



Nine Months 2015 Results

25. November, 2015



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Executive summary: windeln.de remains on course in third quarter



Business Update

- ✓ Successful introduction of **direct delivery** to China with strong acceptance by customers
- ✓ Closing of **feedo and bebitus** acquisitions – integration started
- ✓ Windelbar with **new look, new name (nakiki) and new platform**
- ✓ Move of **windelbar warehouse** to increase capacity and efficiency
- ✓ Introduction of **Product Information Management System (PIM 2.0)**
- ✓ **SE conversion** process started

9 Months Financials

- ✓ 9 months **revenue growth of +76%** year over year (+72% excluding feedo); Q3 growth slightly lower due to introduction of direct delivery and seasonal effects
- ✓ Adjusted **EBIT margin increase to -8.1%** from -10.0% in previous' year period (approx. -7% excluding feedo)
- ✓ **Growth and profitability improvement expected to continue for full year 2015**



Business Update

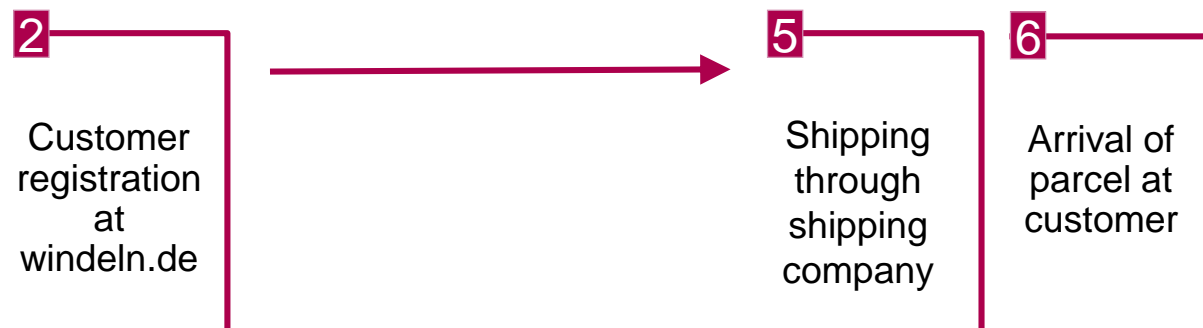


Successful introduction of direct delivery to China

Existing delivery option 1: Via freight forwarder



New additional option 2: Direct Delivery



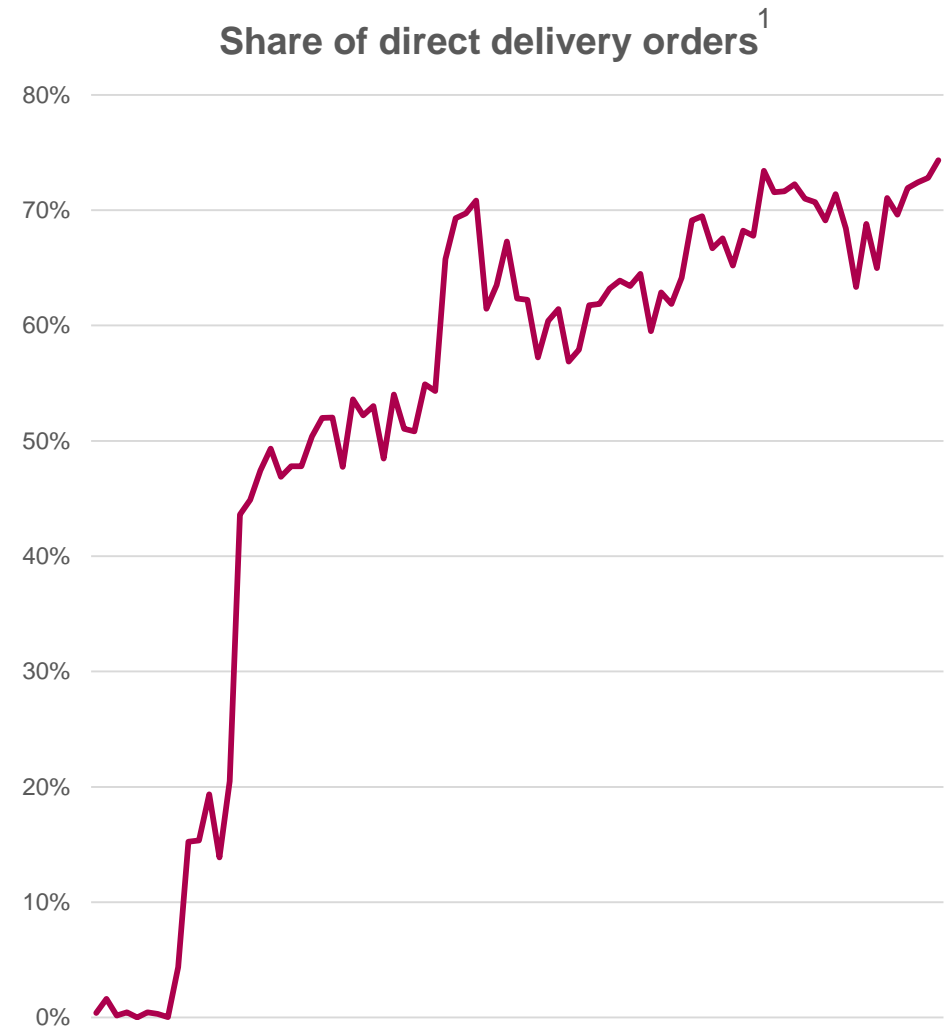
Advantages

- ✓ Lower delivery costs to customers
- ✓ No VAT payments for customers
- ✓ Faster delivery time (from approx. 20 to approx. 10 days)
- ✓ Ability to directly market windeln.de in China
- ✓ Higher cross-selling potential
- ✓ Additional revenue from shipping for windeln.de

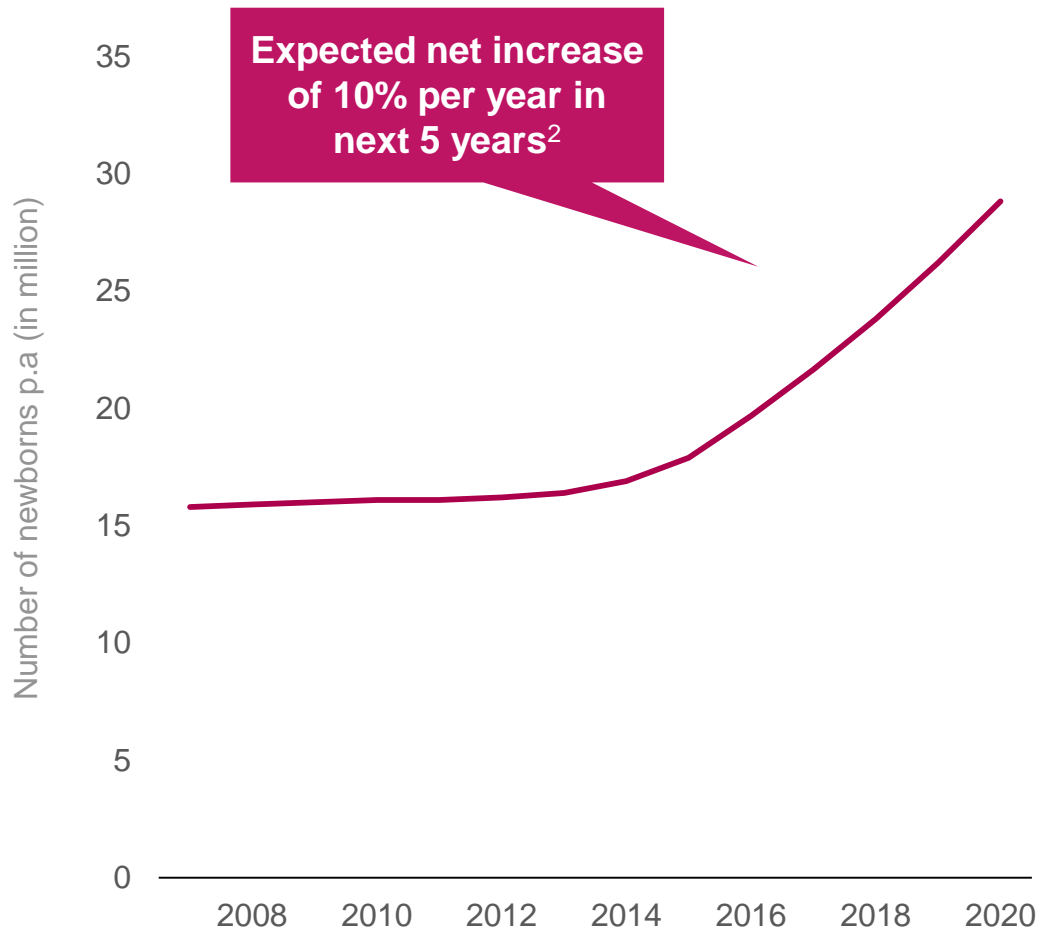
Strong acceptance of direct delivery by Chinese customers



- ✓ Since end of August, customers have the choice between
 - ✓ Delivery through freight forwarders
 - ✓ NEW: Direct delivery to China
- ✓ In addition: Express delivery option with simplified customs clearance
- ✓ Share of direct delivery reached of more than 70% after 3 months



Positive impact from end of one-child policy in China



“China Ends One-Child policy – China's Communist party has scrapped its one-child policy, allowing all couples to have two children for the first time in more than three decades.” *The Guardian* (29.11.2015)

“Chinese Baby-Goods Market Grows Up Fast - Entrepreneurs and investors have high hopes for the mother-and-child market.” *The Wall Street Journal* (16.11.2015)

- ✓ On average between 16 and 17 million births per year in the past 10 years¹
- ✓ Expected net increase of newborn babies: at least 2 million per year (10%) in next five years following the policy change ²



Additional demand for baby products

¹ Source: The World Bank Data for the 2007- 2012 period, based on China Population Association (CPA).

