

The next big thing at ENIAC

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The feasibility of the deal

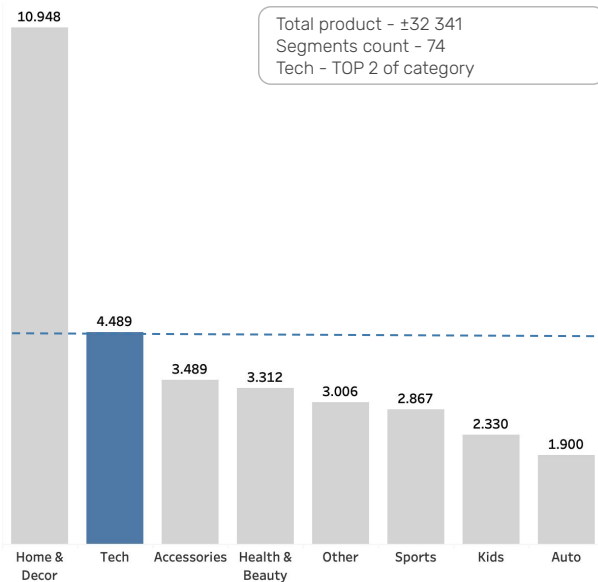
Eniac's Goal vs. The 2 Risks

1. Does Magist fit to Eniac's luxury products in **order volume** and **price**?
2. Is Magist able to meet our high standards, regarding **delivery time** and **customer satisfaction**?

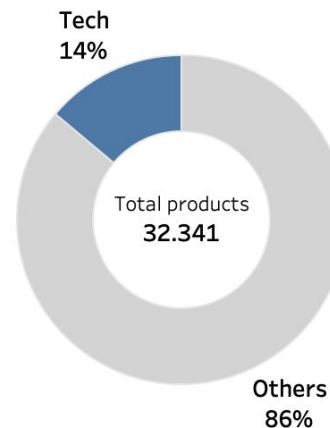
Magist is Not Ready for Eniac's High-End Service Model

MAGIST IS STRONG AT HOME GOODS, NOT AT TECH CATEGORY

Product Assortment by Category (2018)



Ratio of the share of Tech to other categories, 2018

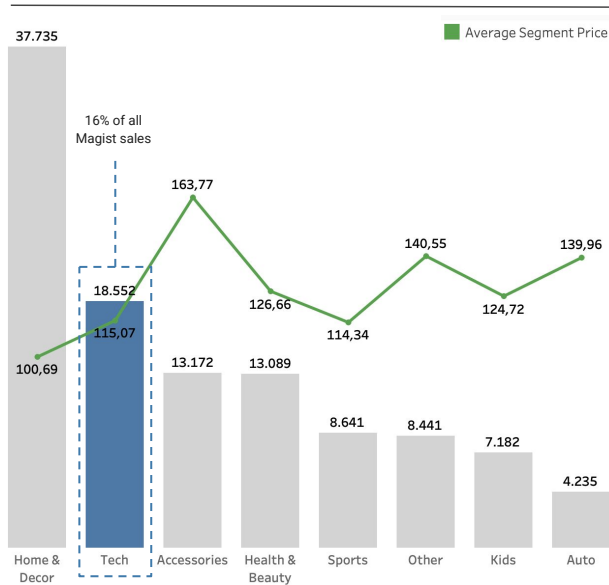


The Tech category is second in terms of product volume, but accounts for only 14% of total sales.

Source: Magist data, author's analysis

Magist does not align with our goal of focusing on Tech category sales

Total items sold and average product price in categories



Conclusions

- **Category Home & Decor** - sales leader, but probably a budget and mass market category
- **The Tech category** has strong positions in terms of sales volume, but a low average price

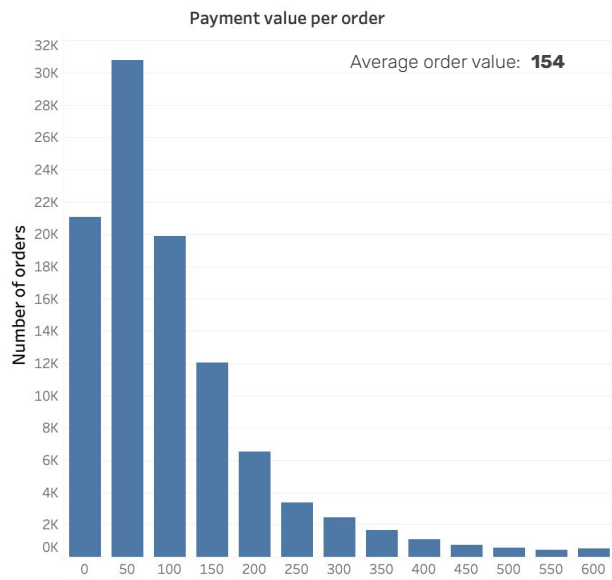
Volumes and average sales price may indicate the brand's mass-market positioning.

The overall share of sales in the Tech category is only 16%. The Tech category is among the top three cheapest categories at Magist.

