



GIGACLOUD
TECHNOLOGY

Q2 & H1 Earnings Presentation

August 2023





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Our Mission Statement

GigaCloud Technology is a leading B2B marketplace provider, striving to empower the future of global e-commerce landscape

With a meticulously developed and comprehensive B2B platform coupled with decades of industry experience, GigaCloud delivers success to large parcel & e-commerce players throughout the world





GigaCloud at a Glance

Strong Financials



\$153.1M / 23.5%
Revenue / YoY Growth
Q2'22 to Q2'23

\$280.9M / 18.8%
Revenue / YoY Growth
H1'22 to H1'23



\$40.4M / 137.1%
Gross Profit / YoYGrowth
Q2'22 to Q2'23

\$69.9M / 106.4%
Gross Profit / YoYGrowth
H1'22 to H1'23



\$18.4M / 201.5%
Net Income / YoYGrowth
Q2'22 to Q2'23

\$34.3M / 216.7%
Net Income / YoYGrowth
H1'22 to H1'23



\$24.9M / 16.3%
Adj. EBITDA⁽¹⁾ / Margin⁽²⁾
Q2'23

\$44.7M / 15.9%
Adj. EBITDA⁽¹⁾ / Margin⁽²⁾
H1'23



219.3%
Adj. EBITDA Growth
YoY

203.9%
Adj. EBITDA Growth
YoY

Tremendous Scale



\$607.5M
GigaCloud Marketplace GMV
LTM ended June 30, 23



32.4%
GigaCloud Marketplace GMV
Growth
Q2'22 to Q2'23



\$324.7M
3P Seller GigaCloud Marketplace
GMV
LTM ended June 30, 23



65.1%
3P Seller GigaCloud Marketplace
GMV Growth
Q2'22 to Q2'23

Extensive Reach



665
Active Sellers
LTM ended June 30, 23



47.1%
Active Seller Growth
YoY



4,351
Active Buyers
LTM ended June 30, 23



7.1%
Active Buyer Growth
YoY



~\$139.6k
Active Buyer Spend
LTM ended June 30, 23

(1) Net income + income tax expense + interest expense-interest income + depreciation and amortization + share-based compensation expense

