



DELTACOM 

Europe's leading online tyre retailer

FY 2022 Results

AGENDA

Content of Webcast

At a glance

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Market environment FY 2022

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Proven business enhanced with a top line perspective and operating excellence

2022
-
2020

Refocusing on the core business

- ▶ **Change** of the **commercial strategy** and refocus on the core business of tyre retail
- ▶ **Strengthening** of **capital structure** through a **capital increase** (issue of new shares), accumulation of profits and **closing** of a **syndicated loan facility**
- ▶ **Participation** in the overall **market consolidation**, successful implementation of the reorganisation program
- ▶ Profitable sale of the US business unit

2019
-
2012

Expansion business areas

- ▶ Usage of **first-mover proposition** and early **acquisition of competitors** to strengthen the market leadership (Tirendo)
- ▶ Implementation of the **multi-channel strategy** in a competitive market environment
- ▶ Challenging tyre market development due to increasing competition and declining gross-margins
- ▶ **Expansion** and **investment** in the **food eCommerce business** to leverage existing knowledge and logistic infrastructure

2012
-
2008

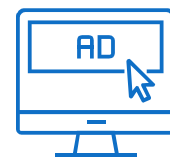
Expansion into US market and growth period

- ▶ **Successful and profitable growth period** and evolvement to the **European leader** for tyres, complete wheel sets and rims
- ▶ Established a multi-brand strategy with **300 online shops** in almost **50 countries** and **34,000 partner garages**
- ▶ Building up an **US business unit** in a highly competitive market environment

Extensive experience and reputation in the tyre online market



> 20 years of web
presence and



... search engine
optimization (SEO)



Leading reputation
proved by customer
reviews ...



