



# CORPORATE PRESENTATION

CLUB DELL'IMPRENDITORE  
IR TOP - CASSA LOMBARDA

NOVEMBER 2015

**banzai**

# BANZAI: THE ITALIAN E-COMMERCE LEADER

1

**LOCAL E-COMMERCE CHAMPION FOCUSED ON CAPTURING A HIGH-POTENTIAL, FAST-GROWING MARKET**

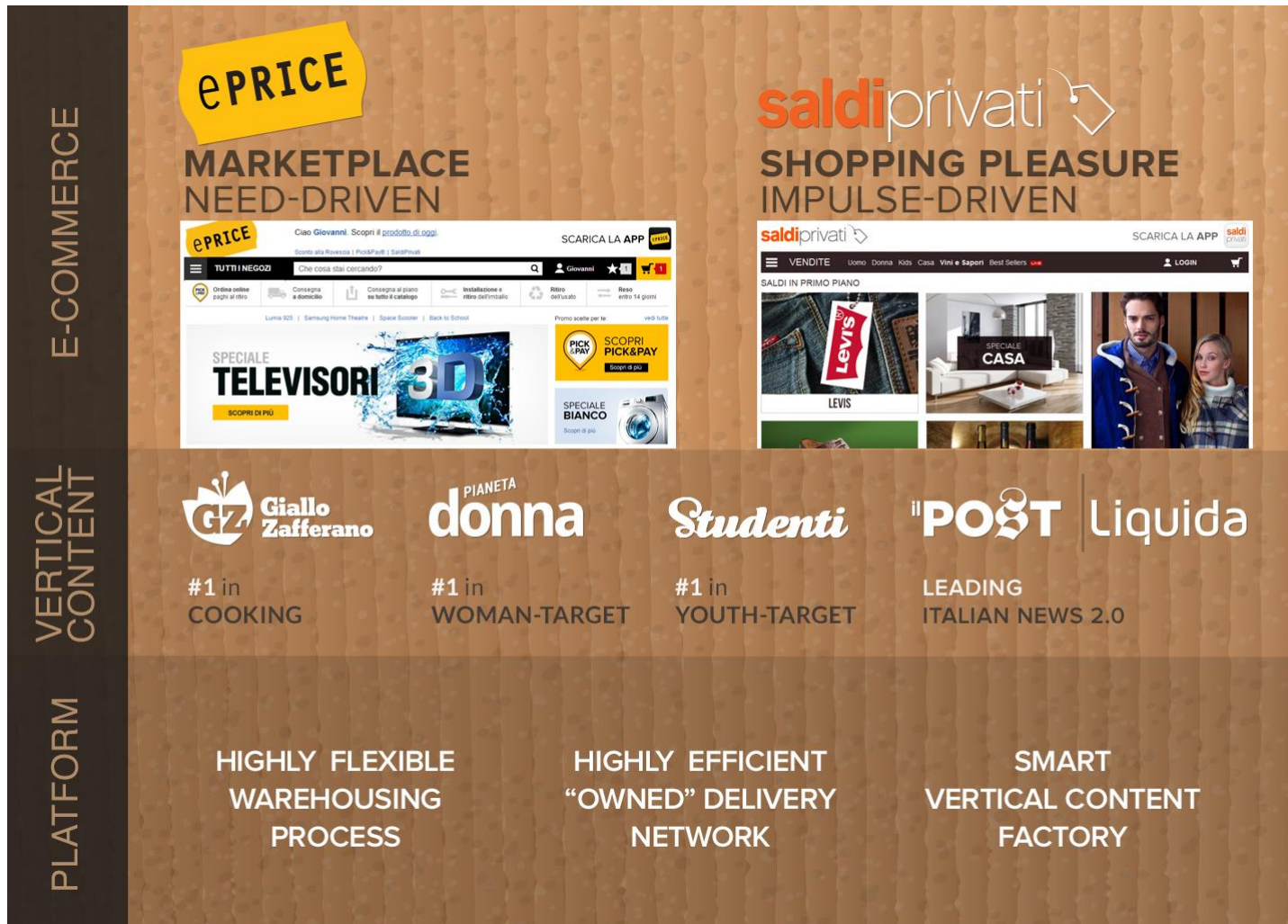
2

**A UNIQUE VALUE PROPOSITION TAILORED TO THE ITALIAN MARKET, SUPPORTED BY A FLEXIBLE AND SCALABLE PLATFORM**

3

**SIGNIFICANT TRACK RECORD AND ACCELERATING GROWTH TO GENERATE VALUE THROUGH SCALE & RELEVANCE**

# BANZAI IN A BOX

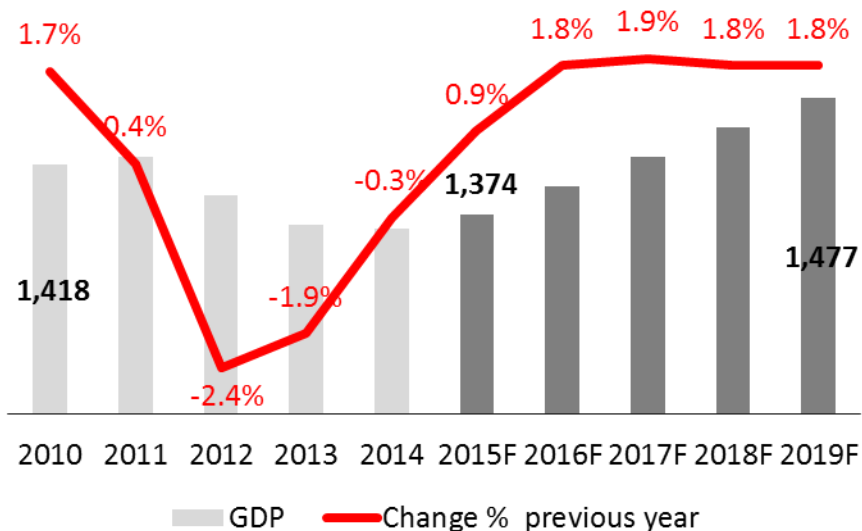


Source: Company Information  
1) TTM revenue as of 30 Sept '15

# ITALY IS 8<sup>TH</sup> WORLD ECONOMY, NOW OUT OF RECESSION. SECULAR & CYCLICAL TRENDS DRIVE E-COMMERCE

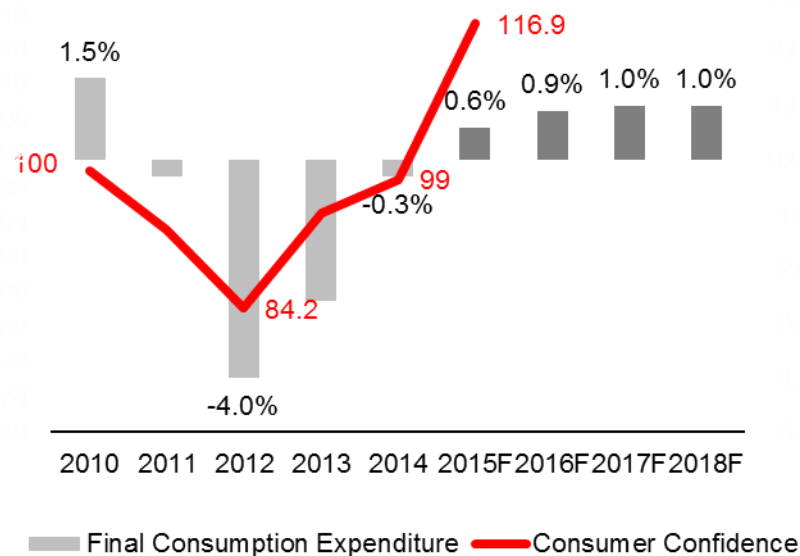
**ECOMMERCE EXPECTED TO GROW 16% (Y15-Y19),  
WITH POTENTIAL UPSIDE DUE TO IMPROVED MACROS**

