



windeln.de Company Overview

September 2018



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Family transition

Earlier

Clear role distribution



Nowadays

Different forms of lifestyle
and modern role distribution



Modern families

Working parents

Single parents

Patchwork families

Rainbow families

Snapshot



Online retailer for baby and toddler products → developing to e-tailer for young families

**6 European countries
+ China**

DACH, SP, FR, PT, CN

700+ thousand

Active customers in Europe
and China

50,000+

Product range

1+ million

Number of orders from repeat
customers last 12 months

12+ million

Site visits last 12 months

~150m EUR

LTM Revenues



Attractive, growing and non-cyclical market



Market for baby and toddler products

Growth drivers

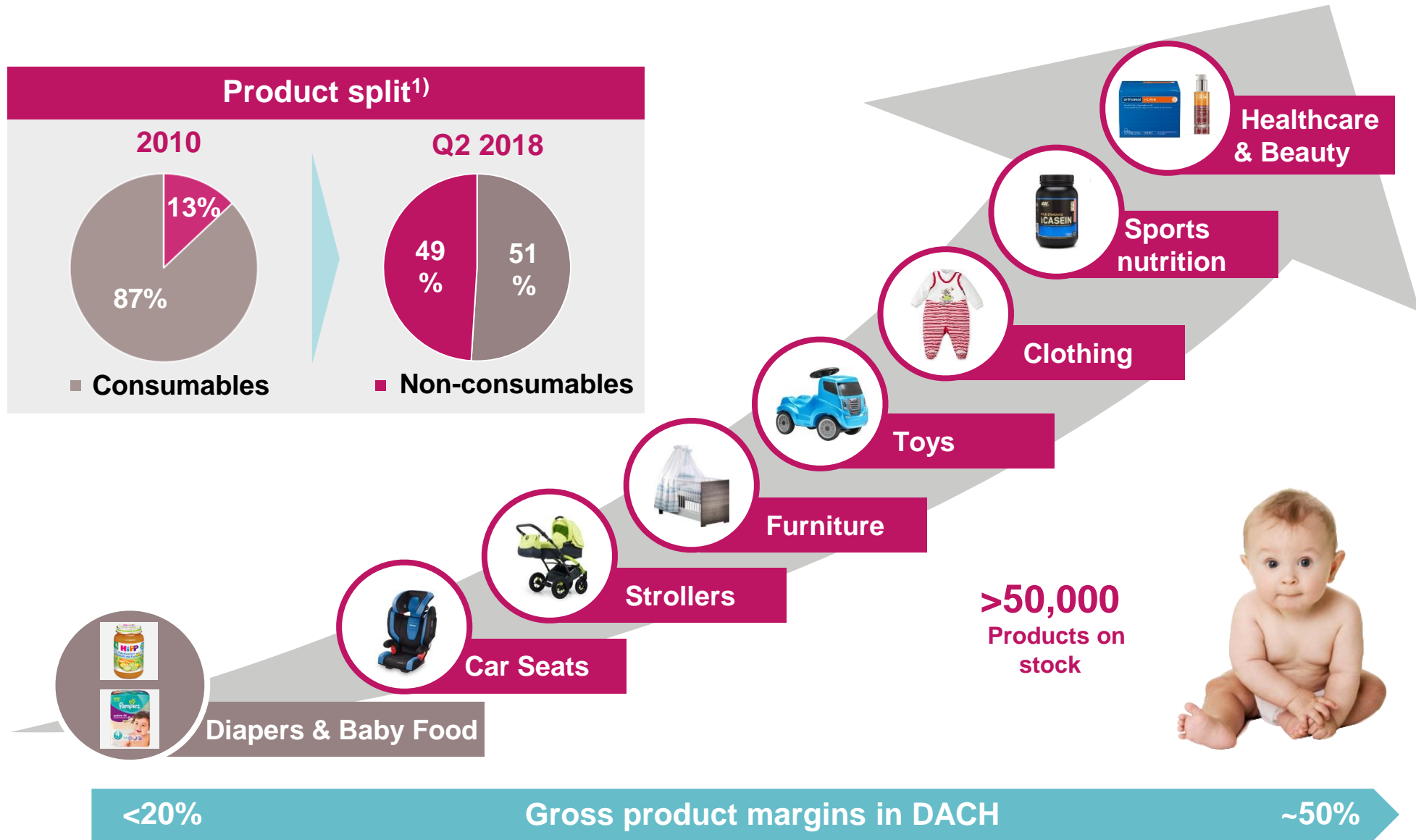
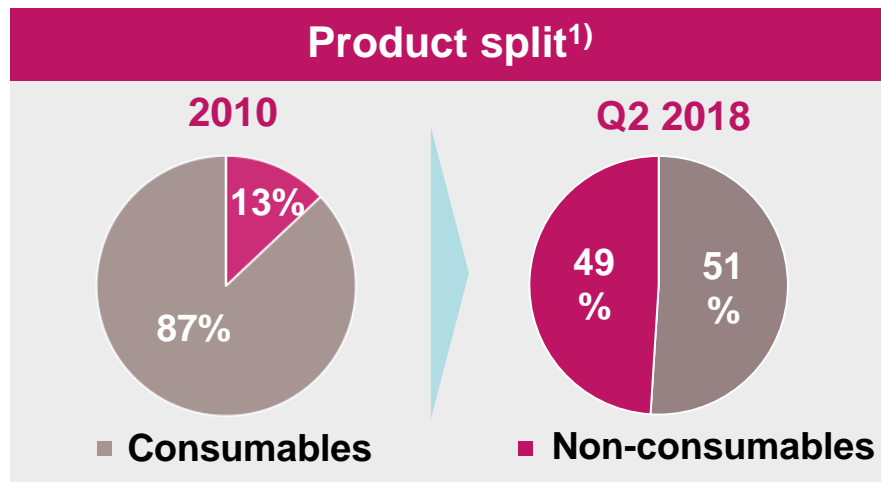
- ✓ Increasing online penetration
- ✓ Increasing birth rates
- ✓ Rising purchasing power
- ✓ Rising spend per child