...across platforms and
countries

Delticom's core online brands generating >50% of group revenues

ReifenDirekt.de
Europas größter Online-Reifenhändler

ReifenDirekt.at
Europas größter Online-Reifenhändler

ReifenDirekt.ch
Europas grösster Online-Reifenhändler

dackonline.se
Europas största online-däckförsäljare

mytyres.co.uk
Europe's biggest online tyres retailer

123pneus.fr
Le leader européen de la vente de pneus en ligne

gommadiretto.it

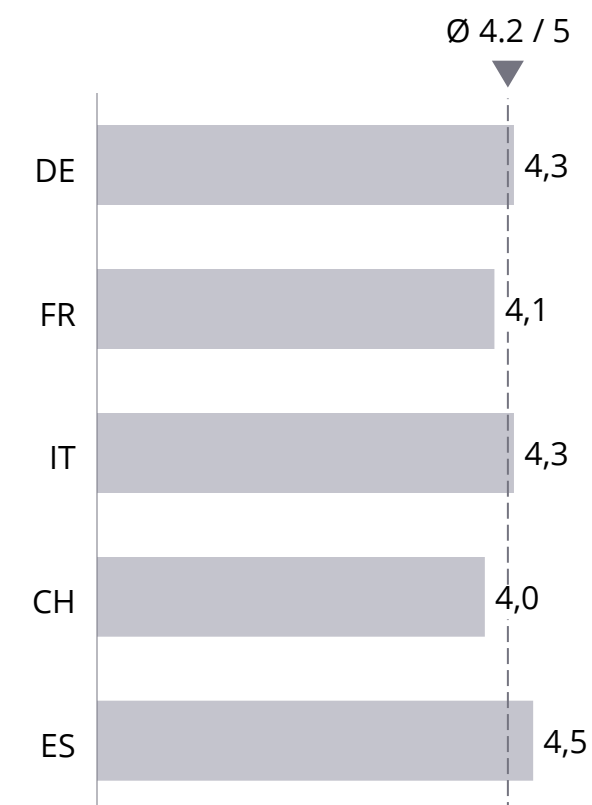
oponytanio.pl

neumaticos-online.es
líder europeo de venta on-line de neumáticos

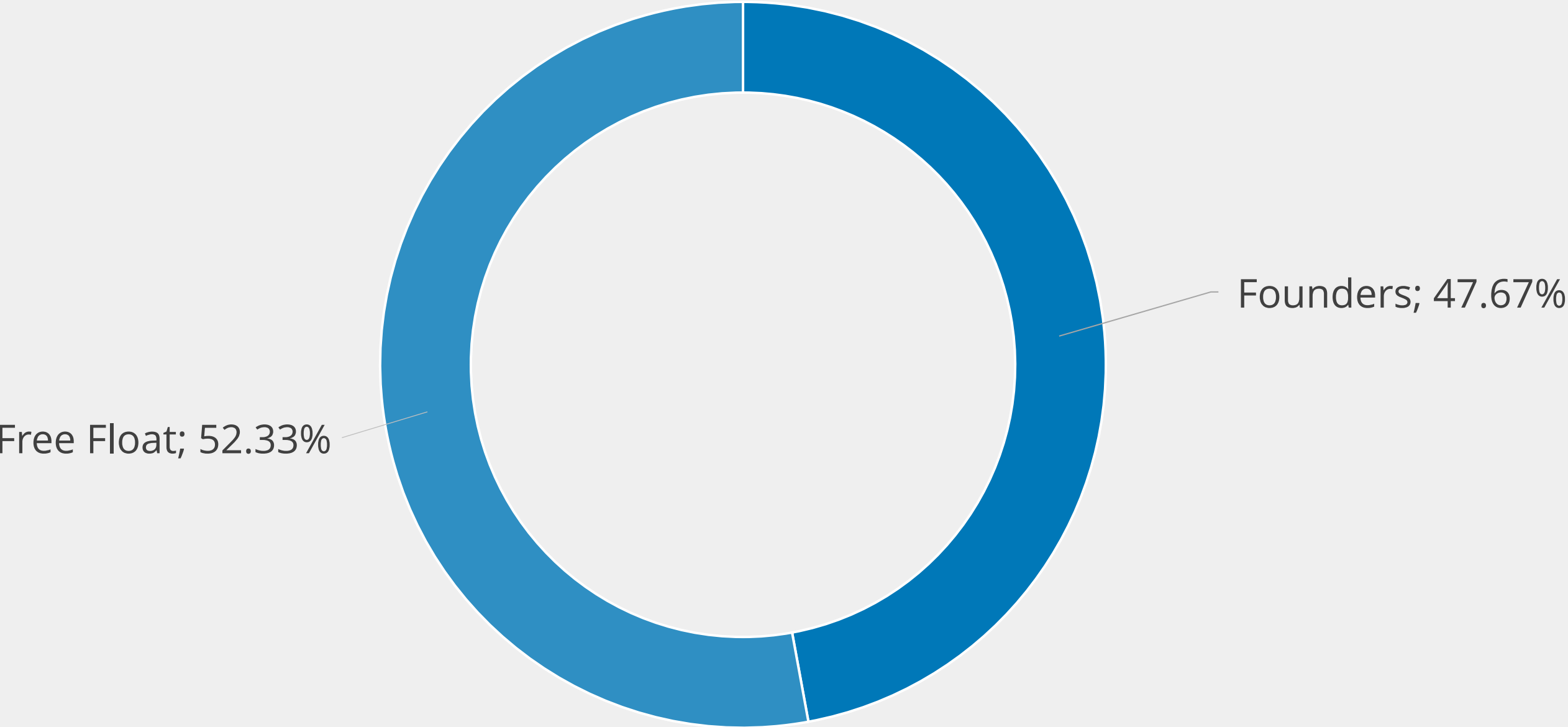
autobandenmarkt.nl



Average review score Trustpilot
(out of 5 points)



