

Pitch Deck



Background

- Amify allows brands to maximize their potential on the Amazon marketplace.
- Founded in 2011 by Ethan McAfee.
- Located in Alexandria, VA.
- 50 FTE in July 2018
- Boot strapped from inception. Ethan McAfee is 100% owner.
- Over \$100mm of Sales on Amazon. 2017 Gross Merchandise Sales of \$25mm. 2018 \$33m.
- 2 Time Inc 500 award winner.



Amify Opportunity

- Our Goal: Help brands maximize their Amazon potential.
- Amazon sold \$330B on its platform last year.
 - Expected to grow to \$500B by 2020
 - 50% of total online ecommerce, 5% of total retail sales
 - $\frac{2}{3}$ of sales \$ are 3rd party. That portion is growing faster than 1p
 - Huge number of small players/sellers
 - Amazon sells ~30X more than Walmart.com
- Brands cannot ignore Amazon. They need a partner to maximize their potential on the largest internet channel.
 - Amify can offer services at $\frac{1}{2}$ cost and twice as good as doing Amazon in house.



What do brands need to be

- Amazon Strategy
- Product Page Optimization
- Sponsored Ads Management
- Counterfeit / Unauthorized Seller Enforcement
- Supply Chain
- Actionable Data
- Sales Tax Management

How do we do that?

- Amify is one of the largest marketing companies on Amazon. We use that scale to:
 - Use proprietary technology to automate tasks
 - MAP monitoring/Enforcement
 - Analytics/Data on sales, inventory, profitability
 - Use offshore employees to provide low cost repeatable tasks
 - Product page creation and optimization
 - Graphic design
 - Product inventory management
 - Multiple warehouse locations to minimize supply chain/logistics costs



Product Listings Example



Current
Simple. Description and specs are hard to find. Image lacks context. Not brand-appropriate description font.

Proposed
Strong imagery. Clear and concise description of attributes. Clear parallel to brand style. Contains additional images to show scale of specific product.



Business Models

- Amify has rapidly transitioned from a "retailer" to an "Amazon Brand Partner"
- Outsourced Model
 - Amify runs brands Amazon presence in return for a % of revenue
 - For brands that wish to sell direct on Amazon.
 - Inventory is held on "consignment"
- Semi/Exclusive Retailer
 - Amify offers services for "free" in return for being the exclusive or semi exclusive seller of the brands products on Amazon.
 - For brands that are accustomed to working through a retailer network.
- Vendor Central Account Management
 - Amify manages brands relationship with Amazon in return for % of revenue.
 - For brands that wish to sell directly to Amazon.



Gross merchandise sales by model



Amazon Partner revenue has increased from 5% to 60% of total revenue in 2 years.

History of Amify

- Company Started in 2011 by Ethan McAfee
- Original Thesis:
 - Amazon is becoming the “mall of the internet” and allowing niche products to find their audience.
 - Amazon FBA is allowing retailers to easily sell online.
- Phase 1: 2011-2013
 - Strategy: Create business and prove business model.
 - Employees: Ethan
 - 2011 Revenue of \$300k. 2012 Revenue of \$1.2mm



History: Phase 2

- Time: 2013-2016
- Strategy: Use technology to create a database of all the products on Amazon. Use data to identify which products were most likely to be profitable.
- Model: Reseller on Amazon
- Employees: Business grows from 4 in 2013 to 23 by 2016.
- Results:
 - Became one of the largest sellers on Amazon.
 - Revenue grew from \$1mm to \$25m.
 - ASP 3X industry averages.



Phase 3: Amify

- Time 2017+
- Strategy:
 - Rapidly transition from a "retailer" to a "brand partner"
 - Use the same technology/skills that made us a great retailer of products to help other brands sell their products.
 - Focus on Outsourced and "inventory light" business model
 - Build out management team to allow for growth
 - Focus on growth and long term vision
 - Cut off 80%+ accounts that are non strategic
- Employees: 50 FTE by July 2018
- 2018 Gross Merchandise Sales of \$33mm



Upselling Gameplan

- Amify currently has ~300 brand partnerships on Amazon.
 - Huge early inning opportunity to upsell to semi/exclusive
 - In 2017, we sold roughly \$25mm of product, but estimate those brands sold \$200mm on Amazon. Amify only had 12.5% of wallet.
- Step 1: Offer MAP/Unauthorized seller monitoring service.
 - Goal: Get Amify talking to correct people.
- Step 2: Upsell to MAP/Unauthorized seller enforcement service
 - Goal: Reduce number of authorized sellers to ~4 to increase share of wallet to ~25%
- Step 3: Upsell Page Enhancements/Sponsored Ads Management.
 - Goal: Get exclusive for brand on Amazon. Increase share of wallet to 100%.



Why raise money now?

- Amify has proven its business model by bootstrapping the business to \$25mm+ in revenue and profitability.
- Additional service offerings require new skill sets and employees.
- Amazon marketplace is going through rapid market share gains by big players that can leverage technology and business skills.
- Now is the time to build an A+ management team to take this business to \$100m+.
- We are missing out on opportunity because of lack of resources.
- Develop a board of advisors that can add value and insight.



Money Raise and Use of Funds

- Amify is looking to raise ~\$3-5mm to be used to:
 - Finish building out A+ Management Team.
 - Head of Marketing
 - CFO
 - CTO
 - Build out teams
 - BD team from 3 to 8
 - Account Management team from 4 to 8
 - Brand Services from 4 to 10
 - Marketing from 1 to 3

