



ProCook[®]

Using a digital strategy to enter new markets

Dan Walden, CFO

27 January 2022

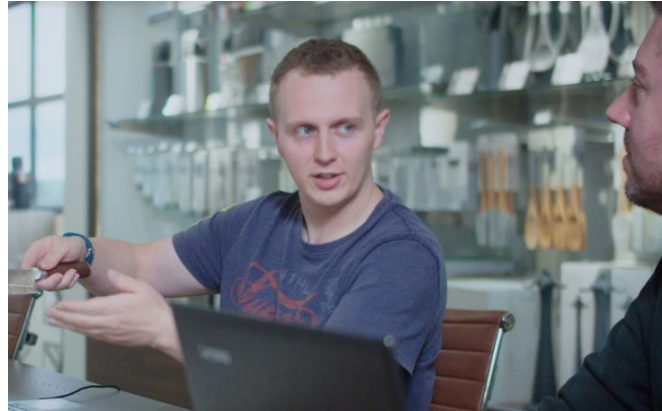
ProCook today

ProCook is the UK's leading D2C specialist kitchenware brand

1,600 products



700+ people



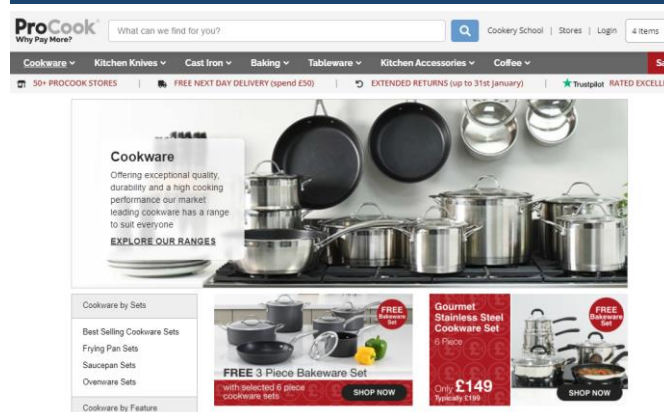
3m customer database



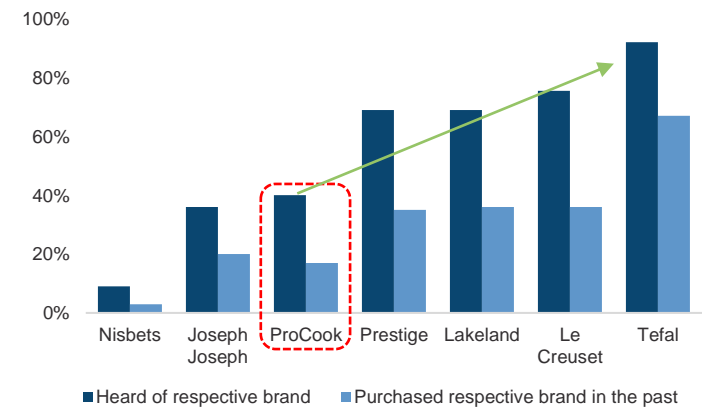
55 retail stores in UK



Own UK website, Amazon in EU



Brand awareness opportunity

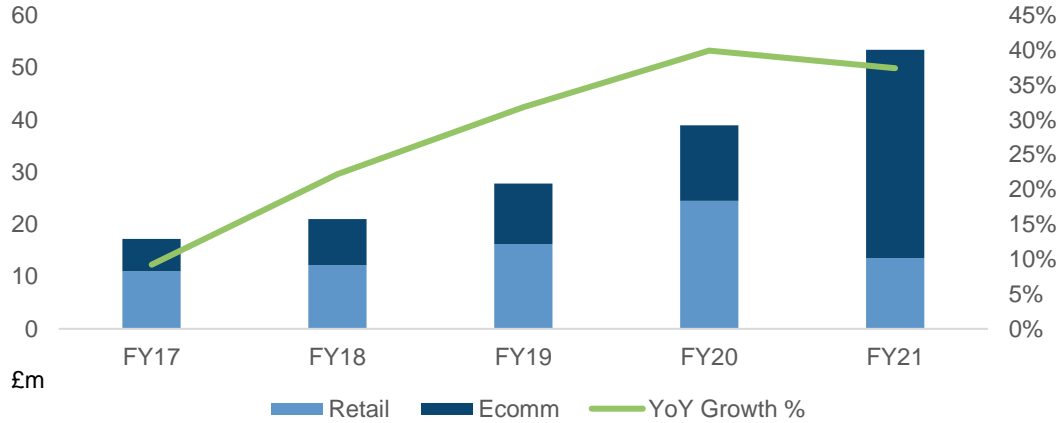


Source: YouGov survey undertaken for ProCook. Data shown is based on responses for 9,000 survey participants

