



Q1 16

PRELIMINARY REVENUES

Conference Call

April 21, 2016

banzai[•]

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PRESENTING TODAY



Paolo Ainio
Founder & Executive
Chairman

- Founded Banzai in 2007
- Sold it to SEAT Pagine Gialle in 1999, running the online business until 2002
- Launched Virgilio, the major Italian internet portal, in 1994



Pietro Scott Jovane
CEO
Banzai Group

- Joined Banzai in 2015
- CEO and GM of Italian listed publisher RCS MediaGroup in 2012-2015
- Microsoft's CEO in Italy
- CFO of Internet Division in Matrix, Seat Group / Telecom Italia.



AGENDA

-  Q1 16 Revenue Highlights
-  Q1 16 Business Achievements & Initiatives
-  Appendix: Market Scenario

BANZAI: THE NATIONAL E-COMMERCE LEADER

1

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

#1

Italian
e-Commerce
Player

2

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

€244M
Revenues
TTMQ116

3

**SIGNIFICANT TRACK RECORD AND REVENUE GROWTH TO
GENERATE VALUE** THROUGH SCALE & RELEVANCE, IN ORDER TO
REACH PROFITABILITY

+29%
Q1 GMV⁽¹⁾
YoY

106 Pick&Pay
312 Lockers

(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included.
Vertical Content not included in the perimeter.

BANZAI: HIGHLIGHTS OF THE QUARTER

1

GMV up 29% YoY, thanks to strong growth of Marketplace; this adds on the c.20% YoY revenue growth, mainly driven by c. +28% YoY revenues in Electronics & Appliances (c. +38% in terms of GMV)

2

Launched Integrated Mobile Platform, to support Premium Delivery and Installation Services in the Milan Area

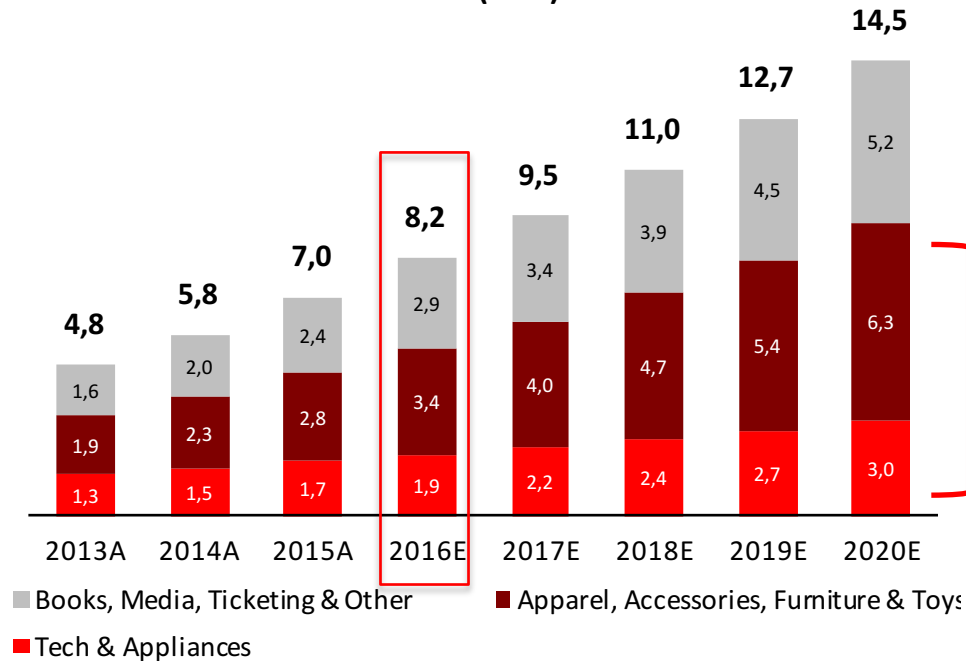
3

Entered exclusive negotiations over potential sale of Vertical Content division

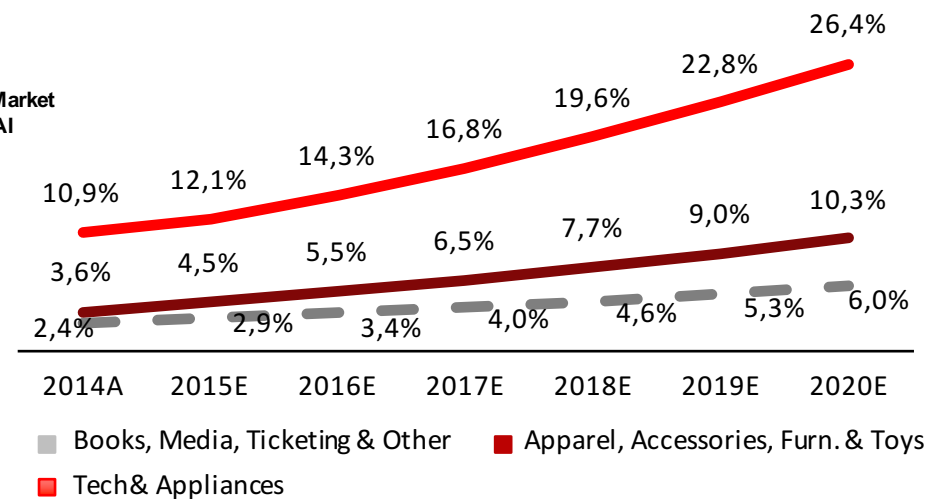
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E-COMMERCE: BANZAI GREW 2x CORE TECH MARKET

