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Shoply™ 



Shoply Limited – Annual General Meeting – November 10, 2015  
Simon Crean – Chief Executive Officer



Shoply Ltd (ASX:SHP) has the objective to be a leading ASX-listed online shopping company by rapidly executing a dual strategy of organic and acquisitive growth.

# Overview



- ▶ FY15 Achievements
- ▶ Shoply strategy
- ▶ FY15 summary
- ▶ FY16 Outlook
- ▶ Strengthened team
- ▶ Strong revenue growth
- ▶ Online shopping growth drivers
- ▶ Mid-market consolidator
- ▶ Ecommerce barriers to entry
- ▶ Summary

# FY15 Achievements

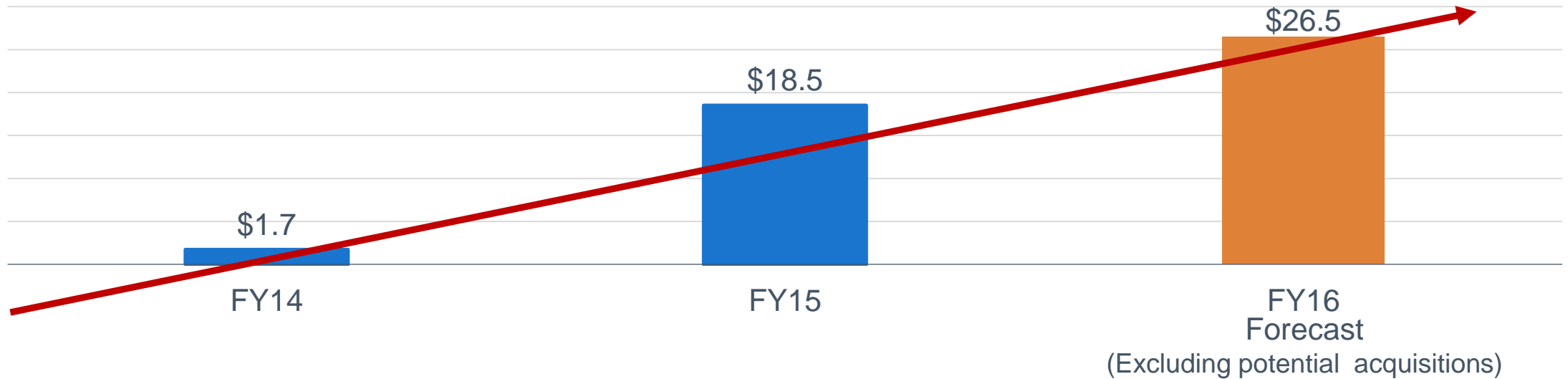


- ▶ Proven ability to acquire assets and accelerate their growth
- ▶ Now have a functional, operating and acquisition platform
- ▶ Uniquely positioned as a mid-market consolidator
- ▶ Projected 43% revenue growth – from \$18.5m to \$26.5m FY16, without further acquisitions
- ▶ Built a strong position in Ecommerce where barriers to entry are high

## Acquisitions – Past 18 months



### Growing revenues organically and through acquisition (\$m)



Proven ability to acquire assets and accelerate their growth.  
Now an undervalued, growing investment opportunity.

# Shoply growth strategy



Organic focus on sales and building the brands in the market

Strategic online shopping acquisitions at attractive multiples

Cost reduction through systemisation

Improved visibility on all sites with optimisation for mobile & tablet



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# Premium brands at great prices...all online **Shoply**

## Compelling customer proposition

- ▶ 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
  - ▶ Brands/Suppliers contribute to market spend
- ▶ Trust acquired through established online brands and Australian ownership
- ▶ Hybrid inventory model for lower prices and convenience



**KitchenAid**

**Office**

**DeLonghi**

**FUJITSU**

**SAMSUNG**

**Breville**

**具良治 GLOBAL**

**SCANPAN DENMARK**

**Black Tie Service**  **Plain Wrap Prices**

 **LG** 

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# Strengthened team



**Vaughan Clark**  
*Chief Operating Officer*

**Joined: June 2014**

Sales, marketing and operations executive manager with over 30 years' in retail and establishing cultures of operational excellence that deliver results.

Executive managerial experience gained in large scale online and offline retail from previous roles with DealsDirect, Telstra and Bob Jane T-Marts



**Graeme Lay**  
*Chief Financial Officer*

**Joined: September 2014**

CPA / MBA with 28 years' experience in commercial accounting in industries including retail, manufacturing, warehousing and distribution and tertiary education.

Previous employers include Pacific Dunlop Limited, Boral Limited, Agri Energy Ltd and Deakin University. Experience in USA and UK consolidations and company secretarial work.



**Matthew Dickinson**  
*Non-Executive Director*

**Joined: May 2015**

Founded iMega Group, growing it to multi-million dollar profit.

