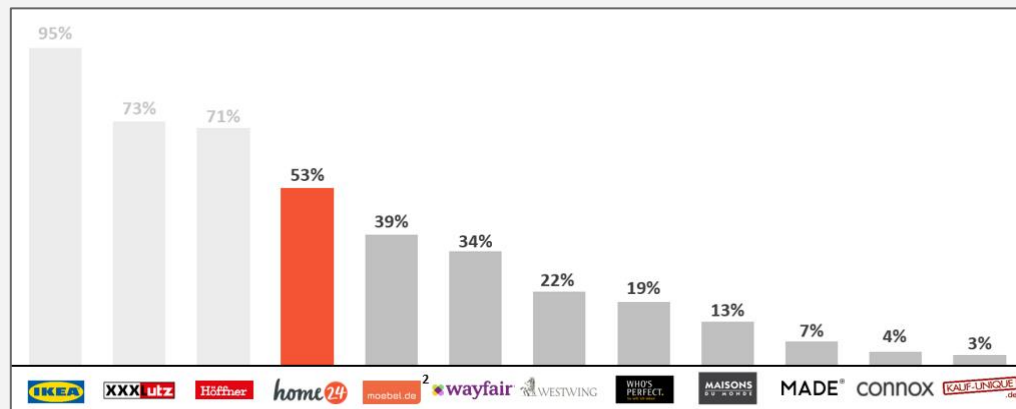
Record Q2 with strong revenue growth and positive LTM adj. EBITDA demonstrate structural profitability of home24



Financial Development (Group)



Aided Brand Awareness¹ (DE)



Source: Survey by DCMN Insights. National representative sample (n=1011) for DE, ages 18-69, 50% women, 50% men in Q2 2020

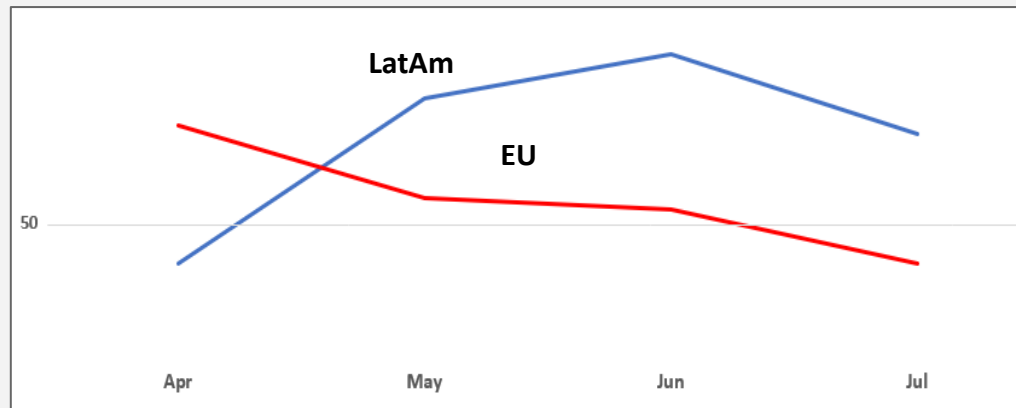
¹ Proportion of interviewed people aware of those brands, aided

² Price comparison website

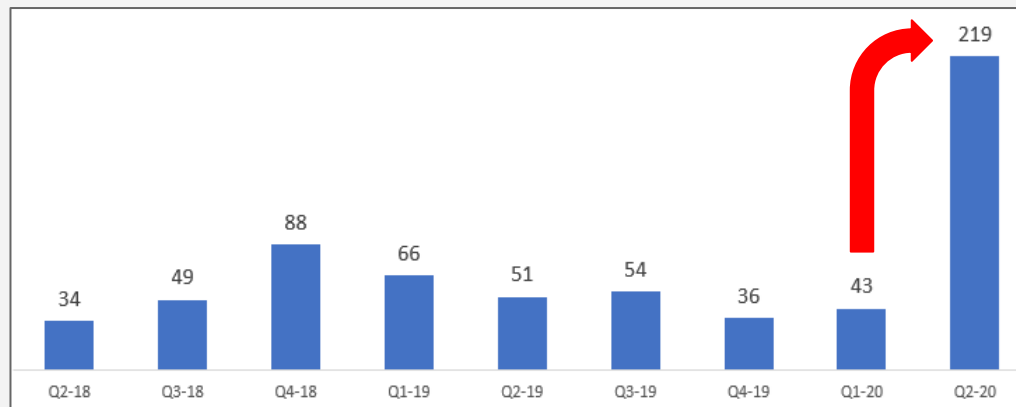
- LTM trading demonstrates past platform investments pay off (SAP, Data, Warehouse, Assortment etc).
- Temporary negative profitability effects post IPO out of the system, as home24 proves to scale profitably. Growth translating into tangible results in profitability and cash flow.
- Current and historic brand invest ensures that mass market new and existing customers increasingly turn to home24 as natural destination in current times, as they shift their shopping behaviour from offline to online.