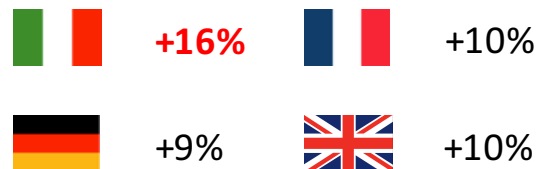
Italian e-Commerce Market (€BN)



Online Channel Share by Category (%)



2015-2020 e-Commerce CAGR EU (%)



CORE Market TECH in Italy (% growth)

Offline Tech&Appliances Market Jan/Feb 16A ⁽¹⁾	Online Tech&Appliances Market Jan/Feb 16A ⁽¹⁾	Tech&Appliances Banzai Q1 16 GMV YoY
+1.8%	+16%	+37.9%

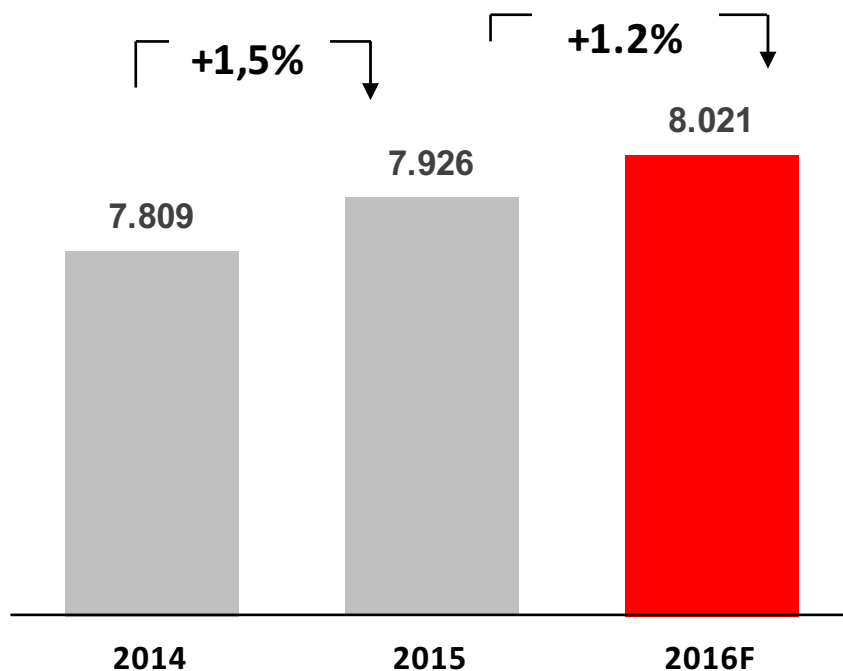
Source: Banzai re-elaboration on Forrester Research Online Retail Forecast and internal estimates, 2016

(1) Market Data as of end of February 2016, March still under review

(2) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included.

VERTICAL CONTENT: BANZAI STRONGLY OUTPERFORMED THE REFERENCE MARKET

Italian ADV Market yearly value 2014-2016 (€ MLN)



Italian ADV Market By Channel (€ '000)

Channel	Jan/Feb 2015	Jan/Feb 2016	YoY
Print	152,327	148,447	-2.5%
TV	573,541	609,941	6.3%
Radio	51,911	52,846	1.8%
Internet FCP	61,052	62,391	2.2%
Direct Mail	49,764	45,973	-7.6%
Other	24,968	27,947	11.9%
Total	913,563	947,545	3.7%

FCP Online Market in Italy (% growth)

FCP Internet Market ⁽¹⁾ Jan/Feb 16A	Vertical Content ⁽²⁾ Banzai Media Q1 16
+2.2%	+19.7%

