



**Q1 17 PRELIMINARY REVENUES**  
**MILAN, 28<sup>TH</sup> APRIL 2017**

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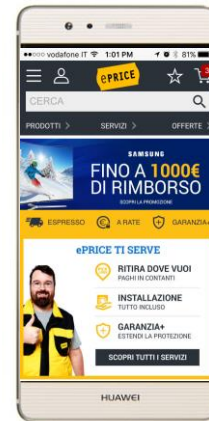
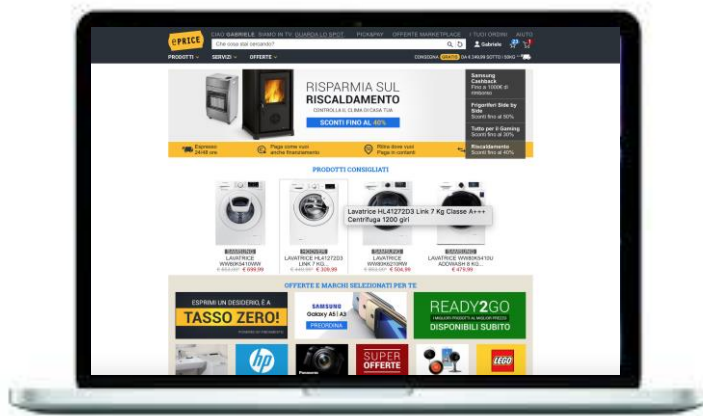
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# ePRICE: THE NATIONAL E-COMMERCE LEADER



1

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

2

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

3

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

**Q1 17 TTM**  
**Eu 262mn GMV<sup>(1)</sup>**  
**Eu 201mn Revenues**

**TTM Growth:**  
**+18% YoY GMV<sup>(1)</sup>**  
**+14% YoY Rev**

**133 Pick&Pay**  
**285 Lockers**  
**1 Fulfilment center**

**~1.6mn customers<sup>(2)</sup>**  
**~500 installers<sup>(3)</sup>**  
**<1000 merchants**

(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.

(2) Customers who bought at least once on ePRICE or on the marketplace

(3) ePRICE Home Service



# ePRICE: FROM e-COMMERCE TO e-SERVICE

## OUR NEW, SERVICE-DRIVEN MISSION

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



# ePRICE: HIGHLIGHTS OF Q1 17

1

**V-shaped growth in the Quarter:** Strong positive growth in January and March offset – as expected – by February weak trends, the latter impacted by planned SAP adoption, limited promotions and to a lower extent by a slow market

