



Driving Growth Globally

Vitamins & Supplements

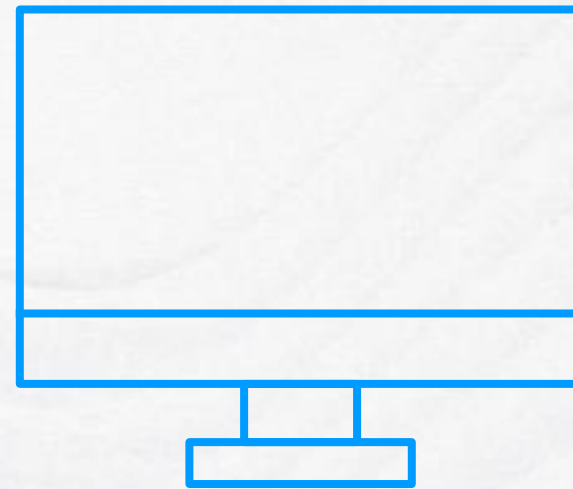
Friday 2 June 2023



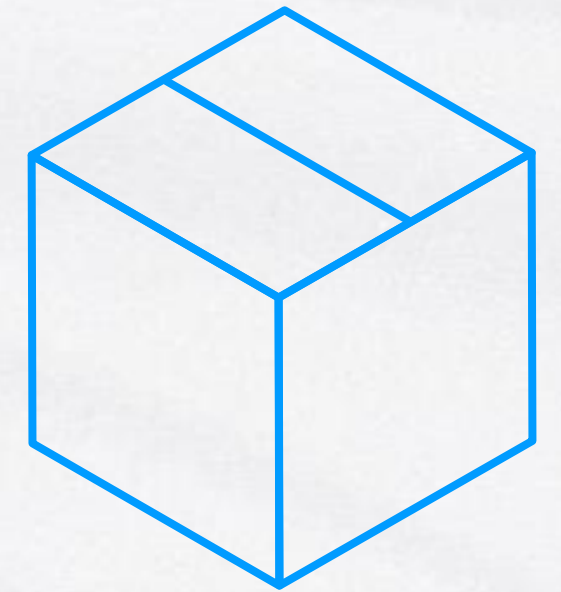
Commerce Has Changed



Bricks and mortar



Ecommerce

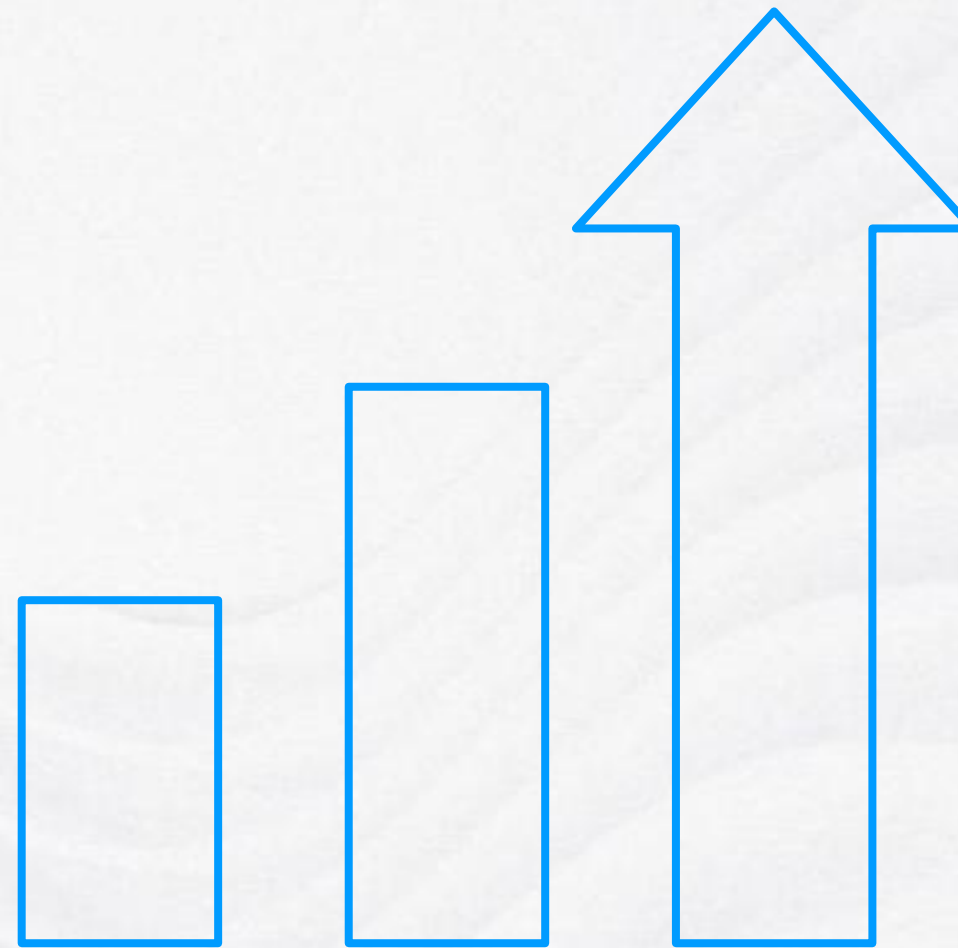


Marketplaces



The EMEA Opportunity

The Category



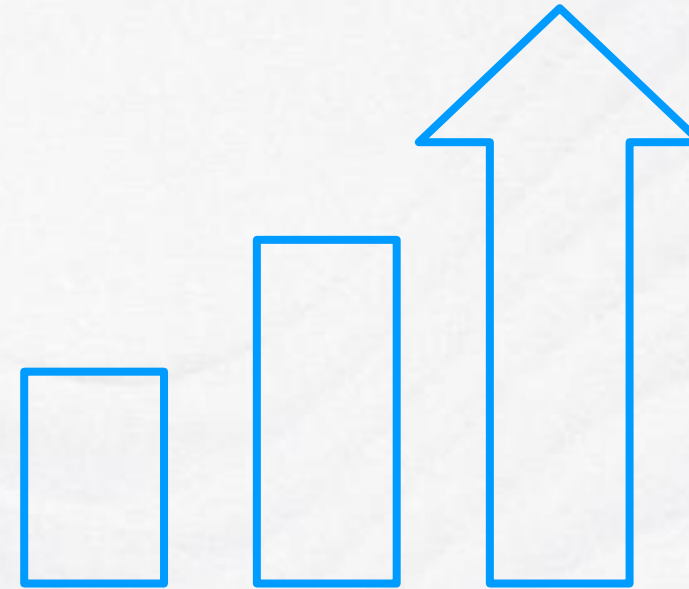
The Vitamins and
Supplements category is
expected to grow annually
by 4.78% in EMEA
(CAGR 2023-2027)

The UK Example



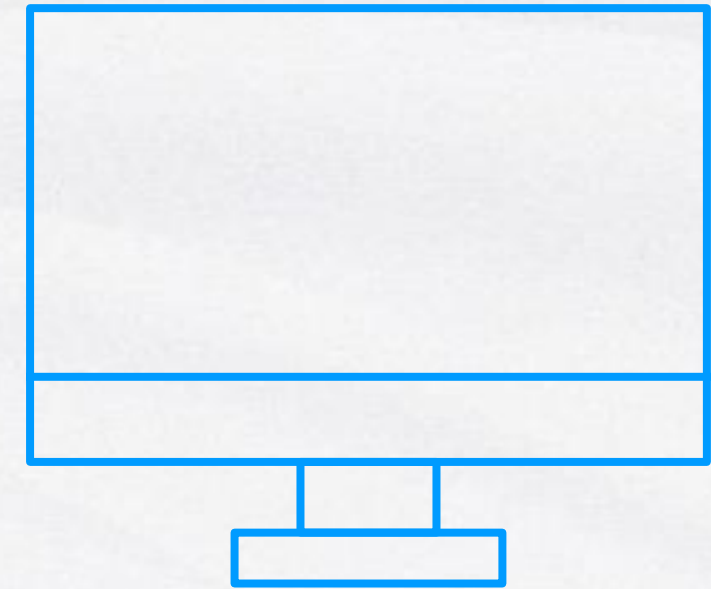