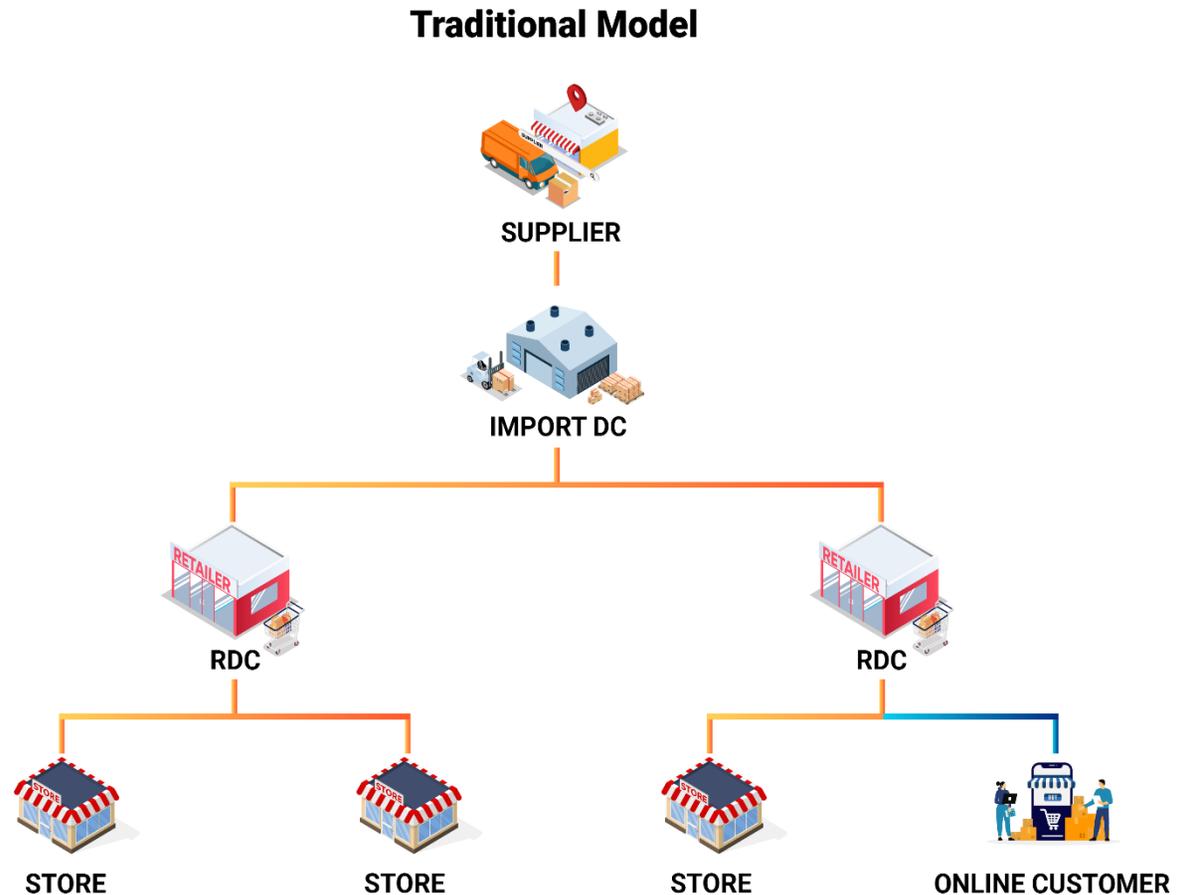
(2) Adj. EBITDA/revenue

Source: Company management

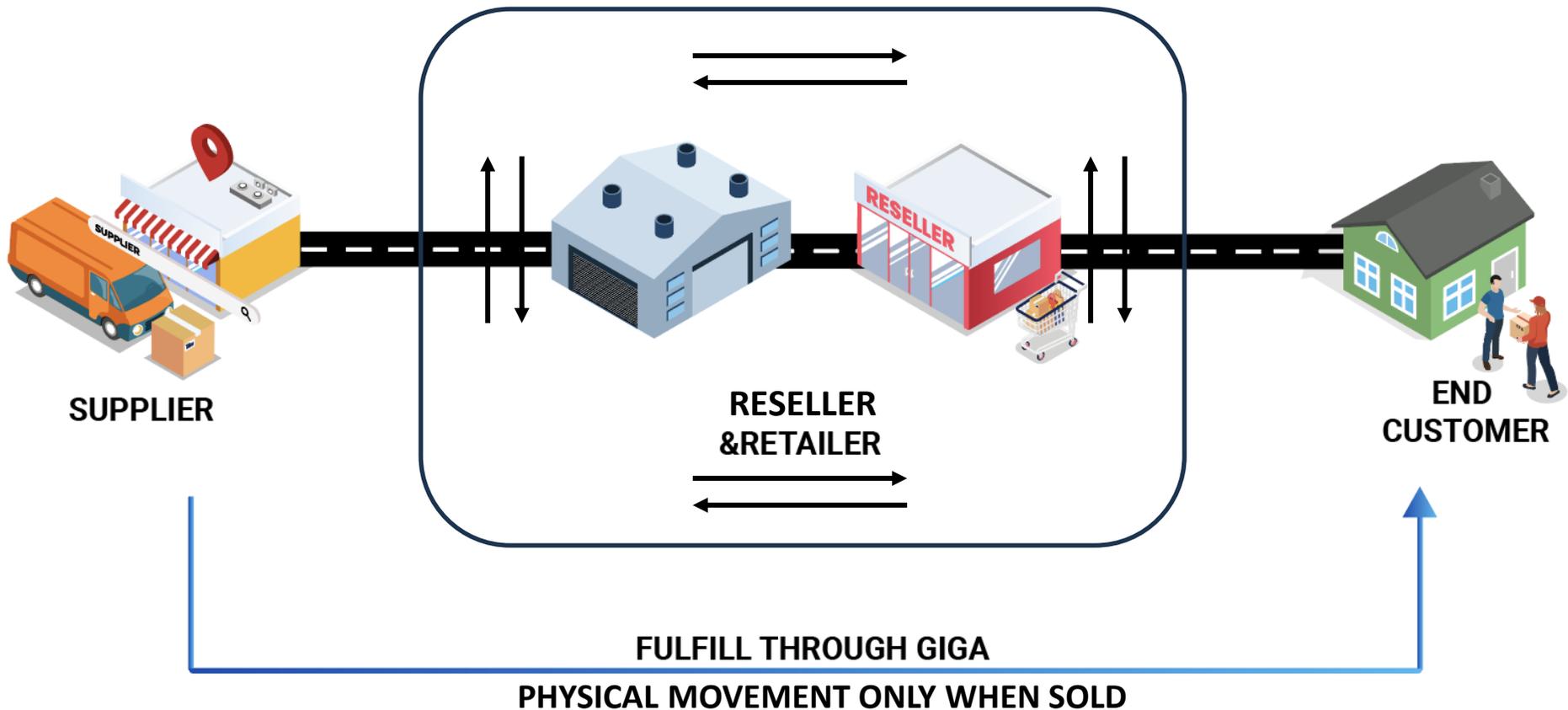
Challenges of the Existing Supply Chain Model



