



First quarter 2016 results

May 24th, 2016



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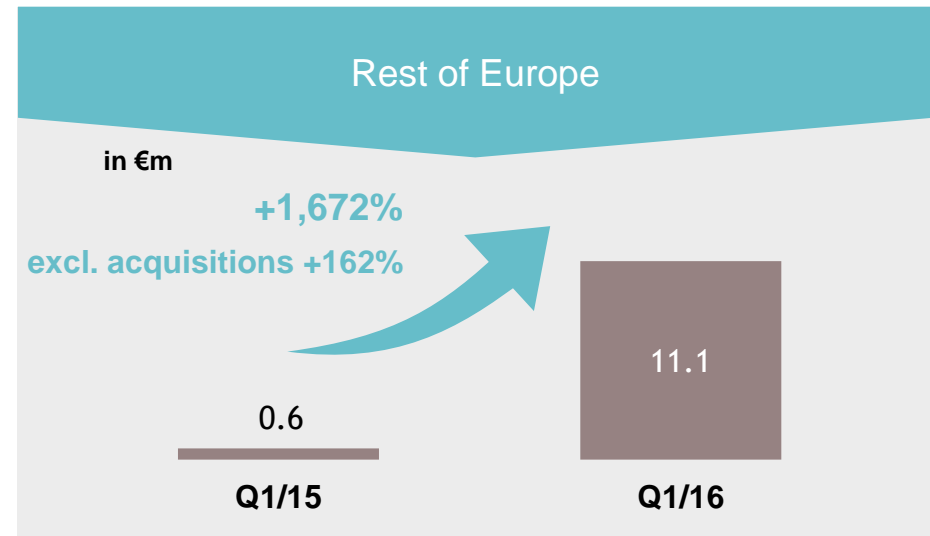
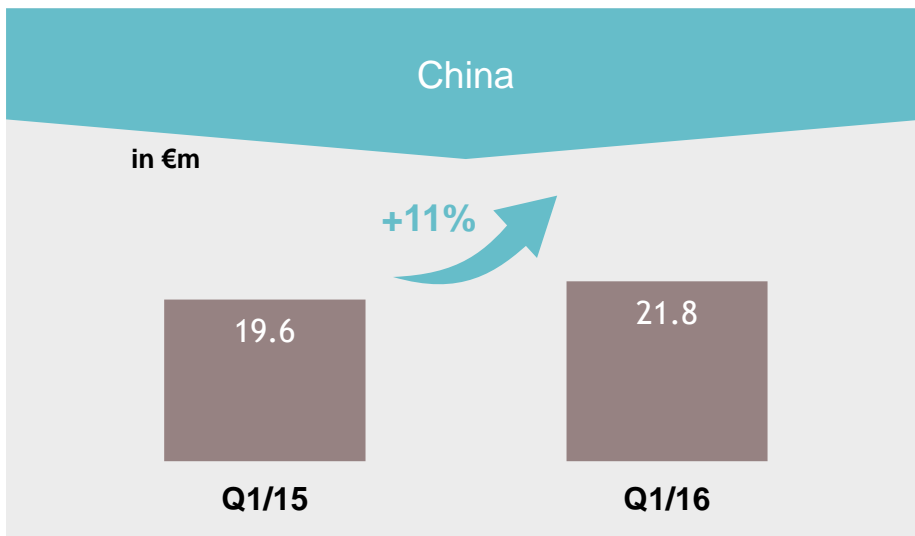
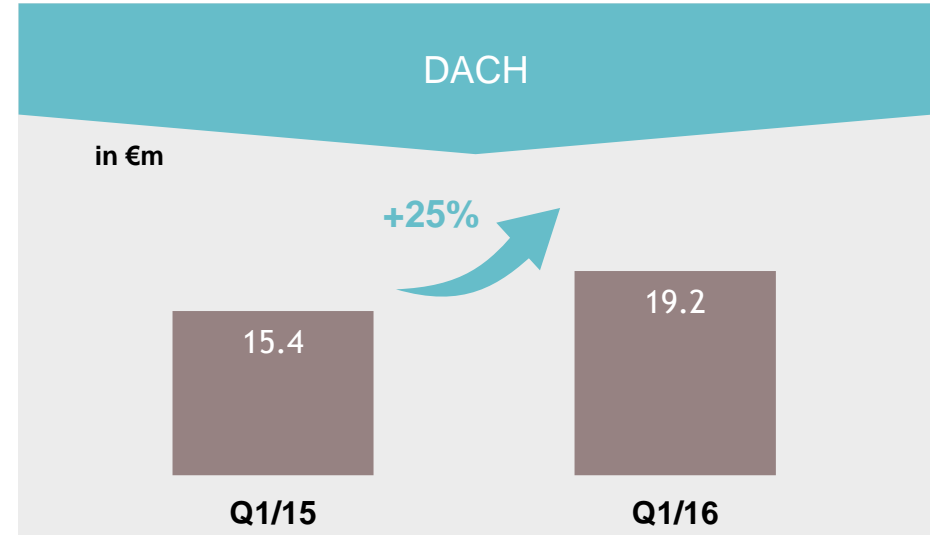
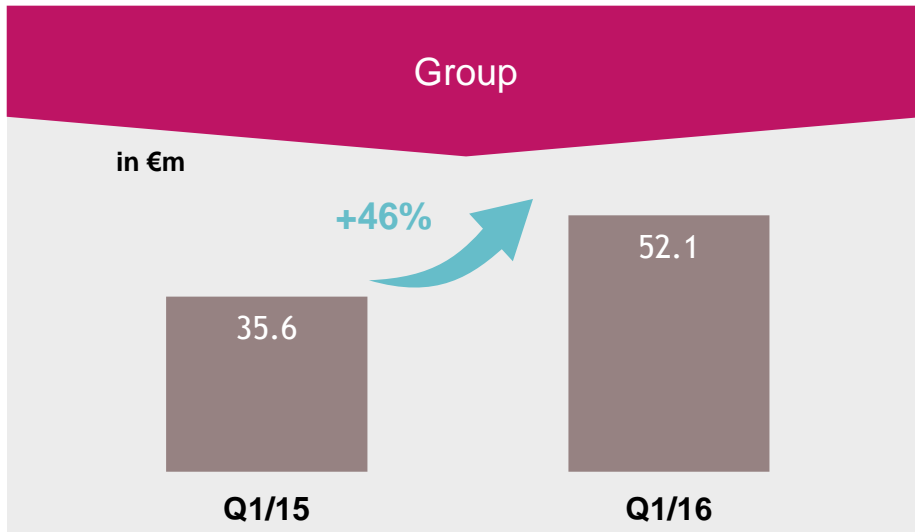
First Quarter 2016 Financial Update

- More than 1 million active customers
- Revenues growth of 46% year over year
- Share of European businesses increased to 21% of revenues
- Gross margin continues to improve to 28.6%
- Adjusted EBIT margin impacted by slower growth in Chinese business
- Strong liquidity with EUR 79 million cash plus EUR 14 million max. borrowing base credit facility

