



home24 Q2 2021 Earnings Presentation

August 10th 2021

Management Summary Q2 2021

Growth drivers remain intact as markets return to normal



Order Intake Growth

- GOV growth of ~18% LFL¹ in Q2 2021, on top of exceptionally high +72% in Q2 2020
 - EU: ~+23% LFL (vs. 67% PY)
 - LatAm: +0% in CC (vs. 84% PY)



Revenue Growth

- Revenue growth of +41% YoY drives YTD growth rate to 52% YoY, on top of already strong 2020 comparables (Q2 2020 +49%)
- Q2 2021: EU: +42%, LatAm: +39% in CC
- Q2 3Y CAGR since IPO in 2018 of 39%



Profitability

- Adj. EBITDA margin at +2.5%, on target with guidance, confirming reinvestment of additional profit into further growth potential, i.e. 1st order profitable marketing



Cashflow

- Q2 cash flow excl. WC effects positive; WC effects partly reversible as future WC lever
- Group cash position of EUR 170m creates significant headroom for taking advantage of the market opportunity in future quarters



Current Trading

- Q3 to date momentum remains positive with double digit GOV growth QTD against very strong 2020 comparables - in a market environment where the offline retail space is largely back to normal



Outlook

- 2021 guidance specified in upper half:
 - Revenue growth at 28% to 38% (in CC); previously: 20% to 40% (in CC) and Adj. EBITDA margin at 0% to +2%
- Well on track to reach EUR 1bn in revenue by end of 2023

home24 at a glance

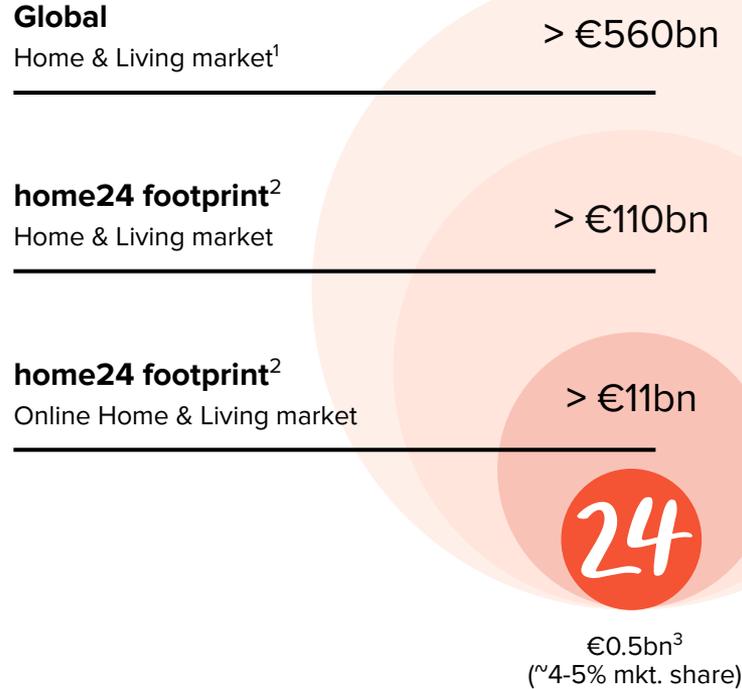




Our mission:

to be the online destination in
Home & Living for everyday people

Huge addressable market with low online penetration



Source: Euromonitor International.

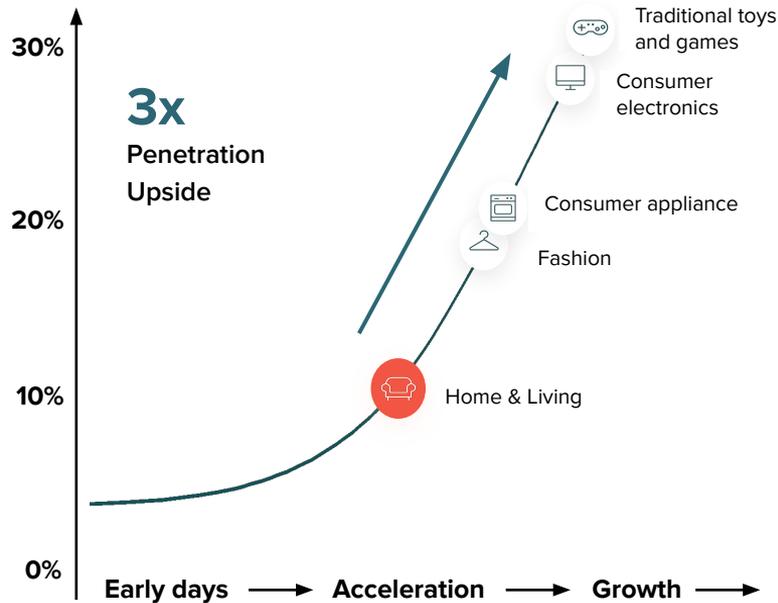
1. Home & Living market defined as Euromonitor Passport: Home and Garden categories "homewares" and "home furnishings" (2019).

2. home24 markets consist of Germany, France, Italy, the Netherlands, Belgium, Austria, Switzerland and Brazil.