² Source: Bank of America Merrill Lynch.

Good progress on acquisitions

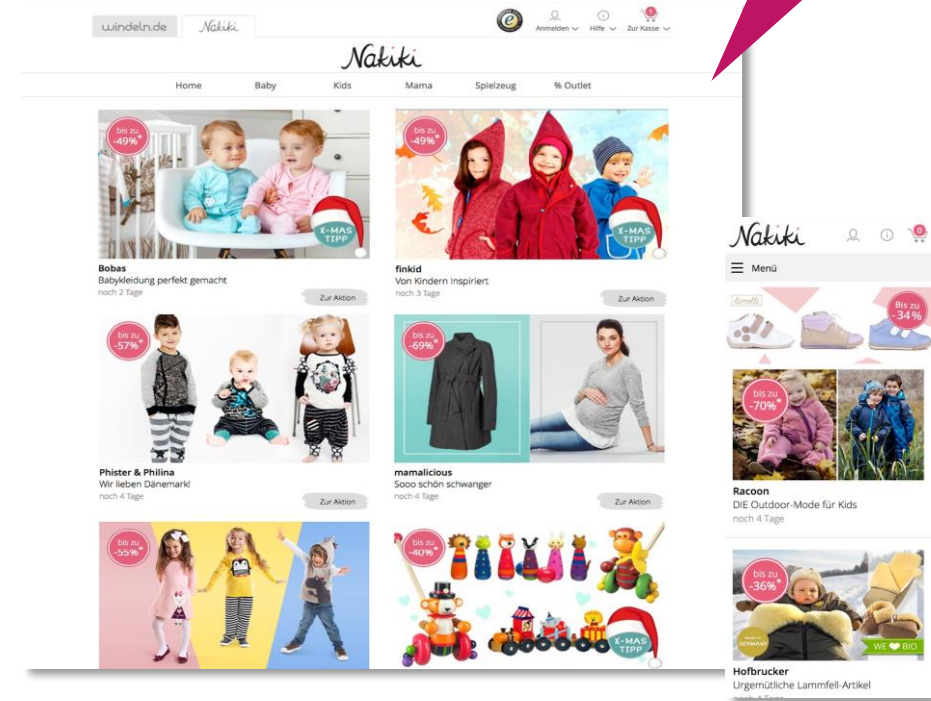
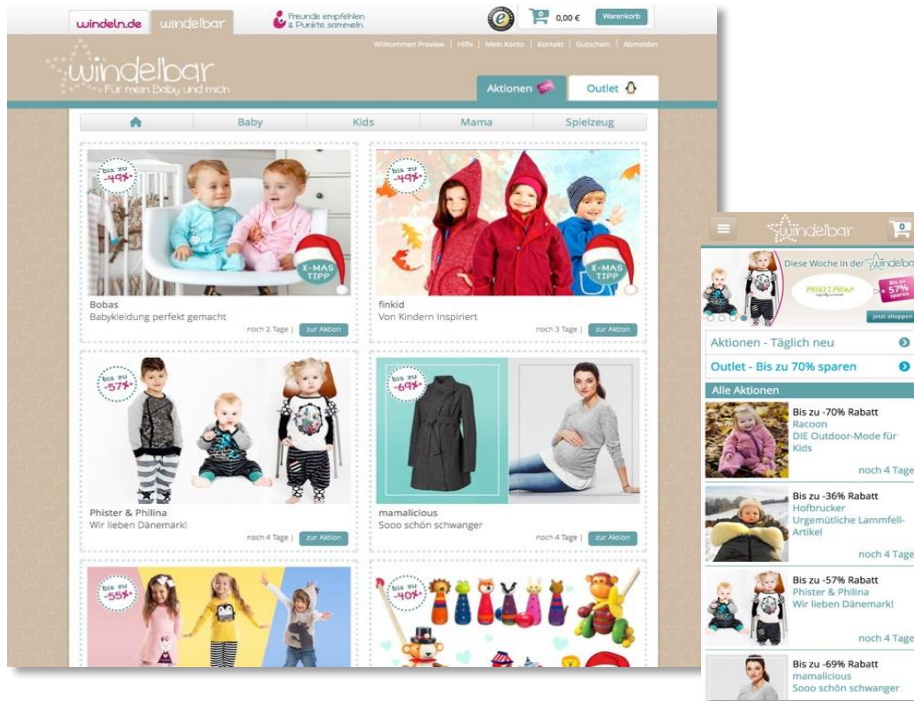


	 3. July 2015	 6. October 2015
Closing	3. July 2015	6. October 2015
Purchase price	€8m (cash) + €2m shares + earn out	€5m (cash) + earn out
Consolidation	from Q3 2015 onwards	from Q4 2015 onwards
Integration	in progress	initiated
Expected full year revenues 2015	at least €10m (+70% yoy growth)	approx. €15m (+100% yoy growth)

Windelbar will rebrand to “Nakiki” to align with wider range of customers, products and international shops



Relaunch in Dec 2015



- Diaper-related name doesn't fit ongoing expansion into kids category
- Limited international use of name „windelbar“
 - Hard to spell
 - No “real” translation
- Rather old-fashioned style of site

- **New name, new look, new platform**
- New name and logo fits ranges of brands, products and sizes
- Fresh, white style is similar to latest fashion site looks
- Mood images on mobile drive inspiration shopping

Operational and other improvements

Move of windelbar warehouse

- ✓ +50% more shelf space capacity + further expansion option
- ✓ Productivity improvement of about 20% as a result of better warehouse layout and higher degree of automation
- ✓ Successful introduction of new storage system storelogix

Introduction of Product Information Management System (PIM 2.0)

- ✓ Allows more efficient product data management in different languages across all shops
- ✓ More user friendly
- ✓ Faster processing of large data amounts

Conversion to European SE

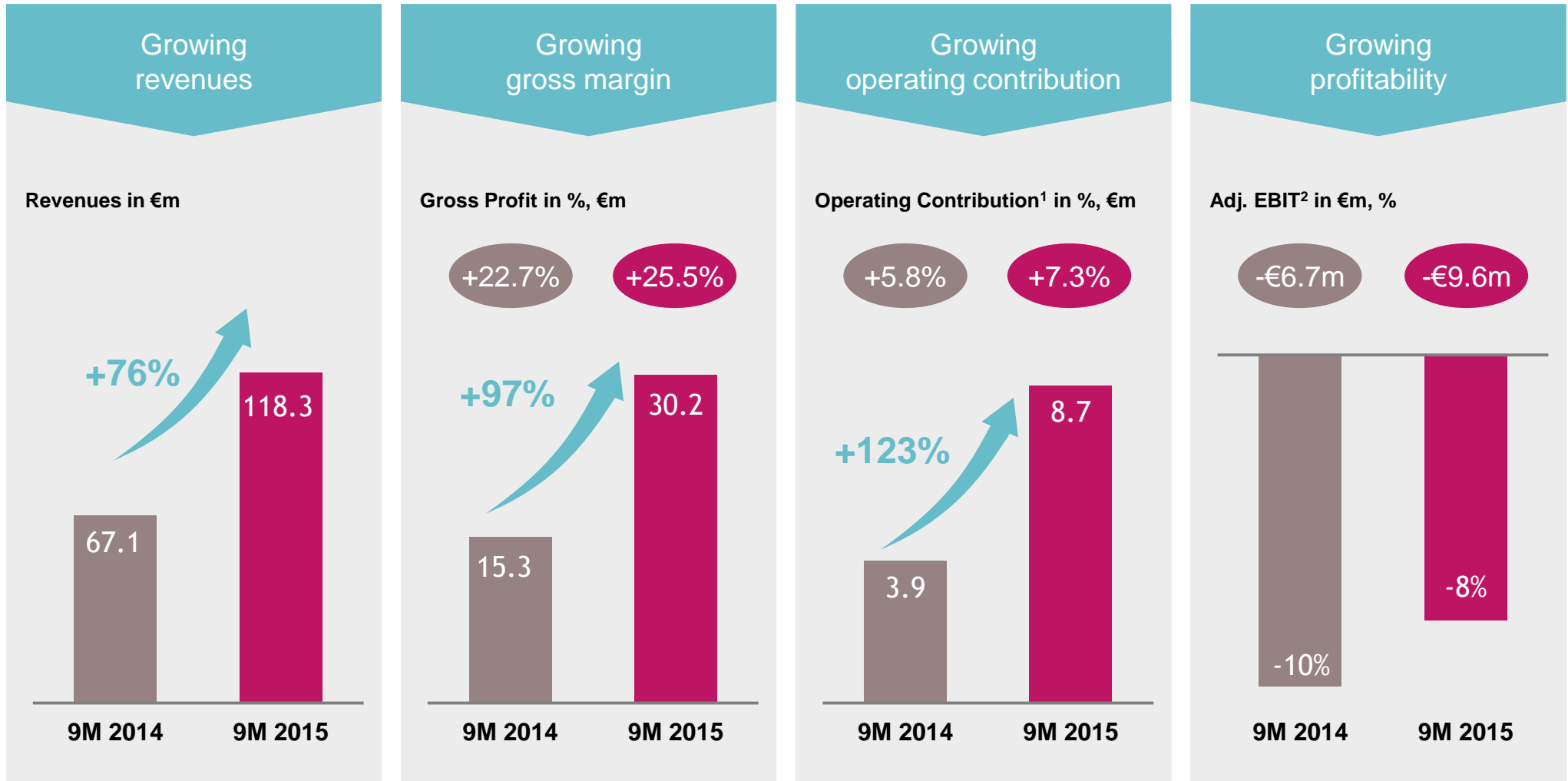
- ✓ Reflects international business model of windeln.de
- ✓ Conversion process started
- ✓ Resolution at annual general meeting 2016



