

High Growth Companies Update

Growth opportunities as we emerge from lockdown

15 July 2020



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IMPACT THAT
MATTERS**
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Welcome

Today's agenda

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Introducing our presenters



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Moteefe

Mathijs Eefting



The future of the modern retail supply chain and the impact of COVID-19

July 15, 2020

Trends, challenges, and solutions for retailers globally.

Introducing Moteefe

- Mathijs Eefting - CEO & Co-Founder Moteefe.
- **B2B2C platform** providing POD enabled eCommerce solutions for retailers around the world.
- Since launch in 2016, we sold 3.5m products powering 1,000s of merchants globally. H1 2020 growth rate vs. PY of 225%.
- **Deloitte Fast 50 winner 2019** (# 4 overall, #1 eCommerce).

Retailer trends & challenges

- Due to spread of COVID-19 retailers globally are facing **unprecedented challenges**: loss of offline sales, inventory management, pressure on costs & margin, loss of personnel & morale. New (online) business models are needed.
- Especially considering wider **macro-trends** as consumers becoming increasingly demanding & interested in personalization, supply chain cost models e.g. discounting excess inventory & returns, sustainability agenda, social commerce, speed to market requirements.

Supply chain & digital capabilities

- The future is increasingly online, yet top high-street retailers do not have the **digital and supply chain capabilities** to move at pace.
- Supply chains are designed to **optimise for cost** reducing speed to market while driving excess inventory causing valid concerns around margin and sustainability.. **Flexibility and lower order quantities are needed.**
- Simultaneously, retailers' digital capabilities require investments to accommodate for **new, more agile online customer propositions.**

The POD opportunity

- **Print-on-demand (POD) is the solution**: producing orders after the sale is made online with no minimum order quantities. Relatively young production technology reaching maturity (technologies include print, embroidery, engraving, sublimation).
- **Key benefits**: no inventory, ability to take a product to market in minutes, ROI certainty, societal & environmental advantages
- Successful implementation is **far from easy** requiring significant investment in both supply chain and digital capabilities.

FY 2020

5,000+
merchants

£65m
net sales

2.5m
products

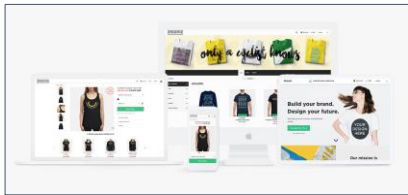
175
countries

80m
site visitors

POD enabled eCommerce solution for retailers.

Our turnkey solution

- **Cloud-based commerce platform** providing an **end-to-end solution** for retailers to launch new products & propositions in minutes.
- Our **turnkey** solution is highly adaptable to **drive POD adoption** for retailers consisting of (a) white label store solutions and (b) global POD production capabilities via a **network of top-tier manufacturers**.
- Retailers run all their global POD-enabled eCommerce activities through our infrastructure.



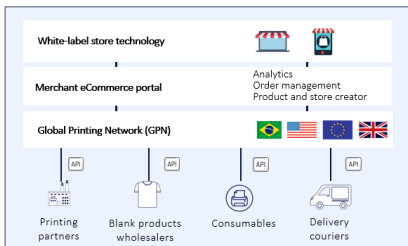
(a) White-label store solutions

- **POD and customisation focused white-label eCommerce store** proven to merchandise highly engaging products optimally. The store provides retailers with full real-time management of inventory, allowing a new product to be created and be available for sale on the store **within minutes**.
- Integrated with payment systems, data, order management, and support infrastructure to sell globally.



(b) Global POD manufacturing network

- Our global POD network provides a wide range of **‘on-demand’ production technologies** for high-volume retail categories including apparel, accessories, wall-art, jewelry, and more.
- The network has proven **extremely resilient** throughout COVID-19 enabling us to continue scaling up production with no significant disruption to turnaround times. **Able to meet retailer cost’ requirements.**



Complete infrastructure

- Moteefe powers 100,000s of white-label stores globally generating millions of site visitors p.a.
- Orders are centrally received and **intelligently routed by our GPN** to the right printing partner thereby optimising for speed, cost, and quality producing 9/10 times in the country of the end-customer.
- **Fully scalable** – no incremental cost to launch new stores and capacity to grow 10x in coming year(s).

Moteefe 2020 and beyond.



