



DELTA COM 

Europe's leading online tyre retailer

H1 2023 Results

AGENDA

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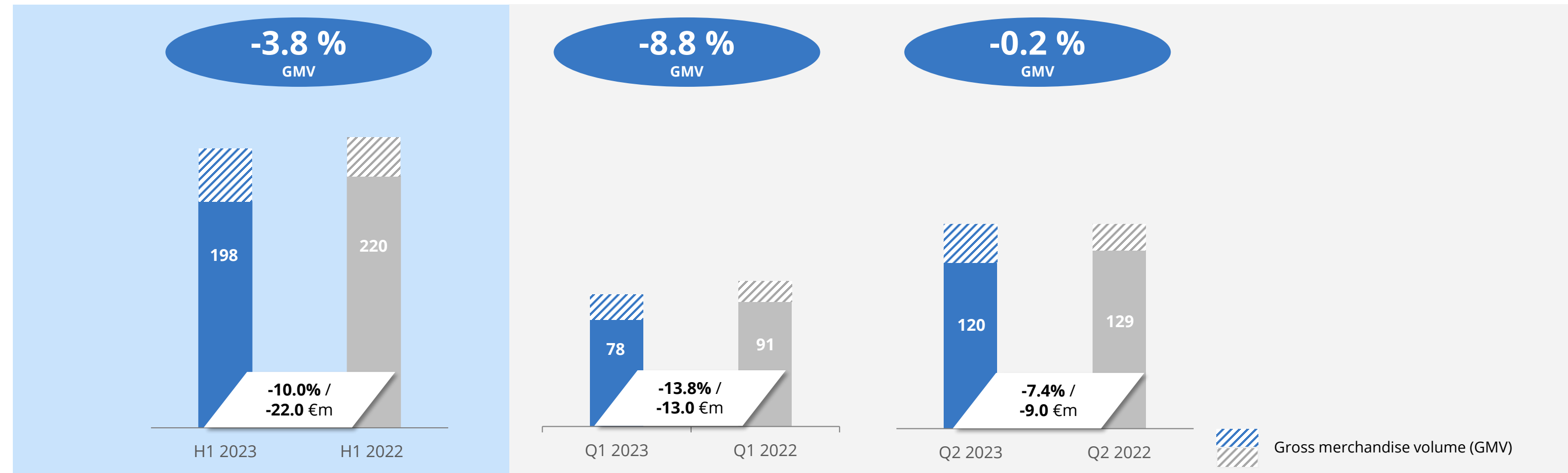
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H1 2023: MARKET ENVIRONMENT (1/2)

- ▶ **Consumer sentiment remains very tense** due to **inflation at a continuing high level**
- ▶ According to ETRMA, **European tyre industry** saw volume **decrease of 12.0 %** in H1 2023 in the **consumer tyre segment** (summer: -11 %, all-season: 0 %, winter: -32 %); market participants are more cautious against the backdrop of consumer demand burdened by global economic insecurity and rising costs
- ▶ According to ETRMA and WdK, in **Germany consumer tyre sales for passenger cars fell 2.8 %** in H1 2023 vs. H1 2022 (summer: -12.0 %, all-season: +11.8 %, winter: -1.6 %)
- ▶ According to bevh, the trend of decreasing revenues in e-commerce continued in Q2 2023; **revenues** for the **German online retailing decreased by 13.7 %** in H1 2023

H1 2023: REVENUES DEVELOPMENT

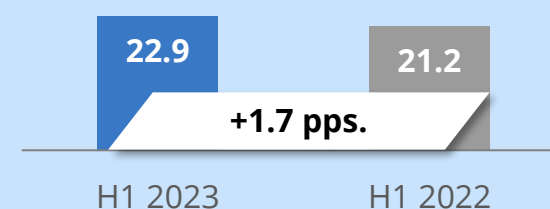
Revenues (in €m)



