



**FY 2016 PRELIMINARY REVENUES  
CONFERENCE CALL**

**31 JANUARY, 2017**

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# PRESENTING TODAY



**Paolo Ainio**

Founder & Executive  
Chairman

- Founded Banzai (now ePRICE) 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



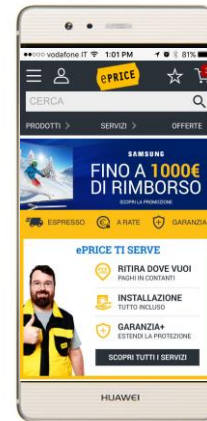
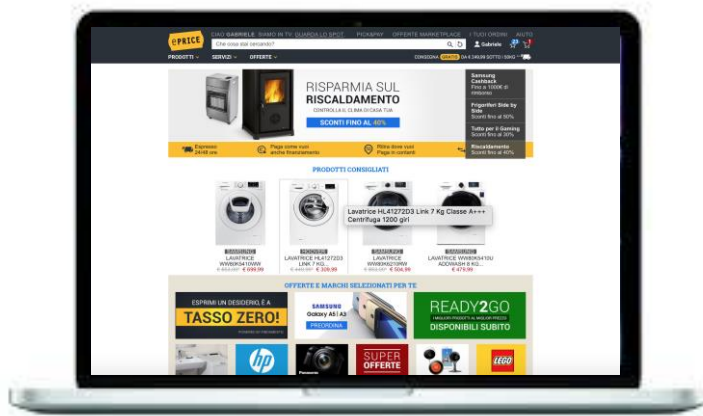
**Pietro Scott Jovane**

CEO

- Joined Banzai (now ePRICE) 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.



# ePRICE: THE NATIONAL E-COMMERCE LEADER



1

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

**Eu 254mn  
GMV <sup>(1)</sup>  
2016**

2

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

**133 Pick&Pay  
309 Lockers**

3

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

**+23%  
GMV  
YoY**

(1) Gross Merchandise Volume: includes revenues from products, shipping and 3P marketplace sales, net of returns and VAT included. Revenue from services includes transports, warranties, B2B and other revenues. GMV from services does not include B2B, ADV&Infocommerce.

# FROM BANZAI TO ePRICE



Q1 2016

Q2 2016

Q3 2016

Q3/Q4 2016

Q4 2016

Q1 2017

## Launch of Home Service

- 35% population coverage at launch
- +50% NPS<sup>(1)</sup> vs. prev. svcs

## Sale of Banzai Media

- 45 €M EV
- 17.5 €M capital gain
- 3Y agreement w/ Mediaset to purchase TV ADV, 7 €M benefit

## New brand identity & TV campaign

- 10 €M ADV campaign in 3 years
- 8M people reached on 35-54 y.o. target

## Sale of Saldiprivati

- 38 €M EV
- 7.5 €M capital gain
- 5Y agreement to manage fulfillment for SRP Italian activities.

## New Strategic Guidelines 2017-2021

- +4/6% M/S Online Tech market
- +4/6% M/S Home Service market
- 3X GMV by 21
- 4-6% Ebitda margin by 21

## Change of Name & Ticker

- +46% Q4 16 Share Performance

(1) Net Promoter Score is a management tool that can be used to gauge the loyalty of a firm's customer relationships. It can be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter). An NPS that is positive (i.e., higher than zero) is felt to be good, and an NPS of +50 is excellent.



# ePRICE: FROM E-COMMERCE TO E-SERVICE

## OUR NEW, SERVICE-DRIVEN MISSION

*“To serve the technological evolution of Italian households”*



# ePRICE: HIGHLIGHTS OF 2016

1

**From Banzai to ePRICE:** sale of Vertical Content division for Eu 45 mn (EV) and Saldiprivati for Eu 38 mn (EV). ePRICE expected to close 2016 with a profit, including capital gain from disposals.

2

**ePRICE 2021 Strategic Guidelines presented,** calling for: 3x GMV, 4-6% EBITDA margin by end of plan and cash positive from 2019 driven by: 1) focus on MDA and service driven categories; 2) 3P marketplace growth and 3) focus on services and innovation.

