

zooplus AG: Significant growth acceleration in the third quarter of 2017

- **Sales increase 22% year-on-year in the third quarter of 2017 after rising 18% in the second quarter**
- **Sales in the first nine months of the financial year increase 21% to EUR 795 m**
- **Earnings before taxes (EBT) in the first nine months of 2017 amount to EUR 4.2 m, affected by higher investment in expanding the company's market position**
- **Company confirms sales and earnings forecast updated in September 2017 for full-year 2017**

Munich, November 15, 2017 – zooplus AG (WKN 511170, ISIN DE0005111702, ticker symbol ZO1), Europe's leading online retailer of pet supplies, continued its growth trend in the first nine months of the 2017 financial year. With sales of EUR 795 m in the nine-month period (9M 2016: EUR 655 m), year-on-year growth reached 21% (currency-adjusted 22%). Sales growth in the third quarter of 2017 compared to the second quarter of 2017 accelerated again significantly. At EUR 278 m, sales in the third quarter grew 22% (currency-adjusted: 23%) compared to the same period of the prior year (Q3 2016: EUR 227 m). Underlying this performance was zooplus AG's very sustainable existing customer business throughout the year, reflected by a persistently high currency-adjusted sales retention rate of 94% in the first nine months of 2017. In addition, business with new customers, which saw a reduction in the second quarter of 2017, experienced significant growth in the third quarter of 2017. The number of registered new customers rose year-on-year by 34% in the third quarter of 2017 following just a 9% increase in the second quarter of 2017. This development underscores the fact that the actions taken to focus on our business with new customers and thereby accelerate sales growth are having an effect.

Earnings before taxes (EBT) in the first nine months of 2017 reached a level of EUR 4.2 m (9M 2016: EUR 11.1 m) and were affected by the stronger emphasis on expanding the company's market position and the corresponding additional expenses and investments.

The clear focus on continuing to offer the market's best value for money ratio in a highly competitive market environment led to a slight decline in the gross margin. At the same time,

expenses related to the sustainable acquisition of new customers increased in the third quarter of 2017, which in turn had a very positive effect on the development of business with new customers. The increase in software development capacities made it possible to continue the targeted development of our product and service offers and increase the efficiency of our ERP systems. A slight decline in average shopping cart values and the expansion in logistics capacities placed a burden on logistics costs. Two further specialized fulfillment centers are currently being integrated into the zooplus AG logistics network in Mühldorf, Germany, and Boleslawiec, Poland.

Alongside the additional expenses and investments made to strengthen the company's market leadership in Europe, the continued weakness in the British pound versus the euro also weighed on earnings in the first nine months of the 2017 financial year.

Operating cash flow in the first nine months of 2017 again reached a positive value of EUR 1.5 m (9M 2016: EUR 9.6 m) despite the company's reduced earnings outlook and high growth.

Dr. Cornelius Patt, CEO of zooplus AG, explains: "With sales of almost EUR 800 m in the first nine months of the financial year, we have been able to further strengthen our position as Europe's market leader in the extremely attractive market for the online retailing of pet supplies. We are particularly pleased with the strong increase in business with new customers in the third quarter, combined with a significant acceleration in sales growth. Expanding our strong market position is a clear priority, as shown by the rise in expenses and investments in the areas of value for money, new customer acquisitions, software development capacity and logistics infrastructure. In a market environment that continues to be highly competitive, we expect this to have a clear positive effect on the company's medium-term development. In the fourth quarter of 2017, we anticipate a further acceleration in growth supported not only by the sustainability of our existing customer business but also the continued expansion in our business with new customers."

The zooplus AG Management Board confirms its forecast updated in September 2017 for the full 2017 financial year for sales of around EUR 1.125 bn and earnings before taxes in the single-digit millions.

The complete report for the first nine months of 2017 is available on the company's website at <http://investors.zooplus.com>.

Company profile:

zooplus AG was founded in 1999 and today is Europe's leading online retailer of pet supplies measured by sales. In the 2016 financial year, sales totaled EUR 909 m, roughly 74% of which was generated internationally. The company's business model has been launched successfully in 30 European countries. zooplus sells products for all major pet breeds. The product range includes pet food (dry and wet food and food supplements) and accessories such as scratching posts, dog baskets, and toys in all price categories. In addition to a selection of over 8,000 products, zooplus customers benefit from a variety of interactive content and community offerings. The pet supplies market is an important market segment in the European retail landscape. Gross sales of pet food and accessories within the European Union amount to around EUR 26 bn. Based on the continued vigorous growth anticipated in the European e-commerce market, zooplus expects its dynamic performance to continue.

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