

New growth on a strong base.

Investor and Analyst Presentation

On the Occasion of the Release of the Semi-Annual Report 2014

Hanover, 14 August 2014



Agenda

Delticom Group at a Glance

Profit & Loss

Balance Sheet

Outlook



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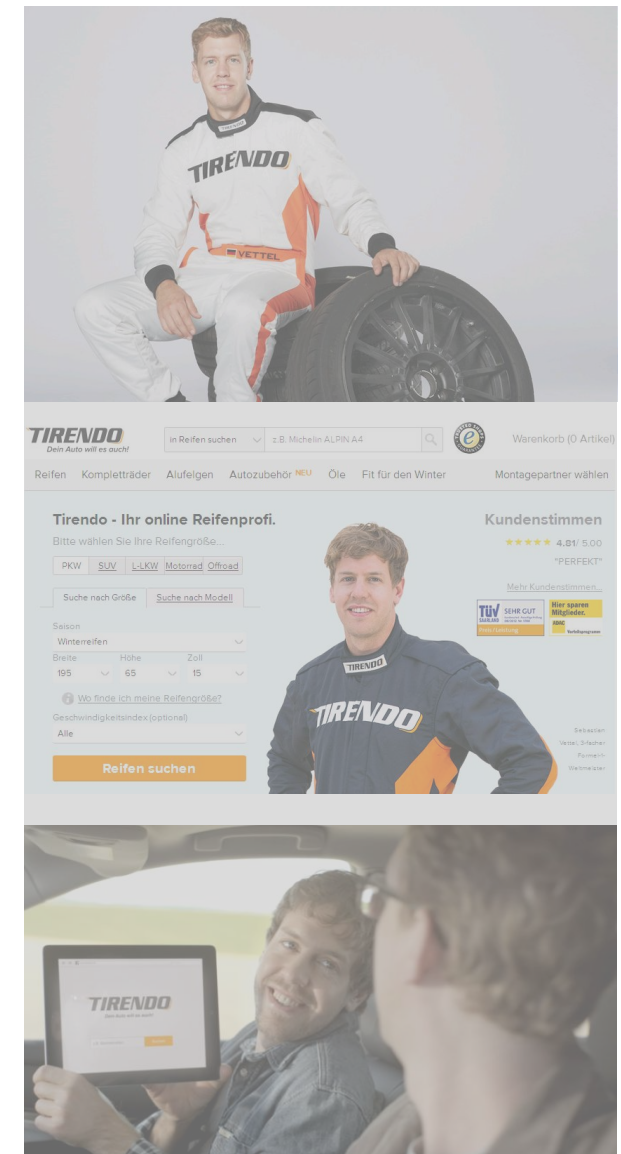
Key Financials

		Q214	Q213	yoy%	H1 14	H1 13	yoy%	
Revenues	€m	131,8	130,9	+0,6	226,1	212,2	+6,5	early summer season start in March
New Customers¹⁾	k	243	336	-27,5	454	435	+4,3	strong base Q2 13
Revenues EC	€m	129,6	128,9	+0,5	221,4	206,4	+7,3	Tirendo effect
Gross Margin	%	25,1	24,0	+1,0p	24,8	24,4	+0,5p	focus on profitability...
EBITDA	€m	3,8	7,0	-45,9	6,2	10,3	-39,7	but higher cost base...
EBIT	€m	1,8	6,4	-72,3	2,1	8,9	-76,9	and ppa-effect ...
EBIT Margin	%	1,3	4,9	-3,5p	0,9	4,2	-3,3p	lowered EBIT Margin
Inventories	€m				109,2	115,0	-5,1	according to plan
Operating Cash Flow	€m				-9,5	-13,6	-29,8	profit & loss transfer agreement
Liquidity	€m				7,0	9,8	-28,9	remains sufficiently high

1) incl. Tirendo

 **Strong Q1 – base effect in Q2**

- Acquisition on Sept 16th, 2013
- [Launched in March 2012.](#)
- Fast growing brand awareness in Germany
 - Tirendo.de ranks among the [top 5 online tyre retailers](#)
- Broader international footprint: online shops in [11 countries](#) across Europe (6 countries in H1'13)
- [New Management](#) with industry background since July 2014
- Extended product range (car spare parts)
 - [New TV-Spot](#) broadcasted since May



Key Financials Tirendo

		Q2 14	Q2 13	yoy%	H1 14	H1 13	yoy%	
Revenues	€m	9,2	13,9	-33,8	17,5	17,5	+0,2	+131.2 % in Q1, base effect in Q2
Gross Margin¹⁾	%	22,7	15,0	+7,7p	20,8	14,8	+5,9p	margin improvement driven by central purchasing
Personnel Expenses²⁾	€m	1,7	1,0	+67,5	3,0	2,0	+52,6	higher personnel expenses...
Advertising costs	€m	3,3	3,7	-11,0	5,3	5,3	+1,2	and high marketing spend...
EBIT	€m	-3,9	-4,1	+3,4	-7,2	-6,5	-10,6	worsened EBIT.

