



Q1 RESULTS

MAY 14TH 2019

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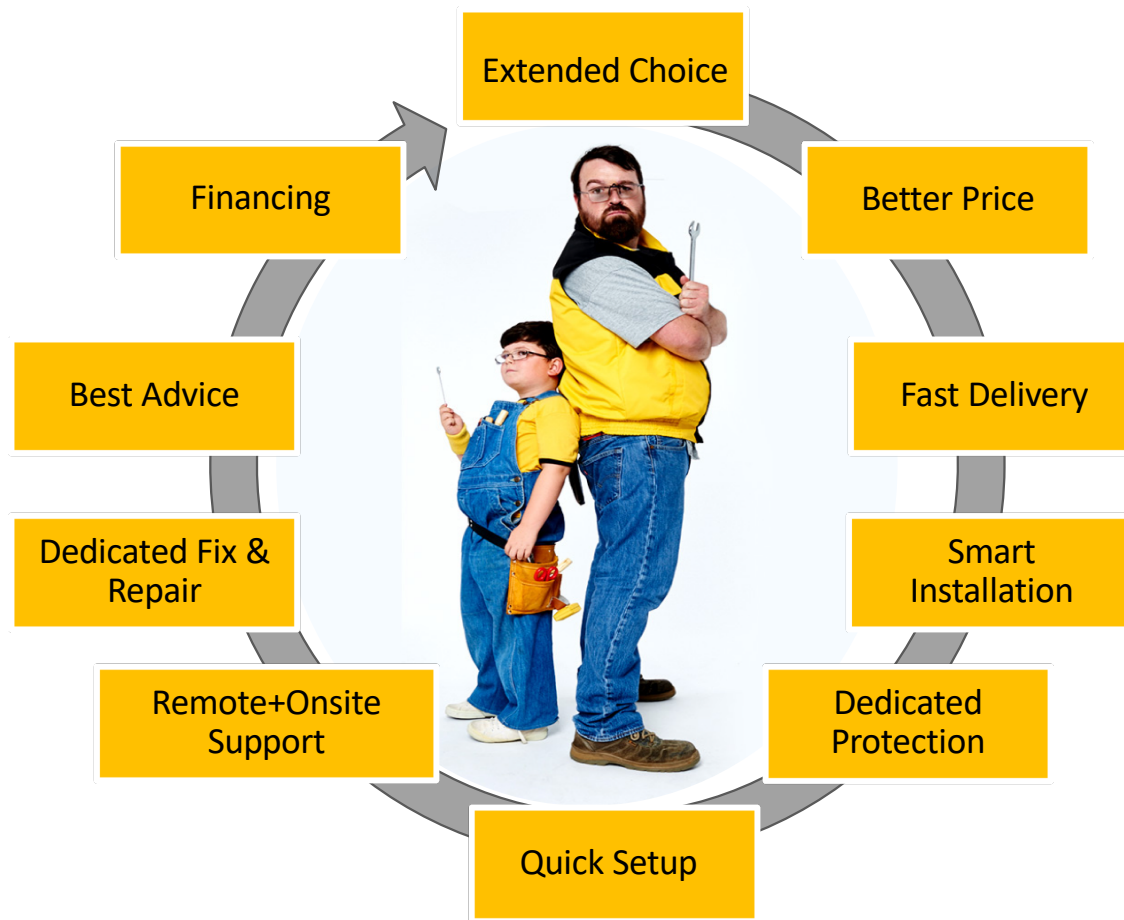
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ePRICE AT A GLANCE

"Serving the evolution of Italian households"

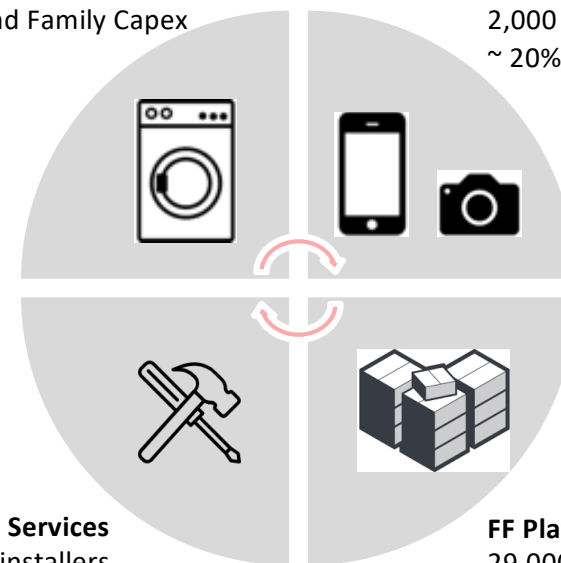
A unique online offer to cover customer needs...