2021 v 2022

The UK Vitamins and Supplements market grew by £860.4 million (16.5% YoY growth)



2026 v 2027

In 2027, the UK market is anticipated to grow by £1.3 billion - an increase of 7.6% from 2026



Distribution

Between 2017 and 2022, retail ecommerce has grown from 8.5% to 22.5%

The Reality



Confidence is varied
and worsening across
EMEA



A significant majority
remain financially
healthy



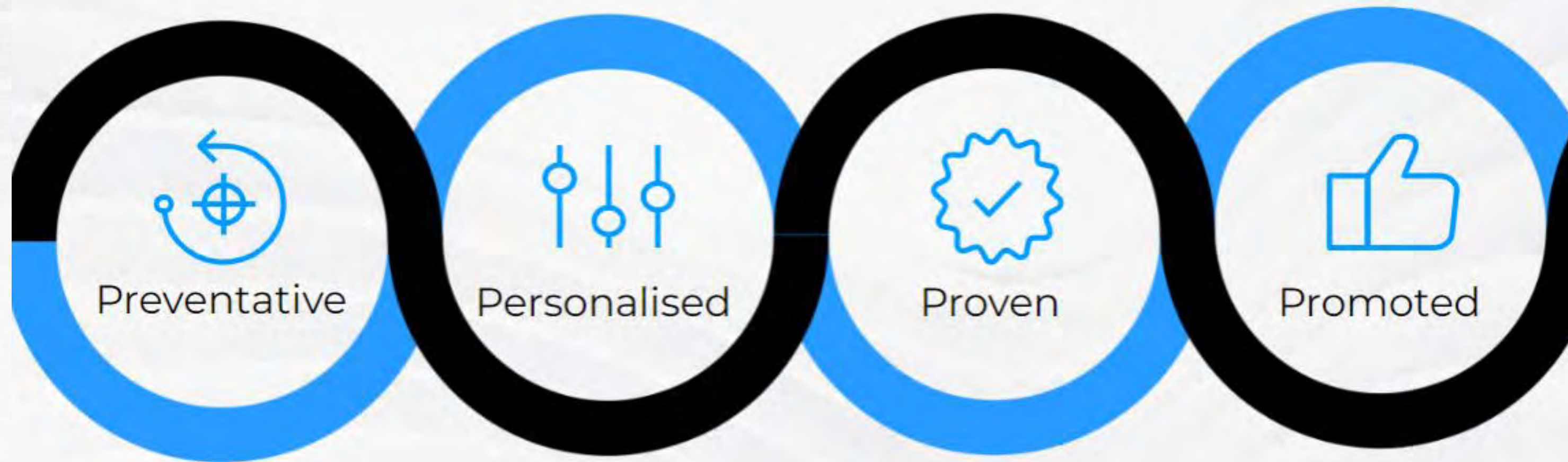
Consumers desire to
make up for time lost
during COVID-19
lockdowns



