



ZOOPLUS AG H1 2020 RESULTS

INVESTOR & ANALYST PRESENTATION

August 18, 2020 – Munich – Dr. Cornelius Patt, CEO, Andreas Maueröder, CFO

zooplus

SAFE HARBOR STATEMENT



This document includes supplemental financial measures that are or may be non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation as alternatives to measures of zooplus' financial condition, results of operations or cash flows as presented in accordance with IFRS in its Consolidated Financial Statements. Other companies that report or describe similarly titled financial measures may calculate them differently.

This document contains statements related to our future business and financial performance and future events or developments involving zooplus that may constitute forward-looking statements. We may also make forward-looking statements in other reports, in presentations, in material delivered to stockholders and in press releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and certain assumptions of zooplus' management, and are, therefore, subject to certain risks and uncertainties. A variety of factors, many of which are beyond zooplus' control, affect zooplus' operations, performance, business strategy and results and could cause the actual results, performance or achievements of zooplus to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends. Further information about risks and uncertainties affecting zooplus is included throughout our most recent annual and interim reports, which are available on the zooplus website, investors.zooplus.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of zooplus may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. zooplus neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

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.

H1 2020 RESULTS PRESENTATION

H1 2020 Investor & Analyst Call



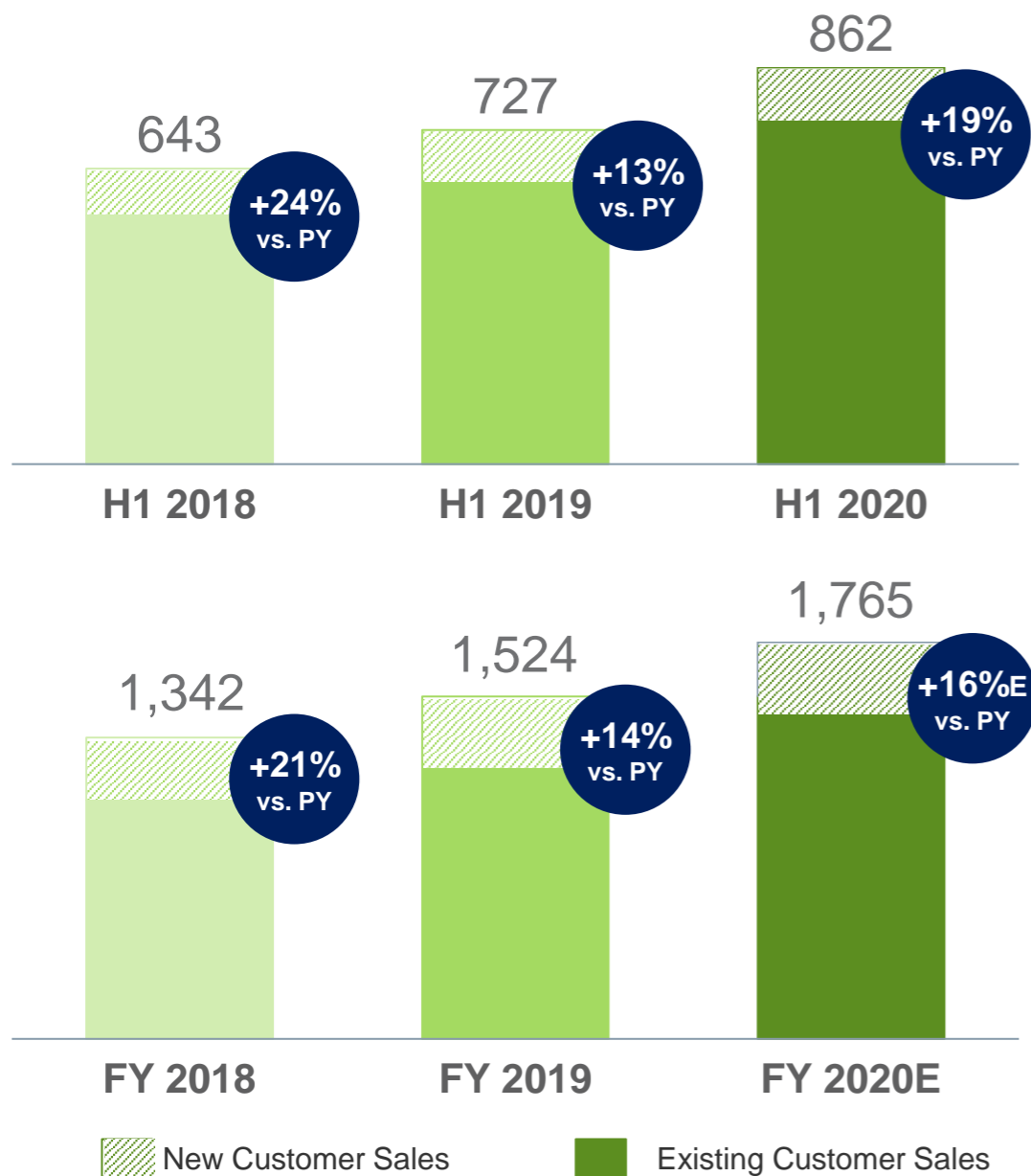
HIGHLIGHTS



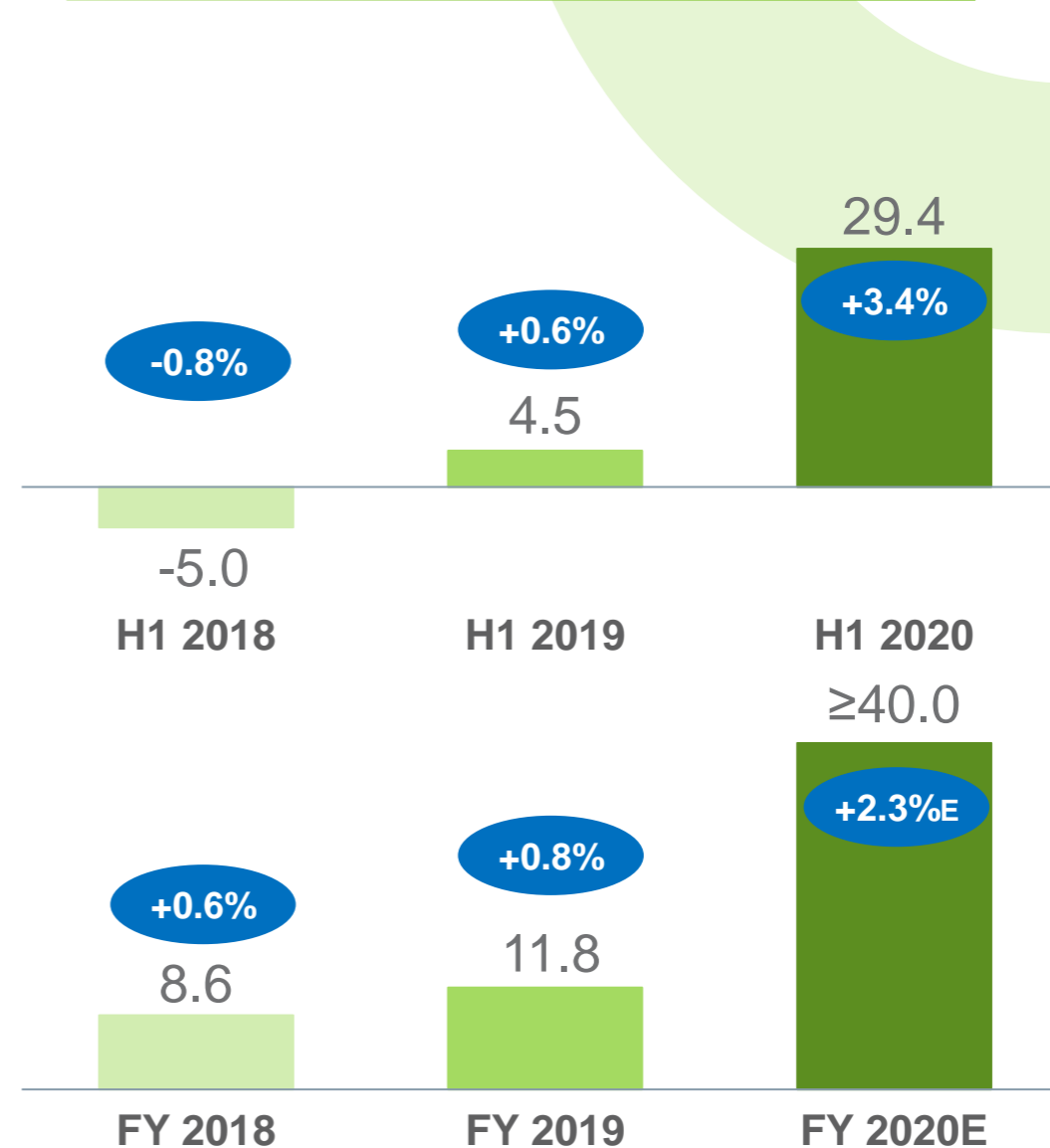
KEY FINANCIAL HIGHLIGHTS – STRONG PERFORMANCE