...powered by a complete e-Commerce platform

1P Core Sales
Online leadership on
MDAs and Family Capex

3P Marketplace
Long Tail & Tech Products
2,000 merchants
~ 20% GMV



Premium Services
~600 installers
Proprietary
Service Platform
122 Pick&Pay &
321 automatic
lockers

FF Platform
29.000 sqm FF Center
~ 1M boxes/year



1st & 3rd PARTY MARKETPLACE, FOCUSED ON E-COMMERCE AND E-SERVICES

#1 Online Italian Retailer in Major Domestic Appliance Sales

> 3.4M offers with a dynamic pricing



- Effective Info-commerce platform for vendors



- Top brands & products on MDAs on Core Categories



- Original Contents and Online
- Advisory Solutions

...with Unique Assets and Services

Modalità: In Casa con Installazione | cambia

Scegli i migliori servizi per il tuo prodotto

☐ Disconnessione usato | info € 8,00

☒ Ritiro usato | info GRATIS

Indica il piano di consegna *

☒ Piano terra o primo piano ☐ Dal secondo piano in su * obbligatorio

Scegli data *

lunedì 18 marzo	martedì 19 marzo	mercoledì 20 marzo
08-18 GRATIS	08-13 € 10,00	08-13 € 10,00
08-13 € 10,00	11-15 € 10,00	11-15 € 10,00
	13-18 € 10,00	13-18 € 10,00

Problemi con l'acquisto? Segnalaceli

- Premium installation services and delivery customization for clients



- Unique last mile operations and real time information management platform

Q1 2019 SUMMARY

- 1 **Halved Losses on Ebitda:** 40% reduction, from 2,8M to 1,6M
- 2 **Gross Margin improves:** 50 bps from 16,2% to 16,7%
- 3 **Effective results HR cost control:** -12% on Payroll vs. Q1 18
- 4 **Efficiency on Marketing&Sales :** Online ADV -40%, Free Shipping -40%
- 5 **Progress in Fulfillment and Damages cost** (20% reduction on incidence vs. Q1 18)

