

zooplus AG: Increase in sales to EUR 1.1 bn accompanied by positive EBITDA in the first nine months of 2019

- **Sales increase by 13% to EUR 1,104 m in the first nine months of 2019; growth in Q3 2019 of 14%**
- **Private label sales of food and litter grow by 29%**
- **Number of registered new customers increases by 25%**
- **Positive EBITDA in the amount of EUR 6.7 m**
- **Positive free cash flow totals EUR 9.5 m**
- **Sales and earnings guidance for the 2019 financial year confirmed**

Munich, November 14, 2019 – zooplus AG (WKN 511170, ISIN DE0005111702, ticker symbol ZO1), Europe's leading online retailer of pet supplies, generated sales of EUR 1,104 m in the first nine months of 2019 (9M 2018: EUR 974 m), corresponding to year-over-year growth of EUR 130 m or 13% (currency-adjusted: 13%). The rate of sales growth increased slightly during the first three quarters of the 2019 financial year, reaching 14% in the third quarter. The continued expansion of the private label business with food and litter, which grew at a disproportionately higher rate of 29% in the first nine months of 2019, also contributed to the increase in sales.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to EUR 6.7 m in the first nine months of the current financial year compared to EUR -0.5 m in the same prior-year period. Earnings before taxes (EBT) totaled EUR -13.9 m compared to EUR -7.6 m in the prior-year period, reflecting a higher level of investment.

At the same time, zooplus generated positive free cash flow of EUR 9.5 m, despite continued investment in expanding the business. A further improvement in working capital had a positive effect.

The gross margin (sales less cost of materials in % of sales) improved in the first nine months of 2019 and increased by 0.5 percentage points compared to the same period in the

prior year to 28.5%. A key contributor to this improvement was the continued expansion in the high-margin private label business, as well as a further decline in the number of non-profitable customer orders.

Logistics expenses as a percentage of sales were significantly reduced by 1.6 percentage points, of which a 0.8 percentage point reduction was achieved through operational improvements. The remaining decline is attributable to the adoption of IFRS 16 as of the beginning of 2019.

The gross margin improvement and efficiency gains in the cost structure were once again reinvested in the company. Investment continues to focus on sustainably expanding the business and strengthening the company's leading market position throughout Europe. Consequently, marketing and new customer acquisition expenses as a percentage of sales grew by 1.4 percentage point to 3.3% in the first nine months of 2019.

Dr. Cornelius Patt, CEO of zooplus AG, commented on the company's performance, saying: "We have made solid progress in the first nine months in further stabilizing our gross margin and even improving it slightly compared to the prior year. As a result of further optimization measures throughout our pan-European logistics network and an increase in the value per shipped parcel, we were again able to significantly reduce our logistics costs. We are reinvesting these efficiency gains specifically in sustainably expanding the business while maintaining a clear focus on growth and customer retention. We see strong momentum in new customer acquisitions, recording year-on-year growth of 25%. Significant potential, however, lies in increasing our sales retention rate among new customers, which is the distinct focus of our direct marketing approach and our overall customer proposition."

Against the background of the anticipated business development during the further course of the year 2019, the Management Board of zooplus AG confirms its guidance for the 2019 financial year for 14% to 18% sales growth and earnings before interest, taxes, depreciation and amortization (EBITDA) in the range of EUR 10 m to EUR 30 m.

The full report for the first nine months of the 2019 financial year 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 2018 financial year, sales totalled EUR 1,342 m. 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. 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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