



Investor & Analyst Presentation

Q1 report, May 16th, 2019

Dr. Cornelius Patt, CEO



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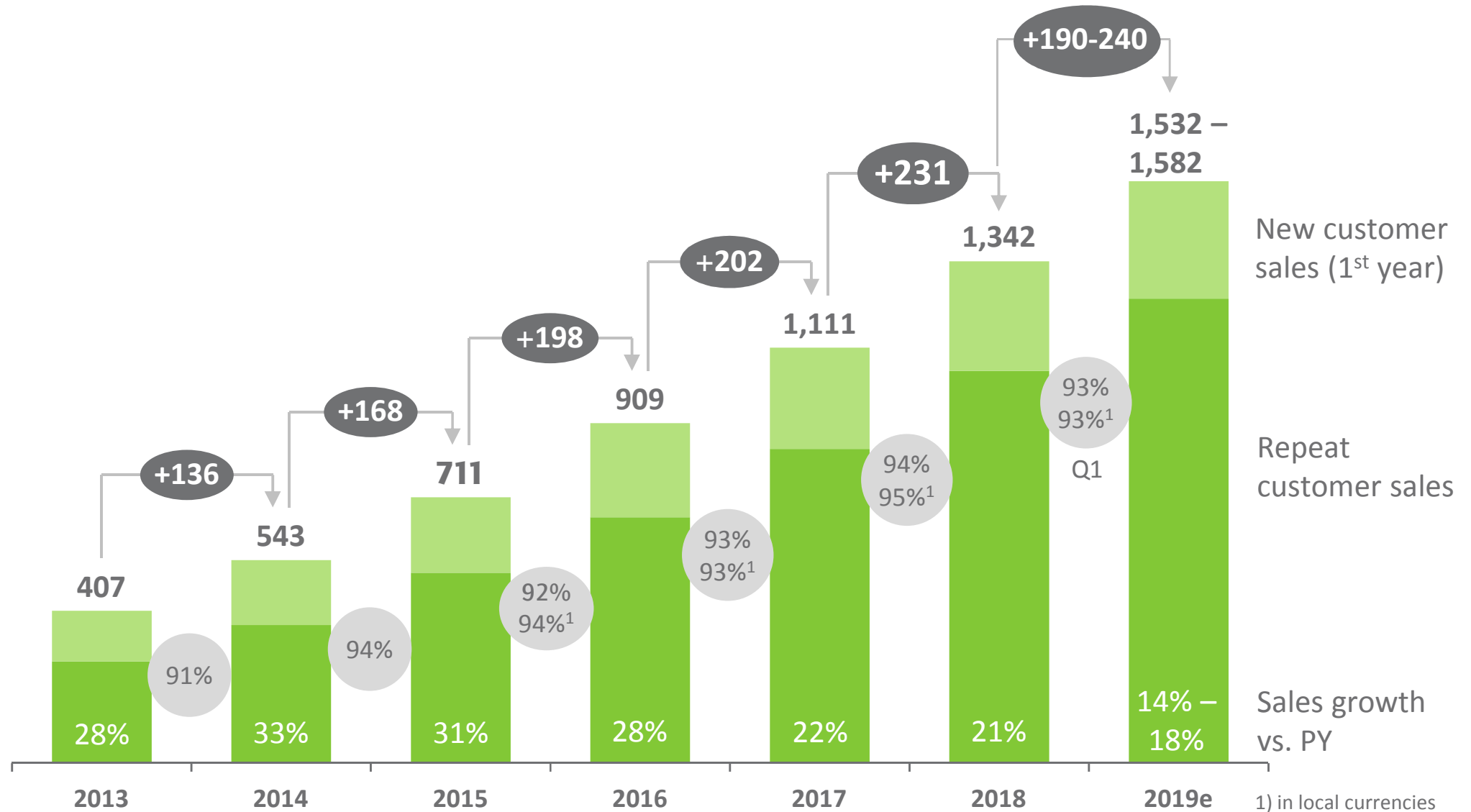
Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

zooplus continues on its growth path



- » Sales increased by 13% to € 363 m in Q1 2019
- » Private label sales for food and cat litter increased by 29% in Q1 2019
- » Registered new customer intake increased by 15%
- » EBITDA comes in at € 2.2 m
- » Free cash flow at € 10.5 m
- » Sales and profit guidance for full year 2019 confirmed:
 - Sales growth of 14% to 18%
 - EBITDA in the range of € 10 m to € 30 m

