

## windeln.de lays solid foundation for successful financial year 2015 with first quarter results

- Revenue growth of 87% in the first three months compared to previous year; strong growth across all business segments and regions
- Improvement in earnings: adjusted EBIT group margin up from -11.0% to -3.6%, adjusted EBIT margin in business segment windeln.de at +5.5%
- Acquisition of Feedo signed in April 2015 to expand regional presence in Poland, the Czech Republic and Slovakia

Munich, 28 May 2015. windeln.de AG (“windeln.de” or the “Company”), one of the leading and fastest growing online retailers for baby, toddler and children products in Germany, Austria and Switzerland, laid the foundation for a successful full year in the first three months of 2015 and continued its dynamic growth. The company achieved record revenues and strong growth in all business segments and regions.

windeln.de increased revenues by 87 percent to €35.6 million in the first quarter of 2015 (Q1 2014: €19.1 million), reaching a new record level. Gross profit improved to €9.1 million, which corresponds to a gross margin of 25.6 percent (Q1 2014: €4.5 million or 23.3 percent).

“Our business development in the first quarter of 2015 shows that we are on a steady growth track. The proceeds from our recent IPO lay the foundation for pushing ahead with our growth strategy with even greater determination,” said Alexander Brand, management board member and co-founder of windeln.de. Konstantin Urban, management board member and co-founder of windeln.de, added: “Since its establishment in 2010, windeln.de has grown consistently and positioned itself well in a highly promising market. This success is confirmed by the high degree of customer satisfaction and a fast-growing, active customer base. It shows that with each passing quarter, we are getting closer to our goal of becoming the e-commerce champion for serving young families.”

Adjusted EBIT grew by 39 percent to €-1.3 million (Q1 2014: €-2.1 million). As a result, windeln.de registered an increase of 7.4 percentage points in the adjusted EBIT margin to -3.6 percent, a new record for the first three months. Free cash flow before financing activities amounted to €0.6 million in the first quarter (Q1 2014: €-2.4 million).

### All business segments show improvement in profitability

windeln.de is active in three business segments with two different business models. In the business segments “windeln.de” and “windeln.ch” (including “kindertraum.ch” and “toys.ch”), which are also the names of the websites, the group operates online shops with a focus on consumables and non-consumables for babies, toddlers, children and young mothers. In the “windelbar” business segment, the group uses its shopping club with the same name to sell an ever-changing range of non-consumables, such as clothing for babies, toddlers and children, toys and products for young mothers. These items are generally sold at a considerable discount compared to standard retail prices.

Revenues in the “windeln.de” business segment increased by 84 percent to €30.7 million in the first quarter (Q1 2014: €16.7 million). The segment’s adjusted EBIT contribution grew substantially year on year to €1.7 million, which corresponds to an adjusted EBIT margin of 5.5 percent. In the “windeln.ch” business segment, revenues almost doubled to €1.4 million in the first three months (Q1 2014: €0.7 million), and in the “windelbar” business segment, revenue even more than doubled to €3.5 million (Q1 2014: €1.7 million).

“All business segments reported strong growth and saw an improvement in margins in the first quarter. Our largest business segment, windeln.de, already reached breakeven in the fourth year since the company was established and has built on its profitability in the first quarter. We also plan to achieve this in the newer business segments, even though growth is our top priority,” said Nikolaus Weinberger, CFO of windeln.de AG.

### **Expansion of regional presence and product portfolio**

In April 2015, windeln.de announced the takeover of Feedo Sp. z o.o. and the online shops “www.feedo.cz”, “www.feedo.sk” and “www.feedo.pl”. This acquisition is part of windeln.de’s strategy to expand its presence in the European market. After launching its online shop in the Czech Republic and Slovakia, Feedo entered the Polish market. The company has successfully grown in its key markets and is now a leading purely online shop for products for babies and toddlers in the Czech Republic and Slovakia.

windeln.de is also constantly developing its product portfolio. Since April 2015, the Alnatura-Bio product range for babies and toddlers has had its own brand shop at windeln.de. Furthermore, a children’s furniture & living category has been added to the product portfolio.

### **Outlook 2015**

For the full year 2015, windeln.de forecasts continued dynamic growth and anticipates an increase of 70 to 80 percent in revenues for the existing business segments windeln.de, windelbar.de and windeln.ch. Entry into the Italian market, the first-time consolidation of Feedo, potential acquisitions and an expanded product portfolio represent additional growth drivers. For 2015, the company estimates revenues of around €1 to €2 million in Italy and a roughly 50 percent increase in revenues for Feedo compared to €6 million in 2014.

In terms of profitability, the company expects the gross margin to steadily improve from 23 percent in 2014 to around 25 percent in 2015 and the adjusted EBIT margin to increase from -8 percent in 2014 to between -5 percent and -6 percent for the existing business segments. Including the Italian market and Feedo, the adjusted EBIT margin is expected to increase to between -6 percent and -8 percent.

## Overview of figures for the first quarter<sup>1</sup>

	Q1 2015	Q1 2014	Change in %
<b>Revenues</b> (in € million)	35.6	19.1	87
<b>Revenues by business segments (in € million)</b>			
<b>windeln.de</b>	30.7	16.7	84
<b>windelbar</b>	3.5	1.7	115
<b>windeln.ch</b>	1.4	0.7	98
<b>Revenues by region (in € million)</b>			
<b>DACH region</b>	15.4	8.1	92
<b>China</b>	19.6	10.6	84
<b>Other / rest of Europe</b>	0.6	0.4	59
<b>Gross profit</b>			
(in € million)	9.1	4.4	105
<i>as % of revenues</i>	25.6	23.3	<i>2.6 percentage points</i>
<b>EBIT, adjusted (in € million)</b>			
	-1.3	-2.1	39
<i>as % of revenues</i>	-3.6	-11.0	<i>7.4 percentage points</i>
<b>EBIT contribution, adjusted by business segments (in € million)</b>			
<b>windeln.de</b>	1.7	0.1	1.162
<i>as % of revenues</i>	5.5	0.8	<i>4.7 percentage points</i>
<b>windelbar</b>	-0.7	-0.4	107
<i>as % of revenues</i>	-21.8	-22.6	<i>0.8 percentage points</i>
<b>windeln.ch</b>	-0.5	-0.5	4
<i>as % of revenues</i>	-38.1	-72.2	<i>34.1 percentage points</i>

<sup>1</sup> Adjusted EBIT before expenses for pro rata compensation settled through equity instruments.

## **Press contact**

Amelie Heinz

Phone: +49 (89) 41 61 71 52 75

Email: [presse@windeln.de](mailto:presse@windeln.de)

## **About windeln.de**

windeln.de is one of the leading pure-play online retailers specializing in baby and toddler products in Germany, Austria and Switzerland. The Company also successfully sells baby and toddler products to customers in China. windeln.de offers approximately 100,000 products from over 1,000 brands, which young parents can comfortably order online. The offer ranges from diapers and baby food to child furniture, toys, clothing, strollers and car seats, making windeln.de a one-stop shop for parents. For further information, please visit <http://corporate.windeln.de>.

## **Disclaimer**

*This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made. Each of the Company and its affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.*

*The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The information in this announcement is subject to change.*