



9M 17 RESULTS
MILAN, 8TH NOVEMBER 2017

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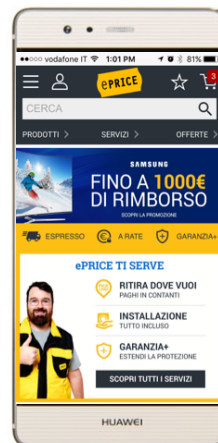
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ePRICE: THE NATIONAL E-COMMERCE LEADER



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

**9M 17 TTM
GMV ⁽¹⁾
Eu 270mn**

**9M 17 TTM
REVENUES
Eu 204mn**

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

**~1.6mn customers ⁽²⁾
~500 technicians ⁽³⁾
>1,400 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.

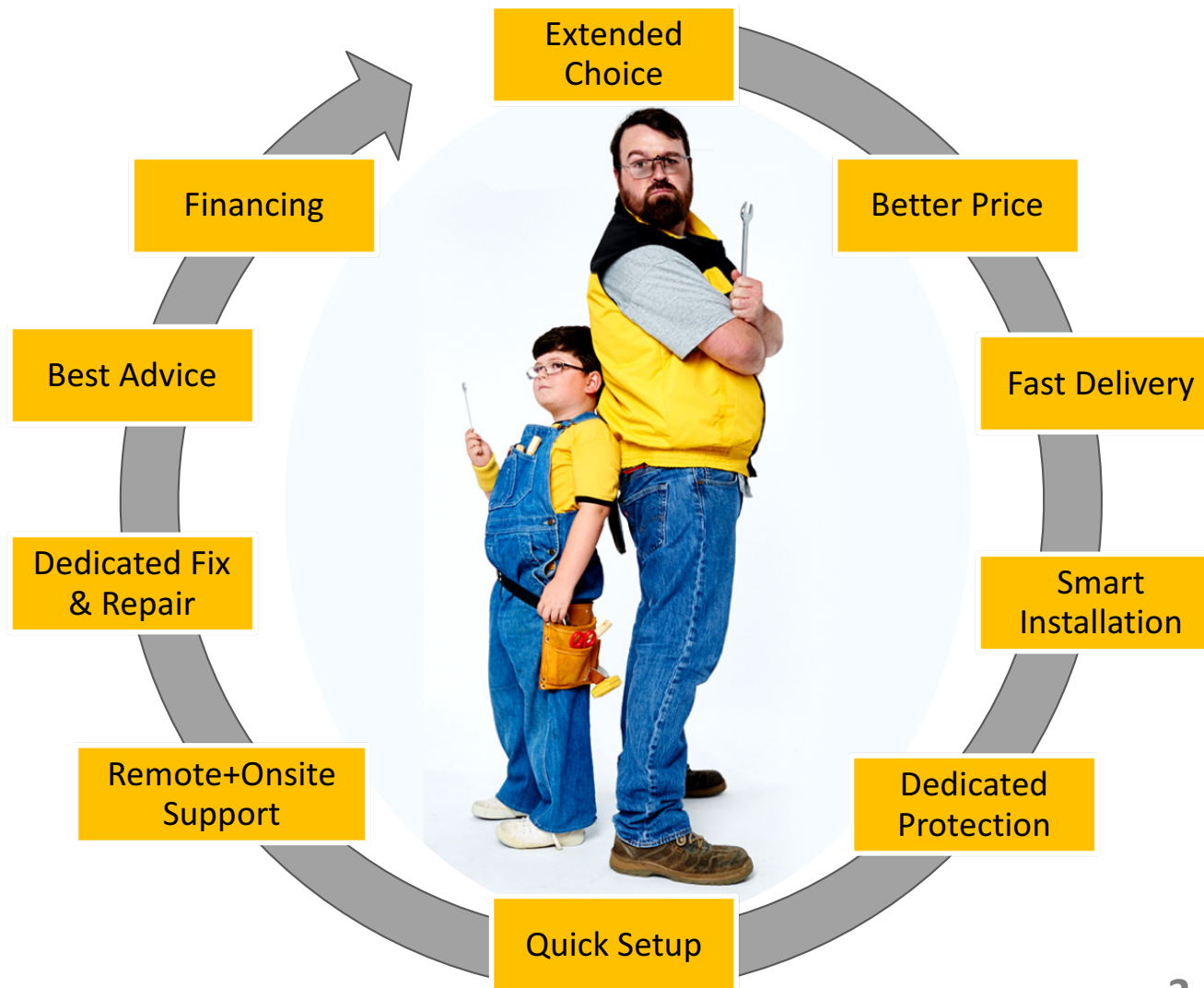
(3) ePRICE Home Service



ePRICE: FROM e-COMMERCE TO e-SERVICE

OUR NEW, SERVICE-DRIVEN MISSION

"To serve the technological evolution of Italian households"



