

## STAR CONFERENCE, LONDON

6<sup>TH</sup> OCTOBER 2016

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#### **BANZAI: PRESENTING TODAY**



Pietro Scott Jovane CEO Banzai

- 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.







Micaela Ferruta
Head of Investor Relations
and Strategic Planning

- Joined Banzai in 2015
- Previously: Head of Media & Telecommunications Coverage in Intermonte
- Worked in Infostrada



### **BANZAI: THE NATIONAL E-COMMERCE LEADER**

1

A HIGH-POTENTIAL, FAST-GROWING MARKET IN THE TECH AND APPLIANCE MARKET

#1
Italian
e-Commerce
Player

Eu 287 mn GMV<sup>(1)</sup> TTM Q2 16

+25% H1 16 GMV<sup>(1)</sup> YoY

117 Pick&Pay 290 Lockers

A UNIQUE VALUE PROPOSITION TAILORED TO THE ITALIAN

MARKET, SUPPORTED BY A FLEXIBLE AND SCALABLE PLATFORM

3

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

<sup>(1)</sup> 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. Still including Saldiprivati



#### SALE OF SALDIPRIVATI - TRANSACTION HIGHLIGHTS

- Signing of Saldiprivati announced on 4/10/2016
- Closing expected in November 2016
- Enterprise Value Eu 38 mn, or 0.86x EV/SALES LTM as of June, 30 including Eu 10 mn earn-out, based on certain conditions pertaining 2018 results;
- FY2015 sales Eu 44.3mn and Eu -1.4mn Ebitda; H1'16 Sales of Eu 22.6mn (flat YoY) and Eu -1.3mn EBITDA.
- Signed 5 Year agreement to manage fulfilment and logistics activities of Italian c ombined operations Showroomprivè & SaldiPrivati. The agreement ensures Banz ai logistics scale and efficiencies;
- Cash in at closing: Eu 28 mn, before one-offs; Escrow of Eu 2.5mn until 2017;
- FY2016 Capital Gain c. Eu 6 mn from the sale;



Banzai to focus solely on core Tech&Appliances Business. Advertising push on ePrice brand and of related premium services portfolio



Banzai FY 2016 net Result = positive as a result of SaldiPrivati and Banzai Media asset sales

## SALE OF SALDIPRIVATI – PEER COMPARISON (AS AT 3/10/2016)

**Transaction Multiple**(\*): **c. 0.9x EV/SALES LTM** as of 30 June, 2016 including earn-out, in line with SRP. SP Eu 38mn EV compares with c. Eu -2mn cash flow before M&A in H1 16.

Stock	Price	Mkt cap	EV/Sales 2015	EV/Sales 2016	EV/Sales 2017	EV/Sales 2018	EV/Ebitda 2015	EV/Ebitda 2016	EV/Ebitda 2017	EV/Ebitda 2018
Banzai SpA	2.8	114	0.4	0.3	0.2	0.2			61.7	9.7
AO World Plc	1.7	717	1.2	1.0	0.8	0.6		402.2	49.0	20.9
Cnova NV	5.4	2,370	1.2	1.2	1.1	0.9			129.6	42.0
Verkkokauppa.com Oy	6.3	282	0.7	0.7	0.6	0.5	28.2	19.4	14.7	12.5
ASOS plc	49.8	4,155	3.5	2.8	2.3	1.9	58.3	44.1	34.5	27.4
Zalando SE	37.2	9,185	2.8	2.3	1.8	1.5	58.7	37.9	26.6	19.8
YOOX Net APorter S.p.A.	27.8	2,466	4.0	1.9	1.6	1.4	29.3	23.5	18.5	14.0
boohoo.com PIc	1.1	1,188	6.1	4.5	3.6	2.9	63.6	40.6	33.4	27.2
SRP Groupe SA	19.6	642	1.3	1.0	0.8	0.6	27.5	16.0	11.2	8.1
MySale Group plc	0.9	138	1.0	0.8	0.7	0.6		35.8	23.1	17.0

SP valued c. 0.9x EV/sales 2016 LTM as of June 30th\*

SP was EBITDA NEGATIVE\*

(\*) Transaction announced on October 4 th, 2016



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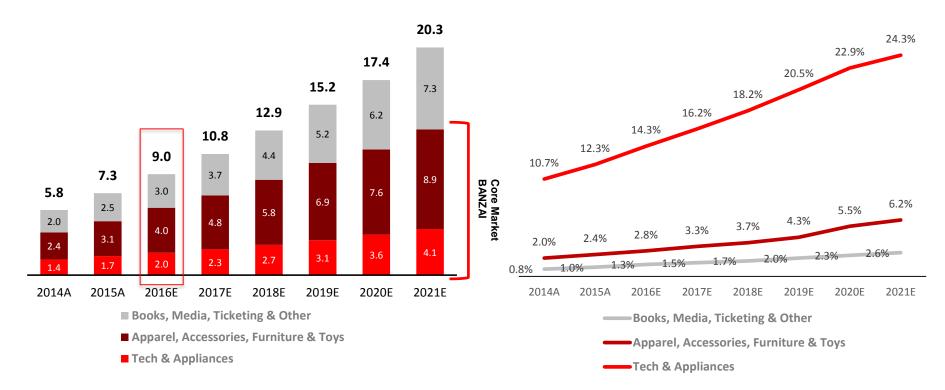
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<sup>\*</sup> Reported H1 Figures are net of Vertical Content, but include Saldiprivati

## **E-COMMERCE: BANZAI GMV OUTPERFORMED CORE TECH MARKET**



#### Online Channel Penetration by Category (%)



#### 2016-2021 e-Commerce CAGR EU (%)



#### **CORE Market TECH in Italy (% growth)**

Traditional Tech&Appliances 5M(1) 2016	Online Tech&Appliances Market 6M 2016	Tech&Appliances Banzai 6M GMV 2016 YoY
+3.6%	+20.6%	+34.1%