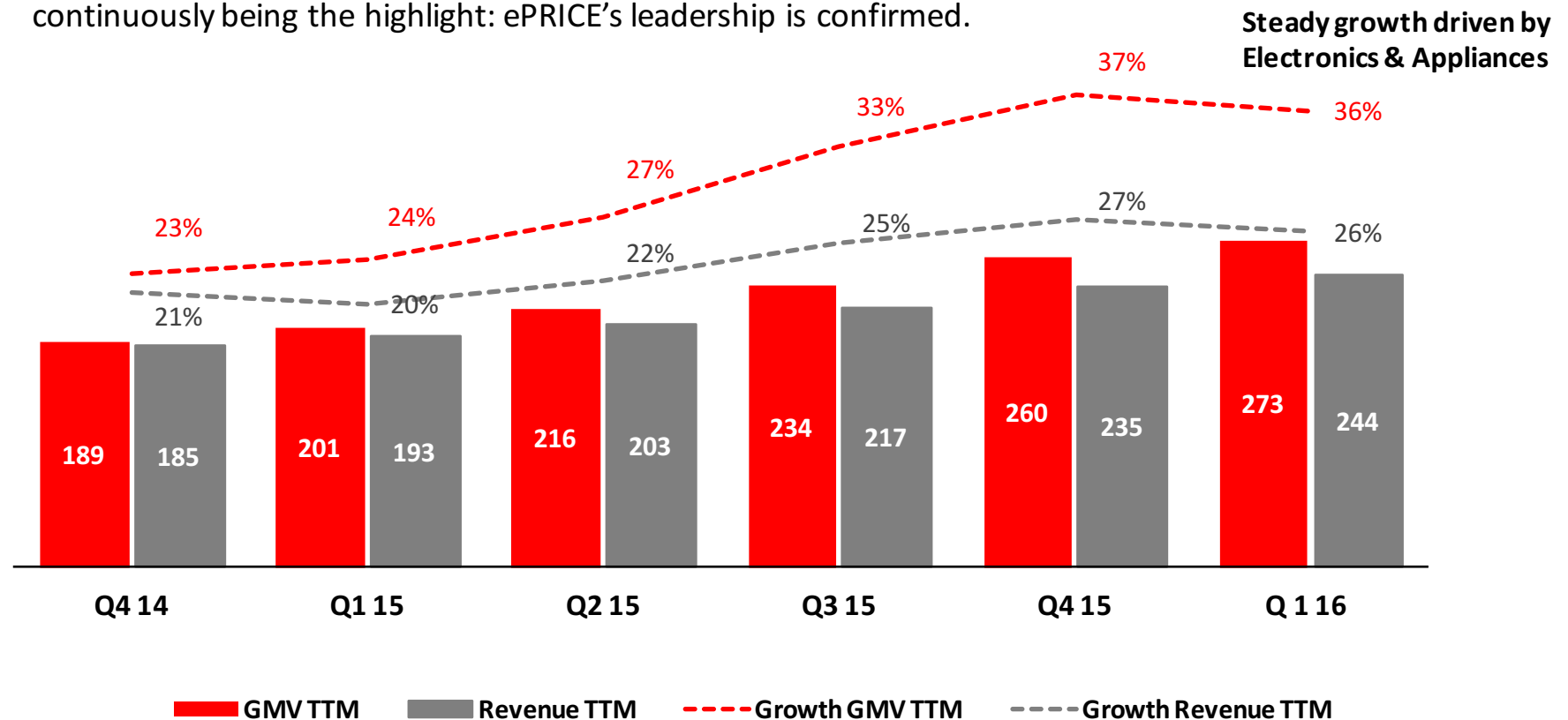
Source: Nielsen Digital Survey 2014 -2016, FCP Online ; (*) Nielsen estimate based on FCP+ search and social; (**) includes Cinema and Out of Home. FCP Market does not include Facebook and Google ADV revenues.

(1) data as of end of February 2016, FCP market view excludes international players

(2) data as of end March 2016, +6% organic growth without AdKaora revenue in the perimeter

Q1 16: BANZAI CONSOLIDATED TTM₁ REVENUES

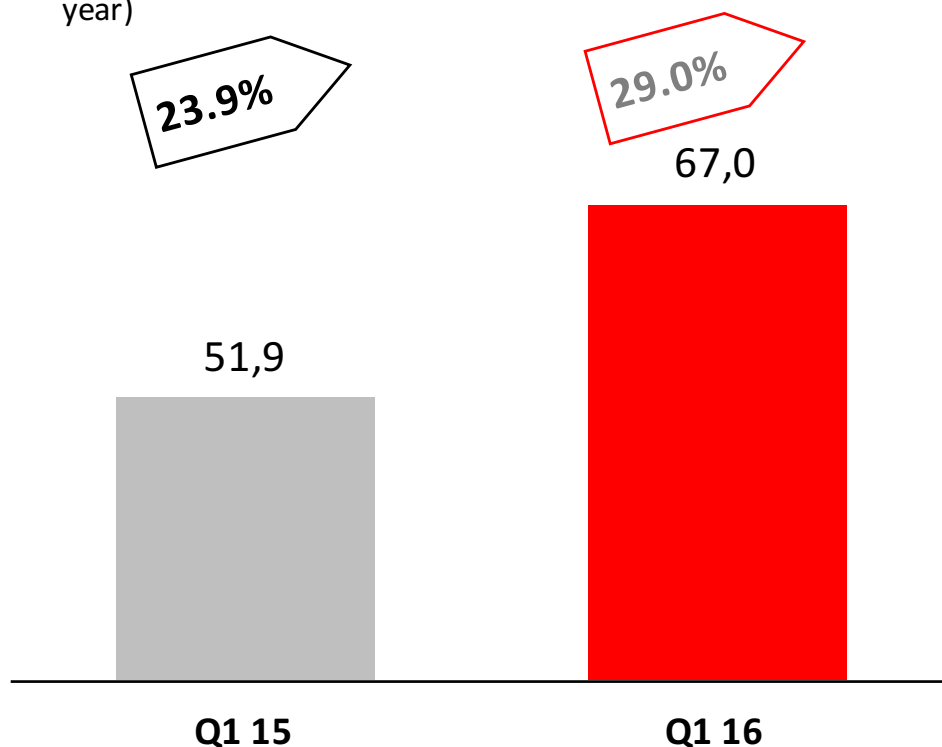
- Group posted c. 26% TTM growth in revenues and 36% in TTM GMV YoY.
- Steady growth in TTM sales growth , outperforming competitors in both e-Commerce and media reference markets.
- Continued exceptionally strong performance in Electronics&Appliances, with MDA continuously being the highlight: ePRICE's leadership is confirmed.