3

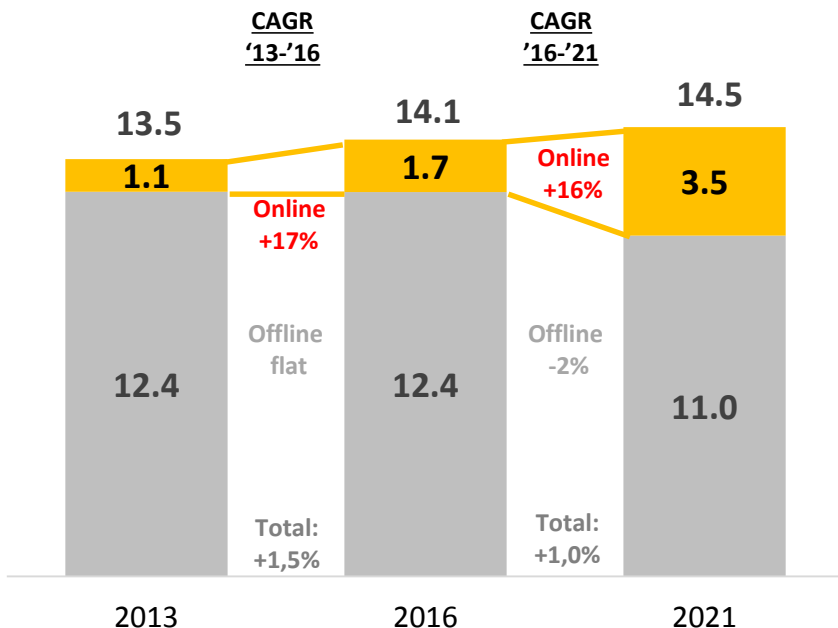
**2016 preliminary results:** GMV <sup>(1)</sup> up 23% YoY in 2016 (21% in Q4 16), driven by 18% YoY revenue growth and +123% of Marketplace GMV.

(1) Gross Merchandise Volume: includes revenues from products, shipping and 3P marketplace sales, net of returns and VAT included. Revenue from services includes transports, warranties, B2B and other revenues. GMV from services does not include B2B, ADV&Infocommerce.

# 14 €BN PER YEAR OF TECH PRODUCTS. TODAY 1.7 €BN ARE ONLINE, DOUBLING IN 5 YEARS.

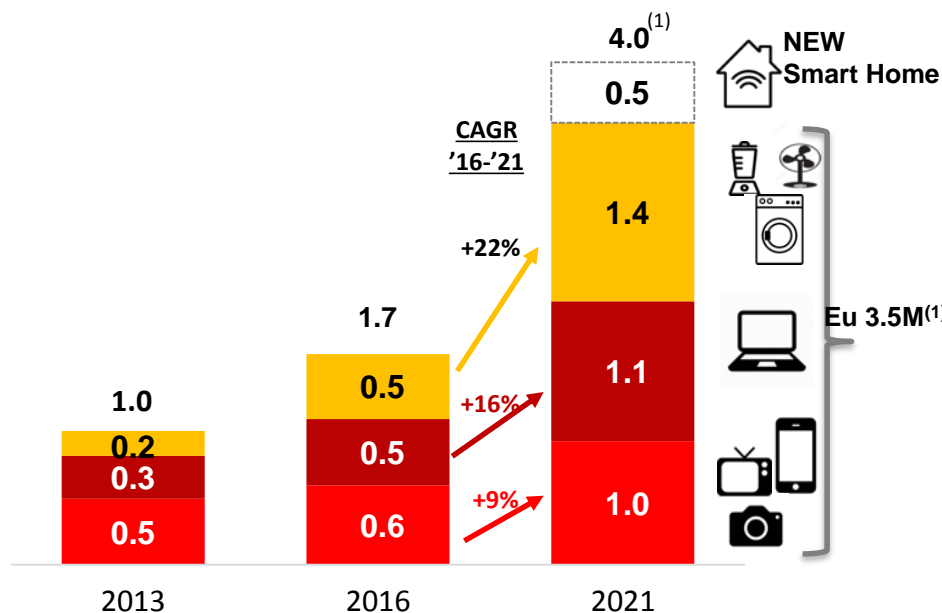
## HUGE OPPORTUNITY SHIFTING ONLINE

Tech & Appliances Retail in Italy B2C Sales  
(market Eu BN)



