

Delticom publishes Q1 business development: Increase in operating EBITDA despite significant shift in revenues into Q2

Hanover, May 12, 2023 – Delticom AG (German Securities Code (WKN) 514680, ISIN DE 0005146807, stock market symbol DEX), Europe's leading online retailer for tyres and complete wheels, publishes the key points of its business trends in the first quarter 2023 with this interim announcement.

- **Gross merchandise volume (GMV) amounted to € 96.2 million (Q1 2022: € 105.5 million)**
- **Revenues amount to € 78.0 million (Q1 2022: € 90.5 million)**
- **Operating EBITDA improved from € -1,000 thousand to € -500 thousand**
- **Syndicated loan agreement successfully extended until 20.12.2024**
- **Full-year forecast confirmed**

In the first three months of the current fiscal year, the company maintained its focus on profitability. Despite delayed stocking in the retail sector, lower consumer demand for tyres in Europe, reclassifications in revenues and the payment of an inflation compensation premium to Delticom employees, operating EBITDA improved by € 500 thousand.

In Q1 2023, Delticom's online shop Reifendirekt.de did not yet record any switching to summer tyres in larger quantities. However, the course of the second quarter so far suggests that the missing revenues will not only be made up by the middle of this year, but that the previous year's revenues will be exceeded by then (Like for like).

After the European replacement tyre business already recorded decreasing sales figures from the second half of 2022, the first quarter of 2023 did not bring a turnaround either. According to market figures from the European Tyre & Rubber Manufacturers' Association (ETRMA), 12 % fewer passenger car, SUV and light truck tyres were sold by the industry to retailers in the first three months of the current year compared to the same period last year.

Against the backdrop of the market environment, customer demand decreased and proportionately more tyres from the budget segment were sold. Costs per order decreased thanks to slightly higher average shopping baskets. Lower handling costs contributed to the improvement in operating EBITDA. Delticom AG continues to focus on profitable growth and is well on track to achieve its forecast for the full year.

“The first quarter has shown how flexible our business model is. We were able to hold our ground in a challenging market environment, in particular thanks to high demand in our budget segment,” said Philip von Grolman, Management Board member at Delticom. “In particular, low-priced quality tyres such as Delticom's own brand Star Performer were in demand in the first three months of the current year. We intend to further expand the product depth in the budget tyre segment in the future. Our customers already benefit from the offer of 10 additional rim brands in all price categories in our online shops.”

In addition, we are aligning our product and information offering with the aspect of sustainable mobility. Sustainable tyres are now labelled accordingly at Reifendirekt.de, such as the Michelin E Primacy, and in our "Sustainability" section we report on the measures taken by both tyre manufacturers and Delticom.

In March 2023, the syndicated loan agreement was successfully extended until 20 December 2024. In this context, the financing framework was reduced from € 60 million by another € 20 million to € 40 million.

Reifen.de, Delticom's own marketplace for 8 years, is active in 60 countries. 74 external partners sell tyres via our marketplace. In addition to tyres, numerous other articles related to the topic of mobility are offered, such as oils or snow chains. Reifen.de also offers its external partners marketing agency services in the areas of search engine advertising and media sales.

“Our focus on profitable growth is successful and delivering results,” says Andreas Prüfer, Management Board member at Delticom. “We expect general demand to remain subdued. Therefore, we continue to focus on sustainably improving efficiency in the areas of logistics and marketing. For example, in cooperation with our operations centres, we are managing marketing

more precisely through a new organisation and transfer of responsibility and are using advertising funds more effectively. Investments of around € 3.5 million are planned this year to further automate our warehouse in Ensisheim. As a result, we expect a significant reduction in warehouse handling costs in our largest warehouse in 2024.”

DeltiLog, as a provider of logistics and fulfilment solutions with one of the largest Autostore systems in Europe, was able to acquire four new customers in the last few months and will reach break even at EBITDA level in the current year.

Delticom AG confirms its forecast for the 2023 financial year. The company expects full-year revenues to range between € 500 million and € 534 million. For operating EBITDA, a range of € 14 million to € 18.9 million is targeted, depending on revenues.

The Semi-Annual Report will be made available for download on August 10, 2023 on the website www.delti.com within the “Investor Relations” section.

Delticom Group – Key Figures

		Q1/23	Q1/22	-/+ (%, %p)
GMV	€m	96.2	105.5	-10.4
Revenues	€m	78.0	90.5	-13.8
Revenues EU	€m	65.8	77.2	-14.8
Revenues Non-EU	€m	12.2	13.4	-8.3
Total income	€m	85.0	100.0	-15.0
Gross margin	%	22.5	19.9	2.6 %p
Gross profit	€m	24.5	27.6	-11.1
EBITDA	€m	-0.74	1.74	<-100
EBITDA without DCNA ¹	€m	-0.74	-0.78	-0.74
Operative EBITDA	€m	-0.52	-1.01	-48.7
EBITDA margin	%	-0.95	1.92	-2.87 %p
EBIT	€m	-2.94	-0.71	<-100
EBIT without DCNA ¹	€m	-2.94	-3.21	-8.1

Net income for the period	€m	-2.32	-0.52	<-100
Earnings per share	€	-0.16	-0.04	<-100
Total assets	€m	240.1	231.3	3.78
Inventories ²	€m	84.4	78.6	7.37
Liabilities from trade payables	€m	106.3	108.1	-1.7
Investments	€m	0.71	0.29	<+100
Equity	€m	37.4	37.4	-0.1
Equity ratio	%	15.6	16.2	-0.6 %p
Return on equity	%	-6.21	-1.40	-4.8 %p
Number of employees		171	183	-6.6

¹Sale of the US business took place in January 2022, resulting in one-off income of € 2.5 million in Q1 2022

²Late start of the spring changeover season

<End of disclosure>

About Delticom:

With its 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 351 online shops and online distribution platforms in 72 countries, serving more than 18 million customers. In the online shop Reifendirekt.de, sustainable and resource-saving tyres are labelled accordingly and awarded a sustainability seal.

As part of the service, the ordered products can be sent to one of Delticom's approximately 30,000 partner garages in Europe for mounting at the customer's request.

Based in Hanover, Germany, the company operates primarily in Europe and has extensive expertise in the development and operation of online shops, internet customer acquisition, internet marketing and the establishment of partner networks.

Since its foundation in 1999, Delticom has built up comprehensive expertise in designing efficient and fully integrated ordering and logistics processes. The company's own warehouses are among its most important assets.

In fiscal year 2022, Delticom AG generated revenues of around 509 million euros. At the end of last quarter, the company employed 171 people.

The shares of Delticom AG have been listed in the Prime Standard of the German Stock Exchange since October 2006 (ISIN DE0005146807).

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