

18 November 2024

**Delticom AG**

Rating **Buy (Buy)**  
Share price (EUR) **2.28**  
Target price (EUR) **4.70 (4.40)**

Bloomberg **DEX GY**  
Sector **Retail**

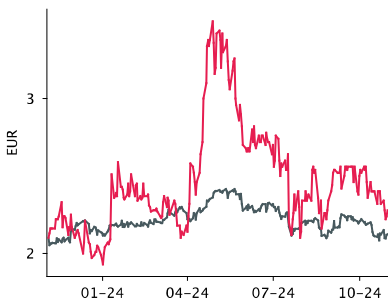
**Share data**

Shares out (m) 14.8  
Daily volume shs (m) 0.0  
Free float (%) 52.30  
Market cap (EUR m) 34  
EV (EUR m) 79  
DPS (EUR) 0.00  
Dividend yield (%) 0.0  
Payout ratio (%) 19.0

**Performance**

ytd (%) 3.2  
12 months (%) 3.2  
12 months rel. (%) 1.7  
Index SDAX

**Share price performance**



— Delticom AG  
— Price rel. to SDAX - Price Index

Source: Bloomberg

**Next triggers**

tba

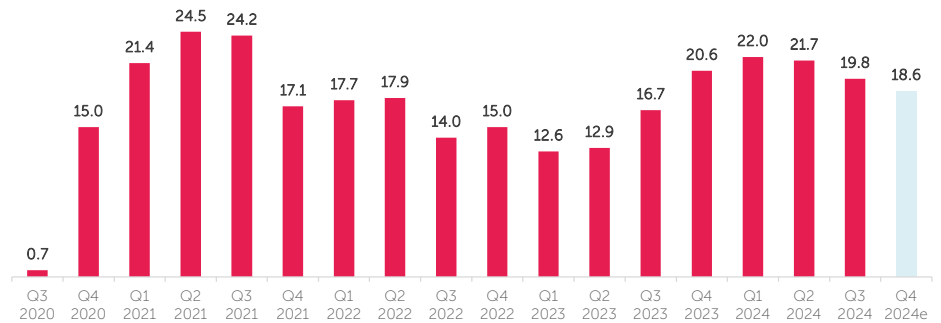
**Analysts**

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# Strong top line development in a recessionary environment

Delticom was able to increase its Q3 2024 revenues by 9.5% yoy in a strong tire replacement market environment, this pleasing increase in revenues led to TTM revenues rising to EUR 499m, 7% higher than TTM revenues in the same period last year. In this context, the management has confirmed the sales forecast for the full year (EUR 450-470m), we expect EUR 467m. Whether the strong fourth quarter of the previous year can be repeated is heavily dependent on weather conditions and therefore difficult to estimate; according to the company, business development in October was satisfactory. For the full year 2024, we expect a solid reported EBITDA margin of around 4%, which should gradually increase in the following years to 5% in 2026 by focusing on measures to increase efficiency and reduce costs. Despite a challenging market environment, the GfK index has recently shown a positive trend, indicating improved consumer confidence. This confidence could increase demand for the company's products. Delticom remains on track to achieve its annual targets, creating the basis for an expected dividend payment for FY 2024. Applying our ROE/COE valuation approach, we derive a new fair value of 4.70 (4.40), therefore we confirm our BUY rating. From a seasonal perspective, the months of November and December as well as the fourth quarter show a positive return in terms of share performance (please see charts on next page).

**Development and forecast of reported TTM EBITDA (in EURm)**



Source: Company data; Quirin Privatbank estimates

Key figures		2022	2023	2024e	2025e	2026e
Sales	EUR m	509	476	467	471	485
EBITDA	EUR m	15	21	19	21	24
EBIT	EUR m	4	12	8	11	14
EPS	EUR	0.19	0.54	0.21	0.46	0.61
Sales growth	%	-13.0	-6.6	-1.9	1.0	3.0
EBIT growth	%	-40.2	172.7	-27.4	30.7	28.7
EPS growth	%	-61.3	185.3	-60.3	115.4	30.8
EBITDA margin	%	2.9	4.3	4.0	4.4	5.0
EBIT margin	%	0.8	2.4	1.8	2.3	2.9
Net margin	%	0.6	1.7	0.7	1.5	1.8
EV/Sales	ratio	0.23	0.17	0.17	0.16	0.15
EV/EBITDA	ratio	7.9	3.8	4.2	3.5	2.9
EV/EBIT	ratio	28.1	6.9	9.4	6.7	5.0
P/E	ratio	17.1	3.8	10.6	4.9	3.8
P/BV	ratio	1.2	0.6	0.7	0.6	0.5
Dividend yield	%	0.0	0.0	1.8	4.3	6.4

