zooplus AG:
Increase in sales to EUR 727 m and improvement in EBITDA in the first half of 2019

- **Sales increase by 13% to EUR 727 m**
- **Gross margin improves by 0.7 percentage points to 28.4%**
- **Positive EBITDA of EUR 4.5 m (H1 2018: EUR -5.0 m)**
- **Earnings before taxes (EBT) of EUR -9.1 m at prior year's level**
- **Positive free cash flow totals EUR 6.9 m**
- **Full-year 2019 sales and earnings guidance confirmed**

Munich, August 14, 2019 – zooplus AG (WKN 511170, ISIN DE0005111702, ticker symbol ZO1), Europe's leading online retailer of pet supplies, generated sales of EUR 727 m in the first half of 2019 (H1 2018: EUR 643 m), corresponding to sales growth of EUR 84 m or 13% (currency-adjusted: 13%) compared to the same period in the prior year. Sales of private label products of food and litter in the first half of 2019 grew 29%, thereby outpacing the growth in overall sales. New customer business also recorded very good year-on-year performance in the first half of 2019, with a total of 23% more registered new customers.

The gross margin (sales less cost of materials, in % of sales) developed favorably in the first half of 2019, increasing year-on-year by 0.7 percentage points to 28.4%. Contributing to the positive gross margin performance was among others a continued expansion in the high-margin business with private label food and litter, as well as a further decline in the number of non-profitable customer orders.

Earnings before interest, taxes, depreciation and amortization (EBITDA) improved to EUR 4.5 m in the first half of 2019 compared to the prior year (H1 2018: EUR -5.0 m). Excluding effects from the IFRS 16 ("Leases") accounting standard – which is applied as of financial year 2019 – EBITDA increased by EUR 2.0 m. At EUR -9.1 m, earnings before taxes (EBT) remained at the prior year's level (H1 2018: EUR -9.2 m).

Further improvements in the company's cost structure, particularly in the areas of logistics and IT/administration, had a positive effect on earnings development. Logistics expenses as a percentage of sales in the first half of 2019 were significantly reduced by 1.8 percentage points to 18.4% (H1 2018: 20.2%). An improvement of 1.0 percentage points was achieved through operational improvements in the logistics network, the remaining improvement is attributable to the application of IFRS 16 as of 2019. In the second quarter of 2019, the first Italian fulfilment center was opened near Milan, allowing for an even faster delivery to customers in Italy. Overall, with twelve fulfilment centers, zooplus now has a fully integrated and flexible logistics network across Europe that is unmatched in the industry.

The improvements achieved in the gross margin and logistics costs were reinvested in the sustainable expansion of the business. As a result of these investments, marketing and new customer acquisition costs as a percentage of sales grew to 3.3% in the first half of 2019 (H1 2018: 2.0%).

The continued optimization of working capital had a positive effect on free cash flow in the first half of 2019, which increased to EUR 6.9 m compared with EUR 3.7 m in the first half of 2018, despite the further investment in growth.

Dr. Cornelius Patt, CEO of zooplus AG commented on the company’s performance saying: "In the first half of 2019, we were able to considerably increase our sales, recording sales growth of EUR 84 m. A particular highlight was the 23% increase achieved in registered new customer acquisitions, as well as the 29% increase in the private label business, both compared to the previous year. In terms of earnings, we were able to further improve the gross margin, while significantly reducing logistics costs. This frees up the resources to continue to drive the company’s expansion and make further investments in new customer acquisition. Marketing expenses in the second quarter reflected our 20th anniversary marketing campaign, with the launch of additional marketing initiatives aimed at expanding brand awareness and securing customers’ long-term loyalty to zooplus."

Against the background of the anticipated business development during the further course of the year 2019, the Management Board of zooplus AG confirms its 2019 full-year guidance 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 six 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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