## APPLIANCES GROWING FASTER

Tech & Appliances Online Retail in Italy B2C Sales  
(category Eu BN)



## 2016 CORE Market TECH in Italy (% growth)

Traditional Tech&Appliances 2016	Online Tech&Appliances 2016 <sup>(2)</sup>	Tech&Appliances ePRICE GMV 2016
+1.0%	c.+20%	+24%

Source: ePRICE re-elaborations on GFK and internal estimates.

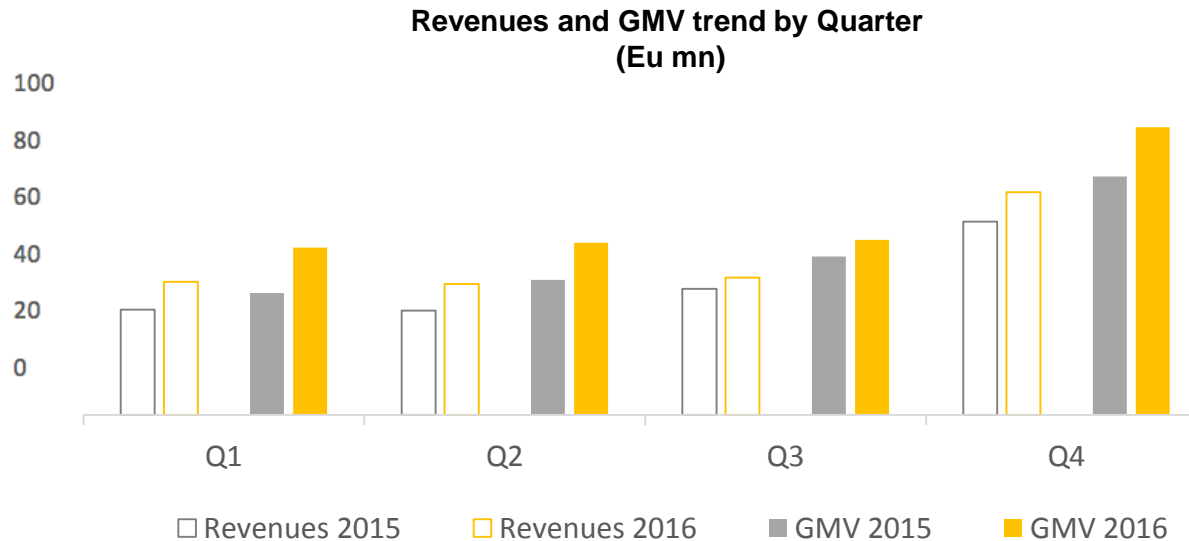
(1) €3.5BN Market size for current Technology & Appliances perimeter. Smart Home market estimate (€0.5BN) not included. Source: Banzai re-elaboration on Forrester Research, GFK, other public sources and internal estimates, 2016.

(2) LFL growth 2016 vs 2015. Including restatement of offline players' Click&Collect sales (included from 2016), market up c. +24% YoY.