Known as Australia's first "growth hacker" and is one of Australia's most sought after start-up advisors over the past 15 years.



**Lorenzo Coppa**  
*Non-Executive Director*

**Joined: June 2015**

Founded City Software group of companies, an innovative market leader since 1991, and pioneered Australia's first IT online retail presence in 1994. Non-Executive Director and later served as Chairman of SteriHealth LTD since 2008, privatised the firm in 2014.



# Strong revenue growth

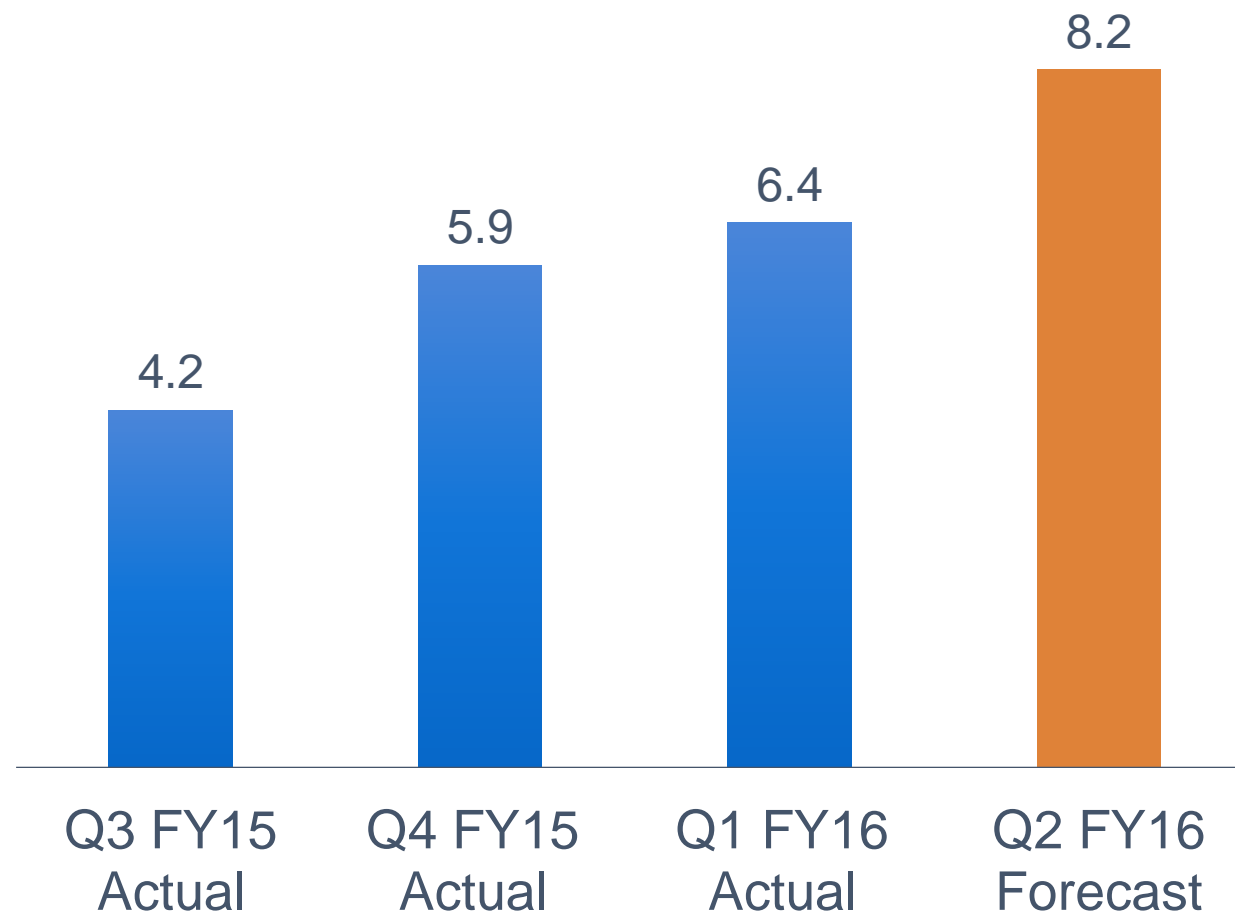


According to the NAB Retail Sales Index Shoply's organic growth is 10 X faster than the market

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- ▶ Key focus over last 12 months:
  - ▶ improving marketing and sales
  - ▶ reducing operational costs
  - ▶ improving operational systems
- ▶ Opportunities for further growth:
  - ▶ further acquisition opportunities
  - ▶ additional scale benefits
  - ▶ increase marketing to build brand awareness and organic growth

Online Shopping Sales (\$m)



