

On the right track.

Investor and Analyst Presentation

On the Occasion of the Release of the Semi-Annual Report 2010

Hanover, 10 August 2010



Agenda

Delticom at a Glance

Business Model

Profit & Loss

Balance Sheet

Outlook



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Delticom at a Glance

- **#1 European online tyre dealer**
- > 100 online shops in **35 countries**
- founded 1999, IPO Oct 2006, SDAX Dec 2008
- 2010 more than 430 thousand new customers so far
- customer base: more than **3.8 million**
- **focus on replacement tyres:** > 100 tyre brands, > 25,000 models
- other products:
 - motorcycle tyres, bicycle tyres
 - truck tyres, industrial tyres
 - complete wheels and rims
 - motor oil, car parts, accessories
- **105 employees** (end of Q2 10), mainly in the Hanover head office
- global network with more than **25,000 fitting partners**, e.g.
 - 🇩🇪 DE 7243 🇺🇸 US 2726 🇬🇧 UK 1756 🇫🇷 FR 2876 🇨🇭 CH 1186



Key Financials Q2 10

		Q2 10	Q2 09	yoy %	guidance*		
Revenues	€m	102.9	88.1	+16.7	> 10%		BZ: "350-360m" (+14%)
EBIT-Margin	%	10.6	8.6	+2.0p	9%		Q3 10 > Q3 09, Q4 10 < Q4 09
EPS	€	0.62	0.43	+44.0	~ 1.80		FY 09: € 1.71
Capex	€m	1.0	1.1	-11.6	3.5m		new warehouse in the making!
Liquidity	€m	22.8	22.6	+1.0	> LY		dividend sum >20m @ 12.05.

* as of 28 June 2010, all guidance for full year

▶ Pole position for the winter tyre business in Q4

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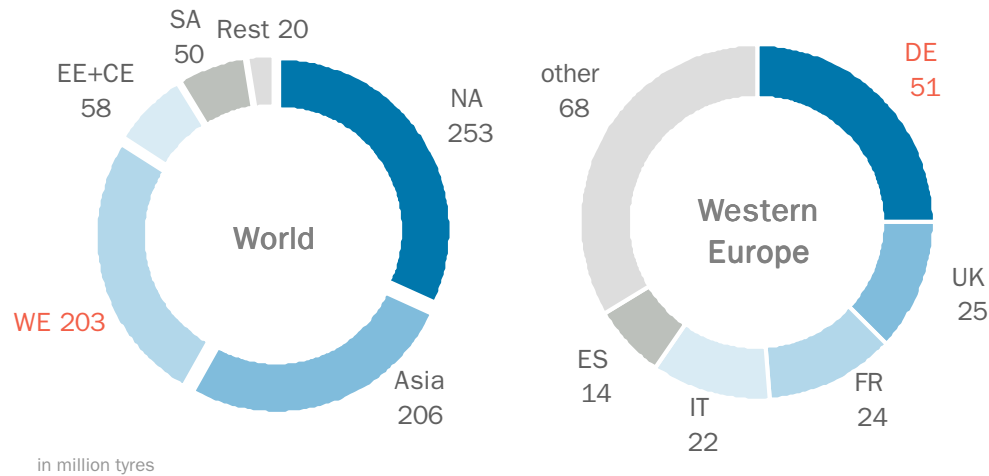
Balance Sheet

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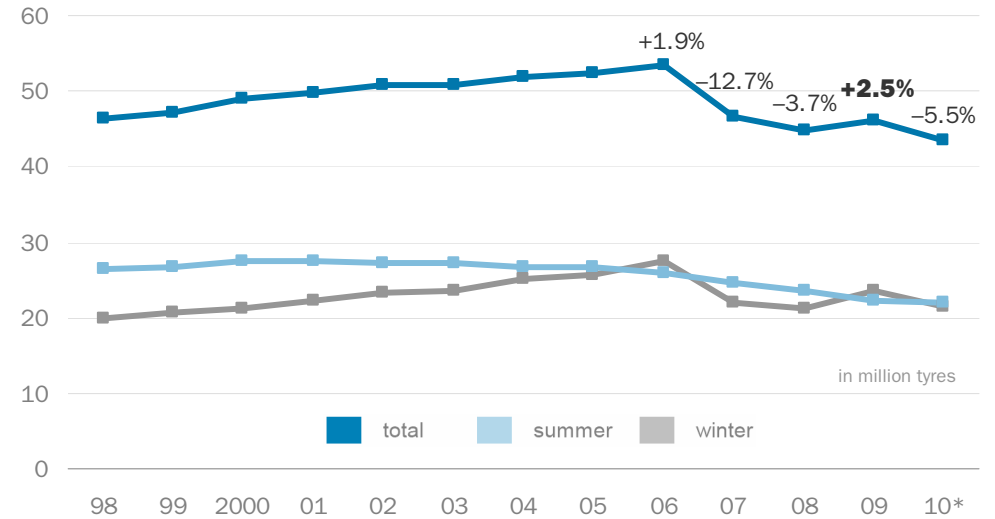
Tyres and the Internet

