

THE IDLE MAN

A man with short brown hair is sitting on a dark metal fence. He is wearing a grey and white checkered button-down shirt over a brown turtleneck sweater, dark trousers, and black leather shoes. He is looking directly at the camera with a neutral expression. The background consists of a field of tall grass and a dense line of trees with autumn-colored foliage in shades of brown and orange. The lighting is soft, suggesting late afternoon or early morning.

#Stylemadeeasy



"Growing up I was always the cool kid who had the latest gear. Friends looked to me for what to wear without looking a victim.

That's what led me to work in fashion in the first place.

I created The Idle Man on the assumption that there's loads of other guys out there crying out for the same guidance."

Oliver Tezcan, CEO & Founder

The Idle Man curates a 25 year-old fashion-conscious man's wardrobe:

- Online store with 50,000 active customers.
- Fast growing own-label.
- Blog with 1m+ monthly unique visits.
- Guide Store in London to create 360 brand experience.



HIGHLIGHTS

Great Market Fundamentals	<ul style="list-style-type: none">• Fastest growing ecommerce sector.• Low returns rate.• High repeat business.• Not saturated like womenswear.
Differentiated Product Positioning	<ul style="list-style-type: none">• Exclusive product.• High margin.• Brand loyalty.• Difficult barriers to entry.
Strong Customer Relationships	<ul style="list-style-type: none">• 4th most visited menswear blog in UK.• 1m+ uniques a month.• Only 22% of revenue coming from paid marketing.• C4 Media for equity deal – TV campaign seen by 53% of all 16-34y.o. men in UK.
Experienced Team	<ul style="list-style-type: none">• Depth of experience in scaling retail, marketing and tech.
Significant Financial Opportunity	<ul style="list-style-type: none">• FY19/20 net revenue £18m, and EBITDA of £4m.• Global opportunity – International already 37% of sales.

Great Market Fundamentals :

Global Market Opportunity: Menswear



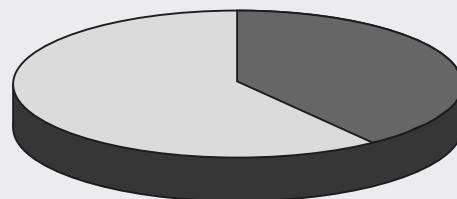
Growth in online sales from 2010 to 2015

Men's clothing
Groceries
Shoes
Health products, vitamins, supplements
Computers and tablets
Cosmetics
Beer, wine & liquor
Art
Jewelry
Auto parts
Pet supplies
Flowers
Gift shop items and cards
Eye glasses and contact lenses
Cameras and camcorders

Avg. Annual sales growth

17.4 %
16.7 %
13.6 %
13.4 %
11.4 %
10.9 %
10.8 %
10.6 %
8.9 %
8.1 %
7.1 %
3 %
1.8 %
1.3 %
0.9 %

- It is expected that by 2019, 26% of menswear sales in the UK will be made online.
- 66% of male online shoppers use the channel to buy clothing and footwear, with 15-34 year-olds using it the most.
- Globally menswear is a huge market - £300bn+.
- Menswear now accounts for 40% of global fashion sales.
- Menswear is growing faster than womenswear – 4.5% annually vs only 3.7% in womenswear.
- Men return far fewer online purchases than women – 15% vs 40% industry average.
- Men's clothing is the fastest growing E-commerce category.
- Men are "stickier" than women: 19% of The Idle Man orders already come from repeat customers, and each cohort delivers additional 50% revenue within 2.5yrs.



WOMENSWEAR

60%

MENSWEAR

40%

Great Market Fundamentals :

The Idle Man has few dedicated competitors



- Ecommerce retailers dedicated to men are few.
- In accessible menswear sector there is only The Idle Man and Jacamo (a plus-size specialist).
- Otherwise men have to buy accessible fashion from women's brands (Asos, Topshop/man, River Island, Zara etc).
- Women's focused brands are designed for women, who like to browse extensively, buy multiple items, then return half of them.
- Men prefer to be guided to their final purchase – through clear UX, styling tips, and a curated edit.

THE IDLE MAN

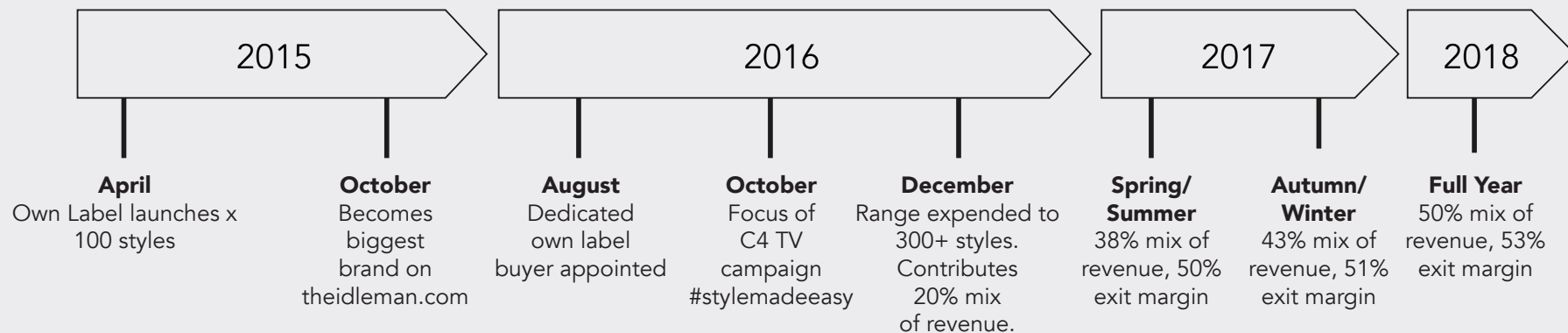
Differentiated Product Positioning :

Own Label

- Curated edit of essential items to create a 25 year-old man's capsule wardrobe.
- Enhanced margin – 50% exit margin.
- Exclusive to theidleman.com.
- Keen pricing pitched in-line with High- St competitors like Zara & Topman.