REVENUE GROWTH SUSTAINED ALSO BY START UP OF 3P MARKETPLACE

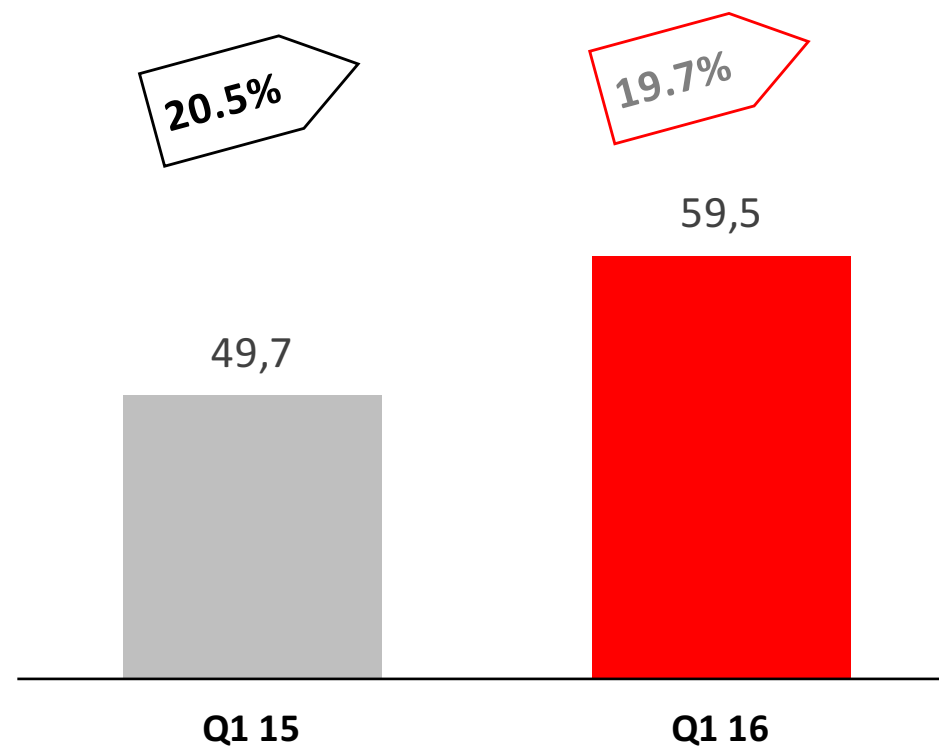
Strong GMV growth outperforms market

(Revenues & GMV¹ in € MLN, Growth % compared to previous year)



Focusing revenue growth on high ticket categories

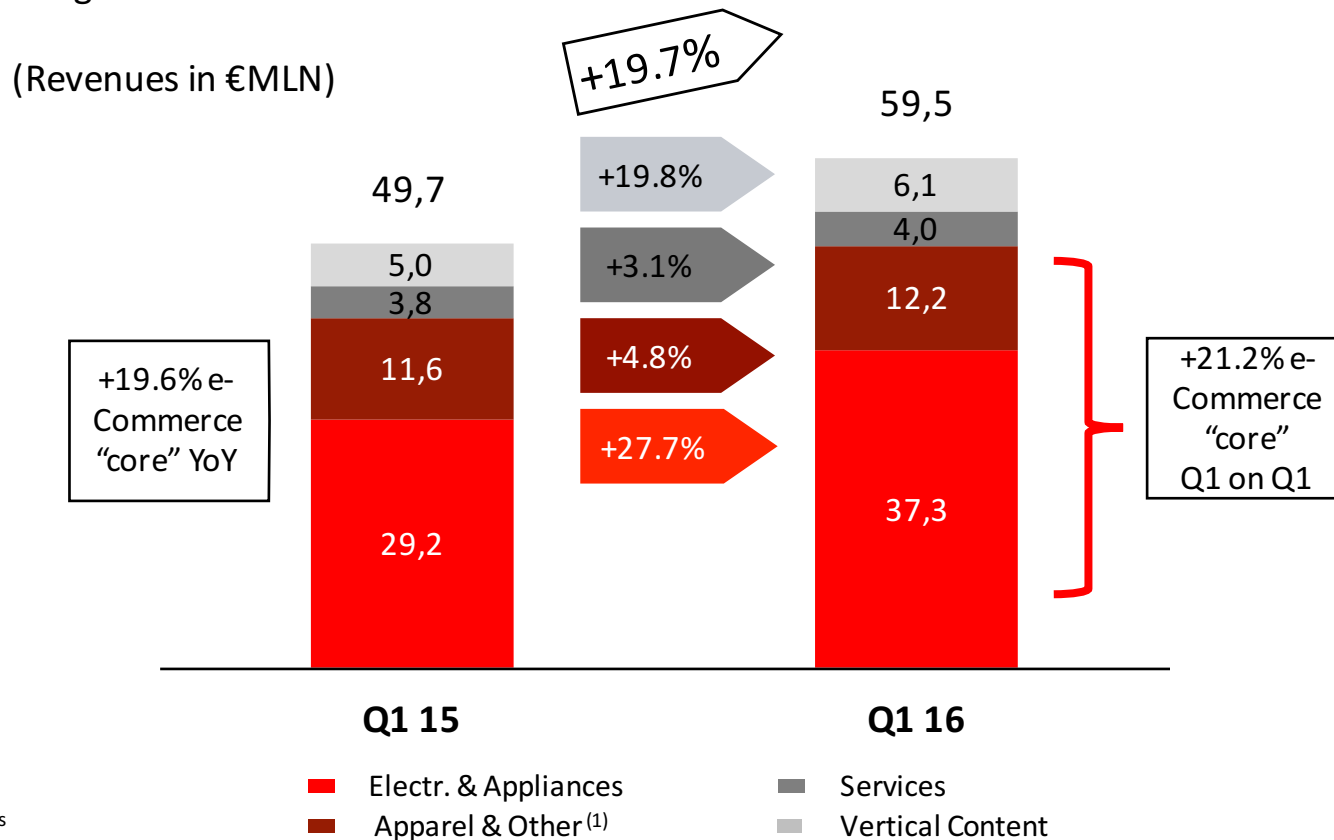
(Total Revenues in € MLN, Growth % compared to previous year)



