



**GLOBAL DIGITAL  
ENABLER**  
FOR FASHION BRANDS

**BUSINESS PLAN 2019-2021**

15 th March 2019

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**GIGLIO**  
OVERVIEW

**THE MARKET**  
FASHION LUXURY

**BUSINESS PLAN**  
2019-2021

# GIGLIO GROUP

## FASHION DIGITAL ENABLER

- Partner for Fashion Luxury Brand to get a privileged and unlimited access to e-commerce globally;
- B2B and B2C tailor-made services to Fashion Luxury industry:
  - *From the creation of e-commerce platform to global inventories management;*
- 4 Operating Hubs: Milano, Lugano, Shanghai, New York;

**2018**

**50+**  
FASHION  
BRAND

**50+**  
GLOBAL  
MARKETPLACE

**€75mn**  
GMV 2018

**100+**  
COUNTRIES

**2015  
2017**

**Construction of the integrated business model 4.0:**

- M&A
- Technological Development

**2018**

**Business consolidation:**

- Unique Technological Platform
- Team integration

**New businesses:**

- Proprietary Marketplace
- T-commerce

**FUTURE  
PRIORITIES**

- Main Digital Partner for Brand
- Greater China
- T-commerce

MISSION  
**SELL THROUGH 100%**



# GIGLIO GROUP HISTORY

## 2003



Giglio Group is established and the television channel Music Box is founded

## 2010

- Play.Me (LCN 68) TV channel starts broadcasting
- Dada purchases a further 15% increasing its stake to 25%

## 2014

- Giglio TV was founded at the end of July, it is the first television channel in China, entirely dedicated to the Italian lifestyle
- The 49% of Giglio TV is participated equally by the Ministero dello Sviluppo Economico (the Ministry of Economy and Development) and SIMEST
- At the end of November, Giglio Group increased its stake in Nautical Channel to 100%

## 2016



Acquisition of MF Fashion (which becomes **Giglio Fashion**), the new online marketplace at a worldwide level for products in the category of fashion

## 2018

- Listing on MTA, STAR segment (on March)



- Giglio Group launched Channel “ibox 65”, the first T-commerce channel in Italy dedicated to made in Italy “Home, Food, Furniture”
- Launch of T-commerce for fashion
- Agreement with WeChat to bring Italian brands into the widest chinese platforms

## 2008

Dada enters into Giglio Group with a 10% stake



Live TV channel is created, a thematic TV channel dedicated to live concerts

## 2011

- Acqua (LCN 65) TV channel starts broadcasting
- Yacht and Sail TV channel is purchased from the RCS group
- Nautical Channel is established: it is distributed in 56 nations and 5 continents and is the only Pay TV television channel in the world, entirely dedicated to sailing and water sports
- Buongiorno Spa purchases 100% of Dada (Dmobilelab Spa) including the stake in Giglio Group

7 August  

## 2015

Listing on AIM Italia.



Acquisition of M-Three Satcom, a strategic partner within the distribution of the television signal via satellite and fiber optic signal

## 2017

### evolve

Giglio Group purchases 100% of **Evolve Service**, one of the most important players in the e-commerce industry for fashion, beauty and design