Pillars for Growth:

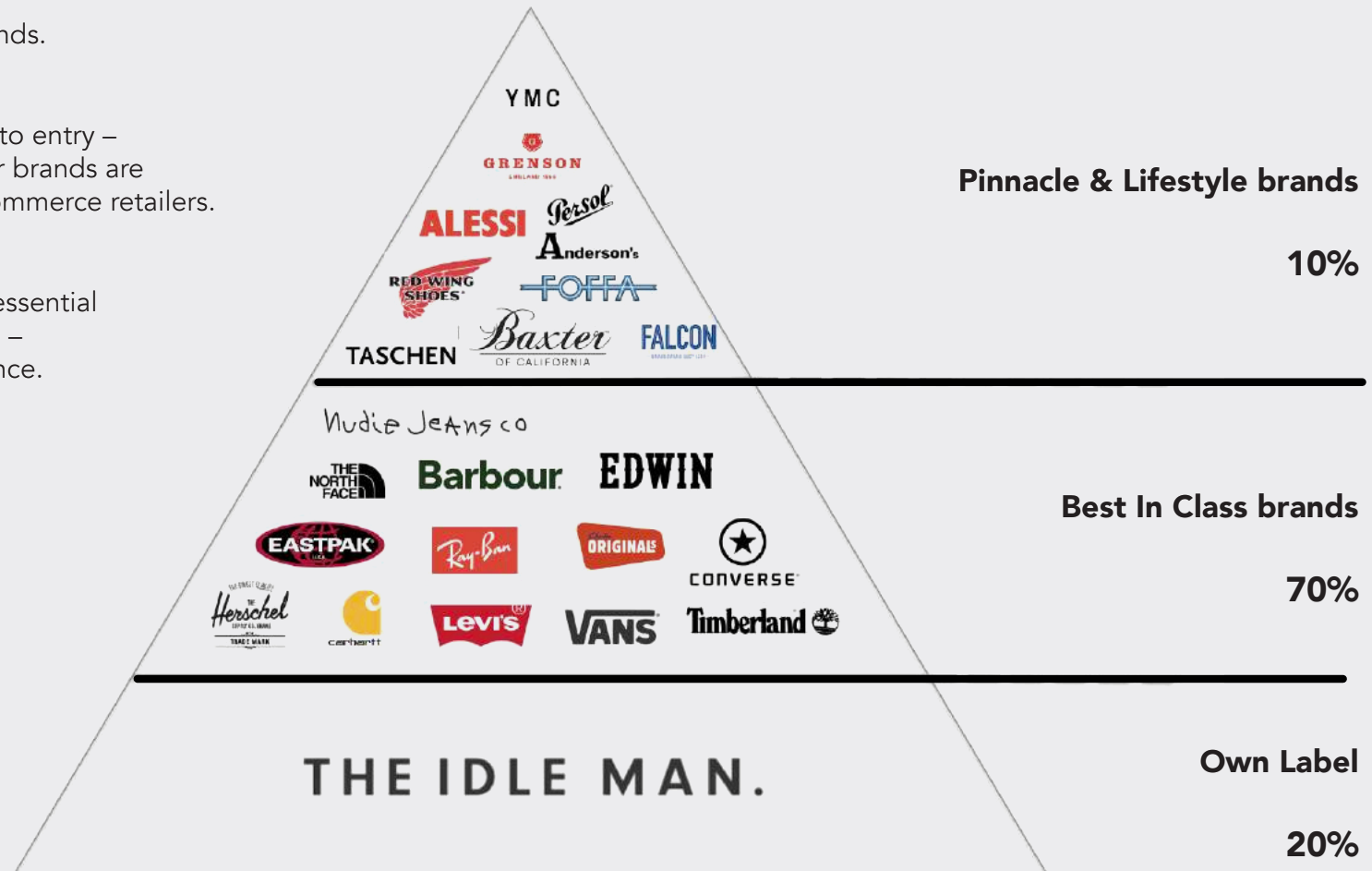
- Dedicated buyer now in place.
- Appoint designer.
- New categories – tailoring, footwear, underwear, accessories.
- New TV campaign for 2017.



