



## **windeln.de Extends Growth in Europe, German Shop Segment as expected Impacted by Regulatory Changes in China and New ERP System in Second Quarter**

- **windeln.de grows by 35% year-on-year in first half of the year**
- **As announced earlier, second-quarter earnings impacted by regulatory changes in China and migration of ERP system; adjusted EBIT margin of -15.3% in first half of the year**
- **Following discontinuation of the shopping clubs business, “nakiki” to become an online platform for products for children up to the age of eight years old**

Munich, Germany, August 24, 2016. windeln.de AG, Europe’s leading online retailer for baby and children’s products, grew by 35% year-on-year in the first half of the year, with revenues of EUR 101.6 million. Revenues from continuing operations (not including the Shopping Clubs segment) likewise increased by 35% to EUR 91.9 million.

In particular, windeln.de experienced strong growth in other European countries in the first half of the year. With revenues of EUR 26.0 million, the International Shops segment consisting of feedo, bebitus, pannolini and windeln.ch already accounted for approximately a quarter of total revenues in the first six months of the year. “We are engaged in very attractive markets in Eastern and Southern Europe with very strong further growth prospects,” says Alexander Brand, co-founder and board member of windeln.de. “The set of measures that we announced in July supports our strategy of sustainable company growth and increasing profitability. Our foreign subsidiaries play an important role in that regard.”

The German Shop segment, which also handles business to Chinese customers, recorded revenues of EUR 66.0 million in the first half of the year; this amounts to year-on-year growth of 2%. While business in Germany increased slightly, Chinese customers’ concerns regarding changes in import regulations in the second quarter led to declining sales. Revenues in China in the first six months remained relatively unchanged year-on-year. This is in line with the expectations communicated in May. Some of the new import regulations were subsequently already suspended in June. In order to also meet local demand in China in the future, windeln.de launched its own windeln.de shop on the Tmall platform operated by Alibaba early August.

### **Adjusted EBIT Down Year-On-Year Due to Certain Effects Communicated Earlier**

Gross profit increased to EUR 29.6 million compared to EUR 19.6 million in the prior-year. This corresponds to a gross profit margin of 29.2% (prior year: 26.2%).

Adjusted EBIT was EUR -15.6 million in the first half of the year (prior year: EUR -4.0 million) due to international expansion, a decline in business in China, and the impact of the ERP migration; not including the Shopping Clubs segment, adjusted EBIT totaled EUR -12.7 million. The adjusted EBIT margin in the first half of the year was -15.3% (prior year: -5.3%), with a margin of -13.8% for continuing operations.

At the end of the first six months of the year, total liquidity was approximately EUR 81 million, including EUR 67 million in cash and cash equivalents as of June 30<sup>th</sup> 2016 as well as a maximum of EUR 14 million relating to borrowing base financing. As such, windeln.de has sufficient liquidity to realize its corporate strategy and reach the profitability threshold.

### **nakiki Becoming Online Platform for Products for Children Up to Age of Eight Years**

As already published in July, windeln.de is anticipating year-on-year growth of around 25% in its continuing operations to approximately EUR 200 million. The gross profit margin for

continuing operations should be at least 28%, while adjusted EBIT is expected to be in the range of -10% to -12% due to planned profitability increases in the second half of fiscal year 2016.

The new enterprise resource planning (ERP) system was implemented in the second quarter and should result in substantial efficiency improvements. The new ERP system also serves as the basis for the planned increased automation and optimization of processes.

As announced in July, nakiki will be used to expand the product range in the higher-margin area of children's clothes and toys, following the discontinuation of the shopping club business. "The nakiki brand will play a key role in reaching families with older children and therefore expanding our customer base and increasing our margins," says Konstantin Urban, co-founder and board member of windeln.de.

### Overview of the Figures for the First Half of 2016 and the Second Quarter of 2016

	H1 2016	H1 2015*	Q2 2016	Q2 2015*
Revenues (in EUR million)	101.6	75.0	49.4	39.4
<i>of which from continuing operations (in EUR million)</i>	<i>91.9</i>	<i>67.8</i>	<i>44.9</i>	<i>35.7</i>
Gross profit (in EUR million)	29.6	19.6	14.7	10.5
<i>in % of revenues</i>	<i>29.2</i>	<i>26.2</i>	<i>29.7</i>	<i>26.6</i>
Adjusted EBIT (in EUR million)	-15.6	-4.0	-7.9	-2.7
<i>of which from continuing operations (in EUR million)</i>	<i>-12.7</i>	<i>-1.6</i>	<i>-6.3</i>	<i>-1.1</i>
Adjusted EBIT margin in % of revenues	-15.3	-5.3	-15.9	-6.8
<i>of which from continuing operations (in %)</i>	<i>-13.8</i>	<i>-2.3</i>	<i>-13.9</i>	<i>-3.0</i>
<b>Revenues by business segment (in EUR million)</b>				
German Shop	66.0	64.4	31.2	33.7
International Shops	26.0	3.4	13.8	2.0

	H1 2016	H1 2015*	Q2 2016	Q2 2015*
Shopping Clubs	9.7	7.2	4.6	3.7
<b>Adjusted EBIT contribution by business segment</b>				
German Shop (in EUR million)	-0.1	3.4	0.1	1.7
<i>in % of revenues</i>	-0.2	5.3	0.3	5.0
International Shops (in EUR million)	-6.0	-0.9	-3.1	-0.3
<i>in % of revenues</i>	-22.9	-25.9	-22.2	-17.1
Shopping Clubs (in EUR million)	-2.8	-2.4	-1.6	-1.6
<i>in % of revenues</i>	-29.3	-32.9	-35.2	-43.6

\* Share-based payments were adjusted retroactively in the H1 2015 comparative period. Details on the adjustment are given in the nine months report 2015.

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#### About windeln.de

windeln.de is one of the leading pure online retailers for baby and toddler products with a presence in ten European countries, including Germany, Austria, Switzerland, the Czech Republic and Spain. The Company also operates a successful e-commerce business for products for babies and toddlers for customers in China. windeln.de offers a broad assortment of products sold via the German shops windeln.de, nakiki.de and the international shops windeln.ch, pannolini, feedo and bebitus. The product portfolio includes everything from diapers, baby food, children's furniture, toys, clothes and strollers to child car seats. windeln.de was founded in October 2010 and currently has more than 500 employees in Germany and abroad. The Company has been listed in the Prime Standard of the Frankfurt Stock Exchange since May 6, 2015. For more information, go to <http://corporate.windeln.de>.