Our COVID-19 experience

- Moteefe has grown **225% YoY in H1 vs. 2019**. Especially in Q2 we have seen a large growth in both merchant activity, buyer traffic as well as conversion rates on our merchants' stores.
- Traffic has remained **increasingly global** with top markets being USA, Germany, France, UK, Holland, and Brazil.
- **Power of external POD network** vs. owned manufacturing sites has proven extremely valuable providing flexibility and scalability.

Entrepreneurs & SMB

- Moteefe provides the **complete infrastructure for merchants of all sizes** to dynamically launch and grow their eCommerce business
- Since 2016, focus has been on acquiring merchants (entrepreneurs + SMBs) who have been at the forefront of the POD revolution.
- As the market is reaching a more mature stage, and retailers globally are looking for ways to dynamically launch and grow new online retail propositions, the **Enterprise space is expected to unlock several \$bs worth of market size** growth in the years to come.

Enterprise / global retail

- Moteefe just signed a **3-year partnership agreement with a top-3 high-street retailer** globally (\$25b+ sales p.a.)
- Their ambition is to deliver **15-20% of their volume via POD**. Unable to scale themselves due to a lack of POD experience & supply chain capabilities (network & routing software), and an inability to deliver the required digital infrastructure quick enough, they are leveraging our platform to launch **new online customer propositions** leveraging our end-to-end infrastructure

Ambition

- Our ambition is to power retailers globally with POD enabled eCommerce solutions. There is no question whether the market is moving into 'on-demand' due to all benefits. Our focus is to **accelerate POD adoption** and help retailers reach their goals sooner.

- Interested in joining Moteefe – we have vacant roles across Growth, Product, & Engineering
- Contact: mathijs@moteefe.com

#Moteefe



Thank you.

Contact: mathijs@moteefe.com

Charting new horizons: Purpose-led Alliances and future of M&A

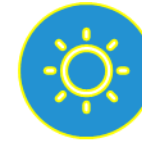
Sriram Prakash

While M&A has declined, corporate venture investments are increasing



HEADWINDS

- Significant macroeconomic and regulatory uncertainty
- All sectors are impacted to various degrees
- Liquidity concerns arising from COVID-19
- Reduced consumer confidence

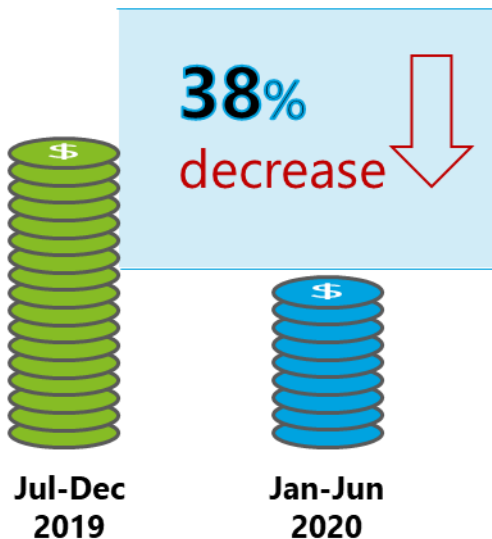


TAILWINDS

- Record levels of corporate cash and private capital
- Valuations are more realistic
- Acceleration towards digital transformation
- Emergence of new business models

