



Shoply Ltd – Online Shopping ASX:SHP

Investor Presentation – June 2014

Homewares and Domestic Appliances | Computers and Electronic Goods | Recreational Goods



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Shoply Ltd - Corporate Snapshot



ASX Code: SHP	
Ordinary Shares	439.8m
Listed options (SHPO, 1.5¢, 30/6/14)	82.1m
Listed options (SHPOA, 3.5¢, 31/7/15)	60.0m
Unlisted options	13.5m
Market cap (@ 2.4 cents)	\$10m
Average Monthly Volume	44m
Cash (31 March 2014)	\$2.85m

Directors & Senior Management
Simon Crean – CEO
Andrew Plympton – Chairman
Damian London – Non-Executive Director
Sophie Karzis – Non-Executive Director
Mark Goulopoulos – Non-Executive Director
Domenic Carosa – Non-Executive Director

Corporate Vision:

To become a leading ASX-listed online shopping company, via organic growth and consolidation across targeted market segments

Major Shareholders (Top 20 shareholders - 39.7%)	
MP3 Australia Pty Ltd (Domenic Carosa)	10.3%
Planet W Pty Ltd (Damian London)	6.8%
Chris Retzos	5.5%



As of 11 June 2014

Shoply Ltd (ASX:SHP) - Profile



A fast growing ASX listed online shopping company

Pursuing a dual acquisitive and organic growth strategy

Has identified numerous attractive acquisition opportunities in sub-scale private online shopping businesses

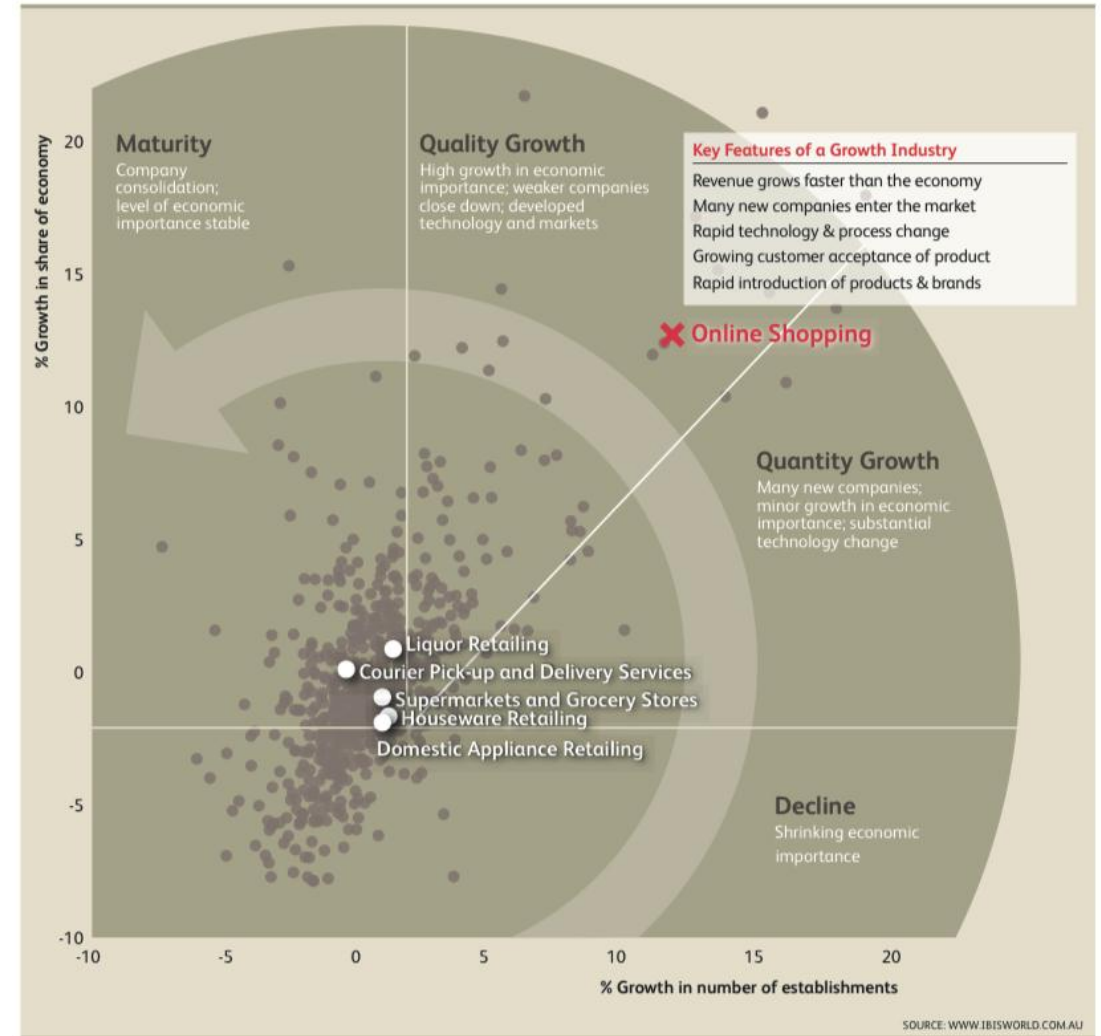
Complement acquisitions by building new online stores with Tier 1 domain names