Differentiated Product Positioning :

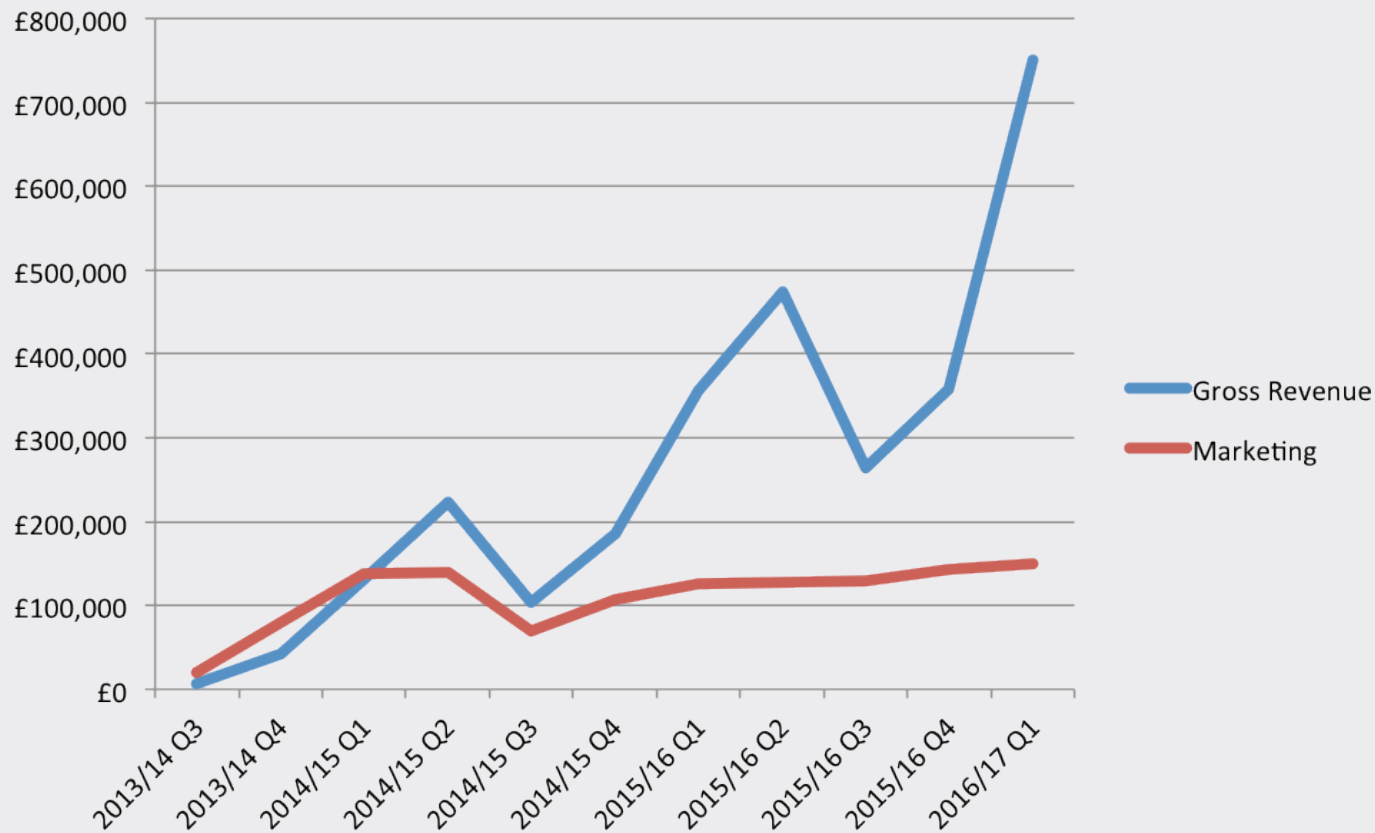
Brands

- Selection of 100 "best in class" brands.
- Very high barriers to entry – the majority of our brands are closed to new ecommerce retailers.
- Brand power still essential in men's shopping – provides reassurance.



Strong Customer Relationships :

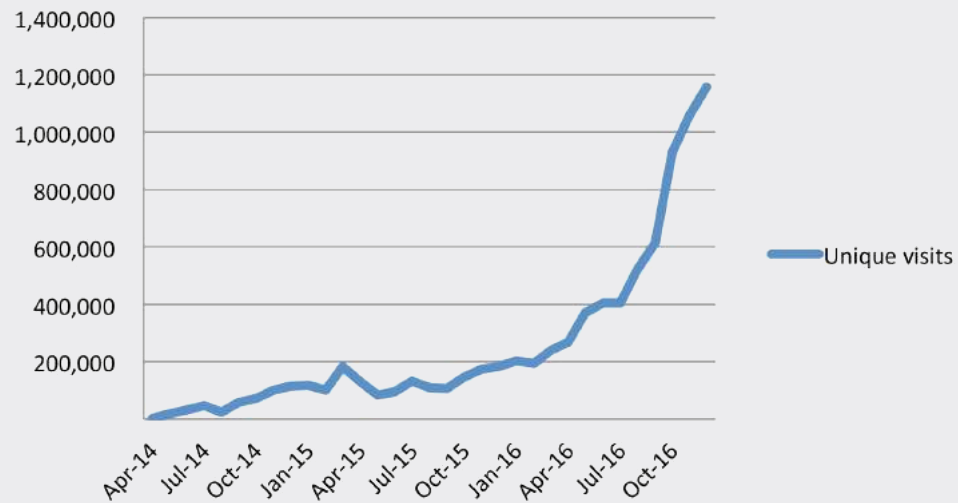
Growth is driven by efficient marketing



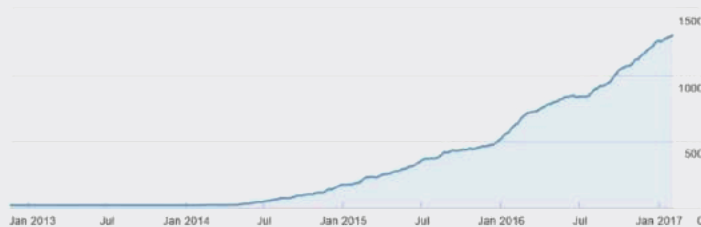
- 44% of revenue from direct + organic traffic.
- 34% of revenue from affiliates.
- 22% of revenue from paid search.
- 19% of orders come from repeat customers.
- High customer satisfaction: Trustpilot score of 7.6
- Channel 4 media for equity deal – TV campaign seen by 53% of all 16-34yo men in UK (4.3m). Still have option to draw down further £1.25m spend.