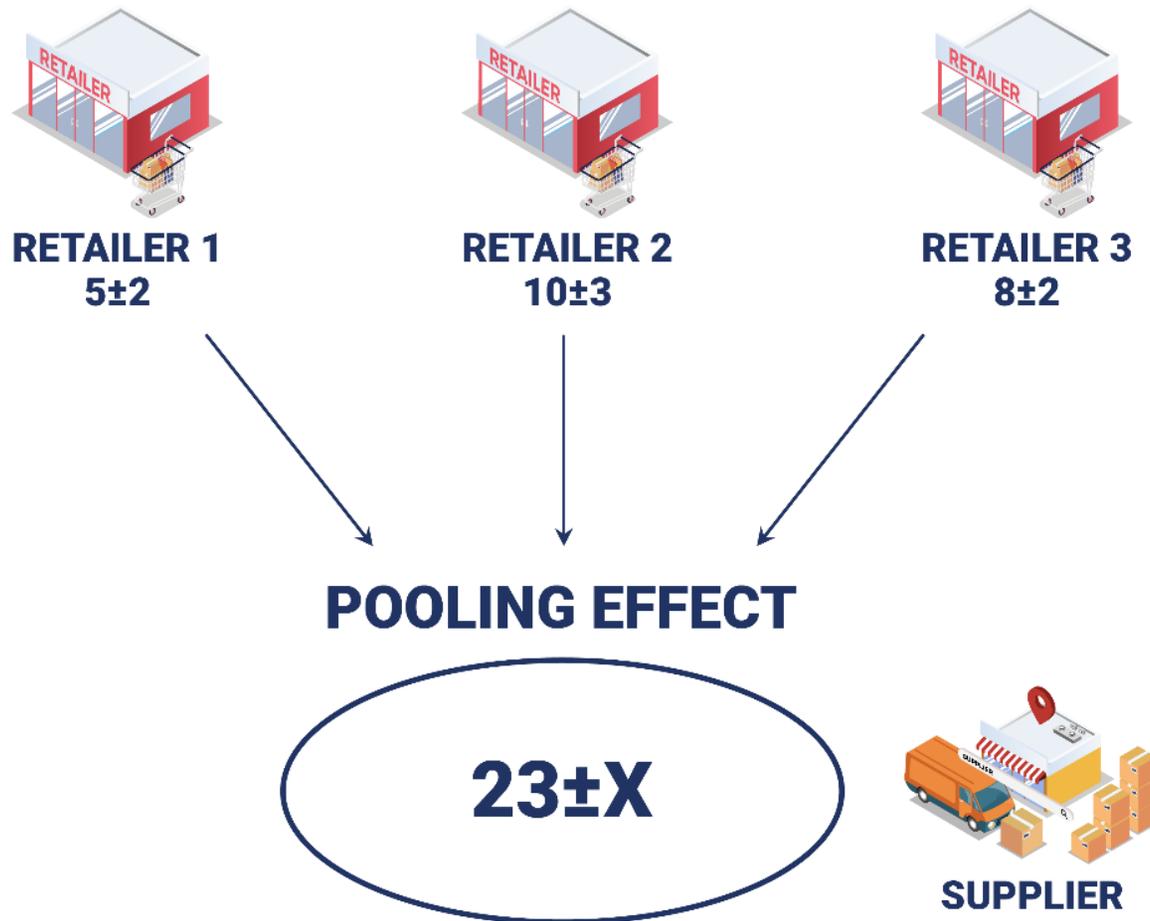
- 1 Too Many Touchpoints
- 2 Prolonged Delivery Time
- 3 Fragmented Market
- 4 Limited SKUs Selection
- 5 High Inventory Carrying Costs