Financial Update Nine Months 2015



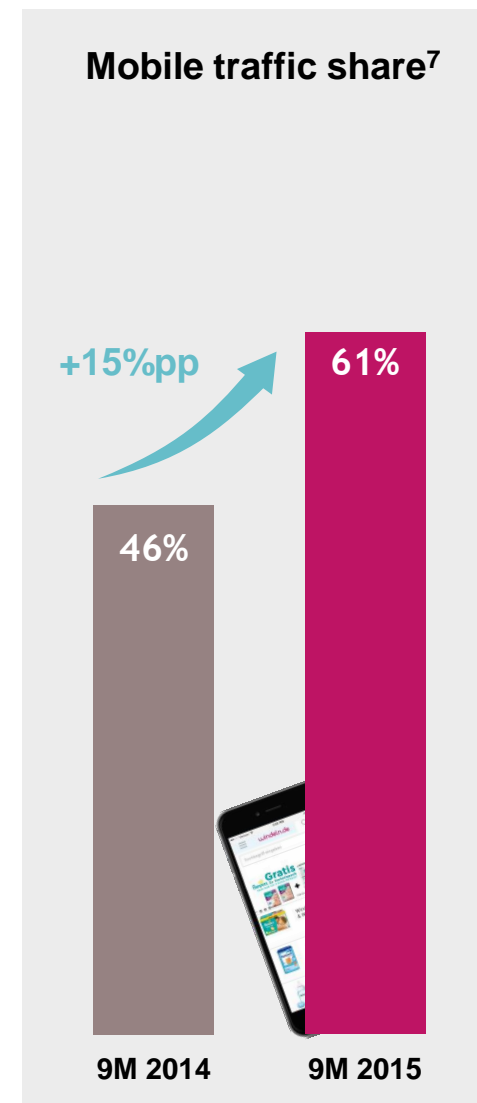
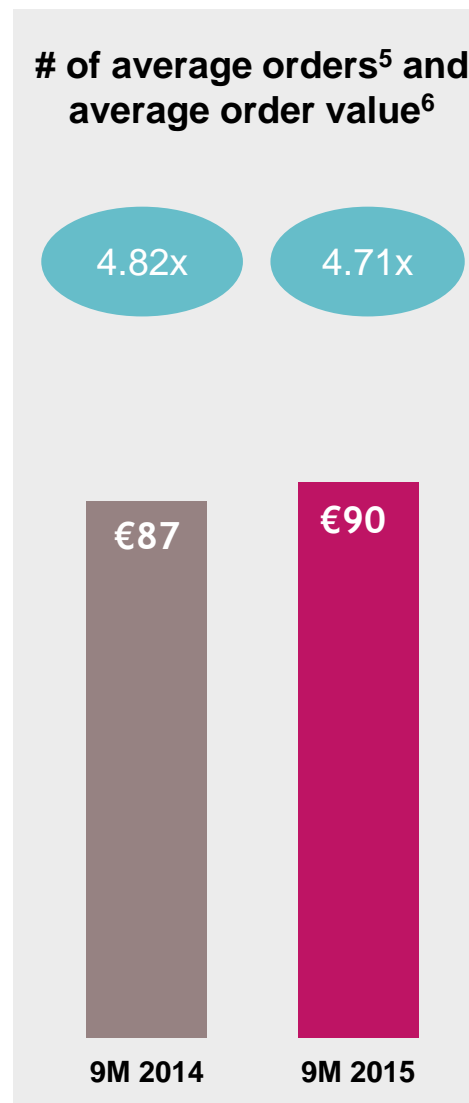
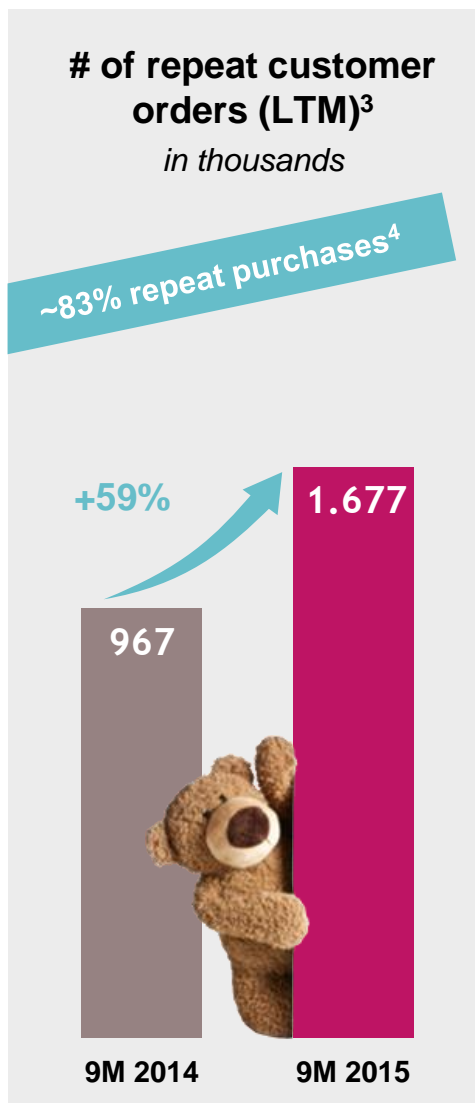
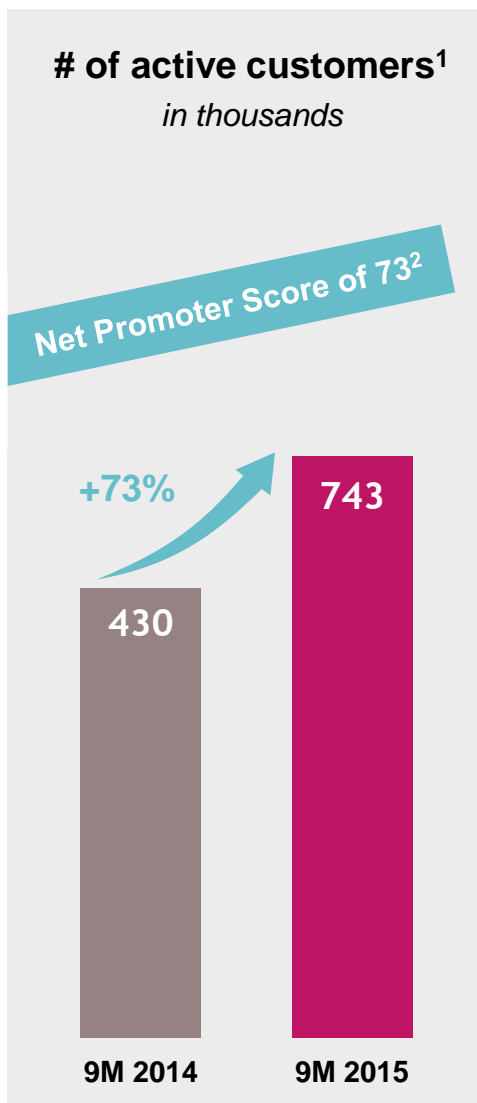
Growth and margin improvement continues for nine months



1 Gross profit minus marketing and fulfillment costs.

2 Adjusted to exclude share-based compensation expenses, IPO related expenses, acquisition, expansion and integration costs.

