

Delticom AG

Expanding eCommerce market position in Europe



Hanover, August 2017

Key Facts 1st HY 2017

430

online shops and online platforms
in **71 countries**

297 M€

Sales volume with avg. FTE **156 employees**

3 warehouses

>11.4M

Customers served



Delticom is a lean and highly efficient organisation

Industry Trends



- Market for replacement tyres remained weak
- **-1%** less volume from producer to traders in Europe (ETRMA)
- **-2.8%** lower sell-out volume in Germany in 1st HY 2017
- Summer-tyres in Germany show an even sharper volume decline of **-4.9%**
- Changed information and buying behaviour of car drivers (BRV)
- **74%** of car buyers use the internet as information source



- Food & groceries FY'17: **+21%** est. growth to **9%** share of global e-Commerce
- Market share of e-Commerce (revenues) in DE with nearly **1%** still low
- The online-acceptance in this segment is expected to grow

Share of online trade continues to grow in all markets served

Market Trend e-Commerce



- E-Commerce reached in **2016** mark of **>1 trillion €**
- Growth in e-Commerce for **2017** : +15.5% to reach **1.2 trillion US-\$** worldwide
- e-Commerce market **2021: 1.8 trillion US-\$, CAGR +11.5%**
- In 2017 more than **50%** of the world population uses the internet
- **>25%** of global population older 15 years buys online
- Germany, online-trade market volume of € 60 bn in 2016 : **11%** of total German retail business
- E-Commerce in the USA accounts for **~8%** and in the UK for **~14%**

 **The digital world grows with accelerated speed**

Strengths of Delticom



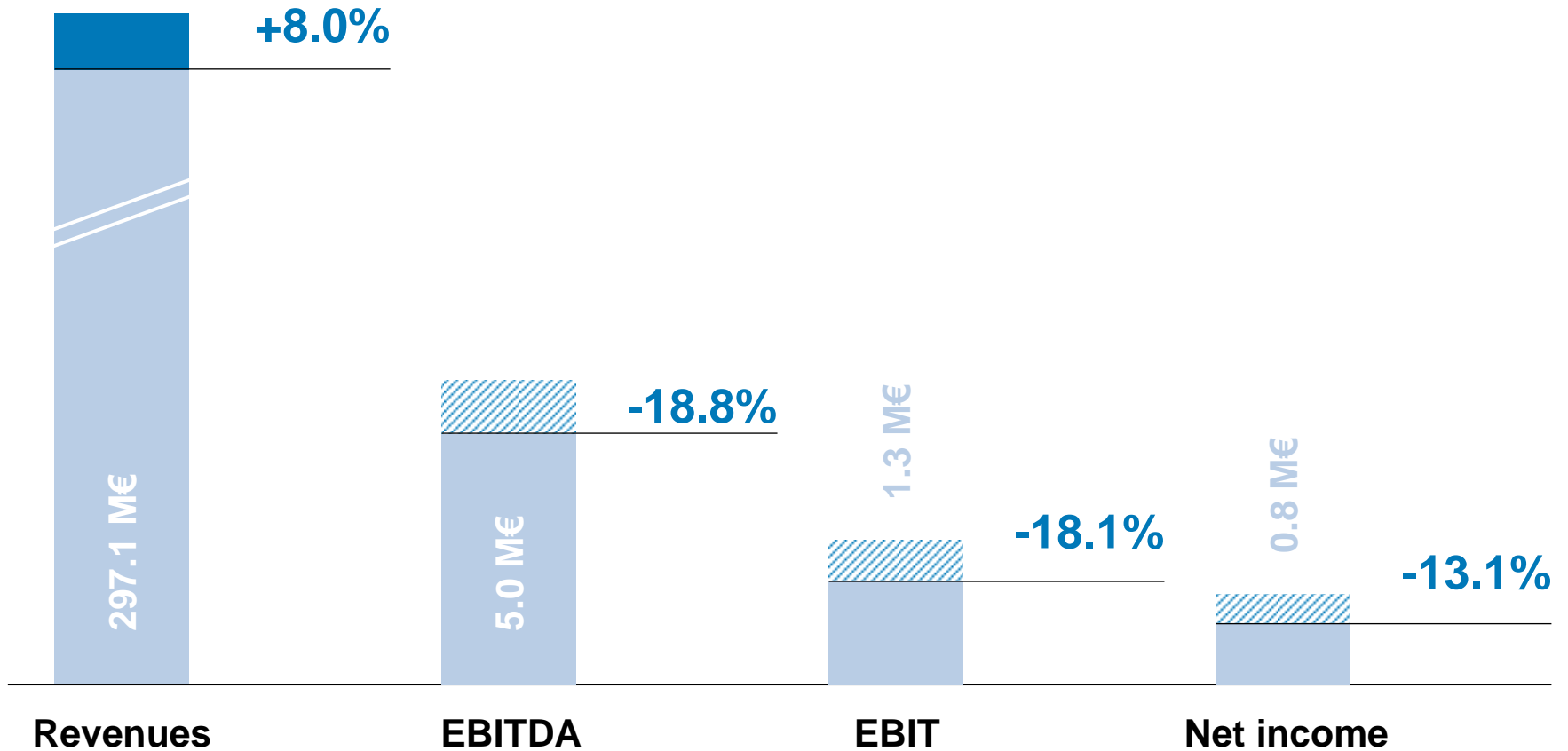
Our Core Competencies (IT, Processes, Logistics)

