



H1 16

PRELIMINARY REVENUES

Conference Call

July 22, 2016

banzai[•]

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PRESENTING TODAY



Paolo Ainio

Founder & Executive
Chairman

- Founded Banzai 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
Banzai Group

- Joined Banzai 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.



BANZAI: THE NATIONAL E-COMMERCE LEADER

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

#1
Italian
e-Commerce
Player

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

Eu 287 mn
GMV⁽¹⁾
TTM Q2 16

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

+25%
H1 16 GMV⁽¹⁾
YoY

117 Pick&Pay
290 Lockers

(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included. Vertical Content not included in the perimeter.

BANZAI: HIGHLIGHTS OF H1 16

1

GMV ⁽¹⁾ up 25% YoY in H1 16, thanks to strong growth of the Marketplace; this adds on the c. 20% YoY revenue growth, mainly driven by c. +28% YoY revenues in Electronics & Appliances (c. +34% in terms of GMV).

2

Launched Integrated Mobile Platform, to support Premium Delivery and Installation Services in the Milan Area. Initial positive results showing market share gains in areas covered by the service and NPS >70.

3

Disposal of Vertical Content division for Eu 45 mn (EV). Banzai expected to close 2016 with a profit, including capital gain from disposal.

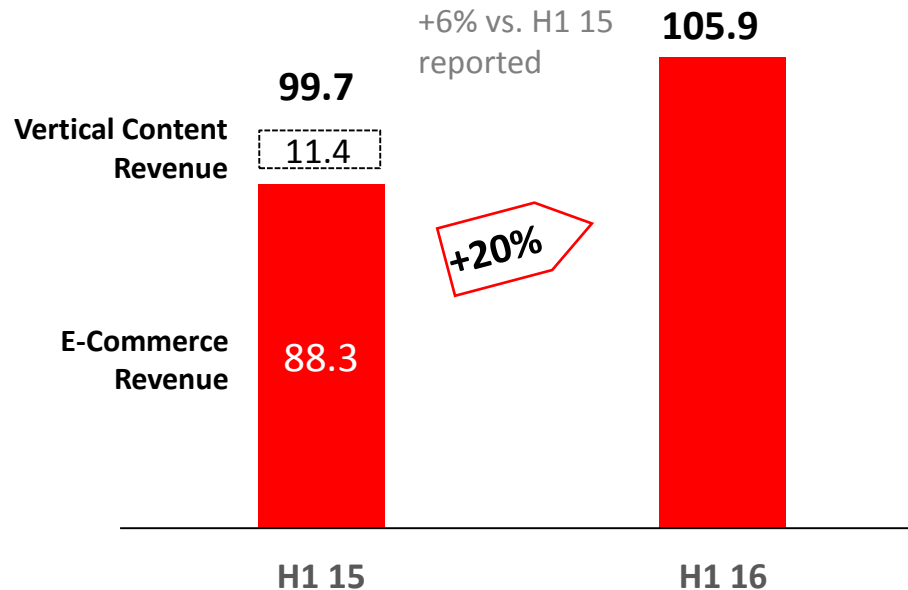
4

3Y agreement on Advertising on Mediaset TV stations with an estimated Eu 7 mn benefit in the period in terms of marketing costs. This will allow marketing push on ePrice from Q4, to reach over 11mn individuals, with a TV campaign targeting smart families.

(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included in the perimeter.

FOLLOWING BANZAI MEDIA DISPOSAL, BANZAI IS NOW 100% FOCUSED ON E-COMMERCE

(Revenues in Eu mn, % growth compared
to previous year)



- Banzai Media Holding (Vertical Content) booked as discontinued activity as of 1/1/2016.
- Revenues grew 20% YoY vs 2015 pro-forma; and 6% YoY vs reported H1 15.

DISPOSAL OF BANZAI MEDIA HOLDING (VERTICAL CONTENT) TRANSACTION HIGHLIGHTS

- Disposal of BMH (Vertical Content) announced on May 10th;
- **Eu 45 mn Enterprise Value**, including Eu 4 mn earn-out, or 1.9x EV/SALES 2015, 11.3x EV/EBITDA 2015 and c. 50x EV/Operating Cash Flow 2015;
- **3Y agreement on Advertising on Mediaset TV stations** with an estimated Eu 7 mn benefit in the period for Banzai;
- **c. Eu 32 mn cash-in at closing**, prior to one-off items related to the transaction;
- **c. Eu 17.5 mn net capital gain** from the sale of BMH;
- Closed June 8th



Banzai focused solely on eCommerce. TV Advertising push on ePrice customer base and enlargement of product and services offered