2

**Solid Growth on Core MDA Segment:** > 30% market share confirmed in Q1 for the core segment of ePRICE

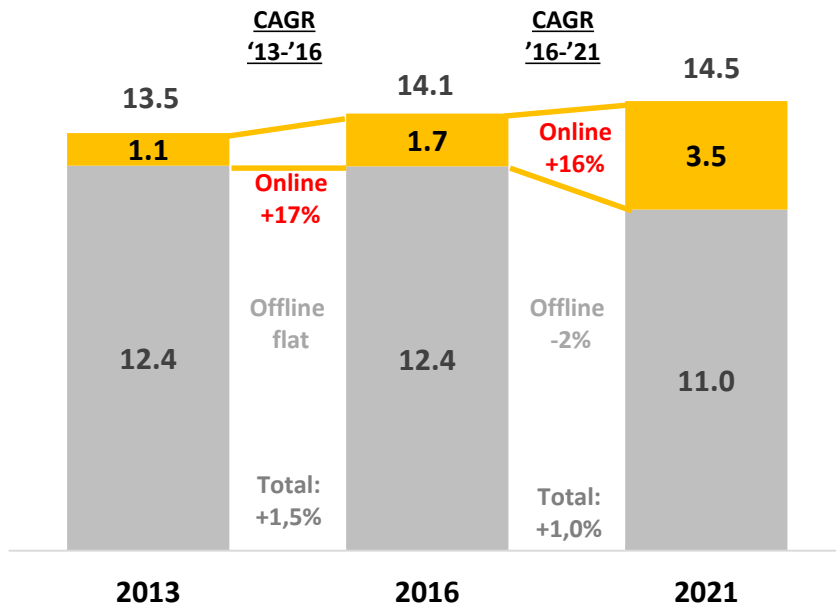
3

**3P Marketplace Boost:** new Sellers and increased SKUs fuelling marketplace growth and profitability

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

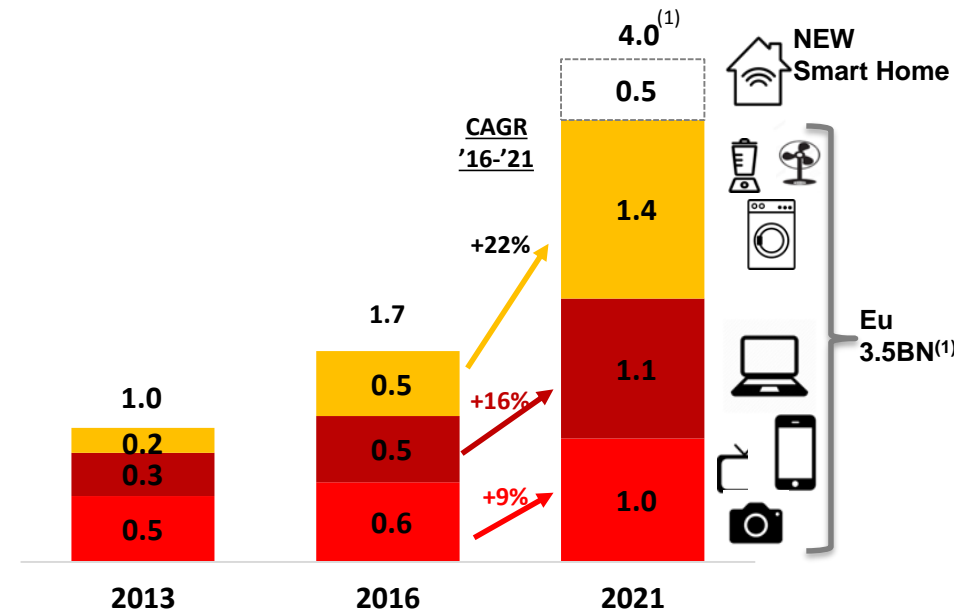
## HUGE OPPORTUNITY SHIFTING ONLINE

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



## APPLIANCES GROWING FASTER

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



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

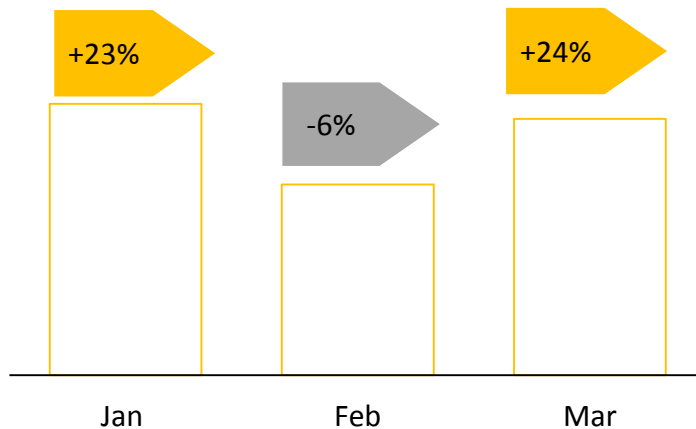
## Jan-Feb 17 CORE Market Tech&Appliances in Italy (YoY growth)

Traditional Tech&Appliances MKT Jan-Feb 17	Online Tech&Appliances MKT Jan-Feb 17 <sup>(2)</sup>	Tech&Appliances ePRICE GMV Q1 17
-1.5%	c.+10%	+13%