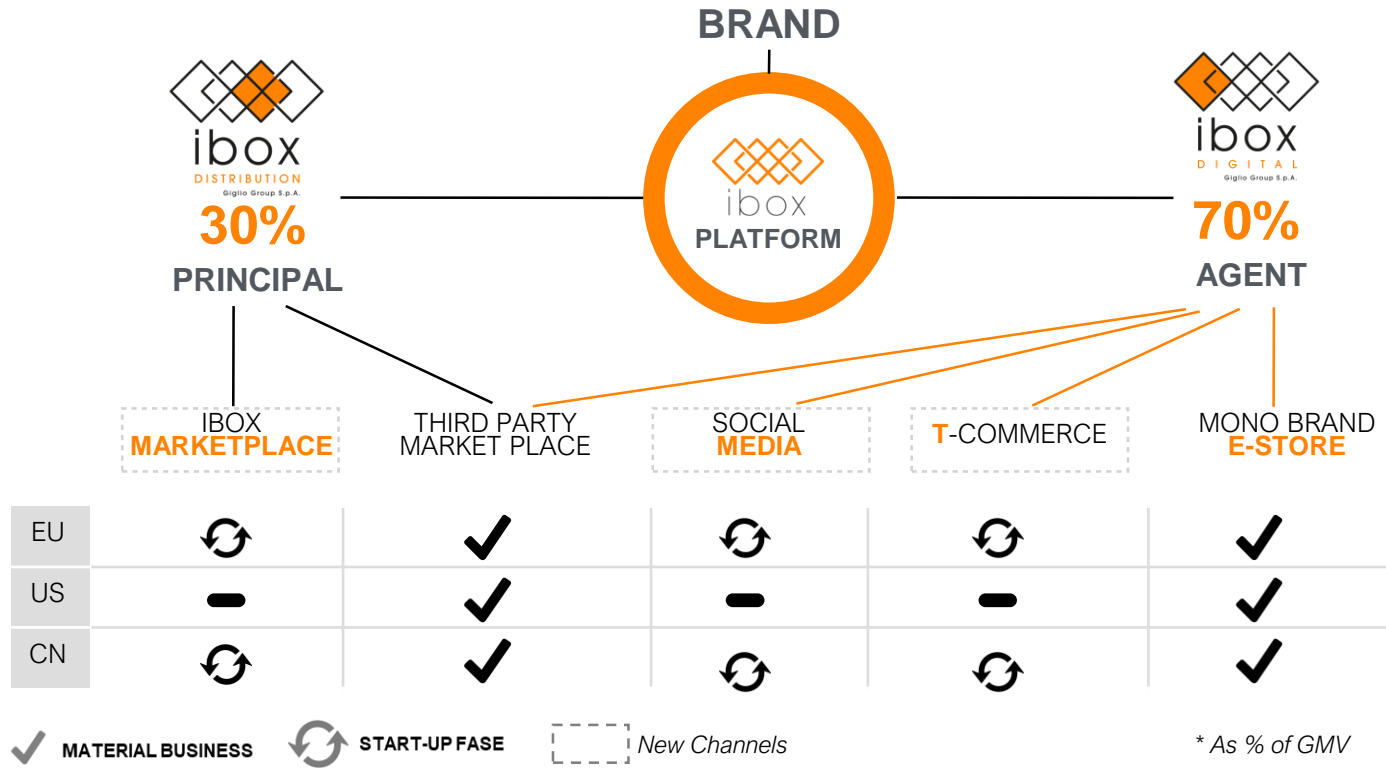


## 2019

### Pure e-commerce player

- Giglio Group become a 100% e-commerce company with a global coverage of commercial hubs and logistics.
- Sales of Media Asset to Vertice 360 and signing of Strategic Partnership.

# IBOX: THE CONNECTION BETWEEN BRAND AND DIGITAL CONSUMER



- Totally Integrated Model in terms of both distribution channels and Business Model:
  - Excellent fertilization among distribution channels;
  - 100% Sell-through.

**On-season**  
60/75%

**Off-season**  
40/25%

+ **INCREMENTAL STOCK**  
**SPECIAL PRODUCTION**

Europe:	Consolidated market	79% GMV	B2B
US:	Mainly Distribution	15% GMV	B2B
China:	Partnership with Marketplaces + New Digital Channels	6% GMV	B2B

# IBOX DIGITAL B2C

## A SUITE OF SERVICES FOR A COMPLETE OUTSOURCING OF ONLINE BRAND MANAGEMENT

- Ibox digital provides e-commerce services to fashion brands: a unique technological platform to manage: monobrand website, marketplace connections, payment systems and logistics;
- Giglio takes a fee for its services, also related to level of sales, without bearing any inventory risk.
- GMV 2016 - 2018 CAGR +20%
- REVENUES 2016 – 2018 + 26%

**23 MONOBRAND  
WEBSITE  
MANAGED**

**€330  
AVERAGE  
ORDER VALUE**

**280 MLN  
VISITED  
WEBPAGES**

**100  
MANAGED  
PROJECTS**

**230 k  
ORDERS**

**DELIVERIES IN  
100+  
COUNTRIES**



WEB  
DESIGN

WEB MERCHANDISING &  
FOTOSHOOTING

WEB  
MARKETING

CUSTOMER SERVICE  
24H OMNICHANNEL

TECHNOLOGICAL  
PLATFORM

CHANNEL  
MANAGEMENT

LOGISTIC &  
DISTRIBUTION

LEGAL & FINANCIAL  
SERVICES

PREFERRED PARTNER **ORACLE**  
COMMERCE  
CLOUD

## KEY PARTNER BRAND



# IBOX DISTRIBUTION B2B

MANAGE THE BRAND INDIRECT ONLINE SALES TO THE MAIN E-COMMERCE PLATFORM GLOBALLY.

- Ibox platform is connected to the main marketplaces worldwide with a complete integration of payment systems and managing products logistics.