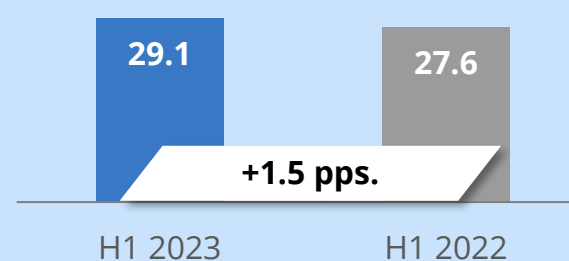
- ▶ Previous **shop business supplemented by platform business** results in a partial shift of shop revenues to the platform; **commission contributions** are realized for the shifted share of revenues
- ▶ While **demand from private end customers stabilized in the second quarter**, business with commercial customers was somewhat weaker yoy in line with market development

H1 2023: GROSS MARGIN & GROSS PROFIT MARGIN

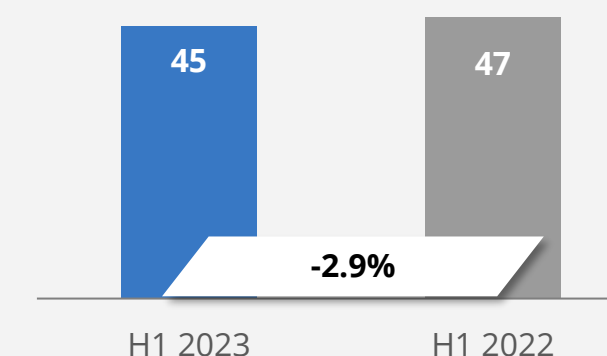
Gross margin simple
(Revenues less COGS;
in % of Revenues)



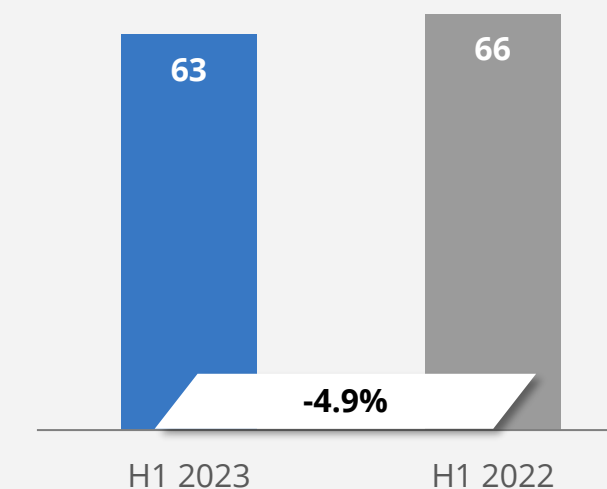
Gross profit margin
(Total income less COGS;
in % of Total income)