	Total market (EUR)	Online market (EUR)	Penetration
GERMANY	`17: ~20bn `22e: ~21bn	EUR 1.9bn CAGR: ~5%	`17: 9.4% `22e: 10.9%
EUROPE	`17: ~103bn `22e: ~113bn	EUR 11.2bn CAGR: ~5-10%	`17: 10.9% `22e: 13.6%
CHINA	`17: ~236bn `22e: ~367bn	EUR 34.8bn CAGR: ~15%	`17: 14.7% `22e: 19.6%
+		EUR 98bn total cross-border e-commerce market to China (CAGR +12.6%)	

Note: CAGR 2017 to 2022 (Europe), 2017 to 2022 (China cross-border)
 Source: Statista; eMarketer (China cross-border)

We offer a broad range of products and constantly work on extending our assortment towards the young family



>50,000
Products on stock



<20% Gross product margins in DACH **~50%**

1) Based on net merchandise value, Q2, windeln.de & windeln.ch

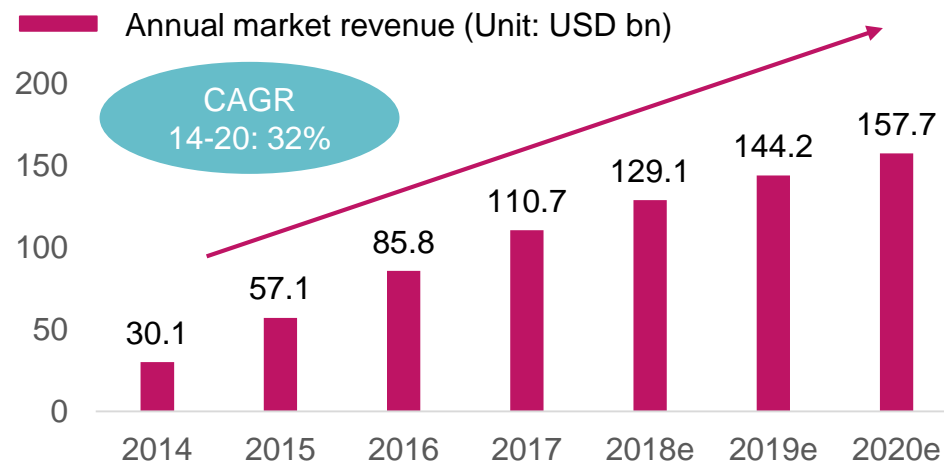
We serve the high demand from Chinese end-consumers



Cross-border e-commerce (CBEC) market driven by

- Food scandals
- Pollution
- Rising income levels
- Fake products

Strong development in China CBEC retail sales



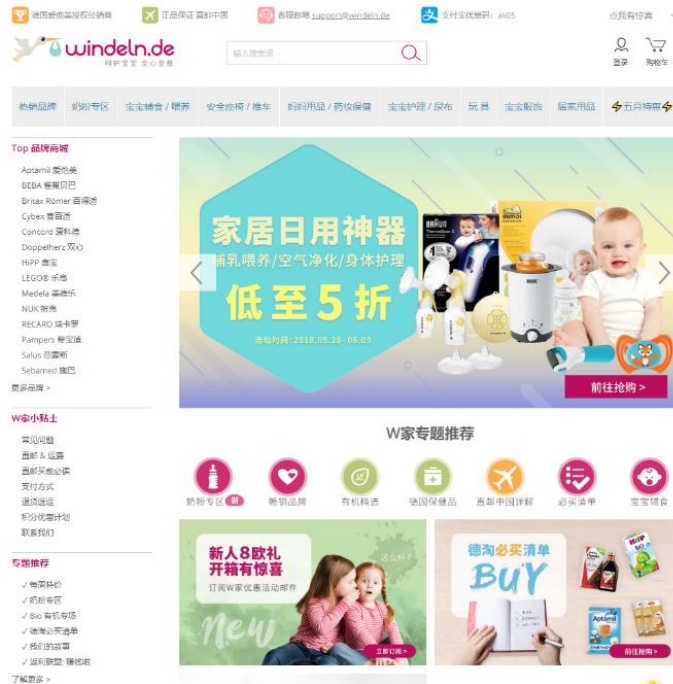
Most popular product categories in China CBEC