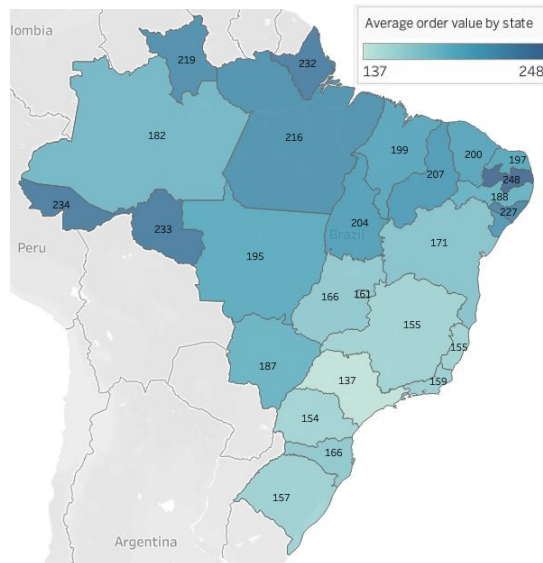
LIMITED REACH

High-Value Customers are Clustered in just 3 States

Distribution of order values



Average order value (AOV), by state



Conclusions

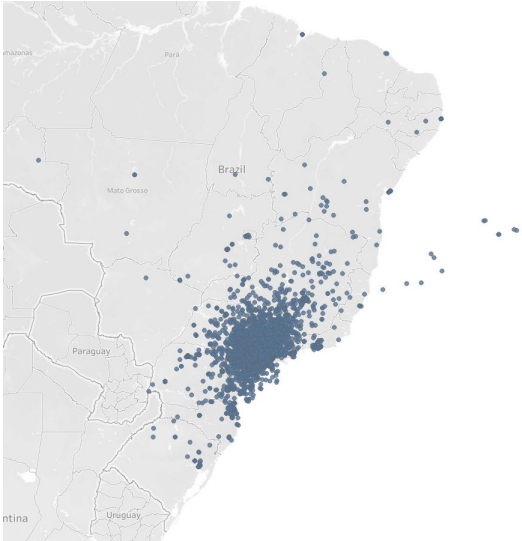
- **Moderate purchasing power** - most customers place low to mid-value orders.
- **High-value purchases** are significantly less frequent.
- **Purchasing power** varies by region, with higher AOV in selected states.

Most customers buy low- to mid-range items. The average order value at Magist is almost five times lower than at Eniac.

LIMITED REACH (2)

We want more than just Sao Paulo!

Distribution of customer deliveries by Magist



42%

of all orders go to the state of Sao Paulo, where only

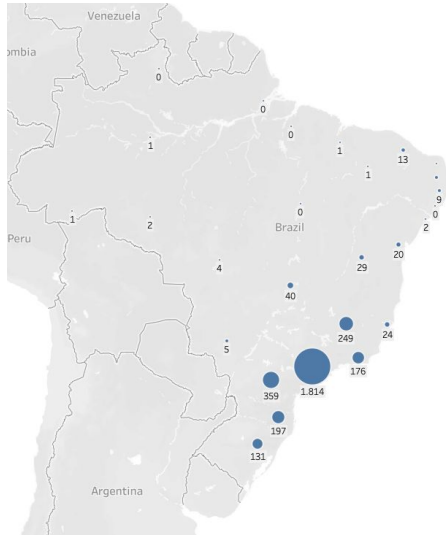
25%

of the population live

We are NOT Brazilians!

Do We Fit Magist's Partner Portfolio?

Distribution of Sellers currently working with Magist



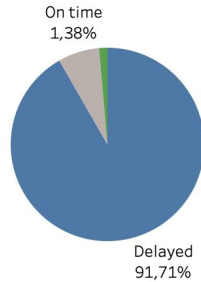
59% of all sellers are from the city of Sao Paulo

0% of all sellers are from other countries

THE UNRELIABLE PARTNER

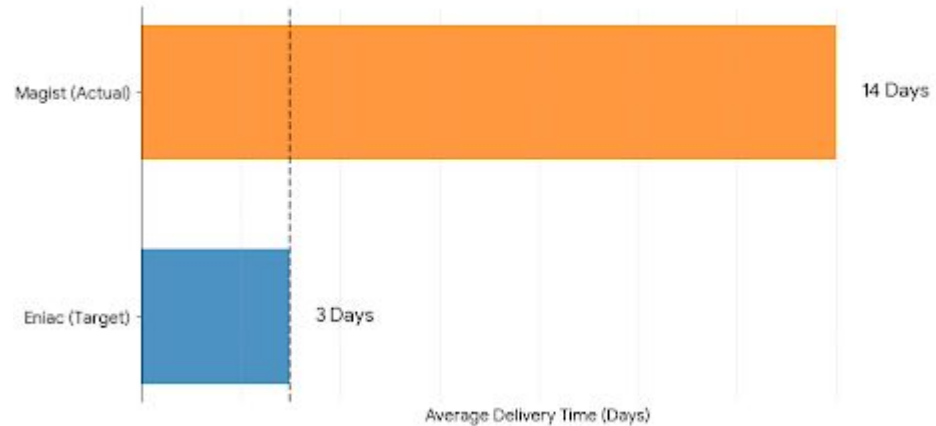
Only 1.38% of Deliveries Meet the Promise

Overall Delivery Situation



THE 14-DAY WAIT: Magist's Pace Will Kill Our 'Fast Delivery' Promise

Delivery Speed Conflict: Eniac's Standard vs. Magist's Reality



CONCLUSION & RECOMMENDATION

WHY MAGIST IS NOT A FIT (Today)

- not mature enough to support Eniac's premium brand
- low service standards would harm Eniac's brand
- lacks the purchasing power for Eniac's products

Proceeding now means **diluting the Eniac brand** for questionable revenue growth.

OUTLOOK: CONDITIONS FOR THE FUTURE

- more high-value, international sellers (Luxury Segment)
- smaller high-end partnerships in São Paulo

The deal is **only negotiable** once the core operational risks are eliminated.

Thank you