# 2016 BY Q: EPRICE CONSOLIDATED REVENUES AND GMV

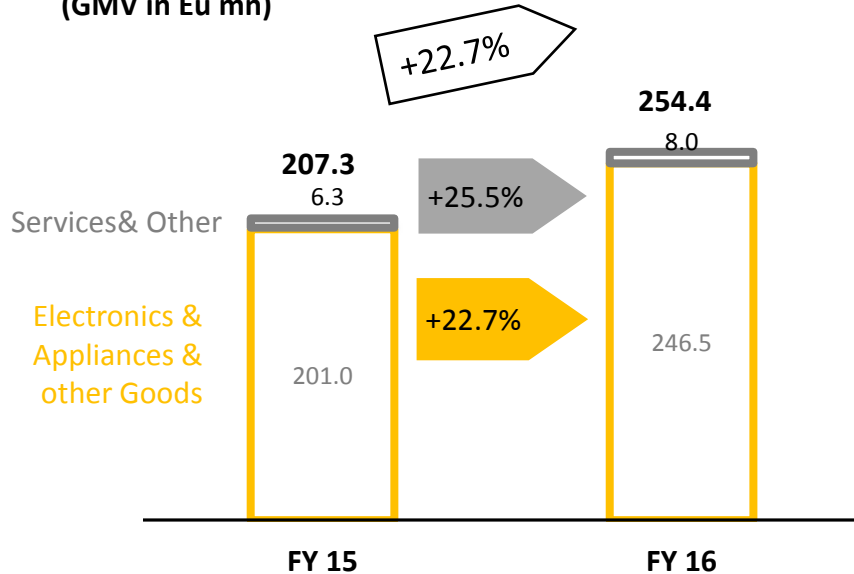
- In 2016 ePRICE posted c. +23% YoY GMV growth and +18% YOY for revenues, above the upper end of 2016 guidance updated in november, thanks to strong Black Friday and successful Christmas sales.
- Tough Q3 16 market competition back to “normal” in Q4 16.
- Q3 16 had been depressed also by tough comparison on Home Comfort (AC) sales.
- Positive impact of Q4 16 ePRICE TV campaign and strong Black Friday.
- Marketplace was launched in Q2 2015.



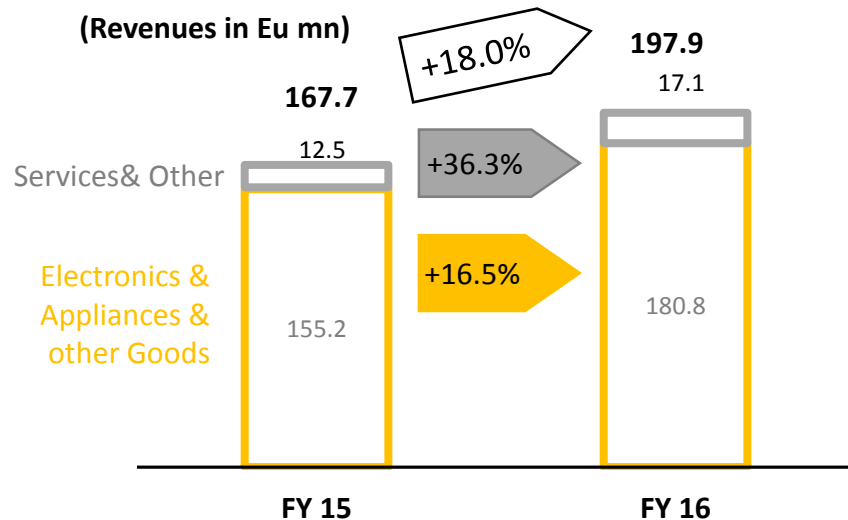
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# FY16 GMV & REVENUES (1) (2)

(GMV in Eu mn)



(Revenues in Eu mn)



