

19 May 2025

Delticom AG

Rating	Buy (Buy)
Share price (EUR)	2.30
Target price (EUR)	4.20 (4.10)
Bloomberg Sector	DEX GY Retail

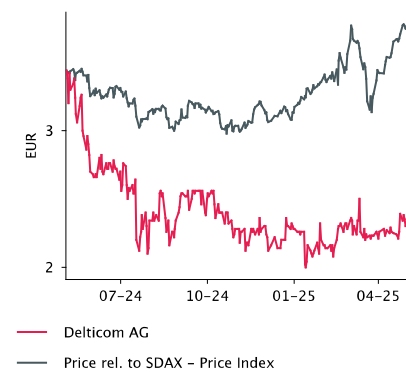
Share data

Shares out (m)	14.8
Daily volume shs (m)	0.0
Free float (%)	51.40
Market cap (EUR m)	34
EV (EUR m)	106
DPS (EUR)	0.12
Dividend yield (%)	4.8
Payout ratio (%)	40.0

Performance

ytd (%)	7.5
12 months (%)	-32.7
12 months rel. (%)	-42.0
Index	SDAX

Share price performance



Source: Bloomberg

Next triggers

9 July: AGM
14 August: Q2 results

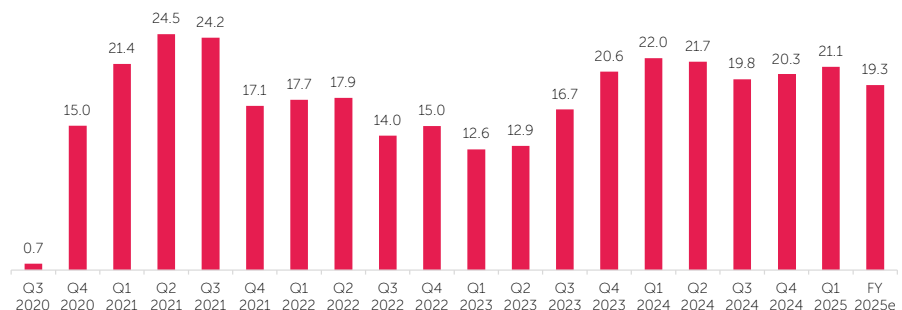
Analysts

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Good start into FY 2025

Delticom AG remained focused on profitable growth during Q1 2025 with revenues growth of 9.0% yoy. This positive development is also reflected in the overall market environment: According to the European Tyre and Rubber Manufacturers' Association (ETRMA), the upward trend in the consumer tyre segment (+3% yoy), already observed in the second half of 2024 (+8% yoy), continued in the first quarter of 2025. Volumes nearly returned to the levels of Q1 2019 – before the onset of the pandemic. TTM sales fell by EUR 4m to EUR 490 million and were therefore 1% lower than TTM sales in the same period of the previous year, but the strong Q4 2023 must be taken into account, so the current TTM development can be seen as positive. Q1 2025 Group EBITDA was also significantly higher year-on-year at EUR 1.5m (Q1 2024: EUR 0.7m), resulting in a TTM EBITDA of EUR 21.1m (4% lower than TTM EBITDA in the same period last year). If you look at the TTM figures at sales and EBITDA level, the company's 2025 forecast (Sales EUR 470-490m; operating EBITDA EUR 19-21m; Quirin estimates: EUR 472m and EUR 19.3m, respectively) can be considered realistic, as the uncertainties surrounding the end markets are difficult to predict. The European replacement tyre market remains dramatically underestimated in terms of size and future growth potential, which positions the company to benefit from long-term tailwinds. Applying our ROE/COE valuation approach, we derive a new fair value of 4.20 (4.10), therefore we confirm our BUY rating. The outstanding dividend payment of EUR 0.12 per share, which represents an attractive dividend yield of ~4.8%, and the ongoing share buy-back currently provides downside risk protection.

Development and forecast of reported TTM EBITDA (in EURm)

