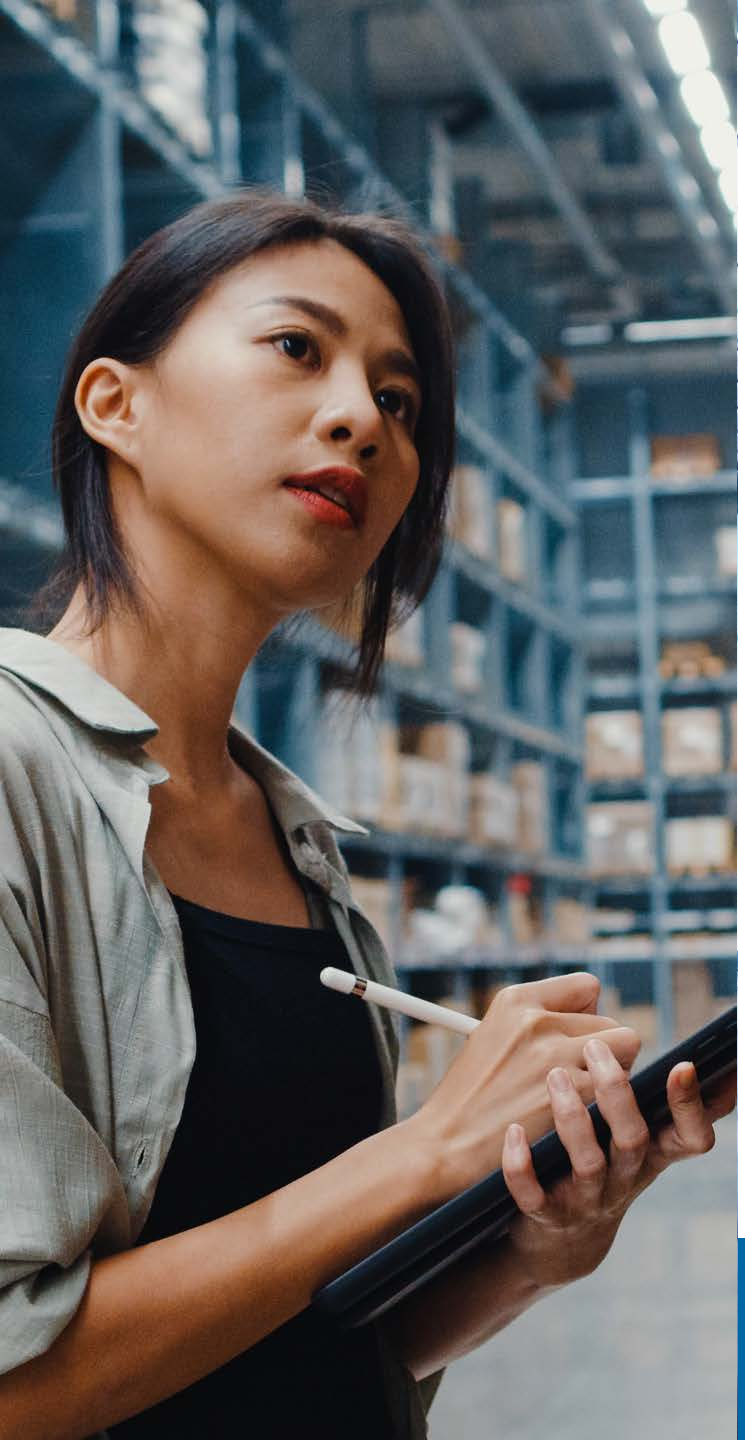


Houlihan Lokey

# E-Commerce and D2C

## Market Update

Q1 2023

# ABOUT OUR FIRM

Houlihan Lokey

Houlihan Lokey is a leading global investment bank with expertise in mergers and acquisitions, capital markets, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

We invite you to learn more about how our bankers can serve your needs:

Learn More About Corporate Finance

Learn More About Financial Restructuring

Learn More About Financial and Valuation Advisory

Learn More About Our Industry Coverage

## Key Facts and Figures

HLI LISTED NYSE

| 36 | ~2,000 | 313 | 2,000+ | $6.0B | $1.8B |
|---|---|---|---|---|---|
| LOCATIONS WORLDWIDE | TOTAL FINANCIAL PROFESSIONALS | MANAGING DIRECTORS(1) | CLIENTS SERVED ANNUALLY | MARKET CAPITALIZATION(2) | REVENUE(3) |