New product
strategies are
required

The New Rules

EXTRACTING VALUE FROM AN INCREASINGLY COMPLEX CATEGORY



The Ecommerce Landscape

A \$7.4 TRILLION TUG-OF-WAR...



The Pattern advantage

“ **We exist to give our partners an unfair advantage in the \$7.4T eCommerce tug-of-war.**

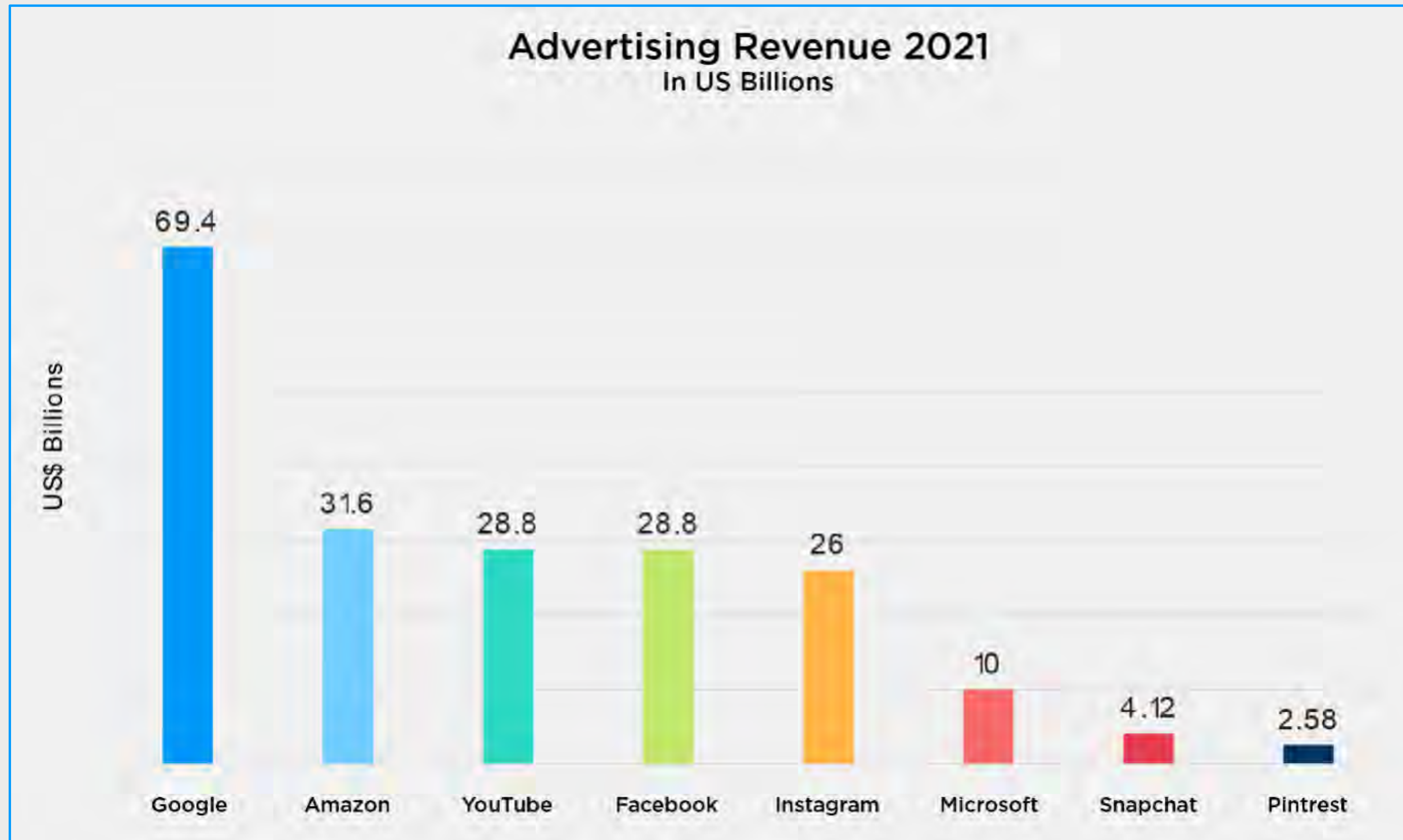
Backed by 219T proprietary commerce data points and \$1.3B global sales data we accurately advise where to spend every \$ for the best return.