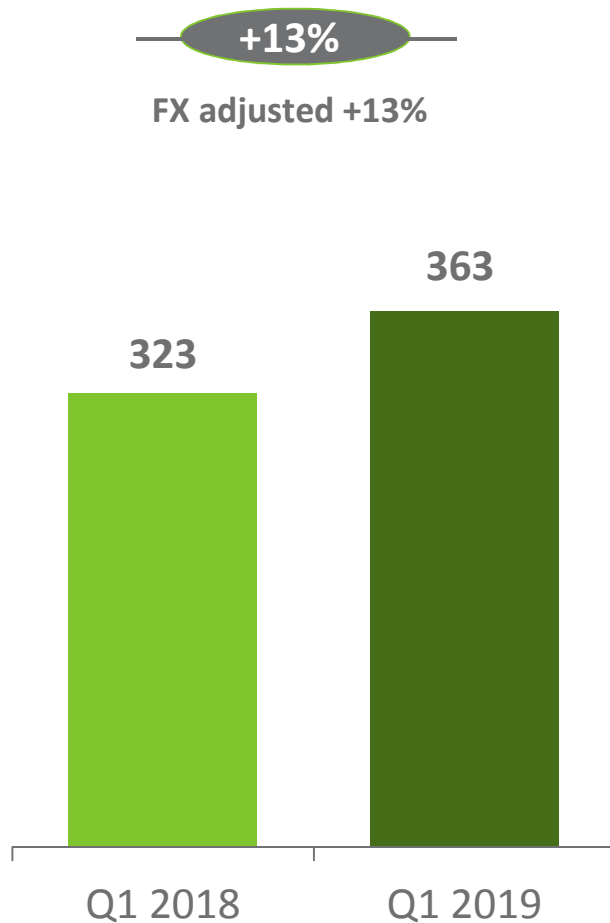
Sales continue to grow – high retention core of the growth path



Sales increased by 13% to € 363 m in Q1 2019



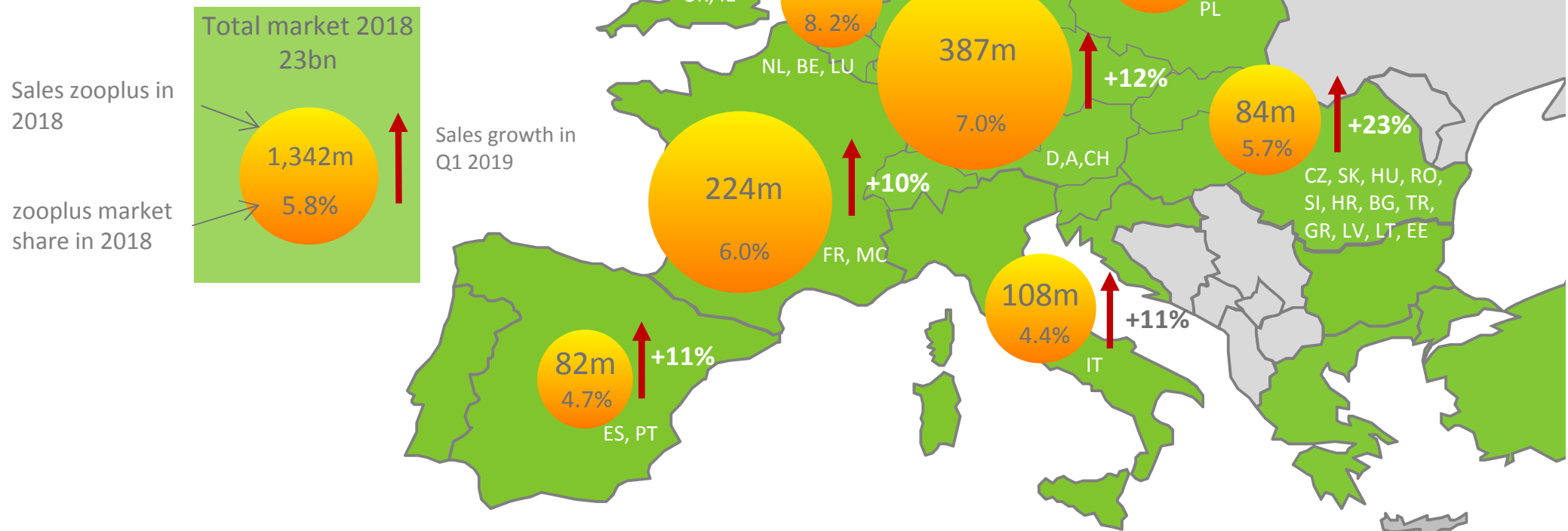
Sales (€ m)



