



3rd Quarter 2017 Results

November 14, 2017



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16% revenues growth and continued execution of measures to improve profitability



Business highlights

- **Announced CEO transition in 2018:** Experienced Amazon manager Matthias Peuckert to join in 2018
- **Integration of Spanish subsidiary Bebitus:** completed as of October 1st
- **Test phase of bonded warehouse for China**
- **Extension of furniture assortment with dropshipping in Germany**

Financial highlights

- **Revenues EUR 52.9m in Q3 (+15.8% growth year over year)**
 - China (+27.8% yoy) and Rest of Europe (+23.6% yoy) as growth drivers
 - Lower revenues DACH region (-14.7% yoy) due to continued focus on profitability and lowering of marketing costs
- **Operating contribution at EUR 3.2m or 6.0% margin (compared to 1.5% in previous year)**
 - Gross profit margin at 24.8%, marketing costs at 4.9%, fulfilment costs at 13.9%
- **Adj. EBIT at EUR -5.5m or -10.3% margin (compared to -16.6% including discontinued Shopping Clubs segment; -14.5% continuing operations)**
 - Adj. other SG&A EUR 8.7m (16.3% of revenues)
- **Liquidity position at EUR 30.6m**
 - Change of EUR -11.3m impacted by higher inventory levels due to pre-stocking (bonded warehouse China and warehouse in Spain for Bebitus integration) as well as cash Earn Out payments of EUR 1.7m in Q3



Business highlights



Matthias Peuckert to join as CEO in 2018



Members of the Management Board



Alexander Brand
Co-CEO & Founder

Responsible for Sales, Strategy & Projects and IT



Konstantin Urban
Co-CEO & Founder

Responsible for Sales, Product Management and Marketing



Jürgen Vedio
COO

Responsible for Logistics, Category Management, Customers Service and Purchasing



Dr. Nikolaus Weinberger
CFO, prolonged until 2021

Responsible for Finance, Controlling, Accounting, Corporate Communications, Legal, HR and Facility Management

Matthias Peuckert
Joins as CEO in 2018, replacing A. Brand & K. Urban



Responsible for Sales/Countries, Strategy & Projects, Product Management, Marketing and IT



Smooth integration of Bebitus as of October 1st



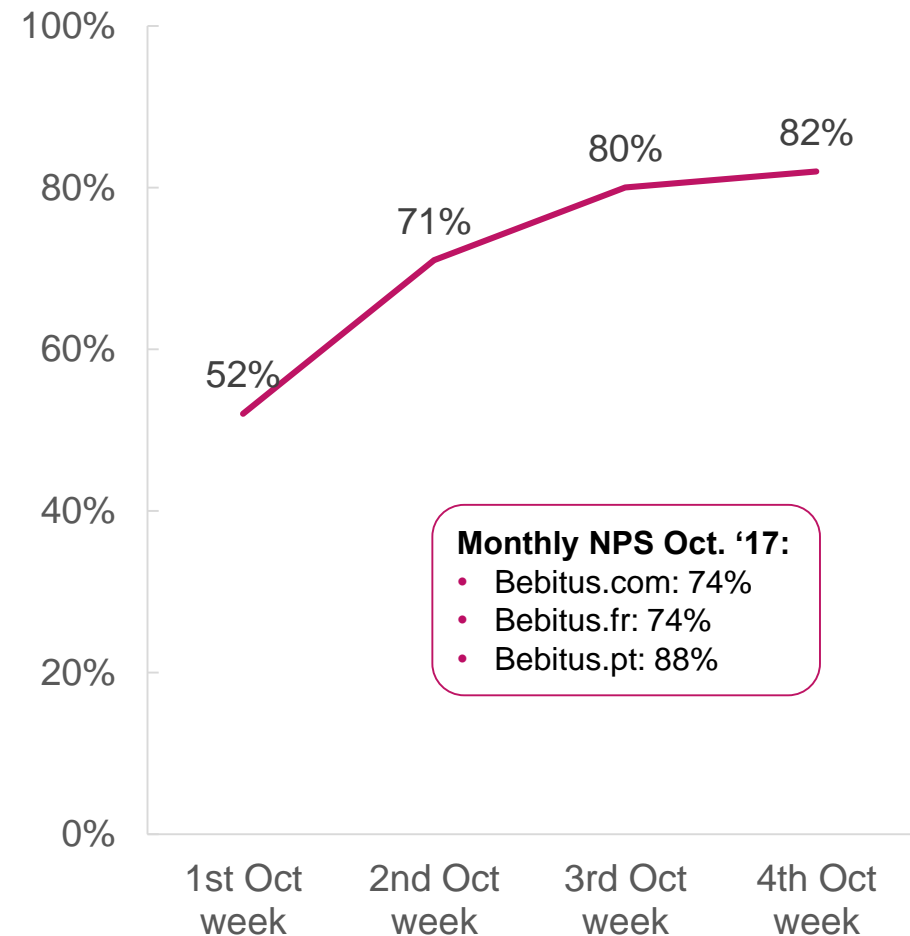
Integration Status

- New Bebitus shops live since Oct 1st 9am
- Sales orders shipped on Monday Oct 2nd
- All operational processes up and running within first week after integration

Integration benefits

- Improved customer experience in mobile devices and website speed
- Increased process automation at Bebitus
- Higher usage of analytics (BI, CRM)
- Greater efficiency Finance & Controlling (ERP)
- Further cost reductions through group activities (e.g. one technical platform, one development team, central functions)

Bebitus.com: NPS per day (Oct 17th)



Very successful “Singles’ Day” on 11.11.



- ✓ Biggest sales event of the year
- ✓ Traffic boost
- ✓ Attracting new customers
- ✓ Re-engagement of existing customers
- ✓ Increased brand awareness
- ✓ Pushing of new brands with high sales potential