European Car Replacement Tyres: € 11 billion



Source: Datamonitor, Continental, Michelin, own estimates

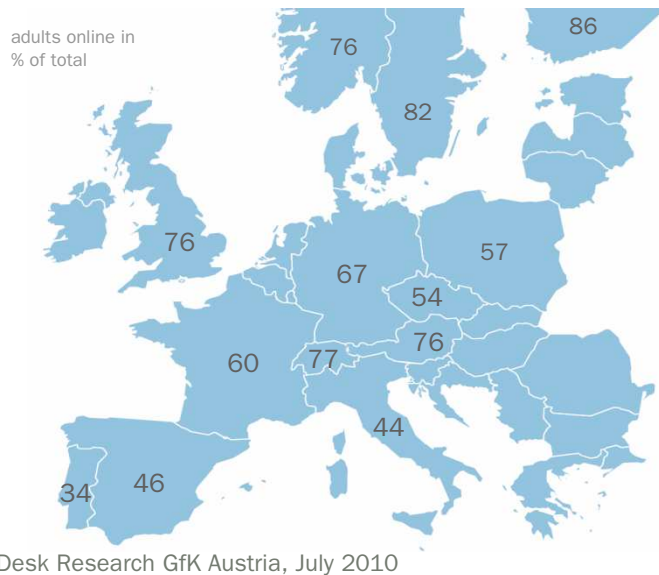
Germany: 2009 ok, mixed outlook for 2010



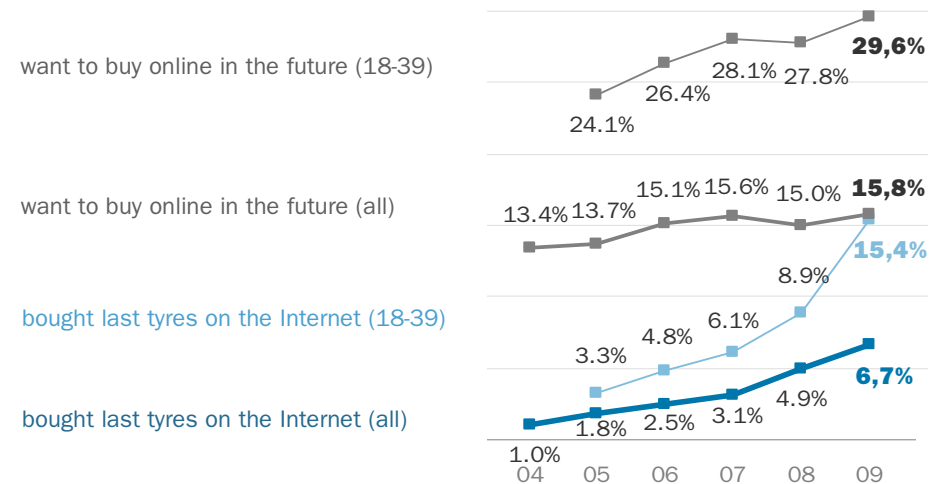
Source: BRV (car replacement tyres) 2010

* estimates as of March 2010

Europeans are increasingly online...