Strong Customer Relationships :

Content strategy driving free traffic



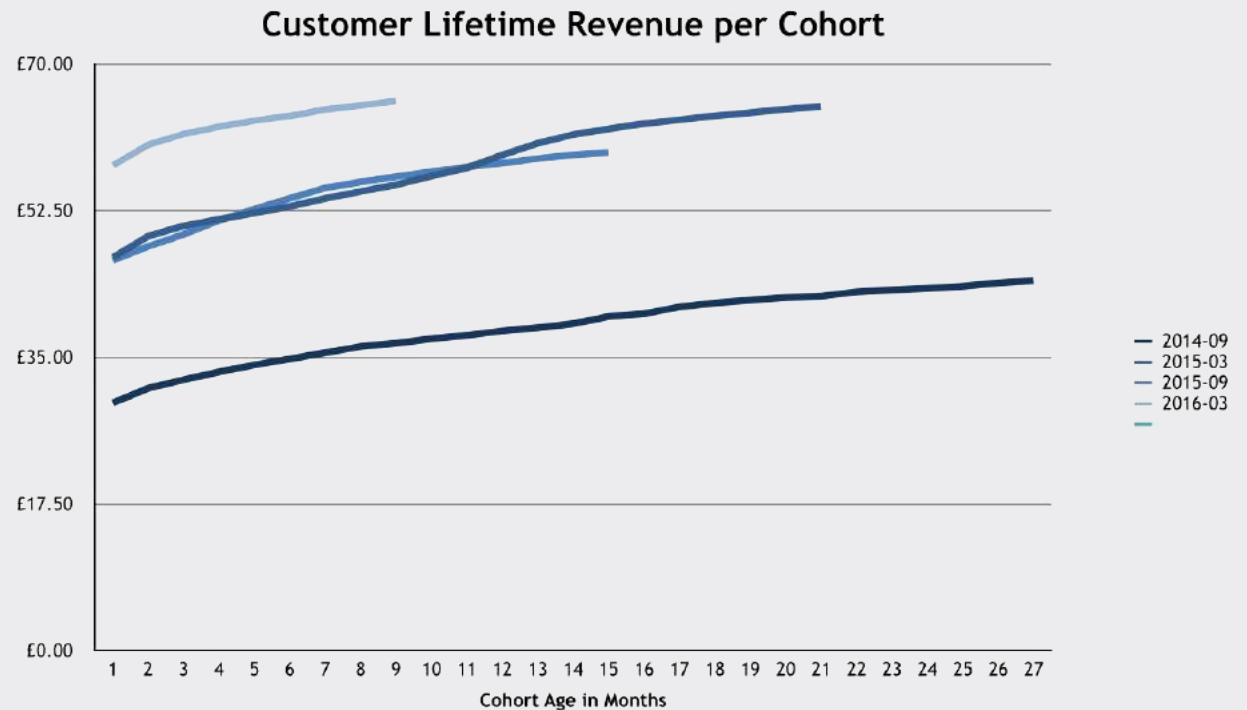
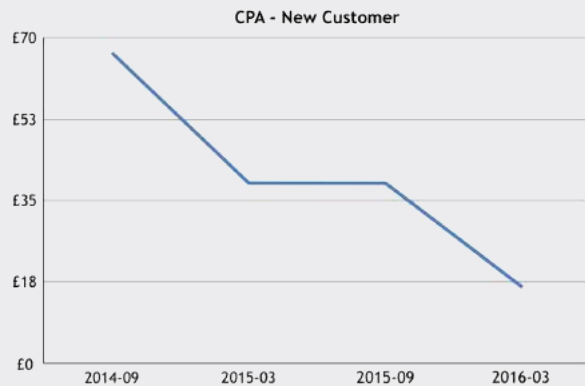
- Total site traffic is growing fast
- “The Manual” blog driving 1m+ unique visits per month.
- Organic search traffic to shop up 138% YonY.
- Domain authority building – links into the site +128% YonY.



Strong Customer Relationships :

Customer Life Time Revenue is £66 and rising
Customer Acquisition Cost is £16 and falling

- Oldest cohort (2014-09 - first 6 months of trading) has CLTR of £44.
- Current cohort (2016-03) already achieving CLTR of £66.
- We expect future cohorts to achieve £100+
- Basket size increasing.
- Customer Acquisition cost falling.
- Long customer life-time – anticipated to be 5yrs+



Strong Customer Relationships :

Theidleman.com will reach profitability on unit basis in 2017E

	2014		Nov 16		2017
Average basket value	£29.60		£68.70		£74.00
Gross Margin	-47.00%		24.00%		26.00%
CPA	£66.79		£16.33		£11.26
Contribution Margin	-£76.30		-£5.07		£1.89
CLTR (2.5yrs)	£44.19		£103.05		£111.00
CLTV	-£80.98		£0.57		£8.46

Experienced Team :

