

3Q-2017

## eCommerce Logistics – broad perspectives



# We are pleased to present our 2017 logistics industry overview

- In the following slides we have synthesized our views on the key themes in logistics
- The logistics market is expected to grow significantly owing to a paradigm shift in focus towards ecommerce. The technology in logistics has evolved from GPS, swipe cards (for drivers) and barcodes to logistics software, IoT and UAVs. This is prime time to network in support of new partnerships with established and emerging industry players to help you to achieve your objectives
- ComCap is a premier boutique investment bank focused on the intersection of commerce and capital, with key subsectors including B2C ecommerce, B2B SaaS, B2B services for retail (IT and marketing services, fulfillment and logistics and call center), payments, marketplaces and digitally native virtual brands
- Headquartered in San Francisco with a presence in Singapore, our firm works with **mid-cap public companies on buy-side initiatives**, and with **public and private growth companies on equity financings and strategic M&A**
- In addition to being the only boutique focused exclusively on disruptive commerce models, we differentiate by bringing bulge bracket techniques to emerging models, a strong and uncommon buy-side/strategy practice, deep understanding of industry drivers and synergy analyses, deep relationships across the sector and worldwide coverage with closed transactions in the United States, Japan, China, the ASEAN region, Western and Eastern Europe and Latin America
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# ① Logistics overview

## Logistics – Key themes for 2017

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While cloud computing & ease of integration across providers have resulted in the unbundling of the logistics sector...

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# 1 Logistics market buoyed by global ecommerce growth

*Retail ecommerce is not only boosting logistics market growth, it is also re-shaping the entire industry structure*

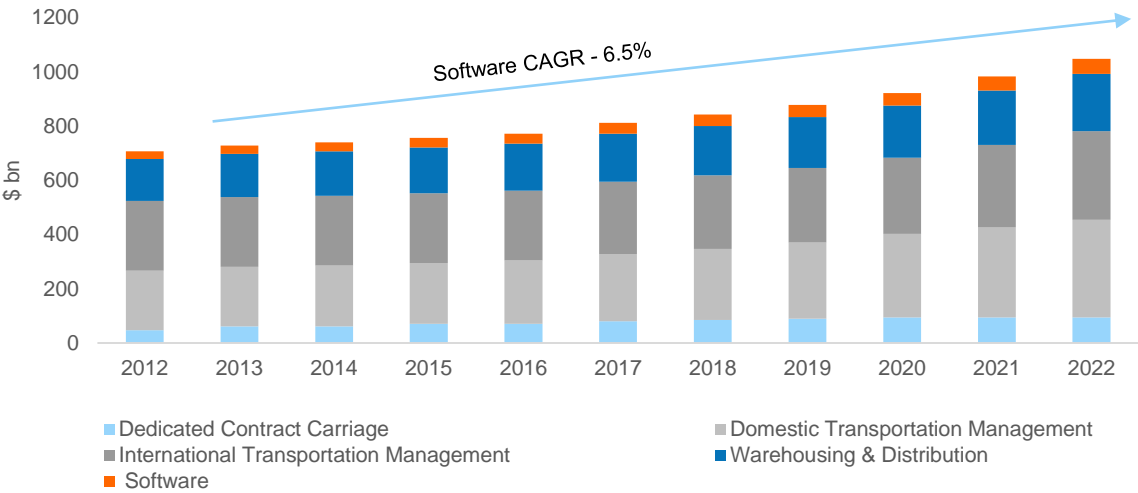


- Retail ecommerce sales worldwide is expected to grow from \$1.9 trillion in 2016 to ~\$5.5 trillion in 2022
- The rapid growth of the ecommerce sector is expected to be one of major drivers for in the logistics market
  - USA has been a pioneer in ecommerce with giants such as Amazon, and still enjoys y-o-y double digit ecommerce growth. Ecommerce focused logistics is most advanced in this region
  - China, India and emerging ASEAN are ideal ecommerce markets with increasing internet availability even in remote areas and have large young populations. This has given rise to numerous startups to support logistical demand arising from ecommerce
  - Ecommerce growth in Latin America and the Middle East is expected to boost logistics infrastructure development and emergence of logistics startups as these region begin to have a significant impact in the global 3PL market

## 2 Paradigm shift in the logistics industry towards technology

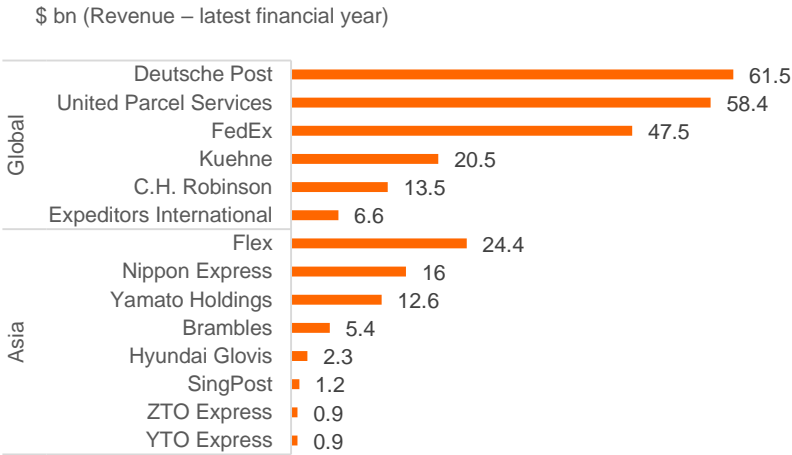
Large global players have been increasingly relying on technology for enhanced operational visibility and to drive efficiencies

Software is expected to grow the fastest in the 3PL market during 2012-2022



- Innovation in supply chain management is expected to reduce costs for global 3PL players and in turn, increase affordability for end customers
- While software is a small component of the overall 3PL market size, technology innovation is being adopted at every level to enhance operations and drive efficiency

Traditional logistics leaders are moving towards technology



- Developing an 'Alexa app' for consumers to initiate shipments by simply talking to a smart device
- Investing in self-driving technology



































- UPS and SAP announced a deal to develop an end to end industry solution
- UPS' ocean container-tracking technology to provide all travel details via online dashboard

- Launched the 2<sup>nd</sup> innovation centre to develop technology such as self-driving vehicles, robotics, IoT and augmented reality
- DHL Supply Chain UK and Fujitsu to develop new services based on IoT

- Developing drone technology
- Launched automated parcel sorting facility and Centre of Innovation to develop new technologies

# DHL, UPS and FedEx's Logistics / Tech investments

How traditional logistics players have transformed themselves to be more agile and innovative

Invest ments →	3PL	Last mile	Ecommerce/ Software	Trucking	Warehousing	New Technology	In-house developments	Remarks
	 Sep 2016 UK  Oct 2016 Italy  Dec 2014 Germany  Nov 2014 Germany		 Apr 2015 Poland  Jan 2016 France		 May 2014 Singapore (JV)		<ul style="list-style-type: none"><li>▪ Collaborative robotics</li><li>▪ Automated relief</li><li>▪ Chatbots</li><li>▪ Smart glasses</li><li>▪ Drone technology</li></ul>	<ul style="list-style-type: none"><li>▪ By moving upstream DHL has a steady stream of parcel volumes</li><li>▪ Most tech innovations in-house</li></ul>
	 Nov 2016 UK  Dec 2016 WA  Jun 2015 GA	 Feb 2016 CA  May 2015 CA	 Sep 2013 GA  Sep 2015 GA  Oct 2014 MA  Oct 2014 MA	 Jul 2015 IL  Jun 2016 GA  Aug 2015 CA  Feb 2014 UK  Jan 2017 UK  Mar 2015 Poland		 Sep 2016 MA  May 2016 CA	<ul style="list-style-type: none"><li>▪ Additive manufacturing (3D printing)</li><li>▪ Route and network optimization tools</li><li>▪ Autonomous vehicles</li><li>▪ Advanced product monitoring and tracking functionality</li></ul>	<ul style="list-style-type: none"><li>▪ Investing \$1bn in technology each year</li><li>▪ Growth strategy is based on capability expansion</li></ul>
	 Dec 2014 PA  May 2012 Brazil  Apr 2015 Netherlands  Jun 2013 South Africa  May 2012 France		 Dec 2014 FL		 Apr 2012 Poland		<ul style="list-style-type: none"><li>▪ New routing technology</li><li>▪ Adopting new technologies such as electric vehicles, fuel cells, natural gas and Hybrids to revolutionize the feet</li></ul>	<ul style="list-style-type: none"><li>▪ FedEx is making a large investment in AI &amp; robotics which can affect the way logistics market functions</li></ul>



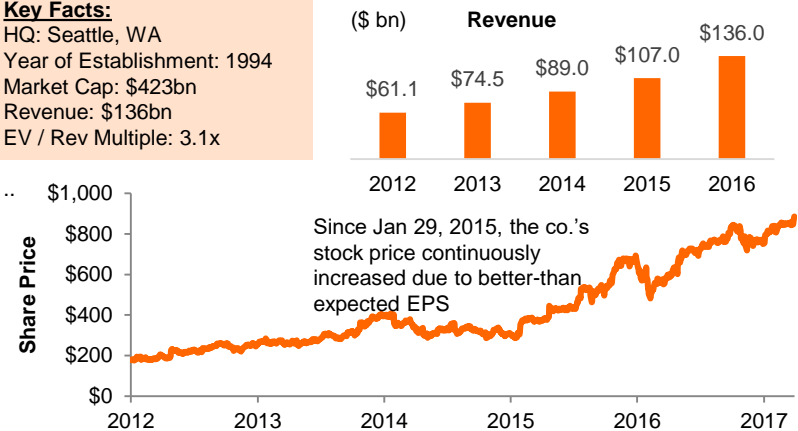
# Amazon and Alibaba – From (r)etailing to logistics

Efficient logistics and logistics technology is the backbone for retail ecommerce, as is being established by Amazon and Alibaba



**Key Facts:**

HQ: Seattle, WA  
Year of Establishment: 1994  
Market Cap: \$423bn  
Revenue: \$136bn  
EV / Rev Multiple: 3.1x



**Logistics investments**

Year	Company	Industry	Amount
2014	Colis Privé	Shipping	na
2012	Kiva Systems	Fulfillment	\$775.0m