Achieve distribution and cross selling synergies across multiple online businesses to enhance margins

Australian Online Shopping Snapshot



- ▶ Frost & Sullivan predicts Australian online shoppers to spend as much as \$21.7b in 2015 and \$27.5b by 2017
- ▶ Australian online shopping market is expected to grow at around twice the rate of the retail sector overall
- ▶ 12.6% compound annual growth rate for online shopping expenditures over the next four years
- ▶ The average Australian will spend around \$600 online this year
- ▶ Limited opportunities for local investors to gain exposure to Online Shopping growth



Online Shopping Growth Drivers



- ▶ Consumers seeking convenience and value for money
- ▶ Increasing level of sophistication and comfort amongst consumers
- ▶ Continued growth in consumers using mobile devices to browse and purchase products
- ▶ The entry of more online retailers and proliferation of group buying sites
- ▶ Product and service expansion by current online retailers and traditional bricks & mortar retailers improving their offerings



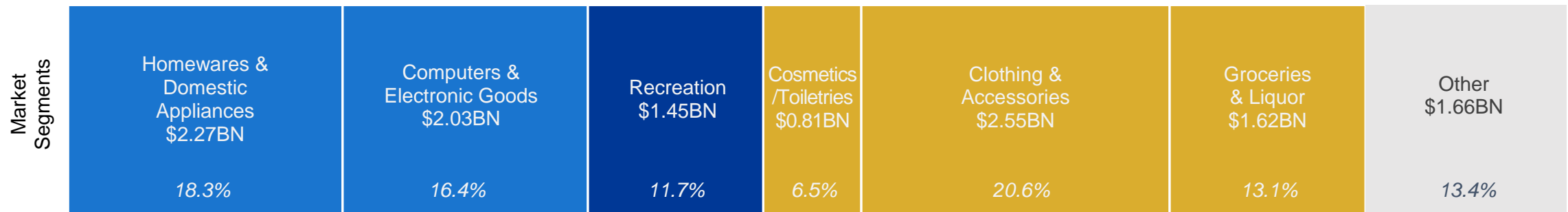
Source: IBISWorld & Price Waterhouse Coopers (PWC)

Shoply Market Segments (Departments)



Australian Online Shopping Market: \$12.4BN¹

Shoply Target Markets: \$10.73BN – 86.6%¹



← Currently operating in these segments →

← Currently building online stores →

← Potential acquisitions in these segments →

Shoply Online Stores



- Strong position in complementary Electronics & Home Appliances market
- Market position in three of the four largest online market segments
- Relevant customer databases for effective cross-selling

¹ IBISWorld Online Shopping in Australia October 2013

Shoply.com.au Department Store

Customer proposition: Top Brands at Great Prices!