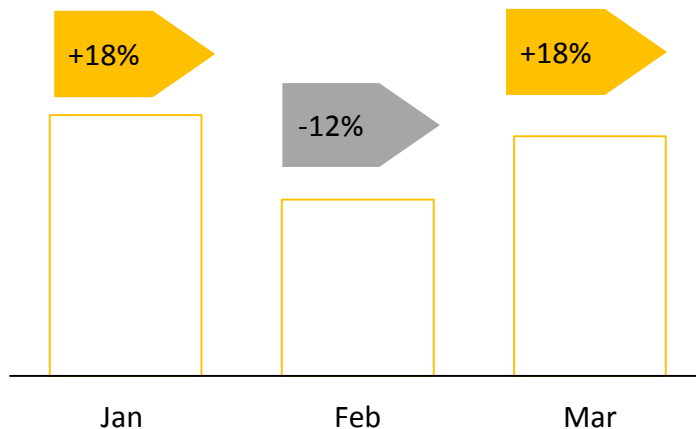
(2) LFL growth first 2months 2017 vs first 2months 2016. Including restatement of offline players' Click&Collect sales (included from 2016), market up c. +13% YoY. Source: ePRICE re-elaborations on last available GfK data and internal estimates.

# Q1 17 GMV & REVENUES BY MONTH

(GMV in Eu mn)



(Revenues in Eu mn)



## Q1 17 YoY Trends by Month

- **January:** Strong growth sustained by Christmas long tail. Gained market share.
- **February:** slowdown due to planned migration to SAP, coupled with limited promotional activities, anticipating potential SAP disruption during the early adoption period. Overall soft market in February: retail market -3%, **eP gained market share.**
- **March:** Strong recovery of ePRICE performance in March, resuming ordinary marketing/promotional activities (TV commercial back on air in Q2), including positive calendar effect.

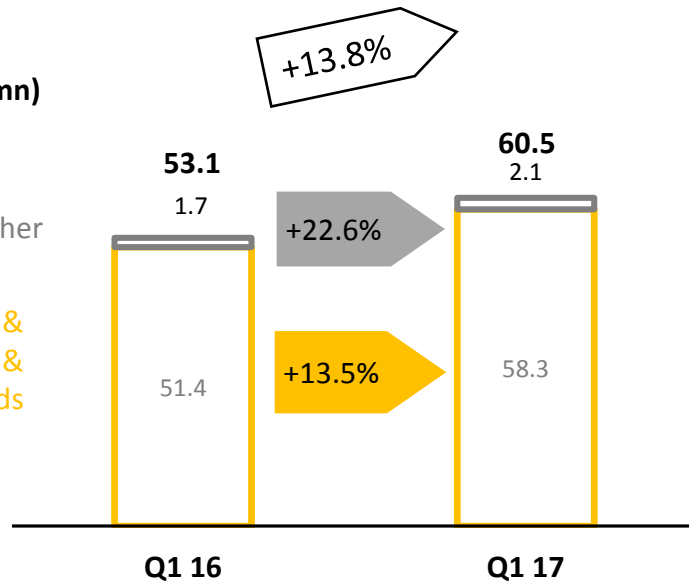
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- (2) **Services&other** have been restated and now include warranties.

# Q1 17 GMV & REVENUES (1) (2)

(GMV in Eu mn)

Services& Other

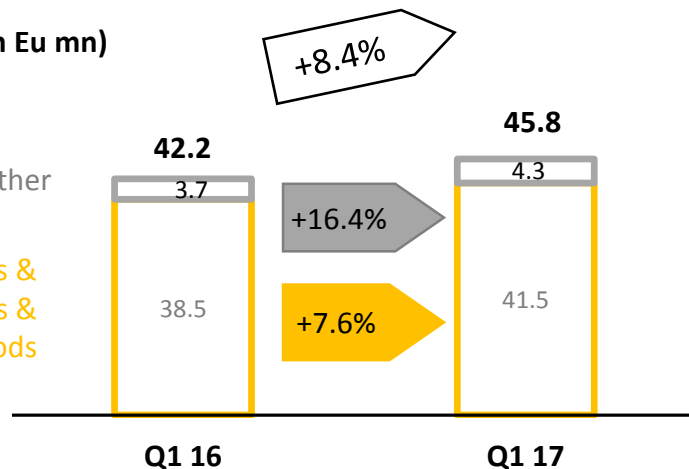
Electronics &  
Appliances &  
other Goods