Current Shareholder Structure



Financing secured

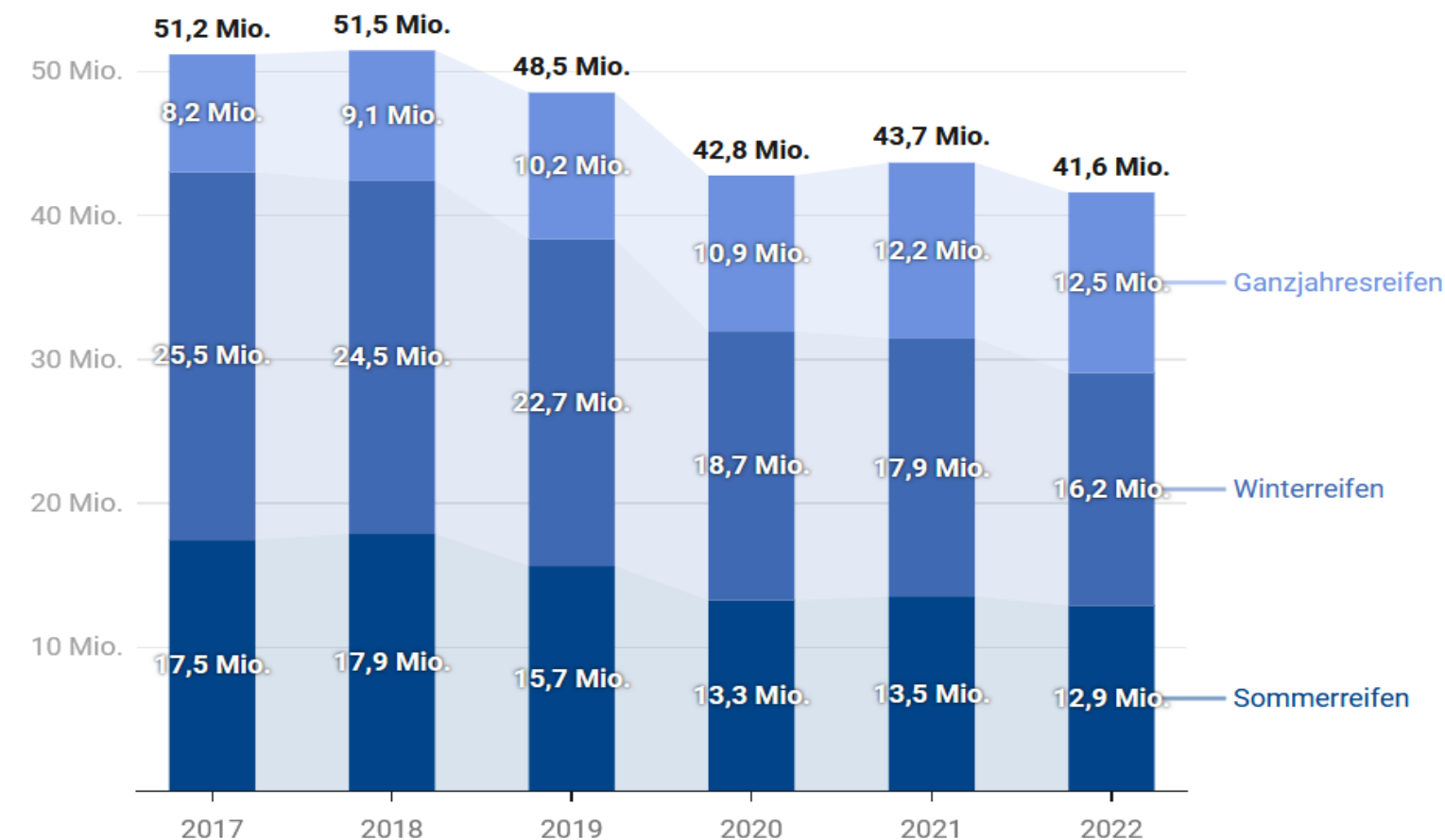
- ▶ In the course of the successfully completed restructuring, the company's follow-up **financing had been secured** by signing a **syndicated loan agreement with a term of 2 years** at the end of the financial year 2021
- ▶ Delticom Group`s **financing successfully extended** in March 2023 **until December 2024**
- ▶ Syndicated loan agreement unchanged with three banks
- ▶ Financing framework **reduced due to the positive company development** and **stringent working capital** management by a further € 20 million to a total of € 40 million

FY 2022: MARKET ENVIRONMENT (1/2)

- ▶ **Consumer sentiment remains very tense** due to **inflation at a continuing high level**
- ▶ According to ETRMA, **European tyre industry** saw volume **decrease of 2.0%** in FY 2022 in the **consumer tyre segment** (summer: -6%, all-season: +6%, winter: -6%); double digit volume decline in Q4 underlines the cautious stance of market participants in Europe
- ▶ According to ETRMA and WdK, in **Germany tyre sales for passenger cars fell 6.2%** in 2022 vs. 2021; **with 41 million units sold, a new low was reached** since the beginning of the Corona pandemic
- ▶ According to bevh, **revenues** for the **German online retailing decreased by 8.8%** in FY 2022

FY 2022: MARKET ENVIRONMENT (2/2)

Reifenabsatz Ersatzmarkt, Segment Consumer*



* Pkw, 4x4 (SUV), Lkw (Transporter)

Grafik: Grimm – »kfz-betrieb« • Quelle: BRV • [Daten herunterladen](#)

► Downward trend interrupted briefly in 2021

► All season tyres nearly flat yoy (+0.1%)

