



TrenDevice



# Investor Presentation

TrenDevice, the Italian player in the circular economy

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# The Company



# TrenDevice



Important player in the circular economy in the high-end high-tech product refurbishment sector, with full control of the value chain.

The company operates as an **instant buyer** for used high-tech products, doing free home pick-up for individuals and businesses, with an online product quotation in only a few steps and payment credited to the user's account in just 7 days

**A virtuous circular business that creates value for:**



**Owners of used devices**

Instant buy



**Buyers of refurbished products**

Peace of Mind + Savings



**Environment**

Less CO<sub>2</sub> emissions

# First company to have brought refurbishment to Italy



- **2013:** Introduction of refurbished products on the Italian market
- Company **focused on the Italian market** and its dynamics



- **In-house academy** to train specialized technicians
- Important **experience curve on refurbishment** and marketing



- **First company** in the sector to **be listed in Europe**



# TrenDevice at a glance

## Key Highlights as at December 31, 2020



**+1,000** used product valuation requests per day



**+1,500 fewer tons of CO<sub>2</sub>** in 2020 thanks to TrenDevice refurbishments



**Repeat purchase rate: 34%**



**Customer satisfaction rate: 92%** (unchanged since 2017 despite the increase in volumes)

Source: Company management data

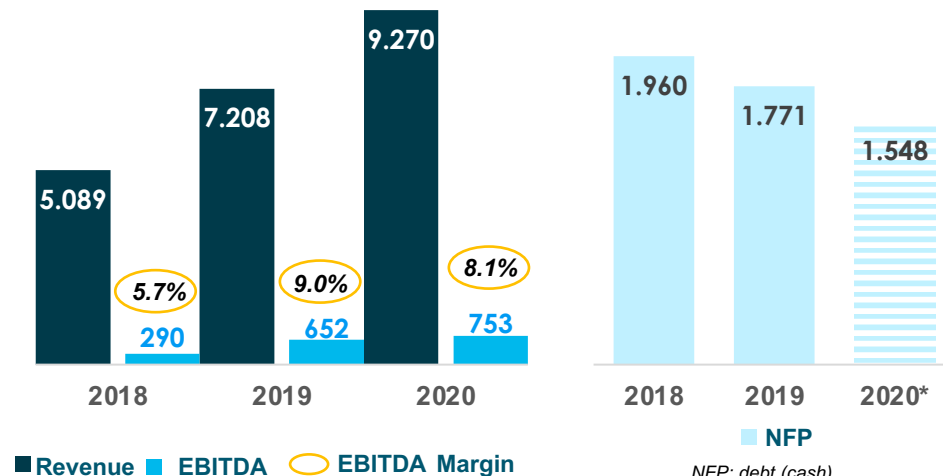
## Key Financials (thousands of €)

### Annual YoY change

YoY 18-19: Revenue +41.7% | EBITDA +124.6%  
YoY 19-20: Revenue +28.6% | EBITDA +15.5%

### Annual change in NFP

YoY 18-19: -9.6%  
YoY 19-20: -12.6%



# Our environmental contribution



Our mission is to **extend the life cycle of hi-tech products**, a virtuous process that combines **savings for consumers** with **protecting the environment** by avoiding the wastage of raw material resources and CO<sub>2</sub> to produce new ones.



Event held in partnership with third-party companies, to **promote the refurbished product category** and **raise awareness among consumers** about the issue of environmental impact.