(Revenues in Eu mn)

Services& Other

Electronics &  
Appliances &  
other Goods



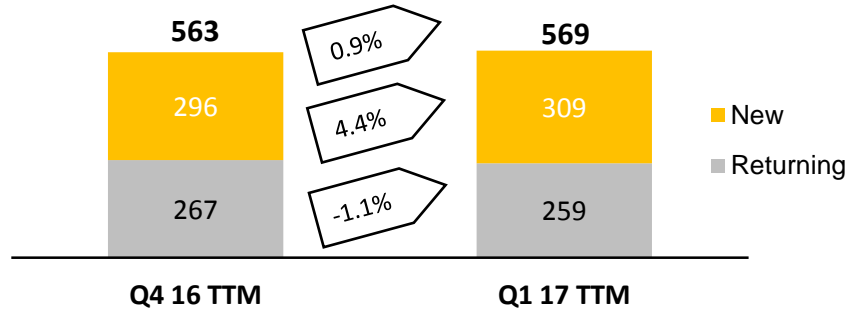
## Q1 17 Highlights

- **MDA:** Reinforced leadership on MDAs and related service sales: good performance in sales of built-in, fridges and washing machines, with an estimated +2pps market share.
- **Audio/Video:** slow market due to delay of new launches by vendors, but ePRICE performed well with c. +1pps market share.
- **SDA:** aggressive competitive market, with online vs. traditional offline players
- **IOT/ Smart Home:** "Start +" remote services launch and Google Nest launch in February.
- **Services:** growth remains solid, up double digit driven by growth of premium services on MDA (floor delivery and installation) and increased geographical coverage. Extended warranties continue to perform strong growth, thanks to significant improvement in attach rate.
- **3P marketplace:** +75% YoY. Weight on GMV gains 5 pps (to 13%) in Q1 17 vs. 8% in Q1 16.
- **TV ADV:** Not on air in Q1 17; TV will be back in Q2.
- **February growth** impacted by planned ERP migration to SAP

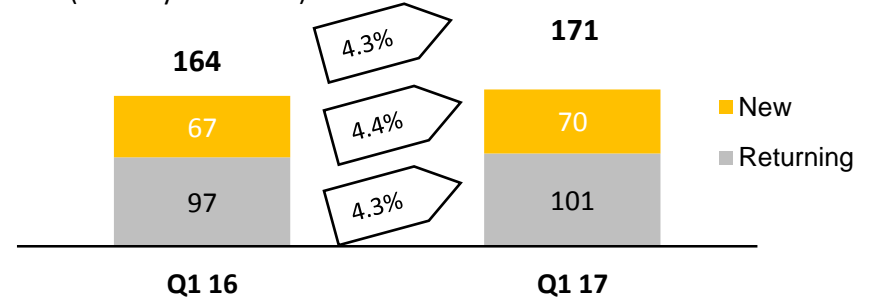
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# Q1 17: CUSTOMER KPIs

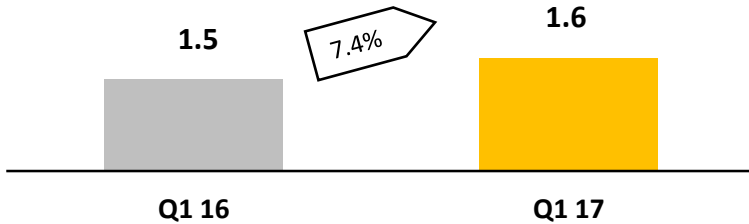
Buyers Q1 TTM<sup>(1)</sup>  
(# of buyers in '000)