SALES (in EUR m)



EBITDA (in EUR m, in % of sales)



STRATEGIC BUSINESS KPIs – ALL INDICATORS SIGNIFICANTLY IMPROVED

	H1 2018	H1 2019	H1 2020
Revenue Retention Rate	94%	92%	95%
New Customer 2 nd Order Sales	+20%	-8%	+21%
Customer Acquisition Cost (in €)	11	16	10
Own Brands Share	14%	15%	17%
Gross Margin (% of Sales)	27.7%	28.4%	30.5%
Basket Size (in €)	54	55	57
Operational Efficiency ¹⁾ (in % of Sales)	22.0%	21.0%	20.8%

- Revenue Retention and NC 2nd Order Sales are the key contributors to sustainable top line growth
- Customer Acquisition Cost significantly reduced
- Own Brands Share is a key driver for Gross Margin
- Basket size increase is helpful for operational efficiency

1) Logistics costs + payment costs + customer care costs

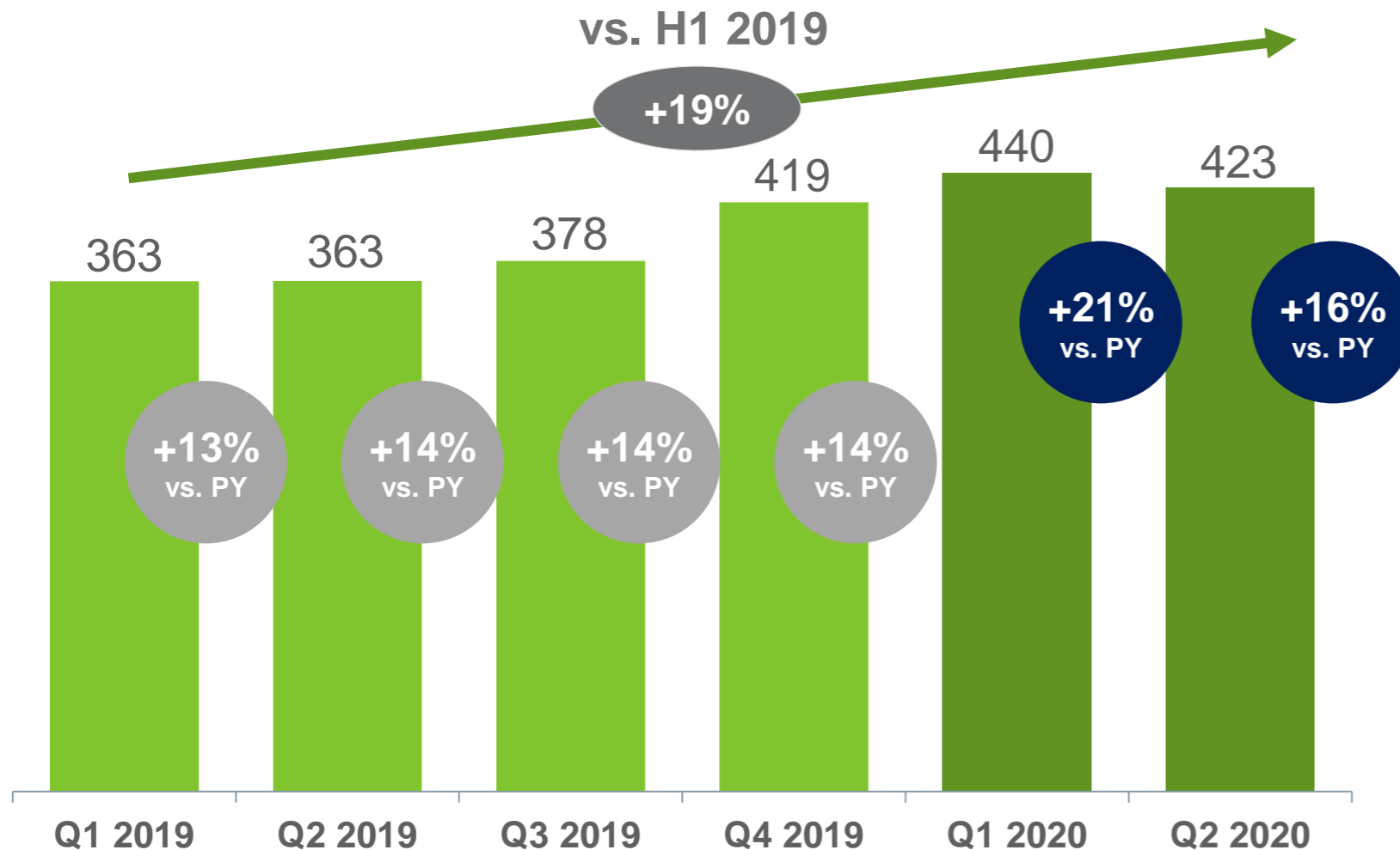
TOP LINE PERFORMANCE



SALES VOLUME INCREASED BY EUR 136 m VS. H1 2019 – GROWTH PATH CONTINUED IN Q2 2020



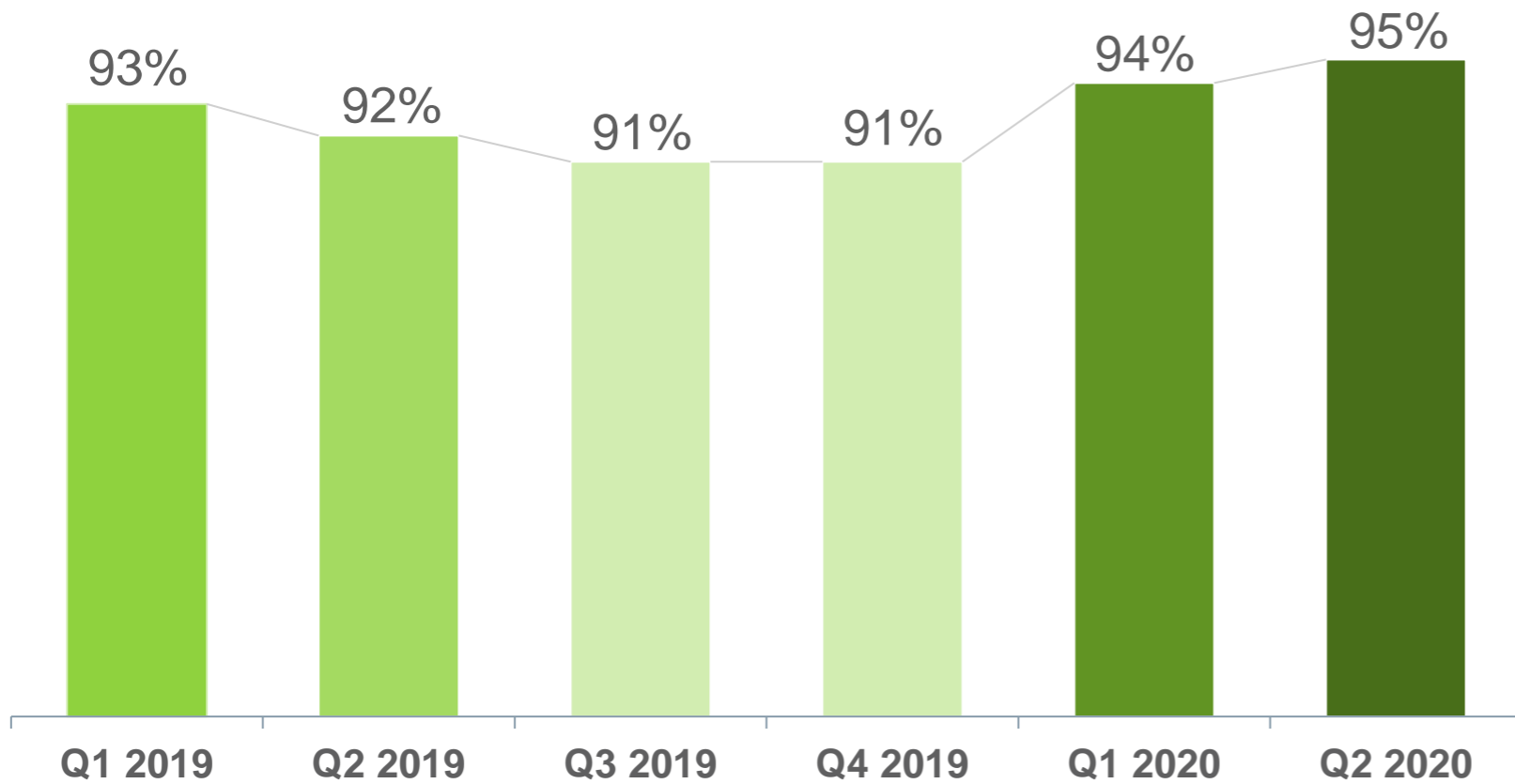
SALES (in EUR m)