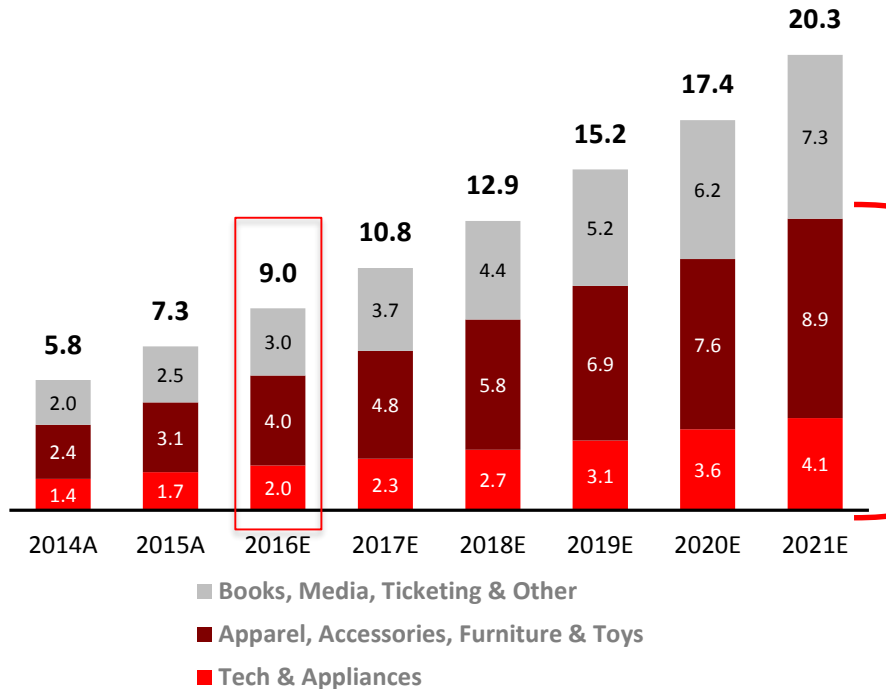


Banzai expects to close 2016 with a net profit at consolidated level, including the capital gain arising from the transaction

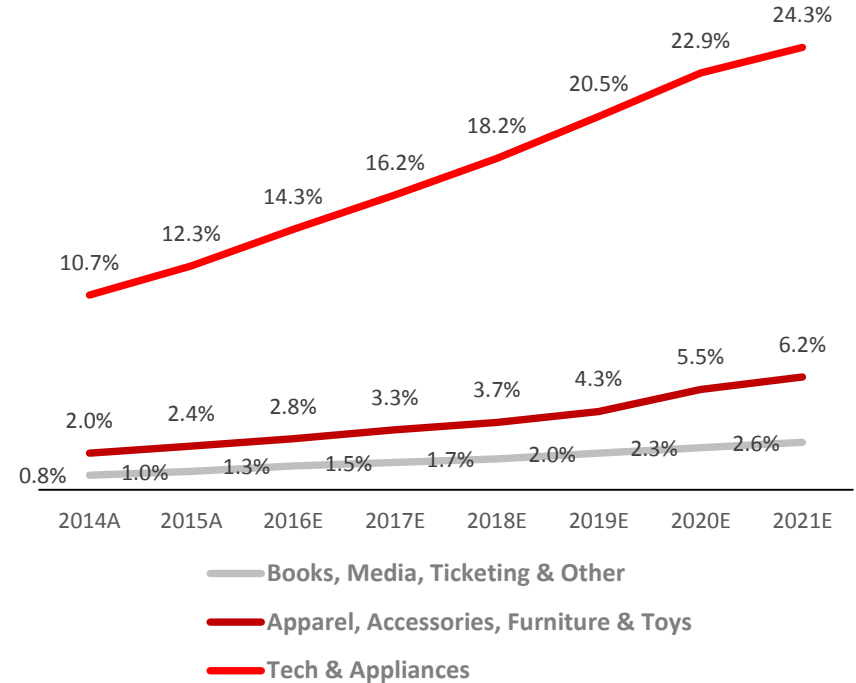
(*) Transaction announced on May 10th; transaction multiples exclude the *news* area

E-COMMERCE: BANZAI GMV OUTPERFORMED CORE TECH MARKET

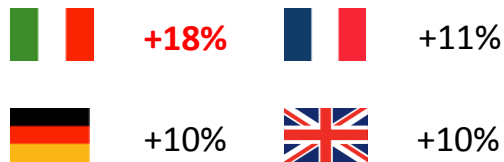
Italian e-Commerce Market (Eu bn)



Online Channel Penetration by Category (%)



2016-2021 e-Commerce CAGR EU (%)



CORE Market TECH in Italy (% growth)

Traditional Tech&Appliances 5M(1) 2016	Online Tech&Appliances Market 6M 2016	Tech&Appliances Banzai 6M GMV 2016 YoY
+3.6%	+20.6%	+34.1%