Key Individuals



CEO – Oliver Tezcan

Ex Head of Men's Brands Asos.com



CMO – Alex Outlaw

Ex Marketing Director Motilo.com and Bauer Media



CTO – Michal Zwolenik

10+ years' experience building Magento ecommerce sites



Chairman – Simon Guild

Ex CEO MTV Europe



Non Exec FD – Cedric Pereira

Ex Finance Director Jack Wills and Office Shoes

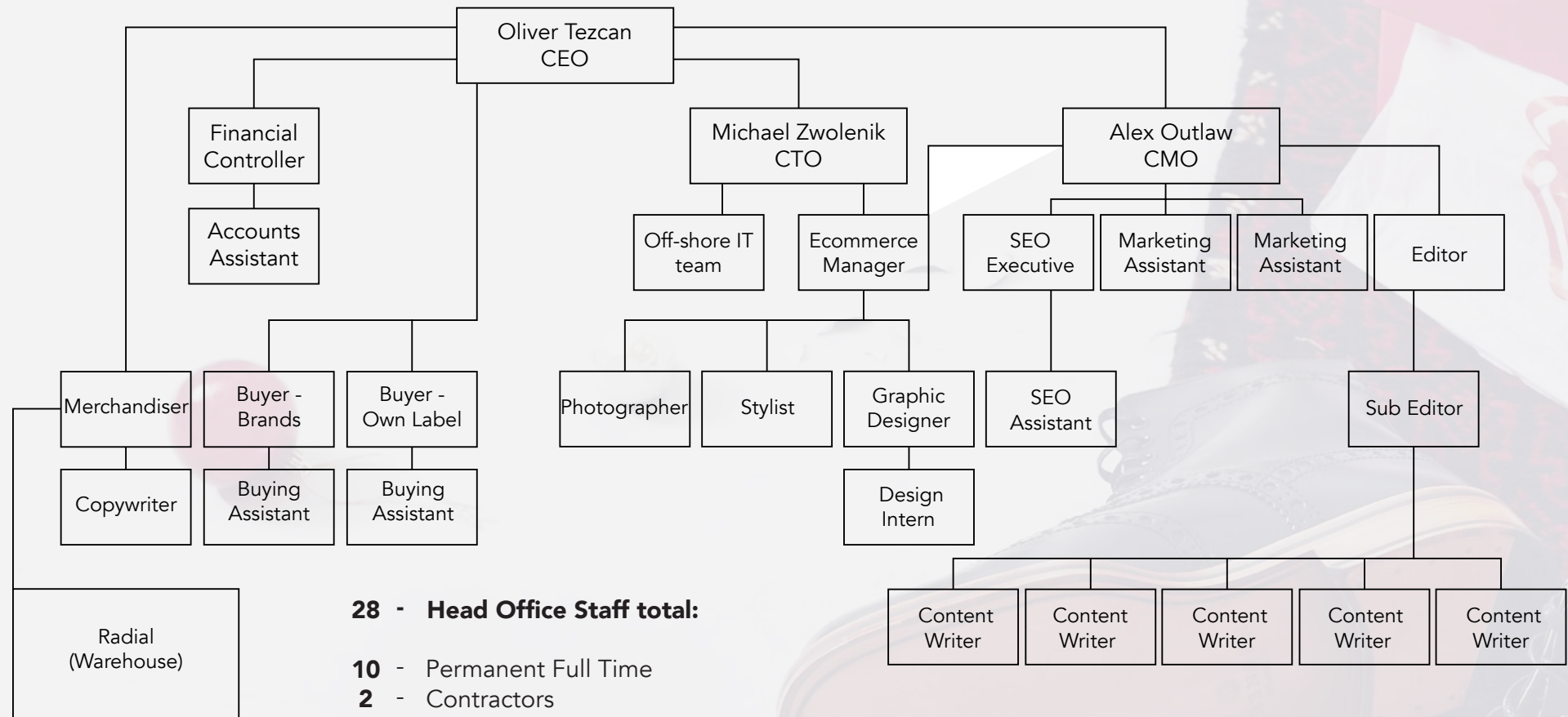


Investor Director – Rodney Appiah

Ex non-exec Oliver Sweeney

Experienced Team :