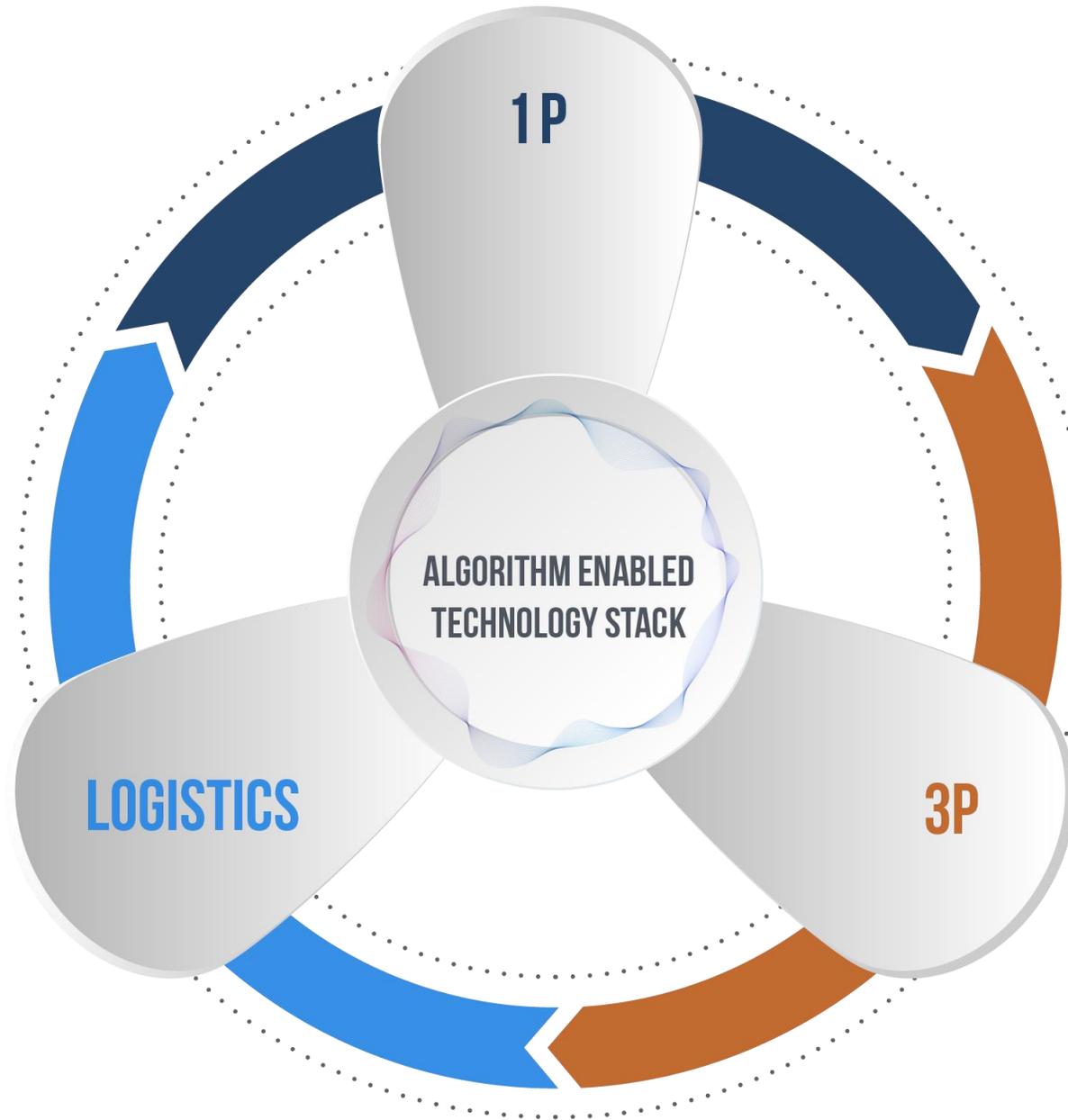


Supplier Fulfilled Retailing: Multi-Directional Trade, Uni-Directional Fulfillment



Harnessing Pooling Effect to Reduce Inventory Risk



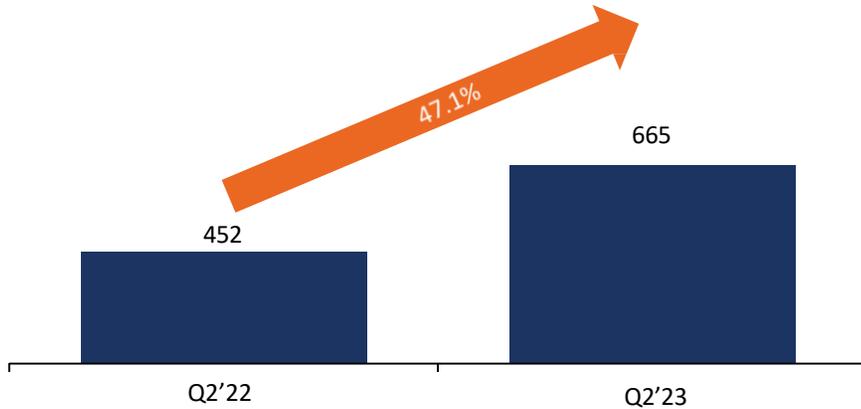


Access to Rapidly Growing Seller Base and GMV



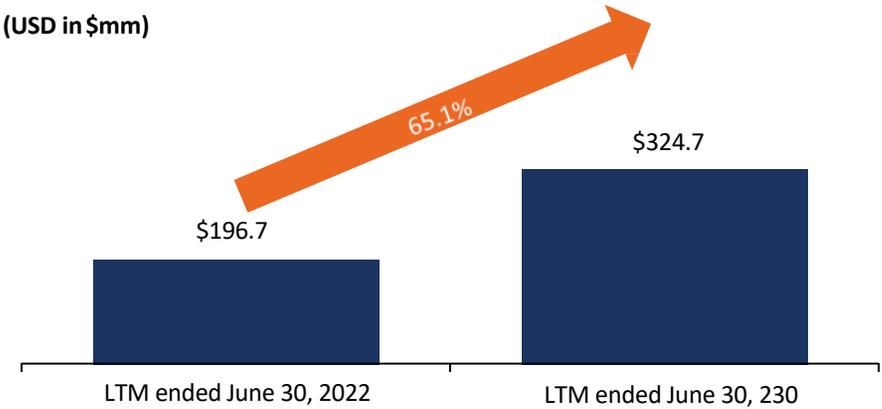
Active Sellers Increasing Quickly...

Number of Active Sellers



... Results in Significant Growth in 3P Seller GMV

GigaCloud Marketplace 3P Seller GMV
(USD in \$mm)



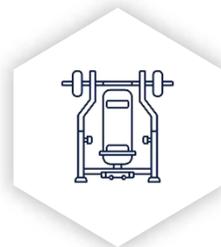
Expansion of Product Categories from Large Furniture to Home Appliances, Fitness Equipment, and Gardening



Furniture



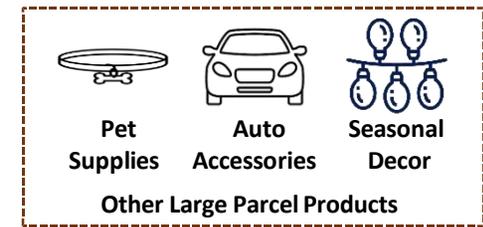
Home Appliance



Home Fitness
Equipment



Gardening



Additional Categories

Attractive Buyer Cohort Trends



Key Buyer Trends

- GigaCloud Marketplace has witnessed a consistent growth in the spending of active buyers since its establishment
 - Buyers who joined in 2022 increased their spend from \$34M in Q1'23 to \$43M in Q2'23, resulting in 26.5% QoQ increase
- We anticipate sustained momentum in buyer spending and engagement through the expansion of service offerings and the enhancement of our logistics capabilities
- Furthermore, we look forward to a continued growth in the number of active buyers, driven by customer referrals and word-of-mouth

Q1 2023 Key Statistics

4,351

Active Buyers
Q2'23

\$~139.6k

Spend per Active Buyer
Q2'23

Active Buyer Spend (GMV) in GigaCloud Marketplace



Source: Company management.