- » Sales growth impacted by lower new customer numbers in H1 2018
- » GDPR impact - reduced opt in for emailing
- » Private label sales growth 29%
- » Non-food flat vs. PY

zooplus is online market leader in Europe by a distance

» Sales growth Q1 2019:
+ 13% (+13% fx-adjusted)

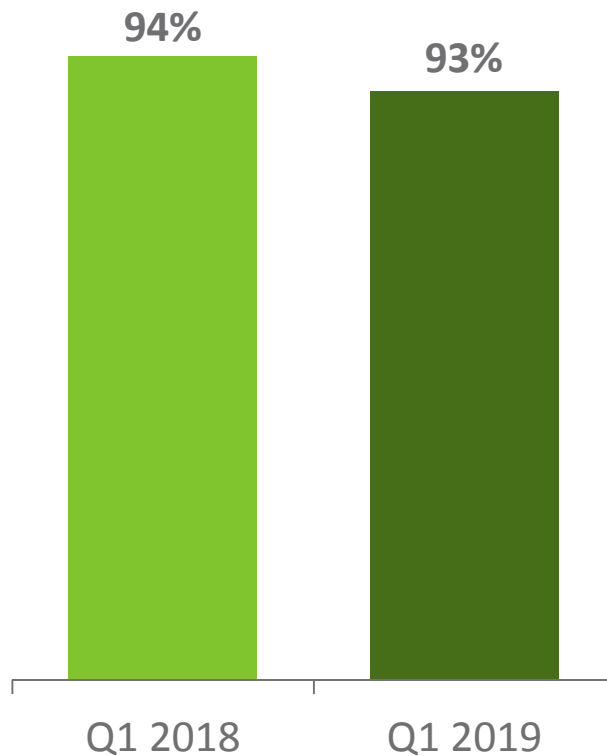


Source: zooplus sales, unaudited data, growth rates compared to Q1 2018; market shares based on Euromonitor 2016 market data and zooplus estimation

Sales retention as major business driver on continuously high levels



Sales retention rate¹



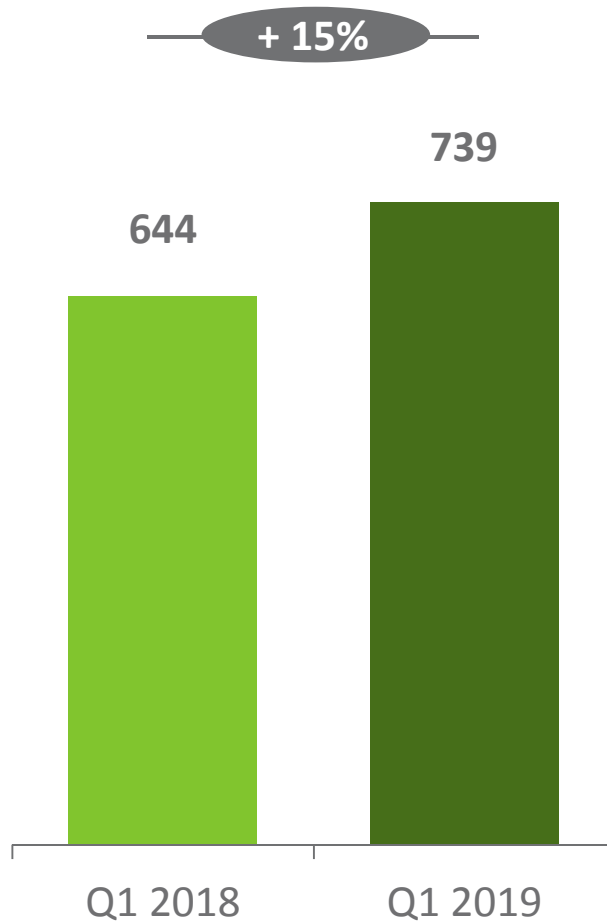
- » Slight reduction due to slightly lower retention of H2 2017 cohort when new customer business was strongly increased
- » GDPR impact
- » Continuous strong focus on sales retention rates

