



H1 17 PRELIMINARY REVENUES
MILAN, 25TH JULY 2017

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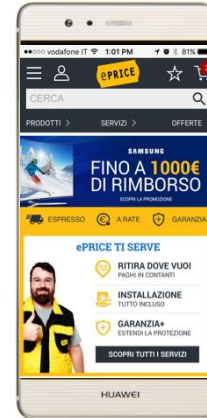
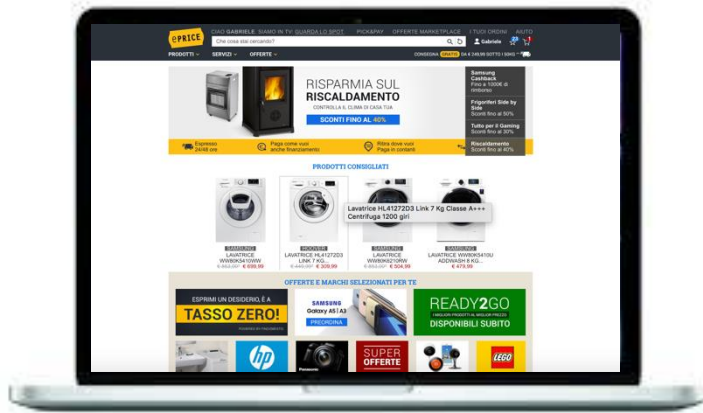
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ePRICE: THE NATIONAL E-COMMERCE LEADER



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

**H1 17 TTM
GMV ⁽¹⁾
Eu 268mn**

**H1 17 TTM
REVENUES
Eu 205mn**

**133 Pick&Pay
290 Lockers
1 brand new
fulfilment center**

**~1.6mn customers ⁽²⁾
~500 installers ⁽³⁾
>1,000 merchants**

(1) TTM 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 H1 17

1

Overperformed market slowdown: 6M 17 online Tech&Appliances market growth +8.5% YoY (Δ -7ppt vs H1 16 growth) and vs. +16-18% estimate at beginning of 2017⁽¹⁾. Consumer household Saving Propensity up in Q1 17 by 0.3 p.p. vs. Q4 16 ⁽²⁾

2

Solid Double Digit Growth in 4 of the H1 17 months, offset by weak February (due to SAP planned rollout) and April (Easter+ extended bank holidays)

3

Solid Double Digit Growth on Family Capex (MDA+TV Segment), outperforming reference market

4

GMV re-gaining speed in May and June also thanks to TV ADV flights reaffirming brand positioning + empowered message based on “best guaranteed price” and strong promotional activity

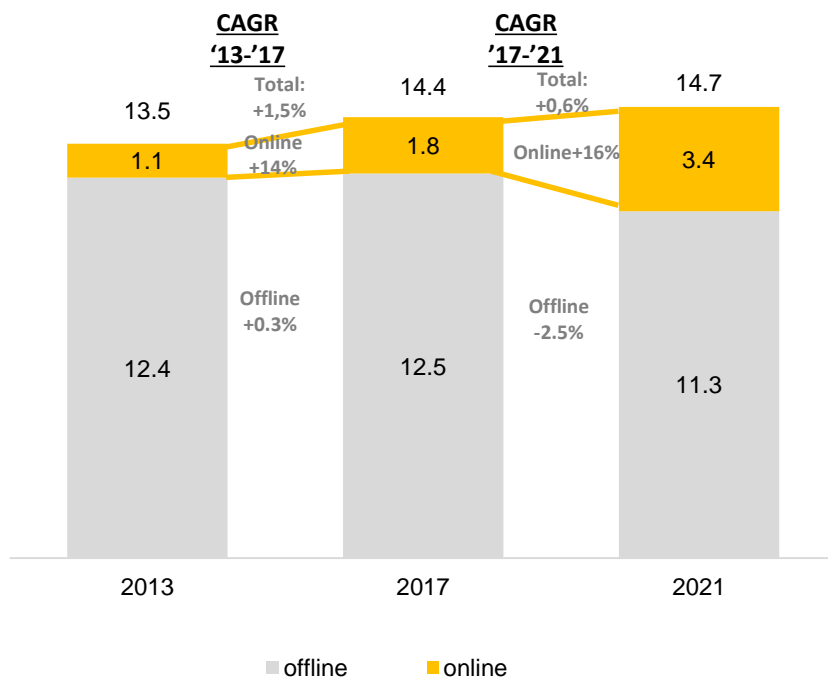
5

3P Marketplace and Warranties Sales Boost: Marketplace GMV up 55% YoY in H1 17 (>1.4X weight on Total GMV vs H1 16); warranties up +76% vs. H1 2016. +200% # Deliveries “Home Service” based.