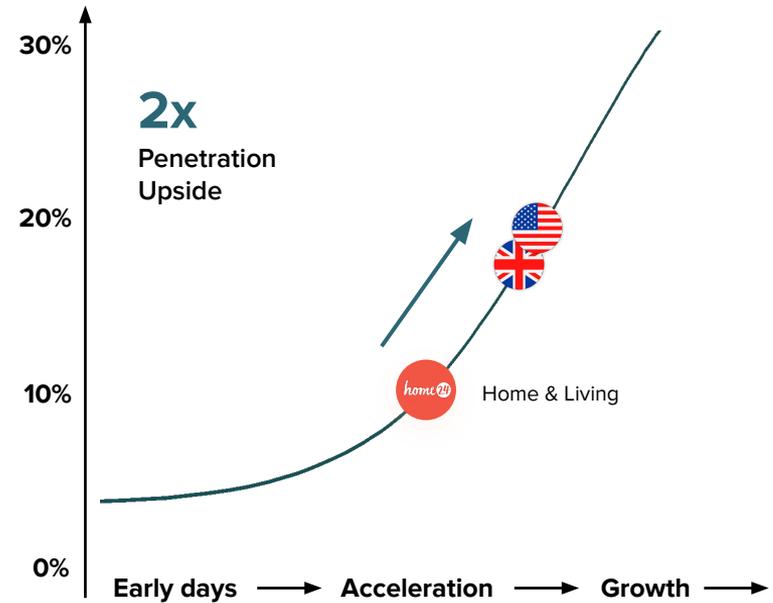
3. home24 revenue 2020

Demographics, changes in consumer habits and technology boost online penetration further

Online penetration by industry in home24 markets¹



Home & Living online penetration by geography



Source: Euromonitor International (2019); Management Estimates

1. Consists of home24's target markets Germany, France, Italy, the Netherlands, Austria, Belgium, Switzerland and Brazil.

We are already a leading pure-play Home & Living e-commerce platform in continental Europe and Brazil



€595m (L12M) IFRS revenue	>43% L9Y revenue CAGR
c.€350 Average order value ¹	45% Gross margin (L12M)
First order profitability	Positive Adj. EBITDA ² & Cashflow (L12M)
€170m Cash and cash equivalents (Q2 21)	<10% Return rates

1. Including VAT, for Europe only.
 2. Adjusted for share-based compensation & IPO expenses.
 3. Share of Group revenue.

Home & Living mass market has category specific challenges which we have mastered, creating significant barriers to entry

- 1 Products with **high basket size / AOV** and without established consumer brands in mass market
- 2 **Identify and source relevant assortment** in a market with no brands and abundant product variety
- 3 Inventory management: make **bulky and high value items** available at short delivery times and still remain working capital neutral
- 4 Scalable online demand largely in **short tail generic search without brands**
- 5 Extremely **complex logistics** and delivery for multi-component and heavy/bulky products



has cracked the code

We have built the best-in-class platform to drive profitable growth



2019 PATH TO PROFITABILITY

FY 2019

+20% YoY
revenue growth¹

Q4 adj. EBITDA break even



Post IPO investments into logistics, brand, return clearance, ERP system etc. pay off