**50+**  
GLOBAL E-COMMERCE  
PLATFORMS

**40+**  
PARTNER  
BRAND

**300 MLN**  
USERS ON REACHED PLATFORMS

**20+ COUNTRIES AND 3 CONTINENTS**  
REACHED

## KEY PARTNER BRAND



# IBOX PLATFORM

## EXPLOITING CHINA

- Giglio Group developed an important hub with dedicated team in China, allowing brands to rapidly develop - at low cost - the e-commerce channel.
- Giglio enjoys a unique presence in Chinese media, allowing to strengthen brand awareness through:
  - Chinese media (TV, social, marketplace with over 100 millions of daily users)
  - Well positioned traditional media;
  - iBox Marketplace, with an immediate conversion in product sales.



### EXPERIENCE AND KNOW-HOW

To develop local e-commerce channel

### ICP LICENSES

Chinese government authorization to manage websites

### LOCAL TEAM

For an optimal management of e-commerce digital activities

### BRAND AWARENESS

Through Giglio media network

### LOGISTIC HUB

Mainland and Free Trade Zone in Shanghai - possibility to have stock without anticipating duties

### DIGITAL MARKETING EXPERIENCE

To develop the best positioning and the best marketing plans



# IBOX PLATFORM EXPLOITING CHINA

LOCAL E-COMMERCE WEBSITE  
Focus on Chinese market

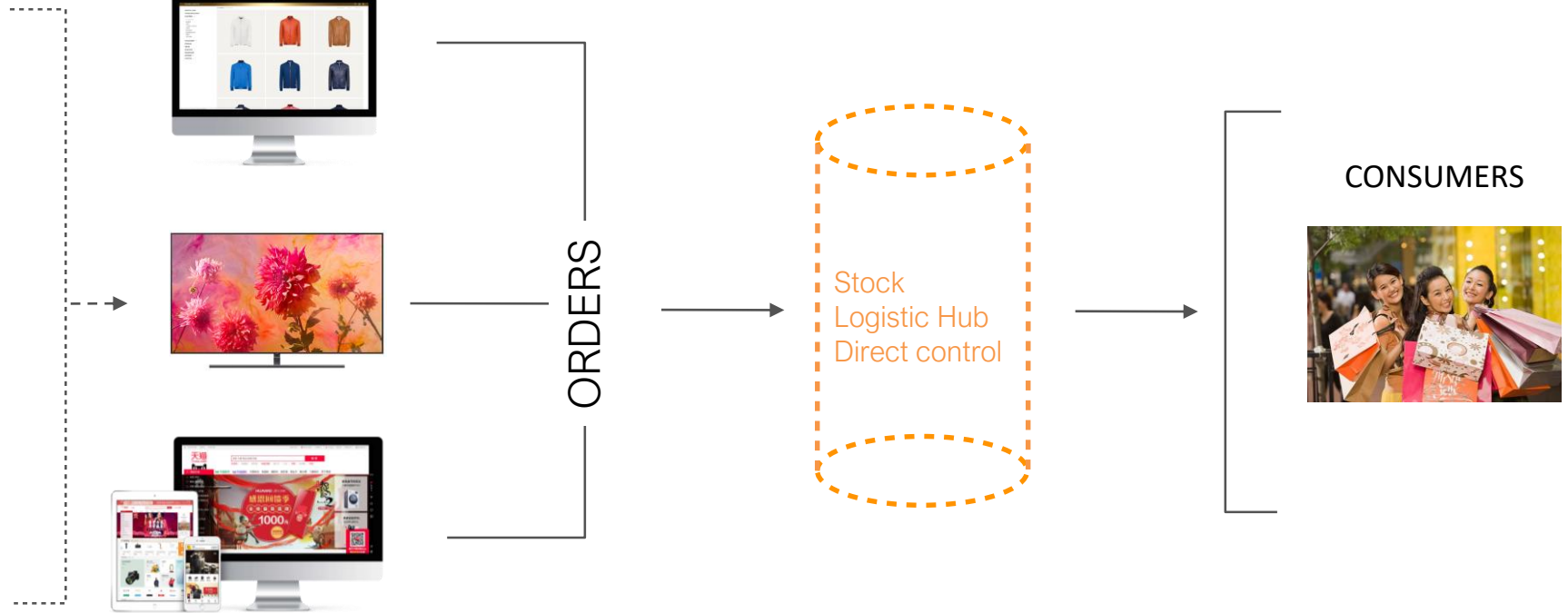
T-COMMERCE  