Business Update

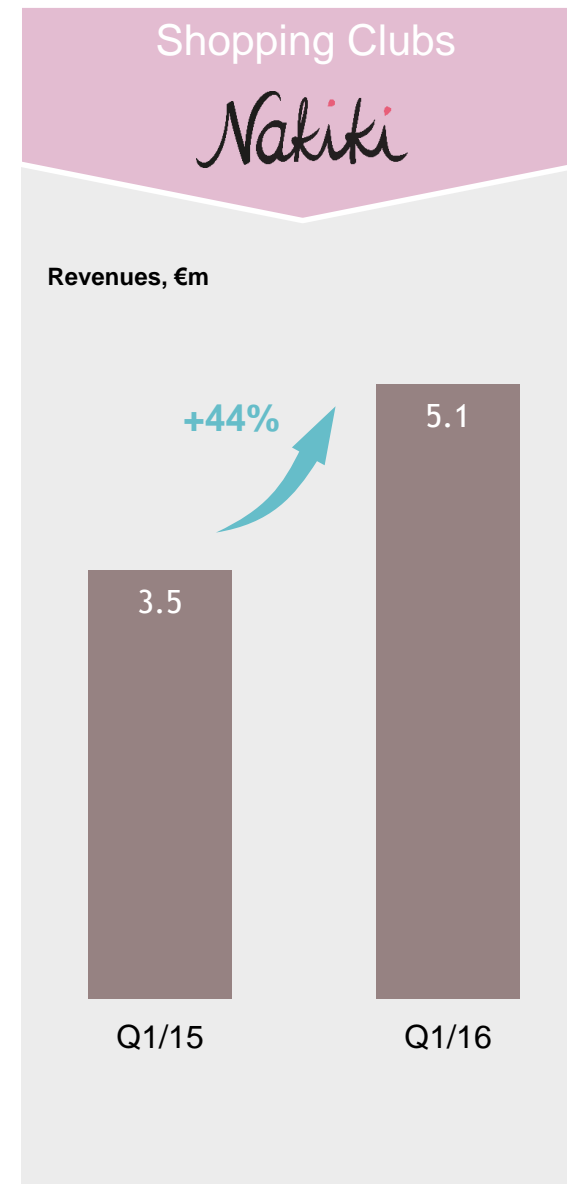
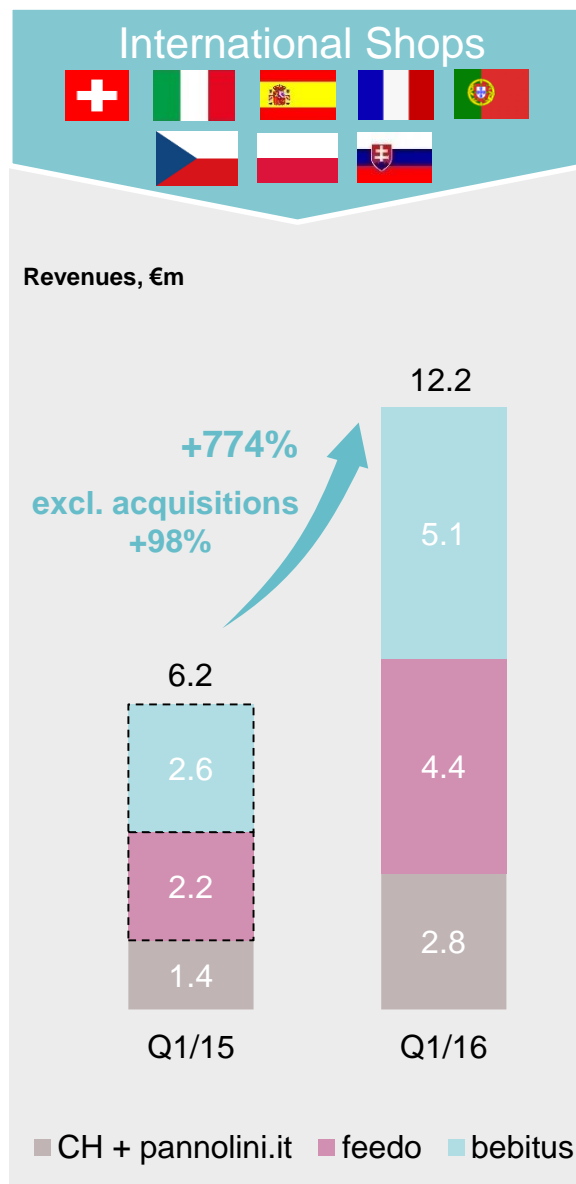
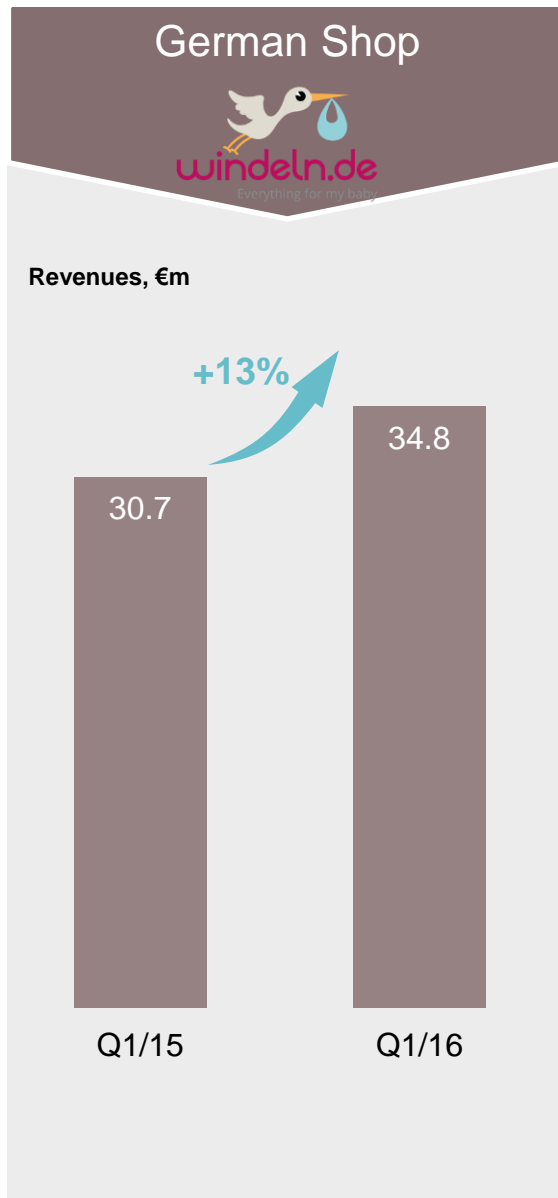
- New regulation in China leads to customer uncertainty but should medium-term be positive
- Migration of ERP system almost completed but with temporary impact on April / May performance
- Integration of feedo and bebitus progressing
- Various private label initiatives across product categories
- Chinese current trading leads to revised 2016 outlook of 30% revenues growth yoy, gross profit margin of 28+% and adjusted EBIT margin of -10% to -12%

Revenues growth across our regions...