## Our Ranking by Service

### Corporate Finance

**2022 M&A Advisory Rankings**
**Global Transactions Under $1 Billion**

| | Advisor | Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **381** |
| 2 | Rothschild | 369 |
| 3 | JP Morgan | 217 |
| 4 | Lazard | 206 |
| 5 | Goldman Sachs | 203 |

*Source: Refinitiv. Excludes accounting firms and brokers*

**No. 1** Global M&A Advisor for Transactions Under $1 Billion

**Leading** Capital Markets Advisor

### Financial Restructuring

**2022 Global Distressed Debt & Bankruptcy Restructuring Rankings**

| | Advisor | Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **58** |
| 2 | PJT Partners | 30 |
| 3 | Lazard | 29 |
| 4 | Rothschild | 25 |
| 5 | Moelis & Co | 21 |

*Source: Refinitiv*

**No. 1** Global Restructuring Advisor

**1,500+** Transactions Completed Valued at More Than $3.0 Trillion Collectively

### Financial and Valuation Advisory

**1998 to 2022 Global M&A Fairness Advisory Rankings**

| | Advisor | Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **1,232** |
| 2 | JP Morgan | 1,030 |
| 3 | Duff & Phelps, A Kroll Business | 938 |
| 4 | Morgan Stanley | 725 |
| 5 | BofA Securities | 710 |

*Source: Refinitiv. Announced or completed transactions*

**No. 1** Global M&A Fairness Opinion Advisor Over the Past 25 Years

**1,000+** Annual Valuation Engagements

## Fully Integrated Financial Sponsors Coverage

**24** Senior officers dedicated to the sponsor community in the Americas and Europe

**1,000+** Sponsors covered, providing market insights and knowledge of buyer behavior

**700+** Companies sold to financial sponsors over the last five years

## Houlihan Lokey Is a Global Firm

### Americas

Atlanta
Baltimore
Boston
Chicago
Dallas
Houston
Los Angeles
Miami
Minneapolis
New York
San Francisco
São Paulo
Washington, D.C.

### Europe and Middle East

Amsterdam
Antwerp
Dubai
Frankfurt
London
Madrid
Manchester
Milan
Munich
Paris
Stockholm
Tel Aviv
Zurich

### Asia-Pacific

Beijing
Fukuoka
Gurugram
Hong Kong SAR
Mumbai
Nagoya
Shanghai
Singapore
Sydney
Tokyo

*(1) As of March 2023. Excludes corporate managing directors. (2) As of May 2023. (3) LTM ended March 31, 2023.*

# ABOUT OUR CONSUMER, FOOD & RETAIL GROUP

Houlihan Lokey's Consumer, Food & Retail (CFR) Group has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital raising, restructuring, and financial and valuation advisory services.

We have built a reputation as a trusted advisor to companies in the CFR industry. We do this by combining our extensive market capabilities with our in-depth industry knowledge to help maximize shareholder value for our clients.

**2022 M&A Advisory Rankings**
**All U.S. Consumer, Food & Retail Transactions**

| | Advisor | Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **21** |
| 2 | Goldman Sachs | 18 |
| 3 | William Blair | 17 |
| 4 | JP Morgan | 16 |
| 5 | Lincoln International | 13 |
| 5 | Robert W Baird | 13 |

*Source: Refinitiv. Excludes accounting firms and brokers*

Learn More About Our CFR Industry Coverage

## Key Facts and Figures

**130+**
Dedicated consumer, food and retail bankers

**80**
Completed industry sector transactions in CY22

**$2.5B**
In financing deals in CY22

## Industry Sector Coverage

We cover a broad array of sectors, with bankers dedicated to each of our primary coverage areas.




