



Investor & Analyst Presentation

Capital Markets Day
London, March 23rd, 2017

Dr. Cornelius Patt, CEO
Andrea Skersies, CMO
Andreas Grandinger, CFO



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, www.zooplus.de. 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.

Your presenters today – zooplus management board



**Dr. Cornelius
Patt**
CEO

- » Corporate Management
- » Business Development & System Development
- » IT
- » HR
- » Logistics and Supply Chain Management

Previously with Roland Berger Strategy Consultants



**Andrea
Skersies**
CMO

- » Sales and Marketing
- » Category Management
- » Private Label

Previously with Roland Berger Strategy Consultants



**Andreas
Grandinger**
CFO

- » Finance
- » Controlling
- » Legal
- » Internal Audit
- » Investor Relations
- » Sourcing

Previously with Parfümerie Douglas

Management owns around 5% of the shares of the company



Annual results 2016

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2016 has been another successful year for zooplus



- » **Sales increased by 28% to € 909 m**
 - Absolute growth of € 198 m compared to 2015:
market leader position in online pet supplies retailing further strengthened
- » **Customer loyalty with 94% sales retention (local currencies)**
 - High loyalty of existing customers as major sales driver
- » **Further significant efficiency and scaling gains in cost structure**
 - Total cost ratio reduced to 27.8% of sales
- » **Positive earnings before taxes (EBT) of € 17.9 m**
 - Improved by EUR 5.2 m compared to prior year; EBT on sales of 2.0%
- » **EBITDA improved to € 19.7 m**
 - EBITDA on sales increased to 2.2%
- » **Positive free-cash-flow of € 8.9 m**
 - Strong absolute growth financed again internally

2016 also proved the resilience of our business model:

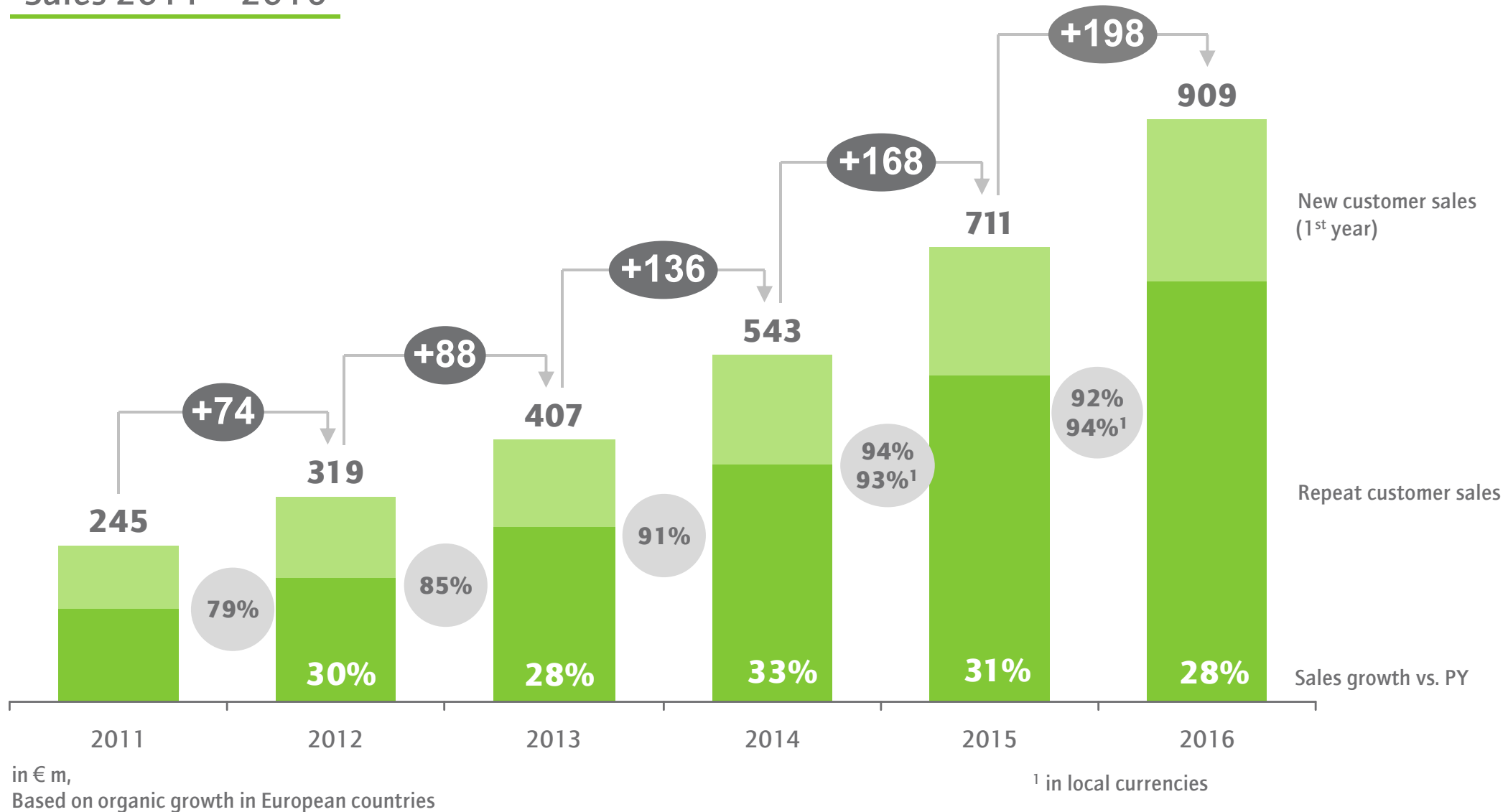
- 
- A large, thick green curved arrow pointing from the top left towards the list items.
- » Retention - in local currency - at 94%
 - » New customer acquisition - in number of accounts and sales value
 - » Sales and profit - including FOREX impact - above initial guidance or on the upper end

Fierce levels of competition and the BREXIT related negative currency alignment have been fully absorbed.

No signs of saturation – zooplus continues to put sales growth and customer retention first



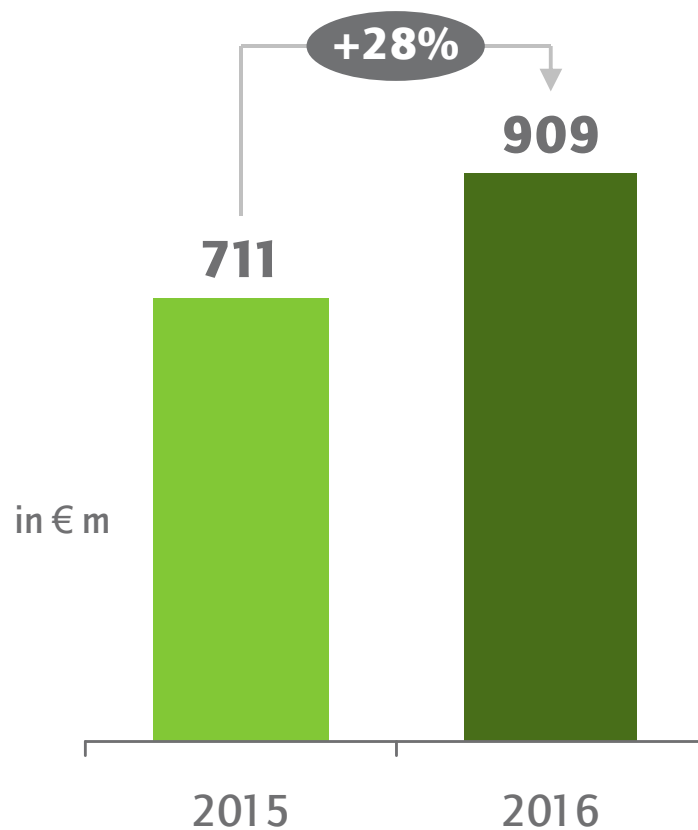
Sales 2011 – 2016



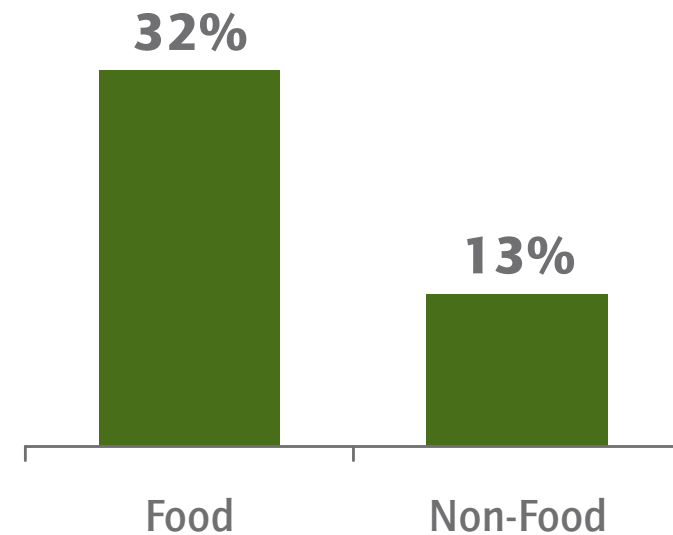
Sales have seen another strong increase in 2016



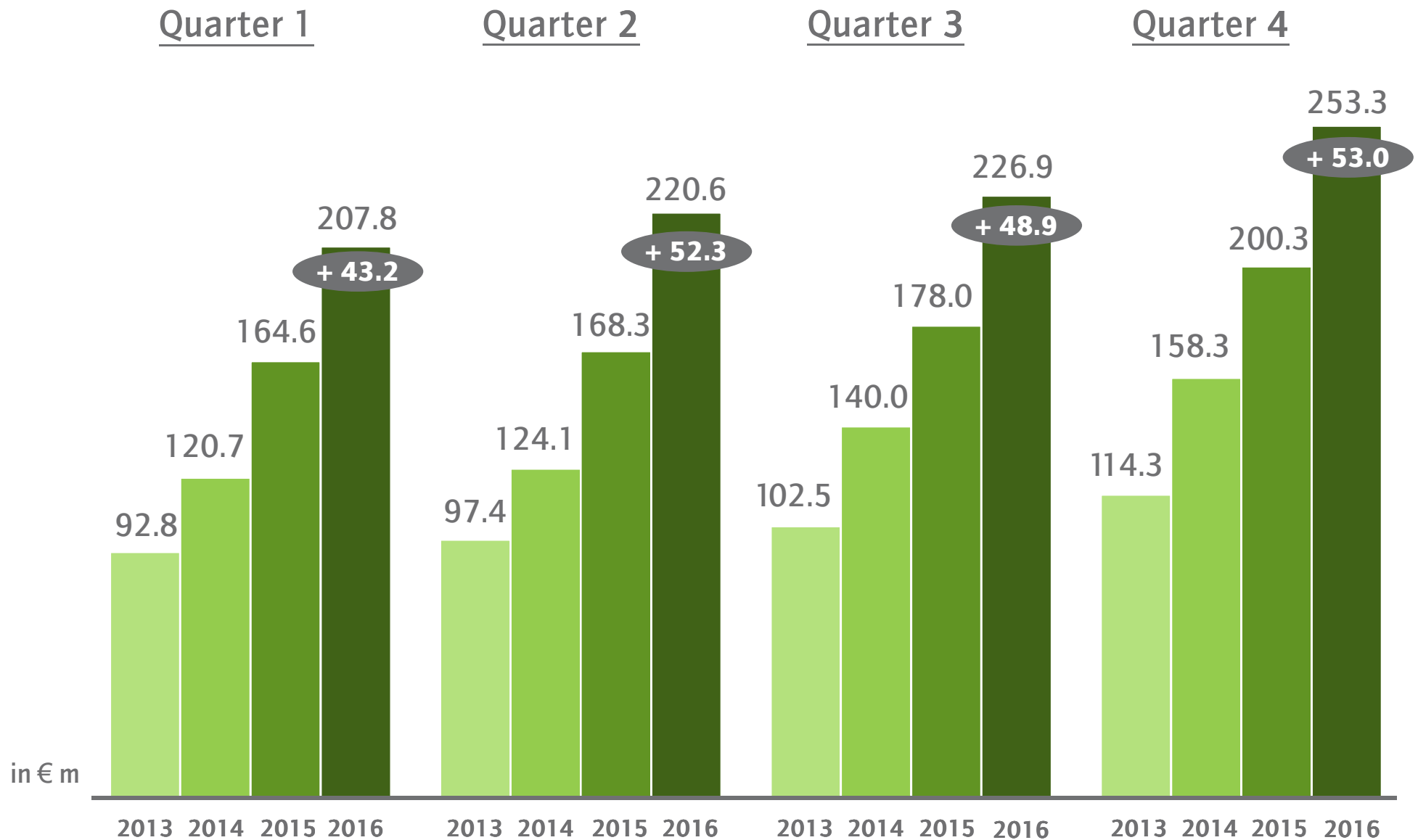
Sales (€ m)



Sales growth by category (in % vs. PY)



Strong quarter on quarter sales development

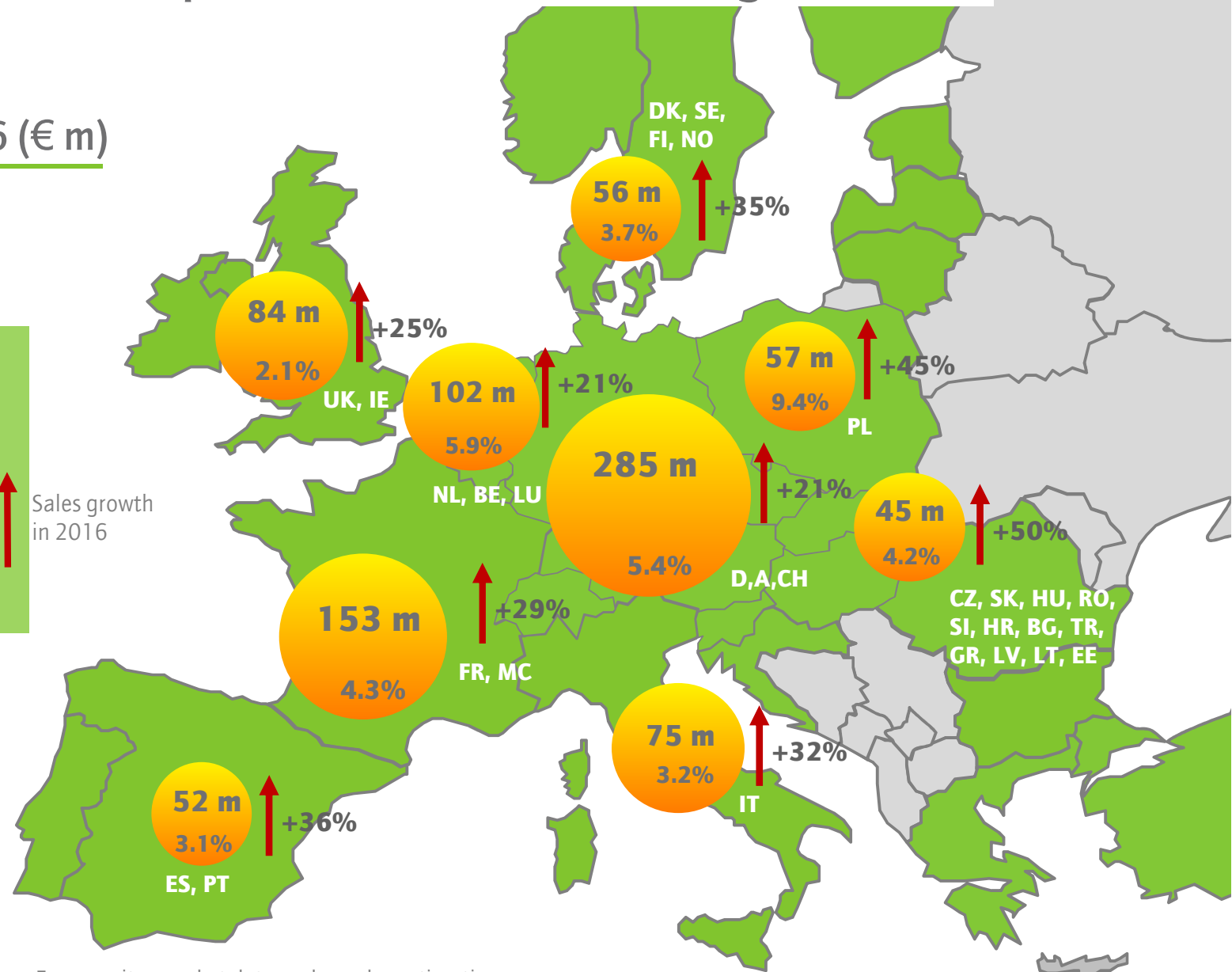
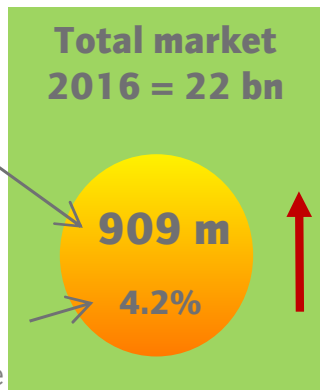


zooplus is the online market leader in all geographies of Europe – with the widest possible base for further growth



Country sales FY 2016 (€ m)

zooplus sales 2016
909 m
4.2%

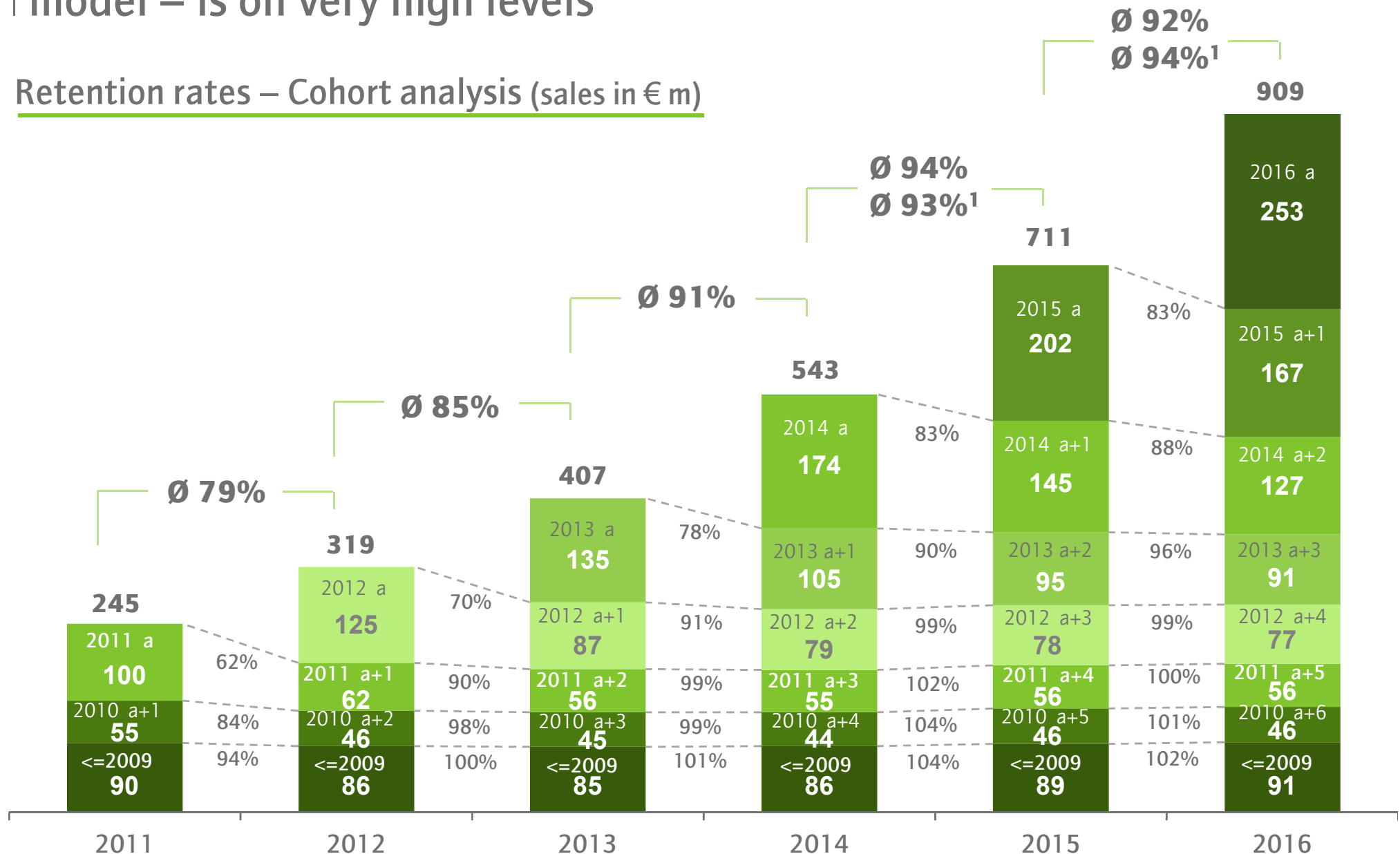


Source: zooplus sales; market shares based on Euromonitor market data and zooplus estimation

Customer loyalty – the winning factor of the business model – is on very high levels



Retention rates – Cohort analysis (sales in € m)