Record order intake
of EUR 3.5m on
Tmall in one day

Growth of
approx.
+300% vs.
2016

Strong monthly Tmall sales trend since opening

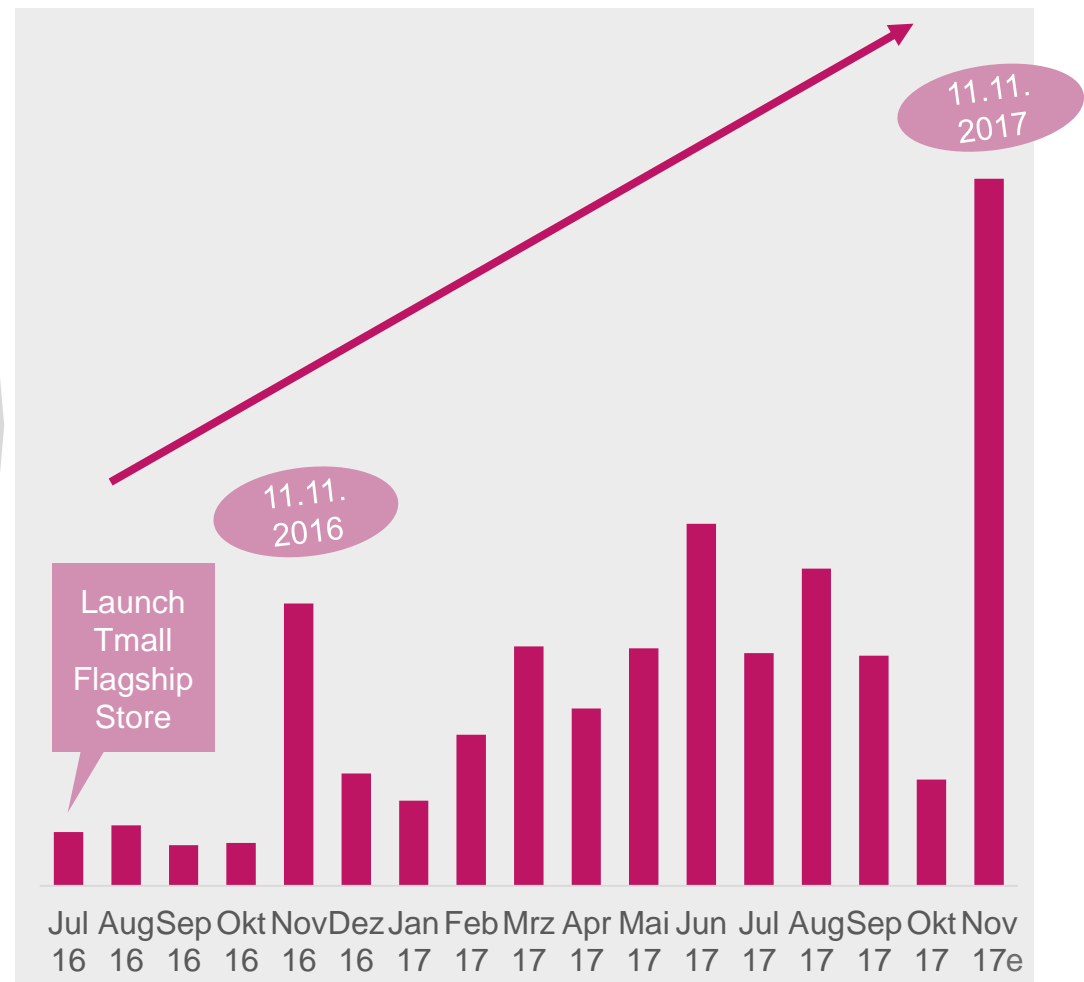


Various promotion activities in China

- Visit of Alibaba team with Chinese media representatives @windeln.de in Germany pre 11.11. events
- Marketing campaign for customers in July: “Trip of a lifetime to Germany”, cooperation with leading suppliers like Milupa, Salus and Medela
- Interviews, cooperations, PR, branding activities etc.



Tmall sales development



Launch of new private label brand darly



Private label premium diapers and wipes



All darly products are produced in Europe

- Official sales start: November, 2017
- High quality standard and premium materials
- Modern “dryway“ technique: 3 lane absorption
- Very attractive price-performance-ratio

- Official sales start: December, 2017
- Made of cotton
- 99.5% moisture generating perfect care for sensitive baby skin



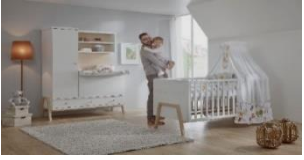
Extension of furniture product range & introduction of dropshipping in Germany

Children's furniture

Category extension

New supply chain

New delivery partner



- CATEGORY EXTENSION**
- Extension of category "children's furniture"
 - Listing of well-known furniture brands, such as Pinolino & Schardt
 - Large individual furniture pieces or in entire sets
 - Higher margin products

- DROPSHIPMENT**
- Items are only ordered after customer order was placed
 - Goods are directly delivered from the manufacturer to the customer
 - Inventory does not increase despite larger product portfolio

- HERMES Furnishing Service**
- Direct delivery to room of choice
 - More efficient and comfortable delivery process
 - Premium service as unique selling proposition and differentiation from competitors

Higher margins



Higher efficiency, less costs



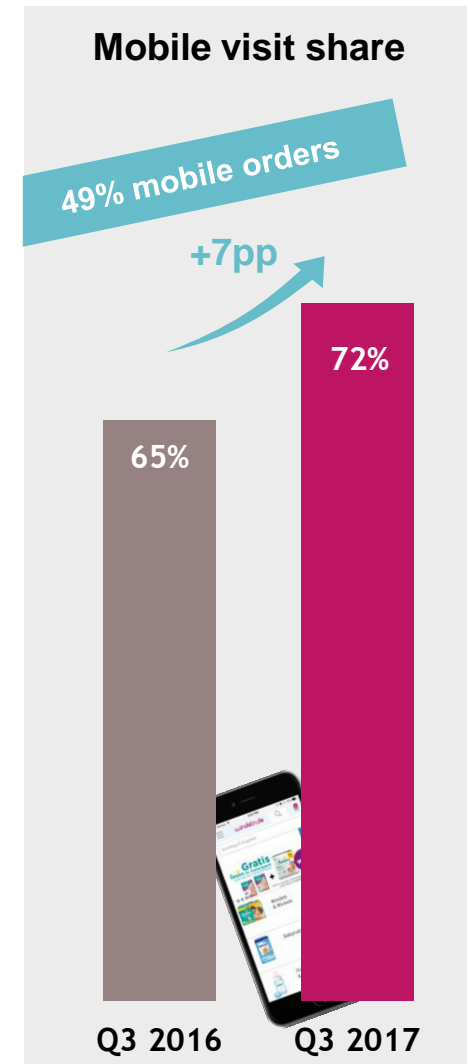
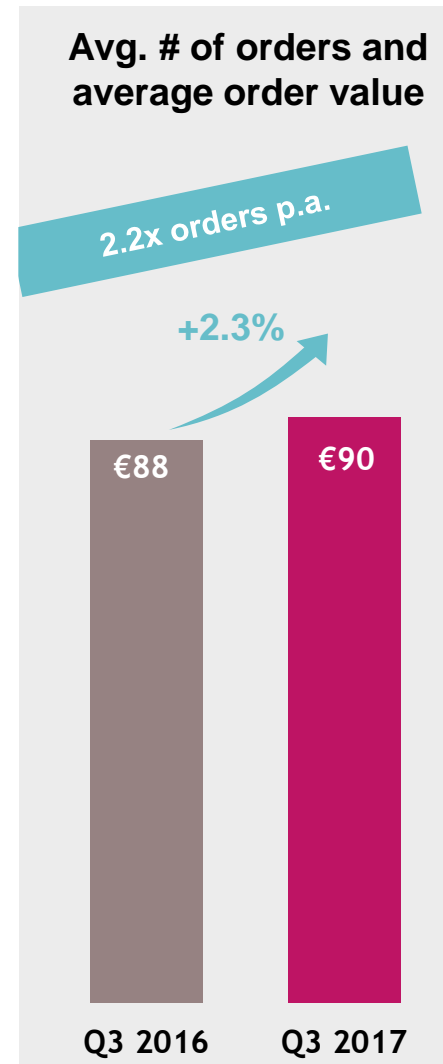
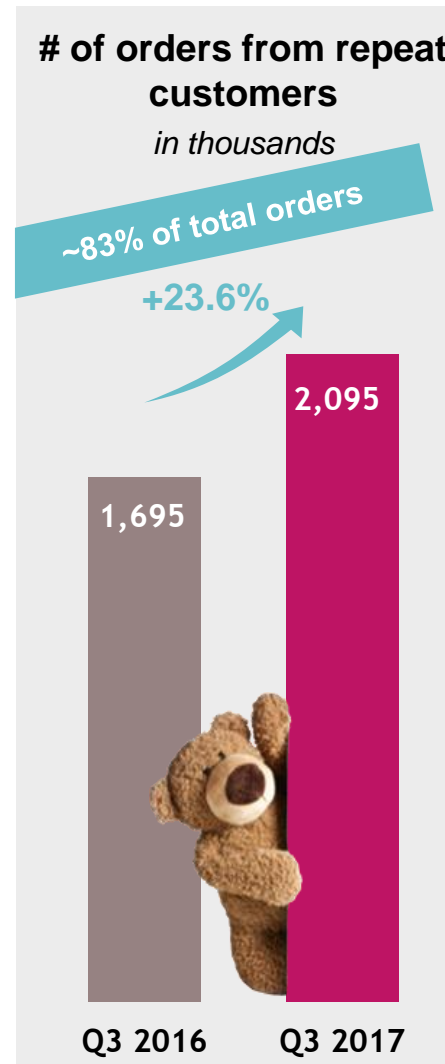
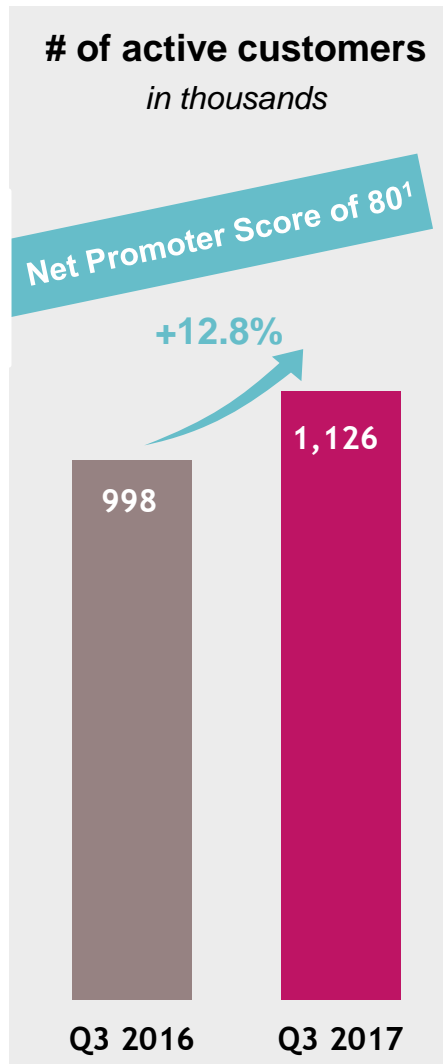
Better customer experience