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

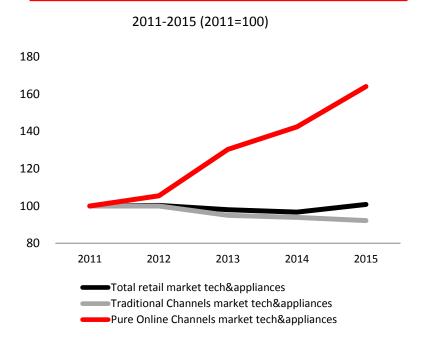
<sup>1)</sup> Market Data as of end of May 2016, October still under review

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

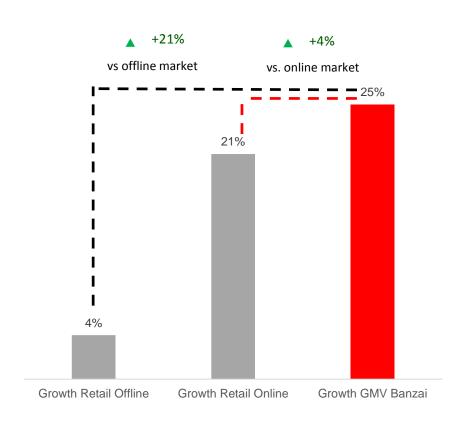
### REAL GROWTH HAPPENING IN THE PURE ONLINE MARKET

#### **TECH & APPLIANCES MARKET GROWTH BY CHANNEL**

#### 2016 CHANNEL YOY GROWTH TREND IN TECH&APPLIANCES (%)



2015 Italian retail Market value	Eu bn
Italian Retail Market value	239
Italian Online Retail Market value	7.0
Banzai Addressable Market value	4.5
Online Tech&Appliances Market	1.7
Pure online Players Tech&Appliances Market	1.1



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

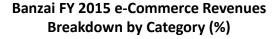
## BANZAI: CLEVERLY POSITIONED TO CAPTURE MARKET GROWTH IN THE FASTEST GROWING SEGMENT

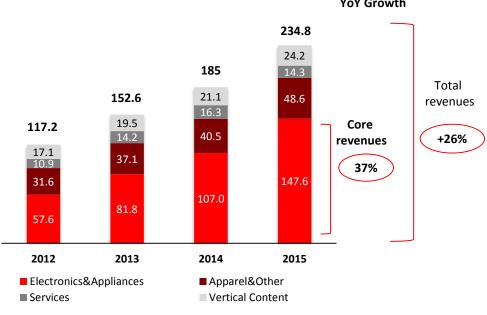
PROVEN GROWTH TRACK RECORD, OUTPERFORMING ONLINE MARKET GROWTH, 2X MARKET IN 2015

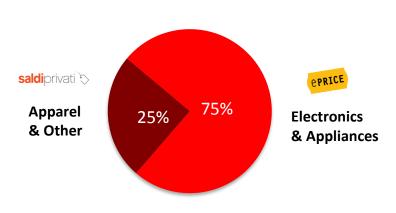
#### **LOCAL LEADER IN THE ITALIAN MARKET**

#### Banzai Revenues FY 2012-2015 (€M)









- #1 Italian e-commerce player by revenues in the Country
  - Leader in Major Domestic Appliances (AOV c.€373<sup>(1)</sup>)
  - Major player in Electronics (AOV c.€237<sup>(1)</sup>)

#### **CORE Market TECH in Italy (FY15 % growth)**

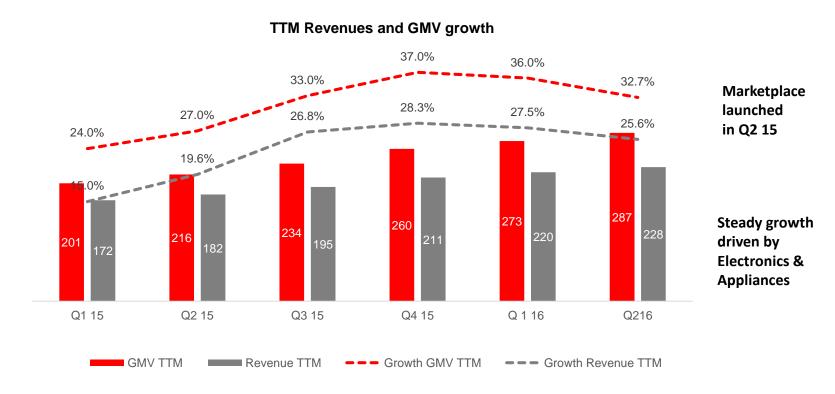
Online Tech&Appliances	Tech&Appliances
Market Growth FY15 Italy	Banzai FY 2015
+15.2%	+38.0%

Source: Company Information

<sup>(1)</sup> Rankings for MDA and Electronics based on a c. 30% and c. 10% market share, based on Company's Elaboration on 2015 market data and internal estimates. 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.

### BANZAI CONSOLIDATED TTM REVENUES AND GMV

- Banzai posted c. 25.5% TTM growth in revenues and 32.7 % in TTM GMV.
- Steady growth in TTM sales growth, outperforming competitors in e-Commerce.
- Continued exceptionally strong performance in Electronics & Appliances, with Major Domestic Appliances (MDA) continuously being the highlight: ePRICE's leadership is confirmed.