(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Vertical Content not included in the perimeter.

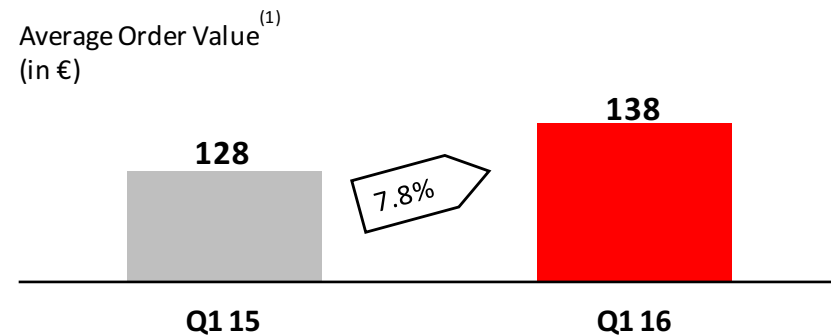
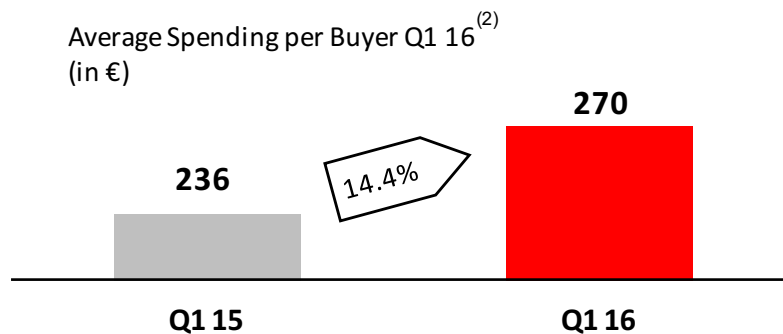
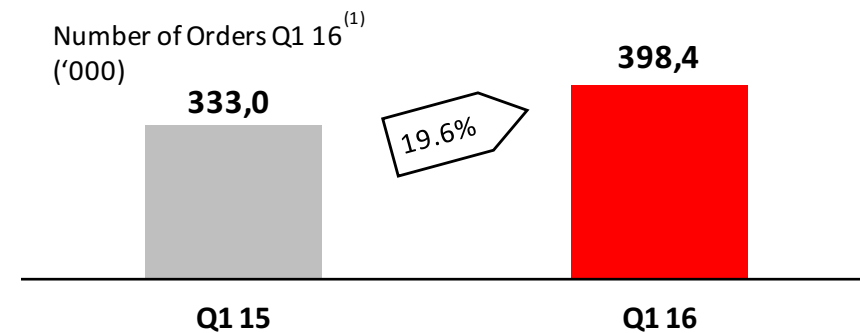
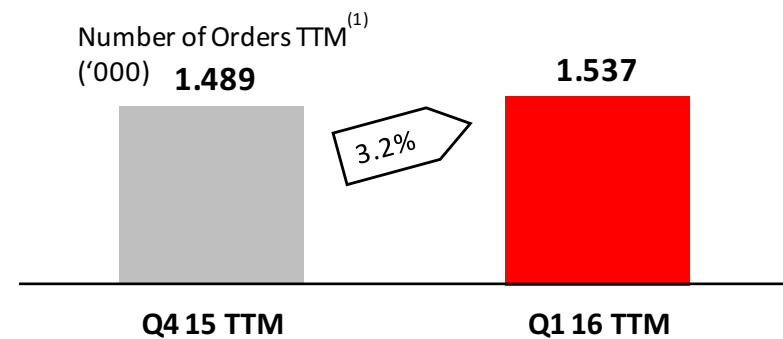
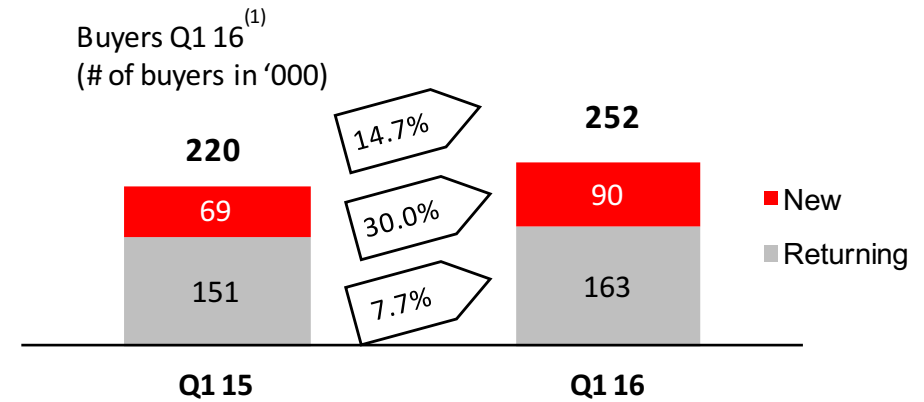
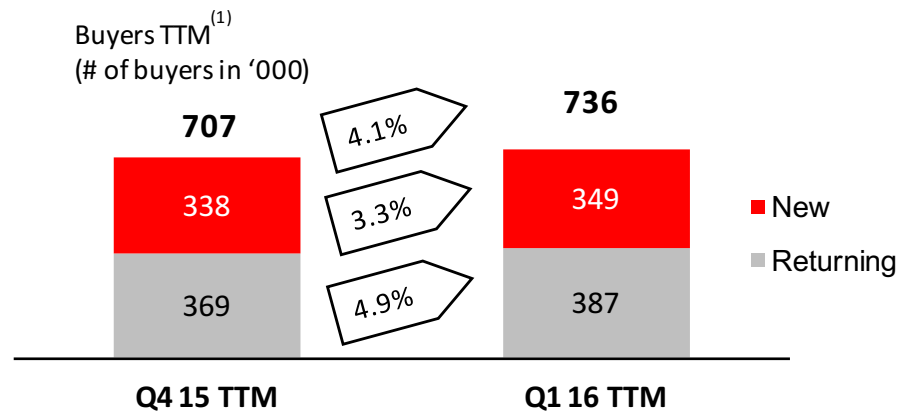
Q1 16: REMARKABLE GROWTH IN CORE CATEGORIES