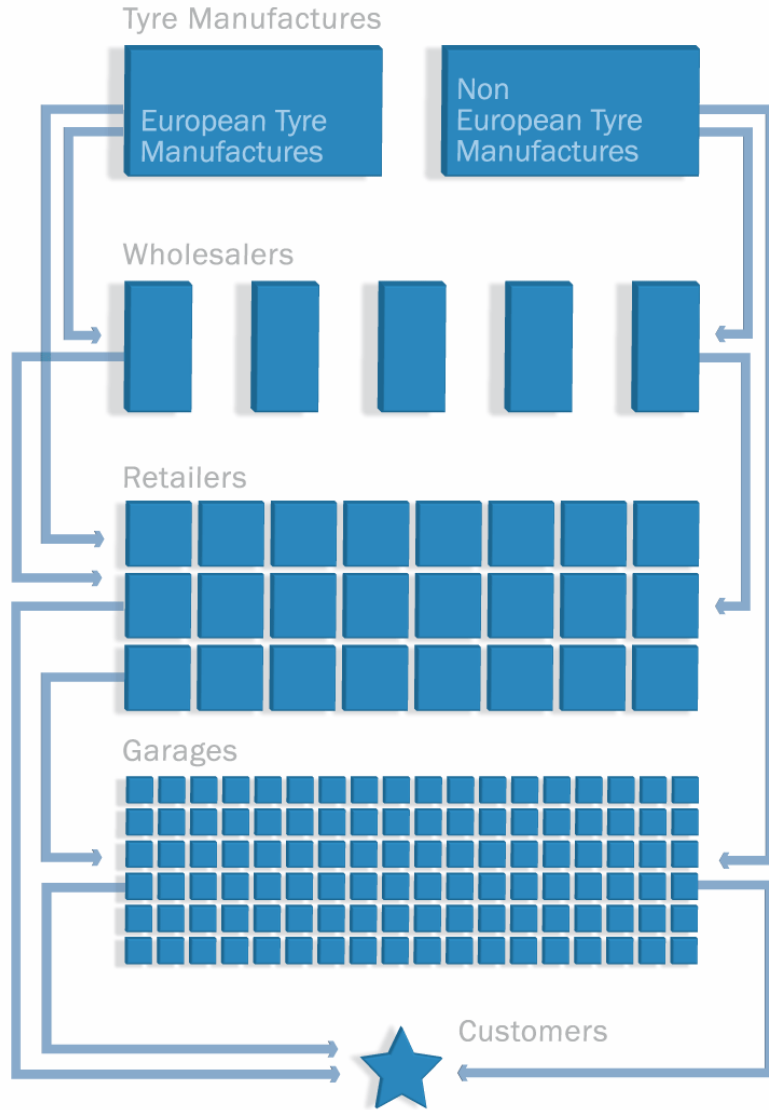
... and buy their tyres online.



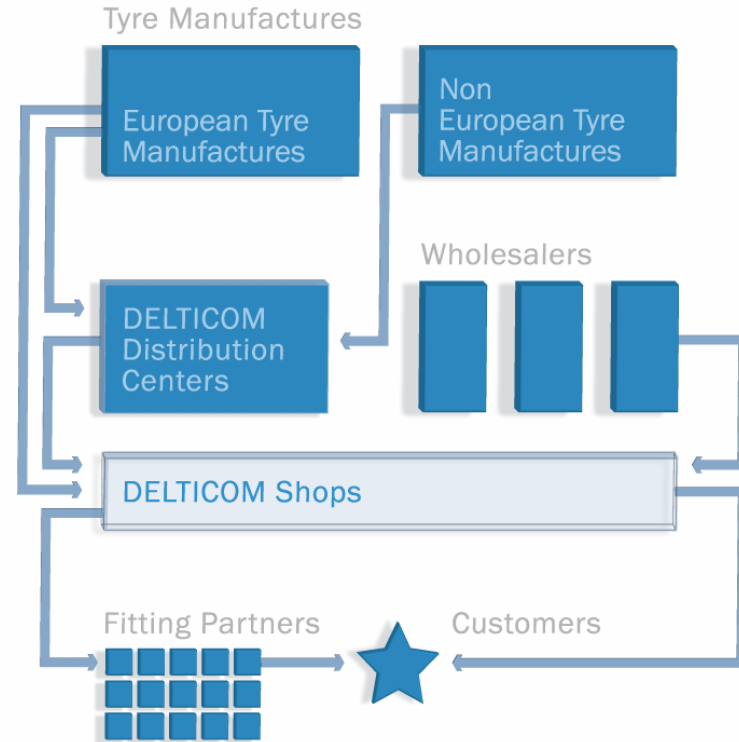
Source: ADAC Reifenmonitor 2005-2010

Redesign of the Tyre Distribution Chain

Traditional Retail



Delticom Redesign



Space
+ Time
+ Price

Key Benefits for Our Partners

Customers

- save time and money
- select from broad product offering
- fast delivery, even at peak times
- large network of service partners
- pre-/after sale services