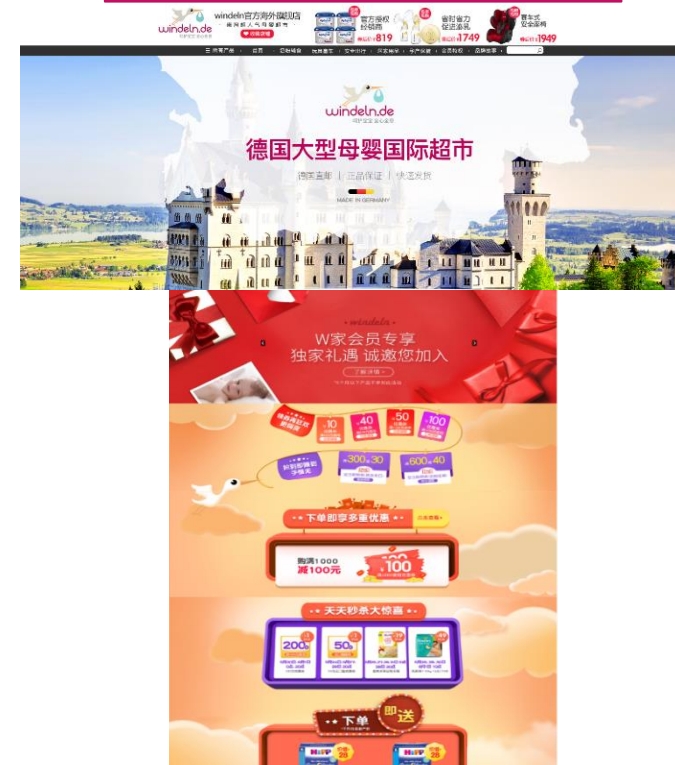
We address Chinese customers through various distribution channels



windeln.de shop in Chinese
<https://www.windeln.com.cn/>

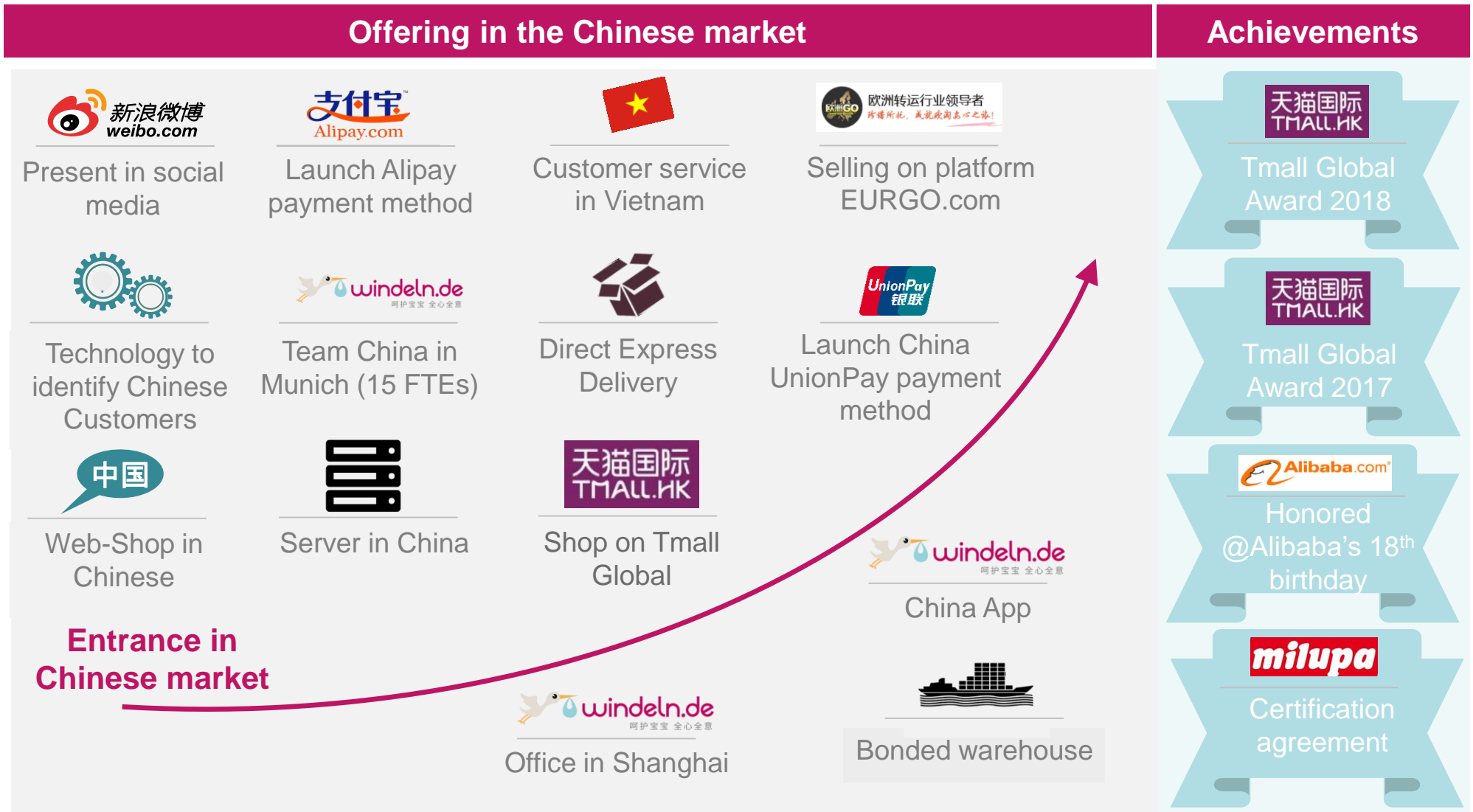


Flagship store on Tmall Global
<https://windeln.tmall.hk/>



Platform business

We developed a strong competence in the Chinese cross-border e-commerce market



Restructuring priorities for 2018



We streamline the business and create a leaner organization to lay the foundation for a structural profitable business and sustainable growth going forward

windeln.de Group
One shop platform, one ERP system, shared services and management

Priorities 2018

- Become an efficient organization in terms of processes and costs
- Develop the right product mix to deliver on customer needs and on economics
- Invest internal resources to increase customer experience, e.g. shop search and pricing
- Clean up inventory