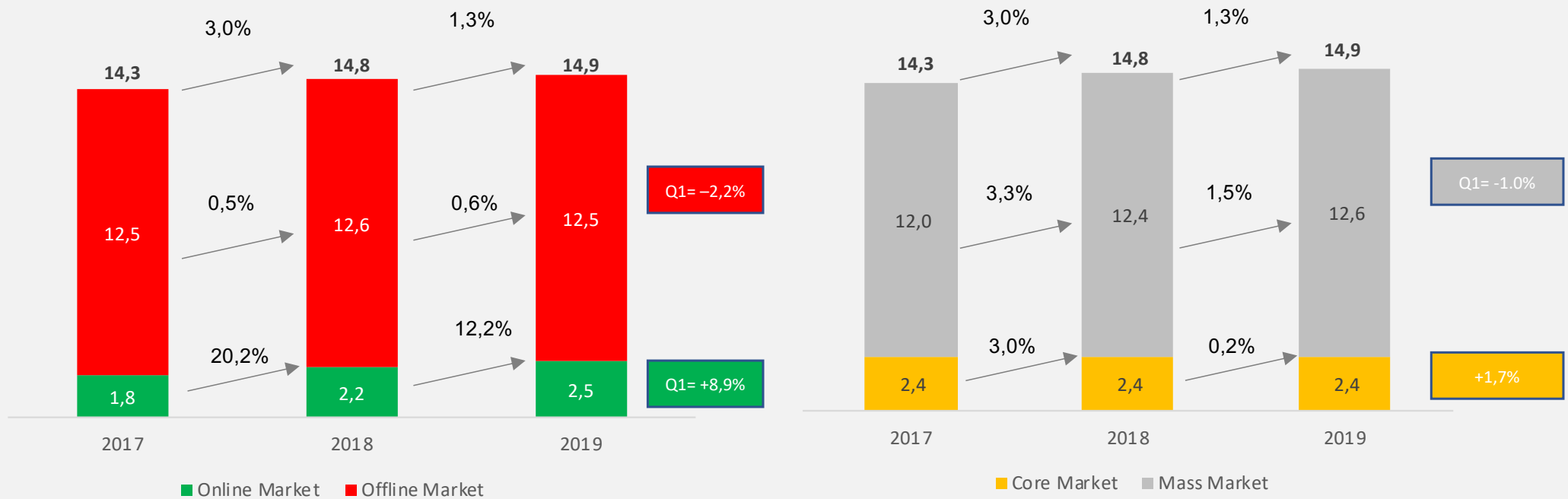
MAIN EVENTS & INITIATIVES

month	event	what's up	results
March 2018	FY 2017 RESULTS & BUSINESS PLAN UPDATE 2018-2023	<ul style="list-style-type: none"> Shifting low contribution margin 1P Sales to 3P Marketplace New Marketing Strategy SEO Driven Cost Control and reduction 	<ul style="list-style-type: none"> Management reorganization and HR reduced to 160 people New «Product» Unit Halved Ebitda losses
April-Aug 2018	NEW MARKETING INITIATIVES	<ul style="list-style-type: none"> Brand association with mass brands & events for Italy <ul style="list-style-type: none"> Partnership with Radio Italia Partnership with FC Internazionale 	<ul style="list-style-type: none"> Spontaneous brand awareness=4X share of voice TV 72% aided brand awareness
August 2018	MDAs SALES PARTNERSHIP WITH AMAZON	<ul style="list-style-type: none"> Started selling a range OF MDAs on Amazon Work in progress on installation services 	<ul style="list-style-type: none"> Intercepting different clients -segments with lower basket size Better understanding of market momentum
October 2018	MARKETPLACE SELLER DAY	<ul style="list-style-type: none"> 250 Italian sellers attending New initiatives to empower our marketplace relevance in Italy and abroad 	<ul style="list-style-type: none"> 1,898 active seller FY 18 (+36% YOY) +19% GMV growth in Q4
November 2018	BLACK WEEKEND	<ul style="list-style-type: none"> Pushing Black Hour, Black Friday and Cybermonday waves in Italy Dedicated initiatives from 5th to 26th november 	<ul style="list-style-type: none"> Double digit growth on MDAs +50% Home Service Growth +50% marketplace growth
December 2018	PARTNERSHIP WITH E-SQUARE	<ul style="list-style-type: none"> ePRICE joining one of the most significant international retail group (5,6€ BN purchases/year) 	<ul style="list-style-type: none"> Relevance with vendors Volumes International visibility
April 2019	AGREEMENT WITH CARREFOUR ITALIA	<ul style="list-style-type: none"> ePRICE supplying Major Domestic Appliances for 50 Hypermarkets in Italy 	<ul style="list-style-type: none"> Relevance with vendors Offline Volumes, new channel Working with 3rd parties to exploit assets

2019 OUTLOOK– MARKET ASSUMPTIONS

2017-2019 TECH&APPLIANCES RETAIL MARKET VIEW, € BN AND % GROWTH

20,0



Q1 19 EXECUTION HIGHLIGHTS

• P&L

€MN, %	Q1 18 ⁽¹⁾	Q1 19	DELTA
Gross Margin	16.2%	16.7%	+50 bps
Ebitda Adj.	(2.8)	(1.6)	+1.2M

• Cash

€MN	Q1 18	Q1 19	DELTA
Cash consumption	(13.3)	(2.5)	10.8M
Delta WC	(8.6)	0.8	9.4M