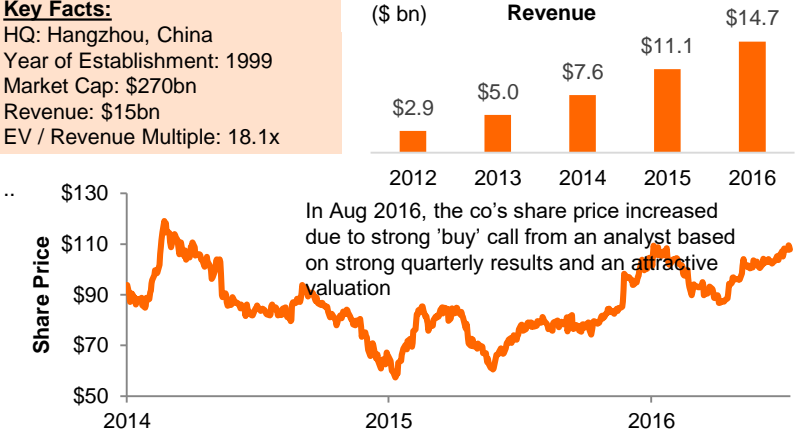
**Commentary:**

- Amazon is adopting all forms of automation to cut costs and speed up fulfilment
- Amazon has around 30,000 Kiva robots in its warehouses across the globe and was the first to adopt this technology at this scale
- Along with robots, Amazon is working on automated drones for delivery



**Key Facts:**

HQ: Hangzhou, China  
Year of Establishment: 1999  
Market Cap: \$270bn  
Revenue: \$15bn  
EV / Revenue Multiple: 18.1x



**Logistics investments**

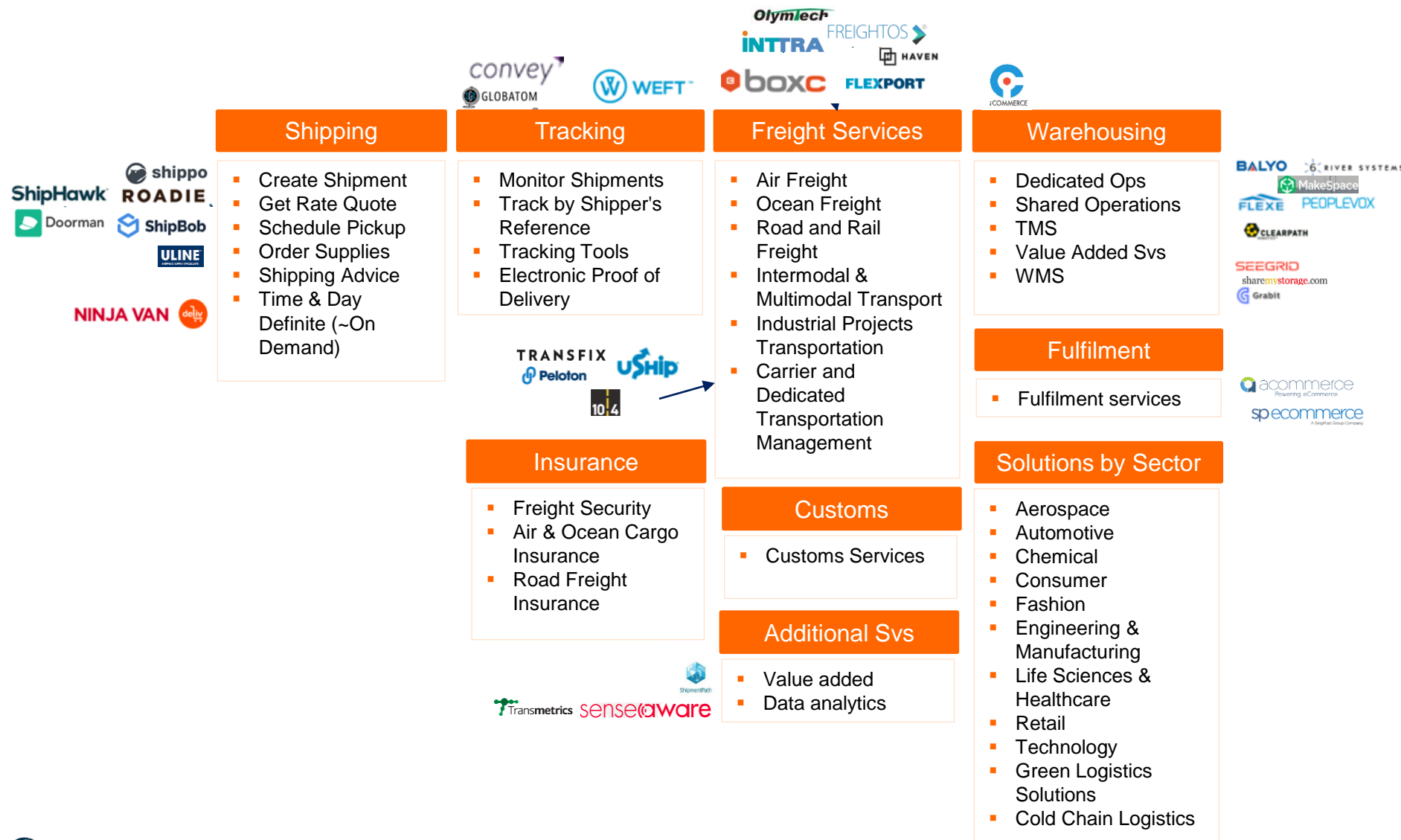
Year	Company	Industry	Amount
2017	Tiantian Express	Express delivery service	\$428.5m
2015	Store Friendly Self Storage Singapore Group	Storage	\$11.3m
2015	Morning Express & Logistics Holding	Logistics	\$10.2m

**Commentary:**

- Alibaba backed logistics firms, Cainiao and Best Logistics have raised money and will be investing heavily in technology
- Alibaba began drone testing in February 2015 in Beijing, Shanghai and Guangzhou

### 3 Unbundling of the logistics sector

Cloud computing & ease of integration across providers and services has resulted in the unbundling of the logistics sector...



### 3 Logistics and Supply Chain landscape

#### Ecommerce Logistics

#### Last Mile Delivery

#### Fulfilment & Tech

#### Warehousing & Storage

#### Logistics Software

##### Inventory Management

#### ERP/Logistics/Software

#### Big data

#### Trucking

#### Crowd Shipping

#### Freight Services

#### Platform Services

#### Moving

#### New Technology

##### UAVs

##### AR

##### Localization

##### Robotics & IoT

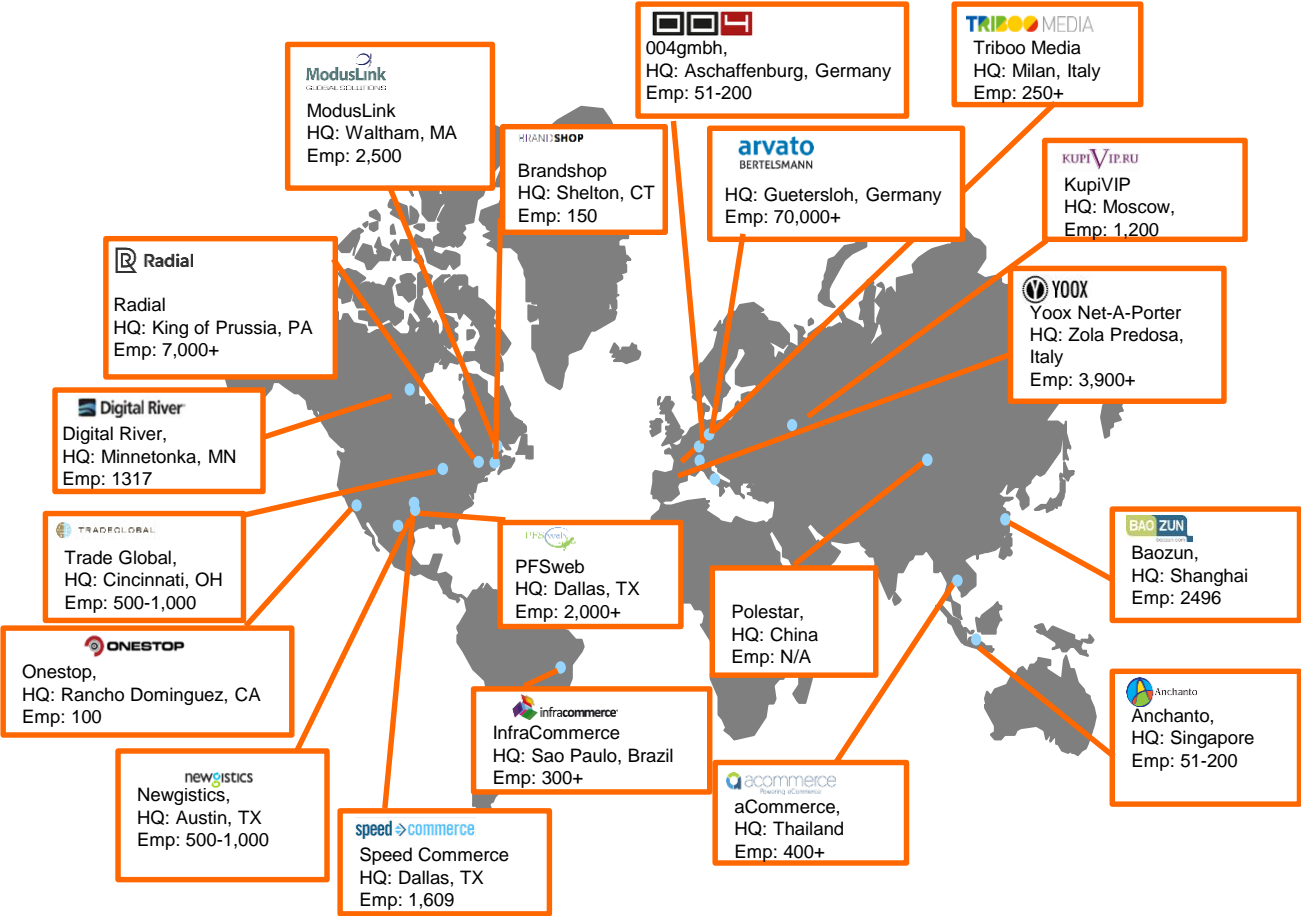
# 4 End-to-end players

...however, end-to-end players have retained their importance in offering one-stop shop solutions for customers

