



GIGACLOUD
TECHNOLOGY

Q4 Earnings Presentation

March 2023





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Our Mission Statement

GigaCloud is a leading B2B marketplace provider,
enabling the future of global commerce

With a meticulously developed and comprehensive B2B platform,
coupled with decades of experience, GigaCloud serves all large parcel
retailers & eCommerce players throughout the world



Supplier Fulfilled Retailing Model: Using Internet to Revolutionize B2B



CURRENT MODEL



FACTORY / DISTRIBUTOR



Distributor



Reseller & Retailer



LAST MILE



END CUSTOMER

Challenges

- Too many touchpoints
- Prolonged delivery time
- Fragmented market
- Limited SKUs selection

Fulfilled by resellers/retailers

Supplier Fulfilled Retailing

Enhance Distribution Channels
Logistics Management

Product Discovery
Payment Solution
Warehousing



GIGASELLER (FACTORY / DISTRIBUTOR)



GIGA



Distributor



Reseller & Retailer



LAST MILE



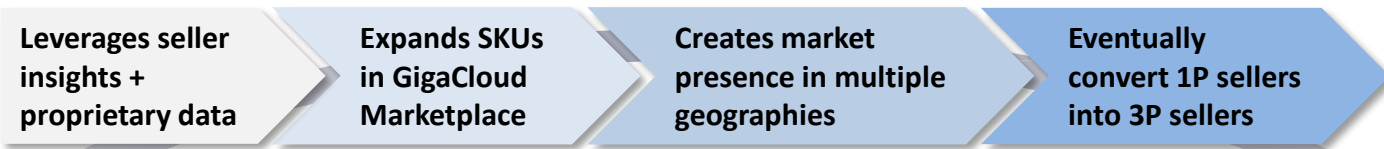
END CUSTOMER

Advantages

- Fewer touchpoints lead to less cost and higher margin
- Pooling of risk for the entire industry
- Better efficiency through optimization by a central party (Giga)

Fulfilled by GIGA

The Giga Cycle – Our 1P, 3P and Logistics



Flat Rate Program for Shipping & Handling

1P

- Procuring products and sell through GigaCloud Marketplace (On-platform) and third-party e-commerce channels (Off-platform)
- Generates product revenues through the sale of procured products

On-platform



Off-platform





3P

- Marketplace operator to facilitate users to transact and provider of end-to-end logistics solutions
- Generates service revenue through platform and fulfillment and other value-added fees

Platform Statistics (Q4 2022)

- Total GIGA GMV: \$145 million
- 3P Seller GMV: \$82 million
- Active Buyers: 2,331
- Active Sellers: 474
- 1P SKUs: 7,849