Q2 profitability driven by higher customer demand but also by **home24** operational excellence. Marketing invest in H1 -7% YoY

YoY GOV Growth (by Segment), in % and in CC



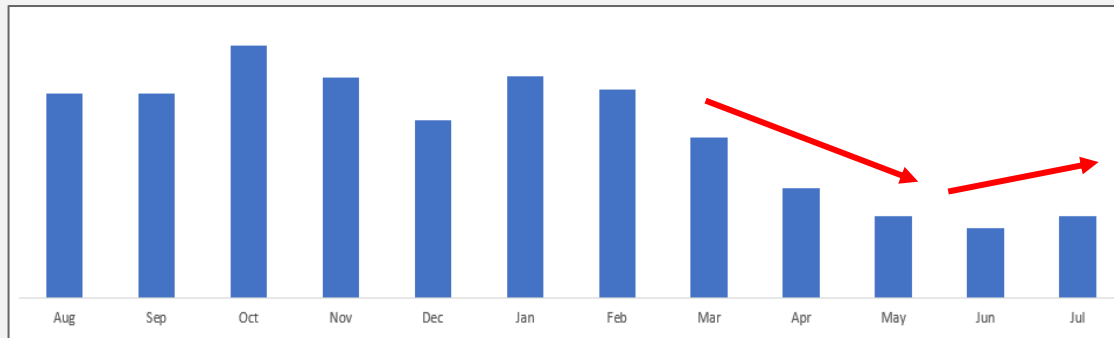
Active Customers Net Additions (Group, by quarter)



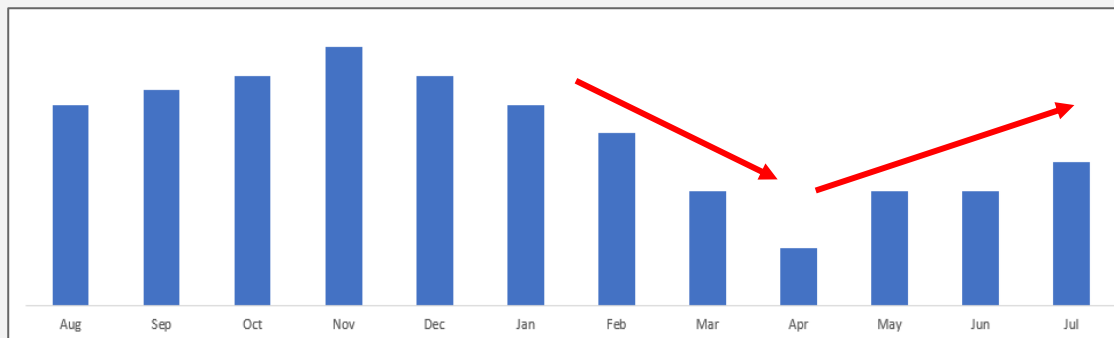
- Effect of increase in customer demand most pronounced during stricter lockdown phase with closure of offline stores.
- Online penetration pre COVID est. < 10%. Demand remains elevated in Q3. We believe in a sustainable demand shift to online.
- Demand increase evenly split among product categories, channels. Boost in home office.
- Active customers leapfrogged to 1.8m: Q2 saw 19% more active customers net additions than the previous four quarters combined. Driven by both new and existing customers' behaviour. With flat marketing spend YoY in Q2.

Focus in Q2 was on consciously balancing growth and customer satisfaction (influenced primarily by delivery reliability)