- Long experience in E-Commerce
- Long experience in SEO/SEA
- State-of-the-art IT infrastructure
- High degree of data- and IT security
- Highly integrated and automated processes
- Highly automated and integrated warehouses for small items and tyres
- Knowledge of cross border business



Long experience in cross-border E-Commerce

Key Financials 1st HY 2017



Key Financials 1st HY 2017

P&L

	Unit	30.06.2017	30.06.2016		
Total income	€m	309.3	284.1	+ 8.9%	
Gross profit	€m	74.4	74.0	+ 0.6%	
Gross margin	%	24.1	26.0	- 1.9%p	
Transportation	€m	28.1	27.3	+ 3.1%	<i>volume and country mix</i>
Stocking	€m	3.4	3.1	+ 9.9%	<i>higher turn, consolidation effect new warehouse</i>
Rent	€m	3.1	2.9	+ 5.0%	<i>consolidation effect new warehouse</i>
Marketing	€m	12.0	12.4	- 3.2%	<i>TV spots in 1st HY 16</i>
Financial & Legal	€m	2.4	2.4	+ 0.9%	
Depreciation/Amortization	€m	3.6	4.5	- 19.0%	<i>Planned decrease in amortization</i>

 **Delticom succeeded in a difficult market environment**

Key Financials 1st HY 2017

Balance Sheet Assets

	Unit	30.06.2017	30.06.2016		
Non-current assets	€m	77.5	87.3	- 11.2%	
Intangible assets	€m	57.7	68.5	- 15.8%	<i>Amortization higher than new Investments</i>
Property, plant & equipment	€m	15.4	15.5	- 0.4%	
Current assets	€m	138.9	138.3	+0.4%	
Inventories	€m	90.6	91.9	-1.4%	<i>+27.9€m since beginning of the year</i>
Accounts receivable	€m	25.0	23.0	+ 8.7%	<i>Payment terms professionals</i>
Liquidity	€m	3.0	8.3	- 63.4%	<i>Net-liquidity at -29.2 €m</i>

▶ Ratio of current assets grew from 61.3% to 64.2%

Key Financials 1st HY 2017

Balance Sheet Equity & Liabilities

	Unit	30.06.2017	30.06.2016	
Equity	€m	52.7	55.8	-5.6%
Subscribed capital	€m	12.5	12.5	+ 0.0%
Share premium	€m	33.7	34.8	- 3.2% <i>Preliminary PPA as of 30.06.2016</i>
Net retained profits	€m	5.1	6.7	-23.9%
Liabilities	€m	163.7	169.7	- 3.5%
Long term borrowings	€m	5.9	9.7	- 39.2% <i>Repayments</i>
Accounts payables	€m	107.3	98.2	+ 9.3% <i>Working capital management</i>
Short term borrowings	€m	32.1	38.1	- 15.8% <i>Active cash-management</i>

Ratio of short term liabilities grew by 3.3% pts.

Outlook Confirmation

- ➔ For the current year, Delticom estimates annual revenues at 650 million € with an **increase of the EBITDA to 16 million €**
- ➔ Because of uncertainties with regard to the development of the European replacement tyre demand, Delticom **estimates a sales growth rate of 7% yoy**
- ➔ Despite further expenditures for the development of our new businesses, Delticom plans to **keep the EBITDA margin at prior year's level**

▶ **Focus 2017: know-how transfer along our entire e-Commerce value chain**

Q&A