Third Party Logistics

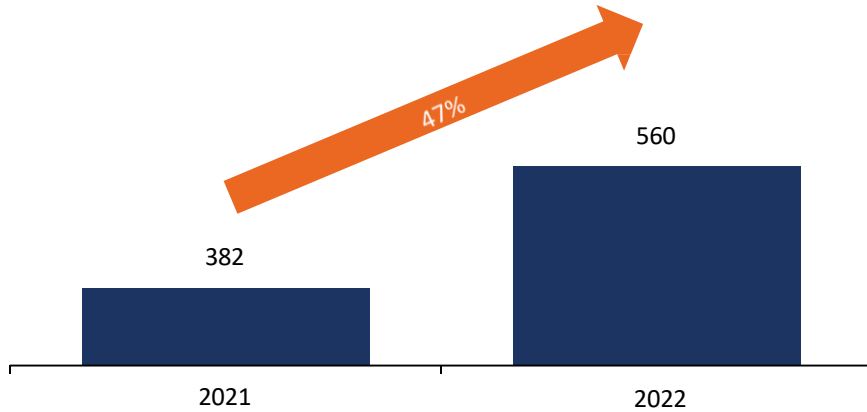


Access to Rapidly Growing Seller and GMV



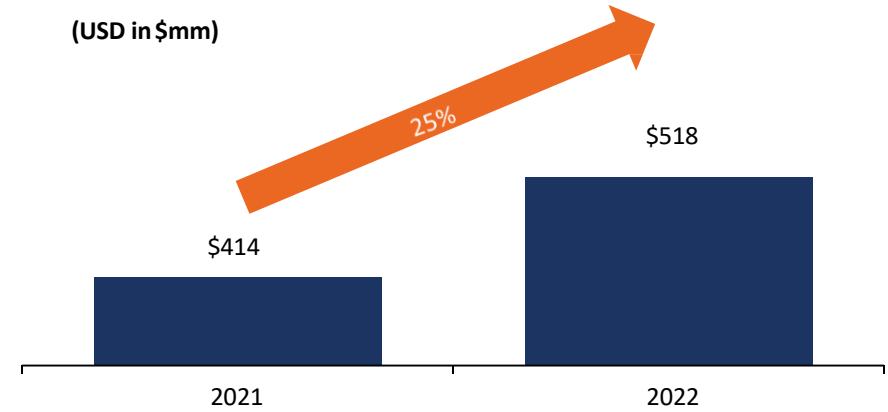
Active Sellers Increasing Quickly...

Number of Active Sellers



... Results in Significant Growth in GMV

GMV on GigaCloud Marketplace
(USD in \$mm)



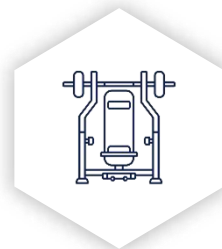
Expansion of Product Categories from Large Furniture to Home Appliances, Fitness Equipment and Gardening



Furniture



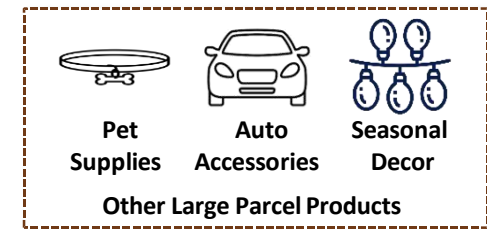
Home Appliance



Home Fitness
Equipment



Gardening



Additional Categories

Attractive Buyer Cohort Trends



Key Buyer Trends

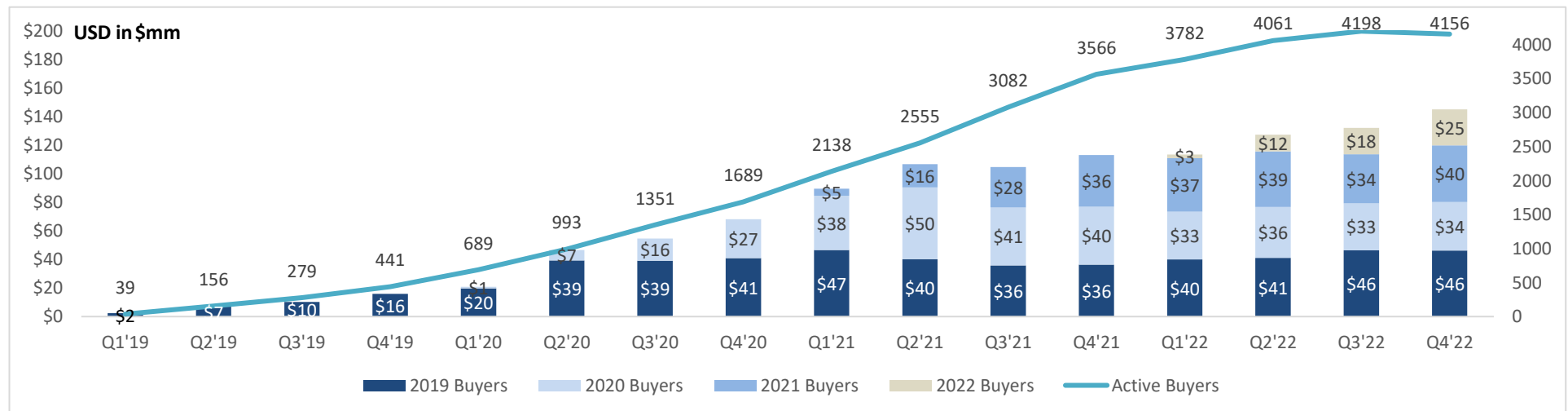
- Since inception of GigaCloud Marketplace, active buyers' spend has consistently increased over time
 - buyers who joined in 2021 increased their spend from \$36M in Q4 2021 to \$40M in Q4 2022, 11.1% YoY increase
- We expect continued momentum in buyer spend and engagement as we expand service offerings and enhance our logistics capabilities
- Additionally, we expect the number of active buyers continue to grow as a result of customer referrals and word-of-mouth