## Advantages of end-to-end logistics providers

- ✓ One centralised system to manage entire fleet
- ✓ Load optimisation
- ✓ Optimal planning for multi-hub, multi-leg and multi-modal routes
- ✓ Real time feedback ensures prompt response to emergencies or rerouting / resource breakdowns
- ✓ Lesser bottlenecks
- ✓ Better asset and human resource utilization
- ✓ Overall enhanced efficiency for the organization

## Select end-to-end logistics providers globally

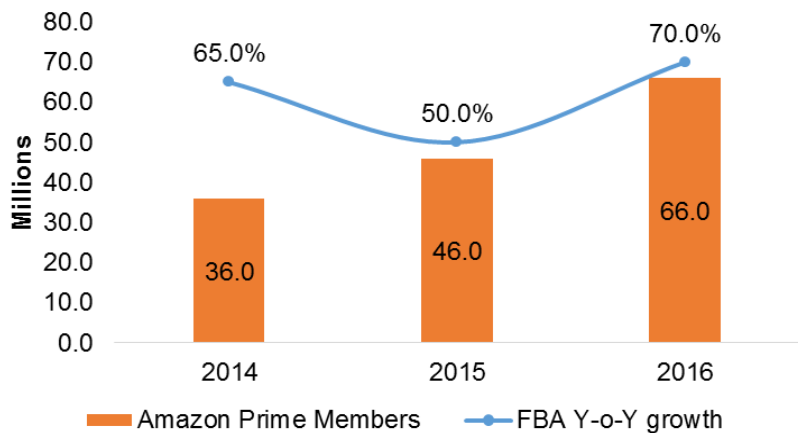


## 5 E-commerce is re-shaping logistics and shipping expectations

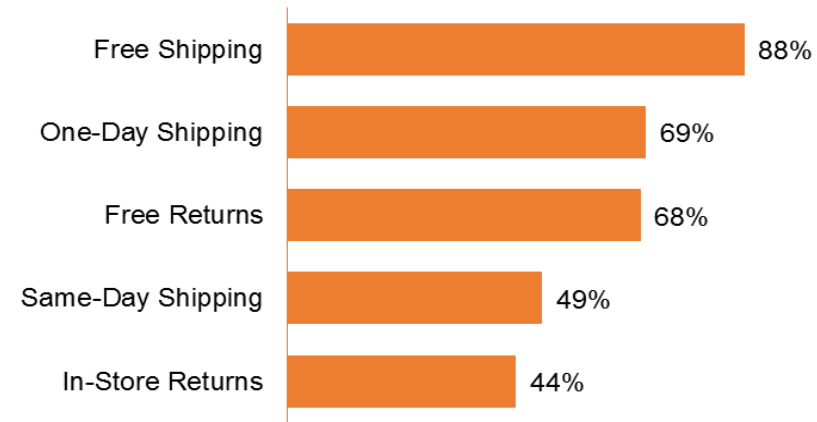
*Logistics providers seek new ways to optimize shipping costs for retailers to prevent them from moving up the supply chain or turn to other retailers, like Amazon, to increase efficiency*

- ✓ Shipping efficiency is becoming increasingly important, driving demands for technology that can help logistics providers reduce shipping costs while meeting higher services standards as e-commerce deliveries increase.
- ✓ As shipping costs continue to rise, customer demands for free shipping on online purchases remain the norm creating additional pressure for retailers.
- ✓ As a result, retailers are looking for ways to reduce costs by optimizing their supply chain and packaging processes.

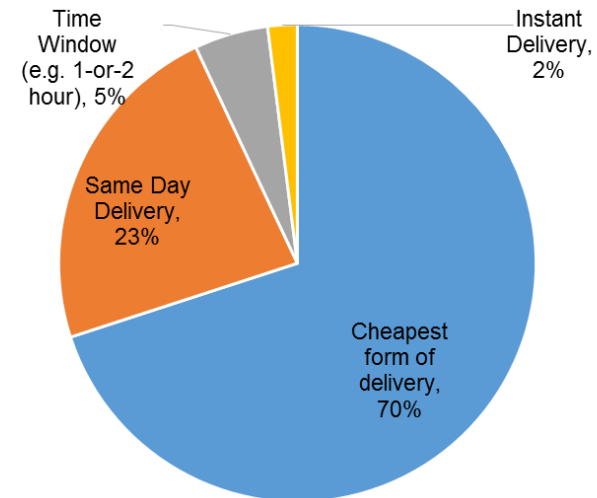
**Growth of Amazon Prime Members & FBA**



**Services most likely to convince US consumers to shop online more**



**Consumers Who Prefer Different Delivery Options**



- ✓ In order to improve delivery efficiency, many sellers use Fulfilment By Amazon (FBA) services, which has been around since 2006.
- ✓ Merchants using FBA automatically get their products flagged as eligible for fast Prime shipping.

# 5 Renewed focus on improving cargo loading efficiencies

As freight costs rise, several players have started providing specialized technology solutions for minimizing idle capacities

Higher GDP

Higher demand for logistics

Higher fuel costs

Lower carrier profits

...pushes the industry to innovate & evolve

- Despite lower profits, listed US logistics companies have reported a strong growth in rates for Q4'16 over Q3'16.
- Rates are likely to harden further in 2017 (esp. in the LTL segment) as FedEx and UPS push industry growth with price hikes.
- Merchants and carriers are noticing clear trade-offs between quality of service & costs.

- Companies are looking to avoid disruptions by:
  - ✓ Leveraging multiple transport modes
  - ✓ Using back-up carriers
  - ✓ Form strategic tie-ups with carriers
  - ✓ Hold inventory closer to markets,
- AND
- ✓ Investing in optimization technologies

Quarterly loaded rate / mile index

Quarter	Index
1Q'04	116.0
4Q'04	120.0
3Q'05	125.0
2Q'06	128.0
1Q'07	125.0
4Q'07	125.0
3Q'08	128.0
2Q'09	125.0
1Q'10	122.0
4Q'10	125.0
3Q'11	130.0
2Q'12	135.0
1Q'13	138.0
4Q'13	140.0
3Q'14	145.0
2Q'15	148.0
1Q'16	150.0
4Q'16	150.0

## Several key players have started providing specialized technology solutions for minimizing idle capacities

Recently launched a truck-loading optimization app for supervisors to ensure trucks loaded optimally with no idle space	Recently introduced a new AR-based solution which accepts voice & visual commands, & is used to improve workforce efficiencies	Recently added a Machine-Learning module to its DWO suite, a tool used to optimize material pickup paths and workflows inside warehouses & DCs	Starting a pilot program using warehouse robots in Jul '17, at a Memphis facility with future plans for use in ecommerce fulfilment if pilot is successful	Launched two new products (STEPLogic Trace & STEPLogic Warehouse) in Apr '17, adding to its portfolio of smart, real-time WMS	Supplies smart warehouse robots controlled by touchscreen commands. Attached SaaS software integrates with existing WMS to improve efficiency	Recently signed-up by JB Hunt (NASDAQ:JBHT) to equip its 90,000-plus fleet with an end-to-end tracking and monitoring solution to increase efficiency



# 5 Omnichannel influencing supply chain & logistics strategies

Over 40% of purchases involve channel crossing, i.e. more than one channel is used to shop and buy a product

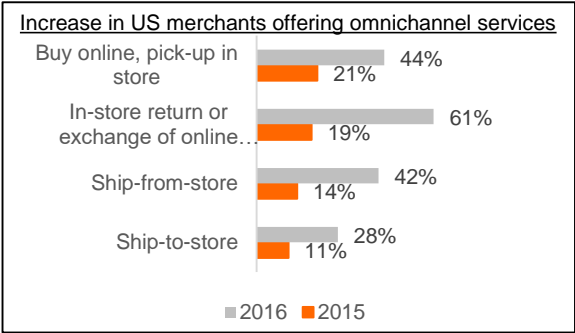
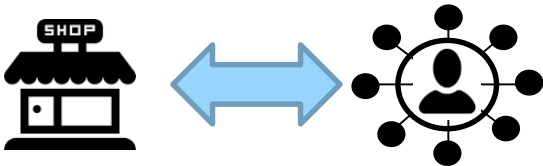
## Pros of Omnichannel for customers

- ✓ Many access points such as online, mobile, stores
- ✓ Many delivery options, i.e. specific, after-hours, weekend delivery
- ✓ Shorter lead times: same-day delivery, less than 2 or 4 hours delivery
- ✓ Flexible delivery points
- ✓ Seamless transition and customer service across channels

## Pros of Omnichannel for merchants

- ✓ Multiple touchpoints of gathering customer behaviour data
- ✓ Less reliance on storefront and hence less retail and labour spend

## Key considerations in logistics for adaptation to an omnichannel approach



- Order capture from all sources
- Inventory:
  - Visibility across all channels
  - Inventory forecasting
  - Item level logistics need to be considered
- Handling of replenishment / fulfilment:
  - Merged online / offline warehouse may work for certain sectors
- Delivery:
  - Taking into account shipping preferences and in-store customer pick up post online purchase
- Reverse logistics

**Home Delivery**

Peapod

instacart

deliv

UBER RUSH

POSTMATES

Google Express

**Collection Points**

collect+

parcels made easy

curbside

Lockers

ByBox

# Reverse Logistics

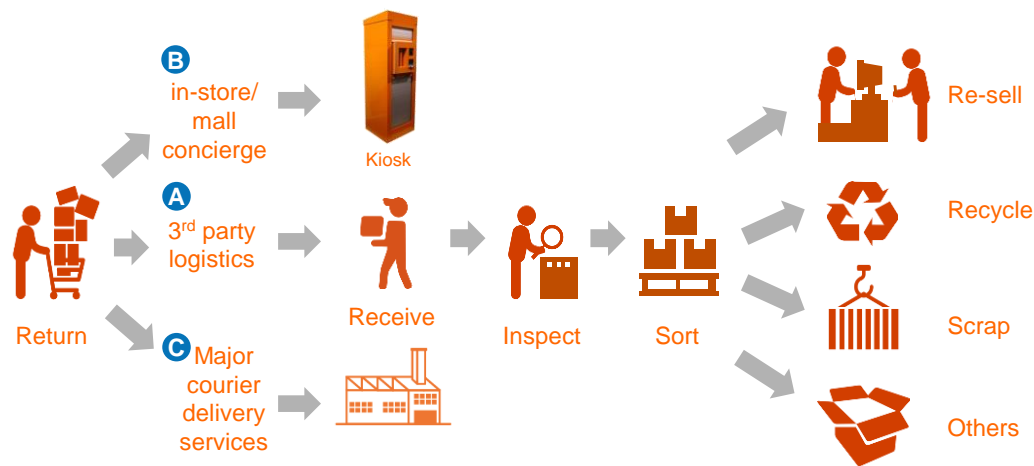
## Retail returns outpacing growth in retail sales

