DELTICOM

Europe‘s leading online tyre retailer

Results H1 2022

AGENDA

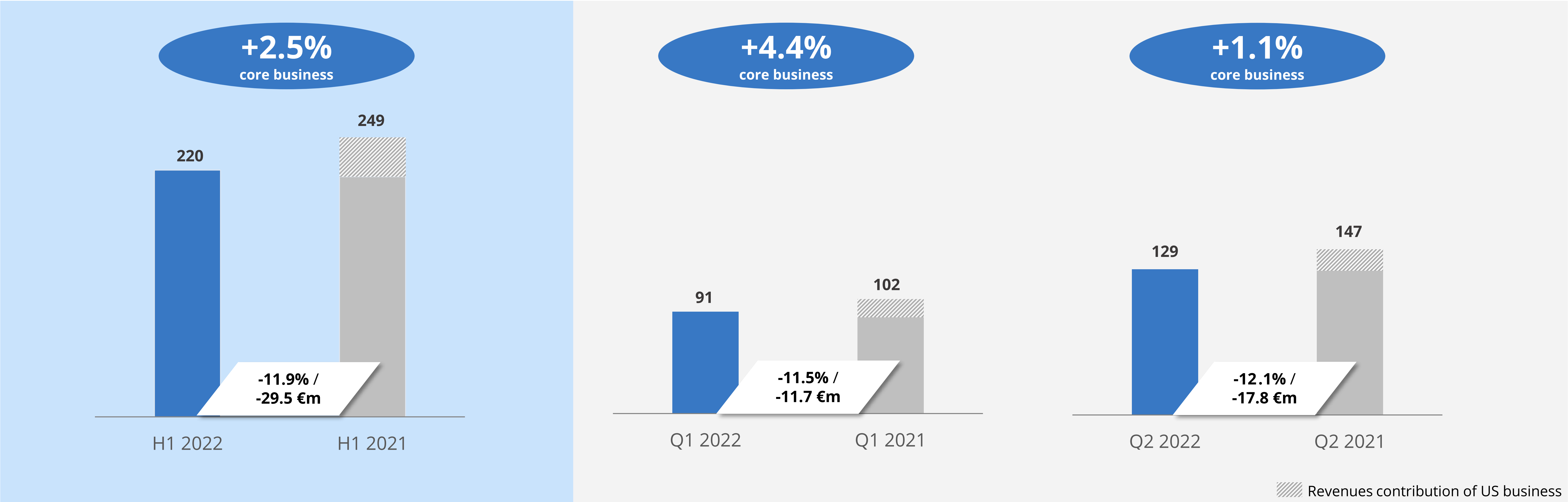
Content of Webcast

H1 2022: MARKET ENVIRONMENT

- **Global recovery lost considerable momentum in** H1 with supply bottlenecks, logistical problems, further rising raw materials and energy costs
- **Inflation rate at 8.9%** in the eurozone reached record level in July, **private consumption is dampened**
- According to ETRMA and WdK, **in Germany tyre sales for passenger cars decreased by 1.0%** in H1 2022 vs. H1 2021 (summer: -6%, all season: +9%, winter: +3%) ⟹ sell-out
- **European tyre industry** saw volume **increase of 7.3%** in H1 2022 in the **consumer tyre segment with slightly slowed growth in Q2** (summer: -5%, all-season: +27%, winter: +28%) ⟹ **sell-in** seems to be **advanced**
- According to bevh, rising living and energy costs lead to a **9.6% yoy revenues decrease** for the German **online retailing** in Q2 (H1 2022: -1.3% yoy); consumers are cutting back significantly on goods or services they do not need

H1 2022: REVENUES DEVELOPMENT

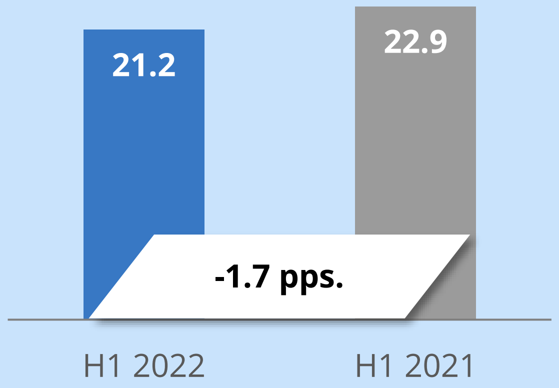
Revenues (in €m)



