

zooplus AG:

Continuation of growth path in the first nine months of 2018

- **Sales increase 23% to EUR 974 m in the first nine months of 2018 (9M 2017: EUR 795 m / +21%)**
- **Private label sales grow year-on-year by 36%**
- **Gross margin continues to stabilize in the third quarter at 28.6% (Q2 2018: 28.3%)**
- **Earnings before taxes (EBT) in the third quarter of 2018 come in at a positive EUR 1.6 m and improve by more than EUR 5 m to prior quarter (Q2 2018: EUR -3.7 m)**
- **Positive cash flow from operating activities total EUR 20.4 m**
- **Sales and earnings forecast confirmed for full-year 2018**

Munich, November 14, 2018 – zooplus AG (WKN 511170, ISIN DE0005111702, ticker symbol ZO1), Europe's leading online retailer of pet supplies, successfully continued on its growth path in the first nine months of the 2018 financial year. At EUR 974 m, sales grew 23% (currency-adjusted: 23%), or EUR 179 m in absolute terms, compared to the same period of the previous year (9M 2017: EUR 795 m). Business with private label food and litter grew disproportionately with sales in this segment rising 36% versus the same period of the prior year. Sales growth rates in the first nine months of the current year reached double-digit percentage levels in all 30 regional markets.

Sales growth was driven by a very high level of customer loyalty, which improved even further in the third quarter. The sales retention rate reached a record level of 95% (currency-adjusted). In addition, after experiencing a decline in the two preceding quarters, new customer acquisitions regained momentum in the third quarter of 2018, with the number of registered new customers increasing by 50,000 over the second quarter.

The stabilization in the gross margin at 28.6% in the third quarter of 2018 confirmed the positive trend of the second quarter in which the gross margin was 28.3%.

At the same time, total cost ratio improved in the third quarter of 2018 compared to the second quarter. The cost ratio dropped from 30.1% in the second quarter of 2018 to 29.0%.

The EBT amounted to EUR -7.6 m overall in the first nine months of 2018 (9M 2017: EUR 4.2 m) due to the stronger investment focus in the first half of 2018. As a result of the improvement in the gross margin and better cost efficiency, positive earnings before taxes of EUR 1.6 m was achieved in the third quarter, which represents a sharp increase of EUR 5.3 m versus the second quarter of 2018.

Operating cash flow in the first nine months of 2018 reached a positive level of EUR 20.4 m (9M 2017: EUR 1.5 m). The strong growth accompanied by the higher level of investment was again financed by operating cash flow as a result of the continued improvement in working capital.

Dr. Cornelius Patt, CEO of zooplus AG, in his comments on the company's performance, explains: "In the first nine months of the current fiscal year, we successfully continued on our growth path and expanded our market leadership in the European online pet supplies market. The cornerstone of our success was once again the loyalty of our existing customers, which is reflected in a record sales retention rate of 95%. Slower growth in the third quarter was due to the lower level of new customer business in the first and second quarters. We are pleased that we were able to reverse this trend in the third quarter with an increase in the number of registered new customers of more than 50,000. Nevertheless, the lower new customer business in the first half of 2018 will continue to impact the fourth quarter, meaning that sales growth in the fourth quarter will not exceed the level in the third quarter.

What is also very positive in our view is that we were able to solidify the increase in the gross margin in the third quarter that had started in the second quarter, while at the same time significantly boosting our cost efficiency over previous quarters, driven primarily by improved logistics capabilities. All in all, we are sticking to our agenda of placing the company's long-term development, investment in growth and the expansion of our business model at the forefront of our efforts."

Based on the current business development, the Management Board confirms both the full-year 2018 sales growth forecast of 21% to 23% in comparison to the prior year, as well as the forecast for an EBT margin based on sales in the range of -0.5% to +0.5%.

The full report for the first nine months of 2018 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. zooplus already occupies the No. 2 market position in the combined market for online and brick-and-mortar retailers of pet supplies. In the 2017 financial year, sales totaled EUR 1,111 m, roughly 75% 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. 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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