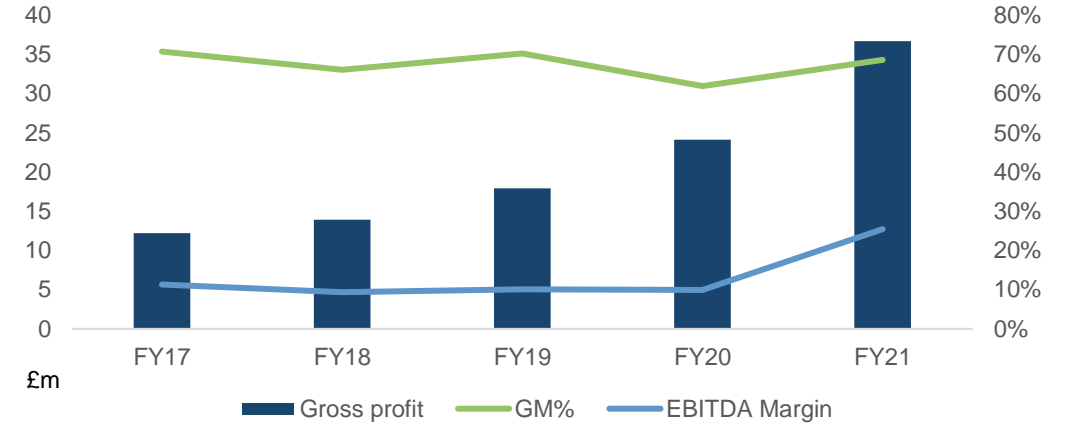
ProCook today

A strong track-record of growth

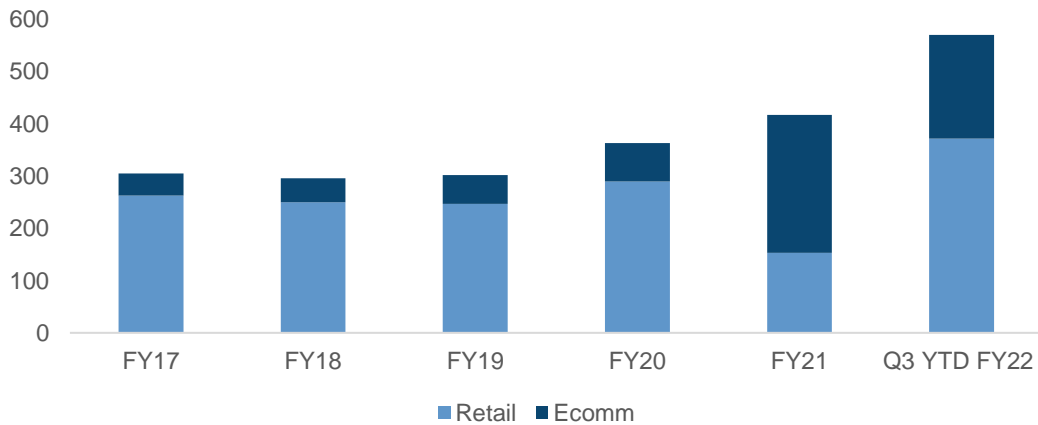
Revenue £m by channel & YoY growth %



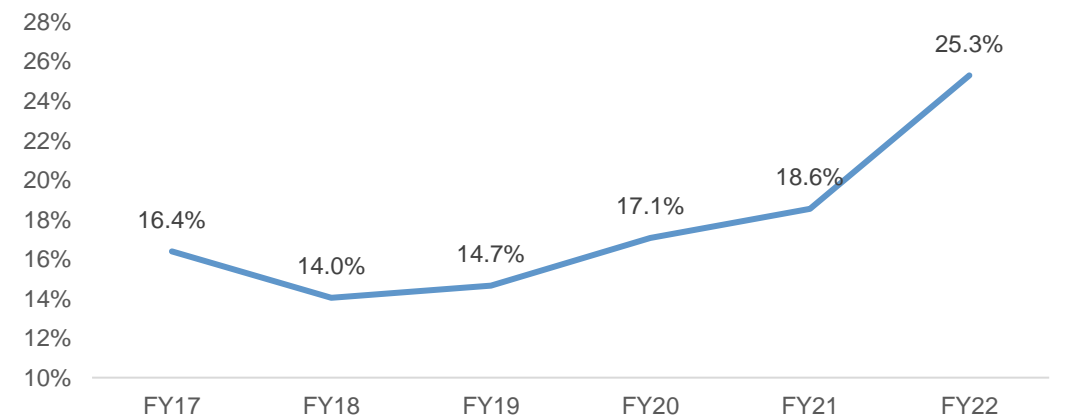
Gross margin % & EBITDA £m / %



New customer acquisition ('000)



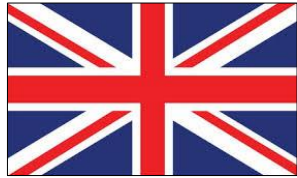
Repeat rate (within 12m)



Market opportunity

The UK market opportunity is substantial, with new territories providing a 3.5x larger market opportunity, with similar customer and competitor dynamics