- 11% returns vs. 3.6% sales<sup>(1)</sup> CAGR since 2011
- Retail returns amounted to \$375bn in 2016
- e-commerce returns represented \$119bn<sup>(2)</sup>
  - 20% of apparel and soft goods are returned with up to 50% returns for high value products
  - 30% of all ecommerce holiday season orders are returned
- Retailers spend up to 4% of total supply chain costs on return logistics
  - The cost of a return can be as high as \$15 (or 30% of the purchase price)
- Average manufacturer will spend 9-15% of total revenue on returns

## Return policies are a key consideration for consumers

- 89% of online shoppers cited the return policy as a reason they would or would not buy from a company
- 92% of consumers will buy something again if returns are easy whereas
- 79% of consumers want free return shipping
- 62% of shoppers are more likely to shop online if they can return an item in-store
- 27% of shoppers would purchase an item that costs more than \$1,000 if offered free returns as compared to 10% who would purchase otherwise

## Reverse logistics flows



## Spotlight

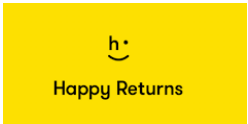
A Newgistics	B Happy Returns	C UPS Fed Ex
Smart tag+	Concierge at mall	Direct to retailer / manufacturer
3 <sup>rd</sup> party	Return bars	Reliability
Benefits <ul style="list-style-type: none"><li>• Retailers cost reduced</li><li>• Single source tracking</li><li>• National network</li></ul>	Benefits <ul style="list-style-type: none"><li>• High touch customer service</li><li>• Integrated with retailer</li><li>• Immediate refund</li></ul>	Benefits <ul style="list-style-type: none"><li>• Lack of education</li><li>• Ubiquitous</li></ul>

Source: National Retail Federation, UPS, BizRate, USPS, eMarketer, Forbes  
1) US Census Bureau  
2) Applied estimated 30% online return rate to total US ecommerce sales in 2016



# Happy Returns Overview

www.happyreturns.com



## Company Overview

**Founded:** 2015                      **Status:** Private  
**Employees:**                      **HQ:** Santa Monica, CA  
**Company Overview:** Happy Returns is an e-commerce logistics platform focused on shopping returns.

The company has a national network of *Return Bars™* that accept in-person, unboxed returns from online shoppers. Regional return hubs then process, disposition, and ship or warehouse inventory. Integrated with retailer systems to choose best disposition for each item before it is shipped, aggregating items for max efficiency and lowest cost.

The company is open in 12 locations including San Francisco, Los Angeles, and New York and is opening to 20 more locations in the next 3 months.

## Key Facts

*“Consumers still largely prefer to return in store. This consumer preference can be a pain point question for digitally native merchants, especially since eCommerce return rates are categorically higher than their brick-and-mortar counterparts”*  
**- Pymnts.com**

## Key Executives

**David Sobie, Co-Founder & CEO:** Prior to founding Happy Returns David served as the Chief Marketing Officer at Revolve Clothing and JustFab. Before Revolve and JustFab. David was previously the Senior Vice President of Marketing & Business Development at HauteLook from 2009-2013.

**Mark Geller, Co-Founder & COO:** Prior to founding Happy Returns Mark was the Head of Mobile at HauteLook from 2010-2015. Mark created and managed HauteLook’s Return to Rack program. Before HauteLook, Mark worked in product at Google and United Online.

## Expansion

**Happy Returns is expanding beyond the mall in 2017**



Notes: Nordstrom Rack captures 80% of HauteLook returns with 225 locations

# Newgistics overview

www.newgistics.com



## Company Overview

**Founded:** 1999      **Status:** Private  
**Employees:** 225      **HQ:** Austin, TX

**Company Overview:** Newgistics provides omni-channel commerce software and technology services for retailers and brands in reverse logistics making consumer returns easy and efficient.

The company recently launched SmartLabel+ creating a product that gives consumers and companies a like a better return experience, a personalized first touch efficiency, and a faster customer credit with reduced fraud.

The company is open in 30 locations with 5 SmartCenter's and 3 Super Center's throughout the US.

## Key Facts

### June 2017 - SmartLabel+ launch

Better return experience

- Consumers have up to the minute information of where they are in the return process.
- Retailers plug an enhanced tracking module directly into their own website offering consumers complete transparency

First-touch advantage

- Merchandise is cleaned, bagged, tagged and pre-sorted, along with visibility into when consolidated units will arrive back at a distribution center

Faster customer credit, reduced fraud

- Helps speed up customer credits and reduce fraud by ensuring that items haven't already been "returned" and that they match the original orders

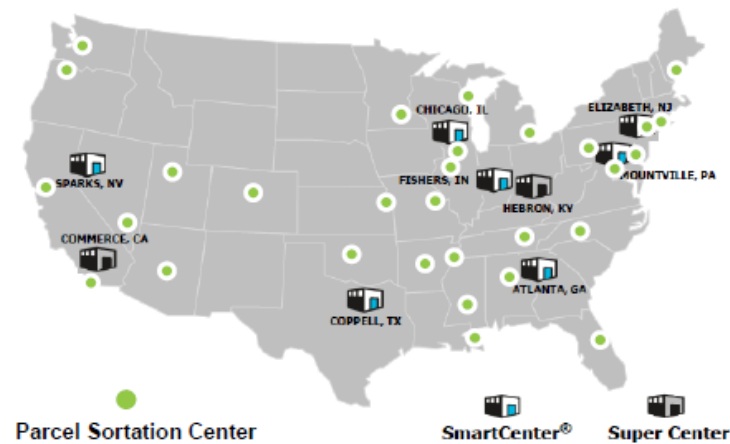
## Key Executives

**Todd Everett, President & CEO:** Mr. Everett was named President and Chief Executive Officer in 2015, after a decade of holding other leadership roles within the company. Before joining Newgistics Mr. Everett spent 9 years at Intel, where he was responsible for the company's outsourced transportation and logistics functions for North and South America.

**Ben Wade, CFO:** Mr. Wade was named CFO of Newgistics in 2015, after serving two years as Vice President and Controller. Mr. Wade also co-found and served as CFO for ProspX, a commercial risk management software based company out of Austin, Texas. He has also held roles as financial director for Trilogy Software, and various management positions at PWC.

## Expansion

### Newgistics deploys national parcel sortation footprint



## 6 Uberization of logistics is just beginning

*An Uber-type model can promote cost and resource efficiency for shipping and warehousing*

- Ecommerce has changed the dynamics of shipping and warehousing
  - B2C ecommerce shipping is largely small quantities to individual consumers
  - Time is critical, with same day, express shipping or specific day deliveries required by consumers
  - Highly variable demand influenced by social media and the internet



	Traditional trucking / shipping	Uber model
Advantages	<ul style="list-style-type: none"><li>✓ Long track record of operations</li><li>✓ Certainty of drivers and delivery history</li></ul>	<ul style="list-style-type: none"><li>✓ Better capacity utilisation owing to real time data</li><li>✓ Reduced fixed costs</li><li>✓ Improved supply chain visibility</li></ul>
Disadvantages	<ul style="list-style-type: none"><li>✗ Inefficiencies owing to no real time data, hence higher share of empty return trucks</li><li>✗ High operating costs</li><li>✗ Driver shortage</li></ul>	<ul style="list-style-type: none"><li>✗ Availability of truckers during peak demand</li><li>✗ Trucker loyalty</li></ul>

Market Disruptors

TRANSFIX

CONVOY

LALAMOVE

NINJA VAN

**Dynamic on-demand warehousing can be a partial or a complete warehousing strategy for a company**



Traditional warehousing	Dynamic on-demand warehousing
<ul style="list-style-type: none"><li>Ship from location</li><li>Own warehouse/ distribution centre network</li><li>Partial use of 3PL network</li><li>100% distribution outsourcing</li></ul>	<ul style="list-style-type: none"><li>Pay-per-use model</li><li>Less capital cost</li><li>Renting of smaller capacities possible</li><li>Electronic marketplaces available to find an ideal warehousing solution at short notice</li></ul>

Market Disruptors



FLEXE

Shipwire


STORD

# 7 Advanced technology is gaining traction

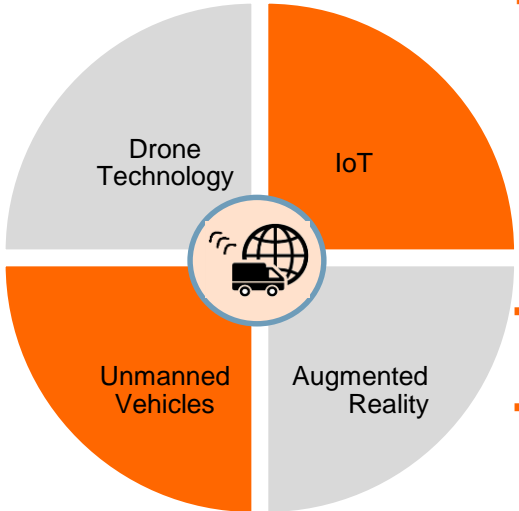
Augmented Reality (AR), Internet of Things (IoT), drones and unmanned vehicles have been tested for commercial use




- Use expected in product delivery, internal shipping, product tracking
- Regulations will be key
- Amazon, Rakuten, DHL, Swiss Post, SingPost and many others are testing drone technology





- Driverless trucks can potentially reduce human error and costs
- Caution among 3PL players with respect to early trials




- IoT can empowered logistics companies to keep track of goods and items at all levels of the supply chain; help to prevent shipments from being delayed, or worse, going missing



- AR involves virtual content directly projected on top of the real-world image
- Stationary AR systems, spatial Augmented Reality systems, head mounted displays, smart glasses and smart lens are a few examples



Other technology: 3D printing, Localisation & Local Intelligence (insights into asset utilization), wearable tech, low cost sensor technology,



