

On track.

Investor and Analyst Presentation

On the Occasion of the Release of the Preliminary Figures for FY 2012

Hanover, 23 January 2013



Agenda

Delticom at a Glance

Business Model

Profit & Loss

Balance Sheet

Outlook



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Delticom at a Glance

- **#1 European online tyre dealer**
- > 100 online shops in **42 countries**
- founded 1999, IPO Oct 2006, SDAX Dec 2008
- customer base: more than **6.2 million**
- **focus on replacement tyres:** > 100 tyre brands, > 25,000 models
- other products:
 - motorcycle tyres, bicycle tyres
 - truck tyres, industrial tyres
 - complete wheels and rims
 - motor oil, car parts, accessories
- **144 employees**, mainly in the Hanover head office
- global network with more than **34,000 fitting partners**, e.g.

🇩🇪 DE 8557 🇺🇸 US 2474 🇬🇧 UK 2033 🇫🇷 FR 4405 🇨🇭 CH 1770



Key Financials FY 12

		Q4 12	Q4 11	yoy %	FY 12	FY 11	yoy %	guidance*
Revenues EC	€ m	172,7	176,5	-2,1	441,4	455,6	-3,1	
Revenues WS	€ m	3,2	5,9	-44,7	15,0	24,4	-38,6	
Revenues	€ m	175,9	182,3	-3,5	456,4	480,0	-4,9	< FY11
Gross Margin	%	25,0	28,8	-3,9 p	25,7	27,4	-1,7 p	
EBIT	€ m	15,0	24,8	-39,4	32,5	52,9	-38,6	
EBIT Margin	%	8,5	13,6	-5,1 p	7,1	11,0	-3,9 p	7 – 8 %
Inventories	€ m				74,1	106,5	-30,4	
Cash Flow	€ m				62,2	-9,6		
Liquidity	€ m				46,2	22,2	+108,0	

-  B2C up, B2B weak due to ...
-  ... cyclical downturn.
-  adverse market environment
-  price pressure
-  higher fixed costs
-  lowered profitability
-  less working capital
-  strong cash flow generation
-  favourable net cash position

* as of 17 October 2012, guidance for FY 12

▶ Outperforming the market in the core business segment B2C

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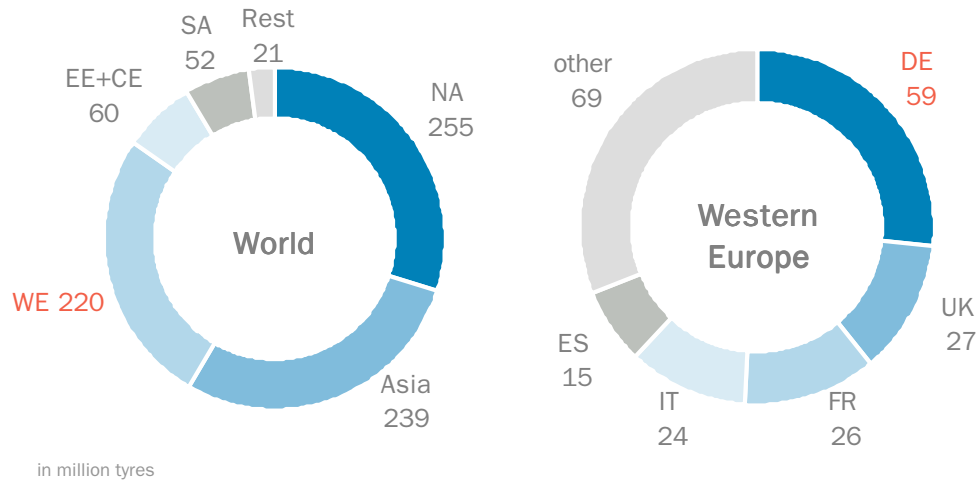
Balance Sheet