2020 PROFITABLE GROWTH

FY 2020

+42% YoY
revenue growth¹

+3% adj. EBITDA margin



Sustainably scalable, profitable growth



Accelerated shift in consumer behaviour



2021 MARKET SHARE GAIN

Guidance 2021

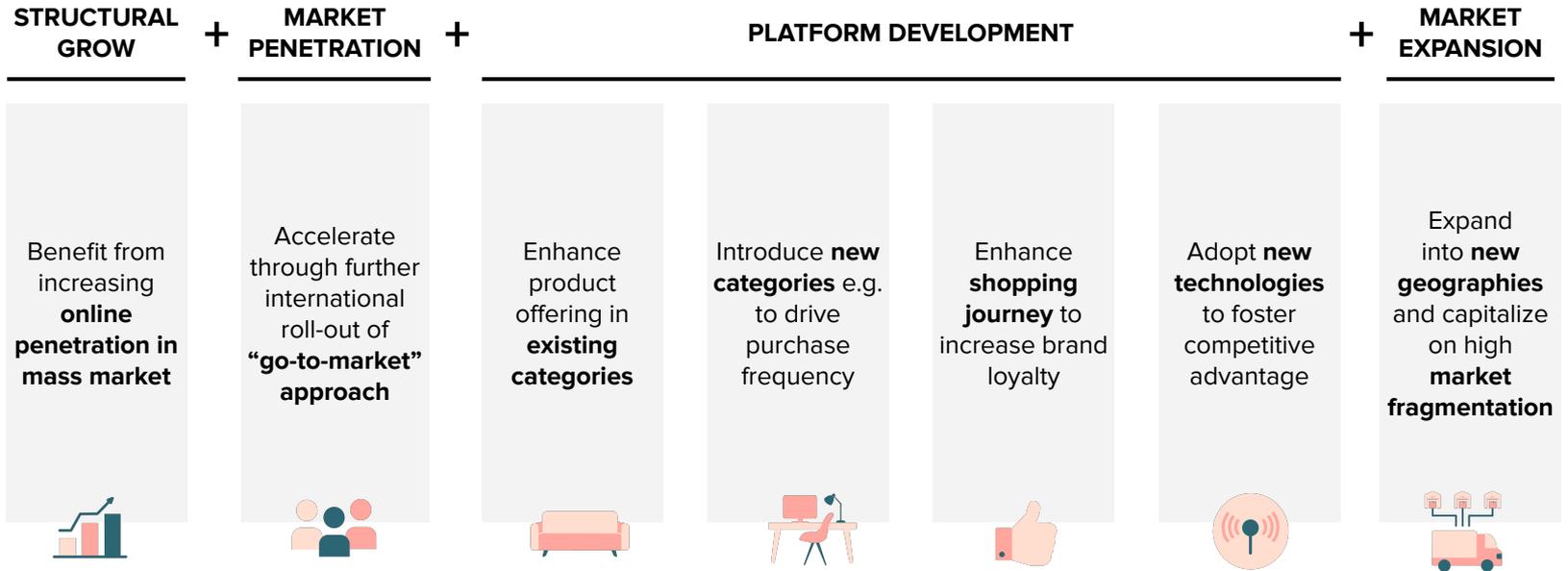
+28-38% YoY
revenue growth¹

+0-2% adj. EBITDA margin



Backed by strong Balance Sheet accelerated investments in growth to grab market opportunity; continue high double digit growth even on back of strong 2020 comp

home24 has multi-dimensional drivers for sustainable long-term growth



We are uniquely positioned to explore the massive growth opportunity in Home & Living e-commerce

Market

Huge mass market opportunity characterized by low online penetration in home24 markets with huge catch-up potential, accelerated by persistent consumer behaviour even in times of re-opening of offline shopping



Customer value proposition

We carefully select our assortment to deliver our customers 'happy homes'. Best value offering through private labels and most relevant selection brought to life in a customer centric go-to-market approach



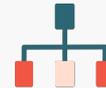
Value chain

Scalable and automated value chain that delivers sustainable scale effects. Value-added services to deliver best customer satisfaction



Data & technology

Pioneering technologies improve shopping experience and empower data-driven decisions



Q2 2021 Business Update



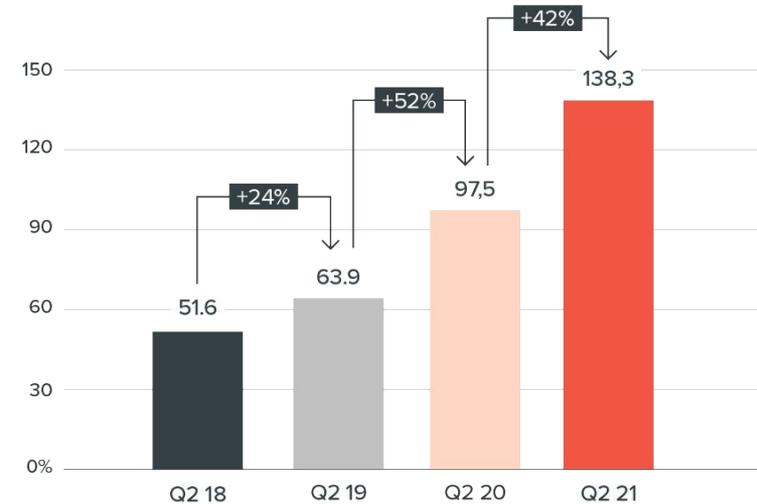
With the Q2 2021 results, home24 confirms remarkable topline development since IPO three years ago in Q2 2018

Focus on Europe

In **Q2 2021** we grew **42%** on top of an already strong Q2 2020 resulting in a **3Y CAGR since 2018 of 39%**.

Just looking at the last 12 months home24 **only in Europe** is on a **revenue run rate of EUR 484m**.

Revenue in EURm and Growth YoY in %



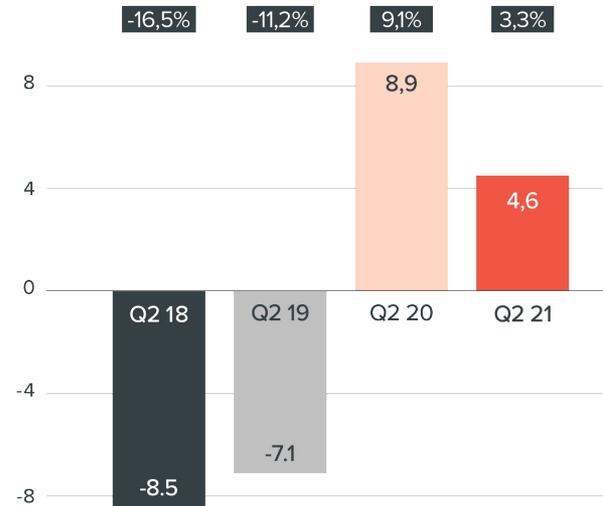
Our strong growth is accompanied by significant profit improvements over the last 4 years

Focus on Europe

While the period **post IPO** in 2018 and 2019 was impacted by **strong investments into long term improvements** (e.g. ERP backbone, 70% additional warehouse capacity, new outlet infrastructure etc.), results since adj. EBITDA break-even in Q4 2019 **prove the operating leverage of historic investments**.