Financial highlights



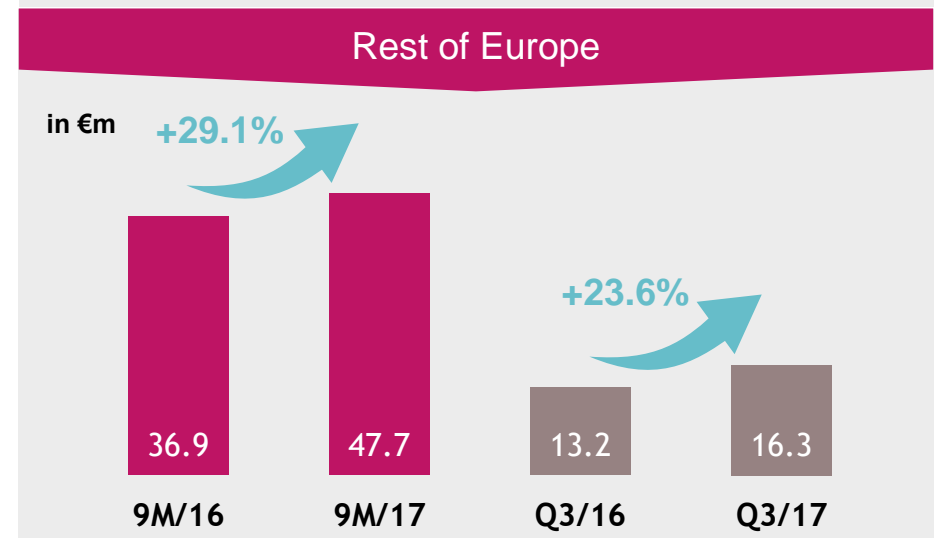
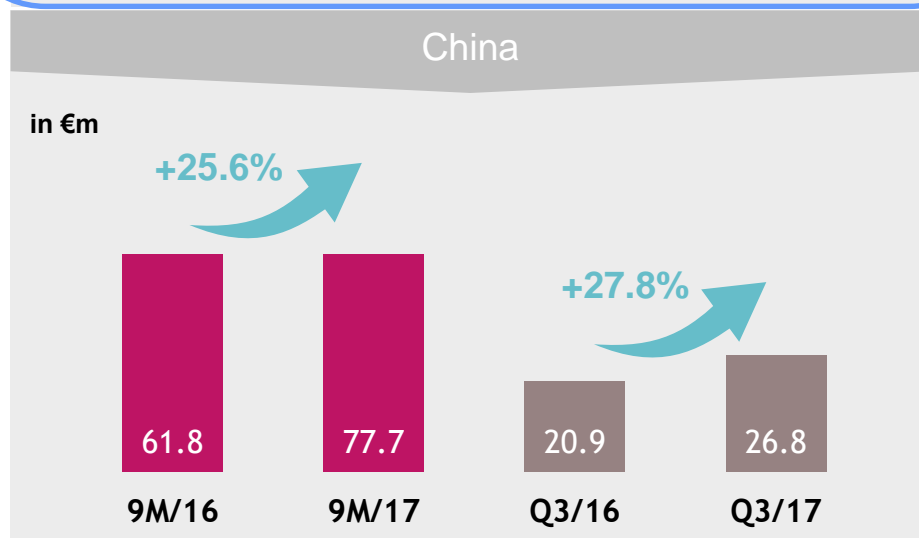
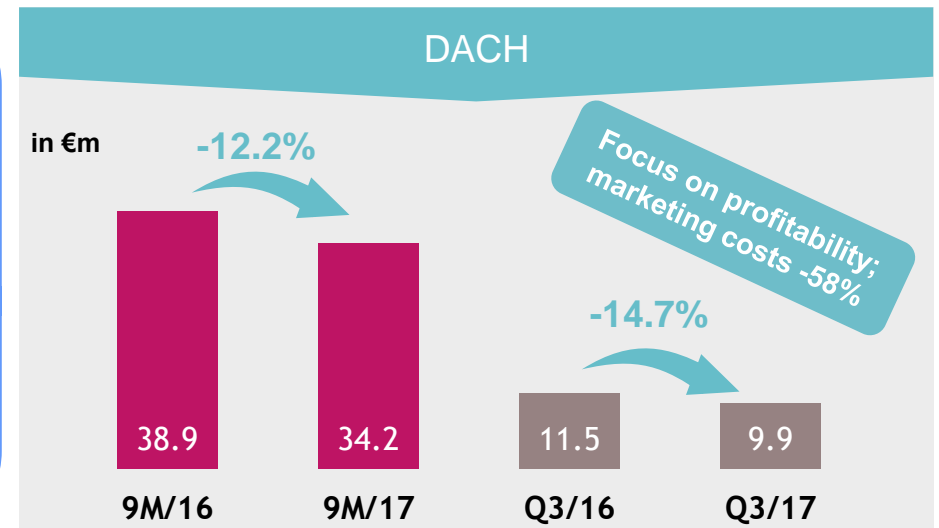
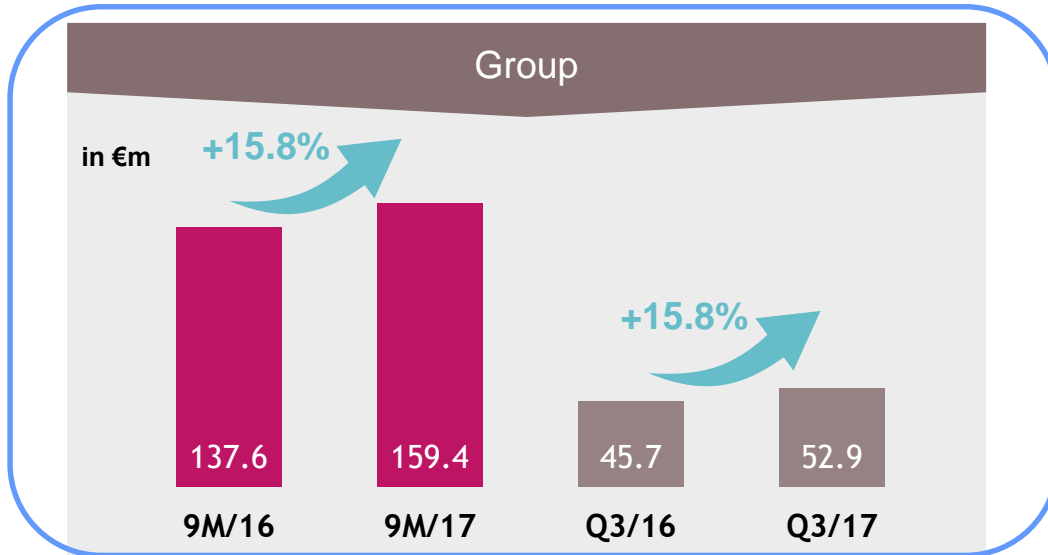
KPIs improved



Note: Continuing operations shown (i.e. excluding discontinued segment Shopping Clubs). See appendix for definition of KPIs.