• Costs

€MN	Q1 18	Q1 19	DELTA
G&A+IT	2.1	1.6	0.5M
Payroll	(2.5)	(2.2)	0.3M

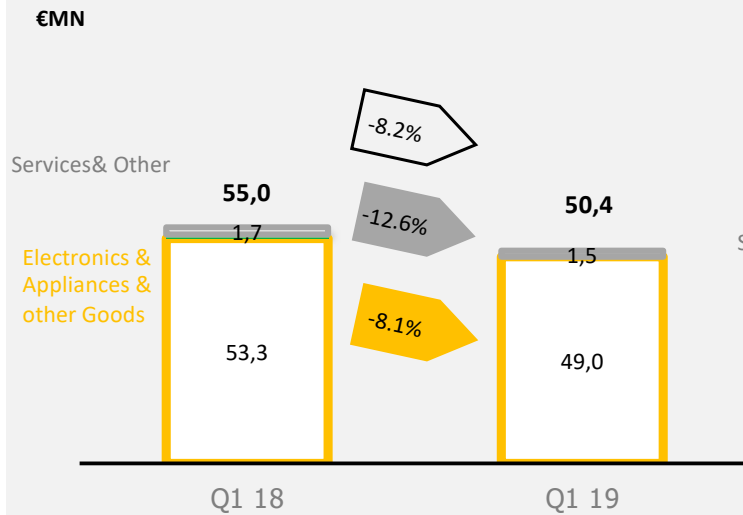
• Volumes

% YoY growth	Q1 18	Q1 19	DELTA
Marketplace	€9.8M	€10.1M	+3%
MDAs revenues	(5.8%)	(3.4%)	+2.4%

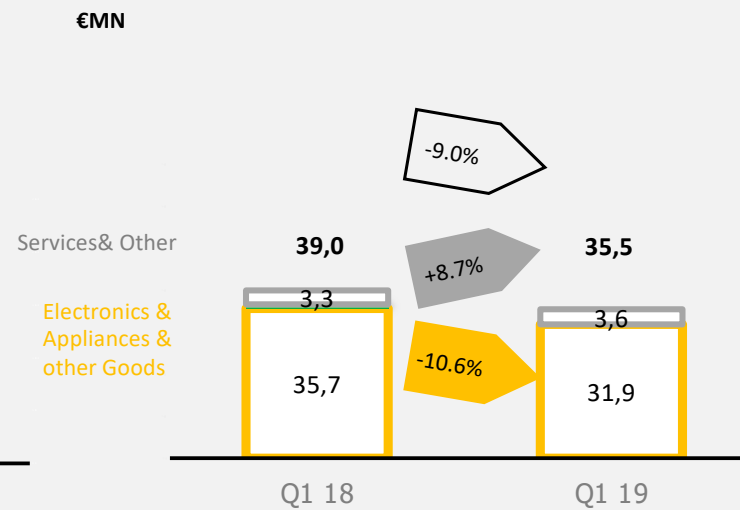
(1) Restated according to IFRS 16

ePRICE Q1 19 GMV & REVENUES (1) (2)

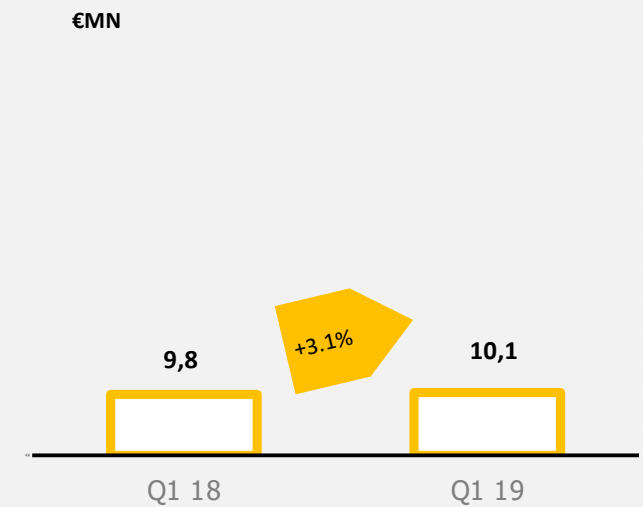
GMV (1)



REVENUES (2)