Gross Inventory¹ (Group), in EUR



Private Label Share¹ (EU), in % of GOV



¹ Truncated on vertical axis
All figures preliminary and unaudited

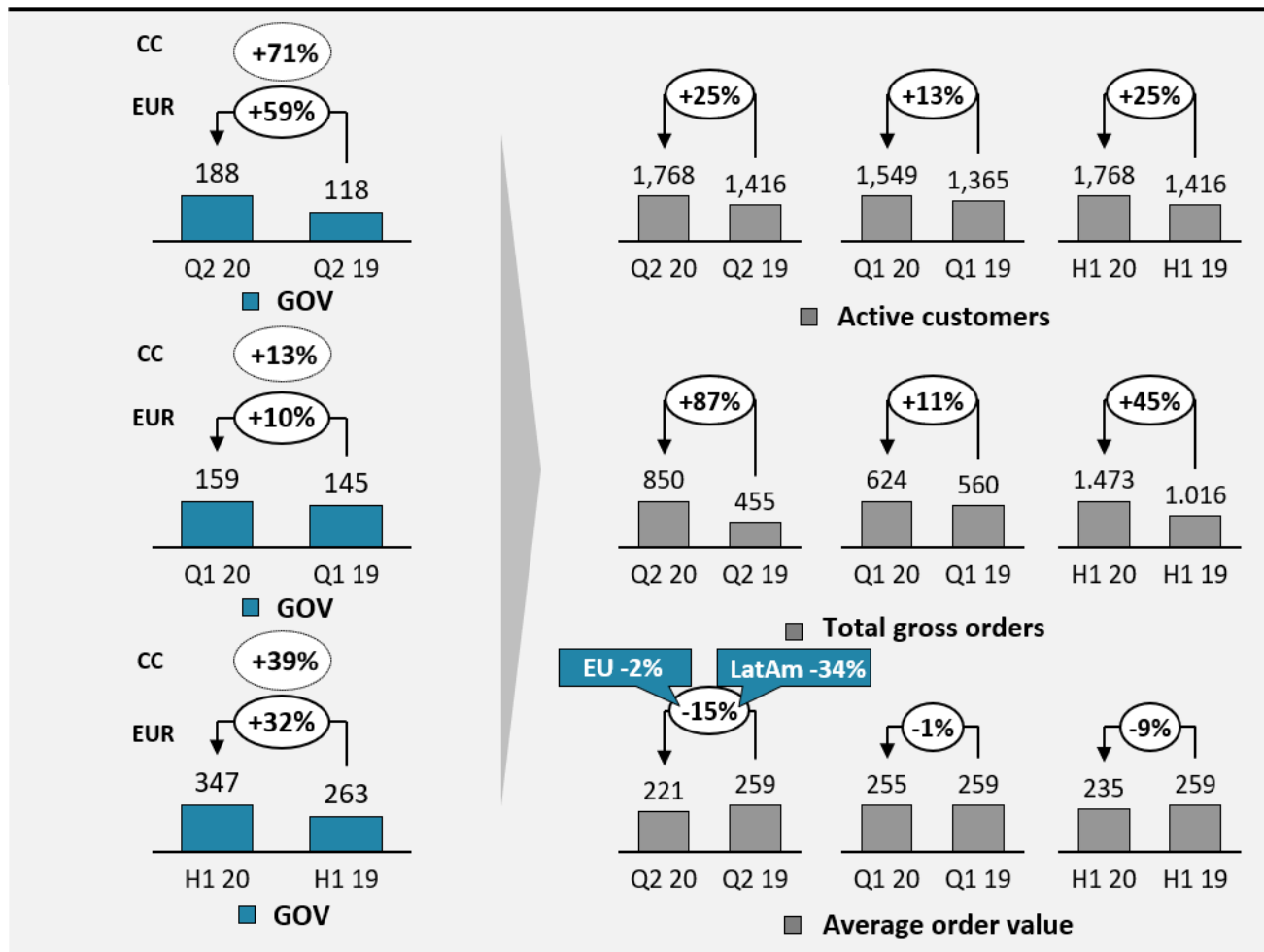
- **Extreme growth** provided **challenge** for **product availability** and **operational load across supply chain**.
- **Strengths of the home24 platform model confirmed** as service offering remained intact and NPS stable on high level through COVID pandemic:
 - **Successful substitution and swift re-ordering of products** that sold out, benefitting from broad, curated assortment and global sourcing set-up.
 - **Private label pillar:** differentiation, higher customer satisfaction, best value for money and margins.
 - **3rd party pillar:** broad assortment, partly branded, redundant offering, less direct control of supply chain.
- **Successfully combined high NPS with growth, and strengthened supplier relationships** through trusted dialogue throughout the crisis.

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Q2 Financials

GOV grew +71% YoY in CC in Q2, fuelled by high consumer demand for home & living - even with flat marketing spend YoY in Q2

GOV in EURm, Active customers and Total gross orders in k, Average order value in EUR