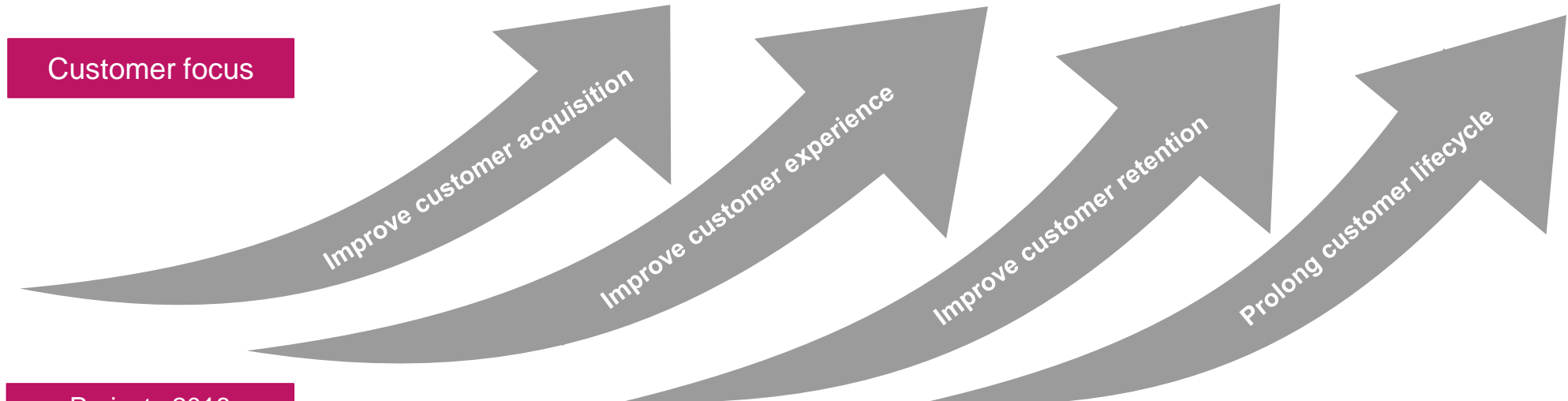
Region (Rev. share)

China (52%)	DACH (22%)	Rest of Europe (26%)
-------------	------------	----------------------

Measures

- | | | |
|--|--|--|
| <ul style="list-style-type: none"> • Extend channels/platforms - ONGOING • Extend assortment - ONGOING • Establish permanent bonded warehouse - WORK IN PROGRESS • Improve customer experience - ONGOING | <ul style="list-style-type: none"> • Reorganization - DONE • Review assortment - ONGOING • Strengthen direct traffic - ONGOING • One domain strategy (windeln.de, windeln.ch) - DONE | <ul style="list-style-type: none"> • Review assortment - ONGOING • Finalize integration Bebitus - DONE • Close pannolini.it - DONE • Divest Feedo - DONE |
|--|--|--|

Strategic projects as drivers for future customer acquisition and sales growth



Projects 2018

Pregnancy App

- Personalized recommendations for customers
 - 5x more downloads since implementation
- live

China App

- Faster and easier shopping experience for customers
 - Higher conversion rate
- live

Baby welcome box

- Customer acquisition box
 - Supported by suppliers
- Q3

Referral program China

- Promotional benefits for customers
 - Higher conversion driven by personal recommendations
- H2

Express check-out

- Faster and easier check-out
 - Higher conversion rate
- H2



Projects in

Shop Search

Product Pricing

Product Assortment

Latest Financials



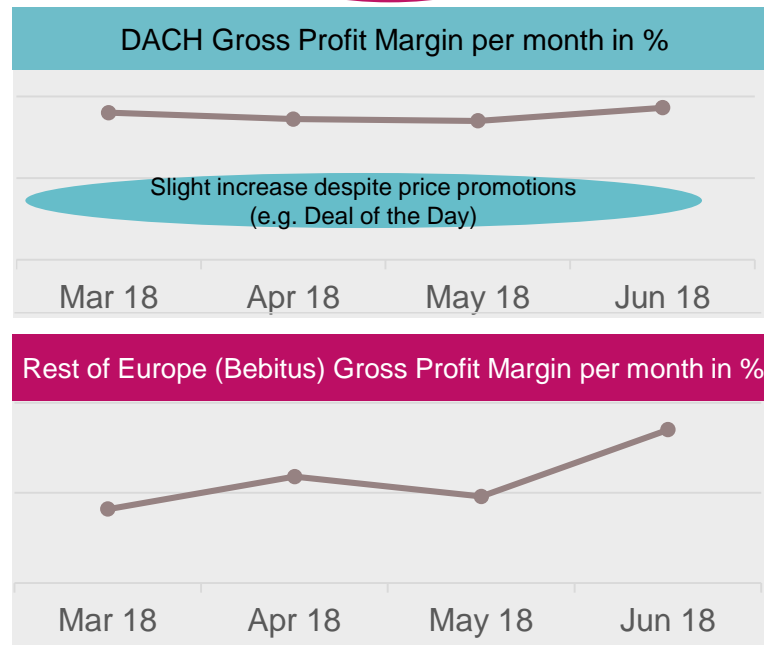
<i>EUR m</i> % of Revenues	Q1 2017	Q2 2017	Q3 2017	Q4 2017	2017	Q1 2018	Q2 2018
Revenues	46.6	48.3	47.2	46.2	188.3	32.8	23.5
Gross profit¹	23.8%	26.8%	25.7%	25.8%	25.5%	24.7%	24.0%
Fulfilment costs²	(15.7)%	(14.5)%	(14.2)%	(15.5)%	(14.9)%	(15.9)%	(19.7)%
Marketing costs³	(5.6)%	(4.8)%	(4.4)%	(4.4)%	(4.8)%	(4.6)%	(4.6)%
Operating contr.	1.2	3.7	3.4	2.8	11.0	1.3	0.1
Operating contr.	2.5%	7.6%	7.1%	6.0%	5.8%	4.1%	(0.2)%
Other SG&A⁴	(7.7)	(8.6)	(7.9)	(8.1)	(32.3)	(6.5)	(5.8)
Other SG&A⁴	(16.6)%	(17.8)%	(16.7)%	(17.4)%	(17.1)%	(20.3)%	(24.6)%
Adj. EBIT⁵	(6.6)	(5.0)	(4.5)	(5.3)	(21.3)	(5.2)	(5.9)
Adj. EBIT⁵	(14.1)%	(10.3)%	(9.6)%	(11.4)%	(11.3)%	(16.2)%	(24.9)%