- Steady growth of revenues in both divisions, driven by Electronics & Appliances, despite slightly unfavorable calendar due to the Easter break.
- Electronics & Appliances: +27.7% YoY (c. 2x reference market in terms of GMV), thanks to an improved pricing strategy, strong growth on MDAs and SDAs, and a sound result on IT/Telecom (Samsung S7 launch).
- Apparel: positive trend, within a more mature market.
- Services: growing info-commerce revenues, offsetting tough comparison on free-shipping and phase-out of B2B indirect sales.
- Vertical Content: +19.8% (vs a flat reference market), thanks to organic growth and consolidation of AdKaora, empowering mobile ADV solutions.



(1) Including Flash Sales

Q1 16: HEALTHY CUSTOMER KPIs DRIVE GROWTH



(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

ePRICE HOME SERVICE: MOBILE-ENABLED, TRUSTED PROFESSIONAL NETWORK DEDICATED TO MDAs & SMART HOME PRODUCTS

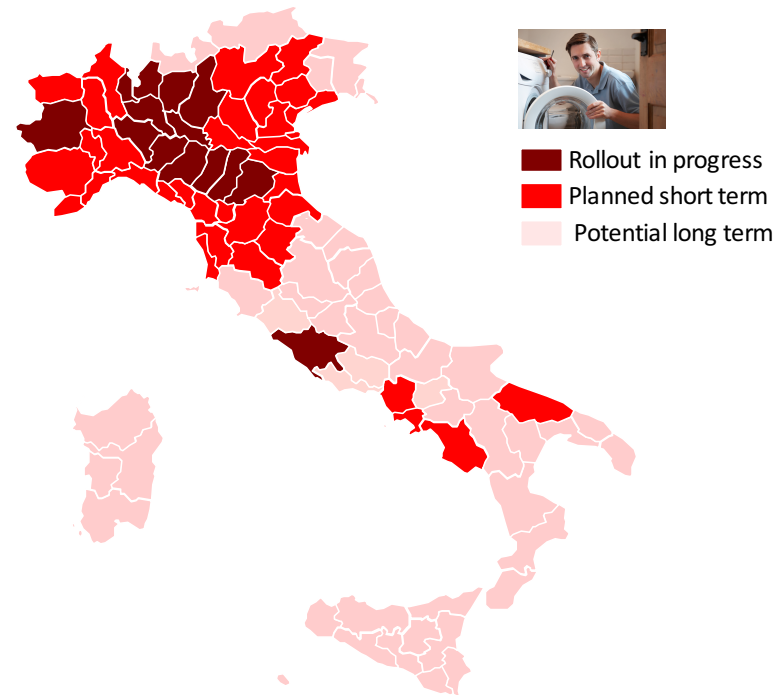
Now offering: delivery, installation & WEEE recycling⁽¹⁾ of major domestic appliances. Soon: much more.