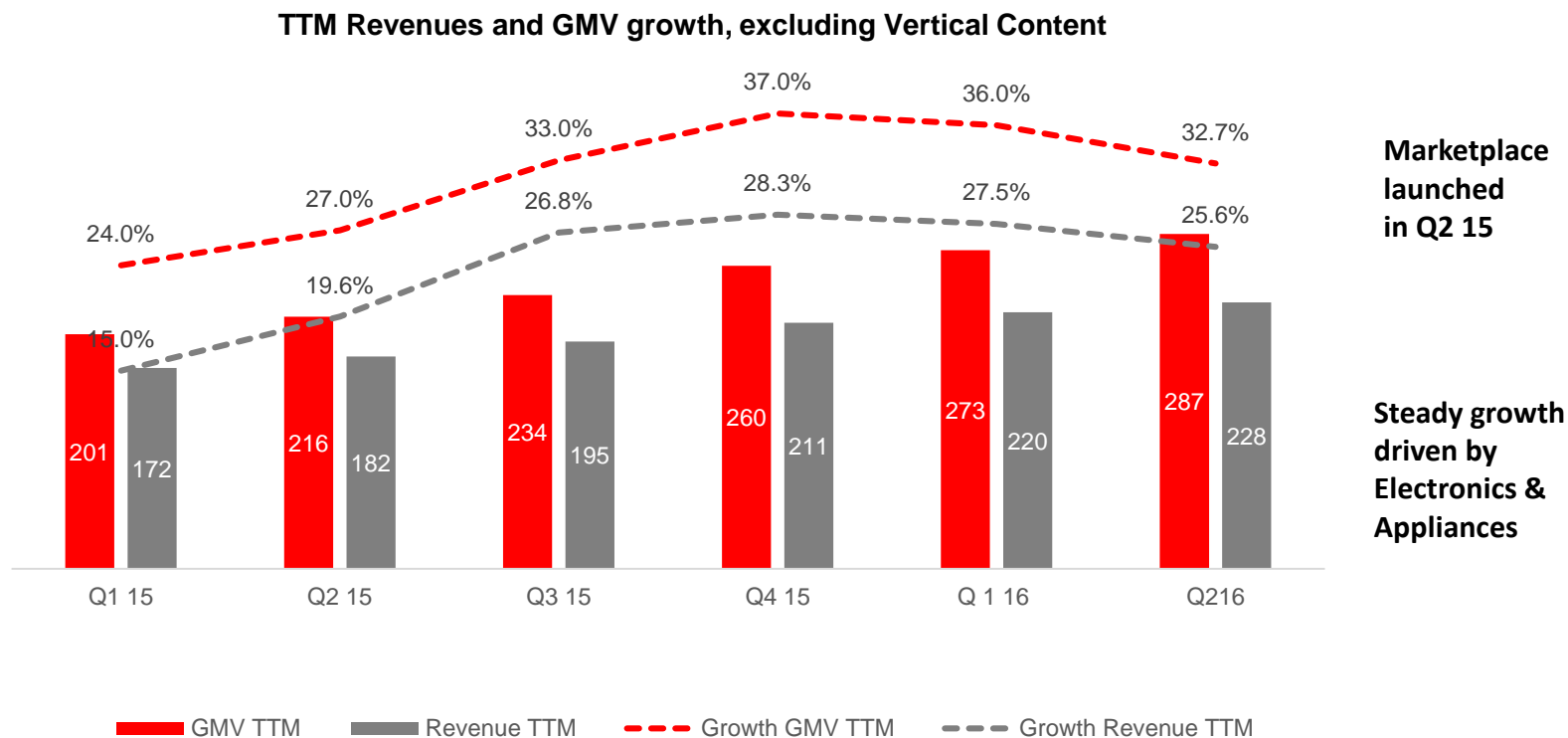
Source: Banzai re-elaboration on Forrester Research Online Retail Forecast and internal estimates, 2016

(1) Market Data as of end of May 2016, June still under review

(2) GMV (Gross Merchandise Volume): includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included.