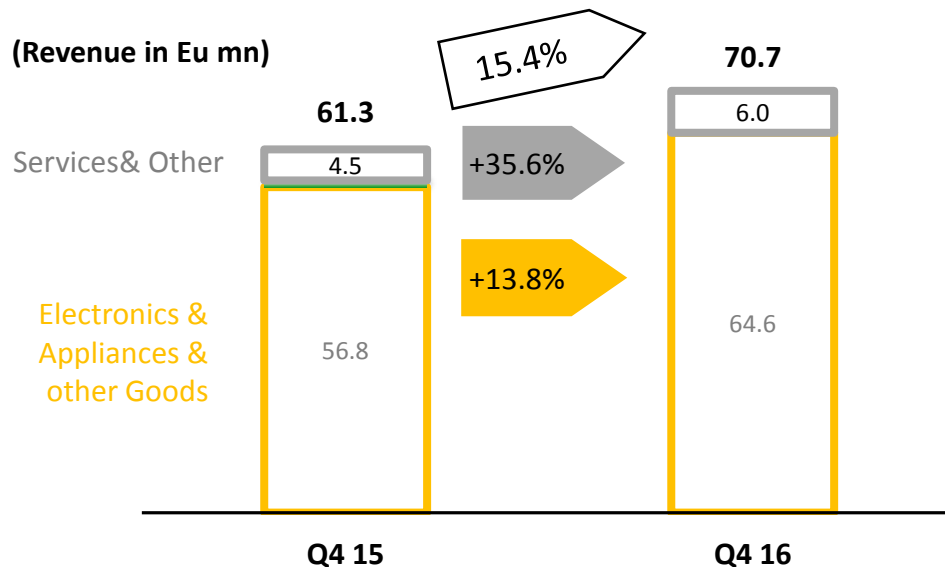
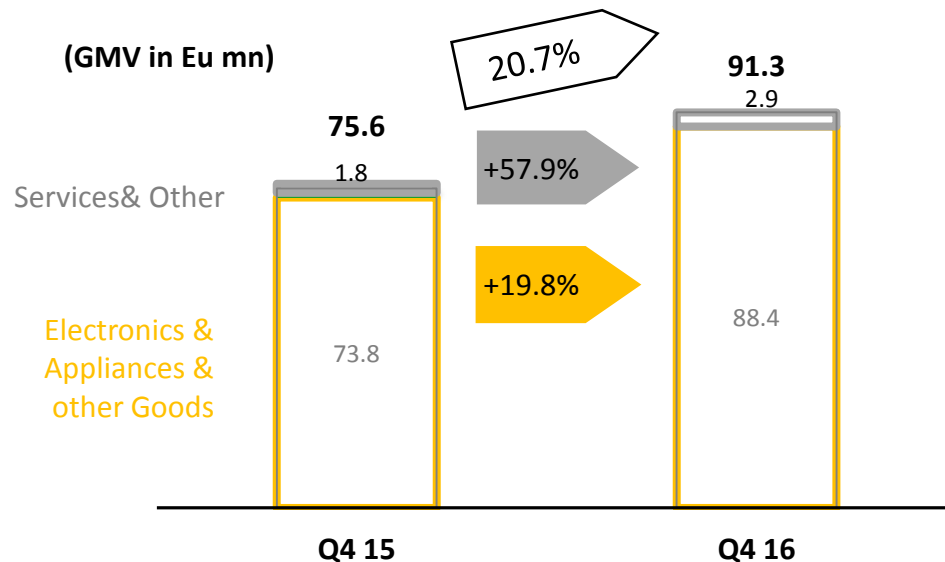
## FY 16 Highlights

- Reinforced Leadership in MDAs, also driven by innovative services launch.
- Electronic & Appliances GMV alone up 24% YoY.
- Marketplace GMV strong growth +123% in 2016, driven by electronics.
- Premium Installation Services and warranties as new pillar of ePRICE P&L, with Home Service January '16 successful launch.
- Positive effect of Infocommerce revenues, up over 50% YoY, as our size increases and to a lower extent thanks to special initiatives.

(1) **Gross Merchandise Volume** includes revenues from products, shipping and 3P marketplace sales, net of returns and VAT included. **Revenue from services** includes transports, warranties, B2B, ADV&Infocommerce and other revenues. GMV from services does not include B2B, ADV&Infocommerce.

(2) **Services&other** have been restated and now include warranties.