ePRICE: HIGHLIGHTS OF 9M 17

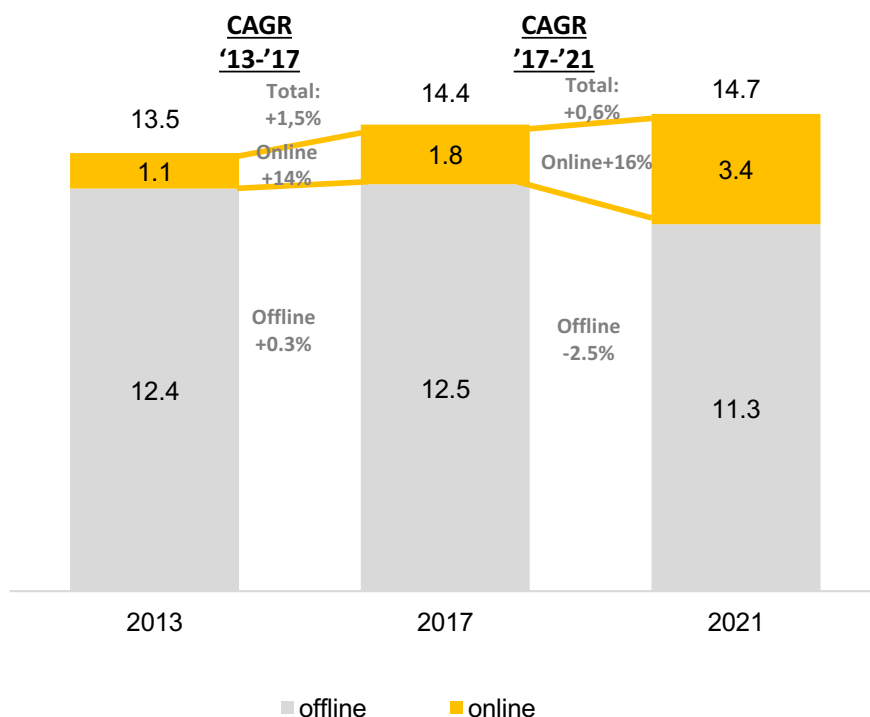
- 1 **Overperformed market slowdown:** 9M 17 online Tech&Appliances market growth +8.5% YoY (Δ c. -15 pct.pt. vs 9M 16 growth) and vs. +16-18% estimate at beginning of 2017⁽¹⁾.
- 2 **Consolidating GMV Market Share in MDA:** >30% of online market. +165% YoY # Deliveries “Home Service” based on MDAs.
- 3 **Relevant market share growth makes ePRICE key player on online TV sales, with double digit growth,** outperforming negative reference market
- 4 **Initial positive indications from new approach (accelerating shift to marketplace of Mass Market Products (IT, Mobile, SDA etc))**
- 5 **3P Marketplace and Warranties Sales Boost:** Marketplace GMV up 54% YoY in 9M 17; warranties up +41% YoY.

(1) Internal estimates based on GFK+Forrester forecast data.

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

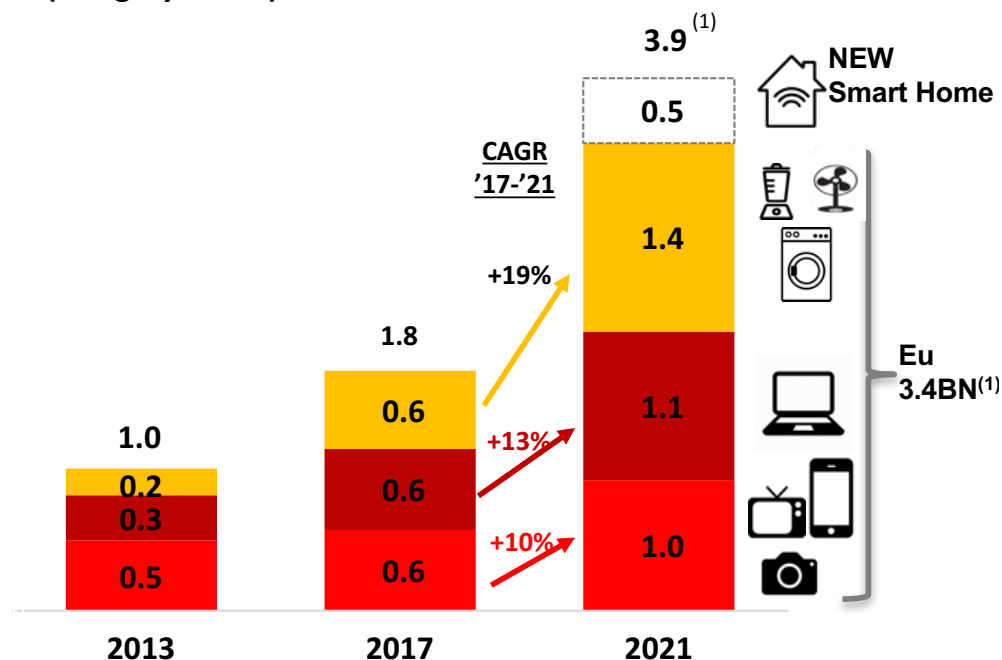
HUGE OPPORTUNITY SHIFTING ONLINE

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 9M Market TECH&APPLIANCE in Italy (% growth)

Traditional Tech&Appliances 9M17	Online Tech&Appliances 9M17 ⁽²⁾	Tech&Appliances ePRICE GMV 9M 17
-1.6%	8.5%	+9.3%

(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.