Home Appliances | Consumer Electronics | Office Technology | Kitchenware | Toys | Baby



	Combined
Customers	260,000
Products	~9,800
Suppliers	52
Warehousing	Victoria & New South Wales
Market size**	\$5+BN

** IBISWorld Online Shopping in Australia October 2013

- Aggregate categories/departments into a department store at Shoply.com.au
- Enhance our position in existing categories
- Enter new categories organically and via acquisition
- Aggregate category/department positions into a department store at Shoply.com.au

Homewares and Domestic Appliances

Category size: 2.3bn or 18% of the Australian Online Shopping Market¹



Status	Acquired June 2014	Launching Q3 2014
Ecommerce Description	One of Australia's leading online kitchenware and homewares retailers	Wide category offering of Home Appliances leveraging the brands and supply from Eljo, Ohki and Your Home Depot
Customers	130,000	0
Products	~3000	~ 6,000

KitchenAid[®]

bamix

Cuisinart[®]

magimix[®]

SCANPAN[®]
DENMARK

具良信
GLOBAL

simplehuman[®]

ANOLON[®]

Breville

Miele

DeLonghi

NESPRESSO

SAMSUNG

LG

dyson

Panasonic

Pioneer

ONKYO

FUJITSU

Electrolux

¹ IBISWorld Online Shopping in Australia October 2013

Computers and Electronic Goods

Category size: 2bn or 16% of the Australian Online Shopping Market¹



Status	Re-launched June 2013	Re-launched November 2013	Acquired April 2013	Acquired June 2014
Ecommerce Description	Specialising in home appliances and electronics	Award-winning online retailer specialising in small appliances & home entertainment	Specialising in office supplies and electronics.	Specialising in networking, voice over IP and resale of commercial and residential broadband
Customers	24,655	13,905	19,528	56,380
Products	426	401	4,003	11,380



Recreation

Category size: 1.5bn or 12% of the Australian Online Shopping Market¹



Status	Acquired March 2014	Launching July 2014
Ecommerce Description	Specialising in products for Mum's with Kids.	Specialising in Toys
Customers	1,528	0
Products	~600	~200 at launch



¹ IBISWorld Online Shopping in Australia October 2013

Scalable Platform



- Proven ability to acquire and absorb businesses
- Warehousing and distribution facilities in Melbourne and Sydney – 2 largest online retail markets
- Platform capable of supporting significant sales growth (organic growth and / or acquisitions) without significant further investment



Consolidated Back Office



New South Wales

Victoria



3FTEs, 4 casual

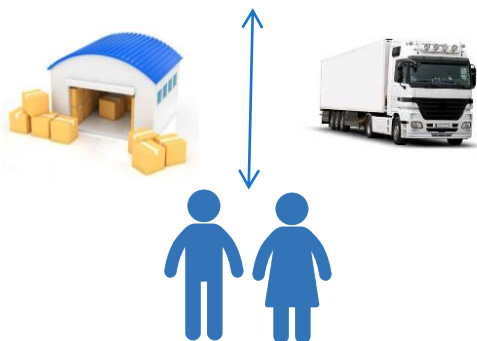
Hybrid Inventory Model



Consolidated Back Office

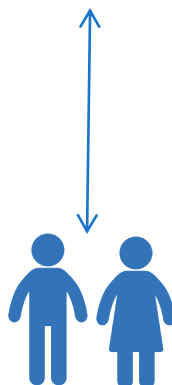
High Turnover Products

Inventory Holdings shipped to customers from New South Wales (2,268 sqm) & Victoria