Fitting Partners

- customer generation, free of charge
- no restrictions on fitting prices
- might offer other services (e.g. stock tyres until next changeover)
- customers review quality of fitting service
- favourable B2B offers

Suppliers

- Europe's leader in the online channel, strong growth, high volumes
- strong balance sheet, low credit risk
- efficient warehouse systems and processes for large and growing quantities
- versatile database (supply and demand, volumes and prices), supports consistent planning

▶ improved customer value

▶ well connected

▶ attractive partnership

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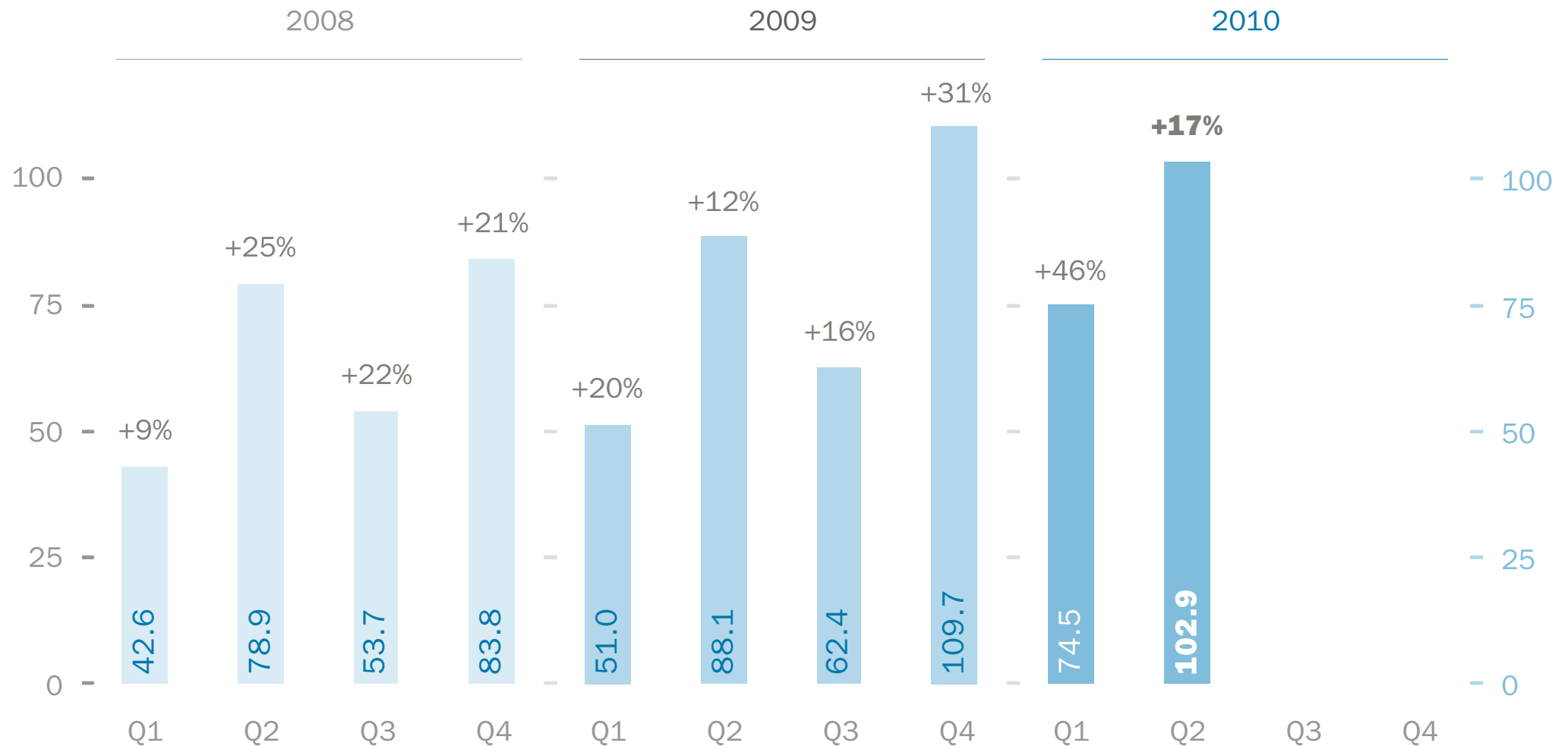
Customers