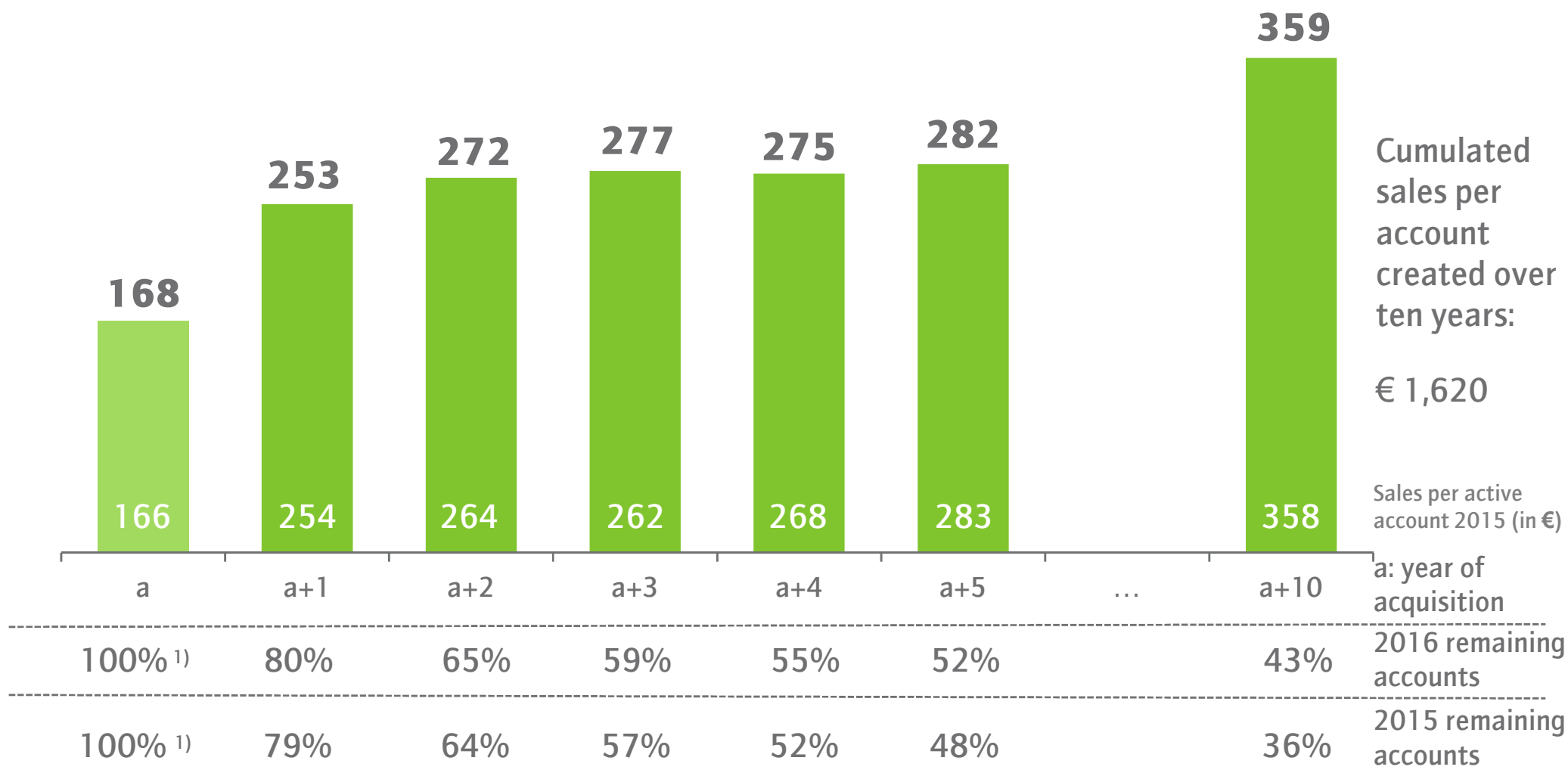


¹ in local currencies

Account value and customer account retention increase with length of customer life



Sales per active account 2015 and 2016 (in €)

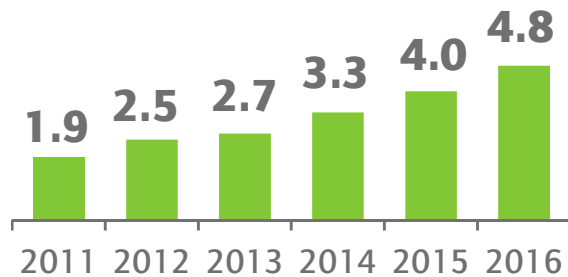


1) customers with at least one consecutive purchase after first transaction.

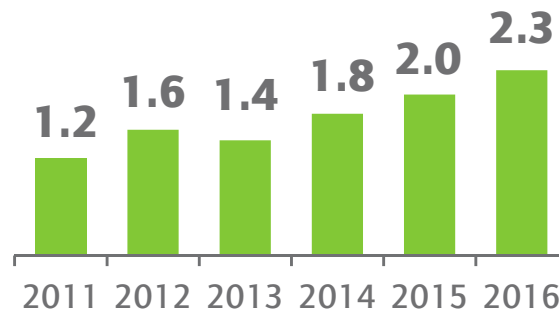
Development of further business KPIs



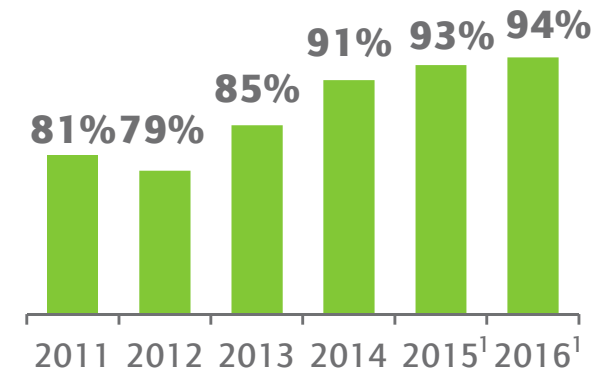
Active customers (m)



New customers (m)

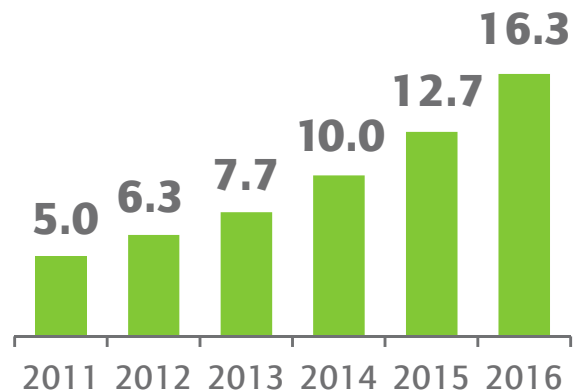


Sales Retention

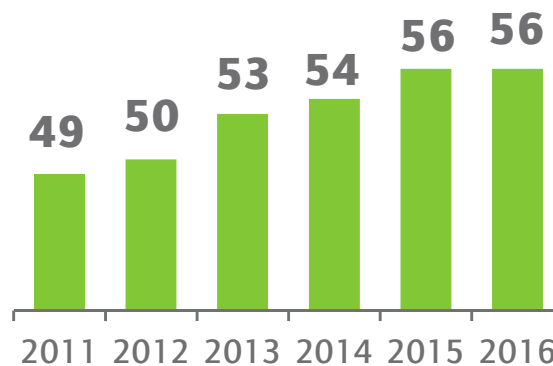


¹ in local currencies

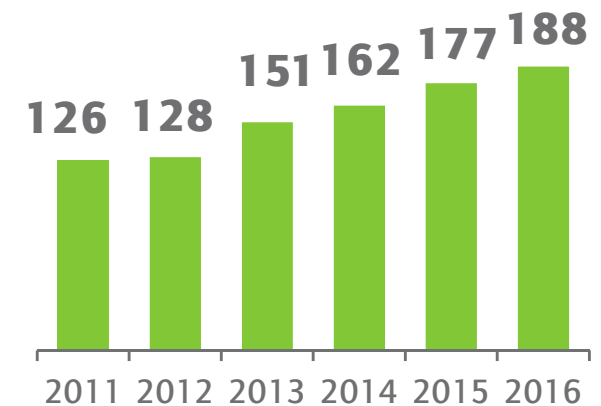
Orders (m)



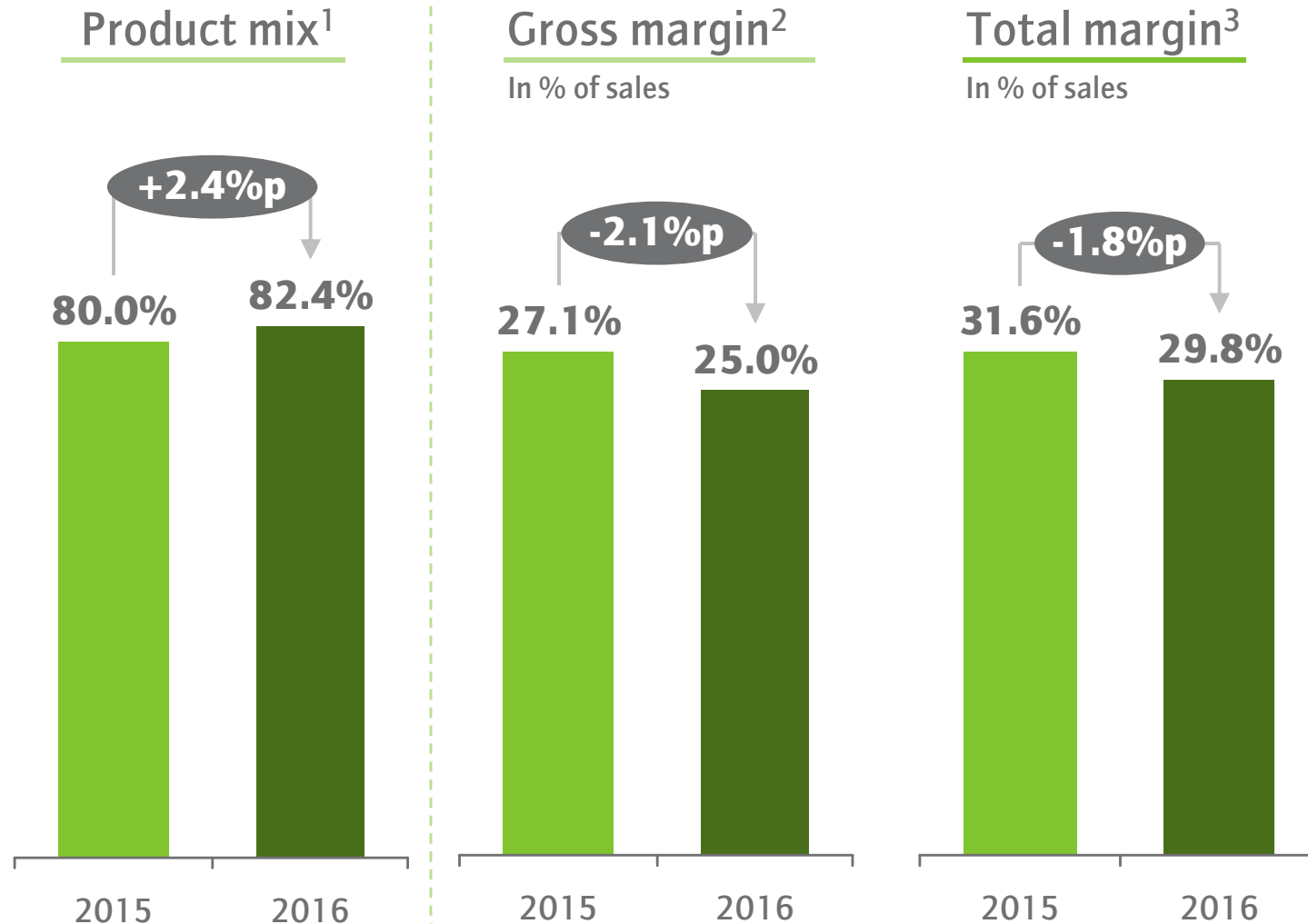
Basket size (€)



Sales per account (€)



Markets continue to be price competitive – zooplus well prepared to defend its strategic position



¹ Share of food on sales

² Sales - CoGS

³ Gross margin + other income on sales

2016

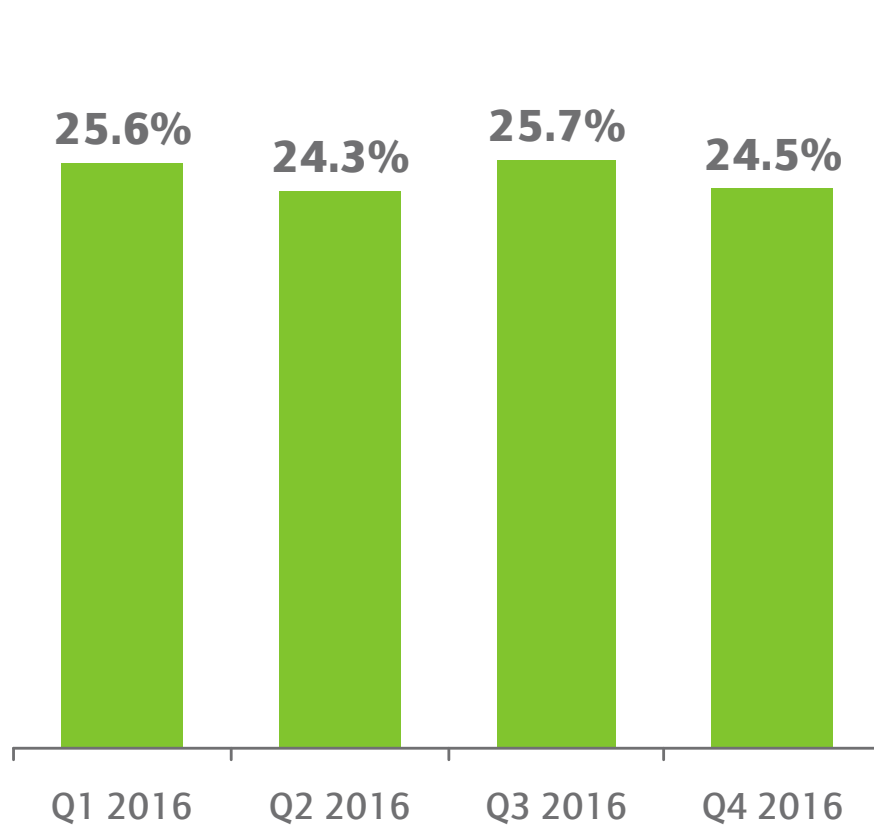
- » Continued focus on sustainable dog / cat food customers for higher life-time-value
- » Ongoing strong competition in the markets
- » zooplus will defend its high customer retention

Gross margin and total margin by quarter in 2016



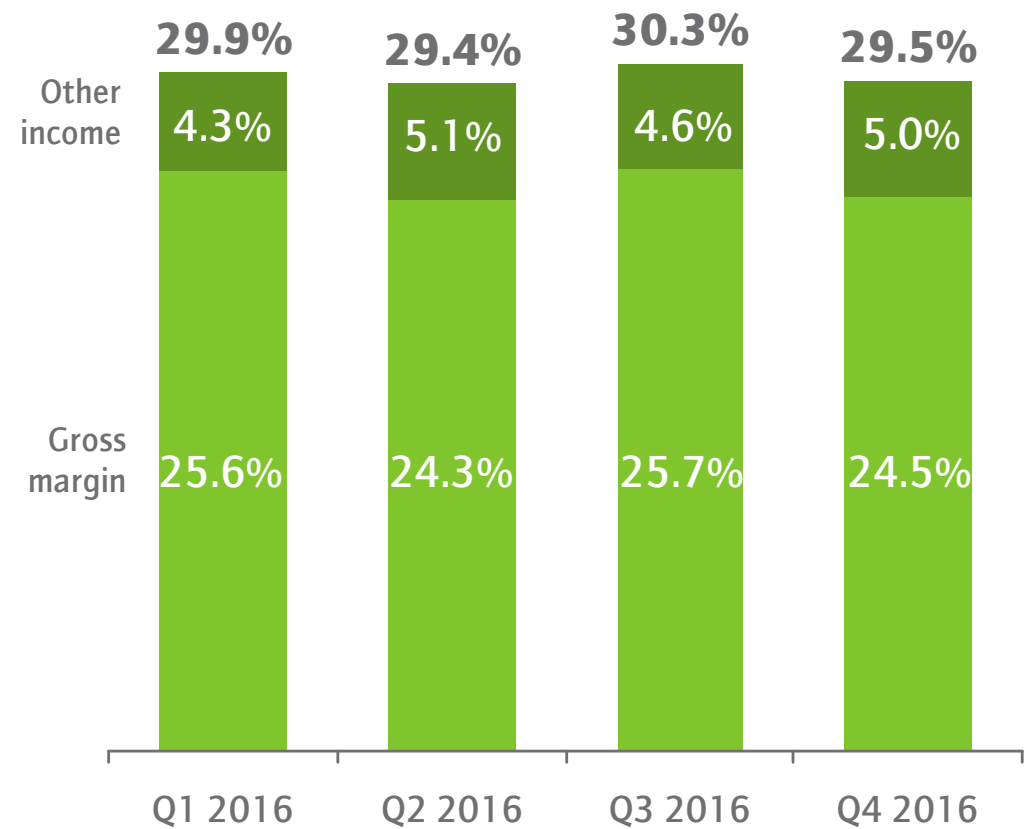
Gross margin¹

In % of sales



Total margin²

In % of sales



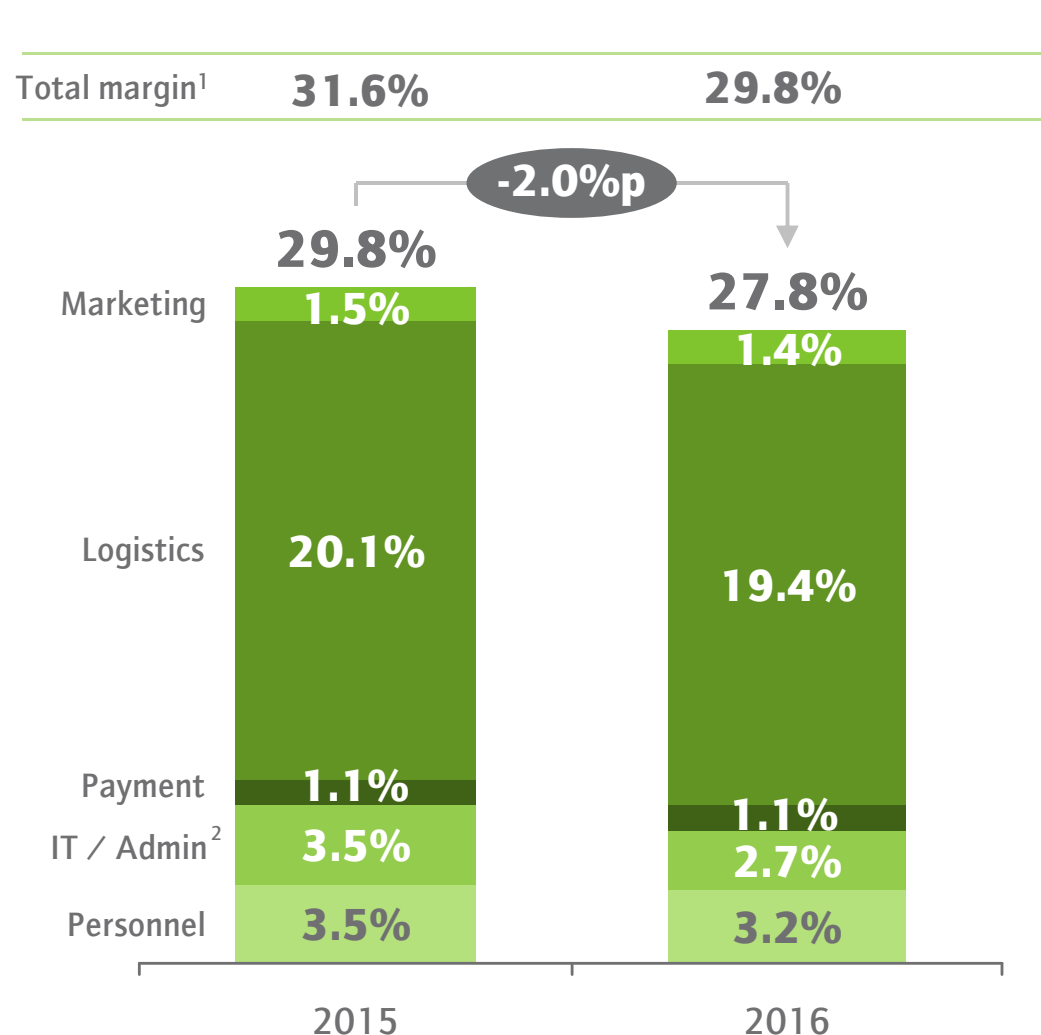
¹ Sales - CoGS

² Gross margin + other income on sales

zooplus continues to drive down costs by efficiency gains and scaling effects



Total margin & Cost structure (in % of sales)



- » Extremely efficient marketing and new customer acquisition
- » Further cost reduction in logistics
- » Scaling effects in personnel & IT / Admin

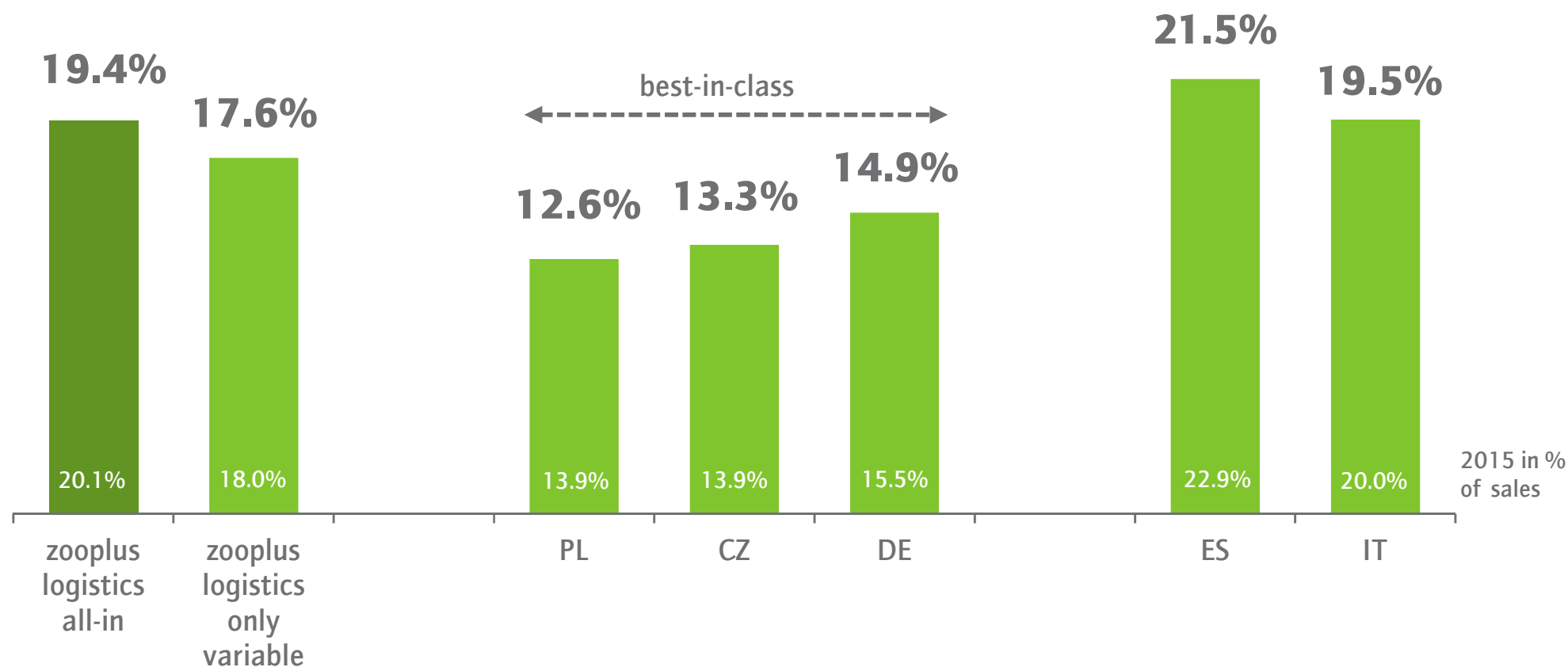
¹ Gross margin + other income on sales

² incl. depreciation and interest

Logistics costs differ by countries – overall unit economics further improved in 2016