Partnership with WeChat



“SHOP IN SHOP”  
On main Chinese e-commerce platform

VIPLUX.COM 天猫 Tmall.COM JD.COM 京东

SECOO/赛酷



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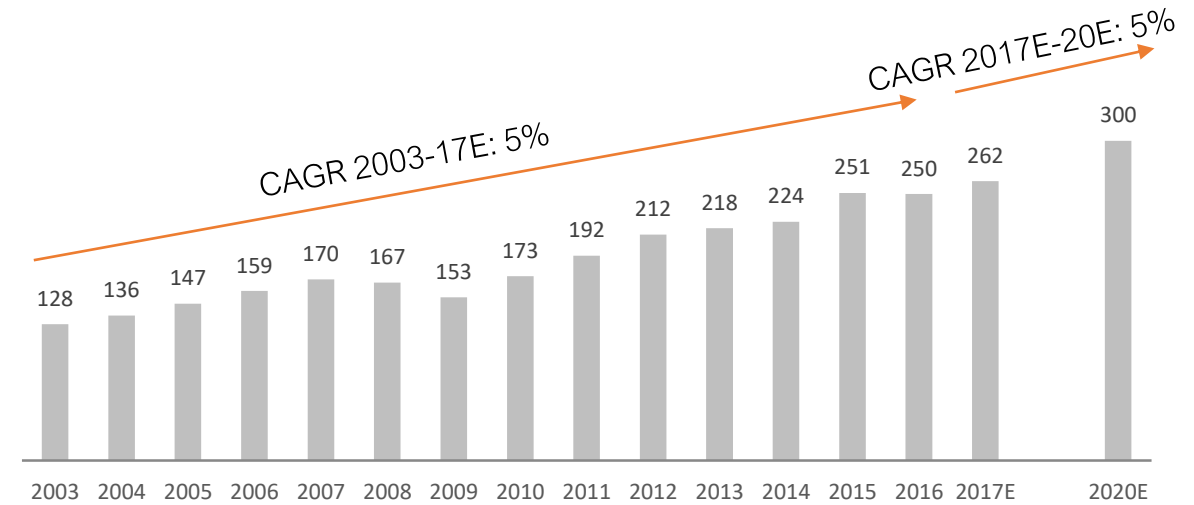
# PERSONAL LUXURY GLOBAL MARKET

## BIG MARKET WITH STABLE GROWTH RATE: €300+bn WITHIN 2020

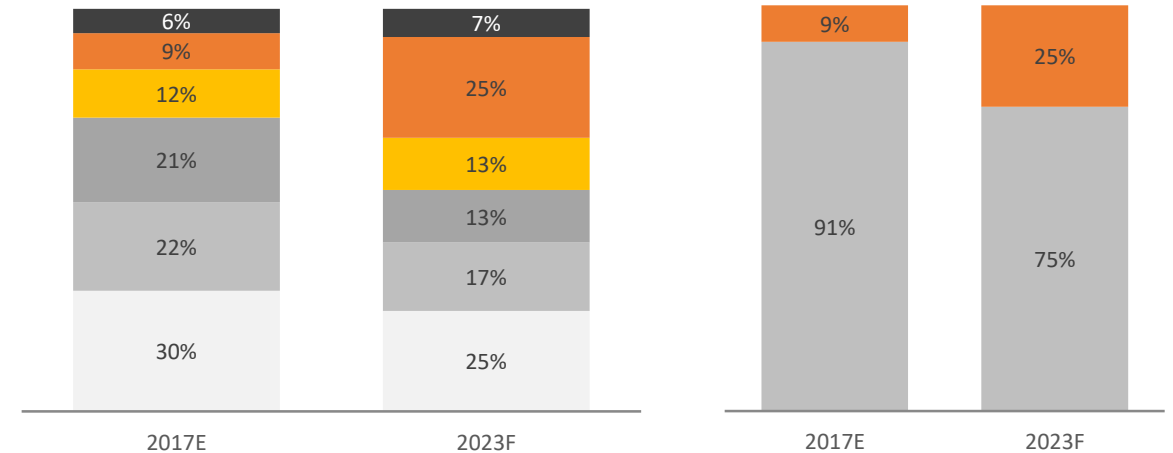
- Prevailing Family Ownership: The market is characterized by companies owned by families who ensure the brand integrity.
- Fragmented Sector: 19 out of 20 larger global fashion luxury brand have their headquarter in Europe and have their own direct distribution channels, while smaller Brands mainly rely on a network of independent stores. Inventories fragmentation implies inefficiencies and lost business opportunities.

## STRONG FASHION E-COMMERCE GROWTH: FROM 9% TO 25% IN 2023

- Social and Digital Marketing: Digital transformation is influencing the relationship between luxury brand and their consumer. As a proof, today digital influencer drives the 70% of consumer decision.
- New Generation: During 2017, Millennials and Z-generation represented the 85% of fashion growth. Young consumers are expected to contribute for 45% of global fashion turnover within 2025 relying on e-commerce as main channel.