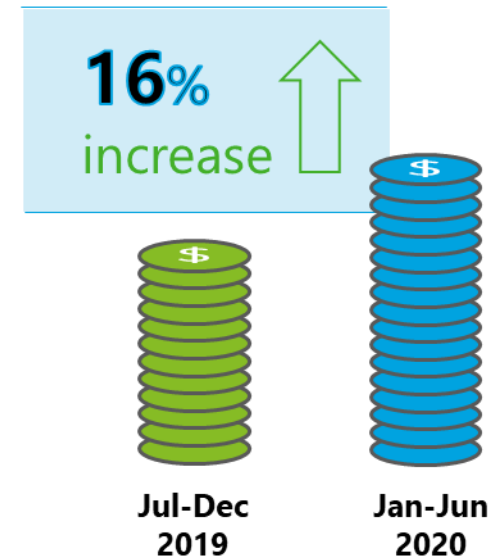
Global M&A activity

Decreased from **\$1.5trn** to **\$0.9trn**











Global corporate venture capital funding

Increased from **\$32bn** to **\$37bn**



Source: Deloitte analysis – Charting new horizons

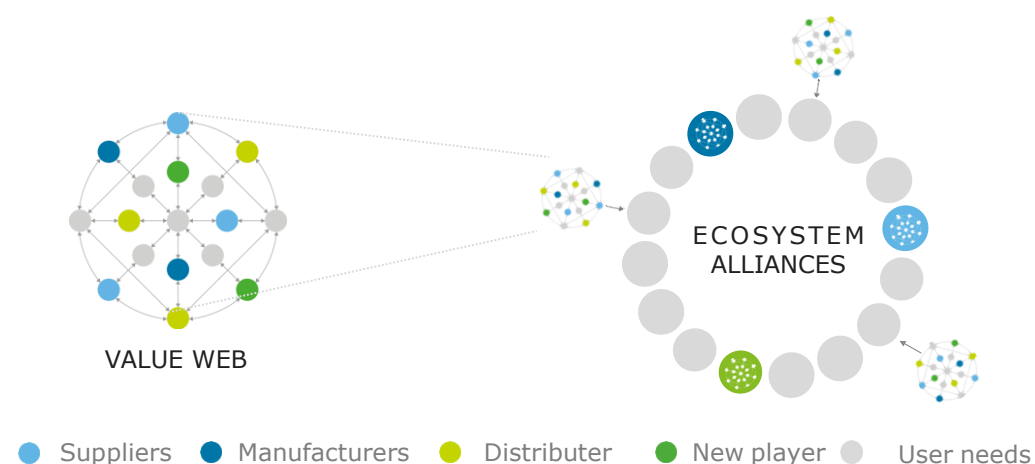
Accelerating structural shifts should facilitate opportunities for **eco-system alliances**

Structural shifts		Examples / Early Indicators
 Accelerated Digitization	72%	Rise in the use of fintech apps in Europe ¹
 Increased Virtualization of Workforce	74%	of businesses plan to permanently keep more employees out of physical offices post-pandemic ¹
 Increased Preference for Remote Channels	50%	Rise in mobile banking engagement in US since the end of 2019
 Increased Focus on Health and Safety		Uber partners Medlife to ensure medicine deliveries across many cities in India
 Greater Corporate Social Responsibility		Amazon is partnering with food banks to deliver free meals to the vulnerable and elderly
 Supply Chain resilience	\$2bn	Japan has created a \$2bn fund to help businesses shore up their supply chain

...driving a potential shift towards 'purpose-led ecosystem alliances' underpinned by value based structures

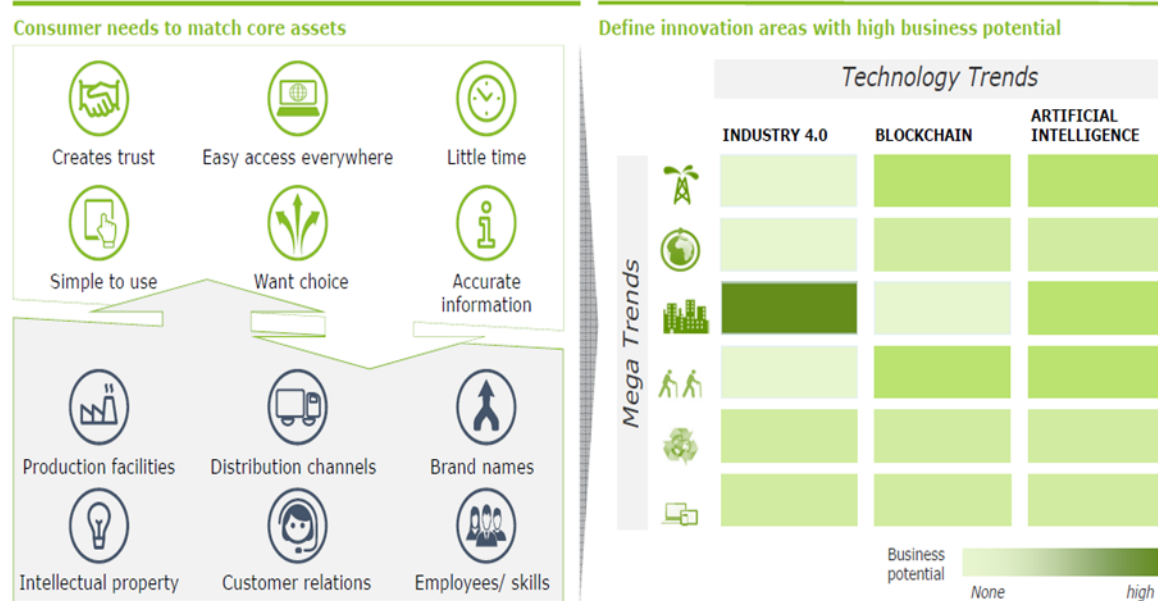
While the traditional value chain is more linear (one-to-one connection) and self contained, a **value web** structure is a more connected (many-to-many connections) and collaborative structure