▶ Repeat customers constitute important growth potential

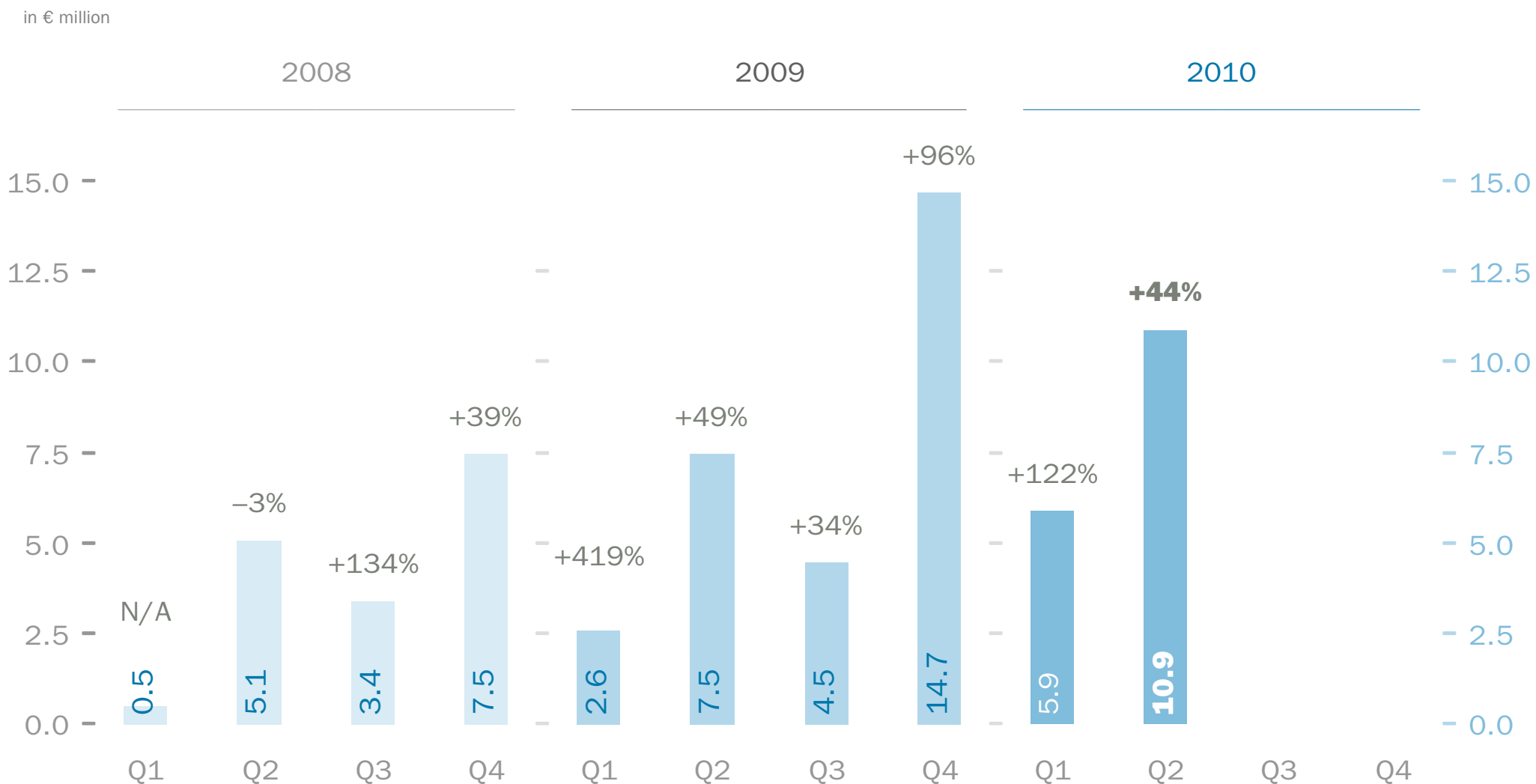
Quarterly Revenues

in € million



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

Quarterly EBIT



► Q1 10 helped by scale and cost improvements

P&L Drivers

	EUR		yoy	% of Revenues		
	H1 10	H1 09	%	H1 10	H1 09	chnge
Revenues	177.3	139.2	27.4	100.0	100.0	0.0
Cost of sales	129.3	102.6	26.0	72.9	73.8	-0.8
Gross Profit (simple)	48.0	36.5	31.5	27.1	26.2	0.8
Direct costs	25.3	21.0	20.6	14.3	15.1	-0.8
Direct costs (dep. on sales)	19.6	15.5	26.6	11.1	11.1	-0.1
Transportation costs	15.8	12.4	28.1	8.9	8.9	0.0
Warehousing costs	1.9	1.3	44.2	1.1	1.0	0.1
Operations centre costs	1.8	1.8	3.0	1.0	1.3	-0.2
Direct costs (dep. on revenues)	5.6	5.4	3.7	3.2	3.9	-0.7
Credit card fees	1.3	1.0	31.3	0.7	0.7	0.0
Bad debt losses	0.8	0.8	-2.5	0.5	0.6	-0.1