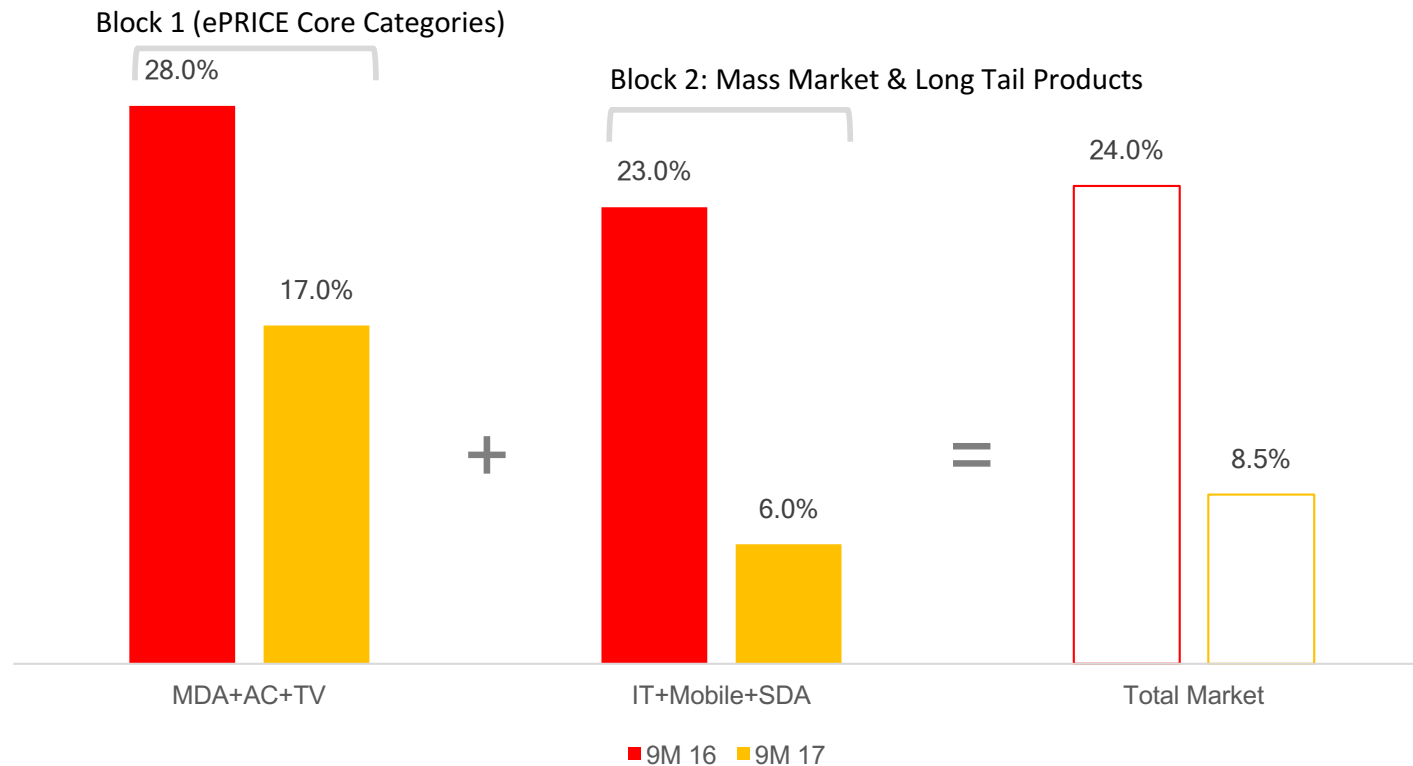
(2) ePRICE Internal estimates and re-elaboration, based on GFK data

In 9M16 offline market was up 2.3 % YoY

In 9M16 online market was up 24% YoY



CURRENT ONLINE MARKET IS SHAPING COMPETITION IN TWO BLOCKS 1/2



- Block 1: High Ticket, Family Capex, Low Frequency
- Block 2: Low Ticket, Mass Market Tech Goods, High Frequency

CURRENT ONLINE MARKET IS SHAPING COMPETITION IN TWO BLOCKS 2/2

Consumer Need

Products

Market Economics

Go to Market

Block 1

- Appliances&TV (family capex)
- Home delivery
- Trusted Installation & Protection Services



- Double digit growth 9M 17 (+17% YoY)
- High ticket
- High GM
- Low frequency

**SALES &
SERVICE
STRATEGY**

**MARGIN ON GOODS
MARGIN ON SERVICES**

Consumer Need

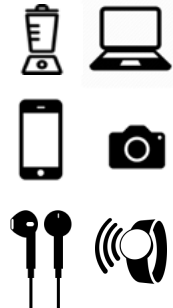
Products

Market Economics

Go to Market

Block 2

- Tech & Long Tail products
- Best Prices
- Quick & low cost delivery



- Single digit growth (except SDAs) 9M 17 (+6% YoY)
- Low ticket
- Low GM
- High Frequency