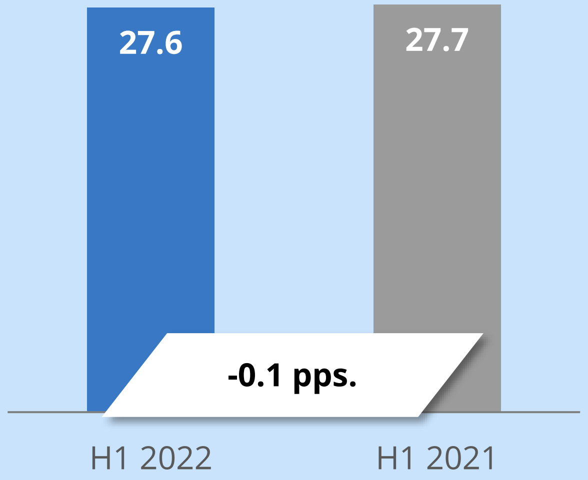
- **Sale of the US business at the beginning of the current fiscal year**, US sales contribution in H1 2021 of around 35 €m
- **Later start to summer tyre season** in Q1 due to weather conditions and easter effect
- **Seasonal peak** in Q2 **postponed** due to **delayed tyre purchases in Europe** against the background of economic and geopolitical developments

H1 2022: GROSS MARGIN & GROSS PROFIT MARGIN

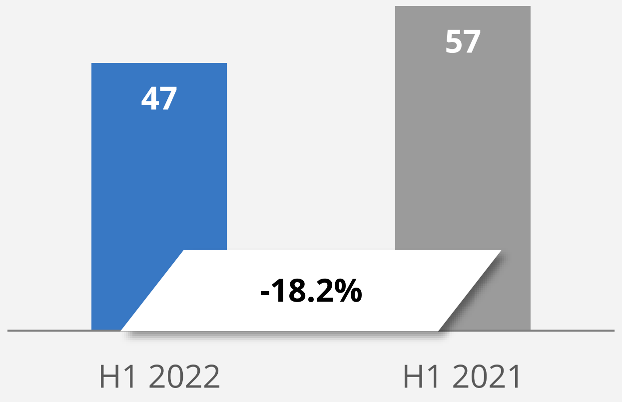
Gross margin simple
(Revenues less COGS;
in % of Revenues)



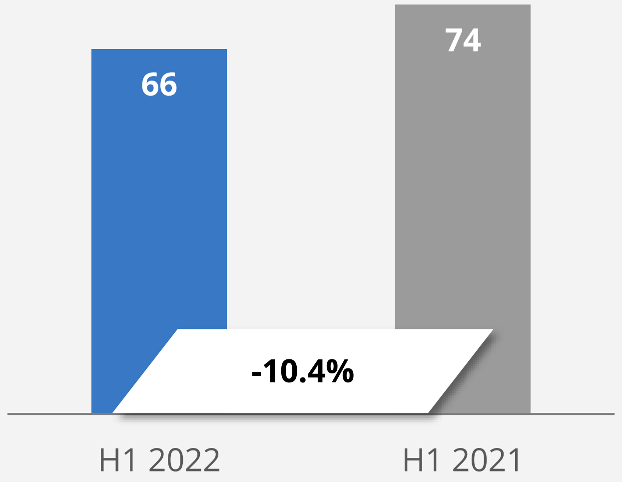
Gross profit margin
(Total income less COGS;
in % of Total income)



Gross profit simple
(Revenues less COGS;
in €m)

