

## **zooplus AG achieves a record-setting 2020 and announces strategic and financial goals for 2025**

- **Sales increased by 18% to a record level of EUR 1,802 m in 2020, 20% sales growth in Q4 2020**
- **Profitability increased fivefold to EUR 63.3 m EBITDA in 2020**
- **Remarkable revenue retention rate of 99% (up from 91% in 2019)**
- **Superior subscription business (Subscribe & Save) now contributes 54% to zooplus repeat sales and generates 86% higher sales per account**
- **Strong overperformance of own brands business (up by 34% over 2019)**
- **With its unique position in an attractively growing market, zooplus announces a mid-term sales target for 2025 of EUR 3.4 bn to EUR 3.8 bn at an EBITDA margin of at least 4%**

**Munich, March 25, 2021** – zooplus AG, Europe’s leading online pet platform, announces a record 2020, with an excellent performance in all relevant top line as well as bottom line KPIs. The company closed the financial year 2020 with sales of EUR 1,802 m, up +18% (2019: EUR 1,524 m) and a gross margin of 30.4% (2019: 29.0%). This development was driven by the company’s extraordinary loyal customer base across all geographies, its expanding flagship Subscribe & Save program and strong growth in its own brands business.

Dr. Cornelius Patt, CEO at zooplus: “We have built our platform around our customers and their beloved pets. Being customer centric is essential for customer happiness and for attracting new customers - in return our customer base rewards us with extraordinary loyalty and by increasing their spend with each year at zooplus. This is the perfect foundation to invest into high-quality, double-digit customer growth and thereby gain further market share in a highly attractive and booming market.”

### **Strong growth trajectory in 2020**

In 2020, zooplus saw double-digit sales growth across all markets resulting in total sales of EUR 1,802 m. In its fourth quarter, sales grew by +20% to EUR 503 m (Q4 2019: EUR 419 m) resulting in a yearly run-rate of more than EUR 2 bn. One key factor for this success was the company’s increasing number of active repeat customers, which grew by +16% to more than

5 million. Through a combination of cross- and up-selling and loyalty tools, our active repeat customers' annual spend was significantly higher, achieving a record-setting EUR 383 (gross) in December 2020. The strategic focus on loyalty also yielded a remarkable revenue retention rate of 99% in 2020 (2019: 91%), while some markets and more mature cohorts are already performing above the 100% mark.

Beyond this dynamic top-line performance, zooplus also expanded its gross margin to 30.4% (2019: 29.0%). One relevant factor: zooplus' own brands business sales are up +34% over the previous year and now account for 16% of total sales. Full year EBITDA grew by EUR 51.5 m to EUR 63.3 m, translating into an EBITDA margin of 3.5% (2019: 0.8%) thanks to a reduced share of promotional sales and a more targeted approach in traffic acquisition. The free cash flow of EUR 69.7 m (2019: EUR 24.9 m) underlines the company's strong cash generating abilities.

Andreas Maueröder, CFO at zooplus: "2020 has shown that we are able to drive double-digit top-line growth while improving our profitability and cost efficiency. We are very well equipped to finance high growth in the coming years by investing into new customer acquisition, customer retention and sales per account. At the same we see the long-term profitability of these revenue streams increasing."

### **Subscription business drives growth story**

zooplus has continuously invested into its loyal customer base by improving their shopping experience and by implementing powerful loyalty tools. One central pillar of this strategy is the company's flagship Subscribe & Save program, which already accounts for 54% of zooplus repeat sales in 2020 (2019: 49%), outperforming the Groups' sales growth with a growth rate of +32%. The program does not only increase customer retention, it also provides an effective incentive for our customers to spend more of their overall pet budget on our platform: The average gross sales per repeat customer with Subscribe & Save grew to EUR 536 compared to EUR 288 of non-Subscribe & Save customers.

### **The vertical with the most complete choice for dedicated pet parents**

zooplus' carefully curated assortment of pet care & accessories products, super premium and premium brands, local champion brands and widely known grocery brands ensures a maximum of relevance and attractiveness and also contributes to better customer loyalty and

higher margins. In addition, zooplus has developed own premium brands like “Wolf of Wilderness” and “Purizon” which cater to the growing sector trends of pet humanization, premiumization and preference for niche and craft brands. zooplus’ high-margin own brands business grew by +34% to a 16% share of total Group sales (2019: 14%).

