

A Firm Grip.



Investor and Analyst Presentation

on the Occasion of the Release of the Semi-Annual Results 2009

Hanover, 13th August 2009

Agenda

Delticom at a Glance

Business Model

Seasonalities in the Tyre Trade

Financials

Outlook



Agenda

Delticom at a Glance

Business Model

Seasonalities in the Tyre Trade

Financials

Outlook

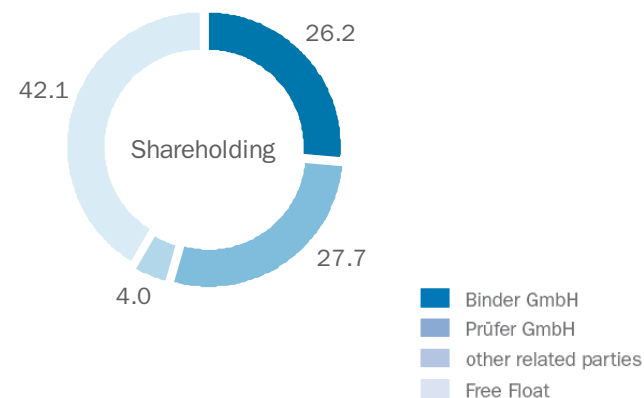
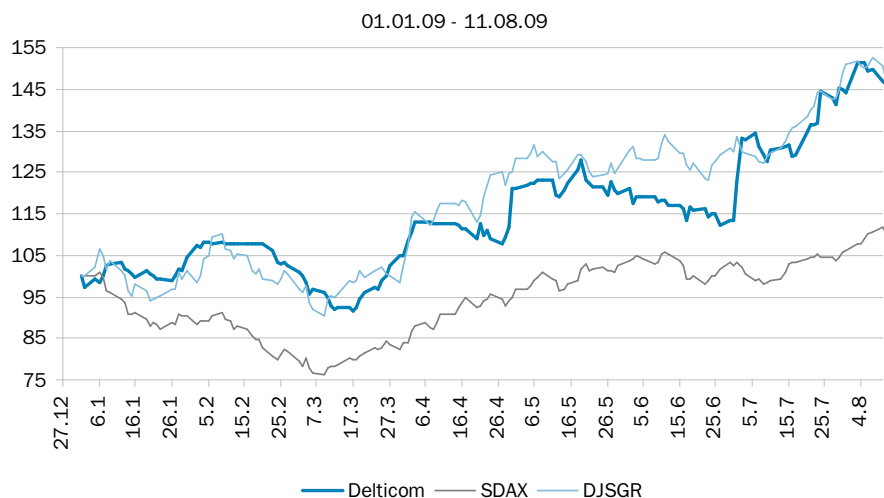


Delticom at a Glance

- **#1 European online tyre dealer** (car replacement tyres):
> 100 online shops in 35 countries
- founded 1999, IPO Oct 06, SDAX Dec 08
- customer base: more than **3 million**
2008: ~700 thousand new customers
- **broad product range**: > 100 tyre brands, > 25,000 models
- other products: motorcycle, truck, rims, complete wheels, motor oil, car parts, accessories
- global network with more than **20,000 fitting partners**

🇩🇪 DE 6307
 🇺🇸 US 2700
 🇬🇧 UK 1733
 🇫🇷 FR 2367
 🇨🇭 CH 946

		H1 09	H1 08	yoy %
Revenues	€m	139.2	121.5	+14.5
Gross profit	€m	38.5	30.5	+26.3
EBIT	€m	10.2	5.6	+82.9
EBIT margin	%	7.3	4.6	
Net income	€m	7.0	4.1	+70.9
Earnings per share	€	0.59	0.35	+70.9
Employees		87	81	+7.4
Total assets	€m	96.4	95.5	+0.9
Equity ratio	%	47.2	44.6	
Return on equity	%	15.4	9.6	
Operating cash flow	€m	-6.0	9.1	-165.4