Established presence, significant headroom for growth

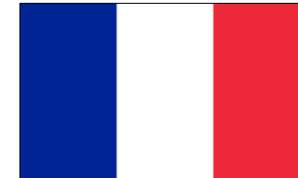


Market size: £4.7bn

- Kitchenware: £3.6bn
- Electricals: £1.1bn

Combined current market share: ~1.0%

Minimal presence, expanding market boundary



Market size: £12.4bn

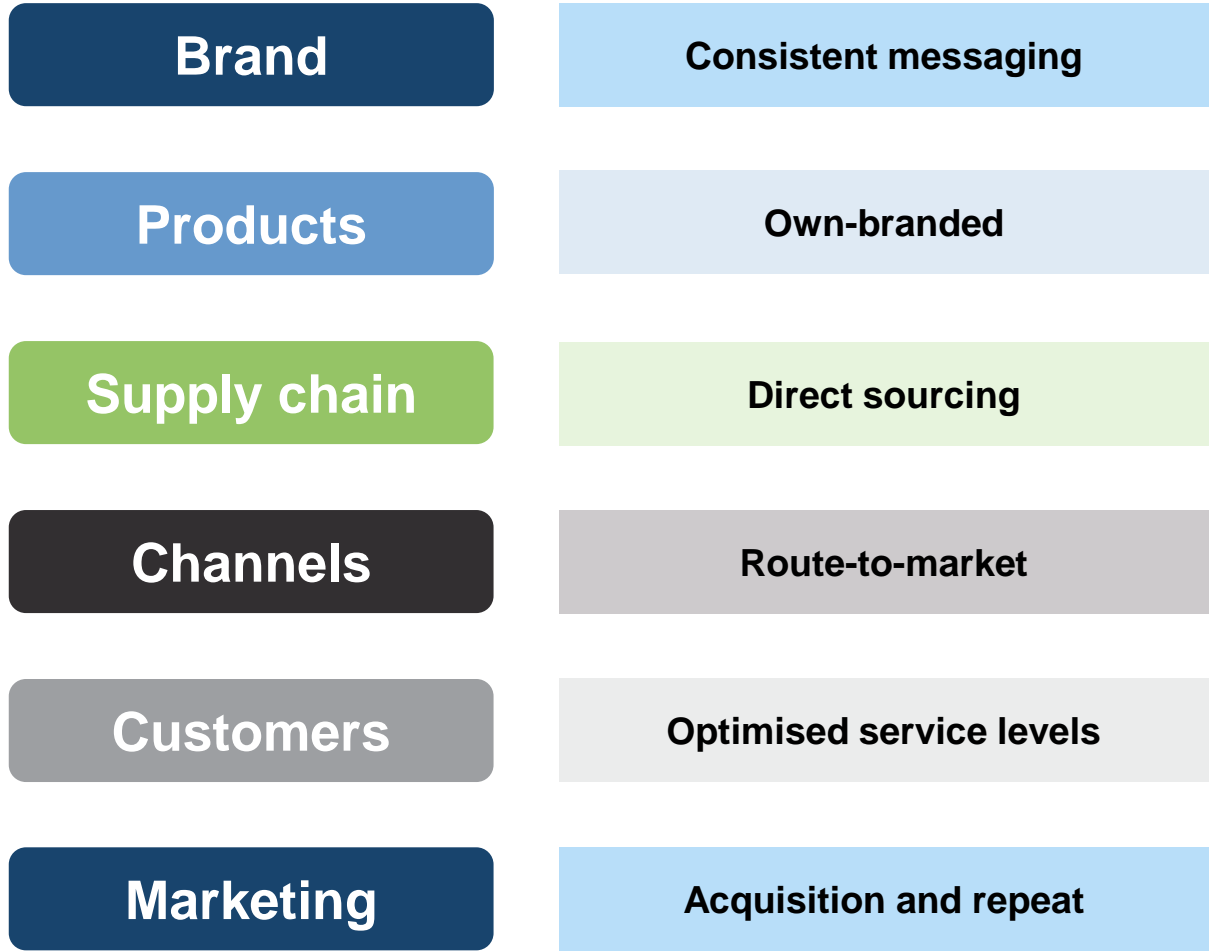
- Kitchenware: £8.0bn
- Electricals: £4.4bn