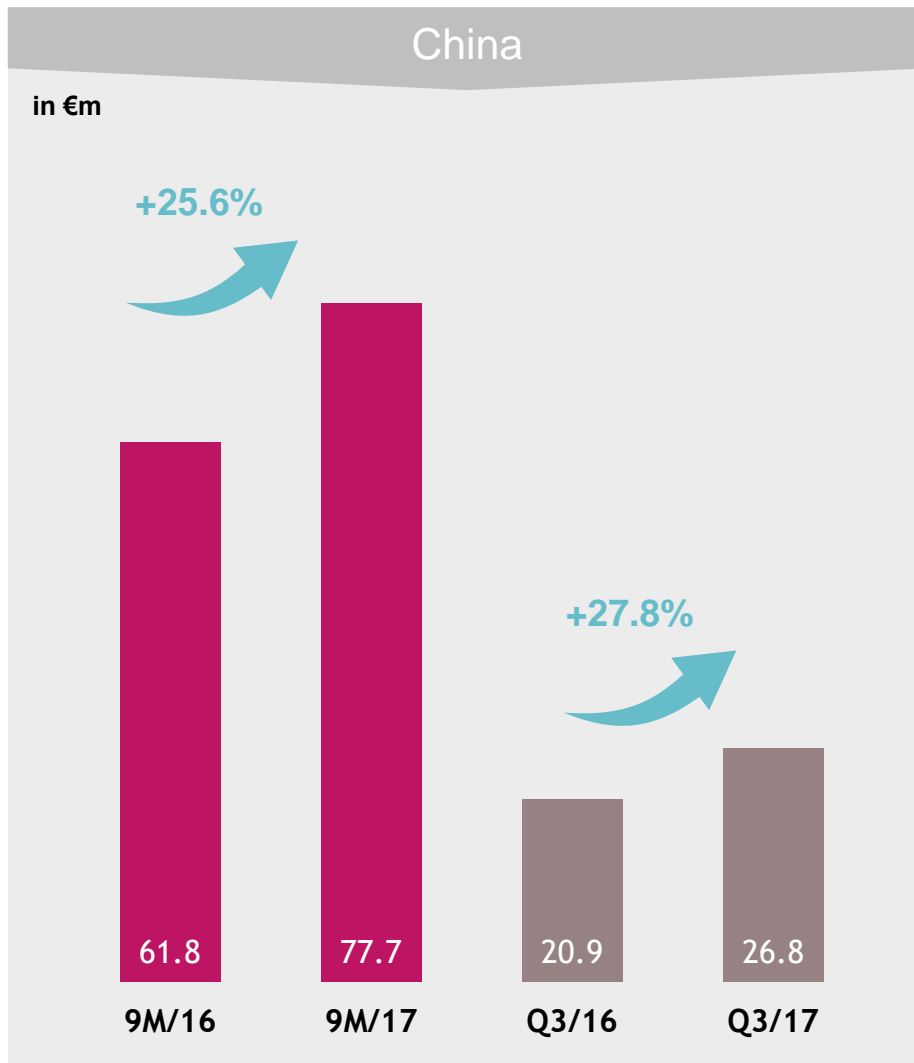
1) Net Promoter Score (NPS) measures loyalty that exists between a provider and a consumer. NPS can be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter). windeln.de (Europe) shown as of November 12, 2017.

Group revenues growth of 15.8% year over year in line with mid-term guidance of 15+% p.a.



Note: Continuing operations shown (i.e. excluding discontinued segment Shopping Clubs).

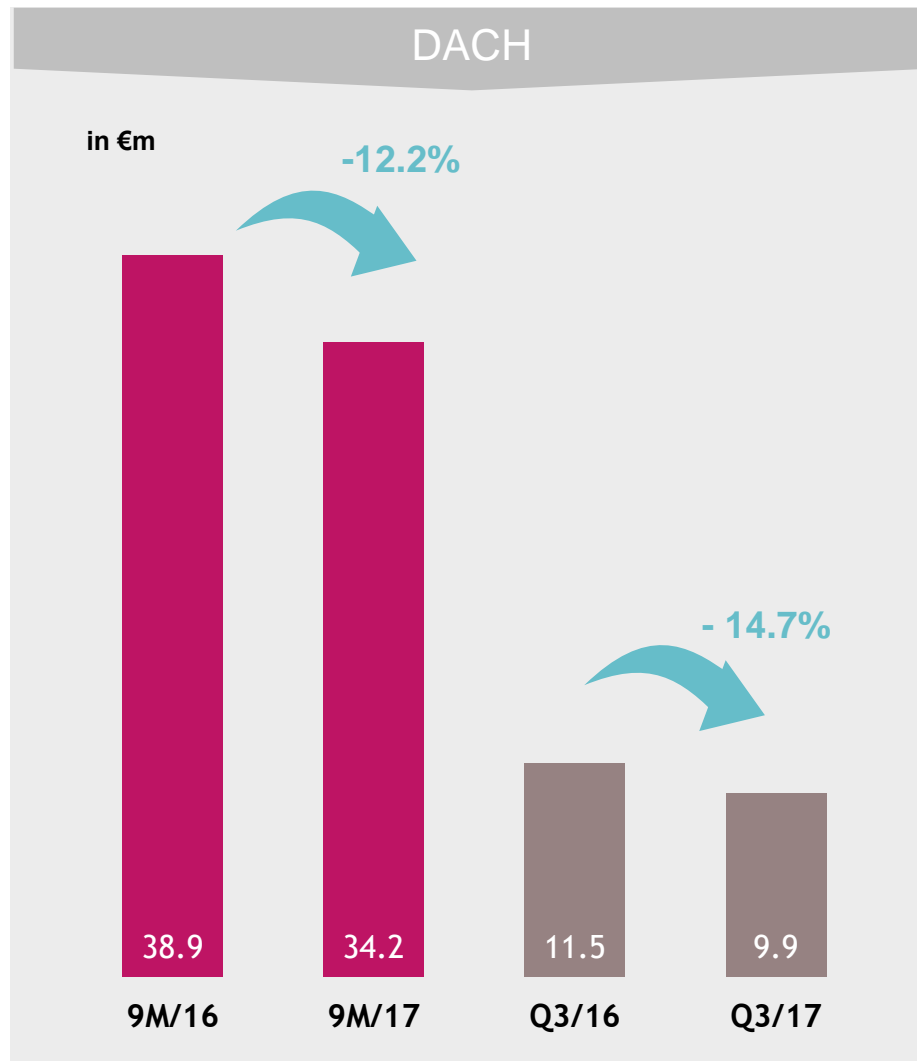
Strong growth in China



Comments

- **Strong performance on both channels** (shop and Tmall) during key promotions on 08.08. and 09.09. (popular shopping festivals in China)
- **One year anniversary** of our Tmall Global Flagship Store on 18.07.2017
- **PR activity** (lottery for customers) on affiliate sites, baby and mother forums and various promotion activities

