BUILDING THE LEADING ONLINE GROCERY MARKETPLACE FOR SOUTHEAST ASIA
HappyFresh is the regional leader for online grocery shopping

VISION
To be the #1 food-tech company in South-East Asia

MISSION
To delight customers with better food choices and flawless delivery
We are present in 3 markets and have strong investor backing

Available in Indonesia, Malaysia and Thailand

- Kuala Lumpur (Mar 2015)
- Jakarta (Mar 2015)
- Bangkok (Sep 2015)
- Surabaya (Oct 2015)
- Bandung (Feb 2016)

USD 12 million from leading local & international investors
At a glance: how our same-day delivery service works

Select products in the HappyFresh app on your smartphone or happyfresh.com

SHOP

PICK

Our trained personal shopper selects the highest quality products

DELIVER

Professional driver delivers to the customer within the next hour or any other one-hour time slot during the week

RATE & REPEAT

Immediate in-app customer feedback before next order
User journey: select location, pick store, start shopping

**SELECT YOUR LOCATION**
Place the pin on Google Maps or search for your exact location

**SELECT A STORE TO SHOP FROM**
Choose from a variety of supermarkets and specialty stores near you

**START SHOPPING**
Choose from a wide variety of products & add them to cart.
User journey: review cart, select delivery slot, choose payment method

YOUR CART
Review items in your cart & “Checkout Now”

SELECT DELIVERY TIME
Choose our next hour delivery option or pick another 1-hour time slot.

SELECT PAYMENT METHOD
Choose your preferred payment method and submit the order.
Features to enhance the online shopping experience: zoomable photos, order history/favourites and recommended lists

**PHOTO ZOOM**
Zoom into high-res photos to read all the ingredients & nutritional information

**ORDER HISTORY & FAVOURITES**
Add items directly to your cart from your previous orders or favourites list

**GET INSPIRED**
Browse through our recipes, meal plans and other ideas – add everything in one click!
Groceries are selected by professionally trained shoppers and delivered on motorbikes to your doorstep.
The “HappyFresh Experience” is made up of the factors that matter most to online grocery customers:

- **Fresh, Frozen & Dry Products**
- **1 Hour Delivery & Scheduled Slots**
- **Best-in-class Online Experience**
- **Professionally trained shoppers & riders**
- **Specialized, fully insulated delivery boxes**
- **Payment by Cash on Delivery or Credit Card**
Consumers are increasingly ready to purchase groceries online

By age group:
- Gen Z (15-20 y.o.): Willing to use 55%, Already used 28%
- Millennials (21-34 y.o.): Willing to use 57%, Already used 30%
- Gen X (35-49 y.o.): Willing to use 57%, Already used 22%
- Baby Boomers (50-64 y.o.): Willing to use 48%, Already used 17%
- Silent Gen (65+ y.o.): Willing to use 35%, Already used 9%

By region:
- Asia-ME/Africa: Willing to use 53%, Already used 19%
- Latin America: Willing to use 65%, Already used 13%
- Nth America: Willing to use 55%, Already used 12%
- Europe: Willing to use 50%

Nielsen polled 30,000 online respondents in 60 countries to understand consumers’ usage of and willingness to order online for delivery to home.

The time for retailers to go online is now – those who don’t have an online channel will lose market share to those who do

E-Commerce in food retailing accounts for 5% market share (McKinsey)

*If you don’t cannibalize your own sales, someone else will – Steve Jobs*
Case Study: Instacart (USA) moved mountains of groceries for WholeFoods in 1st year (1/2)

More sales

After 6 months of launch:
- Accounted for 5% of total sales in some stores
- >US$1 million in GMV per week (equivalent to 1.4 offline stores)

Bigger baskets

Average order size:

2.5x

Increased coverage area

"Whole Foods Market is not going to have supermarkets on every corner. Instacart allows Whole Foods To reach convenience shoppers who previously opted for competitors because they were closer"

Reach new customer types

"Some parents are using the Instacart service to buy groceries for their children who are at college or live away from home, which gives Whole Foods access to a group of consumers who may not otherwise shop at the retailer"
Case Study: Instacart (USA) moved mountains of groceries for WholeFoods in 1st year (2/2)

**Boost sales during quiet periods**

“Helps keep sales from falling during bouts of bad weather when people do not want to leave their houses”