► Winter tyres -12.2% yoy

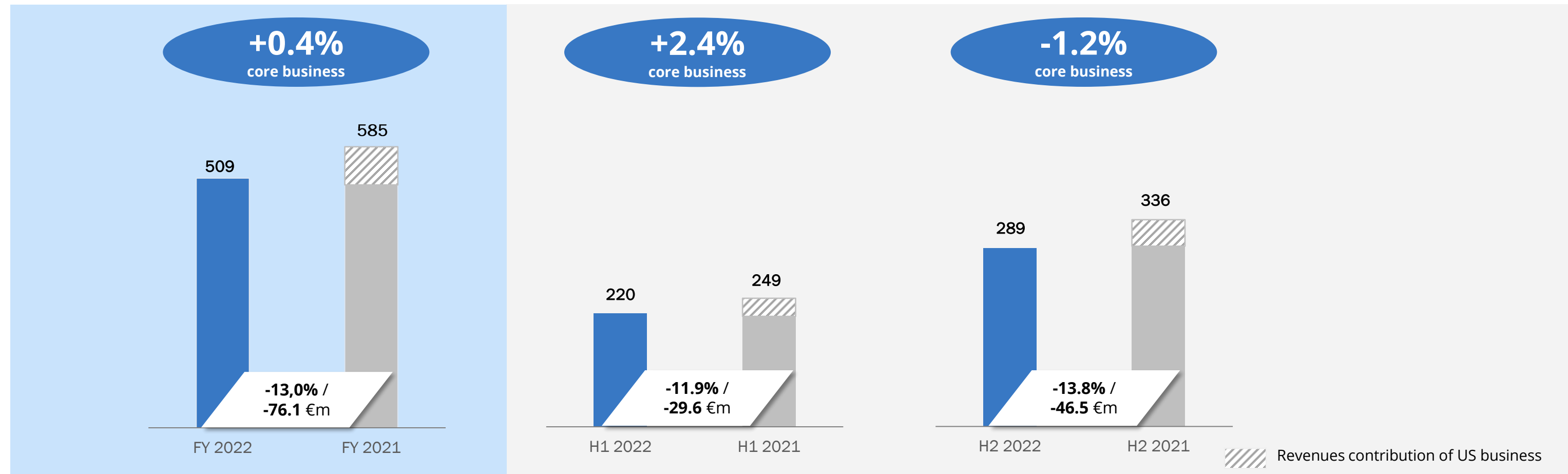
► Summer tyres -5.7% yoy

► Volume 2022 vs pre-corona 2019: -15.5% or -7.5 million units

► **Decrease in the consumer segment** (passenger car, 4x4 and light truck tyres) **of 4.7%** to around 41.6 million tyres **in 2022** according to BRV

FY 2022: REVENUES DEVELOPMENT

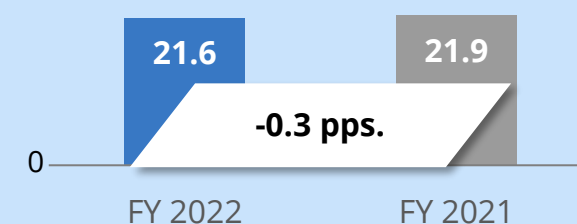
Revenues (in €m)



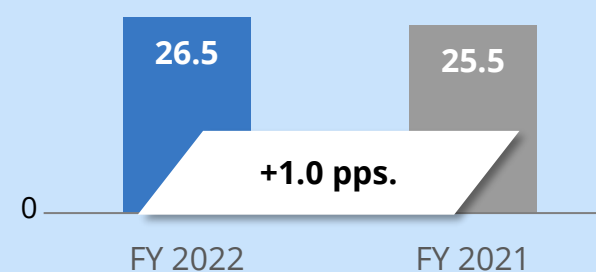
- ▶ **Sale of the US business at the beginning of FY 2022**, US revenues contribution in FY 2021 of around 78 €m
- ▶ **Weaker end-customer demand** was **cushioned by stronger demand in the business with commercial customers**
- ▶ **Volume decline compensated by price increases**

FY 2022: GROSS MARGIN & GROSS PROFIT MARGIN

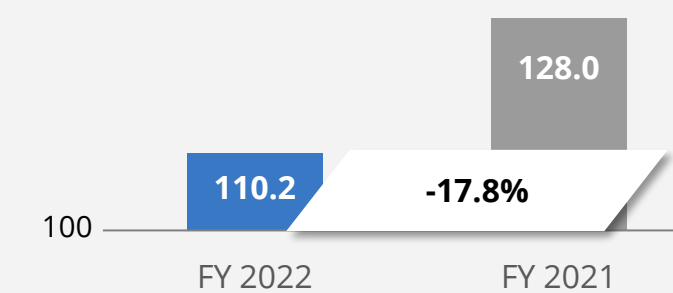
Gross margin simple
(Revenues less COGS;
in % of Revenues)