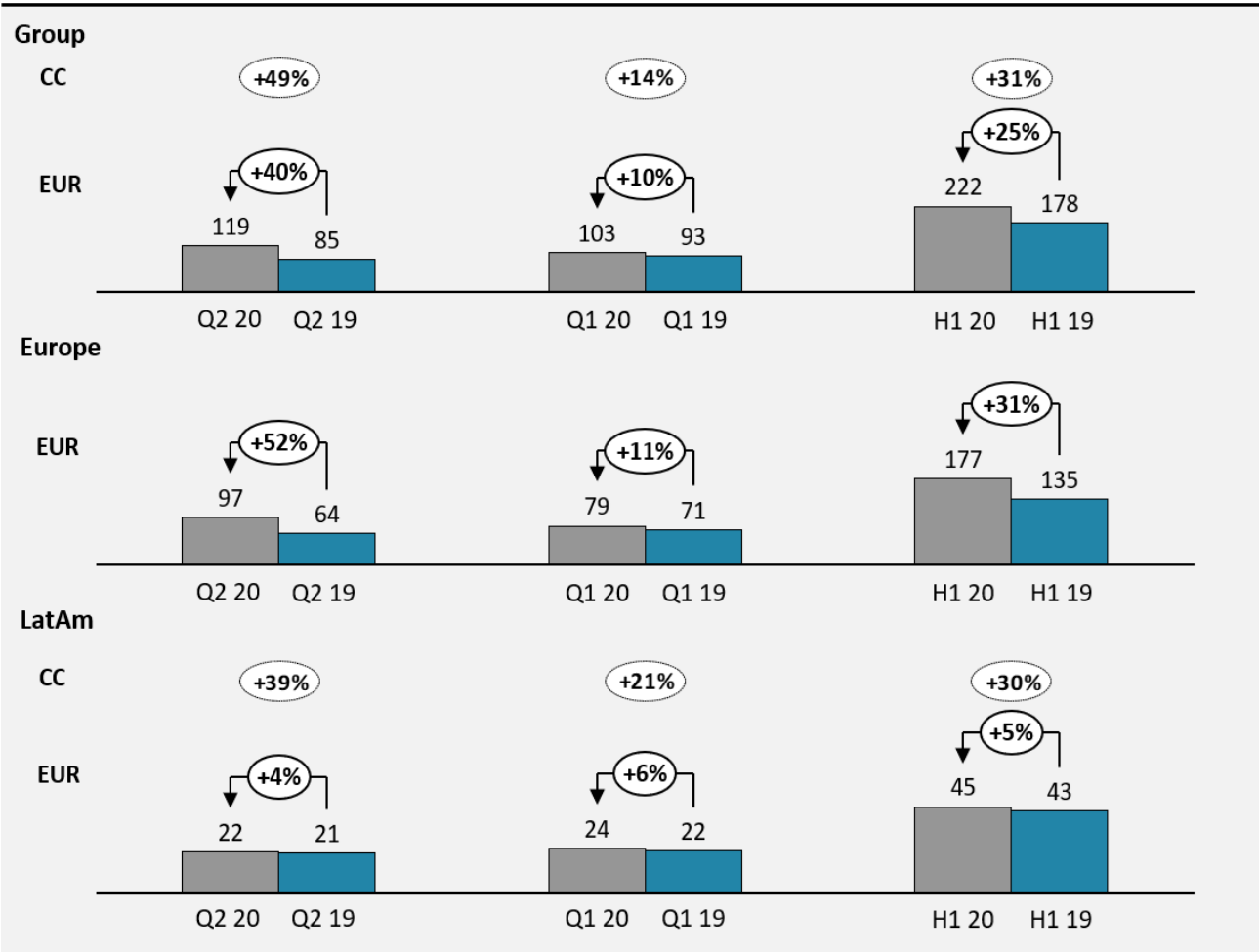


- Q2 GOV growth rates increased vs. Q1 from +13% to +71% YoY in CC despite flat marketing expenses compared to previous year.
- Growth primarily driven by higher number of orders placed and active customers. Whereas the basket size remained broadly stable in EU, it decreased significantly in LatAm (-11% in CC).
- Brazilian currency strongly declined YoY by 25pp vs EUR from 4.4 EUR/BRL (Q2 19) to 5.9 EUR/BRL (Q2 20).

71% GOV growth translates into 49% revenue growth in CC and EUR 119m revenue in Q2 2020, with significant spillover to Q3



Revenue in EURm and Growth YoY in %



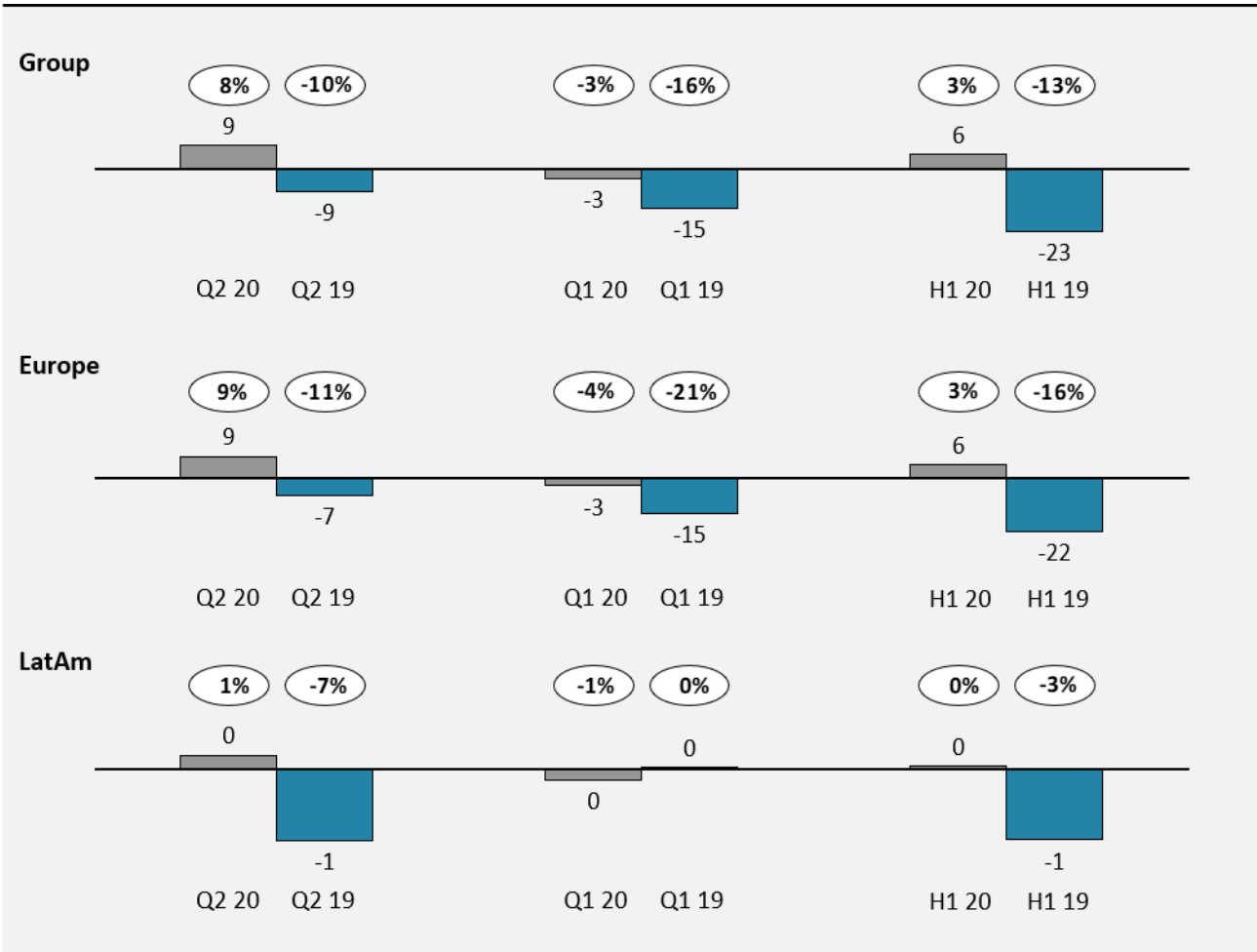
- Record quarter for home24 with EUR 119m in revenues.
- Order intake of +71% YoY in Q2 translates into **revenue growth of +49% YoY (in CC)**, indicating **significant further revenue growth potential in Q3** through open orders.
- Growth fairly balanced among segments showing **comparable consumer reactions to COVID in EU and LatAm**, albeit with a different timing and duration of the consumer reactions to COVID related lockdown restrictions.