1) Simulation: as if Tirendo directly arranges for the transportation of tyres to the customer

2) 30.06.14: 151 / 31.03.2014: 147 (including interns & student workers)

- ▶ H1: significantly below plan
- ▶ Group learnings due to know-how exchange

Delticom without Tirendo

	EUR		yoy %	% of Revenues		
	Q2 14	Q2 13		Q214	Q213	
Revenues	122,6	130,9	-6,4	100,0	100,0	← strong Q213 (+21 %)
Cost of goods sold	-91,7	-99,4	-7,8	74,8	76,0	
Gross profit	30,9	31,5	-1,8	25,2	24,0	← Gross Margin up
Other operating income	3,4	1,2	194,2	2,8	0,9	
Personal expenses	-2,4	-2,3	4,5	1,9	1,7	
Other operating expenses	-23,7	-23,3	1,7	19,3	17,8	
thereof advertising costs	-3,5	-4,0	-12,0	2,9	3,0	
EBITDA	8,2	7,0	16,7	6,7	5,4	← EBITDA improved
Depreciation	-2,5	-0,7	275,4	2,1	0,5	
EBIT	5,7	6,4	-10,6	4,6	4,9	

	EUR		yoy %	% of Revenues		
	H1 14	H1 13		H114	H113	
Revenues	208,6	212,2	-1,7	100,0	100,0	← E-Commerce: -1.1 % yoy
Cost of goods sold	-156,1	-160,5	-2,8	74,8	75,6	
Gross profit	52,5	51,7	1,5	25,2	24,4	← focus on profitability
Other operating income	6,0	2,7	123,1	2,9	1,3	
Personal expenses	-4,7	-4,5	3,3	2,3	2,1	
Other operating expenses	-40,4	-39,6	2,1	19,4	18,7	
thereof advertising costs	-6,2	-6,5	-3,5	3,0	3,0	
EBITDA	13,3	10,3	30,2	6,4	4,8	← EUR 2.7 million ppa
Depreciation	-4,1	-1,3	203,3	2,0	0,6	← to accumulate Tirendo losses
EBIT	9,3	8,9	4,1	4,4	4,2	