### How DHL is transforming its logistics business through advanced technology

<p><b><u>Distribution processes</u></b></p> <ul style="list-style-type: none"><li>Mobile piece picking</li><li>Automated inventory management</li><li>Co-packing</li><li>Exoskeletons</li></ul> <p><b><u>More flexible delivery and optimised routing</u></b></p>	<p><b><u>Collaborative robotics</u></b></p> <p><b><u>Automated relief</u></b> from strenuous manual labour</p> <p><b><u>Chatbots</u></b></p>	<p><b><u>Smart glasses</u></b></p> <ul style="list-style-type: none"><li>Pick and scan trolley</li><li>Find, pick and scan items</li><li>Place order items in correct trolley boxes</li></ul> <p><b><u>DHL Parcelcopter</u></b> (drone technology)</p>
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## 8 Investors in emerging & developed markets supporting logistics/tech cos

*Inefficient and insufficient logistics infrastructure can hamper ecommerce growth; investments in last mile delivery (amongst others) form a significant portion of retail ecommerce & logistics spending*

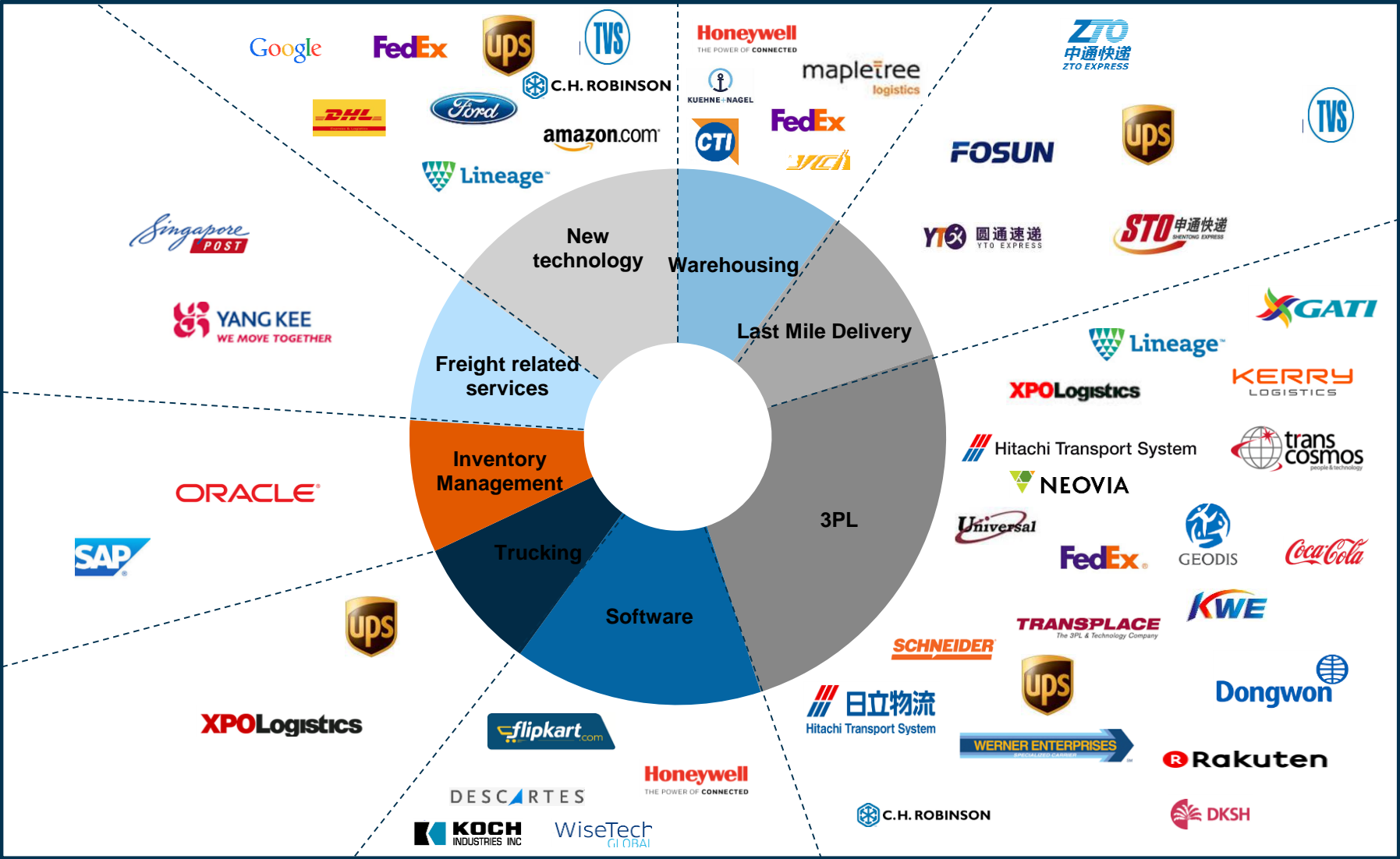
Investment date	Company name	Amount raised	Country	Investors
Mar-17	BlackBuck	\$70m	India	Sands Capital, World Bank's IFC, Accel and Flipkart
Mar-17	Freightos	\$25m	Hong Kong	GE Ventures
Mar-17	Bringg	\$10m	USA	Aleph VC, Coca-Cola, Pereg Ventures
Mar-17	Turvo	\$25m	India	Activant Capital, Slow Ventures, Upside Partnership, Felicis Ventures
Jan-17	Lalamove	\$30m	Hong Kong	Xianghe Capital, Blackhole Capital, MindWorks Ventures and Crystal Stream
Sep-16	Huimin	\$195m	China	China Innovation Investment, West Capital, Sinosure, Fortune Venture Capital
Aug-16	Ele.me	\$1.3bn	China	Alibaba Group
Aug-16	Go-Jek	\$550m	Indonesia	KKR, Warburg Pincus, Farallon Capital, Capital Group
Aug-16	Deliveroo	\$275m	UK	Bridgepoint Capital, DST Global, General Catalyst Partners, Greenoaks
Jul-16	CargoX	\$10m	Brazil	Goldman Sachs, Agility, Lumia Capital, Salazar Resources, Colle Capital Partners
Jul-16	Freightera	\$2.1m	UK	Robson Capital, Silicon Valley Bank, Ted Snider Financial
Jul-16	Transfix	\$22m	USA	New Enterprise Associate, Bowery Capital, Corigin Vantures, Expansion Venture Capital, Canvas Ventures
Jun-16	iContainers	\$6.7m	Spain	Serena Capital
May-16	Haven	\$11m	USA	Spark Capital, AITV, O'Reilly AlphaTech Ventures, Data Collective, First Round Capital
Apr-16	G7	\$45m	China	CDB Capital, GLP Invest
Apr-16	Ninja Van	\$30m	Singapore	Abraaj Group, Monk's Hill Ventures, B Capital Group and Yahoo Japan Capital
Apr-16	Fleet	\$4m	USA	UP2398, NFQ Capital, NFQ Ventures, David Hunt, Covera Ventures, Latam Partners, Placid Ventures, 1517 Fund, GrowthX, Telegraph Hill Capital, Invariantes Fund

# Financial and corporate investors landscape





# Select strategic investors / acquirers in the logistics space



Recent activity also driven by the need to expand breadth of services in order to meet domestic & international logistics / warehousing requirements

# 3PL, on-demand delivery and fulfillment landscape in ASEAN

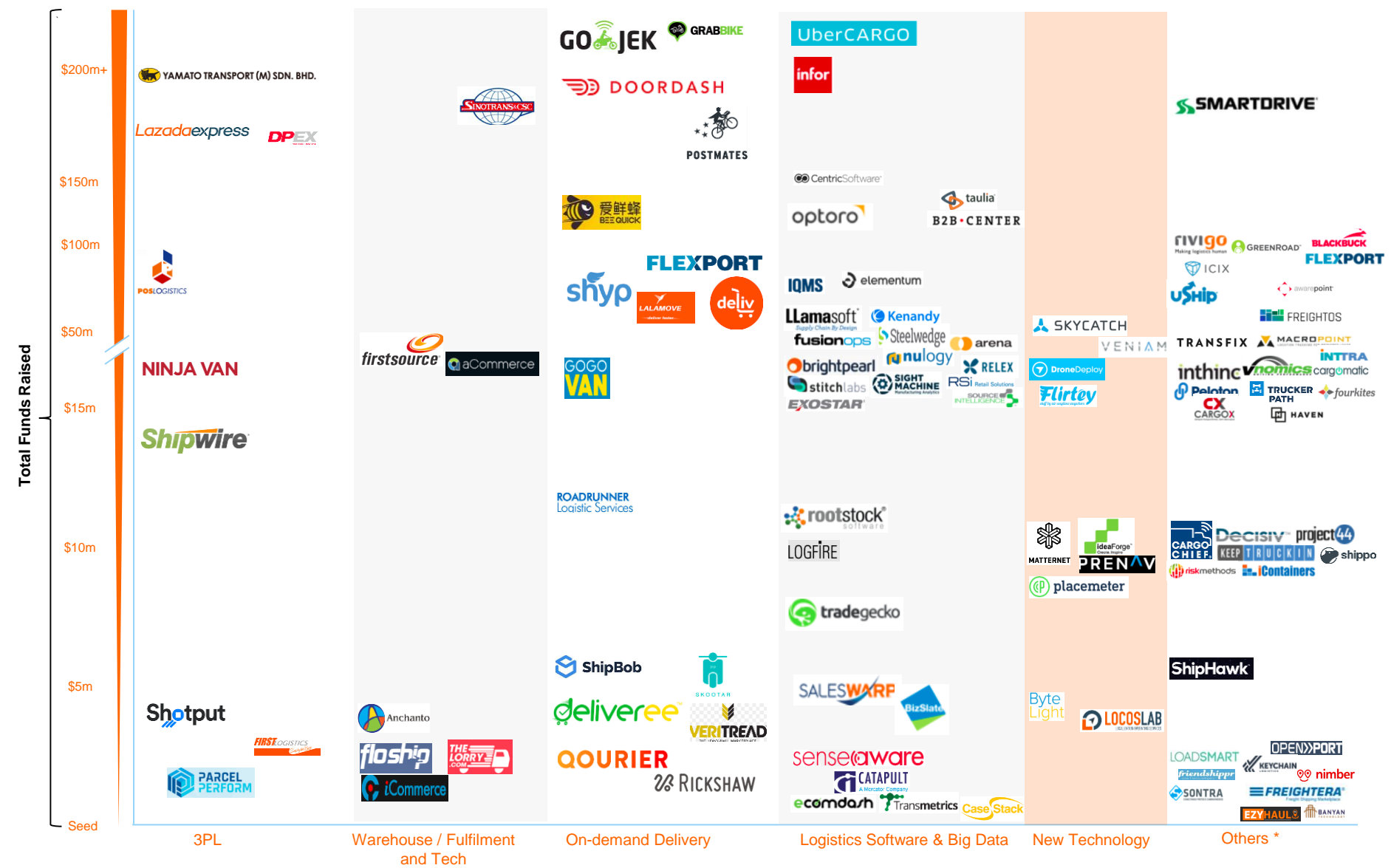


	Singapore	Malaysia	Indonesia	Thailand
Retail Ecommerce Market Size (\$b, 2015)	\$1.9	\$1.6	\$3.2	\$2.4