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

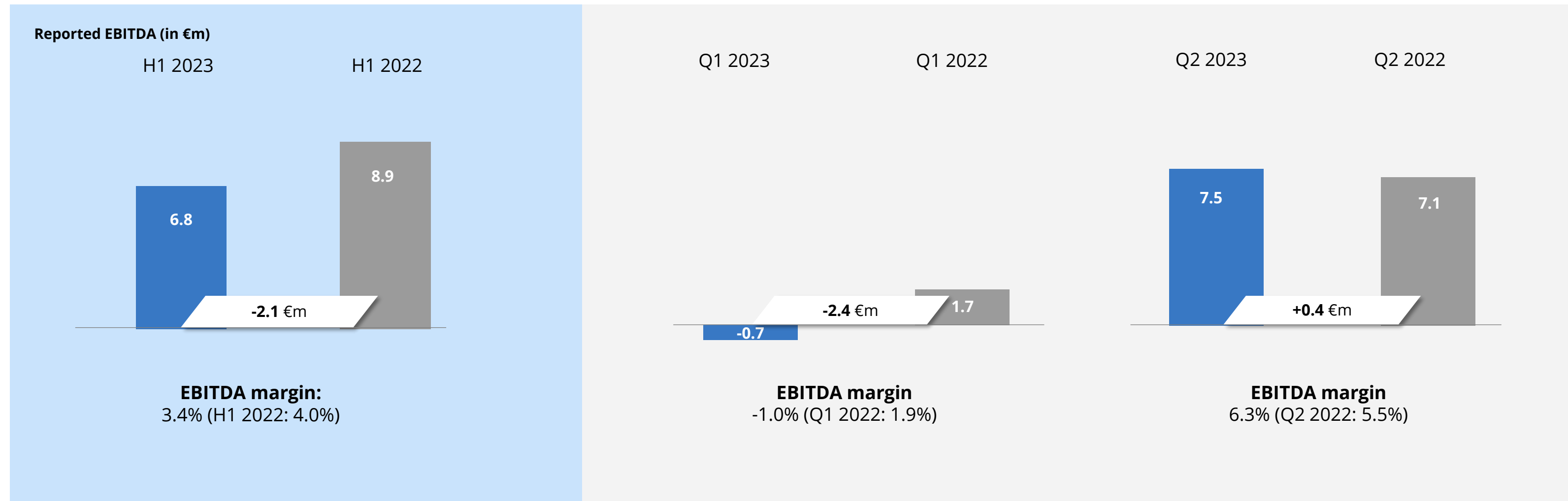


Gross profit
(Total income less COGS;
in €m)



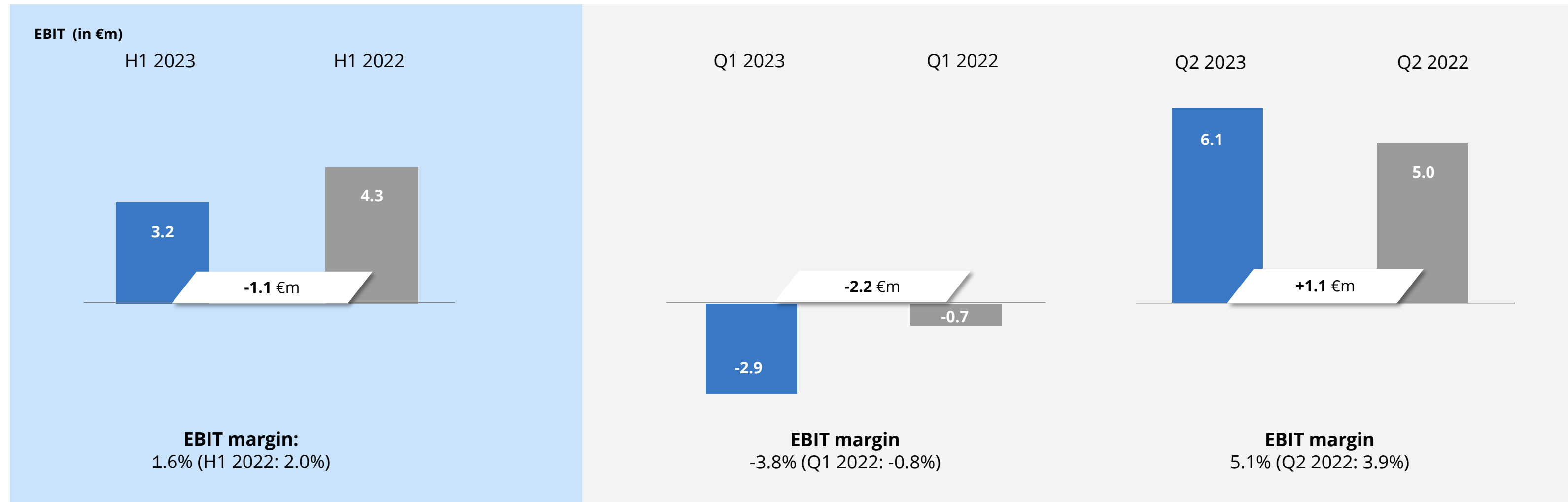
- **Increase in gross margin** mainly due to the **changed sales mix**
- Demand for **low-priced quality tyres increased** due to inflation

H1 2023: EBITDA



- ▶ **Operative EBITDA increased** from € 6.7 million **to € 7.2 million** (after elimination of the costs in connection with the refinancing)
- ▶ Earnings contribution from US sales in H1 2022 of € 3.3 million (not operative) **partly compensated** in H1 2023
- ▶ € 1.8 million reduction of other operating income yoy