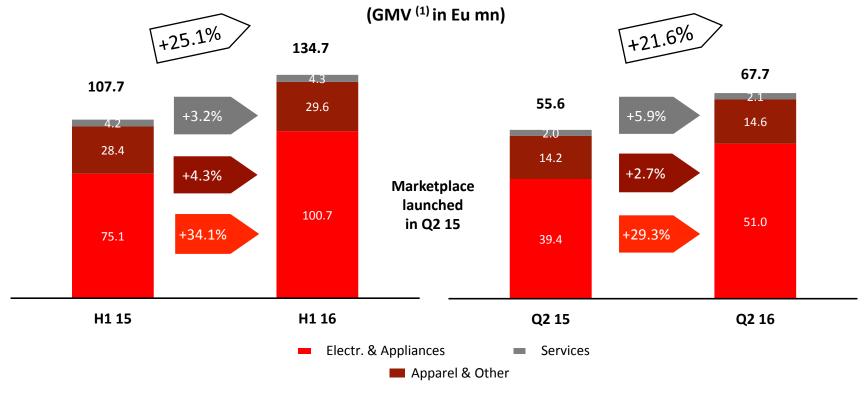


<sup>(1)</sup> GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Vertical Content not included in the perimeter. It includes Saldiprivati

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## H1 16 GMV: STRONG GROWTH DRIVEN BY ELECTR. & APPLIANCES

- Steady Revenue growth driven by Electronics & Appliances.
- Electronics & Appliances: c.+28% YoY, thanks to a strong growth on MDAs and SDAs, plus a sound result on IT /Telecom.
- The marketplace plays a fundamental role adding c. 5 percentage points of growth in particular in low ticket product sales, as planned. In H1 16 at c. 8% on total GMV, and growing.
- Apparel/Flash Sales: single digit growth, within a more mature market, where consolidation is happening.
- Services: growing service revenues, as comparison on free-shipping eases a bit



<sup>(1)</sup> GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Infocommerce and Advertising and B2B revenues not included. Vertical Content not included in the perimeter.

Banzai S.p.A. - October 2016

## **ePRICE TV CAMPAIGN: BUILDING OUR BRAND "EPRICE TI SERVE"**

New payoff resonates with our mission and core differentiators: Home Service. Our testimonial is passionate about showing our commitment and spreading the word.

The TV campaign was launched on 23 Sept, 2016 on Mediaset TV channels.



✓ "Heroic" approach to service

✓ Format designed for co-branding

✓ Warm family feeling

## **ePRICE: 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 H1 FY2017. 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

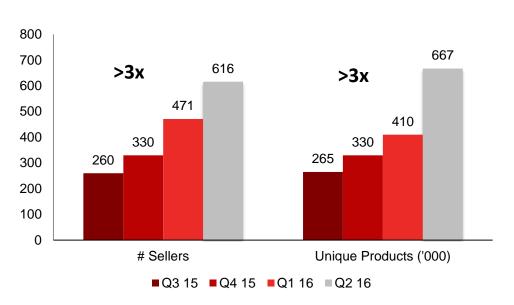
Proprietary mobile platform released in 1Q16

- 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.

#### **ePRICE: MARKETPLACE UPDATE**

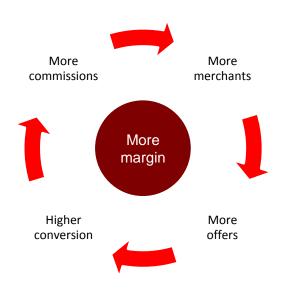
#### MARKETPLACE KPIS ACCELERATION

#### 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 +207% = >2.000K additional offers generated by 3P Marketplace

#### **MARGIN GENERATOR**



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

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

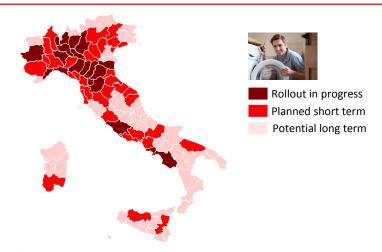
Now offering: delivery, installation & WEEE recycling<sup>(1)</sup> of major domestic appliances. Soon: much more.

#### RICH CUSTOMER CENTRIC PROPOSITION



- ✓ Freelance professionals = light asset
- ✓ Mobile-enabled = realtime e2e control
- ✓ Feedback-based = drives NPS above 70<sup>(2)</sup>
- ✓ Scalable platform, designed for the future
- Current NPS: above 70
- Attach rate proxy on MDA pieces: 5X vs. attach rate 2015

#### **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
- Growth of MDAs items shipped: +320% since Jan 16 where available
- Current coverage of Italian population: 41%
- Current active customers coverage: 58.2%