Low Turnover Products

'Drop shipped' to customers directly from suppliers



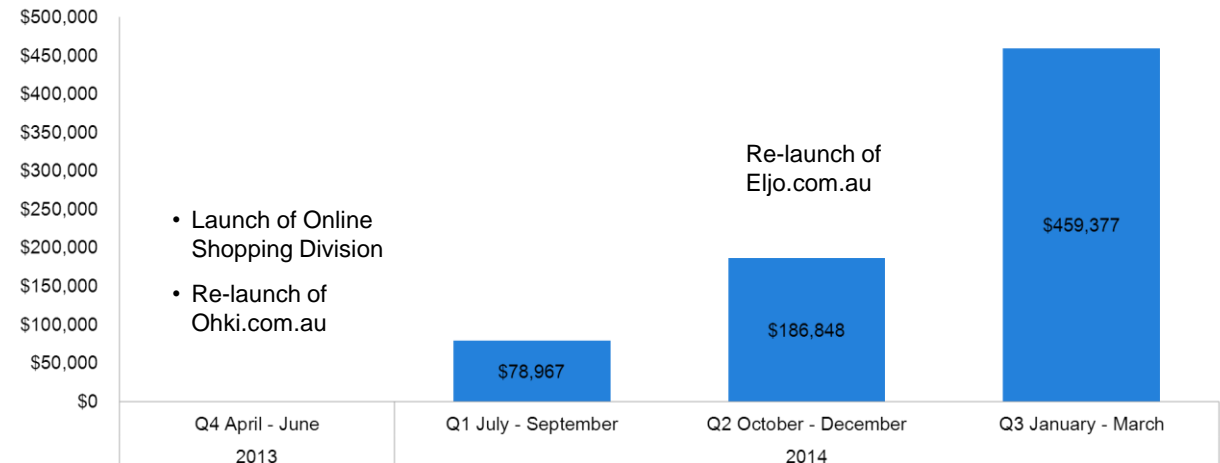
- ▶ Breadth and depth of product offering through 'Drop Shipping' (i.e. products shipped directly from suppliers to customers)
- ▶ Higher turnover and higher margin products purchased and warehoused ('Inventory Holdings')
- ▶ Ability to test and understand demand prior to inventory holdings

Organic Growth Initiatives



- ▶ Have commenced platform upgrades to support mobile and tablet devices on all online stores
- ▶ Increasing volume leading to better trading terms across suppliers and services
- ▶ Increased product availability and customer satisfaction through light-inventory holdings
- ▶ Consolidation of costs and operations
- ▶ Pending launch of HomeAppliances.com.au, ToyStore.com.au