Key performance indicators continued to improve for 9 months...



1 Number of customers who placed an order within the last twelve months.

2 NPS measures the loyalty that exists between a provider and a consumer. NPS can be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter); average as of Q3 2015; tracked by windeln.de.

3 Number of orders from customers who had previously purchased from windeln.de at any point in time, irrespective of returns.

4 Refers to the share of repeat customer orders (in % of number of orders) we define as the number of orders from repeat customers divided by the number of orders during the measurement period (last twelve months).

5 Number of orders divided by the number of repeat customers in the measurement period.

6 Order intake (incl. VAT and shipping) divided by total number of orders during respective year.

7 Share of mobile traffic from non-Chinese customers on windeln.de and windeln.ch; does not include traffic on the windeln.de magazine.

...and Q3 (including feedo)



	Q1 '12	Q2 '12	Q3 '12	Q4 '12	Q1 '13	Q2 '13	Q3 '13	Q4 '13	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3'15
Site Visits (in thousand) ¹	1,385	1,697	2,263	2,837	4,682	6,120	5,759	5,874	7,323	8,483	10,647	12,459	14,299	14,785	18,516
Mobile Visit Share (in % of Site Visits) ²	9.9%	13.2%	16.7%	19.7%	26.2%	32.6%	39.3%	42.0%	47.9%	52.7%	58.2%	60.5%	65.5%	66.5%	64.2%
Mobile Orders (in % of Number of Orders) ³	6.2%	8.6%	10.0%	12.2%	16.4%	21.2%	26.8%	27.8%	32.7%	37.3%	41.2%	42.3%	46.7%	47.6%	45.8%
Active Customers (in thousand) ⁴	92	117	142	163	194	229	259	290	334	372	430	496	556	613	743
Number of Orders (in thousand) ⁵	62	78	92	114	154	198	202	219	273	303	363	416	454	460	575
Average Orders per Active Customer (in number of orders) ⁶	1.8	1.9	2.0	2.1	2.3	2.4	2.6	2.7	2.7	2.7	2.7	2.7	2.8	2.8	2.7
Orders from Repeat Customers (in thousand) ⁷	36	48	58	82	114	153	158	175	211	238	286	328	350	369	453
Share of Repeat Customer Orders (in % of Number of Orders) ⁸	59.1%	62.0%	63.6%	71.7%	73.9%	77.5%	78.0%	79.7%	77.2%	78.7%	78.8%	78.9%	83.6%	83.8%	83.3%
Gross Order Intake (in € thousand) ⁹	4,188	5,638	7,148	9,862	12,209	15,034	15,676	18,226	23,241	26,208	32,111	38,891	41,970	44,133	50,306
Average Order Value (in €) ¹⁰	67.9	72.6	77.9	86.3	79.3	76.1	77.5	83.2	85.2	86.6	88.5	93.5	92.5	95.9	87.5
Returns (in % of Net Merchandise Value) ¹¹	4.4%	4.1%	4.9%	4.4%	4.3%	4.6%	4.9%	5.8%	5.1%	5.8%	6.8%	5.1%	6.0%	7.4%	7.3%

Note: Including feedo from Q3 2015 onwards.

Q3 financials impacted by four factors



1 Feedo Consolidation

High growth profile but early in profitability development

- Revenues in Q3 €3.1m (approx.+100% growth yoy)
- Avg. order value approx. €60; share of consumables >80%
- Gross margin approx. 15%
- EBIT in Q3 approx. -€0.9m (approx. -30% margin)

2 Direct Delivery to China

Very positive but with negative one-time accounting impact

- IFRS revenues recognition at delivery of product (approx. 10 days for direct delivery vs. 1 day with freight forwarding as endpoint is in Germany)
- Revenues from order intake in Sept. deferred to Oct. of approx. €2m, but most associated cost incurred in Sept.

3 Seasonal Impact

Growth Q3 over Q2 typically slower

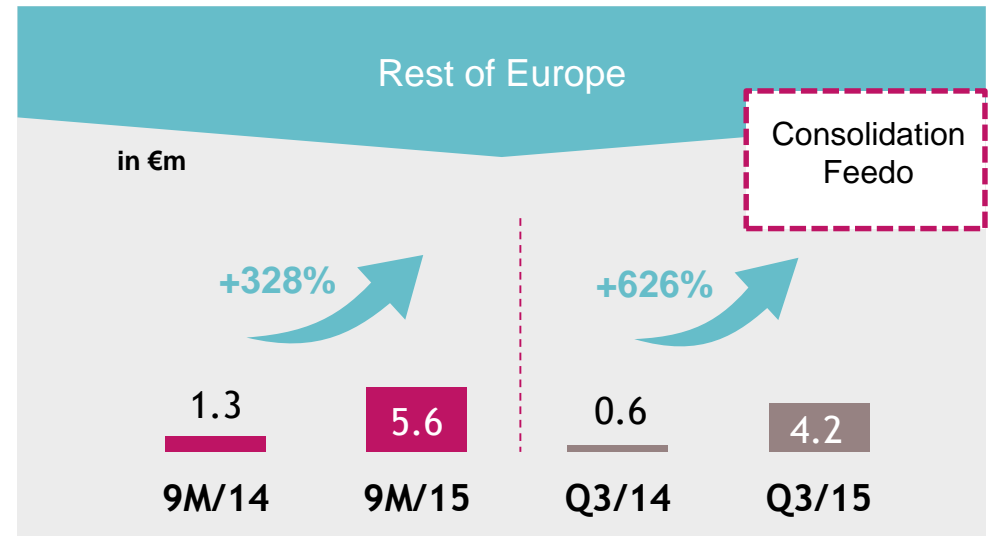
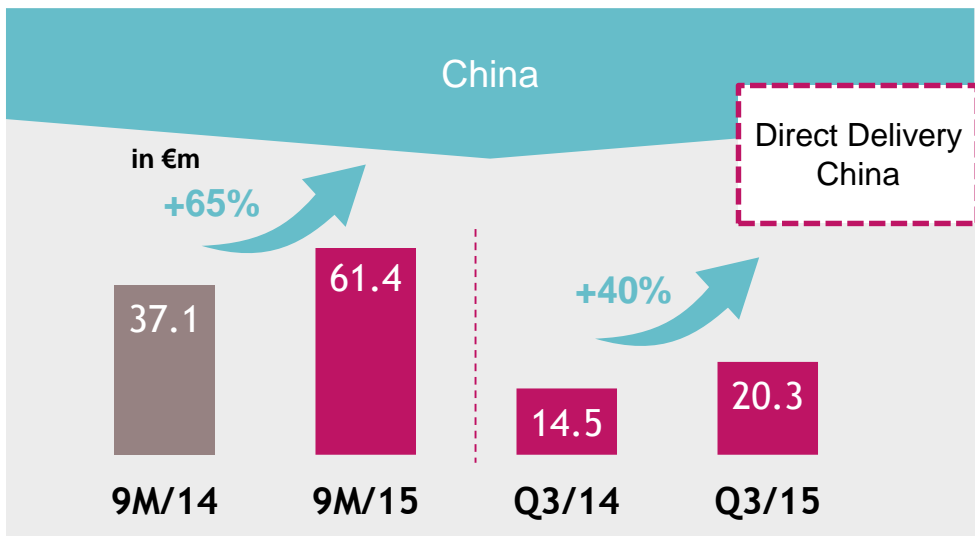
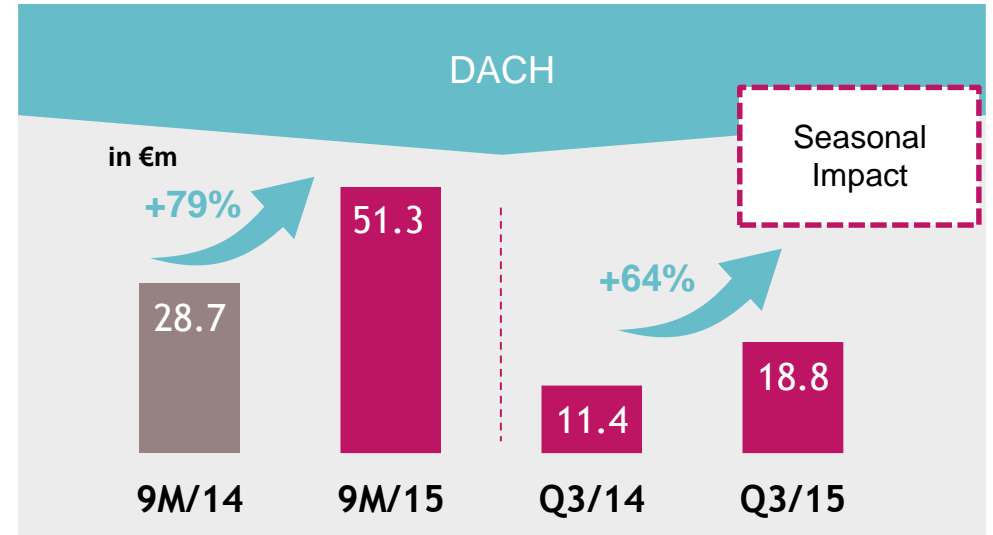
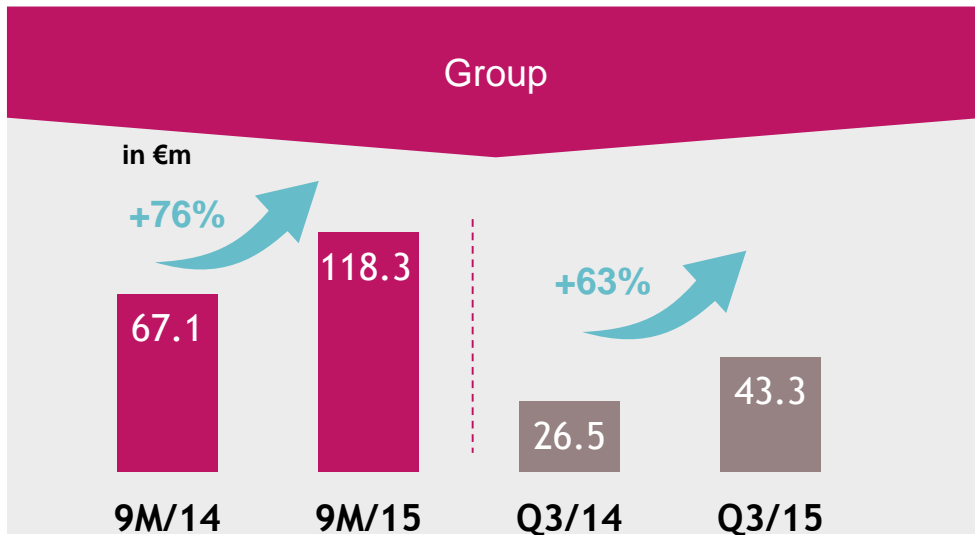
- Summer vacation Germany, hot weather China
- Typical year such as 2013 with 4% growth Q3 over Q2
- Exception in 2014 (as basis for yoy growth): 23% growth Q3 over Q2 due to additional IFM product supply