It remains our ambition to continue to **invest further into the market opportunity** ahead of us and to **gain further market share** while **keeping absolute profitability positive** on a fiscal year basis.

adj. EBITDA in EURm and adj. EBITDA margin in %



The cash profile remains positive despite significant investments into further growth

Focus on Europe

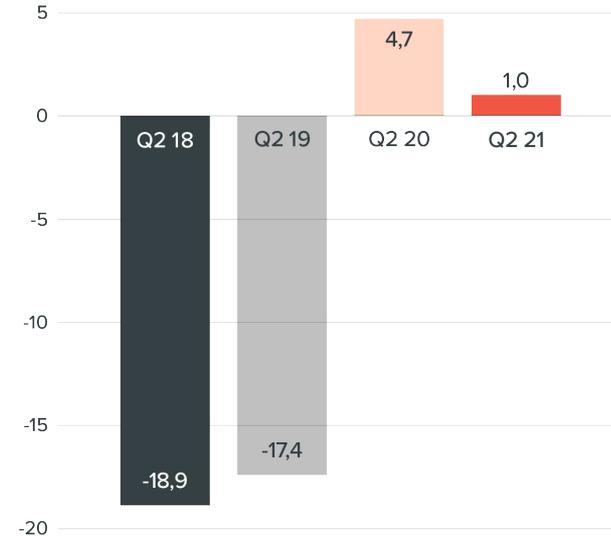
Looking at cash flow, the positive trend is also continuing: FCF net of WC impacts, but incl. Lease Payments, the cash profile stays positive in Q2 2021.

As the **working capital remains negative** (-7 days in Q2 21), **continuous growth is to further support a positive cash development.**

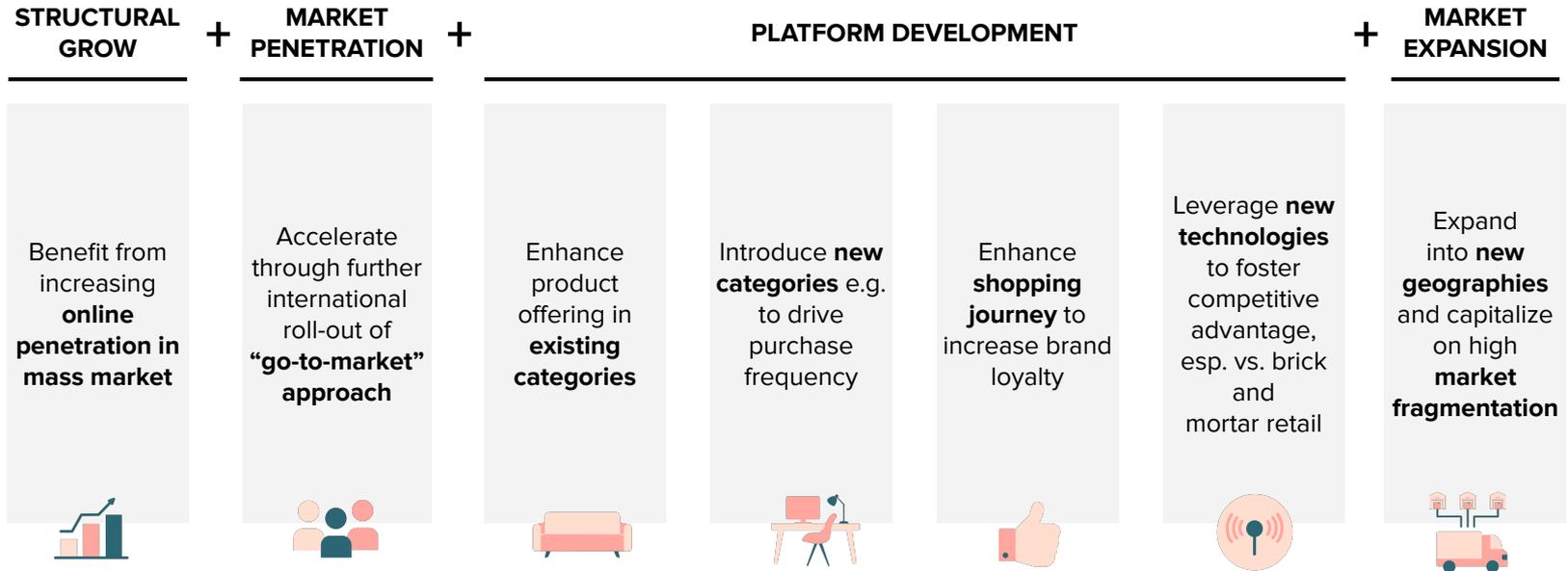
The **strong cash position of almost 100 €m** (96€m) in Europe provides ample room for potential extraordinary investments into further growth, which could also consist of M&A activities.

In general **it remains management's ambition to trade on a broadly stable cash position** (with seasonal swings) while maximizing the company's growth potential.