RICH CUSTOMER CENTRIC PROPOSITION



- ✓ Freelance professionals = light asset
- ✓ Mobile-enabled = realtime e2e control
- ✓ Feedback-based = drives NPS above 70⁽²⁾
- ✓ Scalable platform, designed for the future

DESIGNED FOR SCALE & DIFFERENTIATION



- ✓ Geo expansion following volumes & saturation
- ✓ Service expansion towards smart home products
- ✓ Bundling of products & services = solutions
- ✓ Potentially open to B2B customers

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

(2) Based on about 900 feedbacks

ePRICE – MARKETPLACE IS GENERATING NEW VALUE IN TERMS OF CHOICE AND GMV

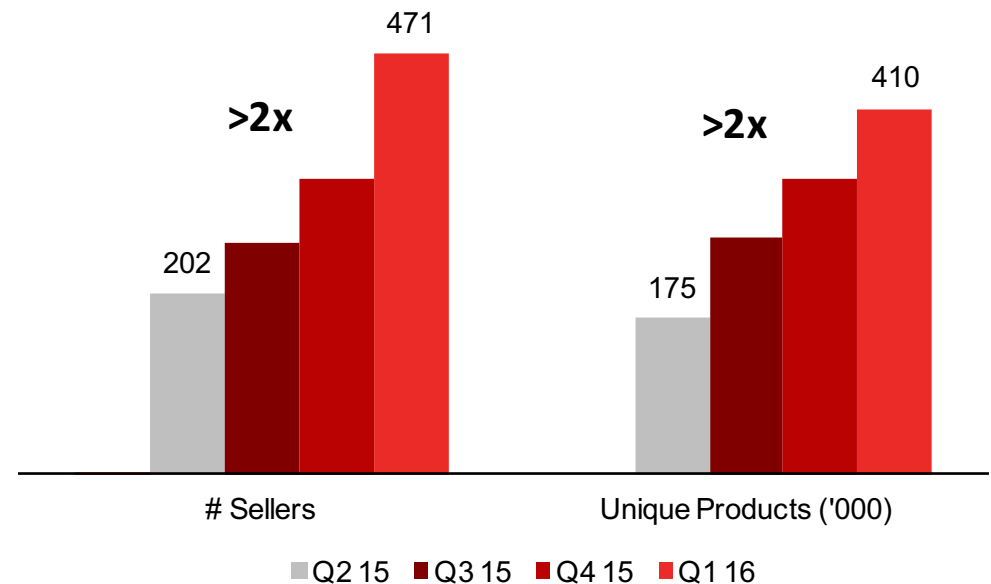
MARGIN GENERATOR



- ✓ Leverage from existing traffic / customers
- ✓ Commission-based = high margin
- ✓ Complementary offering (Inventory & prices)
- ✓ Scalable horizontally & vertically

MARKETPLACE KPIS ACCELERATION

Marketplace: Number of Sellers, Unique Products ('000)



- ✓ On average, 3P marketplace adds 3-4 new offers on currently existing SKUs
- ✓ Marketplace weight on GMV trending up, towards 10%
- ✓ 650K offered products during Q4 15, now +122% => 1.400K additional offers generated by Merchants Marketplace

RECENT CORPORATE UPDATES

- New BoD renewed on April 14th: 9 members, 3 independent.
- 5 members confirmed: Paolo Ainio (Chairman), Pietro Scott Jovane (CEO), Andrea Biasco, Pietro Boroli and Matteo Renzulli.
- 4 new entrants:
 - ✓ **Roland Berger**, Honorary Chairman of Roland Berger Strategy Consultants, currently BoD member of Rocket Internet, Fresenius SE, Schuler AG, Geox
 - ✓ **Pierluigi Bernasconi**, Founder and former CEO of MediaMarket SpA (Media World, Saturn)
 - ✓ **Maria Pierdicchi**, formerly Director at Borsa Italiana and responsible for South Europe at Standard & Poor's, currently BoD among others of Nuove Banche Marche, Etruria e Lazio, Cassa di Risparmio di Ferrara e Cassa di Risparmio di Chieti, Luxottica Group e di Standard & Poor's CMSI
 - ✓ **Serenella Rossano**, Chartered Account at her own consulting company, Banca Profilo BoD independent member

Q1 16 TAKEAWAYS

Consistent GMV⁽¹⁾ & Sales growth, driven by Electronics & Appliances

Extension of last mile services; YE target to 135-150 Pick&Pay and 400 Lockers, or c. 80% of the Population

Enrichment of last mile services: New Home Service Platform launch, target to expand in main cities by Year End

Ongoing Vertical Content Sale Process

2016 Guidance reiterated

(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Vertical Content not included in the perimeter.


