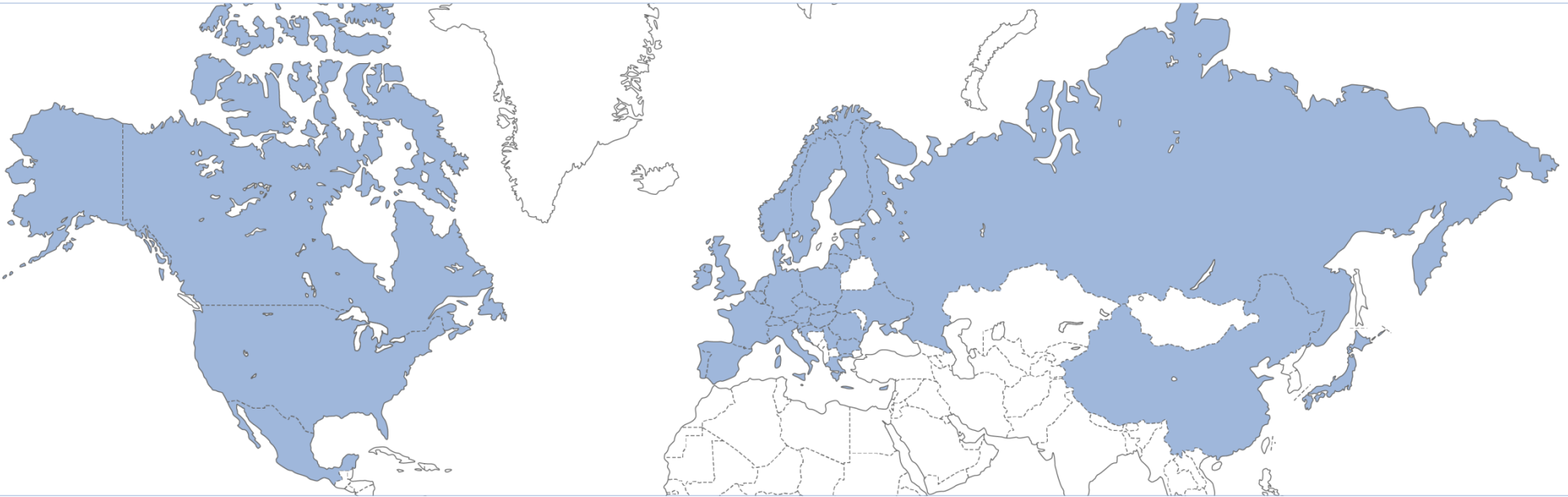


# Delticom AG: Company Presentation

Hanover, 13 May 2015



# Delticom – Europe's leading online tyre retailer



- ▶ 188 online shops in 42 countries across the globe (Europe, North America & East Asia)
- ▶ Service partners: EU 36,076, Non-EU 5,843 + around 7,000 via Tyrepac
- ▶ More than 25,000 models from over 100 tyre brands for cars, motorcycles, commercial vehicles and buses
- ▶ Complete wheels, motor oil, replacement parts and accessories
- ▶ Multi-brand strategy

# Q1/2015: growth in a market environment of deflationary prices

## Macroeconomy

- ▶ Weak Euro and low oil prices lead to higher consumption propensity of households in Europe
- ▶ Economic performance of the Euro countries remains divergent
- ▶ Eastern Europe is still influenced by developments in Ukraine and sanctions against Russia

## Revenues

- ▶ e-commerce revenue of 163 online shops +18.5 % growth y-o-y
- ▶ Three quarters of revenues stem from EU countries, stronger revenue growth in non-EU countries (+36.2 %)  
Q1: volume growth > revenues growth

Q1/2015

## Tyre market

- ▶ No early switch to summer tyres in 2015, warm temperatures in previous year Q1
- ▶ First 2015 estimates show weak start in the first three months

## Customer base Q1 15

- ▶ 207 thousand new customers
- ▶ 238 thousand repeat customers
- ▶ Customer base > 8 million