4 Warehouse move windelbar

More capacity, higher efficiency

- Move from Munich to Abensberg (close to Regensburg)
- More capacity (+20%) due to increase efficiency
- In Q3 additional temporary costs (e.g. double rent, split delivery of orders and product transportation)

Continued revenues growth across our regions...



Adopted segment structure reflects expansion ...



Business Segment	Shops	9M Revenues
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German Shop



Online retailer for baby and toddler products in **Germany** and for customers in **China**

€ 97.2m

International Shops



Online retailers for baby and toddler products in **Europe** ex Germany



€ 8.8m

(feedo only Q3)

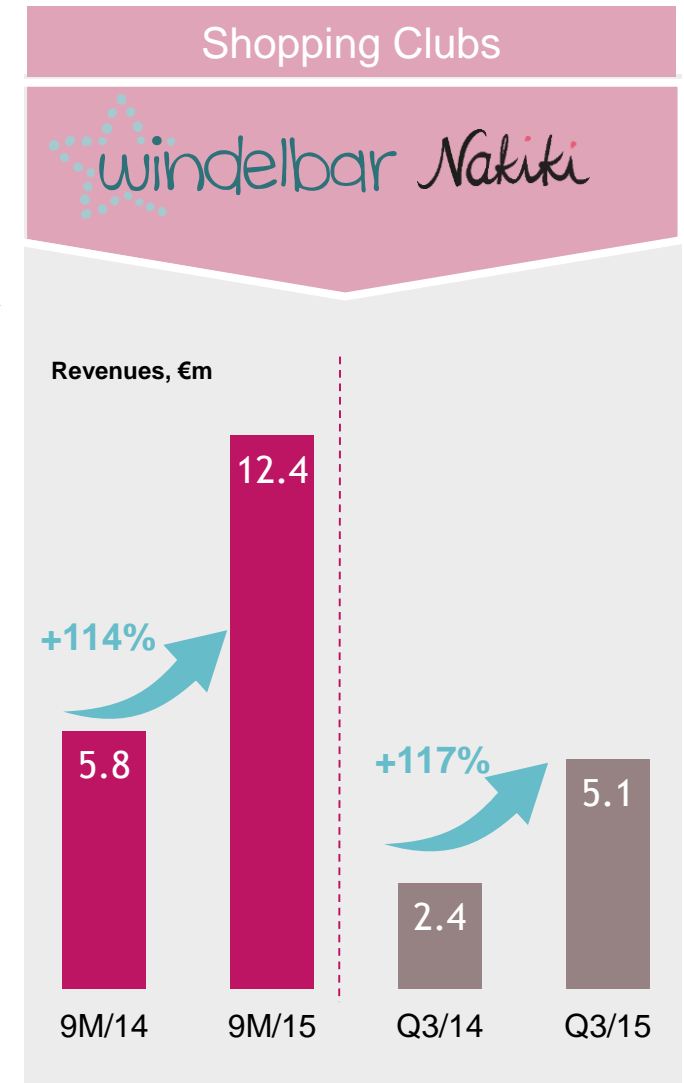
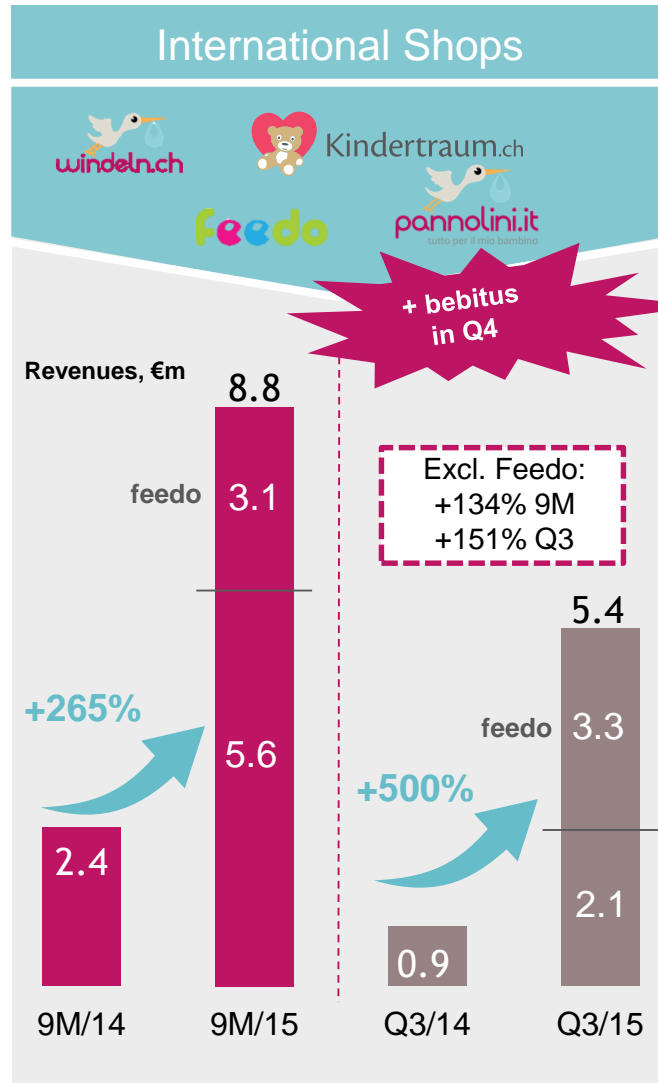
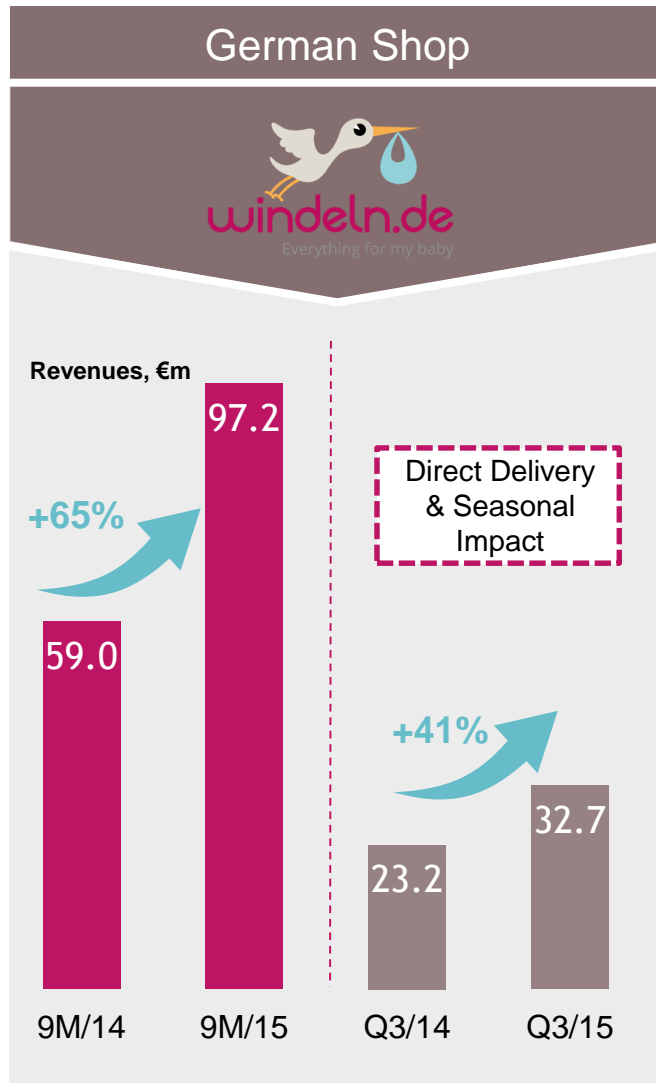
Shopping Clubs



