

Recommendation on Expansion to Brazil with Magist

Group 3

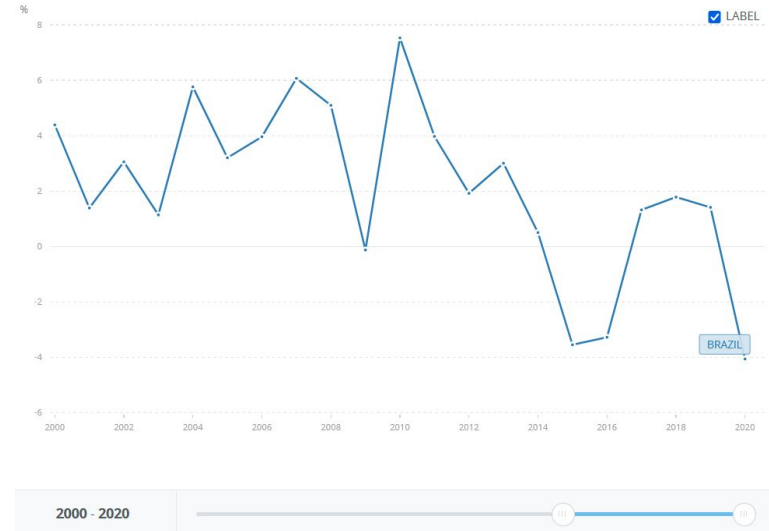
Agenda

1. Brazil as a Business Location
2. Quarterly Revenue Magist
3. Delivery Duration
4. Popularity of Expensive Tech-Products
5. Recommendation

Brazil as a Business Location

- Average delivery duration for online-shops pre 2020: 21 days ¹
- High local taxes on electronic products, therefore high prices ²
- 7th largest economy, with \$2.3 trillion GDP
- GDP-growth in Brazil is volatile
- Insufficient level of local infrastructure, highways, railways

GDP-Growth Brazil (annual %) ³



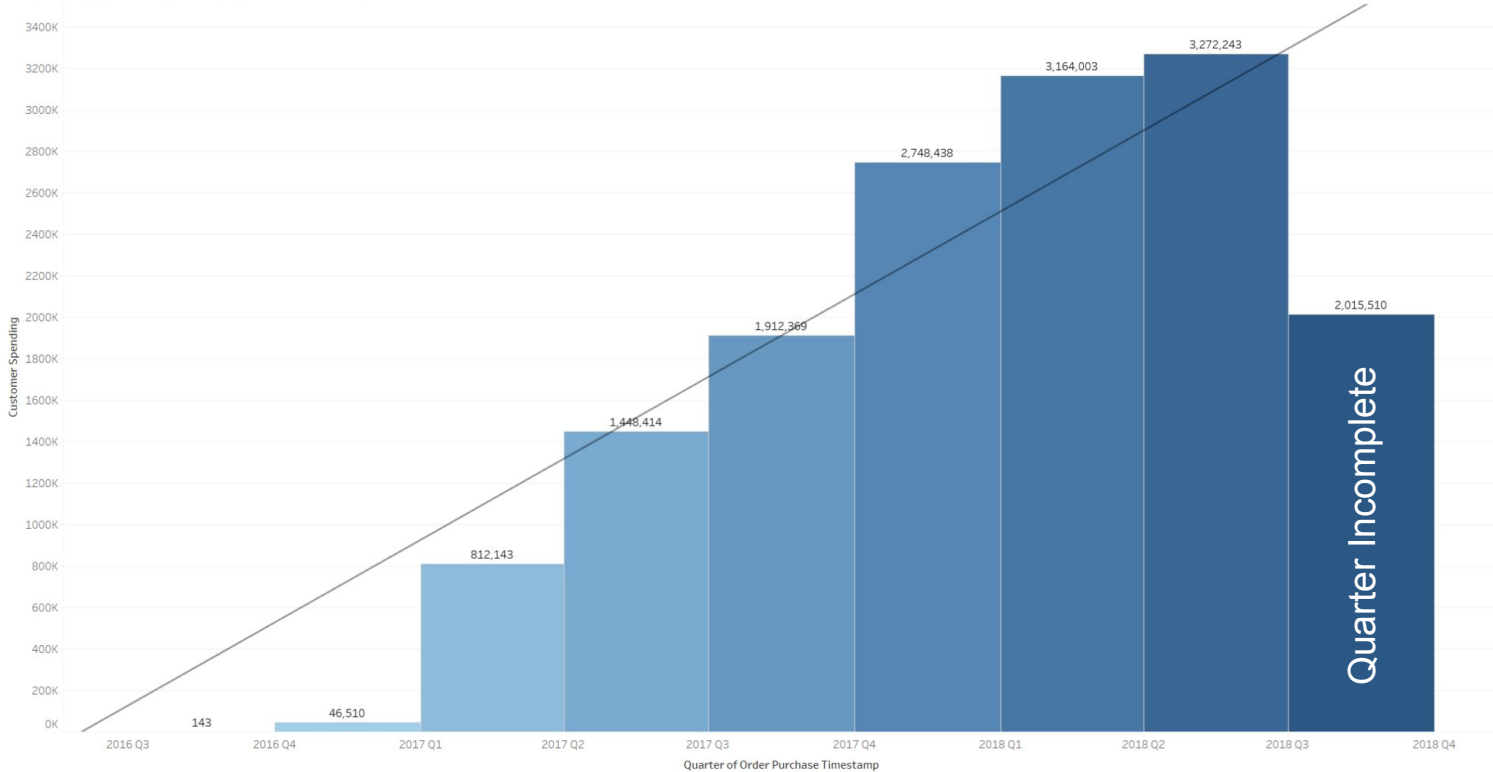
1: <https://www.statista.com/statistics/1117196/delivery-time-e-commerce-brazil/>

