



PRESS RELEASE

BANZAI PRESENTS GUIDELINES TO ITS 2017-2021 STRATEGIC PLAN

Euro 40 million in investments to triple GMV and innovate the service offering to Smart Families

BANZAI BECOMES ePRICE

ONLINE LEADERSHIP STRENGTHENED IN THE LARGE DOMESTIC APPLIANCES SEGMENT

STRONG MARKETPLACE DEVELOPMENT ALSO TO OPEN NEW PRODUCT CATEGORIES

NEW SERVICES OFFERED TO ePRICE CUSTOMERS, ALSO THROUGH PARTNERSHIPS

STRATEGIC PLAN TARGET: GMV TO TRIPLE, EBITDA MARGIN TO 4-6% AND CASH GENERATION FROM 2019

SOLID CASH POSITION FOR USE IN POTENTIAL ACQUISITIONS AND TO ACCELERATE PLAN OBJECTIVES ACHIEVEMENT

Milan, 10 November 2016

Today, Banzai, Italy's first national e-Commerce platform, listed on the STAR segment of the Italian Stock Exchange, discloses its guidelines to the 2017-2021 Strategic Plan to the financial community. The Plan was approved by the Board of Directors on 9 November 2016, as was the name change from Banzai to ePRICE.

"We have set out a course from 2017 to 2021 that marks an important step in the development of our product mix", says Paolo Ainio, BANZAI Executive Chairman - "By changing the name of the company we are "putting our name on the door" and decisively targeting the development of e-commerce, which from a mere "box mover" at the best price, will increasingly become more of a complete one-stop solution able to satisfy the needs of Italian households. Customers, in addition to product purchases, are gradually demanding more installation and maintenance services for the more complex products, extended warranties and even innovative payment methods. We have the financial resources to build this mix, but also (and above all) we have an exceptional team with the know-how to guide the company along this new and exciting path."

"Banzai has completed the redefinition of its organisation and today begins a path of strong growth to position ePRICE as the leading platform in the Tech & Appliance market, in the large domestic appliances segment and also in services to Smart Families", says Pietro Scott Jovane, BANZAI CEO. "We are investing over Euro 40 million in technology in the next 5 years to accelerate ePRICE's development. We are expanding the Marketplace further, to 30% of GMV in 2021, and more than double our network of 400 installers. This will not only allow us to reach the 19 million Italians who already buy online, but also the 7 million who will be buying online for the first time in the next five years. This plan means we can accelerate the GMV and revenue growth to achieve EBITDA of between 4% and 6%, and cash generation from 2019. Lastly, the solid cash funding - Euro 50-55 million by the end of 2016 - leaves us the option of further accelerating our plan, also through inorganic growth."

Strategic Guidelines

BANZAI's Board of Directors has approved the guidelines for the new ePRICE strategic plan, which is based on strong organic growth in domestic appliance sales, on the strong growth of the marketplace and on the opening of our proprietary platform to new services, targeting Italian consumers and their families.



The 2017-2021 strategic plan expects to increase the company's market share on the Tech&Appliance market from 15% to 21% in the next 5 years, through the development of 4 strategic objectives, in part already mentioned at the time of the IPO (and already partly implemented):

- **Leadership in Domestic Appliance sales based on 1st party logic.** ePRICE expects to triple its sales of large domestic appliances, also increasing its importance to the brands, with positive effects on profitability. The new logistics centre, planned for 2017, will increase available capacity by 50%.
- **Strengthening and saturation of the Pick&Pay network**, which currently covers around 93% of the population and has a Net Promoter Score (NPS)¹ of over 80 (best sales channel according to this criterion). The Pick&Pay channel is a customer retention factor, builds repeat purchases and the customer can frequently benefit from free delivery. It is also a profitability driver on fulfilment costs once saturated.
- **Expansion of the 3P Marketplace** with the aim of exceeding 30% of GMV in 2021, also through the introduction of new categories, complementary to ePRICE categories, such as tech sportswear, toys, auto spare parts, homeware, DIY, etc.
- **Gradual growth of ePRICE as a Service platform** to complete the Tech&Appliance product range, positioning itself immediately as leader for Smart Home products, but also as a maintenance and repair services platform, leveraging the existing installers network. The Home Service platform, with a Net Promoter Score of over 70, is in fact proving to be an extremely effective customer retention factor. The aim is to more than double the installers network from 400 at present to reach an MDA attach rate of around 40%.

Main Economic and Financial Targets

Achievement of the four strategic objectives will be made possible by an investment plan of approximately Euro 40 million in support of the technology platform, and a Euro 10 million investment in brand awareness to increase spontaneous recall to more than 30%. The investment, which began already in September with the TV campaign "ePRICE Ti Serve", has led to an average 25% increase in website traffic with the browsing numbers doubling via mobile.

