

# Delticom AG

Europe's leading online tyre retailer



Results 9M 2020

# Agenda

## *Content of webcast*

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- Market environment
- Key financials 9M 2020
- Update on current lockdown decisions
- Revised Outlook 2020

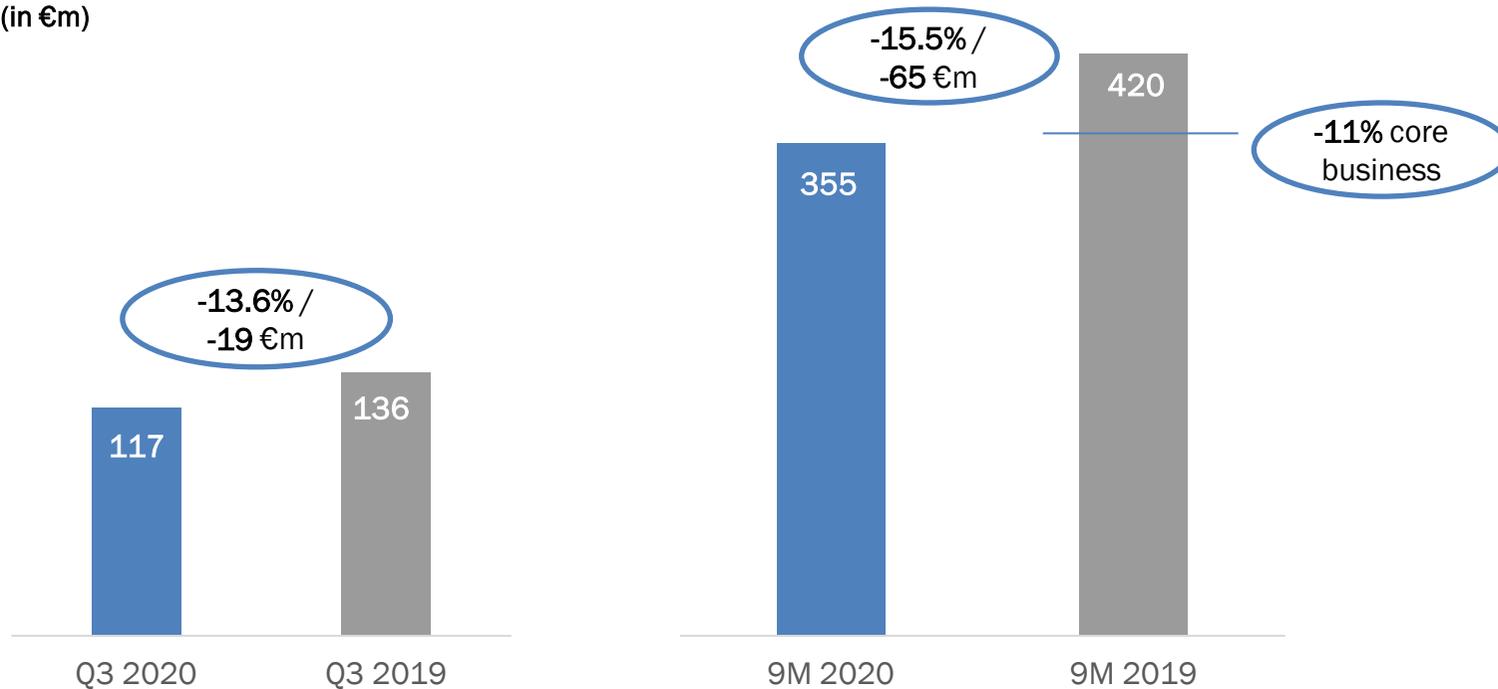
# 9M 2020: Market environment

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- **COVID19: Shutdown decisions** in various European countries weighed on demand
- Demand for replacement tyres influenced by **weather-related shifting effects** (start of the winter season slightly delayed)
- **German** passenger car replacement tyre **market decreased by 15.1%** in 9M 2020 according to WdK and ETRMA; decline in **summer tyres: -22.0%**; decline in **winter tyres: -19.2%**; increase in **all-season tyres: +5.2%**
- German replacement tyre market development in line with **European Market** as a whole
- **Revenues in German e-commerce increased by 10.6% to 56 €bn** in 9M 2020 according to bevh; **+13.3%** in Q3 2020

# 9M 2020: Revenues development

Revenues (in €m)