# 4Q16 GMV AND REVENUES (1) (2)



## Q4 16 Highlights

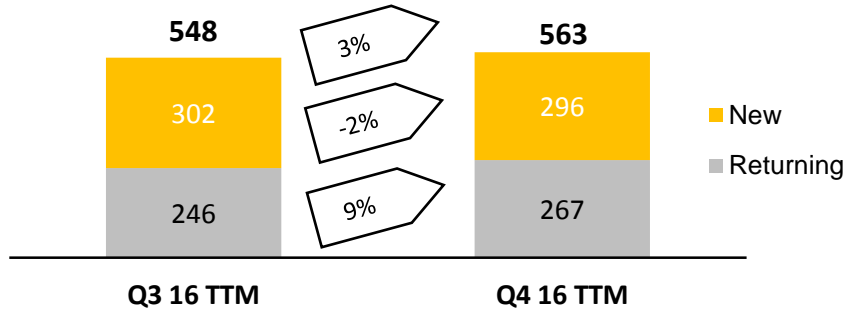
- C. +21% GMV growth, sustained by strong Black Friday.
- Electronic & Appliances GMV alone up 22% YOY, back to 20+% growth, after Q3 slowdown;
- Marketplace GMV<sup>(1)</sup> up 112% YoY led by electronics.
- 4Q16: «ePRICE TI SERVE» TV campaign on air from Sept 23rd.
- Services: seasonal boost, sustained by TV campaign Black Friday and Cyber Monday Boom:
- Successful re-launch of warranties offer.
- During BF: +81% ordered value; Record of visits in a single day, with mobile prices peak at 70%; 2x MDA ordered, 3x installation services, 4x marketplace orders.
- Mobile conversion during Christmas Time +500 bps vs. average.

(1) **Gross Merchandise Volume** includes revenues from products, shipping and 3P marketplace sales, net of returns and VAT included. **Revenue from services** includes transports, warranties, B2B, ADV&Infocommerce and other revenues. GMV from services does not include B2B, ADV&Infocommerce.

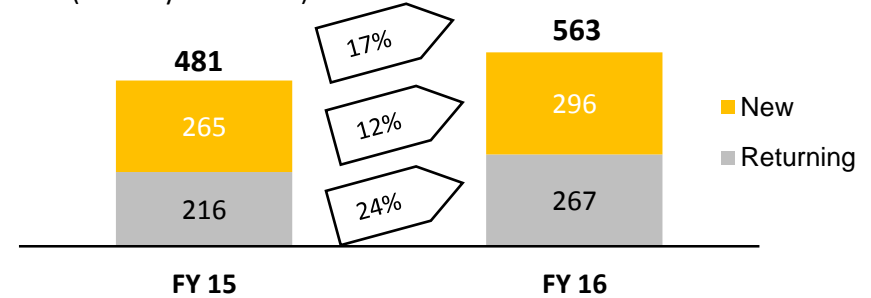
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# FY 16: HEALTHY CUSTOMER KPIs DRIVE GROWTH

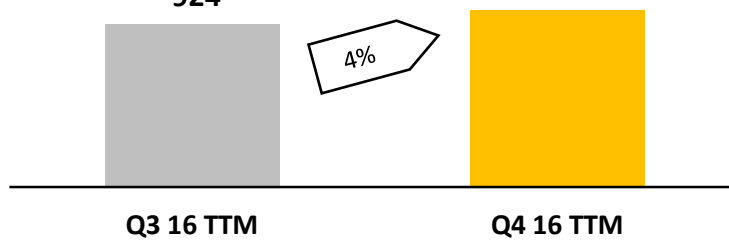
Buyers Q4 TTM<sup>(1)</sup>  
(# of buyers in '000)



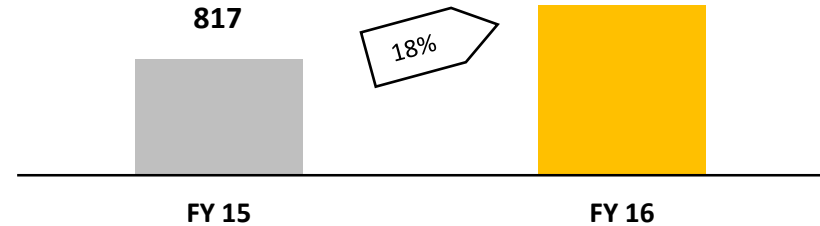
Buyers FY 16<sup>(1)</sup>  
(# of buyers in '000)



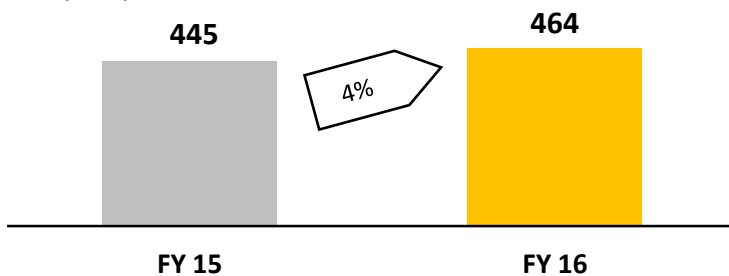
Number of Orders Q4 TTM<sup>(1)</sup>  
(('000)