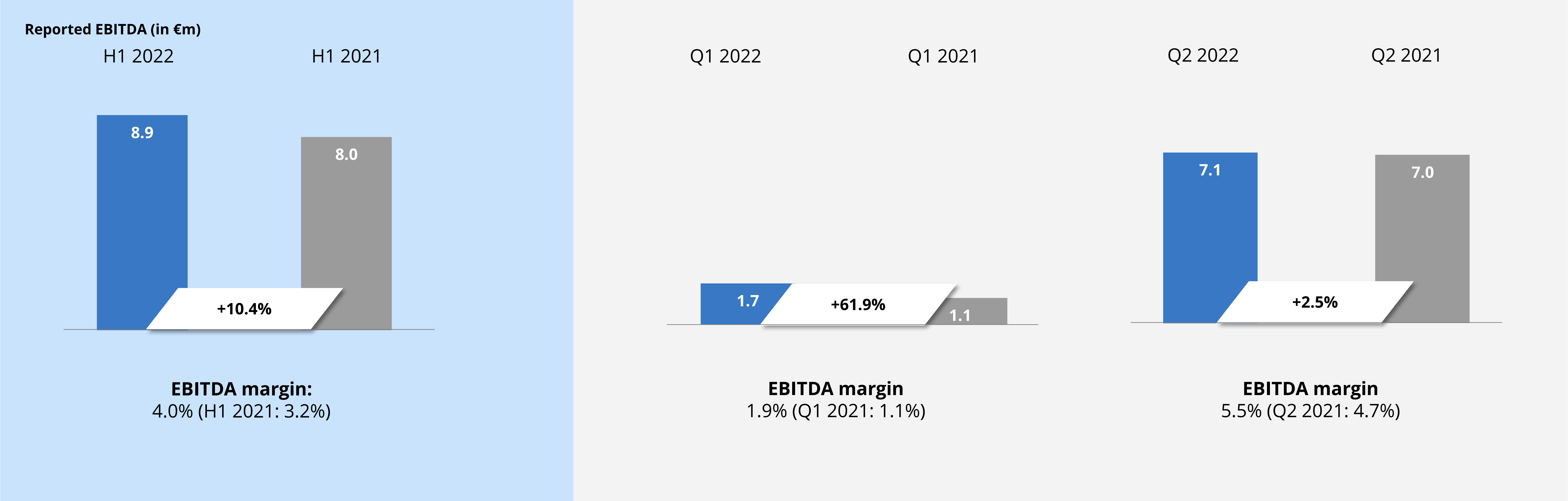


Gross profit
(Total income less COGS;
in €m)



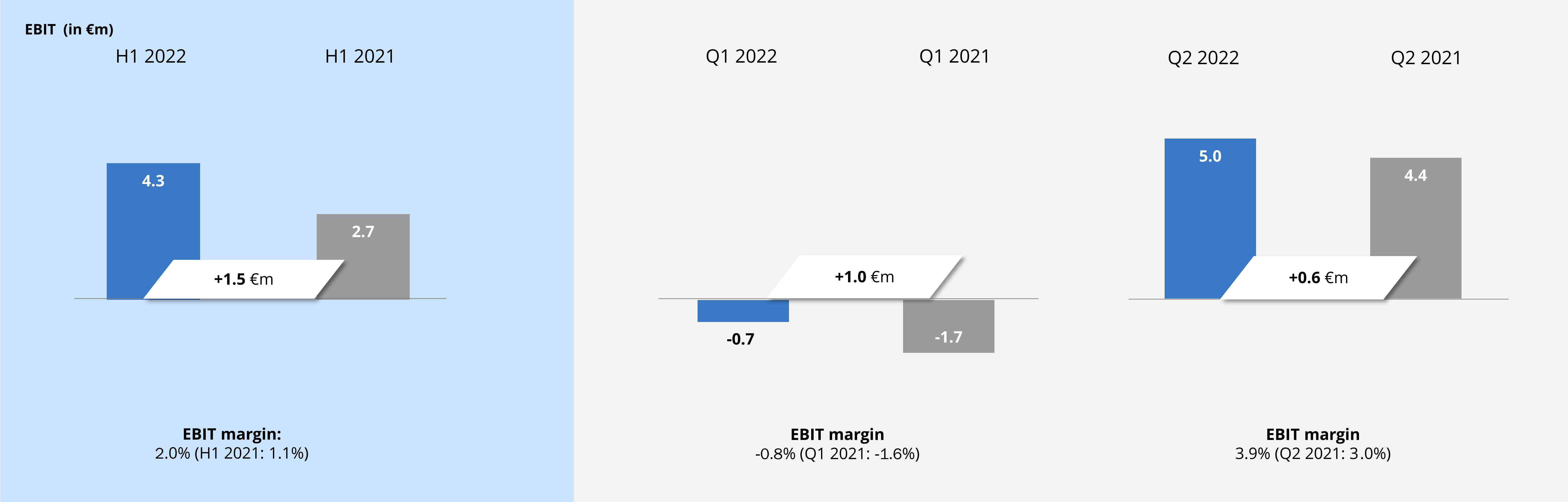
- **Sales mix change in the summer business** due to rising purchase prices and higher procurement costs
- **Higher sales share of business with commercial end customers** in front of the **positive sell-in demand** in Europe and the discontinuation of the US business led to a **slightly lower margin** but with **lower costs**
- For the **European core business gross profit margin was 26.5 %** (H1 2021: 27.7 %)