- zooplus continued to benefit from strong online demand and high loyalty of existing customers
- Strong y-o-y development affirms successful efforts on improving customer activation and sales retention combined with solid sales execution
- High growth of accessories sales (+32% vs. Q2 2019) proves success of the active steering of the product sales mix meeting increased customer demand in Q2

SALES RETENTION RATE CLIMBS TO 95% IN Q2 2020 – INVESTMENTS IN LOYALTY ARE PAYING OFF

SALES RETENTION RATE¹



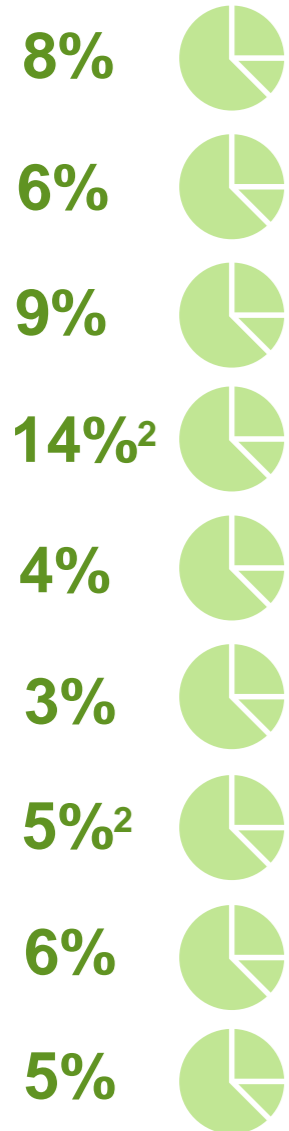
- Sales Retention is a 12-months trailing indicator, measuring how much of the sales with the customer base acquired until 12 months ago can be retained, comparing the last 12m sales to the 12m before (-24m to -12m)
- Positive development reflecting successful initiatives to improve loyalty and reactivation – after 6 months we are already up by 4%
- 95% retention rate means that the churn (lost recurring sales) is only 5% (over a 12m period)

1) Sales retention 12 months rolling (net, non-BMF)

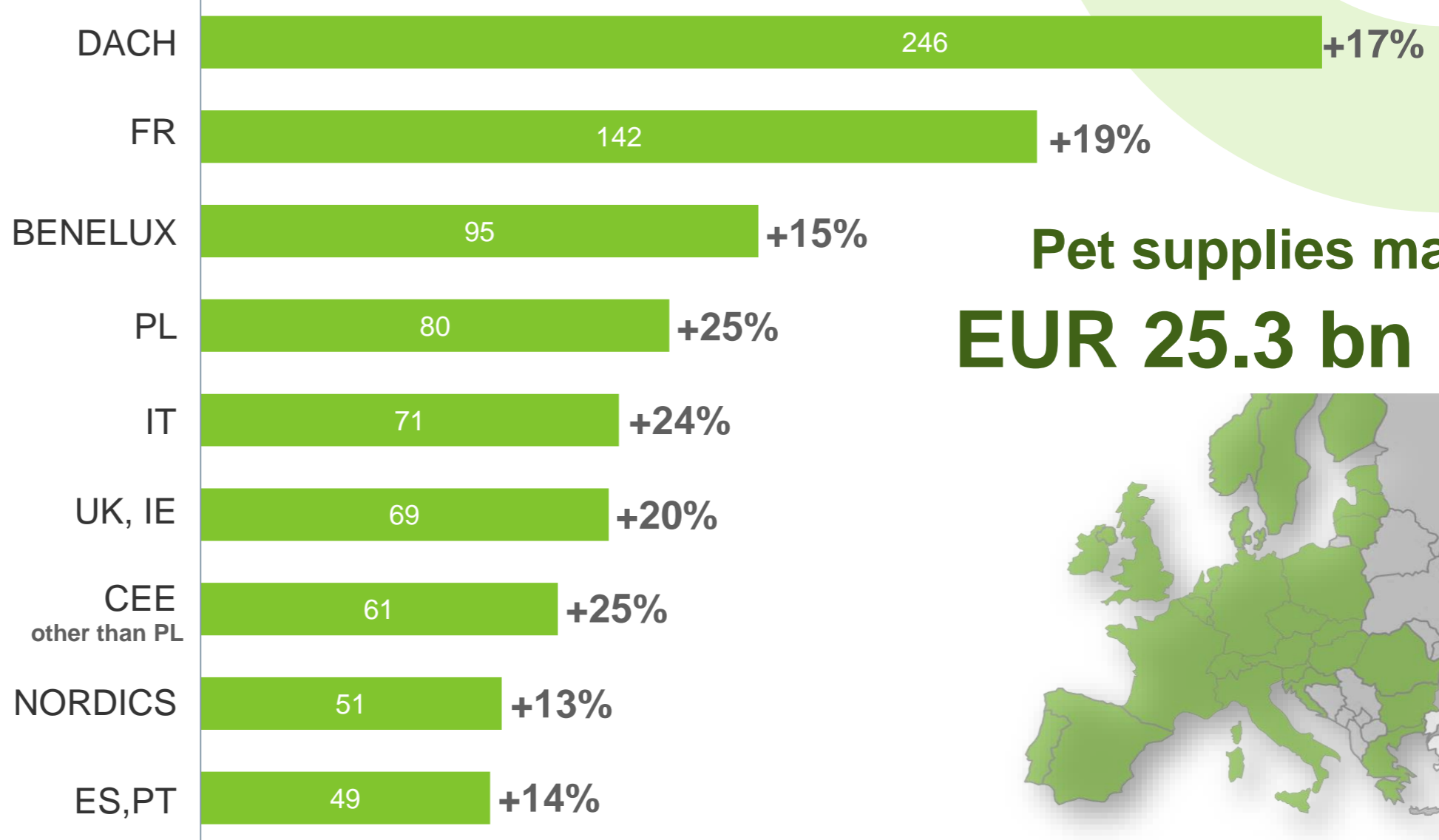
ZOOPLUS IS THE ONLINE MARKET LEADER IN EUROPE AND IS GAINING SHARE FROM OFFLINE



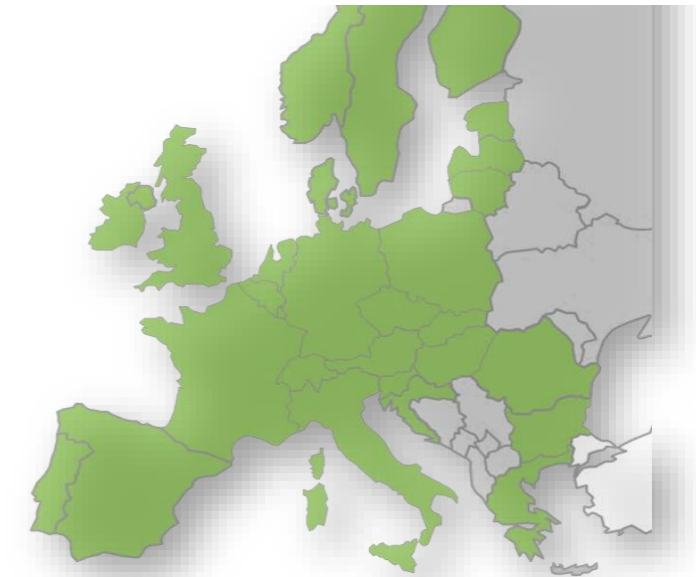
TOTAL MARKET SHARE¹



ZOOPLUS SALES BY REGION IN H1 2020 (in EUR m)



Pet supplies market¹
EUR 25.3 bn



1) Total net market = online + offline market, based on Euromonitor International 2020 and management estimates as of June 2020 in relation to zooplus FY 2019 sales figures; 2) change vs . prior disclosure due to updated market data reflecting an overall larger total market in Poland and CEE; zooplus continues to outperform total market growth in respective markets.