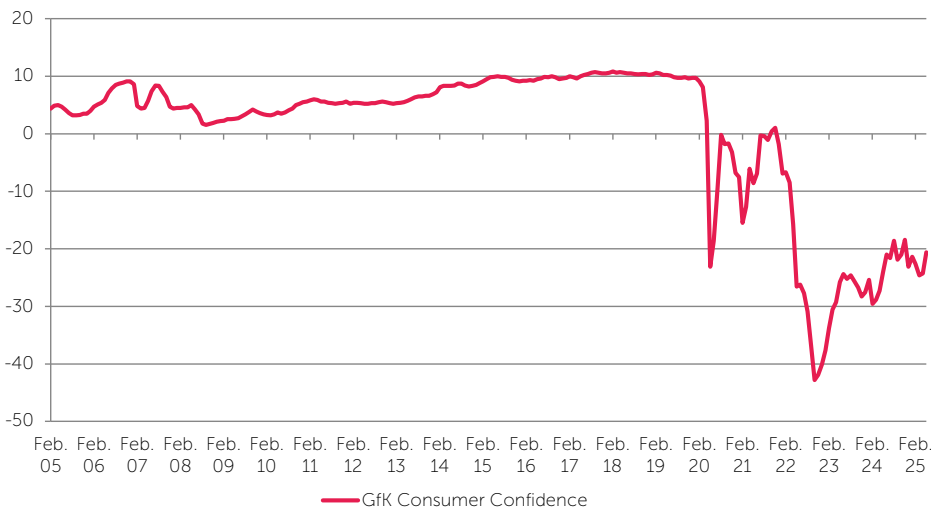


Source: Company data; Quirin Privatbank estimates

Key figures		2023	2024	2025e	2026e	2027e
Sales	EUR m	476	482	472	486	501
EBITDA	EUR m	21	20	19	22	25
EBIT	EUR m	12	10	9	12	14
EPS	EUR	0.54	0.27	0.30	0.42	0.51
Sales growth	%	-6.6	1.3	-2.0	3.0	3.0
EBIT growth	%	172.7	-11.4	-9.3	26.1	20.2
EPS growth	%	185.3	-49.7	10.9	38.3	23.2
EBITDA margin	%	4.3	4.2	4.1	4.5	4.9
EBIT margin	%	2.4	2.1	2.0	2.4	2.8
Net margin	%	1.7	0.8	0.9	1.3	1.5
EV/Sales	ratio	0.17	0.23	0.22	0.21	0.20
EV/EBITDA	ratio	3.8	5.4	5.5	4.7	4.0
EV/EBIT	ratio	6.9	10.8	11.4	8.9	7.1
P/E	ratio	3.8	9.1	7.6	5.5	4.5
P/BV	ratio	0.6	0.7	0.6	0.6	0.5
Dividend yield	%	0.0	4.8	5.3	7.3	9.0

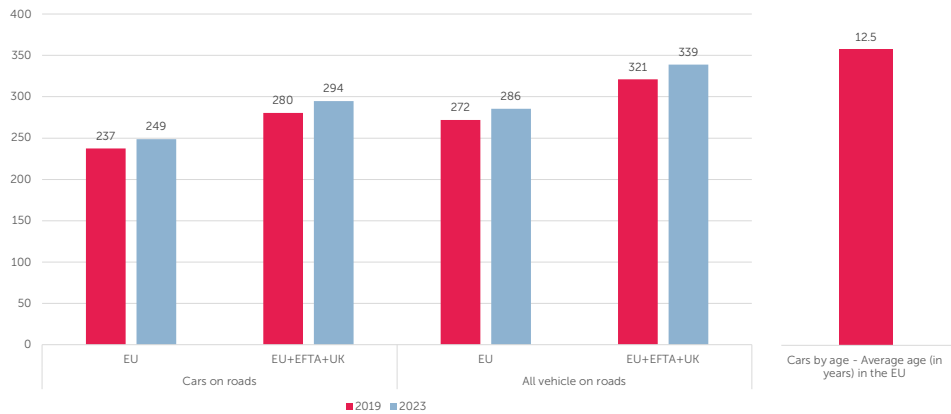
Source: Bloomberg, Company data, Quirin Privatbank estimates

Development of German consumer confidence –far away from the boom phase



Source: Bloomberg, GfK, Quirin Privatbank

249 million cars on EU roads, in Europe in total 294 million cars on the move in 2023; EU cars were on average 12.5 years old – Huge Business potential for Delticom

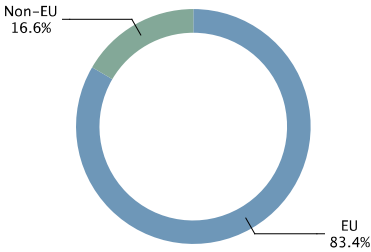


Source: ACEA, Quirin Privatbank

Company description

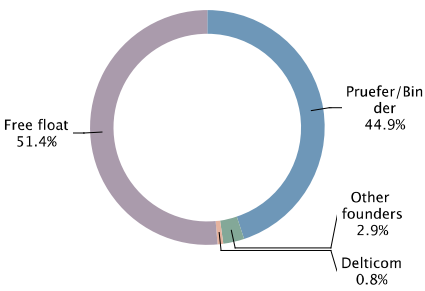
With the brand Reifendirekt, Delticom AG is the leading company in Europe for the online distribution of tyres and complete wheels. The product portfolio for private and business customers comprises an unparalleled range of around 600 brands and nearly 80,000 tyre models for cars and motorcycles. Complete wheels and rims complete the product range. The company operates 348 online shops and online distribution platforms in 70 countries, serving approximately 20 million customers.