Buyers Q1 17<sup>(1)</sup>  
(# of buyers in '000)



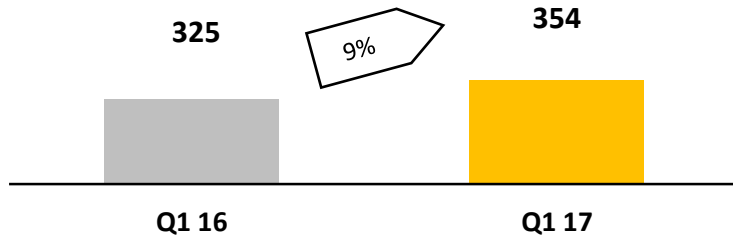
# Items/order



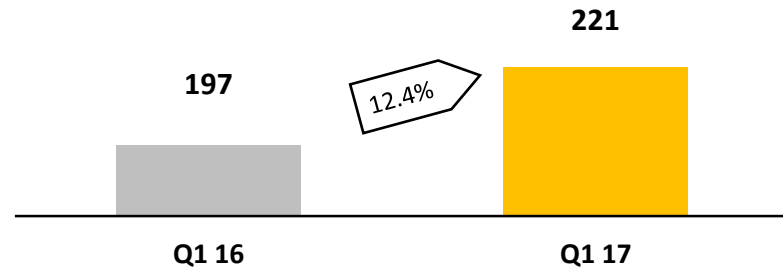
Number of Orders Q1 17<sup>(1)</sup>  
( '000)



Average Spending per Buyer Q1 17<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

# Q1 17: ePRICE HOME SERVICE TOWARDS A NEW GENERATION OF VALUE CREATION

## INVESTMENTS ON SYNERGETIC ASSETS



- ✓ Acquisition of 43% in Termostore.it
- ✓ Goal: addressing heating&cooling products and service market with a vertical offer



- ✓ Acquisition of 15% in Click&Quick
- ✓ Goal: support and testing efficient, flexible and customer-centric delivery modes

## EMPOWERED SERVICES OFFER AND RELATED KPIS

**+110%**

value of installations  
YoY vs. Q1 16

**+29%**

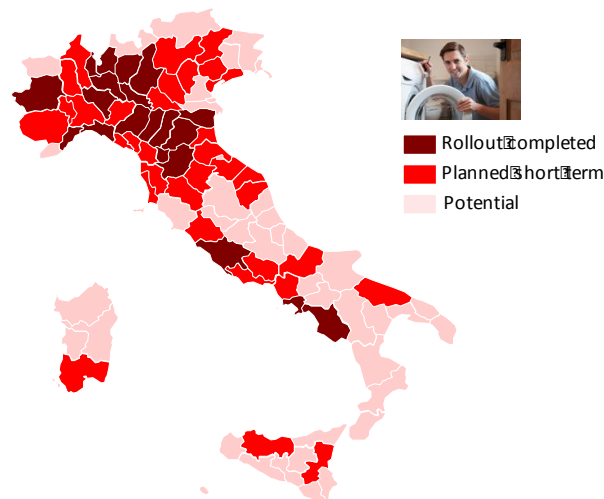
#MDAs delivered with  
premium services

**79**

Net Promoter Score  
vs. 72 in 2016

**1.5 x**

Warranties Attach Rate  
vs. Q1 16



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

# Q1 17: ePRICE MARKETPLACE UPDATE

## UNIQUE FEATURES OFFERED TO MERCHANTS



## IMPRESSIVE 3P MARKETPLACE GROWTH PATTERN

**#3.8M**

Marketplace Offers  
(+174% vs. Q1 16)  
2.3 offers per product

**#1,038**

Sellers  
(+153% vs. Q1 16)  
>40 intern. sellers

**>10%**

average weight  
on GMV

**+75%**

GMV YoY growth

- c. +260% GMV YoY growth delivered at P&P thanks to new CoD (Cash on Delivery) services
- >60 sellers with at least one order at P&P
- +275% Unique Offers YoY
- Computers, Climatisation, Smartphones and Other Goods c. +100% YoY