SALES & MARKETING PERFORMANCE



BETTER NEW CUSTOMER QUALITY TRANSLATES INTO SUSTAINABLE GROWTH

Repeat purchasing new accounts ¹⁾	H1 2019	H1 2020
○ Sales	-8%	+21%
○ Accounts	-4%	+14%
○ Sales per Account	-5%	+6%
○ Share of new accounts with repeat purchases ²⁾	28%	32%

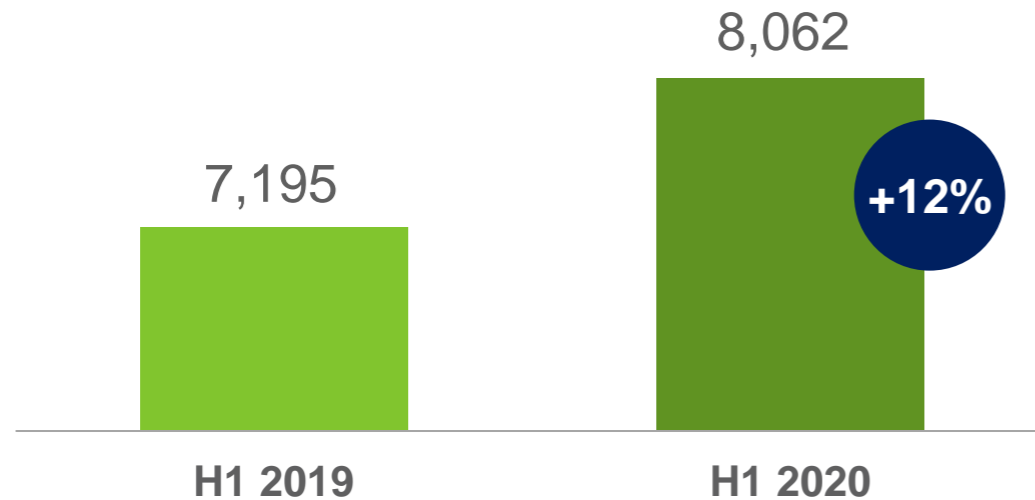
- Key lesson taken from 2019 – we need to focus on quality customers. Only **repurchasing accounts** contribute to future growth
- Improved early stage cohort behavior compared to H1 2019 cohort reflects revised acquisition channel mix, unbiased customer value proposition and better use of loyalty & retention tools
- Sales volume from 2nd order on with **strong increase** – both driven by loyalty and basket size

1) At least one consecutive order

2) Of all new accounts, note - only limited opportunity for repurchases after 6 months into the year of acquisition

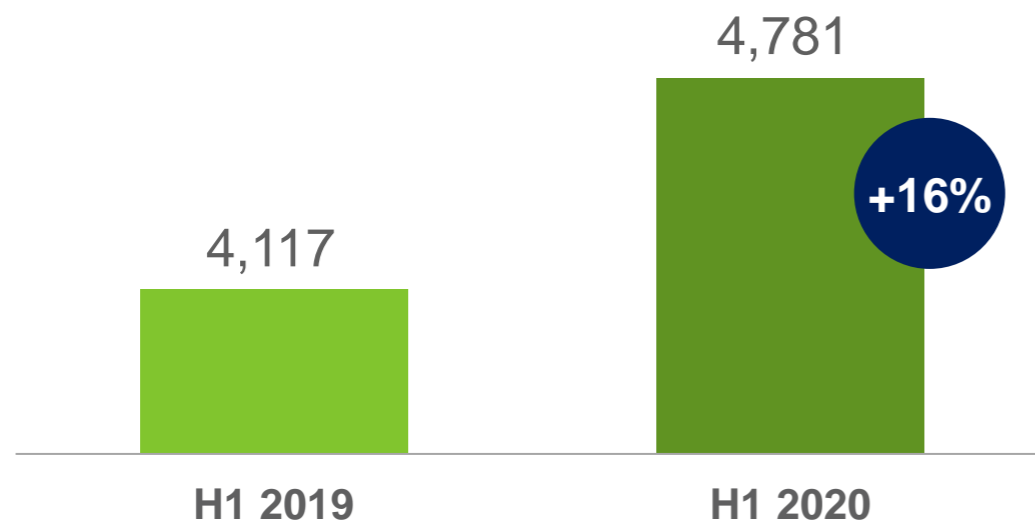
THE CORE TASK OF STRATEGIC SALES & MARKETING IS TO GROW A LARGE AND LOYAL CUSTOMER BASE

ACTIVE CUSTOMER BASE (in k)



- Customers with at least one order in the last 12 months
- Reduced intake of low-quality new accounts in 2020, correcting the 2019 marketing campaign issues

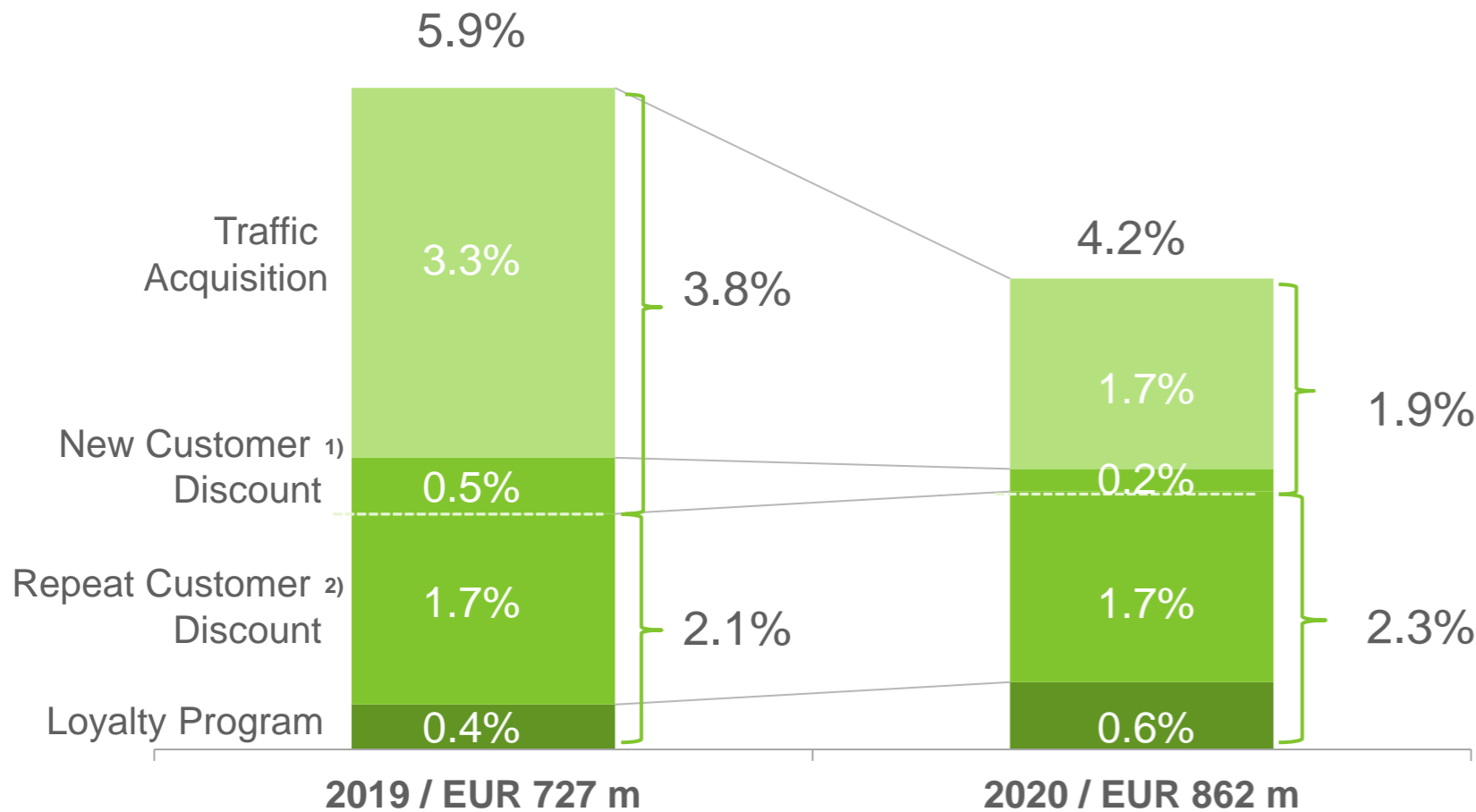
ACTIVE REPEAT CUSTOMER BASE (in k)



- Customers with at least one **consecutive order** (at least two orders in total) in the last 12 months
- Adjusting for one-time purchasers in the last 12 months, counting only customers with inclination for repurchases
- More suitable indicator for the company's **future topline growth**

OUR NEW STRATEGY BALANCES CUSTOMER QUALITY, SCALING AND EFFICIENCY

SPEND ON CUSTOMER ACQUISITION AND LOYALTY (AS % OF SALES)



- Massive increase in new business acquisition efficiency: **budget at 50%**, with **new business at 120%** of PY
- Tactical situation in months March, April and May helped efficiency
- **91% → 95% revenue retention** increase driven by quality focus and better use of **retention and loyalty tools**
- Main driver for growth: **consistently positive customer experience throughout Q1 & Q2**