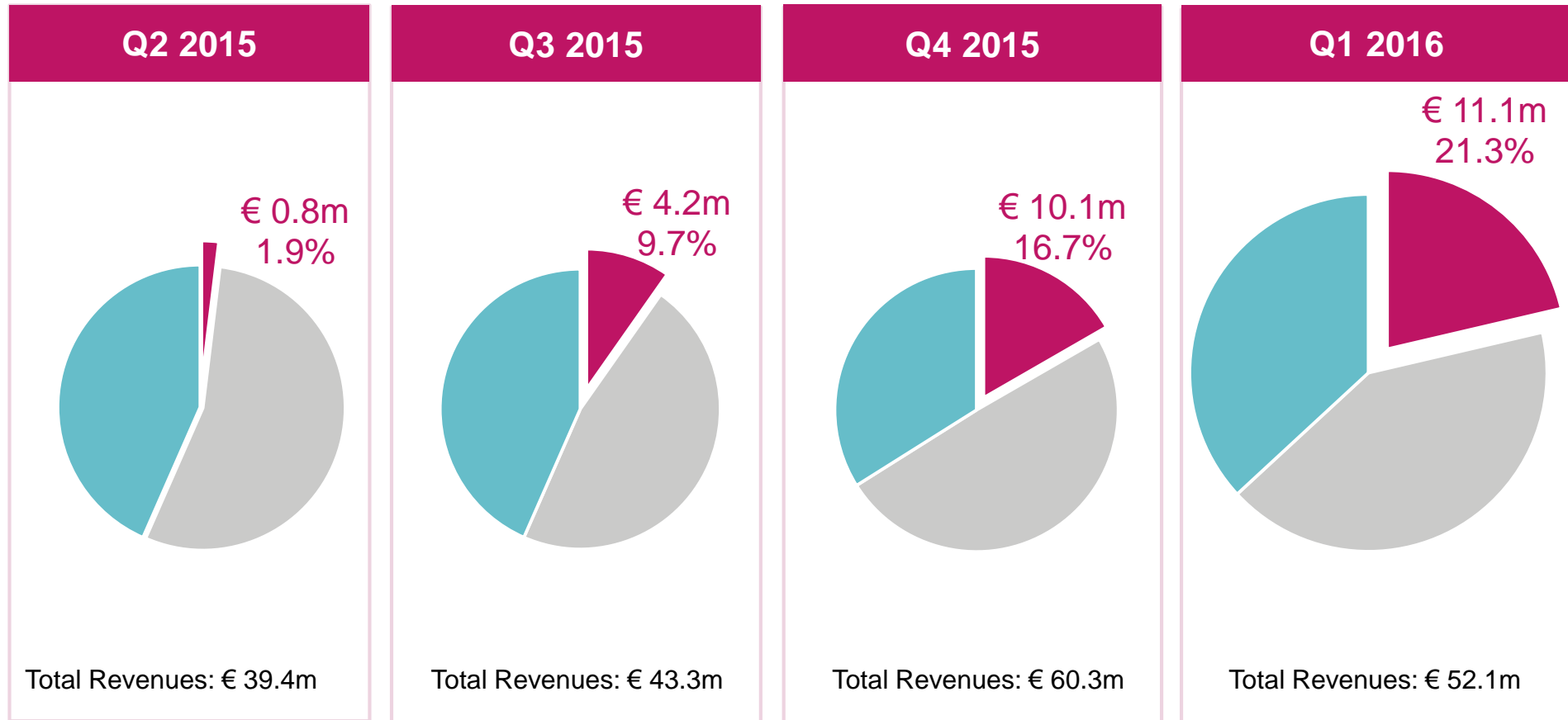
Note: Regional split based on net merchandise value (same calculation methodology as in 2015).

...and across our business segments



Note: feedo and bebitus were not consolidated in Q1 2015; Q1 2015 numbers based on management reporting (local GAAP)

The diversification of revenues continues

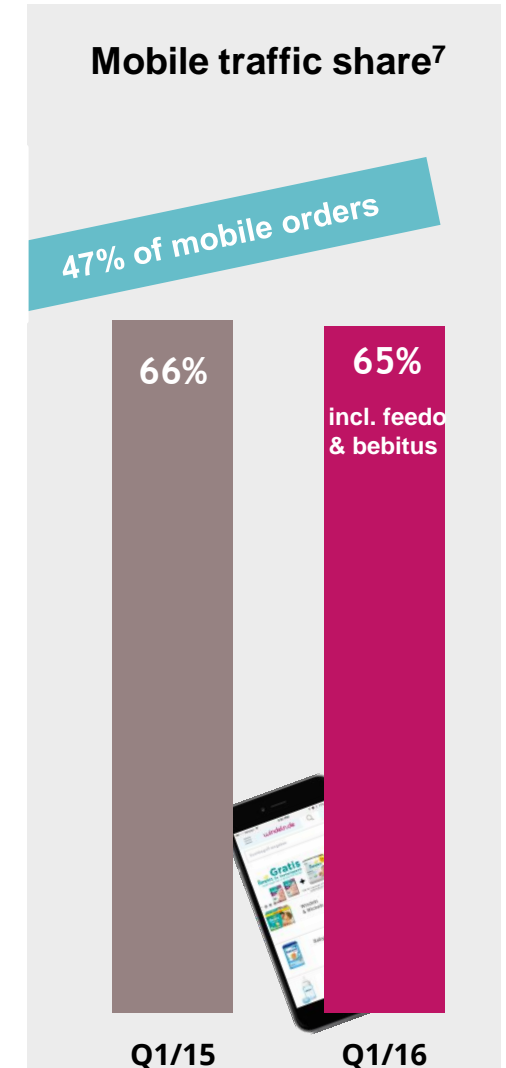
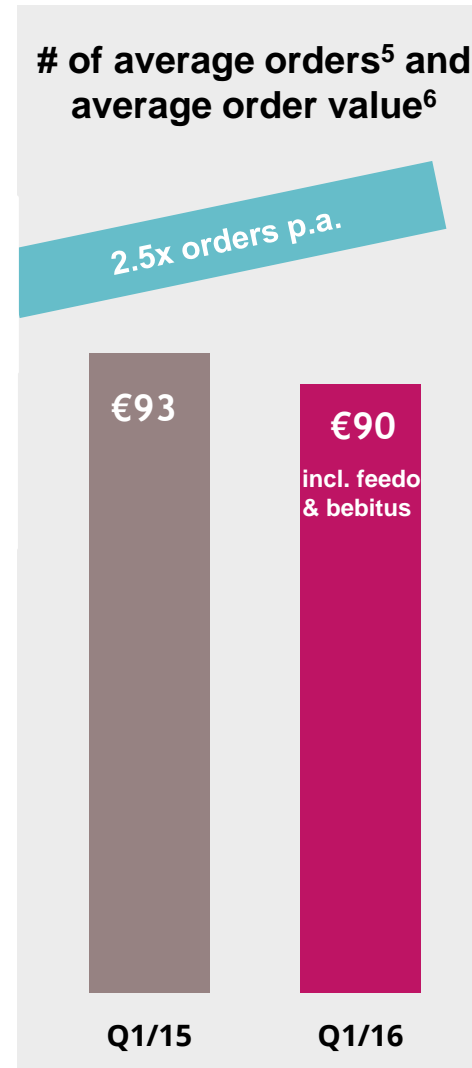
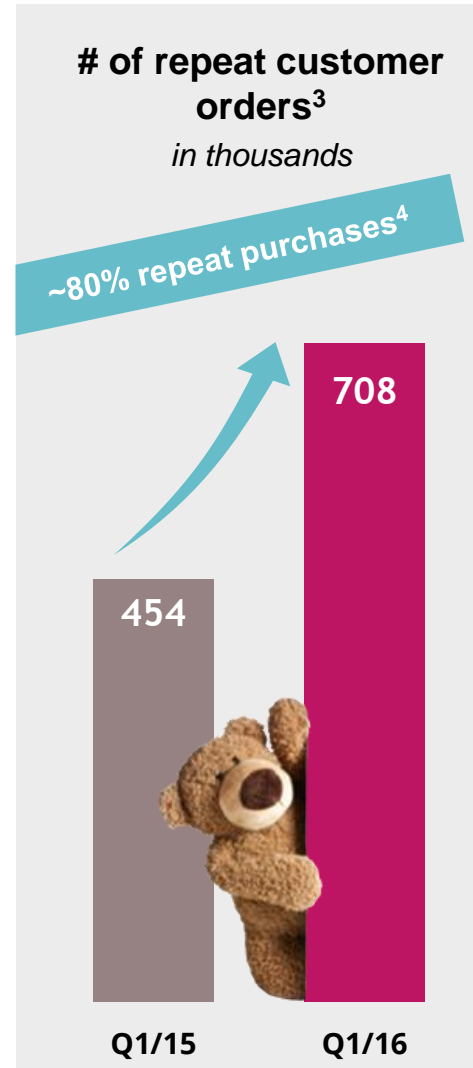
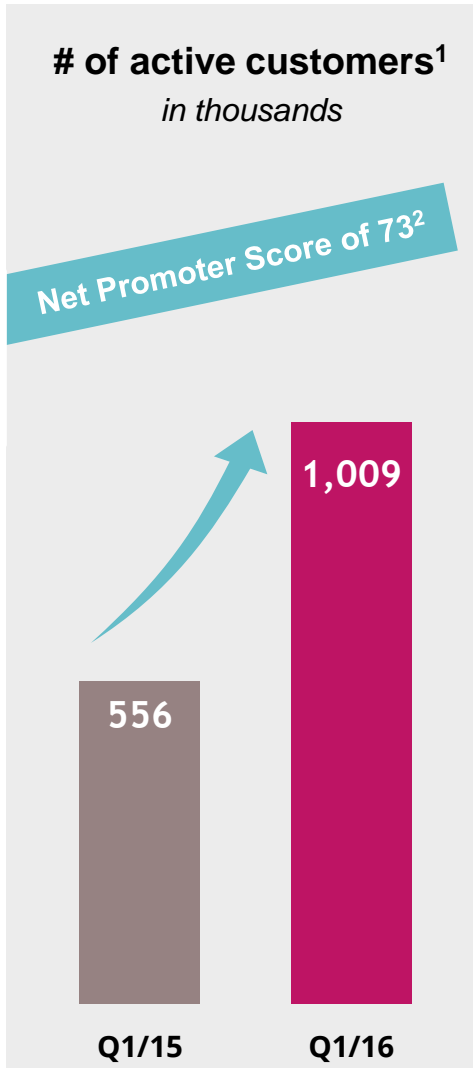