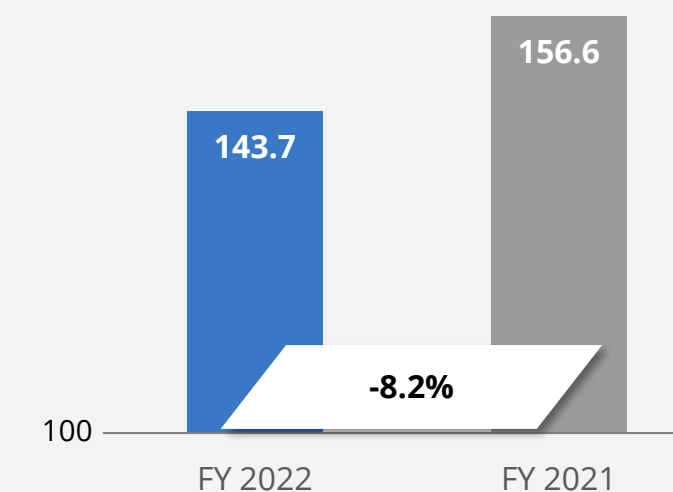
Gross profit margin
(Total income less COGS;
in % of Total income)



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

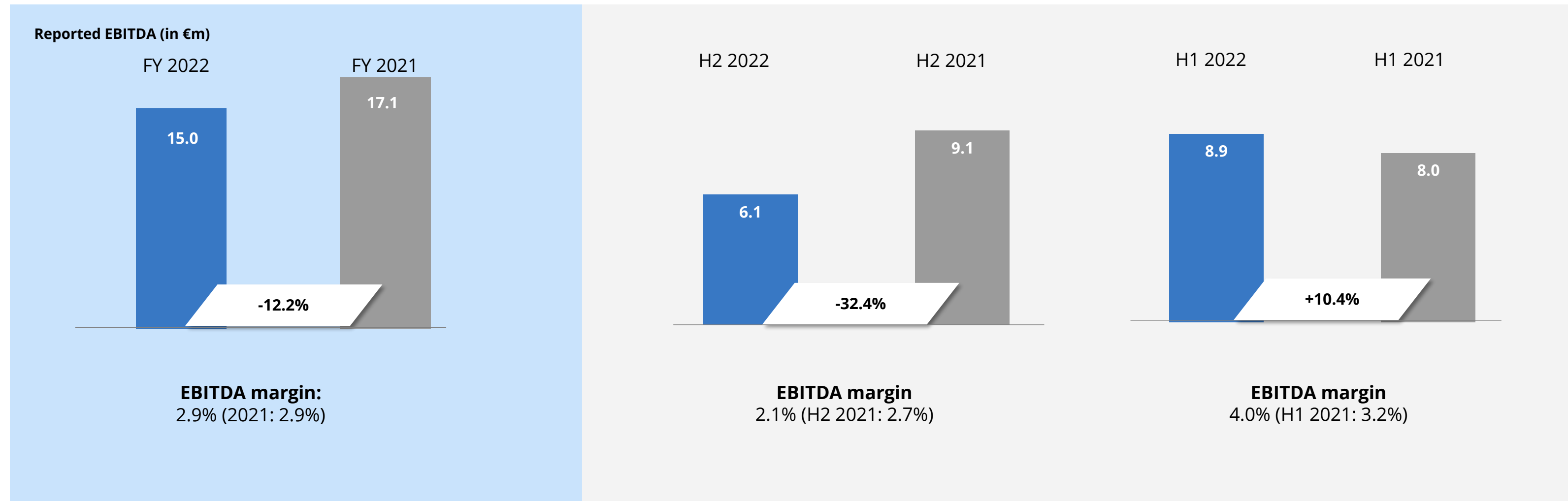


Gross profit
(Total income less COGS;
in €m)