H1 2022: EBITDA



- **Operative EBITDA** after elimination of the US earnings contributions and the non-operating expenses in connection with the follow-up financing **amounted to € 6.7 million**

H1 2022: EBIT



- **Improvement of EBIT (+56.1%)** due to the **increase in profitability and reduced depreciation**
- Decrease in depreciation due to disposal of software and discontinuation of the corresponding depreciation compared to the previous year

H1 2022: P&L

	Unit	H1 2022	H1 2021	
Revenues	€m	**219.7**	249.3	-11.9%
Gross profit	€m	**65.9**	73.5	-10.4%
Personnel expenses	€m	7.1	7.0	+1.5%
Transportation costs	€m	17.9	23.7	-24.4%
Advertising costs	€m	6.2	8.9	-30.6%
Other operating expenses	€m	25.8	25.9	-0.2%
EBITDA	€m	**8.9**	8.0	+10.4%
Net income	€m	**2.8**	1.0	+172.8%

Revenues growth in core business: +2.5%

Prior-year figure incl. USA business

Discontinuation of US business, weaker sales volume & shorter delivery routes

Discontinuation of US business, adjustment due to weaker demand in the European core business in Q2

Financial income from replacement of rental collateral deposit compensates financial expenses; tax result worsened by -0.9 €m

H1 2022: BALANCE SHEET: ASSETS (EXCERPT)

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	Unit	30.06.2022	31.12.2021	30.06.2021
Non-current assets	€m	**102.9**	111.5	118.0
Fixed assets	€m	**87.6**	88.2	93.0
Other assets	€m	**15.3**	23.2	25.0
Current assets	€m	**128.2**	92.7	121.0
Inventories	€m	**84.0**	46.6	68.3
Trade receivables	€m	**20.4**	16.5	19.5
Liquidity	€m	**4.8**	4.9	4.8
Financial assets held for sale	€m	**0**	13.3	0

Amortization of rights of use according to IFRS 16

Reduction of long-term receivables in connection with project business

Earlier winter stockpiling and higher prices

H1 2022: BALANCE SHEET: EQUITY & LIABILITIES (EXCERPT)

	Unit	30.06.2022	31.12.2021	30.06.2021
Equity	€m	**39.6**	38.0	32.2
Liabilities	€m	**191.6**	170.1	206.8
Long term liabilities	€m	**47.6**	47.4	45.4
Short-term liabilities	€m	**140.9**	122.7	156.6
Short-term provisions	€m	**3.1**	3.6	4.8
Financial liabilities held for sale	€m	**0**	9.4	0