BANZAI CONSOLIDATED TTM REVENUES AND GMV

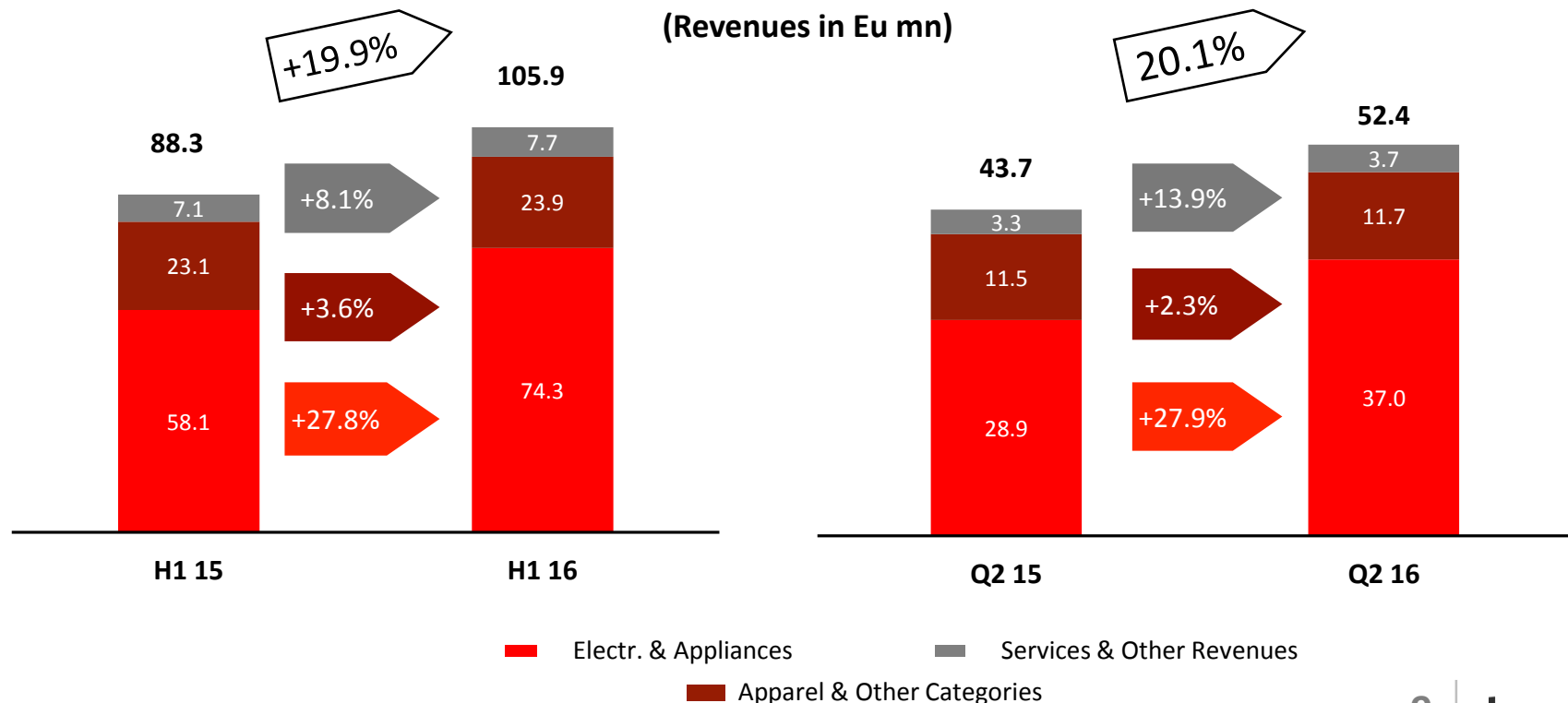
- Banzai posted c. 25.5% TTM growth in revenues and 32.7 % in TTM GMV.
- Steady growth in TTM sales growth, outperforming competitors in e-Commerce.
- Continued exceptionally strong performance in Electronics & Appliances, with Major Domestic Appliances (MDA) continuously being the highlight: ePRICE's leadership is confirmed.



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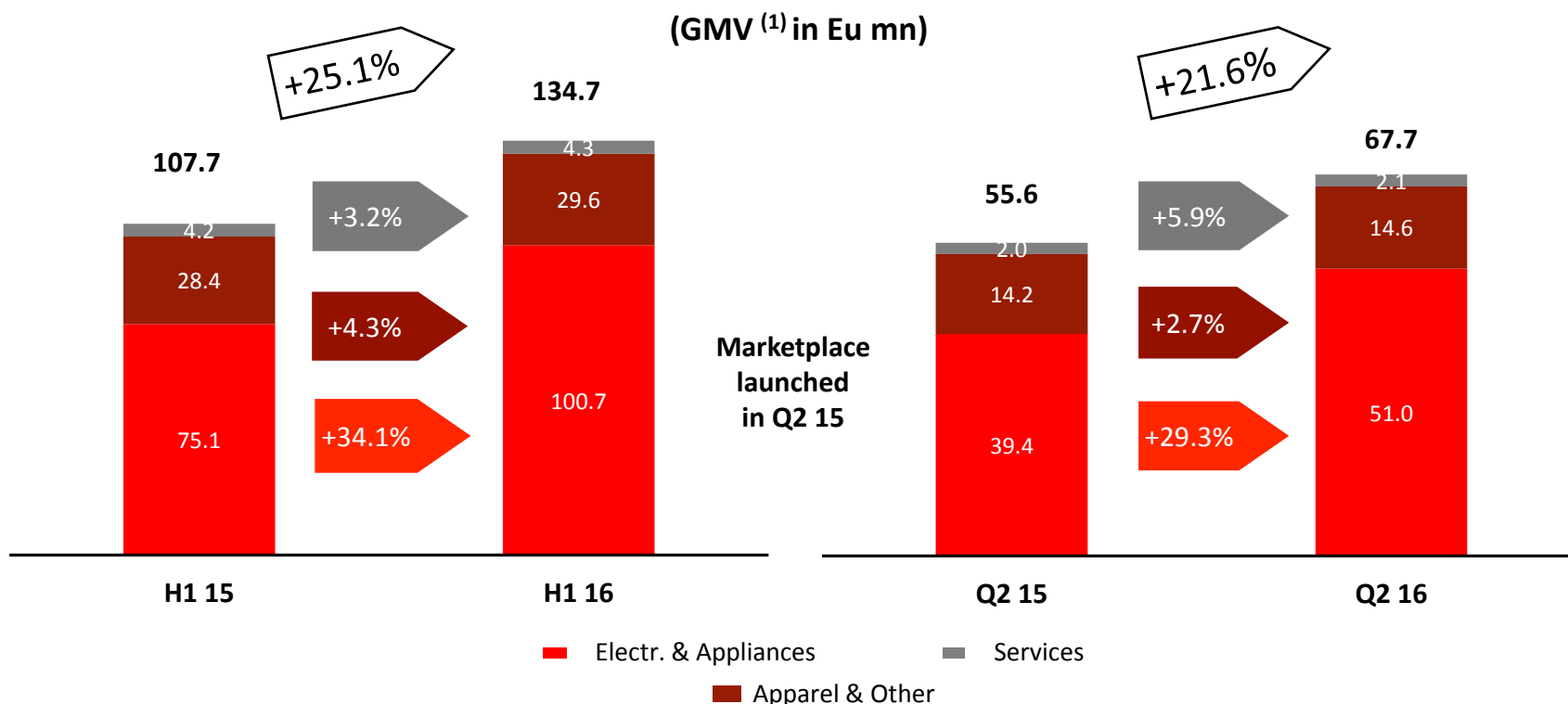
H1 16 REVENUES: STRONG GROWTH DRIVEN BY ELECTR. & APPLIANCES