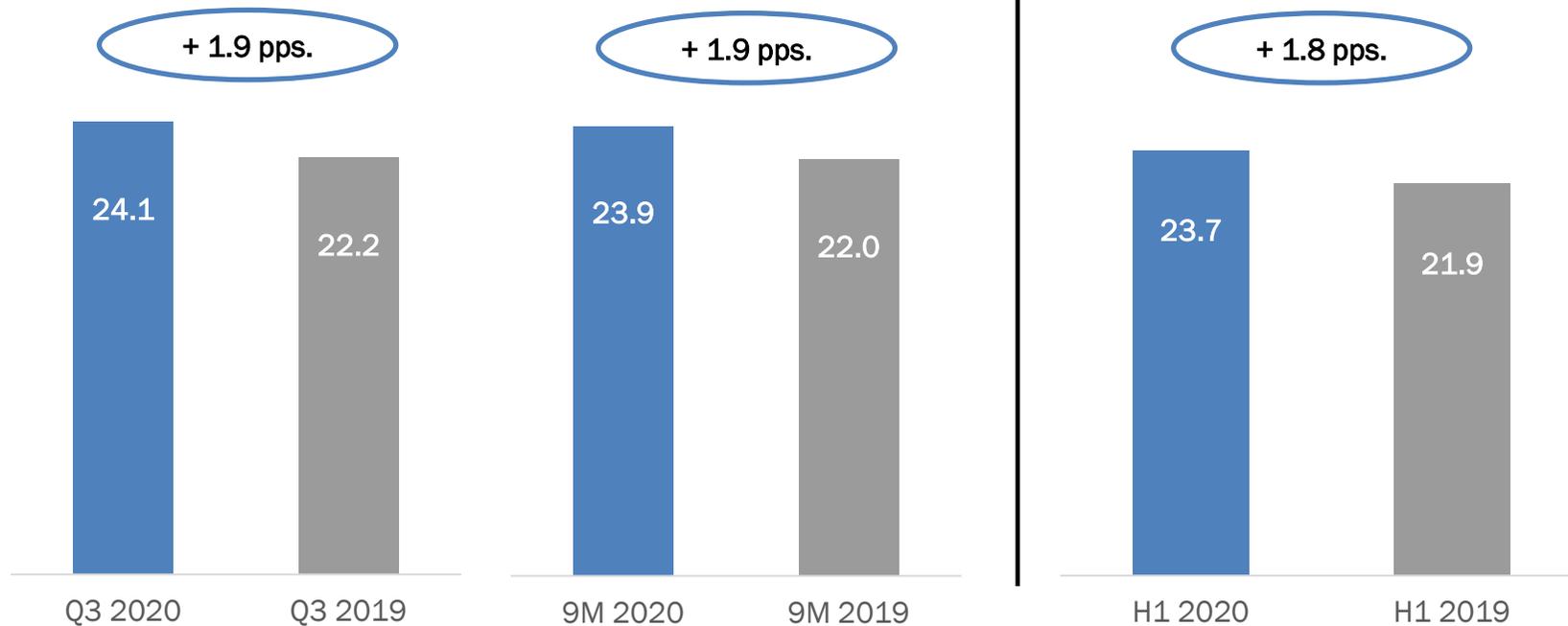


\* excluding effect from closed operations

- **Corona pandemic** affects tyre business in 9M/2020 (e.g. massive shutdown in southern European countries in H1/2020); relaxation of corona restrictions lead to **catch-up effects in selected countries**
- **€ -22.0 million** reduction in revenues due to divestment of loss-making businesses