Equity of nearly 40 €m reached

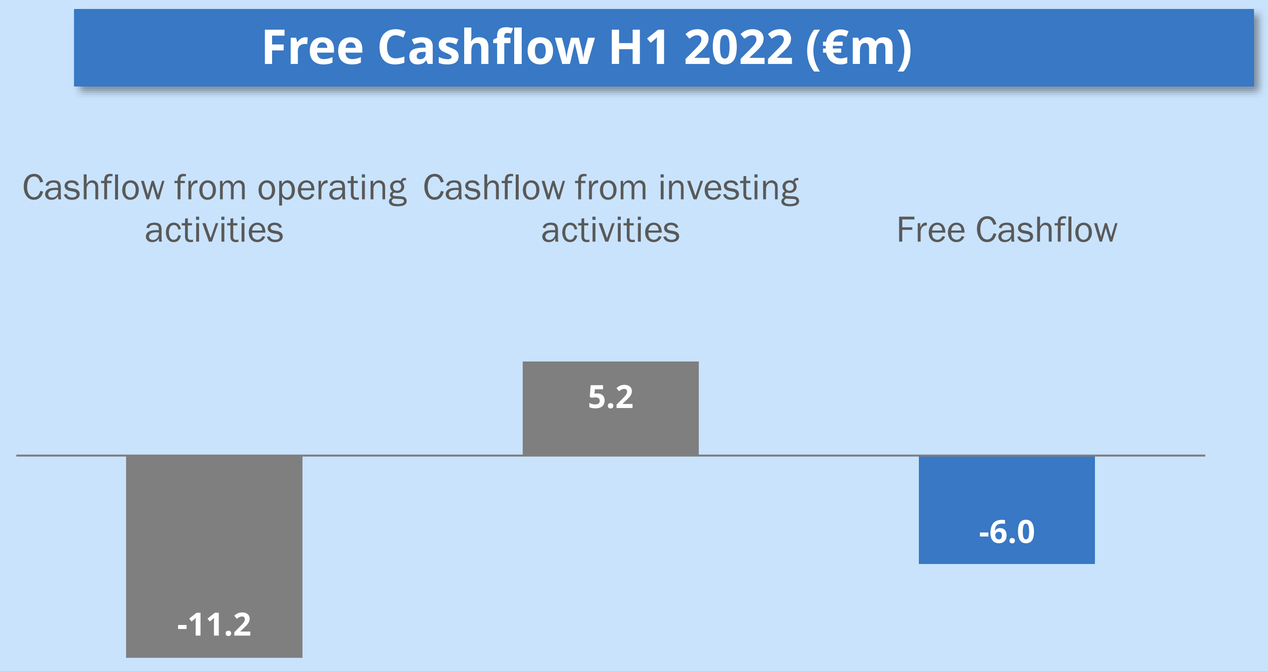
Long-term financial liabilities fully lease obligations according to IFRS 16

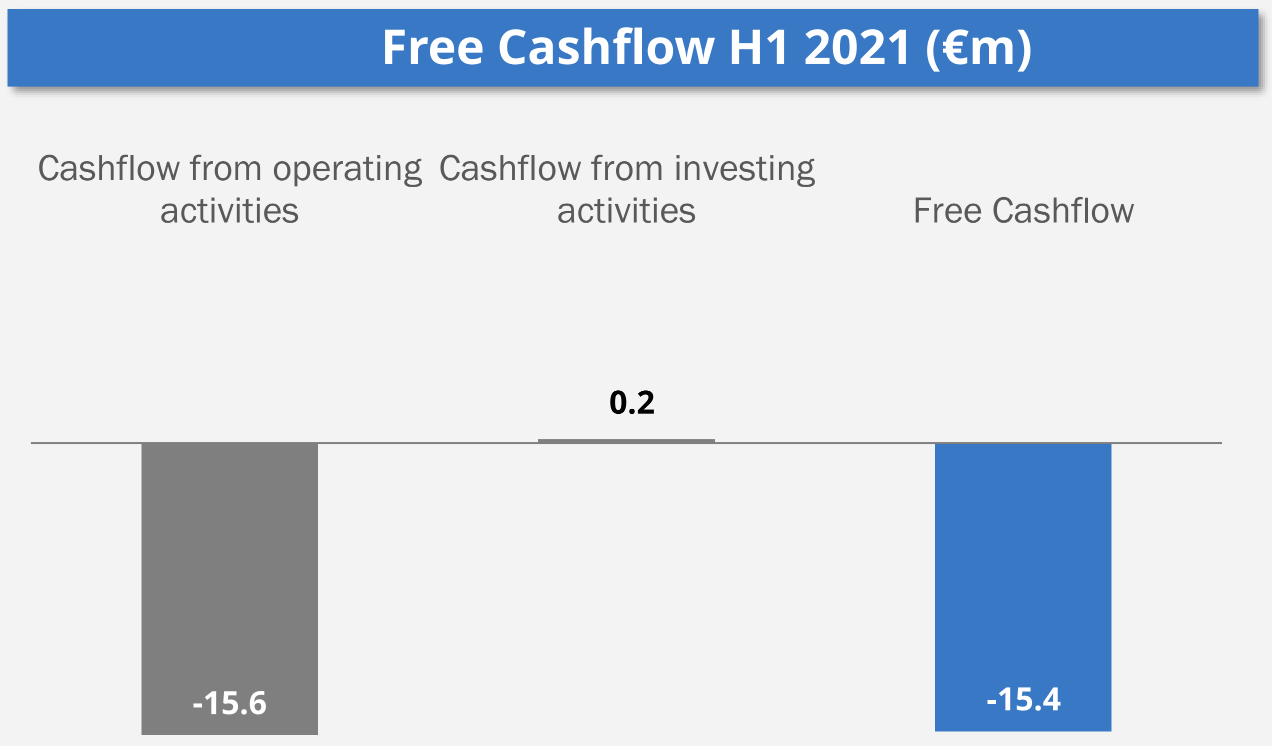
Payables expanded in line with stockpiling to 98 €m