ESG SME RATING  
45/100

Rating Grade: BBB

Ultima modifica: 05/2021

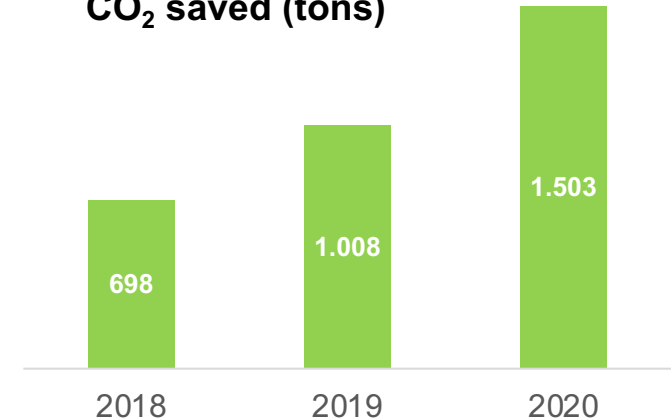
Rating benchmark

RATING AMBIENTALE  
E 31/100

RATING SOCIALE  
S 52/100

RATING GOVERNANCE  
G 53/100

## CO<sub>2</sub> saved (tons)



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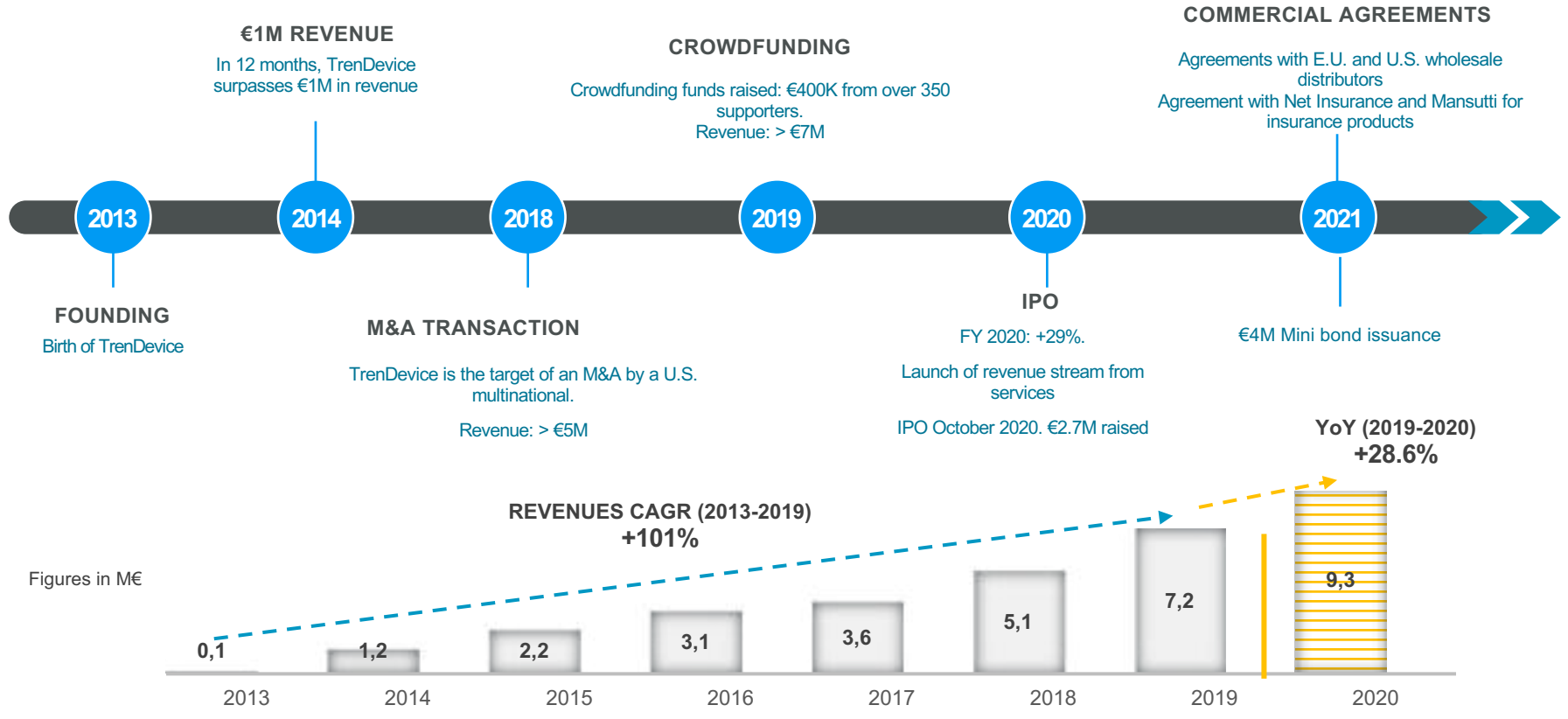
1 TON CO<sub>2</sub>

[www.EcoMotion.us](http://www.EcoMotion.us)





