



## PRESS RELEASE

### **BANZAI: BOARD OF DIRECTORS APPROVES PRELIMINARY REVENUES AS AT 31<sup>ST</sup> MARCH 2016**

*Banzai ends 1Q16 with a GMV<sup>1</sup> (Gross Merchandise Volume) up 29% and revenues up 20%*

- **GMV<sup>1</sup> up 29.0% YoY in 1Q16 (Euro 67.0 million vs Euro 51.9 million in 1Q15):**
  - +19.7% revenue growth driven by both divisions;
  - +19.6% increase in e-Commerce revenues driven by *core categories*<sup>2</sup> (+21.2% YoY) with a particularly significant performance of *Electronic Goods and Domestic Appliances* at + 27.7% vs 1Q15.
  - +19.8% revenue growth in the *Vertical Content* area also driven by mobile advertising (AdKaora)
- **ePRICE is launching a range of new customized services for delivery and installation of large domestic appliances.**
- **Outlook 2016 reiterated.**

Milan, 21<sup>th</sup> April 2016

Today the Board of Directors of Banzai, the first Italian e-Commerce platform and one of the main digital publishers in Italy, listed on the STAR segment of the Italian Stock Exchange, has approved the preliminary revenues as of 31<sup>st</sup> March 2016.

*"In the first quarter of 2016, Banzai has continued increasing its market share also through the contribution of the Marketplace, thanks to the hundreds of small and medium companies which have joined our Marketplace; the latter has become a cornerstone of our strategy and one of our growth and profitability drivers in 2016", said **Pietro Scott Jovane, Chief Executive Officer at Banzai.** "The positive trend in the overall spend of our customers (GMV<sup>1</sup>) in the first quarter confirms the leadership of ePRICE in the online market of Electronic Goods and in particular of Major Domestic Appliances in. In 2016 we continue to focus on customer service, as we launch a new range of delivery and installation services enabled by our mobile proprietary **ePRICE Home Service** platform, which to date has received an excellent customer feedback. Service enhancement is one of the key tenets of our strategy, which is also based on closer proximity to customers, thanks to our 200 certified professionals, on our proprietary network of over 106 Pick&Pay points and 312 automatic lockers, on the Marketplace and on a catalogue with over 1.3 million high-tech products aimed at meeting the growing needs of digital families."*

### **Preliminary revenues of the I quarter 2016**

1Q16 performance shows a significant growth in both absolute and relative terms compared with the market. The growing contribution of the Marketplace enabled the group to achieve, in the quarter, a **GMV<sup>1</sup> growth of 29.0% YoY**, posting 67.0 million euros, up from 51.9 million euro of 2015.

<b>(Eu mn)</b>	<b>1Q16</b>	<b>1Q15</b>	<b>% Ch</b>
e-Commerce	53.5	44.7	19.6%
Vertical Content	6.1	5.0	19.8%
<b>Revenues</b>	<b>59.5</b>	<b>49.7</b>	<b>19.7%</b>
<b>GMV<sup>1</sup></b>	<b>67.0</b>	<b>51.9</b>	<b>29.0%</b>

Group revenues amounted to 59.5 million euros posting an increase of +19.7% compared with 49.7 million euros in the 1Q15 (and +21.2% growth in the e-Commerce *core categories*<sup>2</sup>), despite a slightly unfavorable comparison on service revenues (mainly B2B and free-shipping) compared with the rest of the year, and the slower activity related to the Easter holidays.

<sup>1</sup> GMV Gross Merchandise Volume: it includes revenues from the sale of products, deliveries and the volume generated by the 3P Marketplace, net of returns and VAT included. Vertical Content Revenues are not included.

<sup>2</sup> Core categories include revenues from product and exclude revenues from deliveries and other services

Lastly, in 1Q16, the *Vertical Content* division increased its revenues by 19.8% YoY outperforming its reference market in organic terms, a performance which was enhanced by the consolidation of the mobile advertising platform AdKaora, acquired in October 2015.

#### e-Commerce (Revenues by product and Key Performance Indicators)<sup>3</sup>

(Euro million)	1Q16	1Q15	%Ch	Key Performance Indicators <sup>3</sup>	1Q16	1Q15	%Ch
Electronic Goods and Domestic Appliances	37.3	29.2	27.7%	GMV (euro million) <sup>4</sup>	67.0	51.9	+29%
Apparel/other	12.2	11.6	4.8%	Orders (thousand)	398.4	333.0	+20%
Services	4.0	3.8	3.1%	AOV (euros) <sup>5</sup>	138	128	+8%
<b>Revenues</b>	<b>53.5</b>	<b>44.7</b>	<b>19.6%</b>	Buyers (thousand) <sup>6</sup>	252.0	220.0	+15%
<b>"Core" revenues</b>	<b>49.5</b>	<b>40.8</b>	<b>21.2%</b>	Items per order (#)	2.0	2.2	-10%

In 1Q16 the e-Commerce division reported an increase in GMV<sup>1</sup> of 29.0%, while revenues from core categories<sup>1</sup> (Electronic Goods and Domestic Appliances, Apparel/other) were up 21.2% compared with 1Q15.

In particular, **"Electronic Goods and Domestic Appliances" - 37.3 million euros revenues in 1Q16 – posted a growth of 27.7% YoY.** This increase is mainly attributable to the expansion of the product range and to the development of "premium" services (delivery, installation and recycling), in addition to the expansion of the Pick&Pay and Lockers network, which as at 31 March stood at 106 and 312 respectively (100 and 300 as at 31 December 2015). In the segment of Domestic Appliances alone, where ePRICE stands as the market leader, the increase was far greater and in the future it is expected to benefit from the newly launched installation and delivery services.