2: <https://thenextweb.com/news/from-brazil-cost-brazil-profit-why-electronics-expensive-brazil>

3: <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2020&locations=BR&start=2000>

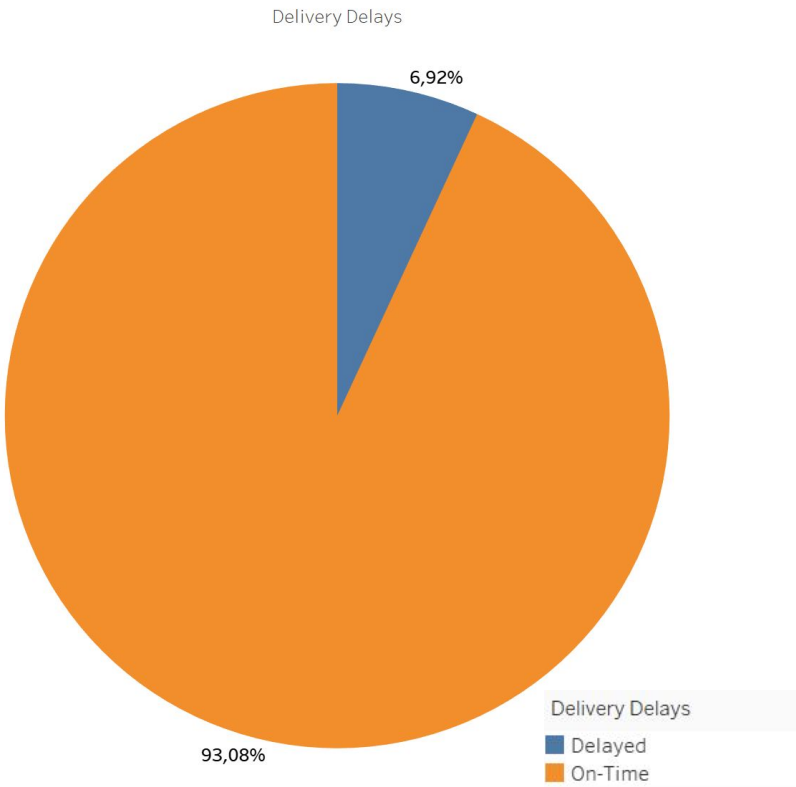
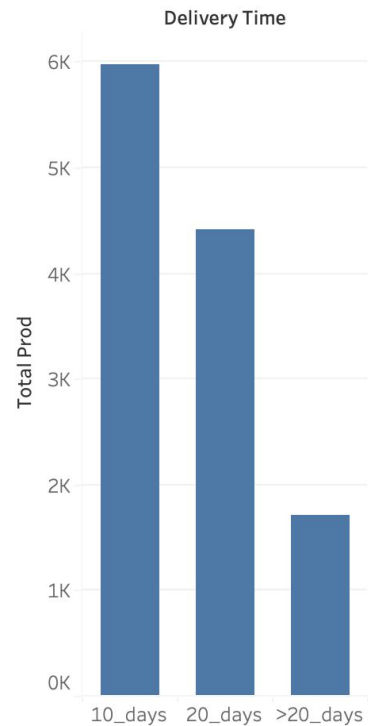
Quarterly Revenue