- Steady Revenue (+19.9% YoY) driven by Electronics & Appliances (+27.8%).
- Strong growth on Major Domestic Appliances (MDA) and Small Domestic Appliances (SDA), sound result on IT/Telecom.
- Apparel/Flash Sales: single digit growth, within a more mature market, where consolidation is taking place.
- Services & Other Revenues: growing info-commerce and service revenues, offsetting tough comparison on free-shipping and phase-out of B2B indirect sales.



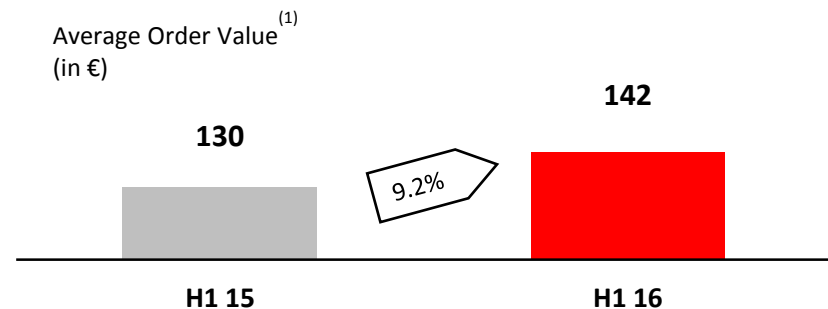
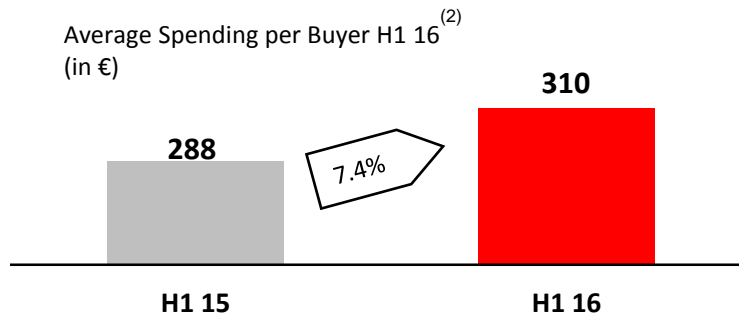
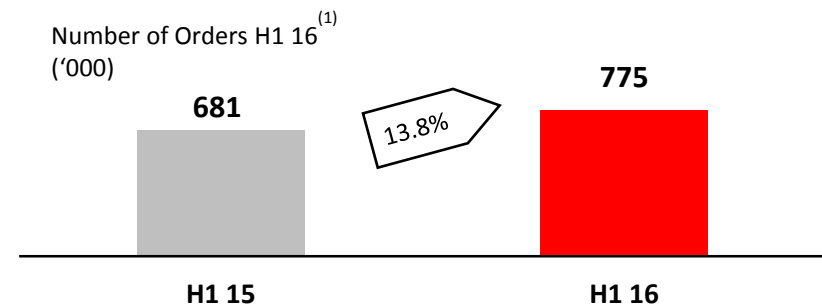
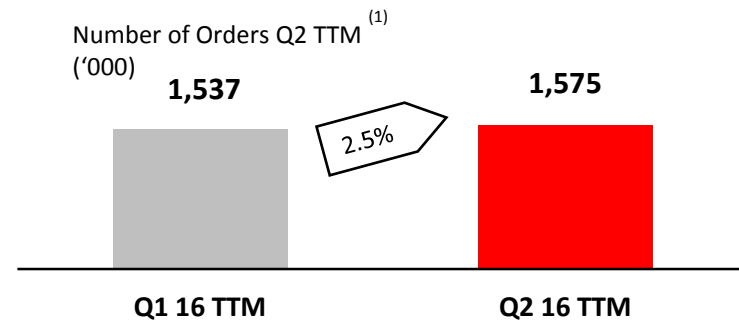
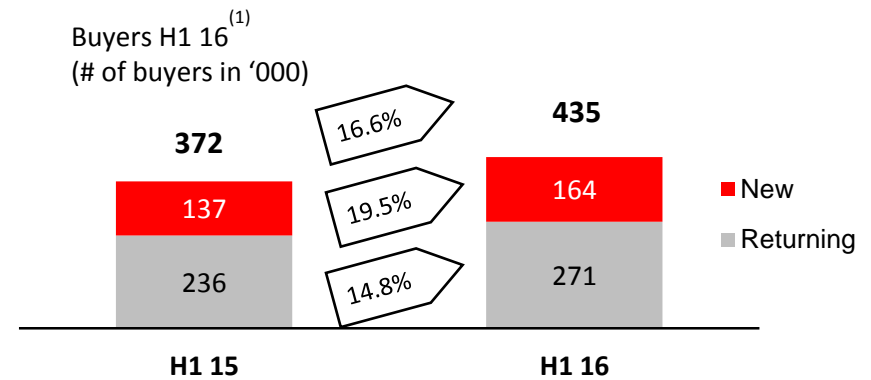
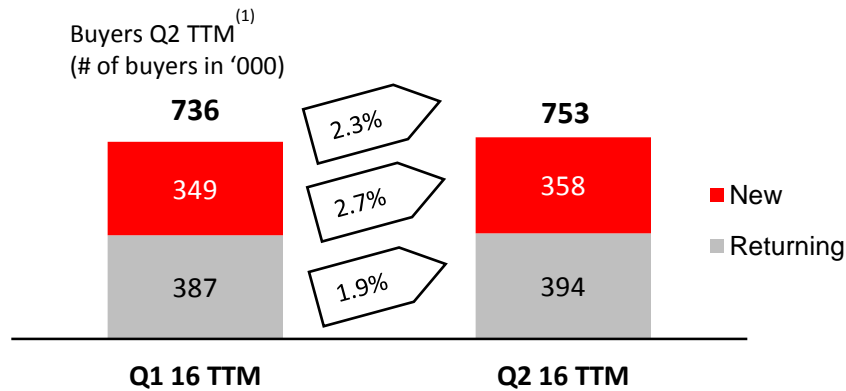
H1 16 GMV : STRONG GROWTH DRIVEN BY ELECTR. & APPLIANCES

