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**ensogo**<sup>®</sup>

INVESTOR UPDATE

13 APR 2015

## Ensogo is the Leading Online Discount Retailer for Brands in Southeast Asia.



### PROVEN BUSINESS MODEL

Our business model is “Flash Sales on Consignment”, we sell excess inventory online, without taking inventory risk



### STRONG BACKING

We are backed by Vipshop (NYSE: VIPS) who perfected the model in China



### LARGE MARKET

We operate in Thailand, Philippines, Malaysia, Indonesia, Singapore and Hong Kong. That’s 471m people and 168m internet users

## Ensogo is the Leading Online Discount Retailer for Brands in Southeast Asia.



### LOW PENETRATION

Currently e-commerce accounts for less than 1% of overall retail in Southeast Asia (vs 10.5% in China)



### HIGH GROWTH

We grew our Gross Turnover from AU\$75.5M in 2013 to AU\$152.3M in 2014



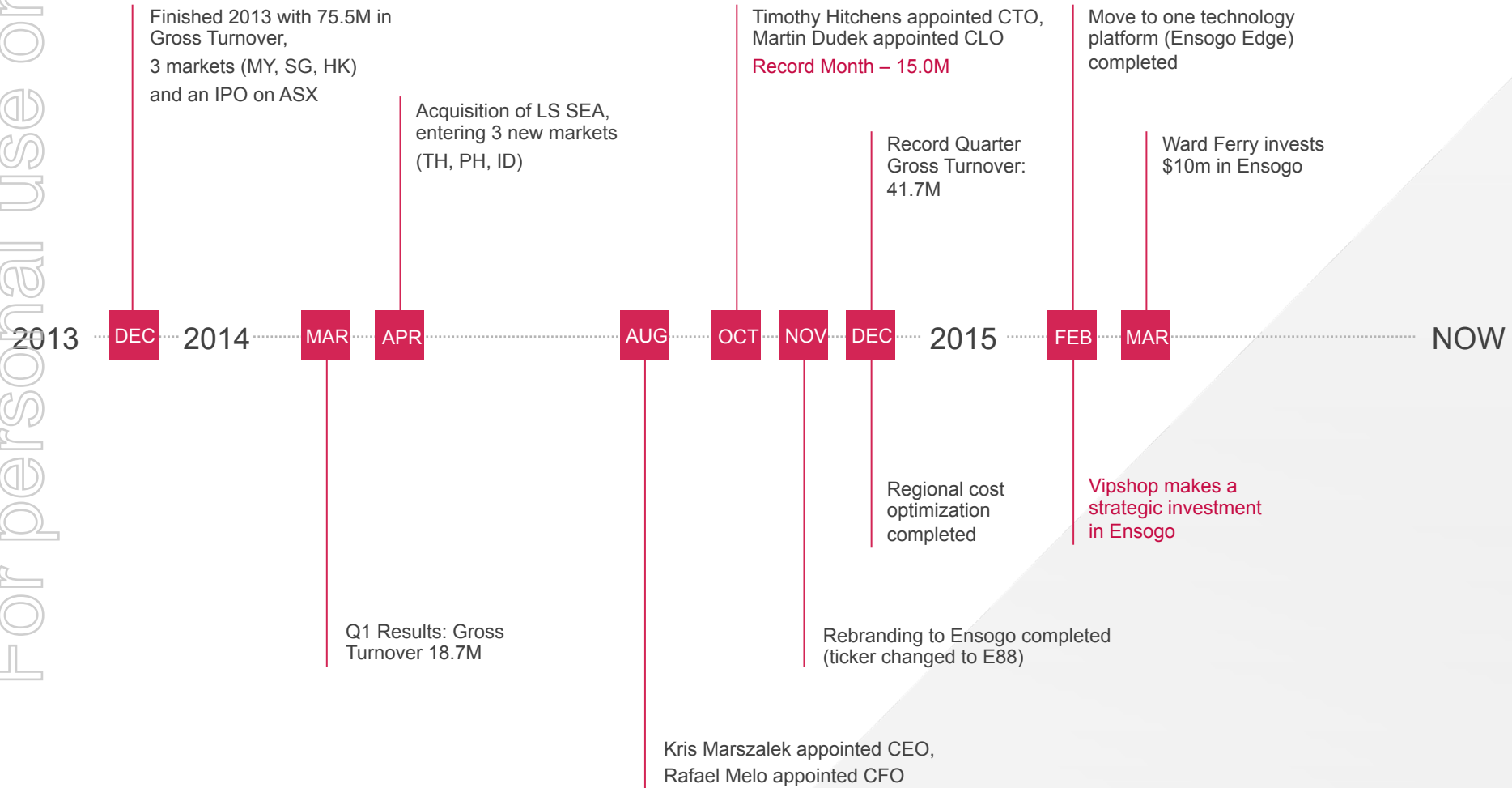
### LEADERSHIP POSITION

We're the regional leader in flash sales segment with capable executive team in place to extend the leadership

# Our Road Since IPO



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## Our Core Markets Have Population of 471m

- This is **21x** Australia's population
- Number of internet users expected to increase from 168m to over 300m by 2019



Country	Population (2014)
Hong Kong	7.1m
Singapore	5.6m
Malaysia	30.1m
Thailand	67.7m
Indonesia	253.6m
Philippines	107.7m
<b>CORE MARKETS TOTAL</b>	<b>471.8m</b>

# e-Commerce Opportunity

**Less than 1% of retail spend happens online in Southeast Asia, vs 10.5% in China in 2014.**

Figure 17: Summary statistics for \*(2013E)

	ID	SG	PH	VN	TH	MY	Aggregate	China	US
Population (m)	244.8	5.3	97.7	88.8	67.9	29.5	534.0	1,344.0	312.0
# Online (m)	75.9	3.9	33.6	31.0	31.2	18.5	194.2	618.0	245.2
% Online	31.0%	74.0%	34.4%	35.0%	46.0%	62.6%	36.4%	46.0%	78.6%
# Facebook users (m)	65	3.4	36	22	26	15.8	168.2	N/A	204
# Social media users (m)	66	3.6	38	24	27	17	175.6	610	213
Retails sale (US\$ bn)	100.2	29.6	34.0	79.6	94.4	98.2	436.0	3,812.0	3,026.7