- From the point of view of a Brand, the ASEAN region is both a tremendous opportunity and a logistical nightmare
- Providing a single point of relationship for an integrated solution addressing the largest ASEAN markets is a major undertaking that will be very valuable to multiple large players



# Disruptors in the logistics space



# Sub-verticals within logistics have a varied trading multiples range

## Revenue multiples<sup>1</sup>









■ CY16 ■ CY17

Note: (1) Median revenue multiples as of 11/01/17; applicable for larger and more mature companies globally; multiples may be significantly different for smaller companies in high growth stage























Source: Capital IQ

## ② ComCap overview

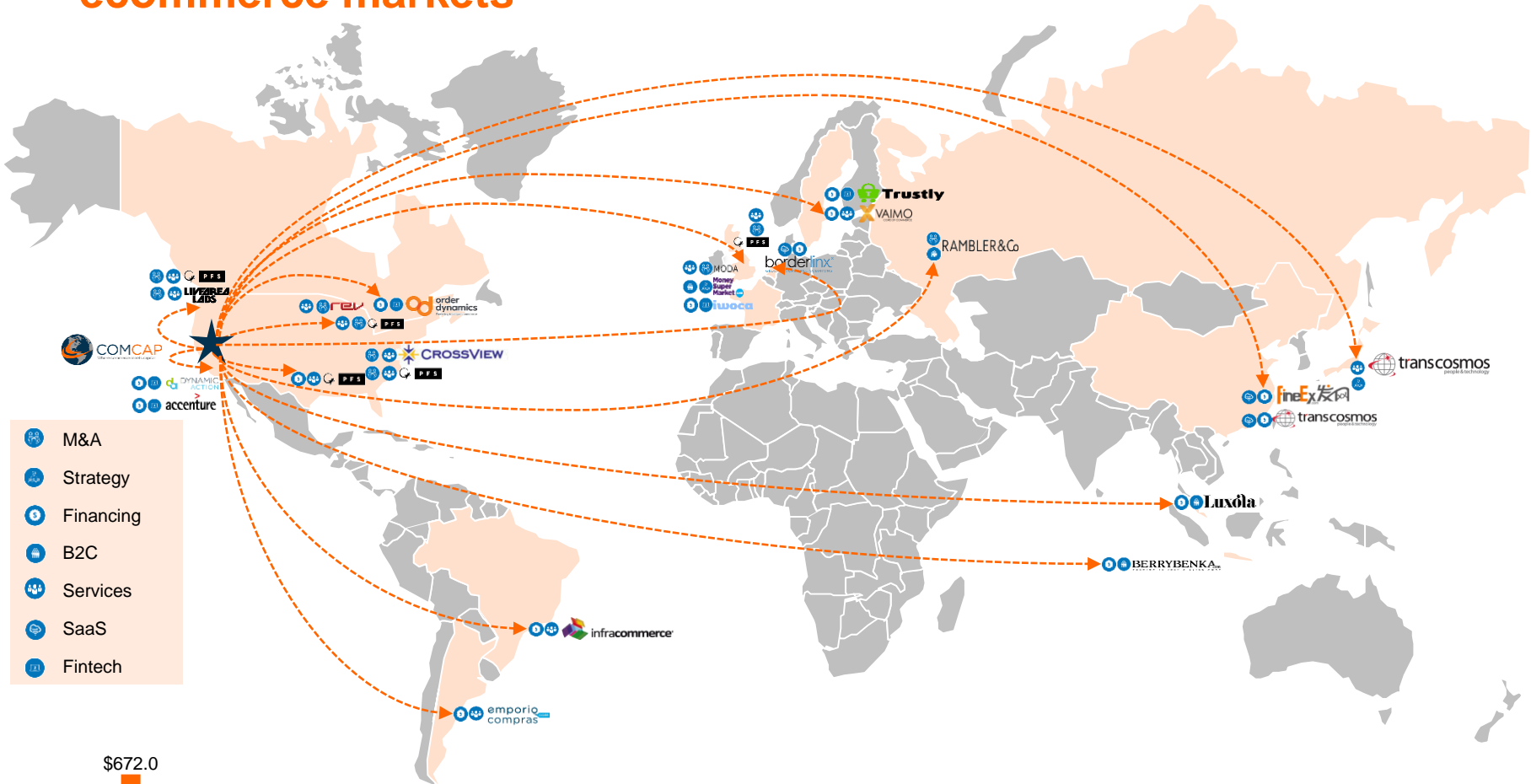
# ComCap – A leading boutique at the intersection of Capital and Commerce

Value Proposition	Unique, Focused, Global, Strategy and Investment Banking Boutique Recent transactions completed or underway in the United States, Japan, China, Singapore, Brazil, Argentina, UK, Sweden, Belgium, France, Germany					
Selected ComCap Clients	\$2B revenue Japanese ecommerce BPO co. #3 Russian Internet company #1 UK Internet company Multiple private B2B ecommerce systems integrators		#1 Asian ecommerce B2B company \$200M rev US public company Multiple US and EU private equity funds Many ecommerce SaaS companies			
Previous Clients	<div></div> <div></div> <div></div> <div></div> <div></div> <div></div>					
Selected Team Members	<div></div> <div>Aron Bohlig Managing Partner</div>	<div></div> <div>Steve Terry Managing Director</div>	<div></div> <div>Matt Nemer Managing Director</div>	<div></div> <div>Swetha Vijay Director</div>	<div></div> <div>Fermin Caro Director</div>	
Experience	23 years Credit Suisse Become, Nortel	20 years Credit Suisse Battery Ventures Robertson Stephens	20 years Wells Fargo Thomas Weisel	9 years DBS, Deloitte Avista/Houlihan Lokey	14 years Credit Suisse SVB Capital	
Education	Wharton MBA	McCombs School of Business MBA	Vanderbilt	IIM Ahmedabad MBA	Yale MBA	
Location	San Francisco	San Francisco	San Francisco	Singapore	San Francisco	
Back office Team	Sakshi Goel Associate	Rajani Vadapalli Associate	Sabeeh Mohsan Analyst	Dhawal Chotai Analyst	Shiv Ng PPG	Charlotte Brook Administration and Ops

# Selected ComCap transactions & recent mandates

<b>Project Nitro</b> <b>\$100m</b> <b>Financing Pending</b>	<b>Project Orion SaaS</b> <b>Dual Track Process</b> <b>Pending</b>	<b>Project Tango</b> <b>DNVB (clothing)</b> <b>Equity Financing</b> <b>Pending</b>	<b>European eCommerce SaaS</b>  <b>Dual Track Process</b>  <b>Pending</b>	 <b>Acquisition of stake in</b>  <b>Sole advisor to transcosmos</b> <b>Dec 2016</b>
 <b>Strategic equity investment from</b> <b>accenture</b> <b>Aug 2016</b>	 <b>Acquisition of stake in</b>  <b>Sole advisor to transcosmos</b> <b>Mar 2016</b>	<b>Project Titan</b> <b>\$200,000,000</b> <b>Acquisition</b>  <b>Sole Advisor</b> <b>Oct 2015</b>	  <b>\$62,500,000</b>  <b>Debt Financing</b>  <b>Sep 2015</b>	  <b>\$20,000,000</b>  <b>Series B Financing</b>  <b>Aug 2015</b>
 <b>Acquisition of</b>  <b>\$55,000,000</b> <b>Sole Advisor to PFSweb</b> <b>Jun 2015</b>	 <b>Acquisition of</b> <b>MODA</b>  <b>Sole Advisor to PFSweb</b> <b>Jun 2015</b>	  <b>\$45,000,000</b>  <b>Financing</b>  <b>Feb 2015</b>	 <b>Acquisition of</b>   <b>Sole Advisor to PFSweb</b> <b>Sep 2014</b>	 <b>Acquisition of</b>   <b>Sole Advisor to PFSweb</b> <b>Sep 2014</b>
  <b>Strategic Advisory</b>  <b>Sep 2013</b>	 <b>Acquisition of 20% stake in</b>  <b>Sole Advisor to transcosmos</b> <b>Jul 2013</b>	 <b>\$14,690,000</b> <b>Acquisition of stake in</b>  <b>Sole Advisor to transcosmos</b> <b>May 2013</b>	<b>RAMBLER&amp;Co</b>  <b>Strategic Advisory</b>  <b>Mar 2013</b>	  <b>Merger with</b>   <b>Mar 2013</b>

# ComCap – active in 13 countries, including 11 of the top 22 global ecommerce markets



- M&A
- Strategy
- Financing
- B2C
- Services
- SaaS
- Fintech



# ComCap was the exclusive advisor to PFSweb on its acquisition of Conexus



## International outsourced ecommerce with robust capabilities and iconic global brands

- Based in Texas, founded in 1994, IPO 1999 on NASDAQ: PFSw
- \$241M in sales, 2,600+ employees, serves 160+ clients
- Best in class provider of end-to-end ecommerce outsourcing
- Established operations in N. America and Europe
- Seeking strategic partners to achieve a global solution

### Clients



## A leading consultant and system integrator for omni-channel commerce solutions

- Based in Basingstoke, Hampshire; founded in 1998
- FY16E: \$7M in revenue, ~65 employees
- Services include strategic consulting, system integration, and managed services
- Offers solution to enable B2B, B2C, mobile and digital commerce across the globe

### Partners



### Rationale

- PFSweb expanded its system integrator presence in Western Europe through this acquisition
  - Conexus has a strong footprint in the UK which will assist PFSweb in enhancing its status as a leading SAP Hybris integrator and strengthening its position as a platform-agnostic global commerce service provider
  - PFSweb would leverage its strong presence across Europe and client portfolio, to expand their service offerings into other commerce markets in Western Europe
  - The acquisition was expected to be accretive to PFSweb on an Adjusted EBITDA basis
- Conexus clients would benefit from the additional capabilities that PFSweb would provide, and will accelerate its growth in new markets by leveraging their global footprint
  - Conexus will become a wholly-owned subsidiary of PFSweb, and will initially operate under the name "Conexus, a PFSweb Company"