”



The Amazon Landscape

World's Top Advertisers



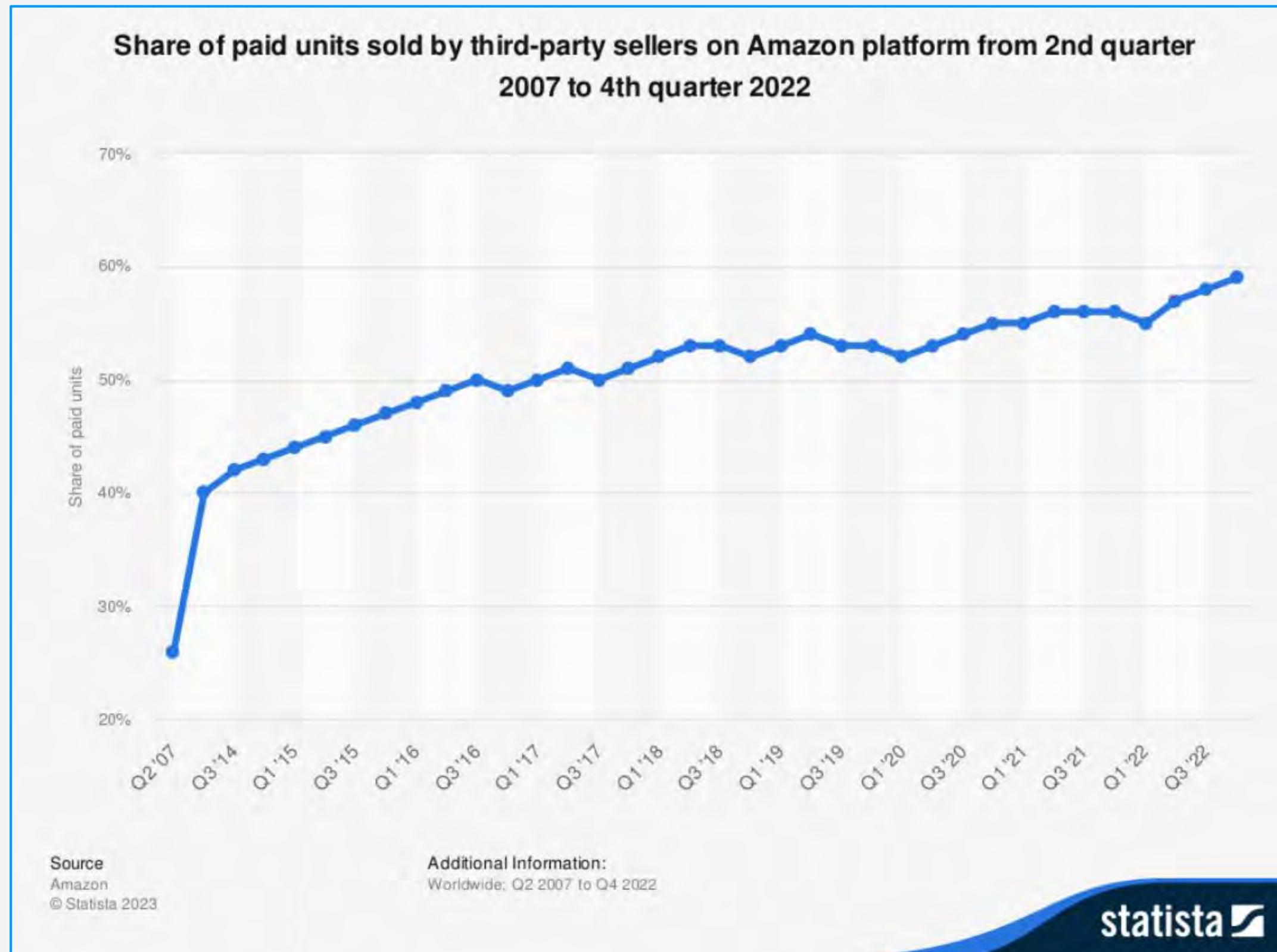
Advertising Technology

THREE YEAR SEARCH PAGE OVERHAUL

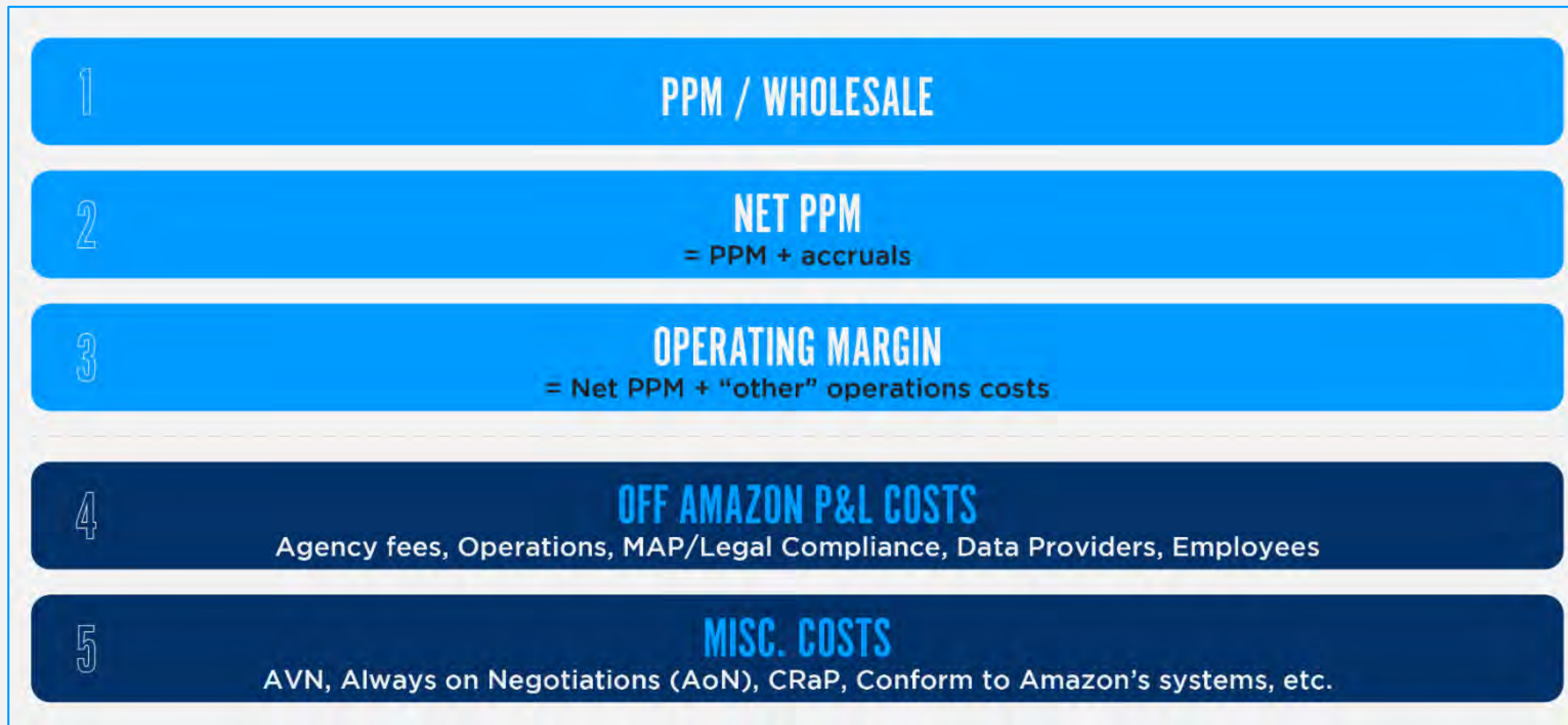
- Two rows before first organic
- Carousel additions
- Sponsored editorial additions
- Explicit favoring of Amazon brands/exclusive Amazon brands program
- Video advertisements



3P Sellers on Amazon



Amazon's 1P P&L From the Top Down



AMAZON 1P P&L

1	MSRP / MAP (trailing period margin)	product price	\$100.00
	AMZN BASE DISCOUNT (PPM)	20%	\$80.00
	Accrual Costs		
	MDI (pay-to-play) - 10%	10%	\$8.00
3	Freight Allowance - 3-4%	3%	\$2.40
	Damage & Liquidation - 3-4%	4%	\$3.20
	SAS / AVS Brand Specialist - 1.25%	1%	\$0.80
	Marketing co-op - 1%+	1%	\$0.80
	Pallet / Truck Ordering - 3-4%	0.5%	\$0.40
	FC Transfer / IXD - \$0.30	0.25%	\$0.20
	Spectra Discounted Bulk Buys - 1-10%	1%	\$0.80
	S&S Discounts - 5%	0%	\$0.00
	CRAP / (MCP) price matching funding	1%	\$0.80
2	Promotions / Markdowns (fully funded by brand)	0%	\$0.00
	Net PPM	37.40%	\$17.40
	Other Costs		
	Chargebacks	10%	\$8.00
	Shortage Payments	3%	\$2.40