All figures preliminary and unaudited

Q2 with EUR 9m adj. EBITDA and milestone achievement of LTM adj. EBITDA profitability. Continuous strong YoY improvements



Adj. EBITDA in EURm and in % of Revenue



All figures preliminary and unaudited

- Strong Q2 adj. EBITDA margin of 8% (+18pp YoY) despite significant GOV spillover from Q2 to Q3.
- LTM adj. EBITDA profitability achieved for the first time at EUR 1m.
- Even without COVID induced demand push H1 would have been adj. EBITDA profitable, as structural profitability translates into scale effects.
- LatAm profitability stronger impacted by temporary negative COVID implications such as showroom & outlet store closures, bad debt provisions etc.

Scale effects drive significant profit improvements across P&L, as structural profitability and platform investments pay off

Profit and loss statement - Group, in EURm and in % of Revenue

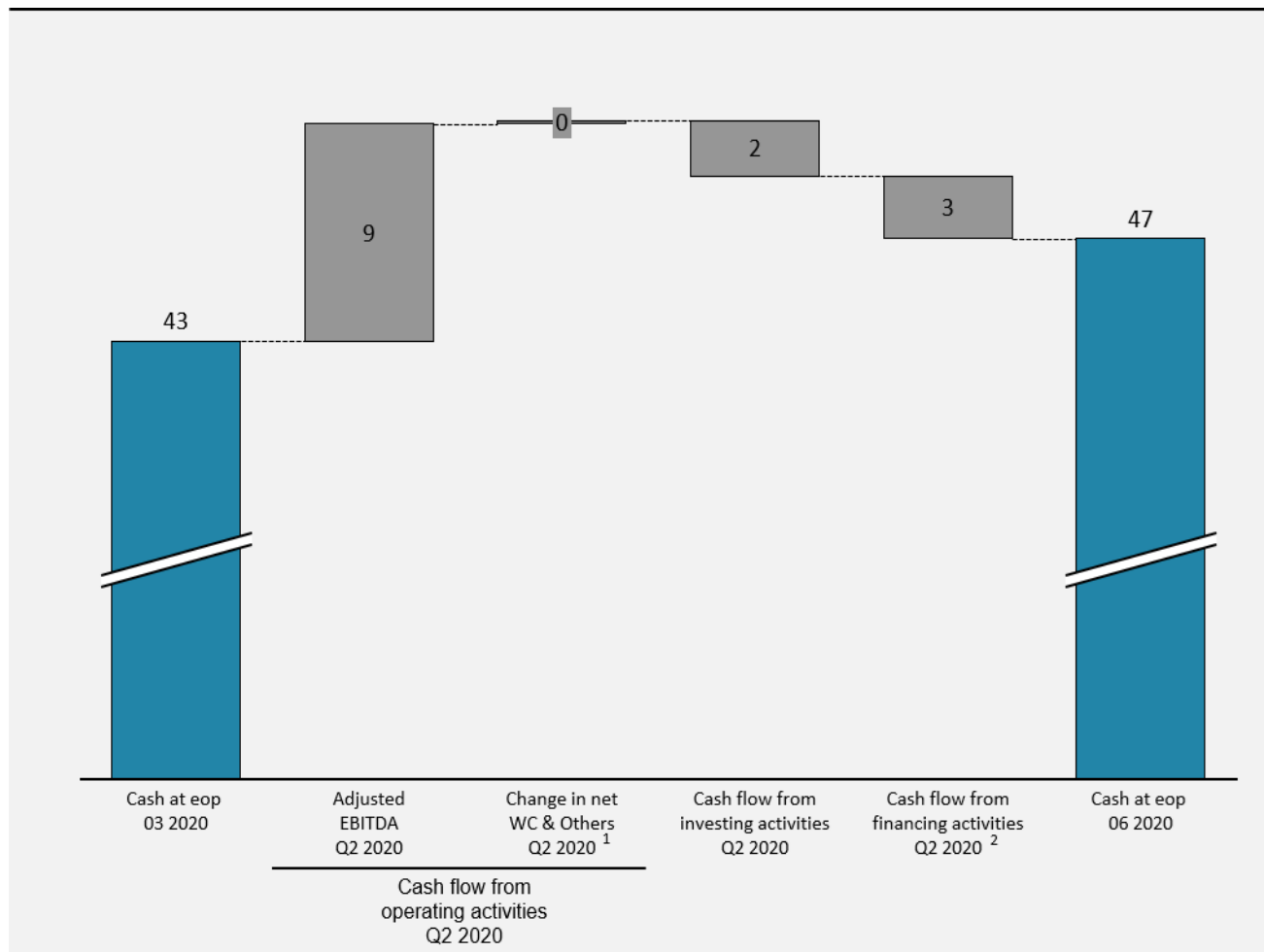
	Q1-20	Q1-19	Q2-20	Q2-19
Revenue	102.6	93.2	119.1	84.8
Revenue growth CC	14%	12%	49%	28%
Cost of sales	55.4	52.6	64.4	48.7
Gross profit	47.2	40.6	54.7	36.1
Gross profit margin	46%	44%	46%	43%
Fulfillment expenses ¹	18.3	19.4	20.8	16.9
Fulfillment expenses ratio	18%	21%	17%	20%
Profit contribution	28.9	21.2	33.9	19.2
Profit contribution margin	28%	23%	28%	23%
Marketing expenses	19.0	21.3	12.5	12.4
Marketing expenses ratio	18%	23%	10%	15%
G&A	13.4	14.8	12.3	15.3
G&A ratio	13%	16%	10%	18%
Adjusted EBITDA	-3.5	-14.9	9.2	-8.6
Adjusted EBITDA margin	-3%	-16%	8%	-10%