Agenda

Delticom at a Glance

Business Model

Seasonalities in the Tyre Trade

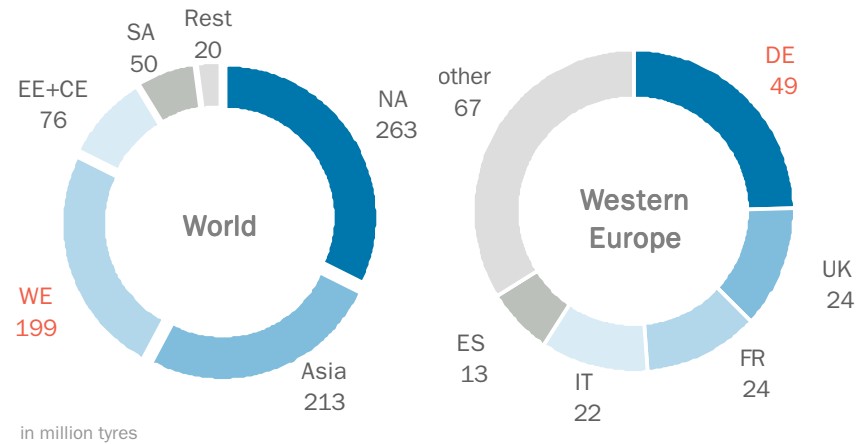
Financials

Outlook



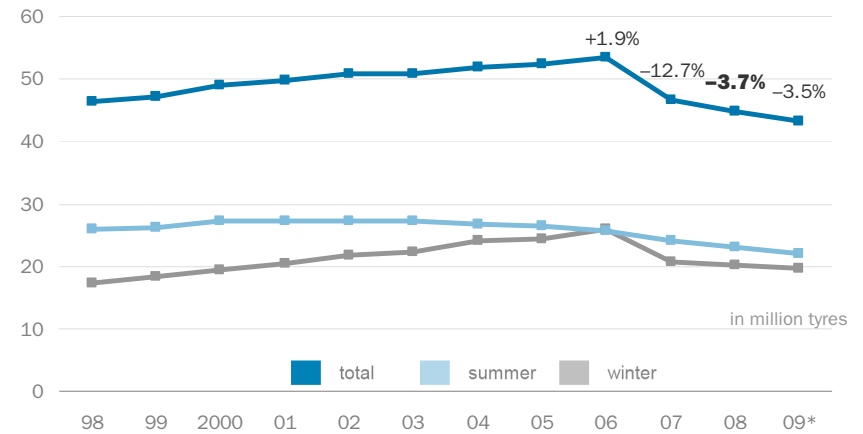
Tyres and the Internet

European Car Replacement Tyres: € 11 billion



Source: LMC World Tyre Forecast Service 2009, Michelin, BRV, own estimates

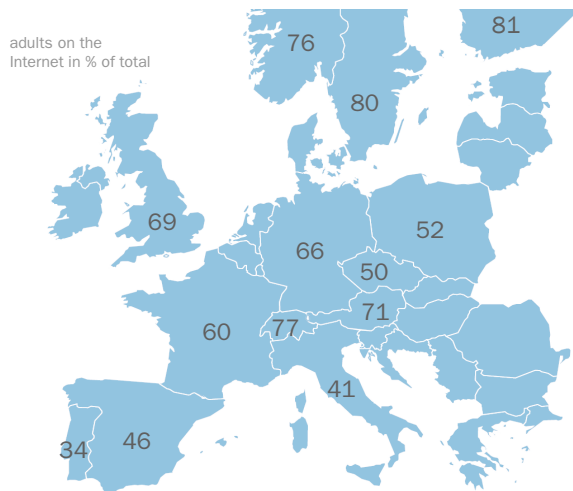
Germany: Outlook for 2009 remains dim



Source: BRV (car replacement tyres)

* estimates as of March 09

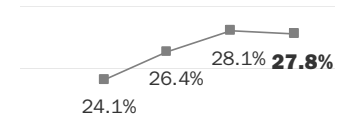
Europeans are increasingly online...



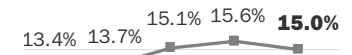
Desk Research GfK Austria, April 2009

... and buy their tyres online.

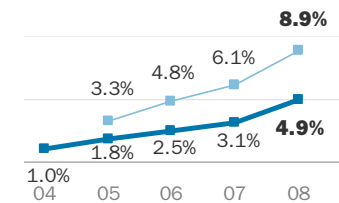
want to buy online in the future (18-39)



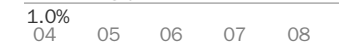
want to buy online in the future (all)



bought last tyres on the Internet (18-39)