(1) Buyers represent the group of buyers who first purchased products on the GigaCloud Marketplace in a given year

(2) Active Buyers shows the total number of buyers who have made at least one purchase in our GigaCloud Marketplace in the last twelve months

Flexible Trading Tools to Facilitate Transactions



Home / Furniture / Primary Living Space / Chairs/Accent Seating / [New+Video] 58" Velvet Chaise Lounge,Button Tufted Right Ar...



[New+Video] 58" Velvet Chaise Lounge,Button Tufted Right Arm Facing Lounge Chair with Nailhead Trim & Solid Wood Legs for Living Room or Office, Sleeper Lounge Sofa (Black) (New style of WF284880AAB)

Item Code: WF297646AAB First Available: 2022-11-29 Return Rate: Low

Price(Unit)	\$175.00	
Spot Price(Unit)	\$165.00 2 - 4 PCS	\$155.00 5 + PCS
Margin(Unit) ? 20.00% deposit	\$155.00 10 - 30 PCS	
Futures(Unit) ?	2023-03-20 \$150.00	

Purchase Quantity: Unit 0 Available [More on the way](#)

Fulfillment options: **Drop Shipping** (Estimated Fulfillment Fee: \$37.08 /Unit) | **Cloud Wholesale Fulfillment** (Estimated Fulfillment Fee: \$15.49-\$36.18 /Unit (Min. volume/address: 100ft³))

Storage fee: \$0.07 / day(Estimated) [Learn more](#)

0 Piece \$0.00
Total Item Cost \$0.00
\$175.00 /Unit
Estimated Total (Fulfillment Fee included) \$212.08 /Unit
Drop Shipping Handling Time 1-3 business days
CWF Handling Time 3-5 business days

[BUY NOW](#)
[ADD TO CART](#)

[Resource Package](#) | Downloads: 124 ?

[Online Chat](#)
[Customer Service](#)
[Message Center](#)

1

Simple Transactions

- Drop shipping transactions where GigaCloud picks up products in GigaCloud warehouse and delivers directly to end customer, without the need for buyer to handle any aspect of the fulfillment