- Investments into **private label and own physical outlet network** driving GM improvement.
- Scale effects in logistics network** with increasing utilization rates and warehouse handling efficiency drive **scale effects in fulfillment**.
- Strong **marketing leverage** as COVID-19 induced demand drives efficient customer acquisition.
- Investments in platform** during last 2 years pay off and lead to **G&A leverage effects**.

¹ Including impairment losses on financial assets
All figures preliminary and unaudited

Positive cash flow from operating business leading to H1 2020 positive cash flow, LTM broadly stable

Cash flow Q2 2020 in EURm



- Cash flow positively impacted by the EUR 9m **operational profitability** in Q2 2020.
- **Beneficial WC development** driven by decline in inventory levels due to unexpected high demand, balanced with increased customer receivables.
- **Cash end of Q2 increased by EUR 4m vs. Q1 2020.**
- Q4 19 and Q2 20 cash flow positive, thus **last three quarters in aggregate positive.**
- **Broadly stable cash development in the last 12 months (EUR -4m).**

¹ Including e.g. changes in provisions, changes in other assets/liabilities, tax expenses and FX effects
² Adoption of IFRS 16 leads to shift of EUR 2.4m from operating cash flow to financing cash flow
 All figures preliminary and unaudited

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Outlook & Q&A





- We **remain vigilant in terms of health and safety** and continue the measures we implemented in Q1 to keep employees and customers as protected as possible.
- The **development of the financial results in H2 2020** is also linked to the development of customer demand as the COVID pandemic evolves further, and thus subject to a **significant degree of uncertainty**.
- **Downside potential:**
 - operating business restrictions in case of lockdowns
 - consumer behaviour in context of easing restrictions
 - overall economic situation (likely recession & rising unemployment rates)
- **Upside potential:**
 - accelerated e-commerce adoption in Home & Living sector likely to remain on an elevated level, with online shift possibly accelerating further
 - flexible and remote working models may lead to consumers spending more time at home and thus spending more on home furnishings
- **Quarter to date order intake remains on an elevated level, with July GOV growth of 49% YoY (in CC)**. Growth is skewed to Brazil, as the COVID restrictions on consumers remain more pronounced there. In general, we continue to consciously balance NPS, profitability and growth.

FY 2020 guidance upgraded and long term margin profile confirmed by Q2 2020 results, as operating leverage materializes



	Q2-20
Revenue	119.1
Revenue growth CC	49%
Cost of sales	64.4
Gross profit	54.7
Gross profit margin	46%
Fulfillment expenses ¹	20.8
Fulfillment expenses ratio	17%
Profit contribution	33.9
Profit contribution margin	28%
Marketing expenses	12.5
Marketing expenses ratio	10%
G&A	12.3
G&A ratio	10%
Adjusted EBITDA	9.2
Adjusted EBITDA margin	8%

- home24 is raising its guidance for FY 2020, acknowledging the uncertainty in H2 linked to COVID:
 - Revenue growth of +25% to +35%, currency adjusted (at the start of the year: +10 to +20%, most recently: >+15%)
 - Adj. EBITDA margin of +1 to +3% (at the start of the year: -2 to +2%, most recently: > 0%)
- Terminal margin profile confirmed:
 - Gross profit margin to reach 50%+
 - Gross profit margin after fulfilment costs to trend towards low thirties
 - Marketing expenses to converge to low teens
 - G&A will continue to show strong operating leverage effect
 - Adj. EBITDA margin to reach low teens

home24 is uniquely positioned to exploit the vast Home & Living **home24** market opportunity, even more than before the COVID pandemic

Market

Huge market opportunity characterized by **low online penetration** with **huge catch-up potential**, accelerated by **consumer behaviour during COVID pandemic**

Value chain

Scalable and automated value chain that delivers **sustainable scale effects**



Customer value proposition

Best value offering and **most relevant selection** brought to life in a **customer centric go-to-market approach**

Data & Technology

Pioneering technologies improve shopping experience and empower **data-driven decisions**