14 €BN PER YEAR OF TECH PRODUCTS. TODAY 1.8 €BN ARE ONLINE, ALMOST DOUBLING IN 4 YEARS.

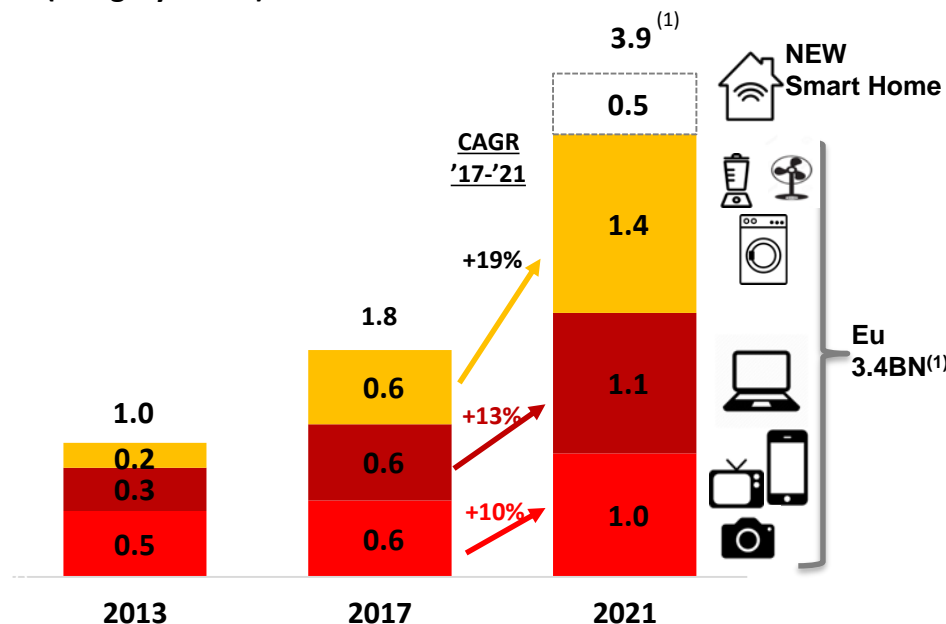
HUGE OPPORTUNITY SHIFTING ONLINE

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



APPLIANCES GROWING FASTER

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



2017 H1 CORE Market TECH in Italy (% growth)

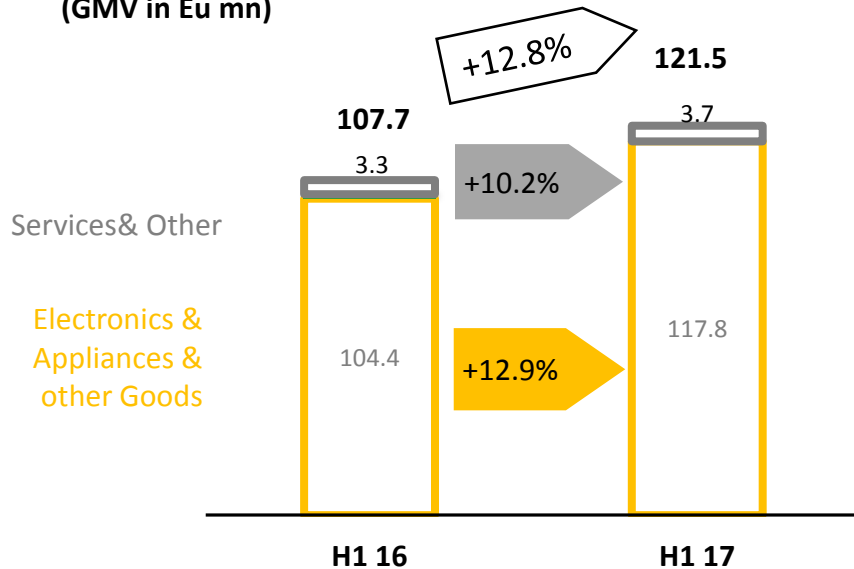
Traditional Tech&Appliances H1 17	Online Tech&Appliances H1 17 ⁽²⁾	Tech&Appliances ePRICE GMV H1 17
-1.5%	c.+8.5%	+12.8%

(1) €3.4BN Market size for current Technology & Appliances perimeter. Smart Home additional market estimate (€0.5BN) included. Source: ePRICE re-elaboration on Forrester Research, GFK, other public sources and internal estimates, 2017.