Q4 2022 Key Statistics

4,156
Active Buyers
2022

~\$125k
Spend per Active Buyer
2022

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 Arm...

[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 [Redacted])

Item Code: [Redacted] First Available: 2022-11-29 Return Rate: Low

Price(Unit) \$ [Redacted]

Spot Price(Unit) \$ [Redacted] PCS \$ [Redacted] PCS **BID**

Margin(Unit) [?] \$ [Redacted] 20.00% deposit PCS **BID**

Futures(Unit) [?] 2023-03-20 \$ [Redacted] **BID**

Purchase Quantity Unit 0 Available *More on the way*

Fulfillment options **Drop Shipping** Estimated Fulfillment Fee: \$ [Redacted] /Unit **Cloud Wholesale Fulfillment** Estimated Fulfillment Fee: \$ [Redacted] /Unit (Min. volume/address: 100R)

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

0 Piece \$ [Redacted]

Total Item Cost \$ [Redacted] /Unit

Estimated Total (Fulfillment Fee included) \$ [Redacted] /Unit

Drop Shipping Handling Time [Redacted] business days

CWF Handling Time [Redacted] business days

BUY NOW

ADD TO CART

Online Chat

Customer Service

Message Center

Resource Package Downloads: [Redacted]

Product Image

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

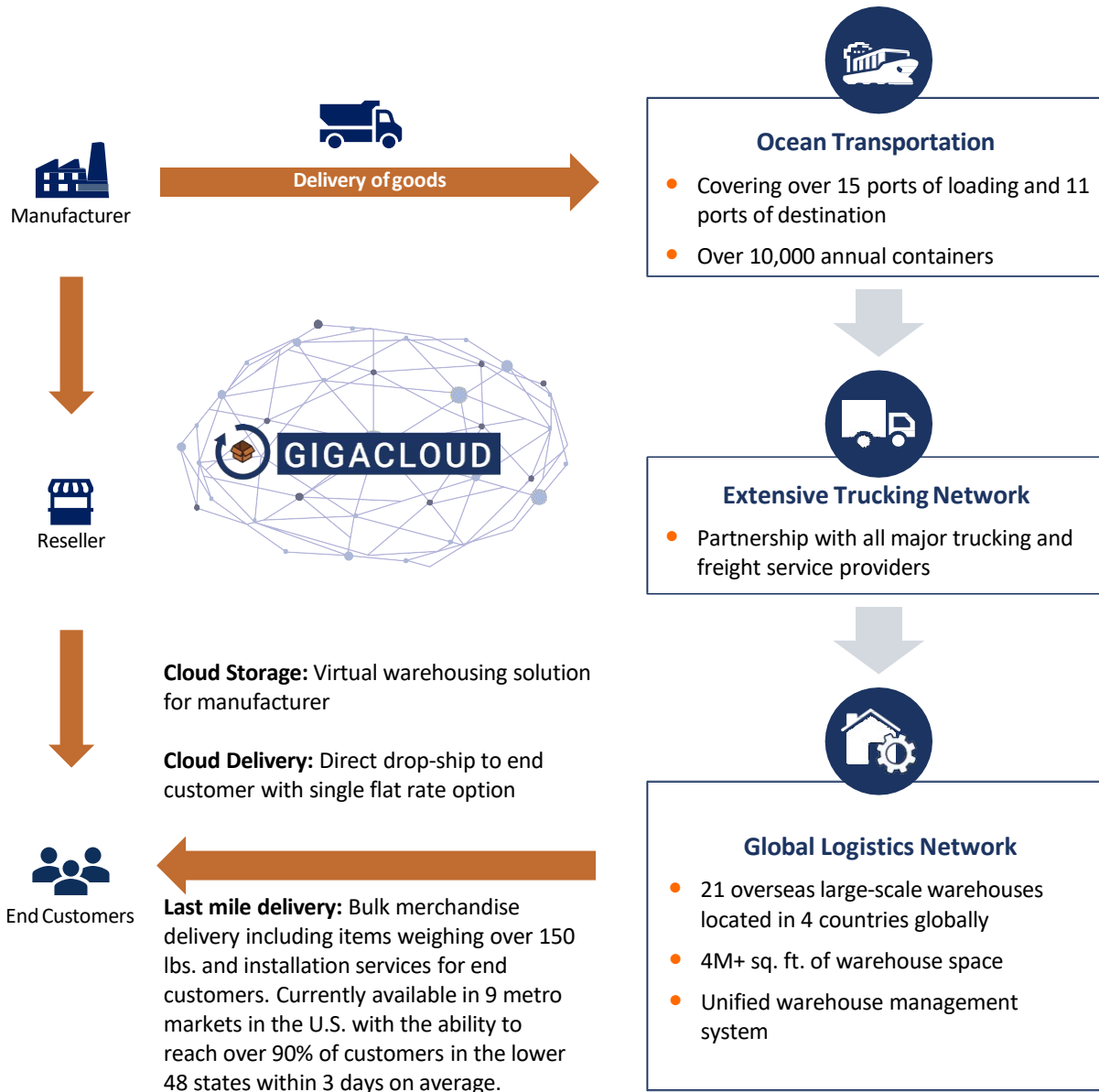
Complex Transactions

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

HARDWARE: End-to-End Logistics Capabilities



End-to-End Cross Border Fulfillment Capabilities

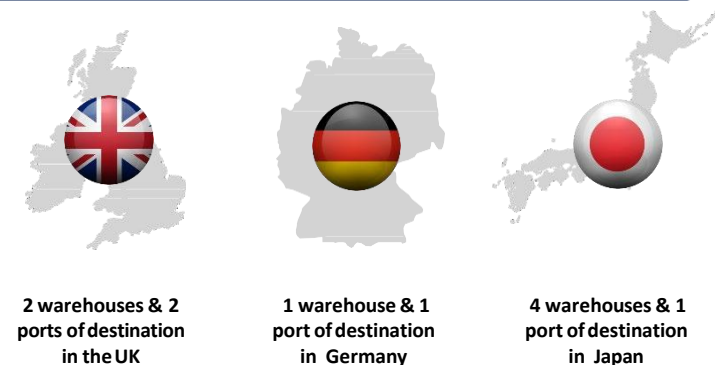


Local Resources in the US

- 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

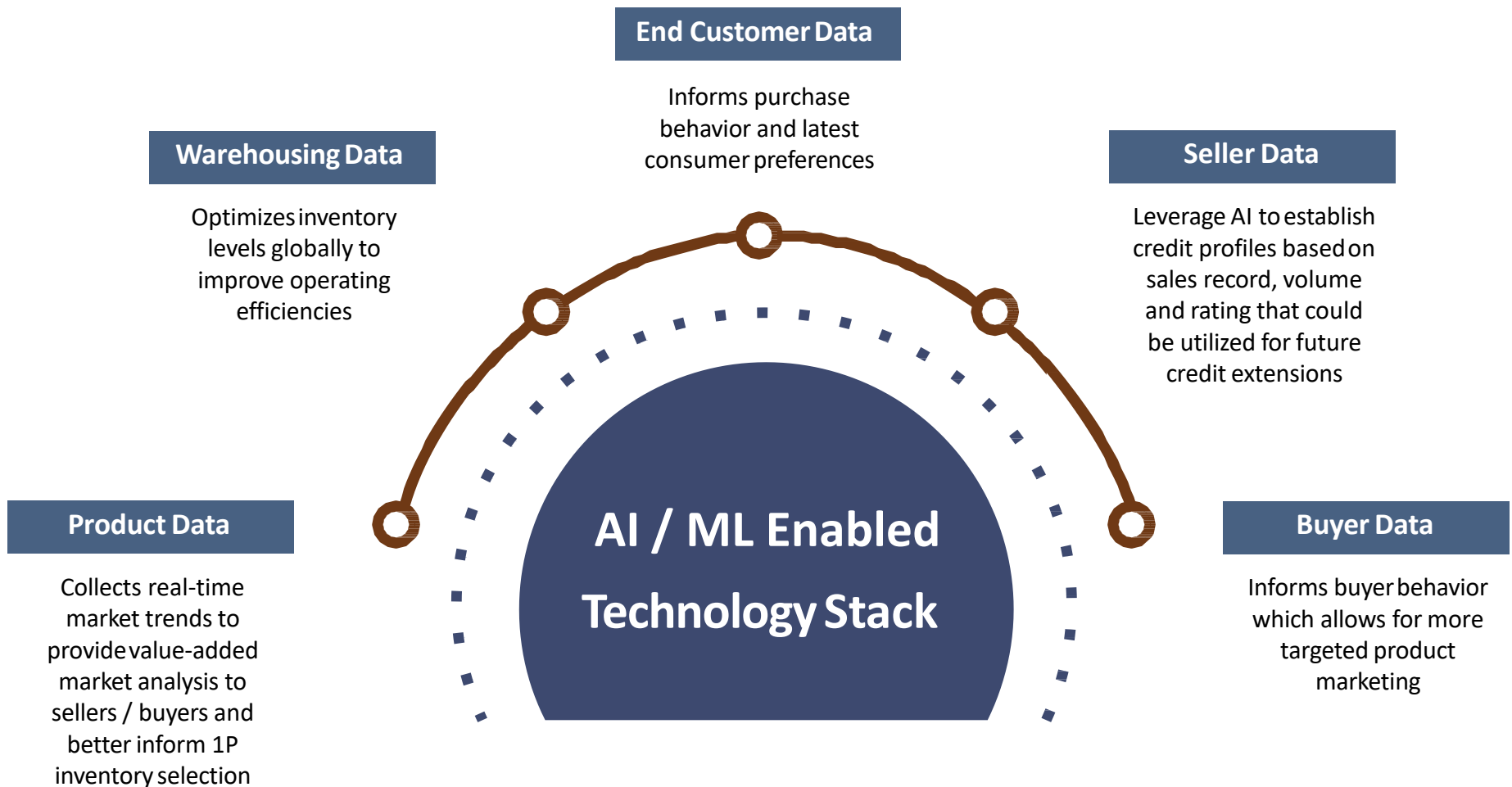


Local Resources Internationally





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





GigaCloud at a Glance

Strong Financials



\$125.6M
Revenue
Q4 2022



20.5%
Revenue Growth
Q4 2021 to Q4 2022