▶ H1: Delticom ex. Tirendo remains profitable

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Delticom Group at a Glance

Profit & Loss

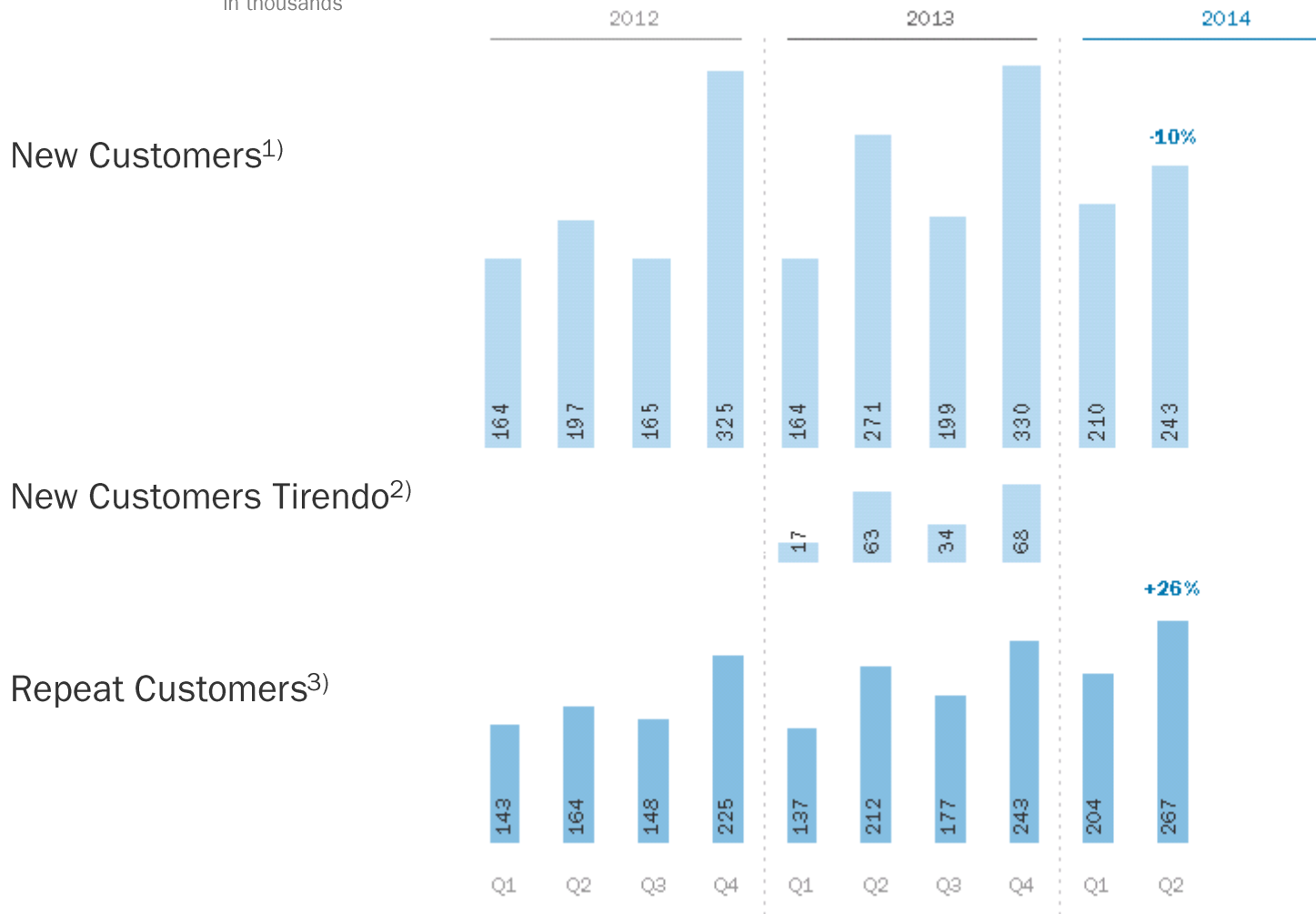
Balance Sheet

Outlook



Customers

in thousands



..follows the seasonal peaks.

...long replacement cycle and customers are happy

► Q2: Strong new customer gains @ Delticom & Tirendo in Q213

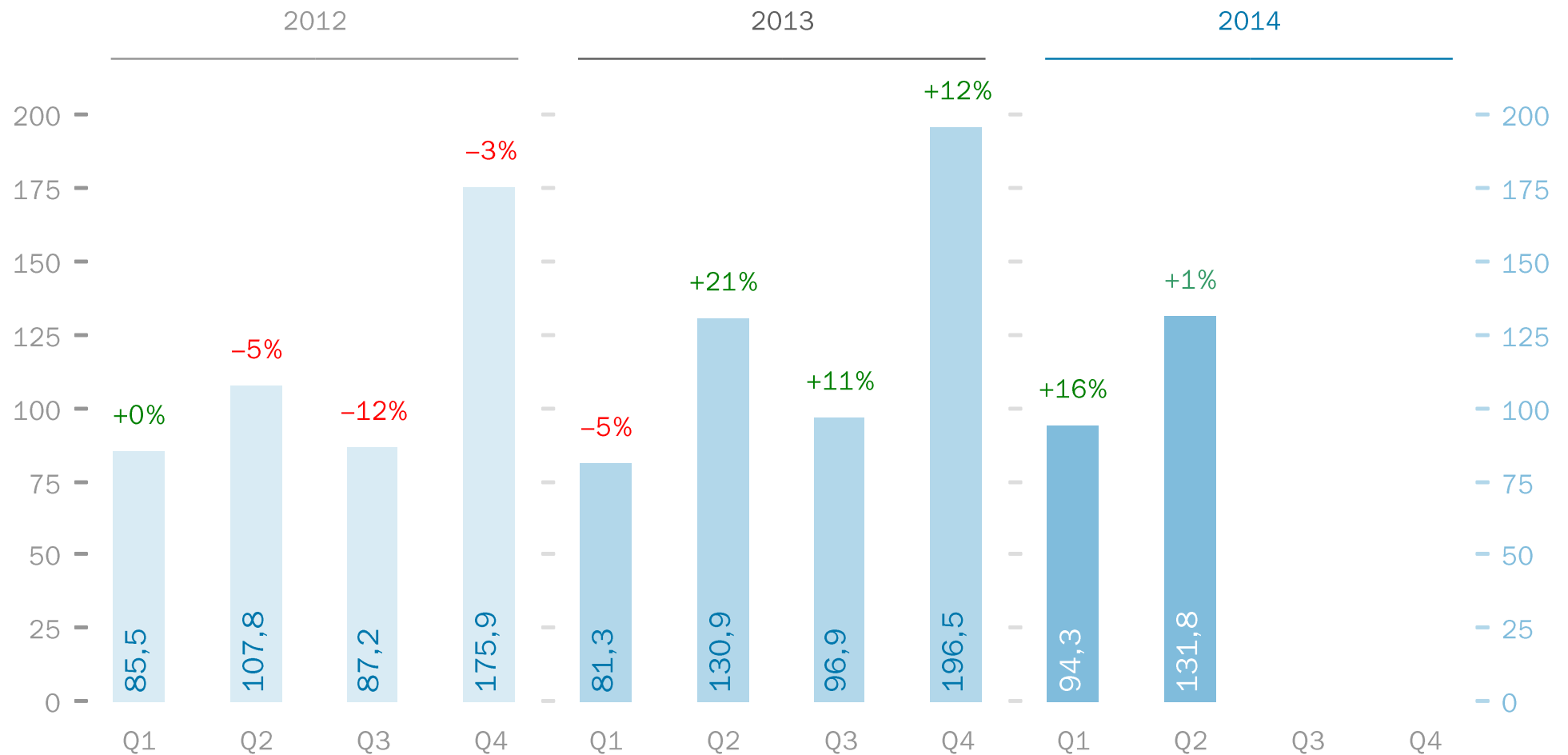
1) New Customers incl. Tirendo from 01.01.2014