Combined current market share: ~0.0%

Three target territories in EU, extends market boundaries by 3.5x to total £17bn

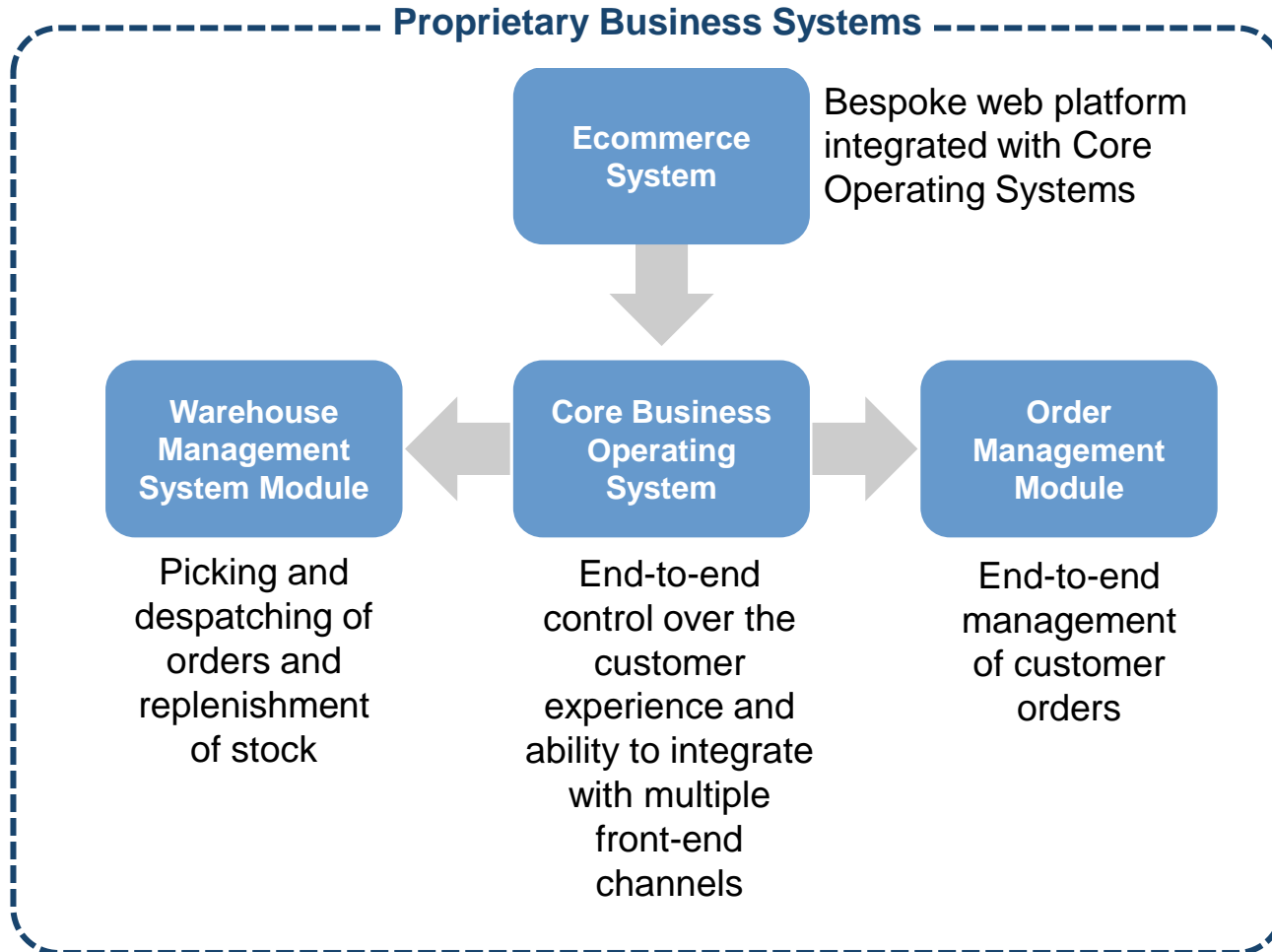
D2C business model – our competitive advantage

As a D2C brand, ProCook has complete control of the route-to-market and end-to-end customer proposition facilitating our value-for-money approach and generating healthy margins



Bespoke technology platform

ProCook has developed a dynamic and highly scalable bespoke technology platform that supports business operations and allows capture of customer data throughout the customer journey



Features

- Developed in-house over 15 years
- End-to-end control over business operations
- Complete view of customer behaviour
- Highly scalable, integrates with 3rd party systems where required
- In-house Technology team operate on an agile development basis
- Low maintenance costs – managed and developed by own team
- Enables multiple store and website front-ends

Customer data supports business growth

ProCook has developed its own data capabilities within its technology platforms which supports decision making

Customer data: value to ProCook

- Customer acquisition tracking
- Repeat performance and LTV measurement
- Marketing investment and return on spend
- Product and category development
- Online customer behaviour data analytics

100%

Data collection on website

80%

Data collection in retail



Strategic plan

A clear plan for sustainable growth through customer acquisition & retention, supported by channel and product development

<p>Our purpose and ingredients for success</p>	<p>Sharing our passion for cooking</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="433 458 1057 558"> <p>We design & source beautiful products at great value</p> </div> <div data-bbox="1085 458 1709 558"> <p>We create inspirational & memorable experiences for customers</p> </div> <div data-bbox="1742 458 2392 558"> <p>We offer friendly, knowledgeable service customers can trust</p> </div> </div>			
<p>Our mission and strategic priorities</p>	<p>To be the customers' first choice for kitchenware</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="433 715 1386 815"> <p>Attract more customers to our brand</p> </div> <div data-bbox="1419 715 2392 815"> <p>Increase the life time value of our customers</p> </div> </div>			
<p>Develop our customer offer</p>	<p>Organic growth in the UK market</p>	<p>Develop channel capabilities in Europe</p>	<p>Extend and improve product ranges</p>	
<p>Build on our foundations</p>	<p>Continually develop agile and scalable technology solutions</p>	<p>Develop our supply chain capability and capacity</p>	<p>Make ProCook an even better place to work</p>	<p>Reduce our environmental footprint</p>

