

Delticom AG: Revenue forecast missed mainly due to mild weather and correspondingly lower demand, operating EBITDA better than expected, EBITDA within the forecasted range

Preliminary figures for fiscal year 2019

Hanover, March 04, 2020 – Delticom AG, Hanover, German Securities Code (WKN) 514680, ISIN DE0005146807, stock market symbol DEX, generated consolidated revenues of € 625 million in the 2019 financial year (2018: € 645.7 million, –3.1 %) based on preliminary, unaudited IFRS consolidated figures. Due to an exceptionally mild winter, demand for winter tyres was lower than expected in the last weeks of the fiscal year. As a result, the revenue range of € 650 to 660 million forecasted for the year as a whole was not achieved. In addition to weaker demand, the strengthened focus on profitability also contributed to this decrease in revenues.

The change process initiated in the past fiscal year with the clear objective of strengthening profitability on a sustainable basis already showed initial successes in the past fiscal year. At € –7 million, EBITDA is within the forecasted corridor (forecasted range: € –8 million to € –5 million, FY 18: € +9 million). In addition to the positive earnings contribution of € 14 million from an ongoing logistics project, EBITDA also includes non-recurring expenses from impairment and restructuring costs of € 16 million. Operating EBITDA amounts to around € 9 million (forecasted range: € 5 million to € 8 million). Despite the weaker revenue growth, Delticom has thus succeeded in exceeding its target for operating earnings before depreciation and amortization including the income from the logistics project.

The focus on the core business “Tyres Europe” for a sustainable return to the profit zone is accompanied by the discontinuation of unprofitable business areas. Corresponding closure measures were already initiated in 2019 and some of them have already been executed. The business of All you need GmbH was already closed down at the end of 2019. The business of Gourmondo Food GmbH, as well as the online trade with automotive spare parts and oils, will be completely closed down by the end of the first quarter of 2020. With the measures already initiated last year, the company is ahead of the restructuring plan. The expected negative effects of loss transfers and impairment losses in connection with the closure or possible sale of subsidiar-

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ies amount to approximately € 22 million and have already been taken into account in the 2019 financial statements. Further effects could arise in the coming weeks as part of the ongoing audit of the annual financial statements. As a result of the first-time application of IFRS 16 to existing operating leases (rents), scheduled depreciation in 2019 will be around € 5 million higher.

<End of ad hoc disclosure>

About Delticom:

With the brand Reifendirekt, Delticom AG is the leading company in Europe for the online distribution of tyres and complete wheels.

The product portfolio for private and business customers comprises an unparalleled range of more than 100 brands and over 25,000 tyre models for cars, motorcycles, trucks, commercial vehicles and buses. Complete wheels and rims complete the product range. The company operates 475 online shops and sales platforms in 73 countries, serving more than 14 million customers.

As part of the service, the ordered products can be sent to one of Delticom's approximately 40,000 service partners worldwide for mounting at the customer's request.

Based in Hanover, Germany, the company operates primarily in Europe and the USA and has extensive expertise in the development and operation of online shops, internet customer acquisition, internet marketing and the establishment of partner networks.

Since its foundation in 1999, Delticom has built up comprehensive expertise in designing efficient and fully integrated ordering and logistics processes. The company's own warehouses are among its most important assets.

In fiscal year 2019, Delticom AG generated revenues of 625 million euros. At the end of last year, the company employed 242 people.

Delticom AG shares have been listed in the Prime Standard of Deutsche Börse since October 2006 (ISIN DE0005146807).

On the internet at: www.delti.com

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