Source: Bain & Company; Data in €bn



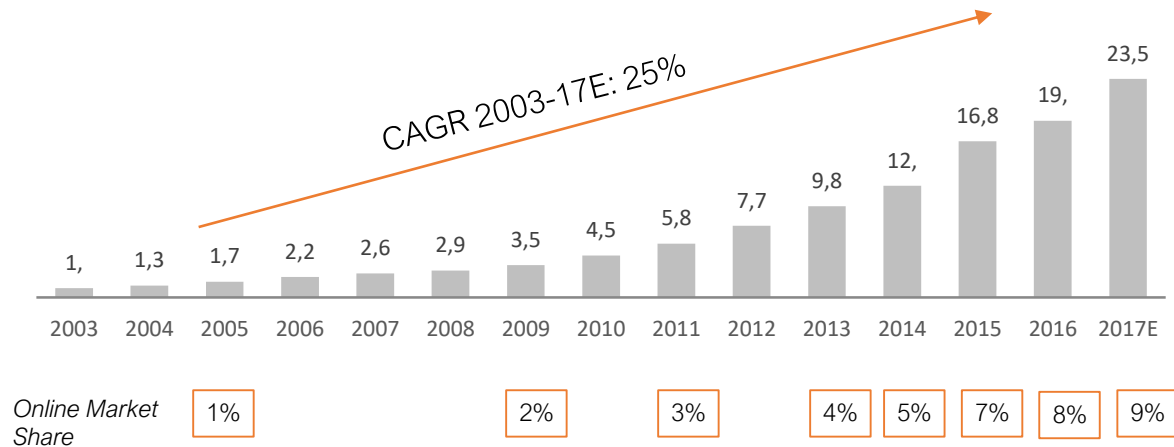
Source: Bain & Company

# ONLINE LUXURY MARKET

## OUTSTANDING ONLINE GROWTH: MARKET SHARE OF 9%

- Global Retail market (B2C) reached around €380bn in 2017 and is expected to reach €820bn with a CAGR of more than 13%;
- Online discount sales and home delivery attracted numerous clients. However brand have to innovate their services to maintain the luxury customer experience.
- Technological development, such as safer online transactions and greater customer experience, driven the market growth;

## PERSONAL LUXURY ONLINE MARKET €bn



Source: Bain & Company

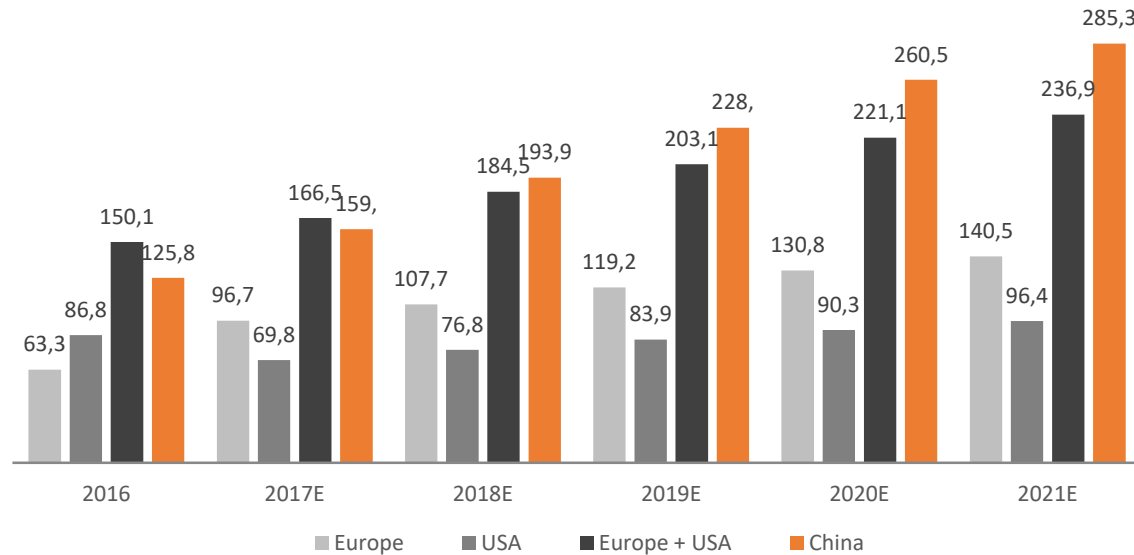
Source: Osservatorio eCommerce B2c 2018 (1)