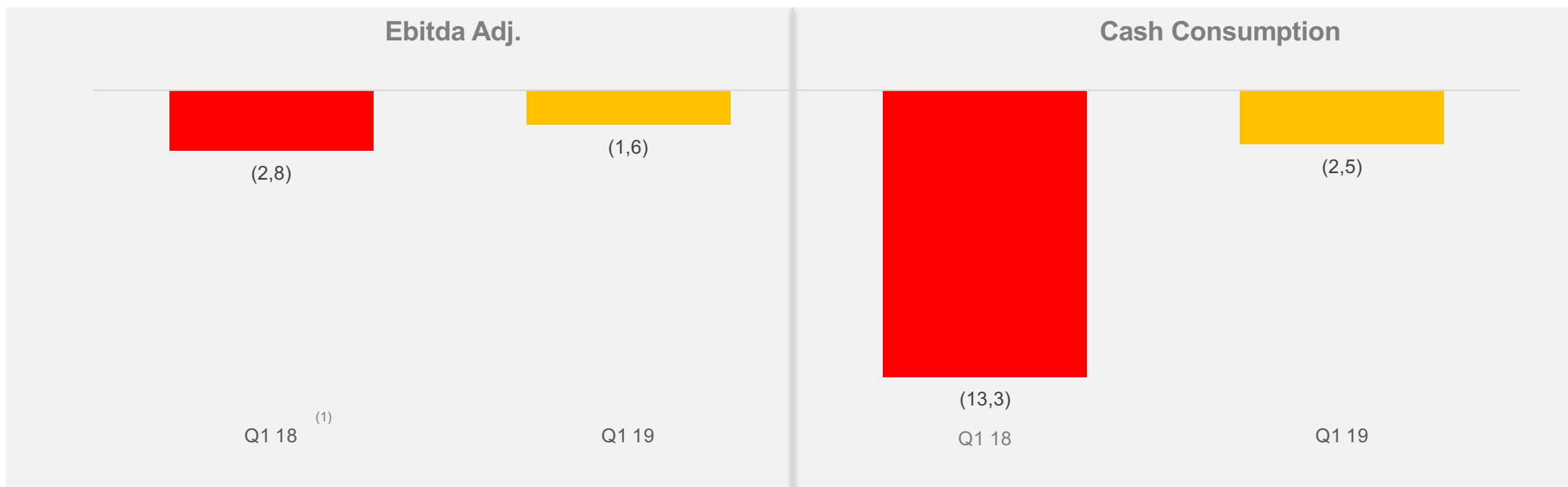
MARKETPLACE GMV (1)



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

REDUCED LOSSES ON EBITDA & CASH CONSUMPTION

€MN



Ebitda vs Q1 18:

- 0,6M recovery on Marketing
- 0,5M savings on Fulfilment
- 0,5M recovery from G&A also thank to R&D
- Negative impact from Total Gross Profit (-0,4) and IT expenses (-0,2)

Cash Consumption:

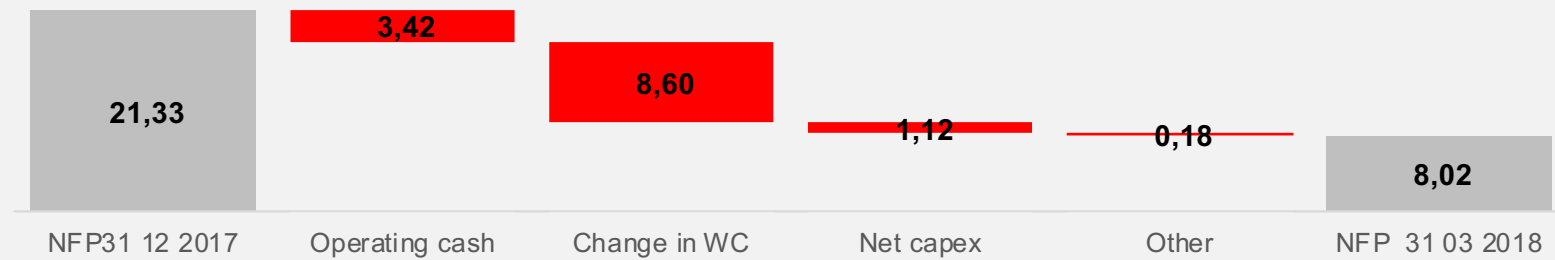
- 10,8M reduction of cash consumption in Q1 19 vs Q1 18
- +9,4M from WC
- +0,9M from Ebitda cash
- +0,5M from Capex & investment in subsidiaries