Gross Quarterly Customer Spend (delivered)



Delivery Duration

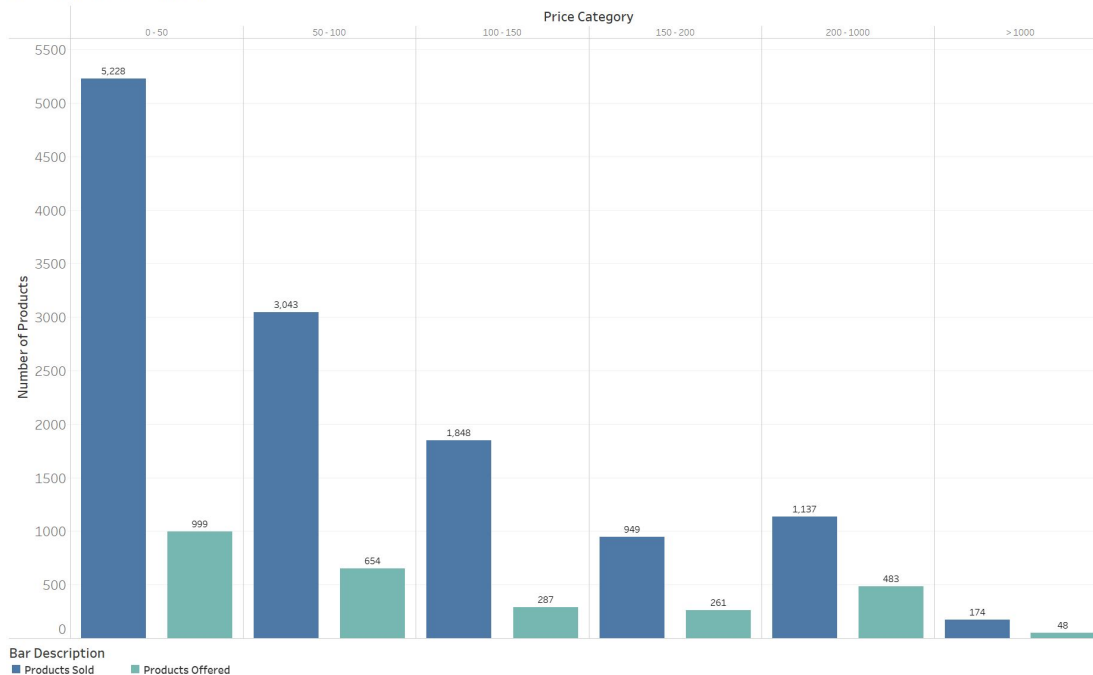
Tech products



Popularity of Expensive Tech-Products

- Fewer expensive Tech products are offered as compared to cheap Tech products
- Fewer expensive Tech products are sold as compared to cheap Tech products
- Average Review Scores are similar for expensive and cheap Tech products