■ DACH

■ China

■ Rest of Europe

KPIs continued to improve in Q1 2016



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); Q1 2016 average for windeln.de Europe; (Q1 2016 average incl. China: NPS 69); 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.

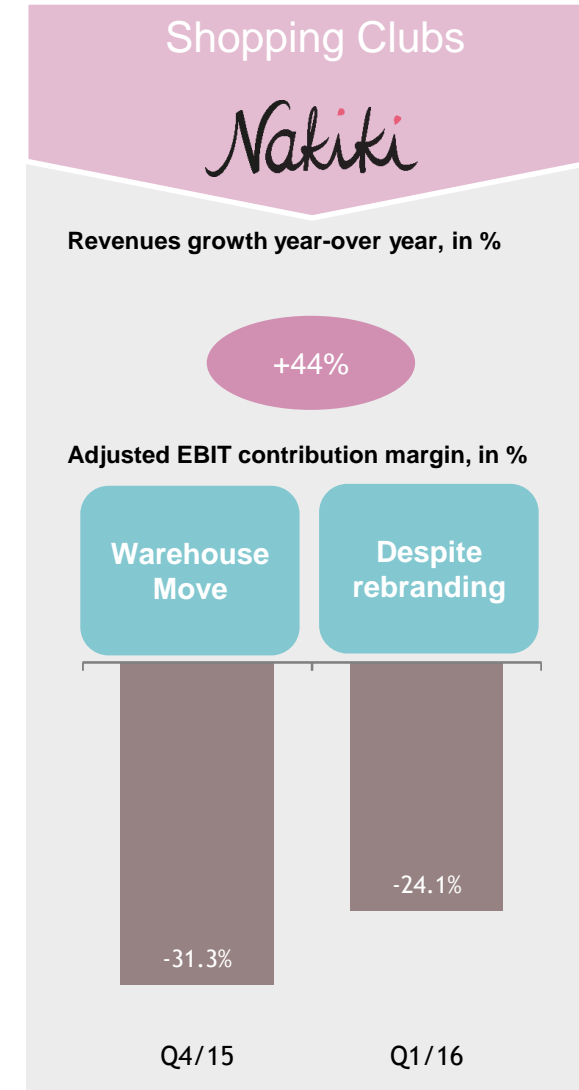
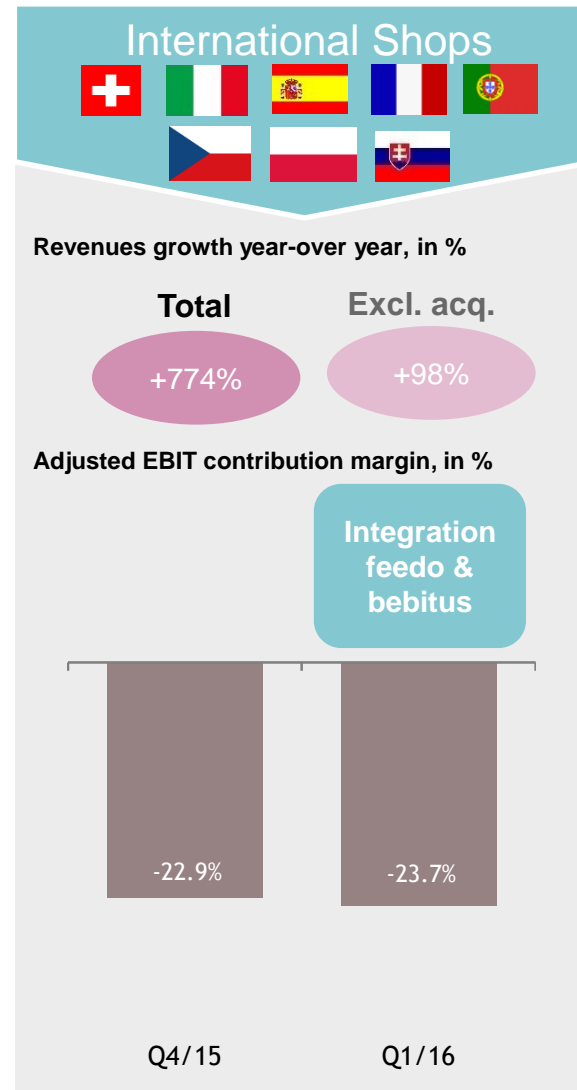
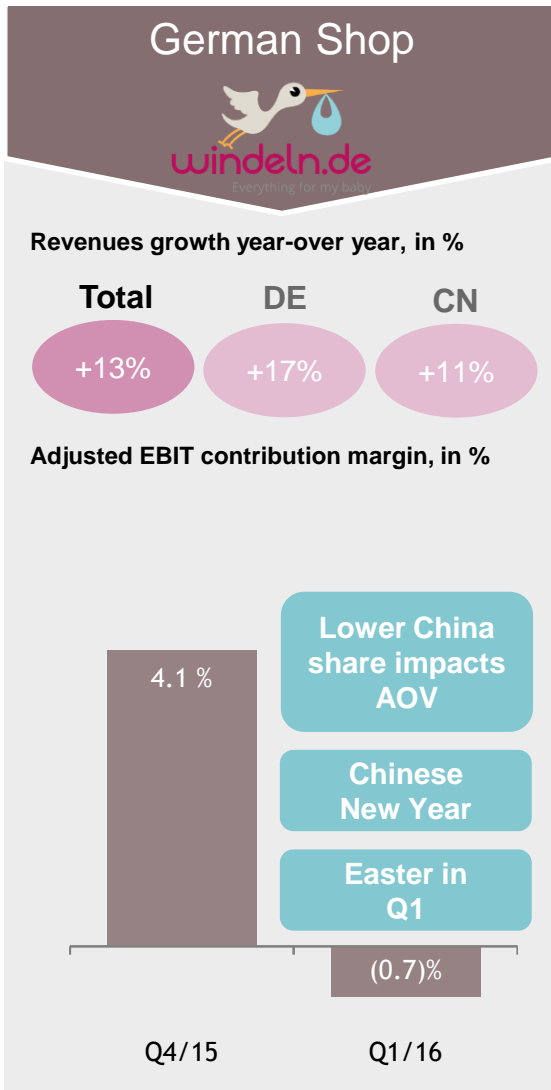
4 Refers to the share of repeat customer orders (in % of number of orders) that we define as the number of orders from repeat customers divided by the number of orders during the measurement period (last twelve months).