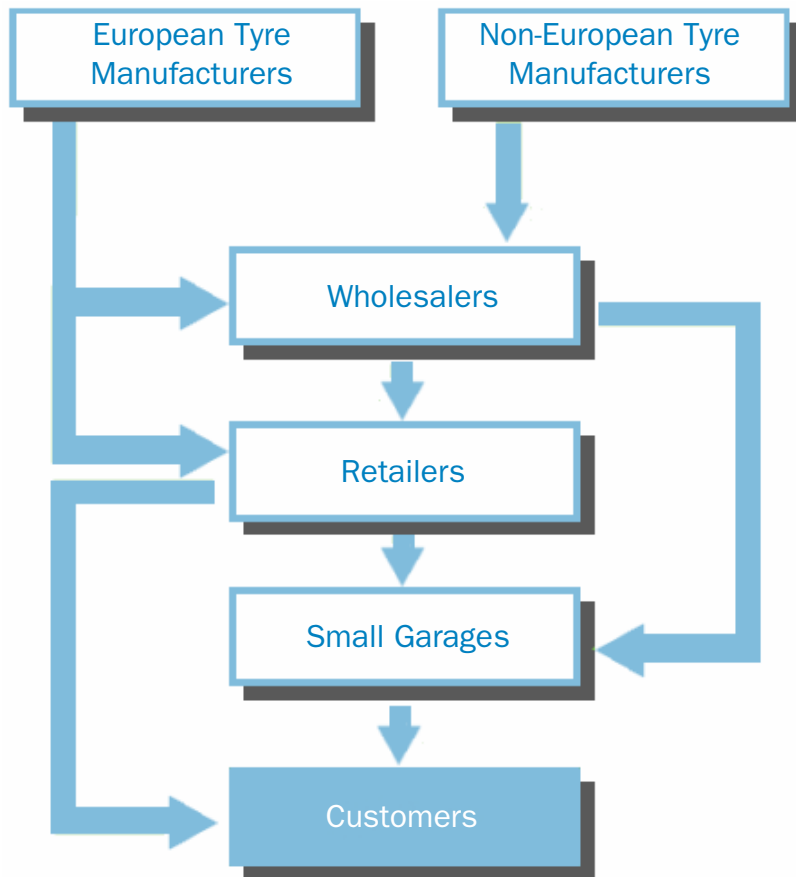
bought last tyres on the Internet (all)



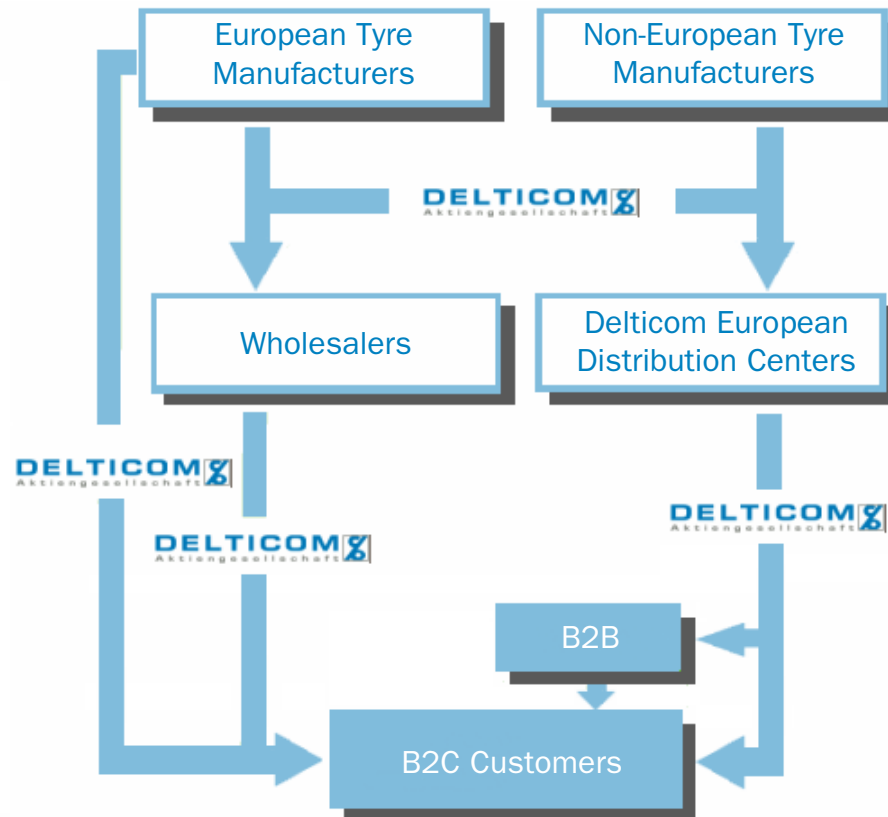
Source: ADAC Reifenmonitor 2005-2009, 2009 preliminary