**MARKETPLACE
STRATEGY**

COMMISSIONS

ePRICE STRATEGY ON ACCELERATING SHIFT TO MARKETPLACE FOR MASS MARKET & LONG TAIL PRODUCTS

SALES &
SERVICE
STRATEGY

*Unique
positioning
and higher
GM*

Core Sales & Services

Online Market Leader
High Ticket
Premium Services
Best Price
Pioneers in innovative delivery& last mile services
Breadth and Depth of Catalogue
Broad Network of Delivery Points (Pick&Pay)



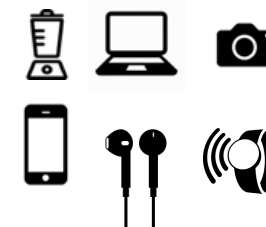
Block 1

MARKETPLACE
STRATEGY

*Accelerating
marketplace
growth to
improve
profitability*

Mass Market Product – Long Tail

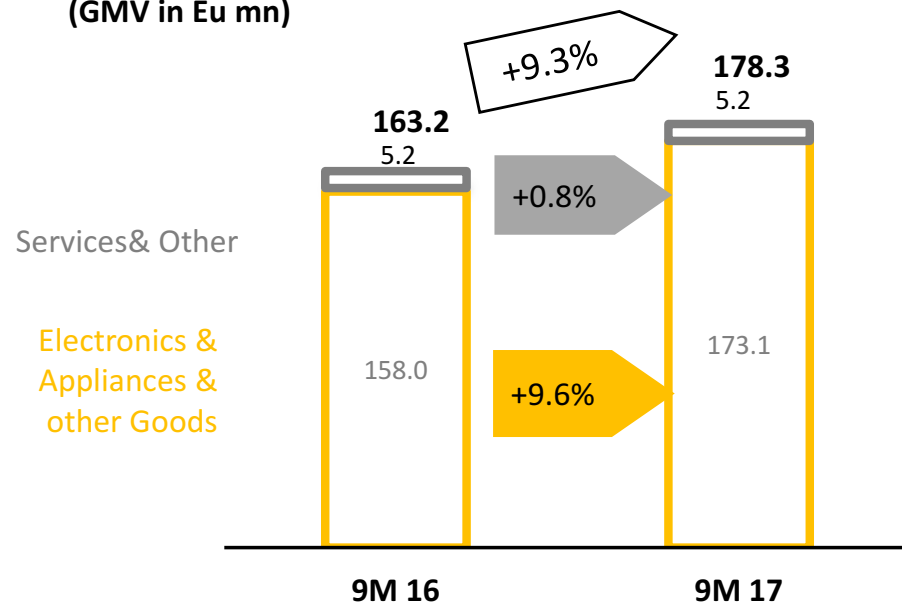
Number 1 Italian 3P Marketplace
Lower average ticket
Mostly price driven
Breadth and Depth of Catalogue thanks to 3P merchants
Extended >400 delivery points network
Broadest available range of payments method
New automated fulfilment center



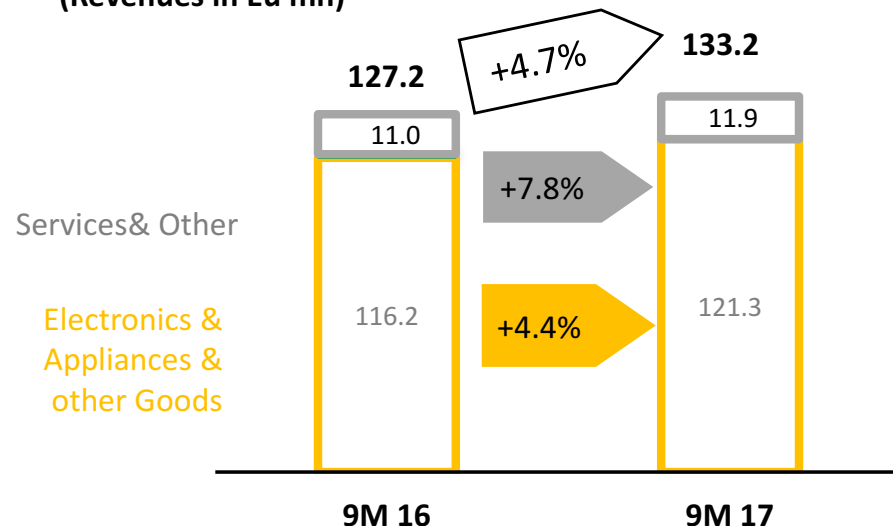
Block 2

9M 17 GMV & REVENUES (1) (2)

(GMV in Eu mn)



(Revenues in Eu mn)