5 Number of orders divided by the number of active 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; does not include traffic on the windeln.de magazine.

Margin development impacted by Chinese business...



...with impact on overall business

<i>% revenues</i>	Q4 2015	Q1 2016	Delta	
Gross profit	28.1%	28.6%	0.6pp	Continued focus on increasing purchasing conditions
Adj. Fulfilment ¹	15.4%	18.6%	(3.2)pp	Lower average basket size due to lower China share
Adj. Net Fulfilment ²	7.0%	9.2%	(2.2)pp	
Marketing ³	6.6%	6.7%	(0.1)pp	
Operating contribution	6.1%	3.4%	(2.7)pp	
Adj. other SG&A ⁴	15.3%	18.1%	(2.8)pp	SG&A planned for higher growth; under review with new guidance
Adj. EBIT ⁵	(9.2)%	(14.8)%	(5.6)pp	Full year impact from consolidation feedo & bebitus

1 Adj. fulfillment costs comprise logistics and related rental expenses.

2 Adj. Net Fulfilment costs are defined as Revenues and Fulfilment costs less shipping income.

3 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.

4 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.

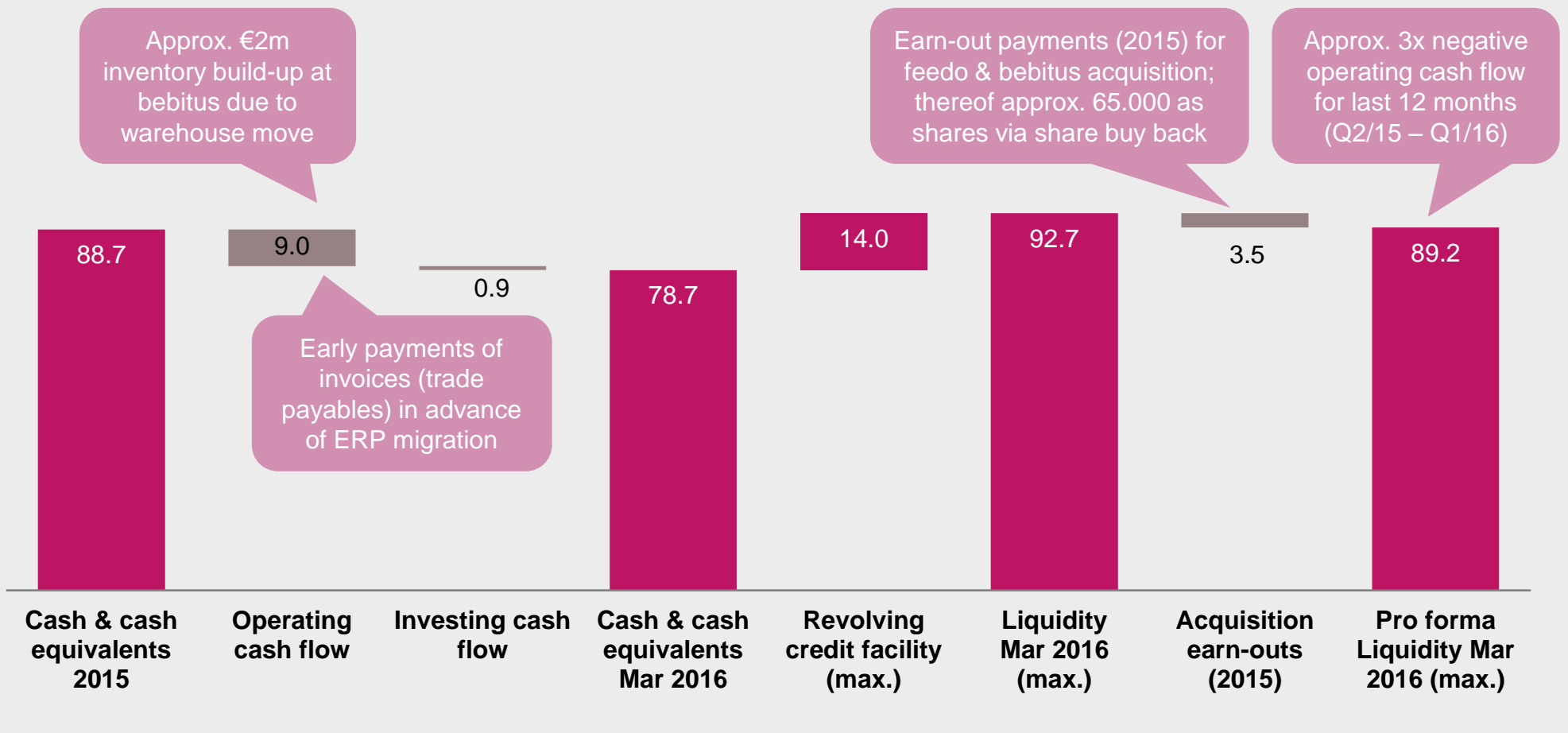
5 Adjusted to exclude cash settled share-based compensation expenses resulting from virtual stock option programs (VSOP), IPO related expenses, acquisition and integration costs as well as costs for reorganization and restructurings under corporate law.