2) New Customers Tirendo 2013

3) Repeat Customers incl. Tirendo from 01.01.2014

Quarterly Revenues (incl. Tirendo from 16.09.2013)

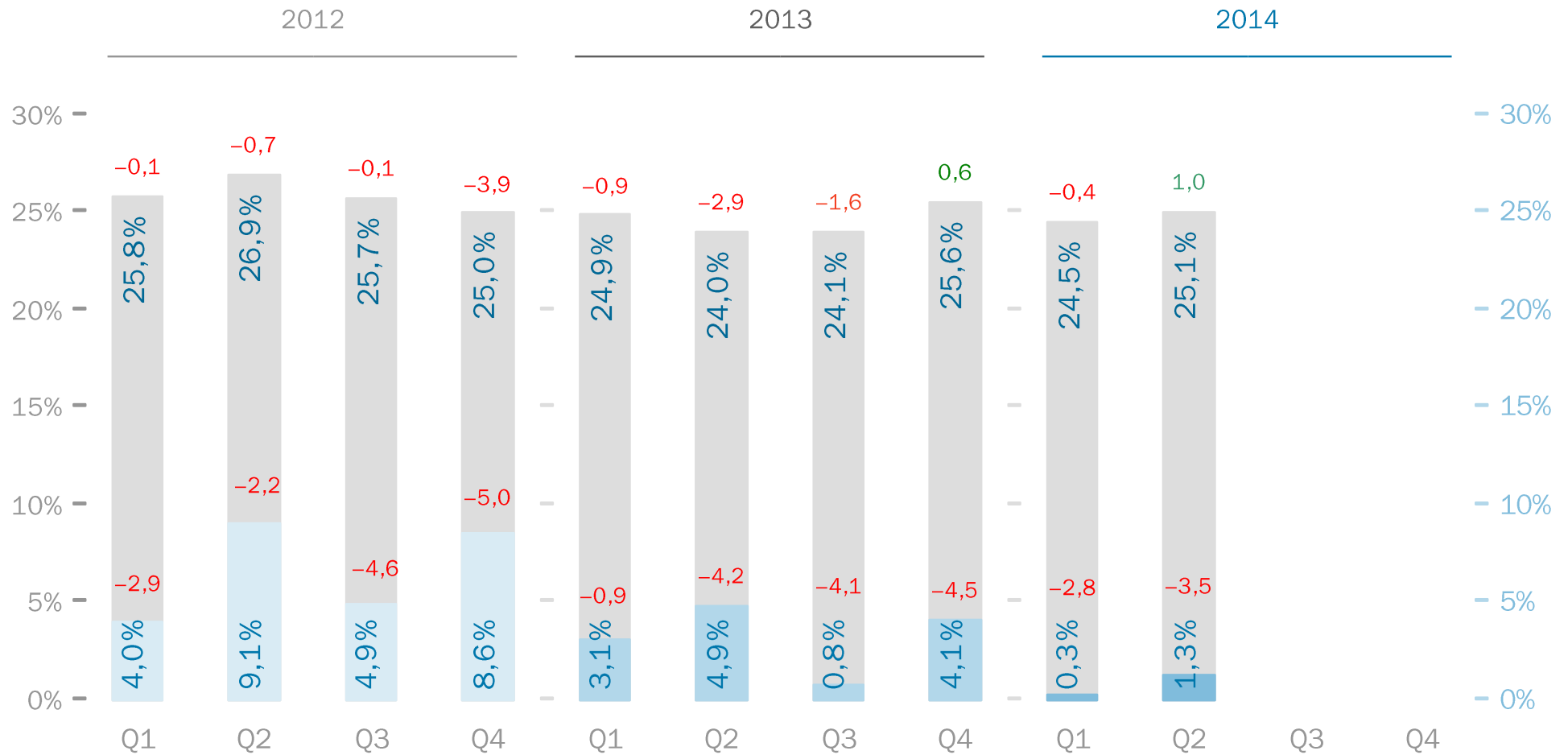
in € million