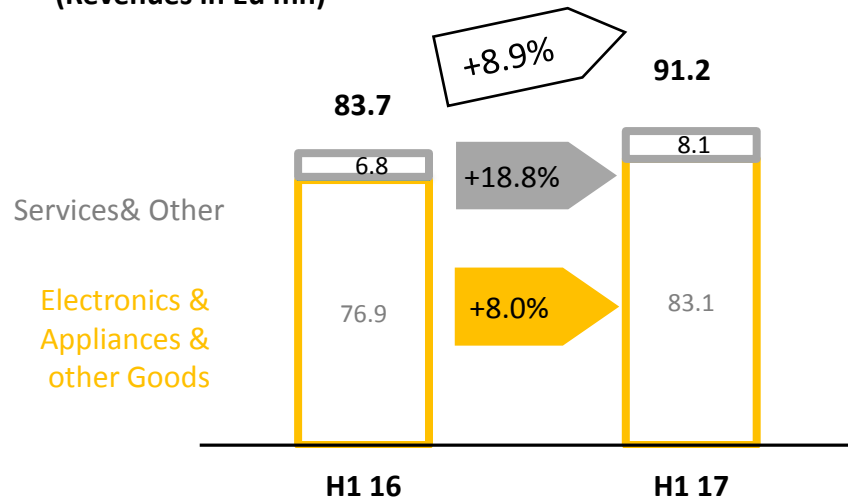
(2) LFL growth 2017vs 2016. Including restatement of 'offline players' Click&Collect sales (from Q2 16 to Q1 17), market up c. +10% YoY. Source: ePRICE re-elaborations on GFK and internal estimates.

H1 17 GMV & REVENUES (1) (2)

(GMV in Eu mn)



(Revenues in Eu mn)



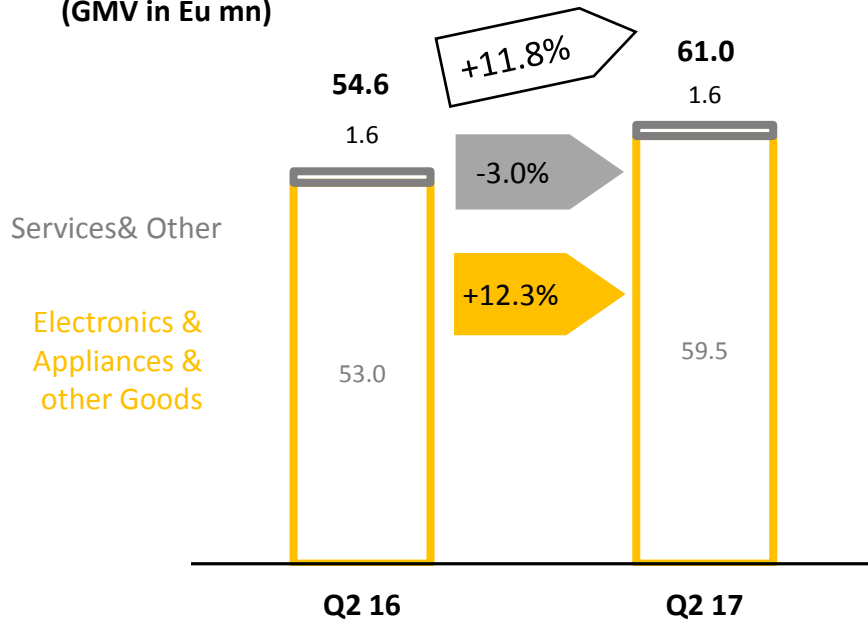
H1 17 Highlights

- **Solid Double Digit Growth** in 4 out of 6 months in H1, offset by weak February due to SAP planned rollout and April (Easter + extended bank holidays)
- **MDA**: reinforced leadership with strong double digit growth on sales of products and related services
- **TV**: strong market share growth on TV sales
- **Warranties**: up 76% YoY in H1
- **Marketplace**: over 1.4x 3P marketplace weight on GMV in Q2, up 55% YoY in H1
- **Services & Other**: very good performance in ADV&Infocommerce and B2B revenues (as seen in Services and Other Revenues, but not incl. in GMV)
- **Promotions**: increased weight of freeshipping campaigns affected Q2