eCommerce % of retail	0.1%	1.0%	0.3%	0.1%	0.2%	0.2%	<b>0.2%</b>	8.0%	8.7%
Opportunity (US\$ bn) at 5% retail sales	5.0	1.5	1.7	4.0	4.7	4.9	<b>21.8</b>		
Opportunity (US\$ bn) at 5% retail sales	8.0	2.4	2.7	64	7.6	7.9	<b>34.9</b>		

Note: \*Total online estimated at 199m in ASEAN; 194m in table highlights key markets.

Source: UBS estimates

## FLASH SALES ON CONSIGNMENT

- Flash Sale event is negotiated between Ensogo and brands
- Supplier delivers inventory to Ensogo warehouse on consignment
- Ensogo prepares event for launch - website content production
- Ensogo launches the event on it's websites for a limited time, usually 7 days
- Upon completion of an event, sold inventory is delivered to customers
- Unsold inventory is shipped back to suppliers
- Suppliers are paid within 30-60 days

**NO  
Inventory Risk**

**Ability To  
Deliver  
To Customers  
FAST**

**STRONG  
Cash  
Generation**

## BUILDING A FLASH SALE BUSINESS IS DIFFICULT AND COSTLY

- **CAPITAL** Approximately AU\$150m invested into the business so far (acquisitions of businesses, customer base, technology)
- **INCREASING COST** Customer acquisition cost increase every year, whoever comes in later will have to spend much more the acquire same number of customers
- **CHICKEN AND EGG** Without established customers base, incumbents will not have the ability to move inventory quick; brands will be reluctant to work with them
- Without brands and their inventory, it will be difficult to acquire customers (vicious circle creating a moat for our business)
- **UNIQUE SETUP NEEDED** Flash Sale business requires a unique and fine tuned “fast in-fast out” setup which is different from traditional e-commerce (rapid website content production, customized warehousing setup with high throughput and ability to handle large volume reverse logistics, technology platform to handle sudden spikes in traffic)
- **LEADERSHIP POSITION** Our leadership position and backing of global Flash Sales leader will make it difficult for any incumbent to raise capital necessary to attempt to compete with us