Consumer Products



Food and Beverage



Consumer Channels and Leisure

## Selected Consumer, Food, and Retail Industry Transactions

- Interflora Sweden has been acquired by Myflower, a portfolio company of PAI — Sellside Advisor
- CVC Capital Partners with Partners Group has increased their stake in Breitling 1884 — Sellside Advisor
- yfood has agreed to enter into a strategic partnership with new minority shareholder Nestlé — Sellside Advisor
- Monica Vinader, a portfolio company of Piper Building Brands of Legends, has been acquired by Bridgepoint — Sellside Advisor
- A controlling interest in Thinx has been acquired by Kimberly-Clark — Sellside Advisor & Fairness Opinion
- Woom pedal your planet has received a growth investment from Jersey Capital, Bregal Unternehmerkapital — Financial Advisor
- Trufood, a portfolio company of ALP Private Equity Partners, has been acquired by Mubadala Capital — Sellside Advisor
- CVC has acquired a majority stake in Quality Group, ESN, More Nutrition — Buyside Advisor
- Invincible Brands has sold premium DTC brands Banana, HelloBody, Mermaid + Me to Henkel — Sellside Advisor*
- parfumdreams has sold a majority stake to Douglas, a portfolio company of CVC Capital Partners — Sellside Advisor*
- Ardian has sold its stake in Berlin Brands Group to BainCapital — Sellside Advisor*
- Dot's Homestyle Pretzels has been acquired by Hershey — Sellside Advisor
- Wiggle, a portfolio company of Bridgepoint, has been acquired and concurrently combined into a SPAC with Sports United — Sellside Advisor
- Afinum has sold Perfect Drive Sports Group to Bregal Unternehmerkapital — Sellside Advisor*

**Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company. Tombstones included herein represent transactions closed from 2018 forward.*

# E-COMMERCE AND D2C TEAM



The e-commerce and D2C sector, which operates within Houlihan Lokey's Consumer, Food & Retail (CFR) Group, has earned a reputation for providing superior service and achieving outstanding results in M&A advisory, capital raising, restructuring, and financial and valuation advisory services.

The global Houlihan Lokey Consumer, Food & Retail Group has more than 130 dedicated bankers located in 13 offices around the world and has built a reputation as a trusted advisor to companies in the CFR industry. We do this by combining our extensive market capabilities with our in-depth industry knowledge to help maximize shareholder value for our clients. When our experience is combined with our comprehensive understanding of the industry's financial, regulatory, and competitive dynamics, we are able to more effectively analyze a full range of strategic options, such as mergers, acquisitions, divestitures, capital raising, and asset sale transactions.

## Leadership




**Thomas Egli**
Managing Director
Thomas.Egli@HL.com
+41 (0) 43 499 43 41



**Steven Tishman**
Managing Director
STishman@HL.com
+1 212.497.4142



**Randolph Chao**
Managing Director
RChao@HL.com
+1 212.497.4243



**Rickard Raudsepp**
Director
Rickard.Raudsepp@HL.com
+46 (0) 70 877 86 83



**ChanChan Wang**
Director
CCWang@HL.com
+44 (0) 75 386 40511


### Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

Request a Meeting

Learn More About Us

## Subsector Coverage



- Aggregators, Platforms, and Marketplaces
- Circular and Sustainable Brands
- Circular Business
- Circular Enablers
- Circular Marketplaces (Peer-to-Peer, Managed Marketplaces)
- Direct-to-Consumer
- Fashion/Apparel
- Fitness
- Food Retail
- Gaming and Gambling
- Multi-Unit Services
- Out-of-Home Entertainment
- Product-as-a-Service
- QSR/Franchise
- Restaurants/ Hospitality
- Retail
- Smart Mobility
- Travel

## Featured Transactions




**Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company. Tombstones included herein represent transactions closed from 2018 forward.*

# E-COMMERCE AND D2C MARKET UPDATE

## Introduction

Due to ongoing macroeconomic headwinds, the e-commerce and D2C sector continues its restrained development in the first quarter of 2023. M&A activity remained low, with 107 transactions across Q1 2023.

While the broader market environment experienced mostly sideways development during the first three months of the year, the Houlihan Lokey e-commerce and D2C sector index enjoyed robust growth of more than 30% since the beginning of the year, indicating a positive outlook for the following months. On the operational side, we expect a challenging Q2 2023 with improvements for H2 2023.

The landscape of the e-commerce and D2C sector continues to evolve, with both financial and strategic investors looking for high-quality assets in subsector niches.

The Houlihan Lokey e-commerce and D2C team kept busy during the first quarter of the year, focusing on high-quality assets with market-leading positions and a strong combination of revenue growth and profitability, leveraging deep expertise in the sector to broker various high-profile deals for its clients.