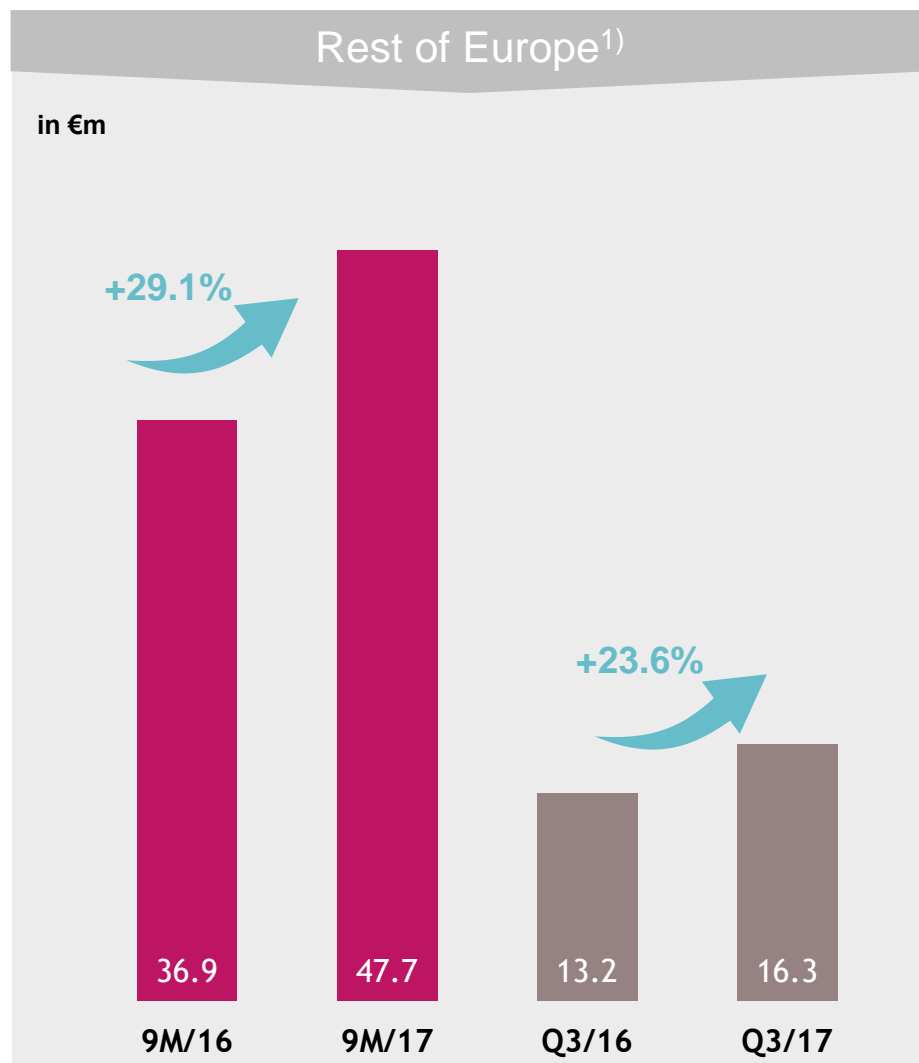
DACH revenues driven by profitability focus



Comments

- **Continued focus on profitability**; lower but focused marketing expenses than in previous year
- **Unit economics improved** (average order value, gross profit margin and marketing costs per order) as basis for future growth
- Closure of Swiss office and combination of German (DE), Austrian (A) and Swiss (CH) business to **DACH organization** leads to SG&A saving

Good growth in rest of Europe



Comments

- **Strong revenues growth across all shops**
Bebitus, Feedo and Pannolini
- **Gross profit margin improved year to date for all shops**

Bebitus Shop Ranking²⁾

1. Zara.com
2. I-Neumáticos.es
3. Tiendanimal.es
4. Nespresso.com
5. Showroomprive.es
6. Amazon.es
- 7. Bebitus.com**
8. HP.com
9. Andorrafreemarket.com
10. Zooplus.es
11. Decathlon.es
12. Apple.com
13. Kiabi.es
14. Madridhifi.com
15. Zalando.es

1) Includes revenues outside of DACH region from windeln.de shop.

2) Best Online Shop: Survey done by OCU (Consumers and Users Organization). 84 Spanish e-commerce shops were analyzed through 14.507 online purchases.

Group P&L

	Previous year		Previous quarter	Current quarter / YTD		Comments on Q3
	Q3 2016	9M 2016	Q2 2017	Q3 2017	9M 2017	
Revenues EUR m	45.7	137.6	54.6	52.9	159.4	Q3 seasonally a bit weaker than Q2
% of Revenues						
Gross profit (IFRS)	26.0%	27.8%	25.8%	24.8%	24.7%	Higher share of intl. revenues
Fulfilment costs ¹	(17.0)%	(18.1)%	(14.2)%	(13.9)%	(14.5)%	Addition of PostNL; regional mix
Marketing costs ²	(7.4)%	(7.2)%	(5.3)%	(4.9)%	(5.4)%	Margin based marketing focus
Operating contribution	1.5%	2.6%	6.4%	6.0%	4.8%	Improved yoy
Other SG&A ³	(16.0)%	(16.6)%	(16.9)%	(16.3)%	(16.4)%	Includes costs of improving business
Adj. EBIT ⁴	(14.5)%	(14.1)%				Improved
Adj. EBIT (incl. nakiki)⁴	(16.6)%	(15.7)%	(10.5)%	(10.3)%	(11.6)%	

Note: Adjusted continuing operations shown (i.e. excluding discontinued segment Shopping Clubs).

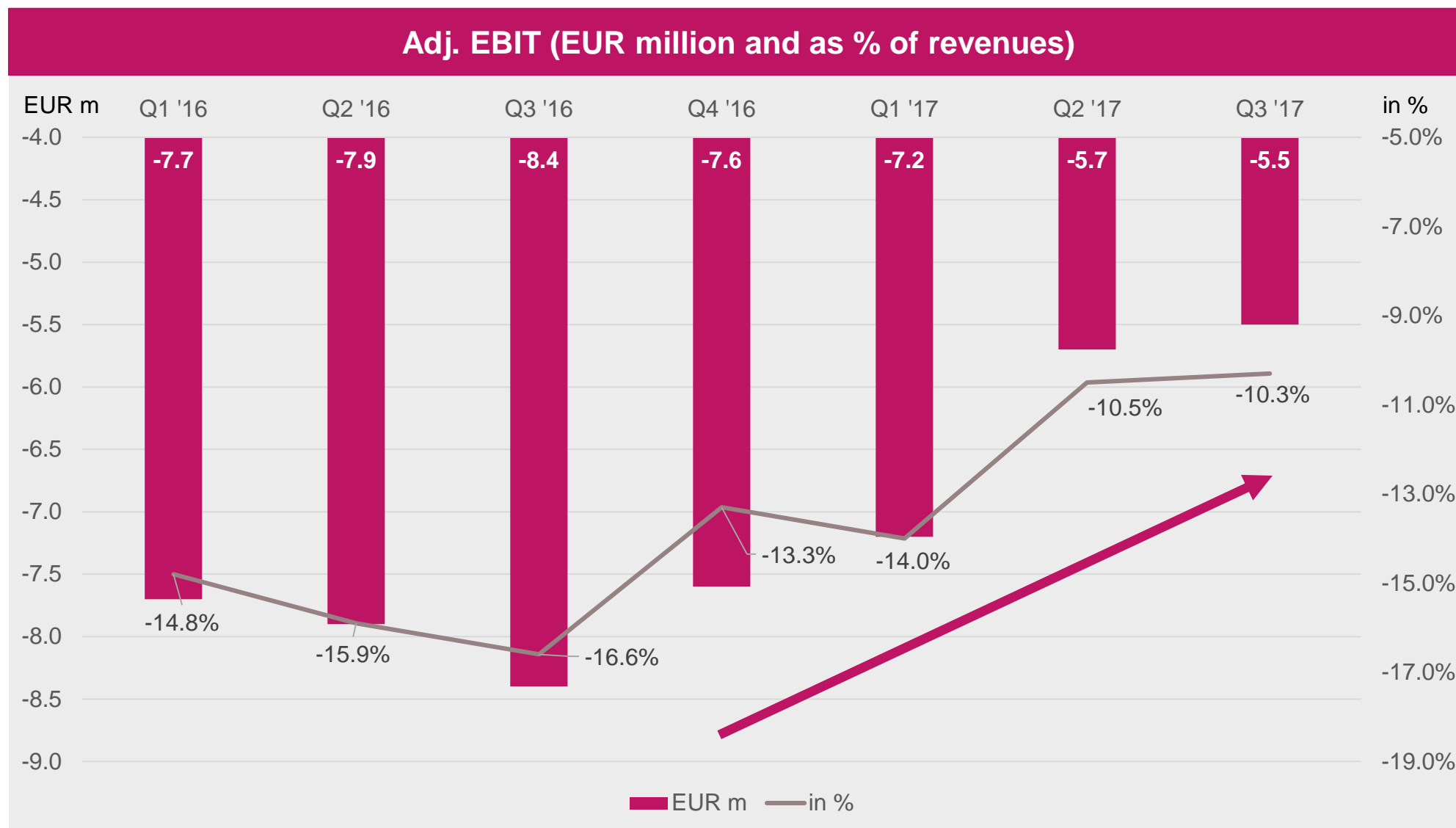
¹ Consist of logistics and rental expenses, which are recognized within selling and distribution expenses in the consolidated statement of profit and loss. Adjusted fulfilment costs exclude income and expenses in connection with the reorganization of warehouses.