# CINA E-COMMERCE LUXURY MARKET

## ASIA TAKING THE LION'S SHARE: CHINA OVER THE AGGREGATE EU-USA

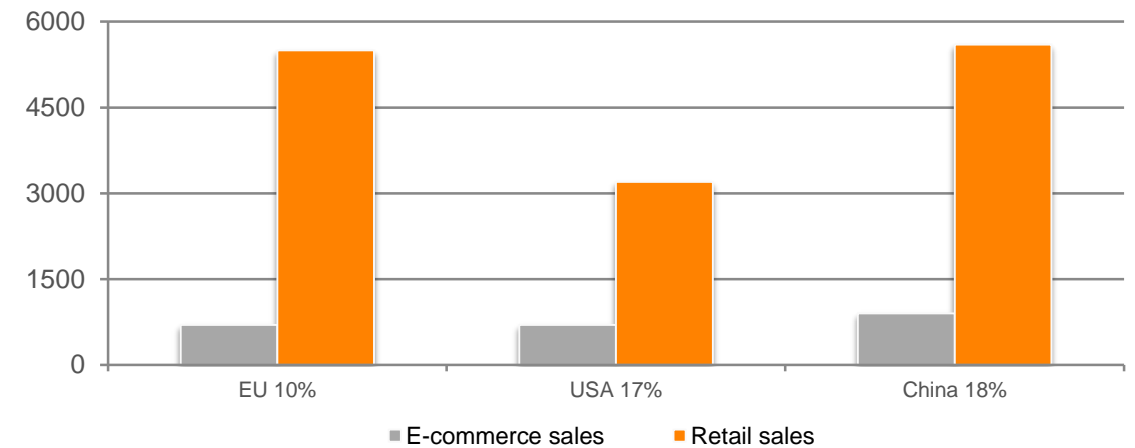
- Asia-Pacific region will be the faster growing market in the next 3 years, followed by MEA. China and India will be the main focus with the objective of penetrating the developing online channel;

## FASHION ONLINE MARKET €bn



Source: Statista

## E-COMMERCE VS RETAIL €bn



Source: Osservatorio E-commerce B2C 2018

# COMPETITIVE LANDSCAPE

## UNIQUE COMPETITIVE POSITIONING

- Giglio Group operates within the fashion e-commerce market, along with companies such as Farfetch, YNAP, Zalando, Showroom Privè (SRP), asos;
- Despite the size, Giglio enjoys a unique positioning being active on all main distribution channels of online and fast growing;
- There is no such competence, global coverage, business model and direction in the market. Unique player.
- For much of the brands now, we see only two options: in-house management or Giglio support.

## DISTINCTIVE ADVANTAGES

### POSITIONING

- Luxury Segment
- High GMV per Brand
- Total Quality service to brand

### BUSINESS MODEL

- Integrated Services
- Brand-Marketplace connection

### TECNOLOGY

- Innovative
- Proprietary
- Flexible

### CHINA PENETRATION

- Widespread Presence
- Brand Awareness support
- Only Certified Media Operator

### KNOW-HOW







- Sector
- Products
- Trust Relationship

### PEOPLE

- High-level expertise
- Tailor-made support
- Internal engineering team

# COMPETITIVE LANDSCAPE

## DISTRIBUTION CHANNELS

<b>OWN MARKET</b>	<b>E-STORE MONOBRAND</b> <i>Es. MaxMara.com</i>	<b>SOCIAL</b> <i>Sales through WeChat, Facebook, etc</i>	<b>T-COMMERCE</b> <i>See and Buy</i>	<b>MARKETPLACE</b> <i>Amazon, Zalando, ecc.</i>
 <b>FARFETCH</b>  YOOX NET-A-PORTER GROUP  <b>ASOS</b>  	YOOX NET-A-PORTER GROUP  showroomprive.com  	<b>FARFETCH</b>  		

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# GROUP STRATEGY

**DEVELOPMENT COSTS**  
2019-2021

## PLATFORM EVOLUTION

Complete platform integration with all digital channels, with particular focus on e-commerce marketplace.

## ONE PLATFORM

## COMMERCIAL DEVELOPMENT

Enlarge the brand portfolio, with particular focus on luxury segment, thanks to the strengthening of commercial activity also through new talent hiring;

**100% COVERAGE ALL BRANDS MADE IN ITALY**

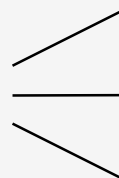
**€6-7MN**

## PROJECT CHINA

Expansion on Asian markets, mainly exploiting the Chinese opportunities, thanks to the cross presence in all digital channel and thanks to new agreements with new brands.