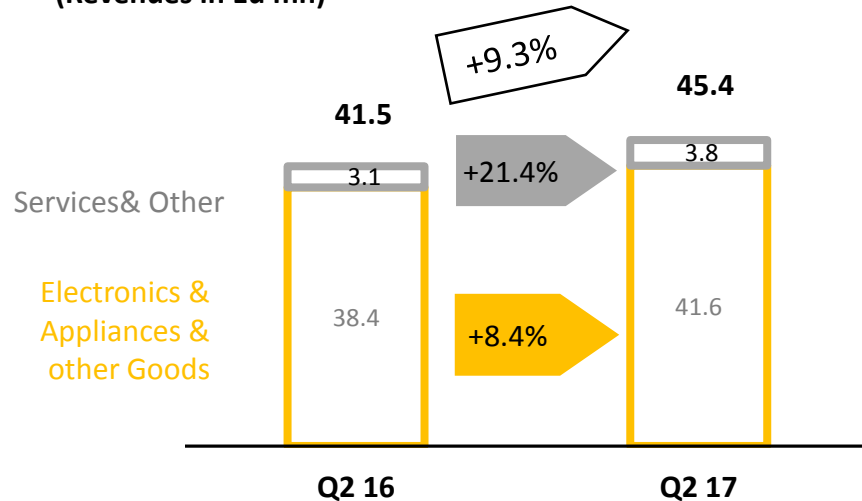
- (1) **Gross Merchandise Volume** includes revenues from products, shipping and 3P marketplace sales, net of returns and VAT included. **Revenue from services** includes deliveries, warranties, B2B, ADV&Infocommerce and other revenues. GMV from services does not include B2B, ADV&Infocommerce.
- (2)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

Q2 17 GMV & REVENUES (1) (2)

(GMV in Eu mn)



(Revenues in Eu mn)



Q2 17 Highlights

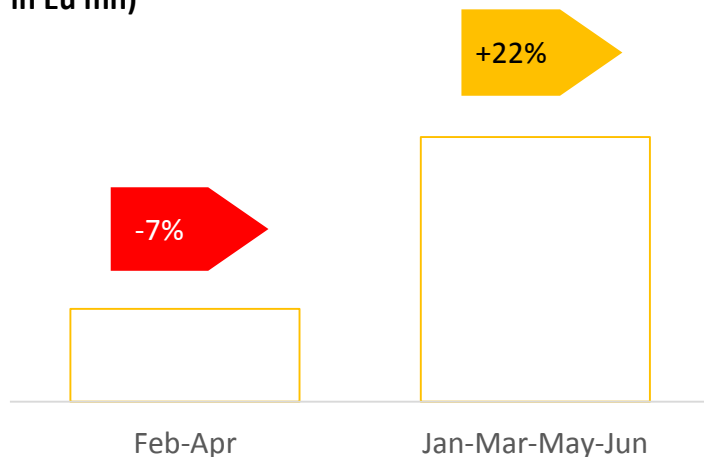
- **MDA:** reinforced leadership with strong double digit growth on sales of products and related services, strong performance in built-in, fridges and washing machines
- **AC:** +90% YoY in June driven also by positive seasonal effects
- **TV:** strong market share growth on TV in Q2
- **SDA:** competitive pressure on SDAs stays high as experienced in Q1
- **Marketplace:** over 1.4x 3P marketplace weight on GMV vs 2016
- **Services & Other:** very good performance in ADV&Infocommerce and B2B revenues (booked as “Services and Other” Revenues, but not incl. in “Services and Other” GMV)
- **Promotions:** increasing freeshipping campaigns affected the GMV/revenues from “delivery” (booked as “Services & Other”). Net of this effect, “Services & Other” GMV up mid-single digit