CONSISTENT STRATEGY GOING AHEAD




Capture market share of the growing Italian online market



Develop a Unique Selling Proposition for Italian customers




Build a very distinctive offer and undisputed leadership on MDAs



Expand premium services & warranties to improve M/T profitability

APPENDIX


2016 GUIDANCE




GMV¹ growth in the upper part of the 25-30% range and of 20-25% for revenues



Significant increase of the Gross Margin driven by improved e-Commerce performance



Operating Cash Flow achieving a significant improvement compared with Euro -12.6 million in 2015



Capex at Euro 15 million, including one-off investments for the new fulfilment center

(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. It does not include Vertical content.

OUR UNIQUE WAY TO E-COMMERCE

Smart inventory model

- ~ 1M SKUs virtual catalog from ~200 “live” suppliers
- Advanced dynamic pricing, with hourly updates
- Multi-supplier, multi-delivery platform: fast in, fast out, flexible end-2-end, very scalable
- Less inventory = less working capital & fulfilment costs
- **2016 target: New 29k sqm fulfilment center by year end. Expandable up to 50k sqm.**

Pick&Pay stores

- 106 collection and payment points, mostly hosted by existing shops, paid on commissions
- No inventory, no fixed costs, no CAPEX
- For customers: freedom from courier hours, cash on delivery, lower costs, best shopping experience
- 312 automated lockers, active 24/7, operated by InPost (no CAPEX for Banzai)
- **2016 target: 150 Pick&Pay stores, covering 80% of the population. 400 Lockers.**

3P merchant marketplace

- ~470 merchants with 1.4MLN Skus
- ~10% of total Gross Merchandise Volume
- Commission-based, accretive gross margin
- Complementary offer on core categories
- Potential driver of category expansion
- Now opening to international sellers
- **2016 target: 3x merchants, positive impact on gross margin.**

Professional services

- 200+ professionals delivering last-mile services on MDAs & home comfort: installation, custom fitting, recycling and disconnection
- New, proprietary mobile-centric platform: online scheduling, real time interaction and feedback
- Multi-skills, multi-category capabilities, aiming at covering full spectrum of “smart home” products
- **2016 target: ~2/3 of professional services delivered through new platform by year end.**



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 FULFILMENT CENTER										++
DATA / MOBILE / PRICING									+	++

OUR PLAN: SCALE FAST

		2014	2015	TARGET MODEL	M/T	2016 target
E-COMMERCE	Revenue Growth	23.4%	28.2%	e-Commerce penetration 3% (2015) >>> 5% (2018) Market 1.6X - Banzai growing faster than online market	Targeting profitability of single country online specialty retailer, once critical mass achieved.	GMV ¹ growth upper part of the 25-30% range.
	Gross Margin	16.0%	13.3%	S/T pressure due to change in mix and impact of free shipping Focus on gross profit per order, positive impact from 3P marketplace		Significant G.M. improvement, benefitting EBITDA
	Sales & Marketing	4.3%	6.1%	Short-term increase for customer acquisition (COBA) and ePRICE TV Adv		
	Fulfilment	5.8%	6.0%	Economies of scale - New fulfilment center - Pick&Pay capacity saturation - Platform improvements - Cost saturation		
	Content & IT	1.7%	1.6%			
	G&A	2.4%	2.3%			
	TOTAL OPEX	14.2%	16.0%	Economies of scale with short-term impact from S&M		
VERTICAL CONTENT	Revenue Growth	7.9%	15.0%	In line with market growth, outperforming traditional publishers+AdKaora		
	Gross Margin	73.1%	66.2%	Broadly in line with historical performance + consolidation of AdKaora		
TOTAL OPEX (AS % OF SALES)		20.5%	21.3%	Economies of scale		
EBITDA MARGIN		2.0%	-2.3%	Impacted by focus on growth in 2015 and 2016		
TOTAL CAPEX (AS % OF SALES)		5.1%	5.1%	Expansion investments in 2015 and 2016 (new fulfilment center & IT)	Low single digit % Capex/ sales	Eu 15mn Capex, incl. fulfilment C.

Source: As per management based on audited accounts.

(1) Excludes additional growth from the acquisition of Terashop. Growth rate including acquisition of Terashop is 33.2%.

FINANCIAL CALENDAR 2016

May					
M	T	W	T	F	
	2	3	4	5	6
	9	10	11	12	13
	16	17	18	19	20
	23	24	25	26	27
	30	31			

July					
M	T	W	T	F	
					1
	4	5	6	7	8
	11	12	13	14	15
	18	19	20	21	22
	25	26	27	28	

September					
M	T	W	T	F	
				1	2
	5	6	7	8	9
	12	13	14	15	16
	19	20	21	22	23
	26	27	28	29	

May 9

July 21

September 14

Q1/16 Full Results

H1/16 Preliminary Sales

H1/16 Full Results

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