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

Quarterly Gross/EBIT Margins

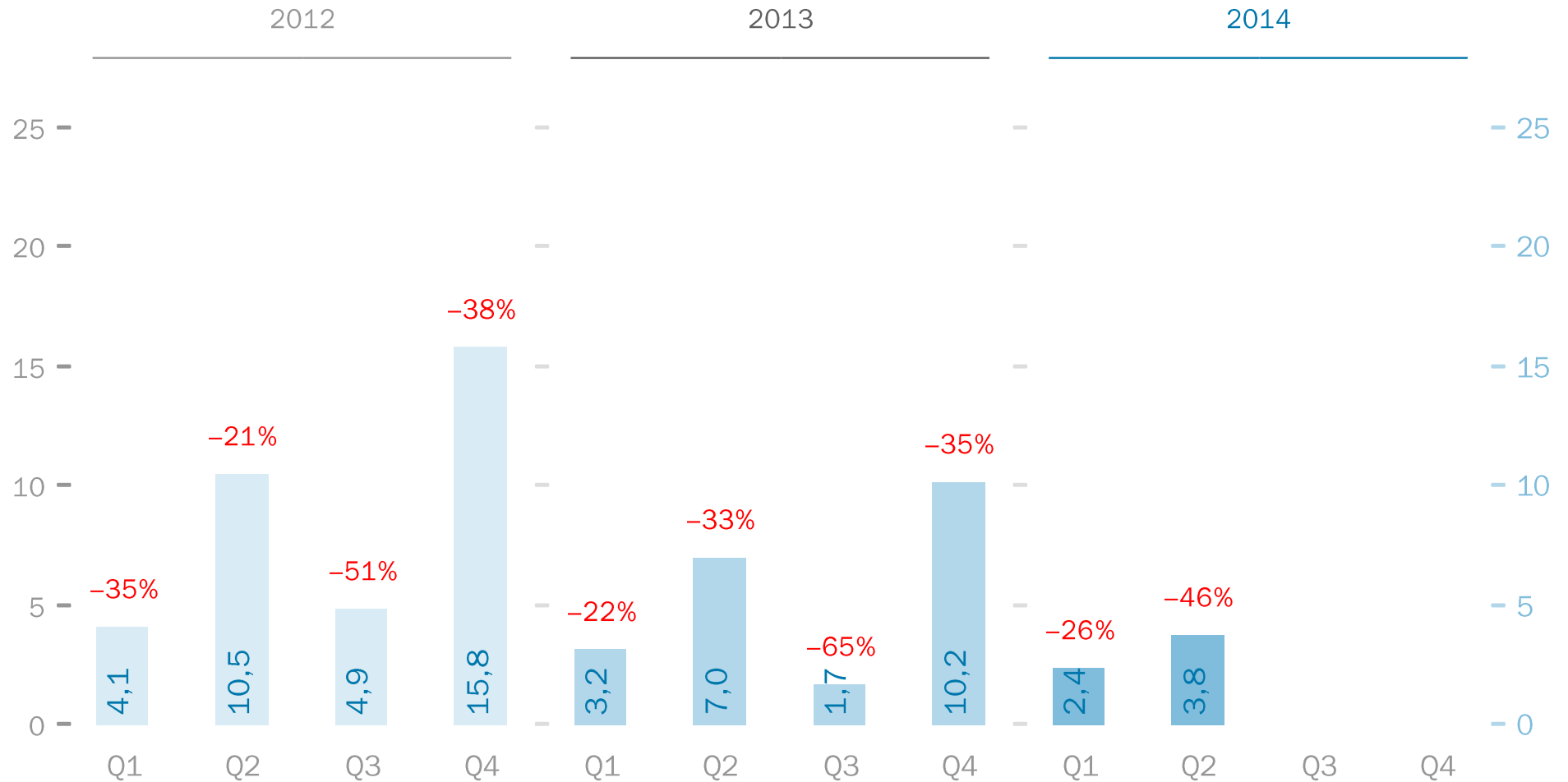
■ Gross Margin
■ EBIT Margin



▶ H1: Gross Margin improvement. EBIT Margin ↓ (higher cost base + ppa)

