Our mission: to be the online destination for Home & Living
Thinking of customers in Home & Living offline retail today – does this look familiar to you?
Our challenge is to change the Home & Living shopping experience for mass market consumers

We want to empower people to create happy homes...

...by offering great value products people love...

- Broad but relevant, curated assortment empowering customers to choose from a wide range of styles, materials and prices
- Exclusive assortment only available at home24, combined with a broad selection of relevant third party products
- With a great value for money and product quality aspiration, creating happy homes, and a clear commitment to sustainability

...in a convenient and inspirational shopping experience

- Fast, reliable and flexible delivery times paired with convenient payment methods
- Effective & friendly customer service support and transparent communication whenever needed
- Opportunities to get a touch and feel for the product offering online, but also in showrooms
- Personalized relevant content that inspires and consults, helping to make a complex purchase decisions easier (ref. no strong consumer brands)
Founder-led management team

Marc Appelhoff  
Chairman of the Management Board  
Finance, Marketing & Sales, Commercial, International, Legal

Brigitte Wittekind  
Management Board Member  
Operations, Product Quality & Safety, Customer Service, Outlets, Internal Control System

Johannes Schaback  
Management Board Member  
Technology, Data, HR
We are a leading pure-play Home & Living e-commerce platform in continental Europe and Brazil

1. Including VAT, for Europe only.
2. Adjusted for share-based compensation expenses.

2019 figures preliminary and unaudited.

- >€370m IFRS revenue (2019)
- >44% L8Y revenue CAGR
- c.€350 Average order value\(^1\)
- 45% Gross margin (Q4 2019)
- First order profitability c.€350
- Adj. EBITDA break-even\(^2\) (Q4 2019)
- <10% Return rates

1. Including VAT, for Europe only.
2. Adjusted for share-based compensation expenses.
2019 figures preliminary and unaudited.
Huge and uniquely attractive Home & Living market opportunity with high barriers to entry
We target a huge addressable market

Source: Euromonitor International.
1. Home & Living market defined as Euromonitor Passport: Home and Garden categories “homewares” and “home furnishings” (EUR using 2018 fixed exchange rates).
2. home24 markets consisting of Germany, France, Italy, the Netherlands, Belgium, Austria, Switzerland and Brazil.
Home & Living is on the verge of online acceleration with potential already proven in the US and UK

**Online penetration by industry in home24 markets**

- **5x Penetration Upside**
  - Consumer electronics: 24%
  - Traditional toys and games: 20%
  - Consumer appliance: 14%
  - Fashion: 12%

**Home & Living online penetration by geography**

- **3x Penetration Upside**
  - US: 12%
  - UK: 14%

Source: Euromonitor International, 2017A (except for Traditional Toys and Games, which is 2017E).
1. Consists of home24’s target markets Germany, France, Italy, the Netherlands, Austria, Belgium, Switzerland and Brazil.
Online Home & Living growth expected to accelerate, supported by millennials becoming nest builders.

Online growth to accelerate as digitally savvy millennials enter home shopping age.
Home & Living has some category specific challenges which we have mastered, creating significant barriers to entry

I. Products with high basket size / AOV and without established consumer brands in mass market

II. Identify and source relevant assortment in a market with no brands and abundant product variety

III. Inventory management: make bulky and high value items available at short delivery times and still remain working capital neutral

IV. Extremely complex logistics and delivery for multi-component and heavy/bulky products

V. Scalable online demand largely in short tail generic search without brands
A leading pure-play online platform in continental Europe and Brazil
Home & Living challenge I:
• Products with high basket size / AOV and without established consumer brands in mass market
There are no strong consumer brands in Home & Living
Market ripe for disruption due to highly fragmented supplier landscape and retail landscape

### Fragmented supplier landscape

- **c. 97%** of all suppliers have limited market power with no strong brands
- **3%** Companies with revenue < €10m
- **c. 1%** Companies with revenue > €100m

**Huge private label opportunity**

**Negotiation power lies with the strongest retail platform**

**Opportunity to build a leading platform brand**

### Fragmented retail landscape

- **72%** of the market highly fragmented
- **28%** Top 5
- **Rest of the market**

**International market leader IKEA only has 16% share**

**Market beyond top 5 is extremely fragmented with mostly local / regional players**

**No strong online presence even by offline market leaders**

1. Germany only.
2. 2016 revenues in home24 markets converted to EUR using 2016 exchange rates; refers to Euromonitor “homewares and home furnishings stores” segment by brand shares.
We have built a leading pure-play online Home & Living brand in Germany

Source: Survey by DCMN Insights. National representative sample (n=1002) for DE, ages 18-69, 50% women, 50% men in Q3 2019.
1. Proportion of interviewed people aware of those brands, aided.
2. Price comparison website.
3. Primarily shopping club.
Unique home24 business model driving superior economics and customer proposition
Home & Living challenges II and III:

- Identify and source relevant assortment in a market with no brands and abundant product variety
- Inventory management: make bulky and high value items available at short delivery times and still remain working capital neutral
home24 solves these challenges by combining non-inventory 3rd party model with vertically integrated private label model.