Source: Bloomberg, Company data, Quirin Privatbank estimates

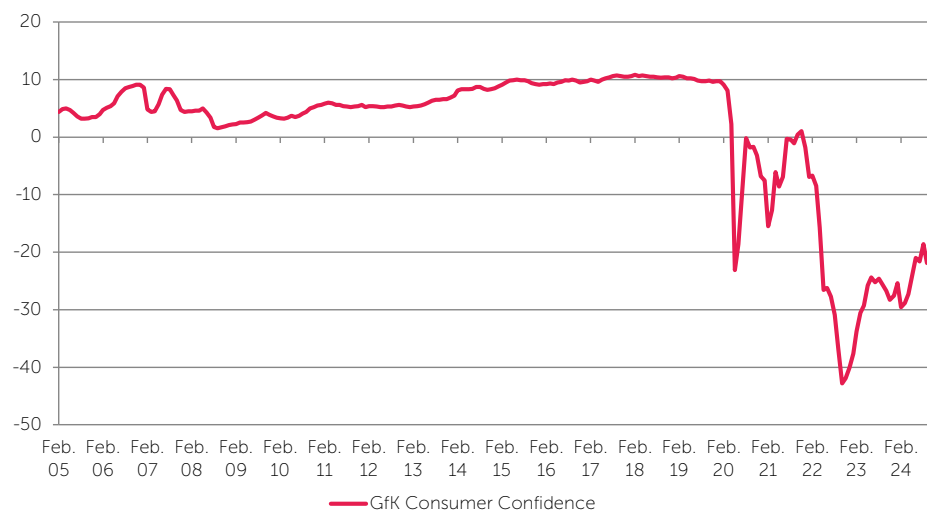
Seasonality analysis: Share price performance per month and per quarter

	1/31	2/28	3/31	4/29	5/31	6/30	7/29	8/31	9/30	10/31	11/30	12/30
Max.	15.45	5.66	24.99	12.00	21.43	21.79	9.45	47.57	7.15	6.81	35.26	31.84
Min.	-13.50	-27.82	-35.74	-15.38	-17.06	-16.68	-26.74	-28.13	-15.49	-7.17	-18.53	-15.53
Avg.	-0.79	-5.16	-4.10	-0.45	0.64	-4.45	-5.26	2.19	-5.25	-1.42	4.34	6.91
2024	8.14	-1.26	-4.66	12.00	21.43	-12.42	-2.99	-2.31	-1.57	-4.00		
2023	-2.54	0.00	-21.96	-0.56	6.44	-1.84	4.02	15.98	-6.22	-6.64	12.69	-0.45
2022	-3.75	-10.06	-35.74	-4.49	-17.06	-6.74	-21.29	9.18	-15.49	6.81	-12.25	31.84
2021	15.45	0.00	24.99	-9.30	-2.57	21.79	3.48	-10.50	-3.99	2.93	-18.53	-6.71
2020	-2.87	-27.82	-6.28	-15.38	9.07	-10.13	-2.43	47.57	5.30	-7.17	35.26	26.26
2019	5.28	-6.35	-11.30	10.19	-15.02	-16.68	-26.74	-22.00	7.15	-3.99	22.21	29.27
2018	-0.87	-2.63	-14.77	2.96	-10.06	0.69	0.23	2.04	-3.99	-3.69	1.92	-15.53
2017	-4.81	0.94	1.69	-1.92	0.32	-7.84	-3.76	-5.90	-8.82	-1.98	-10.84	0.53
2016	-13.50	-19.44	10.58	-0.12	-0.22	-2.69	-1.16	22.45	-11.58	4.41	-5.89	9.41
2015	-9.89	5.66	6.52	3.21	16.13	-8.70	9.45	-4.33	-6.28	1.89	2.14	-2.98
2014	0.70	4.22	5.82	-1.52	-1.37	-4.40	-16.67	-28.13	-12.24	-4.15	16.72	-2.50