Head Office Team



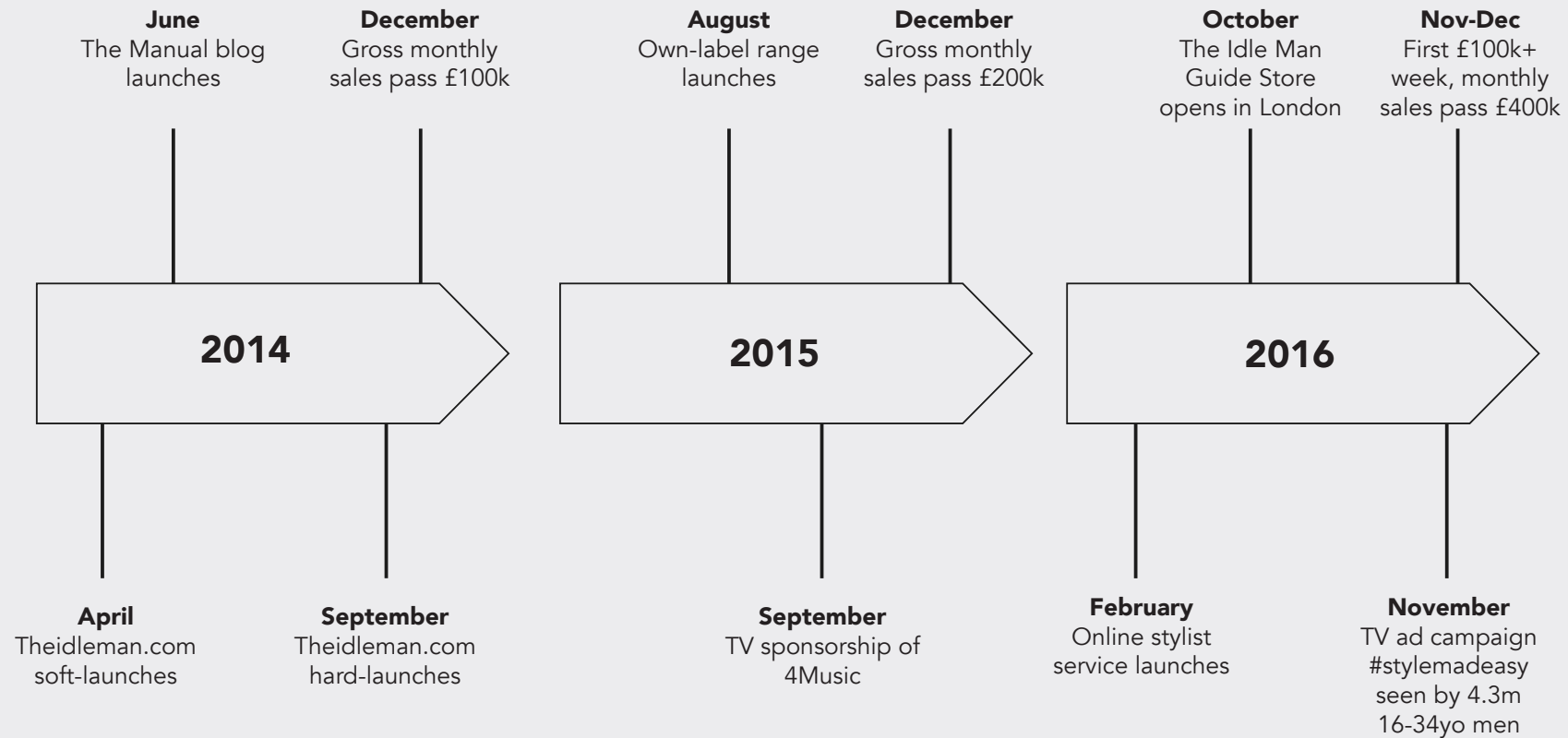
28 - Head Office Staff total:

- 10 - Permanent Full Time
- 2 - Contractors
- 3 - Student placements
- 13 - Temporary intern contracts paying national minimum wage.

