



# Shoply – AGM presentation

3 December 2014

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



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# Agenda



- 1 A transformational year
- 2 Financial summary FY14
- 3 Shoply strategy
- 4 Online shopping growth
- 5 Scalable platform in place
- 6 Shoply vision

# A transformational year



- ▶ Repositioned as pure play online shopping company
- ▶ Yahoo ceased its search engine media business earlier than anticipated which ceased all revenue in the Online Media division
- ▶ Successfully executed and integrated 4 shopping site acquisitions
- ▶ Strong revenue growth as acquisitions came online
- ▶ Commenced building online shopping scalable platform and framework

# Financial summary FY14



## Shoply Ltd financial summary:

Revenue  
\$1.7M

- First year of Online Shopping revenue
- Includes less than 3 weeks contribution from Your Home Depot and Warcom sites
- Expected revenue of \$18m in FY 2015

Net Loss  
\$1.5M

- Investment in Online Shopping
- Online Advertising ceased
- Commenced building online shopping scalable platform and framework

# Shoply history and short-term objectives



FY 2014  
Transition

Transition from  
Online  
Advertising to  
Online Shopping

H1 2015  
Foundation

Integration of  
Your Home  
Depot and  
Warcom

H2 2015  
Growth

Increase revenue  
through organic  
and acquisitive  
growth

Low volume high margin business to low margin high volume

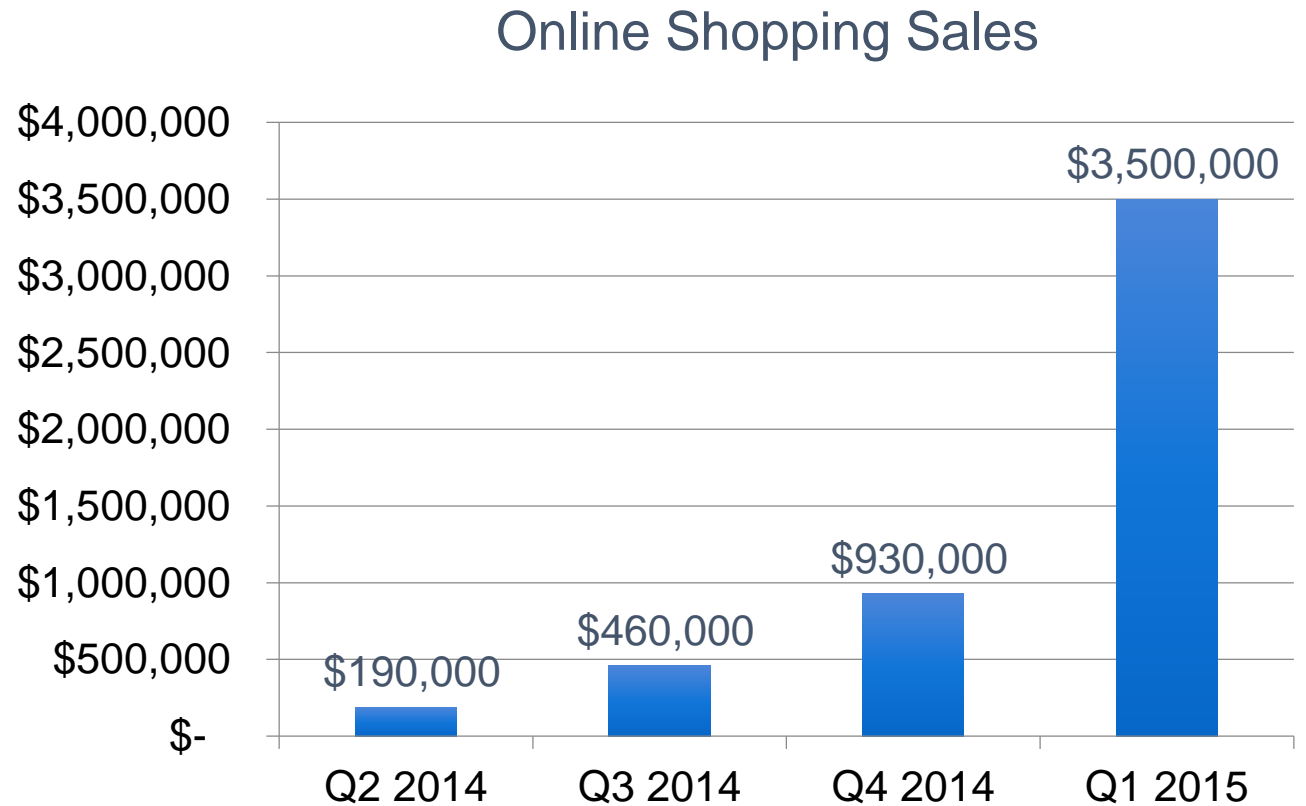
# Strong revenue growth

More than doubled revenue in the last four quarters



- ▶ Key focus over last 12 months:
  - ▶ building online presence through acquisitions
  - ▶ integrating the new businesses
  - ▶ removing duplication to lower costs
  - ▶ building a scalable platform to allow future growth

- ▶ Significant opportunities for further growth:
  - ▶ further acquisition opportunities
  - ▶ additional scale benefits
  - ▶ increase marketing to build brand awareness and organic growth



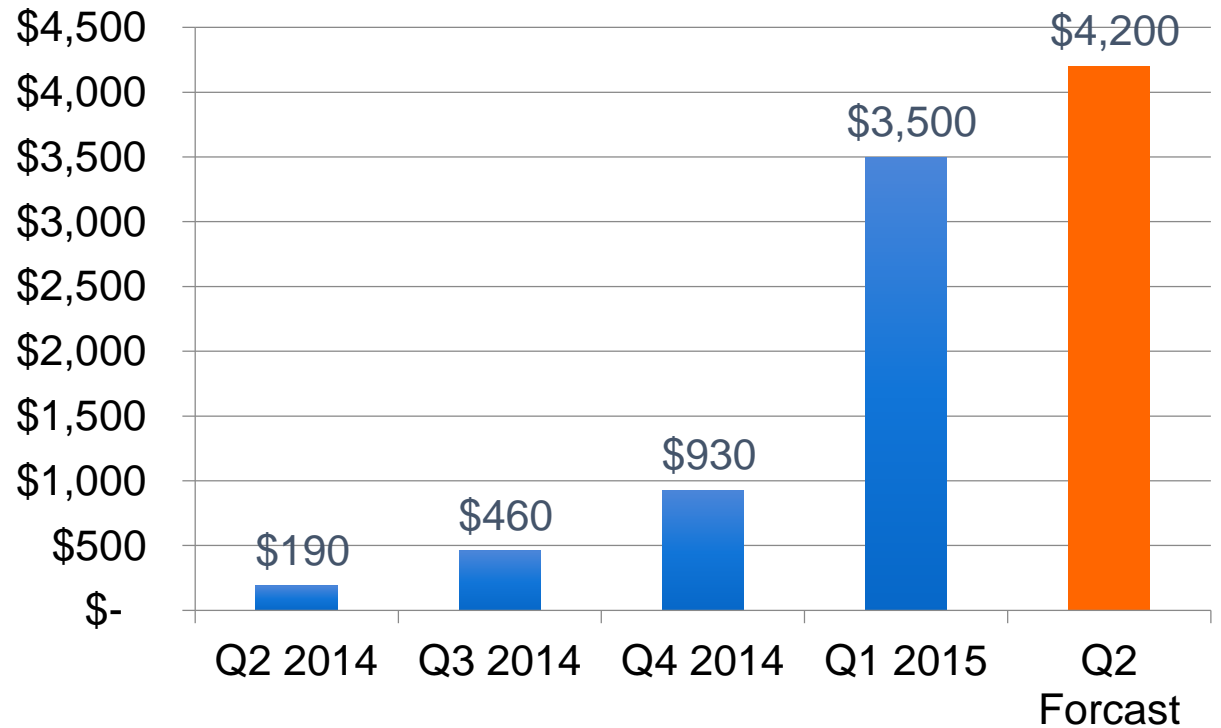
# Christmas quarter

Expected 20% growth in FY Q2 2015



- ▶ Focus over Christmas period for consumer stores:
  - ▶ Defend market position in kitchenware and home appliances through peak demand period
  - ▶ Increased awareness of Your Home Depot through TV advertising in eastern states
  - ▶ Increased product range to capitalise on customer key trends and drive customer traffic
  - ▶ Increased email marketing to existing customers