Note: 1,2,3,4,5 see appendix for definitions

Measures in 2018 on the way to break-even



Margin improvements

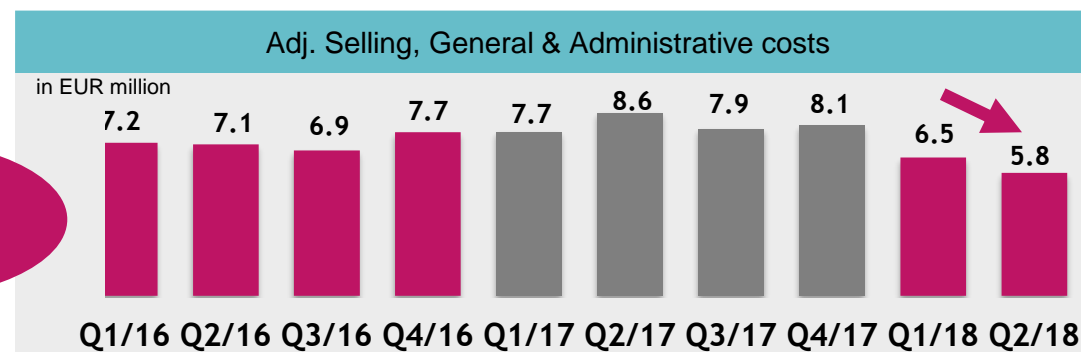


Focus on profitable business

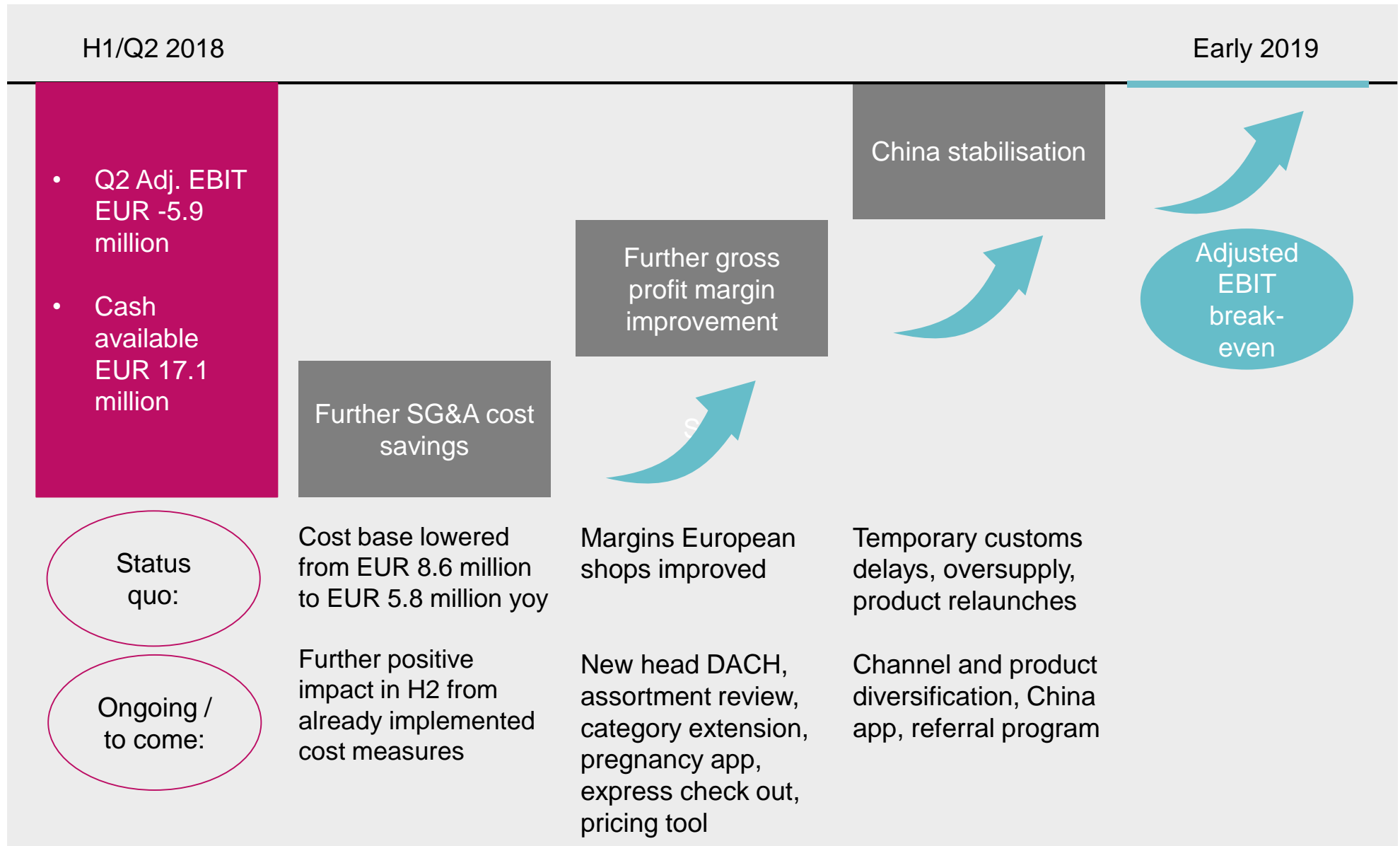


EBIT savings of EUR ~5.5 million

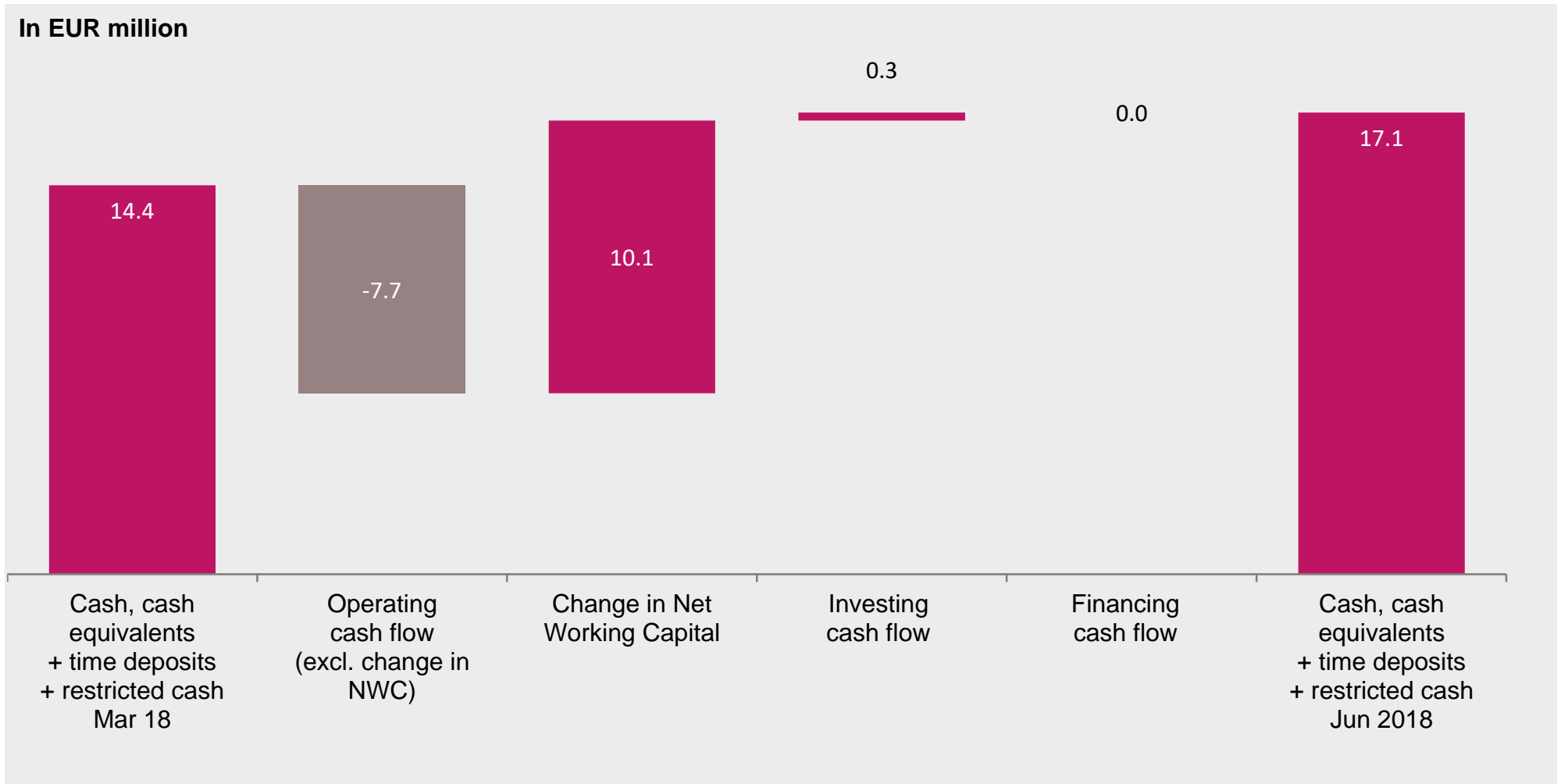
Reduction of SG&A costs



Adj. EBIT break-even targeted for early 2019



Liquidity position improved



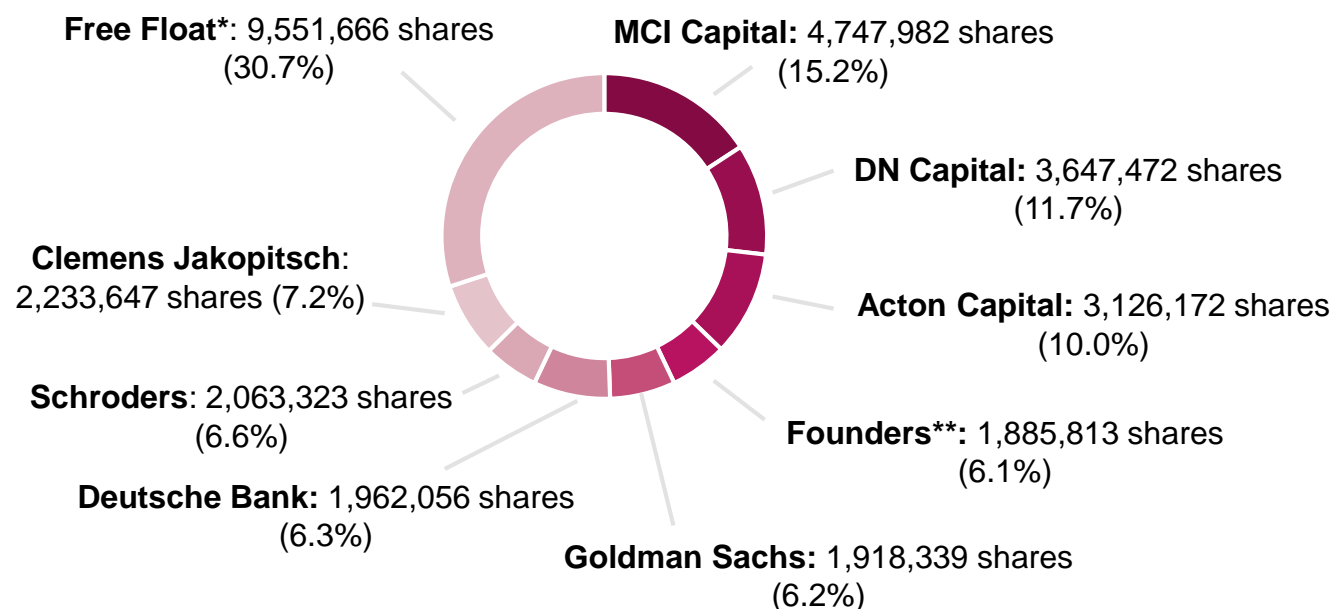


Appendix



Shareholder structure

Shareholder structure¹⁾



Basic share data

WKN	WNDL11
ISIN	DE000WNDL110
Market place	Frankfurt Stock Exchange
Type of share	No-par value bearer shares
Initial listing	May 6, 2015
Designated Sponsor	Equinet AG
Number of shares as of June, 2018	31,136,470
Share capital	EUR 31,136,470

Supervisory Board members

Willi Schwerdtle (Chairman)	Dr. Hanna Eisinger (get2trade)
Dr. Christoph Braun (Acton Capital)	Tomasz Czechowicz (MCI Capital)
Dr. Edgar Carlos Lange (Lekkerland)	Clemens Jakopitsch (Behördenengineering Jakopitsch)

1) As of August 29, 2018

Disclaimer: The shareholder structure pictured above is based on the published voting rights announcements and company information. windeln.de SE assumes no responsibility for the correctness, completeness or currentness of the figures. Total number of shares: 31,136,470

*Free float according to the definition of Deutsche Börse