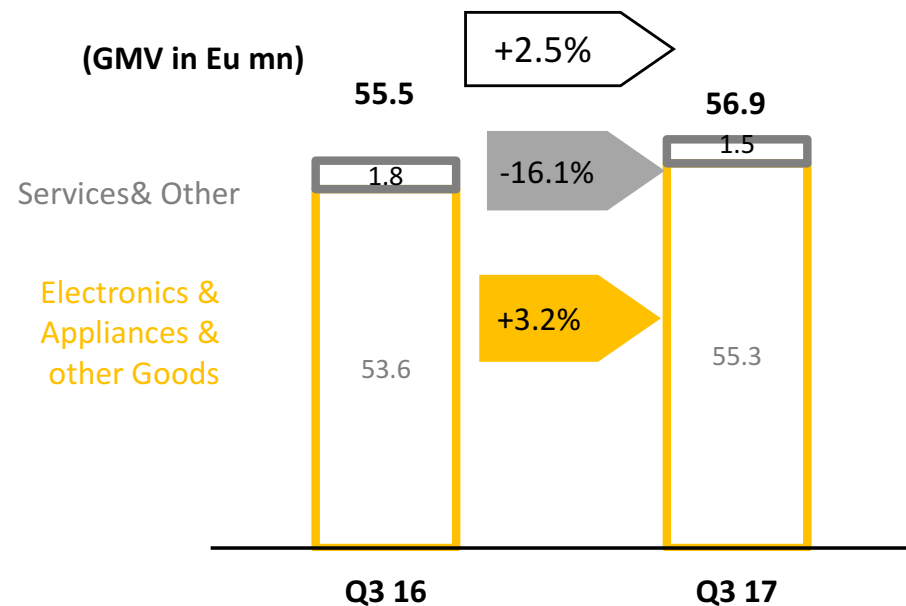


9M 17 Highlights

- **Confirmed Growth** in core categories GMV
- **MDA**: outperformed market growth also thanks to improved relationships with main vendors
- **TV**: relevant market share growth makes ePRICE key player on online TV sales, which could bode well for 2018 (World Football Cup & renewal of DVB-T-2)
- **Extended Warranties**: up 41% YoY in 9M
- **Marketplace**: up 54% YoY in 9M, now at 14% weight on GMV
- **Services & Other**: good performance in ADV&Infocommerce and B2B revenues
- **Promotions**: increased weight of freeshipping campaigns affected Q2

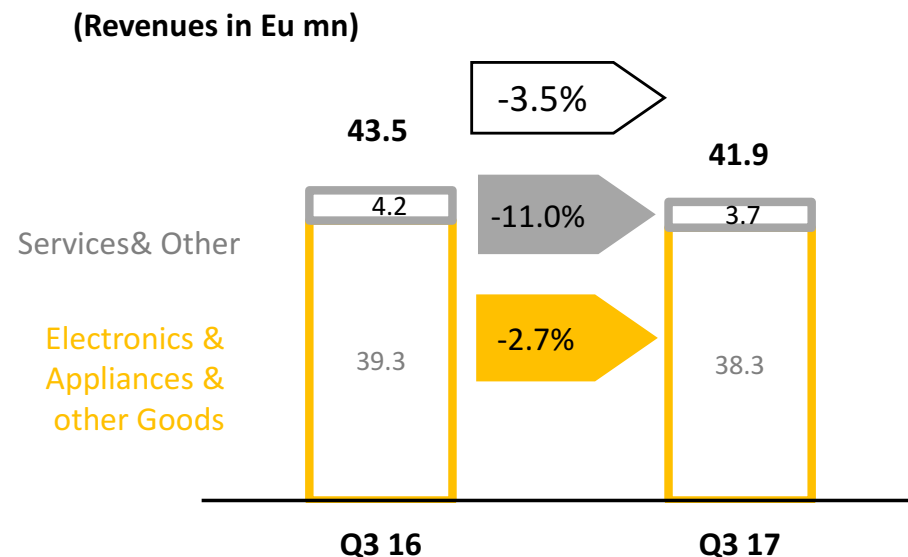
- (1) **Gross Merchandise Volume** includes revenues from products, shipping and 3P marketplace sales, net of returns and VAT included. **Revenue from services** includes deliveries, warranties, B2B, ADV&Infocommerce and other revenues. GMV from services does not include B2B, ADV&Infocommerce.
- (2)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

Q3 17 GMV & REVENUES ⁽¹⁾ ⁽²⁾



Q3 17 Highlights

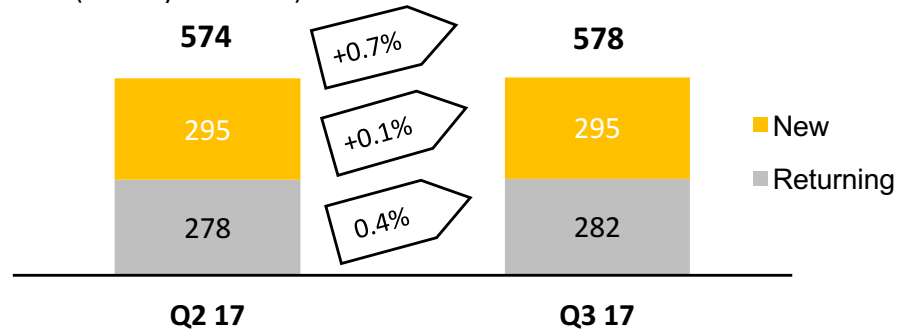
- **MDA:** confirmed leadership and market share
- **TV:** significant market share growth vs. a declining reference online market
- **IT&Laptops:** double digit growth YoY, in line with Q2 and double vs. Q1, with an improved AOV, sustained by 3P marketplace sales (+60% YoY)
- **Components:** high double digit growth YoY, in line with Q2
- **Marketplace:** up 52% YoY in Q3, gaining speed reaching >15% weight on GMV
- **Promotions:** ePRICE reduced promotion push within a still highly competitive market