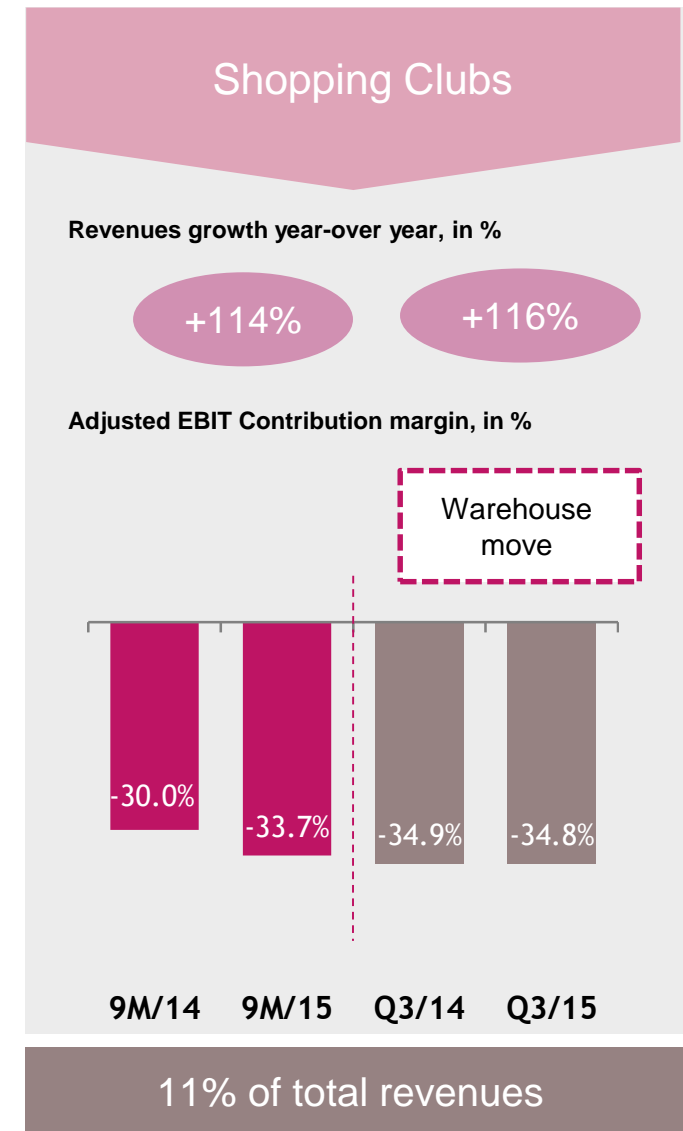
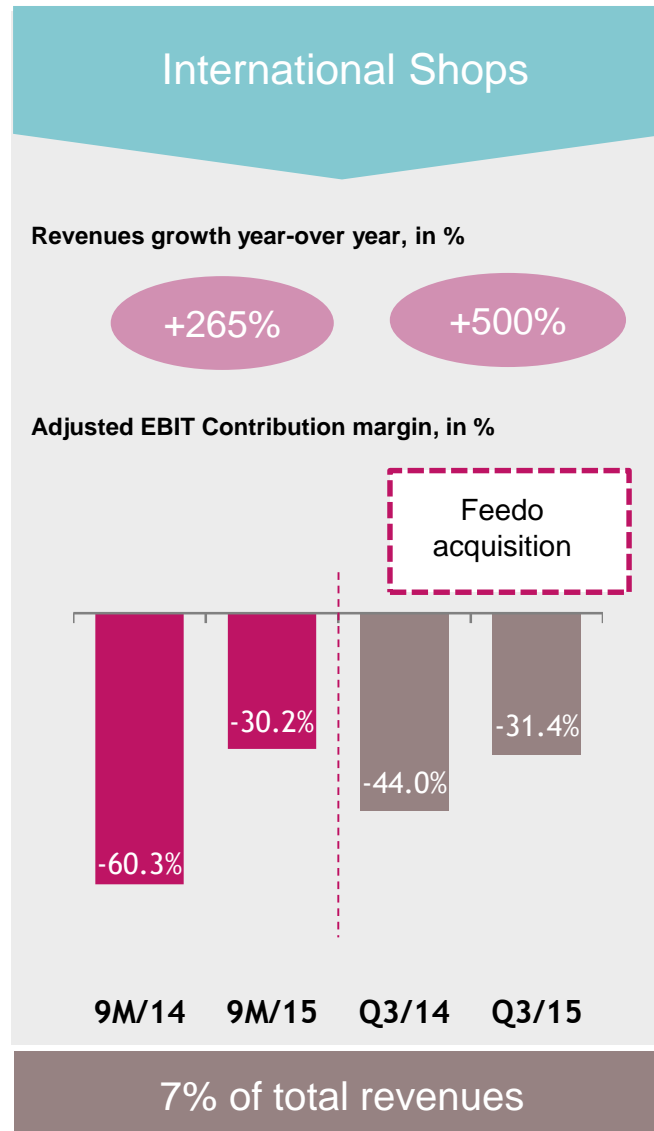
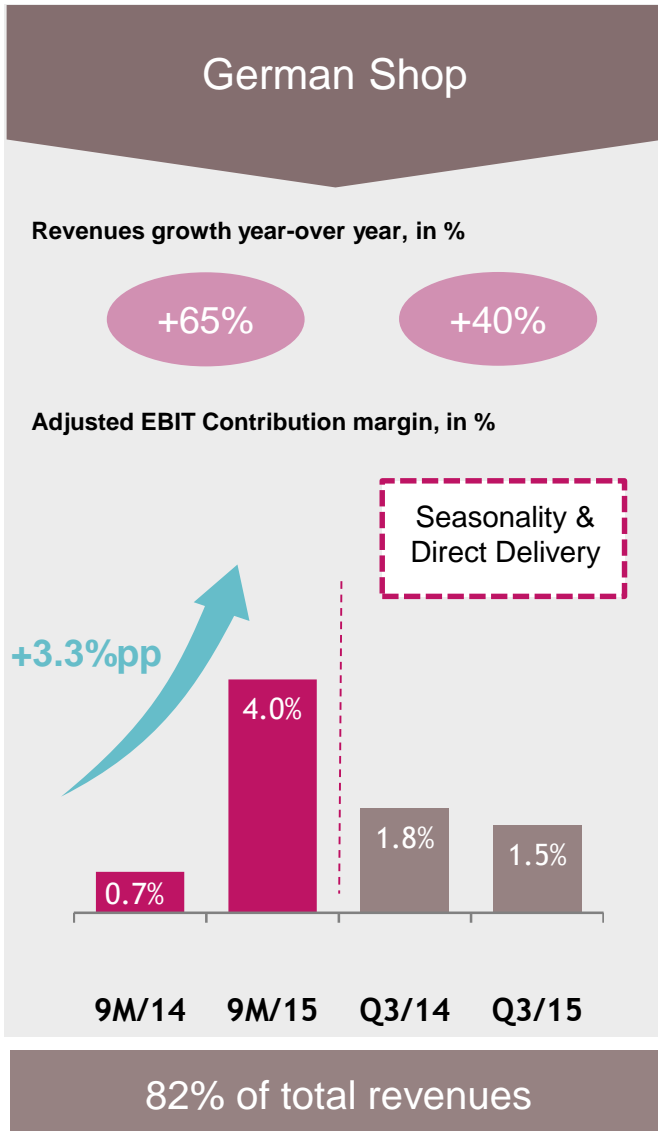
Flash sales business for children's clothing and toys in **Germany** and **Italy**