2

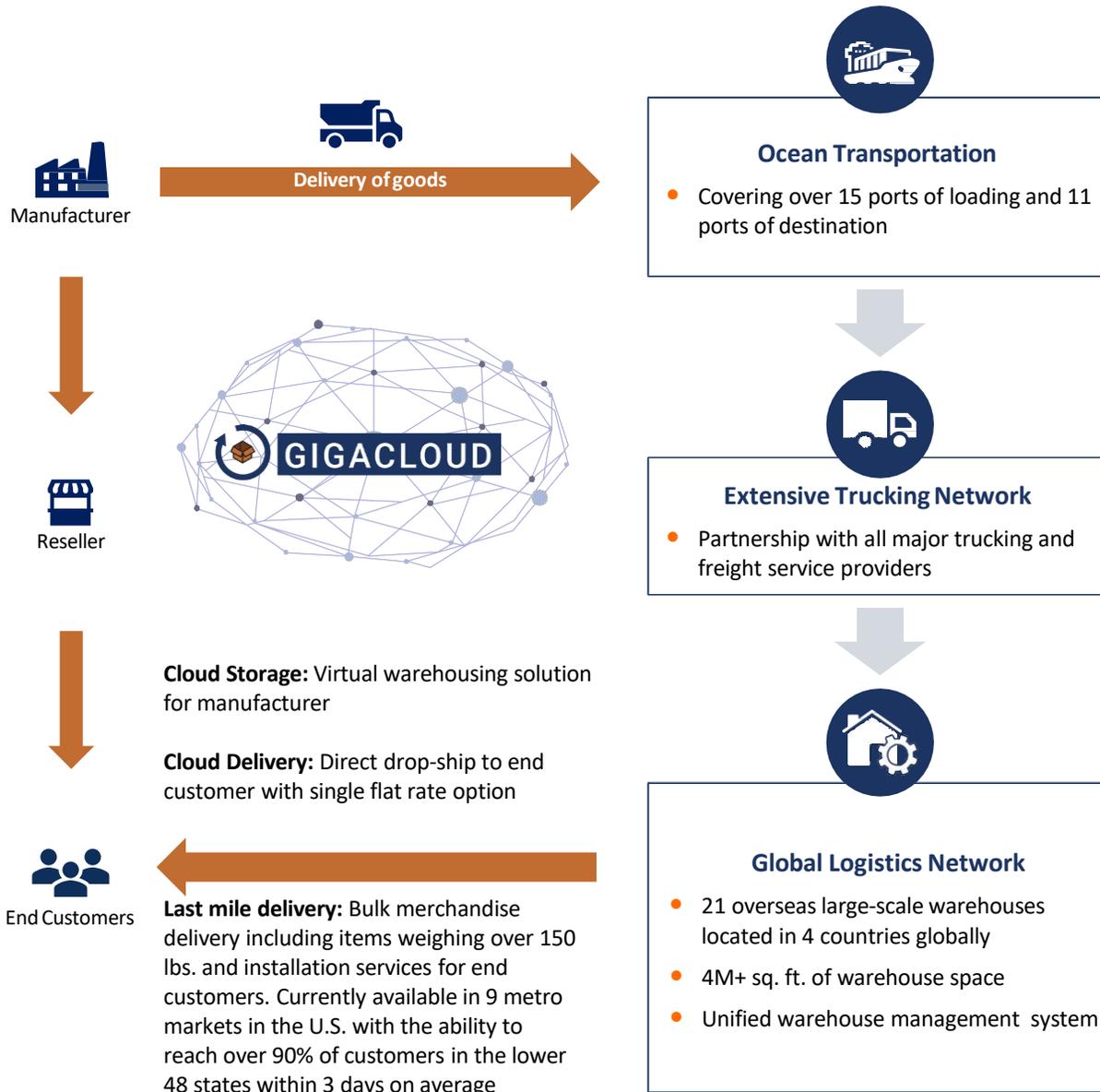
Complex Transactions

- Rebate
- Margin transaction
- Spot price
- Margin transaction for future goods

HARDWARE: End-to-End Logistics Capabilities



End-to-End Cross Border Fulfillment Capabilities

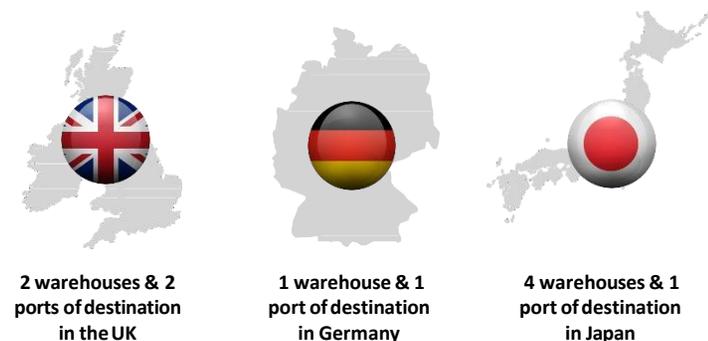


U.S. Local Resources

- Strategic locations nationwide
 - Close to major ports
 - Proximity to customers
 - Shortened delivery time to end consumer
- Three key operating centers in L.A., Atlanta and New Jersey