Online Shopping Sales



Proven ability to deliver organic growth

Acquisitive Growth

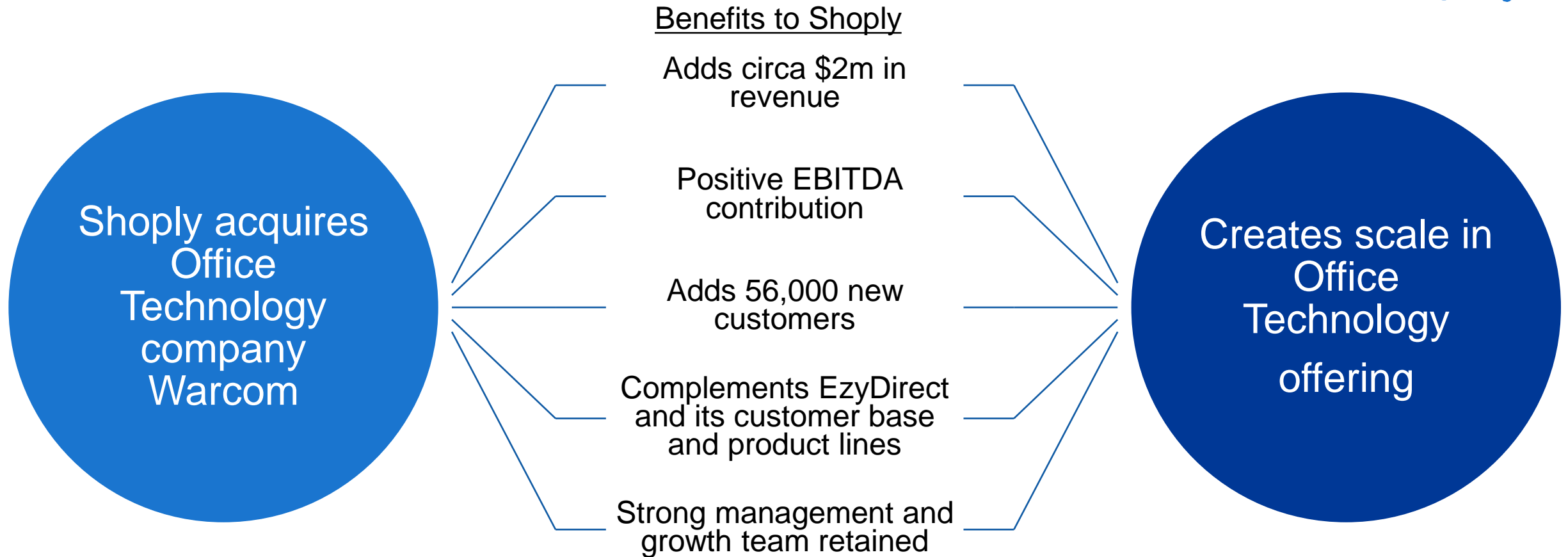


- ▶ 6 completed acquisitions in the past 12 months:
 - ▶ Proven ability to identify, execute and integrate acquisitions
 - ▶ Building online department store offering
- ▶ Seeking acquisitions of profitable or break-even companies with \$5-20m in revenue that operate in attractive categories
- ▶ Consolidate operations, customer support, logistics, marketing, pick and pack.
- ▶ Cross sell new categories to the increasing customer base



Acquire or enhance a position in large high-growth online shopping categories

Overview of Recent Warcom Acquisition



Growth opportunities with NBN and VoIP technology upgrades across Australia

Strategic Priorities



Immediate

- Finalise platform and operating consolidation
- Cross sell enhancements and increased marketing
- Accelerate organic growth through the launch of Toystore.com.au and increased marketing
- Launch HomeAppliances.com.au with one of the largest supplier relationships in Australia



Medium Term

- Organic growth across existing Shoply businesses through enhanced marketing
- Further acquisitions of private businesses and premium domains

Key catalysts

- Further bolt-on acquisitions
- Launch of ToyStore.com.au and HomeAppliances.com.au
- Organic growth reflected in quarterly results