Outlook



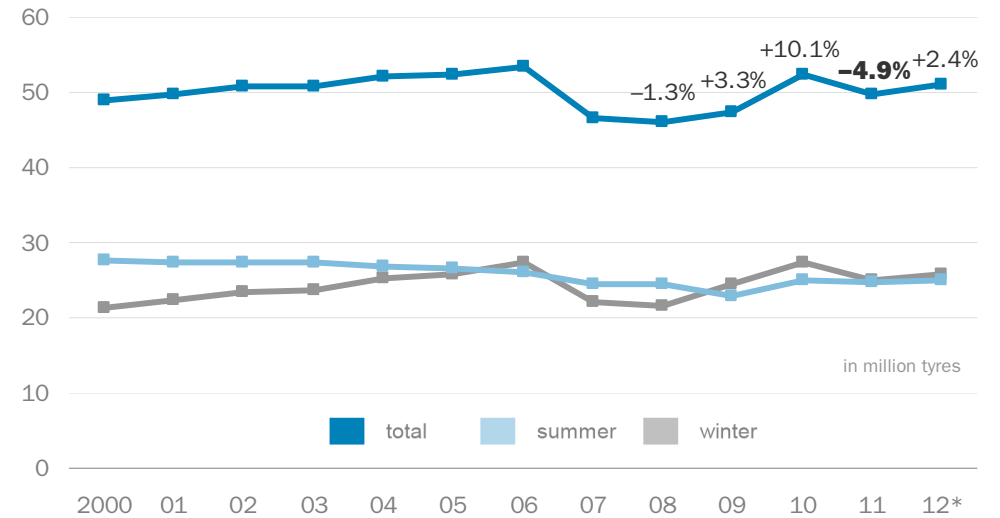
Tyres and the Internet

PC & LT Replacement Tyres Europe: > € 12 billion



Source: Datamonitor, Continental, Michelin, own estimates

Germany: sluggish 2011, outlook slightly better for 2012

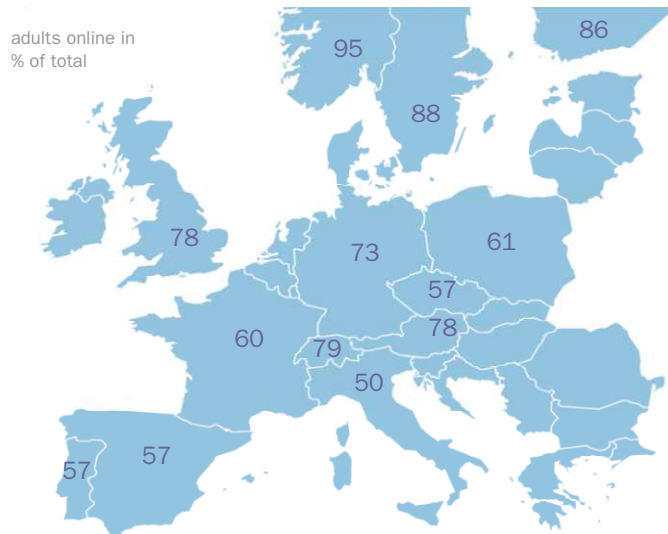


Source: BRV (car replacement tyres)

* estimates as of March 2012

DEPRECATED

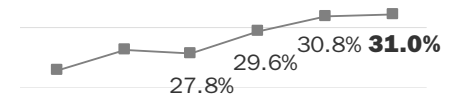
Europeans are increasingly online...



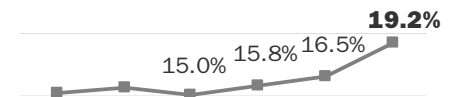
Desk Research GfK Austria, January 2012

... and buy their tyres online.

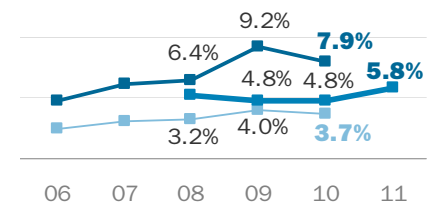
think about buying online (ADAC, 18-39)



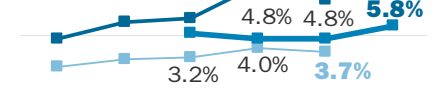
think about buying online (ADAC, all)



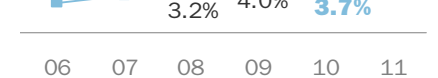
bought tyres on the Internet (ADAC, 18-39)



bought tyres on the Internet (BRV,GfK)



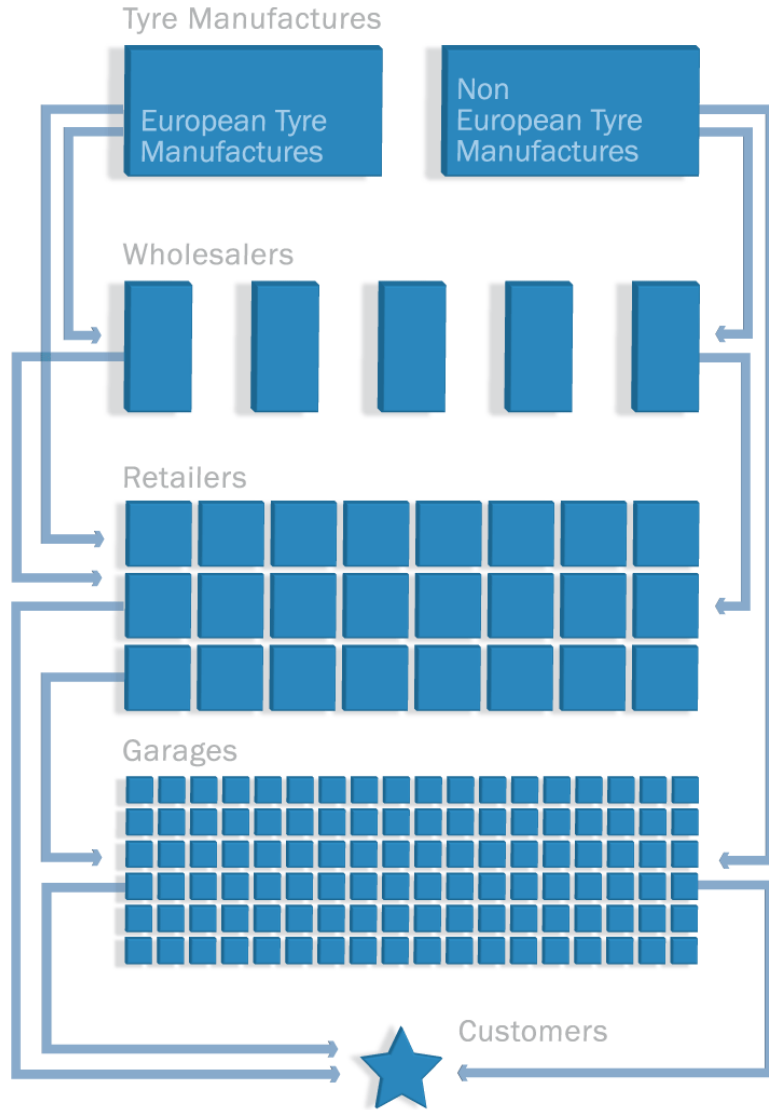
bought tyres on the Internet (ADAC all)