Liquidity position remains strong

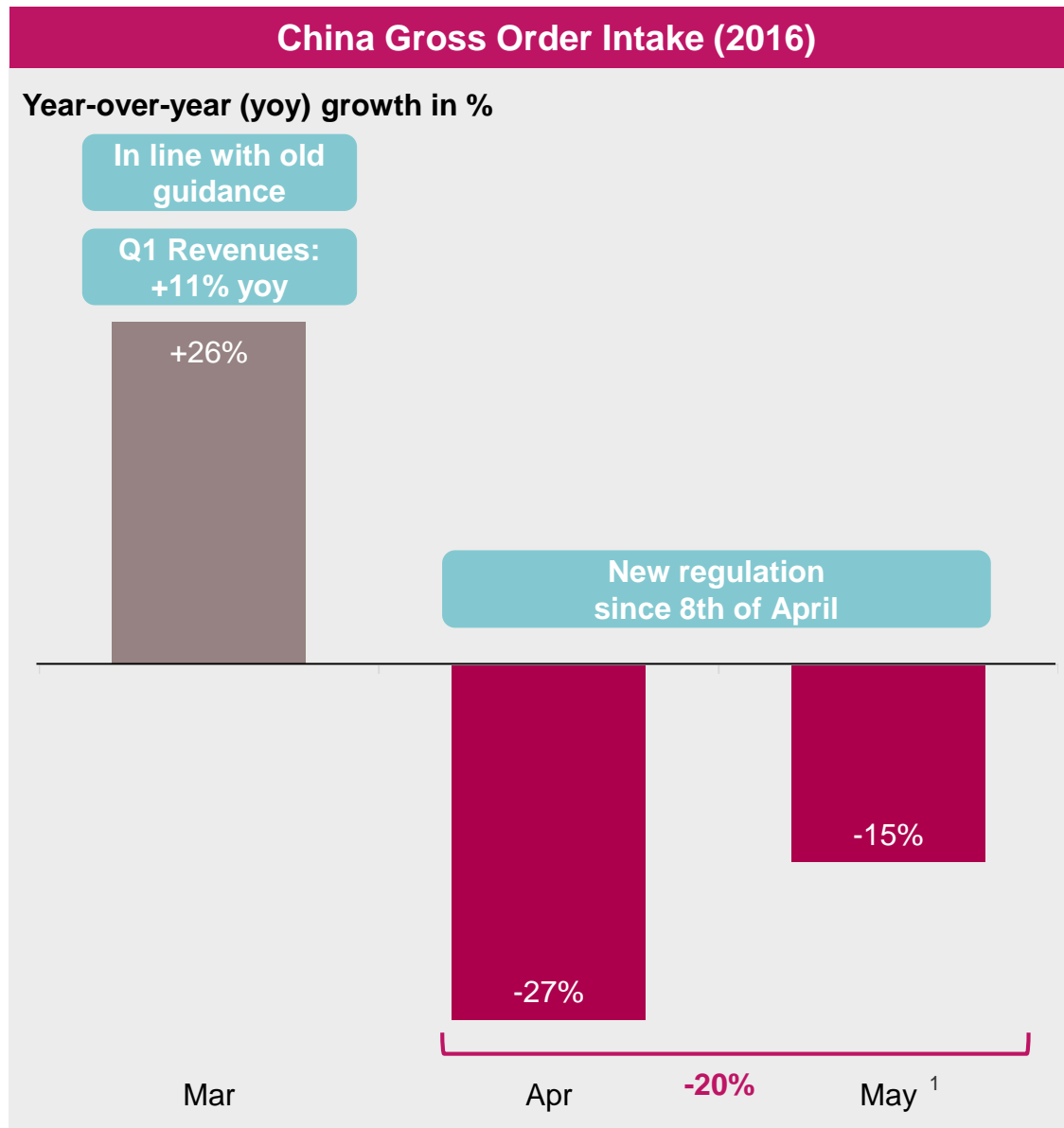


Liquidity bridge (31 December 2015)

in €m



The new regulation in China led to a significant impact on our business in April and May



- **Customer uncertainty** since introduction of new regulation on April 8th
 - Many regulation details not specified
 - Practical implication not clear
- **Slight increase in taxation** for delivery routes used by windeln.de
- **Medium term opportunity** for windeln.de as traders from free trade zones are taxed

¹ May numbers extrapolated based on data until May 19.

The new regulation in China should be positive for windeln.de medium-term

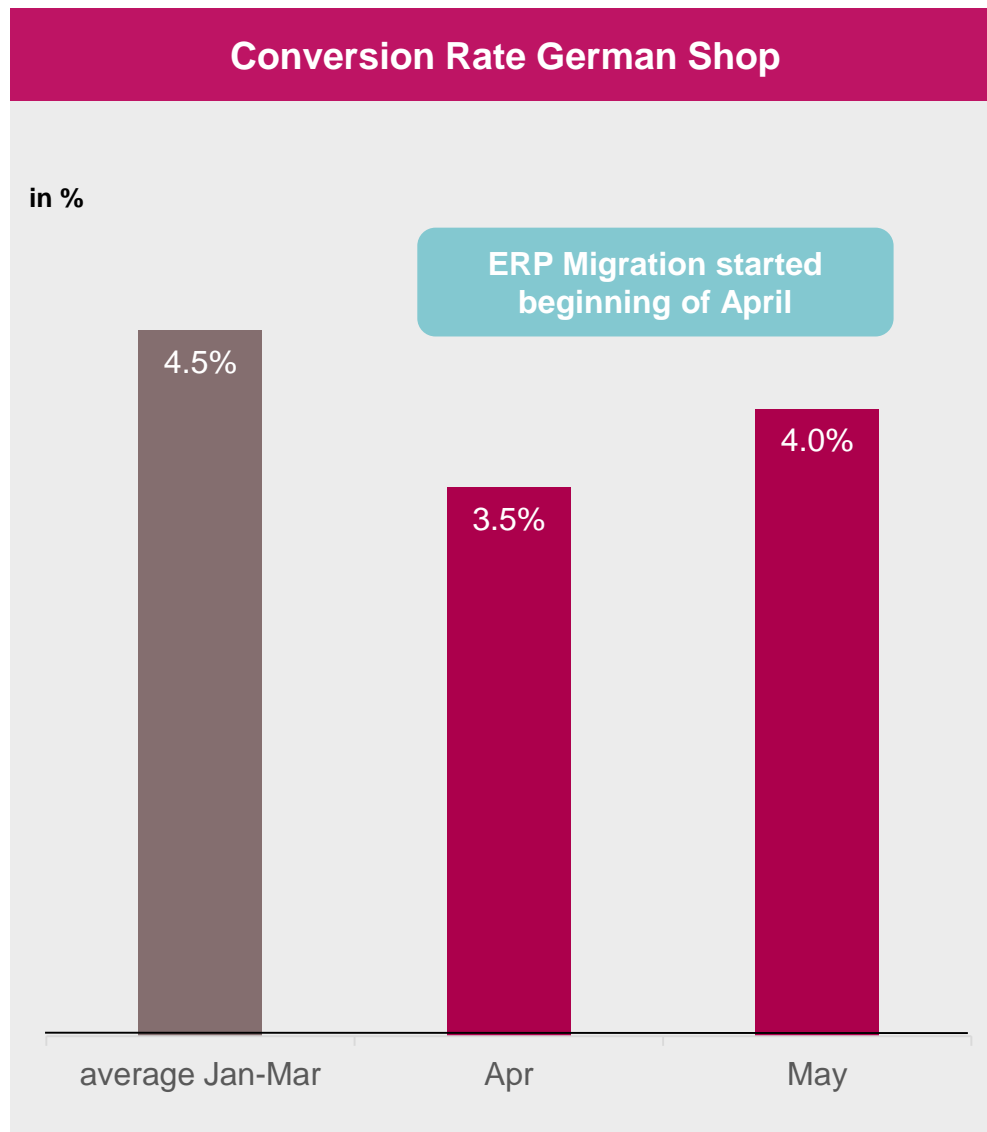


	Sent from Germany directly to end customer		Sent from free trade zone to customer	Regular trade
	Postal model Delivery duties unpaid (DDU)	Shipping model Delivery duties paid (DDP)	Free Trade Zone model	
Used by windeln.de	✓	✓	X	X
Customs data submission	No electronic customs documents	Electronic customs documents	Electronic customs documents	Electronic customs doc.
Order value limit	< 1,000 RMB	< 2,000 RMB (parcel value + shipping)	< 2,000 RMB (parcel value + shipping)	> 2,000 RMB
Tariff	<ul style="list-style-type: none"> Parcel Tax (but rarely checked and enforced by customs) Infant milk formula: 15% Textile: 30% 	0%	0%	15%, 30%, 60%
VAT / Import tax / Consumer tax		Baby & mother products, Infant Milk Formula: 11.9%	Baby & mother products, Infant Milk Formula: 11.9%	17% (VAT + import tax) + consumer tax
Product group required on "Positive List" list	not relevant	relevant, possibly pushed out	relevant, possibly pushed out	relevant, possibly pushed out