# Online shopping growth drivers



- ▶ Weaker AUD driving increased domestic purchasing. (Consumers paying ~30% more for USD products and 35% for EUR)
- ▶ \$1,000 GST threshold will be abolished in July 2017, further increasing domestic purchasing
- ▶ Consumers seeking convenience and value for money. The time and cost to park for shopping excursion continue to increase
- ▶ Continued growth in consumers using mobile devices to browse and purchase products
- ▶ Online retail still only represents ~8% of total retail in Australia



# Mid-market consolidation opportunities



Large-end \$30m+  
Mid-market \$5m-\$30m profitable  
Small-end Sub \$5m in revenue

## Currently too large for Shoply

- Generally broken through to profitability
- Strong foundations, generally seeking growth capital

## Limited natural buyers

- Generally have taken a strong market position
- Require resources to expand

## Too small for Shoply

- Limited opportunities for meaningful growth and cost outs

Purchasing on EBITDA multiples, for a combination of cash, shares and earn-out

Revenues

\$5m+

Profitable



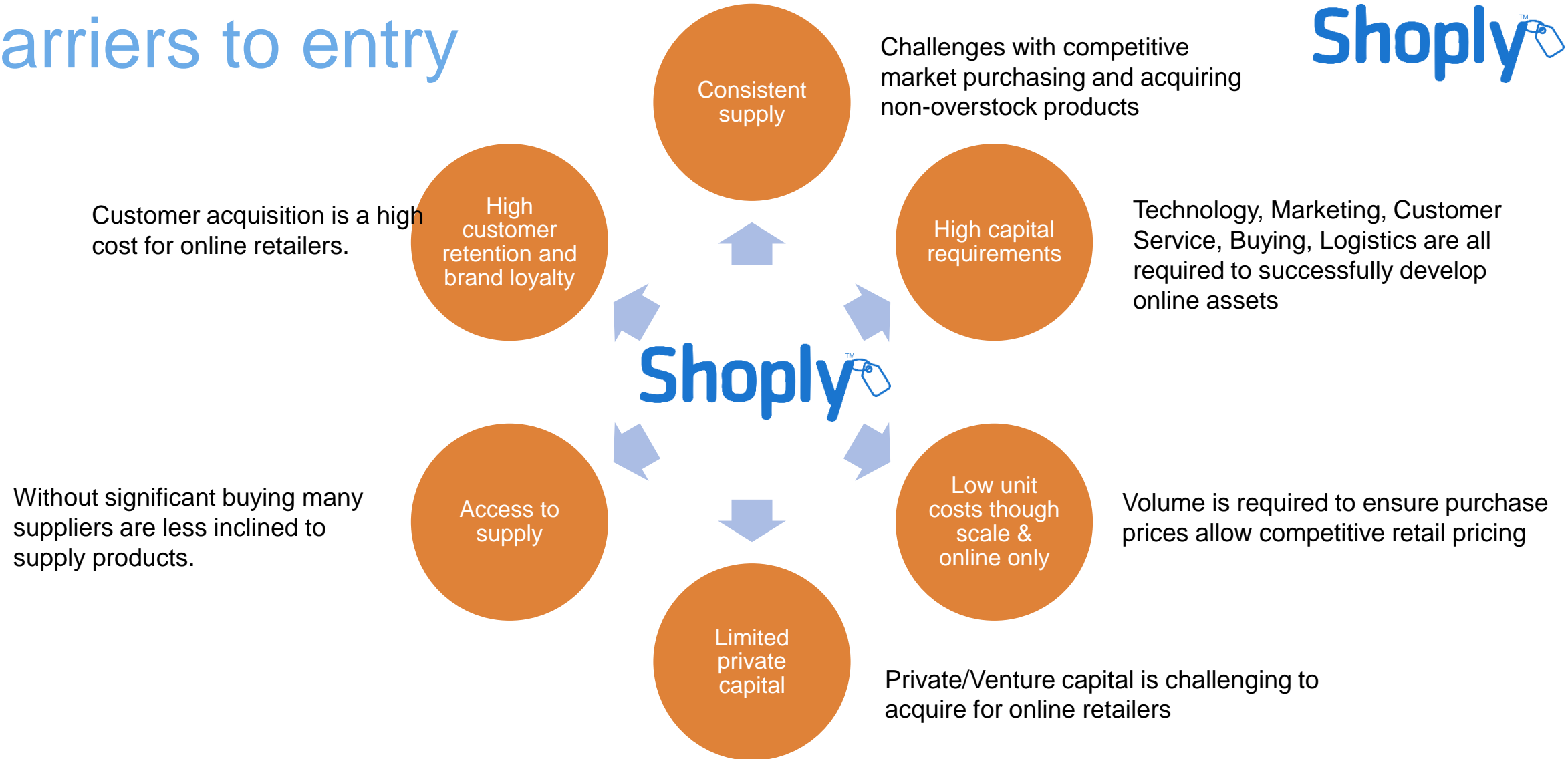
Increased depth in existing verticals



Entry into a new vertical



# Barriers to entry



# Overview



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