Restated according to IFRS 16

Q1 NFP EVOLUTION 18 VS. 19

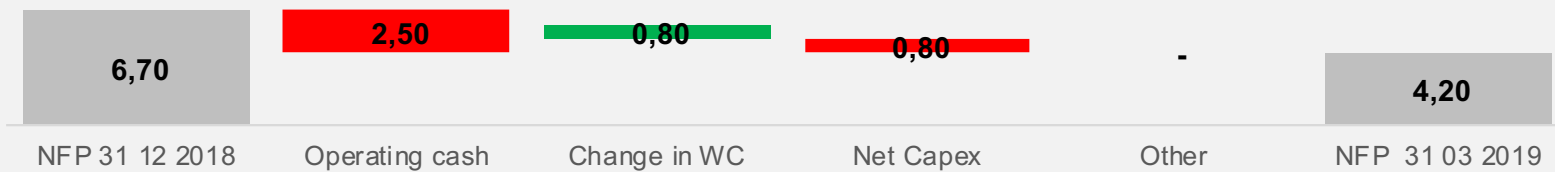
€ MN

NFP Q1 2018



*Q1 2019
improvements on
operating cash and
working capital*

NFP Q1 2019



Q1 2019 P&L

€ MN

Profit & Loss	Q1 2019	Q1 2018 restated ias16	Q1 YOY	Q1 2018
Total Revenues	35,5	39,0	-9,0%	39,0
Cost of Revenues	-29,6	-32,7	-9,6%	-32,7
Gross Profit	5,9	6,3	-5,8%	6,3
<i>Gross Margin %</i>	16,7%	16,2%		16,2%
Sales & Marketing	-2,2	-2,8	-21,5%	-2,8
Fullfilment	-3,8	-4,3	-11,1%	-4,7
IT	-0,6	-0,4	54,2%	-0,4
G&A	-1,0	-1,7	-41,4%	-1,8
EBITDA ADJUSTED	-1,6	-2,8	42,1%	-3,4
<i>Ebitda Adjusted %</i>	-4,6%	-7,2%		-8,8%
Non recurring costs	-0,1	-0,1	29,6%	-0,1
EBITDA	-1,8	-2,9	39,8%	-3,5
<i>Ebitda %</i>	-4,9%	-7,5%		-9,0%
EBIT	-4,3	-5,4	20,3%	-5,5
<i>Ebit %</i>	-12,1%	-13,8%		-14,0%
-				
EBT from continuing operations	-4,5	-5,6	19,4%	-5,6
<i>Ebt %</i>	-12,7%	-14,4%		-14,4%
EBT from discontinued activies	1,6	0,8		0,8
Net result	-2,9	-4,8	38,9%	-4,8
	-8,3%	-12,4%		-12,4%

Comments

Q1 2018 has been restated considering application of IFRS 16

Gross Margin

GM up by 50 bps vs. Q1 18 mainly due to marketplace contribution & reduced returns for damaged goods (see chart GM waterfall)

S&M

S&M decreases 21,5% YoY because of Paid Advertising Optimization

Fulfilment

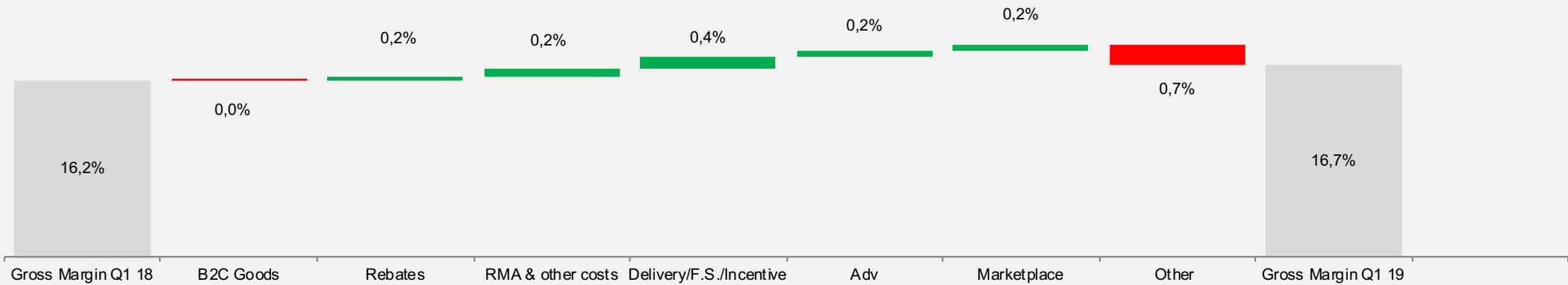
FF decrease 11,1% mainly due to sales volume reduction and cost optimization