Logistics costs¹ 2016

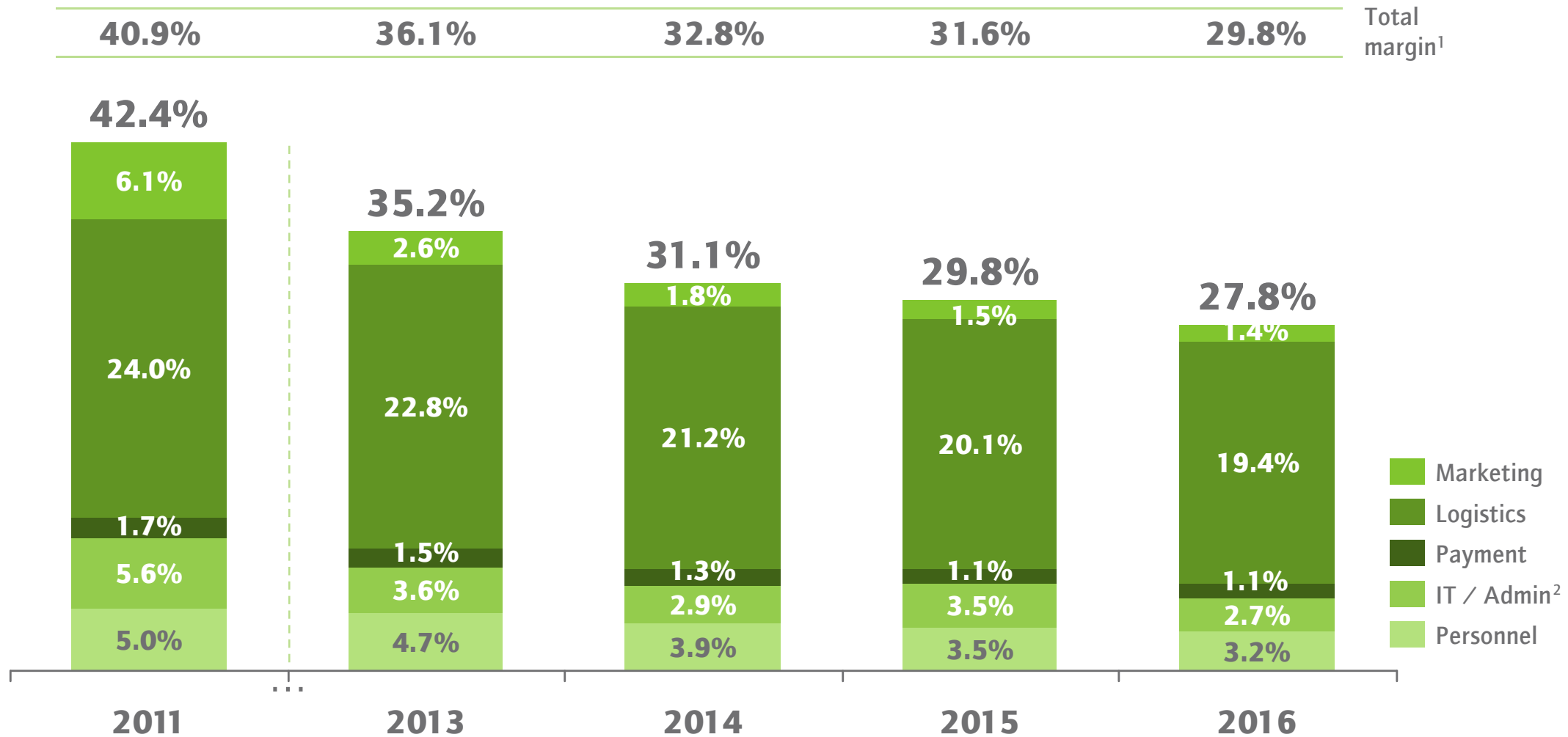


¹ Inbound & outbound logistics, line haul, distribution, packaging as a percentage of sales

zooplus has a strong and improving cost leadership position in the category



Total margin & Cost structure (in % of sales)



¹ gross margin + other income on sales
2011 adjusted for one-off cost position

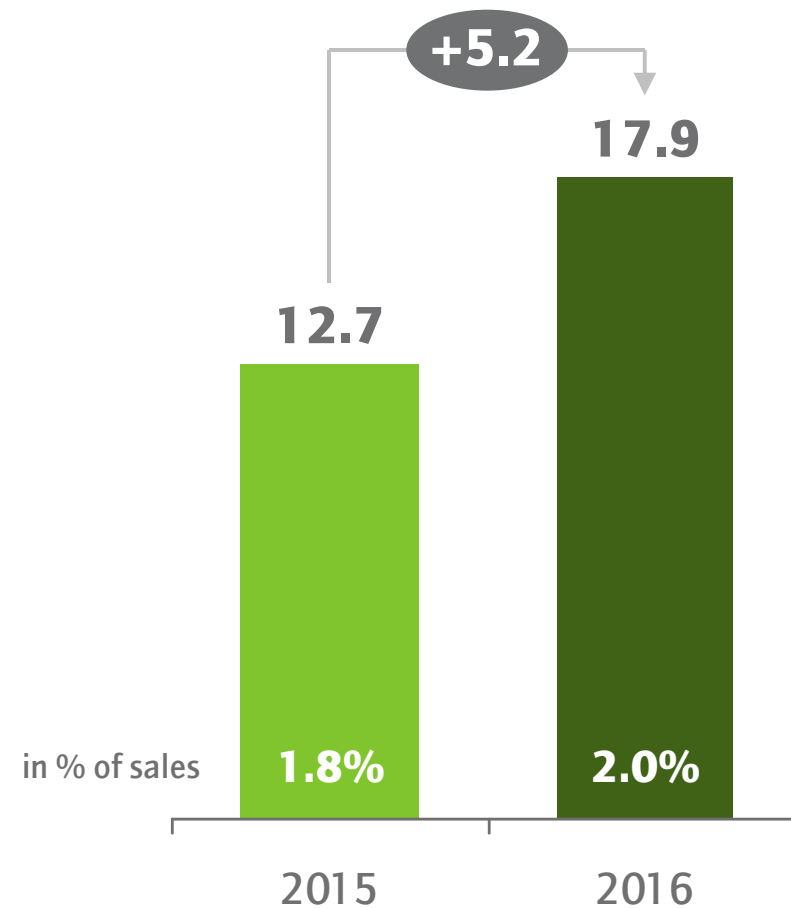
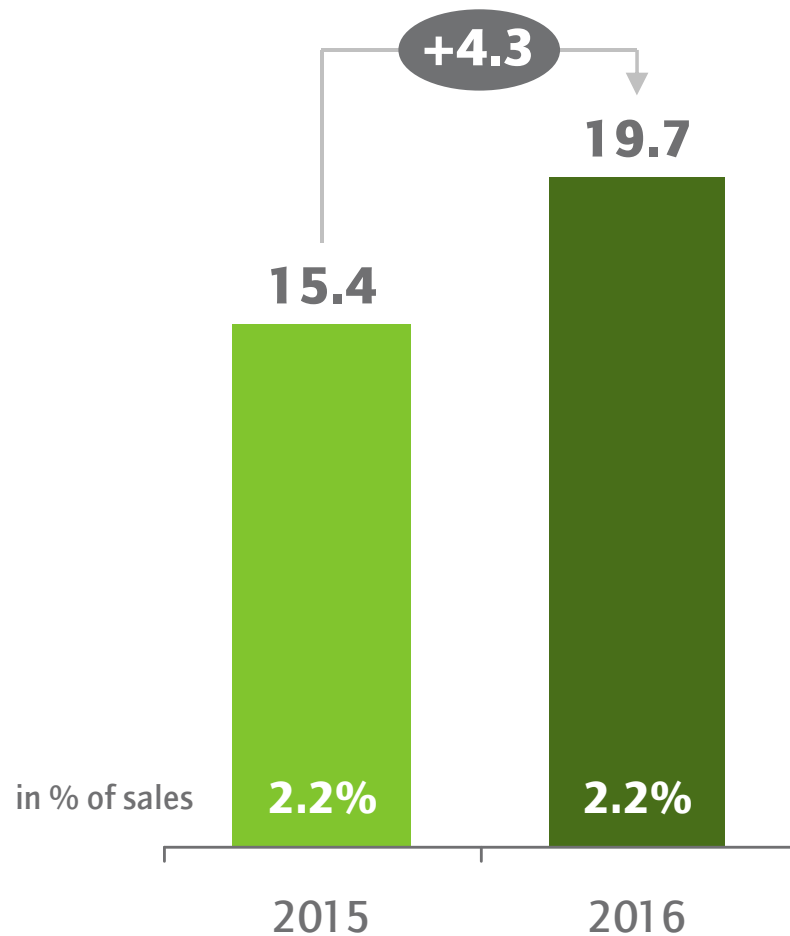
² incl. depreciation and interest

zooplus EBITDA and EBT above prior year



EBITDA (€ m)

EBT (€ m)



EBT margin of repeat customer business of around 4%
higher than overall EBT-margin



Net sales & EBT distribution 2016 (€ m) - unaudited

Repeat customers
(consecutive year's sales)

| | Net sales | % of total z+ | EbT | EbT margin |
|-------|-----------|---------------|-----|------------|
| Total | 656 | 72% | 23 | + 4% |

New customers
(sales in the year of acquisition)

| | Net sales | % of total z+ | EbT | EbT margin |
|--|-----------|---------------|-----|------------|
| | 253 | 28% | -5 | - 2% |

EBT zooplus 2016: € 17.9 m
2.0% on sales

Countries with optimized supply chains show EBT margins for repeat customers higher than average zooplus margin



Net sales & EBT distribution 2016 (€ m) - unaudited

| Repeat customers (consecutive year's sales) | | | | | New customers (sales in the year of acquisition) | | | | |
|---|-----------|---------------|-----|------------|---|-----------|---------------|-----|------------|
| | Net sales | % of total z+ | EbT | EbT margin | | Net sales | % of total z+ | EbT | EbT margin |
| Direct / optimized supply chain ¹ | 463 | 51% | 21 | + 5% | | 155 | 17% | -2 | - 1% |
| Indirect / intermediate stage supply chain ² | 193 | 21% | 2 | + 1% | | 98 | 11% | -4 | - 4% |
| Total | 656 | 72% | 23 | + 4% | | 253 | 28% | -5 | - 2% |

EBT zooplus 2016: **€ 17.9 m**
2.0% on sales

¹ DE, AT, CH, NL, BE, PL, CZ, FR

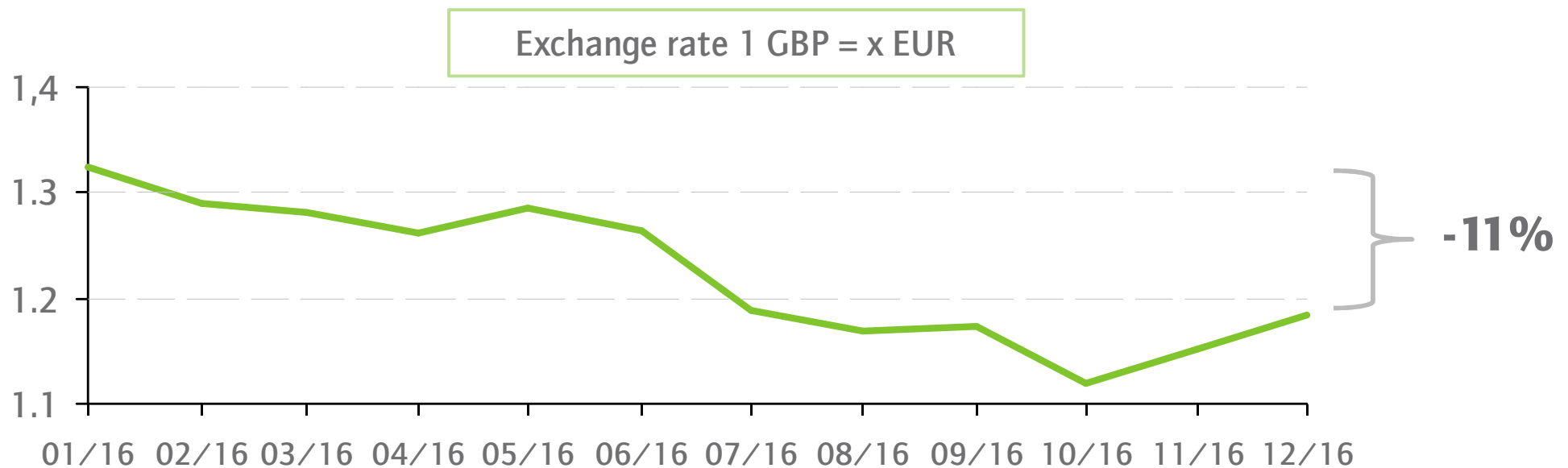
² Other countries

Source: zooplus data (unaudited)

UK Brexit decision and GBP exchange rate development not favorable to zooplus



- » Average 2016 GBP rate to EUR has dropped by 11% compared to 2015
- » Around 10% of zooplus's sales are generated in the UK
- » Sourcing advantages from GBP devaluation are limited
- » Negative impact partially offset by positive GBP hedge until end of 2016
- » Full impact of the GBP devaluation only to be seen in 2017
- » zooplus will continue to strongly develop its business in the UK



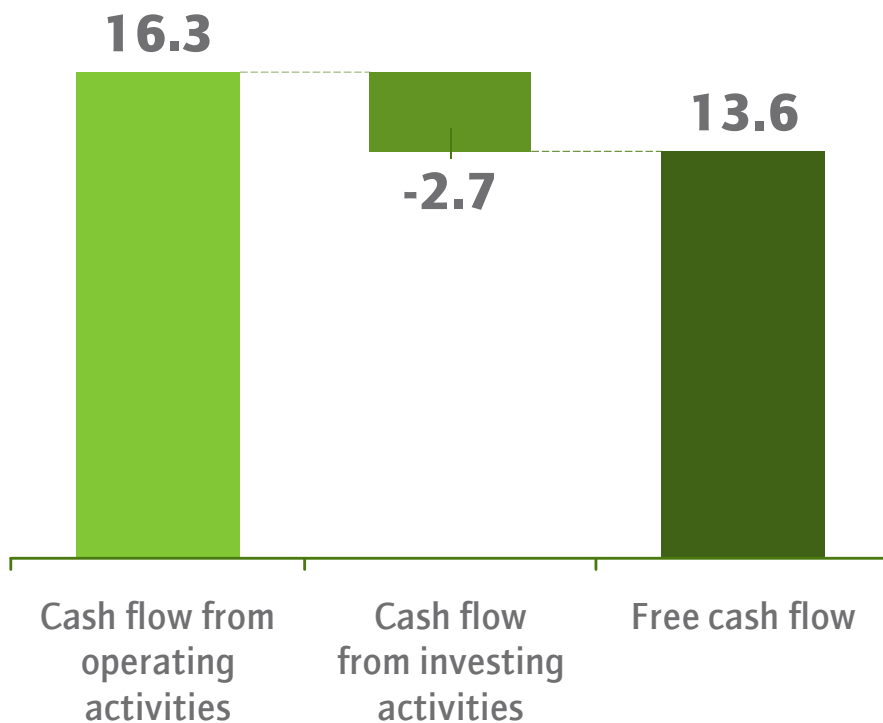
Free cash flow continues to be positive in 2016



Free Cash Flow (€ m)

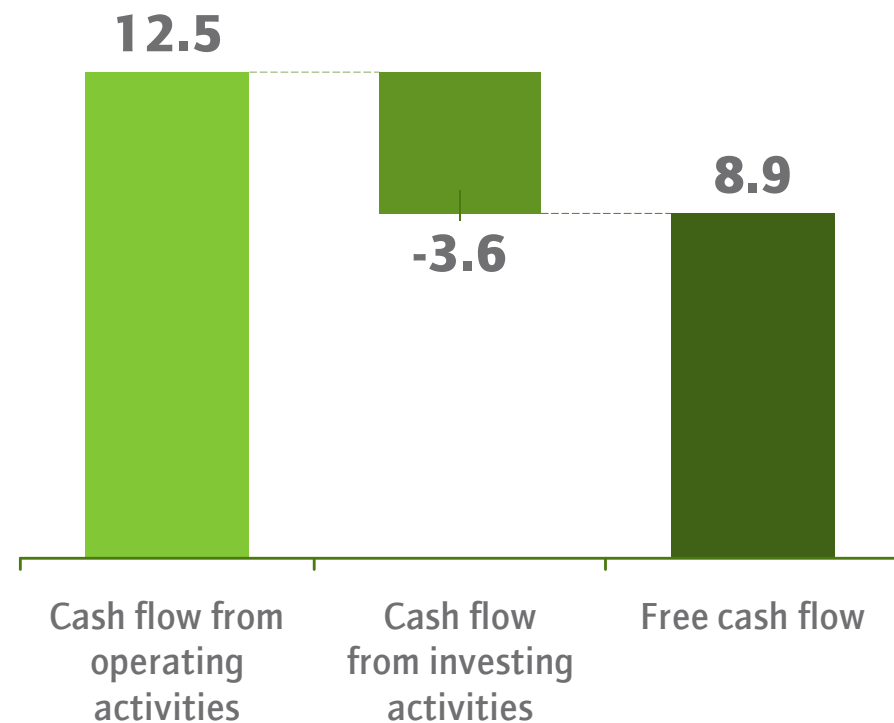
2015

Sales growth: € 168 m

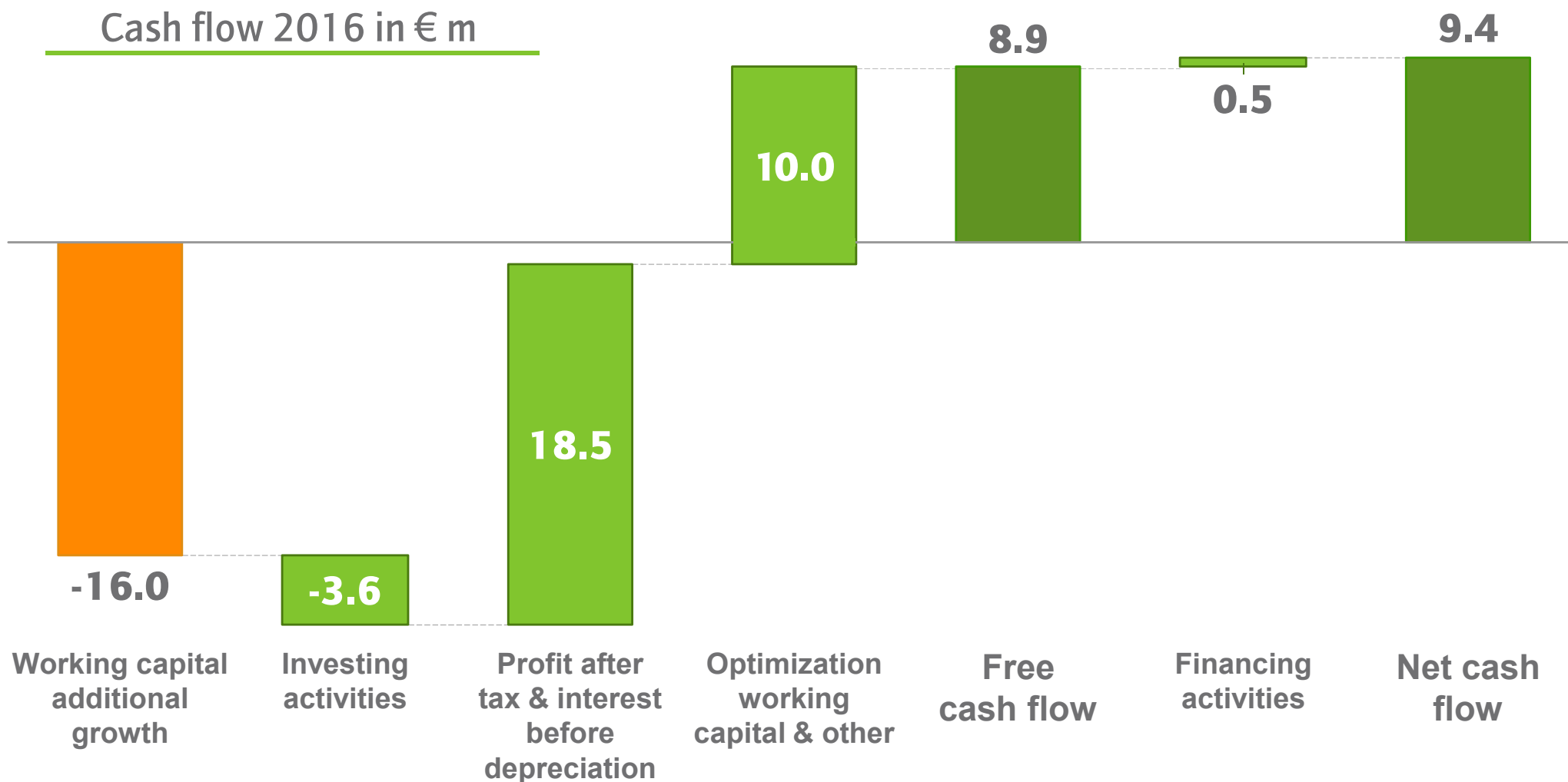


2016

Sales growth: € 198 m



Cash flow development – financing growth internally

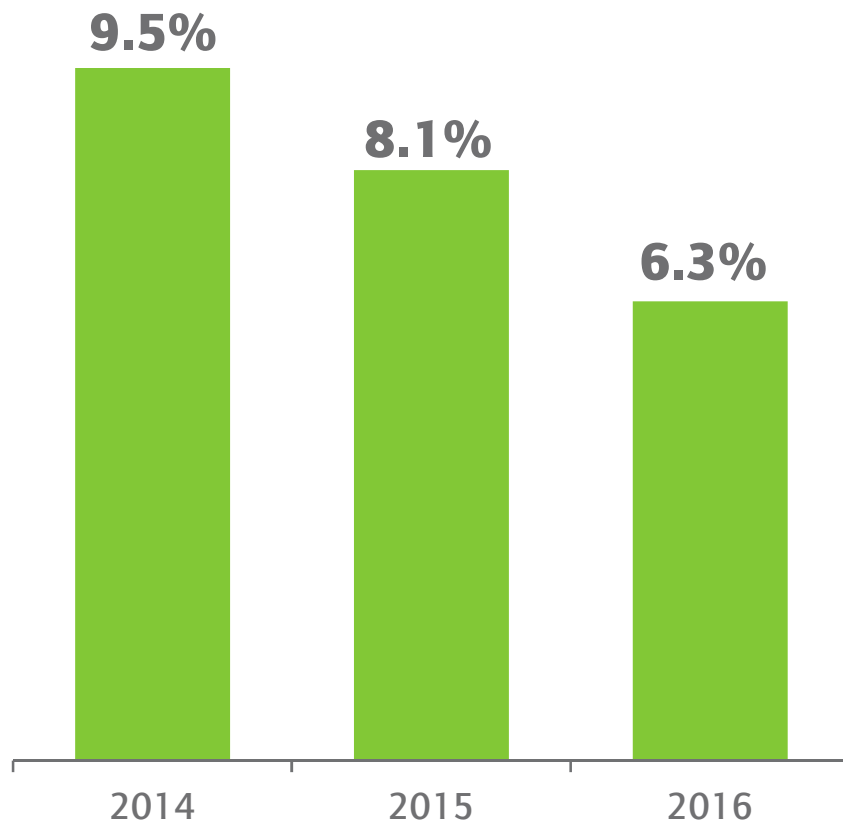


Additional net sales of 198m EUR in 2016 at an average quarterly working capital rate on net sales of 8.1% in 2015.

