

Delticom publishes Q3 business development

Hanover, November 14, 2017 – Delticom (WKN 514680, ISIN DE0005146807, ticker symbol DEX), Europe's leading online retailer of tyres and automotive accessories as well as efood specialist and expert in the field of efficient warehouse logistics, publishes the key points of its business trends in the third quarter 2017 with this interim announcement.

In the third quarter, the company generated revenues of € 129 million (2016: € 117 million, +9.8 %). The Delticom Group thereby recognized revenues of € 426 million during the first nine months of the current financial year, an increase of 8.5 % compared to the previous year (9M 16: € 393 million). In its core business – online tyre retailing in Europe – the Delticom Group expanded its revenues in 9M17 in line with planning. In the USA, the growth track reported in the first half of the year continued in Q3. The positive business trend in the new business areas of efood and logistics services, as well as second-hand car trading, also contributed to the consolidated group revenues growth in the nine-month period.

Earnings before interest, tax, depreciation and amortization (EBITDA) stood at the previous year's level after the end of the first nine months of 2017. Delticom already began to offer more attractive prices in September to entice drivers to buy new winter tyres early.

Thanks to the € 1.5 million investments into the infrastructure of the existing tyre warehouses realized in the second half the year, the company has further boosted its daily dispatch capacities early ahead of the winter season. Delticom drew upon € 5 million of a medium-term loan in the third quarter to finance these equipment investments.

Liquidity stood at € 5.0 million as of the quarter-end (September 30, 2016: € 6.6 million; December 31, 2016: € 6.7 million).

Current trends

Market experts expect that B2C sales of replacement car tyres in Germany were with -1 % slightly down again during the first nine months of the current fiscal year. The revenues growth Delticom

achieved in its core business not only underscores the constant increase in online acceptance by drivers but also the Hanover-based company's high level of E-Commerce competences. Although experts are of the view that tyres' Internet penetration in the USA is still significantly lower than in Europe, increasing numbers of US drivers, too, are discovering the benefits of buying tyres online. Thanks to converting to a new shop system and having strengthened its multichannel marketing, Delticom is increasingly tapping new customer groups in the USA, and achieved considerable revenues growth during the first nine months of the current fiscal year accordingly.

In September of this year, consumers confirmed Delticom's expertise in online retailing and automotive: as part of a large-scale survey conducted by German news broadcaster n-tv and the German Institute for Service Quality (DISQ), ReifenDirekt.de was ranked among the top three in the vehicle accessories category, and is consequently winner of the "Germany's Best Online Shop 2017" award.

Delticom customers are also to benefit from extensive service offerings in the future. To make it easier and more comfortable for them to buy tyres, the company has already been successfully focusing on its fitting partnership concept for many years. With the aim of combining the offline and online world to an even greater extent, Delticom has developed the MobileMech franchise concept for mobile tyre and automotive services. In October, the first vehicles were transferred to selected German franchisees and the regional coverage is to be raised by the end of the current year thanks to further partners.

In November of last year, Delticom completed its product offering in the automotive sector by acquiring the material assets of AutoPink, a French online dealer for used cars. Selected experts review vehicles at branches or at customers' homes based on information that customers previously provide online, before preparing purchase offers. AutoPink's branch network was expanded to around 20 branch operations during the first nine months of the current fiscal year. Customers benefit from comprehensive and free valuations of their vehicles by car experts as well as fair purchase prices in line with the market.

Delticom also boasts expertise in the area of small items logistics: the company is already successfully operating the online shop alnatura-shop.de on behalf of its customer Alnatura. Since

August 1 of this year, DeltiLog GmbH (formerly: ES Food GmbH, a wholly-owned subsidiary of Delticom AG) has also been processing the cost-efficient dispatch of the dry goods range of Bünting's online food retailer Mytime.

Gourmondo, the online shop for delicatessen, wine and high-quality food, recognized further year-on-year revenues growth during the first nine months of 2017. This shows that awareness about high-quality food is becoming increasingly established among the Internet-savvy clientele. Gourmondo has additionally expanded its selection of gourmet foods and spirits in preparation for the Christmas holidays, which are the strongest weeks of the year in terms of revenues.

Fourth-quarter business

Across the whole of Germany, October 2017 proved to be one of the ten warmest Octobers since national temperature records started in 1881. In October's second ten-day period, an area of significantly high pressure across the whole of Germany led to uncommonly warm temperatures that reached 28°C in some places. A change in the weather bringing cooler temperatures across the country failed to occur until the month-end. Initial estimates suggest that B2C replacement car tyres in October 2017 in Germany were down by more than 10 % year-on-year. Last year, night-time temperatures in some regions of Germany already dipped to frost levels in the last days of the first half of the month (source: German Weather Service / Deutscher Wetterdienst, DWD). Thanks to attractive pricing in its online shops, however, the Delticom Group brought recovery to its winter tyre business, contributing into a year-on-year revenues growth in October.

Full-year outlook

Although no snowfall has yet occurred in low-lying locations in Germany, we will very likely exceed our full-year revenues target of € 650 million set at the beginning of the year even in the event of a mild winter (revenues 2016: € 606.6 million). The sustained consolidation process continues to weigh on the price level in the European tyre trade. Should snowfall largely fail to materialize, however, further price measures might become necessary in line with the market trend in the weeks ahead. The achievement of our full-year guidance for EBITDA in the amount of € 16 million is currently subject to some uncertainty accordingly. This uncertainty finds its reason not only in the non-foreseeable weather trend until the end of the year but is also due to the unclear market,

volume and pricing development. The probability forecast of these four influencing factors – weather, market, price and volume – comes along with a high susceptibility to error. To what extent potential additional revenues will be sufficient to compensate a possible effect on costs and margins, can therefore not be estimated at present.

Company profile:

Delticom AG is an E-Commerce company operating primarily in Europe and the USA. It specialises in the design and operation of online shops, Internet-based customer acquisition, internet marketing, developing partner networks and complex, highly efficient product picking and distribution logistics.

Delticom AG is the leading online distributor of tyres and automotive accessories. Our product range also includes the online second-hand vehicle trade and efood. Delticom has extensive experience in creating shops for the international market. In addition to design, Delticom also provides product descriptions and a comprehensive customer service program in your national language. Our expertise in transnational E-Commerce and establishing efficient warehousing and logistics processes is utilised not only in selling tyres, used vehicles and online grocery shopping, but is also offered to third parties as an additional service.

Since its establishment in Hanover, Germany in 1999, the company has accrued exceptional expertise in designing efficient, fully integrated internal ordering and logistics processes. The company owns its own warehouses, including a fully automated small item warehouse.

In the first half year of 2017, Delticom AG generated sales in excess of € 297 million. The E-Commerce specialist operates in 71 countries with over 430 online shops and online distribution platforms, serving over 11.4 million customers. The range of tyres offered to retail and commercial customers includes over 100 brands and more than 25,000 models for cars, motorbikes, trucks, utility vehicles, buses and complete wheel sets. Customers are also able to have the ordered products sent to one of the 43,000 service partners of Delticom AG around the world.

Our range also encompasses over 300,000 automotive parts and accessories, including motor oils, snow chains and batteries. Entry into the business of online used car selling has rounded off the automotive offering. Delticom AG also now offers a comprehensive range of around 20,000 different food items.

On the Internet at: www.delti.com

Contact:

Delticom AG Investor Relations

Melanie Gereke

Brühlstraße 11

30169 Hannover

Tel.: +49(0)511-936 34-8903

Fax: +49 (0)89-208081147

e-mail: melanie.gereke@delti.com