Relevant changes:

- Tax for Infant milk formula raised from 10% to 15%
- Order value limit raised from 1,000 to 2,000 RMB
- Tax raised: 10% to 11.9%
- Now required to label products in Chinese
- Customs always to be paid as 50 RMB threshold falls away
- Tariffs raised

The migration of the ERP system is beneficiary to the company - but as expected temporarily negative



Positive:

- Scalable solution
- Faster order processing from shop to fulfilment
- Faster inventory update to shop
- Standard operation (sending packages) worked right from the start

Negative:

- Delay in return and payment processing
- Purchase proposals generated by new ERP system too small, leading to oversold and sold out products
- Struggling in customer communication due to not processed responses from warehouses

Negative impact on customer satisfaction

windeln.de project landscape for profitability increase and revenue upside



Already initiated

Integration: feedo & bebitus 1

- Implementation of windeln's systems and processes (i.e. ERP, Shop system, CMS, PIM, etc.)

China Initiatives 2

- Improvements Direct Delivery
- Own shop on Tmall

Private label 3

- Introduction of new products across categories within the next months (consumables, non consumables)

+ all cost positions under review

Started

Central Purchasing 4

- Group-wide negotiations and purchasing for key suppliers

Tender completed

Warehouse Optimization 5

- Move to low-cost country
- Process optimization

Currently reviewed

Customer Service 6

- Optimization via tools and automatization (e.g. returns portal)

Project started

Product data management 7

- Low-cost country
- Centralization
- Translation automatization

1 Integration of bebitus and feedo progressing



	Department	Today	After Integration
Local	Marketing	<ul style="list-style-type: none"> • SEO, SEM, promotions, newsletter, affiliate, graphics, social media 	<ul style="list-style-type: none"> • Promotions, newsletter, social media
	Operations	<ul style="list-style-type: none"> • Warehouse, buying, debtor mgmt. 	<ul style="list-style-type: none"> • Local warehouse
	Customer Service	<ul style="list-style-type: none"> • 1st and 2nd Level 	<ul style="list-style-type: none"> • 1st and 2nd Level
	Category mgmt.	<ul style="list-style-type: none"> • Assortment, pricing, data entry 	<ul style="list-style-type: none"> • Local assortment
	IT	<ul style="list-style-type: none"> • Bug Fixing, IT features, maintenance 	
	Admin	<ul style="list-style-type: none"> • Accounting, Controlling, HR 	<ul style="list-style-type: none"> • Payroll, local HR
		Individual systems: shop, product mgmt.	Common ERP, PIM, Shop, DWH, CRM
Group	Marketing		<ul style="list-style-type: none"> • SEO, SEM, tools
	Operations		<ul style="list-style-type: none"> • Purchasing, debtor mgmt., central warehouse
	Customer Service		<ul style="list-style-type: none"> • 3rd level
	Category mgmt.		<ul style="list-style-type: none"> • Key suppliers, long tail, data entry, automatic pricing
	IT		<ul style="list-style-type: none"> • Bugs, features, maintenance
	Admin	<ul style="list-style-type: none"> • Controlling, consolidation, supplier mgmt. 	<ul style="list-style-type: none"> • Finance, Controlling, BI, Legal

> 1m EUR annual cost savings after integration of bebitus and feedo

2 Our strategy to address an additional customer group in China



	Foreign online-shops market	Local online shops market in China
Description	Customers buy foreign products from platform in foreign country (e.g. windeln.de)	Customers buy foreign products from local platform in China (e.g. Tmall, Taobao, JD)
Supplied by windeln.de	✓	X (planned)
Growth in 2015	approx. 15%	approx. 100%
Shipping time	2-3 weeks	2-4 days
Assortment	Full assortment	Relatively small assortment per shop
Customers trust in product authenticity	Customers are sure that products are genuine	Growing trust due to more exclusive platforms (e.g. Tmall Global)

Improve existing offering

- Shop performance
- Direct Delivery optimization
- Improved customs handling

First step: Open a Tmall Store



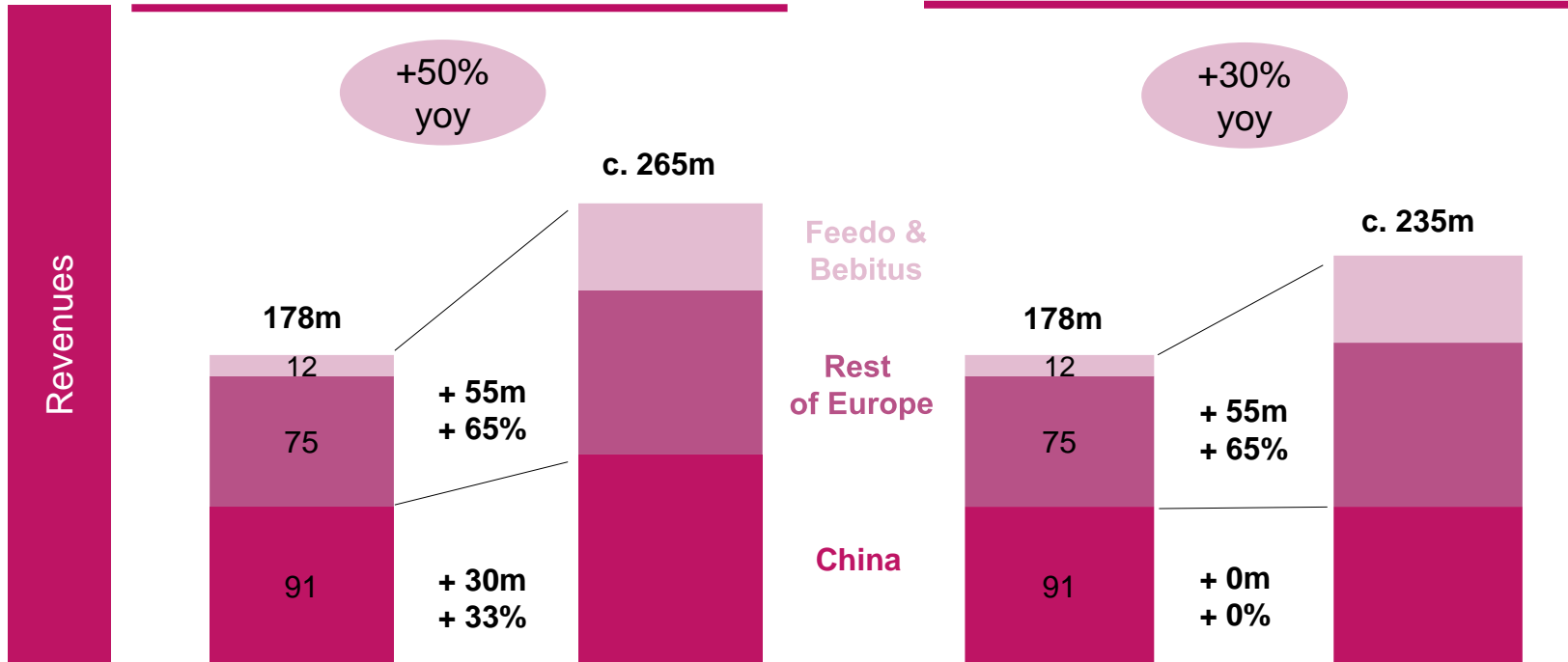
- Tmall Global is Chinas biggest B2C marketplace for cross border ecommerce
- Use windeln.de express delivery fulfilled from Germany (shipping time of 1 week)
- Same prices as in German Shop
- Fees to Tmall and Tmall Partner but no marketing
- Assortment: 400 selected best sellers