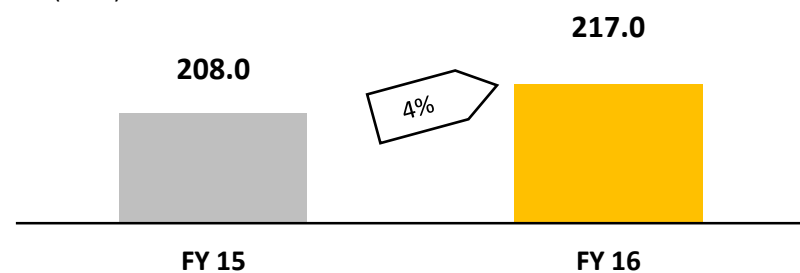
Number of Orders FY 16<sup>(1)</sup>  
(('000)



Average Spending per Buyer FY 16<sup>(2)</sup>  
(in Eu)



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



(1) TTM= Trailing Twelve Months. 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 TV CAMPAIGN EFFECTS

## BRAND AWARENESS AND POSITIONING EFFECTS



Improvement in consumer perception  
post campaign\*

“QUALITY OF HOME  
SERVICE”

+14 P.P.

“BETTER THAN OTHER  
RETAILERS”

+12 P.P.

“WIDE RANGE OF  
PRODUCTS”

+10 P.P.

## GOALS ACHIEVED THROUGH 4Q16 ADV TV CAMPAIGN

**+30%**

YoY traffic,  
+100% YoY Mobile

**+50%<sup>(1)</sup>**

MDA orders

**2X**

Home Service  
Orders

**+9%**

Home Service  
Attach rate

**Boost Factors 2017**

**STILL ON AIR**

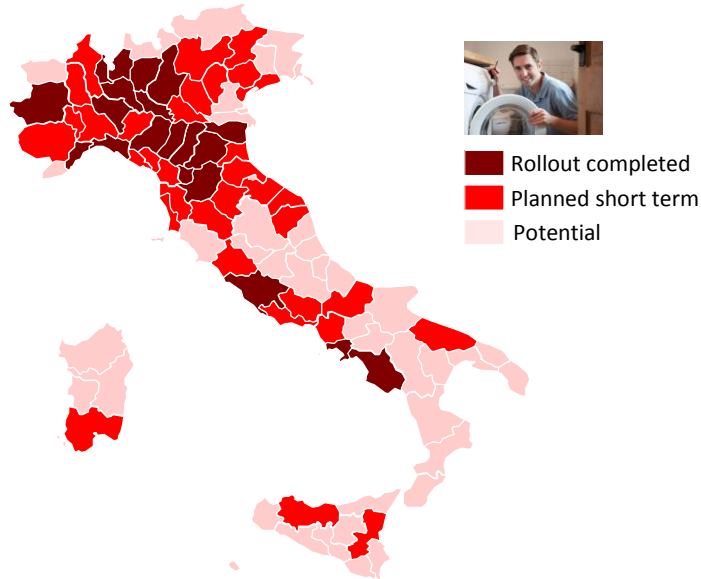


\*Source: Mindshare Survey Commissioned by ePRICE, 2017

(1) Average number of orders growth since kick-off of ADV Campaign vs. average annual number of orders

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

## 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

## THE PATH TOWARDS INNOVATION AND VALUE GENERATION

**+100%**  
MDAs Shipped  
Vs. 2015

**54%**  
population covered

**c.70**  
Net Promoter Score

**4X**  
# Home Service  
skilled professionals

## Boost Factors 2017

**START+**  
Un esperto dedicato per configurare e personalizzare il tuo prodotto.

Se non vuoi perderti tra configurazioni e impostazioni, e vuoi essere sicuro di personalizzare tutto al meglio, i servizi i nostri tecnici specializzati.

Soluzioni da remoto, in un attimo e senza muoverti da casa.