**Great for fresh produce (high margin)**

- >40% of all orders featured Fresh produce items
- Most purchased products included:
  - bananas (2.2 mil),
  - apples (1.25 mil),
  - eggs (4 mil) and
  - avocados (0.5 mil)

**Pro convenience**

“The results speak for themselves. Our customers clearly love having this convenient shopping option, and Whole Foods Market will continue to provide our shoppers with innovative new choices that deliver great shopping experiences and help make their lives easier”

“Instacart is a “low-risk, high-reward market share driver” that likely will continue to improve Whole Foods’ business”

**In short**

The results speak for themselves. Our customers clearly love having this convenient shopping option, and Whole Foods Market will continue to provide our shoppers with innovative new choices that deliver great shopping experiences and help make their lives easier.

We are an additional sales channel and a rich source of data, among other benefits

1. **Additional sales channel**
   - Increase your catchment area and acquire new customers
   - Increase customers’ purchasing frequency and basket size due to convenience of service

2. **Zero upfront cost and fast launch**
   - Simply plug into our technology platform and highly-experienced team with zero upfront costs or additional staffing requirements
   - Launch within 6 weeks

3. **Data collection and analysis**
   - We collect data and conduct analysis on customer behaviour/stock availability and share the results exclusively with you

4. **Free marketing and promotions**
   - We invest in online & offline marketing to acquire new customers for you, free-of-charge e.g. Google, Facebook
   - We can run targeted, data-driven promotional campaigns with you to help clear stock and drive sales
Additional sales channel: we contribute up to 5% of sales volume for some of our partner stores

Sample of additional sales generated for partner A
Customer acquisition: we expand your catchment area and bring new customers to your store

- Increase your catchment area up to 8km to give access to 80% additional catchment area
- On average 50-70% of HappyFresh shoppers are new customers for our partners
Case study: 63% of respondents never shopped before at Partner (A), or shopped less frequently at Partner (A) than they do now with HappyFresh

- Never: 52%
- Less than once a month: 14% (New 9%) existing (51)
- 1-2 times a month: 16% (New 2%) existing (36)
- 3-4 times a month: 3% (New 0%) existing (11)
- More than 4 times a month: 3% (New 0%) existing (0)
Case study: 87% of total sales comes from customers living more than 3km away from Partner (A)’s store

Distribution of sales volume based on distance from the store:

- Within 3km: 13%
- Between 3-5km: 41%
- Between 5-8km: 46%
Case study: Similarly for number of unique customers and number of orders

Distribution of customers and orders based on distance from Partner (A)

- Within 3km:
  - # of customers: 14%
  - # of orders: 14%

- Between 3-5km:
  - # of customers: 38%
  - # of orders: 40%

- Between 5-8km:
  - # of customers: 48%
  - # of orders: 46%
Customer acquisition: We target attractive groups such as working moms, young professionals and expatriates.

**Key customer personas:**
- **Working Moms** are key target group: High grocery spending while facing time constraints.
- **Young Professionals** and **Expats** have high time constraints and are early technology adopters.

**What gender are our customers?**
- Male: 17%
- Female: 83%

**Age of our customers?**
- <22: 22%
- 22 - 30: 37%
- 31 - 40: 43%
- >40: 8%

**How often do they buy groceries per week?**
- <1: 20%
- 1: 37%
- 2: 20%
- 3: 17%
- >3: 6%

**How many people do they purchase for?**
- 1: 20%
- 2: 37%
- 3: 20%
- +: 43%
HappyData: We collect data and conduct analysis on customer behavior and share the results exclusively with you.

**Sample of Reports**

- **Sales**
  - Basket Size & Composition
  - Category
- **Merchandising**
  - Top Performers
  - Brand Loyalty
  - Out of Stock
  - Search Terms
- **Customer**
  - Gender, Income, Location
  - Store Loyalty
We conduct both online & offline marketing to acquire customers, as well as special promotions to help you clear inventory

**Online marketing**

- Text ads, video and banner advertising i.e. Facebook, Google Ads, Youtube
- Regular emails to our existing user base
- Push notifications & in-app pop-up banners
- Social media content with clear incentive to buy i.e. Facebook, Instagram, Twitter, HappyFresh blog