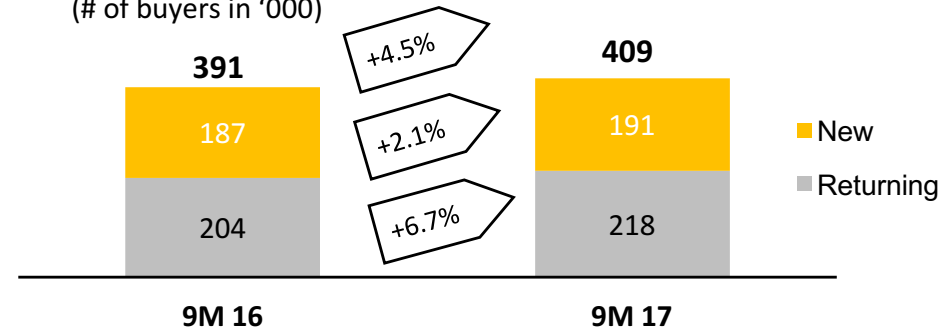
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9M 17: CUSTOMER KPIs

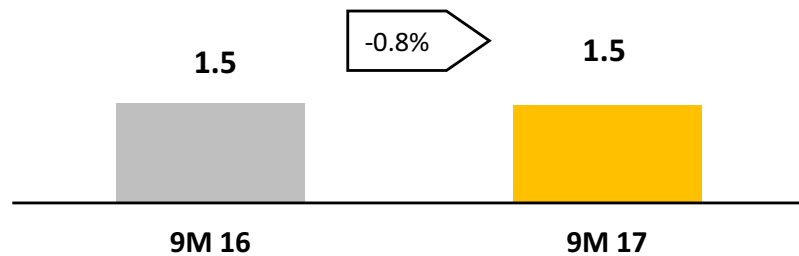
Buyers Q3 TTM⁽¹⁾
(# of buyers in '000)



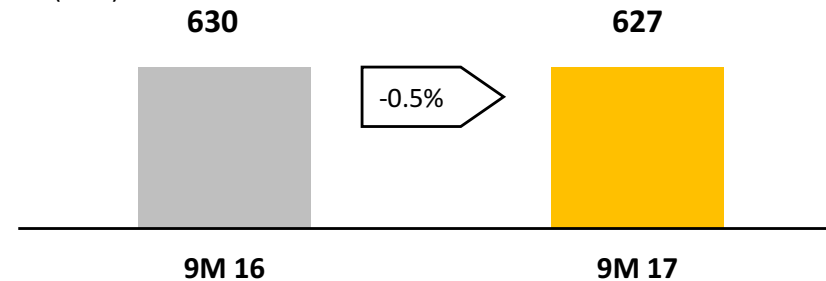
Buyers 9M 17⁽¹⁾
(# of buyers in '000)



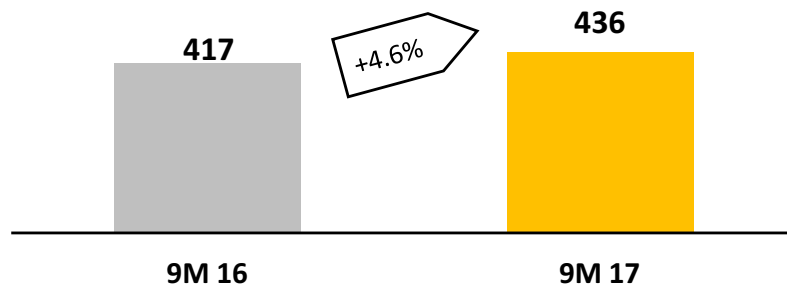
Items/order⁽³⁾



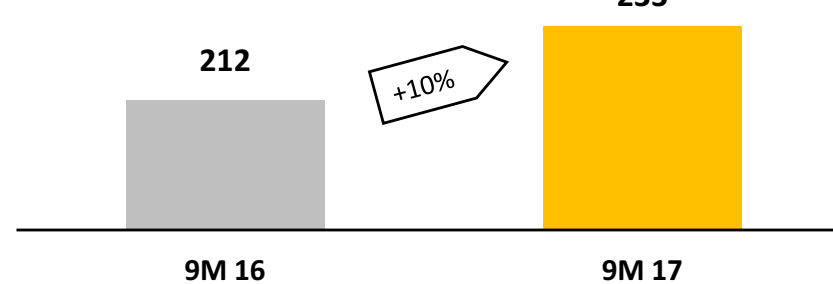
Number of Orders 9M 17⁽¹⁾
('000)



Average Spending per Buyer 9M 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