# 9M 2020: Gross margin

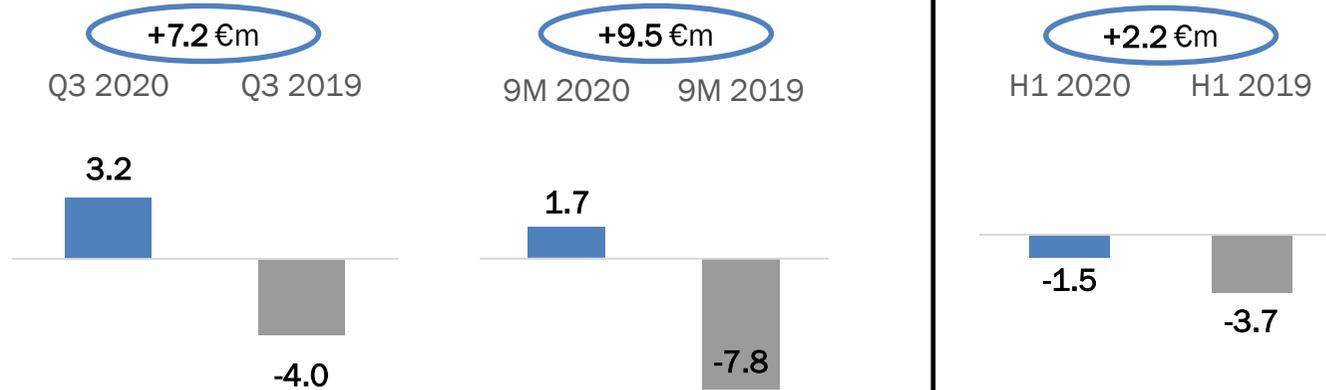
**Gross margin**  
(Revenues less COGS;  
in % of revenues)



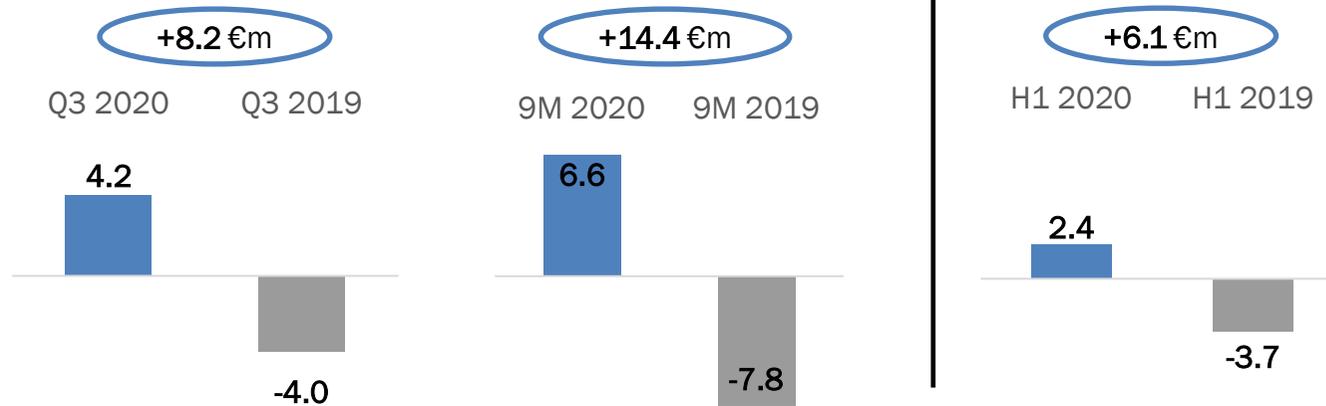
- Gross margin **increase** despite difficult market environment

# 9M 2020: Reported & Operating EBITDA

Reported EBITDA (in €m)



Operating EBITDA (before restructuring costs; in €m)



- Earnings improvement due to **divestment** and **higher costs efficiency** in the core business

# 9M 2020: EBIT

EBIT (in €m)



- **Positive EBIT** in Q3 2020, sustained improvement ongoing (Q2 2020: +1,5 €m)
- **Declining depreciation** in 9M 2020 (7.2 €m) compared to 9M 2019 (10.0 €m)

# 9M 2020: P&L

|                          | Unit | 9M 2020      | 9M 2019 |         |
|--------------------------|------|--------------|---------|---------|
| <b>Revenues</b>          | €m   | <b>355.3</b> | 420.3   | -15.5%  |
| <b>Gross profit</b>      | €m   | <b>100.9</b> | 113.2   | -10.9%  |
| Personnel expenses       | €m   | 11.0         | 14.3    | -23.2%  |
| Advertising costs        | €m   | 12.6         | 21.5    | -41.4%  |
| Other operating expenses | €m   | 75.6         | 85.2    | -11.3%  |
| <b>EBITDA</b>            | €m   | <b>1.7</b>   | -7.8    | +9.5€m  |
| Depreciation             | €m   | 7.2          | 10.0    | -28.4%  |
| <b>EBIT</b>              | €m   | <b>-5.4</b>  | -17.8   | +12.3€m |

Positive impact from divestment of loss-making subsidiaries

Efficiency measures for cost reduction in the core business implemented last year