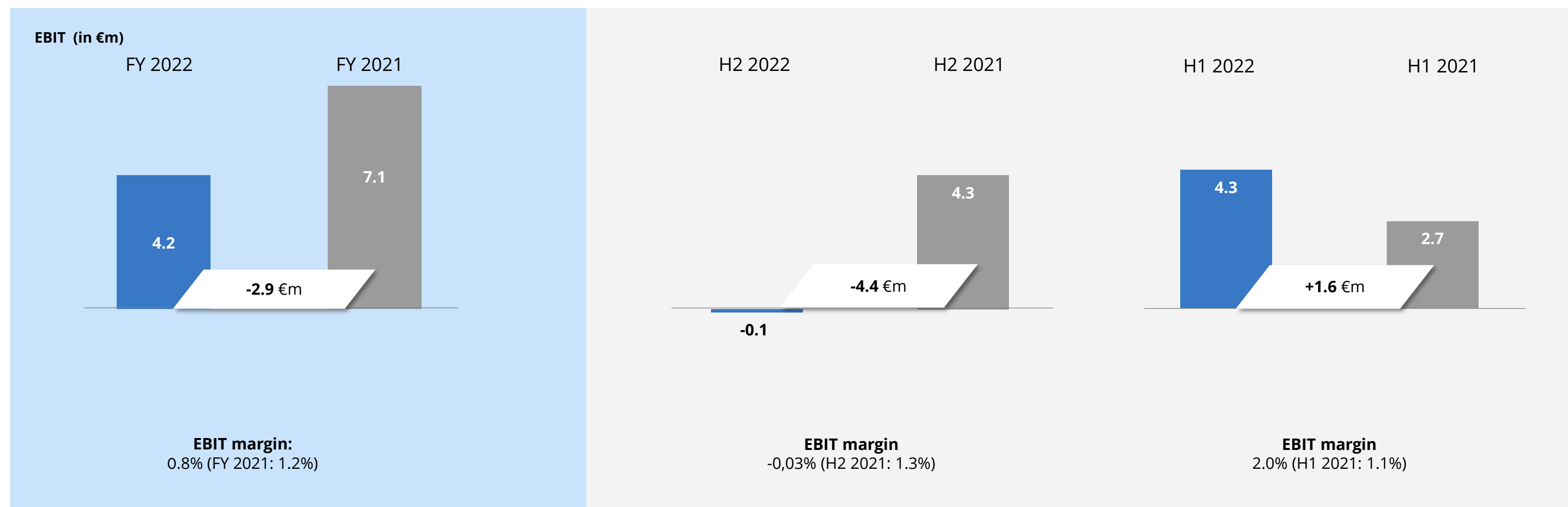
► **Decrease in gross margin** mainly due to the **changed sales mix** (higher B2B share)

FY 2022: EBITDA



- ▶ **Operative EBITDA** amounted to **€ 15.0 million**
- ▶ Expenses relating to other periods of € 2.5 million burdens EBITDA
- ▶ Negative currency trend in 2022 (FX result 2021: € +0.7 million, 2022: € -1.9 million)

FY 2022: EBIT



- ▶ **EBIT for FY 2022 lower** than in the prior year
- ▶ Amortization of rights-of-use of € 1.2 million due to damage to rent warehouse

FY 2022: P&L

	Unit	FY 2022	FY 2021	
Revenue	€m	509.3	585.4	-13.0%
Gross profit	€m	143.7	156.6	-8.2%
Personnel expenses	€m	14.0	13.4	+4.8%
Other operating expenses	€m	114.7	126.2	-9.1%
EBITDA	€m	15.0	17.1	-12.2%
Net result	€m	2.8	6.8	-58.7%

Weakness in consumer demand in the business with private end customers was cushioned by stronger dealer business

Price increases successfully passed

Severance payment

full consolidation of Extor GmbH since mid of the year

Currency development in 2022 resulted in a negative effect on earnings in the amount of € 2.6 million

FY 2022: BALANCE SHEET: ASSETS (EXCERPT)

	Unit	31.12.2022	31.12.2021
Non-current assets	€m	119.7	111.5
Fixed assets	€m	95.1	88.2
Other assets	€m	24.6	23.2
Current assets	€m	75.5	92.7
Inventories	€m	43.3	46.6
Receivables	€m	29.2	41.2
Liquidity	€m	3.0	4.9

Rental of a new warehouse and capitalisation of corresponding rights of use

Strict working capital management in financial year 2022 bears fruit

Inventories according to plan; seasonal stocking delayed compared to 2021

Seasonality and payment terms in tyre trade

► **Strengthening of Delticom's financial position** by improving the margin and cost situation and due process optimization

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

	Unit	31.12.2022	31.12.2021
Equity	€m	39.7	38.0
Liabilities	€m	195.2	217.5
Long term liabilities	€m	57.1	47.4
Short-term liabilities	€m	94.0	117.9
Short-term provisions	€m	4.5	4.8

Consolidated net income of 2.8 €m strengthened equity

No long-term financial liabilities with banks but only lease obligations from rental agreements

Short term liabilities with banks of € 12.7m (2021: € 5.3 million)