### **Guidance for 2021**

For 2021, zooplus expects to maintain its market-leading position in Europe and plans to keep its revenue retention at the year-end 2020 level. The company communicated its sales and EBITDA outlook for financial year 2021 with the Capital Markets Day in November 2020: Sales of EUR 2.04 bn to EUR 2.14 bn and an EBITDA in the range of EUR 40 m to EUR 80 m. From today’s perspective and on the basis of actual business development, the Management Board currently assumes the full year to result in the mid- to upper range of the sales guidance.

### **Medium- and long-term outlook**

With a highly attractive market outlook, driven by a number of factors including the increasing number of pets, pet humanization, premiumization and continued shift to online sales, zooplus plans to further expand its market share in this fast-growing category. In 2025 zooplus expects to achieve sales of EUR 3.4 bn to EUR 3.8 bn, capturing a market share of 9% to 10% of the total pet supplies market (online and offline combined) in Europe.

At the same time, the company is aiming for an EBITDA margin of at least 4% for 2025. Furthermore, the company plans to grow the high-yielding sales of own brands and pet care & accessory products in the coming years, to a level of at least EUR 1.2 bn in sales in 2025 (2020: EUR 0.5 bn). As a result, the company now aims at a target margin of at least 6% EBITDA once growth normalizes at the pet category growth rate. The company sees the opportunity to grow above market growth rate for the full decade.

Dr. Cornelius Patt, CEO at zooplus: “We are perfectly positioned to outgrow the general market and win market share focusing on e-commerce, the fastest growing channel in our category. For our customers we offer superior choice and convenience, for our brand partners we offer access to dedicated pet parents and pan-European reach. Our winning formula puts loyalty first to fully capture recurring future revenues that drive our long-term profitability. We will continue to execute on our strategy and are highly confident about our newly communicated targets for 2025 and beyond.”

## Key financial highlights

		Q4 2020	Q4 2019	Change	2020	2019	Change
<b>Sales</b>	EUR m	502.7	419.4	+19.9%	1,801.5	1,523.7	+18.2%
<b>Own brands sales share (% of sales)</b>	%	16.6%	14.5%	+2.1%p	15.6%	13.8%	+1.8%p
<b>Revenue retention rate* as of 12/31/2020</b>	%	/	/	/	99%	91%	+8%p
<b>Gross Profit</b>	EUR m	150.5	126.7	+23.9	546.9	441.6	+105.2
<b>Gross Margin (% of sales)</b>	%	29.9%	30.2%	-0.3%p	30.4%	29.0%	+1.4%p
<b>EBITDA</b>	EUR m	15.5	5.1	+10.4	63.3	11.8	+51.6
<b>EBITDA margin (% of sales)</b>	%	3.1%	1.2%	+1.9%p	3.5%	0.8%	+2.7%p
<b>EBT</b>	EUR m	5.8	-2.0	+7.8	30.3	-15.9	+46.2
<b>Consolidated net profit/loss</b>	EUR m	3.5	-1.4	+5.0	18.7	-12.1	+30.8
<b>EPS - Earnings per Share**</b>	EUR	/	/	/	2.65	-1.69	+4.34
<b>Free Cashflow</b>	EUR m	/	/	/	69.7	24.9	+44.8
<b>Active repeat customers as of 12/31/2020</b>	m	/	/	/	5.1	4.4	+0.7
<b>Active customers of 12/31/2020</b>	m	/	/	/	8.3	7.6	+0.7
<b>Employees</b>	Average FTE	/	/	/	768	713	+7.7%

\* Currency-Adjusted

\*\* Undiluted

### **Company profile:**

zooplus AG is the leading online pet platform in Europe measured by sales. Founded as a German start-up in 1999, the company's business model has been successfully launched internationally, dedicated to the mission of creating moments of happiness between pets and pet parents across now 30 European countries. With a large and relevant product offering in the pet food and pet care & accessories range, zooplus caters to more than 8 million pet parents across Europe of which more than 5 million made more than two orders in 2020. The product range includes renowned international brands, popular local brand names as well as high-quality, exclusive own brand lines for pet food, accessories, care products, toys and much else for dogs, cats, birds, hamsters, horses and many other furry and non-furry friends. In addition, zooplus customers benefit from exclusive loyalty programs, best value for money proposition, fast and reliable delivery as well as a seamless digital shopping experience, combined with a variety of interactive content and community offerings. Sales totaled more than EUR 1.8 bn in the 2020 financial year, capturing of roughly 7% of the around EUR 28 bn to EUR 29 bn (net) European pet supplies market, both offline and online combined.

For further information about zooplus, please visit [investors.zooplus.com](https://investors.zooplus.com) or our international shop site at [zooplus.com](https://zooplus.com).

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