Working Capital has been further improved in 2016



Working Capital in % sales



- » Increase in inventory turnover
- » More efficient replenishment process
- » Improvement in payment days

Working Capital = inventory + prepayments + receivables - liabilities
Average of quarters Q1 – Q4 / 2016

Q & A



Strategy & Outlook

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Andrea Skersies, CMO
Andreas Grandinger, CFO



1 Strong historic development to No. 1 specialist online pet retailer and No. 3 in total market online and offline

2 Large, non-cyclical and growing market with ample room for further growth

3 Fast growing business with recurring revenues model through kind of subscription

4 High moat through loyal customer base, cost leadership position and dedicated logistics operations and IT infrastructure

5 Solid financial base with room for further scale and cash flow optimization

6 Founder driven business with long-term perspective and focus on shareholder value

Main takeaways from today's presentation about zooplus strategic perspective



Sales target of minimum € **2 billion** in 2020

Working towards **market leadership** online and offline

Sales growth stays top priority

Sales growth as key driver for increasing future profitability

Repeat customer EBT 2020 of more than € 60 m

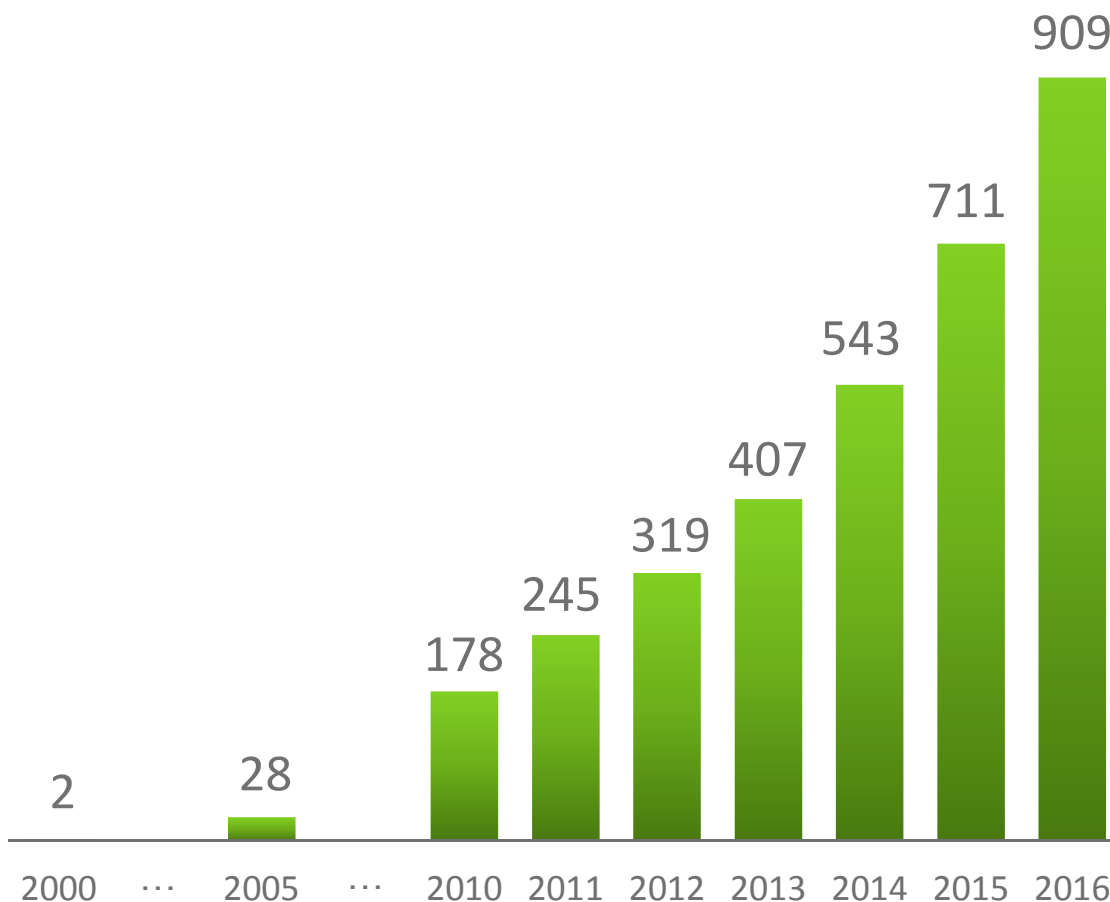
Laying the foundation for further growth after 2020

Long-term profitability target of around 5% EBT on sales

zooplus growth path since launch of the business in 1999 **zooplus**

Sales (€ m)

Average sales growth 2010-2016
+ 31 % p.a.



Key figures 2016

Europe's leading online specialist
retailer in pet supplies

17 Years of online experience

8,000 SKUs

30 Active countries

4.8 m Active customers

1.2 bn Website impressions

50 m Unique visitors

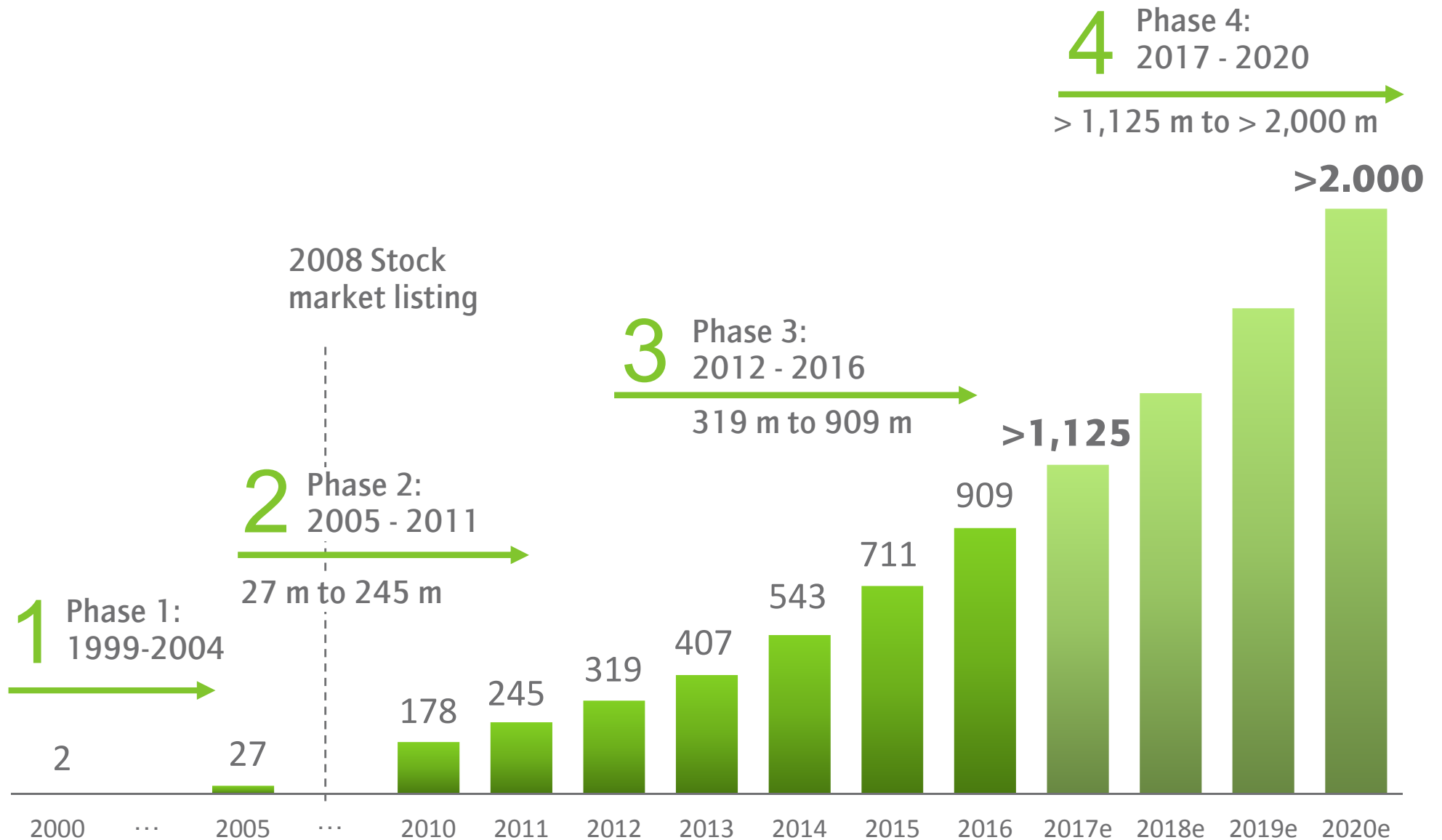
16 m Orders

20 m Parcels shipped

7 European warehouses

400 Employees in 7 offices

Development phases of zooplus



Phase 1: 1999 to 2004

- » Business Model established as value creating - preferred choice of shopping in our category, among the still small group of early adopters of eCommerce - and economically viable
- » Initially just for Germany
- » Basic setup of team and investors, durable to withstand the dotcom bust
- » Outsourced logistics established early on, helped in scaling and geographically expanding the business - in later stages - allowed to focus on Sales & Marketing and IT

Sales: EUR 0.15 m to EUR **19 m**

Cumulated losses (EBT): EUR -**19 m**

Cumulated free cash flow: EUR -**20 m**

Total funding: EUR **20 m**

Phase 2: 2005 to 2011

- » European rollout
- » Layout for specialised, networked and load balanced logistics developed
- » 2nd line of business bitiba launched
- » Stock market listing (2008), FSE (prime standard), no issuance of new shares



Sales: EUR 27 m to EUR **245 m**

Cumulated loss (EBT): EUR **-6 m**

Cumulated free cash flow: EUR **-24 m**

Total funding: EUR **30 m**

Phase 3: 2012 to 2016

- » Established pan-European market leadership as early mover that outperforms followers
- » Resolved any remaining doubts over the attractiveness of the business model
- » Optimized financial performance, asset and working capital light
- » Massive improvements in cost efficiency (traffic acquisition, logistics and scaling)
- » Revenue retention at 94% at local currencies (up from 79%)
- » Growing acceptance of our range of private label offerings which have a complementary function in our lineup



Sales: EUR 319 m to EUR **909 m**

Cumulated profit (EBT): EUR **41 m**

Cumulated free cash flow: EUR **6 m**

Total funding: EUR **40 m**

Phase 4: 2017 to 2020

- » Increase leverage by setting course to being biggest player in our category
- » Expand the lead of online over offline, offering a superior value proposition and customer experience (that includes the grocery channel)
- » Extend the vertical for which our category is so suited for
- » Accelerate new customer acquisition, the active customer base being the key intangible asset of highest strategic value
- » Maintain an asset light strategy while leveraging our key resources (purchasing and category competence, specialised logistics, inhouse IT, loyal and premium focused customer base, European sales coverage)

Sales: EUR >1,125 m to EUR > **2,000 m**

Repeat customer EBT in 2020 EUR > **60 m**

Cumulated free cash flow: **Positive**

Total funding: EUR **0 m**
Organic growth



Overall around € 90 m has been invested into zooplus for a market capitalization of around € 900 m



€ ~90 m

Capital injection from shareholders since inception of the company in 1999

€ 909 m

Net sales in 2016 –
cumulated > € 3.6 bn since 1999

€ ~900 m

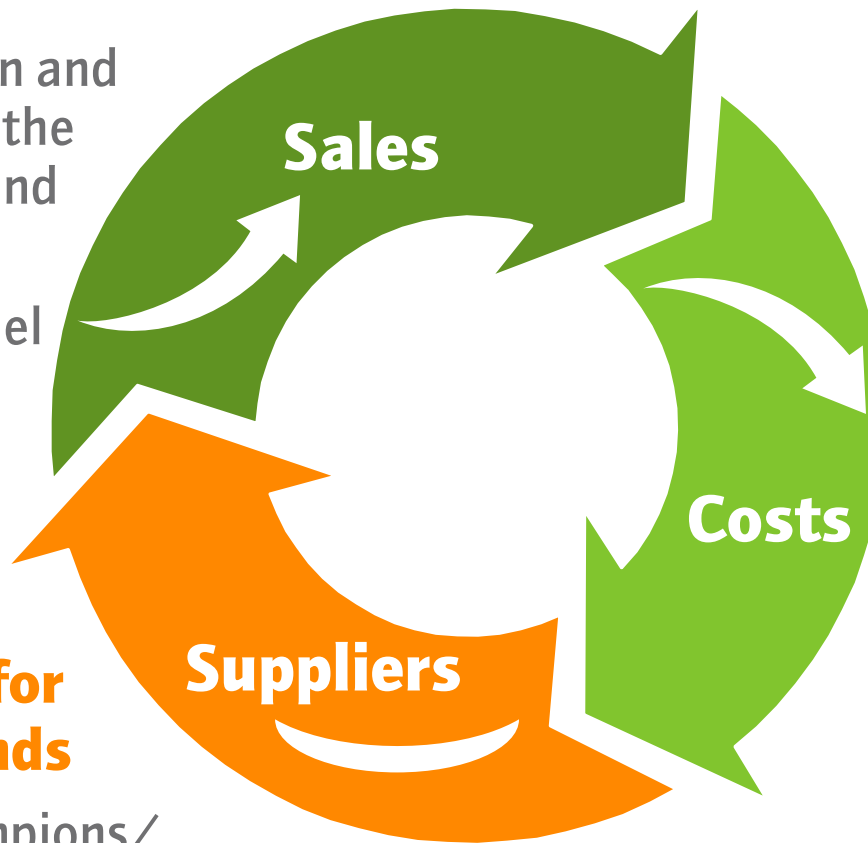
Market capitalization at mid March 2017

Market leadership

- » Online by a wide margin and the strongest player in the overall market online and offline
- » Recurring revenue model built on consumption cycle and customer loyalty

Best partner for premium brands

- » National champions/
Multinationals/Niche brands



Most efficient operator

- » Scaling and specialization – built to purpose
- » Superior product experience
- » Critical size in all markets

Financials and metrics

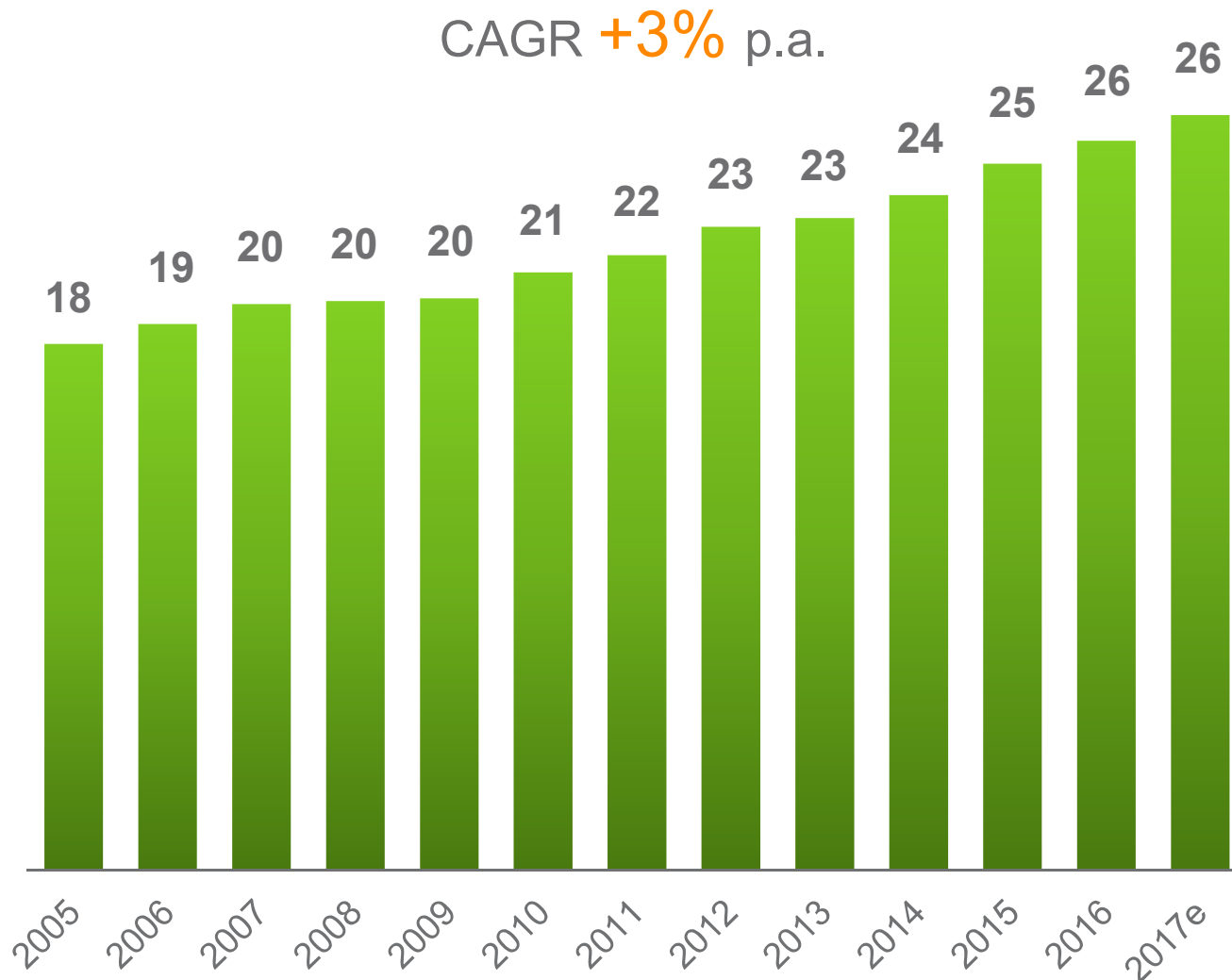


Market & Competition

European pet supplies market is constantly growing



Pet supplies market in Europe 2005-2017e (gross sales € bn)