4	SIOC / Package Reductions	4%	\$3.20
	Advertising	1%	\$0.80
	CM (Contribution Margin)	1%	\$0.80
	Total Costs on Amazon's P&L		
	Chargebacks	10%	\$44.20
	Additional Expenses		
	Media Agencies - 1%	0.25%	\$0.25
	Creative Agencies - 0.25%	0.5%	\$0.50
	Data Providers & Market Data - 1.75%	1%	\$0.80
	Price Intelligence and Compliance - 1%	1%	\$1.00
	Operations - bundling, in-late ordering, multiple I/Cs	0.5%	\$0.50
	Additional Offsets - 2%	2%	\$2.00
	True Total Costs		\$49.25
	Net Profit		\$50.75

PATTERN 3P P&L

MSRP / MAP		\$100.00
PATTERN PURCHASE PRICE	46%	\$54.00
Costs		
Inbound Shipping to Pattern	2%	\$1.60
Advertising Spend (100% pass through)	1.75%	\$1.40
Damage and Liquidation	2.35%	\$1.88
S&S Discounts - 5%	0%	\$0.00
Promotions / Markdowns (partially funded by Pattern)	0%	\$0.00
Total Costs		\$4.88
Profit		\$49.12
Additional Expenses		
Media Agencies - 1%		Included
Creative Agencies - 0.25%		Included
SVS / AVS Brand Specialist - 1.25%		Included
Bulk Purchase Discounts - 1.5%		Included
Reporting (A/R) & Market Share - 1.75%		Included
Price Intelligence and Compliance - 1%		Included
True Total Costs		\$49.12
Net Profit		\$50.88