1) New: Starter coupons; 2) Repeat: SaverPlan discounts

LOYALTY PROGRAMS DRIVING CUSTOMER RETENTION AND REPURCHASE RATE

SaverPlan



Best Value for Money

zooPoints

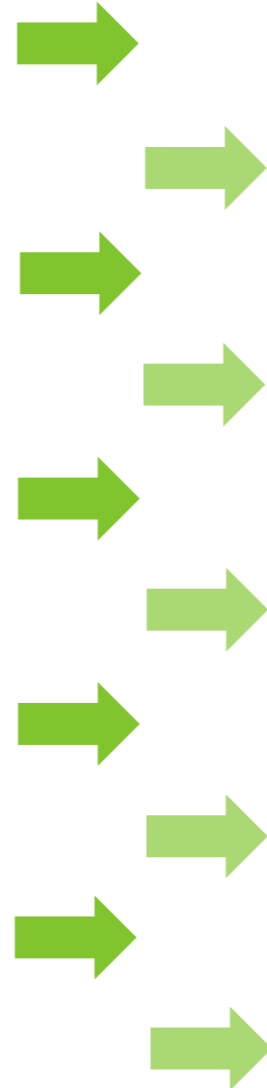


Interactive Shopping Experience

zooplus APP



Multi-Platform Shopping Experience

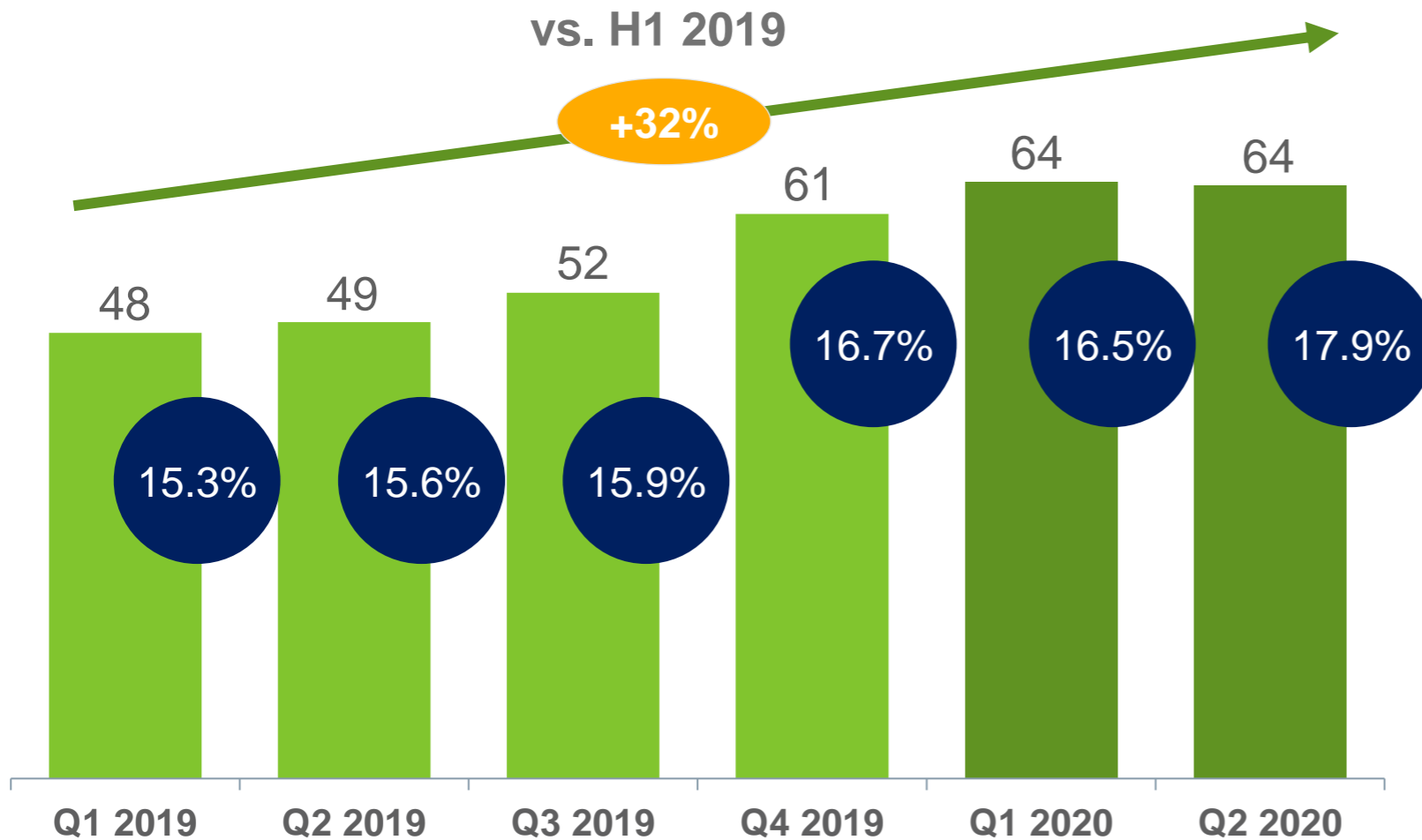


OWN BRANDS AND GROSS MARGIN



OWN BRANDS PORTFOLIO CONTINUES TO OUTPERFORM TOTAL FOOD AND LITTER SALES

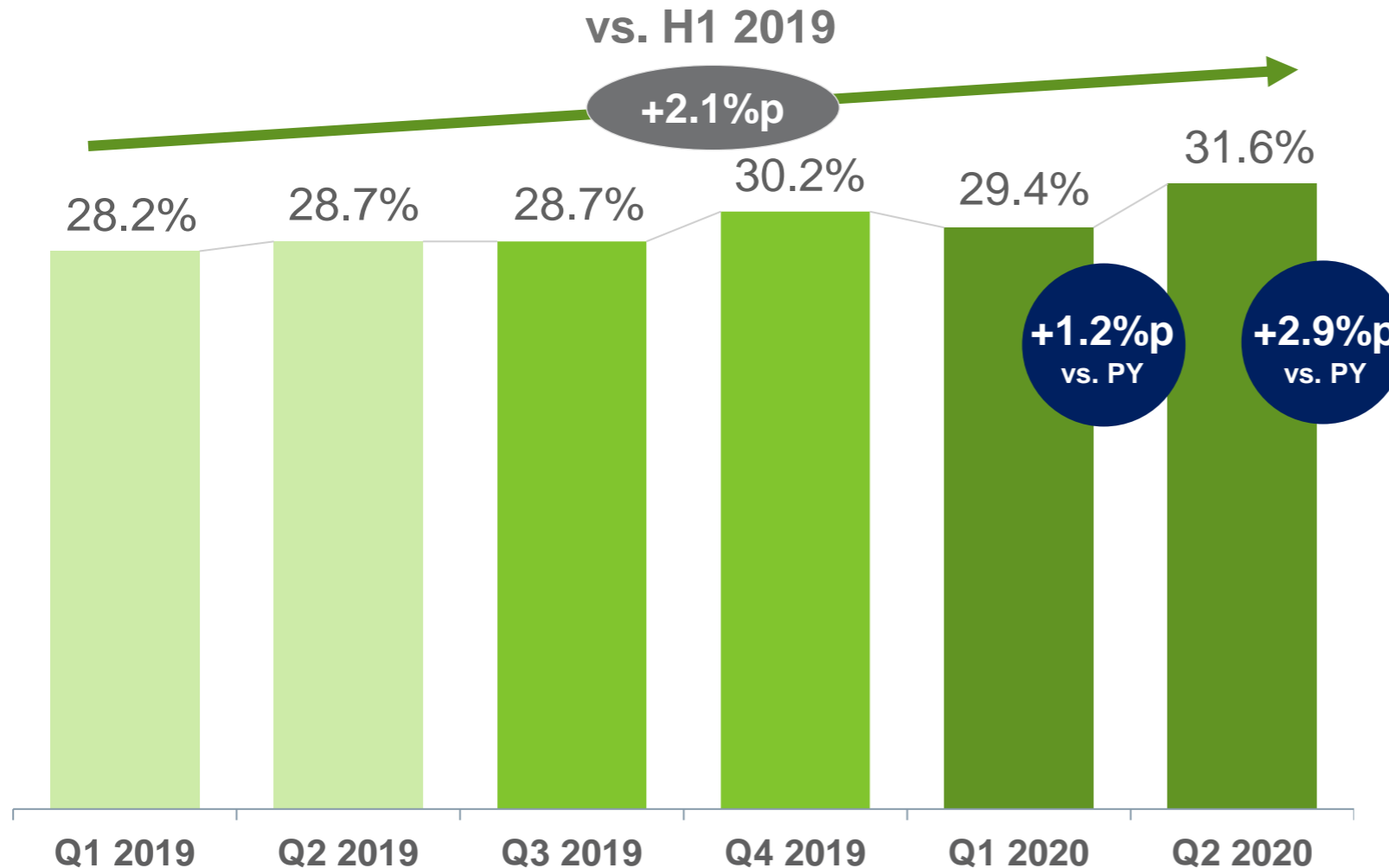
OWN BRAND SALES & SALES SHARE FOOD & LITTER (in EUR m)