Our EU strategy – digital first

Using established multichannel capabilities to enter new territories profitably and in a controlled fashion

Building confidence and capability through a digital first approach



Phase 1

Test and learn through **marketplace trading**
 Building brand awareness and operational capability



Phase 2

Launch and scale **own ecommerce** platforms
 Attracting new customers, increasing repeat rates

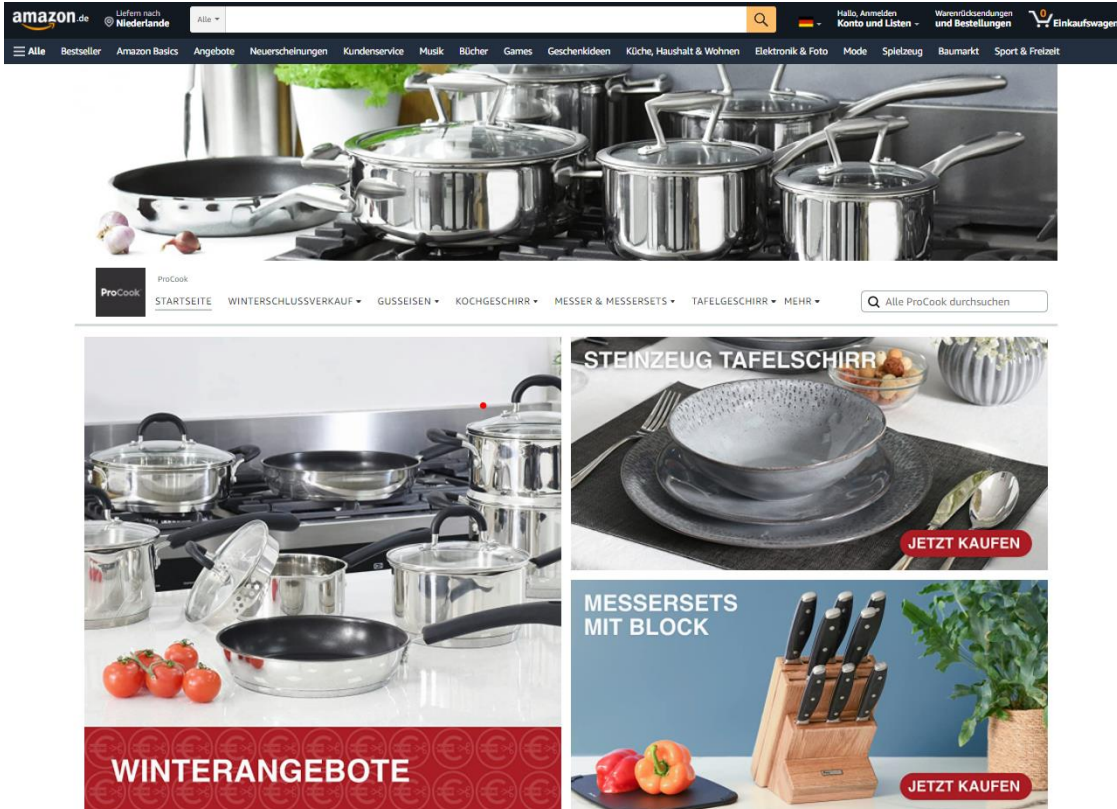


Phase 3

Physical retail adds to brand authority, customer acquisition and multichannel convenience
 When we're ready

Our EU strategy – digital first

Phase 1: Test and learn through marketplace trading, building brand awareness and operational capabilities



- Launched Amazon.DE and .FR in 2016-17, using knowledge established from Amazon.UK trading
 - ✓ Developed understanding of product demand and pricing elasticity
 - ✓ Developed language/ translate capability
 - ✓ Developed paid marketing capability
 - ✓ Developed fulfilment capability and capacity
 - ✓ Developed customer service operations