Quarterly EBITDA

in € million



► Q2: Delticom without Tirendo EUR 8.2 million (+16.7%)

P&L Drivers (Q2)

	EUR		yoy %	% of Revenues		
	Q2 14	Q2 13		Q2 14	Q2 13	chng
Revenues	131,8	130,9	0,6	100,0	100,0	0,0
Cost of sales	98,8	99,4	-0,7	74,9	76,0	-1,0
Gross Profit (ex ooi)	33,0	31,5	4,9	25,1	24,0	1,0
Direct costs	23,6	19,2	22,8	17,9	14,7	3,2
Direct costs (dep. on volume)	15,2	13,7	10,5	11,5	10,5	1,0
Transportation costs	12,5	11,6	8,4	9,5	8,8	0,7
Warehousing costs	1,1	0,9	22,4	0,9	0,7	0,2
Operations centre costs	1,5	1,2	20,9	1,1	1,0	0,2
Direct costs (dep. on revenues)	8,5	5,5	53,5	6,4	4,2	2,2
Credit card fees	1,2	1,0	12,2	0,9	0,8	0,1
Bad debt losses	0,5	0,5	4,8	0,4	0,4	0,0
Marketing costs	6,8	4,0	70,4	5,1	3,0	2,1
Contribution margin 1	9,4	12,2	-23,3	7,1	9,3	-2,2
Indirect costs	8,1	5,7	42,8	6,2	4,3	1,8
Personnel expenses	4,1	2,3	78,1	3,1	1,7	1,3
Rents and overheads	1,8	1,7	6,6	1,4	1,3	0,1
Financial and legal costs	1,0	0,9		0,8	0,7	0,1
IT and telecommunications	0,4	0,3	29,9	0,3	0,3	0,1
Other	0,8	0,5	65,8	0,6	0,4	0,2
Contribution margin 2	1,3	6,6	-80,6	1,0	5,0	-4,0
FX effects	-0,1	-0,2		-0,1	-0,1	0,1
Other operating profit (w/o FX gains)	2,6	0,6		2,0	0,5	1,5
EBITDA	3,8	7,0	-45,9	2,9	5,4	-2,5
Depreciation/ Amortization	2,0	0,7	203,8	1,5	0,5	1,0
EBIT	1,8	6,4	-72,3	1,3	4,9	-3,5
Net financial result	-0,2	0,0	14204,6			
EBT	1,6	6,4	-74,8	1,2	4,9	-3,6
Income taxes	1,8	2,0	-11,4			
Consolidated net income	-0,2	4,3	-104,6	-0,2	3,3	-3,5

← Q213 without Tirendo

← country-mix

← volume related

← EUR 3.3 million Tirendo

← Tirendo employees

← ppa

P&L Drivers (H1)

	EUR		yoy %	% of Revenues		
	H1 14	H1 13		H1 14	H1 13	chng
Revenues	226,1	212,2	6,5	100,0	100,0	0,0
Cost of sales	170,0	160,5	5,9	75,2	75,6	-0,5
Gross Profit (ex ooi)	56,1	51,7	8,5	24,8	24,4	0,5
Direct costs	39,5	31,9	23,8	17,5	15,0	2,4
Direct costs (dep. on volume)	24,8	22,8	9,1	11,0	10,7	0,3
Transportation costs	19,8	18,7	6,0	8,8	8,8	0,0
Warehousing costs	2,1	1,6	26,9	0,9	0,8	0,1
Operations centre costs	3,0	2,5	20,8	1,3	1,2	0,2
Direct costs (dep. on revenues)	14,6	9,1	60,4	6,5	4,3	2,2
Credit card fees	2,0	1,7	19,3	0,9	0,8	0,1
Bad debt losses	1,0	1,0	8,0	0,5	0,5	0,0
Marketing costs	11,6	6,5	79,0	5,1	3,0	2,1
Contribution margin 1	16,6	19,8	-16,1	7,4	9,3	-2,0
Indirect costs	15,6	10,8	44,7	6,9	5,1	1,8
Personnel expenses	7,7	4,5	69,4	3,4	2,1	1,3
Rents and overheads	3,5	3,3	7,3	1,6	1,6	0,0
Financial and legal costs	2,0	1,4	45,6	0,9	0,6	0,2
IT and telecommunications	0,9	0,7	32,1	0,4	0,3	0,1
Other	1,5	0,9	65,3	0,6	0,4	0,2
Contribution margin 2	1,1	9,0	-88,3	0,5	4,3	-3,8
FX effects	0,2	0,1		0,1	0,1	0,0
Other operating profit (w/o FX gains)	5,0	1,1		2,2	0,5	1,7
EBITDA	6,2	10,3	-39,7	2,7	4,8	-2,1
Depreciation/ Amortization	4,1	1,3	206,5	1,8	0,6	1,2
EBIT	2,1	8,9	-76,9	0,9	4,2	-3,3
Net financial result	-0,4	0,0	5335,5			
EBT	1,6	8,9	-81,6	0,7	4,2	-3,5
Income taxes	1,8	2,9	-37,3			
Consolidated net income	-0,2	6,0	-103,0	-0,1	2,8	-2,9