	3/31	6/30	9/30	12/30
Max.	44.29	19.11	51.60	58.52
Min.	-44.38	-26.12	-47.44	-21.76
Avg.	-9.05	-4.67	-7.34	10.51
2024	1.81	19.11	-6.72	
2023	-23.94	3.90	13.14	4.74
2022	-44.38	-26.12	-27.38	23.56
2021	44.29	7.63	-11.09	-21.76
2020	-34.29	-17.06	51.60	58.52
2019	-12.54	-21.98	-38.77	51.68
2018	-17.74	-6.76	-1.81	-17.09
2017	-2.29	-9.32	-17.42	-12.14
2016	-22.95	-3.02	7.01	7.51
2015	1.43	9.44	-1.86	0.97
2014	11.06	-7.15	-47.44	9.08

Source: Bloomberg, Quirin Privatbank

Development of German consumer confidence

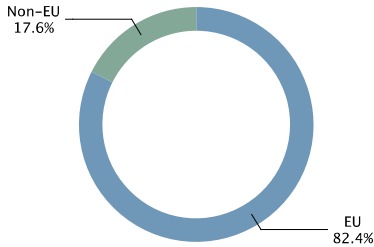


Source: Bloomberg, GfK, Quirin Privatbank

**Company description**

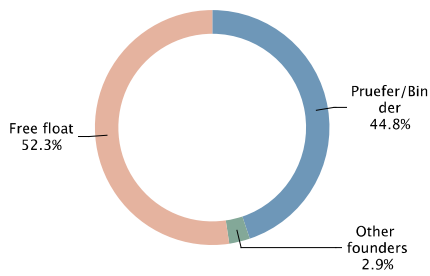
With the brand Reifendirekt, Delticom AG is the leading company in Europe for the online distribution of tyres and complete wheels. The product portfolio for private and business customers comprises an unparalleled range of more than 600 brands and over 40,000 tyre models for cars and motorcycles. Complete wheels and rims complete the product range. The company operates 355 online shops and online distribution platforms in 67 countries, serving more than 19 million customers.