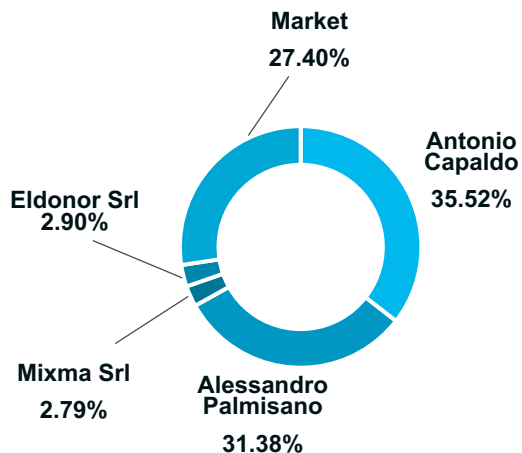
# Company timeline



Figures in M€

# Shareholding & Governance

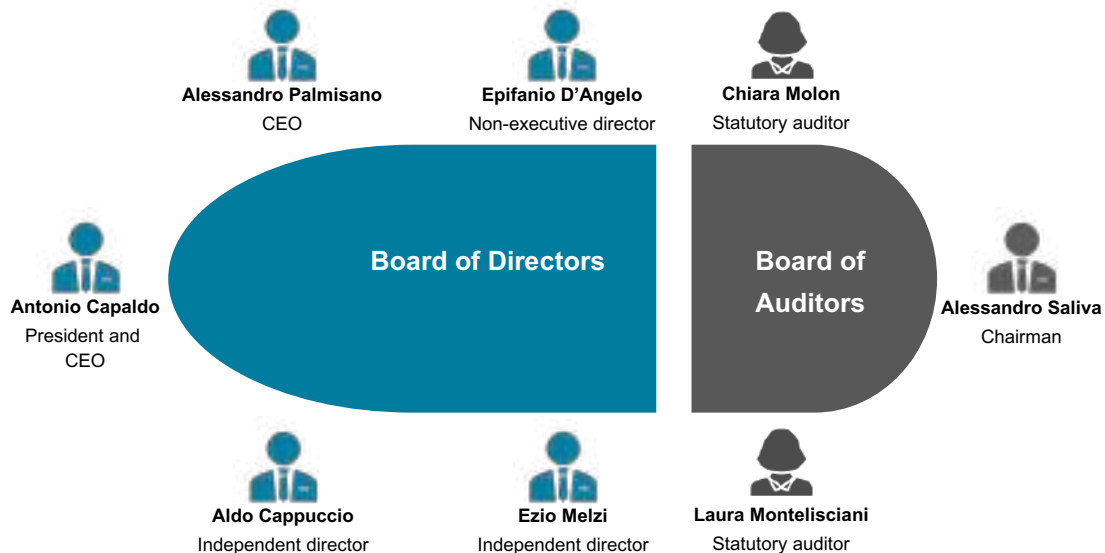
## Shareholding



Audit firm



## Governance



Shareholder agreements: There are currently no shareholder agreements.

# Products and services



High-end/mid-range **Apple** smartphones, tablets, computers and lot devices



High-end/mid-range **Samsung, Huawei** smartphones and tablets, **video game consoles** and branded accessories

## SERVICES

**Instant buy** for individuals and businesses

**TrenDevice+** membership




**2-years** protection plan

**Rental**

**Insurance**

**C2C marketplace** – W.I.P.

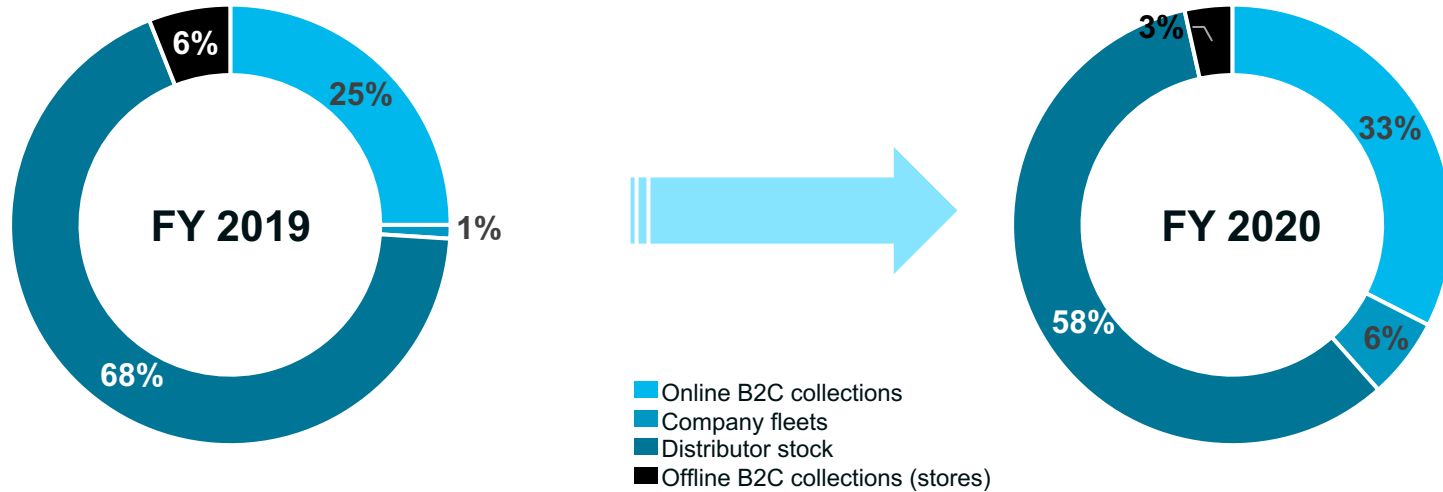
# Differences between the market offers

	 <b>USED PRODUCT</b>	 <b>REFURBISHED PRODUCT</b>	 <b>NEW PRODUCT</b>
<b>Savings:</b>	38% compared to new	<b>Up to 30% compared to new</b>	None
<b>Warranty:</b>	NO	<b>1 year</b> (Extendable to 2 years for a fee)	2 years
<b>Quality:</b>	No control	<b>High – over 30 tests carried out</b>	Maximum
<b>Disinfection:</b>	NO	<b>YES</b>	YES
<b>Return:</b>	NO	<b>YES</b>	YES
<b>After-sales support:</b>	NO	<b>YES</b>	YES

*Prepared by the company based on average prices taken from the websites eBay.it and Subito.it in March 2020*

# Supply channels

The ongoing commitment to the supply chain is aimed at diversifying and expanding the supply channels to support ever-growing volumes of demand.



Source: Company management data

# Total control of the value chain

TrenDevice is one of the few companies in the industry to have full control of the value chain



Individual customers  
Businesses  
International wholesalers  
Replacement part suppliers

Hardware and software tests on devices  
Refurbishment  
Disinfection  
Boxing

Customer DB  
Marketing automation  
SEO  
PPC  
Social media  
Video/ Radio  
Influencers  
TV  
Out of Home advertising

Sales on the proprietary e-commerce platform:  
[trendevice.com](http://trendevice.com)  
Possibility of pre-ordering

Warranty Management  
Out-of-warranty repair service

**R&D and continuous training in all company departments**

# Proprietary recommerce platform



## INTEGRATED MANAGEMENT OF:

- **Proprietary platform developed starting in 2013** specifically designed for managing the entire value chain internally