Marketing costs	3.6	3.7	-2.2	2.0	2.6	-0.6
Contribution margin 1	22.7	15.6	46.2	12.8	11.2	1.6
Indirect costs	6.9	5.4	27.1	3.9	3.9	0.0
Personnel expenses	3.2	2.8	12.8	1.8	2.0	-0.2
Rents and overheads	1.6	0.8	108.6	0.9	0.6	0.4
Financial and legal costs	1.1	1.0	14.6	0.6	0.7	-0.1
IT and telecommunications	0.3	0.3	31.2	0.2	0.2	0.0
Other	0.6	0.6	6.4	0.3	0.4	-0.1
Contribution margin 2	15.9	10.2	56.3	9.0	7.3	1.7
FX effects	0.8	-0.3				
Other operating profit (w/o FX gains)	0.7	0.7				
EBITDA	17.3	10.5	64.4	9.8	7.6	2.2
Depreciation / Amortization	0.6	0.4	71.7	0.3	0.3	0.1
EBIT	16.7	10.2	64.2	9.4	7.3	2.1
Net financial result	0.0	0.2	-76.2			
EBT	16.8	10.4	61.8	9.5	7.5	2.0
Income taxes	5.4	3.4	61.1			
Consolidated net income	11.4	7.0	62.1	6.4	5.0	1.4

← stable price environment, stable mix

← good yoy growth in DE
 ← stock-and-ship ↑, drop-ship ↓
 ← front-/backoffice automation ↑