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

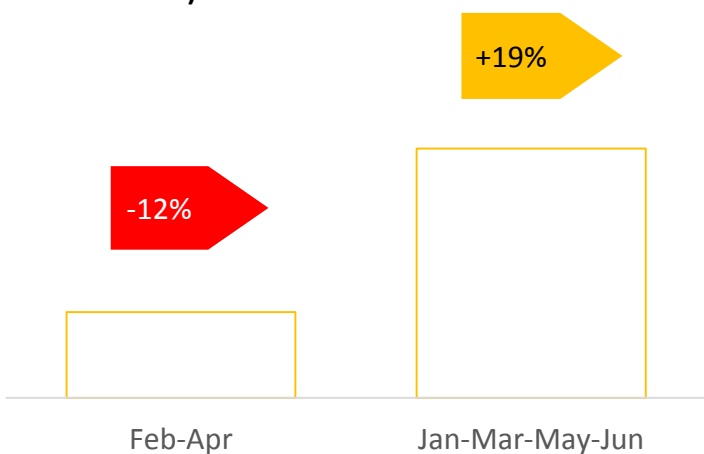
(2) **Services&other** have been restated and now include warranties.

H1 17 GMV & REVENUES SPLIT BY MONTH

(GMV in Eu mn)



(Revenues in Eu mn)

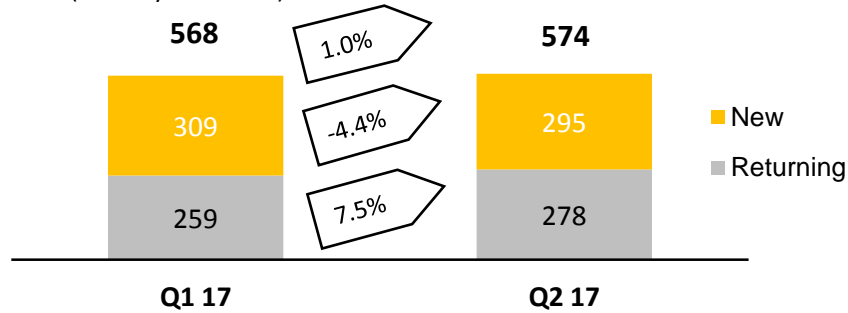


H1 17 Monthly Trend

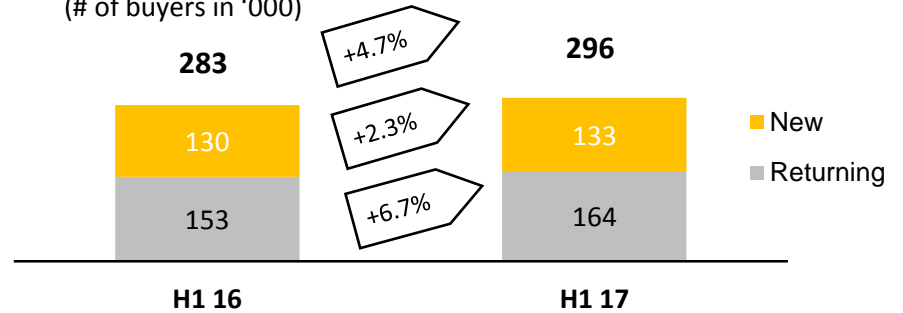
- Solid double digit growth net of February impacted by SAP roll-out and a weak April (Easter+extended Bank Holidays) thanks to:
 - **January:** sustained by long tail of Christmas campaign
 - **March:** resuming promotional activity after SAP planned roll-out + positive calendar (#d)
 - **May:** Resuming ePRICE Commercials on TV
 - **June:** “Best Price Guaranteed” promise in new commercials created further sales acceleration with strong performances on seasonal 1P sales of A/C segment (c. +90% 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, ADV&Infocommerce and other revenues. GMV from services does not include B2B, ADV&Infocommerce.
- (2) **Services&other** have been restated and now include warranties.

H1 17: CUSTOMER KPIs DRIVE GROWTH

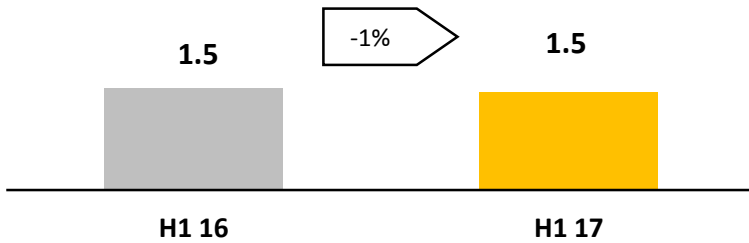
Buyers Q2 TTM⁽¹⁾
(# of buyers in '000)