Pattern's Amazon EMEA Vendor Report

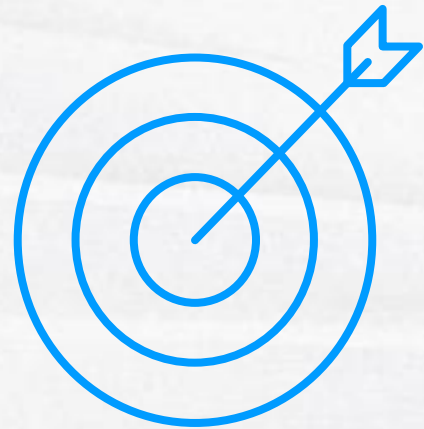
45% of vendors are not confident or unsure their current model will be profitable in the next 2-5 years





Pattern's Partnership Model

A Full Service Model for Vitamins and Supplements



Consulting

Ensure your brand makes high quality decisions. Covering the full Ecommerce and market entry landscape



Distribution

Cross channel distribution with access to bricks and mortar, e-retail and marketplaces through one partner



Compliance

Rubicon to ensure the complex compliance and regulatory landscape is made easy for brand launches



Marketplace Excellence

3P expertise to ensure winning on marketplaces, underpinned by control and growth, ensuring you have the chance to scale profitably and quickly

#1

Amazon Seller
Globally



Gold Tmall
Trading Partner

60

Countries We Sell in

PATTERN IS A GLOBAL MARKETPLACE ACCELERATOR

+219T

Ecommerce
Data Points

\$1.2B

Global Revenue

1.5M

Units Shipped
Monthly

Reasons Brands Work With Us



CONTROL



GROWTH



RESOURCES
(including regulations and
compliance)



**INTERNATIONAL
EXPANSION**

GMV by Country

IN US BILLIONS



One Global Pattern



Marketplace Accelerator Model



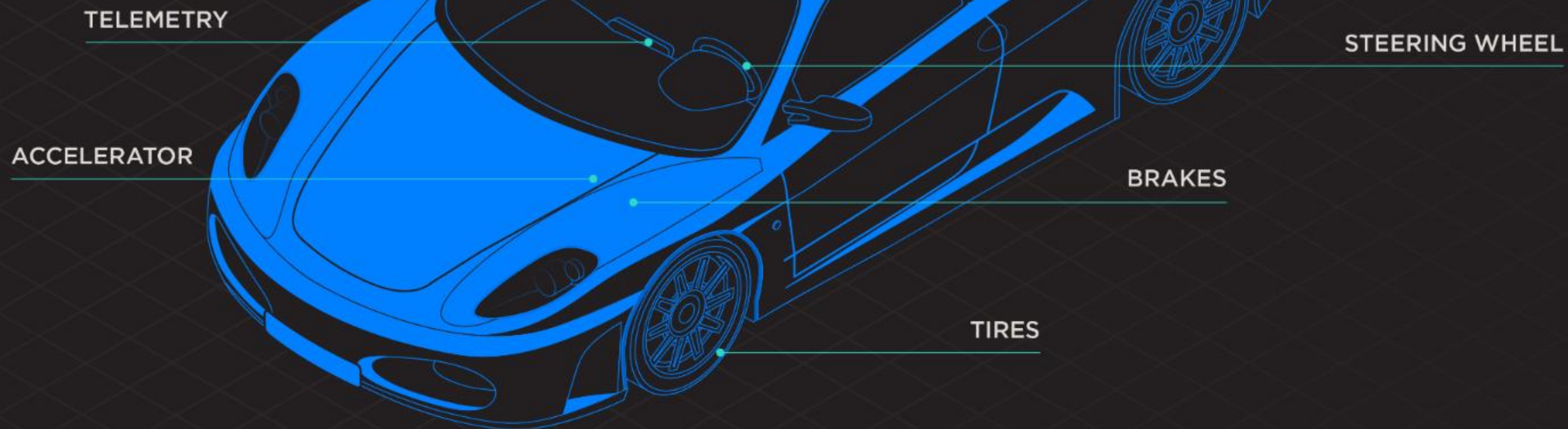
PATTERN IS A FULL PRICED SELLER

Platform Commission	
Fulfillment	Based on SKU Weights & Dims FBA, SFP, Direct Import, Ex Works, DDP...
Acceleration Margin	
Ad Spend	Passthrough, No Markup PO Credit or Billed Monthly in Arrears


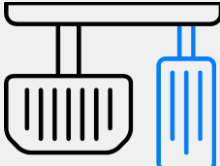

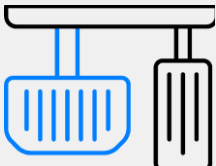

Where do we start?