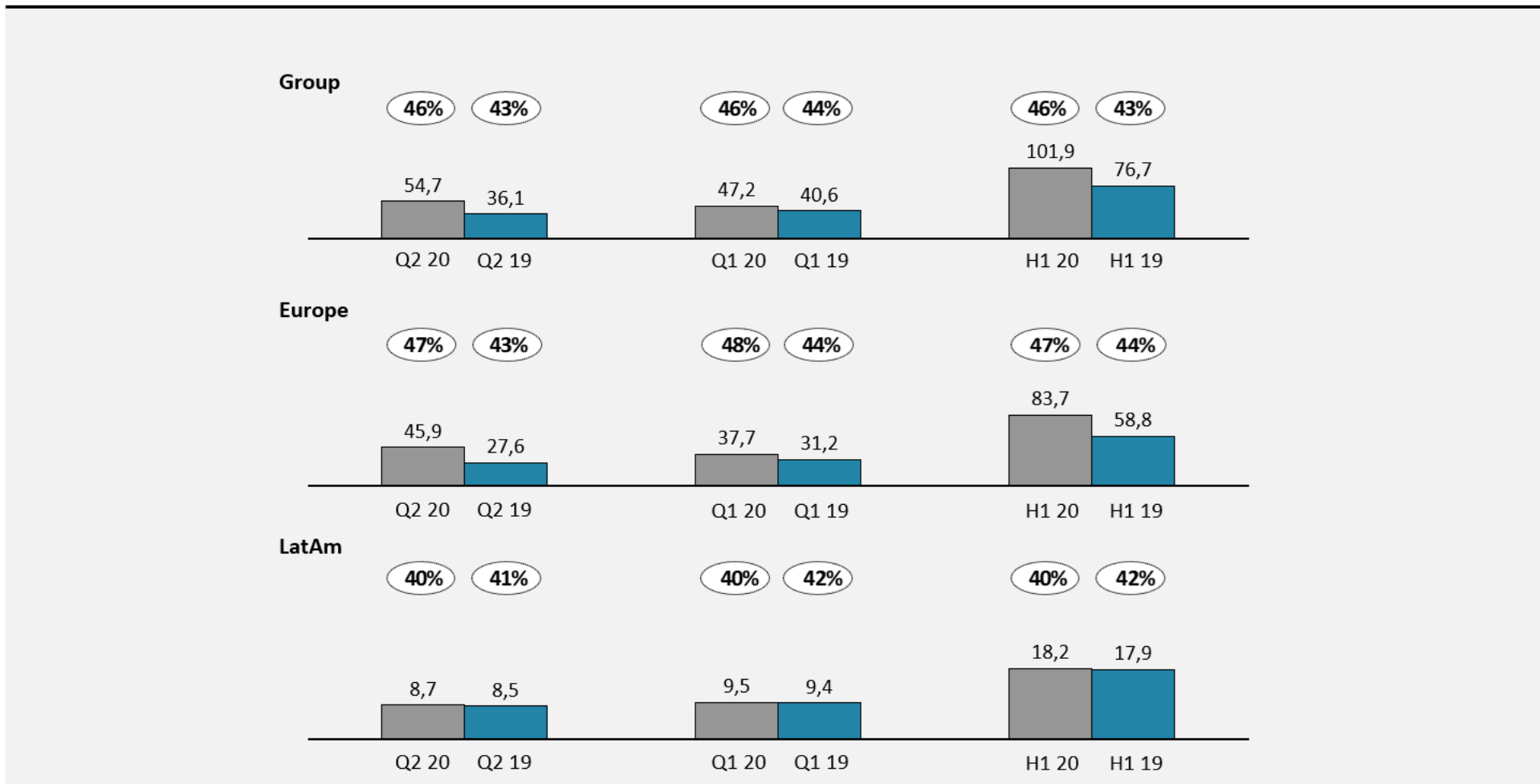
Q&A

Financial calendar – upcoming events

Date	Event
August 19 th	Bankhaus Lampe German Conference Baden-Baden, Germany
August 20 th	HIT (Hamburger Investorentag) Hamburg, Germany
September 17 th	CITI Small/Mid-Cap & Growth Conference London, UK
September 21 st	Berenberg and Goldman Sachs Ninth German Corporate Conference Munich, Germany
September 25 th	Baader Investment Conference Munich, Germany
November 10 th	Publication quarterly financial report (Q3)