Redesign of the Tyre Distribution Chain

Traditional Retail



Delticom Redesign



Agenda

Delticom at a Glance

Business Model

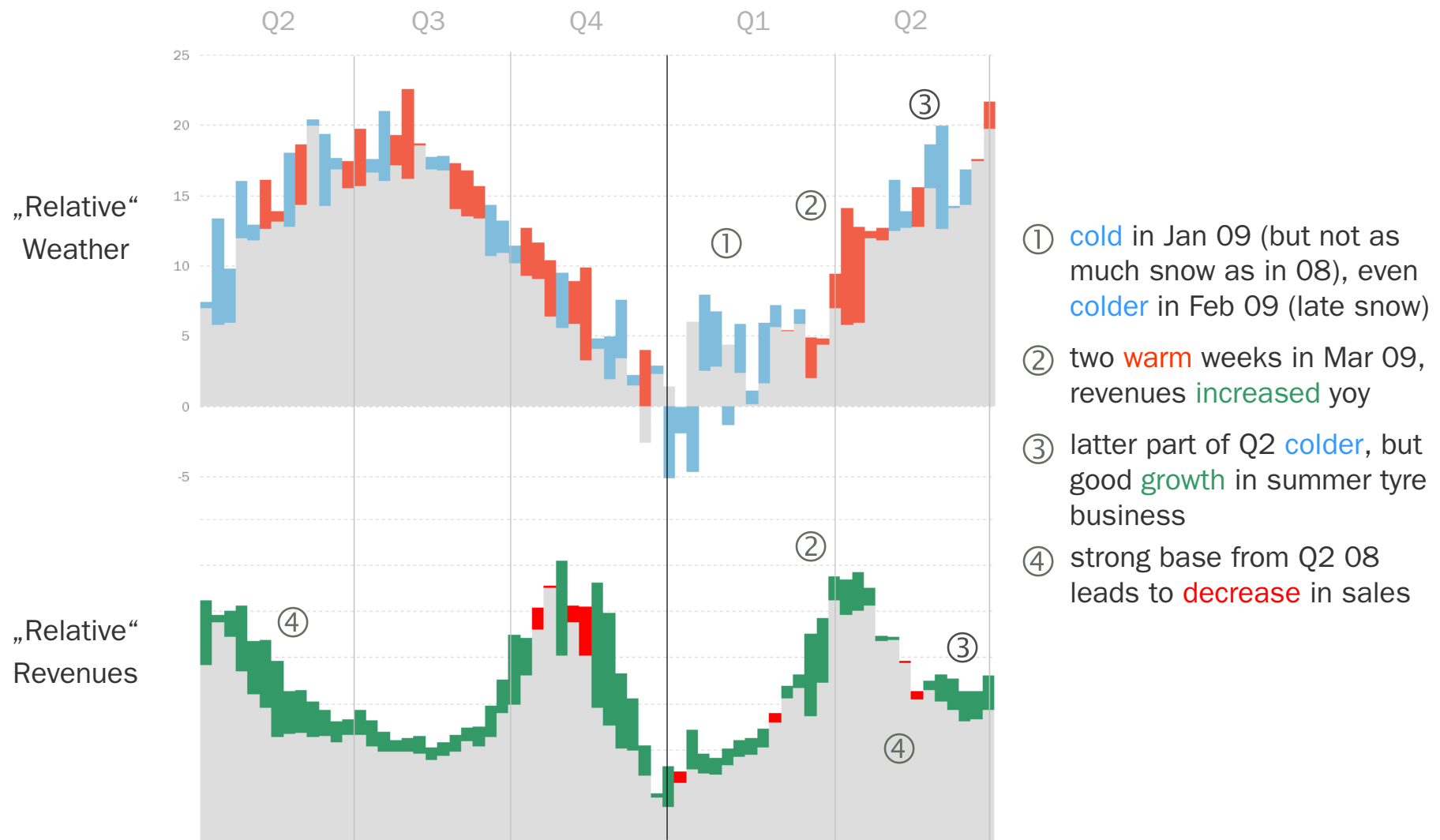