Significant reduction in trade payables by more than € 30m

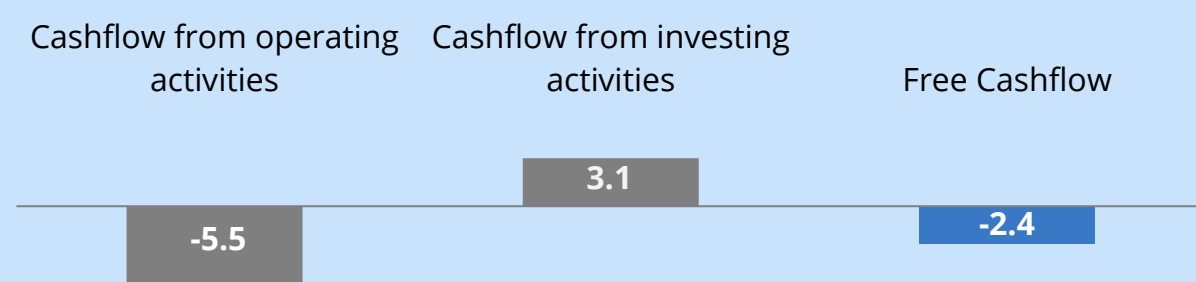
► **Equity ratio increased to 20.3%** due to significant balance sheet contraction (Dec 31, 2021: 17.5%)

FY 2022: FINANCIAL DEBT

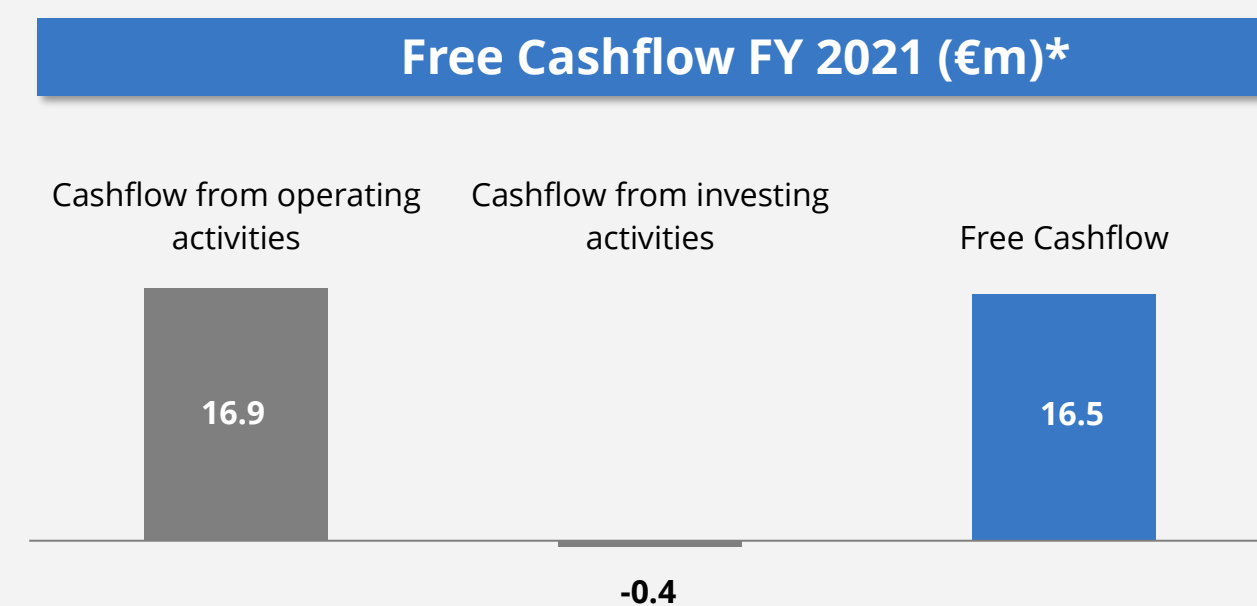
in €m	31.12.2022	31.12.2021	in €m	31.12.2022	31.12.2021
Non-current liabilities	57.0	47.4	Current liabilities	98.4	122.7
Non-current financial liabilities	51.0	42.3	Accounts payable	53.8	84.6
thereof lease liability IFRS 16	51.0	42.3	Current financial liabilities	22.6	13.9
thereof financial liabilities to banks	0.0	0.0	thereof current financial liabilities to banks	12.7	5.3
Other non-current liabilities	6.0	5.0	thereof current portion of lease liability IFRS 16	9.9	8.6
Remaining	0.1	0.1	Remaining	22.0	24.2

- **Current liabilities** were **significantly reduced** compared to the previous year
- At the same time, **no non-current liabilities to banks** as of the reporting date