Focused cost management

Incl. €m 4.9 restructuring costs; operational costs under control

# COVID19: Update on current lockdown decisions

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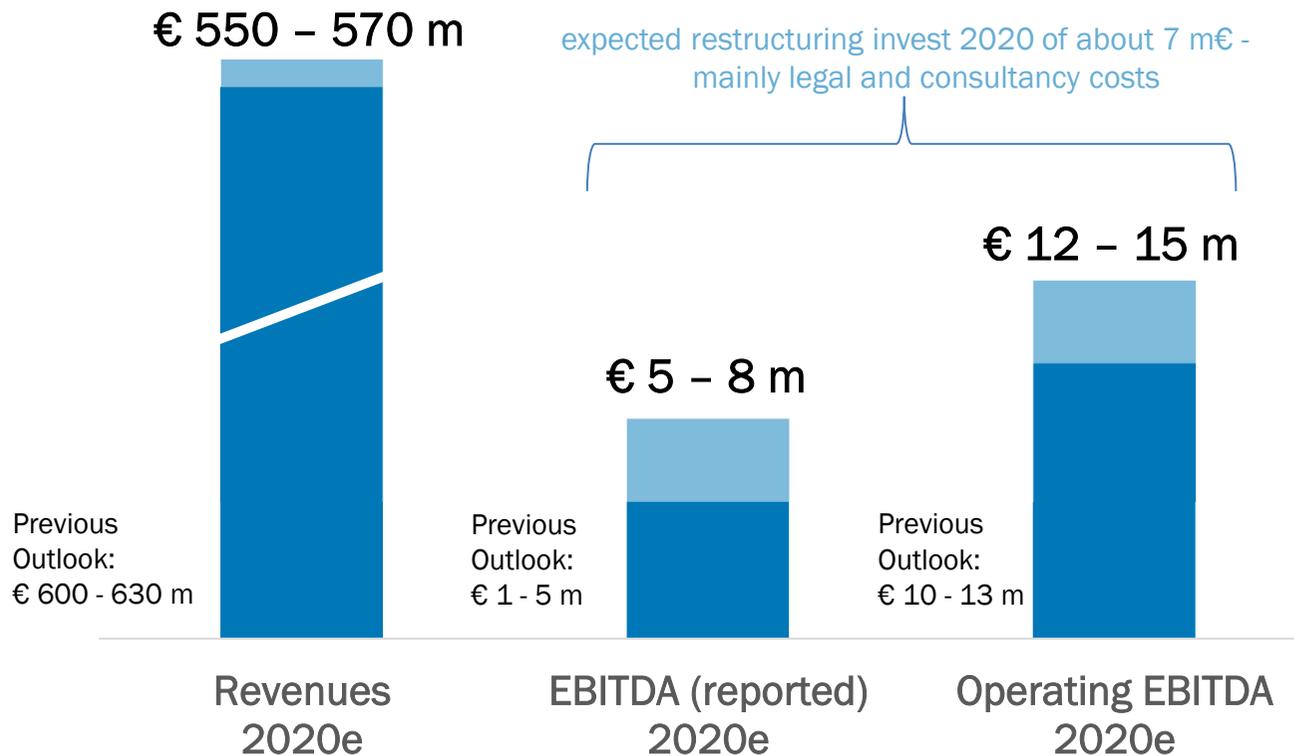
No significant restrictions for car workshops or tyre dealers in Germany and other European countries identifiable at the moment (status: November 6, 2020):

- **Austria:** all trade and service companies are permitted to be open; entry prohibitions only exist for gastronomic businesses as well as accommodation and leisure facilities
- **France:** all non-essential businesses are closed, with the exception of e.g. grocery stores, car workshops or laundries
- **Switzerland:** protective measures must be observed (hygiene, distance etc.); no restrictions yet
- **Italy:** restrictions affect the leisure sector, e.g. bars and restaurants have to close at 6 pm
- **Great Britain:** In England, retailers have to close, with the exception of supermarkets and other shops deemed necessary; car repair and MOT services are permitted to stay open; deviating regulations may apply in Scotland, Wales and Northern Ireland
- **Spain:** restrictions affect the leisure sector, e.g. closure of discos and night bars
- **Sweden, Denmark, Norway & Finland:** no restrictions yet



Some uncertainty regarding revenues growth remains

# Revised Outlook FY2020: Revenues and EBITDA Guidance



▶ Strong focus on profitability: Return to positive group EBITDA in 2020

# Q&A