- Steady Revenue growth driven by Electronics & Appliances.
- Electronics & Appliances: c.+28% YoY, thanks to a strong growth on MDAs and SDAs, plus a sound result on IT /Telecom.
- The marketplace plays a fundamental role – adding c. 5 percentage points of growth - in particular in low ticket product sales, as planned. In H1 16 at c. 8% on total GMV, and growing.
- Apparel/Flash Sales: single digit growth, within a more mature market, where consolidation is happening.
- Services: growing service revenues, as comparison on free-shipping eases a bit



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H1 16: HEALTHY CUSTOMER KPIs DRIVE GROWTH



(1) 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 HOME SERVICE: MOBILE-ENABLED, TRUSTED PROFESSIONAL NETWORK DEDICATED TO MDAs & SMART HOME PRODUCTS

Now offering: delivery, installation & WEEE recycling⁽¹⁾ of major domestic appliances. Soon: much more.

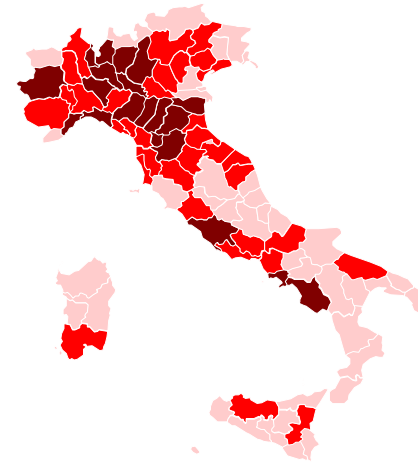
RICH CUSTOMER CENTRIC PROPOSITION



- ✓ Freelance professionals = light asset
- ✓ Mobile-enabled = realtime e2e control
- ✓ Feedback-based = drives NPS above 70⁽²⁾
- ✓ Scalable platform, designed for the future

- Current NPS: above **70**
- Attach rate proxy on MDA pieces: **5X** vs. attach rate 2015

DESIGNED FOR SCALE & DIFFERENTIATION



- Rollout in progress
- Planned short term
- Potential long term

- ✓ Geo expansion following volumes & saturation
- ✓ Service expansion towards smart home products
- ✓ Bundling of products & services = solutions
- ✓ Potentially open to B2B customers

- Growth of MDAs items shipped: **+320%** since Jan 16 where available
- Current coverage of Italian population: **41%**
- Current active customers coverage: **58.2%**