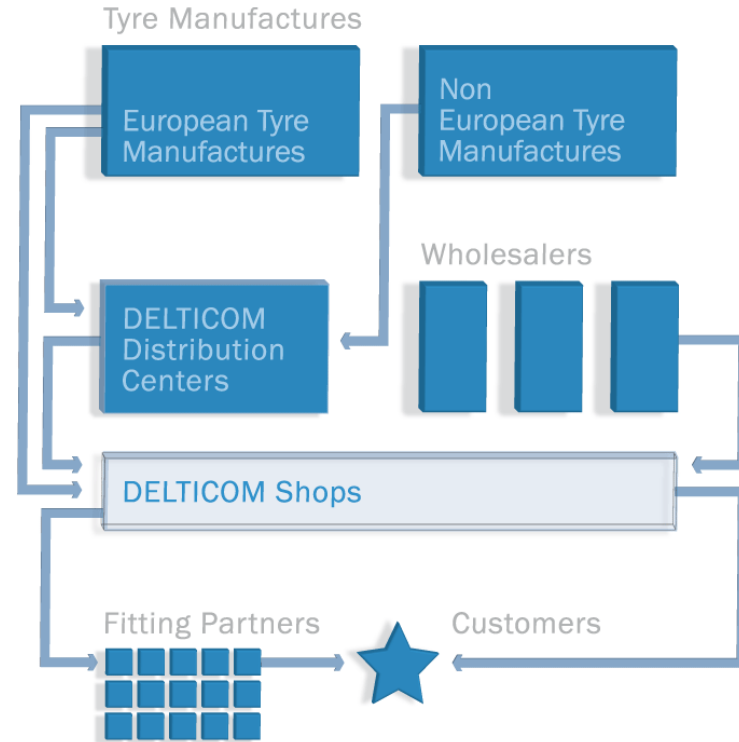
Source: ADAC (new methodology in 2011), BRV, GfK

Redesign of the Tyre Distribution Chain

Traditional Retail



Delticom Redesign



Space
+ Time
+ Price

Agenda

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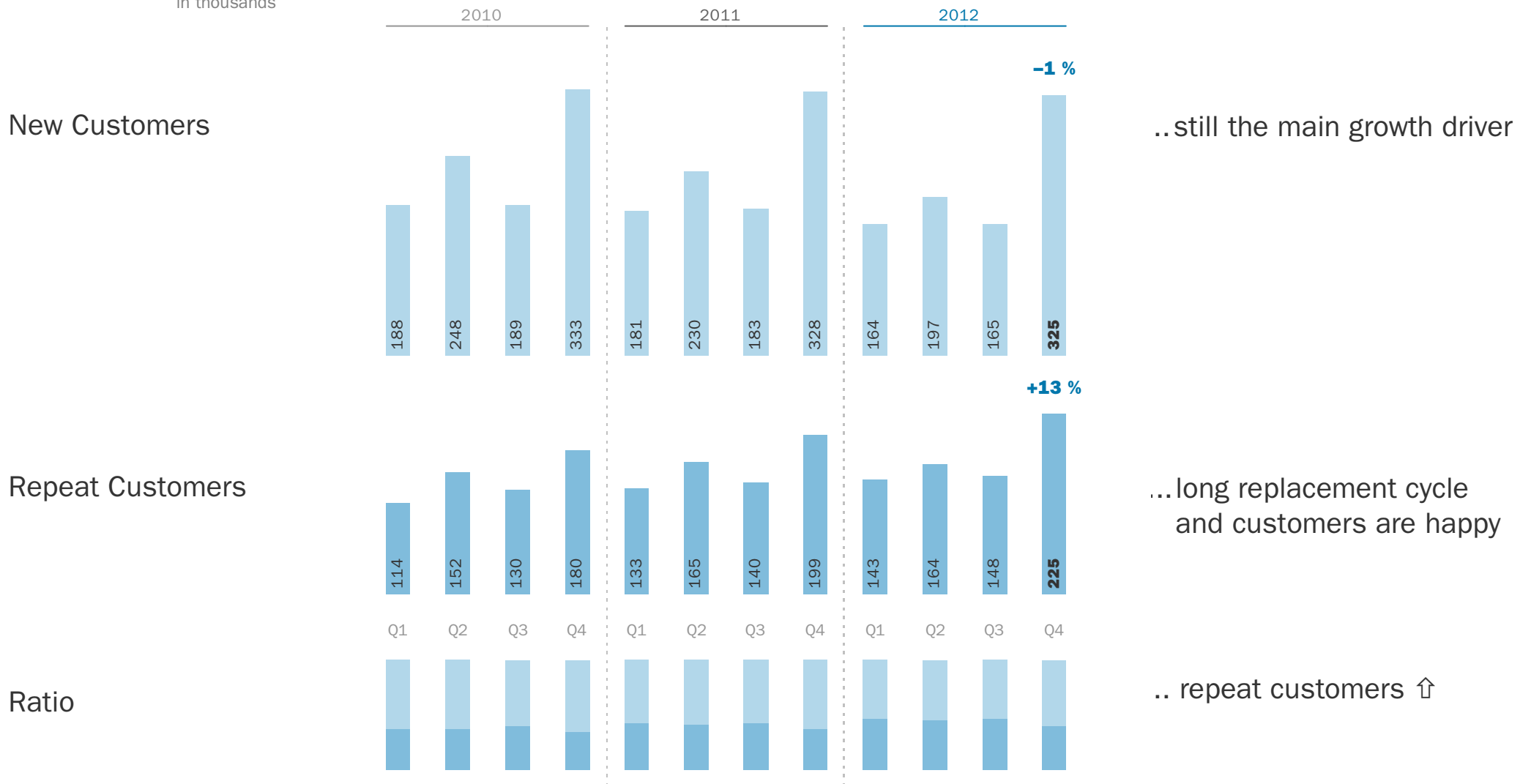
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Outlook