# NEW FULFILMENT CENTER TO BE READY FOR CHRISTMAS SEASON (Q4)

## NEW ePRICE FULFILMENT CENTER



## TOWARDS A SUSTAINABLE FULFILMENT MODEL

**2x**

vs. current available  
volume

**29K sqm**

integrated with ERP

**+96%**

expandable to over  
50,000 sqm

**€5M**

estimated Capex  
(including SRP)

- Flexible semi-automated warehouse able to support multi-e-Commerce business models
- Located in Truccazzano (MI) at a strategic crossroad to meet needs of ePRICE's customers and suppliers, connecting various distribution networks (MDA couriers, Installers, P&P internal transports, standard couriers)
- Able to serve both ePRICE and SRP outsourcing contract
- To be ready after the Summer, ready for the run up to Christmas

# Q1 17 TAKEAWAYS

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

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

Resuming brand equity building through Q2 & Q3

Expecting to gain traction from Q2 17, after April's negative calendar effect, due to long Easter holidays

2017 Guidance reaffirmed

(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.

# 2017 GUIDANCE

GMV<sup>1</sup> up 20-25%, Revenues up 15-18%, with an accelerated growth in the second half of the year, after a weak February, adversely affected by the planned transition of the ERP system to SAP

Improvement in Gross margin and considerable increase in EBITDA compared to 2016

Capex to Euro 11 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 B2B, infocommerce.

# APPENDIX

# 2021 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

# TARGET MODEL

	FY 15	FY 16	TARGET vs. 16	DRIVERS
MARKET GROWTH	20%	20% (4)	15-16% >2X	Secular shift from offline, mobile, innovation
GMV <sup>(1)</sup>	€207M	€254M	~ 3X	Market Growth, MDA, 3P Marketplace
REVENUES	€168M	€198M	~ 2.5X	Market Growth, B2B, ADV, Infocommerce
GROSS MARGIN <sup>(2)</sup>	13.8%	15.3%	20%-22%	Mix&sourcing, Rebates, 3P Marketplace, Infocommerce
MARKETING <sup>(2)</sup>	5.3%	5.6%	4.5%-5.0%	Brand Awareness, Returning Customers
FULFILMENT TRANSPORT <sup>(2)</sup>	3.5%	4.4%	5.0%-5.5%	Now including Transport&Installation service
FULFILMENT INTERNAL <sup>(2)</sup>	5.0%	5.2%	3.8%-4.3%	New fulfilment center, scale & efficiency program
IT + G&A <sup>(3)</sup>	4.6%	4.9%	1.8%-2.5%	Efficiencies and scalability
EBITDA adj. <sup>(2)</sup>	-4.7%	-4.8%	4%-6%	 <b>#1 specialty player, enhanced by services</b>
CAPEX <sup>(2)</sup>	4.5%	3.8%	1.5%-2.0%	
				2017 new fulfilment, Eu 5mn

(1) 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., representing c. 6% of revenues in 9M16;  
 (2) % of revenues incl non recurring; (3) % of revenues: of which 35% corporate&finance costs due to being listed; (4) LFL growth 2016 vs 2015. Including restatement of offline players' Click&Collect sales (included from 2016), market up c. +24% YoY.

# FINANCIAL CALENDAR 2017

April				
M	T	W	T	F
	3	4	5	6
	7	10	11	12
	13	14	17	18
	19	20	21	24
	25	26	27	28

May				
M	T	W	T	F
	1	2	3	4
	5	8	9	10
	11	12	15	16
	17	18	19	22
	23	24	25	26
	29	30	31	

Jul				
M	T	W	T	F
	3	4	5	6
	7	10	11	12
	13	14	17	18
	19	20	21	24
	25	26	27	28
	31			

May 10

Q1 17 Full Results

Jul 25

Preliminary H1 17 sales

Sep 13

H1 17 Full Results

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