€ 12.4m

... and strong growth of international segment



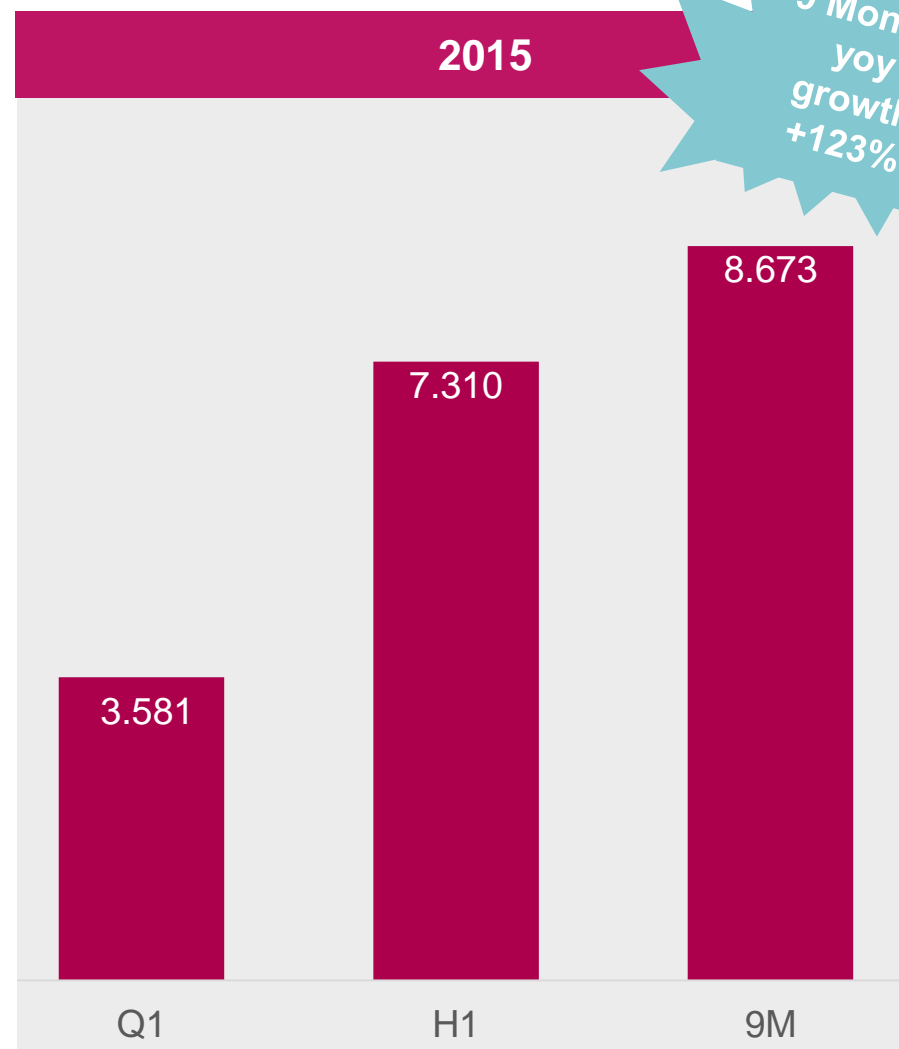
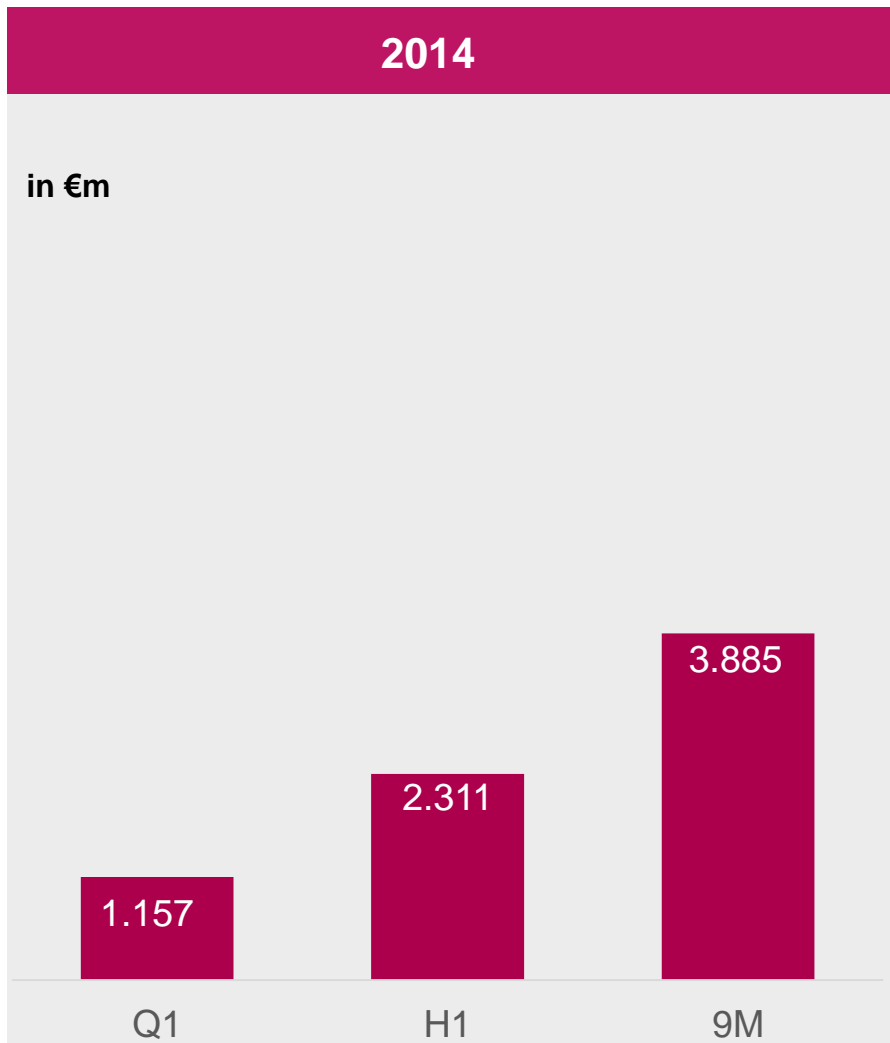
Margins on track on 9 months basis despite Q3 specific topics



Operating contribution continuously increased



Operating contribution = Gross profit – fulfillment costs – marketing costs



Group profitability improvement continues

% revenues	Third Quarter			Nine Months		
	2014	2015	Delta	2014	2015	Delta
Gross profit	22.8%	24.4%	1.6pp	22.7%	25.5%	2.8pp
Fulfillment ¹	11.4%	13.2%	1.8pp	11.7%	11.3%	(0.4)pp
Marketing ²	5.4%	8.0%	2.6pp	5.2%	6.9%	1.7pp
Operating contribution	5.9%	3.1%	(2.8)pp	5.8%	7.3%	1.5pp
Adj. other SG&A ³	14.5%	16.1%	1.6pp	15.8%	15.4%	(0.4)pp
Adj. EBIT ⁴	(8.6)%	(13.0)%	4.4pp	(10.0)%	(8.1)%	(1.9)pp

Excluding
feedo adj.
EBIT margin of
approx. (7)%
for 9 months
2015

1 Fulfillment costs comprise logistics and related rental expenses.

2 Marketing costs consist mainly of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for our marketing tools, which include tools for automated SEA bidding and multivariate landing page optimization, and allocated overhead costs, but not costs related to our loyalty program. Allocated overhead costs include rent and depreciation, but not costs of shared services.

3 We define adjusted other SG&A expenses as selling and distribution expenses plus administrative expenses and other operating expenses less other operating income, but excluding marketing and fulfillment costs; adjusted to exclude share-based compensation expenses, acquisition, integration and expansion costs and IPO related expenses and income.