Customers

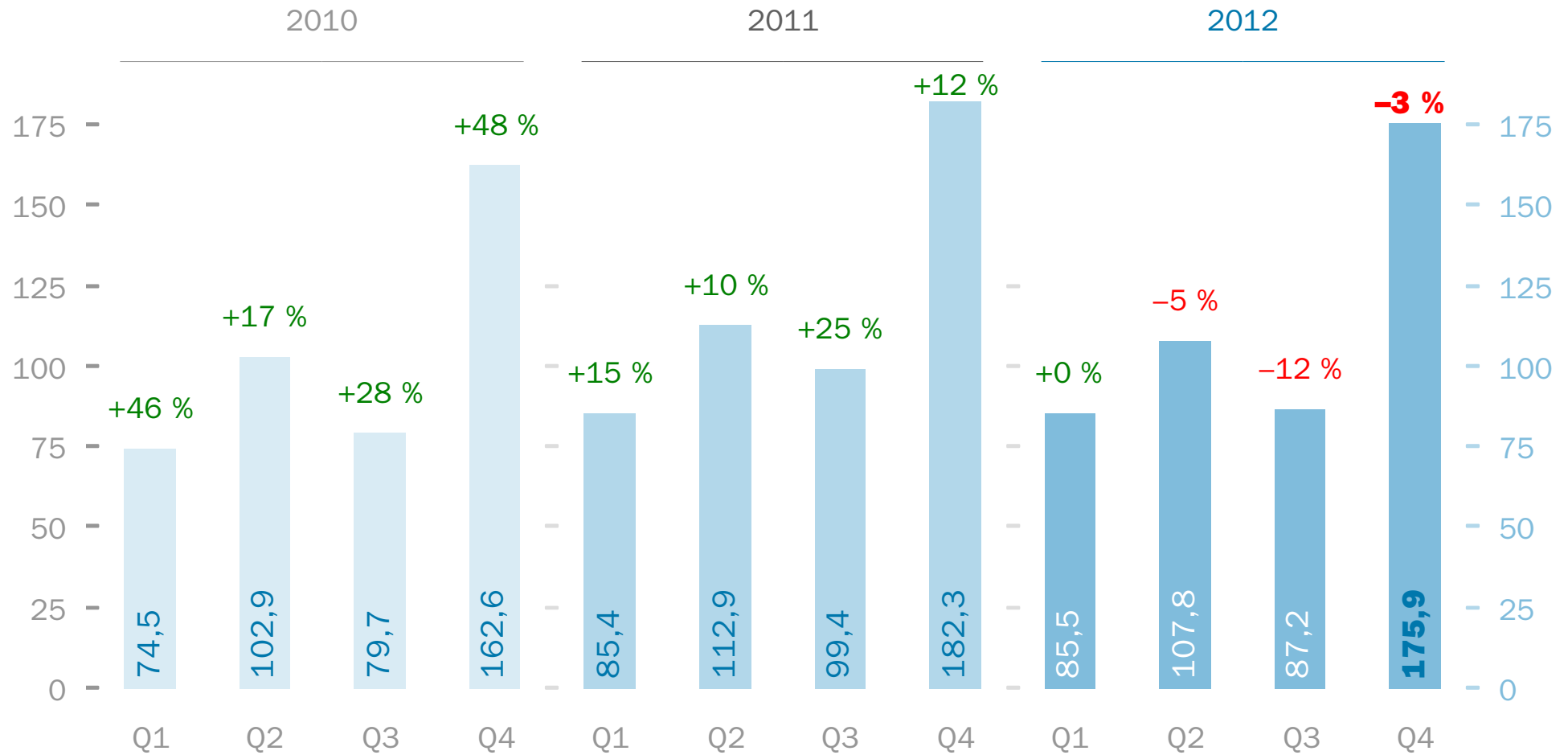
in thousands



▶ Repeat customers constitute important growth potential

Quarterly Revenues

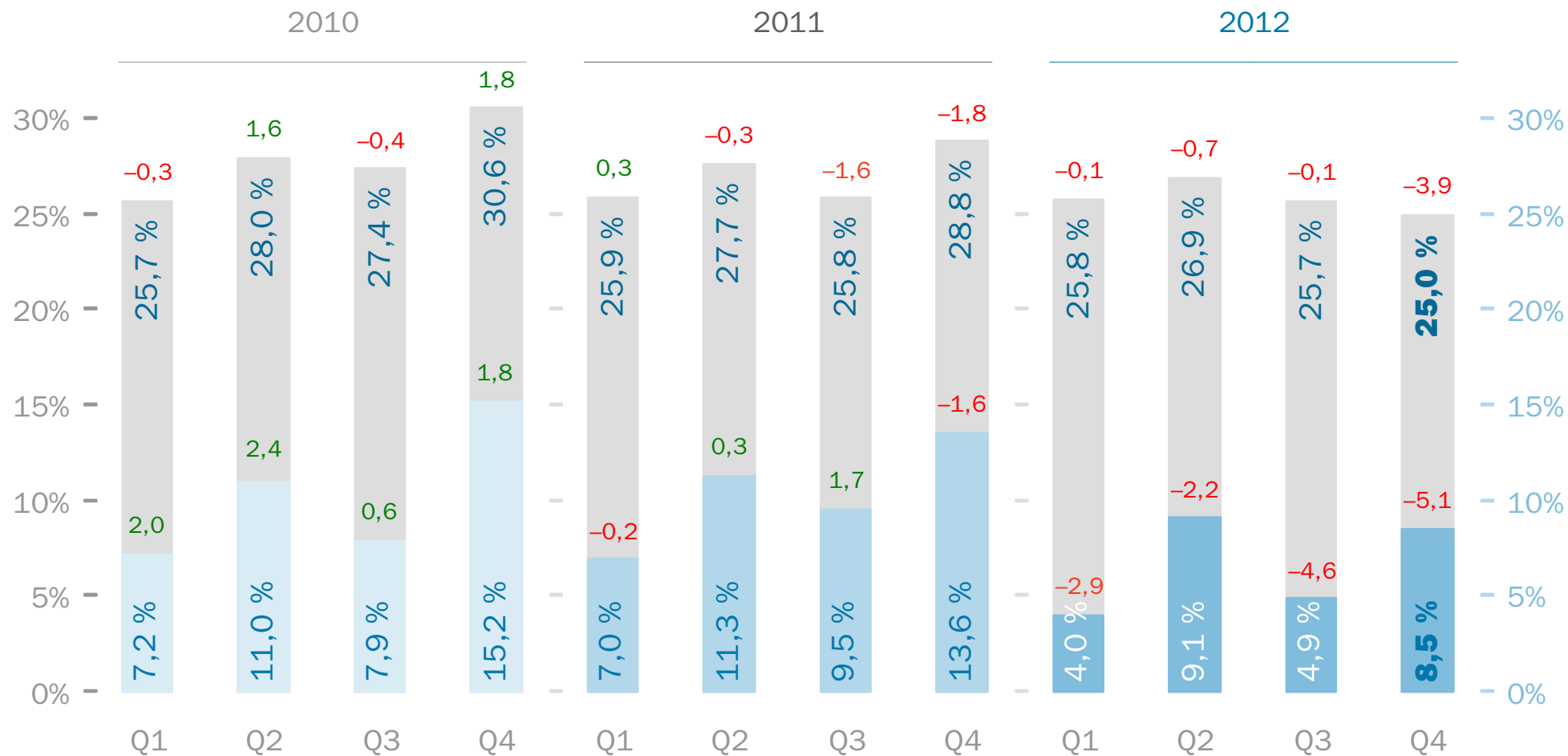
in € million



► Fluctuations in growth rates: seasons, weather, base effects, strategy

Quarterly Gross/EBIT Margins

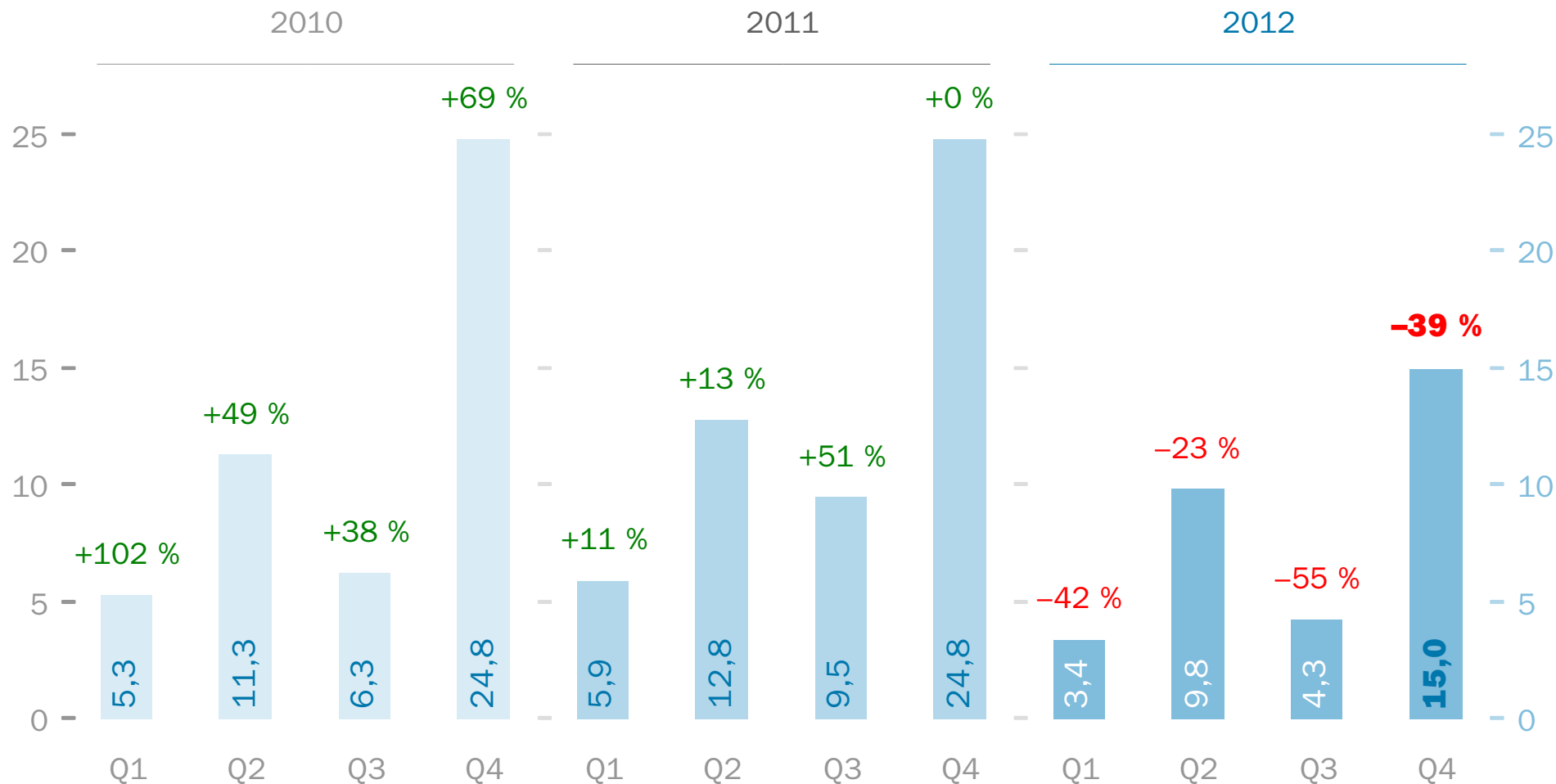
■ Gross Margin
■ EBIT Margin



► Q4: more attractive prices to drive volume

Quarterly EBIT

in € million



► Lower GPM, negative currency impact and insourced warehouse related costs

P&L Drivers (Q4)

	EUR		yoy	% of Revenues		
	Q4 12	Q4 11	%	Q4 12	Q4 11	chng
Revenues	175,9	182,3	-3,5	100,0	100,0	0,0
Cost of sales	132,0	129,7	1,7	75,0	71,2	3,9