Credit lines with banks extended by 10.2 €m since start of the year for pre-financing

- **Equity ratio increased by 3.6 bps to 17.1%** compared to the same period of the previous year

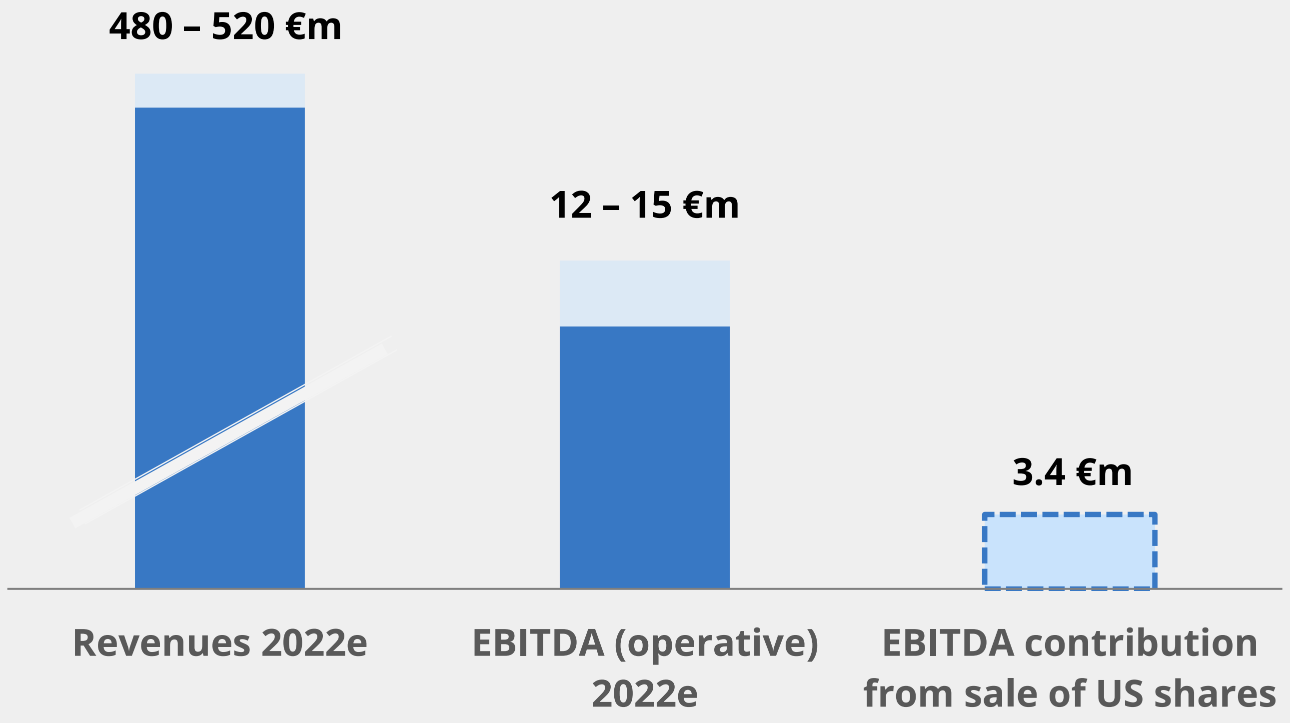
H1 2022: FREE CASHFLOW





- In addition to the improvement in earnings, the **improvement in operating cash flow** results in particular from working capital

OUTLOOK FY 2022: REVENUES AND EBITDA GUIDANCE



At least **€ 10 million Free Cashflow** from operating activities

➔ **Conservative assessment from March confirmed in view of economic conditions**

➔ **>6 €m cash inflow from US sale to be invested in future projects**

➔ **Extraordinary earnings contribution partly used to cover non-operative costs from follow-up financing**

➔ **Continued focus on profitability in 2022**

Q&A

A firm grip on the road to success