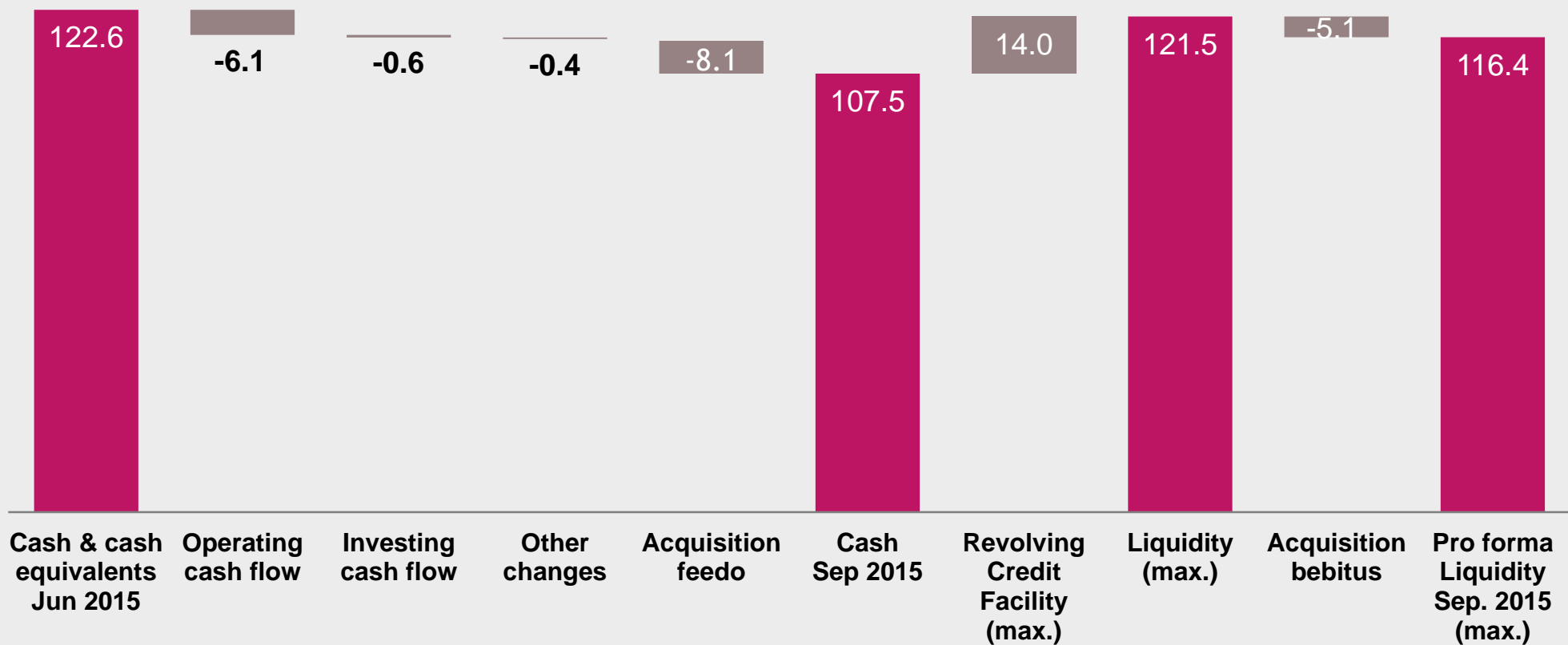
4 Adjusted to exclude share-based compensation expenses, IPO related expenses, acquisition, expansion and integration costs.

Strong liquidity position



Pro forma liquidity bridge (30 September 2015)

in €m



Full year outlook 2015



	Actuals 9M/15 (incl. feedo)	Outlook 2015 Specification (incl. feedo + bebitus)
Revenues (% yoy growth)	+76%	Approx. +75%
Gross Profit Margin (%)	25.5%	Approx. 25%
Adj. EBIT Margin (%)	(8.1)%	(7) to (8)%



Appendix



Selected business segments and geographic data



Business segments				
In €k	9M 2015	9M 2014	Q3 2015	Q3 2014
Revenues	118.312	67.123	43.286	26.485
German Shop	97.173	58.953	32.735	23.211
International Shops	8.768	2.402	5.414	905
Shopping Clubs	12.370	5.767	5.133	2.369
Adj. EBIT^{1,2}	-9.574	-6.725	-5.609	-2,272
German Shop Adj. EBIT contribution	3.853	386	470	408
International Shops Adj. EBIT contribution	-2.645	-1.448	-1.777	-398
Shopping Clubs Adj. EBIT contribution	-4.170	-1.731	-1.788	-827

Geographic region				
In €k	9M 2015	9M 2014	Q3 2015	Q3 2014
Revenues	118.312	67.122	43.286	26.486
DACH ³	51.331	28.716	18.793	11.428
China ⁴	61.374	37.096	20.274	14.477
Rest of Europe ⁵	5.607	1.310	4.219	581



1 Adjusted to exclude share-based compensation expenses, IPO related expenses, acquisition, expansion and integration costs.

2 Adjusted EBIT at the Group level does not correspond to the sum of the Adjusted EBIT Contributions of the "windeln.de", "windelbar.de" and "windeln.ch" business segments because (a) certain income/expenses relating to shared services are managed and contracted on a central basis and not allocated to the business segments and (b) effects resulting from intersegment transactions are eliminated at the Group level.

3 Our "DACH" geographic region consists of that part of our business that generates product and services revenues from customers ordering for delivery to Germany, Austria and Switzerland.

4 Our "China" geographic region consists of that part of our business that generates product and services revenues from customers ordering for delivery to China.

5 Our "Other/rest of Europe" geographic region consists of that part of our business that generates product and services revenues from customers ordering for delivery to countries other than Germany, Austria, Switzerland and China.

Income statement



In €k	9M 2015	9M 2014	Q3 2015	Q3 2014
Revenues	118.312	67.122	43.286	26.486
% growth	76.3%		63.4%	
Cost of sales	-88,116	-51,860	-32,712	-20,455
Gross profit	30.196	15.262	10.574	6.030
% margin	25.5%	22.7%	24.4%	22.8%
Selling and distribution expenses	-34.122	-18.470	-13.759	-7.042
Administrative expenses	-14.875	-6.166	-4.391	-2.152
Other operating income	2.932	177	341	57
Other operating expenses	-402	-26	-97	-11
EBIT¹	-16.271	-9.223	-7.332	-3.118
% margin	-13.8%	-13.7%	-16.9%	-11.8%
Financial result	-506	2,803	-410	190
EBT	-16.777	-6,420	-7,742	-2,928
% margin	-14.2%	-9.6%	-17.9%	-11.1%
Income taxes	-1.595	-82	-67	6
Profit or loss for the period	-18.372	-6.502	-7.809	-2.922
% margin	-15.5%	-9.7%	-18.0%	-11.0%
Operating contribution margin	8.673	3.885	1.363	1.574
% margin	7.3%	5.8%	3.1%	5.9%
Share-based compensation	-5.877	-2.497	-1.123	-845
Acquisition, integration and expansion costs ²	-1.257	-	-720	-
IPO related expenses ³	-437	-	-121	-
Adjusted EBIT	-9.574	-6.725	-5.609	-2.272
% margin	-8.1%	-10.0%	-13.0%	-8.6%

¹ EBIT excludes share-based compensation expense, acquisition, integration and expansion costs and IPO related expenses.

² Acquisition, integration and expansion costs of €536 thousand were incurred in H1 2015 in connection with the acquisition and integration of Feedo.

³ IPO related expenses of €316 thousand were incurred in H1 2015 in connection with the preparation of our IPO.

Balance sheet and cash flow statement



Consolidated statement of financial position		
In €k	Dec 2014	Sep 2015
Total non-current assets	4,523	21,813
Inventories	10,754	18,091
Prepayments	285	538
Trade receivables	1,725	3,032
Miscellaneous other current assets ¹	5,927	7,670
Cash and cash equivalents	33,830	107,473
Total current assets	52,521	136,808
Total assets	57,044	158,621
Issued capital	163	25,745
Share premium	68,911	153,329
Accumulated loss	-34,488	-52,860
Cumulated other comprehensive income	35	57
Total equity	34,621	126,272
Total non-current liabilities	6,813	5,437
Other provisions	1,246	1,392
Financial liabilities	1,532	31
Trade payables	8,830	16,646
Deferred revenue	1,986	4,596
Miscellaneous current liabilities ²	2,017	4,247
Total current liabilities	15,610	26,912
Total equity & liabilities	57,044	158,621

Consolidated statement of cash flows				
In €k	9M 2015	9M 2014	Q3 2015	Q3 2014
Net cash flows from/used in operating activities	-9,926	-5,642	-6,109	-508
Net cash flows from/used in investing activities	-9,888	-885	-8,679	-438
Net cash flows from/used in financing activities	93,385	9,993	-376	605
Cash and cash equivalents at the beginning of the period	33,830	267	0	0
Net increase/decrease in cash and cash equivalents	73,571	3,466	-15,164	-341
Cash and cash equivalents at the end of the period	107,473	3,733	-15,092	-341

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

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

Selected key performance metrics - Definitions

- 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 products we offer, the level and effectiveness of our marketing campaigns and the popularity of our online shops. Measured by Google Analytics.
- 2) We define Mobile Visit Share (in % of Site Visits) as the number of visits via mobile devices (smartphones and tablets) to our mobile optimized websites divided by the total number of Site Visits in the measurement period. We have excluded visits to our online magazine and visits from China. We exclude visits from China because the most common online translation services on which most of our customers who order for delivery to China rely to translate our website content are not able to do so from their mobile devices, and therefore very few of such customers order from their mobile devices. Measured by Google Analytics.
- 3) We define Mobile Orders (in % of Number of Orders) as the number of orders via mobile devices to our mobile optimized websites divided by the total Number of Orders in the measurement period. We have excluded orders from China. Measured by Google Analytics.
- 4) We define Active Customers as the number of customers placing at least one order 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”.
- 6) We define Average Orders per Active Customer as Number of Orders divided by the number of Active Customers in the measurement period.
- 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.
- 8) We define Share of Repeat Customer Orders as the number of orders from Repeat Customers divided by the Number of Orders during the measurement period.
- 9) 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.
- 10) We define Average Order Value as Gross Order Intake divided by the Number of Orders in the measurement period.
- 11) We define Returns (in % of Net Merchandise Value) as the Net Merchandise Value of items returned divided by Net Merchandise Value in the measurement period.