Understanding the customer, developing operational and digital capabilities

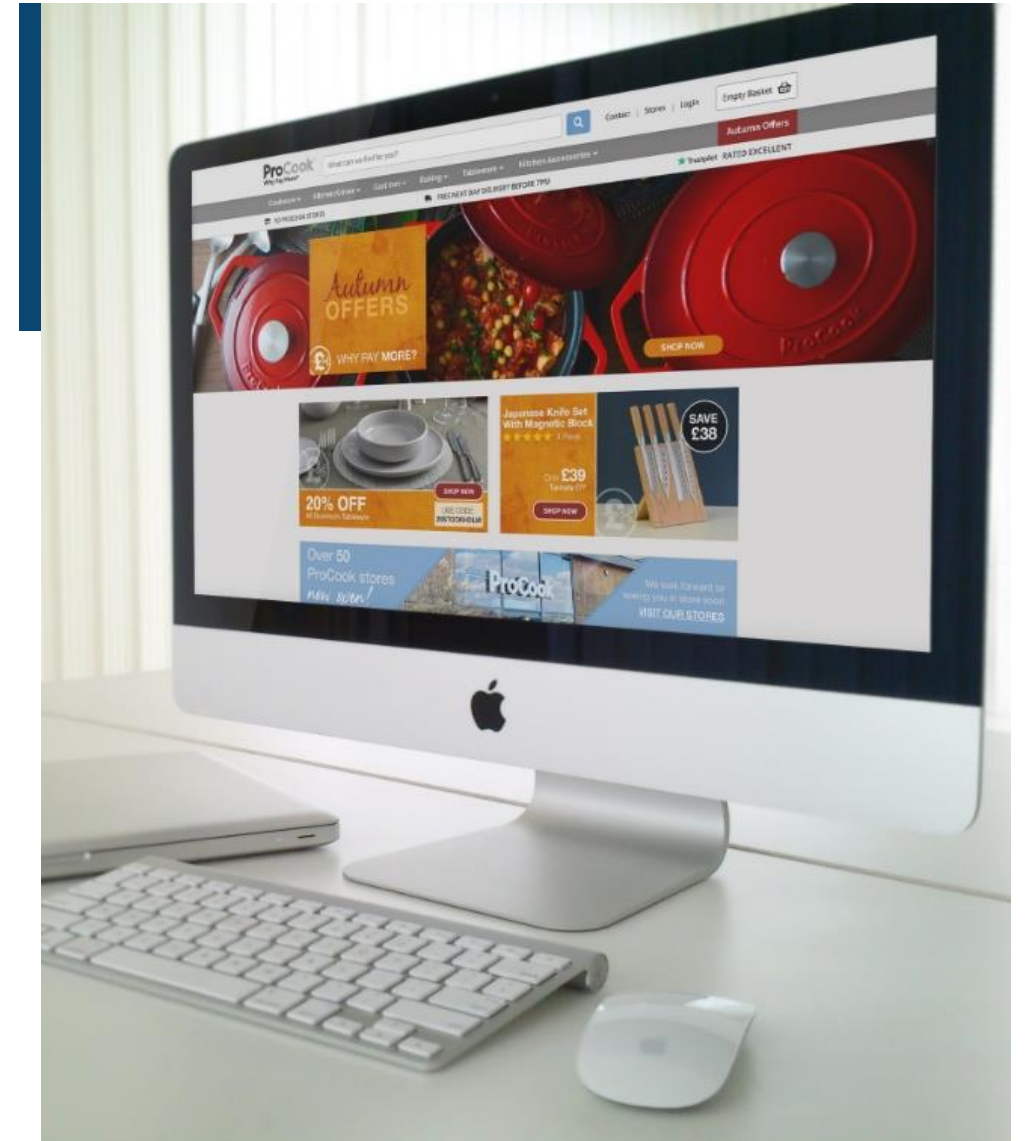
Our EU strategy – digital first

Phase 2: Launch and scale own ecommerce platforms

Launching EU ecommerce platforms

- Launching ProCook.DE in coming weeks
- ProCook.FR and ProCook.NL will follow
 - ✓ Developed platforms leveraging existing Ecommerce code base and core operating systems
 - ✓ Fully localised and translated content
 - ✓ Core modules (e.g. search, landing pages, checkout) mirror UK platform
 - ✓ Full product range on offer (scale up distribution capacity in EU)