Free Cash Flow net of WC impacts, but incl. Lease Payments in EURm



We can rely on multiple drivers for our decade+ growth opportunity, despite having reached numerous milestones already





Structural Growth

Focus on Europe

Our annualized 2018-2021 growth rates underline **outperformance** of the underlying **market growth by factor ~2.0** and close to originally anticipated analyst growth targets at IPO.

home24 is well prepared to keep this pace: logistics are dimensioned for even more growth, IT systems have proven to be scaling efficiently and various strategic steps have already begun to foster further growth and operating leverage



Source: 2018-2021 data from Euromonitor,
Management Estimate



Market Penetration

Focus on Europe

Since 2018 we continued to further **roll out our Go-to-Market** approach

- payment by installment to push higher baskets
- establish own 2MH fleet to increase NPS and increase efficiency
- additional TV campaigns outside DACH to boost brand awareness
- additional retail presence to strengthen brand perception and as offline customer acquisition channel, now present in DE, AT and CH. FR, NL, BE and IT still to come.
- increased fabric sample availability to support online conversions and reduce return rates
- digital Magalog onsite complementing print version, as of the next edition

etc. But there is still massive potential we are seeking to gain in the future.



Platform Development

Focus on Europe



Existing Categories

- Significant assortment extension especially in L6M in existing categories, with strong focus on smaller item categories such as boutique, household, home textiles. YTD added already more products than in FY2020, with effort not decelerating in the near future.
- Spare parts offering also significantly extended



Shopping Journey

- Website enhancements with relevant positive impact on conversion rates e.g. mobile-first experience, improved product brands presentation, checkout redesign, smart recommendation engine, new navigation & taxonomy, etc.



New Categories

- New categories evolved but still provide massive future potential, such as kitchen
- Assortment extension also beyond existing category coverage will remain key priority going forward.



New Technologies

- Continue to push forward with data-driven decision making, e.g. on predictive analytics and machine learning: examples include item forecasting, (re-)order algorithms, customer lifetime steering, return & customer service contact predictions



Market Expansion

Focus on Europe

home24 is largely focussed on DACH today, with nascent presence also in France, the Netherlands, Belgium and Italy, esp. with regards to our go-to-market efforts.

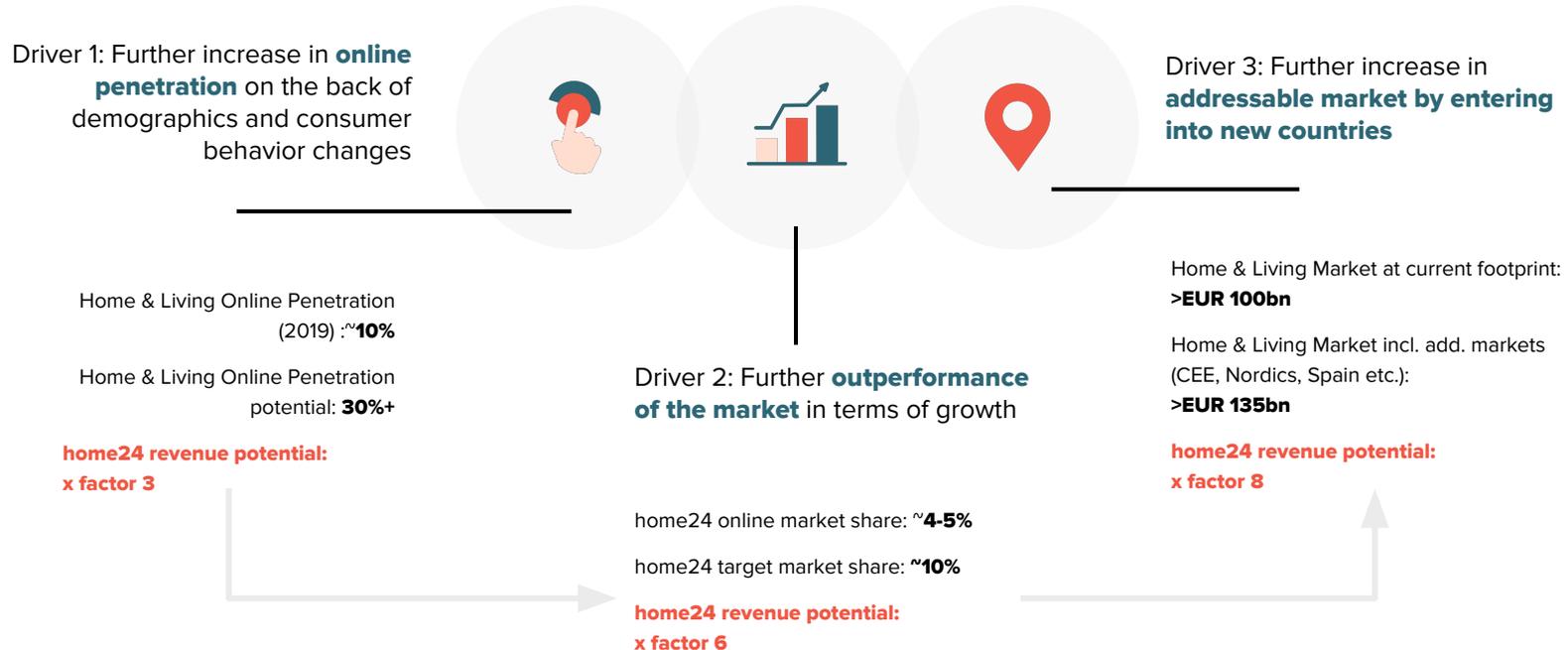
Further countries to extend the current footprint not even part of the growth strategy so far. However, A **geographical extension remains a valid option**