Revenues by region 2024



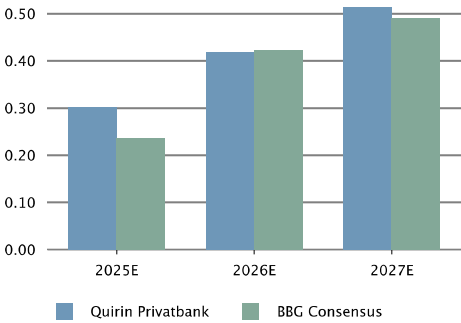
Source: Company data

Shareholder structure



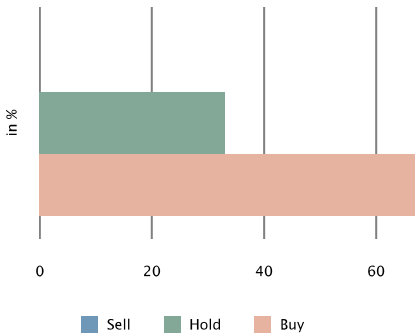
Source: Company data

EPS: Quirin Privatbank vs. consensus



Source: Quirin Privatbank Research, Bloomberg

Recommendation Overview



Source: Bloomberg

Company guidance 2025

Sales EUR 470-490m; operating EBITDA EUR 19-21m

Profit & loss statement

Profit & loss statement (EUR m)	2023	YOY	2024	YOY	2025e	YOY	2026e	YOY	2027e	YOY
Sales	475.7	-6.6 %	481.6	1.3 %	472.0	-2.0 %	486.2	3.0 %	500.8	3.0 %
Unfinished Goods	0.0		0.0		0.0		0.0		0.0	
Other own work capitalized	0.0		0.0		0.0		0.0		0.0	
Other operating earnings	27.1		25.4		23.1		23.8		24.5	
Cost of goods	-359.5		-358.7		-356.4		-365.6		-375.6	
Gross profit	116.1		122.9		115.6		120.6		125.2	
Personnel expenses	-14.0		-13.5		-14.2		-14.6		-15.0	
Depreciation	0.0		0.0		0.0		0.0		0.0	
Other operating expenses	-106.5		-111.3		-105.4		-107.9		-110.2	
EBITDA	20.6	37.6 %	20.3	-1.7 %	19.3	-5.1 %	21.9	13.6 %	24.5	12.2 %
EBITDA margin (%)	4.34		4.21		4.08		4.50		4.90	
EBIT	11.5	172.7 %	10.2	-11.4 %	9.3	-9.3 %	11.7	26.1 %	14.0	20.2 %
EBIT margin (%)	2.42		2.12		1.96		2.40		2.80	
Net interest	-1.4		-2.6		-2.4		-2.4		-2.5	
Income from Participations	0.0		0.0		1.0		2.0		3.0	
Net financial result	-1.4		-2.6		-2.4		-2.4		-2.5	
Exceptional items	-2.2		-3.3		0.0		0.0		0.0	
Pretax profit	10.1	218.7 %	7.6	-24.8 %	6.9	-9.6 %	9.2	34.0 %	11.5	24.7 %
Pretax margin (%)	2.13		1.58		1.46		1.90		2.30	
Taxes	-2.1		-3.6		-2.4		-3.0		-3.9	
Tax rate (%)	20.87		47.10		35.05		32.99		33.79	
Earnings after taxes	8.0		4.0		4.5		6.2		7.6	
Minorities	0.0		0.0		0.0		0.0		0.0	
Group attributable income	8.0	185.3 %	4.0	-49.7 %	4.5	10.9 %	6.2	38.3 %	7.6	23.2 %
No. of shares (m)	14.8		14.8		14.8		14.8		14.8	
Earnings per share (EUR)	0.54	185.3 %	0.27	-49.7 %	0.30	10.9 %	0.42	38.3 %	0.51	23.2 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2023	YOY	2024	YOY	2025e	YOY	2026e	YOY	2027e	YOY
Assets										
Cash and cash equivalents	7.3		5.4		3.7		1.9		2.6	
Accounts receivables	17.2		19.5		19.8		20.0		20.2	
Inventories	41.2		66.1		64.1		65.4		66.7	
Other current assets	16.9		21.3		21.3		21.3		21.3	
Tax claims	0.1		0.3		0.3		0.3		0.3	
Total current assets	82.6	9.4 %	112.5	36.1 %	109.1	-3.0 %	108.8	-0.3 %	111.1	2.1 %
Fixed assets	10.8		15.1		14.6		14.9		15.1	
Goodwill	0.0		0.0		0.0		0.0		0.0	
Other intangible assets	37.3		36.9		31.1		25.6		19.8	
Financial assets	4.1		4.1		4.1		4.1		4.1	
Deferred taxes	10.7		7.4		7.4		7.4		7.4	
Other fixed assets	46.1		60.7		60.7		60.7		60.7	
Total fixed assets	108.9	-9.0 %	124.2	14.0 %	118.0	-5.0 %	112.6	-4.5 %	107.1	-4.9 %
Total assets	191.6	-1.9 %	236.7	23.6 %	227.1	-4.1 %	221.4	-2.5 %	218.2	-1.5 %
Equity & Liabilities										
Subscribed capital	14.8		14.7		14.7		14.7		14.7	