# Vipshop Strategic Investment In Ensogo



## ABOUT VIPSHOP

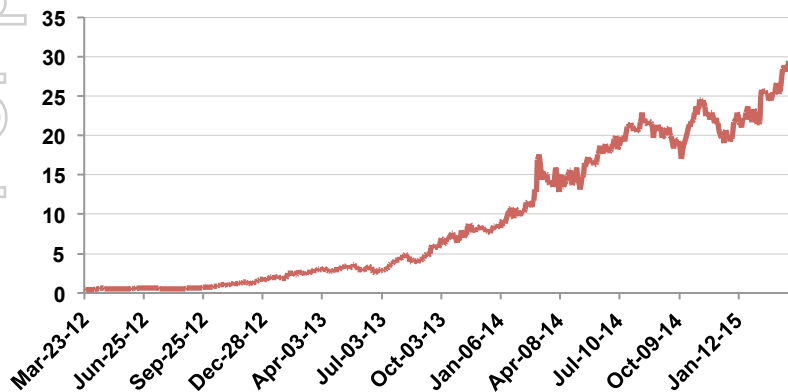
- Most successful Flash Sale business globally
- Listed on NYSE (VIPS) with current market cap of US\$17bn
- High growth rate: 2011 revenue US\$226m, 2014 revenue US\$3,701m
- IPO in March 2012 at split adjusted \$0.55, current stock price \$30.00 (54x increase)
- One of the best performing Chinese IPO on the NYSE since 2012



## DEAL TERMS

- Vipshop invested AU\$6.4m for a 12.2% strategic stake in Ensogo in Feb 2015 at 10.8c share
- Strategic partnership formed for Southeast Asia – Vipshop currently no SE Asia presence
- David Gu of Vipshop joining Ensogo board as director
- Only one of two listed investments Vipshop has outside of China

VIP Shop - US\$ ADR Share Price on NYSE



## ACCESS TO INVENTORY

- **Quantum leap in quality and quantity of Ensogo product offering (going from tens to thousands of SKUs launching daily)**
- Ensogo gained access to Vipshop's inventory (over US5b moving through their warehouse in 2014), 7000+ suppliers, 13,000 brands with approximately 10% exclusive to Vipshop
- First events scheduled to launch in May 2015
- Logistics flow tested & ready
- Customers buy on Ensogo websites, Vipshop picks and packs the orders, Ensogo moves the products from Vipshop to customers door-to-door in 4-6 working days
- P&L impact visible in Q3 & Q4

## ACCESS TO EXPERTISE

- **Tremendous long term benefits**
- **We no longer need to reverse-engineer Vipshop's success formula**
- **Expertise sharing in all key areas of business**
- Scaling Merchandising and Merchant Acquisition (over 1,000 merchandisers at VIPS)
- Warehousing and Flash Sale Logistics (VIPS has over 1,000,000sqm of warehouse space)
- Marketing and Customer Acquisition at Scale
- Boosting Repeat Purchase Rates and Customer Loyalty
- Technology Development (Frontend, Backend, Mobile, WMS, Big Data)
- Last Mile Delivery Systems
- Returns Management

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## BUILD SOUTHEAST ASIA'S **LEADING ONLINE DISCOUNT RETAILER FOR BRANDS**

**2013**

### Startup Phase

- 3 markets
- SG, MY, HK
- 75.5M Gross Turnover
- IPO DEC 2013

**2014**

### Regional Expansion

- 6 Markets
- TH, ID, PH, SG, MY, HK
- 152.1M Gross Turnover

**2015**

### Preparing for Scaling

- Moved to One Technology Platform
- Moved to One Brand
- Brought Strategic Investor Onboard
- Q2, Q3 - Vipshop inventory available on Ensogo
- H1 - focus on customer experience
- H2 - focus on customer acquisition