Focus in coming year remains on also succeeding in existing geographies outside DACH



home24 is still at the beginning of a decade+ growth opportunity - well on track to reach €1bn revenue by the end of 2023

Focus on Europe



Q2 2021 Financial Update



Following 71% YoY GOV growth in Q2 2020 home24 adds another 16% YoY GOV growth on top in Q2 2021

GOV in EURm, Active customers and Total gross orders in k, Average order value in EUR

Group	Q2-21
GOV	214.6
GOV Growth CC	16% (18% LfL) ¹

Total Gross Orders	819
Total Gross Orders Growth	-4%

Average Order Value	262
Average Order Value Growth	19%

Active Customers	2,419
Active Customers Growth	37%



Europe	Q2-21
GOV	176.7
GOV Growth CC	20% (23% LfL) ¹

Total Gross Orders	498
Total Gross Orders Growth	17%

Average Order Value	355
Average Order Value Growth	3%

Active Customers	1,410
Active Customers Growth	45%

LatAm	Q2-21
GOV	37.9
GOV Growth CC	0%

Total Gross Orders	321
Total Gross Orders Growth	-24%

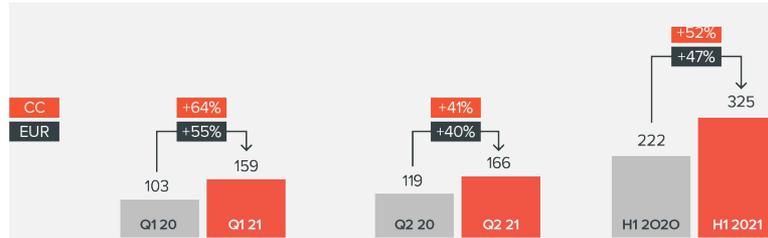
Average Order Value	118
Average Order Value Growth	23%

Active Customers	1,009
Active Customers Growth	27%

1. Like for Like calculation considers structurally lower cancellation rates due to new order creation logic in our webshop as of May 2021

Remarkable revenue growth of +41% YoY (in CC) drives YTD growth rate to 52% YoY, on top of strong previous year comparables

Revenue in EURm and Growth YoY in %



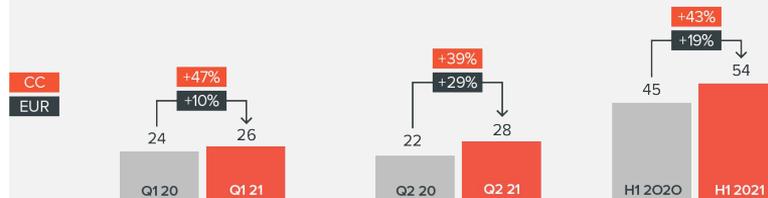
Group

Currency-adjusted growth of 41% in Q2 2021 compares to 40% growth including currency effects indicating a stabilization in EUR/BRL YoY FX rates.



Europe

+42% YoY revenue growth as a result of continuous strong order intake paired with a normalization of inventory levels, delivery times and open order backlogs.

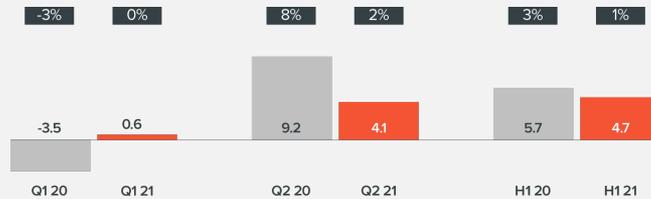


Latin America

Positive growth trajectory despite slowdown in YoY order intake growth as a result of improved Gross to Net ratios and faster revenue realization.

Adj. EBITDA margin in line with guidance confirming continuous reinvestment of additional profit into further growth potential

Adj. EBITDA in EURm and in % of Revenue



Group

Positive adj. EBITDA development in Q2 2021 paired with consequent further investments into customer acquisition to fuel growth in future quarters



Europe

H1 2021 underlines structural profitability of the business, creating ability to invest into further growth. Positive impacts from improved revenue realization are partially offset by temporarily lower GM.



Latin America

LatAm continues to trade around break even with Q2 being slightly negative due to GM affected by price increases plus temporary effects from obsolete inventory devaluation as a result of offline outlet closures