- Front-end interface to value used products in real time
- Device buyback transaction management
- Product testing and refurbishment phase management
- Stock management
- Grade assignment (A+, A, B, C)
- Ticket management for pre-/after-sales support
- Online publishing
- Online sales and after-sales management
- Managerial statistics
- Management control system

# Strong in-house digital marketing skills



In-house supervision of all **digital marketing channels**: SEO, PPC, Social Media, DEM, content, influencer marketing



Continuous investment in **training and R&D**



**In-house management of the entire customer journey**: from customer acquisition to repeat purchase

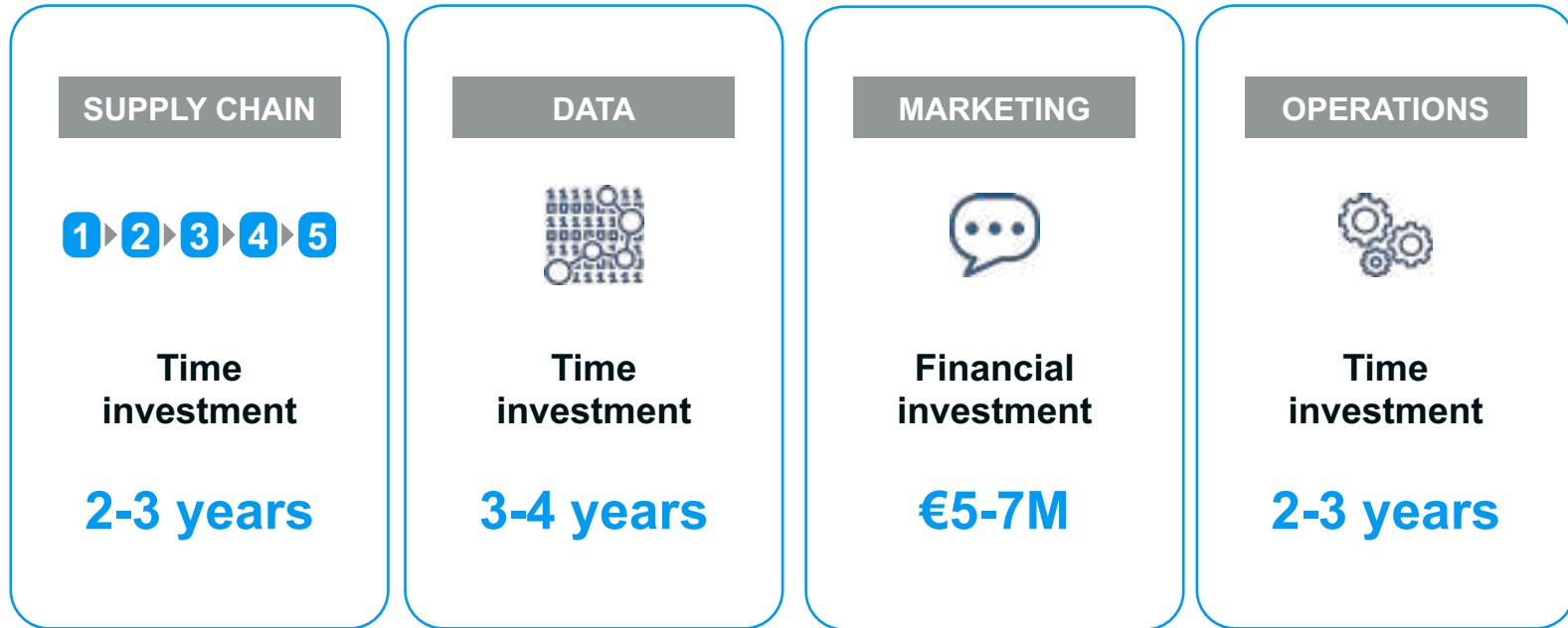


**Marketing automation** (Mailup) + **Behavioural** (DataTrics)



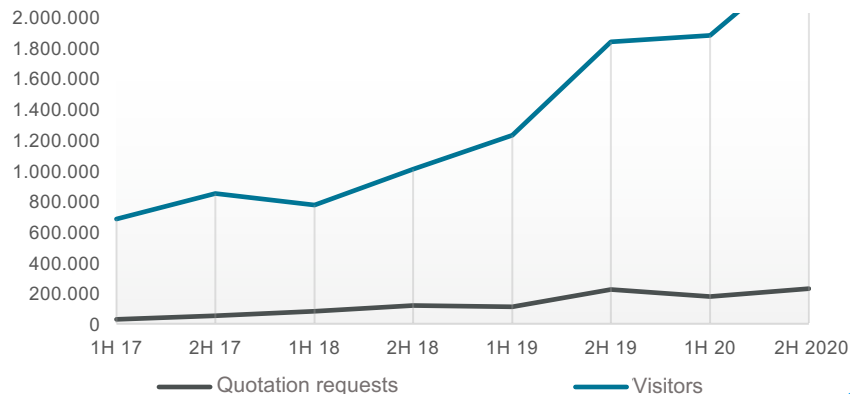


# High barriers to entry

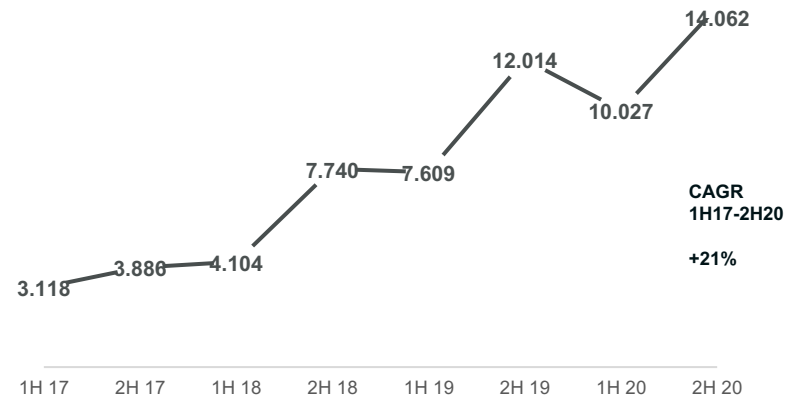


# Loyal, growing customer base

## Users and quotations figures



## N° of refurbished products sold



**+345.000**  
Unique  
visitors/month



**+ 80.000**  
Customers  
since 2013



**+1.000**  
Used product  
evaluations/day



**34%**  
Repeated  
purchase rate



**92% CSat rate**  
Unchanged despite  
increases in volumes



**Continuous contact w/users**  
through promotions, contents  
and Marketing automation funnels

Source: Company management data (Google Analytics, Feedyat)

# Target Market & Competitors



# The growing need from the market

- 2013: Management **identifies a gap in the offer of used premium high-tech products** in the Italian market.
- Ever-increasing smartphone and tablet prices, especially from Apple and Samsung. **There was no specific alternative to new and used with no warranty.**
- **Environmental sustainability** also factors into the world of electronics.