**Offline marketing**

- Ads on TV, radio, billboards, cinema, taxis
- Bunting and flyers
- Marketing partnerships (e.g. FMCG, Telcos, Uber, Zalora, Lazada, Kfit etc)
- Offline campaigns like hosting mid-scale marketing events in supermarkets
We provide an end-to-end service offering for our partners

1. **Content production**
   - Professional photographers take high-quality, zoomable photos of your products from multiple angles
   - In-house content writers catalogue your products with all relevant info

2. **Order fulfilment**
   - We handle all aspects so you can focus on your business priorities
   - We station professionally-trained shoppers and drivers at your stores during regular opening hours
   - We can deliver 7-8km around each of your stores

3. **Customer care**
   - Our very experienced customer service team handles all questions, feedback and complaints with speed, care and attention

4. **Online & offline marketing**
   - **Online marketing includes**: social media, FB/Google ads, email newsletters, influencer marketing, referral & customer loyalty programs, contests, and online partnerships
   - **Offline marketing includes**: print ads and articles (newspapers, magazines), TV and radio interviews (e.g., Bloomberg, TV1, BFM), physical flyering, outdoor ads (billboards, taxis) and in-store marketing
...and ensure a high level of operational performance and customer satisfaction

- **Average customer satisfaction rating**: Over 90%
- **On-time delivery performance**: 5 stars
- **Customers who would recommend HappyFresh to their friends**: 2 out of 3
Fast launch with minimal involvement from your team

Launch within 6 weeks (depending on quality of database provided, degree of collaboration between supermarket partner and HappyFresh, and current HappyFresh onboarding schedule)
Doing all of this in-house is both costly & time-consuming

- **Team & Infrastructure**
  - Hire full ecommerce team and engineers
  - $500k/year

- **Technology Development**
  - Develop online grocery platform (Web & Mobile)
  - $200k/year

- **Logistics Network**
  - Hire, train & pay pickers & drivers
  - $200k/year

- **Customer Service**
  - Build professional customer service center
  - $100k/year

- **Marketing & Customer Acquisition**
  - Advertise platform and acquire new customers
  - $1M/year

- **Total investment & Timeline**
  - Preparation phase of minimum 12-18 months
  - $2M/year
Partnering with HappyFresh is a zero upfront cost, performance-based, end-to-end solution

- 40+ in-house engineers
- Best-in-class grocery platform
- Fleet of trained shoppers & drivers
- Professional customer service team
- Experts in online marketing
- Zero upfront costs & online in 6 weeks
Our existing trusted partners are already benefiting from this partnership

Supermarket partners

- Mercato
- TESCO
- Jason's Food Hall
- Cold Storage
- de Market
- MYDIN
- Sams Groceria
- Selections
- UrbanFresh Marketplace
- Oliver Gourmet
- TMC
- Giant
Our existing trusted partners are already benefiting from this partnership

**Specialty store partners**

- HappyFresh
- Thai Pore
- Garden Scents
- Wine Talk
- Victoria Crest
- K Market
- KOREAN SUPERMARKET
- Rainin
- The Hive
- Piau Kee
- The Olive Tree
- The Skinny Bakers
- Juice Co.
- BMS Organics
- Pets Wonderland
- Raw Some
- Amazin' Graze
- Bacchus
- Tedboy Bakery

and many more...
In short...

**HF Operations**

- All stores with all products in our app/site
- On-demand fulfilment (personal shopper & driver)
- Customer service
- Content production and database management
- Online & offline marketing
- Provision of real-time data
- Experienced team both regionally and in the country

**Benefits**

- New customers & higher share of wallet
- Increase in revenues with no risk (purely performance-based)
- Increased market share (vs competitors without an online channel)
- Insights into customer behaviour and stock availability
- Fast launch (go-to-market in 6 weeks)
- High quality service with operational track-record
Commercial Terms

Our fees:

• Our business model requires us to reach a target profit of RM30 per order (to cover the cost of fulfilment, marketing and other overheads)

• We obtain this margin in two ways:
  • A) Charging the customer a delivery fee
  • B) Revenue sharing with our supermarket partners

• We propose to start our partnership with a revenue share, with the remainder to be recovered from the customer

Exclusivity:

• As we are covering all the upfront costs involved, we require our partners to work with us exclusively
THANK YOU

TERIMA KASIH | OBRIGADA :)

[Image of vegetables and herbs]