Gross Profit (ex ooi)	43,9	52,6	-16,4	25,0	28,8	-3,9
Direct costs	23,3	22,0	6,0	13,2	12,1	1,2
Direct costs (dep. on volume)	16,9	16,4	3,2	9,6	9,0	0,6
Transportation costs	14,5	13,2	9,5	8,2	7,3	1,0
Warehousing costs	1,1	1,8	-37,1	0,6	1,0	-0,3
Operations centre costs	1,3	1,3	-5,2	0,7	0,7	0,0
Direct costs (dep. on revenues)	6,4	5,6	14,2	3,6	3,1	0,6
Credit card fees	1,3	1,2	9,4	0,8	0,7	0,1
Bad debt losses	0,4	0,2	60,5	0,2	0,1	0,1
Marketing costs	4,6	4,1	12,9	2,6	2,3	0,4
Contribution margin 1	20,7	30,6	-32,5	11,7	16,8	-5,0
Indirect costs	5,2	5,6	-7,5	3,0	3,1	-0,1
Personnel expenses	2,4	2,0	20,0	1,4	1,1	0,3
Rents and overheads	1,6	1,8	-7,3	0,9	1,0	0,0
Financial and legal costs	0,2	1,2	-80,9	0,1	0,6	-0,5
IT and telecommunications	0,3	0,2	37,6	0,2	0,1	0,1
Other	0,6	0,5	33,0	0,4	0,3	0,1
Contribution margin 2	15,4	24,9	-38,1	8,8	13,7	-4,9
FX effects	-0,3	-0,2		-0,2	-0,1	-0,1
Other operating profit (w/o FX gains)	0,6	0,6		0,3	0,3	0,0
EBITDA	15,7	25,4	-38,4	8,9	13,9	-5,0
Depreciation / Amortization	0,7	0,7	1,7	0,4	0,4	0,0
EBIT	15,0	24,8	-39,4	8,5	13,6	-5,1
Net financial result	0,0	0,0	-563,4			
EBT	15,0	24,8	-39,3	8,5	13,6	-5,0
Income taxes	4,6	7,7	-39,9			
Consolidated net income	10,4	17,0	-39,0	5,9	9,3	-3,4

← more attractive prices

← partly insourced

← sales push ↑

← new warehouse

← smaller warehouse closed in Q1

P&L Drivers (FY)