¹ Sales retention (net, non-BMF)

Registered new customer business shows further acceleration in Q1 2019



Registered new customers (in k)



- » Registered new customer growth based on traditional Google marketing
- » Higher marketing spend and optimization of Google bidding
- » New additional marketing initiatives only to start in Q2 2019

Gross margin improved vs. Q1 2019



Gross margin¹

in % of sales

+ 1.1p%



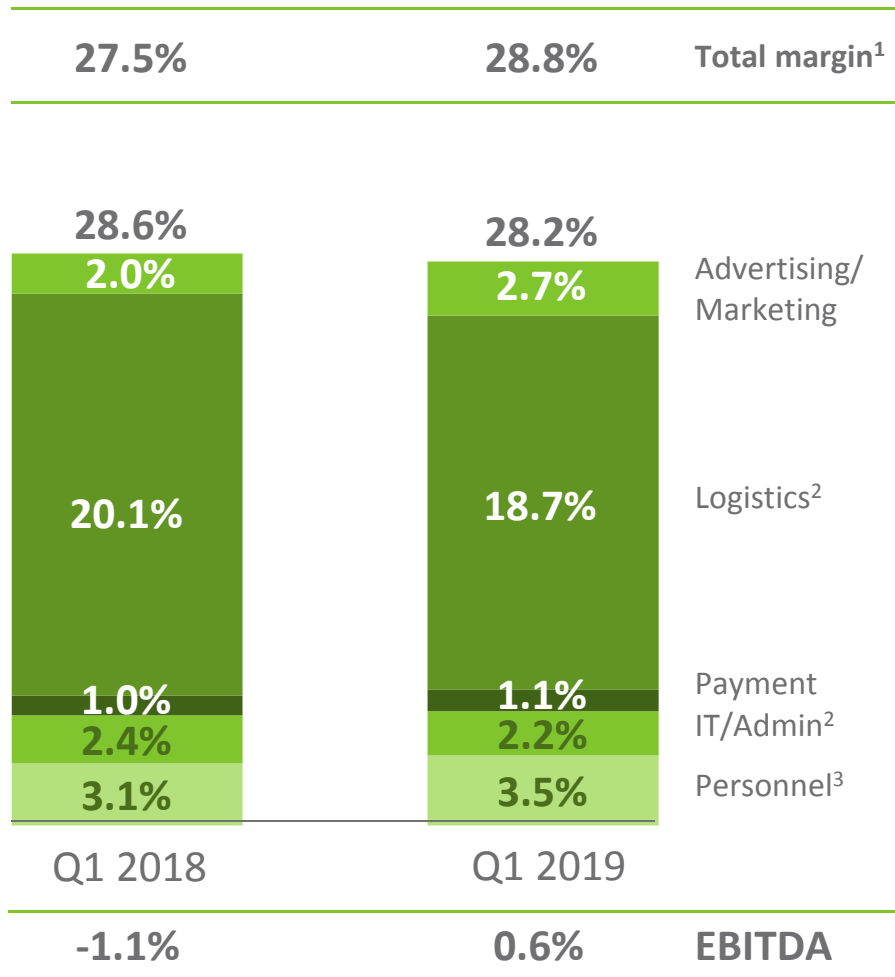
- » Less customer and transactional discounts
- » Reduction of non-profitable orders
- » Higher charges for shipping
- » Margin increase due to better sourcing
- » Private label share increase

¹ Sales – CoGS

Cost ratio in Q1 2019 impacted by higher marketing costs and investment in personnel



Total margin & cost structure (in % of sales)