**Italy GDP**  
(€bn, vs. Previous Year)



**CONSUMER CONFIDENCE IS NOW IN GOOD SHAPE  
AND MAY FURTHER BOOST ECOMMERCE GROWTH**

**Consumer Consumption and Confidence**  
(% vs. Previous Year, 2010=100)

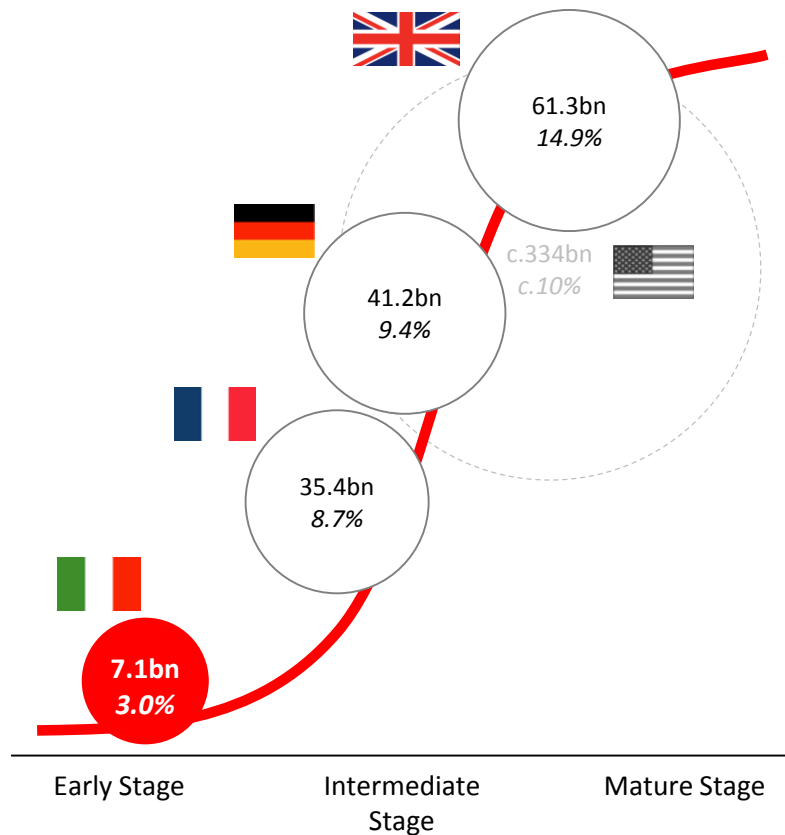


Source: Company re-elaboration on IMF, ISTAT, OECD, Eurostat, 2015. Forecast on country's GDP in 2015-2018 last official updated on oct-14. Data on Consumer Confidence are related to FY for 2010, and to the score of the month of October for 2011-2015

# ITALIAN E-COMMERCE IS MAKING UP FOR LOST TIME, SHOWING GREAT POTENTIAL...

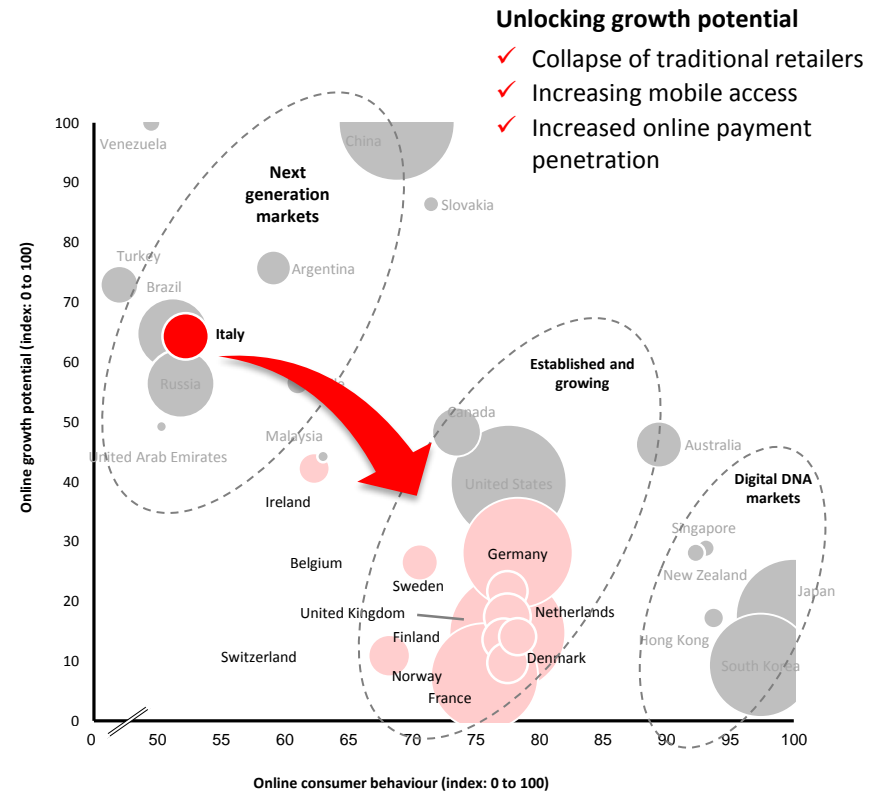
## E-COMMERCE PENETRATION AT AN EARLY STAGE...

2015E e-Commerce Penetration and E-Commerce Goods Market Size (€bn and % vs. Total Retail)



## "EMERGING MARKET" GROWTH PROSPECT

Online Growth Potential vs. Consumer Behaviour<sup>(1)</sup>

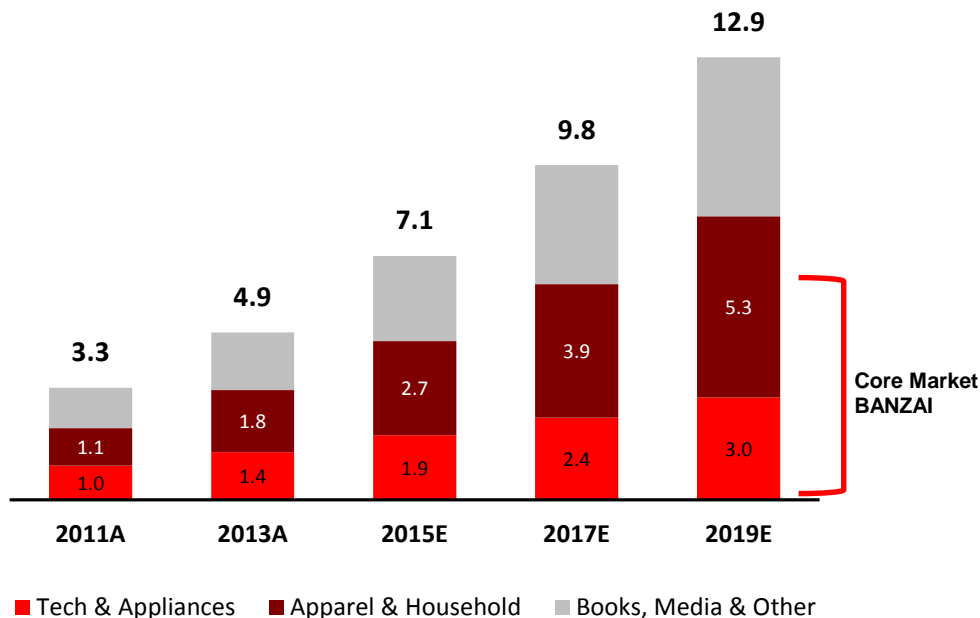


Source: Forrester Research Online Retail Forecast, 2015, and A.T. Kearney – The 2013 Global Retailer e-Commerce Index.