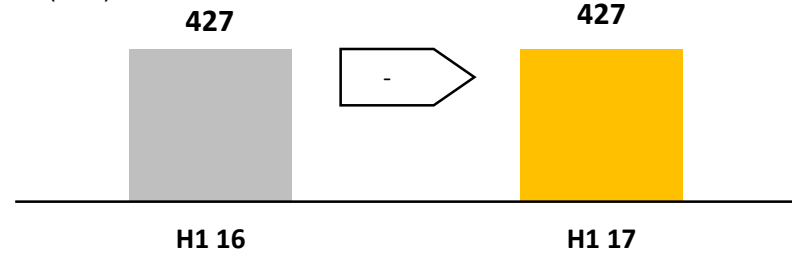
Buyers H1 17⁽¹⁾
(# of buyers in '000)



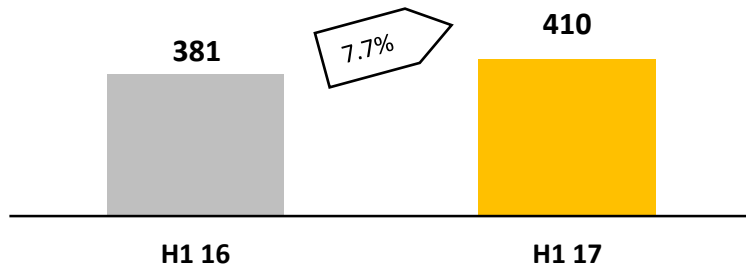
Items/order



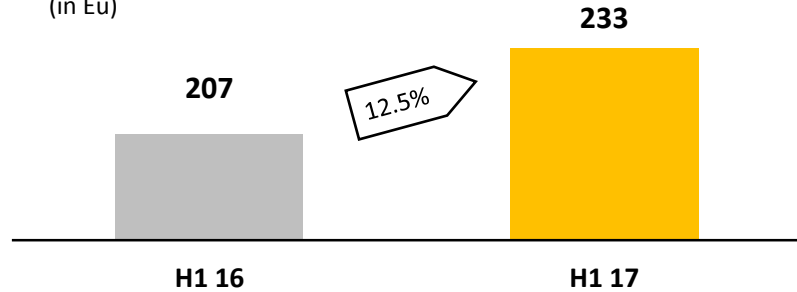
Number of Orders H1 17⁽¹⁾
('000)



Average Spending per Buyer H1 17⁽²⁾
(in Eu)



Average Order Value⁽¹⁾
(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

MARKETING EMPOWERMENT WITH NEW USER GENERATED CONTENT AND NEW TV COMMERCIALS FLIGHT IN Q2

CONSUMER REVIEWS NOW ACTIVE ACROSS FULL PRODUCT RANGE

SAMSUNG TV LED Full HD 22" UE22K5000

★★★★★ 4.1 (15)



€ 149,99 solo per **7h 16m 52s**
Risparmi il 20% rispetto al prezzo originale

PROMO

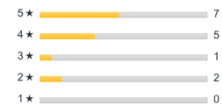
- Ritiro gratis Pick&Pay e Locker dipendenti Banzai
- Ritiro gratis Pick&Pay
- Sconto 5% dipendenti Banzai
- Ritiro gratis Locker

Pochi pezzi! Ordina adesso per riceverlo **domani**

35 offerte a partire da € 144,00

Riepilogo valutazioni

Seleziona una riga qui sotto per filtrare le recensioni.



1-8 di 15 recensioni

★★★★★ franco · 25 giorni fa
ottime funzionalità, menù esteso, versatile

Io ho comprato come secondo televisore, più piccolo: luminoso e dettagliato e con un buon suono, ho tuttavia dovuto far ricorso al menu per ottenere i colori ed il dettaglio che mi aspettavo, e che infine ho ottenuto. Non è chiaramente una smart tv, ma aggiungendovi un Chromecast della Google come economico accessorio posso ora vederli anche youtube e film/foto del pc e del cellulare via internet.

☑ SI. Consiglio questo prodotto.

Utile? SI 0 No 1 Segnala

★★★★★ Dave · 3 giorni fa

Ottimo schermo - menu Samsung pessimo

Buonissima qualità dello schermo. Luminoso e ricco di dettagli. Pessimo il menu interno del software.

☐ No. Non consiglio questo prodotto.