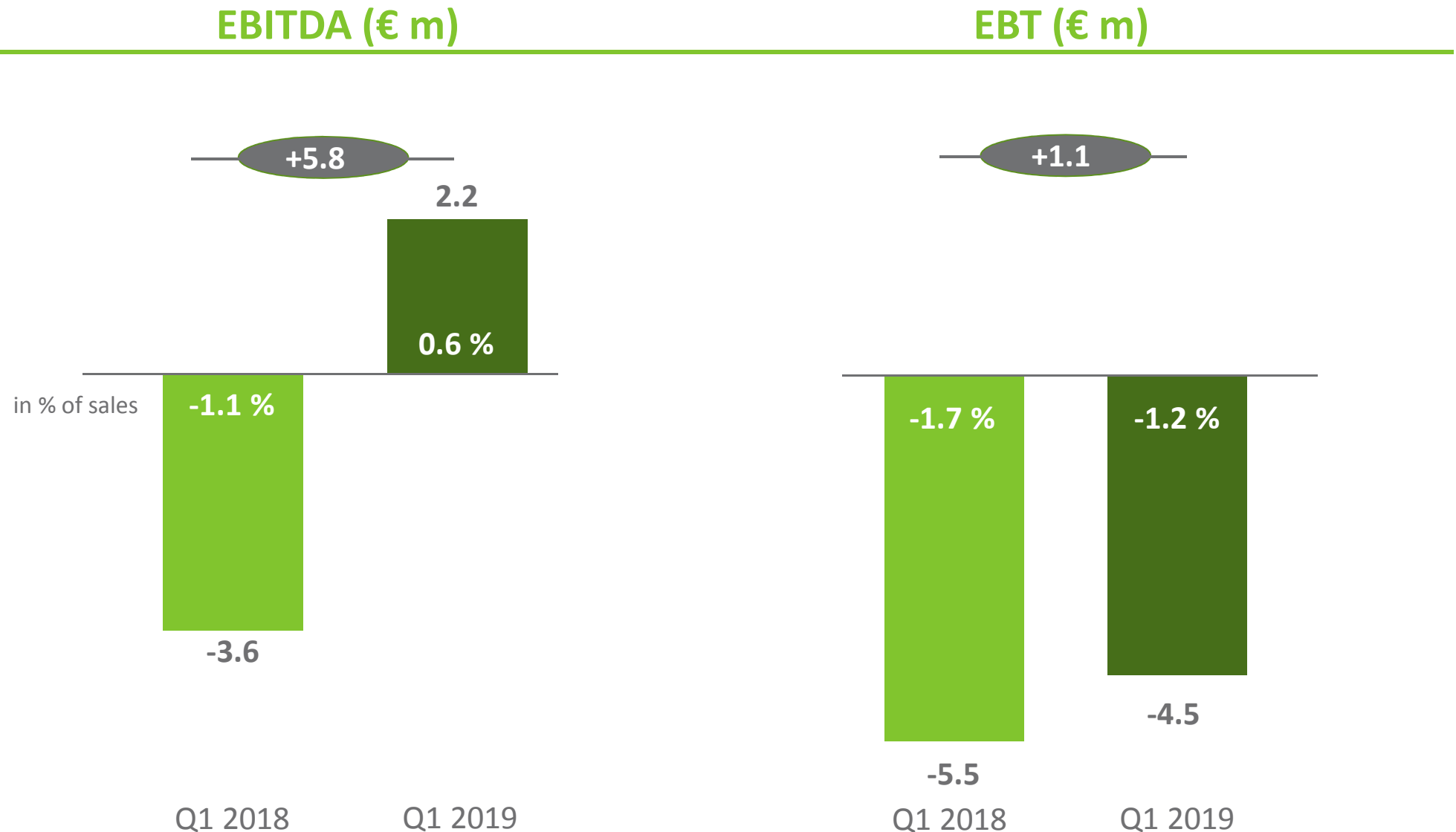


- » Higher traffic acquisition spend
- » Logistics costs further improved by 0.6%p (without IFRS 16 impact)
- » Higher personnel costs in perspective of investment in people in IT and other key functions

¹ Gross margin + other income on sales ³ All in, including LTI & SOP

² Logistics costs of 0.8%p and Admin costs of 0.2%p in Q1 2019 reclassified to depreciation and interests according to new IFRS 16

Earnings improved vs. Q1 2018, EBITDA positive with € 2.2 m



EBITDA 2019 based on full IFRS 16 application; delta EBITDA vs. PY + € 2 m without IFRS 16 impact

Explanation of IFRS 16 impact on P&L and balance sheet



IFRS 16 impact on Q1 2019 vs. Q1 2018:

Logistics costs: ➡ € 3.0 m (0.8%p) into depreciation

Admin costs: ➡ € 0.8 m (0.2%p) into depreciation

EBITDA Q1 2018: € -3.6 m

EBITDA Q1 2019: € 2.2 m

Improvement EBITDA: € 5.8 m ➡ thereof € 3.8 m due to IFRS 16

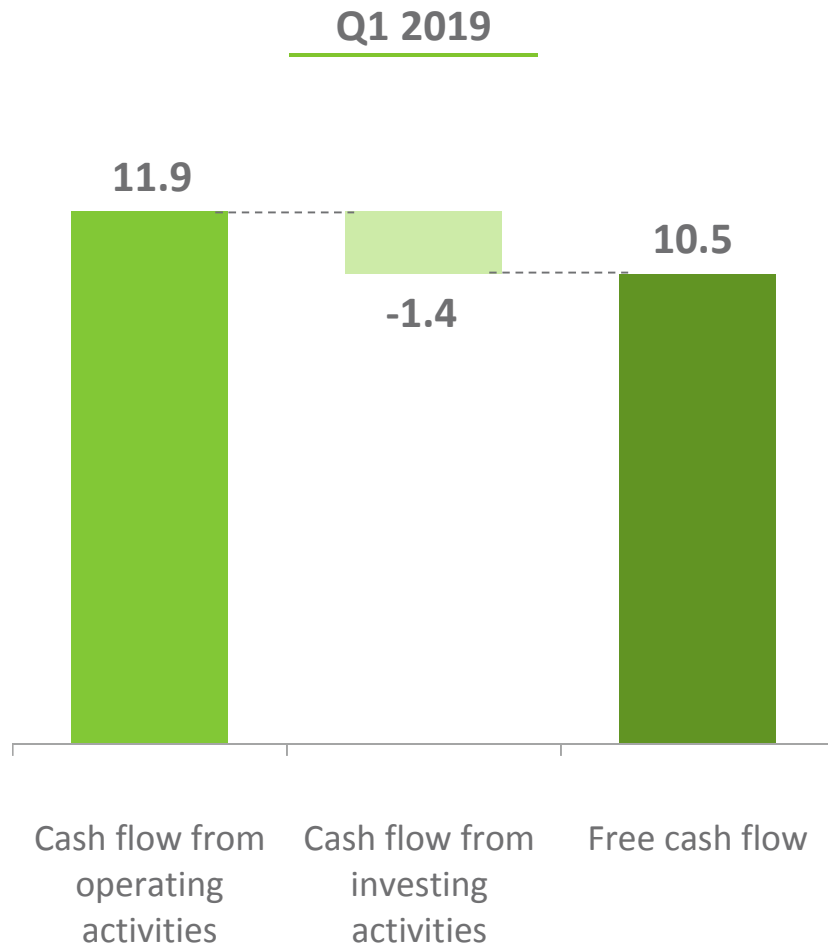
IFRS 16 impact on balance sheet:

Total balance increased by € 33.3 m on January 1st due to the adaption of IFRS 16 (assets and liabilities).

Free cash flow continues to be positive – further improvements in working capital



Cash flow (€ m)



Major focus on working capital and operating cash flow improvements with main drivers:

- » Inventory turn
- » Payment days

Free cash flow impact in Q1 2019 due to IFRS 16: € +3.8 m

Strategic remarks – the way forward



1. Different from amazon
2. Sales growth and new customer development
3. New additional marketing activities
4. Long-term target profitability model

1. | There is a good way of living next to amazon as a differentiated category specialist



■ Category	Pet specialist	Generalist
■ Assortment	Food + curated accessories	Focus on mass & accessories
■ Premium brands	All relevant premium brands	Limited assortment direct
■ Private label	15% of food sales	< 1% of sales
■ Additional pet content	Pet specific content & services	None
■ Pricing	More competitive or same price	Competitive
■ Supply chain	> 99% Direct (control of supply chain)	amazon direct 20-50% + Marketplace 50-80% of SKUs

zooplus clearly differentiates already today from amazon and will do even more in future (emotionalization, pet services, etc.)

2. | Market competition, sales growth development and new customer growth



- » **Competitive position** of zooplus assumed today **better than 1 year ago**
- » Overall sales growth development (in %) mainly impacted by **slower growth of new customers**
- » New customer growth slower due to:
 - Already high **absolute new customer sales figures** in perspective of total market
 - Overall number of new customers switching from offline to online **just via online marketing is not strongly increasing every quarter anymore**
 - **Share of zooplus on new customer business** in the total market assumed even **higher than 1 year before** (3 m new customers in 2018)
- » New additional marketing measures should **reverse the current trend of sales growth figures** (in %) from Q2 2019 on.