**2016**

### Profitability

- Demonstrate Path to Profitability
- Invest in Fulfillment
- Enter New Markets

**2017**

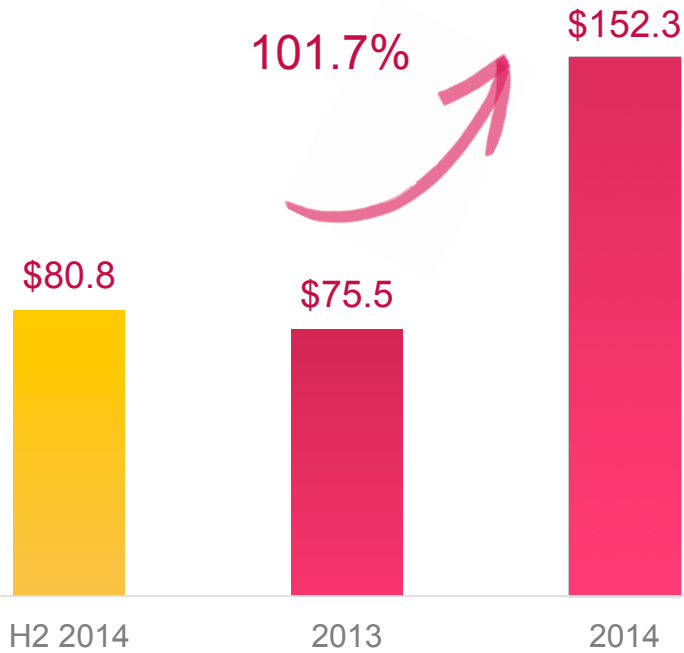
### Business At Scale

- Own Flash Sales Market in Southeast Asia

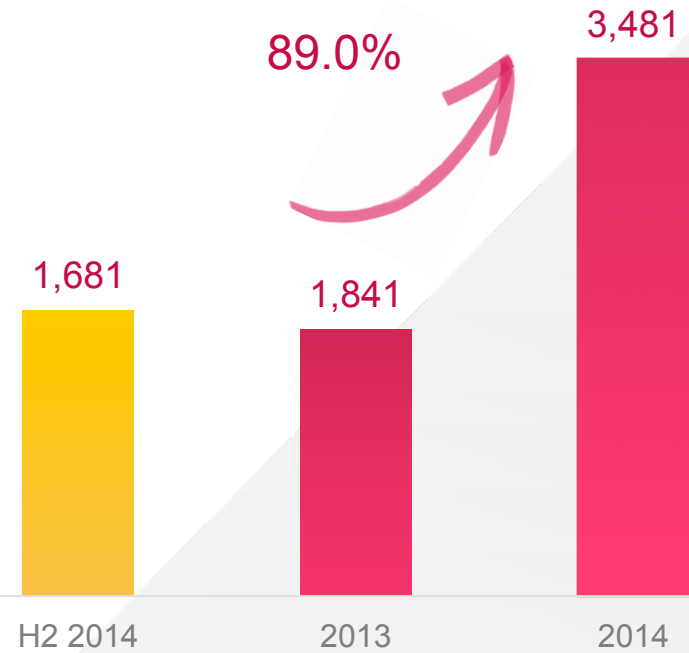
# Growth 2013 vs 2014

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## GROSS TURNOVER (AU\$ M)