These value webs, when combined, shape a **purpose-led ecosystem alliance** that is not bound by traditional industries, but instead coalesces around deeper human needs (e.g. learning, wellness, entertainment etc.)



As ecosystems become increasingly central to business strategy, differentiation will be driven less in getting the same things done efficiently, but through creating new value via collaborations and interdependent relationships

Building purpose-led ecosystem alliances - Aligning consumer needs with innovation



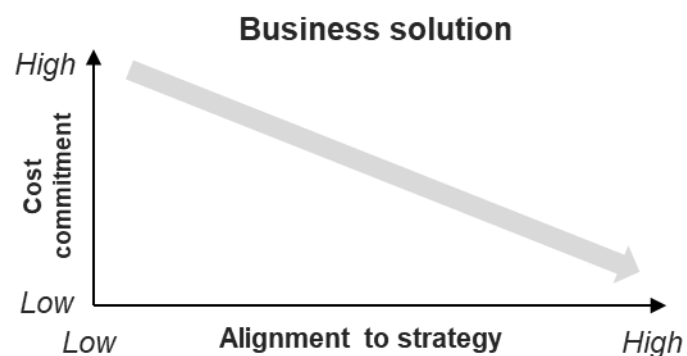
Source: Deloitte analysis – Charting new horizons



Building purpose-led ecosystem alliances - Turning the 'I' into a 'We'

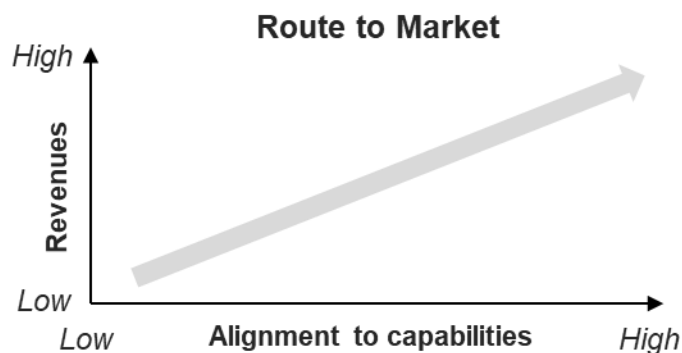
Corporates

Enterprises look for business solutions while seeking to work with startups....



