

## **zooplus AG: Continued strong sales growth and significant improvement in operating profitability in the first half of 2020**

- **Sales up 19% to EUR 862 m in H1 2020 (H1 2019: EUR 727 m)**
- **Sales retention rate back at the record level of 95%**
- **Improved management of product sales mix leads to increase in gross margin to 30.5% in H1 2020 (H1 2019: 28.4%)**
- **Sharp rise in operating profitability results in EBITDA of EUR 29.4 m in H1 2020 (H1 2019: EUR 4.5 m)**
- **Strong free cash flow of EUR 29.6 m in H1 2020 (H1 2019: EUR 6.9 m) underscores Group's internal financing capabilities**
- **Sales and earnings targets for current financial year raised again in July 2020**

**Munich, August 18, 2020** – zooplus AG (WKN 511170, ISIN DE0005111702, ticker symbol ZO1), Europe's leading online retailer of pet supplies, completed the first half of 2020 with a significant increase in sales and profitability. Despite the pandemic-ridden environment, zooplus was able to maintain its business operations and deliver directly and safely to the homes of its loyal existing and new customers throughout Europe. Spurred by the robust demand for pet supplies throughout Europe and on the basis of a very positive business performance, the Group raised its guidance for the 2020 financial year for a second time shortly after the end of the first half-year. In the first half of 2020, the Group generated sales of EUR 862 m (H1 2019: EUR 727 m), which amounts to a sales growth rate of 19%. At the same time, the Group significantly improved its operating profitability – in terms of earnings before interest, taxes, depreciation and amortization (EBITDA) – in the first half of 2020 compared to the same period in the prior year by achieving an EBITDA of EUR 29.4 m (H1 2019: EUR 4.5 m). The strong performance in the second quarter of 2020, with an EBITDA of EUR 21.3 m for the quarter, is particularly worth highlighting (Q2 2019: EUR 2.3 m).

Sales development was driven by business with loyal existing customers in all key European markets. Thanks to the intense efforts to increase customer loyalty, the Group achieved an increase in the currency-adjusted sales retention rate to 95% at the end of the first half of 2020 (H1 2019: 92%, FY 2019: 91%), placing it once again at the record level of 2018. The

temporary decline of this 12-month key figure in the course of 2019 was thus fully rebalanced after only six months.

In terms of new customer acquisition, the Group continued on its quality-oriented course mapped out at the beginning of the year and was thus able to increase sales with the repurchasing new customers by 20% in the first half of the year. The number of repurchasing new customers grew by 14%, with a clear focus on marketing spend, which was in total significantly below previous year's level. As a result, zooplus was able to increase its marketing efficiency and at the same time make its growth more sustainable thanks to improved customer quality. These achievements not only underscore the appeal of the zooplus offering and customer proposition but also the Group's more focused strategy for acquiring profitable new customers.

Improvements in the management of the product sales mix and a focus on high-yielding sales and customers are having a positive impact on the development of the Group's gross margin, which increased to 30.5% in the reporting period (H1 2019: 28.4%). This development is supported by the Group's exclusive own brands business in the food and litter segment, which once again recorded disproportionately strong sales growth of 32% compared to H1 2019. The sales share of this high-margin own brands business of total food and litter sales increased to 17%. In terms of costs, efficiency gains were achieved in marketing, while efficiency in the area of logistics was maintained at a high level, even in the crisis environment. As a result, EBITDA increased significantly in the first half of 2020 to a level of EUR 29.4 m (H1 2019: EUR 4.5 m).

Free cash flow development in the first half-year was driven by a strong operating result and the continued optimization of working capital. Overall, the Group generated free cash flow of EUR 29.6 m (H1 2019: EUR 6.9 m).

Dr. Cornelius Patt, CEO of zooplus AG: "As Europe's leading online pet supplies specialist, we know that not only do our loyal existing customers trust zooplus in times of uncertainty but the advantages of our sales channel have also become even more visible to new customers. Our highest priorities remain our customers' loyalty and our sustainable business expansion. We were able to improve all relevant performance metrics in the first six months of the crisis year 2020, which again underscores the resilience of our business model. Based on the very good

results achieved in the first half of 2020 and a continued robust demand in our category, we raised our targets for the current financial year a second time in a row."

Overall, the Group is well on track to achieve its targets for the 2020 financial year, which were last updated on July 14, 2020, of a year-on-year sales growth of around EUR 240 m corresponding to a sales volume of approximately EUR 1.765 bn and earnings before interest, taxes, depreciation and amortization (EBITDA) of at least EUR 40 m.

The report for the second quarter and the first half of 2020 can be downloaded at <https://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. Sales totaled more than EUR 1.5 bn in the 2019 financial year. The company's business model has been launched successfully in roughly 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. Gross sales of pet food and accessories within the European Union amount to around EUR 30 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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