**ComCap successfully executed the acquisition with committed resources to allow continuous expansion of commerce services delivery in new geographies and categories**

# ComCap helps drive capital and business alliance with Infracommerce



**Global outsourcing leader with premier client base, seeks expansion via digital services & new geographies**

- Based in Tokyo, founded in 1985, (TSE: 09715) since 1997
- \$1.9B in sales, ~18,000 employees
- Leading BPO, contact center, digital marketer w. Asia expertise
- Proactively sought to meet clients' Int'l. expansion needs
- Identified ecommerce as next evolution in outsourced services

## Clients



**An e-commerce one-stop services provider with a focus on Brazil**

- Based in São Paulo, Brazil; founded in 2012
- GMV of \$25M+ in 2015, 400 employees
- Offers extensive e-commerce related services
- A market leader in Brazil and expanded its sales channel into Mexico; plans to enter into Argentina, Columbia, Chile and Peru from after 2017

## Clients



## Description and Rationale

- Through the alliance with Transcosmos, Infracommerce plans to offer its client companies' superior products to consumers across Latin American countries, focusing on Brazil
  - Integrated Transcosmos's proven operational know-how on "Global E-Commerce One-Stop Services" with the service capabilities that Infracommerce owns
- Infracommerce continues to build on a wealth of know-how and insights regarding the Brazil's complicated regulations and offers optimum solutions for all businesses and products
  - Offers comprehensive support ranging from developing e-commerce websites, shop management, online marketing, fulfilment, payment as well as CRM and customer care
  - Aimed to make a huge contribution to international clients to expand into the Latin American market
  - The amount raised will be used to speed up the internationalization and facilitate omni-channel scale

**ComCap successfully executed the alliance to enhance e-commerce one-stop services capability in Latin America by delivering superior products and services to consumers in countries including Brazil and Mexico**



# ComCap helps DynamicAction raise \$15m Strategic Round

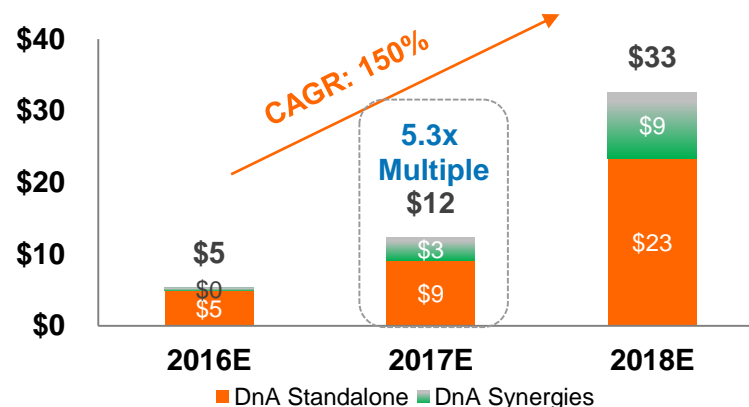


- DynamicAction (DnA) is a San Francisco based SaaS predictive analytics platform for retailers
- DnA's solution leverages >600 algorithms to provide large retailers with big data insights, derived from \$12bn in annual GMV (2<sup>nd</sup> only to Amazon), and proscribe prioritized actions related to critical issues that are largely not visible today - across primarily merchandising, site operations and customer interactions
- Marquee retailers in the US, UK and Europe such as Victoria's Secret, Abercrombie, American Eagle Outfitters, Brooks Brothers, Eddie Bauer, Cole Haan, Otto Group, Tesco, and El Corte Ingles achieved >20% Y/Y growth in profit during the 4Q (the most important season for retailers)
- At the time of the transaction, DnA surpassed its 2016E target revenue and had visibility into >70% of its 2017E target standalone revenue (112% including its weighted pipeline)
- The round valued DnA at 7.3x 2017E target standalone revenue and 5.3x 2017E revenue (including synergies)



- Accenture's retail practice corroborated the commercial opportunity and, along with the strategic investment, committed to accelerating DnA's penetration of the largest retailers worldwide.
- Synergies to DnA are expected to contribute 33% in incremental annualized revenues vs. DnA's 2017E standalone revenues

**DnA revenue ramp including synergies (\$M)  
implies a '17 multiple in-line with vertical SaaS leaders**



## ComCap process differentiation

- Extensive pre-transaction engagement to optimize company's positioning emphasizing first mover advantage and differentiation
- Process designed to engage with key strategics and targeted private equity players on a global basis
- Created detailed analysis of historical financials to support key value drivers, customized for each strategic investor, and detailed synergy models to gain commercial buy-in
- Aggressively engaged with commercial and strategic investment teams to foster commitment to and consideration for synergies in the valuation rationale

**ComCap successfully executed a capital raise and partnership with committed resources to accelerate growth and realize material revenue synergies**

# ComCap helps drive global ecommerce outsourcing expansion through \$15m equity investment



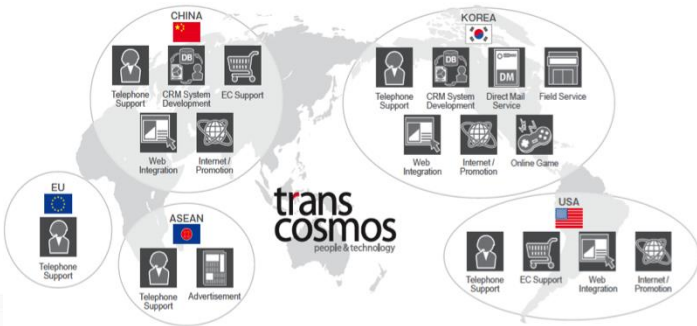
Global outsourcing leader with premier client base, seeks expansion via digital services & new geographies

- Based in Tokyo, founded in 1985, (TSE: 09715) since 1997
- \$1.5B in sales, ~16,000 employees, ~ 800 clients
- Leading BPO, contact center, digital marketer w. Asia expertise
- Proactively sought to meet clients' Int'l. expansion needs
- Identified ecommerce as next evolution in outsourced services

### Clients



### Capabilities



International outsourced ecommerce with robust capabilities and iconic global brands

- Based in Texas, founded in 1994, IPO 1999 on NASDAQ: PFSW
- \$250M in sales, 1,400 employees, >60 brand name clients
- Best in class provider of end-to-end ecommerce outsourcing
- Established operations in N. America and Europe
- Seeking strategic partners to achieve a global solution

### Clients

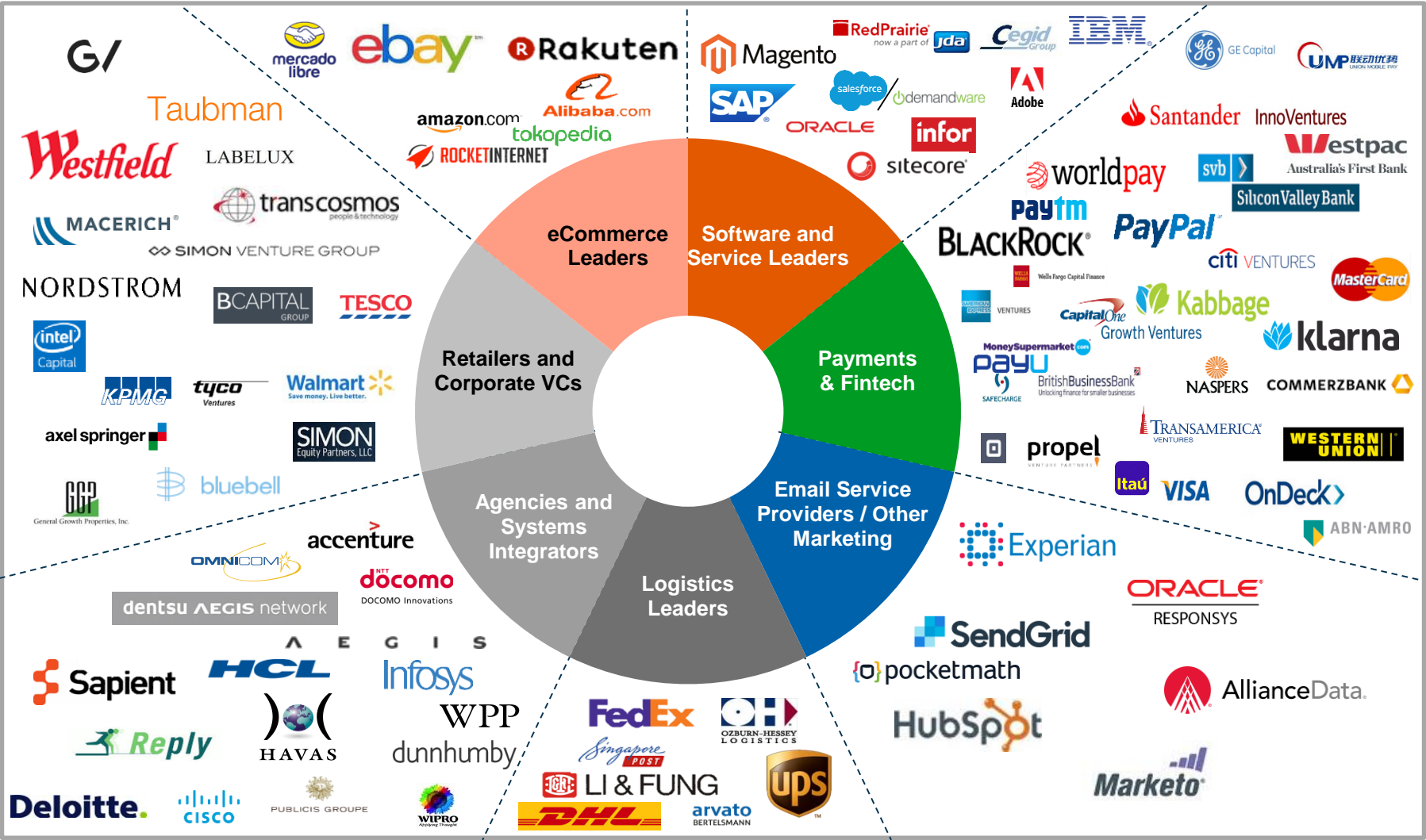


### Capabilities



Working with fifteen different strategic partners over four months, ComCap brought together a large strategic and a best-of-breed point provider to create a best-in-class, end-to-end, global solution

