

### **Delticom AG: Good growth in Q2 13**

**Hanover, 18 July 2013 – Delticom (German Securities Code (WKN) 514680, ISIN DE0005146807, stock market symbol DEX), Europe's leading online tyre dealer, has published preliminary figures for the first half year. In a challenging market environment the company recognised revenues of € 212.2 million, a plus of 9.8 % year-on-year. Earnings before interest and taxes (EBIT) amounted to € 8.9 million.**

For the European tyre trade as a whole, second quarter summer tyre were yet again disappointing. German summer tyre sales from dealers to end-customer decreased significantly year-on-year, even after accounting for a rebound in April. According to figures published by the wdk (organisation of the German tyre manufacturers), the market was down 14.7 % for the first five months of the year.

**Revenues.** In this challenging environment H1 13 group revenues increased by 9.8 % to € 212.2 million (H1 12: € 193.3 million). In the second quarter the company recognised revenues of € 130.9 million (Q2 12: € 107.8 million), a plus of 21.5 % year-on-year. Against the market trend, Q2 13 revenues in the core E-Commerce division were up year-on-year by 24.0 %, amounting to € 128.9 million (H1 13: € 206.4 million, +11.6 %).

In the second quarter, 271 thousand first-time buyers made a purchase from the Delticom online shops (Q2 12: 197 thousand), an increase of 37.6 % compared to the same quarter in the previous year. Customers who repeatedly come back contribute to the success of the business. In the past quarter 212 thousand of those customers (Q2 12: 164 thousand, +29.4 %) made repeat purchases at Delticom.

Quarterly revenues in the Wholesale division shrunk by –47.3 % to € 2.0 million (H1 13: € 5.8 million, –30.9 %).

**Gross margin.** The gross margin for Q2 13 was 24.0 % (Q2 12: 26.9 %). For the first half year the gross margin was 24.4 %, after 26.4 % in the prior-year period.

The cost of goods sold increased in the reporting period by 12.9 %, from € 142.2 million in Q2 12 to € 160.5 million.

**Gross profit.** Other operating profit rose by 30.1 % to € 2.7 million (H1 12: € 2.1 million). Altogether, the gross profit improved by 2.3 % year-on-year, from € 53.2 million to € 54.4 million.

**Personnel expenses.** In the reporting period on average 148 staff members were employed at Delticom (H1 12: 142). Personnel expenses amounted to € 4.5 million (H1 12: € 4.4 million). The H1 13 personnel expenses ratio stood at 2.1 % (staff expenditures as percentage of revenues, H1 12: 2.3 %).

**Other operating expenses.** In H1 13 other operating expenses totalled € 39.6 million, an increase of 15.7 % over the prior-year value of € 34.2 million.

Among the other operating expenses, transportation costs is the largest line item, amounting to € 18.7 million for the reporting period (H1 12: € 16.2 million). The share of transportation costs against revenues went up from 8.4 % in H1 12 to 8.8 % in H1 13.

In the reporting period, advertising costs totalled € 6.5 million. This equates to a ratio of marketing expenses to revenues of 3.0 % (H1 12: € 4.3 million or 2.2 %).

**Depreciation** for H1 13 was with € 1.3 million unchanged from last year.

**Earnings performance.** EBIT for the reporting period came down by 32.8 % from € 13.2 million to € 8.9 million. This equates to an EBIT margin of 4.2 % (H1 12: 6.9 %). Second quarter EBIT saw a decline of 35.2 %, from prior-year's € 9.8 million to € 6.4 million. The quarterly EBIT margin was 4.9 % (Q2 12: 9.1 %). The decline was mainly due to lower gross margins.

The financial result was € –7.8 thousand (H1 12: € –86 thousand). Income tax expense was € 2.9 million (previous year: € 4.4 million). The tax rate was 32.5 % (H1 12: 33.2 %). In total, consolidated net income for the reporting period totalled € 6.0 million, after a prior-year amount of € 8.8 million.

**Working Capital.** Among the current assets, inventories is the biggest line item. They grew from the beginning of the year by € 40.9 million, totalling € 115.0 million on the reporting date (30.06.2012: € 135.1 million). In the corresponding prior-year period the increase in inventory value had amounted to € 28.6 million.

In the wake of the inventory build-up, the accounts payable increased by 47.2 % to € 110.1 million (30.06.2012: € 96.4 million). Taken together with accounts receivable of € 11.0 million (30.06.2012: € 10.5 million), the net working capital on 30.06.2013 amounted to € 11.4 million (30.06.2012: € 45.4 million).

**Cash flow and liquidity position.** The H1 13 cash flow from ordinary business activities (operating cash flow) was € –13.6 million (H1 12: € –0.5 million).

The groups capital intensity is low. The H1 13 cash flow from investments was positive with € 35 thousand (H1 12: € –372 thousand).

Cash flow from financing activities in the reporting period totalled € –22.8 million, thereof the dividend payout for the 2012 financial year of € 22.5 million.

Liquidity (cash and cash equivalents plus liquidity reserve) as of 30.06.2013 totalled € 9.8 million (30.06.2012: € 7.7 million). The company's net cash position (liquidity less liabilities from current accounts) amounted to € 7.1 million (30.06.2012: € –18.0 million).

**Outlook.**

## Corporate News



Delticom is on track for 2013. Assuming a satisfactory course of business, the group should be able to grow its revenues year-on-year. The management expects Delticom to outperform the industry as a whole in 2013, regardless of broader sector developments.

**The full report for the first six months of 2013 will be published on 08 August 2013 within the "Investor Relations" section of the website [www.delti.com](http://www.delti.com) .**

### **Company profile:**

Delticom, Europe's leading online tyre retailer, was founded in Hanover in 1999. With more than 100 online shops in 42 countries, the company offers its private and business customers an unequalled assortment of excellently priced car tyres, motorcycle tyres, bicycle tyres, truck tyres, bus tyres, special tyres, rims, complete wheels (pre-mounted tyres on rims), selected replacement car parts and accessories, motor oil and batteries. The independent website [reifentest.com](http://reifentest.com) contains impartial information about tyre tests and helps the customers choose from more than 100 tyre brands and more than 25,000 tyre models. Delticom delivers either directly to the customer's home address, or to one of more than 35,000 service partners – affiliated garages which take delivery of tyres and then install these on the customer's vehicle. Delticom's Wholesale division also sells tyres to wholesalers domestically and abroad.

On the Internet at: [www.delti.com](http://www.delti.com)

Selected online shops: [www.reifendirekt.de](http://www.reifendirekt.de), [www.123pneus.fr](http://www.123pneus.fr), [www.mytyres.co.uk](http://www.mytyres.co.uk), [www.reifendirekt.ch](http://www.reifendirekt.ch)

### **Contact:**

Melanie Gereke  
Brühlstraße 11  
30169 Hanover  
Phone: +49-511-93634-8903  
E-Mail: [melanie.gereke@delti.com](mailto:melanie.gereke@delti.com)