- High-margin business in the mid to premium segment contributing to gross margin expansion
- Growth index own brands / food 2.2 in Q2 2020 (H1 2020: 1.7)

GROSS MARGIN FURTHER IMPROVED IN Q2 2020 – STRONG INCREASE COMPARED TO PY

GROSS MARGIN¹



- Sustainable increase in margin in food segment driven by active management of **product sales mix**
- Surge in demand for **accessories** in Q2 and the continued trend towards **own brand** sales driving gross margin improvement
- Solid yield management focusing on **loss leaders (avoidance)** supports positive development of gross margin

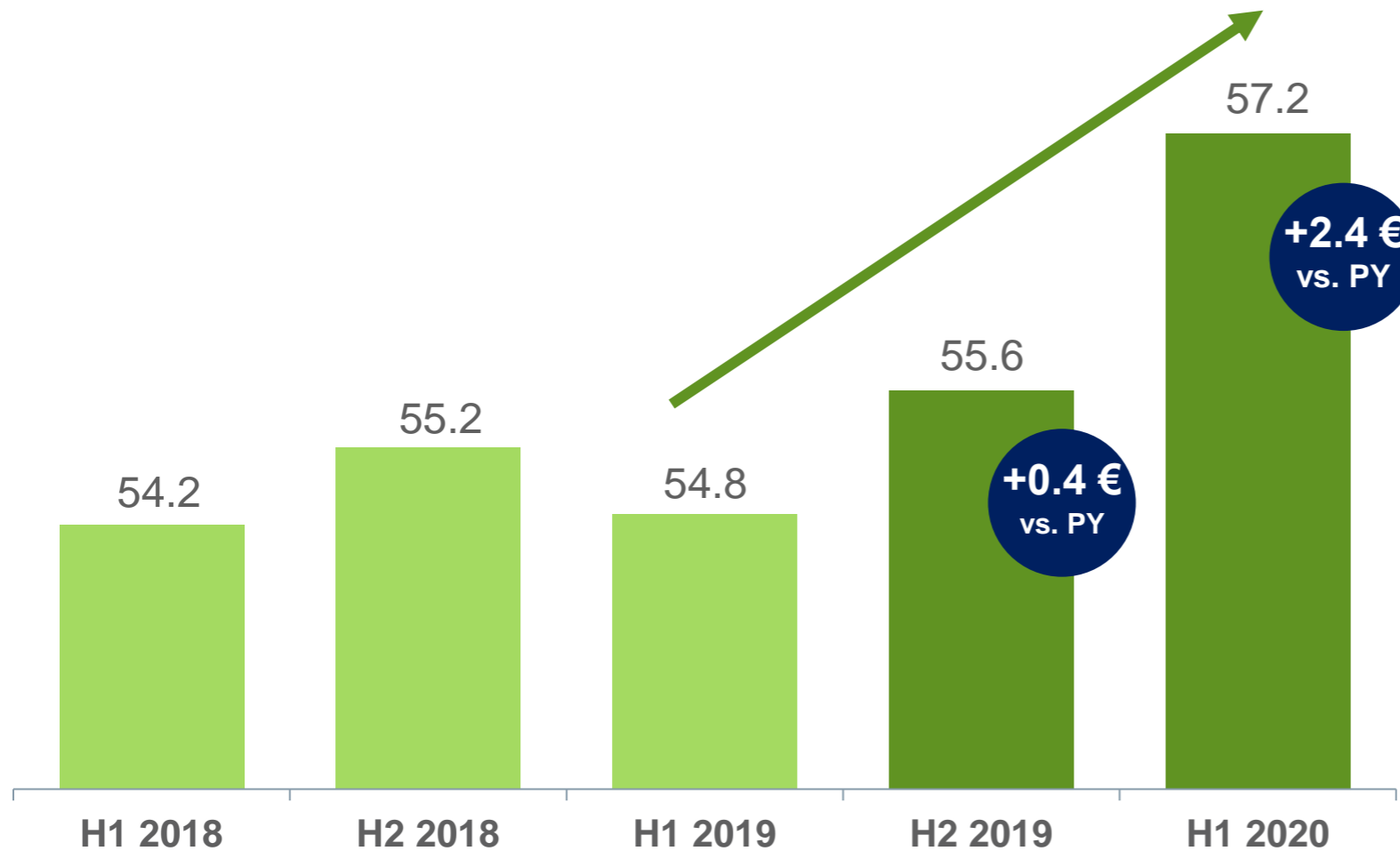
1) Gross margin = sales – cost of goods (as a % of sales)

OPERATIONAL EFFICIENCY & FINANCIAL PERFORMANCE



STRONG INCREASE OF BASKET VALUE – DRIVER FOR LOGISTICS EFFICIENCY

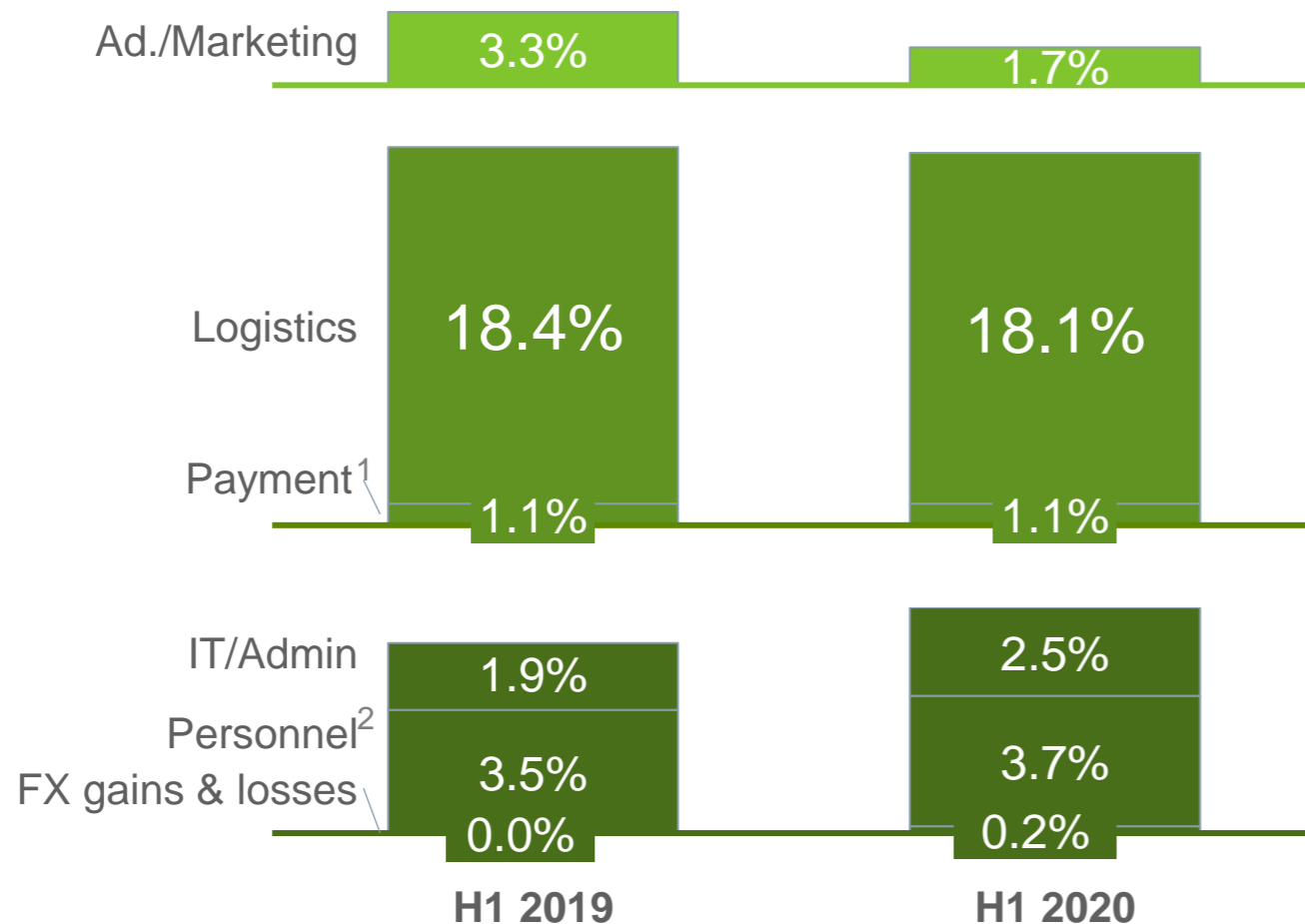
AVERAGE BASKET VALUE (NON-BMF; in EUR)