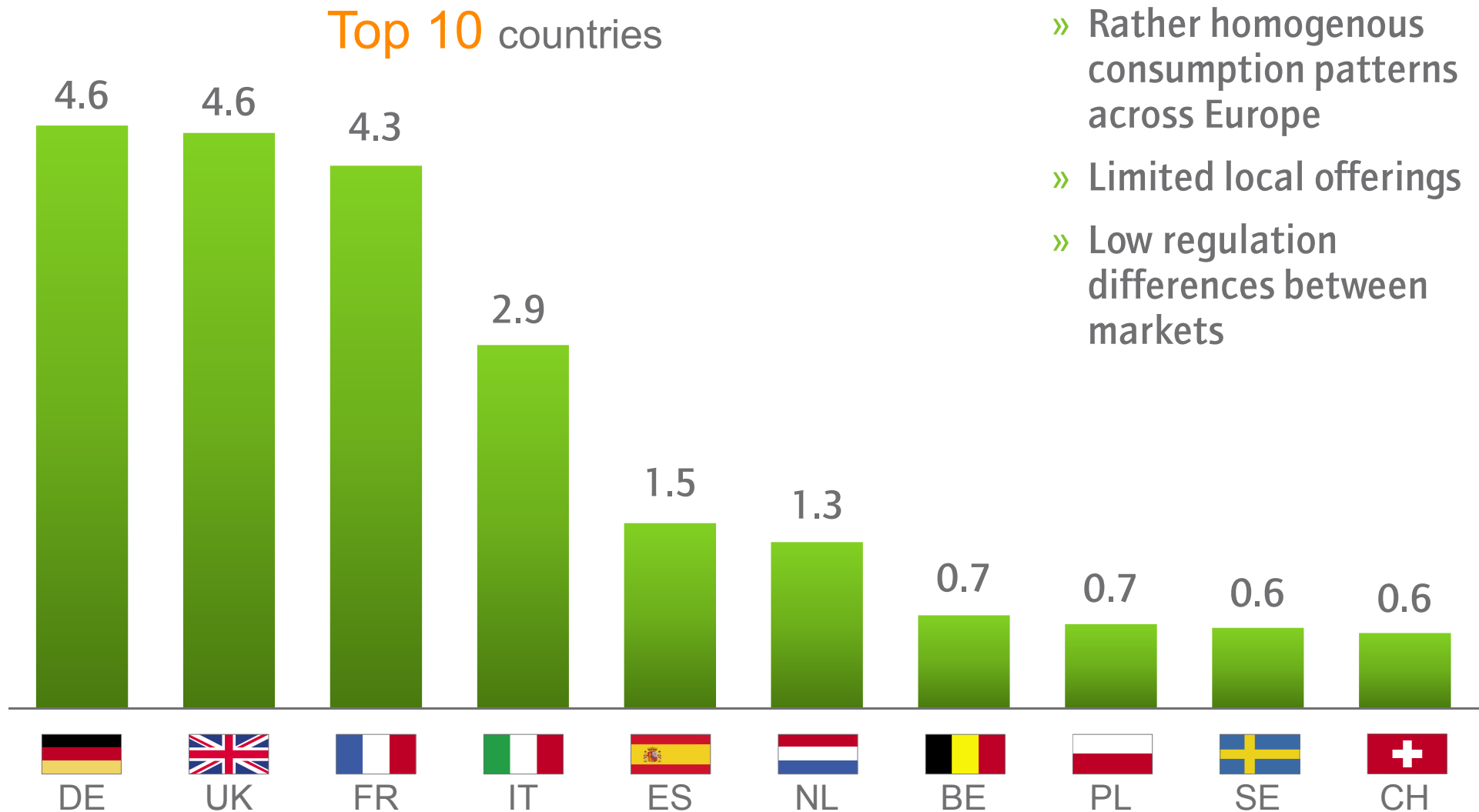


- » Ownership of pets is on the rise in Europe
- » Humanization of pets drives spending
- » Sizeable and constantly growing market
- » Market is resilient through economic cycles
- » Consumables recurring revenue – subscription like
- » No technology and fashion obsolescence risk
- » Low rates of product returns

European pet supplies is a highly attractive market



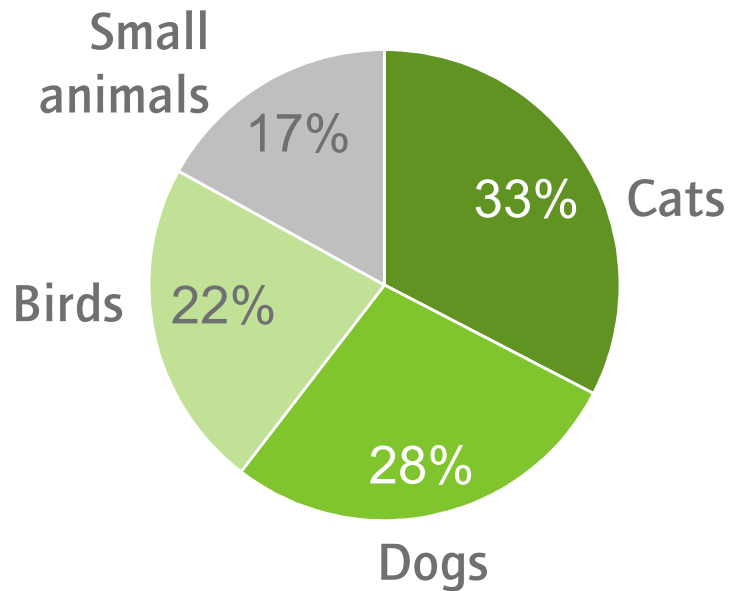
Total pet supplies market in Europe 2016: € 26 bn (gross sales)



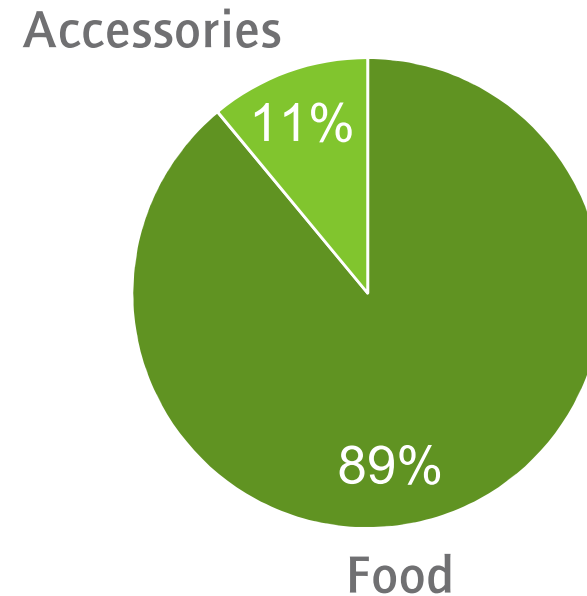
Main categories are dog and cat food and accessories products



Pet population Europe



Sales categories Europe



zooplus sales 2016:

95% dog and cat products
Focus on most valuable categories

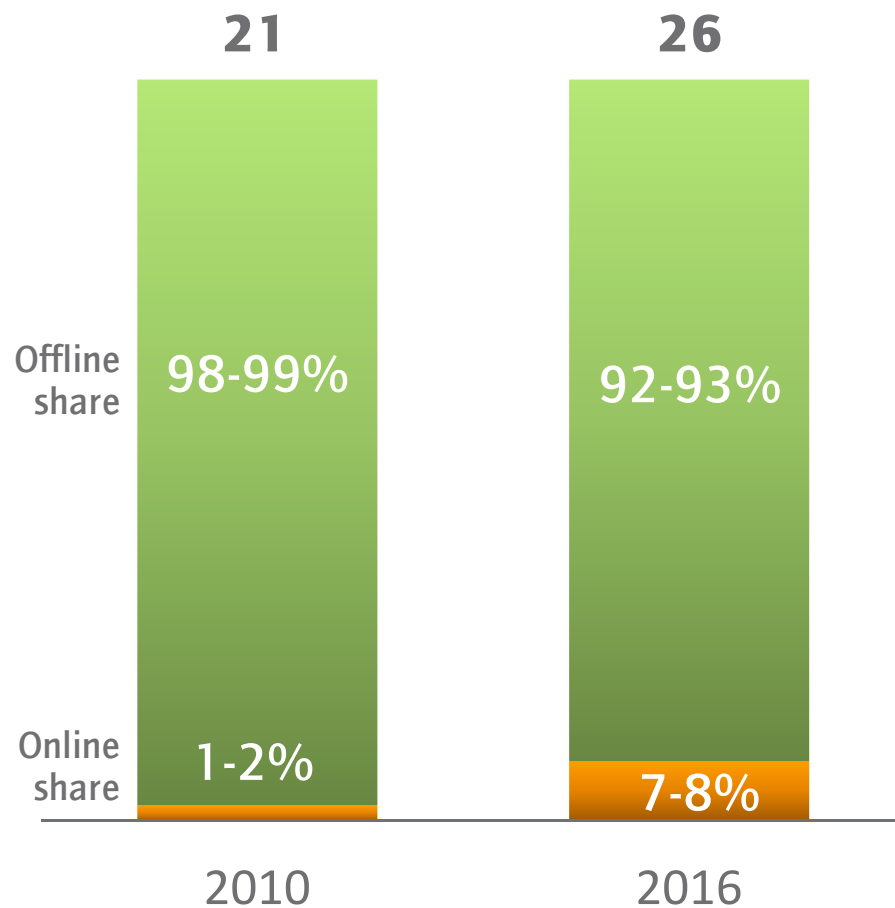
zooplus sales 2016:

82% food share
Focus on recurring business

Pet supplies is very attractive for online distribution from a consumer perspective, however only 7-8% online today



Pet supplies online market penetration



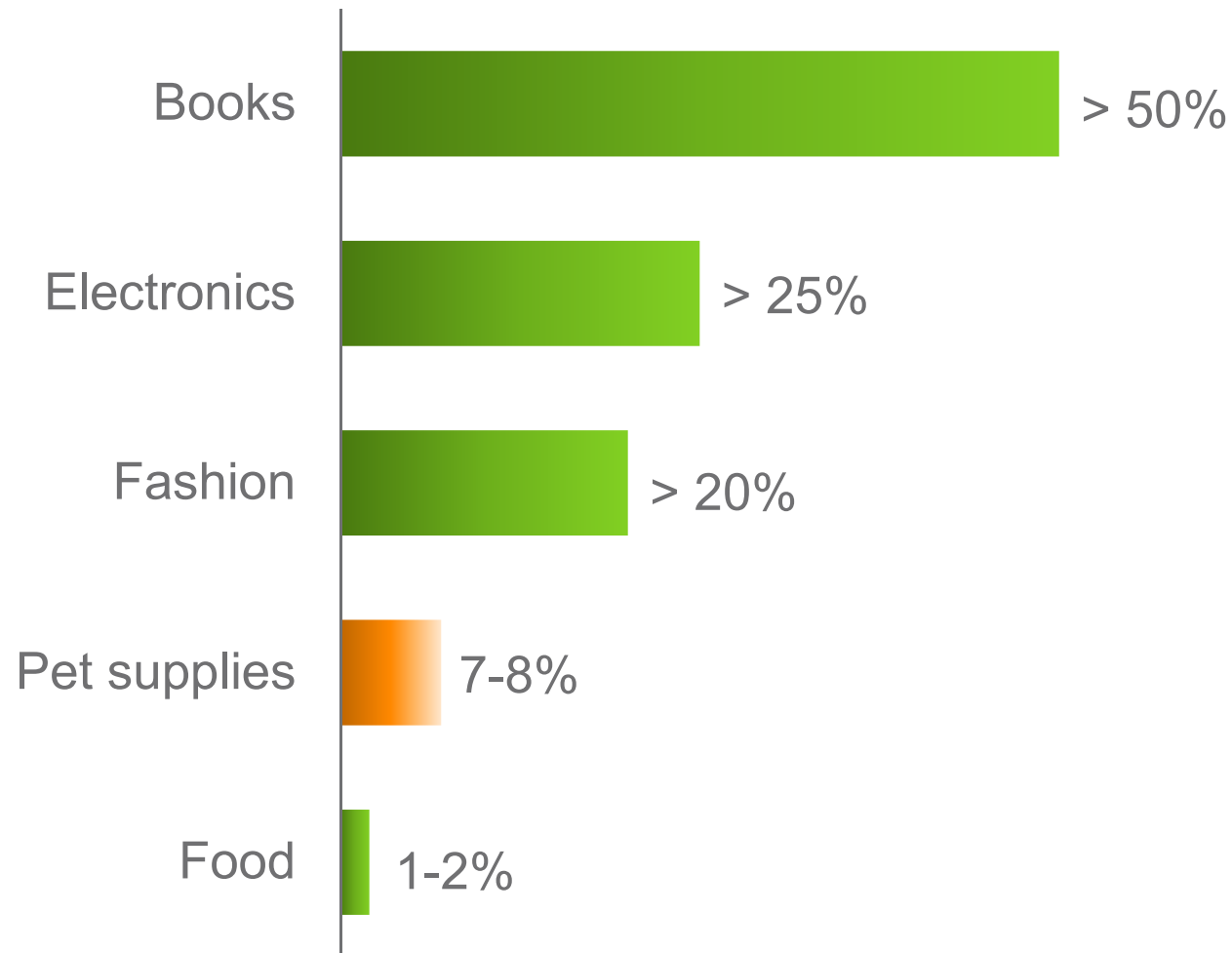
Pet supplies – online attractiveness

- 1 Consumable products ✓
- 2 Repeat purchase pattern ✓
- 3 Projectable consumption, low seasonality ✓
- 4 Standardized products ✓
- 5 Well-known brands ✓
- 6 Attractive prices ✓
- 7 Product information very important ✓
- 8 Convenience aspect (heavy & bulky) ✓

Online market penetration of pet supplies in Europe still leaves a lot of growth potential – the best still to come



Online penetration per category - Europe



- » All categories still growing in online share
- » No signs of saturation of online market in pet supplies
- » Next step of online market penetration to 15-20% market share
- » Online as leading distribution channel expected long-term

In a large and fragmented market zooplus dominates online – and is rapidly catching up with the offline leaders



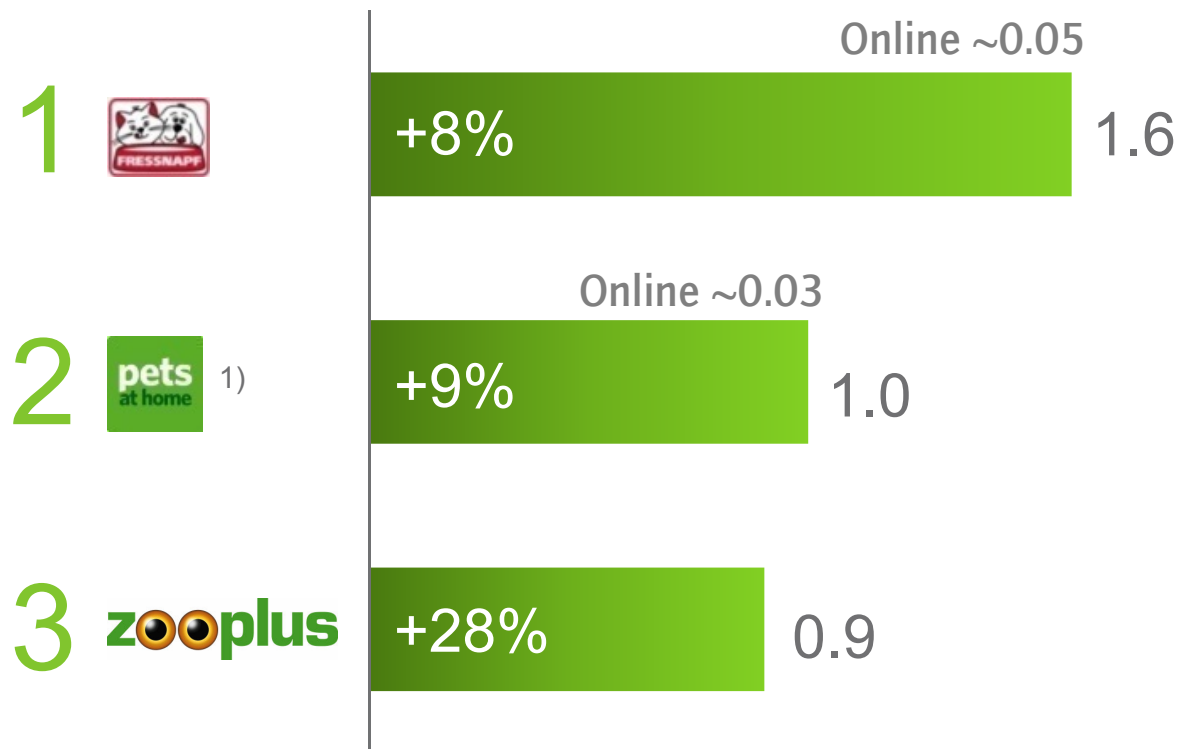
Market share zooplus and competitors 2016



zooplus is well on its ways towards market leadership



Net sales and growth 2016 (EUR bn)



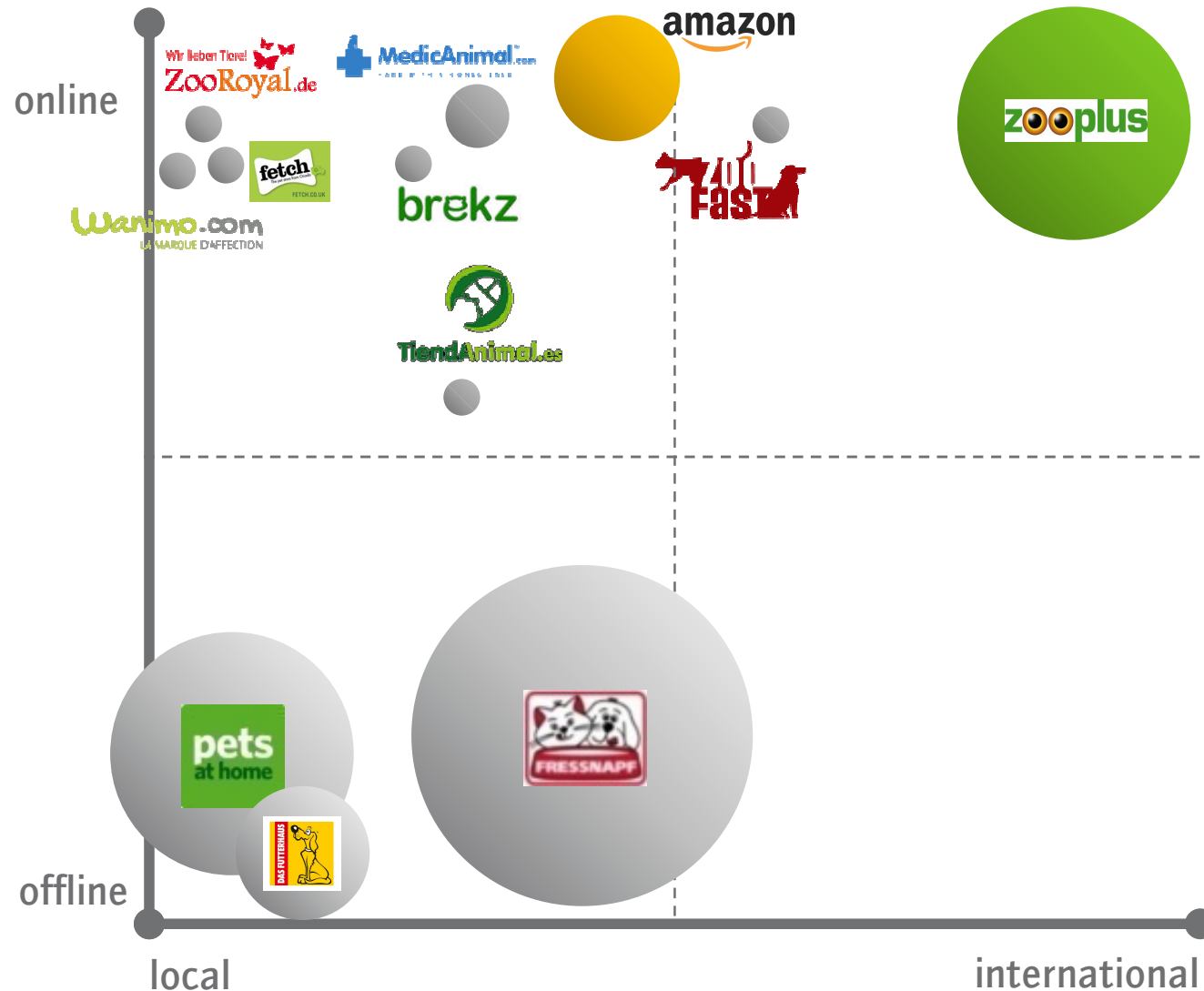
Strategic goal

Close the gap towards the current number 1 in Europe by 2020

Working towards market leadership online and offline

Benefitting from all the advantages of size and market leadership

zooplus is the only real pan-European pet retailer in Europe



- » Is more than **10x bigger than the No.2** online specialist in Europe (medicanimal)
- » Is the only true **pan-European** pet retailer
- » Is the only pet specialist with a pan-European **logistics** infrastructure
- » Is the only retailer with a European-wide **customer service** (300 agents)

Selected competitors



Fressnapf/Maxizoo
(DE + 10 other countries)



Futterhaus (DE/AT)



Pets at Home (UK)



Animalis (FR)



Arcaplanet (IT)



Kiwoko (ES)

Key considerations

- » Significantly higher price levels in stores - high risk for future margins
- » Cannibalization when building online
- » Limited experience in online world
- » Very high share of private label
- » Fixed and significantly higher cost structure than zooplus
- » Outstanding service via shop assistants more and more challenging to secure

Key considerations

Selected competitors



Zooroyal (DE)



Petobel (DE) - closed



Medicanimal (UK + 4)



Fetch (Ocado) (UK)



Tiendanimal (ES + 3)



Wanimo (FR)



Brekz (NL + 5)



Zoofast (PL + 20)

- » Barriers to entry low – barriers to success high
- » Biggest competitor (medicanimal) with sales of around € 70 m – less than 10% of zooplus size
- » Lack of scale and European infrastructure
- » Not many new players but existing one's still very much alive and price aggressive

amazon is the main competitor in the category



Key considerations

The Amazon logo, consisting of the word "amazon" in a bold, black, sans-serif font, with a curved orange arrow underneath it pointing from the 'a' to the 'z'.