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

<sup>2)</sup> Based on about 2.218 feedbacks

### WE HAVE A VERY STRONG VALUE PROPOSITION

## LEADERSHIP VS. AMAZON IN HIGH-VALUE CATEGORIES

### amazon

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





Broad product selection on multiple categories, with >1m SKUs

Focus on high-ticket, high-touch products

Multi-specialist, with rich contents

Smart inventory model + smart logistics

Pick&Pay

**Professional services** 

**Market Place** 

EFFECTIVE FEATURES VS. TRADITIONAL RETAILERS, C.80% OF THE EU 13+BN TECH MARKET

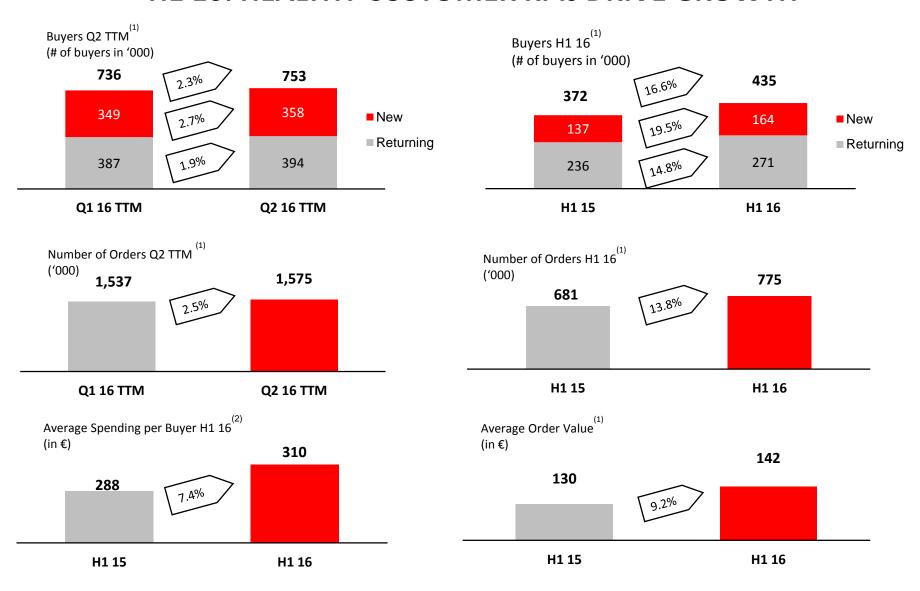




- ✓ Well known brands
- ✓ Immediate ROI from ADV
- X Limited, shrinking selection
- X Higher prices
- X Channel conflicts (online vs in-store)

- √ Physical Coverage of the Territory
- X Clerk-centric service
- X Store-centric inventory
- X Store-centric platform
- ★ Offline-first DNA & organization
- X Fixed costs

### **H1 16: HEALTHY CUSTOMER KPIs DRIVE GROWTH**



<sup>(1) 3</sup>P Marketplace Included

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

### H1'16 CONSOLIDATED P&L

Profit & Loss (Eu mn) *	H1 2016	H1 2015 PF	Н1 ҮОҮ
Total Revenues	105.9	88.4	19.8%
0	(04.4)	(75.4)	24.20/
Cost of Revenues	(91.4)	(75.4)	21.2%
Gross Profit	14.6	13.0	11.8%
Gross Margin %	13.8%	14.7%	
Sales & Marketing	(6.8)	(5.2)	30.8%
Contents	(8.0)	(0.9)	-2.4%
Fullfilment	(7.0)	(5.6)	25%
IT	(0.9)	(0.8)	17.2%
G&A	(4.9)	(4.1)	20.2%
EBITDA ADJUSTED	(5.9)	(3.5)	
Ebitda Adjusted %	-5.5%	-3.9%	
Non recurring costs	(0.3)	(0.85)	
EBITDA	(6.1)	(4.3)	
Ebitda %	-5.8%	-4.9%	
EBIT	(8.6)	(5.9)	
Ebit %	-8.0%	-6.7%	
Net Profit	8.5	(3.7)	

Steady growth in revenues in H1 16, thanks to **Electronics and Appliances in particular, up 28% YoY**, partially offsetting slower Apparel&other and lower B2B.

Gross Margin posted + 140bps in H1 16 vs. Q4 15 mostly driven by the improvement at ePRICE. G.M. improved thanks to seasonality, sales of goods (and mix).

Adjusted EBITDA stood at Eu -5.9mn, with sales and marketing costs up 31% YoY, due to the marketing push which started from March 15. Fulfilment costs up 25% YoY mostly as a result of mix, though growing less than the increase in MDA. Other costs and G&A are overall up 10% YoY.

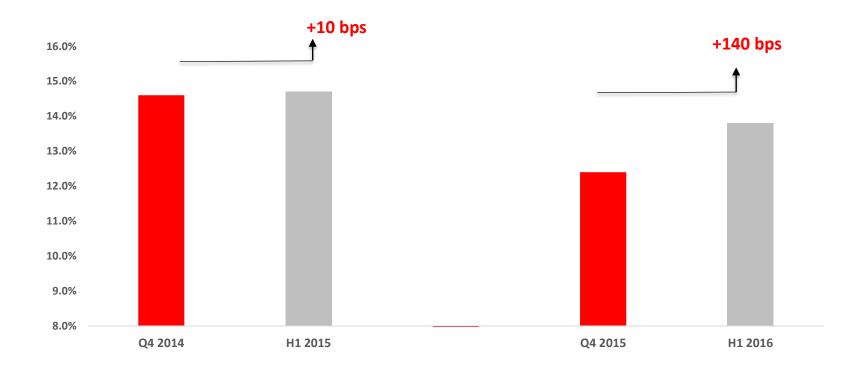
Reported EBITDA was impacted by one-off items, related to stock options.

**EBT positive** thanks to Eu 17.5mn Capital gain from the sale of Banzai Media

<sup>\*</sup> Reported H1 Figures are net of Vertical Content, but include Saldiprivati Banzai S.p.A. - October 2016

## **GROSS MARGIN EVOLUTION**

Rebound in H1 2016, thanks to ePRICE, with Product Sale and Sales Mix, being the main drivers.