← E-Commerce: +7.3 % yoy

← continued outsourcing

← administrative expenditure Tirendo

← improved IT infrastructure

← marketing grants

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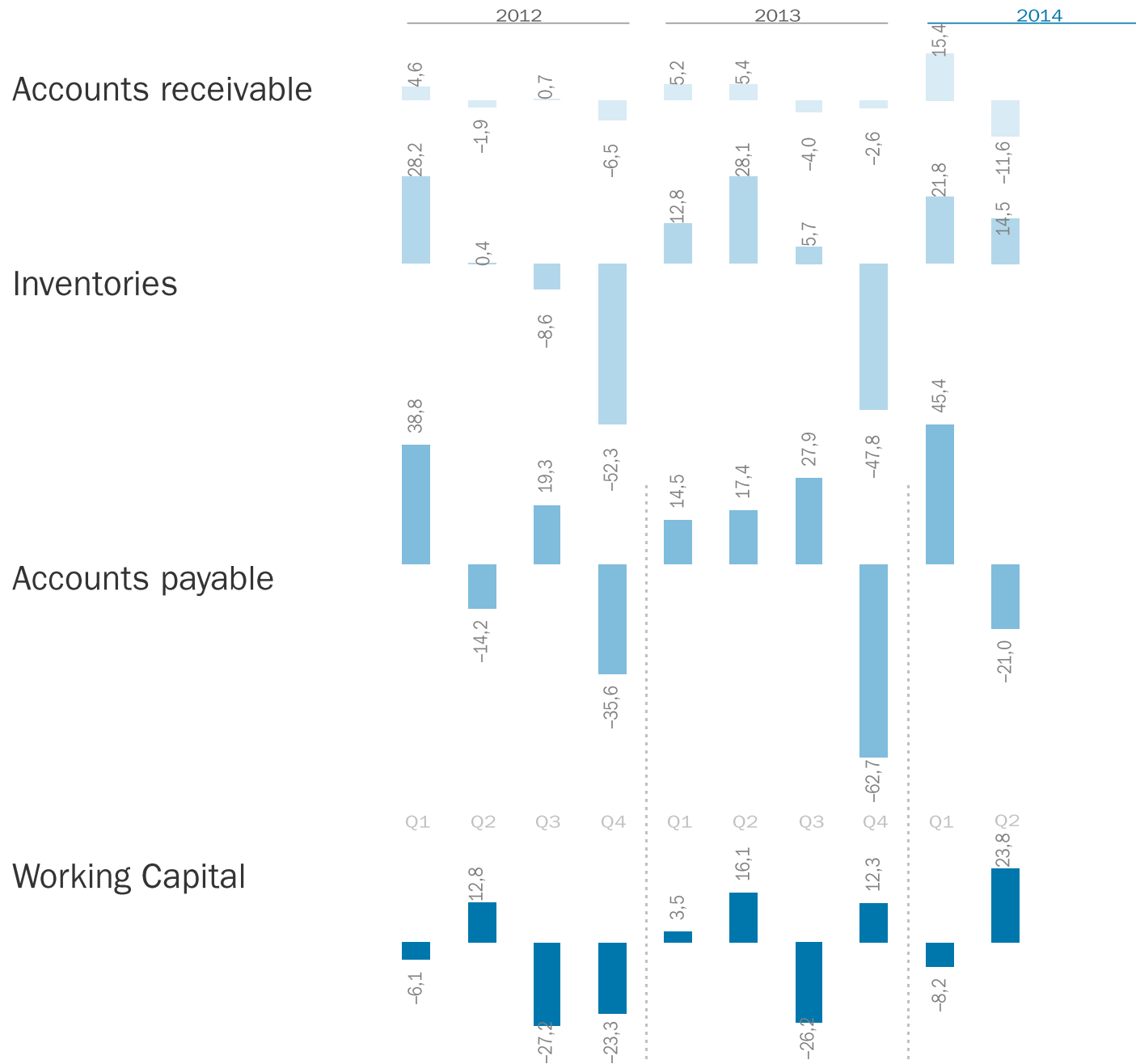
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Working Capital Management



... follow the seasonal peaks.