** Aggregate shareholding of the founders (Alexander Brand & Konstantin Urban)

Key performance indicators quarter over quarter



Excl. pannolini and Feedo	Q1 '17	Q2 '17	Q3 '17	Q4 '17	Q1 '18	Q2 '18	H1 '18
Site Visits (in thousand) ¹	22,549	18,119	18,340	16,800	12,255	9,127	21,382
Mobile Visit Share (in % of Site Visits) ²	70.5%	71.4%	74.1%	75.0%	72.3%	71.8%	72,1%
Mobile Orders (in % of Number of Orders) ³	47.9%	48.8%	49.6%	52.7%	53.3%	55.2%	54.2%
Active Customers (in thousand) ⁴	900	915	919	859	742	681	681
Number of Orders (in thousand) ⁵	523	468	457	464	330	283	614
Average Orders per Active Customer (in number of Orders) ⁶	2.2	2.2	2.2	2.2	2.0	2.2	2.2
Orders from Repeat Customers (in thousand) ⁷	391	354	424	352	302	233	535
Share of Repeat Customer Orders (in % of Number of Orders) ⁸	75.7%	76.2%	84.6%	76.6%	87.0%	74.9%	74.9%
Gross Order Intake (in kEUR) ⁹	45,166	45,712	43,463	43,214	29,774	25,514	55,288
Average Order Value (in EUR) ¹⁰	86.3	97.6	95.1	93.2	90.2	90.0	90.1
Returns (in % of Gross Revenues from orders) ¹¹	3.9%	2.8%	2.9%	3.0%	3.4%	3.6%	3.5%

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 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 and mobile apps divided by the total number of Site Visits in the measurement period. We have excluded visits to our online magazine and until the end of 2016 we also excluded visits from China. We excluded 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. As we have started a customized website for our Chinese customers in December 2016 we include visits from China from Q1 2017 onwards. 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 and mobile apps divided by the total Number of Orders in the measurement period. We have included orders from China from Q1 2017 onwards. 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". Cancelled orders are not included in the Number of Orders.
- 6) We define Average Orders per Active Customer as Number of Orders in the last twelve months divided by the number of Active Customers.
- 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 in the last twelve months.
- 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 Gross Revenues from Orders (until Q1 2017 in % of Net Merchandise Value)) as the returned amount in Euro divided by Gross Revenues from Orders in the measurement period. From Q2 2016 onwards including Bebitus and Feedo 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. As the Gross Revenues from Orders do not exclude returns and include all marketing rebates it is more reasonable to use this KPI for the return rate calculation than the Net Merchandise Value. The change of the calculation logic has no material impact on the reported return rate. Therefore, the calculation has been changed accordingly from Q2 2017 onwards.