**Indeed, in January, Banzai launched the new generation of customized services** for delivery, installation and recycling, **integrated with a proprietary mobile platform**, accessible via app from smartphones, which enables our customers to have a continuous interaction with ePRICE from the moment of purchase until installation in their homes. The first results are quite positive with an **NPS score of the first installations greater than 70.**

**Key Performance Indicators are improving:** the number of merchants of the Marketplace exceeded 470. In 1Q16, we managed 398 thousand orders, up 20% compared with 1Q15, having an average value (AOV<sup>5</sup>) of Euro 138, up 8%, driven by the ongoing shift of the growth mix towards Electronic Goods and Domestic Appliances, which are high-ticket categories. Lastly, the number of buyers was 252 thousands, up 15% compared with 2015. Yet the number of items per order decreased (-10% YoY in 1Q16), as a result of the same effect mentioned above and related to the growth mix and the "Marketplace effect", with an ever larger weight of the segment of Electronic Goods and Domestic Appliances, where ePRICE is the leader on the online market.

#### Vertical Content & Advertising (Key Performance Indicators)

##### Key Performance Indicators (average monthly data)<sup>7</sup>

	Jan-Feb 16	Jan-Feb 15	Var%
Unique Monthly Visitors (.000)	17.9	18.4	-3%
Time Spent per Unique Monthly Visitor (minutes, .000) <sup>8</sup>	25.0	26.8	-6%
Active Reach <sup>9</sup>	64%	63%	-3%

<sup>3</sup> They include the 3P marketplace.

<sup>4</sup> Gross Merchandise Volume: it includes revenues from the sale of products, deliveries and the volume generated by the 3PMarketplace, net of returns and VAT included. It does not include the Vertical Content.

<sup>5</sup> Average value of each purchase order (excluding VAT).

<sup>6</sup> Buyers who placed at least 1 order in the reference period.

<sup>7</sup> Audiweb Srl, powered by Nielsen, is the source of Unique Monthly Visitors, Time Spent and Active Reach; Google Analytics is the source of Page Views.

<sup>8</sup> Time spent by each user on a specific web page.

<sup>9</sup> % of active users who visited a site or used an application out of the total internet users in Italy.



According to Audiweb, the Vertical Content & Advertising division attracted 17.9 million average unique monthly visitors in January and February 2016, reporting a 3% drop; the Time Spent per Unique Monthly Visitor during this month is equal to 25 minutes, showing a 6% decline. Lastly, the Active Reach was 63%. According to comScore (which includes visits from mobile apps of social networks), Banzai reached 22.5 million unique monthly visitors (+6%YoY) on average in January and February 2016 with an active reach of 60%.

## **Main highlights**

- **Exclusive negotiations with Mondadori for a potential sale of the Vertical Content division**

On 17th March 2016, Banzai disclosed that it received offers to sell Banzai Media Holding (Vertical Content division). Banzai's Board of Directors resolved to give Mondadori group an exclusivity period until 30th April 2016 in order to examine the terms and conditions of this potential transaction, reserving the right to make its own assessments on this topic.

- **ePRICE started a revolution in the e-Commerce segment of large domestic appliances with customized delivery and installation services**

Starting early January 2016, a new generation of delivery, installation and used goods pickup services has been made available. These services are integrated through a proprietary mobile platform, accessible via an app from smartphones, which enables customers to have a continuous interaction with ePRICE from the moment of purchase until installation in their homes. In order to provide these services, ePRICE's "**Home Services**" project has enabled the development of an entirely mobile-centric proprietary platform. The technicians use a dedicated APP developed by ePRICE to organize appointments, interact with customers and handle any exceptions when providing their services. The customers can use the website, the app or both. The first results show that customers greatly appreciate the functionalities of the mobile APP which allows them to reply to the questionnaire, take photos and leave feedback directly and at any moment.

The new range of services has been available since January 2016 in the Milan area. It will soon be extended to Turin and Rome, and will gradually cover all the main municipalities of Italy.

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The Executive Officer in charge of preparing the corporate accounting documents, Emanuele Romussi, declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Finance Act, that the accounting information contained in this press release is in keeping with the underlying accounting documents, records and accounting entries.



## Conference call details

A conference call will be held at 16:00 (CET) on 21th April during which Banzai management will present preliminary revenues as at 31 March 2016. To take part in the conference call, please call one of the following numbers:

### Analysts and Investors

- Italy: +39 02 802 09 11
- UK: +44 1 212818004
- USA (local international number): +1 718 7058796
- USA (toll-free number): +1 855 2656958

Press: +39 02 8020927

A conference call replay will be available until 30th April at the following numbers:

- ITALY: +39 02 72495
- UK: +44 1 212 818 005
- USA: +1 718 705 8797
- code: 937#

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](http://www.banzai.it).

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The press release is available on the websites [www.banzai.it](http://www.banzai.it) and [www.1info.it](http://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 235 million and a GMV<sup>1</sup> (Gross Merchandise Volume) of Euro 260 million in 2015, up 29%YoY in the first quarter 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. With over two million registered users, SaldiPrivati is one of the most important online outlets selling clothing, footwear, accessories and household products. The two brands share a network of 106 Pick&Pay locations in 93 cities, which combine the advantages of buying online and the convenience and security of a proximity shop. Every month, 17.9 million unique users visit Banzai's e-Commerce and media websites including, among others, ePRICE, SaldiPrivati, Giallo Zafferano, Pianeta Donna, Studenti, ilPost and Liquidia. Due to its unique and innovative product range, Banzai is a distribution channel for thousands of brands and a communication channel for over 450 advertising investors. Banzai is growing rapidly with a full focus on the development of digital technologies in Italy.

### For additional information:

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