\$15.2M / 12.1%
Adj. EBITDA⁽¹⁾ / Margin⁽²⁾
Q4 2022

Tremendous Scale



\$518.2M
GigaCloud Marketplace GMV
2022



25.1%
GigaCloud Marketplace GMV
Growth
2021 to 2022



\$257.7M
3P Seller GigaCloud Marketplace
GMV
2022



64.3%
3P Seller GigaCloud Marketplace
GMV Growth
2021 to 2022

Extensive Reach



560
Active Sellers
2022



4,156
Active Buyers
2022



~\$125k
Active Buyer Spend
2022

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

(2) Adj. EBITDA/revenue

Source: Company management

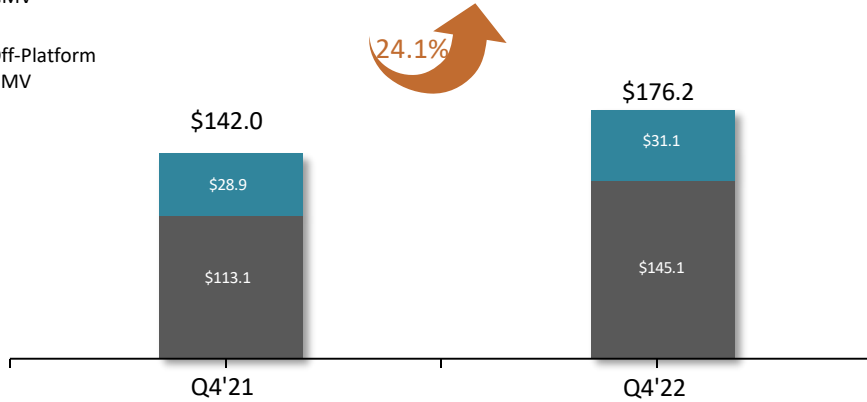
Q4 Financial Performance Update



Value shown in charts are in million

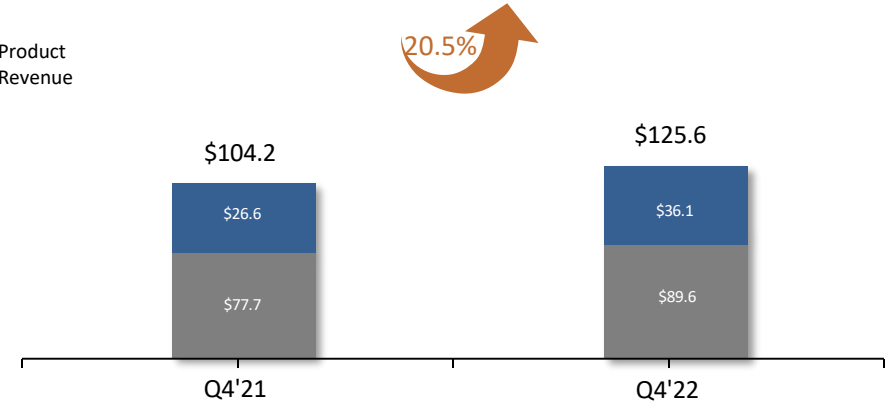
Total GMV

- Marketplace GMV
- Off-Platform GMV



Total Revenue

- Service Revenue
- Product Revenue



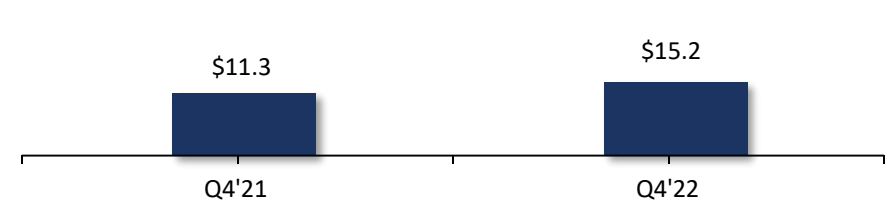
Gross Profit

36.1%



Adj. EBITDA

34.9%



%

Margin*:

18.8%

21.2%

10.8%

12.1%

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

- Grow and diversify existing seller base
- For the first time ever since the launch of Marketplace, GigaCloud 3P Seller GMV surpassed 1P GMV as a percentage of total Marketplace GMV in Q4 2022, demonstrating the platform's growth and market recognition as a thriving 3P-seller-dominated platform
- Expand existing offerings and extend catalog



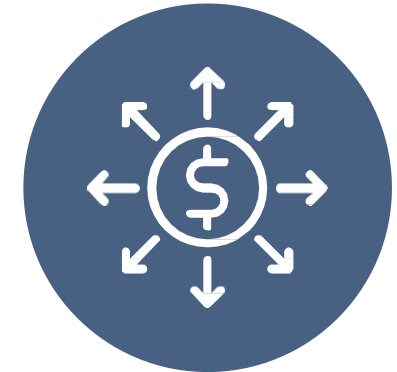
Grow Buyer Base & Engagement

- Attract new buyers to marketplace
- In LTM Dec. 31, 2022, 4,156 buyers generated \$518.2M of GigaCloud Marketplace GMV
- 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 seeking for M&A opportunities that will enhance our distribution channels and logistics offerings
- Plans has been prepared to invest in R&D in areas such as IT, AI, and machine learning with a particular focus on the year 2023



THANK YOU