Startups

While startups are keen to engagement with Enterprises as a route to market



Partnership principles



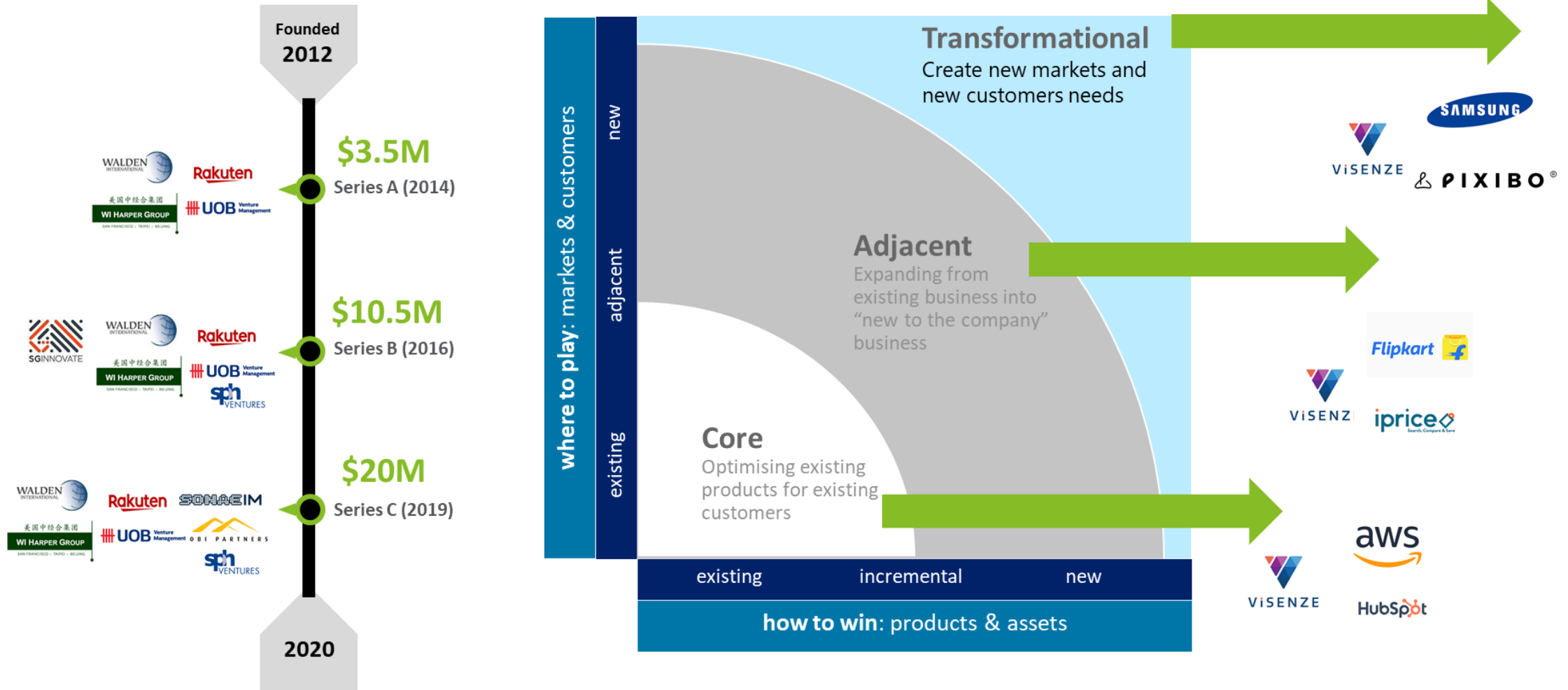
Addressing challenges early on maximises the chances of success in the long run...

	The vision	Ensure strategic alignment and develop the blueprint early
	Organisational Governance	Create governance, oversight and decision making structures
	Management	Appoint an effective and empowered team to drive partnership
	Senior execs sponsorship	Ensure executives continued and consistent support
	Operational control	Ensure there is sufficient operational autonomy to achieve its targets
	Cultural alignment	Cultural alignment is crucial
	Managing people	Retain, motivate key talent, win the hearts and minds
	Investment	Is there willingness to make continued investment to grow the partnership?