	EUR		yoy	% of Revenues		
	FY 12	FY 11	%	FY 12	FY 11	chng
Revenues	456,4	480,0	-4,9	100,0	100,0	0,0
Cost of sales	338,9	348,4	-2,7	74,3	72,6	1,7
Gross Profit (ex ooi)	117,4	131,6	-10,8	25,7	27,4	-1,7
Direct costs	63,1	62,0	1,8	13,8	12,9	0,9
Direct costs (dep. on volume)	46,9	47,5	-1,2	10,3	9,9	0,4
Transportation costs	38,2	37,4	2,0	8,4	7,8	0,6
Warehousing costs	3,6	5,1	-30,0	0,8	1,1	-0,3
Operations centre costs	5,1	4,9	4,0	1,1	1,0	0,1
Direct costs (dep. on revenues)	16,2	14,5	11,6	3,6	3,0	0,5
Credit card fees	3,6	3,6	-0,9	0,8	0,7	0,0
Bad debt losses	1,3	1,0	32,9	0,3	0,2	0,1
Marketing costs	11,3	10,0	13,9	2,5	2,1	0,4
Contribution margin 1	54,3	69,6	-21,9	11,9	14,5	-2,6
Indirect costs	19,1	17,1	11,5	4,2	3,6	0,6
Personnel expenses	8,8	7,2	21,4	1,9	1,5	0,4
Rents and overheads	6,2	4,9	25,8	1,3	1,0	0,3
Financial and legal costs	1,0	2,7	-64,2	0,2	0,6	-0,4
IT and telecommunications	1,2	0,8	55,2	0,3	0,2	0,1
Other	2,0	1,5	32,8	0,4	0,3	0,1
Contribution margin 2	35,3	52,5	-32,8	7,7	10,9	-3,2
FX effects	-2,2	0,5		-0,5	0,1	-0,6
Other operating profit (w/o FX gains)	2,1	2,0		0,5	0,4	0,0
EBITDA	35,2	55,0	-36,1	7,7	11,5	-3,8
Depreciation / Amortization	2,7	2,1	28,0	0,6	0,4	0,2
EBIT	32,5	52,9	-38,6	7,1	11,0	-3,9
Net financial result	-0,1	0,0	-34474,6			
EBT	32,4	52,9	-38,9	7,1	11,0	-3,9
Income taxes	10,3	16,9	-39,2			
Consolidated net income	22,1	36,0	-38,7	4,8	7,5	-2,7

← weak demand in 2012

← according to plan

← fixed costs

← one-off effect 2011 washed out

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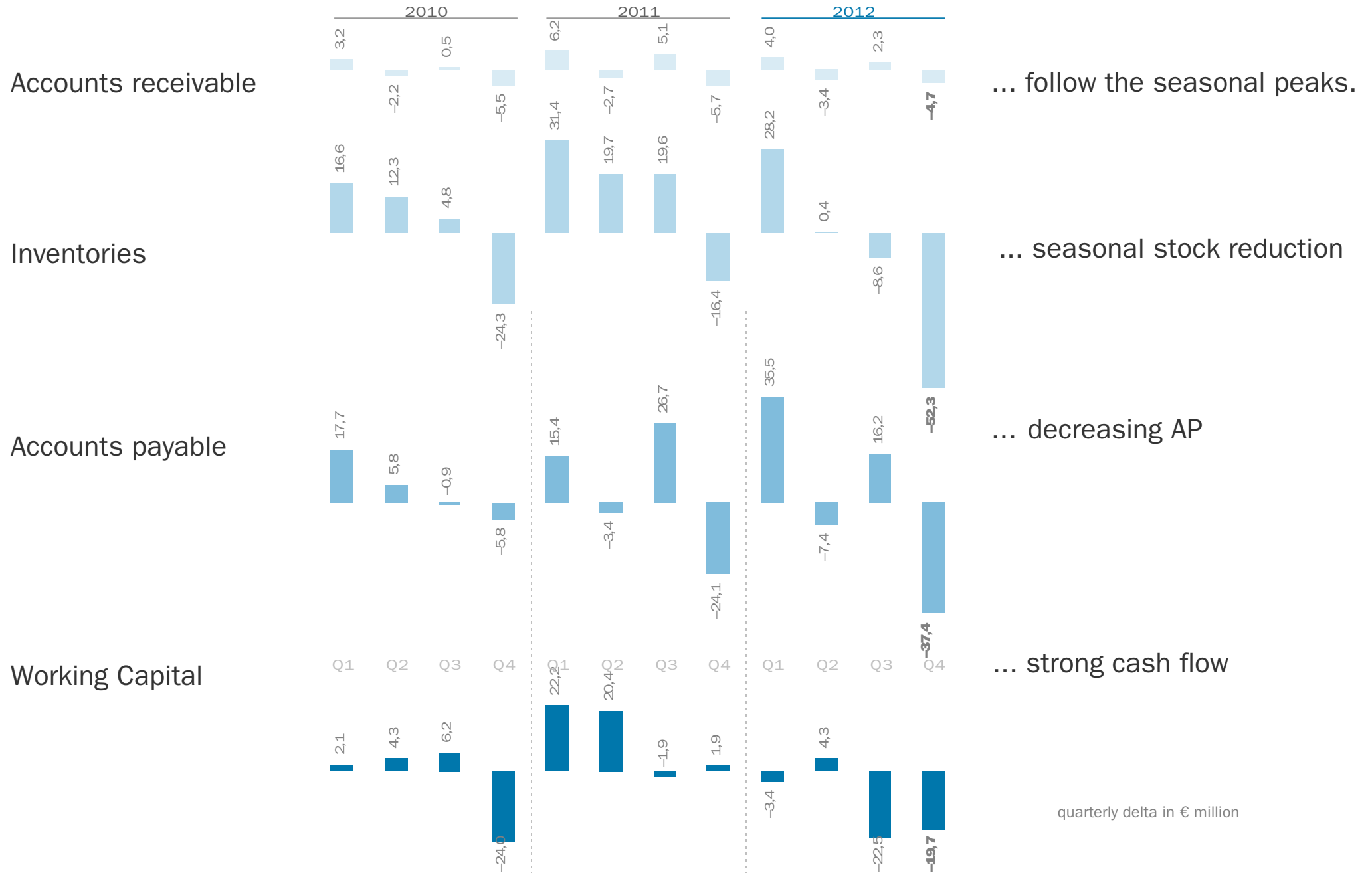
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Balance Sheet