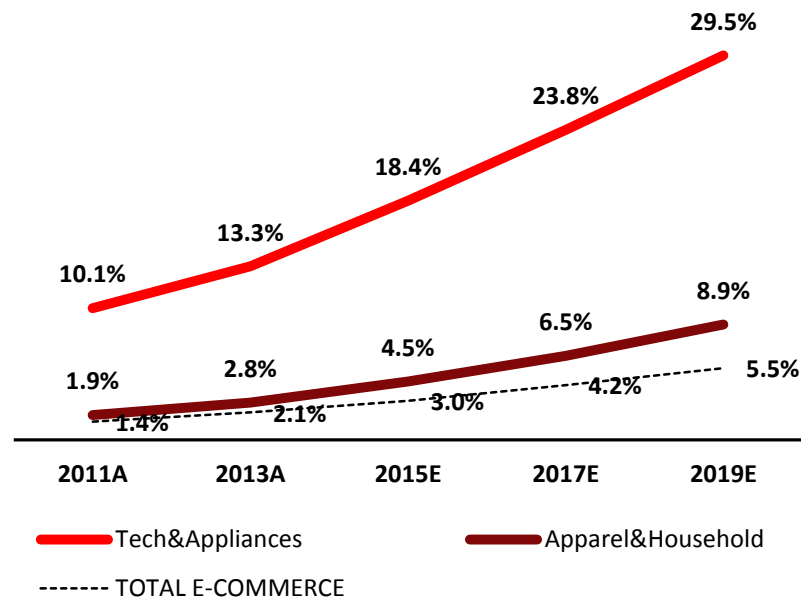
(1) As per AT Kearney analysis, consumer behaviour is based on Internet penetration, online purchase penetration, mobile purchase per capita and fixed broadband subscriptions per 1,000 inhabitants.

# ...+€ 1BN MARKET GROWTH PER YEAR FOR THE NEXT 5 YEARS ENSURED BY THE CURRENT STRUCTURAL SHIFT IN ITALY

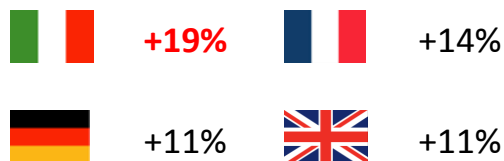
Italian e-Commerce Market (€BN)



Online Channel Share by Category (%)



2011-2019 e-Commerce CAGR EU (%)



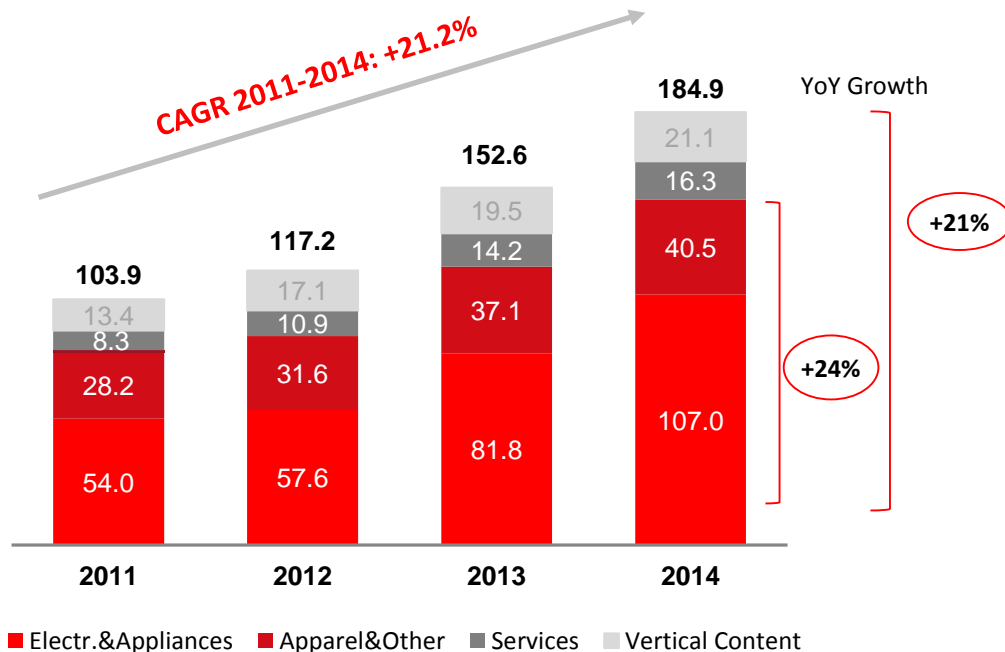
CORE Market TECH in Italy (% growth)

Tech&Appliances Market <sup>1</sup> Growth YTD 15 Italy	Tech&Appliances Banzai 9M 15
+14.4%	+39.3%

# BANZAI: CLEVERLY POSITIONED TO CAPTURE THE GROWTH OF THE MARKET

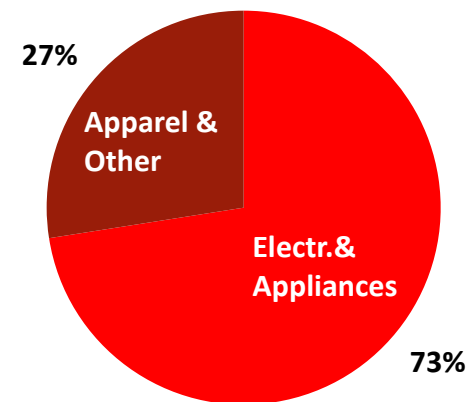
## PROVEN GROWTH TRACK RECORD BEFORE IPO

Banzai Revenues FY 2011-2014 (€M)



## LOCAL LEADER ON THE ITALIAN MARKET

Banzai FY 2014 e-Commerce Revenues Breakdown by Category (%)



#1 Italian e-commerce player by revenues in the Country

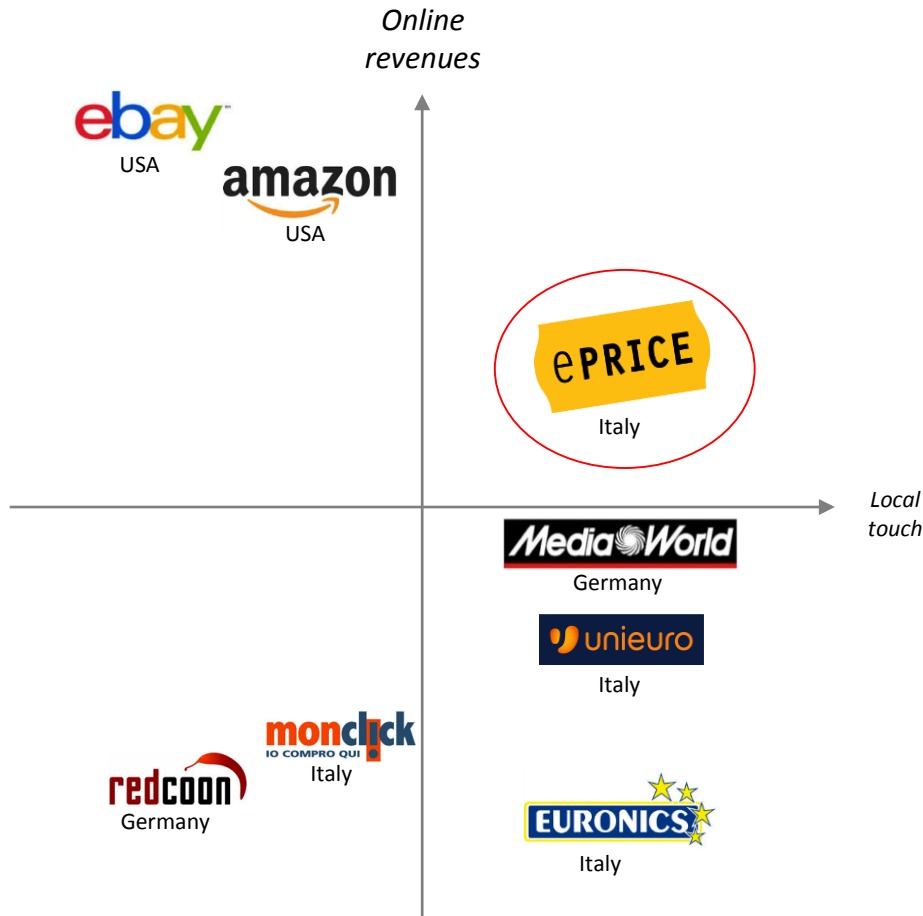
#1 Major Domestic Appliances (AOV c.€402<sup>(1)</sup>)