² Recognized within selling and distribution expenses and consist mainly of advertising expenses, including search engine marketing, online display and other marketing channel expenses, as well as costs for our marketing tools.

³ Defined as selling and distribution expenses, excluding marketing costs and fulfilment costs, and administrative expenses as well as other operating income and expenses. Adjusted other SG&A expenses exclude income and expenses from acquisition and integration of subsidiaries, share-based compensation, and impairments of intangible assets.

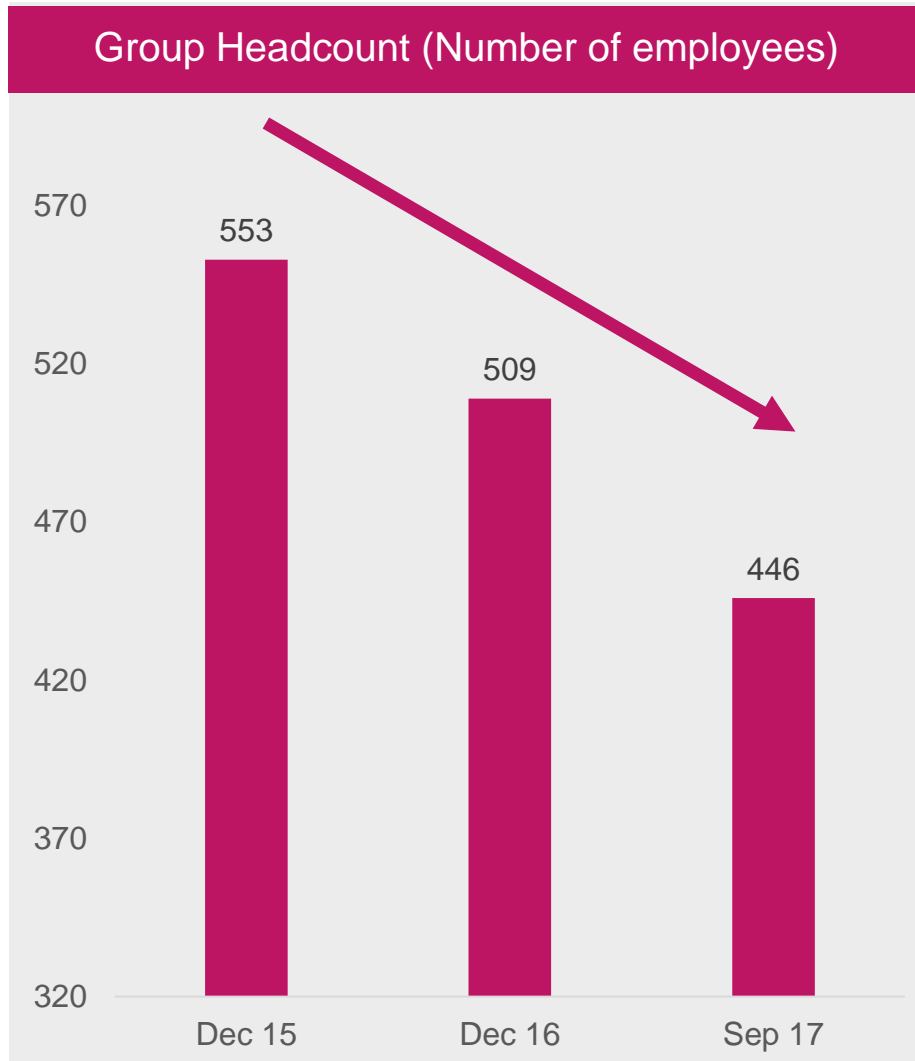
⁴ Excludes exclude income and expenses in connection with the reorganization of warehouses, from acquisition and integration of subsidiaries, share-based compensation, and impairments of intangible assets.

We continue to improve profitability; but it is not a linear function



Note: Q1 2016 to Q4 2016 including discontinued operations (Shopping Clubs)

We reduced headcount significantly



Comments

- ✓ Closed shopping club
- ✓ Relocated customer service
- ✓ Optimized certain internal departments
- ✓ Closed Swiss office
- ✓ Integrated Bebitus

EUR 1.7m cash payments and 2.2 m new shares issued for earn outs in Q3



	Feedo	Bebitus	
Acquisition structure	Base purchase price in 2015 + Earn Out for 2015 to 2018; full reps & warranties	Base purchase price in 2015 + Earn Out for 2015 to 2017; full reps & warranties	
Purchase price paid 2015 <i>thereof Cash</i> <i>thereof shares</i>	€ 8,807k € 7,000k € 1,807	€ 5,099k € 5,099k -	
Earn Out for 2015 / 2016 (paid) <i>thereof Cash</i> <i>thereof Shares</i>	€ 1,183k € 184k (paid in Q2) € 999k (issued in Q3) ¹	€ 8,412k € 1,700k (paid Q3) € 6,712k (issued in Q3) ²	} Q3 impact
Earn Out for 2017 (to be paid) <i>Cash or Shares</i>	€ 583k	€ 4,896k	
Earn Out for 2018 (to be paid) <i>Cash or Shares</i>		NA	

Fair value
Sep 30, 2017

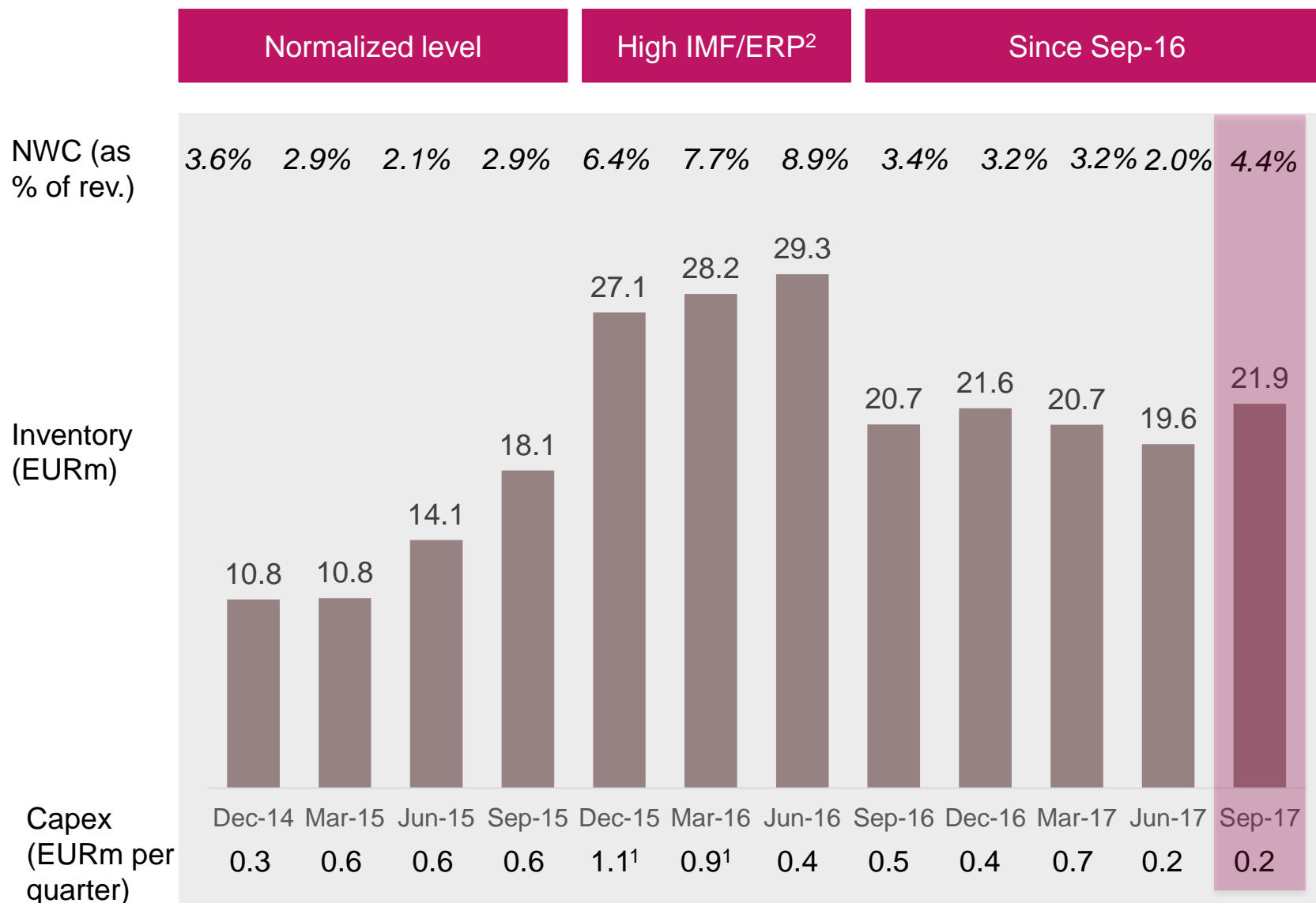
Early settlement
(@25% discount)

Revenue multiple 0.5x (H1 2017 run-rate) at +33% H1 yoy revenues growth

¹ Total issuance of 312,438 new shares.