**THE DIGITAL BRIDGE TO CHINA**

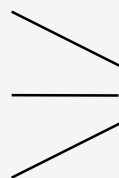
80+ BRAND



T-COMMERCE

E-COMMERCE

SOCIAL



## STRATEGICAL OBJECTIVES

*Leader e-commerce Fashion Made in Italy*

*Target 2-3% online Sales of Fashion Made in Italy*

*Partnership and integration with the firsts 50 e-commerce platform all over the world*

*Main E-commerce partner for Made in Italy Fashion Luxury in China*

# MEDIA AREA

*March 2019 - GIGLIO GROUP SIGNED A CONTRACT WITH SPANISH LISTED COMPANY VERTICE 360 AND WITH SQUIRREL CAPITAL FOR THE TRANSFER OF GIGLIO GROUP'S MEDIA AREA TO VERTICE 360, HAVING IN EXCHANGE VERTICE 360'S SHARES RESERVED TO GIGLIO GROUP*

## GIGLIO ASSETS

- TV channel 68 + minor
- 100% of M-Three Satcom
- 100% Nautical Channel
- TV contents and rights in China.

€ 12,5 mln MEDIA AREA ASSETS



1,136,363,636.00 shares @ € 0,011

## SQUIRREL CAPITAL

Squirrel Capital is the majority shareholder of Vertice 360, with 54.66% of its share capital.

It is the most important advertising and audiovisual group in the Spanish market, with strong coverage in Europe and South America. A digital agency managing exclusively the European budget of TRIVAGO.

## VERTICE 360

Vertice 360, listed on Madrid's stock exchange market ever since 2007, operates on two main business lines: production and distribution of international audiovisual contents. It is a fast growing company

*ALLIANCE BETWEEN GIGLIO GROUP AND VERTICE 360 FOR THE PROMOTION OF THE SYNERGIES BETWEEN EACH COMPANY'S E-COMMERCE AND MEDIA BUSINESSES*