- **Starting from previous e-commerce experience, leveraging the existing customer base and proprietary digital assets**, a new brand is born with an ambition: to quickly become the point of reference in the world of refurbished products in Italy.
- **Marketing skills, IT and process vision, international business experience**, combined with ironclad execution, turn an insight into concrete results in just a few years.



# The market we operate in

**\$17B**

Used smartphone and  
tablet market estimate,  
2018 (Deloitte)

**4x**

vs. new product market

Used smartphone and  
tablet market growth rate  
(Deloitte)

**\$67B**

Global refurbished  
smartphone market, 2023  
(estimate, IDC)





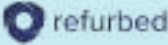




**CAGR 9.8%**

Used and refurbished  
smartphone market, 2018-  
2026 (Persistence Market  
Research)

Despite budget availability, more and more consumers are deciding to buy refurbished products: smart and green purchase.

Potential value of the Italian refurbished product market according to TrenDevice:  
> €1B per year

# Competitive positioning

Company	Value chain control	Peace of mind	Savings	Territorial presence in Italy
 TrenDevice	●●●	●●●	●●	●●●
 Swappie	●●●	●●●	●●	
 reBuy	●●●	●●●	●●	
 Back Market	●●	●●●	●●	
 refurbed	●●	●●●	●●	
 Lombardo shop	●	●	●●	●
 ebay	●	●	●●●	
 subito			●●●	
 kijiji			●●●	

# Listed Comparable

In April 2021, the French company Largo debuted on the Euronext Growth market. Largo operates in the French refurbished devices market, with a full comparable business model.

## IPO's FIGURES

L A R G O

**€22.9M**

Total proceeds

**€68.5M**

Total demand, 3x the offering

**€46.1M**

Initial market cap

## 2020 FIGURES (€M)

L A R G O



2020 Revenues	10.1	9.3
EBITDA	-1.7	0.8
Market Cap (as of 21/5/21)	43.8	16.1
NPF	2.8	1.5
<b>EV</b>	<b>46.6</b>	<b>17.6</b>
<b>Multiples</b>		
EV/Revenues	4.6x	1.9x
EV/EBITDA	neg	22.0x