← Wholesale revenues ↓
 ← E-Commerce momentum ↑

← hiring speed ↑
 ← warehouse capacity ↑

← low but increasing capital intensity

← debt-free, net cash, low/no interest rates

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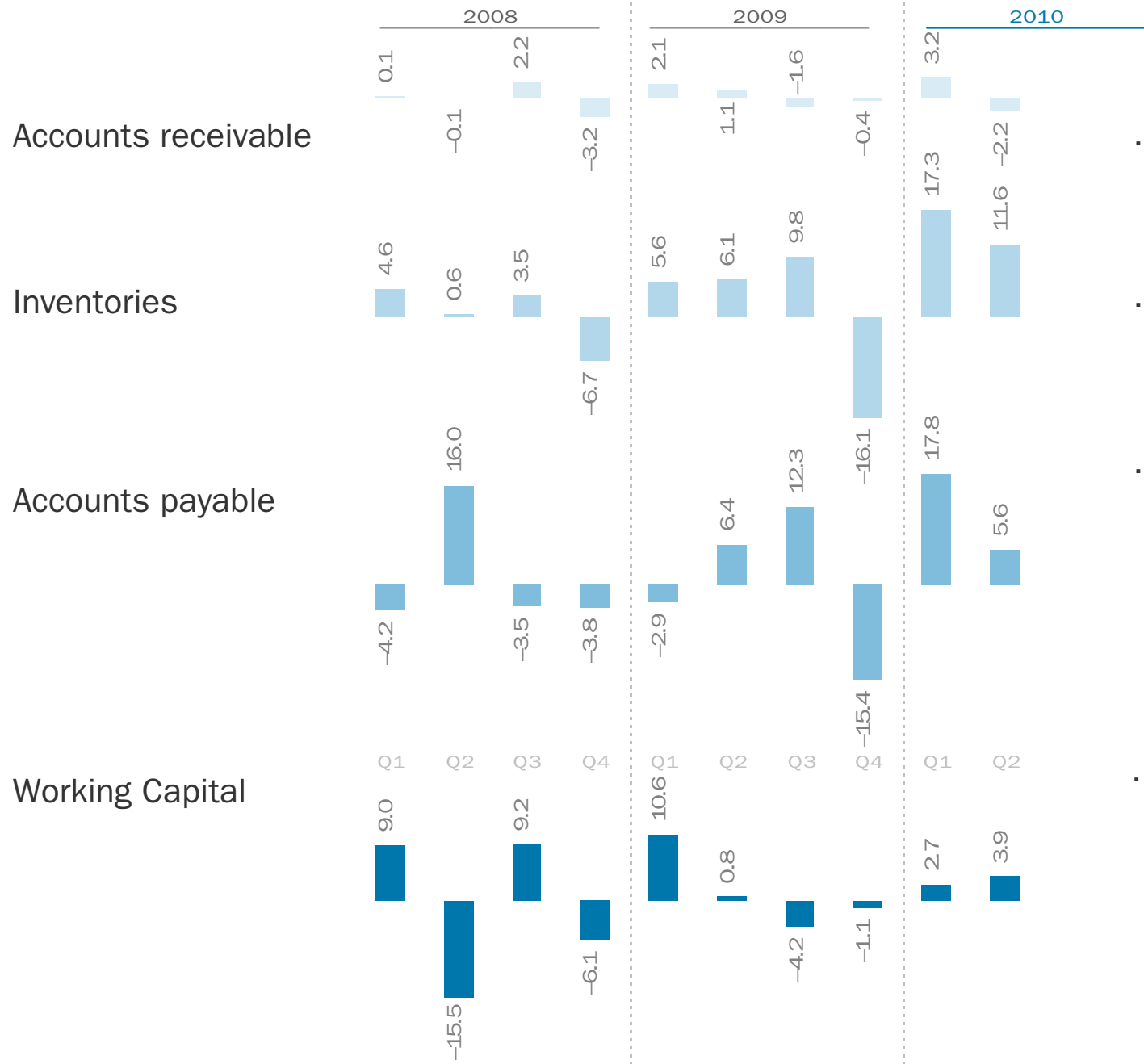
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Working Capital Management



...follow the seasonal peaks.

...strong increase ...