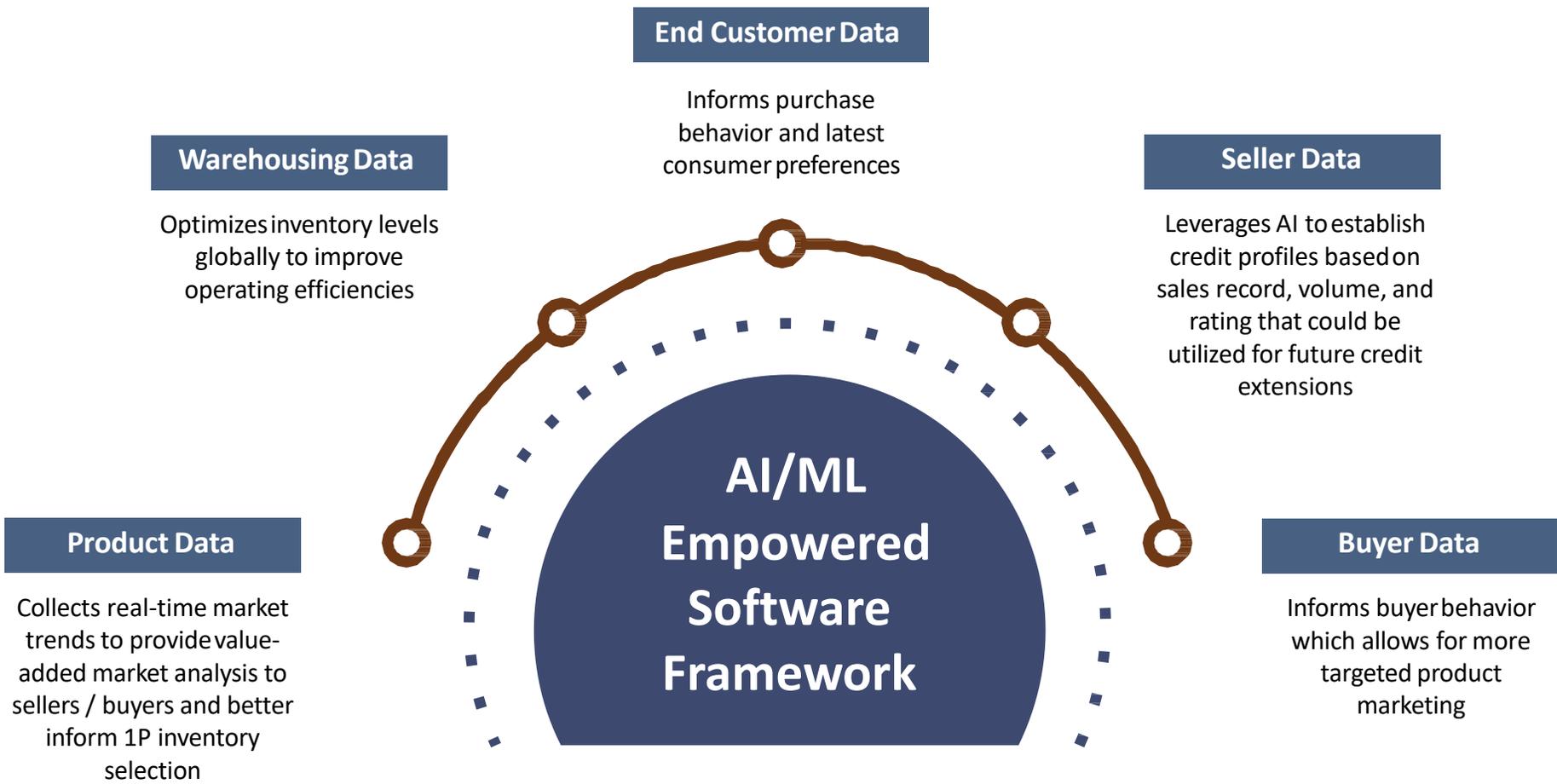


International Resources





Data Driven Technology Stack Powered by AI & Machine Learning Drives Incremental Operating Efficiencies



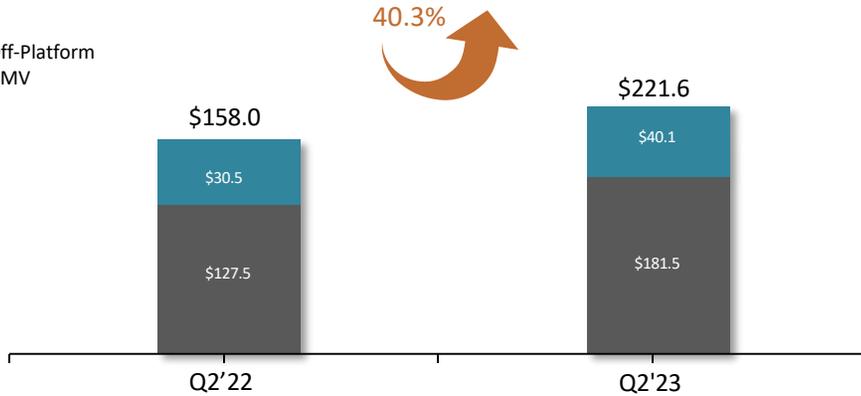
Q2 Financial Performance Update



Value shown in charts are in million

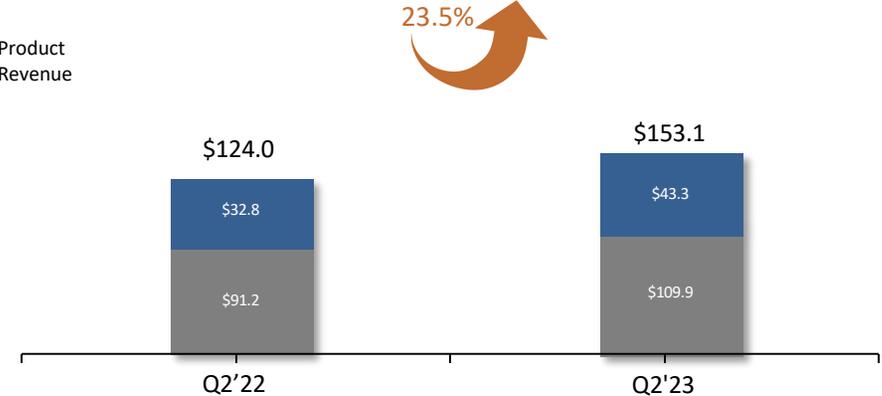
Total GMV

- Marketplace GMV
- Off-Platform GMV



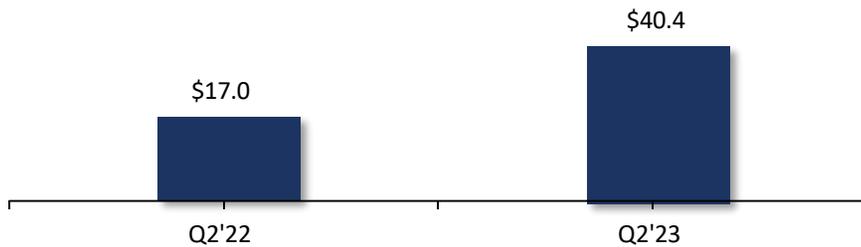
Total Revenue

- Service Revenue
- Product Revenue



Gross Profit

137.1%



% Margin*:

13.7%

26.4%

Adj. EBITDA

219.3%



6.3%

16.2%

Source: Company management

*Gross Margin = Gross Profit / Total Revenue * 100%; Adj. EBITDA Margin = Adj. EBITDA / Total Revenue * 100%