Seasonalities in the Tyre Trade

Financials

Outlook

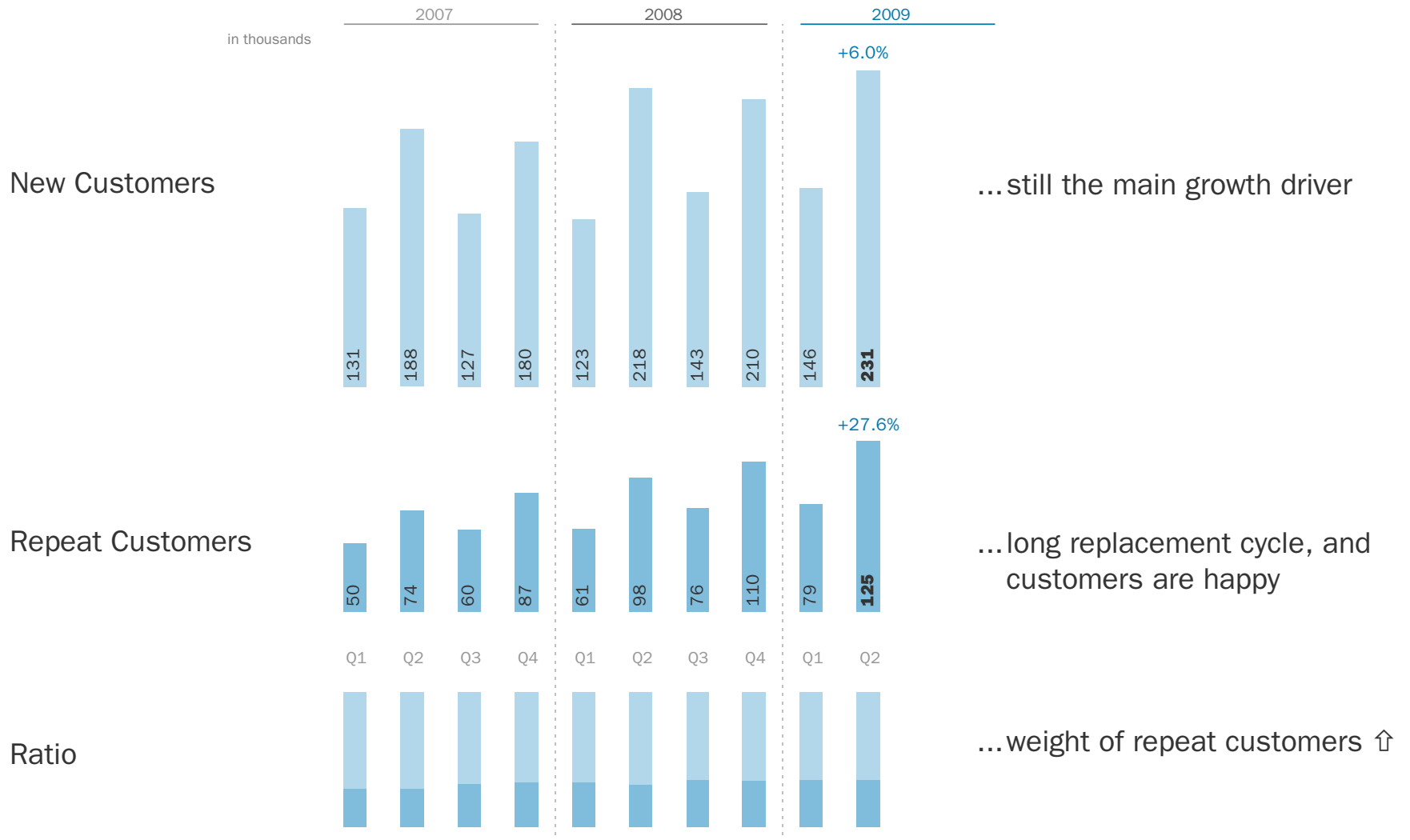


2007 / 2008 / 2009 Seasonalities



► Summer season (Q2) and winter season (Q4) are very important.