Online Shopping Sales





# Shoply's strategy

Premium brands at great prices...all online

- ▶ Shoply is a pure online retailer
  - ▶ positioned to capitalise on ecommerce growth fundamentals
- ▶ Shoply offers only leading consumer brands
  - ▶ brands bring customers to the site
  - ▶ brands already have a high level of customer trust
  - ▶ fosters strong supplier relationships
  - ▶ reduced risk to Shoply's brand and balance sheet for any product faults
- ▶ Hybrid inventory model
  - ▶ higher turnover and higher margin products purchased and warehoused – this offers speed and reliability of delivery
  - ▶ 'drop shipping' for remaining products to allow a wide breadth and depth range



# Online shopping growth drivers



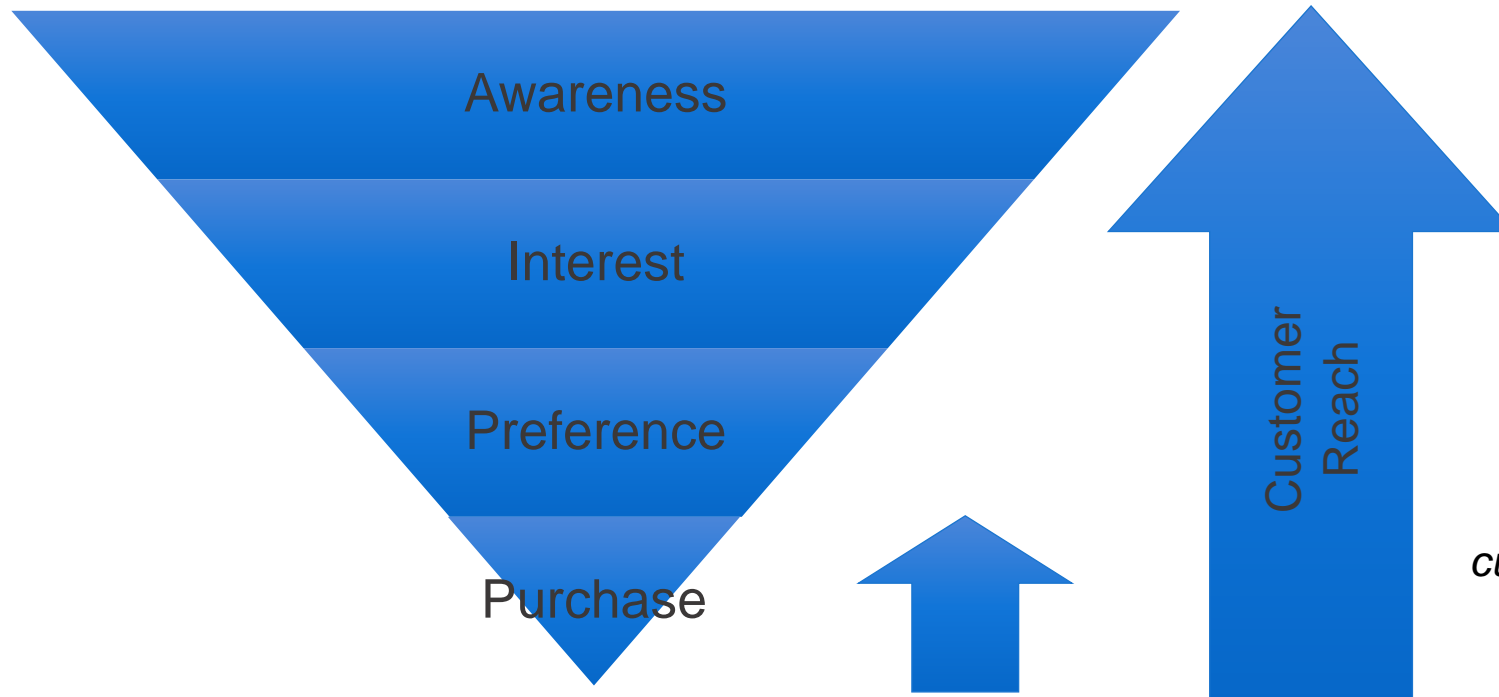
- ▶ Consumers seeking convenience and value for money
- ▶ Increasing level of sophistication and comfort amongst consumers
- ▶ Continued growth in consumers using mobile devices to browse and purchase products
- ▶ The entry of more online retailers and proliferation of group buying sites