#2 Electronics (AOV c.€248<sup>(1)</sup>)

Source: Company Information

(1) Rankings for MDA and Electronics based on a 24% and 7% market share, based on Company's Elaboration on GFK Data. Approximate AOV figures (only goods) as per management estimates given the existence of orders with mixed categories. AOV calculated on orders that contain at least one product of the related categories.

# EPRICE: NEED-DRIVEN, MULTI-SPECIALIST



Conceptual chart representing a selected number of relevant players



**FY2014 numbers**

- 257k Buyers
- 628k SKUs
- c.3,000 Brands
- c.80% male

- **Multi-specialist Approach**
- **Focus on High Tickets**
- **Complex products**
- **Pick&Pay**
- **Premium Services**

**24%<sup>(1)</sup>** market share on MDA with exponential YoY growth

**7%<sup>(1)</sup>** market shares on Electronics Goods in a highly fragmented market

Online addressable market in Italy (2015): **€ 1.8bn**

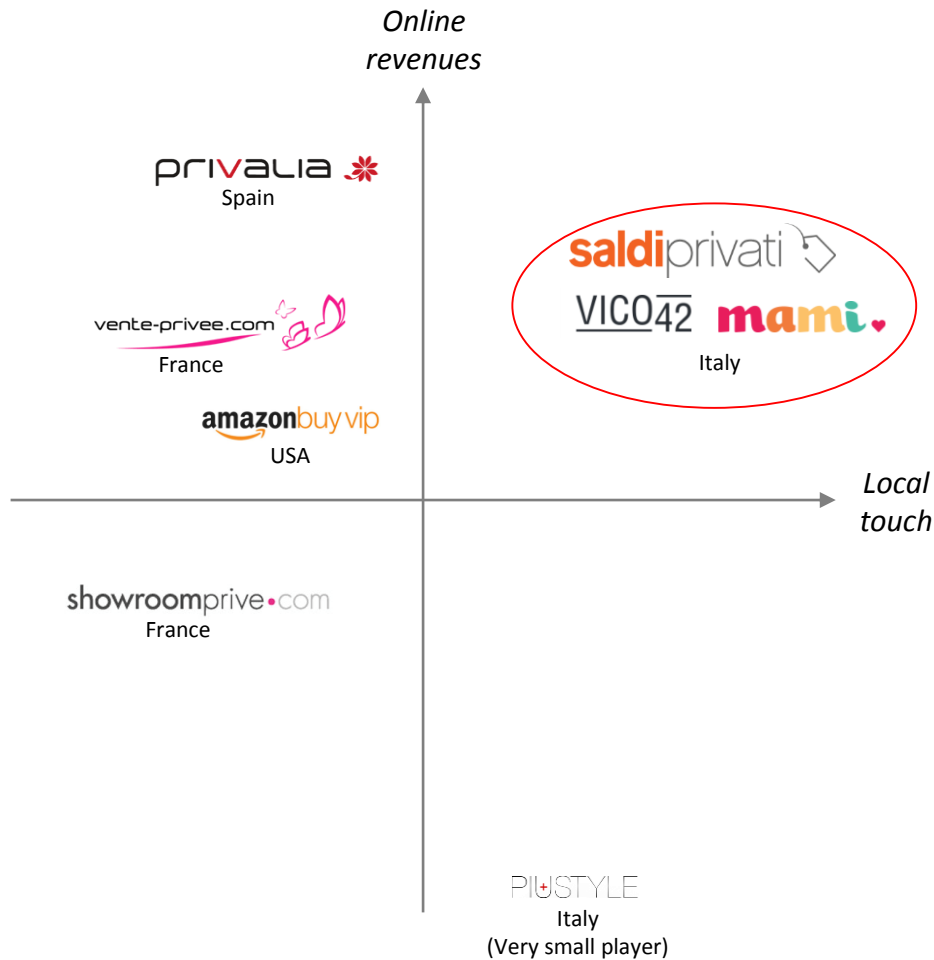
Online+Offline Market in 2015: **€10.3bn**

Source: Company Information

(1) Banzai on Callcredit, Forrester Research and GFK data, 2014 and 2015



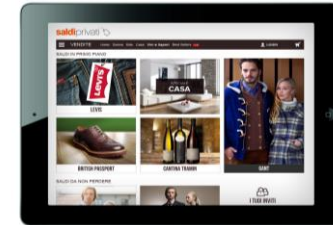
# SALDIPRIVATI: IMPULSE-DRIVEN, EVERYDAY DEALS



Conceptual chart representing a selected number of relevant players

Source: Forrester Research Online Retail Forecast, 2014-2015

November 2015 – Confidential



FY2014 numbers

- 215k Buyers
- c.60% female
- 189k SKUs
- c.1,000 Brands
- c.1,500 Events
- 157k new SKUs

- **Every day deals**
- **Different categories**
- **Theme sales**
- **Mobile-driven revenues**
- **Pick&Pay**