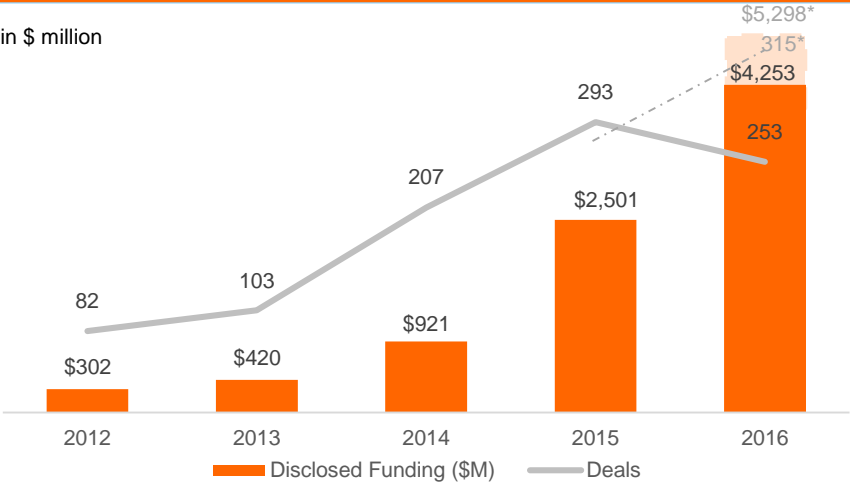
# ComCap's selected strategic partner landscape



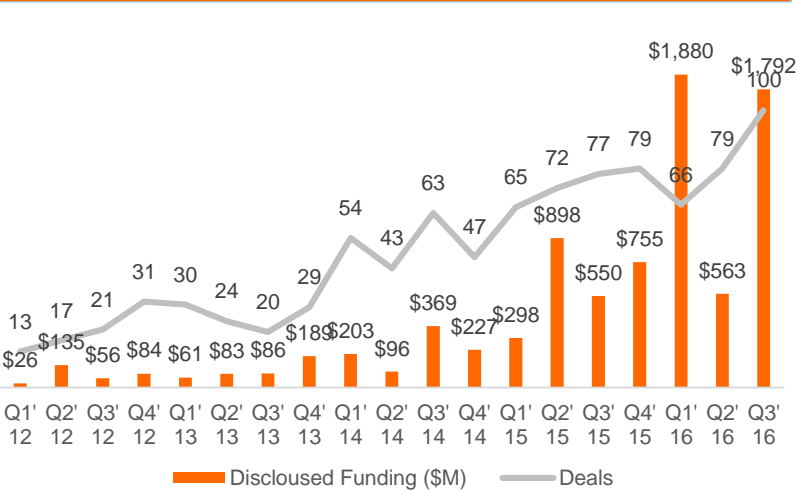
③ **Appendix A**

# Deal value & volumes in supply chain & logistics tech

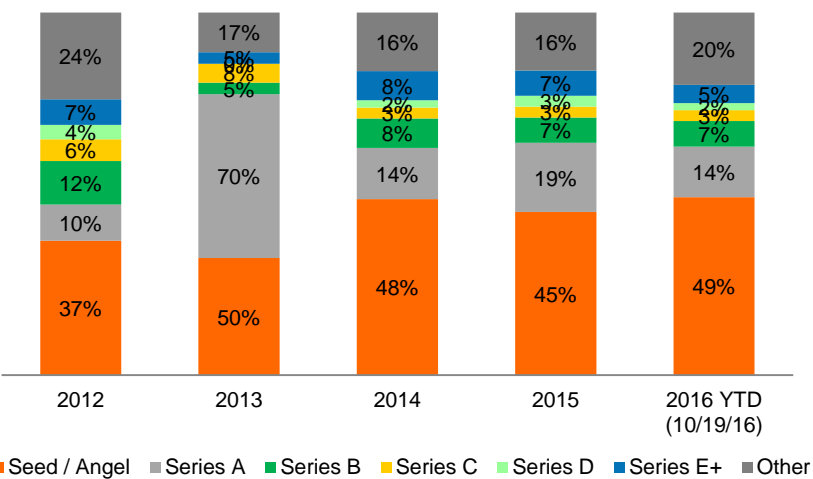
## Global Annual Fund Raising



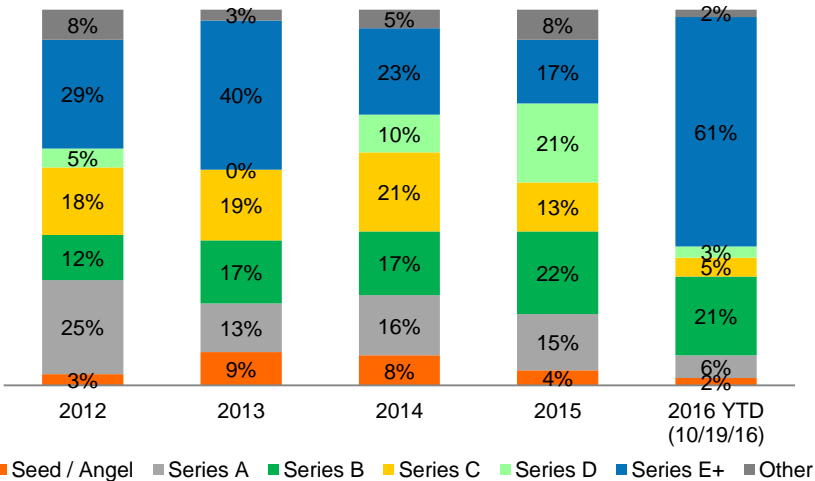
## Global Quarterly Fund Raising



## Global Volume by Stage



## Global Value by Stage



# Private placements in the logistics / tech space

Investment date	Company name	Amount raised	Country	Investors
Mar-17	BlackBuck	\$70m	India	Sands Capital, World Bank's IFC, Accel and Flipkart
Mar-17	Freightos	\$25m	Hong Kong	GE Ventures
Mar-17	Bringg	\$10m	USA	Aleph VC, Coca-Cola, Pereg Ventures
Mar-17	Turvo	\$25m	India	Activant Capital, Slow Ventures, Upside Partnership, Felicis Ventures
Jan-17	Lalamove	\$30m	Hong Kong	Xianghe Capital, Blackhole Capital, MindWorks Ventures and Crystal Stream
Sep-16	Huimin	\$195m	China	China Innovation Investment, West Capital, Sinosure, Fortune Venture Capital
Aug-16	Ele.me	\$1.3bn	China	Alibaba Group
Aug-16	Go-Jek	\$550m	Indonesia	KKR, Warburg Pincus, Farallon Capital, Capital Group
Aug-16	Deliveroo	\$275m	UK	Bridgepoint Capital, DST Global, General Catalyst Partners, Greenoaks
Jul-16	CargoX	\$10m	Brazil	Goldman Sachs, Agility, Lumia Capital, Salazar Resources, Colle Capital Partners
Jul-16	Freightera	\$2.1m	UK	Robson Capital, Silicon Valley Bank, Ted Snider Financial
Jul-16	Transfix	\$22m	USA	New Enterprise Associate, Bowery Capital, Corigin Vantures, Expansion Venture Capital, Canvas Ventures
Jun-16	iContainers	\$6.7m	Spain	Serena Capital
May-16	Haven	\$11m	USA	Spark Capital, AITV, O'Reilly AlphaTech Ventures, Data Collective, First Round Capital
Apr-16	Renren Kuaidi	\$50m	China	
Apr-16	G7	\$45m	China	Temasek, Tencent, Eastern Bell Venture Capital
Apr-16	Ninja Van	\$30m	Singapore	Monk's Hill Ventures , B Capital Group and Yahoo Japan Capital
Apr-16	Fleet	\$4m	USA	UP2398, NFQ Capital, NFQ Ventures, David Hunt, Covera Ventures, Latam Partners, Placid Ventures, 1517 Fund, GrowthX, Telegraph Hill Capital, Invariantes Fund
Mar-16	DoorDash	\$127m	USA	Sequoia Capital, KPCB, Khosla Ventures, Y Combinator, Welcome Trust
Mar-16	Zhc365	\$47m	China	QF Capital, CITICCapital, Sinowisdom
Mar-16	Convoy	\$16m	USA	Greylock Partners, Omidyar Technology Ventures, Mike Gamson, Jeffrey Wilke, Kevin Systrom, Gary R. Chartrand, Red Sea Ventures
Feb-16	Tikdex	\$92m	China	CICC-Qianhai Development Fund Management
Jan-16	DaDaApp	\$300m	China	Sequoia Capital, DST Global
Jan-16	Yunniao Delivery	\$100m	China	Warburg Pincus, Sequoia Capital, GSR Ventures, Matrix Partners China
Nov-15	Grofers	\$120m	India	Tiger Global Management, Sequoia Capital, SoftBank
Nov-15	Deliveroo	\$100m	UK	DST Global, Greenoaks, Accel Partners, Hummingbird Ventures, Index Ventures
Sep-15	PepperTap	\$40m	India	Snapdeal, Sequoia Capital, SAIF Partners, Beenext, ruNet, JAFCO Asia, InnoVen Capital
Sep-15	Cargo Chief	\$10m	USA	Covera Ventures, GrowthX, Walden Ventures Capital
Sep-15	Freightos	\$14m	Israel	Aleph, Annox Capital, Israel Cleantech Ventures, MSR Capital, OurCrowd-Gcai, Sadara Vantures
Aug-15	Flexport	\$20m	USA	Founders fund, Acequia Capital, A-Grade Investments
Jun-15	FourKites	\$1.3m	USA	Bain Capital Ventures, Hyde Park Ventures Partners
Jun-15	TruckerPath	\$20m	USA	Renren Inc., Wicklow Capital
Jan-15	Cargomatic	\$8m	USA	Canaan Partners, Morado Ventures Partners, Sherpa Capital, SV Angel

**④ Appendix B: ASEAN ecommerce landscape**



## C2C



**Classified/P2P**



## B2B



## B2C

## Electronics & Gadgets



## Beauty



## ETailer



## Daily Deals



**Fashion & Apparel**



## Leisure & Travel



## Women & Baby



## Food &amp; Grocery



## Home & Living



## Mainstream Platforms



## Others



## Payments