<sup>\*</sup> Reported H1 Figures are net of Vertical Content, but include Saldiprivati Banzai S.p.A. - October 2016

## **CONSOLIDATED BALANCE SHEET & CF HIGHLIGHTS**

Balance Sheet	30/6/15	31/12/15	31/12/15 proforma	30/06/16
TOTAL ASSETS	49.8	55.9	37.7	40.9
NWC	(3.3)	0.9	(2.5)	3.8
Deferred tax assets Provisions Other non current debts	10.6 (3.6) (0.5)	11.9 (3.7) (4.0)	11.6 (2.3) 0	11.6 (2.5) (0.0)
Net Invested Capital	53.1	60.9	44.3	53.7
Net Equity Shareholders' loans	89.6	84.1	n.a.	<b>92.3</b> 0.0
Net Financial Position	(36.6)	(23.2)	n.a	(38.6)
Total Sources	53.1	60.9	44.3	53.7

Cash Flow	H1'15 PF	H1 '16	YoY
Cash flow from Operations	(6.5)	(12.6)	94%
CF from Op. from disc. activities	1.9		
Cash flow from Investing	(5.5)	(5.4)	-2%
CF from Inv. from disc. activities	(2.8)	31.8	-1236%
Cash flow from Financing	47.6	(2.3)	-105%
CF from fin. from disc. activities	1.2		
CASH FLOW	35.9	11.4	-68%

The group had Eu 38.6mn Net cash position as of June 30, 2016 after cashing in 31.8m from the sale of Banzai Media

H1'16 NWC change includes Eu 5.2 mn upfront for 2016-2018 TV adv to Mediaset, VAT included. CF from operations would be Eu -7.4mn net of this effect

**Investment activities** include Eu 0.8mn acquisitions.

**Pro Forma Data** are net of Vertical, but do not include the impact of the SP Transaction (to be done after the closing date).

<sup>\*</sup> Reported H1 Figures are net of Vertical Content, but include Saldiprivati

#### **BANZAI HIGHLIGHTS 2016 YTD**

- CLOSED SALE OF BANZAI MEDIA<sup>1</sup> FOR EU 45 MN (EV).

  At the same time signed 3Y agreement to purchase Advertising on Mediaset TV stations with an estimated Eu 7mn benefit on marketing costs in the period.
- SIGNED CONTRACT TO SELL SALDIPRIVATI FOR EU 38 MN (EV). AT THE SAME TIME SIGNED 5Y CONTRACT TO MANAGE SHOWROOMPRIVE LOGISTICS IN ITALY.
- GMV<sup>2</sup> UP 25% YOY IN 1H16, THANKS TO STRONG GROWTH OF MARKETPLACE, ON TOP OF C.20% YOY REVENUE GROWTH, MAINLY DRIVEN BY C. +28% YOY REVENUES IN ELECTRONICS & APPLIANCES (C. +34% IN TERMS OF GMV)
- IMPROVED ECOMMERCE GROSS MARGIN TO 13.8% IN 1Q16, +130BPS VS 4Q15, MAINLY DRIVEN BY EPRICE
- LAUNCHED INTEGRATED MOBILE PLATFORM, TO SUPPORT PREMIUM DELIVERY AND INSTALLATION SERVICES IN THE MILAN AREA AND NEW 3 YEAR TV COMMERCIAL CAMPAIGN

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<sup>(1)</sup> Banzai Media Holding, or the Vertical Content division Excluding the news area.

<sup>(2)</sup> 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 TECH AND APPLIANCE ONLINE MARKET

DEVELOP A UNIQUE PROPOSITION FOR ITALIAN CUSTOMERS

**EXPAND THE PLATFORM TO SUPPORT GROWTH & IMPROVE SERVICE LEVELS** 

UPDATE ON BANZAI STRATEGY ON NOVEMBER, 10 2016, TOGETHER WITH 9M16

## **OUR PLAN: SCALE FAST**

		2014	2015	TARGET MODEL	M/T	2016 target
	Revenue Growth	23.4%	28.2%	e-Commerce penetration 3% (2015) >>> 5% (2018)  Market 1.6X - Banzai growing faster than online market		GMV <sup>1</sup> 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		
RCE	Sales & Marketing	4.3%	6.1%	Short-term increase for customer acquisition (COBA) and ePRICE TV Adv	Targeting profitability of	
E-COMMERCE	Fulfilment	5.8%	6.0%	Economies of scale	single country online specialty retailer, once critical mass achieved.	Significant G.M. improvement,
ω.	Content & IT	1.7%	1.6%	<ul><li>New fullfilment center</li><li>Pick&amp;Pay capacity saturation</li><li>Platform improvements</li></ul>		benefitting EBITDA
	G&A	2.4%	2.3%	- Cost saturation		
	TOTAL OPEX	14.2%	16.0%	Economies of scale with short-term impact from S&M		
VERTICAL	Revenue Growth	7.9%	15.0%	In line with market growth, outperforming traditional publishers+AdKaora		
VERT	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		
EE	BITDA 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 fullfillment center & IT)	Low single digit % Capex/ sales	Eu 15mn Capex, incl. fulfilment C.

Source: As per management based on audited accounts.

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



## **BANZAI PEER GROUP – PERFORMANCE**

Peer Group - Absolute Performances Multiple Entities Report (Local Currency) as of 10/03/16

Stock	Price	Mkt cap	1M	3M	6M	1Y	2Y
Banzai SpA	2.8	114	-5.8%	-15.0%	-24.9%	-42.9%	
AO World Plc	1.7	717	-0.9%	19.6%	-2.6%	4.5%	-7.9%
Cnova NV	5.4	2,370	1.9%	7.8%	77.2%	79.6%	
Verkkokauppa.com Oy	6.3	282	-1.1%	-10.2%	-17.8%	2.0%	23.4%
ASOS plc	49.8	4,155	5.4%	20.0%	51.0%	75.0%	159.0%
Zalando SE	37.2	9,185	5.9%	51.0%	28.8%	21.6%	
YOOX Net APorter S.p.A.	27.8	2,466	-2.0%	28.1%	2.6%	-1.0%	64.7%
boohoo.com Plc	1.1	1,188	27.8%	80.8%	141.7%	225.4%	119.2%
SRP Groupe SA	19.6	642	2.9%	5.6%	15.0%		
MySale Group plc	0.9	138	7.7%	37.7%	117.0%	64.5%	-55.1%