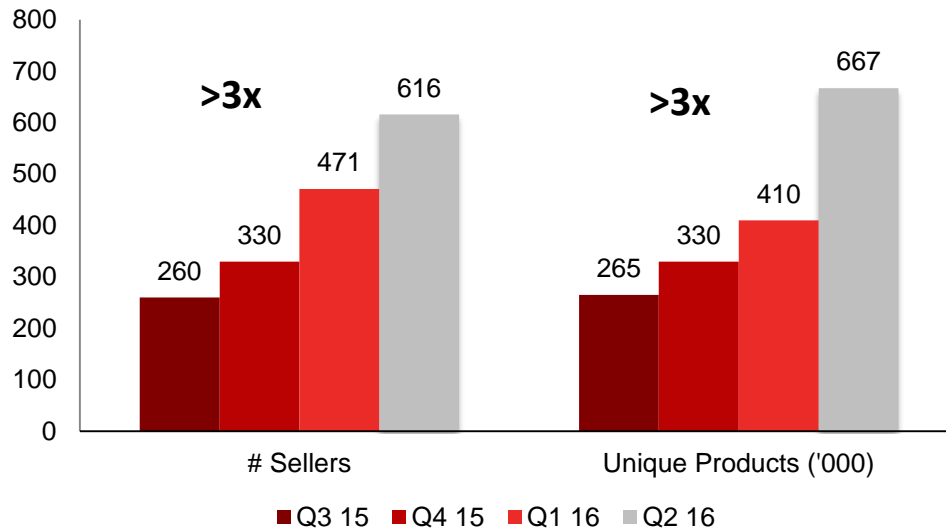
(1) WEEE: Waste Electrical & Electronic Equipment Directive (2012/19/EU).

(2) Based on about 2.218 feedbacks

ePRICE: MARKETPLACE UPDATE

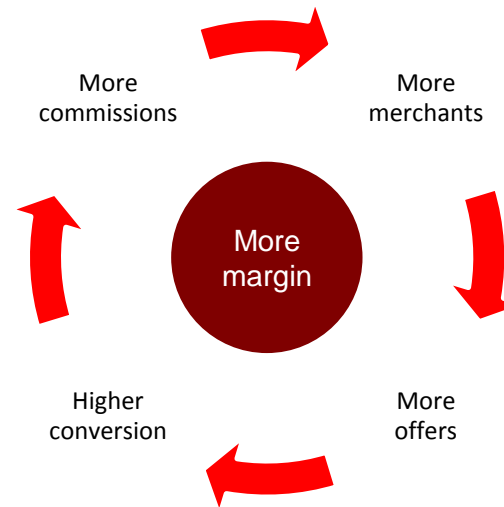
MARKETPLACE KPIS ACCELERATION

Marketplace: Number of Sellers, Unique Products ('000)




- ✓ On average, 3P marketplace adds 3-4 new offers on currently existing SKUs
- ✓ Marketplace weight on GMV trending up, towards 10%
- ✓ 650K offered products during Q4 15, now +207% = >2.000K additional offers generated by 3P Marketplace

MARGIN GENERATOR




- ✓ Leverage from existing traffic / customers
- ✓ Commission-based = high margin
- ✓ Complementary offering (Inventory & Prices)
- ✓ Scalable horizontally & vertically


H1 16 TAKEAWAYS




Consistent GMV⁽¹⁾ & Sales growth, driven by Electr. & Appliances growth and Marketplace Expansion + ePRICE Home Services increasing coverage



Extension of last mile services; 117 P&P and 290 lockers, which guarantee an excellent territorial coverage.




Enrichment of last mile services: New Home Service Platform launch, target to expand in main cities by Year End



Vertical Content Sale Process Completed, allowing 100% focus on eCommerce and TV advertising push on ePRICE brand from Q4, to reach c. 11mn individuals.

(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 Vertical content.


2016 GUIDANCE




GMV¹ growth in the range of 25-30%; Revenues in the range of 20-25%



Significant increase of the Gross Margin driven by improved e-Commerce performance



Operating Cash Flow achieving a significant improvement compared with Eu -12.6 mn in 2015



Capex at Eu 13 mn, 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 Vertical content.

FINANCIAL CALENDAR 2016

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

July 21

September 14

October 17

November 7

H1/16 Preliminary Sales

H1/16 Full Results

9M/16 Preliminary Sales

9M/16 Full Results



H1 16

PRELIMINARY REVENUES

APPENDIX

banzai

BMH (VERTICAL CONTENT) PEERS

Transaction Multiple as of May 9th^(*): top of range at 1.9x EV/SALES 2015 and 11.3x EV/EBITDA 2015, including earn-out. Eu 45mn EV compares with Eu 0.9mn operating cash flow before M&A^()**

Peer Group - Multiple Comparison Multiple Entities Report (Local Currency) as of 05/09/16

Stock	Price	Ccy	Mkt cap	EV/Sales 2015	EV/Sales 2016	EV/Sales 2017	EV/Ebitda 2015	EV/Ebitda 2016	EV/Ebitda 2017
Banzai SpA	3.8	Euro	158	0.7	0.5	0.4	n.m.	107.2	11.4
Axel Springer SE	49.8	Euro	5,369	2.0	1.9	1.8	11.8	10.5	9.5
Alphabet Inc. Class A	729.1	USD	495,084	7.6	6.1	5.0	15.4	12.3	10.1
WebMD Health Corp.	62.6	USD	2,379	3.1	2.7	2.3	10.4	8.6	7.1
Triboo Media SpA	2.8	Euro	45	0.9	0.8	0.6	4.3	3.7	3.0
Gruppo Editoriale L'Espresso S.p.A.	0.9	Euro	383	0.7	0.6	0.6	6.4	5.2	4.5
Arnoldo Mondadori Editore S.p.A.	1.0	Euro	256	0.4	0.4	0.4	6.3	6.6	5.5
RCS MediaGroup S.p.A.	0.6	Euro	303	0.8	0.7	0.6	14.7	7.6	6.2
FTSE Italy	145.3	Euro	287,825						
FTSE Italia Star	100.0	Euro	35,656						