Source: Deloitte, Charting new horizons

Building purpose-led ecosystem alliances – Using alliances to grow

Case Study: Visenze – a visual AI start-up

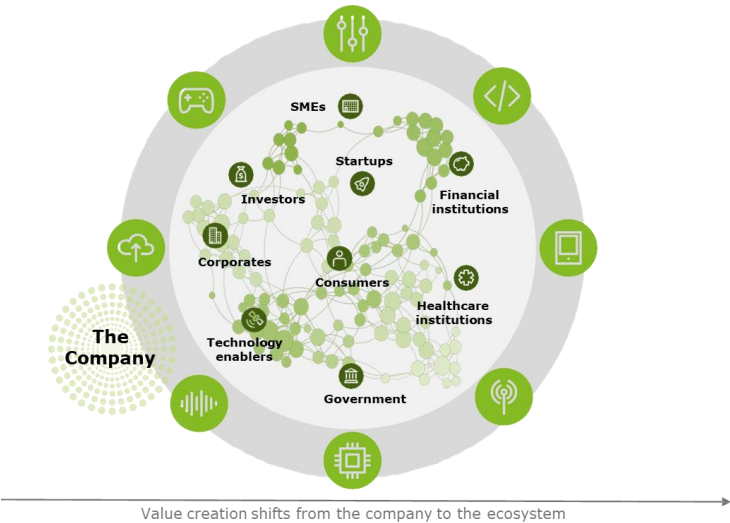


Source: Deloitte analysis – Charting new horizons

Building purpose-led ecosystem alliances – Platform for life

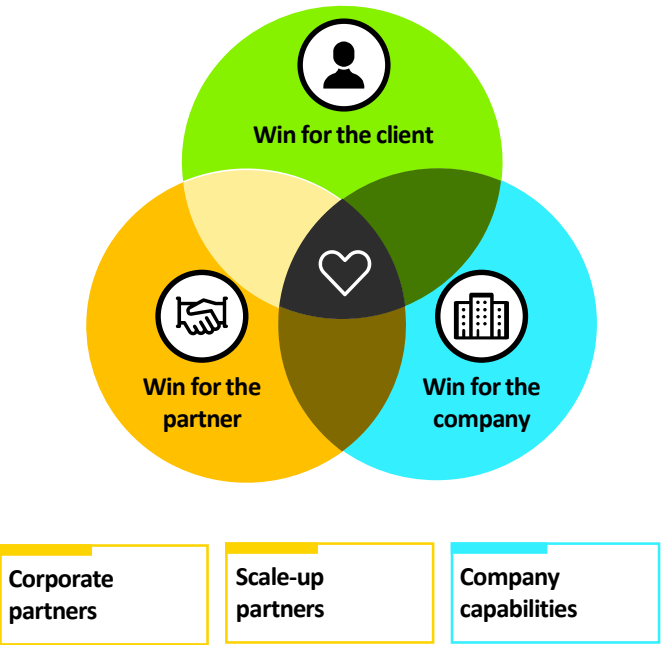
Purpose-led ecosystem

Creating new value pools
Judicious use of alliances, partnerships and equity



Purpose-led growth

Growth is collaborative
Success is shared



Platform for life

It's not about products and services, it is about building loyalty by serving the fan's value chain



Case Study

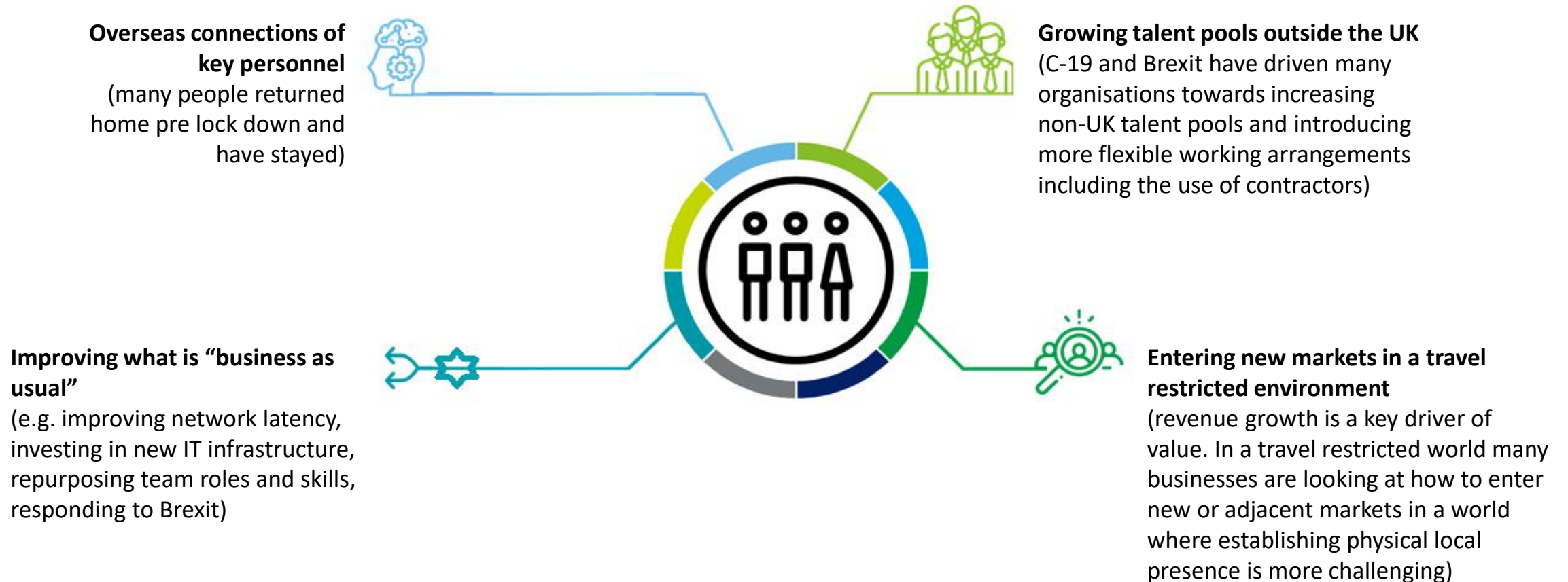
Abi Briggs, Claire Robb, Sean Proudfoot, Josh Jones