**Revenues by region 2023**



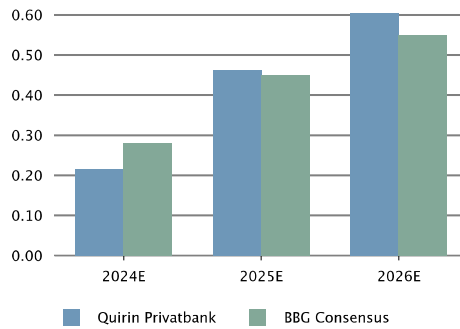
Source: Company data

**Shareholder structure**



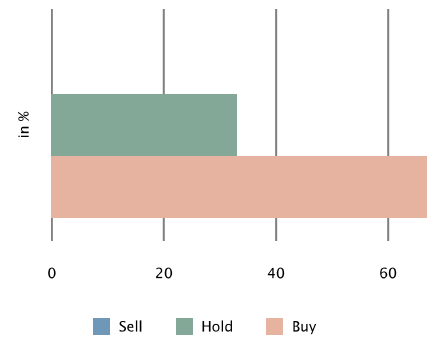
Source: Company data

**EPS: Quirin Privatbank vs. consensus**



Source: Quirin Privatbank Research, Bloomberg

**Recommendation Overview**



Source: Bloomberg

**Company guidance 2024**

Sales: EUR 450-470m; operating EBITDA: EUR 19-21m

## Profit &amp; loss statement

Profit & loss statement (EUR m)	2022	YOY	2023	YOY	2024e	YOY	2025e	YOY	2026e	YOY
Sales	509.3	-13.0 %	475.7	-6.6 %	466.7	-1.9 %	471.3	1.0 %	485.5	3.0 %
Unfinished Goods	0.0		0.0		0.0		0.0		0.0	
Other own work capitalized	0.0		0.0		0.0		0.0		0.0	
Other operating earnings	33.6		27.1		21.9		23.1		23.8	
Cost of goods	-399.1		-359.5		-350.0		-355.8		-364.1	
Gross profit	110.2		116.1		116.7		115.5		121.4	
Personnel expenses	-14.0		-14.0		-14.5		-14.1		-14.6	
Depreciation	0.0		0.0		0.0		0.0		0.0	
Other operating expenses	-111.6		-106.5		-104.1		-103.6		-106.3	
EBITDA	15.0	-12.2 %	20.6	37.6 %	18.6	-9.7 %	20.8	11.8 %	24.3	16.5 %
EBITDA margin (%)	2.95		4.34		3.99		4.42		5.00	
EBIT	4.2	-40.2 %	11.5	172.7 %	8.4	-27.4 %	10.9	30.7 %	14.1	28.7 %
EBIT margin (%)	0.83		2.42		1.79		2.32		2.90	
Net interest	-1.0		-1.4		-2.1		-1.3		-1.4	
Income from Participations	0.0		0.0		0.0		1.0		2.0	
Net financial result	-1.0		-1.4		-2.1		-1.3		-1.4	
Exceptional items	-3.2		-2.2		-1.4		0.0		0.0	
Pretax profit	3.2	-35.7 %	10.1	218.7 %	6.3	-38.2 %	9.6	53.5 %	12.7	32.3 %
Pretax margin (%)	0.62		2.13		1.34		2.04		2.62	
Taxes	-0.4		-2.1		-3.1		-2.8		-3.8	
Tax rate (%)	11.66		20.87		49.16		28.67		29.48	
Earnings after taxes	2.8		8.0		3.2		6.9		9.0	
Minorities	0.0		0.0		0.0		0.0		0.0	
Group attributable income	2.8	-58.3 %	8.0	185.3 %	3.2	-60.3 %	6.9	115.4 %	9.0	30.8 %
No. of shares (m)	14.8		14.8		14.8		14.8		14.8	
Earnings per share (EUR)	0.19	-61.3 %	0.54	185.3 %	0.21	-60.3 %	0.46	115.4 %	0.61	30.8 %

Source: Company data, Quirin Privatbank estimates

## Balance sheet

Balance sheet (EUR m)	2022	YOY	2023	YOY	2024e	YOY	2025e	YOY	2026e	YOY
<b>Assets</b>										
Cash and cash equivalents	3.0		7.3		8.0		10.4		11.0	
Accounts receivables	17.2		17.2		17.0		17.2		17.5	
Inventories	43.3		41.2		107.2		104.0		106.0	
Other current assets	11.9		16.9		16.9		16.9		16.9	
Tax claims	0.1		0.1		0.1		0.1		0.1	
<b>Total current assets</b>	<b>75.5</b>	<b>-28.7 %</b>	<b>82.6</b>	<b>9.4 %</b>	<b>149.2</b>	<b>80.5 %</b>	<b>148.6</b>	<b>-0.4 %</b>	<b>151.4</b>	<b>1.9 %</b>
Fixed assets	8.7		10.8		11.5		12.4		13.3	
Goodwill	0.0		0.0		0.0		0.0		0.0	
Other intangible assets	37.2		37.3		31.9		26.7		21.5	
Financial assets	13.6		4.1		4.1		4.1		4.1	
Deferred taxes	11.0		10.7		10.7		10.7		10.7	
Other fixed assets	49.1		46.1		46.1		46.1		46.1	
<b>Total fixed assets</b>	<b>119.7</b>	<b>7.3 %</b>	<b>108.9</b>	<b>-9.0 %</b>	<b>104.2</b>	<b>-4.3 %</b>	<b>100.0</b>	<b>-4.1 %</b>	<b>95.6</b>	<b>-4.4 %</b>
<b>Total assets</b>	<b>195.2</b>	<b>-10.2 %</b>	<b>191.6</b>	<b>-1.9 %</b>	<b>253.4</b>	<b>32.3 %</b>	<b>248.6</b>	<b>-1.9 %</b>	<b>247.0</b>	<b>-0.6 %</b>
<b>Equity &amp; Liabilities</b>										
Subscribed capital	14.8		14.8		14.8		14.8		14.8	
Reserves & other	47.5		18.9		18.9		18.9		18.9	
Revenue reserves	-22.7		13.9		17.1		23.3		30.9	
Accumulated other comprehensive	0.0		0.0		0.0		0.0		0.0	
<b>Shareholder's equity</b>	<b>39.7</b>	<b>7.2 %</b>	<b>47.6</b>	<b>20.1 %</b>	<b>50.8</b>	<b>6.7 %</b>	<b>57.1</b>	<b>12.3 %</b>	<b>64.6</b>	<b>13.2 %</b>
Minorities	0.0		0.0		0.0		0.0		0.0	
<b>Shareholder's equity incl. minorities</b>	<b>39.7</b>	<b>4.4 %</b>	<b>47.6</b>	<b>20.1 %</b>	<b>50.8</b>	<b>6.7 %</b>	<b>57.1</b>	<b>12.3 %</b>	<b>64.6</b>	<b>13.2 %</b>
<b>Long-term liabilities</b>										
Pension provisions	0.1		0.0		0.0		0.0		0.0	
Financial liabilities	51.0		46.1		43.8		41.6		39.5	
Tax liabilities	0.0		0.0		0.0		0.0		0.0	
Other liabilities	6.0		0.0		0.0		0.0		0.0	
<b>Total long-term debt</b>	<b>57.1</b>	<b>20.5 %</b>	<b>46.1</b>	<b>-19.2 %</b>	<b>43.8</b>	<b>-5.0 %</b>	<b>41.6</b>	<b>-5.0 %</b>	<b>39.6</b>	<b>-5.0 %</b>
<b>Short-term debt</b>										
Other provisions	3.8		4.9		4.9		4.9		4.9	
Trade payables	53.9		61.5		123.0		120.5		118.1	
Financial debt	22.6		9.4		9.0		8.5		8.1	
Other liabilities	18.1		22.0		22.0		16.0		11.8	
<b>Total short-term debt</b>	<b>98.4</b>	<b>-25.5 %</b>	<b>97.8</b>	<b>-0.7 %</b>	<b>158.8</b>	<b>62.4 %</b>	<b>149.9</b>	<b>-5.6 %</b>	<b>142.9</b>	<b>-4.7 %</b>
<b>Total equity &amp; liabilities</b>	<b>195.2</b>	<b>-10.2 %</b>	<b>191.6</b>	<b>-1.9 %</b>	<b>253.4</b>	<b>32.3 %</b>	<b>248.6</b>	<b>-1.9 %</b>	<b>247.0</b>	<b>-0.6 %</b>