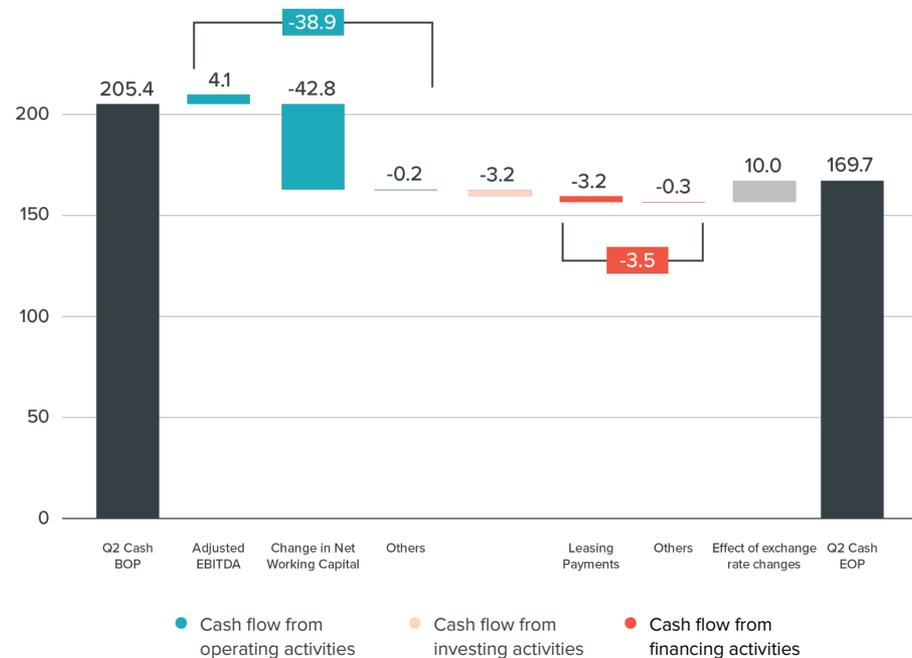
Group cash position of EUR 170m creates significant headroom for taking advantage of the market opportunity in future quarters

Group cash flow in EURm

Cash flow excluding one-time and partly reversible WC effects positive in Q2, with operating cash flow particularly affected by a negative change in net working capital of EUR 43m.

This significant change in net working capital is primarily due to two effects, the 1st one even reversible:

1. An increase in trade receivables in the LatAm segment caused by the waiver of early payment of receivables arising from installment purchases, as a result of the improved level of capital resources following the successful IPO in February 2021. Rationale is to **save interest expenses** as long as cash levels are comfortable. **Can be revised anytime** freeing up the cash again
2. The normalization of inventory levels and delivery times in the Europe segment, which also resulted in shorter advance financing by customer prepayments



Outlook and Q&A





Current trading and outlook

- Growth momentum remains positive driven by double digit GOV growth against very strong 2020 comparables.
- 2021 guidance updated to upper half of initial FY 2020 guidance range, taking into consideration further uncertainty on H2 customer demand.
 - Revenue growth 28% to 38% (in CC), (previously: 20% to 40% (in CC))
 - Adj. EBITDA margin guidance remains unchanged at 0% to +2%

Q&A



Summary of the financial performance - Group

In EURm and % of Revenue

	Q1-20	Q1-21	Q2-20	Q2-21	H1-20	H1-21
Revenue	102.6	159.0	119.1	166.1	221.7	325.1
Revenue growth CC	14%	64%	49%	41%	31%	52%
Cost of sales	55.4	86.7	64.4	95.0	119.8	181.6
Gross profit	47.2	72.4	54.7	71.1	101.9	143.5
Gross profit margin	46%	46%	46%	43%	46%	44%
Fulfillment expenses ¹	18.3	26.5	20.8	27.3	39.1	53.8
Fulfillment expenses ratio	18%	17%	17%	16%	18%	17%
Profit contribution	28.9	45.8	33.9	43.8	62.8	89.7
Profit contribution margin	28%	29%	28%	26%	28%	28%
Marketing expenses	19.0	30.1	12.5	23.5	31.4	53.6
Marketing expenses ratio	18%	19%	10%	14%	14%	16%
Adjusted EBITDA	-3.5	0.6	9.2	4.1	5.7	4.7
Adjusted EBITDA margin	-3%	0%	8%	2%	3%	1%

¹Including impairment losses on financial asset

Summary of the financial performance - Europe

In EURm and % of Revenue

	Q1-20	Q1-21	Q2-20	Q2-21	H1-20	H1-21
Revenue	79.1	133.3	97.5	138.3	176.6	271.5
Revenue growth CC	11%	68%	52%	42%	31%	54%
Cost of sales	41.4	71.7	51.5	77.6	92.9	149.3
Gross profit	37.7	61.6	45.9	60.6	83.7	122.2
Gross profit margin	48%	46%	47%	44%	47%	45%
Fulfillment expenses ¹	14.6	22.8	16.8	23.5	31.4	46.3
Fulfillment expenses ratio	18%	17%	17%	17%	18%	17%
Profit contribution	23.2	38.8	29.2	37.1	52.3	75.9
Profit contribution margin	29%	29%	30%	27%	30%	28%
Marketing expenses	16.9	26.9	10.5	20.1	27.4	47.0
Marketing expenses ratio	21%	20%	11%	15%	16%	17%
Adjusted EBITDA	-3.3	0.5	8.9	4.6	5.6	5.1
Adjusted EBITDA margin	-4%	0%	9%	3%	3%	2%