Case Study

What impact is Covid-19 having on tech supply chains?

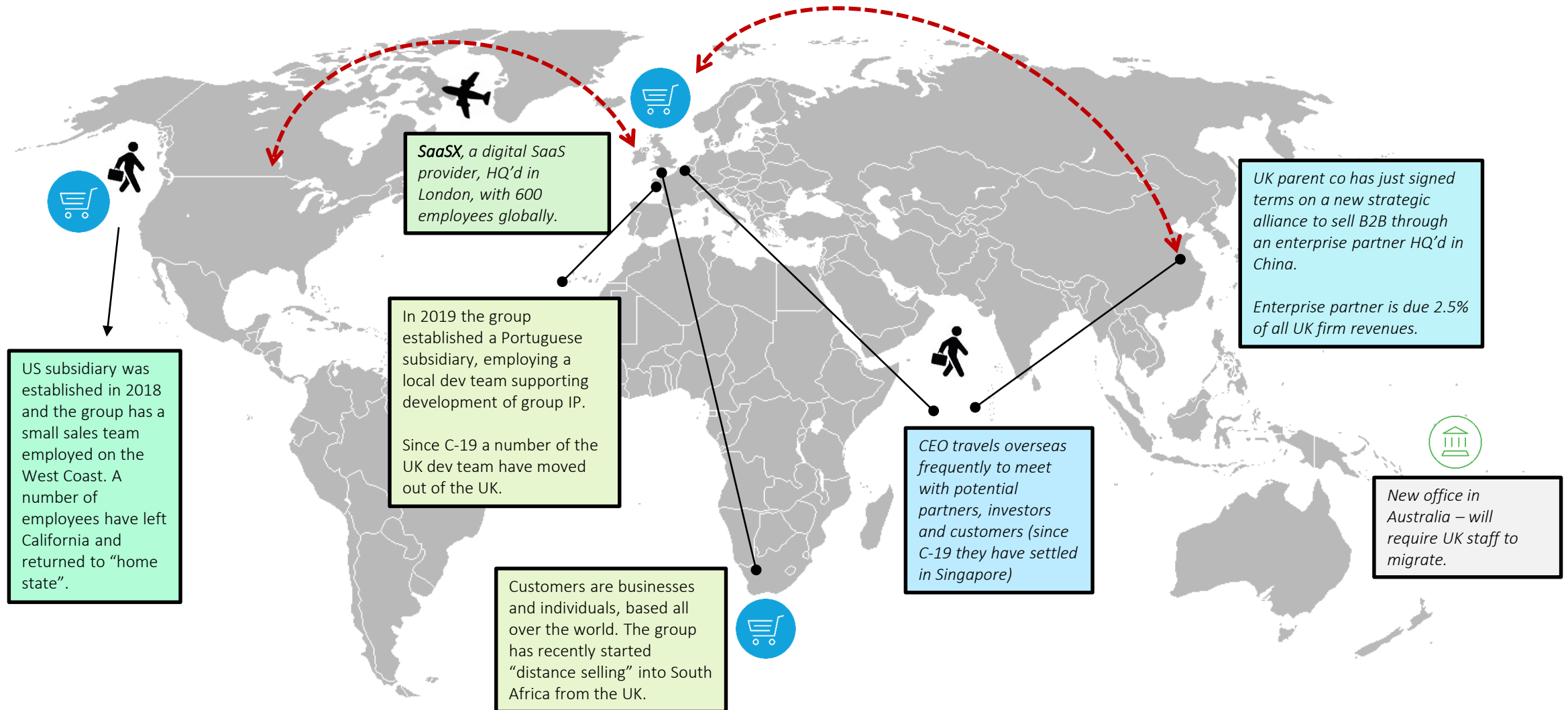
There are many triggers which can result in a change in which services are supplied. It is also inevitable that a wider geographic footprint will create a new layer of tax complexity for your business.