## TOTAL ORDERS (1,000s)

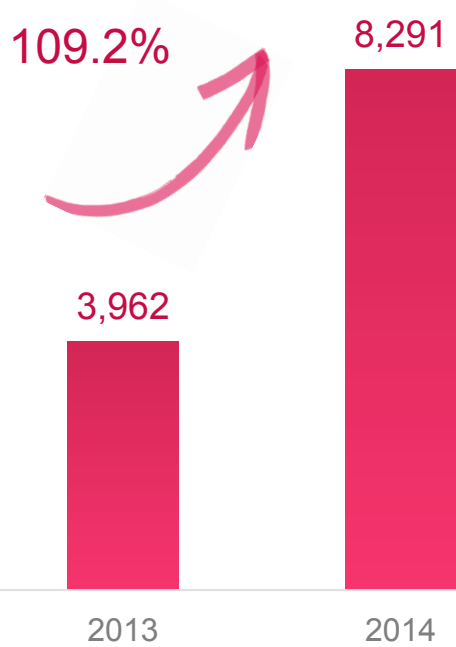


# Growth 2013 vs 2014

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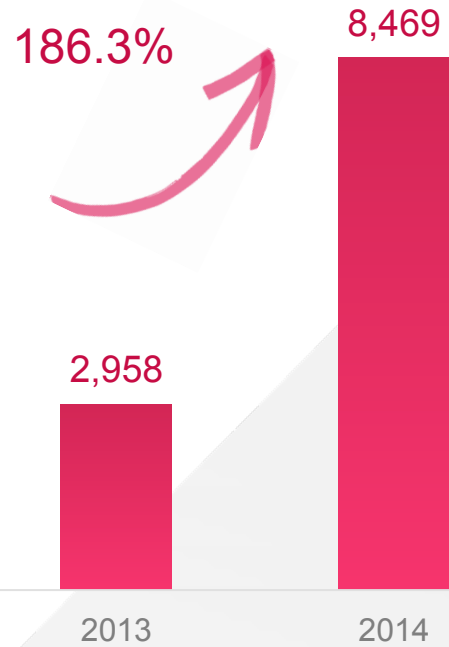
## TRAFFIC

(Avg Monthly Uvs in 1,000s)



## SUBSCRIBERS

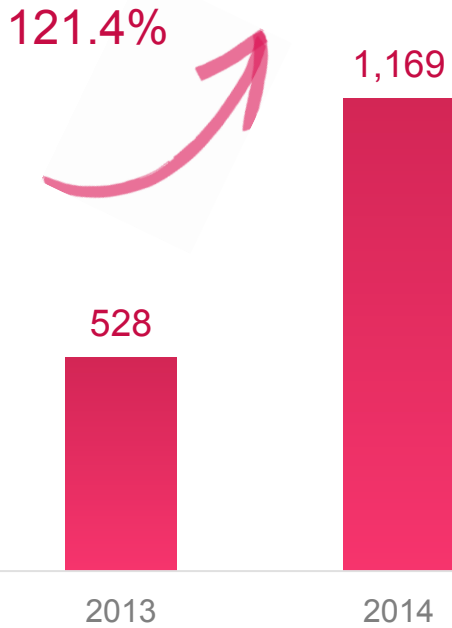
(1,000s)



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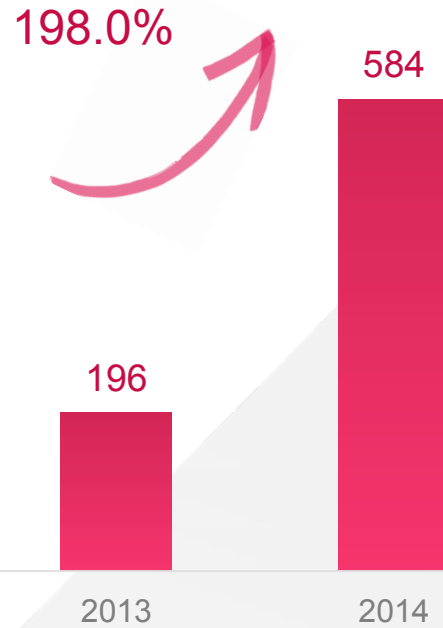
## Active CUSTOMERS

(1,000s)



## Repeat CUSTOMERS

(1,000s)



## WHAT WE SAID

- 1 We said we want to have regional presence in Southeast Asia
- 2 We said we will follow Catcha Group's playbook and bring on a strategic investor that will add real strategic value
- 3 We said we will move from 5 technology platforms onto one
- 4 We said we will unify move from 6 brands to one for the whole region
- 5 We said we will optimize cost structure following the acquisitions