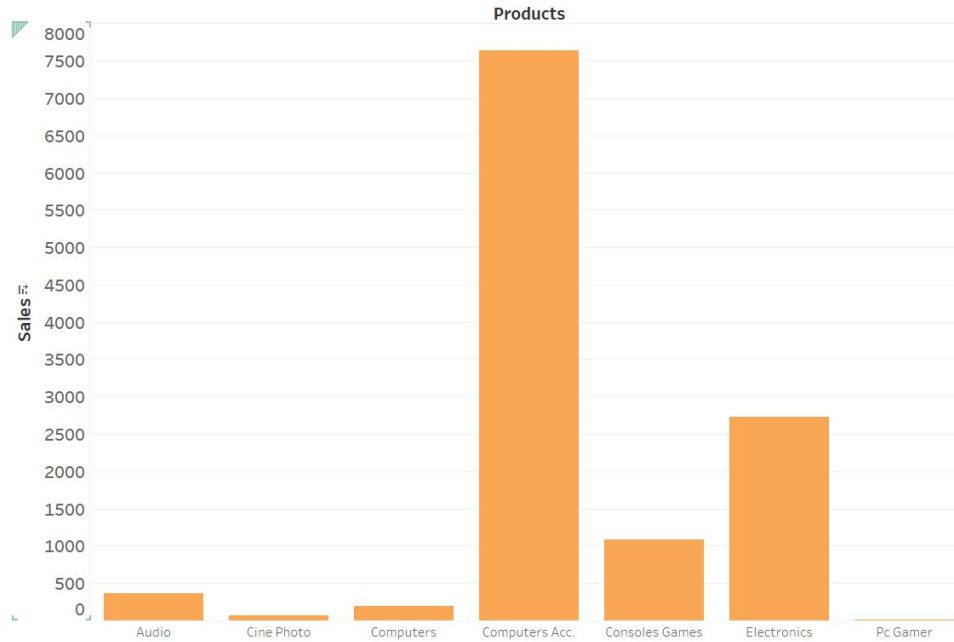
Tech Products Offer and Sales



Average Review Scores

Price Category	
0 - 50	4.0872
50 - 100	3.9563
100 - 150	4.1030
150 - 200	3.9858
200 - 1000	3.8887
> 1000	4.1394

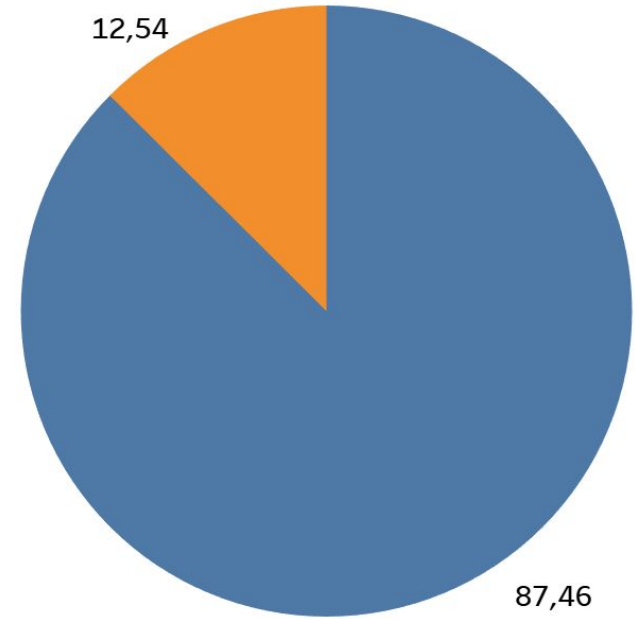
Market share



Percentage of Tech-Products in catalog:

■ = Tech-Products

■ = Other Products



Recommendation

Pro Collaboration	Con Collaboration
<ul style="list-style-type: none">• Revenue is growing consistently• User-reviews are positive on average (approx. 4 stars)• Delivery duration is good for Brazilian shops• Only little bureaucracy involved because Magist is an established player in Brazil	<ul style="list-style-type: none">• Number of expensive tech-products in Magist catalog is low• Electronics are more expensive in Brazil• Economic situation in Brazil is difficult to predict

Overall, if Eniac wants to expand to Brazil, we would recommend to go with Magist as a partner

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Pros and cons collaborating in brazilian market

Pros

- Magist's strong well established network and direct connection with local market.
- Magist will play a strategic in-country presence partner in order to avoid long bureaucracy and government procedures, complex tax structure etc.
- Minimization of corruption in business
- 7th largest economy, with \$2.3 trillion GDP

Cons

- Promising and developing market size, but not totally ready to support fully new investments because of insufficient level of local infrastructure, highways, railways etc.
- High inflation could be inhibitory factor of doing business in Brazilian market

Source: www.pwc.de/de/internationale-maerkte/assets/doing-business-and-investing-in-brazil.pdf

Distribution of technology products