3. Marketing activities on top of Google marketing starting with 20 year campaign mid-may 2019



	Online	Offline
	Retargeting	Out of Home
	Facebook	Direct response TV
Google +	Instagram	Radio
	Bloggers / influencers	Public transport advertising
	Pet related content	Offline events
	Customer Forum, etc.	PR / advertorials
		Print mailings, etc.

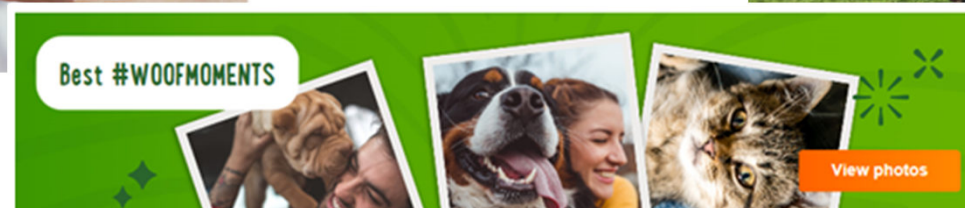
Focus on:

Measurability, audience segmentation, brand awareness and cost efficiency

3. More emotional, customer interactive campaigns across major European countries



European
360 degree
campaign



4. Long-term outlook: strong drivers for gross margin improvement and further efficiency gains



Gross margin

Cost efficiency & scale

1 Pricing / Assortment

2 Purchasing power

3 Private label share increase

4 Market consolidation

1 Logistics

2 IT / Admin

3 Personnel

- » Efficiency gains in network
- » Inbound logistics optimization
- » Value per parcel focus

- » Further scale due to size

- » Further scale due to size

4. Long-term profitability target of 5-7% EBITDA margin

2019 EBITDA ¹ :	1.3%	long-term EBITDA impact	
Gross margin:		→	+ 1.5 – 2.5%p
Logistics:		→	+ 1.0 – 1.5%p
Overhead:		→	+ 1.0 – 1.5%p
Marketing steady state:			+ 0.0%p
Total target potential:			~ 3.5 – 5.5%p

Structural EBITDA margin

5 – 7%

When the offline-online sales distribution comes to a steady state

¹ EBITDA figure for 2019 derived from middle of guidance for sales and EBITDA

Q & A

Key Financials Q1 2019



P&L in € m	Q1 2019	Q1 2018	Δ abs	Δ %p
Sales	363.2	322.6		
abs.	40.6			
Δ in %	12.6%			
Other income	2.2 0.6%	1.2 0.4%	1.0	0.2%p
COGS	-260.9 -71.8%	-235.2 -72.9%	-25.7	1.1%p
Logistics	-68.0 -18.7%	-64.9 -20.1%	-3.2	1.4%p
Payment ¹	-4.0 -1.1%	-3.2 -1.0%	-0.8	-0.1%p
Customer acquisition	-9.8 -2.7%	-6.6 -2.0%	-3.3	-0.7%p
Personnel ²	-12.5 -3.5%	-9.9 -3.1%	-2.6	-0.4%p
G&A	-7.8 -2.2%	-7.7 -2.4%	-0.2	0.2%p
EBITDA	2.2 0.6%	-3.6 -1.1%	5.8	1.7%p
I&DA	-6.7 -1.8%	-1.9 -0.6%	-4.8	-1.2%p
EBT	-4.5 -1.2%	-5.5 -1.7%	1.1	0.5%p
EPS in EUR (basic)	-0.50	-0.53		
Balance Sheet				
Total Assets	342.4	301.8	40.7	
Cash Flow				
Free Cash Flow	10.5	8.1	2.4	

1 impairment expenses of financial assets reclassified to payment

2 own work capitalized reclassified to personnel

Due to the application of IFRS 16 in Q1 2019, additional € 3.0 m logistics and € 0.8 m G&A costs are reclassified to depreciation.