² Settled with 1,906,695 shares (thereof 1,842,012 new shares and 64,683 existing treasury shares).

Net working capital higher as of September 30th due to pre-stocking



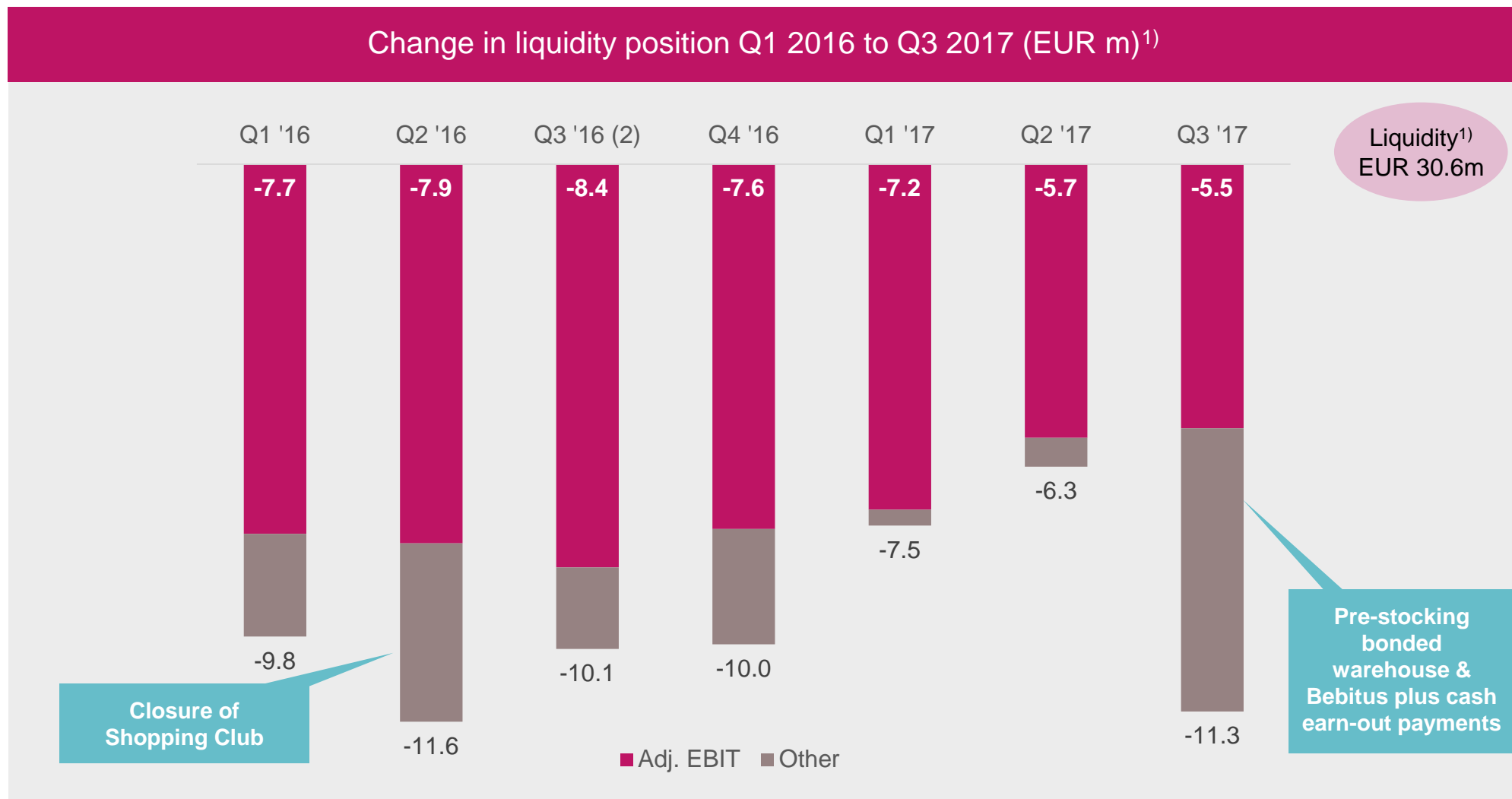
Comments Q3

- Pre-stocking for bonded warehouse in China (approx. EUR 2m)
- Pre-stocking for Bebitus pre integration (approx. EUR 1m)

¹ Includes Capex related to ERP (AX) introduction

² Infant Milk Formula.

Cash outflow in Q3 impacted by pre-stocking and cash earn-out payments; operational result improved



1) Includes cash and cash equivalents, time deposits and restricted cash. As of September 30, 2017 the numbers are as followed: cash and cash equivalents EUR 27.8m, time deposits EUR 2.5m and restricted cash EUR 0.3m. Q1 2016 to Q4 2016 including discontinued operations Shopping Clubs.

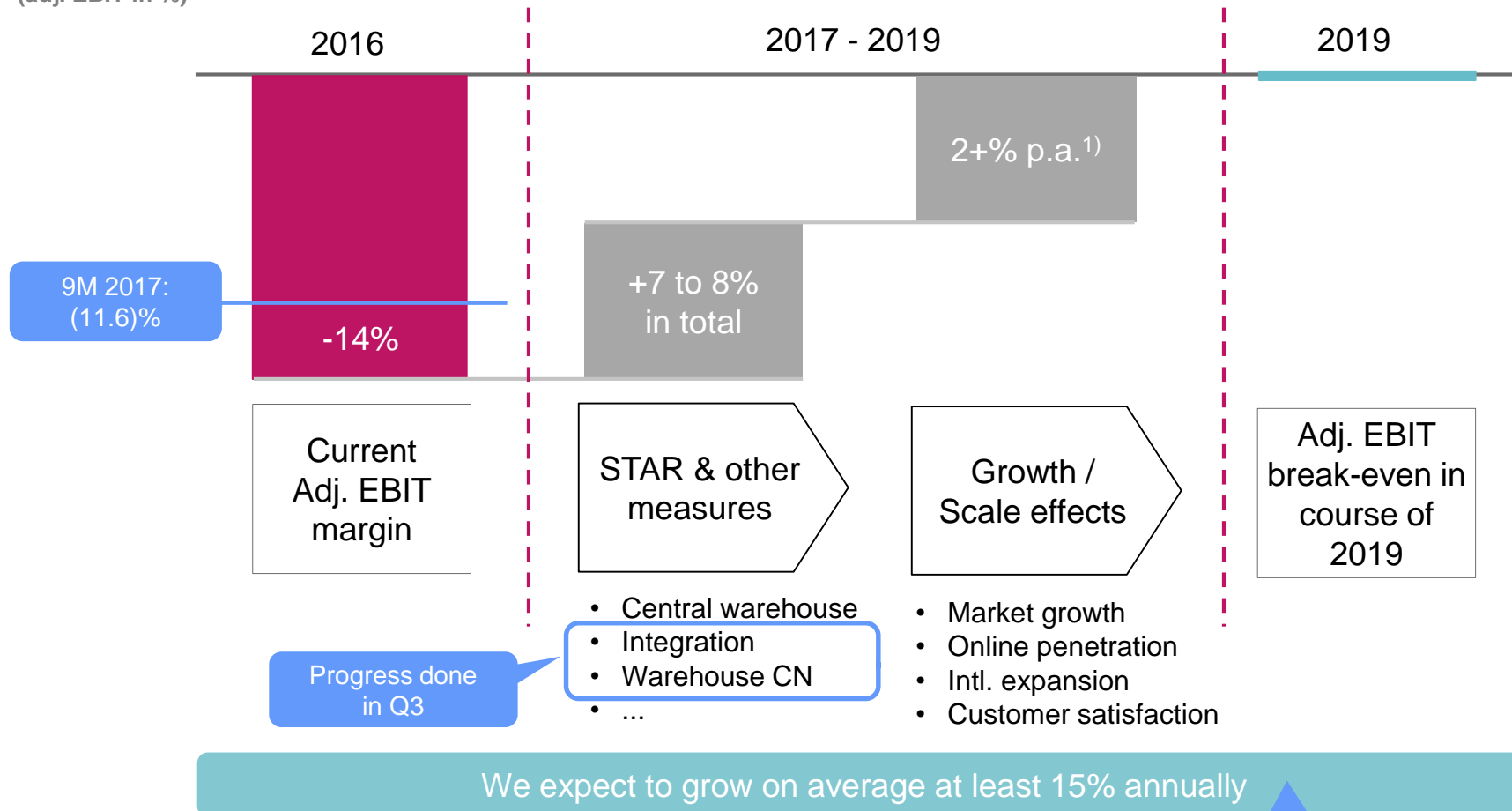
2) Excluding inventory reduction of approx. EUR 8.6m related to closure of shopping club.