TD.MI stock chart



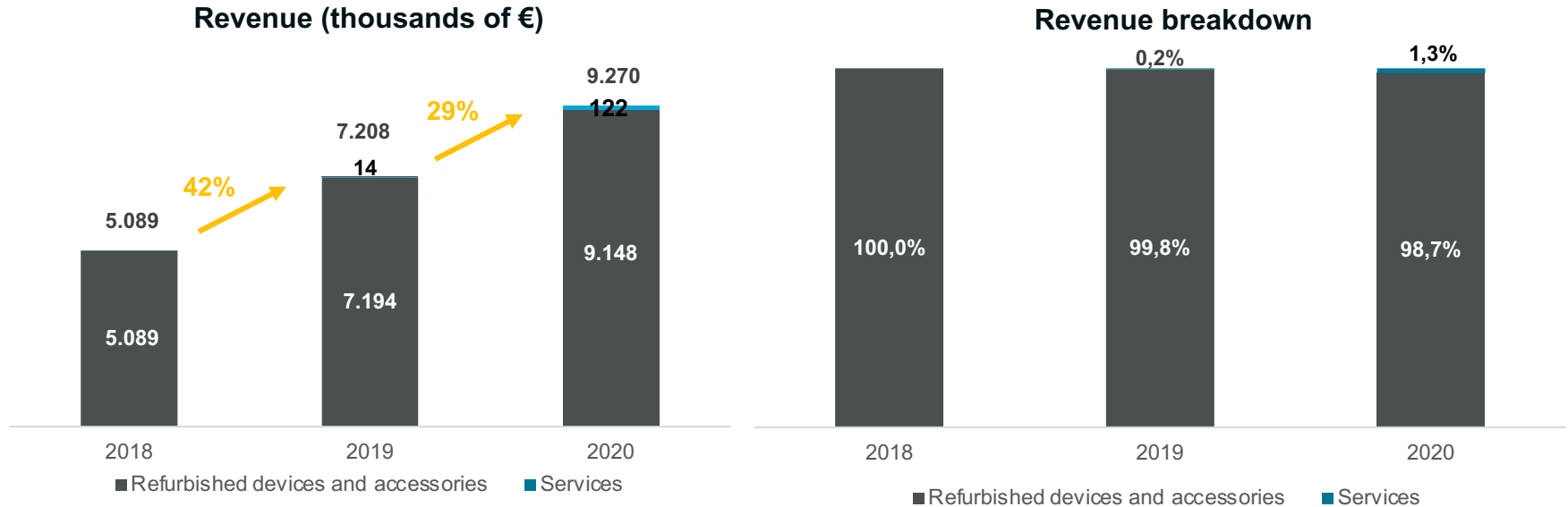
# Financials





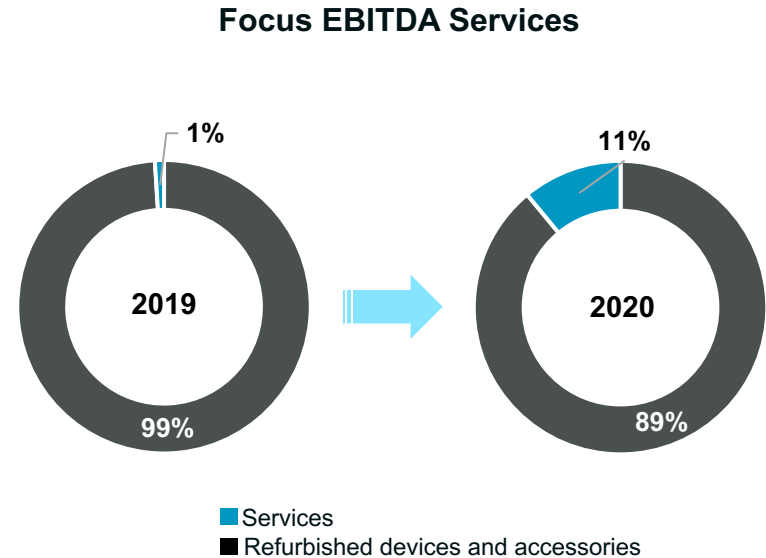
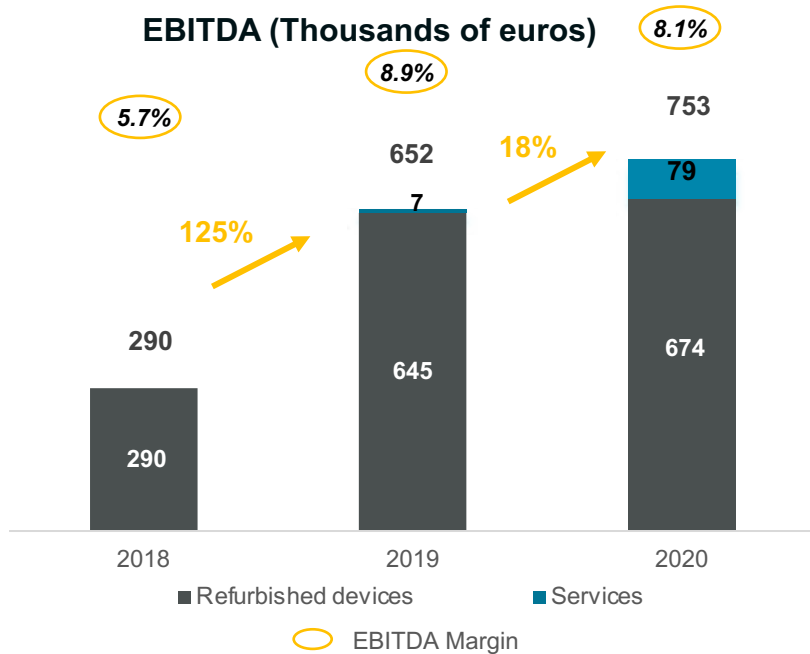
# Revenue trend & margin analysis 1/2

Growth in revenue led by the refurbished devices, which have seen a 42% increase (2018-2019). In 2020, the pandemic did not stop the increase in revenue +29%.



