windeln.de publishes first quarter 2020 and preliminary April 2020 figures

- **Q1 2020 revenues EUR 14.9 million (Q1 2019: EUR 17.2 million) and Q1 2020 adjusted EBIT EUR -2.4 million (Q1 2019: EUR -3.0 million)**
- **Strong April 2020 revenues: preliminary revenues EUR 15.3m due to EUR 7.1 million sale of health products to business customers, higher other sale and China VAT refund**
- **Total cash available EUR 9.1 million as of April 30, 2020; high build-up of net working capital required for Chinese business**
- **Financial target to reach adjusted EBIT break-even in Q1 2021 unchanged**

Munich, May 28, 2020: windeln.de SE ("windeln.de", "Group" or "Company"; ISIN DE000WNDL201) published its financial results for the first quarter (Q1) 2020 today. The Group generated revenues of EUR 14.9 million in Q1 2020 (Q1 2019: EUR 17.2 million). Adjusted (adj.) EBIT amounted to EUR -2.4 million in Q1 2020 (Q1 2019: EUR -3.0 million). Given the ongoing divestiture process of Bebitus (online shops in Spain, Portugal and France), the reported numbers of Bebitus are shown as "discontinued operations". Preliminary revenues for April (excl. Bebitus) were EUR 15.3 milllion.

Revenue development in Q1 in DACH stable year over year, China lower due to product availability; April revenues very strong

Revenues for DACH amounted to EUR 4.7 million in Q1 2020 and were relatively stable compared to the previous year period (Q1 2019: EUR 4.9 million). Focus for the DACH region remains on increasing profitability. DACH accounts for approximately 32% of Group revenues in Q1 2020. With revenues of EUR 10.2 million in Q1 2020 (Q1 2019: EUR 12.4 million), approximately 68% of Group revenues are attributable to China. Revenues in China were lower than the previous year as product sourcing, especially for the bonded warehouses in China, was lowered for liquidity reasons before completion of the capital increase. The Bebitus business that is planned to be sold generated revenues of EUR 2.5 million in Q1 2020 which was significantly lower than the previous year period (Q1 2019: EUR 3.5 million) due to the focus on improving profitability.

Preliminary April 2020 revenues for the Group (excl. Bebitus) were EUR 15.3 million. Approx. EUR 7.1 million of revenues resulted from the sale of health products (Covid-19 related) from China that were sold to business customers. But also excluding these orders revenues of approx. EUR 8.3 million were strong. The temporary order backlog announced in the German warehouse due to Covid-19 beginning of April is back to normal levels.

Operating contribution and adj. EBIT in Q1 2020 improved year over year; strong build-up of team in China

The Group gross profit margin (gross profit as % of revenues) from continuing operations (ex. Bebitus Shops) was stable at 26.1% in Q1 2020 compared to the previous year (Q1 2019: 26.3%). Adj. fulfilment costs as % of revenues decreased year over year to 11.0% in the Q1 2020 (Q1 2019: 16.6%), mainly due to more fulfilment from our bonded warehouses and lower warehouse rental costs after the reduction of product assortment. The contract with the existing service provider of the current warehouse in Germany is being extended due to insolvency of the Kids Fashion Group GmbH & Co. KG (Kanz) as originally planned new provider. We are currently exploring various options with regards to the planned warehouse move. Adj. marketing expenses as % of revenues were stable year over year with 4.3% in the Q1 2020 (Q1 2019: 4.3%). Operating contribution (gross profit minus adj. fulfilment costs and adj. marketing costs) in Q1 2020 amounted to EUR 1.6 million (10.8% of revenues), which is an improvement to Q1 of the previous year (Q1 2020: EUR 0.9 million; 5.4% of revenues) also because of another VAT refund for China. Adj. other SG&A costs in Q1 2020 were stable compared to Q1 of the previous year amounting to EUR 4.0 million (Q1 2019: EUR 4.0 million) despite the start of hiring of new employees in China. In March, the Company's Supervisory Board appointed Xiaowei (Sean) Wei as a member of the Management Board. Concurrent with that change, a new office in Beijing/China was opened and a local team was started to build up. As of today, a total of 37 employees are employed by windeln.de in China. As a result, SG&A costs in Q2 2020 will be higher than in Q1. Reported EBIT improved to EUR -2.2 million in Q1 2020 compared to EUR -3.1 million in Q1 2019. Adj. EBIT from continuing operations amounted to EUR -2.4 million in Q1 2020 compared to EUR -3.0 million in Q1 2019.

Cash outflow in Q1 reduced; successful capital increase in February; revenue growth in China requires build-up in inventory/net working capital

In Q1 2020, the operating cash outflow (incl. Bebitus) of EUR 1.9 million was improved compared to EUR 5.3 million in Q1 2019 due to the improvement in operating result and reduction of net working capital. The Group's total cash available was EUR 11.7 million as of March 31, 2020, which is EUR 3.3 million higher compared to December 31, 2019 (EUR 8.3 million) due to the successful capital increase finalized in February 2020 in which 5,171,144 new shares were issued. The subscription price was set at EUR 1.20 per new share, so that the gross proceeds of the capital measure amounted to EUR 6,205,372.80. Following the successful approval of the securities prospectus by the Federal Financial Supervisory Authority (BaFin) on May 14, 2020, the new shares were admitted to trading on the regulated market of the Frankfurt Stock Exchange on May 19, 2020. As of April 30, the Group's total cash available was lower at EUR 9.1 million due to the build-up of inventory (net working capital) in April. Such build up is required also going forward to facilitate revenues in China, especially sales through the bonded warehouses in China which results in long cash conversion cycles.

Matthias Peuckert, CEO of windeln.de, and Nikolaus Weinberger, CFO of windeln.de, state: *"In these challenging times with respect to Covid-19, we are glad to meet the needs of our customers to shop online from the comfort and safety of their homes and to provide them with the products they need. With Sean joining the management board in March, we started building up the team in China significantly to capture the large growth opportunity in China even though this leads to higher SG&A expenses and requires high cash investment in net working capital. In April, we already benefited from this increased focus with* *revenues generated from product imports from China. Overall, our goal of reaching break-even on the basis of adjusted EBIT in Q1 2021 remains unchanged."*

Select key figures for first quarter of 2020

	Q1 2020	Q1 2019
Revenues (EUR million)	14.9	17.2
China	10.2	12.4
DACH	4.7	4.9
Operating Contribution (EUR million)	1.6	0.9
in % of revenues	*10.8%*	*5.4%*
Adjusted EBIT (EUR million)	-2.4	-3.0
in % of revenues	*-16.3%*	*-17.6%*
Revenues Bebitus	2.5	3.5

Corporate Communications

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About windeln.de

windeln.de is one of the leading online retailers for baby, toddler and children's products in Europe. The Group also operates a successful e-commerce business with products for babies and toddlers for customers in China. The broad 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. The Company has been listed in the Prime Standard of the Frankfurt Stock Exchange since May 6, 2015. For more information, go to https://corporate.windeln.de/.

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