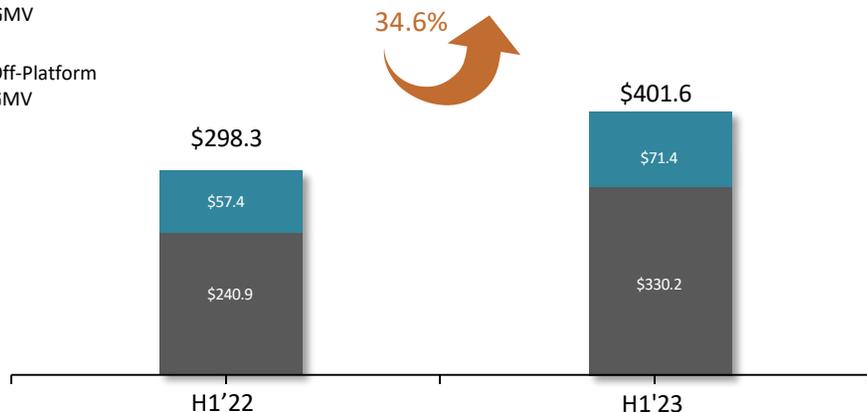
H1 Financial Performance Update



Value shown in charts are in million

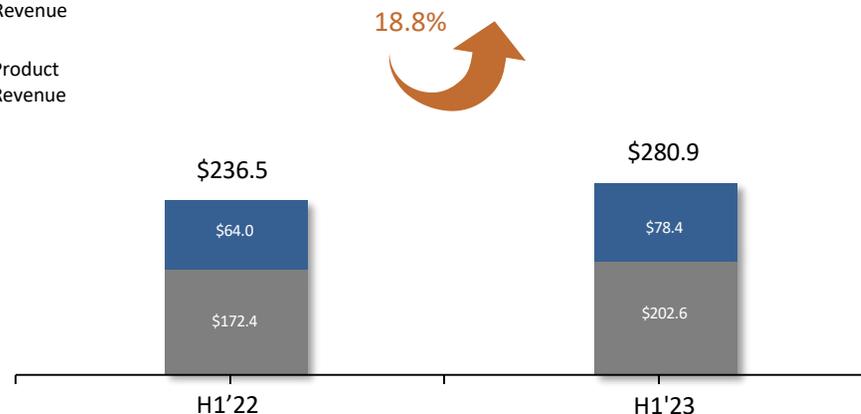
Total GMV

- Marketplace GMV
- Off-Platform GMV



Total Revenue

- Service Revenue
- Product Revenue



Gross Profit

106.4%



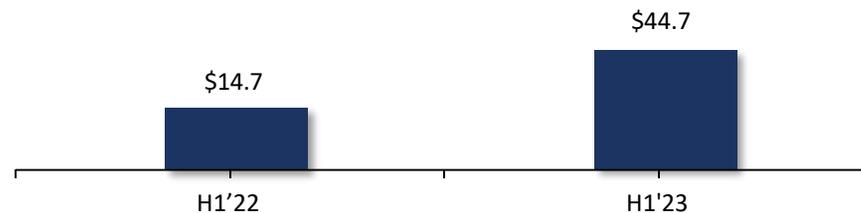
% Margin*:

14.3%

24.9%

Adj. EBITDA

203.9%



6.2%

15.9%

Source: Company management

*Gross Margin = Gross Profit / Total Revenue * 100%; Adj. EBITDA Margin = Adj. EBITDA / Total Revenue * 100%



Expandable platform with significant avenues for growth



Grow & Diversify Seller Base + SKUs

- Expand and diversify existing seller base
- As of June 30, 2023, 3P seller GigaCloud Marketplace GMV represented 53.4% of total GigaCloud Marketplace GMV, highlighting the platform's growth and market recognition as a thriving 3P-seller-dominated marketplace
- Expand existing offerings and extend product catalog



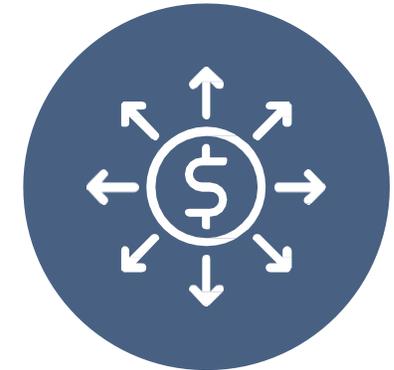
Grow Buyer Base & Engagement

- Educate and recruit new buyers to the GigaCloud Marketplace
- In LTM June 30, 2023, 4,351 buyers generated \$607.5M of Marketplace GMV with a 23.6% increase YoY in spending per active buyer, indicating strong customer engagement and loyalty to the platform
- Continue to make investments to enhance brand awareness and improve product offerings to drive buyer stickiness to the platform



Expand Product Service Offerings

- Continue leveraging data analytics capabilities to develop new tools and services to drive incremental revenue opportunities
- Launched supply chain financing services in September 2020 to select qualified sellers
- Plan to roll out paid advertising tools that promote products based on search results



Inorganic Growth Opportunities

- Actively evaluating M&A opportunities that offers avenues of accelerated strategic growth and technological advancements
- Plans have been prepared to focus on R&D investments in IT, AI and ML for the remainder of 2023



THANK YOU