Reserves & other	18.9		19.3		19.3		19.3		19.3	
Revenue reserves	13.9		17.9		20.6		25.0		30.2	
Accumulated other comprehensive	0.0		0.0		0.0		0.0		0.0	
Shareholder's equity	47.6	20.1 %	52.0	9.2 %	54.7	5.2 %	59.1	8.0 %	64.3	8.7 %
Minorities	0.0		0.0		0.0		0.0		0.0	
Shareholder's equity incl. minorities	47.6	20.1 %	52.0	9.2 %	54.7	5.2 %	59.1	8.0 %	64.3	8.7 %
Long-term liabilities										
Pension provisions	0.0		0.0		0.0		0.0		0.0	
Financial liabilities	46.1		59.1		56.1		53.3		50.6	
Tax liabilities	0.0		0.0		0.0		0.0		0.0	
Other liabilities	0.0		0.0		0.0		0.0		0.0	
Total long-term debt	46.1	-19.2 %	59.1	28.1 %	56.1	-5.0 %	53.3	-5.0 %	50.7	-5.0 %
Short-term debt										
Other provisions	4.9		3.3		3.3		3.3		3.3	
Trade payables	61.5		76.2		74.6		73.1		71.7	
Financial debt	9.4		20.1		19.1		18.1		17.2	
Other liabilities	22.0		26.0		19.2		14.4		11.0	
Total short-term debt	97.8	-0.7 %	125.6	28.5 %	116.2	-7.5 %	109.0	-6.2 %	103.3	-5.3 %
Total equity & liabilities	191.6	-1.9 %	236.7	23.6 %	227.1	-4.1 %	221.4	-2.5 %	218.2	-1.5 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2023	2024	2025e	2026e	2027e
Per share data (EUR)					
EPS	0.54	0.27	0.30	0.42	0.51
Book value per share	3.2	3.5	3.7	4.0	4.3
Free cash flow per share	1.9	-0.1	0.3	0.3	0.5
Dividend per share	0.00	0.12	0.12	0.17	0.21
Valuation ratios					
EV/Sales	0.17	0.23	0.22	0.21	0.20
EV/EBITDA	3.8	5.4	5.5	4.7	4.0
EV/EBIT	6.9	10.8	11.4	8.9	7.1
P/E	3.8	9.1	7.6	5.5	4.5
P/B	0.6	0.7	0.6	0.6	0.5
Dividend yield (%)	0.0	4.8	5.3	7.3	9.0
Growth					
Sales growth (%)	-6.6	1.3	-2.0	3.0	3.0
EBITDA growth (%)	37.6	-1.7	-5.1	13.6	12.2
EBIT growth (%)	172.7	-11.4	-9.3	26.1	20.2
EPS growth (%)	185.3	-49.7	10.9	38.3	23.2
Profitability ratios					
EBITDA margin (%)	4.3	4.2	4.1	4.5	4.9
EBIT margin (%)	2.4	2.1	2.0	2.4	2.8
Net margin (%)	1.7	0.8	0.9	1.3	1.5
ROCE (%)	12.0	8.1	7.3	9.1	10.8
Financial ratios					
Total equity (EUR m)	47.6	52.0	54.7	59.1	64.3
Equity ratio (%)	24.9	22.0	24.1	26.7	29.5
Net financial debt (EUR m)	48.3	73.8	71.5	69.6	65.3
Net debt/Equity	0.2	0.2	0.2	0.3	0.3
Interest cover	8.4	4.0	3.9	4.8	5.6
Net debt/EBITDA	2.3	3.6	3.7	3.2	2.7
Payout ratio (%)	0.0	44.0	40.0	40.0	40.0
Working Capital (EUR m)	-3.0	9.4	9.2	12.2	15.2
Working capital/Sales	-0.01	0.02	0.02	0.03	0.03

Source: Company data, Quirin Privatbank estimates

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The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

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Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
19.05.2025	4.20	Buy	
01.04.2025	4.10	Buy	
18.11.2024	4.70	Buy	
29.08.2024	4.40	Buy	
24.05.2024	4.80	Buy	24.11.2020

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Competent supervisory authority

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