(3) Only items & orders from B2C GMV goods

Q3 17: MARKETING EFFICIENCY FOR BOOSTING Q4 BLACK FRIDAY OPENS THE ALL-IN CHALLENGE

EVOLUTION OF ePRICE ADV CONCEPT & POSITIONING



A new TV concept developed to increase sales and improve brand awareness



Use of Radio to improve coverage and frequency on target audience

GOALS ACHIEVED IN Q3 17

+12%

YoY traffic 9M,
+29% YoY Mobile

-13%

reduced mktg costs as
% of sales vs. H1

+13%

Unique Visitors YoY

+23%

Paid Visits YoY

Q4 ALL-IN



BLACK FRIDAY Run up

More than 1k products at Eu 0.99 across 18 days of November thru to Black Friday
From Black Friday to Cyber Monday hundreds of highly discounted products

Reach: up to 96.3%, +31% vs TV only
GRPS: up to 1,650, + 168% vs TV only

CHRISTMAS SEASON

ADV focused on selling in stock MDAs&TV, aggressive pricing and «xmas gifts» of value-added services provided by ePRICE in local areas

LOGISTICS & SERVICES: BRAND NEW FF CENTER NOW OPERATING, HOME SERVICE PLATFORM GROWING UP

NEW LOGISTIC CENTER READY TO HOST HIGHER VOLUMES
(30K SQUARE METERS) BUILT FOR EPRICE AS WELL AS 3RD
PARTY NEEDS



A PROFESSIONAL NETWORK OF HOME SERVICE DESIGNED
FOR SCALE & DIFFERENTIATION



ePRICE SpA – November 2017

FULFILMENT KPIS

+40%

MDAs stored in
Truccazzano FF Center
vs old FF center

27 days

to relocate ePRICE
Inventory to
Truccazzano

+60%

maximum capacity for
MDAs

68 NPS

On Home Service
despite FF relocation

FULFILMENT KPIS

>500

Professional
technicians

+165%

Home Service
Premium Delivery in
9M

- (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 9M 17

#3.7M

Offers
(+50% vs. Q3 16)
2.1 offers per product

#1,465

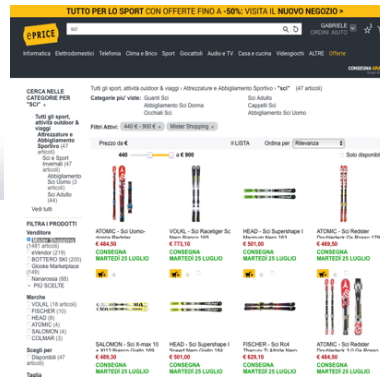
Sellers
(+86% vs. Q3 16)

>15%

weight
on GMV
(c. + 6 p.p. vs. Q3 16)

+54%

GMV YoY growth and
9M



- **Seller Growth** >+86% YoY and +100 international sellers
- **Unique Offer Growth:** +200% Unique Offers YoY
- **Smartphone, PC and Consumables:** > marketplace at 20% GMV

CONSOLIDATED P&L 9M 17

Eu mn

Profit & Loss w/o VC	9M 2017	9M 2016	9M YOY
GMV	178.3	163.2	9.3%
Total Revenues	133.2	127.2	4.7%
Cost of Revenues	-113.6	-107.7	5.5%
Gross Profit	19.6	19.5	0.4%
Gross Margin %	14.7%	15.3%	
Sales & Marketing	-8.7	-7.1	22.8%
Fulfilment	-13.5	-12.3	9.7%
IT	-1.4	-1.0	37.1%
G&A	-6.0	-6.0	0.1%
EBITDA ADJUSTED	-10.0	-6.9	45.0%
Ebitda Adjusted %	-7.5%	-5.4%	
Non recurring costs	-1.0	-0.7	58.0%
EBITDA	-11.1	-7.6	46.1%
Ebitda %	-8.3%	-6.0%	
EBIT	-16.2	-10.5	54.2%
Ebit %	-12.1%	-8.2%	
-			
EBT from continuing operations	-16.5	-11.0	50.5%
Ebt %	-12.4%	-8.6%	
EBT from discontinued activities	0.7	13.9	
Net result	-15.8	3.0	
	-11.9%	2.3%	

Comments

Gross Margin

GM down by 60 bps vs. 9M 16 mainly due H1 competitive pressure and promotions, partially compensated by the positive contribution of marketplace and infocommerce. GM slightly improved in Q3 17, net of one off infocommerce contract registered in Q3 16.

S&M

S&M up 23% in 9M (including TV in H1), but down 6.4% YoY in Q3, benefitting also from lower costs of one off infocommerce contract and TV campaign (started September 2016). ADV+FS+GM at 7.1% of revenues in 9M 17 vs. 6.7% in 9M 16

IT & GA

IT costs increased due to SAP&IT platforms set up & maintenance costs
G&A flat in 9M and down by 8.2% in Q3 17 vs Q3 16

Non recurring

Non recurring items includes one off costs Eu 0.7 mn related to SAP and logistics for the new Fulfilment Center, the remaining related to SOP

Net result

Please note that 2016 was positively impacted from the Eu 13.9 mn capital gain of Saldiprivati and Banzai Media disposal