We continue to execute our strategic measures to improve profitability



Adj. EBIT development

(adj. EBIT in %)



1) Illustrative impact for 15+% annual revenue growth at flat operating expenses.



Questions



Appendix



Key performance indicators quarter over quarter (continuing operations)

Consolidation
of FeedoConsolidation
of Bebitus

	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Q1 '17	Q2 '17	Q3 '17
Site Visits (in thousand) ¹	5,089	6,261	7,463	8,798	9,897	10,524	12,771	18,532	21,346	22,106	23,030	27,507	26,037	21,884	21,843
Mobile Visit Share (in % of Site Visits) ²	37.7%	45.4%	49.4%	50.0%	55.5%	57.4%	54.1%	55.2%	58.6%	62.0%	65.3%	66.7 %	68.6%	69.8%	72.4%
Mobile Orders (in % of Number of Orders) ³	27.2%	32.3%	35.0%	36.0%	39.9%	40.3%	38.4%	39.0%	42.6%	43.9%	46.2%	48.7 %	46.3%	47.3%	48.7%
Active Customers (in thousand) ⁴	302	332	382	442	496	546	670	859	928	965	998	1,065	1,073	1,103	1,126
Number of Orders (in thousand) ⁵	231	257	301	349	365	377	459	603	594	532	537	674	630	580	561
Average Orders per Active Customer (in number of Orders) ⁶	2.5	2.5	2.5	2.6	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.2	2.2	2.2	2.2
Orders from Repeat Customers (in thousand) ⁷	176	198	232	270	284	293	349	432	440	391	387	458	468	442	501
Share of Repeat Customer Orders (in % of Number of Orders) ⁸	80.9%	81.8%	82.1%	82.1%	81.9%	81.8%	80.7%	77.6%	77.4%	76.9%	76.2%	76.6 %	75.6%	76.2%	83.2%
Gross Order Intake (in € thousand) ⁹	20,642	23,489	28,116	34,265	35,446	37,677	41,649	56,363	54,522	47,886	47,066	55,022	52,210	52,773	50,320
Average Order Value (in €) ¹⁰	89.5	91.3	93.5	98.2	97.2	99.9	90.8	93.5	91.9	90.0	87.6	81.6	82.9	91.0	89.8
Returns (in % of Gross Revenues from orders) ¹¹	4.0%	4.3%	5.8%	3.5%	4.1%	5.1%	4.8%	3.6%	6.3%	5.8%	5.1%	3.9 %	3.9%	2.9%	2.9%

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 divided by the total number of Site Visits in the measurement period. We have excluded visits to our online magazine. Until the end of 2016 we have also excluded visits from China because the most common online translation services on which most of our customers who ordered in our German shop for delivery to China relied to translate our website content were not able to do so from their mobile devices, and therefore very few of such customers ordered 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 divided by the total Number of Orders in the measurement period. From Q1 2017 onwards we include orders from China. 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.

Income statement (continuing operations)



kEUR	9M 2017	9M 2016 R ¹	Q3 2017	Q3 2016 R ¹
Revenues	159,416	137,625	52,935	45,700
Cost of sales	-120,059	-99,356	-39,792	-33,831
Gross profit	39,357	38,269	13,143	11,869
<i>% margin</i>	24.7%	27.8%	24.8%	26.0%
Selling and distribution expenses	-48,084	-49,928	-15,650	-16,234
Administrative expenses	-18,382	-17,695	-5,437	-5,778
Other operating income	860	744	206	137
Other operating expenses	-696	-652	-127	-57
EBIT	-26,945	-29,262	-7,865	-10,063
<i>% margin</i>	-16.9%	-21.3%	-14.9%	-22.0%
Financial result	1,517	747	1,527	-59
EBT	-25,428	-28,515	-6,358	-10,122
<i>% margin</i>	-16.2%	-20.7%	-12.8%	-22.15%
Income taxes	34	-16	28	-8
Profit or loss from continuing operations	-25,394	-28,531	-6,310	-10,130
<i>% margin</i>	-16.2%	-20.7%	-12.8%	-22.2%
EBIT	-26,945	-29,262	-7,865	-10,063
Share-based compensation	8,229	7,921	2,242	2,835
Acquisition, integration and expansion costs	133	614	-91	48
Reorganization	-103	587	-	236
Intangible assets	251	-	251	-
Costs of restructuring under corporate law	-	136	-	4
One-time costs of ERP system change	-	655	-	318
Adjusted EBIT	-18,435	-19,349	-5,463	-6,622
<i>% margin</i>	-11.6%	-14.1%	-10.3%	-14.5%

¹ Restatement of 2016 comparative numbers comprises separate disclosure of continued and discontinued operations and restatements in connection with business combinations.

Balance sheet and cash flow statement



Consolidated statement of financial position		
kEUR	September 30, 2017	December 31, 2016 R ³
Total non-current assets	33,324	35,520
Inventories	21,944	21,645
Prepayments	708	374
Trade receivables	1,953	2,508
Miscellaneous other current assets ¹	9,633	10,326
Cash and cash equivalents	27,777	51,302
Total current assets	62,015	86,155
Total assets	95,339	121,675
Issued capital	28,472	26,318
Share premium	168,678	159,993
Treasury shares	-	-370
Accumulated loss	-130,867	-105,473
Cumulated other comprehensive income	-334	-233
Total equity	65,949	80,235
Total non-current liabilities	6,372	7,004
Other provisions ³	221	424
Financial liabilities	80	64
Trade payables	14,431	17,517
Deferred revenue ³	3,568	4,555
Miscellaneous current liabilities ²	4,718	11,876
Total current liabilities	23,018	34,436
Total equity & liabilities	95,339	121,675

Consolidated statement of cash flows				
kEUR	9M 2017	9M 2016	Q3 2017	Q3 2016*
Net cash flows from/used in operating activities	-23,356	-21,670	-10,242	-786
Net cash flows from/used in investing activities	-60	-1,388	-357	-766
Net cash flows from/used in financing activities	-95	-40	-69	13
Cash and cash equivalents at the beginning of the period	51,302	88,678	38,462	67,116
Net increase/decrease in cash and cash equivalents	-23,511	-23,098	-10,668	-1,539
Cash and cash equivalents at the end of the period	27,777	65,581	27,777	65,581

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 Restatement of 2016 comparative numbers from adoption of IFRS 15: recognition of loyalty bonuses within deferred revenues as part of contract liabilities.

* Includes approx. EUR 8.6m inventory reduction due to closure of shopping club.