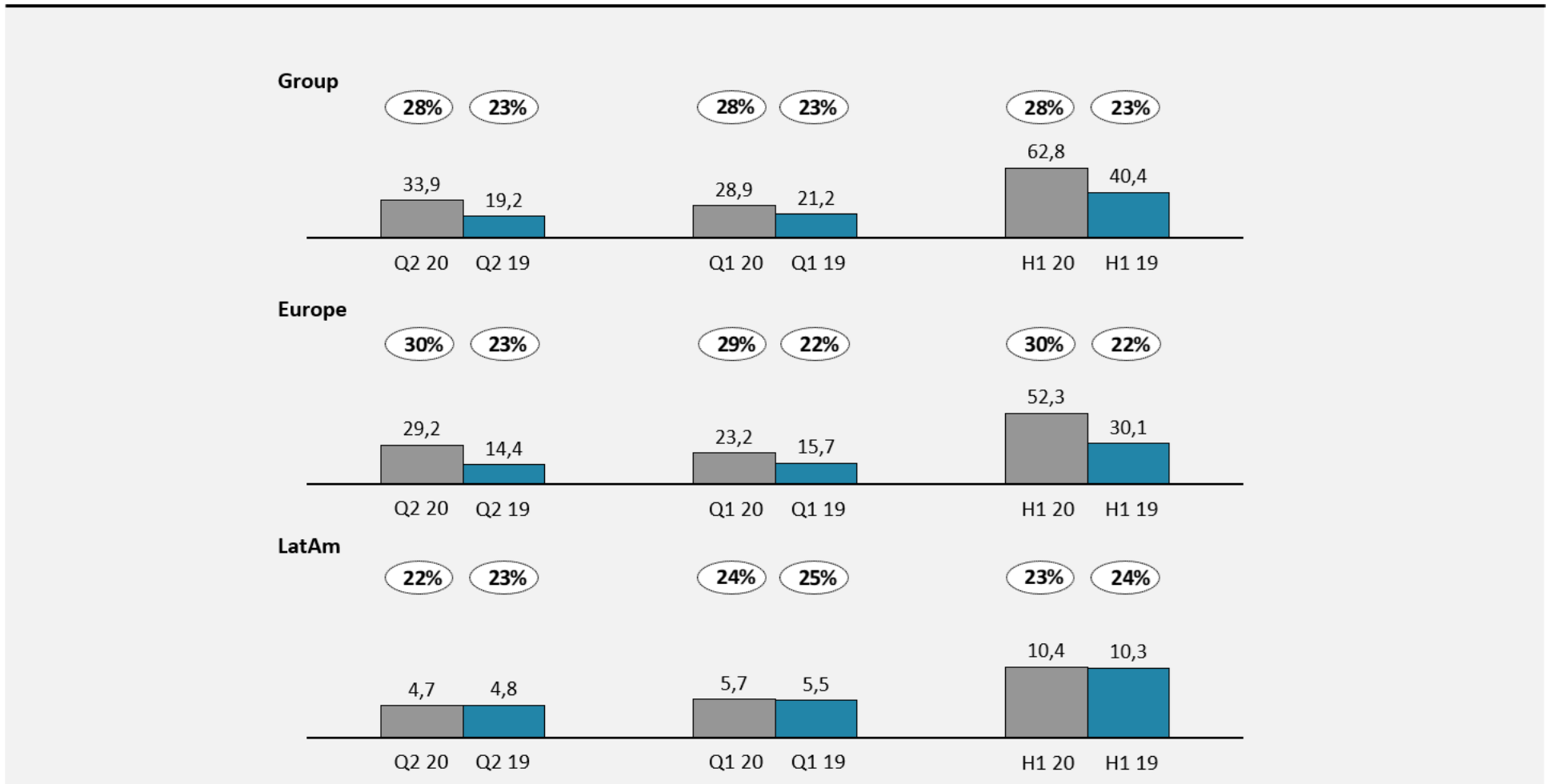
Gross profit margin

In EURm and in % of Revenue



Profit contribution margin

In EURm and in % of Revenue



Adjusted EBITDA reconciliation



In EURm

Group	Q2 2020	Q1 2020	H1 2020
External revenue	119.1	102.6	221.7
Adjusted EBITDA	9.2	-3.5	5.7
Share based compensation expenses	0.7	0.8	1.4
EBITDA	8.5	-4.2	4.2
Amortization & Depreciation of PP&E and right-of-use assets	5.6	5.7	11.3
EBIT	2.9	-9.9	-7.1
Europe	Q2 2020	Q1 2020	H1 2020
External revenue	97.5	79.1	176.6
Adjusted EBITDA	8.9	-3.3	5.6
Share based compensation expenses	0.5	0.6	1.2
EBITDA	8.3	-3.9	4.4
Amortization & Depreciation of PP&E and right-of-use assets	4.6	4.5	9.1
EBIT	3.7	-8.4	-4.6
LatAm	Q2 2020	Q1 2020	H1 2020
External revenue	21.6	23.5	45.1
Adjusted EBITDA	0.3	-0.2	0.1
Share based compensation expenses	0.1	0.1	0.3
EBITDA	0.1	-0.3	-0.2
Amortization & Depreciation of PP&E and right-of-use assets	1.0	1.2	2.2
EBIT	-0.9	-1.6	-2.4

All figures preliminary and unaudited.

KPI definitions

KPI	Definition
Gross order value [in EUR]	Defined as the aggregated gross order value of the orders placed in the respective period, including VAT and without factoring in cancellations and returns as well as subsequent discounts and vouchers
Number of active customers [#]	Defined as the number of customers that have placed at least one non-canceled order in the 12 months prior to the respective date, without factoring in returns
Total gross orders	Defined as the number of orders placed in the relevant period, regardless of cancellations or returns
Average order value [in EUR]	Defined as the aggregated gross order value of the orders placed in the respective period, including VAT, divided by the number of orders, without factoring in cancellations and returns as well as subsequent discounts and vouchers
Growth at constant currency (CC)	Defined as growth using constant BRL/EUR exchange rates from the previous year
Adjusted EBITDA [in EUR]	EBITDA defined as the sum of operating result (EBIT) and depreciation and amortization. Adjusted for share-based compensation expenses and costs incurred in connection with the listing of existing shares and other one-off expenses, mainly service fees for legal and other consulting services associated with the IPO

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