¹Including impairment losses on financial asset

Summary of the financial performance - LatAm

In EURm and % of Revenue

	Q1-20	Q1-21	Q2-20	Q2-21	H1-20	H1-21
Revenue	23.5	25.8	21.6	27.8	45.1	53.6
Revenue growth CC	21%	47%	39%	39%	30%	43%
Cost of sales	14.1	15.0	12.9	17.3	26.9	32.3
Gross profit	9.5	10.8	8.7	10.5	18.2	21.3
Gross profit margin	40%	42%	40%	38%	40%	40%
Fulfillment expenses ¹	3.7	3.8	4.0	3.8	7.8	7.5
Fulfillment expenses ratio	16%	15%	19%	14%	17%	14%
Profit contribution	5.7	7.0	4.7	6.7	10.4	13.8
Profit contribution margin	24%	27%	22%	24%	23%	26%
Marketing expenses	2.0	3.2	2.0	3.4	4.0	6.6
Marketing expenses ratio	9%	12%	9%	12%	9%	12%
Adjusted EBITDA	-0.2	0.1	0.3	-0.5	0.1	-0.4
Adjusted EBITDA margin	-1%	0%	1%	-2%	0%	-1%

¹Including impairment losses on financial asset

Cashflow breakdown by segments

In EURm

Group	Q2-21
Cash BOP	205.4
Adjusted EBITDA	4.1
Change in Net Working Capital	-42.8
Others	-0.2
Cash Flow from operating activities	-38.9
Cash Flow from investing activities	-3.2
Leasing payments	-3.2
Other	-0.3
Cash Flow from financing activities	-3.5
Effect of exchange rate changes on cash and cash equivalents	10.0
Cash EOP	169.7



Europe	Q2-21
Cash BOP	121.1
Adjusted EBITDA	4.6
Change in Net Working Capital	-25.6
Others	0.0
Cash Flow from operating activities	-21.0
Cash Flow from investing activities	-1.0
Leasing payments	-2.6
Other	-0.1
Cash Flow from financing activities	-2.7
Effect of exchange rate changes on cash and cash equivalents	0.0
Cash EOP	96.4

LatAm	Q2-21
Cash BOP	84.3
Adjusted EBITDA	-0.5
Change in Net Working Capital	-17.4
Others	-0.2
Cash Flow from operating activities	-18.1
Cash Flow from investing activities	-2.0
Leasing payments	-0.6
Other	-0.4
Cash Flow from financing activities	-1.0
Effect of exchange rate changes on cash and cash equivalents	10.1
Cash EOP	73.3

Financial calendar

Upcoming events

DATE	EVENT
September 6th	Equity Forum - Herbstkonferenz
September 16th	Citi Small/Mid-Cap & Growth Conference
September 20th	Berenberg and Goldman Sachs German Corporate Conference
November 10th	Publication quarterly financial report (call-date Q3)
December 7th	GBC Münchener Kapitalmarkt Konferenz

KPI definitions

KPI	DEFINITION
Gross order value [in EUR]	Defined as the aggregated gross order value of the orders placed in the respective period, including VAT and without factoring in cancellations and returns as well as subsequent discounts and vouchers
Number of active customers [#]	Defined as the number of customers that have placed at least one non-canceled order in the 12 months prior to the respective date, without factoring in returns
Total gross orders	Defined as the number of orders placed in the relevant period, regardless of cancellations or returns
Average order value [in EUR]	Defined as the aggregated gross order value of the orders placed in the respective period, including VAT, divided by the number of orders, without factoring in cancellations and returns as well as subsequent discounts and vouchers
Growth at constant currency (CC)	Defined as growth using constant BRL/EUR exchange rates from the previous year
Adjusted EBITDA [in EUR]	EBITDA defined as the sum of operating result (EBIT) and depreciation and amortization. Adjusted for share-based compensation expenses and costs incurred in connection with the listing of existing shares and other one-off expenses, mainly service fees for legal and other consulting services associated with the IPO

Disclaimer

This presentation has been prepared by home24 SE (the “Company”). All material contained in this document and the information presented is for information purposes only and does not purport to be a full or complete description of the Company and its affiliated entities. This presentation must not be relied on for any purpose.

This presentation contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management of the Company. Forward-looking statements should not be construed as a promise of future results and developments and involve known and unknown risks and uncertainties. Various factors could cause actual future results, performance or events to differ materially from those described in these statements, and neither the Company nor any other person accepts any responsibility for the accuracy of the opinions expressed in this presentation or the underlying assumptions. The Company does not assume any obligations to update any forward-looking statements.

This presentation contains certain financial measures that are not calculated in accordance with IFRS and are therefore considered “non-IFRS financial measures”. The management of the Company believes that these non-IFRS financial measures used by the Company, when considered in conjunction with, but not in lieu of, other measures that are computed in accordance with IFRS, enhance an understanding of the Company’s results of operations, financial position and cash flows. A number of these non-IFRS financial measures are also commonly used by securities analysts, credit rating agencies and investors to evaluate and compare the periodic and future operating performance and value of other companies with which the Company competes. These non-IFRS financial measures should not be considered in isolation as a measure of the Company’s profitability or liquidity, and should be considered in addition to, rather than as a substitute for, income data or cash flow data prepared in accordance with IFRS. In particular, there are material limitations associated with the use of non-IFRS financial measures, including the limitations inherent in determination of each of the relevant adjustments. The non-IFRS financial measures used by the Company may differ from, and not be comparable to, similarly-titled measures used by other companies.

Certain numerical data, financial information and market data, including percentages, in this presentation have been rounded according to established commercial standards. Furthermore, in tables and charts, these rounded figures may not add up exactly to the totals contained in the respective tables and charts.