## Table of Contents

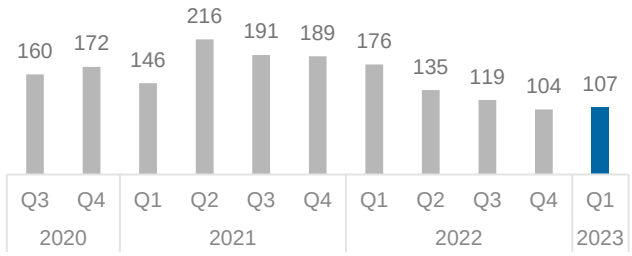

1. Featured Sector News..... 6
2. E-Commerce and D2C M&A Highlights ..... 8
3. Equity Market Index Performance..... 11
4. Equity Market Index Performance: E-Commerce and D2C Subsectors ..... 13
5. Public Company Valuations ..... 21
6. Public Comparables ..... 23
7. Disclaimer..... 25


## Q1 2023 Quick Facts

### E-Commerce and D2C M&A Transaction Volume

**107**

Transactions Q1 2023




### E-Commerce and D2C Sector Market Snapshot

**0.9x**
TEV/NTM Revenue

**12.0x**
TEV/NTM EBITDA

**6.8%**
2022–2023E Revenue CAGR

**7.5%**
NTM EBITDA Margin

*Sources: Refinitiv, Federal Reserve Economic Data. Data as of March 31, 2023.*

# FEATURED SECTOR NEWS

After a difficult 2022 and Q1 2023, e-commerce and D2C players are expected to experience increasing tailwinds in terms of growth, margin, and supply chain, which will lead to an acceleration of business performances in the second half of 2023.

| Date | Company | Subsectors | Description | Article Link |
|---|---|---|---|---|
| 3/30/2023 | SHOP APOTHEKE | Inventory-Based E-Commerce | Shop Apotheke Europe partnered with Galenica to create the leading online pharmacy in Switzerland, expanding its reach in the lucrative Swiss market. | Read More |
| 3/23/2023 | asos | Inventory-Based E-Commerce | ASOS expanded its face and body range to capitalize on viral trends and drive demand, enhancing its market position in the fast-growing beauty industry. | Read More |
| 3/21/2023 | allbirds | Direct-to-Consumer (D2C) | Allbirds launched a carbon-neutral product line and pledged to achieve carbon neutrality by 2040, reinforcing its commitment to sustainability and meeting the growing demand for eco-friendly products. | Read More |
| 3/17/2023 | THG | Inventory-Based E-Commerce | Ingenuity formed a strategic partnership with G.O.A.T. Brand Labs, leveraging its expertise in digital solutions to provide innovative services to businesses and create new revenue streams. | Read More |
| 3/16/2023 | WESTWING | Inventory-Based E-Commerce | Westwing entered the B2B market by offering personalized home and living solutions to companies, diversifying its revenue streams, and expanding its customer base. | Read More |
| 3/15/2023 | JD.COM | Inventory-Based E-Commerce | JD.com brought the best Colombian coffee to China through its e-commerce platform, leveraging its vast distribution network to expand its product offerings and capture market share in the highly competitive Chinese market. | Read More |
| 3/14/2023 | WESTWING | Inventory-Based E-Commerce | Westwing opened its first physical store in Hamburg, Germany, providing a unique shopping experience to its customers and further strengthening its brand presence in Europe. | Read More |
| 3/8/2023 | carsales.com | Aggregators, Platforms, and Marketplaces | Carsales acquired an additional 40% of Webmotors for AUD $353 million, consolidating its position in the Brazilian auto market and driving growth in the fast-growing Latin American region. | Read More |
| 3/8/2023 | ZOZO | Inventory-Based E-Commerce | ZOZO introduced ZOZOFIT, which leveraged 3D scanning technology to revolutionize online shopping. Precise body measurements enhanced garment fit, reduced returns, and optimized the e-commerce experience, creating significant opportunities for fashion retailers to drive profitability. | Read More |

*Sources: Company website, press releases.*

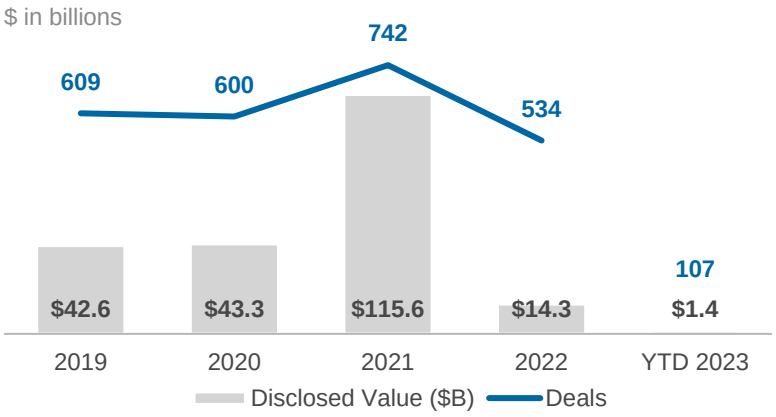
# FEATURED SECTOR NEWS (CONT.)