H1 2023: EBIT



- ▶ **EBIT** for H1 2023 **only € 1 million lower** than in the prior year period despite weaker sales
- ▶ **Depreciation reduced by € 1 million** due to the leasing out of warehouse space and long-term subleases

H1 2023: P&L

	Unit	H1 2023	H1 2022	
Revenues	€m	197.7	219.7	-10.0%
Gross profit	€m	62.7	65.9	-4.9%
Personnel expenses	€m	7.4	7.1	+4.4%
Other operating expenses	€m	48.5	49.9	-2.9%
EBITDA	€m	6.8	8.9	-23.5%
Net result	€m	1.5	2.8	-45.7%

Year-on-year decline in revenues results to a large extent from the reclassification

Improved gross margin due to change in the sales mix

Year-on-year increase in personnel expenses mainly due to the payment of an inflation compensation bonus to employees at the beginning of 2023

Balance of currency gains and losses of € 0.2 million

H1 2023: BALANCE SHEET: ASSETS (EXCERPT)

	Unit	30.06.2023	31.12.2022	30.06.2022
Non-current assets	€m	118.5	119.7	102.9
Fixed assets	€m	95.4	95.1	87.6
Other assets	€m	23.1	24.6	15.3
Current assets	€m	117.0	75.5	128.2
Inventories	€m	82.0	43.3	84.0
Receivables	€m	32.5	29.2	39.4
Liquidity	€m	2.5	3.0	4.8

Increased fixed assets is mainly due to additions to property, plant and equipment

At the balance sheet date, winter stock were less advanced than a year earlier

Reduction in trade receivables in a closing date comparison

Seasonality and payment terms in tyre trade

- ▶ **Strengthening of Delticom's financial position** by stringent working capital management
- ▶ Stock management is a key in a challenging market environment

H1 2023: BALANCE SHEET: EQUITY & LIABILITIES (EXCERPT)

	Unit	30.06.2023	31.12.2022	30.06.2022
Equity	€m	41.3	39.7	39.6
Liabilities	€m	194.2	155.5	191.6
Long term liabilities	€m	52.1	57.1	47.6
Short-term liabilities	€m	138.9	94.0	140.9
Short-term provisions	€m	3.2	4.5	3.1

Consolidated net income of 1.5 €m strengthened equity

Long-term lease obligations (IFRS 16)

89.4 €m accounts payables, 25.3 €m credit lines, 8.8 €m short-term lease obligations

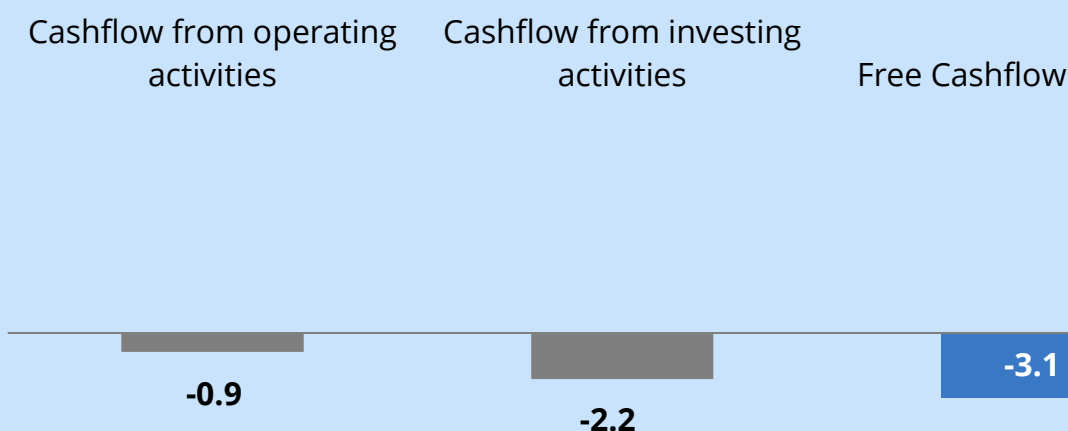
- **Equity ratio amounted to 17.5 %** and was thus slightly higher than in H1 2022 (17.1 %)
- Despite reduced financing framework with banks, the company still can act flexible to changing market conditions