Most important competitor

Pet supplies since 2005

Today only in UK, DE and FR with full assortment

Direct assortment + Marketplace

- » No specialist environment
- » Category not one of top categories but very attractive one
- » Market place offer with less direct control (delivery speed/service)
- » zooplus with own loyalty program (bonus points and savings plan)
- » zooplus with specialized logistics for heavy and bulky products



| Category | Generalist | Specialist |
|------------------------|------------------------|-----------------------|
| Presence | UK, DE, FR, NL, IT, ES | 30 countries |
| Full assortment | UK, DE, FR | 30 countries |
| Private label | Non | 10% of sales |
| Additional pet content | Non | Pet specific content |
| Pricing | Competitive | Competitive |
| Logistics | Non pet specific | Specialized logistics |
| Sales 2016 | ~ € 200 m (est.) | € 909 m |
| Start of category | 2005 | 1999 |

Online market penetration of pet supplies in Europe still leaves a lot of growth potential



zooplus sales 2016 (€ m) and market share of total market

| | | | % of total net sales | Growth rate | Online market position |
|----------------|------|-----|----------------------|-------------|------------------------|
| D, A, CH | 5.4% | 285 | 31% | 21% | # 1 |
| France | 4.3% | 153 | 17% | 29% | # 1 |
| NL, BE, LU | 5.9% | 102 | 11% | 21% | # 1 |
| UK, IE | 2.1% | 84 | 9% | 25% | # 2 |
| IT | 3.2% | 75 | 8% | 32% | # 1 |
| PL | 9.4% | 57 | 6% | 45% | # 1 |
| DK, SE, FI, NO | 3.7% | 56 | 6% | 35% | # 1 |
| ES, PT | 3.1% | 52 | 6% | 36% | # 1 |
| Other EE | 4.2% | 45 | 5% | 50% | # 1 |

Source: market shares zooplus estimation

Q & A



Most efficient operator

zooplus is Europe's leading online retailer for pet supplies
- USP and differentiation towards competition



Key drivers for the attractiveness of the zooplus business model from a shopper perspective



Convenience

- » Weight and bulkiness
- » 97% delivery to preferred address



Completeness

- » A pet's world in itself
- » All relevant brands/all products (8,000 SKUs)
- » Dedicated specialist's approach



Performance

- » Customer centricity
- » Reach across Europe (30 countries - 25 local language)
- » Reliable 1-2 days delivery¹⁾
- » European-wide customer service



Content

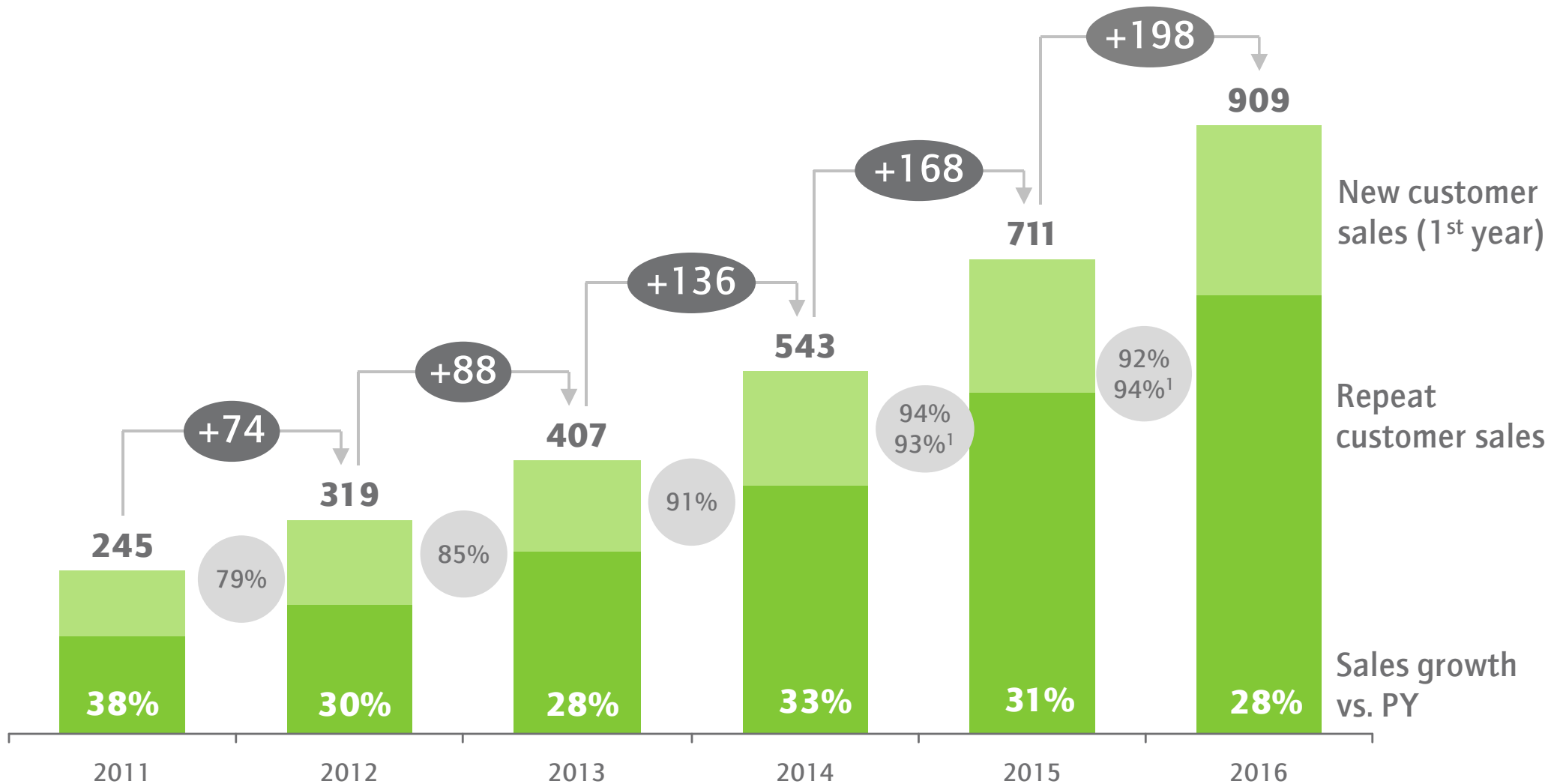
- » Detailed product descriptions & videos
- » >1 million product ratings from shoppers (peer-to-peer)

1) Workings days in core countries

No signs of saturation – zooplus continues to put sales growth and customer retention first



Sales 2011-2016 (EUR m)

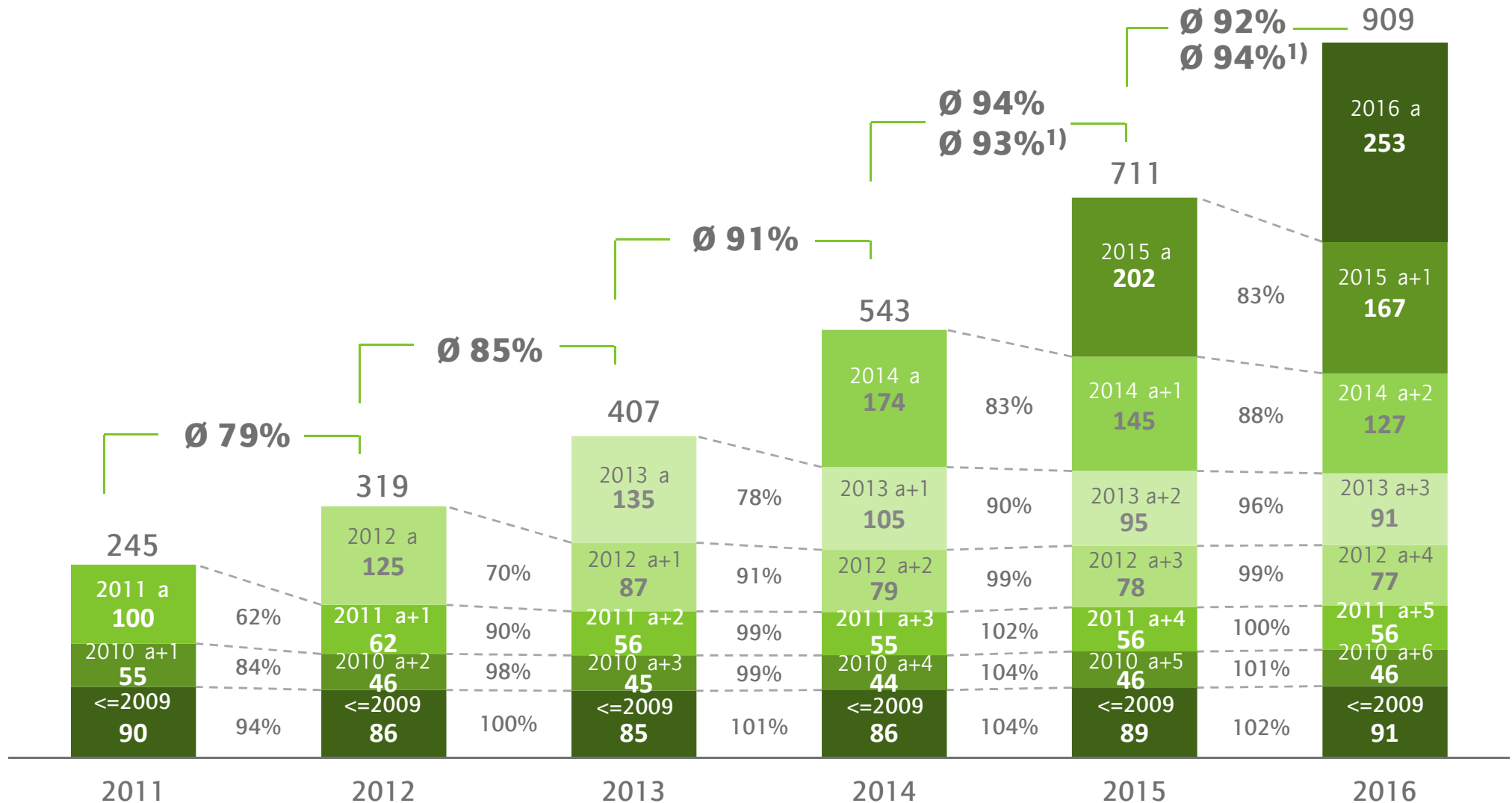


1) in local currencies

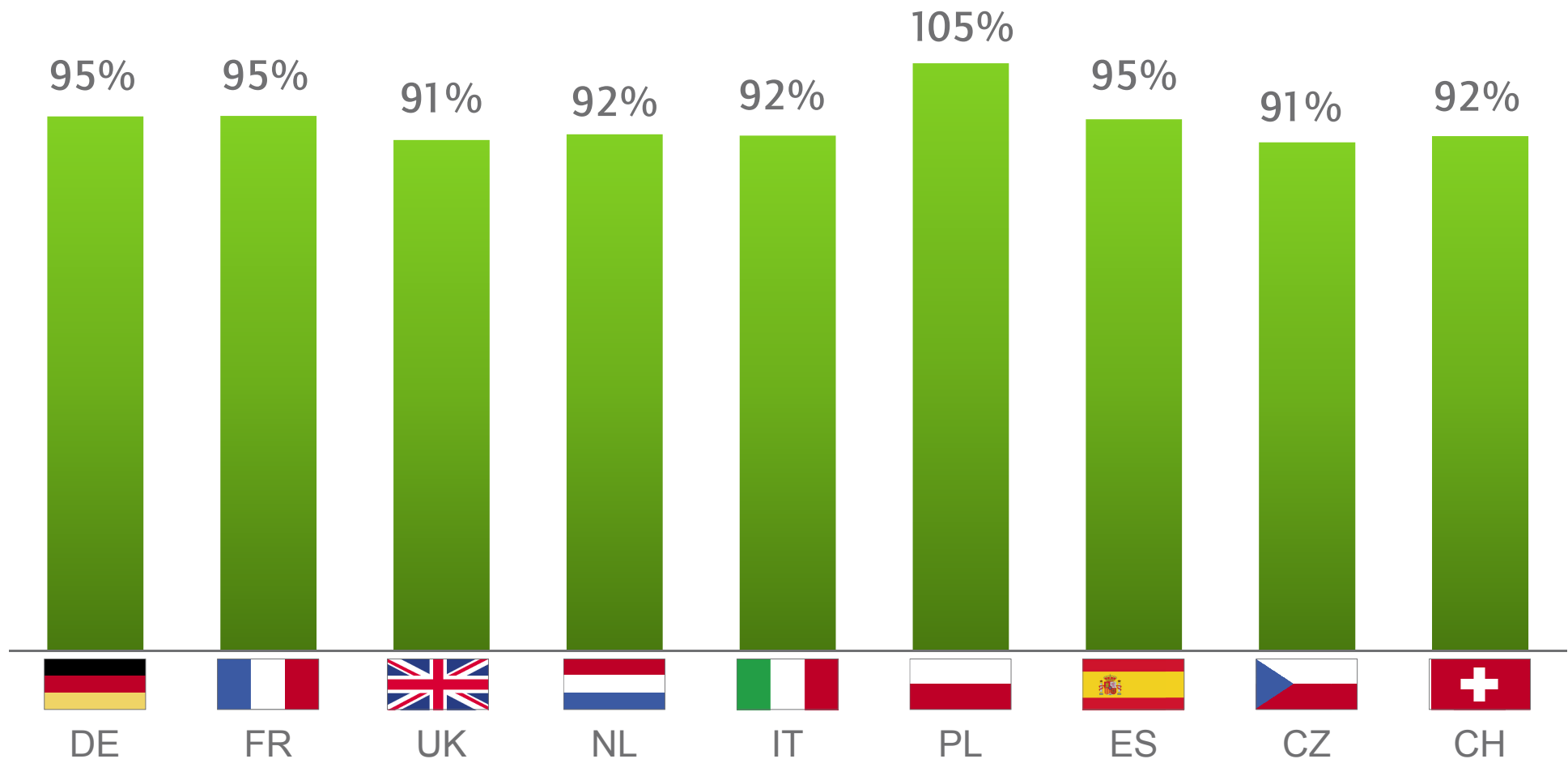
Customer loyalty – the winning factor of the business model – is at very high levels



Retention rates – Cohort analysis – Sales (€ m)



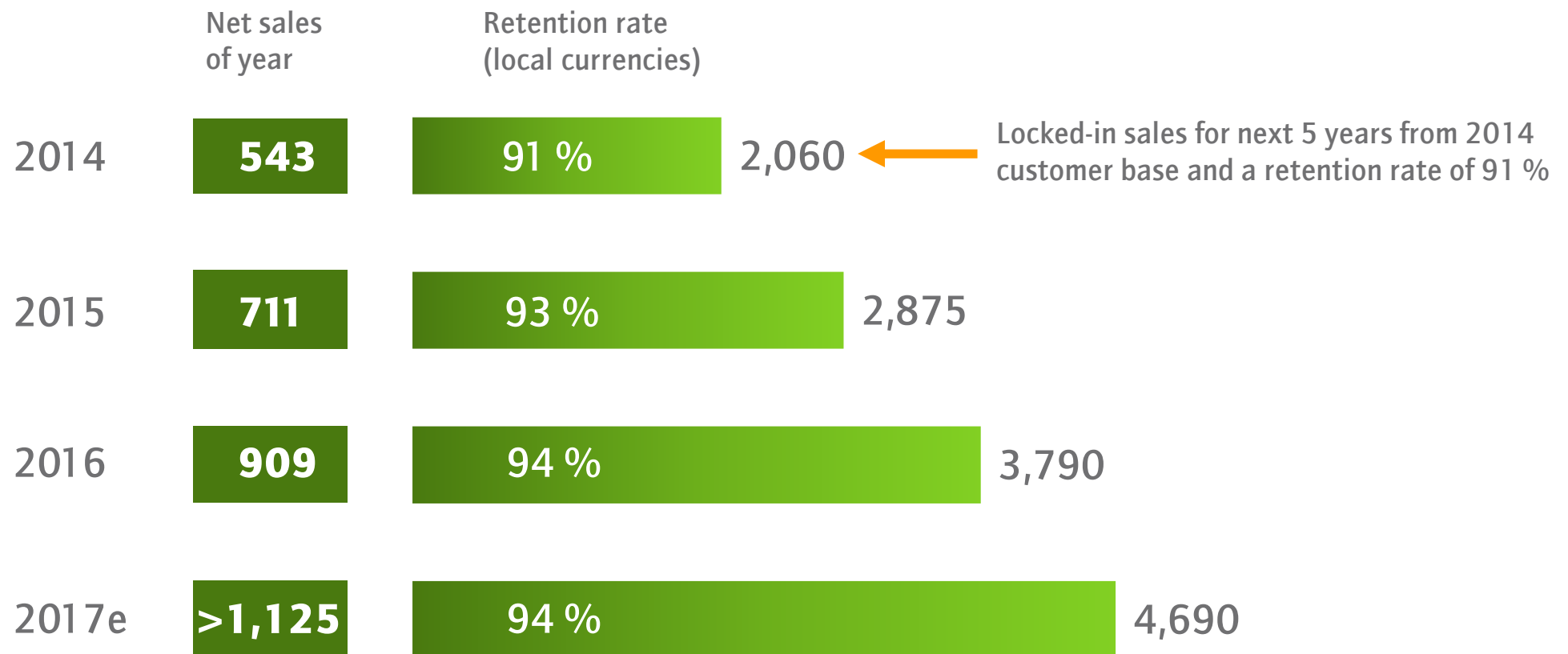
Sales retention Top 10 zooplus country shops 2016



Today's sales growth and retention determine future net sales tremendously



"Locked-in sales" over next five years (€ m)



Stable development of repeat customer business, new customer business profitable from second year on



Repeat customer and new customer contribution (€ m)

| | Repeat customers (consecutive year's sales) | | | | New customers (sales in the year of acquisition) | | | |
|------|--|---------------|-----|------------|---|---------------|-----|------------|
| | Sales | % of total z+ | EBT | EBT-margin | Sales | % of total z+ | EBT | EBT-margin |
| 2013 | 272 | 67% | 8 | + 3% | 135 | 33% | - 4 | - 3% |
| 2014 | 369 | 68% | 15 | + 4% | 174 | 32% | - 6 | - 3% |
| 2015 | 509 | 72% | 18 | + 4% | 202 | 28% | - 5 | - 3% |
| 2016 | 656 | 72% | 23 | + 4% | 253 | 28% | - 5 | - 2% |

zooplus offers all the relevant categories that customers expect from a pet specialist



Specialty
brands/Super
Premium
brands



Vet/Dietary



Special
trends/
grain free



Private
label



Grocery
brands



Accessories



Anti-
parasitics

zooplus offers their pet food customers a broad portfolio of strong brands mainly for cats and dogs



zooplus offers their pet food customers a broad portfolio of strong brands for cats and dogs



Grocery Channel Brands



- Generally known pet food brands
- High level of offline distribution
- Frequency Drivers & order starters

zooplus offers their pet food customers a broad portfolio of strong brands for cats and dogs



Grocery Channel Brands Pet Specialty Brands



- Generally known pet food brands
- High level of offline distribution
- Frequency Drivers & order starters

- Classical pet specialty products
- High share of online penetration
- Many local brands for single markets

zooplus offers their pet food customers a broad portfolio of strong brands for cats and dogs



Grocery Channel Brands Pet Specialty Brands Veterinary Diet Brands



- Generally known pet food brands
- High level of offline distribution
- Frequency Drivers & order starters

- Classical pet specialty products
- High share of online penetration
- Many local brands for single markets

- Brands with therapeutic claim & expertise
- Recommended by vets
- Offline distribution vets & vet clinics

The private label portfolio of zooplus has a clear focus on valuable premium brands



Grocery Channel Brands Pet Specialty Brands Veterinary Diet Brands



The single private label brands are designed for dedicated target groups and reflect latest nutritional trends **zooplus**



Target customer:
Classical brand believers who normally feed standard life stage brands (Royal Canin, Eukanuba, Pro Plan, Hill's)



Target customer:
Health experts who buy brands with special nutritional concepts (grainless, high share of meat, single protein, fresh meat)



Target customer:
Premium focused dog owners who look for natural products with holistic concepts (grainless, berries etc.) and strong emotional messages

Product Development and Packaging are the most critical parts of the own label development process



Development of Brand & Product Concept

- General Positioning
- Brand name
- Selection of supplier

Product Development together with supplier

- Declaration & Ingredients
- Acceptance Tests
- Sizes & calculation

Development of design & packaging

- Logo & Packaging
- Complete product range
- Texts & translations

Production of packaging & product

- Packaging
- Product

Launch in zooplus shops

- New shop articles
- Launch campaign CRM
- Trial offers

Feb
2014

March
2015

Online private label business gets build up over time
by converting the existing customer base to own label brands



12%

Share of
total food

4%

Share of
first order sales

1.3

Growth index
private label / food

Further significant increase in private label share until 2020

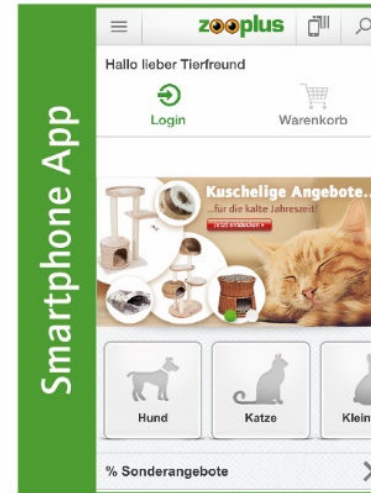
zooplus is a digital multi-channel retailer



Laptop, PC



Smartphone App



Tablet



Smartphone Mobile



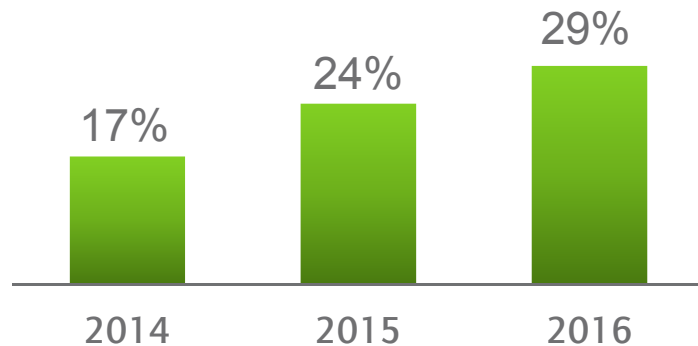
- » Mobile share around 20-40% and growing
- » Own zooplus smartphone Apps
- » Mobile will be the dominant channel in future
- » Significant investment in mobile channel
- » More technical features to come in future
- » Online activities adapted to mobile usage

Development of channels across main markets

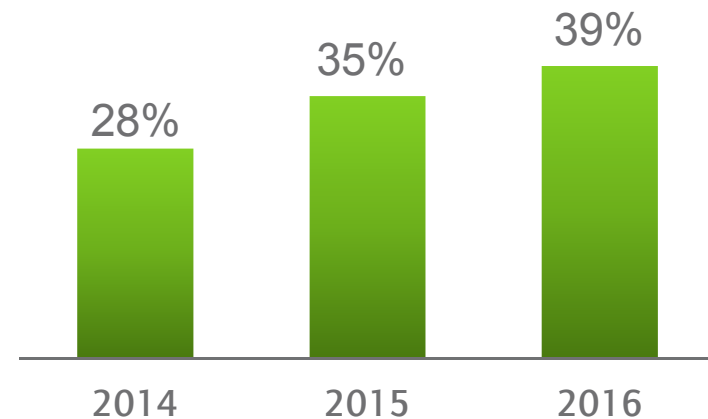
- Apps, mobile and tablet share in % of orders