Customers



▶ Repeat customers constitute important growth potential

Agenda

Delticom at a Glance

Business Model

Seasonalities in the Tyre Trade

Financials

Outlook



Quarterly Revenues

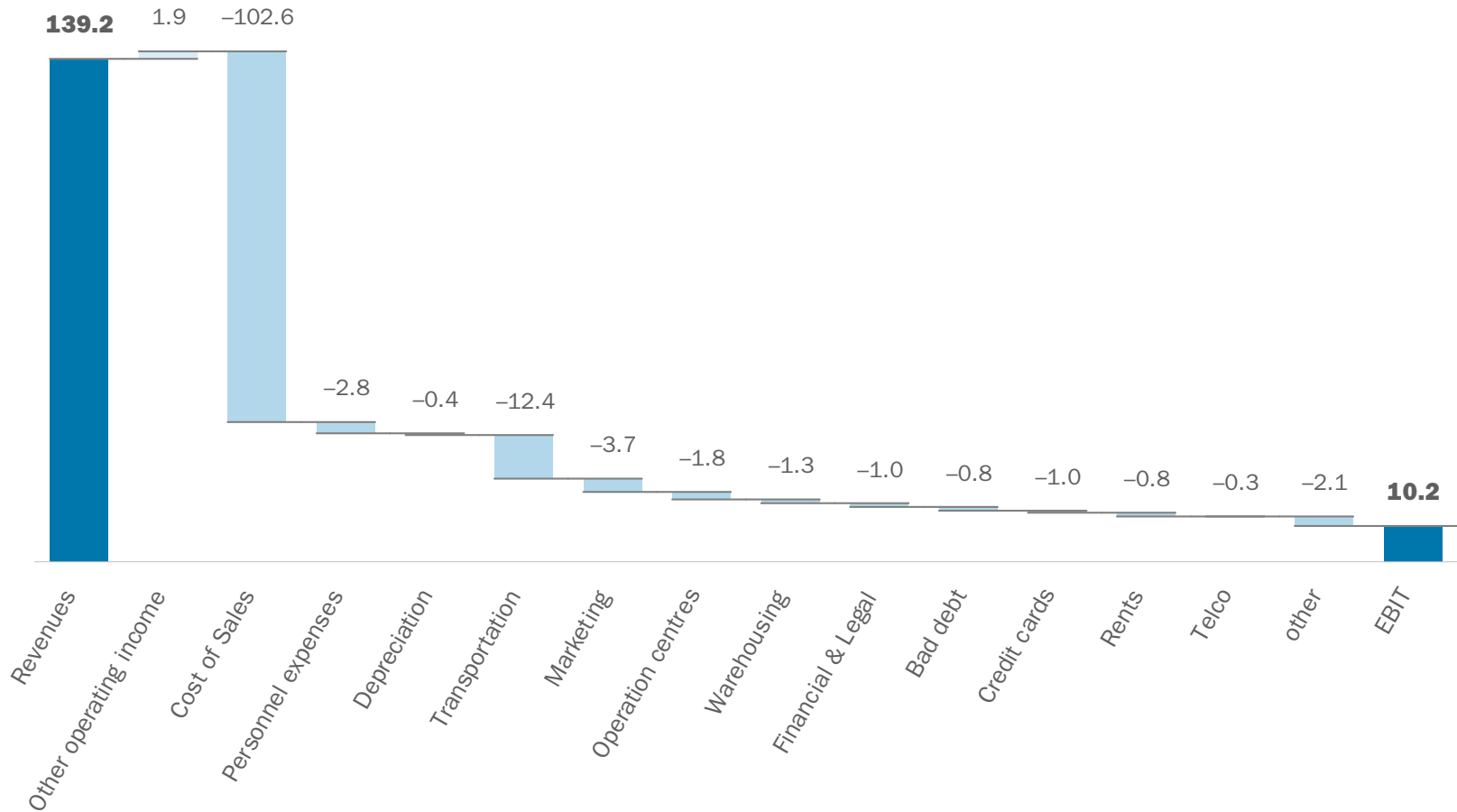
in € million



► Fluctuations in growth rates: seasons, weather, base effects, strategy

Revenues-to-EBIT Bridge

in € million



► Gross margin and operating leverage drive EBIT

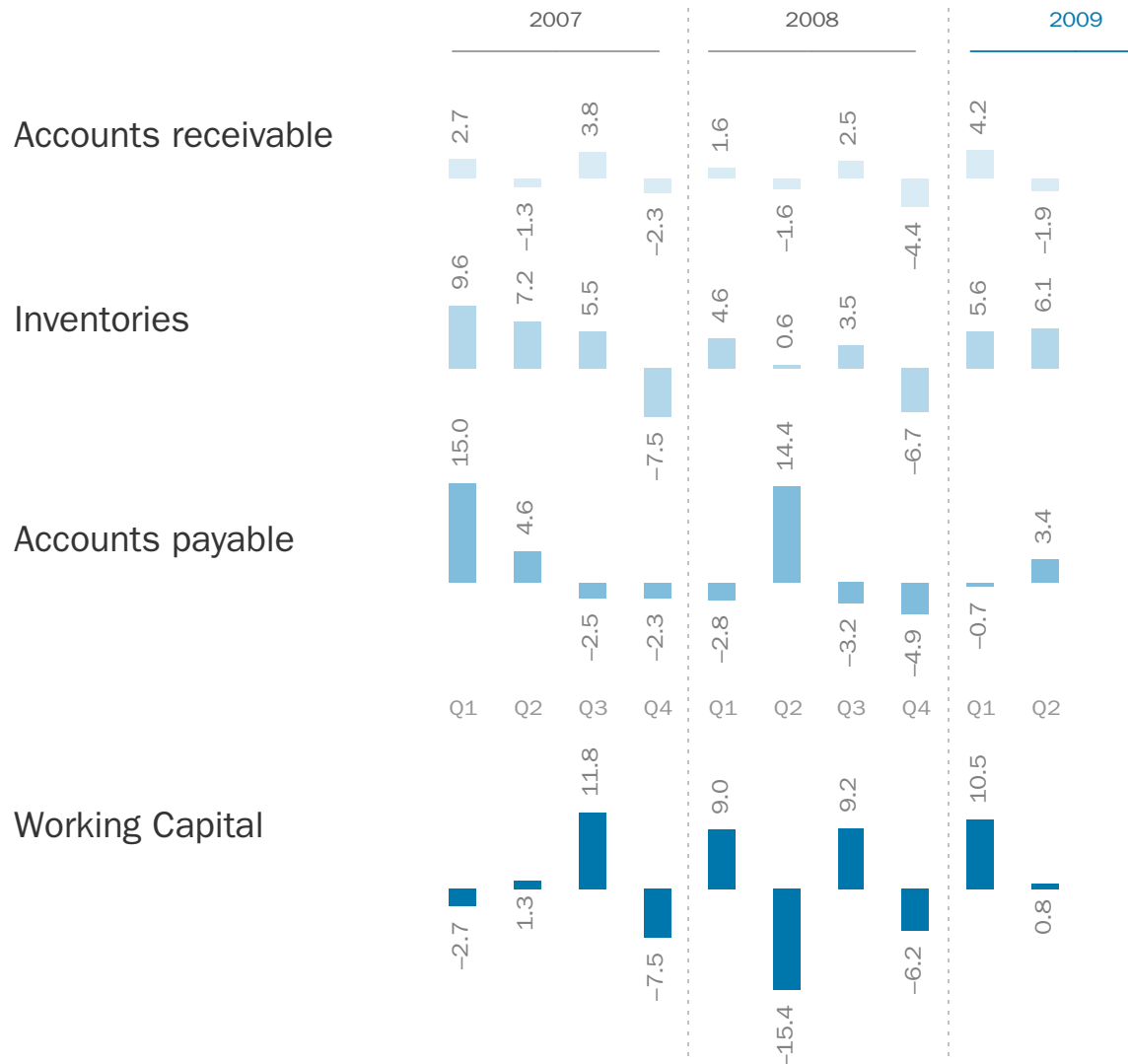
P&L Drivers

	H1 09	H1 08	growth		margin %		
			%	factor	H1 09	H1 08	chnge
Revenues	139.2	121.5	14.5	1.0	100.0	100.0	0.0
Cost of sales	102.6	92.4	11.1	0.8	73.8	76.1	-2.3
Gross Profit (simple)	36.5	29.1	25.5	1.8	26.2	23.9	2.3
Direct costs	21.0	18.4	13.7	0.9	15.1	15.2	-0.1
Direct costs (dep. on sales)	15.5	13.4	15.4	1.1	11.1	11.1	0.1
Transportation costs	12.4	10.4	19.2	1.3	8.9	8.5	0.4
Warehousing costs	1.3	1.2	15.3	1.1	1.0	1.0	0.0
Operations centre costs	1.8	1.9	-5.5	-0.4	1.3	1.6	-0.3
Direct costs (dep. on revenues)	5.4	5.0	9.0	0.6	3.9	4.1	-0.2
Credit card fees	1.0	0.8	16.2	1.1	0.7	0.7	0.0
Bad debt losses	0.8	0.9	-5.8	-0.4	0.6	0.7	-0.1
Marketing costs	3.7	3.3	11.2	0.8	2.6	2.7	-0.1
Contribution margin 1	15.6	10.7	45.8	3.2	11.2	8.8	2.4
Indirect costs	5.4	5.1	5.4	0.4	3.9	4.2	-0.3