Leading Italian Flash Sales Club

1:1 Engagement Platform

Online addressable market in Italy

(Apparel & Household, 2015): **€ 2.7bn**

Online+Offline Market in 2015: **€61.5bn**

# 4 UNIQUE FEATURES TO MEET NEEDS AND ATTITUDES OF ITALIAN CUSTOMERS

**100% TAILORED FOR THE ITALIAN MARKET**

**Smart inventory  
model**

**Pick&Pay  
stores**

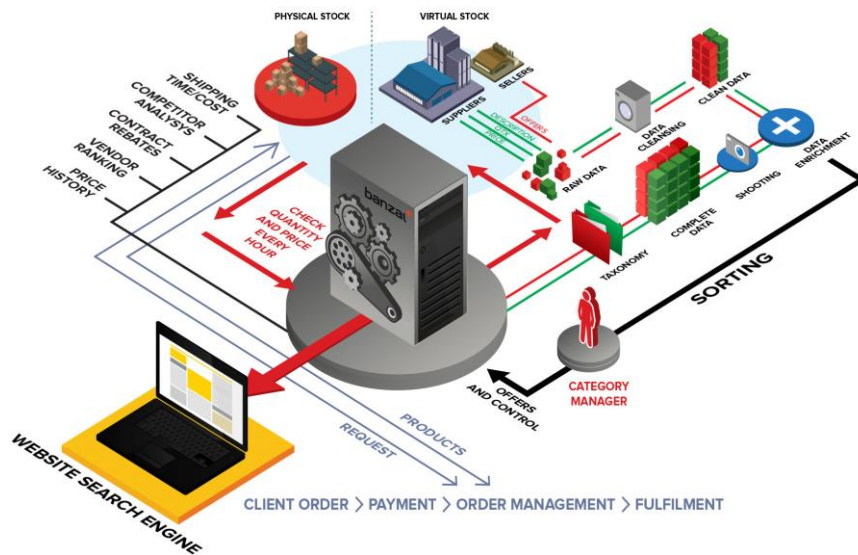
**Content  
strategy**

**Professional  
services**



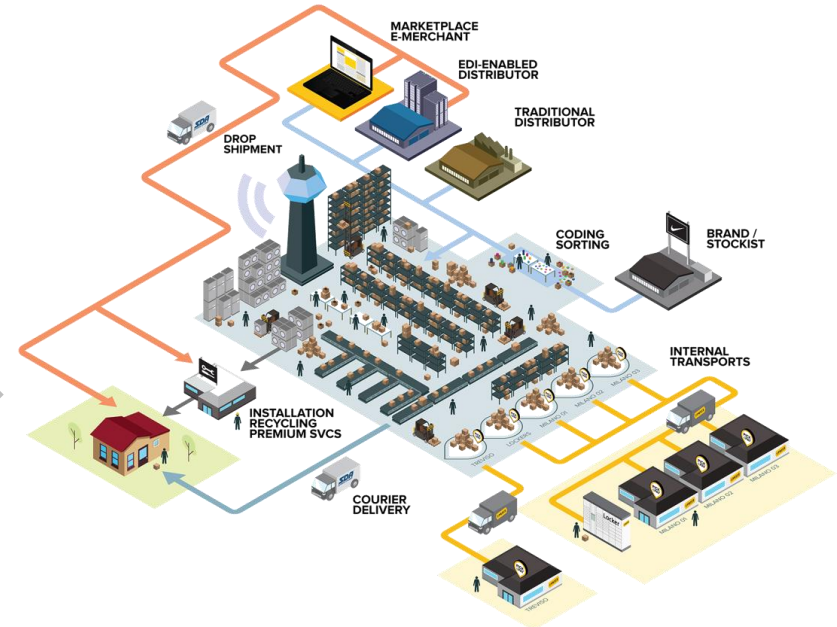
# 1) SMART INVENTORY MODEL WITH SMART LOGISTICS: 1M SKUS, LESS WORKING CAPITAL, HIGH SERVICE LEVELS

## SMART INVENTORY MODEL: KNOWING IS MORE EFFICIENT THAN OWNING.



- Virtual catalog from 200 “live” suppliers
- Data clean up & enrichment
- Complex dynamic pricing, with hourly updates
- Market maker approach (brokerage)

## SMART LOGISTICS: FAST AND FLEXIBLE. LESS OPERATING COSTS, BEST SERVICE LEVELS.



- Multi-supplier, multi-delivery platform
- Fast in, fast out, flexible end-2-end, very scalable
- Less inventory = less working capital & costs
- Pick&Pay = lower distribution costs

## 2) 300+ PICK&PAY STORES AND AUTOMATED LOCKERS: CUSTOMER-CENTRIC AND COST-SAVING

### PICK&PAY STORES (LAUNCHED IN 2007)



- **Collection and payment points** located in third-party, “host” shops
  - **Commission-based flexible network**
  - **No inventory** (products sold already)
  - **Increasing scalability** on delivery costs
  - **End-2-end “retail-like” experience**

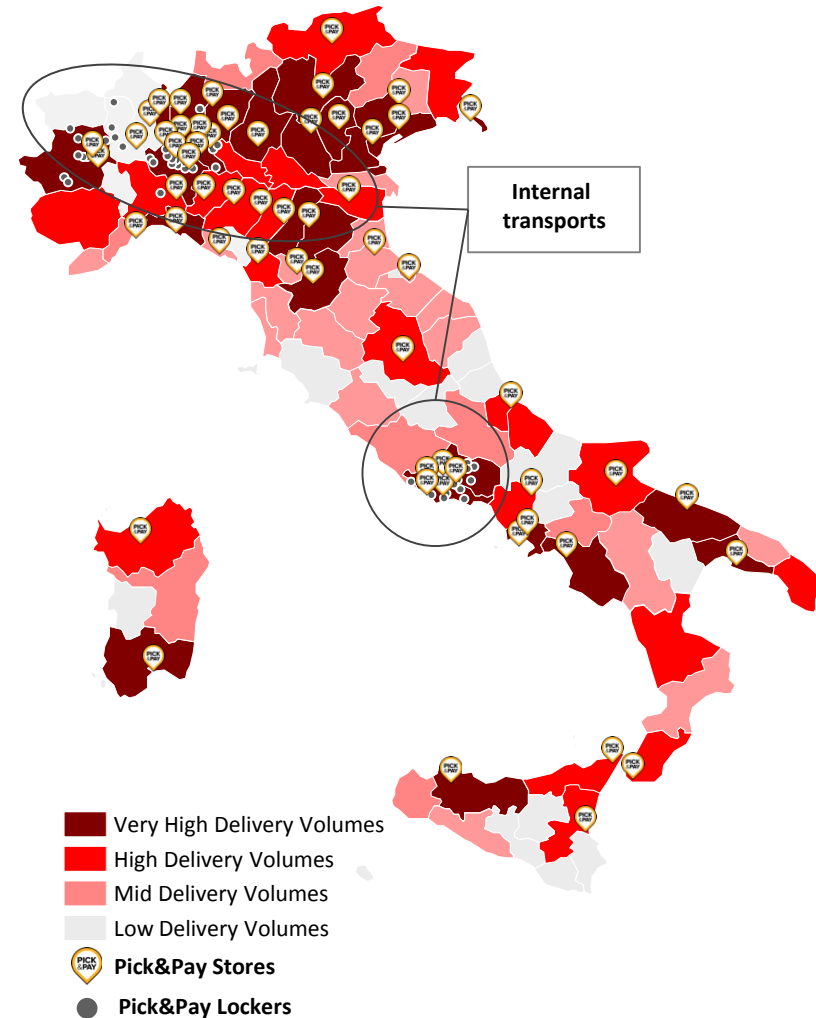
### BENEFITS FOR CONSUMERS

- ✓ **Freedom** from couriers’ hours
- ✓ **Savings** on lower delivery charges
- ✓ **Pay on site** also with cash
- ✓ **Richer experience**

### PICK&PAY LOCKERS (LAUNCHED IN 2014)



- **Highly secure, 24/7** pay and collection **automated** 107 parcel lockers positioned in supermarkets, gas and railways stations.
- **Installed and operated by InPost** (no CAPEX for Banzai)
- **Strong partnership**



### 3) PROFESSIONAL SERVICES TO DRIVE THE NEXT STANDARDS FOR MDAs AND “DIGITAL HOME” E-COMMERCE

THE BEST ITALIAN E-COMMERCE COMPANY FOR INSTALLATION AND LAST MILE SERVICES

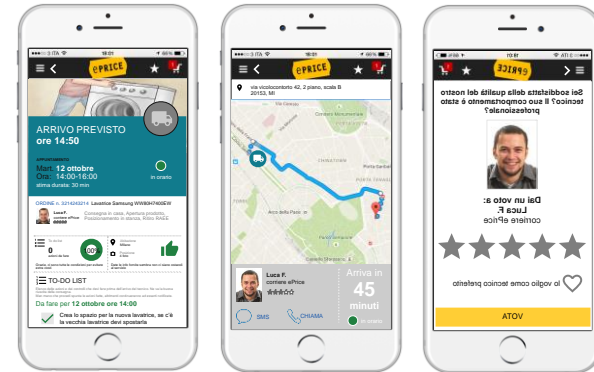
Driving growth in MDAs and expanding into new categories such as TVs and smart home products



**POWERED BY A NETWORK OF 200 PROFESSIONALS...**

to deliver last-mile services on MDAs & home comfort:

- ✓ Installation, custom fitting & WEEE<sup>(1)</sup>
- ✓ Analogic technology (e.g. call center)
- ✓ Async feedback from customers
- ✓ Good service levels



**...READY TO ACTIVATE A NEW GENERATION OF PROFESSIONAL SERVICES**

New platform under development, to deliver a superior experience end-2-end:

- ✓ **Broader range of services** (e.g. smart home)
- ✓ **Mobile-enabled** (“Uber-like”)
- ✓ **Realtime feedback** (impact on compensation)
- ✓ **Best service levels**

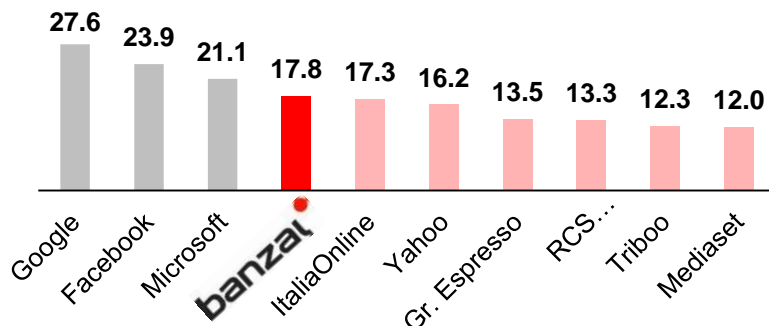
(1) Waste Electrical & Electronic Equipment Directive (2012/19/EU).



# 4) ACCRETIVE CONTENT-DRIVEN STRATEGY, GENERATING TRAFFIC + SMART ADV STREAMS OF REVENUES

## #1 ITALIAN ONLINE PUBLISHER

May 2015 Unique Monthly Visitors<sup>(1)</sup> (M)



## HIGHLY VALUABLE SELECTED AUDIENCES<sup>(1)</sup>

**GialloZafferano**



### #1 IN COOKING

6.7m Unique Visitors

6.0m Video-views/month<sup>(2)</sup>

**PIANETA donna**



### #1 IN FEMALE AUDIENCE

9.4m Unique Visitors

10.1m Video-views/month<sup>(2)</sup>

**Studenti.it**



### #1 IN STUDENT AUDIENCE

4.8m Unique Visitors

2.9m Video-views/month<sup>(2)</sup>

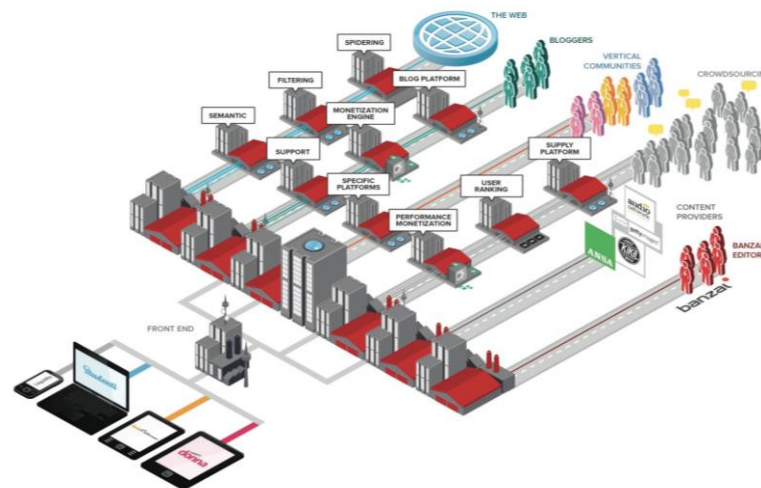
**POST Liquida**

### ONLINE NEWS PIONEER

3.9m Unique Visitors

3.4m Video-views/month<sup>(2)</sup>

## UNIQUE AND PROFITABLE PRODUCTION BUSINESS MODEL



## SYNERGETIC ASSET

- Financially accretive
- Effective incubator of **info-commerce**
- **Halo effect** on e-Commerce brands and suppliers
- Inventory enriched by e-Commerce data
- **Behavioural data commerce** = source of business
- Cost efficient **content production for e-Commerce**
- **Vertical Audience** = Vertical Shops

(1) Source: Audiweb View, May 2015 (includes mobile audience).

(2) Source for Video views: Company information.

# WE HAVE A VERY STRONG VALUE PROPOSITION

## LEADERSHIP VS. AMAZON IN HIGH-VALUE CATEGORIES



- ✓ Stronger on low-tickets
- ✓ Comparable in electronics
- ✓ Can lose money to win (so far)
- ✓ Destination website
- ✗ Weaker in MDAs and TVs
- ✓ Fast delivery time due to huge stock
- ✗ Generalist by design
- ✗ Heavy logistics
- ✗ Online only
- ✗ No local touch
- ✗ No professional services
- ✗ "Conflictual" relationships with suppliers & brands