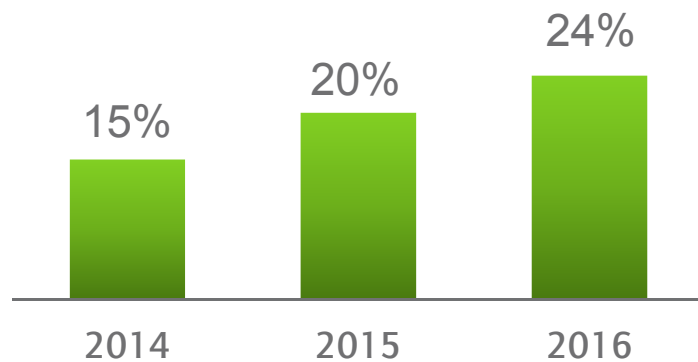
Germany



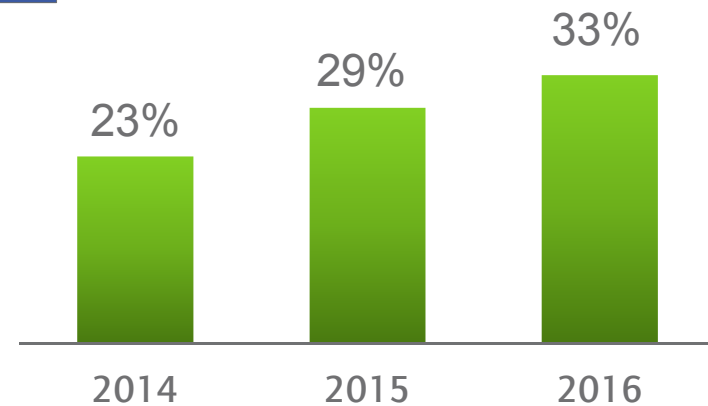
UK



France



Netherlands



Fast growing share of mobile driven sales across all key markets

Improving user experience in key areas will gradually supersede decreasing prices as growth and retention driver



Localization

- » Category management
- » Delivery options
- » Payment options



Differentiation

- » Emotional sales
- » Multiple platforms
- » Pet-specific features

Main drivers for improved user experience



Delivery improvements

- » Speed
- » Transparency
- » Flexibility
- » Manageability



Digital opportunities

- » Mobile and social
- » Targeting and personalization
- » Data & algorithms

Drives loyalty, differentiation and keeps competition at a distance

Stronger focus on additional services for more differentiation



Building additional services around a zooplus market place for people with pets – No.1 pet world in Europe

Veterinarians

Other pet related
services/shops

Grooming services

Insurances

-
- » Differentiation as pet specialist
 - » Potential additional contribution margin

- » Online retailing of durable, non-fresh human food and drugstore products
- » Test started in first half of 2016 in Germany with currently around 600 SKUs on bitiba platform, not on zooplus platform
- » Following customer requests and setting base for potentially "the next thing"
- » Size of market should leave room for zooplus approach handling categories with existing logistics infrastructure
- » zooplus brand will stay the pet's world – no integration of the new categories
- » Build-up of category needs a long-term approach
- » Impact on zooplus P&L from a profit perspective limited
- » Too early to report specific KPIs to the market

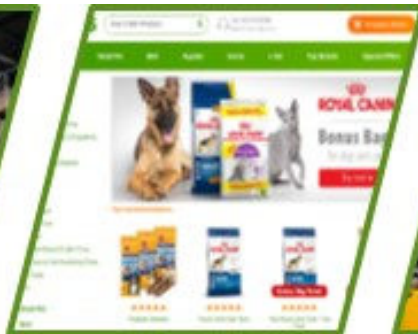


Inbound



- » More than 200 suppliers
- » 8,000 SKUs
- » 7 fulfilment centers
- » 3 logistics partner

Website



- » One platform
- » 30 countries and 25 languages
- » zooplus & bitiba
- » 12 currencies

Fulfilment



- » 7 fulfilment centers
- » > 70,000 parcels per day
- » 1,500 logistics people

Delivery



- » Line hauls
- » Leading local postal service providers
- » Low returns (< 2% of sales)

Customer service



- » Around 300 customer agents
- » All relevant languages
- » 7 days a week

zooplus is the only specialist player in the category with a pan-European logistics network



- » Today 5 big fulfilment centers
- » Latest one in Antwerp started Q4/2016
- » Two smaller fulfilment centers in Strasbourg and Birmingham (started March 2017)
- » All centers managed as one integrated pan-European network
- » All FCs operated by partners; no capex for zooplus
- » Order routing and packing algorithms intellectual property of zooplus

*Shown are selected relations from FC to Hub – in total zooplus has ca. 60 relations (40 linehauls + 20 direct DSP connections)



Tilburg NL



34,000 sqm
7-8,000 SKUs

Rhenus

Hörselgau DE



30,000 sqm
7-8,000 SKUs

Rhenus

Wroclaw PL



27,000 sqm
5-7,000 SKUs

Dirks

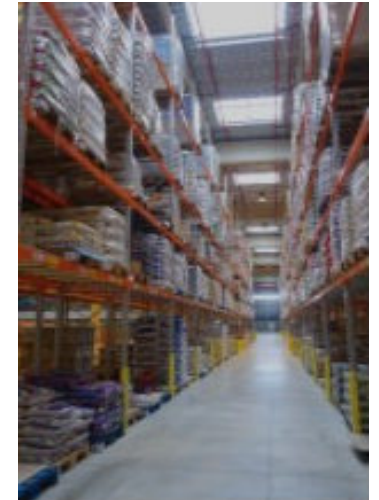
Chalon FR



21,000 sqm
5-6,000 SKUs

Rhenus

Antwerp BE



16,000 sqm
5-6,000 SKUs

Katoen Natie

Additional small FCs: Strasbourg FR and Birmingham UK

Capex per center: € 30 – 40 m¹⁾ provided by partners

1) Including facility / building for big zooplus fulfilment center

zooplus logistics structure is tailor-made for heavy and bulky products in inbound and outbound logistics



zooplus
logistics



Tilburg, Netherlands



Tilburg, Netherlands

New center
Antwerp:
16,000 sqm

Logistics
partner:
Katoen Natie



Antwerp, Belgium



Antwerp, Belgium

Inbound logistics



Warehousing



Picking and packing



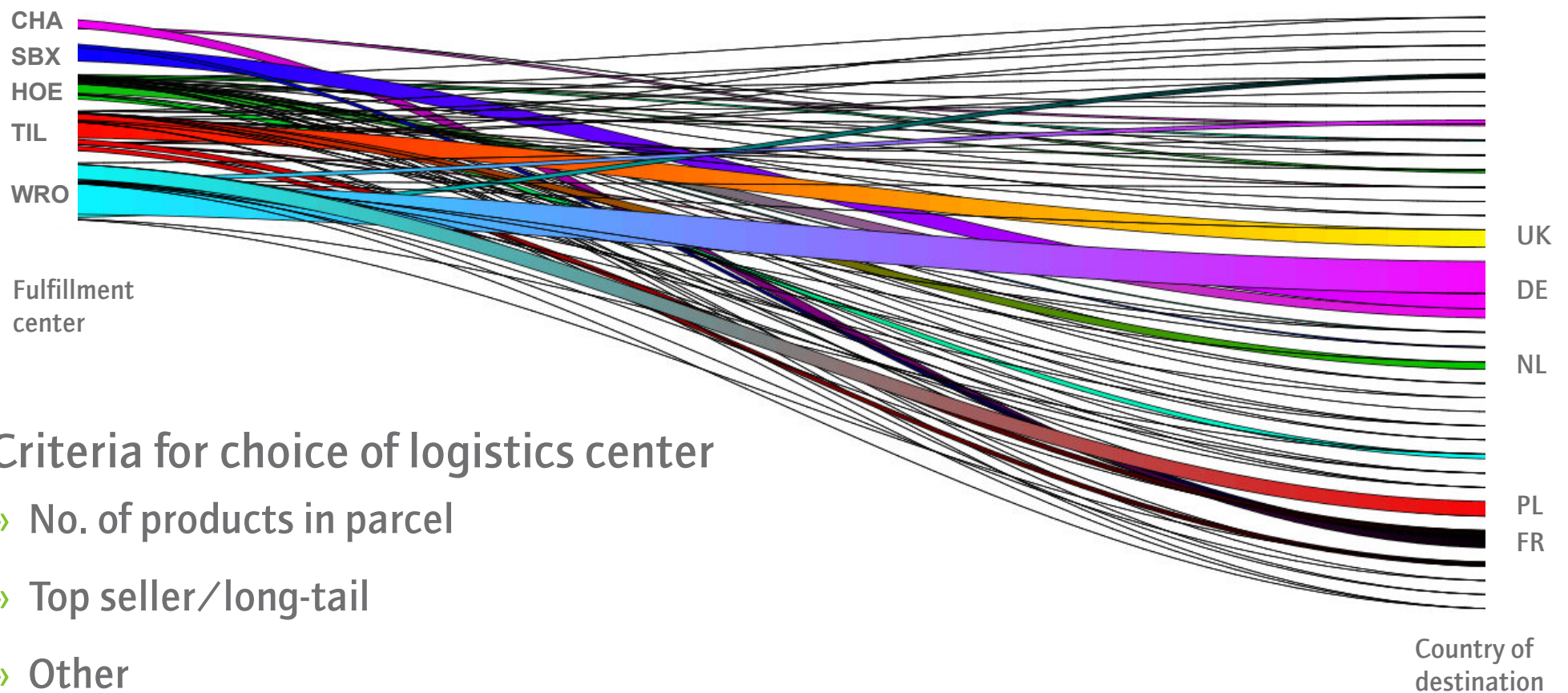
Outbound preparation



zooplus logistics system is an intelligent network solution
between fulfillment centers and destination countries



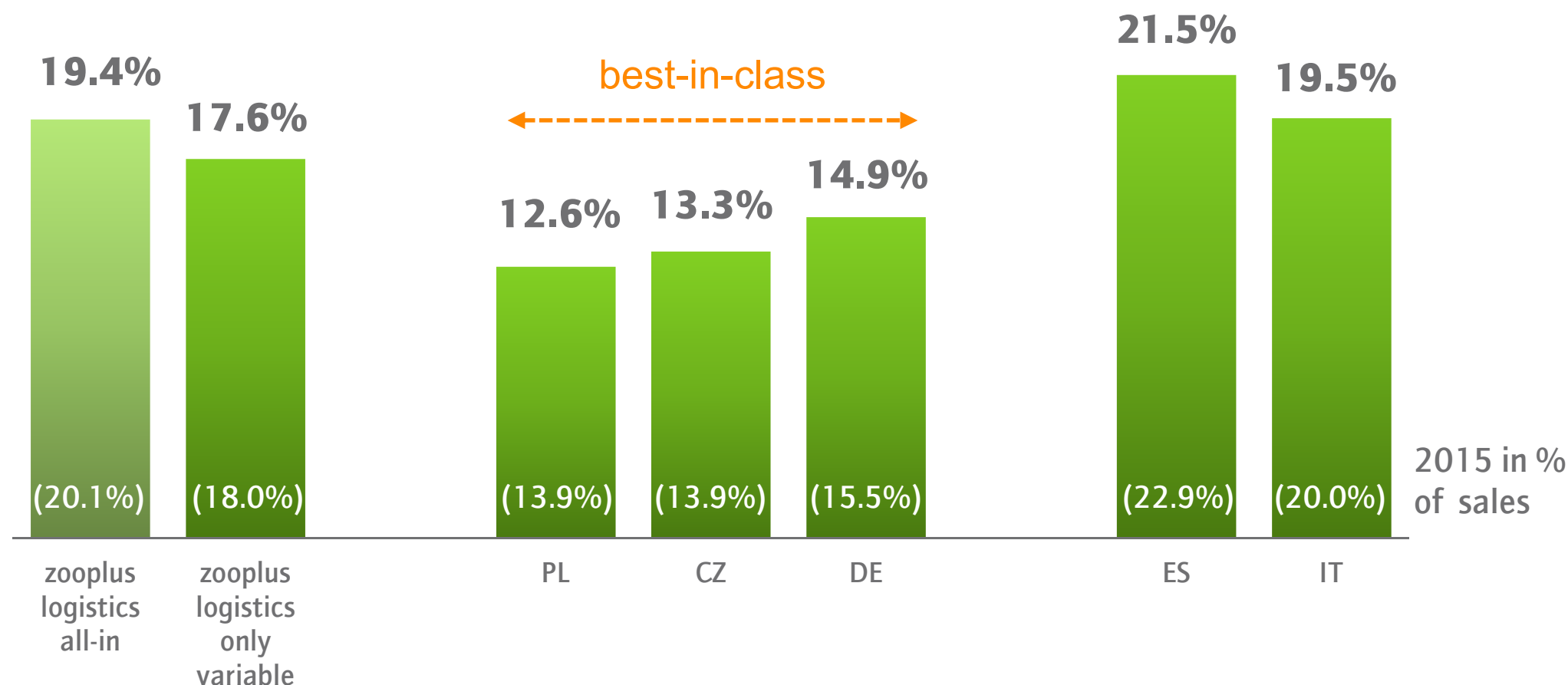
Example Cat's Best Ökoplus (cat litter): article flow between fulfillment centers and country of destination for a period of three months



Logistics cost differ by countries – overall unit economics will further improve in logistics



Logistics costs¹⁾ 2016

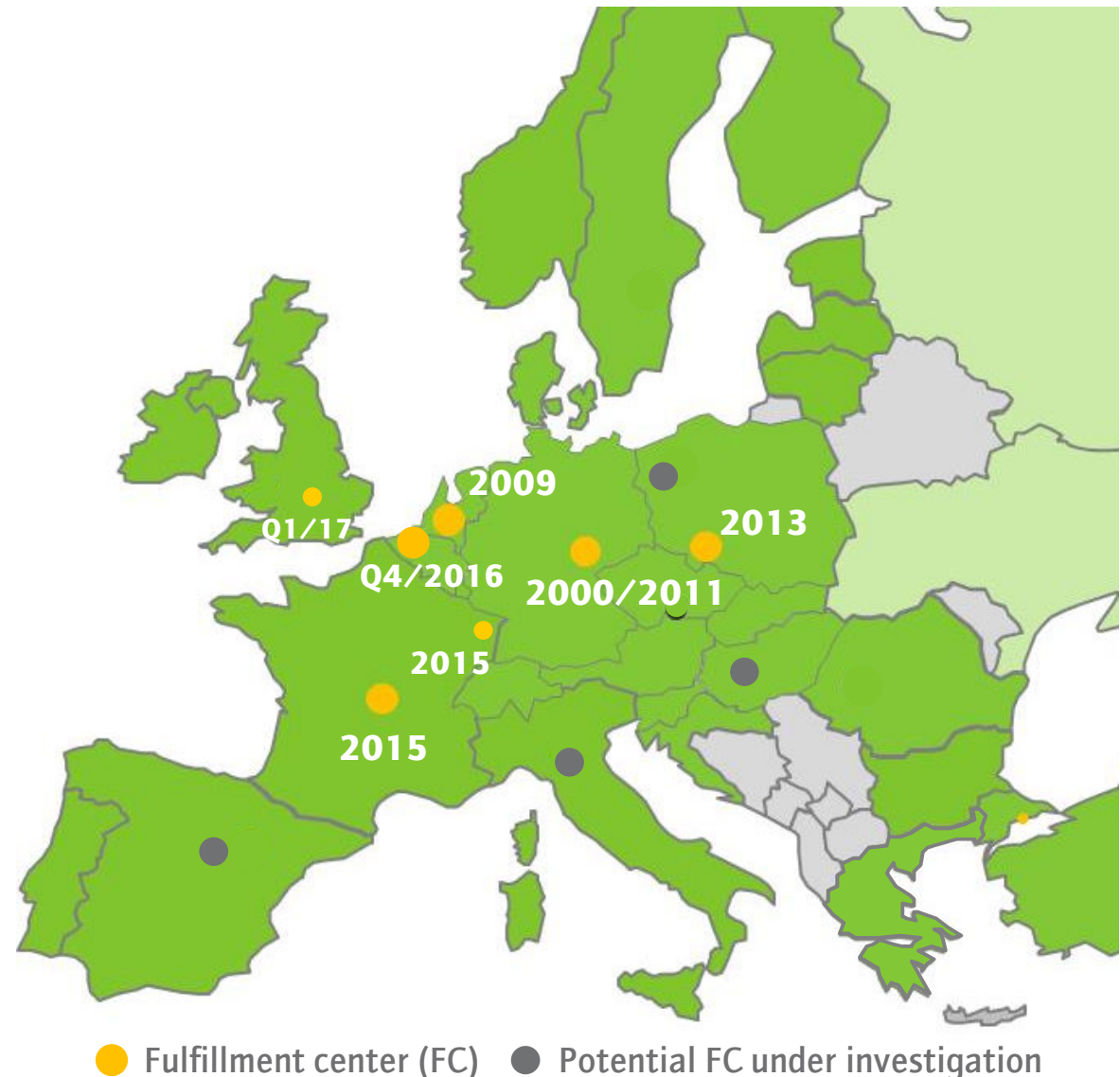


1) Inbound & outbound logistics, line haul, distribution, packaging as a percentage of sales

Further logistics expansion



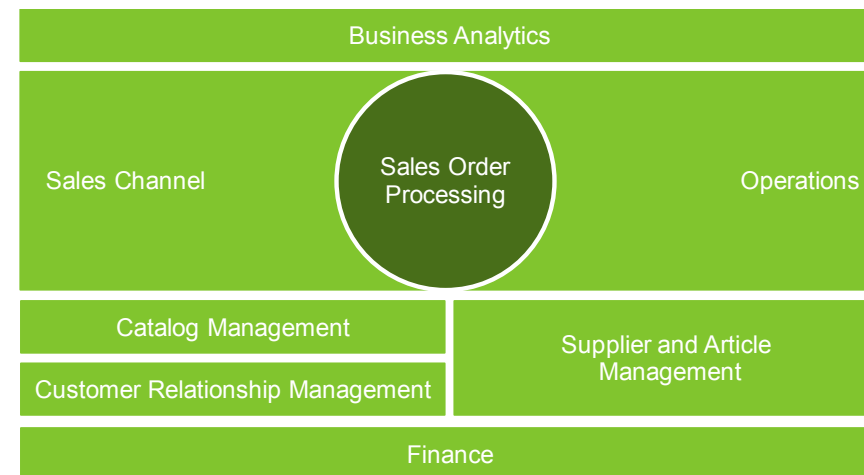
- » Set up sufficient capacity for expected growth in next years
- » Improve customer experience in terms of delivery speed
- » Expansion of existing centers
- » Integration of new fulfilment centers
- » Continue collaboration with external partners
- » Potentially integrate part of external assets for new fulfilment centers over next five years
- » Keep focus on asset light approach



Technology environment specifically designed for zooplus business model



- » One central platform
- » Inhouse developed systems and standard systems
- » Central Data warehouse on SAP Hana
- » Inhouse developed algorithms for:
 - Google bidding
 - Replenishment
 - Pricing
 - Order routing
 - Package building
 - Other



zooplus specific/scalable - differentiation factor

Strong internal IT development teams as driving force for future developments and differentiation



Munich, DE



Krakow, PL



- » Three internal IT-Hubs plus one external hub
- » More than 100 IT developers – further built-up planned
- » Additionally external experts as freelancers
- » Organized by different Product Development Centers (PDCs)
- » Focus on internal systems, processes and algorithms



Madrid, ES



Bucarest, RO
(External partner)

Strong differentiating factor towards the competition (ex. amazon)

Continued focus on retention and strong sales growth as main drivers for future profitability



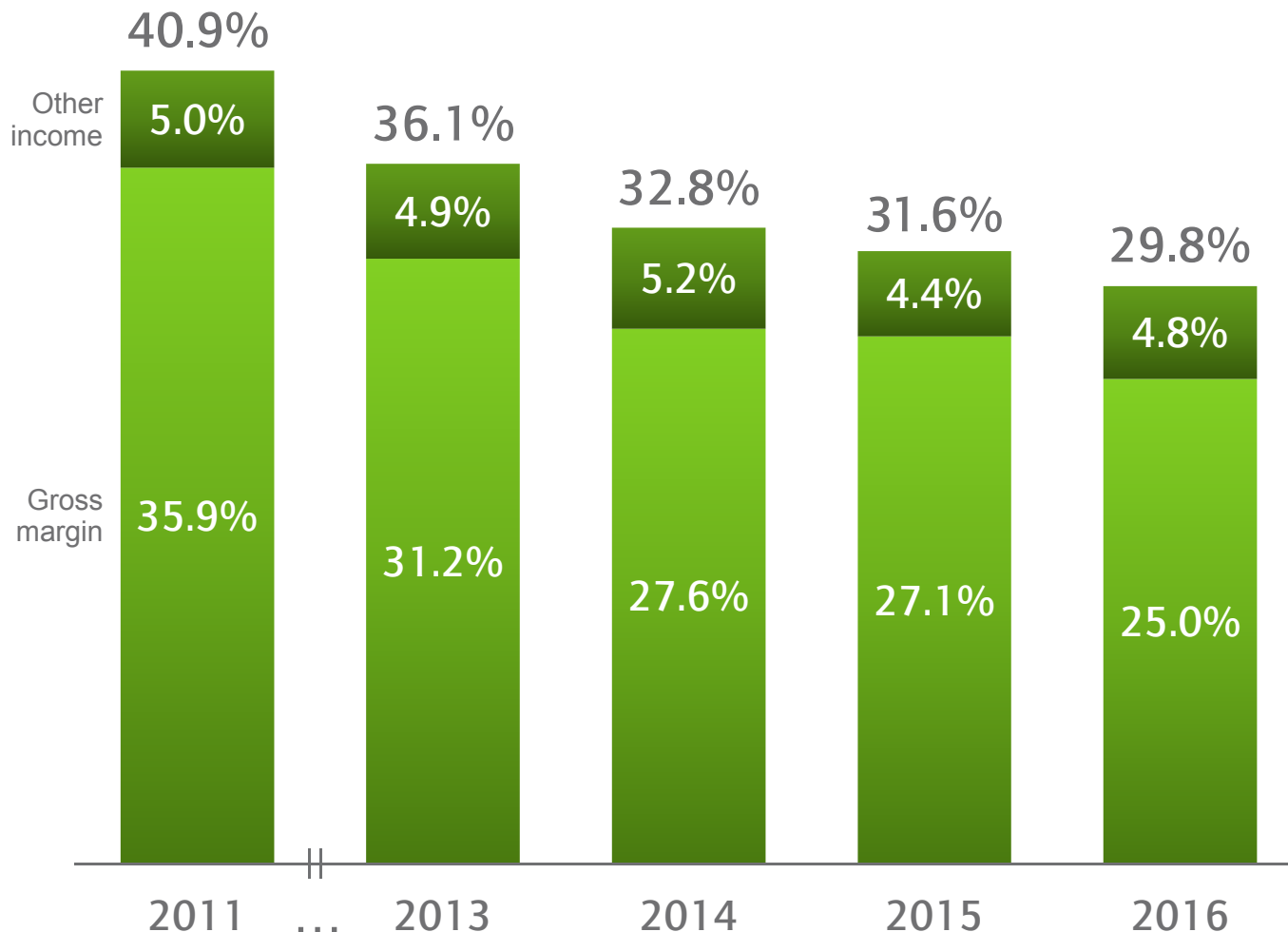
Strong sales growth means

- » Keep the competition including amazon at a distance
- » Faster reach of dominant market position
- » Better purchasing terms in all areas (COGS & other services)
- » More efficiency gains
- » More scale in overhead