Source: IBISWorld & Price Waterhouse Coopers (PWC)

# Moving up the conversion funnel

Reaching new customers and activating existing customers



*Shoply has traditionally captured customers at the purchase end of the funnel.*

- ▶ Shoply is increasing awareness and interest by continuing online acquisition activities and in addition utilising targeted TV advertising starting with Your Home Depot
- ▶ Shoply provides quality branded products and a superior experience
- ▶ Marketing investment will translate into new customer purchases and revenues for Shoply

# Scalable platform in place



## Consolidated Back Office

Customer Support

Technology Platform

Marketing

Supplier Management

Logistics  
Management

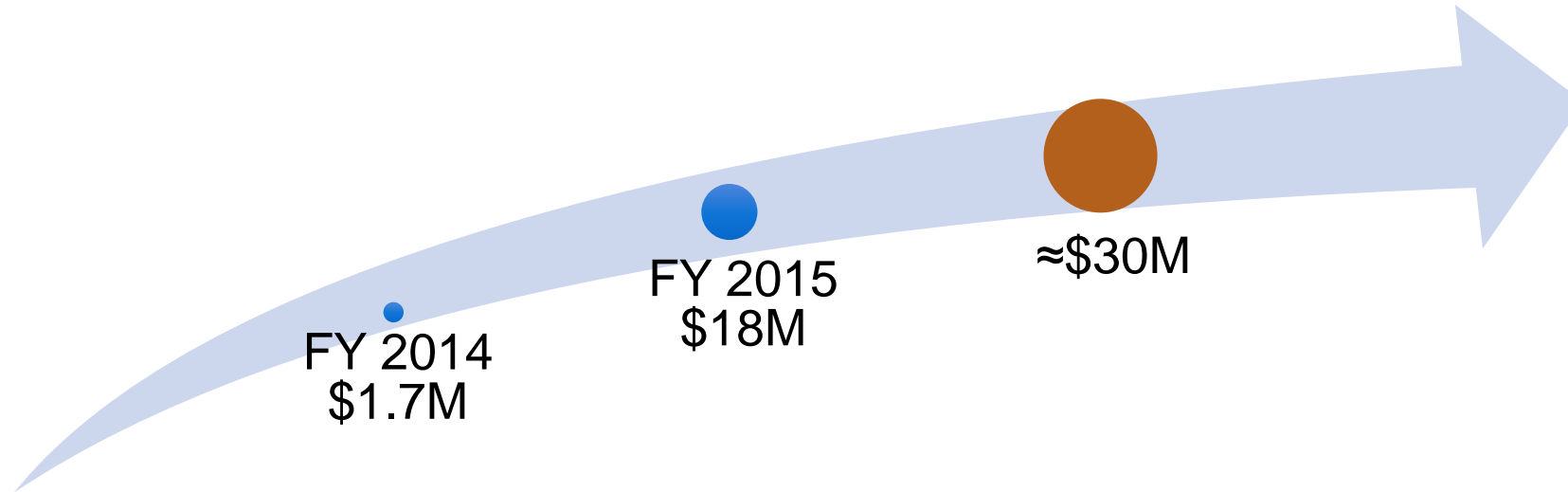
- Proven ability to acquire and absorb businesses
- Warehousing and distribution facilities in Melbourne and Sydney – 2 largest online retail markets
- Platform capable of supporting sales growth without further investment

- Castle Hill, NSW
  - 2,300 m2, 80% utilisation
- Brunswick, VIC
  - 220 m2, 65% utilisation

# Path to profitability



Organic and acquisitive growth with a goal to reach  $\approx$ \$30m in turnover creating economies of scale



## Organic growth

- ▶ Increasing traffic and reaching new customers through new marketing channels
- ▶ Optimising conversion rate through A/B testing
- ▶ Expanding into new product categories

## Acquisitive growth

- ▶ Increasing depth in kitchenware and office technology
- ▶ Continuing to pursue acquisitions in other attractive online retail categories

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



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