AMERICAS	EUROPE	MIDDLE EAST	AUSTRALIA	JAPAN / SOUTHEAST ASIA	CHINA / SOUTH KOREA
<ul style="list-style-type: none">• Amazon US• Amazon CA• Amazon MX• Walmart US• Target+• Macys• Kohls• Kroger• TikTok	<ul style="list-style-type: none">• Amazon UK• Amazon DE• Amazon FR• Amazon ES• Amazon IT• Amazon NL• Amazon PL• Amazon SE• Amazon AT• Amazon TR• Amazon BE• Cdiscount• OTTO• Allegro• Bol• Zalando	<ul style="list-style-type: none">• Amazon UAE• Noon UAE• Amazon KSA• Noon KSA	<ul style="list-style-type: none">• Amazon AUS• eBay AUS	<ul style="list-style-type: none">• Amazon JP• Amazon CA• Shopee• Lazada	<ul style="list-style-type: none">• Tmall• JD• Douyin (TikTok)• Coupang
				<div>OFFLINE</div> <ul style="list-style-type: none">• Europe• SEA	<div>OFFLINE</div> <ul style="list-style-type: none">• China

Driving Growth



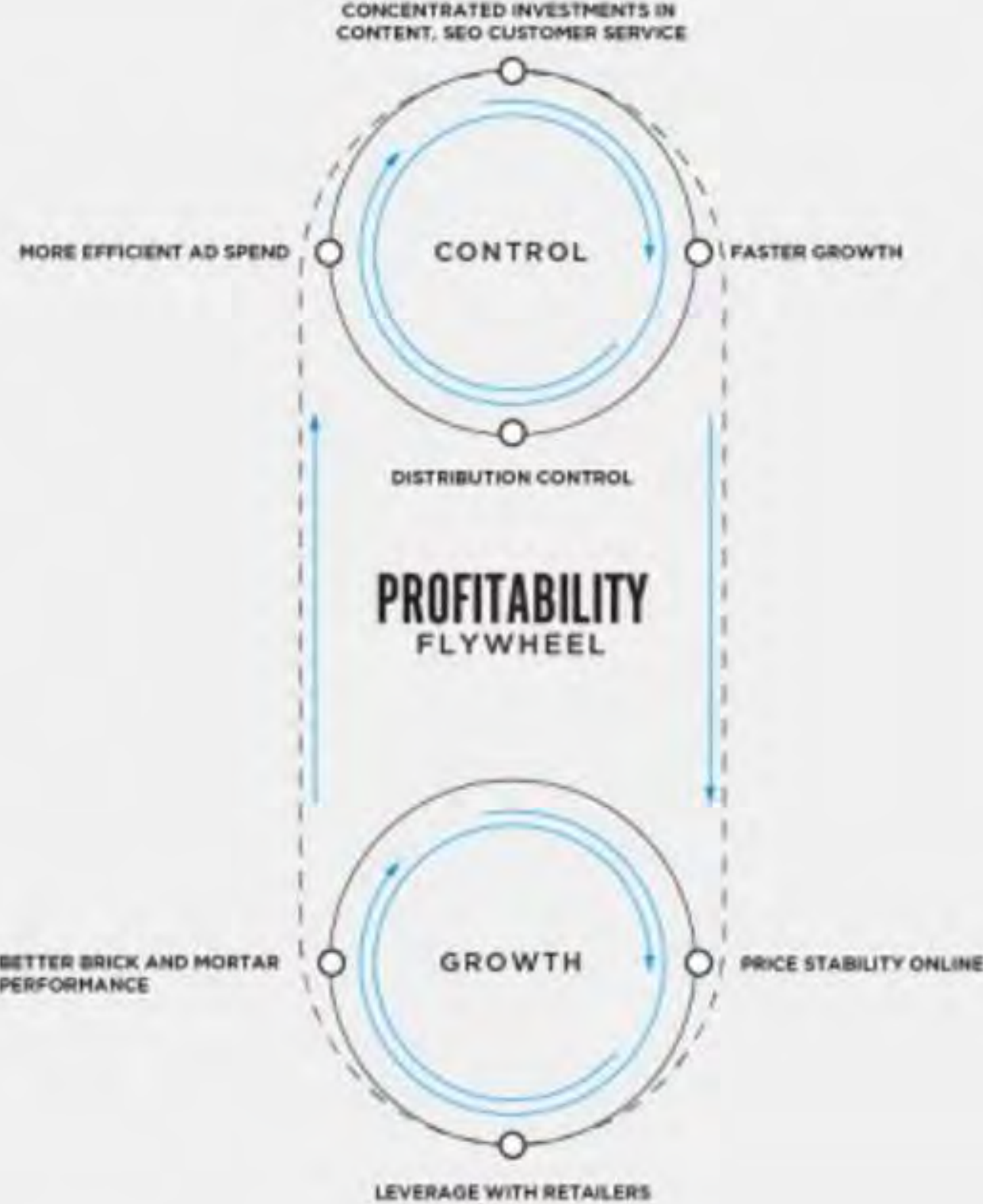
COMPETENCIES REQUIRED TO WIN ON GLOBAL ECOMMERCE