Personnel expenses	2.8	2.5	13.1	0.9	2.0	2.1	0.0
Rents and overheads	0.8	0.7	8.5	0.6	0.6	0.6	0.0
Financial and legal costs	1.0	1.0	0.1	0.0	0.7	0.8	-0.1
IT and telecommunications	0.3	0.2	13.8	1.0	0.2	0.2	0.0
Other	0.6	0.7	-20.2	-1.4	0.4	0.6	-0.2
Contribution margin 2	10.2	5.5	83.2	5.7	7.3	4.6	2.7
FX effects	-0.3	-0.4					
Other operating profit (w/o FX gains)	0.7	0.6					
EBITDA	10.5	5.8	81.6	5.6	7.6	4.8	2.8
Depreciation / Amortization	0.4	0.2	51.4	3.5	0.3	0.2	0.1
EBIT	10.2	5.6	82.9	5.7	7.3	4.6	2.7
Net financial result	0.2	0.5	-62.9	-4.3			
Financial income	0.2	0.5	-62.0	-4.3			
Financial expenses	0.0	0.0	-40.6	-2.8			
EBT	10.4	6.1	71.2	4.9	7.5	5.0	2.5
Income taxes	3.4	2.0	71.8	5.0			
Consolidated net income	7.0	4.1	70.9	4.9	5.0	3.4	1.7

purchase price	50,00
direct costs	6,00
<hr/>	
preset margin (e.g. 25%)	14,00
retail price	70,00
<hr/>	
plus VAT (e.g. Germany 19%)	13,30
gross retail price on website	83,30

(schematic example calculation)

Working Capital Management



...follow the seasonal peaks.

Q1 09: Warm in last week of March

...driven by sales (-), capacity (+).
(e.g. 2009 ramp-up)

...discretionary **payment terms**
Q2 07: stocking for winter season
Q2 09: stocking, but paying later