## WHAT WE DID

- 1 We entered 3 new markets in 2014: Thailand, Indonesia and Philippines
- 2 We announced on Feb27 2015 that Vipshop made a strategic investment in Ensogo
- 3 We completed the migration to Ensogo Edge for all 6 markets in February 2015
- 4 We rebranded as Ensogo in Q4 2014, we even changed the ticker to E88
- 5 We removed fat from the business and made it lean, Q4 staff costs down to 5.7m, Vs Q2 7.0m, with more savings to come



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## H1 FOCUS

- 1 Focus on customer experience
- 2 Cut delivery times to under 3 days
- 3 Start delivering to Tier 2 and Tier 3 cities
- 4 Allow cash-on-delivery as payment method
- 5 Expand quality and quantity of products available for purchase on our websites
- 6 Improve mobile user experience
- 7 Deploy Vipshop offering on Ensogo
- 8 Implement a friendly returns policy

## H2 FOCUS

- 1 Once customer experience is improved and product offering is expanded, ramp up customer acquisition
- 2 Better customer experience = higher % of users returning next month = higher repurchase rates = higher ROI on marketing spend = profitable and controlled growth
- 3 Continuous optimization of customer acquisition funnel with budget increasing on week-by-week basis
- 4 Two record quarters

# Our Team



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**Kris Marszalek**  
Kris@ensogo.com

Chief Executive Officer

Three times founder of fast growing technology companies. Two exits. In e-commerce for 5 years. In Asia for 11 years.

- Co-Founder
- Entrepreneur



**Rafael Melo**  
Rafael.Melo@ensogo

Chief Financial Officer

Based in Singapore since 2007 and with 14 years' experience. CFO at Mobile Payment Solutions, a MasterCard enterprise and Regional Finance Director, Asia for Embraer, the 3rd largest manufacturer of airplanes

- Disruptive technology
- CPA / MBA



**Tristan Torres**  
Tristan@ensogo.com

Chief Sales Officer

7 Years experience in Private Banking/ Retail Banking (CFA and EFPA member). 4 years experience Ecommerce Europe and SEA

- Retail Banking
- E-commerce
- MBA



**Timothy Hitchens**  
Tim@ensogo.com

Chief Technology Officer

E-commerce veteran / technologist with over 20 years of demonstrated career success working with Companies such as Harvey Norman, DealsDirect, Allied Express just to name a few.

- Internet Veteran
- E-commerce



**Martin Dudek**  
Martin.Dudek@ensogo.com

Chief Logistics Officer

Over 20 years experience in transportation, fulfillment & logistics, raising quickly through the ranks in various commercial leadership roles in DHL Express and Singapore Post

- E-commerce Logistics
- Fulfillment Warehouse



**Liviu Nedef**  
Liviu.Nedef@ensogo.com

Head of Marketing

Regional head of brand for Lazada Group. MD of one of the fastest growing digital marketing agencies in Indonesia. Co-founded two online start-ups.

- Online Marketing
- MBA

# Directors & Shareholders – Catcha Group

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**Patrick Grove**

Co-Founder, Group CEO & Chairman of the Board

Patrick has built a number of highly successful media and digital businesses in Asia. He is widely recognised as an industry luminary with numerous international awards, including Global Leader of Tomorrow and New Asian Leader by the World Economic Forum, Entrepreneur of the Year by the Australian Chamber of Commerce, and Top Entrepreneur under 40 by Business Week Asia

- Entrepreneur
- Media and digital businesses



**Luke Robert Elliott**

Co-Founder and Executive Director

Luke specialises in developing fast-moving, Internet-based businesses, monetising media assets and executing corporate transactions. Over the last six years, Luke has driven over 50 successful capital raisings, corporate exercises, mergers, acquisitions and public listings for the Group.

- Entrepreneur
- Capital raising
- M&A



- 4 publicly listed companies under management
- Market Leaders in Multiple Online Categories
- Founders have collectively over 30 years of experience in the digital sector
- Most successful tech investment group in the region
- 10 offices worldwide
- Attracted the largest single investment in ASEAN

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Contact:  
Ensogo Limited (ASX:E88)

Kris Marszalek  
Co-founder and CEO

m: +852 9666 0951  
e: [kris@ensogo.com](mailto:kris@ensogo.com)