Average salary is **£20,500**

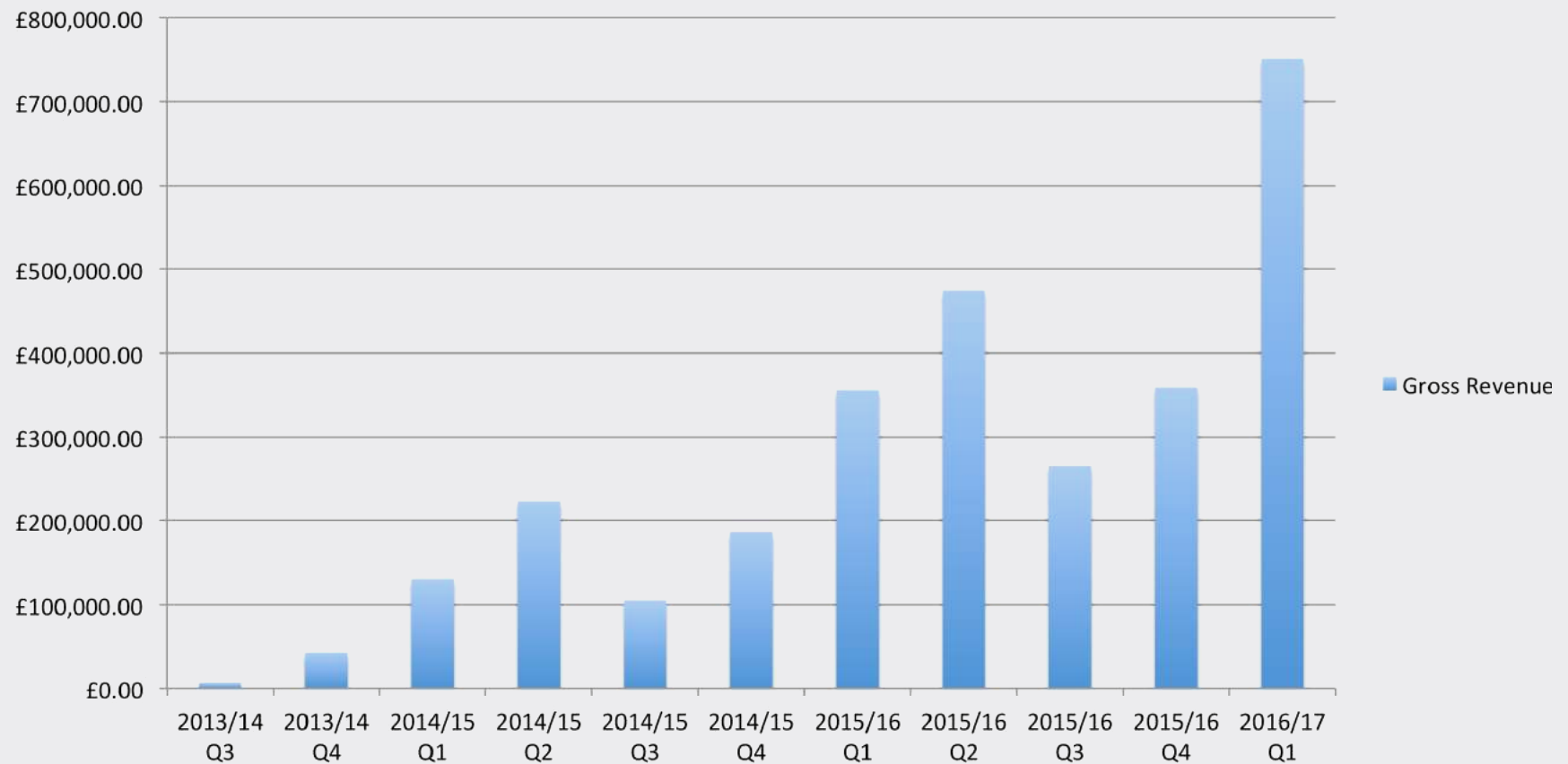
Significant Financial Opportunity

Key Milestones to date



Significant Financial Opportunity

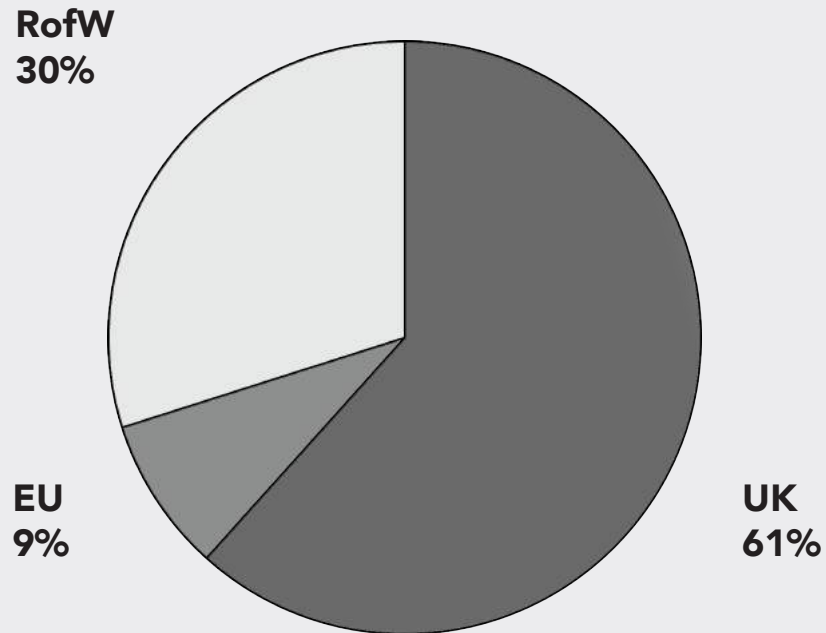
Company is growing fast 100% YonY Growth
Overheads remaining level



Fiscal year-end is Aug, so Q1 represents Sept-Nov, Q2 Dec-Feb etc.
This is retail best practice so Nov/Dec peak falls in Q1/2.

Significant Financial Opportunity :

Large mix of international sales from UK site



Now (FY16/17 YTD):

- 39% of Sales come from outside UK.
- International transactions through UK site in local language and £ as base currency.
- International fulfillment from UK.
- International returns at customer's cost.

Pillars for Growth:

- Launch international ecommerce stores: US, DE, FR, AU – local language and currency.
- Replicate content marketing strategy for global markets – local blogs.
- Use existing logistics partner to provide local hubs – free returns.

Significant Financial Opportunity :

Attractive opportunities to drive growth



Expand core business in UK.



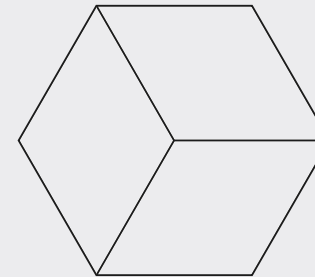
Build brand penetration: Grow Guide Stores as cost-neutral marketing opportunity, brandbuilding TV campaigns, get blog to no.1 in UK.



Expand international markets: US, AU, DE, FR.

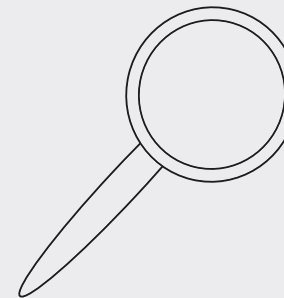


Greater share of wallet: loyalty scheme, annual delivery charge, personalisation.



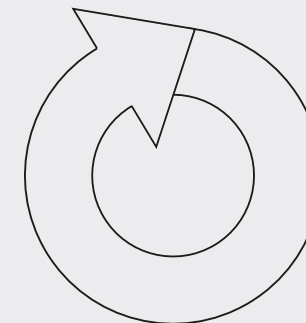
Technology

- In-house team.
- Multi-shop.
- Multi-country.
- Scalable.



Business Intelligence

- Data Warehouse.
- CRM.
- Segmentation.



Processes

- ERP.
- 3PL Integration.
- End-to-end.