## **BANZAI PEER GROUP – MULTIPLES**

**Peer Group - Multiple Comparison** 

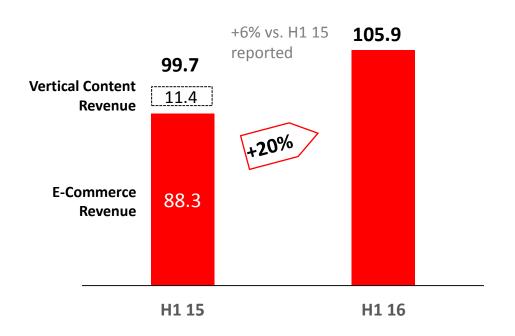
Multiple Entities Report (Local Currency) as of 10/03/16

					·					
Stock	Price	Mkt cap	EV/Sales 2015	EV/Sales 2016	EV/Sales 2017	EV/Sales 2018	EV/Ebitda 2015	EV/Ebitda 2016	EV/Ebitda 2017	EV/Ebitda 2018
Banzai SpA	2.8	114	0.4	0.3	0.2	0.2			61.7	9.7
AO World Plc	1.7	717	1.2	1.0	0.8	0.6		402.2	49.0	20.9
Cnova NV	5.4	2,370	1.2	1.2	1.1	0.9			129.6	42.0
Verkkokauppa.com Oy	6.3	282	0.7	0.7	0.6	0.5	28.2	19.4	14.7	12.5
ASOS plc	49.8	4,155	3.5	2.8	2.3	1.9	58.3	44.1	34.5	27.4
Zalando SE	37.2	9,185	2.8	2.3	1.8	1.5	58.7	37.9	26.6	19.8
YOOX Net APorter S.p.A.	27.8	2,466	4.0	1.9	1.6	1.4	29.3	23.5	18.5	14.0
boohoo.com Plc	1.1	1,188	6.1	4.5	3.6	2.9	63.6	40.6	33.4	27.2
SRP Groupe SA	19.6	642	1.3	1.0	0.8	0.6	27.5	16.0	11.2	8.1
MySale Group plc	0.9	138	1.0	0.8	0.7	0.6		35.8	23.1	17.0



## FOLLOWING BANZAI MEDIA DISPOSAL, BANZAI IS NOW 100% FOCUSED ON E-COMMERCE

(Revenues in Eu mn, % growth compared to previous year)



- Banzai Media Holding (Vertical Content) booked as discontinued activity as of 1/1/2016.
- Revenues grew 20%
   YoY vs 2015 pro forma; and 6% YoY vs
   reported H1 15.

## DISPOSAL OF BANZAI MEDIA HOLDING (VERTICAL CONTENT) TRANSACTION HIGHLIGHTS

- Disposal of BMH (Vertical Content) announced on May 10th;
- Eu 45 mn Enterprise Value, including Eu 4 mn earn-out, or 1.9x EV/SALES 2015, 11.3x EV/EBITDA 2015 and c. 50x EV/Operating Cash Flow 2015;
- **3Y agreement on Advertising on Mediaset TV stations** with an estimated Eu 7 mn benefit in the period for Banzai;
- c. Eu 32 mn cash-in at closing, prior to one-off items related to the transaction;
- c. Eu 17.5 mn net capital gain from the sale of BMH;
- Closed in June



TV Advertising push on ePrice customer base and enlargement of product and services offered



Banzai expects to close 2016 with a net profit at consolidated level, including the capital gain arising from the transaction

## BMH (VERTICAL CONTENT) PEERS as of MAY 9TH

**Transaction Multiple**(\*): **top of range** at 1.9x EV/SALES 2015 and 11.3x EV/EBITDA 2015, including earn-out. Eu 45mn EV compares with Eu 0.9mn cash flow before M&A(\*\*)

Peer Group - Multiple Comparison Multiple Entities Report (Local Currency) as of 05/09/16

Stock	Price	Ссу	Mkt cap	EV/Sales 2015	EV/Sales 2016	EV/Sales 2017	EV/Ebitda 2015	EV/Ebitda 2016	EV/Ebitda 2017
Banzai SpA	3.8	Euro	158	0.7	0.5	0.4	n.m.	107.2	11.4
Axel Springer SE	49.8	Euro	5,369	2.0	1.9	1.8	11.8	10.5	9.5
Alphabet Inc. Class A	729.1	USD	495,084	7.6	6.1	5.0	15.4	12.3	10.1
WebMD Health Corp.	62.6	USD	2,379	3.1	2.7	2.3	10.4	8.6	7.1
Triboo Media SpA	2.8	Euro	45	0.9	0.8	0.6	4.3	3.7	3.0
Gruppo Editoriale L'Espresso S.p.A	0.9	Euro	383	0.7	0.6	0.6	6.4	5.2	4.5
Arnoldo Mondadori Editore S.p.A.	1.0	Euro	256	0.4	0.4	0.4	6.3	6.6	5.5
RCS MediaGroup S.p.A.	0.6	Euro	303	0.8	0.7	0.6	14.7	7.6	6.2
FTSE Italy	145.3	Euro	287,825						
FTSE Italia Star	100.0	Euro	35,656						

Source: Factset

BMH valued c. 1.9x EV/sales 2015\*

BMH valued c. 11.3x EV/Ebitda 2015\*

<sup>(\*)</sup> Transaction announced on May 10th; transaction multiples exclude the news area

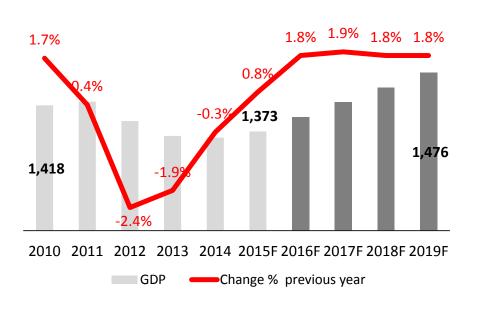
<sup>(\*\*)</sup> Including the news area