... stock built up according to plan

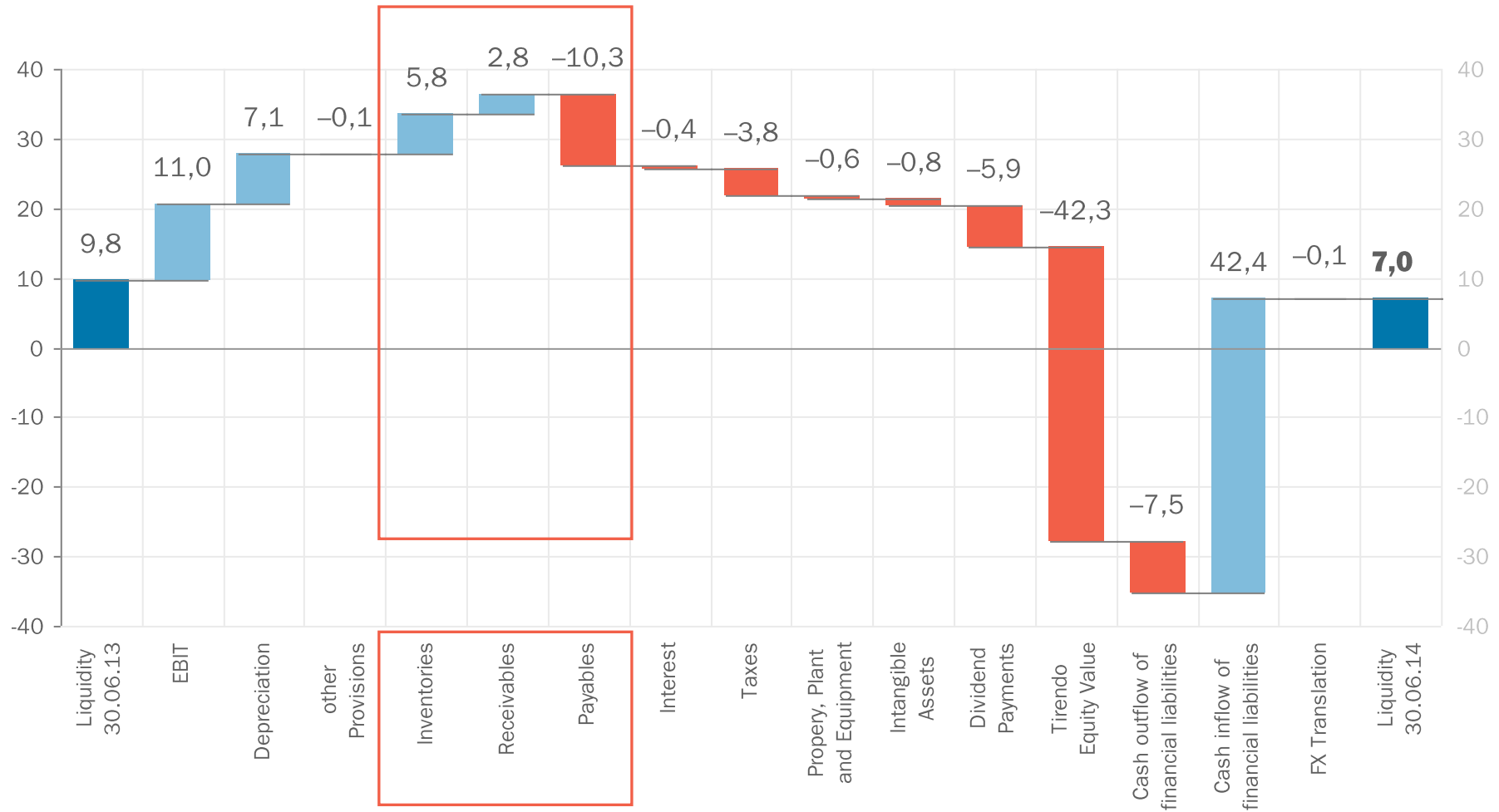
... payment terms

... better cash flow ahead

quarterly delta in € million

Liquidity Bridge

in € million



► Net cash = € -16.4 million (liquidity less liabilities from current accounts)

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- Replacement tyre market Q2
 - Germany, sell-out Q2 (wdk): summer –6.9%, winter –18.3%

- Sentiment H2 2014
 - downside risks for consumer confidence
 - tyre trade: hopes for positive winter tyre business
 - overall picture still not clear:
 - e.g. Forecast sell-out Germany (BRV, as of March 2014): winter +3.2%

- ▶ Revenues +10% (more ambitious – winter demand up yoy)
- ▶ EBITDA at previous year's level

Q&A

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