# Revenue trend & margin analysis 2/2

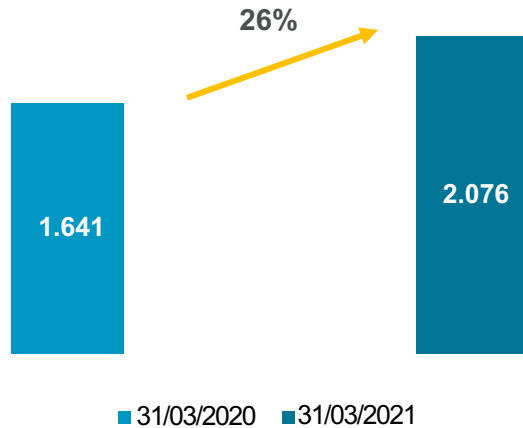
Constant growth in EBITDA over the past three years: from around €290k in 2018 to €753k in 2020. The 2020 EBITDA margin, although lower than in 2019, is in line with management's expectations. **In 2020, 11% of the EBITDA comes from the sale of services.**



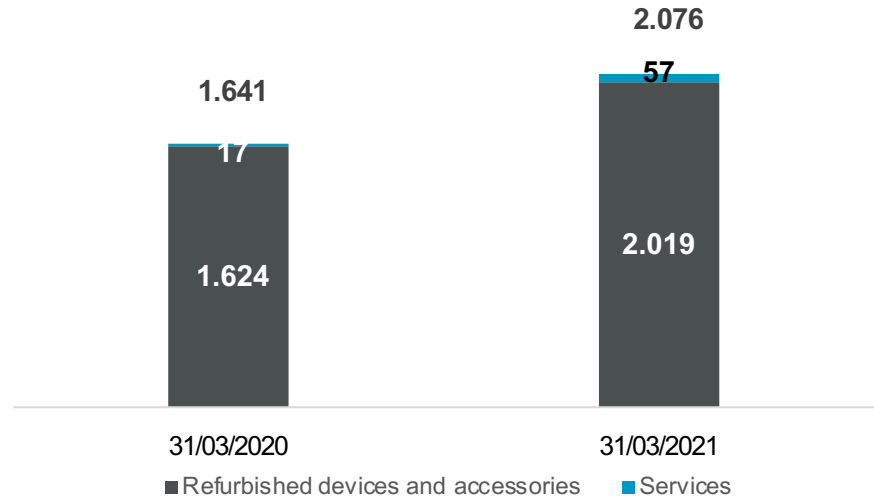
# Q1 2021 Highlights

The growth in revenues is led by the reconditioned device business: In 2021, there has been a **26%** increase (31/03/2021 vs. 31/03/2020). The course is also clearly in line with the Business Plan forecasts and there is over **200%** growth in terms of the ancillary services.

### Revenue (thousands of €)

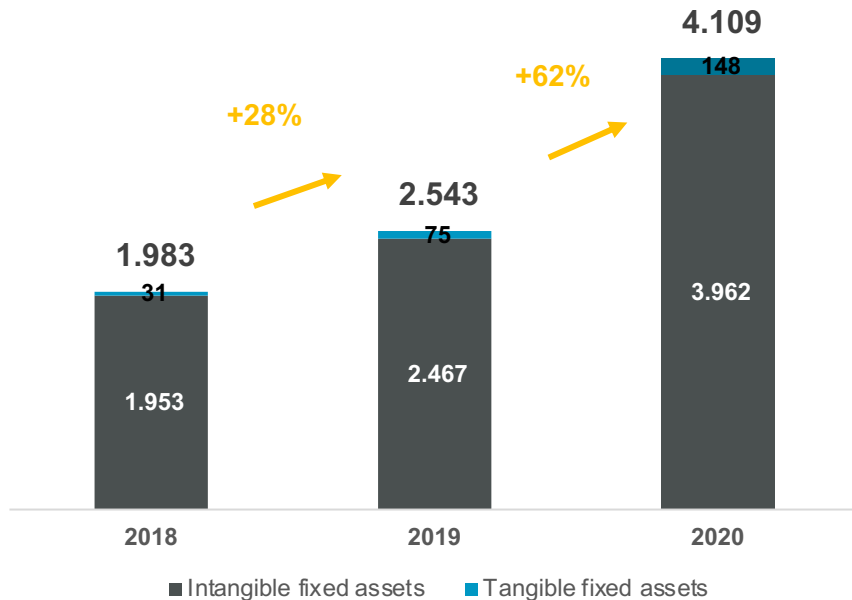


### Revenue breakdown



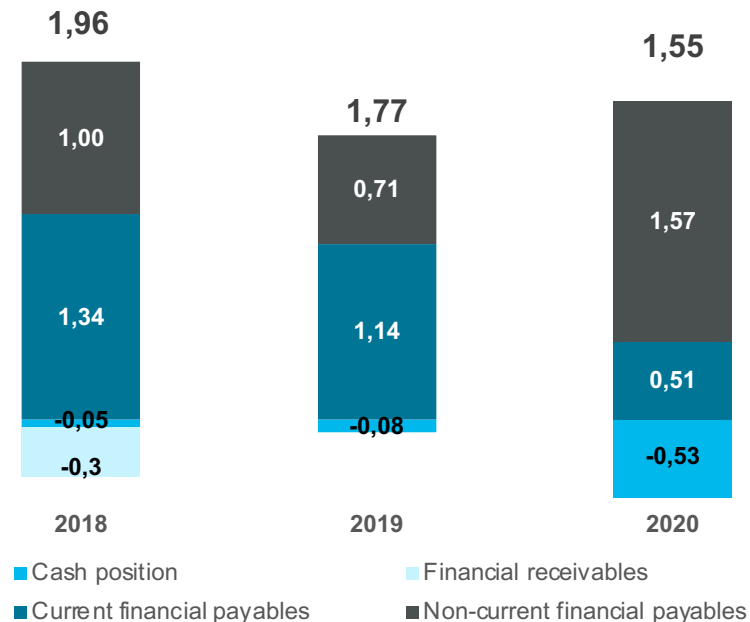
# Balance Sheet Highlights

Intangible and Tangible Fixed Assets (thousands of €)



The fixed assets follow a growth trend thanks to the Company's ongoing commitment to invest in intangible assets, particularly in the proprietary "TrenDevice Recommerce Solution."