The strategy described above will allow ePRICE to achieve its **medium-term objectives**:

- **Strong revenues and GMV growth, driven by Large Domestic Appliances, Services and 3P Marketplace.** In particular, as a result of marketplace growth, the **Gross Merchandise Volume**, i.e. total transactions on the ePRICE platform, **is expected to triple**.
- **Medium-term EBITDA margin at 4-6%**, just under half of which deriving from the marketplace and services. This strong growth will also be supported by a cost optimisation program.
- **EBITDA and Operating Cash Flow break even in 2018.**
- **Positive cash flow in 2019** on organic basis.
- **Up to Euro 18 million cash-in in 2017-19** from the earn-outs on the disposals of BMH and Saldiprivati.
- The solid cash position, expected to be Euro 50-55 million at the end of 2016, will allow **opportunistic acquisitions** to accelerate implementation of the plan.

Banzai announces today the signing of three partnerships, supporting the development of strategic guidelines to enrich our service offer in the field of remote assistance, heating and logistic services.

¹ The Net Promoter Score (or NPS) is calculated by subtracting the percentage of detractors from the percentage of promoters obtained.

Main trends in the ePRICE reference market

ePRICE's reference market - Tech&Appliance online - is estimated at around Euro 1.7 billion in 2016² for the online component, representing 12% of a total market estimated at Euro 14 billion. The forecasts indicate growth that will almost double by 2021, reaching a value of Euro 3.5 billion, also as a result of the 7 million Italians who will be buying online for the first time in the next 5 years. The market could expand further, to around Euro 4.0 billion, again by 2021, thanks to the new Smart Home products (smart thermostats, security systems, energy monitoring, etc.). Online platform leaders and even online players, such as ePRICE, are expected to intercept most of the expected growth, to the detriment of traditional retail chains.

The services technology, integrated with a strong logistics component, also allows ePRICE to look to other markets, closer in terms of customer needs, such as the domestic appliance repairs and maintenance market which is currently highly fragmented and completely offline. It is estimated that this market is worth around Euro 4.9 billion³, and that a share of up to Euro 1 billion could gradually open up to online. ePRICE has already shown that it knows how to innovate the installations market with the Home Service, which also at the heart of the TV campaign "ePRICE Ti Serve", and now aims to position itself as leading platform also in this market, leveraging approximately 1.2 customers that have bought at least once from ePRICE in recent years.

Appointment of a new Board Member

The Board of Directors of Banzai S.p.A. appointed Chiara Burberi as Company Director, in substitution of Maria Pierdicchi, who resigned on 11 October, 2016.

Mrs Burberi, who meets the independence requirements pursuant to the Consolidated Law on Finance and the Corporate Governance Code, has also been appointed as member of the Control and Risks and Related Parties and as Lead Independent Director of the Company. The new Director will remain in charge until the next Shareholders' meeting.

Convening of Ordinary and Extraordinary General Meeting

The Board resolved to convene the ordinary and extraordinary Shareholders' meeting of the Company at its registered office in Milan, via San Marco 29, on 20th December at 11:00 CET., in a single call.

The items on the Agenda of the Shareholders' Meeting are:

- For the ordinary part, the appointment of a new member of the Board of Directors
- For the extraordinary part, the amendment of the Company's by-law to change the Company's name

The notice of call of the Shareholders' meeting and the documentation relating to the items on the Agenda will be published within the terms envisaged by relevant laws.

² Banzai processing of data from GFK, Forrester and other sources

³ Banzai processing of forecasts by ASAP, Findomestic and Assolombarda



BANZAI STRATEGIC GUIDELINES PRESENTATION

On November 10th, at 11.30 CET Banzai management will hold a presentation of 9M16 results and new Strategic Plan at Banzai headquarter in via San Marco 29, 20121 Milan.

Agenda

- 11.15 Registration & Welcome Coffee
- 11.30 Introduction, Prof. Carlo Alberto Carnevale Maffè, Lecturer of Strategic Management, Università Bocconi,
- 11.45 Strategic Plan Presentation, Paolo Ainio, Chairman and Pietro Scott Jovane, CEO
Q&A with Banzai Business Management: Emanuele Romussi, Edoardo Giorgetti, Raul Stella, Alessandro Cernigliaro, Marco Fillo

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A Replay Service will be available until November, 19th on:

ITALY: +39 02 72495
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code: 908#

The presentation can be downloaded prior to the start of the conference call from the Investor Relations / Results and Presentations section of the website www.banzai.it.

The press release is available on the websites www.banzai.it and www.1info.it

Banzai is the leading e-Commerce platform in Italy. Founded by Paolo Ainio and listed on the STAR segment of the Italian Stock Exchange since 2015, Banzai is one of the leading Internet companies in Italy with revenues of Euro 168 million and a GMV⁴ (Gross Merchandise Volume) of Euro 207 million in 2015, up 24% YoY in the 9M 2016. ePRICE is one of the main online stores in Italy specialized in high-tech products (electronic goods) and is the Italian e-Commerce leader in the segment of large domestic appliances. ePRICE launched in 2016 the Home Service Mobile Platform to manage premium delivery and installation services, which covers around 14 million Italians. ePRICE has a network of 125 Pick&Pay locations in 109 cities, which combine the advantages of buying online and the convenience and security of a proximity shop.

⁴Gross Merchandise Volume: it includes revenues from the sale of products, deliveries and the volume generated by the 3PMarketplace, net of returns and VAT included.





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