Valutazioni medie clienti



Ordina

Aspetto

Facilità d'uso

Video

Qualità audio

Rapporto qualità-prezzo

Aspetto

Facilità d'uso

Video

GOALS ACHIEVED WITH REVIEWS AND TV CAMPAIGN

+10%

YoY traffic,
+48% YoY Mobile

89%

clients recommending
products they bought

10%

Saving on Cost per Visit

+5 p.p.

Weekly Share of Voice
since Q4 '16

ON AIR IN Q2...

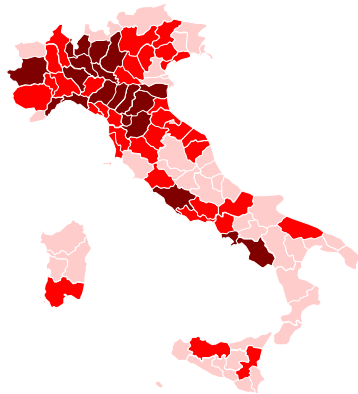


Excellent in Service...

...unbeatable on Price

ePRICE's CUSTOMER CENTRIC PLATFORM: DEDICATED LOGISTICS AND PROFESSIONAL NETWORKS TO DELIVER AND INSTALL MDAs & SMART HOME PRODUCTS

A PROFESSIONAL NETWORK DESIGNED FOR SCALE & DIFFERENTIATION



■ Rollout completed
■ Planned short term
■ Potential

WORK IN PROGRESS: NEW LOGISTIC CENTER READY TO HOST HIGHER VOLUMES (30K SQUARE METERS)



THE PATH TOWARDS INNOVATION AND VALUE GENERATION

+32%

MDAs Shipped
Vs. Q2 16

+200%

Deliveries Home
Service Platform based

c.70

Home Service Net
Promoter Score
(P&P=81)

8.600

locker+P&P deliveries
(+9%)

- **Pick & Pay Free Delivery:** Testing of permanent free shipping programs through # 133 P&P nationwide network
- **More Trucks & Vans:** additional #60 trucks to current directly controlled fleet (total now #90)
- **New Fulfilment Center (Truccazzano):** Automated logistics now started up
- **New Repair & Maintenance:** market test underway on repair and maintenance on out of warranty MDA

ePRICE: MARKETPLACE UPDATE

UNIQUE FEATURES OFFERED TO MERCHANTS



IMPRESSIVE 3P MARKETPLACE PATTERN GROWTH IN H1 17

#4.1M

Marketplace Offers
(+214% vs. Q2 16)
2.3 offers per product

#1,162

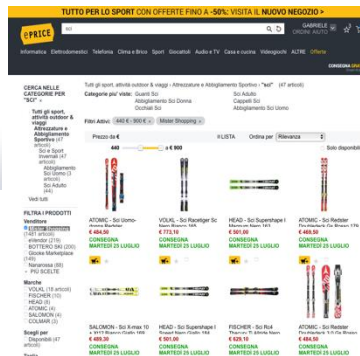
Sellers
(2X vs. Q2 16)

>14%

average weight
on GMV
(+4 p.p. vs. Q1 17)

+55%

GMV YoY growth in H1



- **New Categories:** Sport Launched in June with 60.000 unique offers
- **Seller Growth:** >70 international sellers
- **Unique Offer Growth:** +200% Unique Offers YoY
- **Smartphone, PC and Consumables:** double digit growth YoY on ePRICE's 3P Marketplace

H1/Q2 17 TAKEAWAYS

Overall slower than expected H1 due to market performance, but solid double digit growth on Core Revenues related to “Family Capex” (MDA, TV, A/C, etc)

Confirmed stronger GMV⁽¹⁾ growth vs. weaker than expected reference market

Innovation in progress: testing permanent free shipping programs at Pick&Pay and opening new cat on marketplace

Last mile services & warranties growing as expected with increasing attach rate

Continue to build brand equity on TV and enrich contents with consumer reviews on website

Ready to take advantage of brand new 30K sqm fulfilment center in Truccazzano by Q4&Christmas season

After weaker than expected H1 17 due to soft market conditions and SAP, GMV expected to resume growth in H2 17 in the 20-25% range, based on improved market conditions

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

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

Jul 25

Preliminary H1 17 sales

Sep 13

H1 17 Full Results

Oct 17

Preliminary 9M 17 sales

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