Leveraging existing technology and skills to take ProCook brand to market



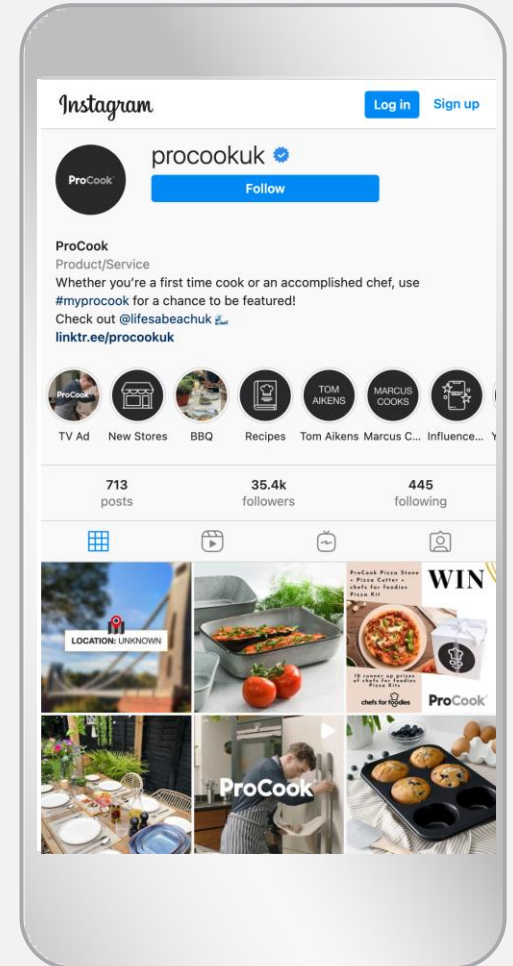
Our EU strategy – digital first

Phase 2: Launch and scale own ecommerce platforms

Scaling our EU ecommerce platforms

- Acquisition focused on Paid Media & SEO channels with established UK capability
- Supported by localised Social Media and PR
- Repeat order expectations build over time – using new customer data for re-marketing
- Profitability improves with scale and repeat order mix
- Increase stock levels and distribution capacity
- Enhance local trading knowledge and capability

Digital marketing to grow volumes, adding more operational capability



Our EU strategy – digital first

Phase 3: Physical retail adds to brand authority, customer acquisition and multichannel convenience

Physical retail to launch when we're ready

- Profitable stores provide opportunity for customers to look, test and seek advice
- Model well established in UK, and likely to focus on prominent designer outlet centres in Germany and NL
- Retail stores act as a brand beacon, raising awareness and credibility
 - ✓ Improves conversion
 - ✓ Reduces acquisition costs
- Halo effect of retail – omnichannel customers typically spend more

Adding retail to accelerate growth when operations well established



Summary

Sustainable growth in new markets

- **D2C** business model provides **competitive advantage**
- **Significant opportunity for continued growth** both here in UK and in the EU
- Approaching the EU with a **digital first strategy**, using our **existing strengths and know-how**

Exciting period ahead for ProCook



Q&A

ProCook investment case

1

Market

Highly attractive market dynamics with a fragmented competitive landscape in the UK and overseas



2

D2C Brand

D2C business model transcends all aspects of the business



- a. Products
- b. Supply chain
- c. Channels
- d. Customer
- e. Marketing

4

Infrastructure

Well invested infrastructure provides an agile and scalable platform for growth



3

Financials

Consistent growth in revenue and stable margins leading to excellent cash conversion



5

Growth

Clear strategy for growth through customer acquisition & retention, and channel development



6

Management

Highly experienced management team with strong governance framework