Source: Company data, Quirin Privatbank estimates

## Financial key ratios

Key ratios	2022	2023	2024e	2025e	2026e
<b>Per share data (EUR)</b>					
EPS	0.19	0.54	0.21	0.46	0.61
Book value per share	2.7	3.2	3.4	3.9	4.4
Free cash flow per share	-0.5	1.9	0.2	0.4	0.3
Dividend per share	0.00	0.00	0.04	0.10	0.15
<b>Valuation ratios</b>					
EV/Sales	0.23	0.17	0.17	0.16	0.15
EV/EBITDA	7.9	3.8	4.2	3.5	2.9
EV/EBIT	28.1	6.9	9.4	6.7	5.0
P/E	17.1	3.8	10.6	4.9	3.8
P/B	1.2	0.6	0.7	0.6	0.5
Dividend yield (%)	0.0	0.0	1.8	4.3	6.4
<b>Growth</b>					
Sales growth (%)	-13.0	-6.6	-1.9	1.0	3.0
EBITDA growth (%)	-12.2	37.6	-9.7	11.8	16.5
EBIT growth (%)	-40.2	172.7	-27.4	30.7	28.7
EPS growth (%)	-61.3	185.3	-60.3	115.4	30.8
<b>Profitability ratios</b>					
EBITDA margin (%)	2.9	4.3	4.0	4.4	5.0
EBIT margin (%)	0.8	2.4	1.8	2.3	2.9
Net margin (%)	0.6	1.7	0.7	1.5	1.8
ROCE (%)	3.6	12.0	8.8	11.3	13.9
<b>Financial ratios</b>					
Total equity (EUR m)	39.7	47.6	50.8	57.1	64.6
Equity ratio (%)	20.3	24.9	20.1	23.0	26.1
Net financial debt (EUR m)	70.7	48.3	44.8	39.7	36.7
Net debt/Equity	0.2	0.2	0.2	0.2	0.3
Interest cover	4.1	8.4	4.0	8.3	10.4
Net debt/EBITDA	4.7	2.3	2.4	1.9	1.5
Payout ratio (%)	0.0	0.0	19.0	21.0	24.0
Working Capital (EUR m)	6.7	-3.0	1.3	0.7	5.4
Working capital/Sales	0.01	-0.01	0.00	0.00	0.01

Source: Company data, Quirin Privatbank estimates

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The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

#### Analyst certification

Daniel Kukalj, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

#### Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
18.11.2024	4.70	Buy	
29.08.2024	4.40	Buy	
25.04.2024	4.80	Buy	
29.01.2024	3.20	Buy	24.11.2020

Bank distribution of ratings and in proportion to investment banking services can be found on the internet at the following address:

<https://www.quirinprivatbank.de/kapitalmarktgeschaeft/institutionelles-research>

Bank disclosures, conflict of interest on complete list of financial analysis on the last 12 month can be found on the internet at the following address:

<https://research.quirinprivatbank.de/content/disclosures>

#### Competent supervisory authority

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