Broad product selection  
on multiple categories

Focus on high-ticket,  
high-touch products

Multi-specialist,  
with rich contents

Smart inventory model  
+ smart logistics

Pick&Pay

Professional services

Content oriented strategy

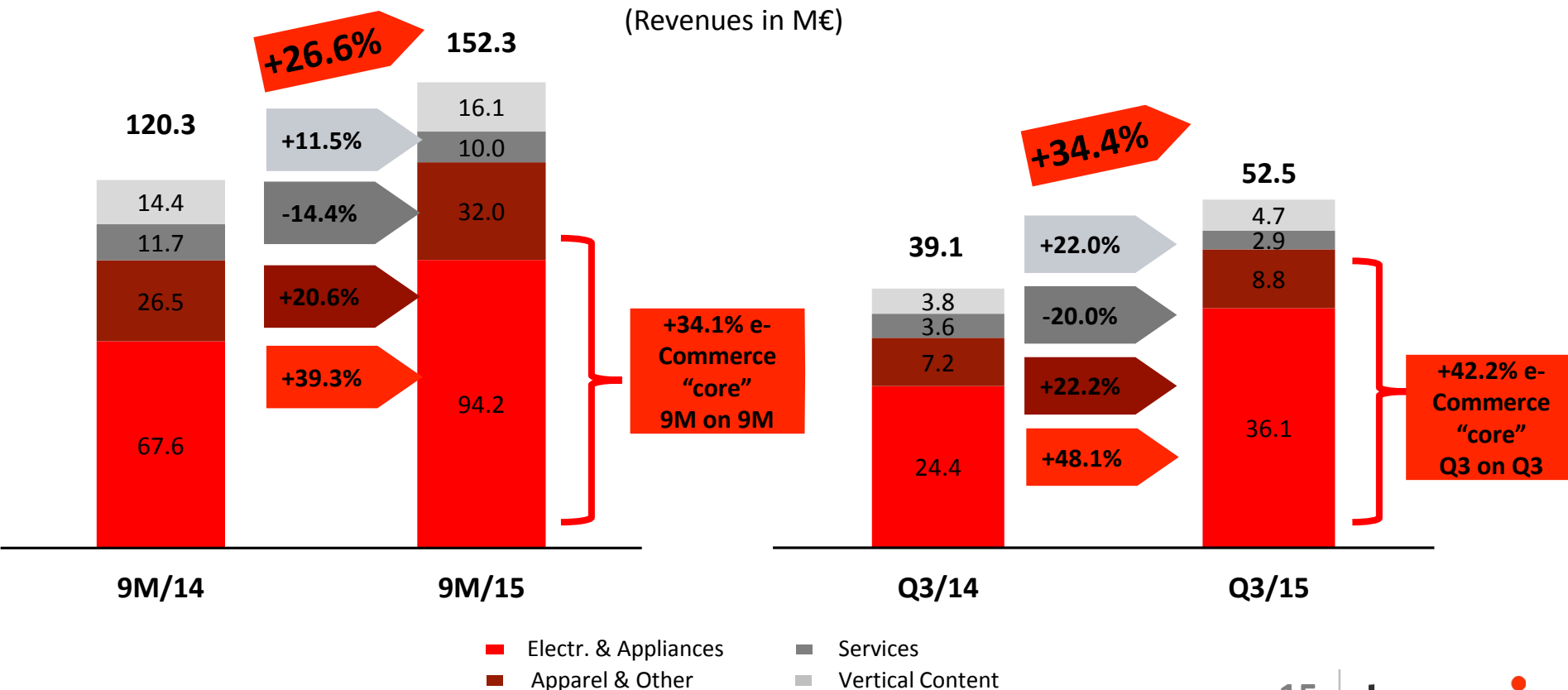
## EFFECTIVE FEATURES VS. TRADITIONAL RETAILERS, C.80% OF THE TECH MARKET



- ✓ Well known brands
- ✓ Immediate ROI from ADV
- ✗ Limited, shrinking selection
- ✗ Higher prices
- ✗ Channel conflicts
- ✓ Physical Coverage of the Territory
- ✗ Clerk-centric service
- ✗ Store-centric inventory
- ✗ Store-centric platform
- ✗ Offline-first DNA & organization

# STRONG REVENUE GROWTH, GAINING MARKET SHARE

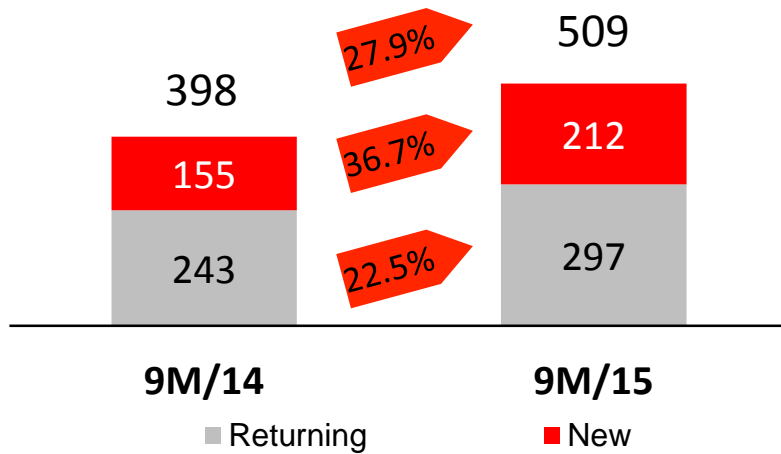
- Continuous acceleration YoY (+20.5% Q1, +25.4% Q2, +34.4% Q3).
- Electronics & Appliances: +39.3% in 9M (>2x reference market), helped by an extraordinary hot summer in Italy.
- Apparel: positive growth trend of previous quarters confirmed.
- Services: impacted by free-shipping and phase-out from B2B indirect sales.
- Vertical Content: +11.5% in 9M (>14 pp vs. reference market), regaining traction vs Q2.



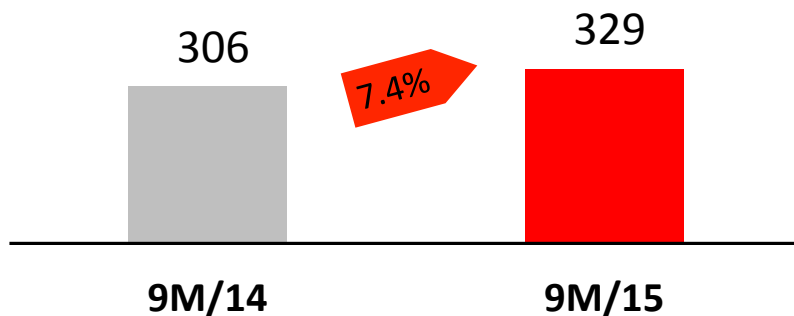


# HEALTHY CUSTOMER KPIs DRIVE GROWTH

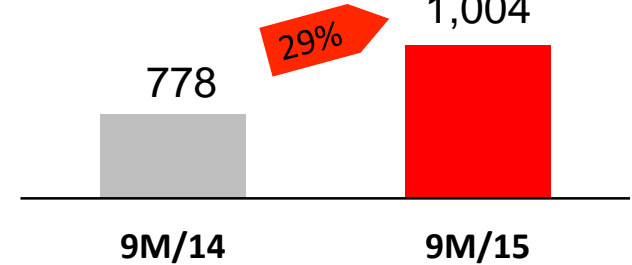
<sup>(1)</sup>  
Adding and Retaining Buyers  
(# of buyers in '000)



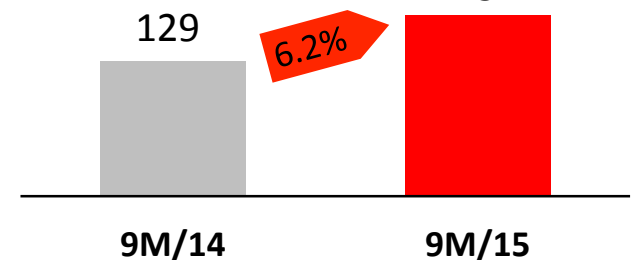
<sup>(2)</sup>  
Average Spending per Buyer  
(in €)



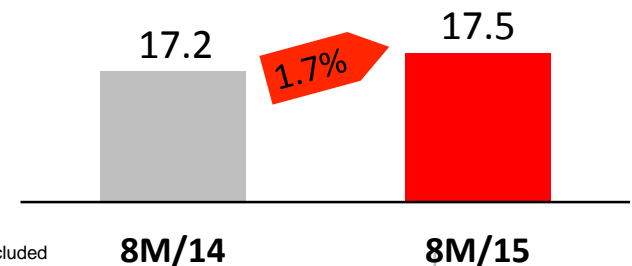
<sup>1</sup>  
Number of Orders  
(‘000)



<sup>1</sup>  
Average Order Value  
(in €)



Average monthly UVs  
(in M)



1) 3P Marketplace Included

2) Spending per Buyer is calculated on revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included

# OUR PATH TOWARDS PROFITABILITY


## INVESTMENTS TO ACCELERATE GROWTH AND SCALE

	Investment period				Investment Effect				Destination	
	2015	2016	2017	2018	2015	2016	2017	2018	Growth	Margin
MARKETING PUSH									++	-
3P MARKETPLACE STARTUP									+	++
PICK&PAY NETWORK ESPANSION									+	+
PREMIUM SERVICES PLATFORM									++	+
NEW FULLFILLMENT CENTER										++
DATA / MOBILE / PRICING									+	++