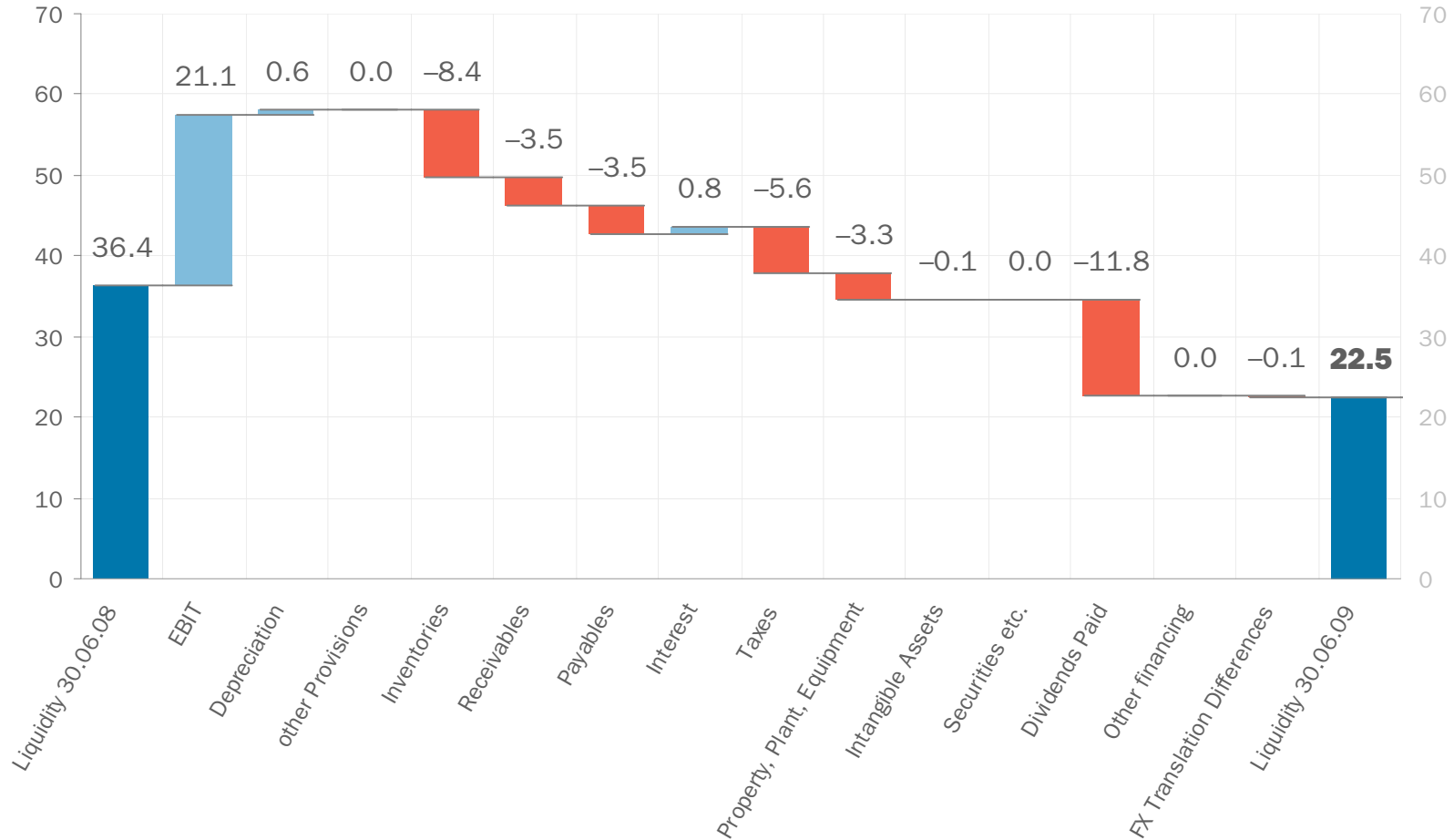
... both + and -, with significant swings. FY 08: „2009: Prepare for increased cash consumption (inventories, terms).“

quarterly delta in € million

► Changes in working capital reflect seasonal patterns

Cash Bridge (TTM)

in € million



► Delticom is self-financed, uses financial resources to support EBIT

Agenda

Delticom at a Glance

Business Model

Seasonalities in the Tyre Trade

Financials

Outlook



- **Current trading in Q3:**
 - good yoy growth
 - remember
 - Jul/Aug are months with low revenues ▶ no reliable indicator for full Q3
 - Q3 is quarter with lowest revenues ▶ no visibility for winter business in Q4
 - ... **German market** (BRV)
 - 2008: summer ↓ 4.5%, winter ↓ 3.3%
 - 2009: summer ↓ 4.0%, winter ↓ 3.4% ▶ revised to „-6% to -7% FY is more realistic“
 - Fuzzy signals from the **economy**
 - Ifo ↑, deflated retail sales ↓
 - GfK ↑, unemployment ↑ ▶ price levels? volume?
 - **Delticom** not unaffected by the wake of the recession, but **mitigating factors** exists:
 - destocking (more or less) completed ▶ price discipline continues
 - recession in all European countries ▶ customers are trading down
 - Delticom is an international business ▶ diversified country portfolio
 - Delticom is online ▶ good prices, good sales, good margins
 - **H2:** negative base effects wrt prices (USD-related)
 - **Q4:** expect stagnating revenues @ lower margins
- ▶ **Revenues FY09: +10% yoy**
- ▶ **EBIT-Margin FY09: 7%**

Key Investment Highlights

- 1 #1 European online tyre retailer
- 2 Resilient and profitable business model
- 3 Strong cash flow, strong balance sheet
- 4 Redesign of the tyre distribution chain
- 5 Excellent growth opportunities

Vielen Dank!

Investor Relations:

Melanie Gereke
Delticom AG
Brühlstr. 11
30169 Hanover, Germany

eMail: ir@delti.com
phone: +49-511-93634-8903