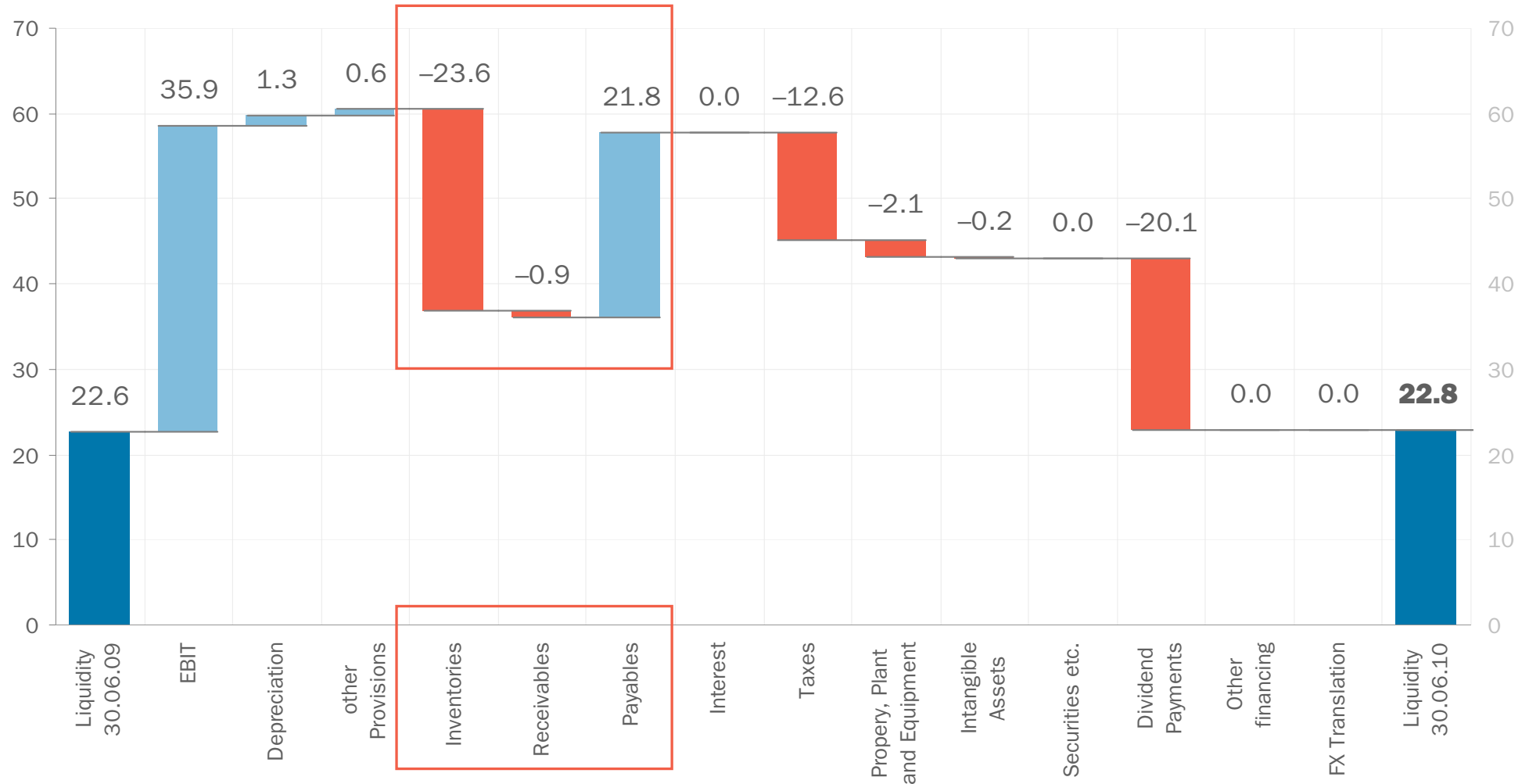
... funded w/ AP

... fewer swings

quarterly delta in € million

Liquidity Bridge (ttm)

in € million



▶ 100% dividend payout – Delticom remains self-financed

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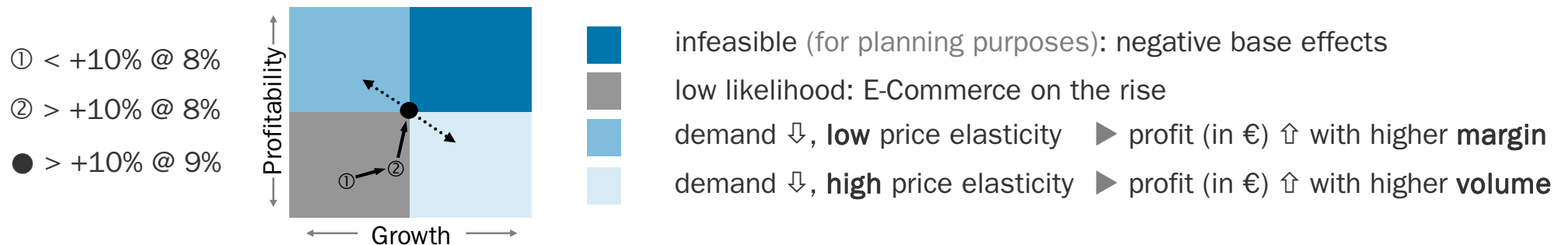
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- **Current trading in Q3:**
 - good sales, stable prices
 - yoy growth comparable to Q2
- **German market (BRV)**
 - 2010 est (as of March 2010): summer ↓ 1.8%, winter ↓ 9.0%
- 2010 top- and bottom line drivers probably less favourable than in 2009, due to late-cyclical **weakening of consumer sentiment** and **base effects**. Mitigating factors:
 - seasonal effects ▶ summer tyres
 - consumer confidence deteriorates ▶ customers are trading down
 - Delticom is an international business ▶ diversified country portfolio
 - Delticom is online ▶ good prices, good sales, good margins



- ▶ **Revenues FY10:** > +10% yoy unchanged
- ▶ **EBIT-Margin FY10:** 9% unchanged

- 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

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