G&A & IT

G&A Q1 19 including 0,7M€ tax credits contribution for R&D. Net of this impact G&A&IT costs are stable yoy.

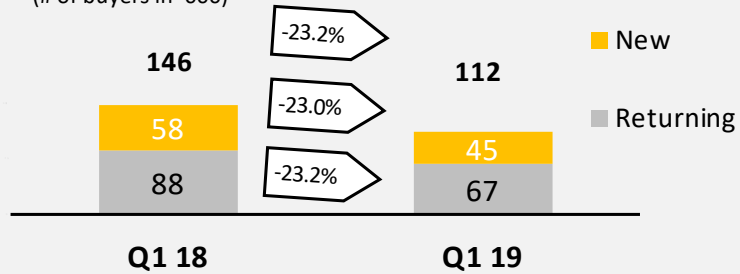
GROSS MARGIN Q1 19

GROSS MARGIN Q1 18 TO Q1 19, % OF REVENUES

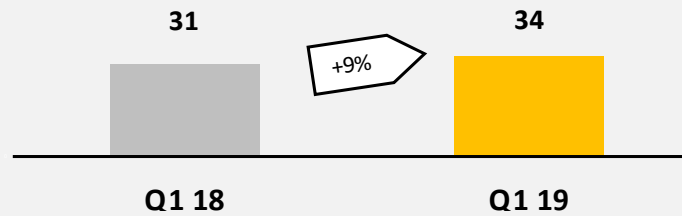


Q1 19: CUSTOMER KPI's

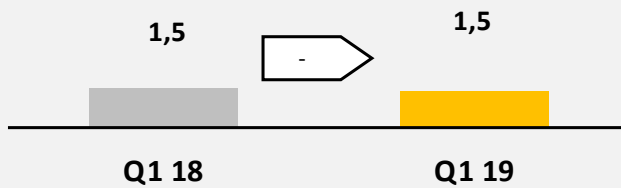
Total buyers Q1 19⁽¹⁾
(# of buyers in '000)



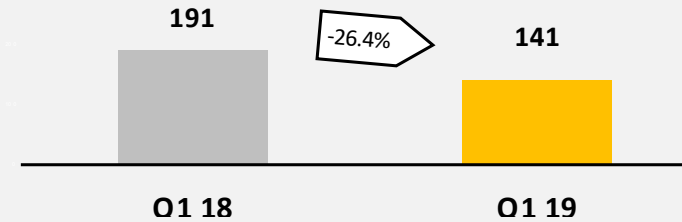
Buyers Q1 19 MARKETPLACE⁽¹⁾
(# of buyers in '000)



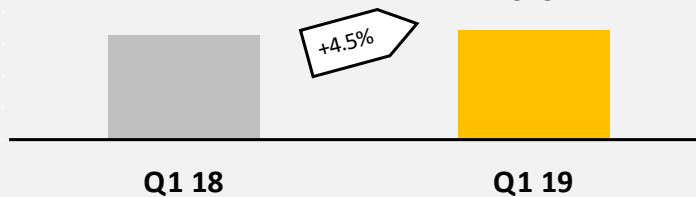
Items/order



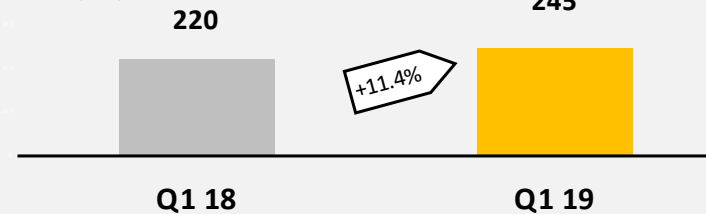
Number of Orders including mktplace
('000)