Markets continue to be price competitive – zooplus well prepared to defend it's strategic position



Gross margin & Total margin¹⁾ (% of sales)



- » Continued focus on sustainable dog/cat food customers for higher life-time-value
- » Margin reduction impacted by higher food share and exchange rate effects
- » Ongoing price competition in the markets
- » zooplus will defend it's high customer retention

1) gross margin + other income on sales

Mid-term margin uplift drivers will prevail



Limiting factors

- » Price transparency
- » Fierce competition
- » Fights for market share
- » Channel shift to online
- » Commoditized products

Driving factors

- » Purchasing power
- » Private label share
- » Product differentiation
- » Market consolidation

Product categories have different impact on gross margin development **zooplus**

Target

Continued strong sales growth in all categories

Gross margin drivers

Food

- » Core assortment/main driver for retention
- » Focus: competitive pricing

Non-Food

- » Supplementary assortment
- » Focus: gross margin improvement

Private label

- » Differentiating assortment
- » Focus: mid-term gross margin driver

Share on
zooplus
sales 2016

82%

18%

10%

Food and cat litter

zooplus is an ideal partner for all relevant suppliers



zooplus can offer:

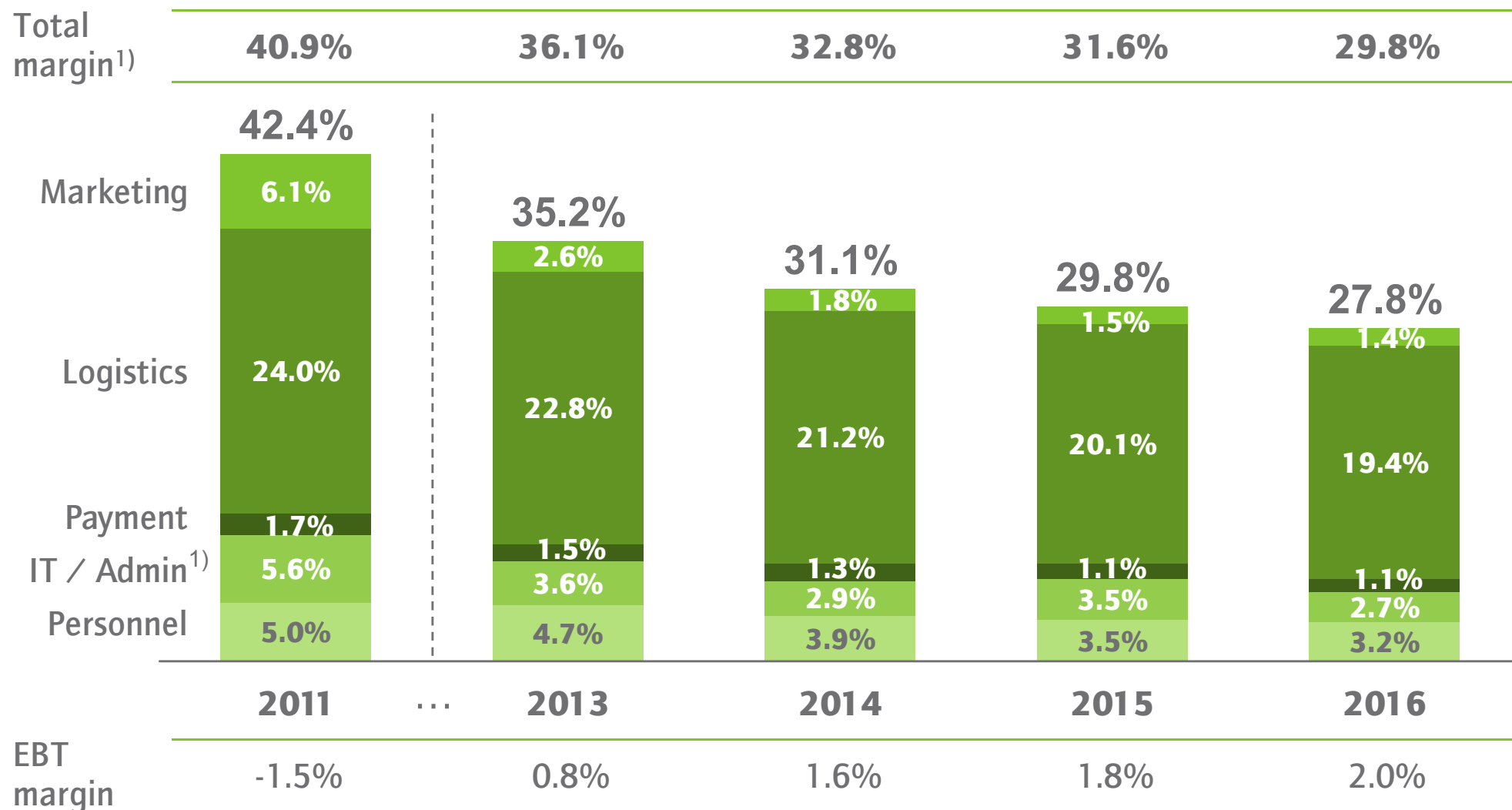


- » Strong sales growth perspective across Europe
- » Access to 30 country markets in Europe via one retailer
- » One European purchasing/CM organization
- » Only very few delivery points (fulfilment centers)
- » No European-wide distribution and on-field sales organization necessary
- » Customer data
- » Solid financial background

zooplus has a strong and improving cost leadership position in the category



Total margin & Cost structure (% of sales)



| Most efficient operator



Q & A



Financials and Outlook

Sales and EBT guidance for full year 2017



zooplus **well positioned** to continue the strong sales growth path in 2017



Sales (€ m)

EBT (€ m)

2016

909 (+28%)

17.9

Guidance

2017e

>1,125 (>+24%)

17 - 22

Profit guidance 2017 based on current FX levels.

Outlook until 2020 – from today's perspective

- Sales



Primary target
continues to be:

- » Sales growth
- » Customer retention
- » Increasing market share



Sales of more than **€ 2.0 bn** in 2020

Up from € >1,125 m in 2017e

- » **Sales as driver** for further **profitability**
- » Laying the foundation for continued **growth after 2020**

Outlook until 2020 – from today's perspective

- Profit before tax (EBT)



- » **Sales growth priority** over short term profit maximization

- » Taking strategic opportunities and **mid term valuation** instead of short term profit improvement

- » Focus on **absolute** profit generation

- » **Repeat Customer EBT > € 60 m**

in 2020 on repeat customer sales of >1,550

- » Profit development is no linear function

- » **Long term target around 5% EBT on sales**
once the growth opportunities are exhausted

- » Growth **financed internally**

Stable development of repeat customer business, new customer business profitable from second year on



Repeat customer and new customer contribution (€ m)

| | Repeat customers (consecutive year's sales) | | | | New customers (sales in the year of acquisition) | | | |
|------|--|---------------|-----|------------|---|---------------|-----|------------|
| | Sales | % of total z+ | EBT | EBT-margin | Sales | % of total z+ | EBT | EBT-margin |
| 2013 | 272 | 67% | 8 | + 3% | 135 | 33% | - 4 | - 3% |
| 2014 | 369 | 68% | 15 | + 4% | 174 | 32% | - 6 | - 3% |
| 2015 | 509 | 72% | 18 | + 4% | 202 | 28% | - 5 | - 3% |
| 2016 | 656 | 72% | 23 | + 4% | 253 | 28% | - 5 | - 2% |

Strong profit contribution of repeat customer cohorts



| Cohort of 2013 (in € m) | | Sales | 135 | EBT | - 4 |
|-------------------------|------------|-------|------------|----------|-----------|
| 2014 – 2016 | Cum. sales | | 291 | Cum. EBT | 11 |
| 2017e – 2020e | Cum. sales | | 340 | Cum. EBT | 13 |
| Cohort of 2016 (in € m) | | Sales | 253 | EBT | - 5 |
| 2017e – 2020e | Cum. sales | | 810 | Cum. EBT | 29 |

Investing profits from repeat customers to grow the business

Strong profitability of repeat customers business invested to grow the business with long-term perspective



Repeat customer and new customer contribution (€ m)

| | Repeat customers (consecutive year's sales) | | | | New customers (sales in the year of acquisition) | | | |
|-------|--|---------------|------|------------|---|---------------|-----|------------|
| | Sales | % of total z+ | EBT | EBT-margin | Sales | % of total z+ | EBT | EBT-margin |
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| | ... | | | | ... | | | |
| 2016 | 656 | 72% | 23 | + 4% | 253 | 28% | - 5 | - 2% |
| | ... | | | | ... | | | |
| 2020e | >1,550 | 78% | > 60 | + 4% | > 450 | 22% | tbd | tbd |

The planned growth until 2020 will be financed internally **zooplus**

| | 2013 | 2016 | | 2020 | |
|-----------------------------------|--------|-------------|------------------------------|-------------|------------------------------|
| Sales | 407 | 909 | | > 2,000 | |
| Working Capital in % net sales | 9.0% | pre 9.0% | post optimization 6.3% | pre 6.3% | post optimization 5.0% |
| Working capital €m | 37 | 82 | 57 | 126 | 100 |
| Δ Working capital | 45 | | 69 | | |
| Capex in % net sales | 20 | | 43 | | |
| | < 1.0% | | < 1.0% | | |

Post tax profits sufficient to finance capex and additional working capital

zooplus management since 2016 even more aligned with shareholders



» Prolongation of contracts of board members from Oct. 1st, 2016 on

» New remuneration scheme:

- Fixed salary + stock options program
- No other variable compensation

» Stock options program:

- 100,000 options for management board members
- Four year holding period
- Hurdle rate:

| | | |
|-----------------------------------|---|-------|
| 1 / 3: share price increase > 20% | → | 149 € |
| 1 / 3: share price increase > 30% | → | 162 € |
| 1 / 3: share price increase > 50% | → | 187 € |
- Exercise price: 124.45 EUR
- Additionally 150,000 Options for selected employees over three years, thereof ~50,000 already distributed - same conditions as management board members

Since Mid 2016 zooplus has a new and even more international and retail experienced supervisory board



Christian Stahl

Chairman

Partner Amlon Capital, London

Moritz Greve

Deputy chairman

Partner Maxburg Capital, Munich

Ulric Jerome

CEO of matchesfashion.com, London

Karl-Heinz Holland

Former CEO of Lidl Group, Germany

Henrik Persson

Partner Sprints Capital Management,
London

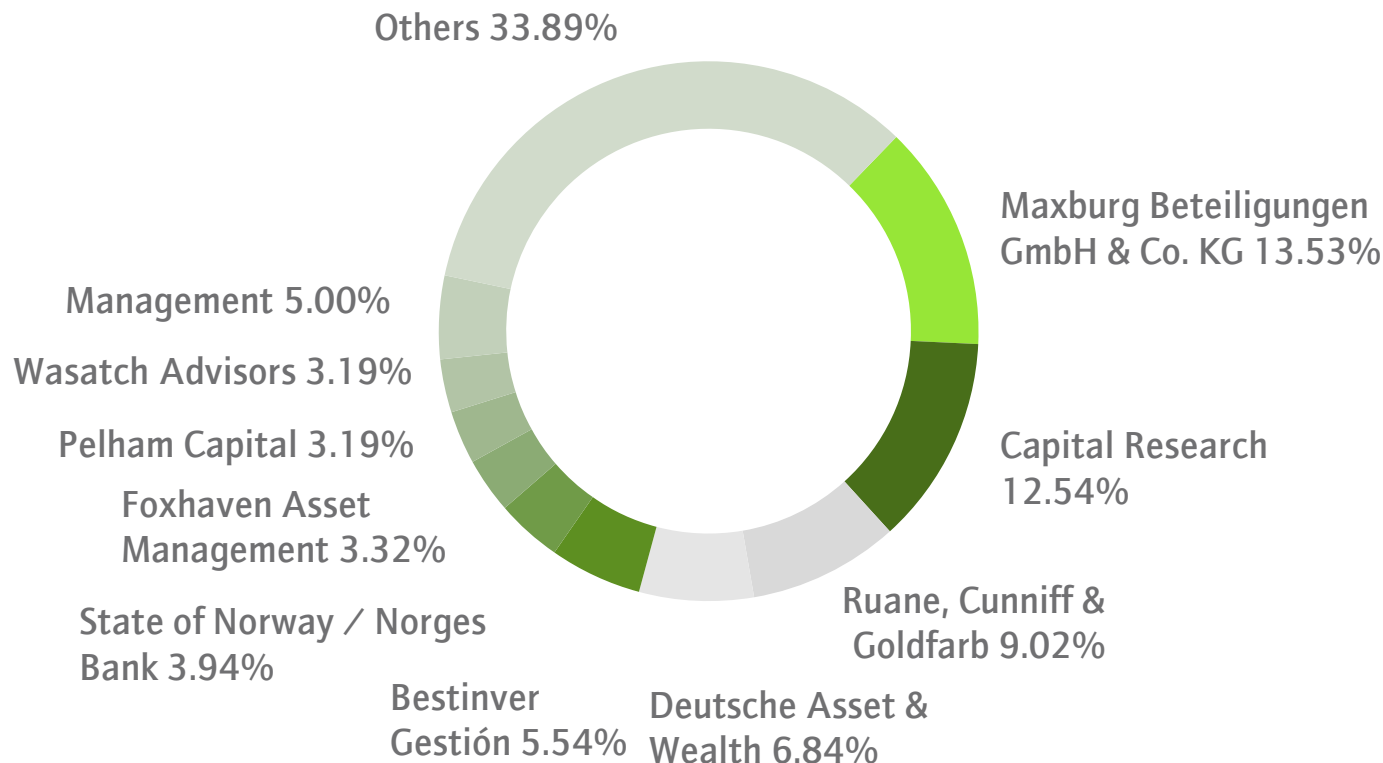
Dr. Norbert Stoeck

Chairman Audit Committee
Business Consultant, Germany

zooplus shareholder structure is very much focused on growth and mid-term value creation



Shareholder structure March 2017



No. of shares:
7,060,902

Market cap:
~ € 900 m

Financial calendar 2017

March 23rd, 2017:
Annual Report 2016

April, 20th, 2017:
Preliminary sales Q1 2017

May 18th, 2017:
Q1 Report 2017

As of March 20th, 2017

Shareholder structure on the basis of the published voting right announcements, including instruments
According to Deutsche Börse the freefloat amounts to 86.47%

Sales target of minimum € **2 billion** in 2020

Working towards **market leadership** online and offline

Sales growth stays top priority

Sales growth as key driver for increasing future profitability

Repeat customer EBT in 2020 of more than € 60m

Laying the foundation for further growth after 2020

Long-term profitability target of around 5% EBT on sales

Q & A

Back-up: Financials 2016



Key Financials 2016



| P&L in € m | 2016 | 2015 | Δ abs | Δ%p |
|----------------------|----------------------|----------------------|------------|--------------|
| Sales | 908.6 | 711.3 | | |
| abs. | 197.3 | | | |
| Δ in % | 27.7% | | | |
| COGS | 681.6 75.0% | 518.2 72.9% | 163.4 | 2.2%p |
| Logistics | 176.0 19.4% | 143.2 20.1% | 32.8 | -0.8%p |
| Payment | 9.6 1.1% | 7.8 1.1% | 1.8 | -0.0%p |
| Customer acquisition | 12.8 1.4% | 10.8 1.5% | 2.0 | -0.1%p |
| Personnel | 29.1 3.2% | 25.0 3.5% | 4.1 | -0.3%p |
| G&A | 23.1 2.5% | 22.3 3.1% | 0.8 | -0.6%p |
| EBITDA | 19.7 2.2% | 15.4 2.2% | 4.3 | 0.0%p |
| I&DA | 1.8 0.2% | 2.8 0.4% | -0.9 | -0.2%p |
| EBT | 17.9 2.0% | 12.7 1.8% | 5.2 | 0.2%p |
| EPS in EUR (basic) | 1.63 | 1.13 | | |
| Balance Sheet | | | | |
| Total Assets | 207.6 | 165.3 | 42.3 | |
| Equity (Ratio in %) | 107.9 52.0% | 93.2 56.4% | 14.6 | |
| Cash Flow | | | | |
| Free Cash Flow | 8.9 | 13.6 | -4.7 | |

Profit & Loss 2016



| in € m | 2016 | | 2015 | |
|--|-------------|-------------|-------------|--------------|
| | abs | % | abs | % |
| Sales | 908.6 | 100.0% | 711.3 | 100.0% |
| Cost of materials | -681.6 | -75.0% | -518.2 | -72.9% |
| Personnel costs | 29.1 | -3.2% | -25.0 | -3.5% |
| Depreciation | 1.6 | -0.2% | -2.6 | -0.4% |
| Other expenses | -221.5 | -24.4% | -184.0 | -25.9% |
| thereof logistics / fulfillment | (-176.0) | -19.4% | (-143.2) | -20.1% |
| thereof marketing | (-12.8) | -1.4% | (-10.8) | -1.5% |
| thereof payment | (-9.6) | -1.1% | (-7.8) | -1.1% |
| thereof other costs | (-23.1) | -2.5% | (-22.3) | -3.1% |
| Earnings before interest and taxes (EBIT) | 18.1 | 2.0% | 12.8 | 1.8% |
| Financial income | 0.0 | 0.0% | 0.0 | 0.0% |
| Financial expenses | -0.2 | -0.0% | -0.2 | -0.0% |
| Earnings before taxes (EBT) | 17.9 | 2.0% | 12.7 | 1.8% |
| Taxes on income | -6.5 | -0.7% | -4.7 | -0.7% |
| Consolidated net result | 11.4 | 1.3% | 7.9 | 1.1% |
| Differences from currency translation | -0.4 | -0.0% | -0.2 | -0.0% |
| Hedge reserve | 1.6 | 0.2% | -1.5 | -0.2% |
| Items that may be reclassified subsequently to profit or loss | 1.1 | 0.1% | -1.7 | -0.2% |
| Comprehensive income | 12.5 | 1.4% | 6.3 | 0.9% |
| Earnings per share in € | | | | |
| basic | 1.63 | - | 1.13 | - |
| diluted | 1.60 | - | 1.11 | - |

Balance Sheet as of Dec. 31st, 2016



Assets

| in € m | Dec. 31st, 2016 | Dec. 31st, 2015 | Δ abs |
|-------------------------------------|-----------------|-----------------|-------------|
| A. Non-current assets | | | |
| I. PP&E | 15.9 | 1.4 | 14.5 |
| II. Intangible assets | 9.0 | 8.0 | 1.0 |
| III. Other financial assets | 0.0 | -0.0 | -0.0 |
| IV. Deferred tax assets | 0.0 | 1.8 | -1.8 |
| Total non-current assets | 25.0 | 11.3 | 13.7 |
| B. Current assets | | | |
| I. Inventories | 78.8 | 74.5 | 4.3 |
| II. Advance payments | 1.6 | 1.4 | 0.2 |
| III. Accounts receivable | 19.2 | 13.6 | 5.6 |
| IV. Other current assets | 25.6 | 18.3 | 7.4 |
| V. Derivative financial instruments | 2.5 | 0.6 | 1.8 |
| VI. Cash and cash equivalents | 54.9 | 45.5 | 9.4 |
| Total current assets | 182.6 | 154.0 | 28.6 |
| | 207.6 | 165.3 | 42.3 |

Equity and Liabilities

| in € m | Dec. 31st, 2016 | Dec. 31st, 2015 | Δ abs |
|--------------------------------------|-----------------|-----------------|-------------|
| A. Equity | | | |
| I. Capital subscribed | 7.1 | 7.0 | 0.1 |
| II. Capital reserves | 94.8 | 92.8 | 2.0 |
| III. Other reserves | 1.1 | 0.0 | 1.1 |
| IV. Profit and Loss carried forward | 4.9 | -6.5 | 11.4 |
| Total equity | 107.9 | 93.2 | 14.6 |
| B. Non-current liabilities | 13.1 | 1.8 | 11.4 |
| C. Current liabilities | | | |
| I. Accounts payable | 47.0 | 35.3 | 11.7 |
| II. Derivative financial instruments | 0.0 | 0.5 | -0.5 |
| III. Other current liabilities | 22.9 | 23.4 | -0.5 |
| IV. Tax liabilities | 4.1 | 0.7 | 3.4 |
| V. Finance lease liabilities | 2.2 | 0.0 | 2.2 |
| VI. Provisions | 8.1 | 8.4 | -0.3 |
| VII. Deferred income | 2.4 | 2.0 | 0.4 |
| Total current liabilities | 86.6 | 70.3 | 16.3 |
| | 207.6 | 165.3 | 42.3 |

Cash Flow 2016



| in € m | 2016 | 2015 |
|---|------------|-------------|
| EBT | 17.9 | 12.7 |
| Cash flow from operating activities | 12.5 | 16.2 |
| Cash flow from investing activities | -3.6 | -2.7 |
| <i>Free cash flow</i> | <i>8.9</i> | <i>13.6</i> |
| Cash flow from financing activities | 0.1 | 0.0 |
| Net change of cash and cash equivalents | 9.4 | 13.6 |
| Cash on hand, bank deposits | 54.9 | 45.5 |