9M 17 CASH FLOW

Eu mn

Cash flow	9M 2017	9M 2016	Var %
Net result	-16.5	-11.0	51%
D&A	4.7	2.9	64%
Other non cash items	1.1	1.3	-12%
Change in WC	-13.7	-8.2	67%
Cash flow from operations	-24.3	-15.0	62%
Cash flow operating from discontinued activities	0.0	-4.8	
Net capex	-10.5	-5.9	77%
Acquisition	-2.3	-0.9	152%
Cash flow from investing activities	-12.7	-6.8	87%
Cash flow investing from discontinued activities	1.2	30.4	
Change in net equity	1.0	0.0	
Dividend paid	-5.2		
Treasury stock	-0.4	-1.1	
Change in financial credit (credit card)	0.3	-0.2	
Change in bank debt	3.5	-8.5	-59%
Cash flow from financing activities	-0.7	-9.8	-93%
CASH FLOW	-36.5	-6.0	
Cash position at the beginning of semester	54.7	33.5	
Cash position at the end of semester	18.2	27.6	

Comments

- Negative impact on WC mainly due to seasonality on supplier payments in Q3 and to the reversal of positive effect seen in Q4 16, i.e. December purchases paid in January 17. Similarly at end of 2017 calendar will impact positively NFP.
- Capex increased YoY mainly due to new Fulfilment Center (c. Eu 5 mn) and SAP
- c. Eu 2.3 mn cash-out related to M&A and Eu 5.6 mn related to dividend paid and treasury shares
- c. Eu 1.0 mn cash-in thanks to Warrant conversion
- Eu 4 mn M/T loan financing for new Fulfilment Center (Eu 1.0 mn reimbursed in 9M 2017)

9M 17 BALANCE SHEET

Eu mn

Balance Sheet	FY 2016	H1 2017	9M 2017
Property, plant and equipment	3.0	6.7	8.1
Goodwill	14.3	14.3	14.3
Intangible assets	12.6	14.0	14.0
Financial assets	4.0	5.0	5.7
TOTAL ASSETS	33.9	40.0	42.1
NWC	(4.4)	2.3	7.5
Deferred tax assets	9.7	9.7	9.7
Provisions	(2.1)	(2.1)	(2.0)
Other non current debts	(0.4)	(0.4)	(0.4)
Net Invested Capital	36.7	49.5	56.9
Net Equity	92.9	78.4	72.7
Net Financial Position	(56.2)	(28.9)	(15.7)
Total Sources	36.7	49.5	56.9

9M / Q3 17 TAKEAWAYS

Slower than expected 9M also due to market performance, but solid growth on Core Categories Revenues and 1P sales related to “Family Capex” (MDA, A/C, TV)

Accelerating shift to Marketplace on other categories to effectively cover demand for lower ticket categories and long tail products (>15% of GMV q3 and YoY)

Consolidated leading position of TV category

Last mile Services & Warranties growing with increasing attach rate

New fulfilment center in Truccazzano now serves 1P and 3P sales, including Showroomprive

Marketing push focused on Q4 campaign to address Black Friday and Christmas opportunity

Focus of first party offer on «core» categories, and accelerated marketplace shift on mass market products

OUTLOOK

ePRICE highlights that, also due to the negative trend registered by the reference market, the first nine months of 2017 results showed a slowdown in growth trends with respect to initial expectations. Historically, the last quarter of the year impacts significantly the results of the full year, and as a reference, in 2016 the last quarter represented around 36% of the overall GMV and revenues of the year.

Therefore, the likelihood of ePRICE reaching its target of profitability improvement, as set out in the guidance disclosed last September, is strictly linked to the trend in the reference market and to the results that will be achieved in this last quarter of the year; as already stated, a marketing push through a TV and radio campaign has been also planned for the last quarter of the year.

ePRICE further highlights that the Net Financial Position historically improves in the last quarter of the year, thanks to business seasonality. We therefore expect the Net Financial Position at the end of the year to improve with respect to 9M17.

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

MAIN SHAREHOLDERS

The share capital of ePRICE S.p.A. is equal to Euro 826,297 composed by n. 41,314,850 ordinary shares without par-value.

RELEVANT SHAREHOLDERS	NUMBER OF SHARES	% SHARE CAPITAL
Paolo Ainio¹	9,447,615	22.87%
Arepo BZ S.a.r.l.	8,613,850	20.85%
Pietro Boroli	2,138,997	5.18%
Treasury Shares	1,023,202	2.48%

(1) of which 221.750 (0,54%) held trough PUPS S.r.l., 80% controlled by Paolo Ainio

There are no other shareholders, outside of those listed above, with a shareholding of more than 5% that have notified Consob and ePRICE S.p.A. according to art. 117 of Consob Regulation no. 11971/99 on notification requirements of major holdings.

FINANCIAL CALENDAR 2017

Nov 17					Feb 18					Mar 18				
M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
		1	2	3				1	2				1	2
6	7	8	9	10	5	6	7	8	9	5	6	7	8	9
13	14	15	16	17	12	13	14	15	16	12	13	14	15	16
20	21	22	23	24	19	20	21	22	23	19	20	21	22	23
27	28	29	30		26	27	28			26	27	28	29	30

Feb 8, 2018

Preliminary FY 17 Sales

Mar 8, 2018

Full FY 17 results

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