## ITALY IS THE 8TH WORLD'S ECONOMY AND IT IS RECOVERING. CONSUMER CONFIDENCE IS AT ITS BEST SINCE 2010

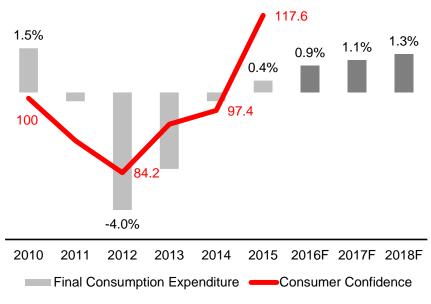
#### **Italy GDP**

(€BN, vs. Previous Year)



#### **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 november '15. Data on Consumer Confidence are related to FY for 2010-2011, and to the score of the month of November for 2012-2015

## **EPRICE: NEED-DRIVEN, MULTI-SPECIALIST**



Conceptual chart representing a selected number of relevant players



- r2014 umbers
  - 257k Buyers
- c.3,000 Brands
- 628k SKUs
- c.80% male
- Multi-specialist Approach
- Focus on High Tickets
- Complex products
- Pick&Pay
- Premium Services
- **c. 30%**<sup>(1)</sup> market share on MDA with exponential YoY growth
- **c. 10%**<sup>(1)</sup> market shares on Electronics Goods in a highly fragmented market

Online addressable market in Italy (2016): €

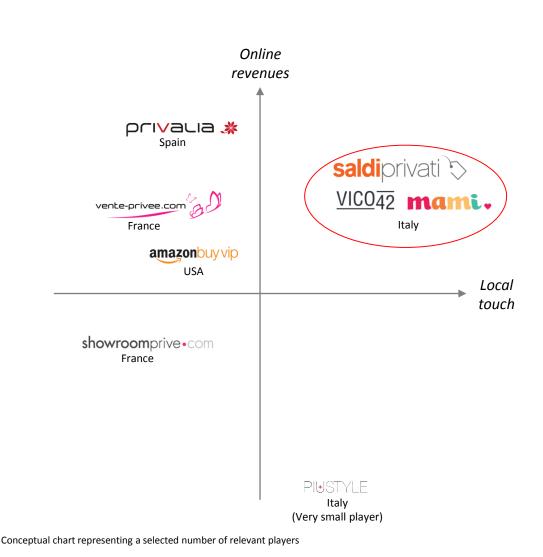
1.9bn

Online+Offline Market in 2015: €10.3bn

Source: Company Information

<sup>1)</sup> Banzai on Calllcredit, Forrester Research and internal data, 2014 and 2015

## SALDIPRIVATI: IMPULSE-DRIVEN, EVERYDAY DEALS



FY2014 numbers

• 215k Buyers

• c.1,000 Brands

• c.60% female

• c.1,500 Events

• 189k SKUs

• 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 &

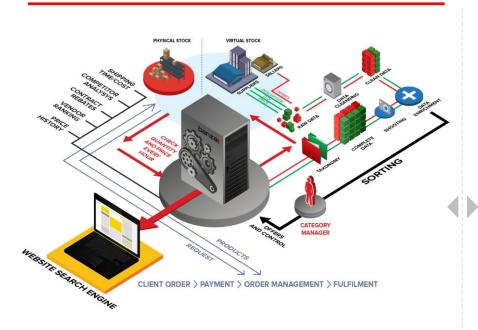
Household, 2015): **€ 3.4bn** 

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

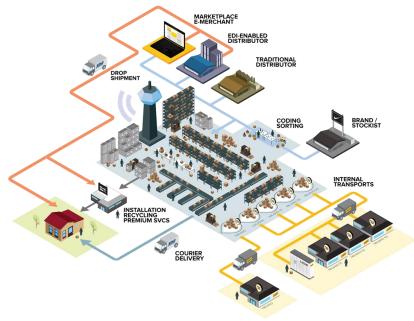
Source: Forrester Research Online Retail Forecast, 2014-2015

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

SMART INVENTORY MODEL: KNOWING IS MORE EFFICIENT THAN OWNING. SMART LOGISTICS: FAST AND FLEXIBLE. LESS OPERATING COSTS, BEST SERVICE LEVELS.



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



- 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

2015/2016: New 29k sqm fulfilment center under construction.
Potentially expandable up to 50k sqm

## 117 PICK&PAY STORES & 290 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

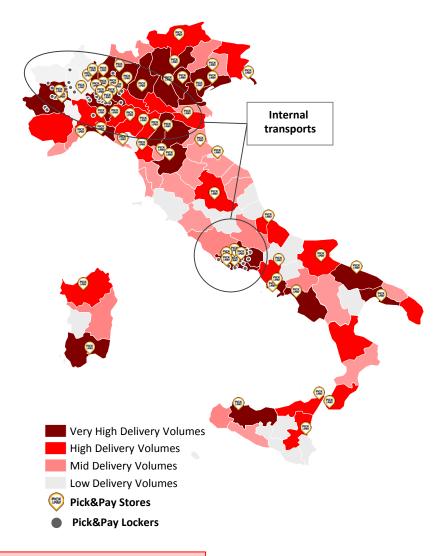
#### **BENEFITS FOR CONSUMERS**

- ✓ 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



2016 target: Pick&Pay stores to reach 150, covering 80% of the population. Lockers up to 400.