INSIGHTS	TRAFFIC	CONVERSION	PRICE	LOGISTICS
MARKET SHARE	SEO	IMAGES/VIDEO	PRICE MONITORING	DIRECT IMPORT
DIGITAL SHELF ANALYTICS	KEYWORD RESEARCH	CONTENT SYNDICATION	DISTRIBUTION CONTROL	RETURNS
COMPETITIVE TRENDS	DEMAND PLANNING	BULLETS	REMOVING UNAUTHORIZED SELLERS	FORECASTING
IMPRESSION SHARE	ALGORITHMIC BIDDING	USER GENERATED CONTENT	REGULATORY COMPLIANCE	CROSS BORDER
CATEGORY TRENDS	INFLUENCER MARKETING	DIGITAL ASSET MANAGEMENT		CROSS DOCKING
 TELEMETRY	 ACCELERATOR	 STEERING WHEEL	 BRAKES	 TIRES

Profitability Flywheel



PATTERN HELPS YOU
GET RID OF THE DEATH SPIRAL
AND HELPS YOU CREATE THE PROFITABILITY FLYWHEEL





Scorecard

THE ECOMMERCE EQUATION



TRAFFIC

×



CONVERSION

×



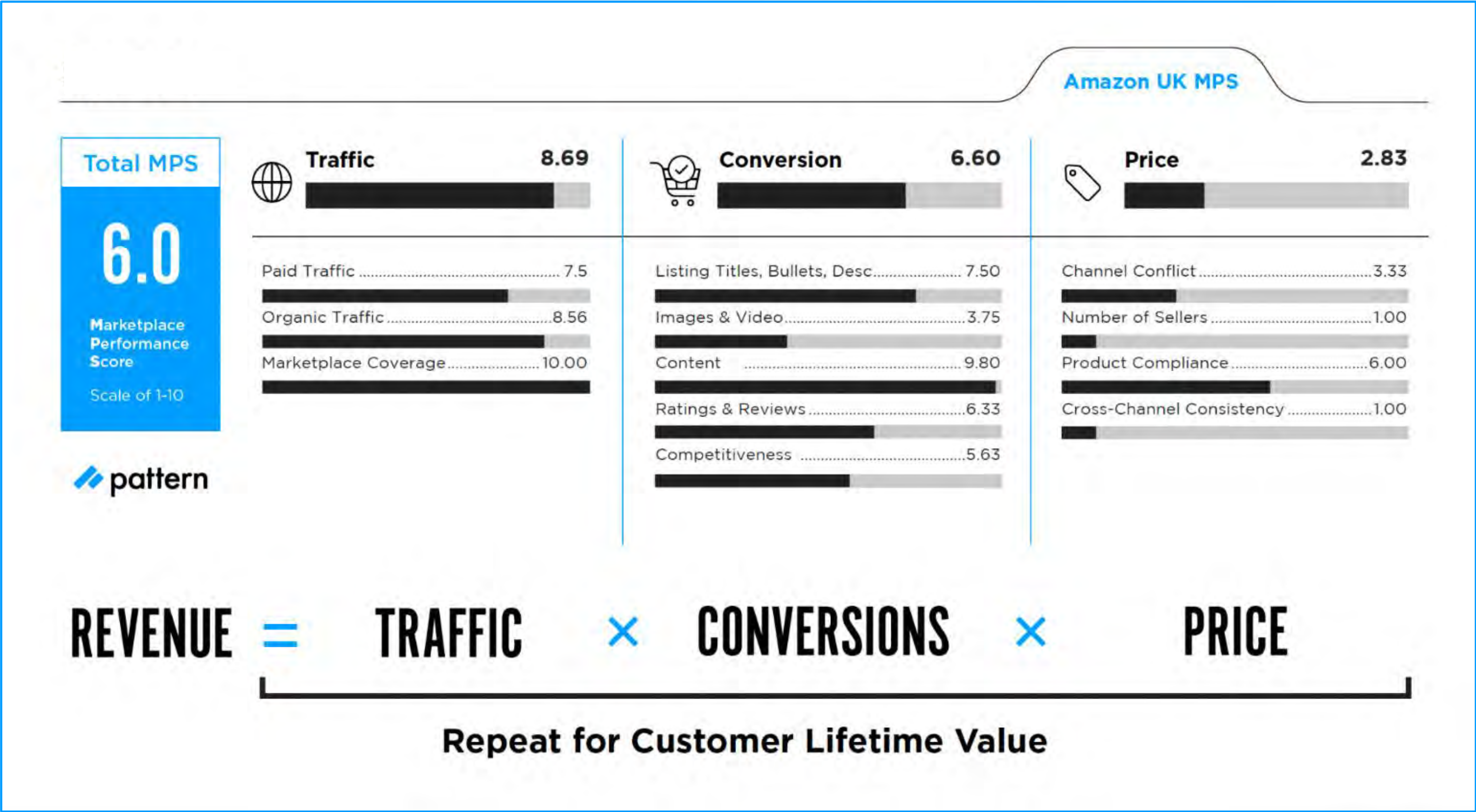
PRICE

Revenue

=

REPEAT FOR CUSTOMER LIFETIME VALUE

Amazon Revenue Scorecard



Thank you!



pattern