Average Spending per Buyer Q1 19⁽²⁾
(in €)



Average Order Value including mktplace
(in €)




(1) Some of marketplace buyers possibly duplicated and in common with total ePRICE buyers, which are unduplicated

(2) Spending per Buyer is calculated on revenue from products, deliveries and revenue from 3P marketplace, net of returns and VAT included

FY 2019: GUIDELINES

- 1 GMV and revenues back to solid growth, raising customers' satisfaction through our services offer
- 2 Gross Margin improvement by partnership with vendors and recovery of reverse value
- 3 Ebitda FY 2019 around breakeven, back-end loaded
- 4 NFP substantially unchanged at year's end
- 5 Up to € 12M from earn-out of previous disposals and operations

TARGET MODEL

	2018	2019	TARGET	DRIVERS
MARKET GROWTH TECH&APPLIANCES	c.20%	c.12%	10% - 12%	Conservative growth Offline stores closures Online/Offline Price convergence
GMV	€234M	high single digit	2x	Market Growth, Marketplace development, Services uplift
REVENUES	€164M	high single digit	2x	MDAs Leadership and market growth, Infocommerce and B2B sales empowerment
GROSS MARGIN before Transport	16.7%	+200/300 bps	22%-26%	Mix, Rebates, Increased negotiating power, recovery of value in damaged goods
MARKETING	7.0%		5.0% / 6.0%	SEM Efficiency, SEO full effectiveness Defending Brand Awareness
FULFILMENT & INTERNAL TRANSPORT	11.6%		10.0% / 11.5%	Impact of ongoing efficiency actions limited by MDAs growth in sales mix
IT + G&A	3.7%		2.0% / 3.0%	Efficiencies and scalability
EBITDA adj.	-6.0%	Around break even -back end loaded-	5% / 6%	 #1 specialty player, EBITDA enhanced by mktplace and services
CAPEX	2.1%	2.0 / 2.5%	2.0% / 3.0%	

Recurring CAPEX

15

ePRICE

FINANCIAL CALENDAR

Date	Financial Event
14 May	Q1 Approval
12 September	H1 Approval
12 November	9M Approval

SHAREHOLDER STRUCTURE

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	NUMBERS OF SHARES	% SHARE CAPITAL
Paolo Ainio*	9,452,615	22.88%
Arepo BZ S.a.r.l.	8,613,850	20.85%
Pietro Boroli**	2,181,200	5.28%
Treasury Shares	1,011,372	2.45%

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

** of which 2.158.700 held through Vis Value S.r.l.

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.

ANNEX

BALANCE SHEET

€ MN

Balance Sheet	31_12_18	31_03_19
Property, plant and equipment	6,4	6,0
Goodwill	12,8	12,8
Intangible assets	14,9	26,8
Financial assets	1,3	1,2
TOTAL ASSETS	35,4	46,9
NWC	1,2	2,6
Deferred tax assets	8,7	8,7
Provisions	(2,2)	(2,3)
Other non current debts	(0,4)	(0,4)
Net Invested Capital	42,7	55,5
Net Equity	49,4	46,6
Net Financial Position	(6,7)	9,0
Total Sources	42,7	55,5

Comments

Balance Sheet

Intangible assets increase due to IFRS 16 Application

NFP increase due to IFRS 16

NET WORKING CAPITAL

€ MN

Net Working Capital	31_03_18	31_12_18	31_03_19
Inventories	15,3	16,1	15,5
Trade receivables	8,5	6,8	5,6
Trade Payables	(23,0)	(22,5)	(21,4)
Other receivables and payables	3,1	0,7	2,8
NET WORKING CAPITAL	3,9	1,1	2,5
DOI	43	42	48
DSO	18	12	13
DPO	42	39	40

Comments

NWC

Days of Inventory increase due to weaker than expected topline