Net financial Position (€M)



# 2021-2023 Development Plan



# 2021-2023 Development Plan



## Consolidating online sales

Consolidating **brand awareness** with online and offline advertising investments

Stressing the “**refurbished product**” concept that the general public is not familiar with



## Retail outlets

Opening of **3-4 directly-operated stores in key cities by 2023**

Opening **up to 70 retail stores as franchises**

**Important contribution to EBITDA** with entry and recurring fees

Enhancing the TrenDevice brand and know-how



## C2C marketplace

**New high-margin business line**

Value chain splintering and redistribution of value

Three objectives:

1. Increase proceeds for sellers of used devices
2. Lower prices for buyers
3. TrenDevice guarantor of the transaction with the “validato.it” brand



## Margin stabilization

**Service development:** TrenDevice+ membership, 2-year protection plan, franchising fees insurance

**Brand and data monetization:** sale of advertising space, customer DB enhancement

**Platform rental:** rental of TD reCommerce Solution as white-label Software-as-a-Service for third-party companies

# 1 / 4 - Consolidating online sales



- **Double-digit growth of the e-commerce channel**, in line with the refurbishment market trends
- **Online/offline integration strategy** thanks to the **physical retail stores** to differentiate the offer from the pressure of the competition
- **Need for significant advertising investment** to contend with the **competition from the main foreign players**, backed by huge resources

## 2 / 4 - Retail development

- Strong demand from **potential franchisees** in response to the first TrenDevice Store in Milano (45% of interviewees would convert an existing retail outlet)
- Average daily takings of the first Store in line with expectations, with Lombardy in the “yellow” category of COVID restrictions
- Decrease in the pace of opening new directly-operated retail stores due to the lockdowns (goal of 3-4 retail stores by 2023)
- Possibility of bridging the gap by opening franchised retail stores in **H2 2021: we plan to open up to 70 store as franchises**
- **Franchising to:**
  - Accelerate regional coverage
  - Allow online/offline integration (40% of those who have made purchases via TD online would prefer to do it offline)
  - Move the business to a channel without the pressures of online competition
  - Important contribution to EBITDA with start-up and recurring fee





## 3 / 4 - C2C marketplace - Validato.it



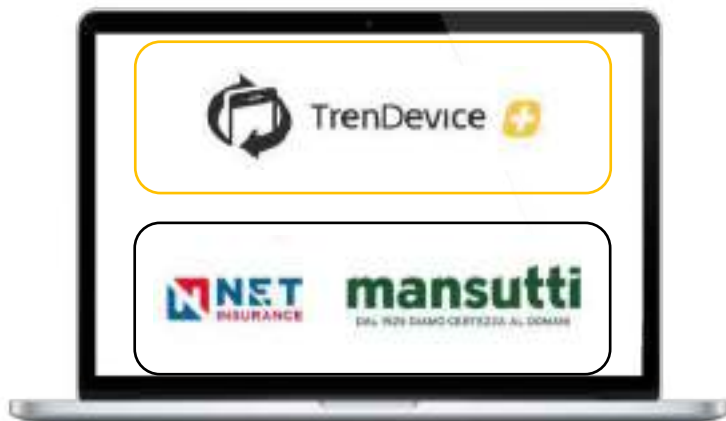
- Makes it possible to intercept the underlying demand for **certified used** products
- Affordable market shares from general ad portals (subito.it, backpage.it, etc.)
- Market shares from auction sites (eBay)



In both cases, consumers want to maximize the value of their used item, even in one month, and are not willing to pay the premium for a refurbished item

- Allows the seller to **receive a higher price** vs. TrenDevice instant buy
- Allows the buyer to **purchase a device at a lower price** vs. refurbished, but also to have a product that's certified and with a 3-month warranty
- Business based on buyer's and seller's fees + additional services (featured ad, battery replacement, etc.)
- **No floating capital employed** and **zero risk of inventory write-down**
- Success stories in the fashion & luxury sector: Vestiaire Collective (\$115M revenue; \$450M total funding) and Vinted (\$100M revenue; \$260M total funding)

## 4 / 4 - Margin stabilization



### Long-term objective

To reduce EBITDA dependence on the buying and selling of refurbished products

- Due to the effects of the Covid-19 pandemic on the economy, the situation in 2021 is still uncertain in terms of the margins from products deriving from the wholesale channel. To stabilize the core business margins, i.e. from the resale of refurbished products, management will continue to **develop high-margin services and activities**
- **Service development:** TrenDevice+ membership, 2-year protection plan, insurance and franchising fees
- **Data and brand monetization:** co-marketing contributions from third parties; enhancement of the customers DB thanks to robust profiling of the average user
- **Platform rental:** rental of TD reCommerce Solution as white-label Software-as-a-Service for third-party companies



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