Significant Financial Opportunity :

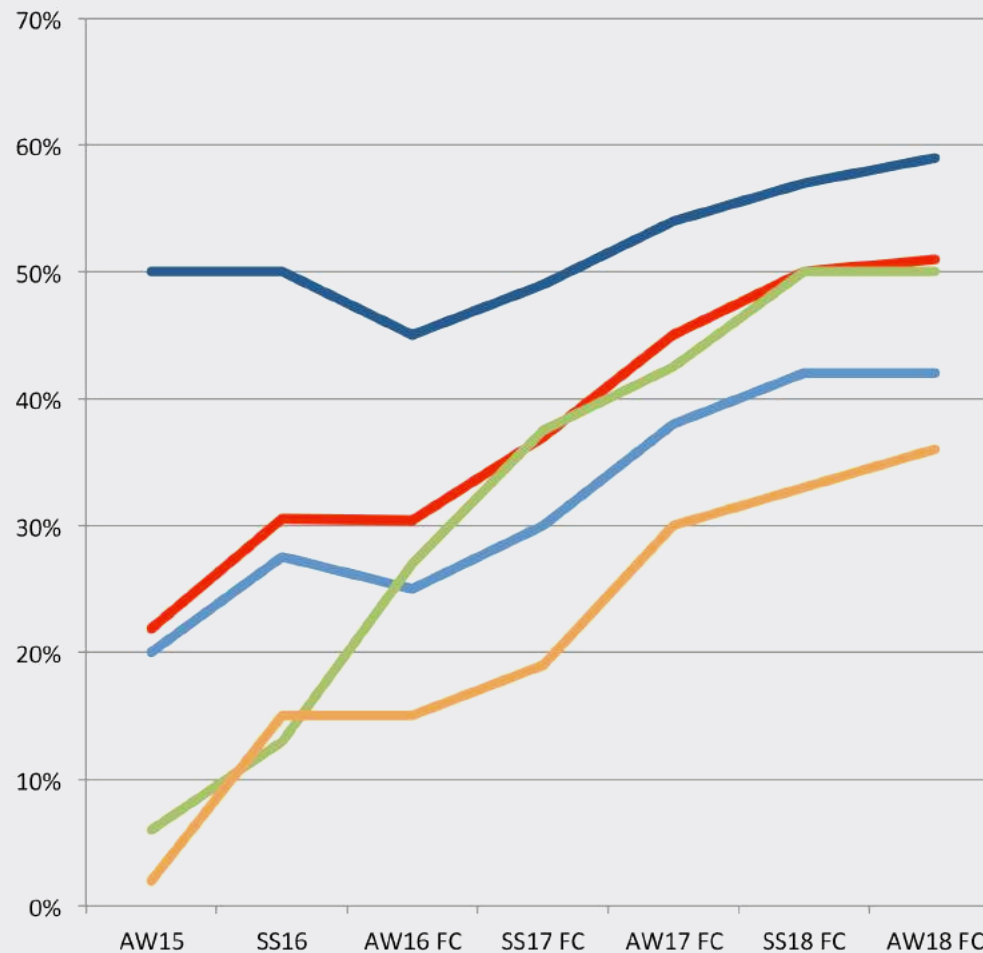
Theidleman.com is on a great growth track >
100% YonY, £20m+ t.o. by 2020

Current funding round gets company to break-even:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Net revenue	496,051	998,499	2,159,483	4,362,625	8,293,497	15,879,710
COGS	537,630	923,701	1,814,597	3,036,663	5,269,402	9,789,087
Gross Margin %	-8%	7%	16%	30%	36%	38%
Marketing costs	553,830	525,795	481,282	448,476	448,476	448,476
Staff costs	425,266	434,671	546,232	535,392	535,392	535,392
Other costs	599,475	546,566	501,126	550,997	680,926	934,348
Total Overheads	1,578,572	1,507,031	1,528,640	1,534,865	1,664,795	1,918,216
EBITDA	(1,620,151)	(1,432,234)	(1,183,753)	(208,903)	1,359,300	4,172,406

Significant Financial Opportunity :

Margin improvement drives profit



- Own Label increases to **50%** mix by 2018.
- Gross Margin reaches **35%** by 2018.

- 30% discount in logistics fees agreed from Jan 2017.
- AW16 full-price sell-thru: 70%.
- AW16 terminal stock < 5%.

Investment Summary :

The Idle Man will raise £1-1.5m of new equity, key investments areas are:

Growth Strategy	<ul style="list-style-type: none">○ Marketing spend to support C4 TV campaign○ Increased spend on CRM to gain greater share of wallet○ Significant increase in buying budget to support growth○ Strengthen product team to expand own-label○ Further improving technology to enable greater scale○ Launch of international sites: US, FR, DE
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Cap Table :

Shareholder	% Stake
Foresight	37%
Management*	24%
Angel investors	20%
Nottinghamshire Pension Fund	19%

*Not including option pool (capped at 10% of total equity)

Potential Exits :

Exit type	Examples
Trade Sale	<ul style="list-style-type: none">• Trunk club acquired by Nordstrom (\$350m).• Mytheresa.com acquired by Neiman Marcus (undisclosed).• Long Tall Sally acquired by TriStyle (£30m).
IPO	<ul style="list-style-type: none">• Asos.com floated at £12m, now worth £3.5bn.• Boohoo.com floated at £560m, now worth £1bn+.
Private Equity	<ul style="list-style-type: none">• Reiss to Warburg Pincus (undisclosed).• Jack Wills to Inflexion (undisclosed).• The Hut Group to KKR (£100m).• FatFace to Bridgepoint (£360m).• Kurt Geiger to Cinven (£245m).

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