- **Successful upselling** measures and incentives drive basket value in H1 2020. Accessories sales make a helpful contribution
- **Bigger baskets** correlate positively with repurchase likelihood
- Increased basket value with positive impact on **logistics cost efficiency** – Price increases in delivery and additional logistics cost related to protective COVID-19 measures fully compensated

COST EFFICIENT OPERATION CREATING MOAT FOR ONLINE AND OFFLINE COMPETITORS

COST STRUCTURE (in % of SALES)

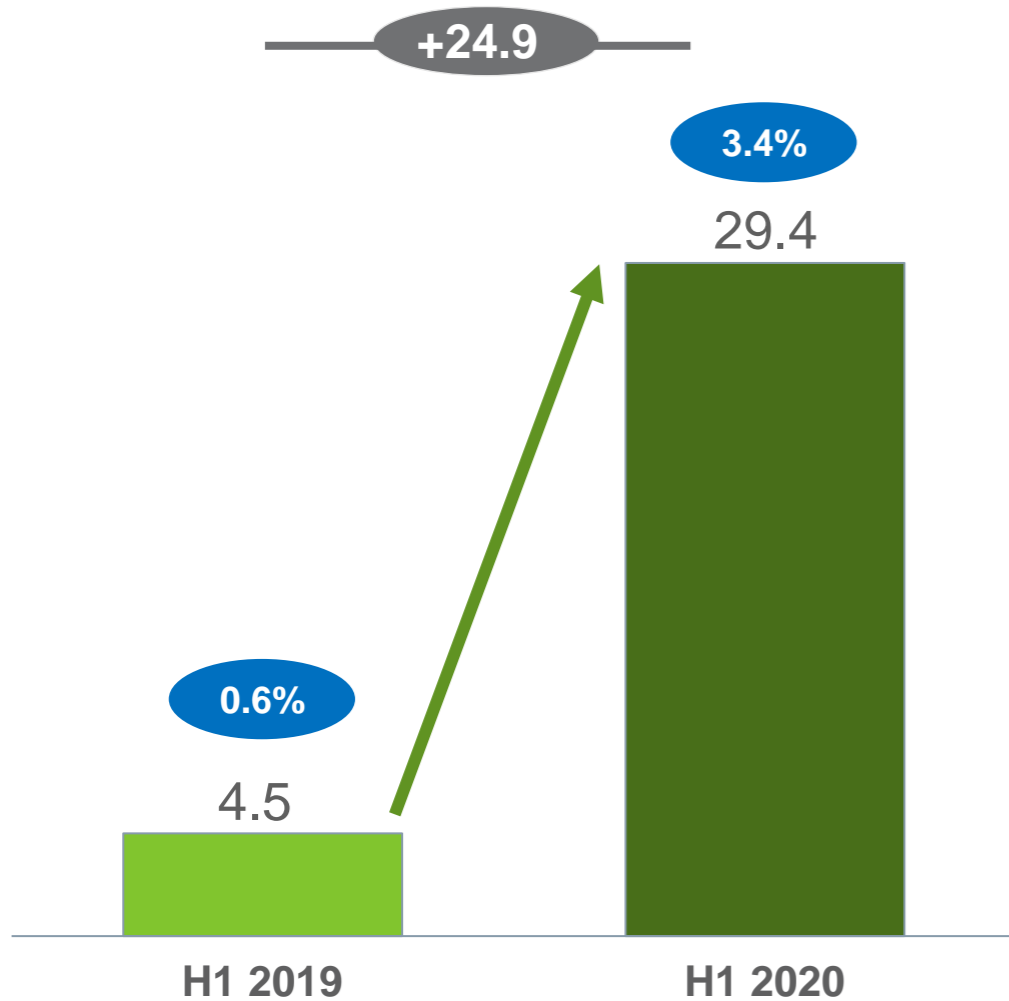


- Reduced marketing spend vs. PY – back in efficient territory while increasing new business intake
- Larger baskets prompting for higher value per parcel, offsetting additional cost for higher FC capacity
- Increase in IT/ Admin cost base reflecting higher non-operating expenses for strategic projects

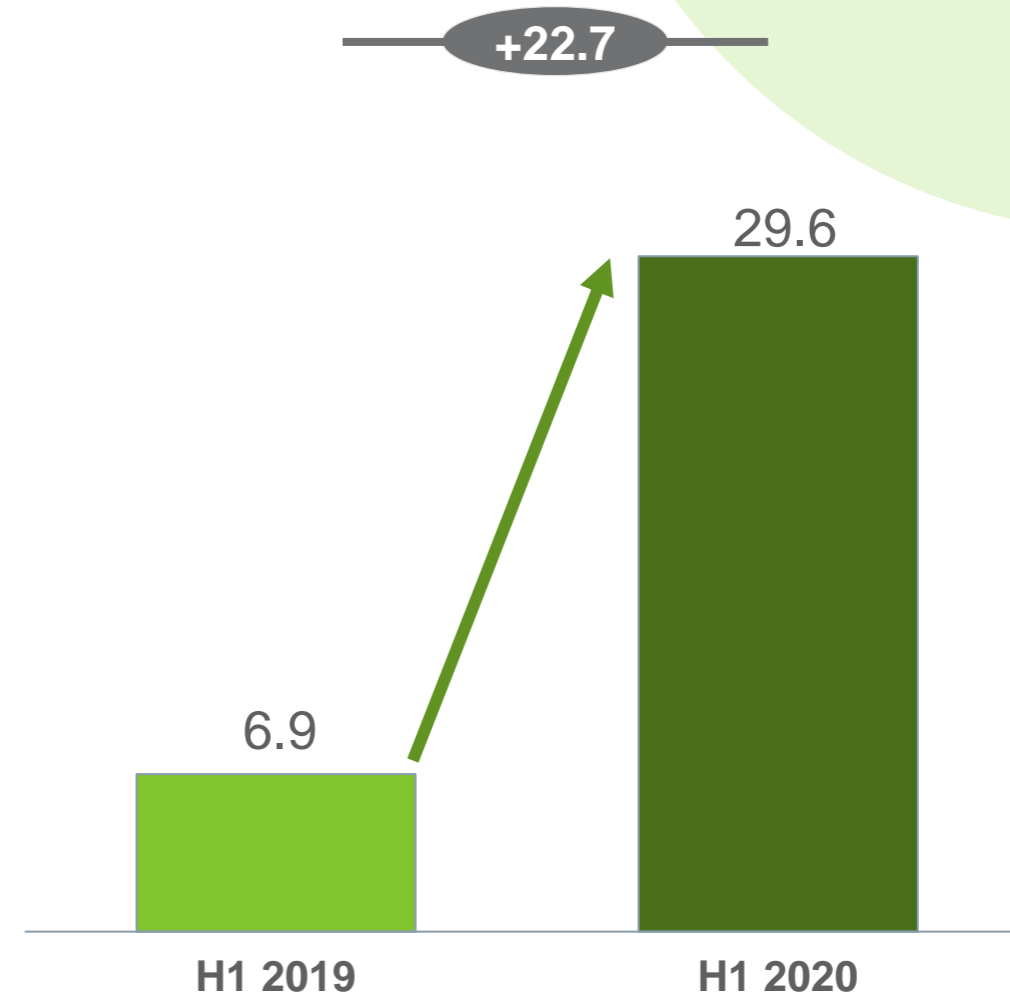
1) Impairment expenses on financial assets reclassified to payment
 2) Including LTI & SOP; own work capitalized reclassified to personnel

EBITDA DRIVEN BY PRODUCT MIX & COST EFFICIENCY, SOLID FREE CASHFLOW IN H1 2020

EBITDA (in EUR m)



CASH FLOW H1 2020 (in EUR m)



% values: EBITDA margin (of sales)