Share buyback program

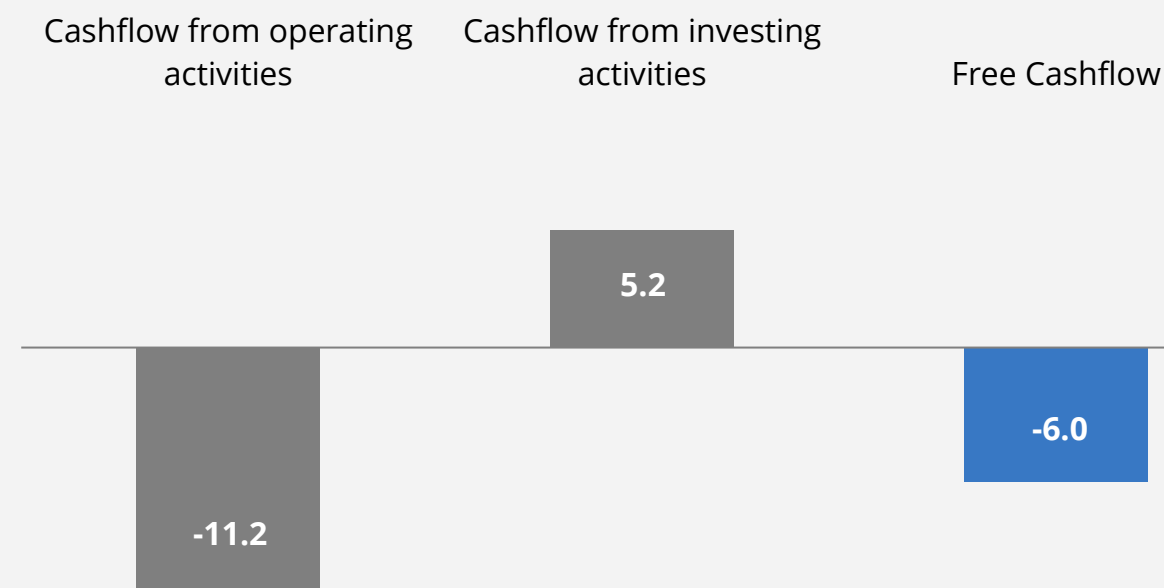
- ▶ Management Board resolved to implement a **share buyback program**, utilizing the authorization granted by resolution of the Annual General Meeting on July 7, 2020
- ▶ Delticom AG aims to **acquire up to 100,000 own shares** via the stock exchange **in the period from July 4, 2023 to December 31, 2023** at the latest, up to a total purchase price (excluding incidental acquisition costs) of a maximum of € 200,000.00
- ▶ Until the end of calendar week 31, **17,936 shares were already acquired**
- ▶ The company reserves **the right to terminate the buyback program at any time** prior to this date
- ▶ **Shares to be acquired** as a result of the share buyback program **are to be used as acquisition currency**

H1 2023: FREE CASHFLOW

Free Cashflow H1 2023 (€m)



Free Cashflow H1 2022 (€m)



- ▶ Improved operating cashflow mainly resulting from **working capital**
- ▶ **Higher investments in property, plant and equipment** compared to the previous year, totalling € 1.6 million, in particular investments in **equipment for our warehouses**

OUTLOOK FY 2023: REVENUES AND EBITDA GUIDANCE

€ 470 – 504 million



Revenues 2023e

€ 14 – 18.9 million




EBITDA (operative) 2023e


Positive Free Cashflow in
the **mid single-digit
million** range

→ Revenues forecast adjusted: revenues of around € 30 million are expected to be shifted from our shops to platform

→ Relocation of parts from shop revenues will not have any negative impact on profitability

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



DELTI COM 

Q&A

A firm grip on the road to success