Source: Factset

BMH valued c. 1.9x EV/sales 2015*

BMH valued c. 11.3x EV/Ebitda 2015*

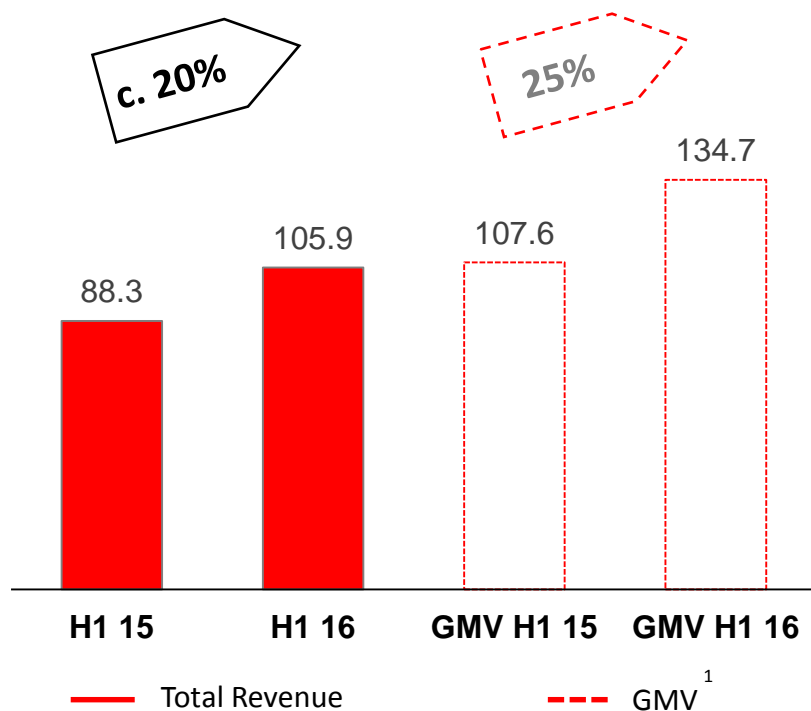
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(**) Including the news area

A STRONG ORGANIC PERFORMANCE INTEGRATED BY THE PROMISING EFFECT OF 3P MARKETPLACE

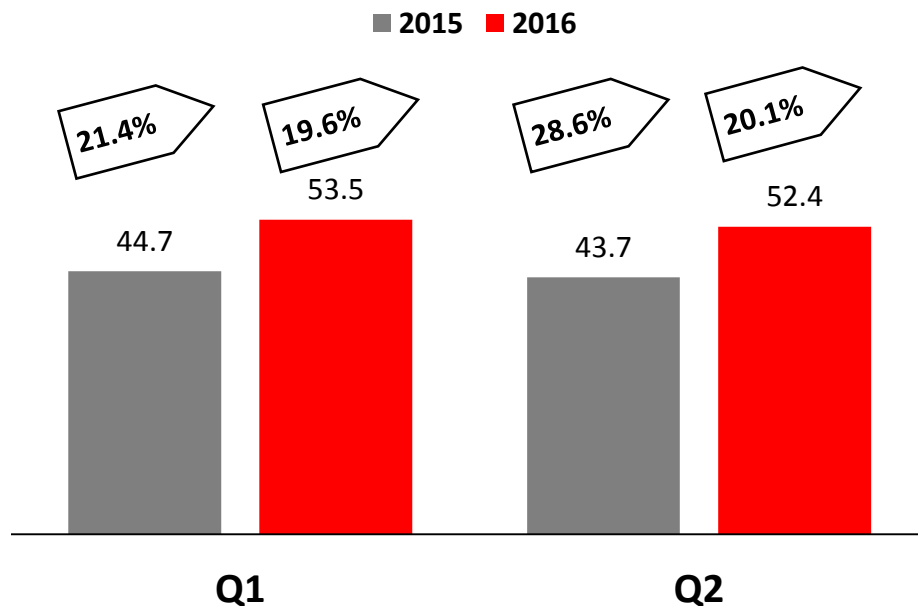
Strong Growth Driven by GMV and Marketplace Expansion ¹

(Revenues & GMV in Eu mn, YoY Growth)



Solid Revenue Growth After an Initial Big Boost post IPO

(Total Revenues in Eu mn, YoY Growth)



In 2014 3P Marketplace not active.

(1) GMV (Gross Merchandise Volume): it includes revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included.

(2) 3Q14 benefitted from a peak in the sale of air conditioning, driven by the exceptionally hot summer in Italy

CONTACTS

BANZAI S.p.A.

Corso Garibaldi 71

20121 Milan, Italy

www.banzai.it

IR

Micaela Ferruta

Head of Investor Relations and Strategic Planning - Banzai S.p.A.

+39 0200643801

investors.banzai.it

investor.relations@banzai.it