Profit & Loss Q1 2019



in € m	Q1 2019		Q1 2018	
	abs	%	abs	%
Sales	363.2	100.0%	322.6	100.0%
Other income	2.2	0.6%	1.2	0.4%
Cost of materials	-260.9	-71.8%	-235.2	-72.9%
Personnel costs	-12.5	-3.5%	-9.9	-3.1%
Other expenses	-89.7	-24.7%	-82.3	-25.5%
<i>thereof logistics / fulfillment</i>	-68.0	-18.7%	-64.9	-20.1%
<i>thereof marketing</i>	-9.8	-2.7%	-6.6	-2.0%
<i>thereof payment</i>	-4.0	-1.1%	-3.2	-1.0%
<i>thereof other costs</i>	-7.8	-2.2%	-7.7	-2.4%
Earnings before depreciation, interest and taxes (EBITDA)	2.2	0.6%	-3.6	-1.1%
Depreciation	-6.3	-1.7%	-1.7	-0.5%
Financial income	0.0	0.0%	0.0	0.0%
Financial expenses	-0.4	-0.1%	-0.2	0.0%
Earnings before taxes (EBT)	-4.5	-1.2%	-5.5	-1.7%
Taxes on income	0.9	0.3%	1.7	0.5%
Consolidated net result	-3.5	-1.0%	-3.8	-1.2%
Differences from currency translation	0.0	0.0%	-0.1	0.0%
Hedge reserve	-0.3	-0.1%	-0.4	-0.1%
Items that may be reclassified subsequently to profit or loss	-0.3	-0.1%	-0.5	-0.2%
Comprehensive income	-3.8	-1.1%	-4.3	-1.3%
Earnings per share in €				
basic	-0.50	-	-0.53	-
diluted	-0.50	-	-0.53	-

Balance Sheet as of March 31st, 2019



Assets

in € m		March 31st. 2019	Dec. 31st. 2018	Δ abs
A.	Non-current assets			
I.	PP&E	5.9	55.9	-50.0
II.	Rights of use	83.2	0.0	83.2
III.	Intangible assets	14.1	14.2	-0.1
IV.	Deferred tax assets	0.3	0.0	0.3
	Total non-current assets	103.5	70.0	33.4
B.	Current assets			
I.	Inventories	107.5	107.6	-0.1
II.	Advance payments	0.6	0.4	0.2
III.	Accounts receivable	318	28.1	3.6
IV.	Other current assets	20.0	16.1	3.8
V.	Contract assets	13.2	19.0	-5.8
VI.	Tax receivables	0.8	0.9	-0.1
VII.	Derivative financial instruments	0.0	0.0	0.0
VIII.	Cash and cash equivalents	65.2	59.5	5.6
	Total current assets	239.0	231.7	7.3
		342.4	301.8	40.7

Equity and Liabilities

in € m		March 31st. 2019	Dec. 31st. 2018	Δ abs
A.	Equity			
I.	Capital subscribed	7.1	7.1	0.0
II.	Capital reserves	1012	100.8	0.4
III.	Other reserves	-2.0	-1.8	-0.3
IV.	Profit and Loss carried forward	14	4.9	-3.5
	Total equity	107.7	111.1	-3.4
B.	Non-current liabilities	64.8	41.4	23.4
C.	Current liabilities			
I.	Accounts payable	109.1	99.7	9.3
II.	Derivative financial instruments	0.4	0.1	0.4
III.	Other current liabilities	215	19.9	16
IV.	Contract liabilities	17.2	17.1	0.1
V.	Tax liabilities	0.1	0.1	-0.1
VI.	Finance lease	19.0	9.8	9.2
VII.	Provisions	2.7	2.6	0.1
VIII.	Deferred income	0.0	0.0	0.0
	Total current liabilities	170.0	149.3	20.7
		342.4	301.8	40.7

Cash flow Q1 2019



in € m	Q1 2019	Q1 2018
EBT	-4.5	-5.5
Cash flow from operating activities	11.9	10.0
Cash flow from investing activities	-1.4	-1.9
Free cash flow	10.5	8.1
Cash flow from financing activities	-4.9	-1.1
Currency effects on cash and cash equivalents	0.0	-0.2
Net change of cash and cash equivalents	5.6	6.7
Cash on hand, bank deposits	65.2	57.9

Major KPIs per quarter



Major KPIs	Q1 2019	Q2 2019	Q3 2019	Q4 2019
Sales (in € m)	363.2			
Δ vs. PY	12.6%			
Private label growth vs. PY	29%			
New customer count (in k)	818			
<i>t/o registered new customers (in k)</i>	739			
<i>t/o unregistered new customers (in k)</i>	79			
Sales retention (net, Non-BMF)	93%			
Total Margin	28.8%			
Cost ratio	28.2%			
EBITDA (in € m)	2.2			
EBITDA	0.6%			