

Delticom publishes Q1 business development

Hanover, May 10, 2021 – 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 2021 with this interim announcement.

Market environment. In initial cautious estimates, market experts assume that in Q1 2021 a total of 4 % more passenger car tyres were sold from dealers to consumers in Germany than in Q1 2020. An increase in sales of both summer tyres and all-season tyres contrasts with a decrease in sales of winter tyres. With regard to the European replacement tyre market, the ETR-MA figures also document a recovery, after sales in the first three months of last year had been significantly influenced by the Corona pandemic spreading rapidly in Europe at that time and the government measures to contain it. In the largest sub-segment by volume, 12 % more consumer tyres (passenger, SUV and light truck tyres) were sold over the first three months of the current fiscal year. In absolute terms, this corresponds to an increase of more than 5 million tyres.

Revenues. The first quarter confirms the successful turnaround and growth process of the company. With consolidated group revenues of € 102.2 million, an increase of 10 % was achieved in the first three months of the current year (Q1 2020: € 93.0 million). While the weather situation in Germany at the beginning of March 2021 was still characterised by snowfall and partly squalls, summer temperatures of up to 25 °C were already apparent by the end of the month. Thus, a few spring-like days favoured an early start into the summer tyre season. In addition to the weather shifts, Easter was earlier this year than in the previous year, so that an early Easter effect cannot be ruled out.

Gross profit. Gross profit amounted to € 28.1 million in the first three months of the current fiscal year. After a previous year's figure of € 24.8 million, this corresponds to an increase of 13.1 %. Gross profit in relation to total income amounted to 26.1 % (Q1 2020: 25.6 %).

Gross margin before other operating income. The cost of goods sold (COGS) is the largest expense item; it considers the purchase price of sold products. It amounted to € 79.6 million in

the period under review (Q1 2020: € 72.1 million, +10.5 %). The gross margin for the period under review was 22.1 % after 22.5 % in the corresponding period of the previous year. The decrease in comparison to the previous year is not due to the operating business, but is the result of a change in the reporting obligation, which was only booked retroactively for the entire 2020 fiscal year in December in connection with the audit of the annual financial statements.

Transportation costs. Transport costs amounted to € 9.4 million in the reporting period (Q1 2020: € 9.6 million). The decrease of 2.1 % is partly associated with the already described change in the reporting obligation compared to the previous year. In addition, the change in warehouse infrastructure and the country mix in revenues lead to lower costs.

Personnel expenses. As of the reporting date 31.03.2021, a total of 175 people were employed in the Group (31.03.2020: 221). Personnel expenses amounted to € 3.2 million after € 3.9 million in the first quarter of 2020 (-17.5 %).

Marketing. Marketing expenses amounted to € 3.2 million in the period under review, after € 3.5 million in the previous year. The decrease of 9.3 % is mainly due to efficiency improvements in marketing.

EBITDA. EBITDA for the first three months amounted to € 1.1 million, an increase of € 6.4 million compared to the same quarter the year before (Q1 2020: € -5.3 million). The significant improvement compared to the previous year results from the continued stringent cost management. The EBITDA margin for the first quarter is 1.1 % (Q1 2020: -5.7 %).

Depreciation. Depreciation and amortisation amounted to € 2.7 million after € 2.4 million in Q1 2020 (+15.5 %).

EBIT. EBIT amounted to € -1.7 million, an improvement of € 6.0 million after € -7.7 million in the first quarter of 2020.

Net income. At € -2.4 million, net income for the first three months of 2021 improved by € 6 million compared to Q1 2020 (€ -8.4 million).

Working Capital Management. Among the current assets, inventories is the biggest line item. As of the balance sheet date 31.03.2021, inventories amounted to € 58.4 million, a reduction of € 19.8 million compared to the previous year (31.03.2020: € 78.2 million). Trade receivables were € 8.8 million higher in a balance sheet date comparison (31.03.2021: € 24.7 million, 31.03.2020: € 15.9 million). The main reason for the increase is the significantly stronger business in March compared to the previous year. Trade payables amounted to € 99.4 million as of the balance sheet date (31.03.2020: € 85.5 million).

Outlook. The provided outlook for the full year 2021 in terms of revenues in a range of € 550-590 million and EBITDA of € 16-20 million remains unchanged.

Delticom will report on the further course of the summer tyre business in its half-year report on August 12, 2021.

<End of disclosure>

About Delticom:

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 around 18,000 tyre models for cars and motorcycles. Complete wheels and rims complete the product range. The company operates 410 online shops and online distribution platforms in 74 countries, serving more than 15.9 million customers.

As part of the service, the ordered products can be sent to one of Delticom's approximately 38,000 workshop partners worldwide for mounting at the customer's request.

Based in Hanover, Germany, the company operates primarily in Europe and the USA 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 2020, Delticom AG generated revenues of around 541 million euros. At the end of last year, the company employed 177 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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