## 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

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

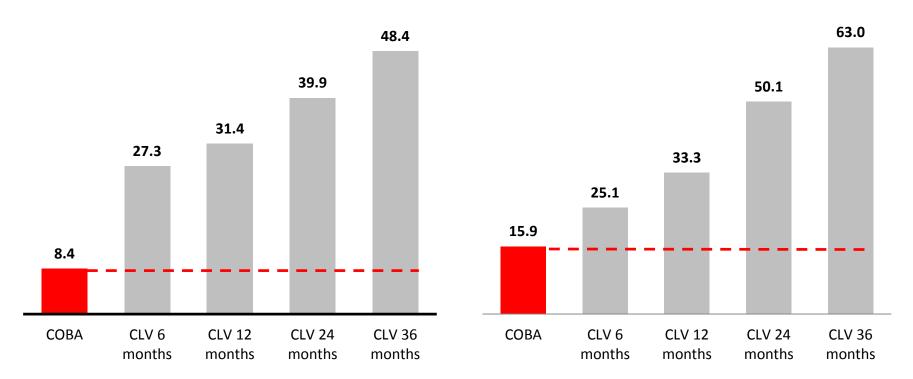
## COBA - 2011 ANALYSIS





COBA & CLV Cohort October 2011 (€) - 7,470 Individuals

COBA & CLV Cohort Oct 2011 (€) – 10,244 Individuals



Source: Company information.

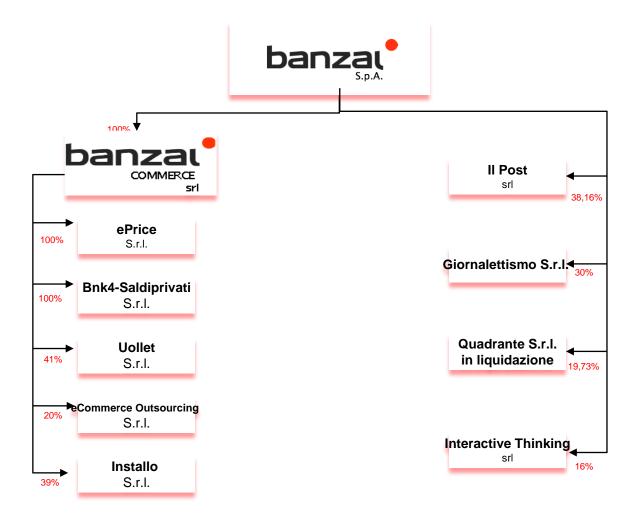
<sup>(1)</sup> As of September 2014. Free traffic includes sources such as direct access (typing or recalling the domain from a bookmark), organic search (mainly Google search), newsletters or referral from friends.

<sup>(2)</sup> COBA is defined as marketing costs related to buyer acquisition, where only direct marketing costs are included (e.g. for Google AdWords, price comparison sites, affiliation, revenue sharing); Pick&Pay commissions and other indirect costs (such as for platform, analytics and research) are not included as they already are accounted for in the CLV (see note below).

<sup>(3)</sup> CLV is defined as the cumulated contribution margin per buyer before marketing costs, where revenues and COGS include only sales of goods to clients and other variable costs include free shipping, Pick&Pay commissions and variable costs related to fulfilment activities.



## **COMPANY STRUCTURE**



#### **MAIN SHAREHOLDERS**

The share capital of Banzai S.p.A. is equal to Euro 820.797 composed by n. 41.039.850 ordinary shares without par-value.

RELEVANT SHAREHOLDERS	NUMBER OF SHARES	% SHARE CAPITAL
Paolo Ainio <sup>1</sup>	9.427.615	22,97%
Arepo BZ (Sator Fund)	8,613,850	20.99%
Treasury Shares	294,371	0.95%

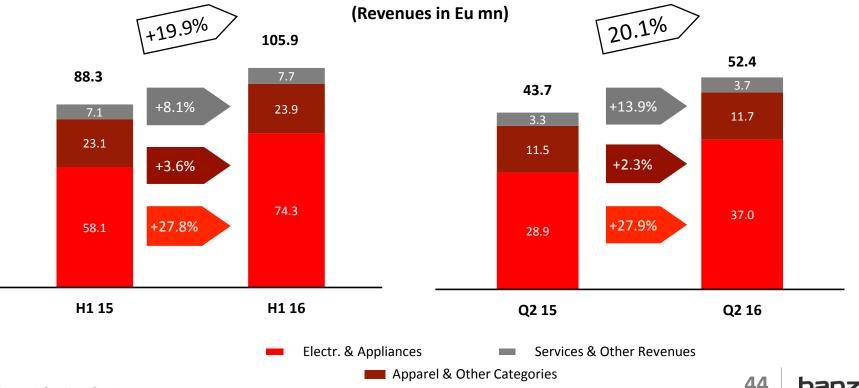
(1) of which 221.750 (0,54%) held trough PUPS S.r.l., 80% controlled by Paolo Ainio

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.



## **H1 16 REVENUES:** STRONG GROWTH DRIVEN BY ELECTR. & APPLIANCES

- Steady Revenue (+19.9% YoY) driven by Electronics & Appliances (+27.8%).
- Strong growth on Major Domestic Appliances (MDA) and Small Domestic Appliances (SDA), sound result on IT/Telecom.
- Apparel/Flash Sales: single digit growth, within a more mature market, where consolidation is taking place.
- Services & Other Revenues: growing info-commerce and service revenues, offsetting tough comparison on free-shipping and phase-out of B2B indirect sales.



#### **CONTACTS**

#### **BANZAI S.p.A.**

Via San Marco 29

20121 Milan, Italy

www.banzai.it

#### IR

#### Micaela Ferruta

Head of Investor Relations and Strategic Planning - Banzai S.p.A.

+39 0200643801

investors.banzai.it

investor.relations@banzai.it