We changed our guidance because of lower China growth expectations



2016 Guidance old

2016 Guidance new



Revenues

- China business flat
- Expectations for Europe unchanged
- Full year consolidation feedo and bebitus

Gross Profit Margin

- Less revenues from China (incl. shipping)
- Margin improvement on all other businesses

Category	2015	2016G	2015	2016G
Gross Profit Margin	26%	28+%	26%	28+%

Adj. EBIT Margin

- Negative leverage effect on cost ratio due to lower Chinese revenues
- Full year consolidation feedo and bebitus

Category	2015	2016G	2015	2016G
Adj. EBIT Margin	-8.5%	-6% to -8%	-8.5%	-10% to -12%



Appendix



KPIs quarter over quarter



Consolidation
of Feedo

Consolidation
of Bebitus

	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	Q4 '15	Q1 '16
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	24,014	27,478
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%	61.9%	65.2%
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%	43.6%	47.4%
Active Customers (in thousand) ⁴	92	117	142	163	194	229	259	290	334	372	430	496	556	613	743	955	1,009
Number of Orders (in thousand) ⁵	62	78	92	114	154	198	202	219	273	303	363	416	454	460	575	698	708
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	2.4	2.5
Orders from Repeat Customers (in thousand) ⁷	36	48	58	82	114	153	158	175	211	238	286	328	350	369	453	479	525
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%	81.4%	80.1%
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	62,880	63,778
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	90.1	90.4
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%		7.0% ¹

¹ Due to the warehouse move of Nakiki in Q4 certain orders were also returned in Q1

Key performance indicators - 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. Without Bebitus and Feedo returns.

Selected business segment and geographic data



Business segments			
In €k	FY 2015	Q1 2016	Q1 2015 R*
Revenues	178,602	52,132	35,649
German Shop	140,255	34,795	30,698
International Shops	20,739	12,244	1,402
Shopping Clubs	17,608	5,093	3,549
Adj. EBIT^{1,2}	-15,139	-7,694	-1,276
German Shop Adj. EBIT contribution	5,630	-231	1,703
International Shops Adj. EBIT contribution	-5,392	-2,903	-534
Shopping Clubs Adj. EBIT contribution	-5,810	-1,226	-773
Reconciling item to adjusted Group EBIT	-9,567	-3,334	-1,672

Geographic region				
In €k	FY 2015	Q1 2016	Q1 2015 R ⁷	Q1 16/15 ⁶
Revenues	178,602	52,132	35,649	+46%
DACH ³	71,791	19,225	15,443	+25%
China ⁴	91,147	21,778	19,578	+11%
Rest of Europe ⁵	15,664	11,129	628	+1672%



1 Adjusted to exclude cash settled share-based compensation expenses resulting from virtual stock option programs (VSOP) and IPO related expenses, acquisition and integration costs as well as costs for reorganization and restructurings under corporate law.

2 Adjusted EBIT at the Group level does not correspond to the sum of the Adjusted EBIT Contributions of the "German Shop", "International Shops" and "Shopping Clubs" 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.

6 Growth rates Q1 2015 to Q1 2016 based on net merchandise value (same calculation methodology as in 2015)

7 In the comparative period Q1 2015 share based payments have been restated. For further information please refer to the Nine Months Report 2015.

Income statement



Q1 2015: Limited comparability due to no China direct delivery

In €k	Q1 2015 R*	2015	Q4 2015	Q1 2016
Revenues	35,649	178,602	60,290	52,132
% growth yoy	86.8%	76.3%	76.3%	46.2%
Cost of sales	26,520	131,487	43,371	37,206
Gross profit	9,129	47,115	16,919	14,926
% margin	25.6%	26.4%	28.1%	28.6%
Selling and distribution expenses	-9,173	-53,877	-19,755	-19,772
Administrative expenses	-6,362	-23,332	-8,457	-5,986
Other operating income	386	3,164	232	1,171
Other operating expenses	-263	-569	-167	-83
EBIT	-6,283	-27,499	-11,228	-9,744
% margin	-17.6%	-15.4%	-18.6%	-18.7%
Financial result	-9	-2,910	-2,404	49
EBT	-6,292	-30,409	-13,632	-9,695
% margin	-17.6%	-17.0%	-22.6%	-18.6%
Income taxes	-195	5	1,600	0
Profit or loss for the period	-6,487	-30,404	-12,032	-9,695
% margin	-18.2%	-17.0%	-20.0%	-18.6%
EBIT	-6,283	-27,499	-11,228	-9,744
Share-based compensation	3,976	10,727	4,850	2,322
Acquisition, integration and expansion costs	105	1,426	169	-585
IPO related expenses	926	-430	7	-
Corporate reorganization and restructuring	-	637	637	313
Adjusted EBIT¹	-1,276	-15,139	-5,565	-7,694
% margin	-3.6%	-8.5%	-9.2%	-14.8%

Gross Profit Margin: Continued focus on increasing purchasing conditions

Selling & Distribution Expenses: Lower China share impacts AOV / fulfilment / mktg.costs

Selling & Distribution Expenses: SG&A planned for higher growth; under review with new guidance

Corporate reorganisation: SE Conversion

Impact also from full year consolidation of feedo and bebitus

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Balance sheet and cash flow statement

Consolidated statement of financial position

In €k	March 2016	December 2015
Total non-current assets	35,078	34,086
Inventories	28,158	27,099
Prepayments	653	1,670
Trade receivables	1,361	2,469
Miscellaneous other current assets ¹	6,010	5,457
Cash and cash equivalents	78,730	88,678
Total current assets	114,912	125,373
Total assets	149,990	159,459
Issued capital	26,283	25,746
Share premium	156,276	154,046
Accumulated loss	-74,587	-64,892
Cumulated other comprehensive income	6	-22
Total equity	107,978	114,878
Total non-current liabilities	9,027	10,208
Other provisions	2,322	2,221
Financial liabilities	42	41
Trade payables	14,456	18,137
Deferred revenue	4,797	4,352
Miscellaneous current liabilities ²	11,368	9,622
Total current liabilities	32,985	34,373
Total equity & liabilities	149,990	159,459

Consolidated statement of cash flows

In €k	Q1 2016	Q1 2015 R ³
Net cash flows from/used in operating activities	-9,033	1,202
Net cash flows from/used in investing activities	-896	-585
Net cash flows from/used in financing activities	-19	-1,382
Cash and cash equivalents at the beginning of the period	88,678	33,830
Net increase/decrease in cash and cash equivalents	-9,948	-765
Cash and cash equivalents at the end of the period	78,730	33,065

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.

3 In the comparative period Q1 2015 share based payments have been restated. For further information please refer to the Nine Months Report 2015.