GUIDANCE 2020

Updated on July 14, 2020

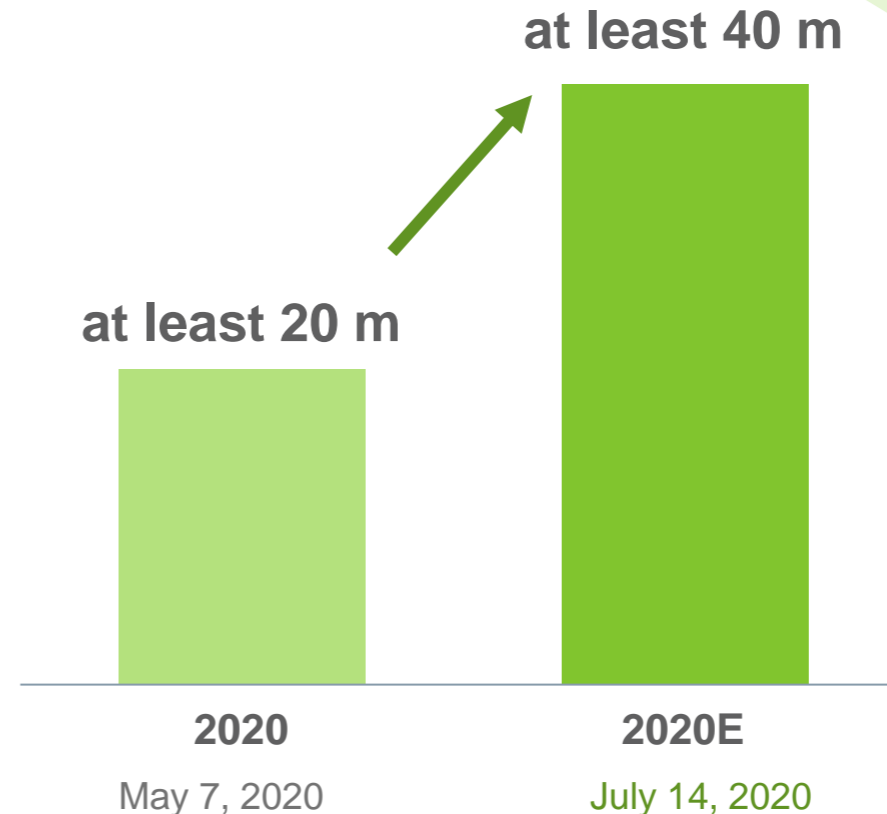
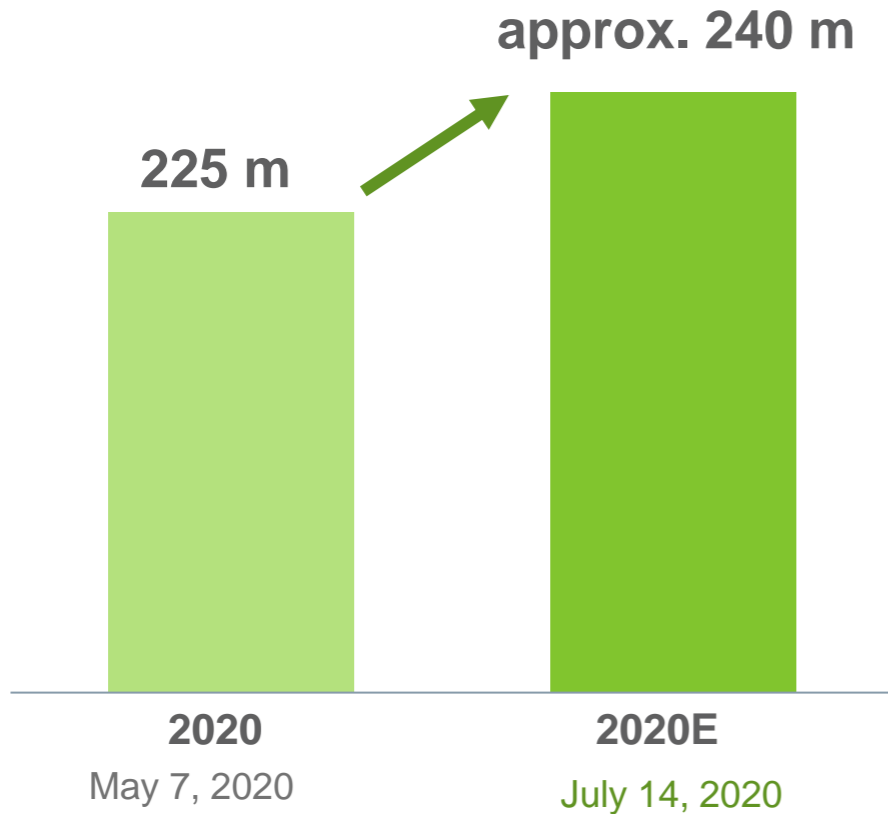
H1 2020 Investor & Analyst Call



UPDATED FINANCIAL YEAR 2020 OUTLOOK – ZOOPLUS INCREASES TARGETS DUE TO RESILIENT DEMAND

SALES GROWTH (in EUR m)

EBITDA (in EUR m)



UPDATED THE FINANCIAL YEAR 2020 OUTLOOK ON JULY 14, 2020

Q&A

H1 2020 Investor & Analyst Call



PROFIT & LOSS

H1 2020



P&L

in € m	H1 2020		H1 2019	
	abs	%	abs	%
Sales	862.5	100.0%	726.6	100.0%
Other income	2.0	0.2%	2.8	0.4%
Other gains/losses - net	-1.3	-0.2%	-0.1	0.0%
Cost of materials	-599.7	-69.5%	-520.0	-71.6%
Personnel costs	-32.0	-3.7%	-25.7	-3.5%
Other expenses	-201.9	-23.4%	-179.3	-24.7%
<i>thereof logistics / fulfillment</i>	-156.4	-18.1%	-133.7	-18.4%
<i>thereof marketing</i>	-14.6	-1.7%	-23.7	-3.3%
<i>thereof payment</i>	-9.1	-1.1%	-7.9	-1.1%
<i>thereof other costs</i>	-21.8	-2.5%	-14.0	-1.9%
Earnings before depreciation, interest and taxes (EBITDA)	29.4	3.4%	4.5	0.6%
Depreciation	-15.0	-1.7%	-12.9	-1.8%
Financial income	0.0	0.0%	0.0	0.0%
Financial expenses	-0.7	-0.1%	-0.8	-0.1%
Earnings before taxes (EBT)	13.7	1.6%	-9.1	-1.3%
Taxes on income	-5.9	-0.7%	2.2	0.3%
Consolidated net result	7.8	0.9%	-7.1	-1.0%
Differences from currency translation	-0.1	0.0%	-0.1	0.0%
Hedge reserve	1.5	0.2%	0.1	0.0%
Items that may be reclassified subsequently to profit or loss	1.3	0.2%	0.0	0.0%
Comprehensive income	9.2	1.1%	-7.0	-1.0%
Earnings per share in €				
basic	1.10	-	-0.99	-
diluted	1.09	-	-0.99	-

*The previous year's figures have been adjusted. Gains and losses from foreign currency valuation in the amount of EUR 1,103,416.33 and EUR – 2,037,197.20 were reclassified from other income or other expenses to other gains/(losses) - net.

BALANCE SHEET AS OF JUNE 30TH, 2020



Assets

in € m		June 30th. 2020	Dec. 31st. 2019	Δ abs
A.	Non-current assets			
I.	PP&E	5.9	5.5	0.4
II.	Intangible assets	10.4	12.8	-2.4
III.	Right-of-use assets	82.5	81.0	1.5
IV.	Deferred tax assets	0.3	3.6	-3.3
	Total non-current assets	99.2	102.9	-3.7
B.	Current assets			
I.	Inventories	143.1	117.7	25.4
II.	Advance payments	0.0	0.0	0.0
III.	Accounts receivable	28.2	27.7	0.5
IV.	Other current assets	65.9	47.7	18.2
VI.	Tax receivables	0.0	0.6	-0.6
VII.	Derivative financial instruments	2.0	0.0	2.0
VIII.	Cash and cash equivalents	81.6	64.3	17.3
	Total current assets	320.8	258.1	62.7
		420.0	361.0	59.0

Equity and Liabilities

in € m		June 30th. 2020	Dec. 31st. 2019	Δ abs
A.	Equity			
I.	Capital subscribed	7.1	7.1	0.0
II.	Capital reserves	104.2	102.8	1.4
III.	Other reserves	-0.7	-2.0	1.3
IV.	Profit/Loss carried forward	0.7	-7.2	7.9
	Total equity	111.3	100.8	10.5
B.	Non-current liabilities	63.3	61.8	1.5
C.	Current liabilities			
I.	Accounts payable	152.4	125.1	27.3
II.	Derivative financial instruments	0.2	0.4	-0.2
III.	Other current liabilities	41.9	31.8	10.1
IV.	Contract liabilities	18.1	14.0	4.1
V.	Tax liabilities	1.6	0.2	1.4
VI.	Lease liabilities	20.9	20.4	0.5
VII.	Provisions	10.5	6.5	4.0
	Total current liabilities	245.4	198.4	47.0
		420.0	361.0	59.0

CASH FLOW STATEMENT

H1 2020

in EUR m	H1 2020	H1 2019*
EBT	13.7	-9.1
Cash flow from operating activities	31.6	9.2
Cash flow from investing activities	-2.0	-2.4
Free cash flow	29.6	6.8
Cash flow from financing activities	-11.6	-9.9
Net change of cash and cash equivalents	18.0	-3.1
Currency effects on cash and cash equivalents	-0.7	0.0
Cash on hand, bank deposits	81.6	56.5