



Windeln.de SE improves financial position through strategic measures in challenging market environment

Munich, November 11, 2021: windeln.de SE ("windeln.de", "Group" or "Company"; ISIN DE000WNDL201) reports a decline in revenues and earnings in the first nine months of fiscal year 2021 due to a number of special factors. Sales revenues reached EUR 44.1 million in this period. Compared to the same period of the previous year, in which sales of EUR 68.4 million were generated, this corresponds to a decline of EUR 24.3 million and 36%. This downward trend is attributable to both the China segment and the Europe segment. Adjusted (adjusted) earnings before interest and taxes (EBIT) were minus EUR 10.6 million in the first nine months of 2021 (prior-year period minus EUR 7.5 million). As a percentage of sales, the adj. EBIT in the nine-month period 2021 was minus 24.0% (9M/2020: minus 10.9%). In terms of the third quarter alone, windeln.de reported an adj. EBIT of minus EUR 2.5 million (9M/2020: minus EUR 3.6 million). In relation to pro rata sales, this figure was minus 22.7% (9M/2020: minus 19.7%).

Special effects impact business in Europe

In Europe, sales in the reporting period amounted to EUR 17.5 million. In the corresponding period of the previous year, EUR 24.9 million was achieved here, which corresponds to a decrease of 30%. This development is partly due to the relocation of the Group's main warehouse, which was completed in the second quarter of 2021. As a result, the availability of certain products was temporarily limited. In addition, the Group has increased its focus on improving margins in the German-speaking region and has consciously accepted loss of sales for this purpose. The strong order intake in the first quarter of last year caused by the COVID19 pandemic has not materialized in the current year. At the moment, the Group is not affected by the ongoing restrictions of the COVID-19 pandemic and shortages on the procurement markets.

The intended sale of the Southern European business unit Bebitus was suspended by the Management Board of windeln.de in October, as an agreement could not be reached with various negotiating partners. The COVID-19 pandemic has further complicated the sales process. The Management Board has now decided to initiate a formal consultation process. Negotiations on the modalities of a discontinuation of the Bebitus business will take place in the coming weeks with an employee representative body yet to be formed for this purpose under Spanish law, the outcome of which will subsequently be implemented.

Based on Bebitus alone, sales in the first nine months of 2021 reached approximately EUR 6.8 million with a gross profit margin of approximately EUR 1.2 million. Taking into account the expenses for sales and administration, as well as other operating income and expenses, the reported EBIT was approximately minus EUR 1.9 million. The adjustments mainly comprise income from the revaluation of inventories after the



expiry of the one-year period under IFRS 5, as well as expenses in connection with the initiation of the consultation process. Unadjusted EBIT improved by EUR 2.6 million to minus EUR 1.5 million. The unadjusted EBIT of the prior-year period (minus EUR 4.1 million) includes impairment expenses (EUR 1.8 million) and a revaluation of inventories (EUR 0.5 million).

China segment: business slowed by expiry of COVID 19 pandemic and lack of freight capacity China

In China, the Group generated sales of EUR 26.6 million in the first nine months of fiscal year 2021. This corresponds to a decrease of 39% compared to the same period of the previous year, in which EUR 43.6 million were achieved. The previous year's figure included one-off sales tax adjustments of EUR 3.8 million. As a result of the COVID 19 pandemic, hygiene products amounting to EUR 7.0 million were also sold to corporate customers in the corresponding prior-year period. Due to an adjustment of the market situation in the meantime and a calming down of the infection situation, sales in this market segment declined to EUR 0.8 million in the reporting period. Taking these two special effects into account, the overall decline in sales was 21% compared with the same period of the previous year. The China segment was also affected by the relocation of the Group's main warehouse in the reporting period. As a result, direct deliveries to China were at times only possible to a limited extent. Due to a lack of air freight capacities from Europe to China, the Group also had to discontinue duty-paid deliveries from Germany to China from mid-August for orders processed via the Chinese web store. Chinese customers of windeln.de still have the option of buying products duty unpaid from Germany as well as from the bonded warehouse in China. Nevertheless, the discontinuation of the delivery of goods that have already cleared customs has had a negative impact on the development of sales in the China segment.

Strategic measures improve the Group's financial strength and market position

The Group generated cash flow from operating activities of minus EUR 7.9 million in the nine-month period 2021 (9M/2020: minus EUR 7.3 million), mainly due to the negative result in the reporting period. Compared to the prior-year period, cash flow from operating activities deteriorated by 8%.

To strengthen its financial power, windeln.de successfully carried out a capital increase in July 2021. This generated gross issue proceeds of EUR 5.8 million, which enabled the Group to significantly improve its financial position and liquidity. The Group's financing for fiscal year 2021 is thus considered to be largely secured.



Matthias Peuckert, CEO of windeln.de, comments on the Group's current business performance: "The first nine months of the current fiscal year were characterized by extraordinary developments and, as a result, a number of special effects. In all cases, this was understandably reflected in an unsatisfactory sales and earnings performance for us. Our strategic action is now focused on streamlining loss-making businesses to ensure that they no longer have a sustained negative impact on the Group's business performance and hamper our revenue-generating measures and projects." In this regard, Peuckert notes that a potential plant closure and discontinuation of the Bebitus business will have no impact on the adjusted guidance for fiscal 2021 published at the beginning of August 2021. "We will continue to do our utmost to make up for some of the lost revenue in the remainder of the fiscal year by expecting - on an adjusted basis - slight growth for the full year 2021. Cash outflow should be significantly reduced overall in 2021, but will be in the double-digit millions for the full year 2021. Our main focus will therefore remain on achieving company-wide cash generation and profitability. Therefore, we are confident to reach break-even based on adjusted EBIT in 2022, subject to additional liquidity."

Selected key figures for third quarter 2021

	Q3 2021	Q3 2020*	9M 2021	9M 2020*
Revenue (Mio. EUR)	10.8	18.4	44.1	68.4
China	6.1	10.2	26.6	43.6
Europa (DACH)	4.7	8.2	17.5	24.9
Operating contribution margin (Mio. EUR)	1.2	0.9	1.7	7.4
China	1.2	0.9	2.1	7.5
Europa (DACH)	0	0	-0.4	-0.1
in % of Revenue	11.1%	4.9%	3.7%	10.9%
Adjusted EBIT (Mio. EUR)	-2.5	-3.6	-10.6	-7.5
in % of Revenue	-22.7%	-19.7%	-24.0%	-10.9%

* Retrospective adjustment of comparative figures for 2020 due to the change in presentation of the Bebitus operating business, which was previously presented as a discontinued operation. Furthermore, prior-year figures have been adjusted due to an error correction in connection with IFRS 2.

Corporate Communications

Daniela Simonsen

Phone: +49 (611) 20 58 55 35

email: investor.relations@windeln.de



About [windeln.de](https://www.windeln.de)

windeln.de is one of the leading online retailers for family products in Europe. In addition, the company operates a successful e-commerce business with baby and toddler products for customers in China. The broad product range extends from diapers and baby food to children's furniture, toys and clothing, as well as strollers and child car seats. windeln.de was founded in 2010 and has been listed in the Prime Standard of the Frankfurt Stock Exchange since May 6, 2015. For more information, visit <https://corporate.windeln.de/>.

Our Shops: www.windeln.de, www.windeln.ch, www.bebitus.es, www.bebitus.pt, www.bebitus.fr, www.windeln.com.cn, <https://windelnde.tmall.hk/>, <https://windeln.jd.hk/>, <https://m.meitun.com/mcms/LOyooKAvBO?spid=9016###>