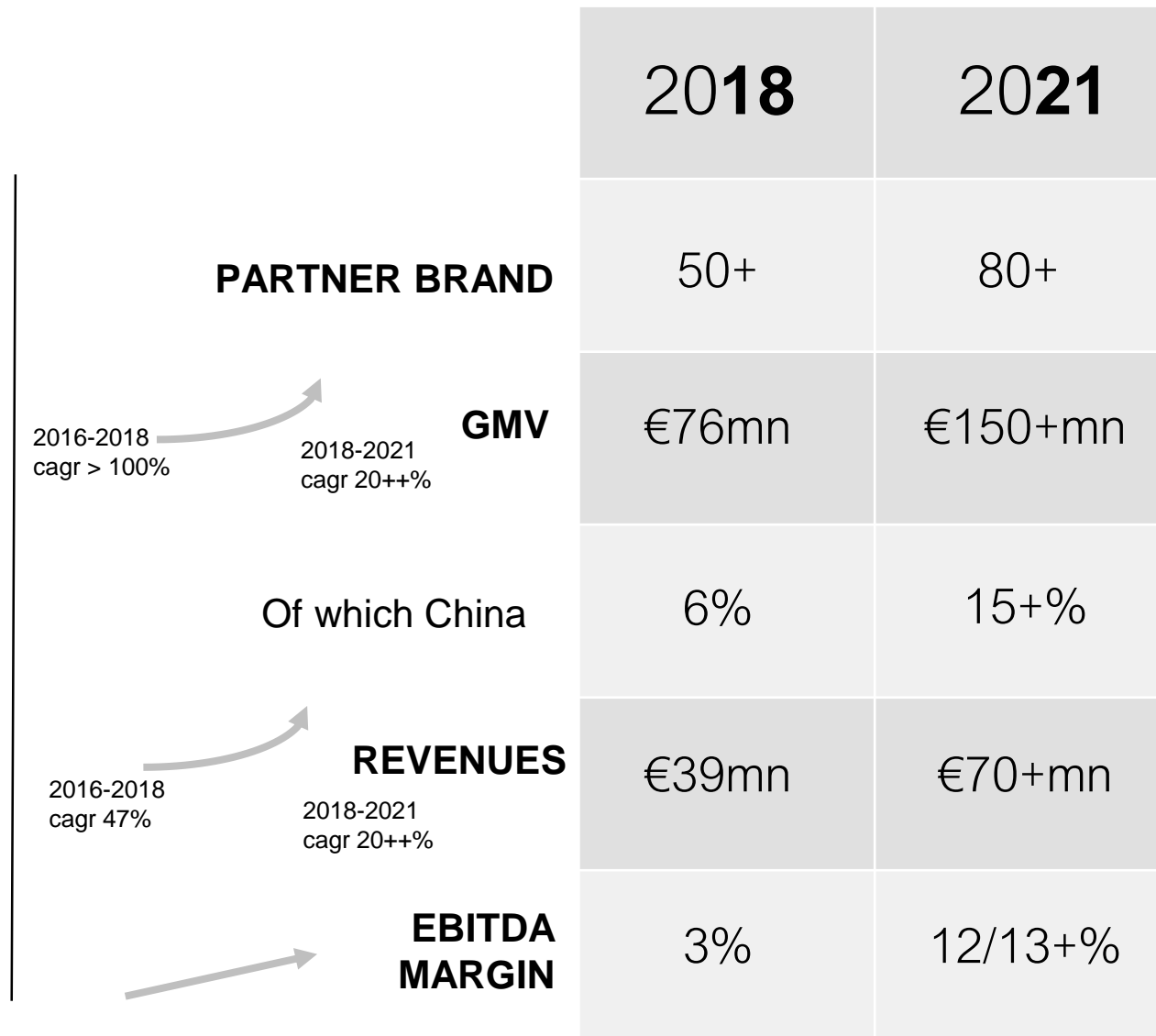
# GROUP STRATEGY

## KEY GROWTH DRIVER

- **BRANDS BRANDS BRANDS.** Enlarge Portfolio and gaining market share
- **Cross-Fertilization** between Distribution Channels;
- Consolidation in Europe and **penetration in China**;
- **Market Places** direct access, the next big thing
- **Technology Improvement:** Ibox Platform and T-commerce.

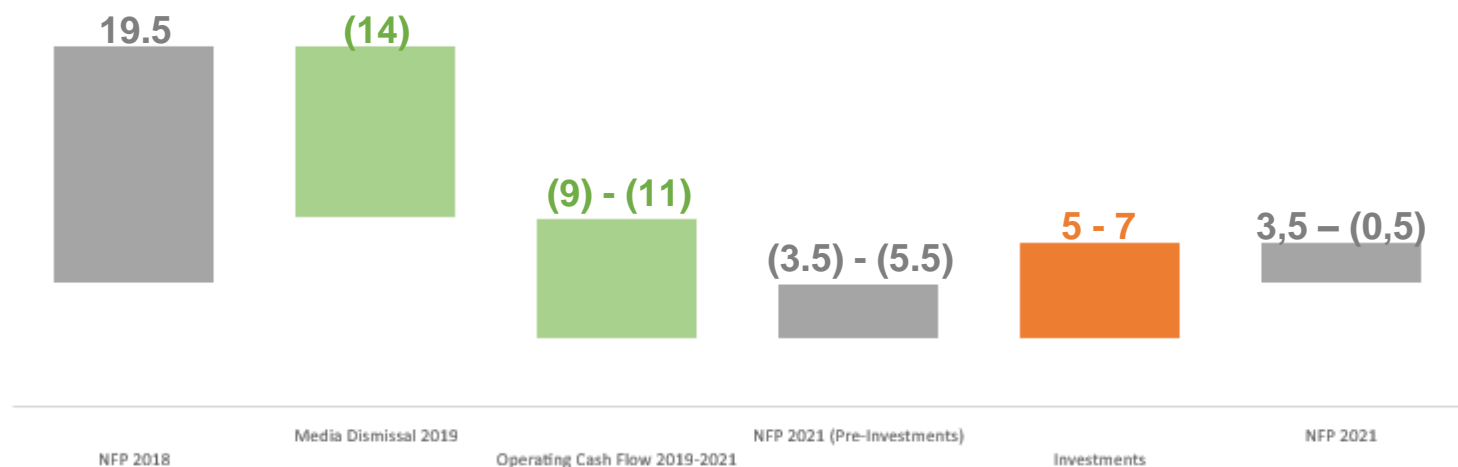
## PROFITABILITY EVOLUTION

- **Gaining Fast long-term sustainable profitability > 15%**
- 2018 EBITDA Margin is influenced by expenses for **tech platform development** and business development
- 2019 finalization of the **Media exit process**
- 2020 EBITDA Margin is expected to be **around 12%.**
- **Targeting a lean organization** by 2019 end in line with smaller complexity and



# NET FINANCIAL POSITION 2018-2021

Data in €mn;



Note: Data in parenthesis represents positive components of NFP.

Operating Cash Flow: EBITDA - Taxes + Financial Income/(expenses)

Investments: Working Capital + Capex

## A TRULY AGILE AND TACTIC COMPANY

### INVESTMENTS:

- 4.0 E-commerce Platform Integration and development;
- Working capital to sustain the business turnover increase on the B2B

### EXTRAORDINARY OPERATION

- Media Asset Dismissal for €14mn  
Vertice shares + LCN 65 sale cash in

### CAPITAL STRUCTURE OPTIMIZATION

- Increase Average Debt Duration
- Reduce short term facilities

### POTENTIAL ADDITIONAL OPTIMIZATION

- Vat Receivables €5-9 mln
- Industrial partner

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