### 3rd party products
- **Assortment focus**: Broad assortment (high conversion, mostly long tail)
- **Sourcing & fulfilment**: Mostly non-inventory and drop-shipped
- **Benefits**:
  - Broad but curated assortment
  - Generally not kept in stock
  - Negative working capital
  - Rich data on customer preferences
- **Economics**:
  - c.50% of sales
  - c.75% of SKUs

### Private label
- **Assortment focus**: Attractive bestsellers (high margin)
- **Sourcing & fulfilment**: Vertically integrated, mostly held on stock
- **Benefits**:
  - Superior gross margin & pricing
  - Often kept in stock
  - Direct sourcing focus
  - Very short delivery times
- **Economics**:
  - c.50% of sales
  - c.25% of SKUs

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1. Based on preliminary FY 2019 financials.
Scalable end-to-end automated and vertically integrated value chain
Home & Living challenge IV:

• Extremely complex logistics and delivery for multi-component and heavy/bulky products
We invest heavily to create an end-to-end process optimized and automated fulfilment platform

**Sourcing**
- 500+ supplier network
- Seamless ERP integration to drive transparency and speed
- On the ground quality control

**Warehousing**
- 6 own operated scalable warehouses
- >200,000 sqm of gross WH capacity
- Automated data driven reordering

**Delivery**
- Self-managed inbound / mid-mile logistics
- Network of 3rd party last mile providers managed by home24
- Own last mile delivery in Brazil

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1. As of March 31st, 2019, for Europe only.
Scalable first order profitable customer acquisition
Home & Living challenge V: scalable online demand largely in short tail generic search without brands

Selling online is EASY

Strong brands – multiple specific search terms

Selling online is DIFFICULT

No brands – few generic search terms
First order profitability driven by unique home24 model

- Large relevant assortment
- Short delivery times
- Attractive consumer prices
- c.50% private label share
- High AOV
- Low returns
- Automated proprietary marketing engine

More impressions & higher conversion

Superior contribution margin

Efficient customer acquisition

First order profitability
Best-in-class technology platform empowering data-driven decision making and automation
We collect vast volumes of data on a daily basis to drive superior decisions across the value chain.
We have built the best-in-class platform to drive profitable growth

**2017 – Q1‘2018**

**ACCELERATING PROFITABLE GROWTH**

Q1 2018:

+30% YoY revenue growth¹

-6% adj. EBITDA Margin

- Re-accelerating growth every quarter
- Combined with improving profitability

**Q2’2018 – Q1’2019**

**POST-IPO INVESTMENTS & CHALLENGING MARKET**

FY 2018:

+18% YoY revenue growth¹

-13% adj. EBITDA Margin

- Long term key investments into logistics, brand, return clearance, ERP system etc.
- Gain of market shares in challenging market conditions

**Q2’2019 – Q4’2019**

**PATH TO PROFITABILITY**

FY 2019:

+20% YoY revenue growth¹

Q4 adj. EBITDA break even

- Investments pay off in terms of profitability and growth
- All milestones achieved to reach goal of break-even

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1. Based on constant currency using previous year BRL/EUR FX rates.
2. 2019 financials preliminary and unaudited.
Significant growth and profitability improvements through FY 2019 as investments pay off. 2020 margins expected c. at Q4 level

### Main Financials 2019

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<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
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<tr>
<td><strong>Growth (in CC)(^1)</strong></td>
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<tr>
<td>GOV</td>
<td>16%</td>
<td>17%</td>
<td>16%</td>
<td>11%</td>
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<tr>
<td>Revenue</td>
<td>12%</td>
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<td><strong>P&amp;L margins</strong></td>
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<tr>
<td>Cost of sales</td>
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<tr>
<td>Fulfillment costs</td>
<td>21%</td>
<td>20%</td>
<td>20%</td>
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<tr>
<td>Marketing costs</td>
<td>23%</td>
<td>15%</td>
<td>18%</td>
<td>14%</td>
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<tr>
<td>Adj. EBITDA(^2)</td>
<td>-16%</td>
<td>-10%</td>
<td>-9%</td>
<td>2%</td>
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<td><strong>Cash flow from investing activities</strong></td>
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<td><strong>Change in net working capital</strong></td>
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<td>-10</td>
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\(^1\) Growth shown in year-on-year constant currency.
\(^2\) Adjusted to exclude share-based compensation expenses. Figures subject to IFRS 16. All figures preliminary and unaudited.

### 2020 Outlook and Guidance

- 2019 growth supported by reversal of negative one-time effects from 2018 (e.g. normalized GOV to Revenue ratio)
- **FY 2020 revenue growth expected at previous years levels, at around 15-20% in CC**

- Further improvements in cost of sales and fulfillment cost margins expected on Q4 19 baseline
- Absolute marketing expenses to moderately increase while marketing ratio continues to improve. Seasonal pattern remains (Q1 & 3 investment, Q2 & 4 harvesting quarters)
- Further operating leverage in SG&A expected
- **FY 2020 adj. EBITDA ratio expected in corridor of -2 to +2%**

- Major post-IPO investments successfully implemented, no major investment projects expected in 2020
- **Cash position implies continuous conscious trade-off between growth and profitability**
For 2020, we have exciting initiatives lined up to further strengthen our core value proposition.
Our mission: to be the online destination for Home & Living

- Huge and uniquely attractive Home & Living market opportunity of >EUR 115 billion
- Markets characterized by low online penetration of c. 5% with huge catch-up potential
- A leading pure-play Home & Living online platform in Continental Europe and Brazil
- Unique model, combining third-party brands with attractive private labels drive high margins
- Curated, broad offering with significant value-for-money proposition to customers
- Scalable end-to-end automated and vertically integrated value chain
- Pioneering technologies improve shopping experience and empower data-driven decisions
- Attractive margin profile, combining strong growth and profitability
- Multiple drivers for long-term growth & differentiation with significant margin upside

1 Source: Euromonitor (2017A) International for home24 geographies
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