FY 2022: FREE CASHFLOW



Free Cashflow FY 2022 (€m)

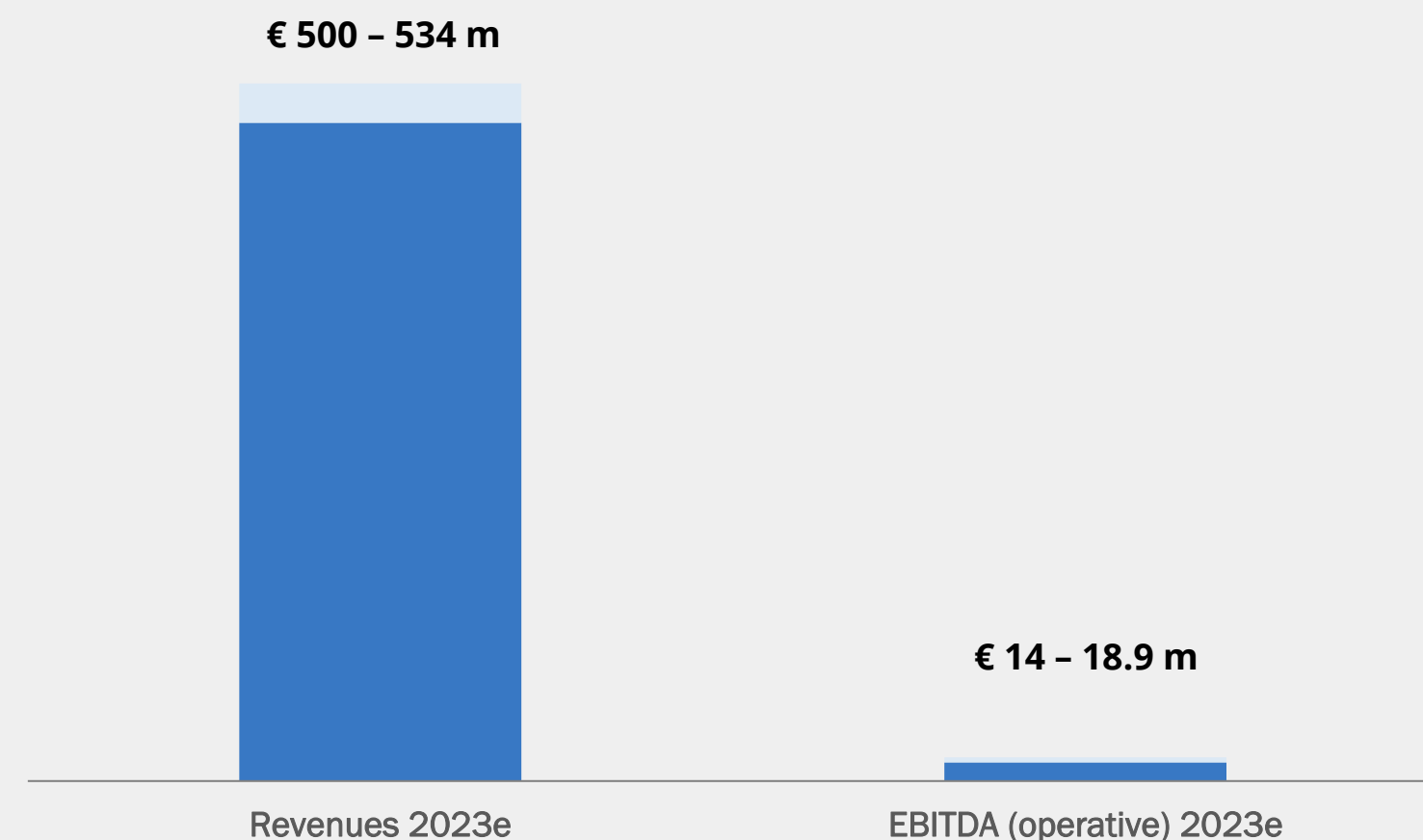


Free Cashflow FY 2021 (€m)*

*Previous year figures have been adjusted, see section *Changes in comparative information* in the notes to the consolidated financial statements

- ▶ Reduced operating cashflow resulting from **working capital management (reduction in trade payables)**
- ▶ ...resulted in a negative free Cashflow


OUTLOOK FY 2023: REVENUES AND EBITDA GUIDANCE




→ Catch-up effects in the replacement tyre business strongly depend on further overall economic development

→ Declared target of at least 1 million new customers in 2023 to support revenues growth

→ Strong focus on profitability and improvement of cost structures



DELTI COM 

Q&A

A firm grip on the road to success