# Q1/2015: Key Financials Delticom Group

	Unit	Q1 15	Q1 14	-/+ (% , %p)
New customers	k	207	197	+5.2
Revenues	€m	111.3	94.3	+18.1
Gross margin <sup>*)</sup>	%	22.0	24.5	-2.5p
Gross profit <sup>*)</sup>	€m	24.5	23.1	+6.2
EBITDA	€m	0.8	2.4	-68.0
EBITDA margin	%	0.7	2.5	-1.8p
EBIT	€m	-1.4	0.3	-0.6k
EBIT margin	%	-1.2	0.3	-1.5p
Net income	€m	-1.4	0.0	-6.9k
Earnings per share (undiluted)	€	-0.11	0.00	-6.5k

→ New methodology

→ Focus on volume growth

→ Increase in volume-related costs

	Unit	31.03.15	31.03.14	-/+ (% , %p)
Inventories	€m	73.6	94.7	-22.3
Equity	€m	49.4	51.7	-4.4
Equity ratio	%	26.4	23.3	+3.1p

→ Increase of 31.0 % since year-end

<sup>\*)</sup> excl. other operating income

# Q1/2015: P+L statement

in €m	Q1 15	Q1 14	-/+ (%)
<b>Revenues</b>	<b>111.3</b>	<b>94.3</b>	<b>+18.1</b>
Other operating income	4.2	3.0	+41.0
<b>Total operating income</b>	<b>115.6</b>	<b>97.3</b>	<b>+18.8</b>
Cost of goods sold	-86.8	-71.2	+21.9
<b>Gross profit</b>	<b>28.7</b>	<b>26.1</b>	<b>+10.2</b>
Personnel expenses	-2.2	-3.6	-39.6
Other operating expenses	-25.8	-20.1	+28.5
<b>EBITDA</b>	<b>0.8</b>	<b>2.4</b>	<b>-68.0</b>
Depreciation	-2.1	-2.1	+1.4
<b>EBIT</b>	<b>-1.4</b>	<b>0.3</b>	<b>-0.6k</b>
Financial expenses	-0.1	-0.3	-64.6
Financial income	0.0	0.0	0.0
Net financial result	-0.1	-0.3	-66.4
<b>EBT</b>	<b>-1.4</b>	<b>0.0</b>	<b>-4.8k</b>
Income taxes	0.1	-0.0	-0.6k
<b>Consolidated net Income</b>	<b>-1.4</b>	<b>0.0</b>	<b>-6.9k</b>

→ Reduced Tirendo workforce

→ Volume-related costs up

→ Q1 only of less importance

# Q1/2015: Balance sheet – Assets

in €m	31.03.15	%	'-/+ (%)	31.12.14	%	31.03.14	%
<b>Assets</b>							
Non-current assets	56.4	30.1	-3.0	58.1	35.4	65.5	29.6
Intangible assets	46.6	24.9	-2.9	47.9	29.2	51.4	23.2
Property, plant and equipment	8.5	4.5	-5.4	9.0	5.5	10.3	4.6
Financial assets	0.0	0.0	+8.0	0.0	0.0	0.8	0.4
Deferred taxes	0.8	0.4	+10.5	0.7	0.4	2.6	1.2
Other receivables	0.5	0.3	+12.6	0.5	0.3	0.5	0.2
Current assets	130.9	69.9	+23.7	105.9	64.6	156.0	70.4
Inventories	73.6	39.3	+31.0	56.2	34.2	94.7	42.7 → According to plan
Accounts receivable	23.0	12.3	+58.9	14.5	8.8	20.2	9.1
Other current assets	12.3	6.6	+161.0	4.7	2.9	19.1	8.6
Income tax receivables	1.4	0.7	+152.1	0.5	0.3	1.1	0.5
Cash and cash equivalents	20.7	11.0	-31.0	30.0	18.3	20.9	9.5
<b>Assets</b>	<b>187.3</b>	<b>100.0</b>	<b>+14.2</b>	<b>164.0</b>	<b>100.0</b>	<b>221.5</b>	<b>100.0</b>