# OUTLOOK FOR FY2015 - FOCUS ON GROWTH



Revenue growth in line with consensus of c. +25%



Capture market share of the growing Italian market



Develop a unique proposition for Italian customers



Expand the platform to support growth & improve service levels

# CONTACTS

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# APPENDIX

# CONSOLIDATED P&L 9M 2015

(€ mn)	30-Sep-15	%	30-Sep-14	%	%Change
<b>Total revenues</b>	<b>152.3</b>	<b>100%</b>	<b>120.3</b>	<b>100%</b>	<b>26.6%</b>
Cost of sales	-122.2	-80%	-92.2	-77%	33%
<b>Gross profit</b>	<b>30.0</b>	<b>20%</b>	<b>28.1</b>	<b>23%</b>	<b>6.9%</b>
Sales and marketing costs	-9.7	-6%	-6.7	-6%	45%
Content production costs	-4.7	-3%	-4.1	-3%	15%
Logistics costs	-8.5	-6%	-6.4	-5%	32%
IT costs	-2.6	-2%	-2.6	-2%	-3%
G&A	-5.3	-4%	-4.7	-4%	12%
Banzai S.p.A. G&A	-2.6	-2%	-2.3	-2%	10%
<b>Adjusted EBITDA</b>	<b>-3.3</b>	<b>-2%</b>	<b>1.2</b>	<b>1%</b>	<b>n.m.</b>
Non-recurring costs and Stock Option plan	-1.0	-1%	0.0	0%	n.a.
<b>EBITDA</b>	<b>-4.3</b>	<b>-3%</b>	<b>1.2</b>	<b>1%</b>	<b>n.m.</b>
D&A and write-downs	-4.4	-3%	-4.0	-3%	11%
<b>EBIT</b>	<b>-8.7</b>	<b>-6%</b>	<b>-2.8</b>	<b>-2%</b>	<b>n.m.</b>
Net financial expenses	-0.1	0%	-0.4	0%	-65%
associated companies	-0.1	0%	0.0	0%	n.a.
<b>Earnings Before Tax (EBT)</b>	<b>-8.9</b>	<b>-6%</b>	<b>-3.2</b>	<b>-3%</b>	<b>n.m.</b>
Tax	2.4	2%	0.6	1%	n.a.
<b>NET PROFIT OR LOSS</b>	<b>-6.5</b>	<b>-4%</b>	<b>-2.6</b>	<b>-2%</b>	<b>n.m.</b>

In 9M15, the e-Commerce division, with revenues of €135 million (up 28.7%), stands out as the main growth driver in the Group.

Gross Margin increased in to €30 million (+7%) from €28 million of 9m14. This translated into a margin of 20%, dropping YoY, as the e-Commerce and Vertical Content divisions grew at different speeds and free-shipping promotions were used extensively.

Adjusted EBITDA stood in 9M15 at -€3.3 million, due to higher sales and marketing costs (+45%YoY) to acquire customers for the e-commerce division, and higher logistics costs (+32%YoY) in line with the increased sales volumes of the core categories in the e-Commerce division.

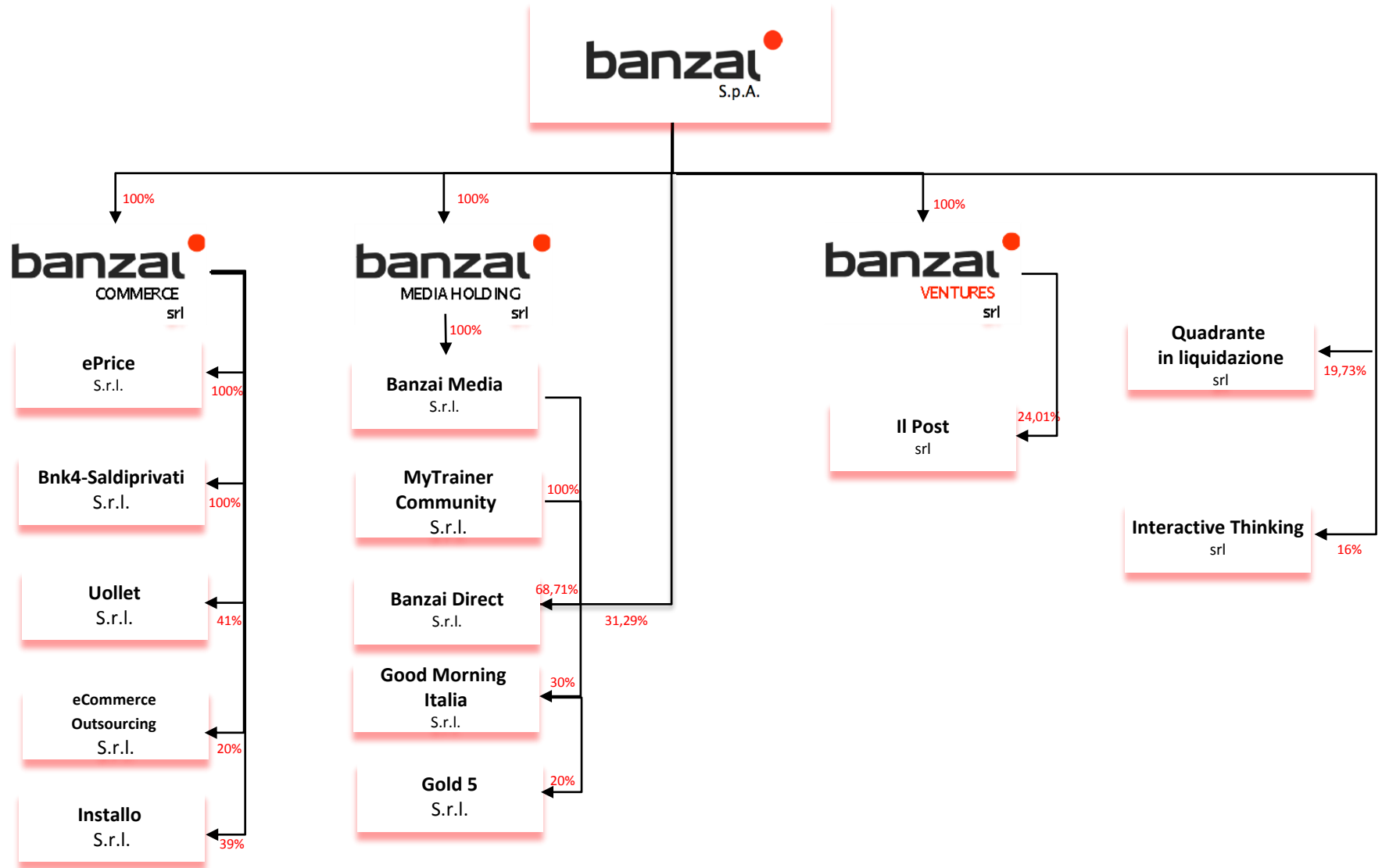
<sup>(1)</sup> Management accounts

# CONSOLIDATED BALANCE SHEET

Balance Sheet (Eu mn)	30/09/15	31/12/14
<b>TOTAL ASSETS</b>	<b>50.8</b>	<b>43.7</b>
Inventories	20.2	13.0
<b>NET WORKING CAPITAL</b>	<b>0.6</b>	<b>(5.7)</b>
Deferred tax assets	11.5	7.7
Provisions	(3.8)	(3.3)
Other non current debts	(0.5)	0.0
<b>Net Invested Capital</b>	<b>58.7</b>	<b>42.3</b>
<b>Net Equity</b>	<b>86.8</b>	<b>43.1</b>
<b>Net Financial Position</b>	<b>(28.1)</b>	<b>(0.8)</b>
<b>Total Sources</b>	<b>58.7</b>	<b>42.3</b>

> Eu 11mn Investments in 9M15, mainly targeted to purchase hardware and equipment for the operational sites and the logistics hub, the development of the marketplace platform and the new ERP accounting and management system.

# COMPANY STRUCTURE AS OF 30 JUNE 2015





# MAIN SHAREHOLDERS

The share capital of Banzai S.p.A. is equal to Euro 812.297 composed by n.40.614.850 ordinary shares without par-value.

RELEVANT SHAREHOLDERS	NUMBER OF SHARES	% SHARE CAPITAL
Paolo Ainio <sup>1</sup>	8,900,736	21.91%
Sator Fund	8,613,850	21.21%
Treasury Shares	285,250	0.70%

(1) of which 221.750 (0,55%) held trough PUPS S.r.l., 80% controlled by Paolo Ainio

There are no other shareholders, outside of those listed above, with a shareholding of more than 5% that have notified Consob and Banzai S.p.A. according to art. 117 of Consob Regulation no. 11971/99 on notification requirements of major holdings.