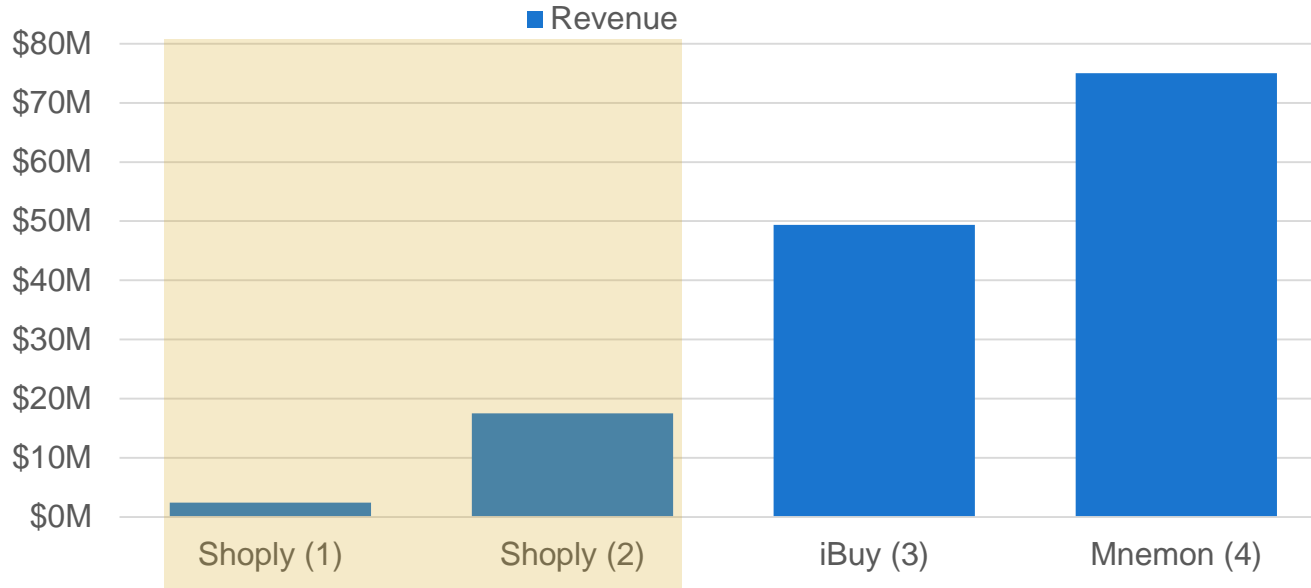
Rapidly consolidating industry



E-commerce consolidation activity intensifying

Date	Target	Business description	Acquirer
January 2011	Spreets	Group buying	Yahoo!7
June 2012	BuyInvite	Online shopping club	Ozsale
July 2012	BrandsExclusive	Online shopping club	APN
July 2013	Cudo	Daily deals	AussieCommerce
April 2013	OO.com.au	Online retailer	Graysonline
April 2013	EzyDirect	Online retailer	Shoply
June 2013	Ohki.com.au	Online retailer	Shoply
August 2013	Ezibuy	Online retailer	Woolworths
November 2013	Eljo.com.au	Online retailer	Shoply
December 2013	iBuy	Online retailer	IPO
January 2014	DealsDirect	Daily deals	Reverse Takeover
February 2014	BrandsExclusive	Online shopping club	AussieCommerce
March 2014	WowBaby	Online retailer	Shoply
April 2014	Your Home Depot	Online retailer	Shoply
April 2014	Living Social	Daily Deals	iBuy
April 2014	Top Buy	Online retailer	DealsDirect
June 2014	Warcom	Online retailer	Shoply

Early Movers - ASX Online Shopping Comparables



Notes:

- (1) Annualised revenue for Shoply business based on current monthly run-rate
- (2) Pro-forma including FY'13 actual revenue for YHD plus annualised revenue from Warcom
- (3) Pro-forma iBuy + LivingSocial combined revenue for year ended 31 December 2013
- (4) FY'14 Company forecast excluding any contribution from TopBuy (acquired 7/5/14)

	Shoply	iBuy	Mnemon
ASX code	SHP	IBY	MNZ
Market cap.	\$10.5m	\$136m	\$30.4m
Description	<ul style="list-style-type: none"> • Australian online retailer • Home appliances, consumer electronics, office technology, kitchenware, toys, baby • Developing a department store offering 	<ul style="list-style-type: none"> • Focussed on SE Asia and Hong Kong • Specialises in “flash sales” 	<ul style="list-style-type: none"> • Owner of Australian online retailer Deals Direct • Home and lifestyle goods

Why Shoply?



Dual growth strategy

- Acquire entries or consolidate existing category positions
- Launch of new businesses on the platform - Toystore.com.au, HomeAppliances.com.au

Scalable Platform

- Has established a scalable online shopping platform targeting three of the largest segments of the online shopping market (5bn+)

Well Funded

- 2m+ Cash at Bank
- Increasing revenue base
- In money listed options worth 1.5m

Online Retail Growth

- 12.6% CAGR of Australian online retail over next 4 years (twice rate of retail overall)

Management Team

- Board members and CEO have considerable experience in building significant businesses via acquisitions and organic growth

Disclaimer



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