**START+ smartphone, soddisfatti o rimborsati**

- Configurazione wi-fi
- Installazione app
- Importazione rubrica
- Trasferimento foto e video
- Configurazione email
- Impostazioni roaming

Aggiungi START+ nel carrello, a soli €19,99 € **9,99**

COME FUNZIONA? Scegli il tuo servizio. Ti mandiamo le istruzioni e il codice di attivazione. Attendi l'arrivo del tuo prodotto, poi chiamaci. Personalizziamo il tuo prodotto al telefono con te o con un tecnico a distanza. SODDISFATTI O RIMBORSATI. Siamo a tua disposizione finché non è tutto a posto. **TUTTO SU START+**



(1) WEEE: Waste Electrical & Electronic Equipment Directive (2012/19/EU).  
(2) Based on about 2.218 feedbacks

# ePRICE: MARKETPLACE UPDATE

## UNIQUE FEATURES OFFERED TO MERCHANTS



## IMPRESSIVE 3P MARKETPLACE PATTERN GROWTH IN 2016

**#2.8M**

Marketplace Offers  
(+100% vs. 2015)

**#877**

Sellers  
(+150% vs. 2015)

**c.10%**

average weight  
on GMV

**123%**

GMV growth

## Boost Factor 2017

### Extending services to merchants

- P&P usage:** Since December, items ordered in 3P marketplace can be delivered also through Pick&Pay Network
- Payments:** ePRICE is the first marketplace in Europe where goods sold by 3P merchants can be paid on delivery by POS and soon by cash at P&P stores

## Q4 16 TAKEAWAYS

Refocus on ePRICE completed, with change of name effective during Q1 17

Confirmed stronger GMV<sup>(1)</sup> growth than reference market

Completed network of 133 Pick&Pay and 309 lockers, offering an excellent territorial coverage.

Continue to enrich last mile services, with increasing coverage and further innovation expected in 2017

Continue to build Brand equity

2016 guidance confirmed.

Positive early evidence on January 2017 trends, in line with expectations.

(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 B2B, infocommerce.



# STRATEGIC GUIDELINES RECAP: OUR BUSINESS GOALS, LOOKING FORWARD

## STRATEGIC GUIDELINE

## TARGET 2021 METRICS

1

**LEAD e-COMMERCE DEVELOPMENT BY PUSHING MDAs & OTHER SERVICE-CENTRIC HOME PRODUCTS**

>30% MDAs  
online market share,  
+1ppt per year

2

**EXPAND CATEGORY RANGE THROUGH 3P MARKETPLACE TO ADD REVENUES AND MARGIN (E.G. SPORTS EQUIPMENT, HOME IMPROVEMENT, GARDENING, PARTS)**

>30% GMV  
from 3P merchants

3

**BUILD A CUSTOMER CENTRIC SERVICE PLATFORM WITH TOTAL QUALITY IN MIND: PICK&PAY, INSTALLATION, SETUP, PROTECT, SUPPORT & REPAIR**

> 10% GMV from  
services

4

**ESTABLISH A RECOGNIZED BRAND BY ITALIAN HOUSEHOLDS, BUILT AROUND SOLID, CONSISTENT VALUES**

>30%  
unsolicited brand  
awareness

5

**CAPTURE STRATEGIC AND TACTICAL OPPORTUNITIES THROUGH M&A AND SMART ACQUI-HIRING**

Accelerate  
plan progress

# FINANCIAL CALENDAR 2017

January						March						April					
M	T	W	T	F		M	T	W	T	F		M	T	W	T	F	
	2	3	4	5	6				1	2	3		3	4	5	6	7
	9	10	11	12	13		6	7	8	9	10		10	11	12	13	14
	16	17	18	19	20		13	14	15	16	17		17	18	19	20	21
	23	24	25	26	27		20	21	22	23	24		24	25	26	27	28
	30	31					27	28	29	30	31		31				

January 31

FY 16 Preliminary Sales

March 15

FY 16 Full results

April 27

Ordinary Shareholders Meeting  
Preliminary Q1 17 results

May 10

Q1 17 Full Results

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