In this case study we will cover some of the tax implications presented by Covid-19, and by international expansion more generally, including transfer pricing, VAT, and permanent establishment risk.

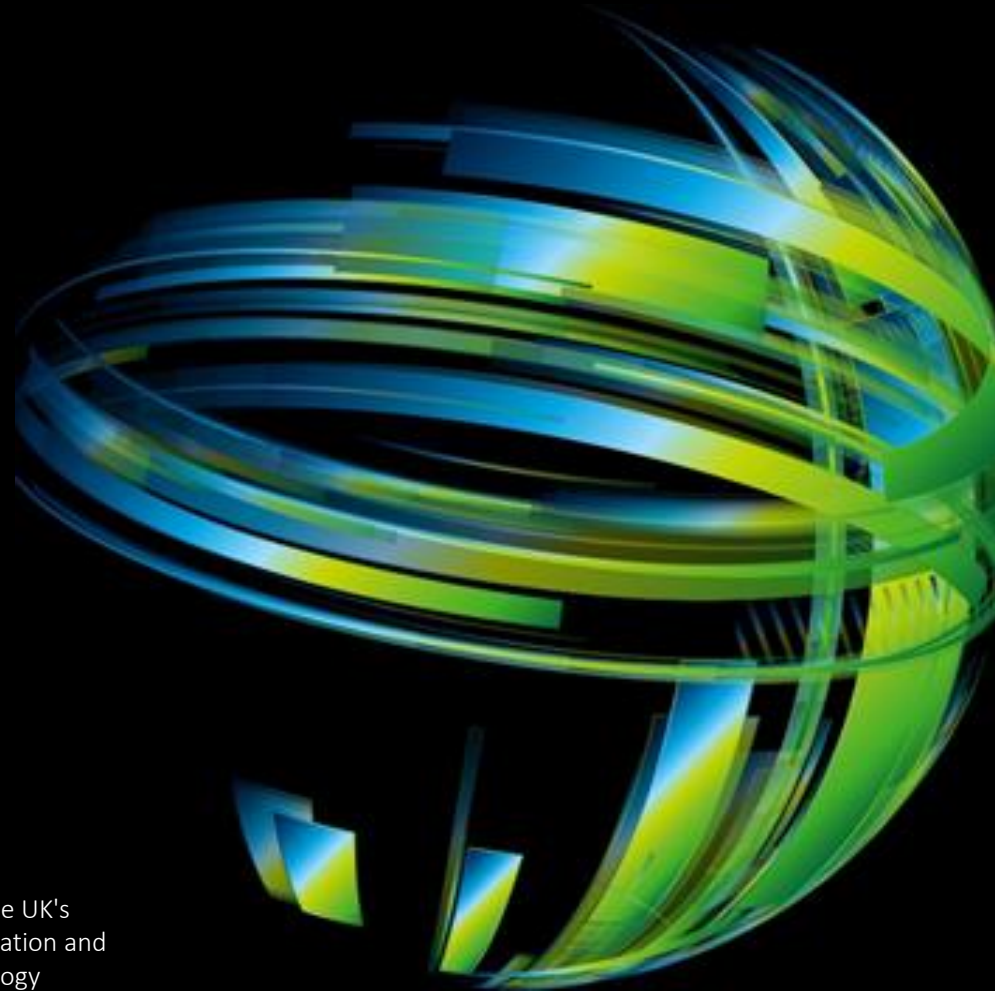


Case Study

Discussing tax and operational matters arising from adaptation to structure or supply chain



Questions



UK Technology Fast 50

The Deloitte UK Technology Fast 50 Programme is one of the UK's foremost technology award programmes, celebrating innovation and entrepreneurship amongst Britain's fastest growing technology companies.

Visit our website to find out if you qualify and apply for 2020's programme: fast50.co.uk

Key Contacts

For advice on responding to, and recovering from, COVID-19 get in touch with your usual Deloitte Private contact or the High Growth Central Team:

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