# Q1/2015: Balance sheet – Shareholder's Equity and Liabilities

in €m	31.03.15	%	'-/+(%)	31.12.14	%	31.03.14	%
<b>Equity</b>	<b>49.4</b>	<b>26.4</b>	<b>-1.7</b>	<b>50.3</b>	<b>30.7</b>	<b>51.7</b>	<b>23.3</b>
Equity attributable to Delticom AG shareholders	48.6	25.9	-1.4	49.3	30.1	51.7	23.3
Subscribed capital	11.9	6.4	0.0	11.9	7.3	11.9	5.4
Share premium	25.4	13.5	0.0	25.4	15.5	24.4	11.0
Other components of equity	0.6	0.3	+401.6	0.1	0.1	-0.2	-0.1
Retained earnings	0.2	0.1	0.0	0.2	0.1	0.2	0.1
Net retained profits	10.4	5.6	-10.4	11.7	7.1	15.3	6.9
Non-controlling interests	0.8	0.4	-18.0	1.0	0.6	0.0	0.0
<b>Liabilities</b>	<b>137.9</b>	<b>73.6</b>	<b>+21.3</b>	<b>113.7</b>	<b>69.3</b>	<b>169.8</b>	<b>76.7</b>
Non-current liabilities	15.4	8.2	-7.5	16.7	10.2	21.4	9.7
Long-term borrowings	14.3	7.6	-7.0	15.4	9.4	19.6	8.8
Non-current provisions	0.4	0.2	+14.2	0.4	0.2	0.3	0.1
Deferred tax liabilities	0.7	0.4	-24.7	0.9	0.6	1.6	0.7
Current liabilities	122.5	65.4	+26.2	97.1	59.2	148.4	67.0
Provisions for taxes	0.9	0.5	+12.1	0.8	0.5	0.4	0.2
Other current provisions	1.2	0.6	-20.2	1.5	0.9	1.5	0.7
Accounts payable	96.6	51.6	+27.3	75.9	46.3	114.1	51.5
Short-term borrowings	5.1	2.7	+14.9	4.4	2.7	12.2	5.5
Other current liabilities	18.6	9.9	+29.8	14.4	8.8	20.1	9.1
<b>Shareholder's equity and liabilities</b>	<b>187.3</b>	<b>100.0</b>	<b>+14.2</b>	<b>164.0</b>	<b>100.0</b>	<b>221.5</b>	<b>100.0</b>

# Q1/2015: Abridged cash flow statement

in €m	Q1 15	Q1 14
<b>Earnings before interest and taxes (EBIT)</b>	<b>-1.4</b>	<b>0.3</b>
Changes in inventories	-17.4	-21.8
Changes in receivables and other assets not allocated to investing or financing activity	-16.1	-15.4
Change in payables and other liabilities not allocated to investing or financing activity	25.0	45.4
Other items	0.7	2.3
<b>Cash flow from operating activities</b>	<b>-9.2</b>	<b>10.7</b>
<b>Cash flow from investing activities</b>	<b>-0.2</b>	<b>-0.2</b>
<b>Cash flow from financing activities</b>	<b>-0.4</b>	<b>-0.9</b>
Exchange rate-induced change in cash and cash equivalents	0.5	-0.0
Cash and cash equivalents at the start of the period	30.0	11.3
Cash-relevant changes in cash and cash equivalents	-9.8	9.6
Changes in the scope of consolidation	0.0	0.0
<b>Cash and cash equivalents - end of period</b>	<b>20.7</b>	<b>20.9</b>



# Outlook 2015

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## Market

- ▶ Consumer confidence in Europe on the rise but sustainable recovery unclear
- ▶ BVR expectation for FY 2015 not clear yet
- ▶ Excess inventory for winter goods in the supply chain could lead to further downward price pressure

## Delticom

- ▶ Turnover + EBITDA (abs.) at least flat yoy
- ▶ Increase in volume vs. 2014
- ▶ 2015: Tirendo break-even
- ▶ Over 1m new customers in 2015
- ▶ Expand market leadership

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## Investor Relations

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