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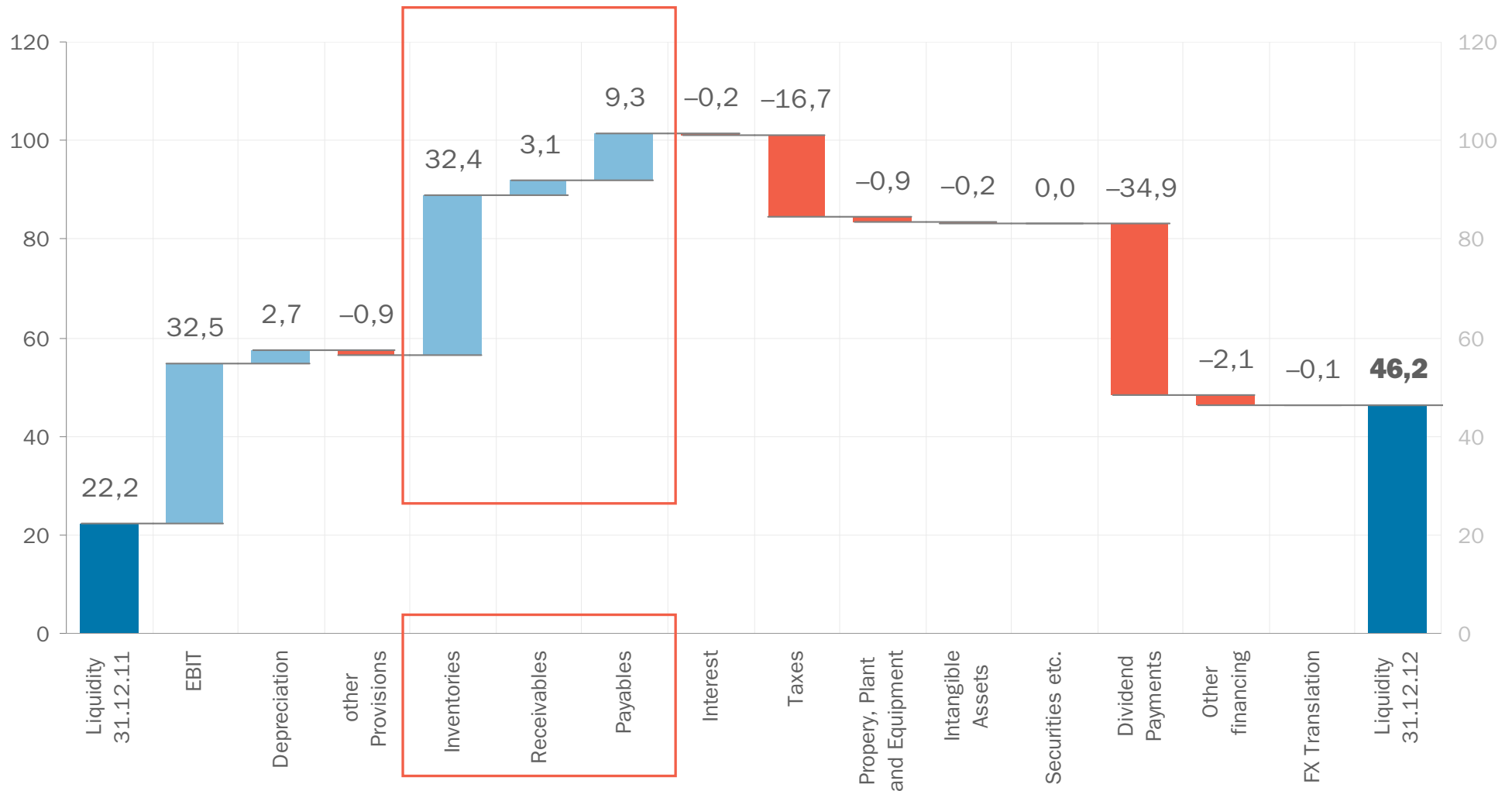


Working Capital Management



Liquidity Bridge

in € million



► Net cash = € 43.9 million

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- **Replacement tyre market 2012**

- Germany: sell-out (BRV): summer –12,8%, winter –7.3%
- Europe: sell-in (ETRMA): –13,0%

ETRMA, 15 January 2013
“...this is the lowest
market volume since
more than 7 years.”

BRV, 18 December 2012
“German tyre retail dropped by – 10,1%”

- **Sentiment 2013**

- depressed consumer confidence
- tyres: low visibility

Neue Reifen-Zeitung (Online Survey),
December 2012
“74% of the respondents
expect the negative trend
to continue in 2013”

Handelsblatt, 10 January 2013
H.J. Drechsler (BRV, Germany):
“We find it difficult to give an
outlook for 2013...”

- 1 #1 European online tyre retailer
- 2 Resilient and profitable business model
- 3 Strong cash flow, strong balance sheet
- 4 Redesign of the tyre distribution chain
- 5 Excellent growth opportunities

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