Footnotes to page 12



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

- 1 The adjustments of gross profit relate to income expenses of the shop pannolini.it until the shop's closure, and expenses for share-based compensation.
- 2 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. Fulfilment expenses incurred in the shop pannolini.it are adjusted until the shop's closure. In 2017, costs related to the closure of the Swiss location and income from the release of provisions for onerous contracts are adjusted.
- 3 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. Marketing expenses incurred in the shop pannolini.it are adjusted until the shop's closure.
- 4 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 SG&A expenses exclude expenses from share-based compensation, reorganization measures and income and expenses incurred in the shop pannolini.it until the shop's closure. Furthermore, expenses for the integration of subsidiaries were adjusted in the comparative period.
- 5 Adjusted for expenses and income in connection with share-based compensation, reorganization measures and income and expenses of the closed shop pannolini.it. In the prior year comparative period, expenses for the integration of subsidiaries were adjusted.

Income statement (continuing operations)



kEUR	2017 R*	H1 2017 R*	H1 2018	Q2 2017 R*	Q2 2018
Revenues	188,332	94,909	56,371	48,342	23,548
Cost of sales	-140,206	-70,581	-42,912	-35,372	-17,959
Gross profit	48,126	24,058	13,459	12,952	5,589
<i>% margin</i>	25.6%	25.3%	23.9%	26.8%	23.7%
Selling and distribution expenses	-62,089	-29,103	-21,637	-14,544	-9,307
Administrative expenses	-20,377	-11,889	-4,291	-7,381	-1,707
Other operating income	708	297	479	224	317
Other operating expenses	-649	-491	-456	-465	-351
EBIT	-34,281	-17,128	-12,446	-9,214	-5,459
<i>% margin</i>	-18.2%	-18.0%	-22.1%	-19.1%	-23.2%
Financial result	1,081	-36	-20	-10	1
EBT	-33,200	-17,164	-12,466	-9,224	-5,458
<i>% margin</i>	-17.6%	-18.1%	-22.1%	-19.1%	-23.2%
Income taxes	2,954	3	-14	1	-11
Profit or loss from continuing operations	-30,246	-17,161	-12,480	-9,223	-5,469
<i>% margin</i>	-16.1%	-18.1%	-22.1%	-19.1%	-23.2%
Profit or loss from discontinued operations	-7,573	-2,079	-9,862	-982	-985
Profit or loss for the period	-37,819	-19,240	-22,342	-10,205	-6,454
EBIT	-34,281	-17,128	-12,446	-9,214	-5,459
Share-based compensation	8,231	5,503	-387	4,190	-472
Acquisition, integration and expansion costs	90	198	-	80	-
Reorganization	94	-103	1,058	-24	2
Intangible assets	4,547	-	-	-	-
Closure pannolini.it	-	-	714	-	74
Adjusted EBIT	-21,319	-11,530	-11,061	-4,968	-5,855
<i>% margin</i>	-11.3%	-12.1%	-19.8%	-10.3%	-24.9%

* Restated for presentation of discontinued operations in connection with the planned divestiture of Feedo Group, and restated for the effects of the first application of IFRS 9

Balance sheet and cash flow statement

Consolidated statement of financial position				Consolidated statement of cash flows						
kEUR	December 31, 2017 R	March 31, 2018	June 30, 2018	kEUR	2017	H1 2017	H1 2018	Q2 2017	Q1 2018	Q2 2018
Total non-current assets	22,714	12,856	12,534	Net cash flows from/used in operating activities	-27,963	-13,114	-13,784	-5,975	-16,214	2,430
Inventories	19,174	19,663	12,886	Net cash flows from/used in investing activities	-201	-328	1,387	378	503	884
Prepayments	332	88	82	Net cash flows from/used in financing activities	3,339	-26	1,590	-50	1,571	19
Trade receivables	2,258	1,360	1,151	Cash and cash equivalents at the beginning of the period	51,302	51,302	26,465	43,487	26,465	12,324
Miscellaneous other current assets ¹	11,052	12,717	6,532	Net increase/decrease in cash and cash equivalents	-24,825	-13,468	-10,807	-5,647	-14,140	3,333
Cash and cash equivalents	26,465	11,920	15,354	Cash and cash equivalents at the end of the period	26,465	37,837	15,656	37,837³	12,324	15,656
Total current assets	59,281	45,748	36,005							
Assets classified as held for sale	-	3,036	2,874							
Total assets	81,995	61,640	51,413							
Issued capital	28,472	31,101	31,136							
Share premium	168,486	170,993	170,437							
Accumulated loss	-143,427	-159,315	-165,769							
Cumulated other comprehensive income	-298	-283	18							
Total equity	53,233	42,496	35,822							
Total non-current liabilities	2,289	607	545							
Other provisions	315	629	185							
Financial liabilities	3,575	57	54							
Trade payables	14,779	8,245	5,919							
Deferred revenue	3,057	2,390	1,947							
Miscellaneous current liabilities ²	4,747	4,180	4,067							
Total current liabilities	26,473	15,501	12,172							
Liabilities directly associated with the assets held for sale	-	3,036	2,874							
Total equity & liabilities	81,995	61,640	51,413							

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.

3 Thereof EUR 15,354k attributable to continuing operations and EUR 302k attributable to disposal group.

windeln.de SE financial calendar H2 2018



Event, City	Date
ZKK Zürcher Kapitalmarkt Konferenz, Zurich	5 September 2018
Berenberg / Goldman Sachs – German Corporate Conference, Munich	25-26 September 2018
windeln.de Capital Markets Day, Munich	4 October 2018
Publication of nine months/Q3 results 2018	8 November 2018
Deutsches Eigenkapitalforum, Frankfurt	26-28 November 2018