| Date | Company | Subsectors | Description | Article Link |
|---|---|---|---|---|
| 3/1/2023 | 1-800 flowers.com | Inventory-Based E-Commerce | 1-800-Flowers.com, a floral and gourmet foods gift retailer, announced the acquisition of PersonalizationMall.com for $245 million, expanding its personalized gifts business. | Read More |
| 2/22/2023 | 1-800 flowers.com | Inventory-Based E-Commerce | 1-800-Flowers.com also announced the acquisition of Shari's Berries for $35 million, adding a new category of fresh fruit gifts to its product offerings. | Read More |
| 2/15/2023 | THG | Inventory-Based E-Commerce | The Hut Group's Ingenuity division signed a global distribution partnership with Autostore, a leading provider of automated storage and retrieval systems, to offer end-to-end fulfillment solutions for e-commerce clients. | Read More |
| 2/14/2023 | ebay | Aggregators, Platforms, and Marketplaces | EBay Motors launched new purchase protections for auto parts and accessories to provide buyers with more confidence in their purchases, improving customer experience. | Read More |
| 2/14/2023 | PetMeds America's Most Trusted Pet Pharmacy | Inventory-Based E-Commerce | 1-800-PetMeds, an online pet pharmacy, launched a new online subscription service called PetMeds Repeat Delivery, providing customers with a more convenient and cost-effective way to purchase pet medications. | Read More |
| 2/13/2023 | ebay | Aggregators, Platforms, and Marketplaces | EBay acquired 3PM, a software platform that helps brands and retailers manage their online presence and monitor compliance with e-commerce marketplaces, to strengthen its marketplace compliance technology. | Read More |
| 2/13/2023 | THG | Inventory-Based E-Commerce | The Hut Group's Ingenuity division announced a strategic partnership with LiveRamp, a data connectivity platform, to enhance its e-commerce clients' customer data management capabilities. | Read More |
| 2/3/2023 | ZurRose Group | Inventory-Based E-Commerce | Zur Rose Group sold its Swiss business to the Migros subsidiary Medbase and will focus on developing its B2C core business in Germany. | Read More |
| 2/3/2023 | REA Group | Aggregators, Platforms, and Marketplaces | The REA Group announced a partnership with First National, a real estate agency network, to offer digital prospecting solutions to real estate agents, helping them identify potential clients in their local markets. | Read More |
| 2/3/2023 | JUST EAT Takeaway.com | Aggregators, Platforms, and Marketplaces | Just Eat partnered with DIA to expand its operations in Spain by offering grocery deliveries, which increased Just Eat's sales in the country. | Read More |
| 2/1/2023 | BRILLIANT EARTH | Direct-to-Consumer (D2C) | Ethical jewelry brand Brilliant Earth opened a new showroom in Charlotte, North Carolina, as part of its retail expansion strategy, driving higher revenues. | Read More |
| 1/30/2023 | asos | Inventory-Based E-Commerce | ASOS partnered with Secret Sales to offer non-full-priced items aimed at budget-conscious shoppers, driving sales growth as part of ASOS' continued strategy to expand its market reach. | Read More |

*Sources: Company website, press releases.*

# E-COMMERCE AND D2C M&A HIGHLIGHTS

## Transaction Deal Value




## Key Takeaways

- Historically low M&A transaction value and volume in the e-commerce and D2C sector in 2022 continue to be prevalent in the first quarter of 2023.
- No public market activity has taken place in this sector. On the contrary, due to low public market valuations, investors are thinking about taking selected listed market players private.
- Revenue growth and profitability continue to suffer in light of supply chain disruptions, full inventories, rising inflation, the war in Ukraine, and general market uncertainties. We expect the trend to reverse in H2 2023.
- In the current market environment, only high-quality assets with market-leading positions in selected subsectors are transactionable. The focus has considerably shifted from growth toward profitability.
- M&A processes take longer to complete, and current trading and KPI development remain key.

## Notable Transactions to Date

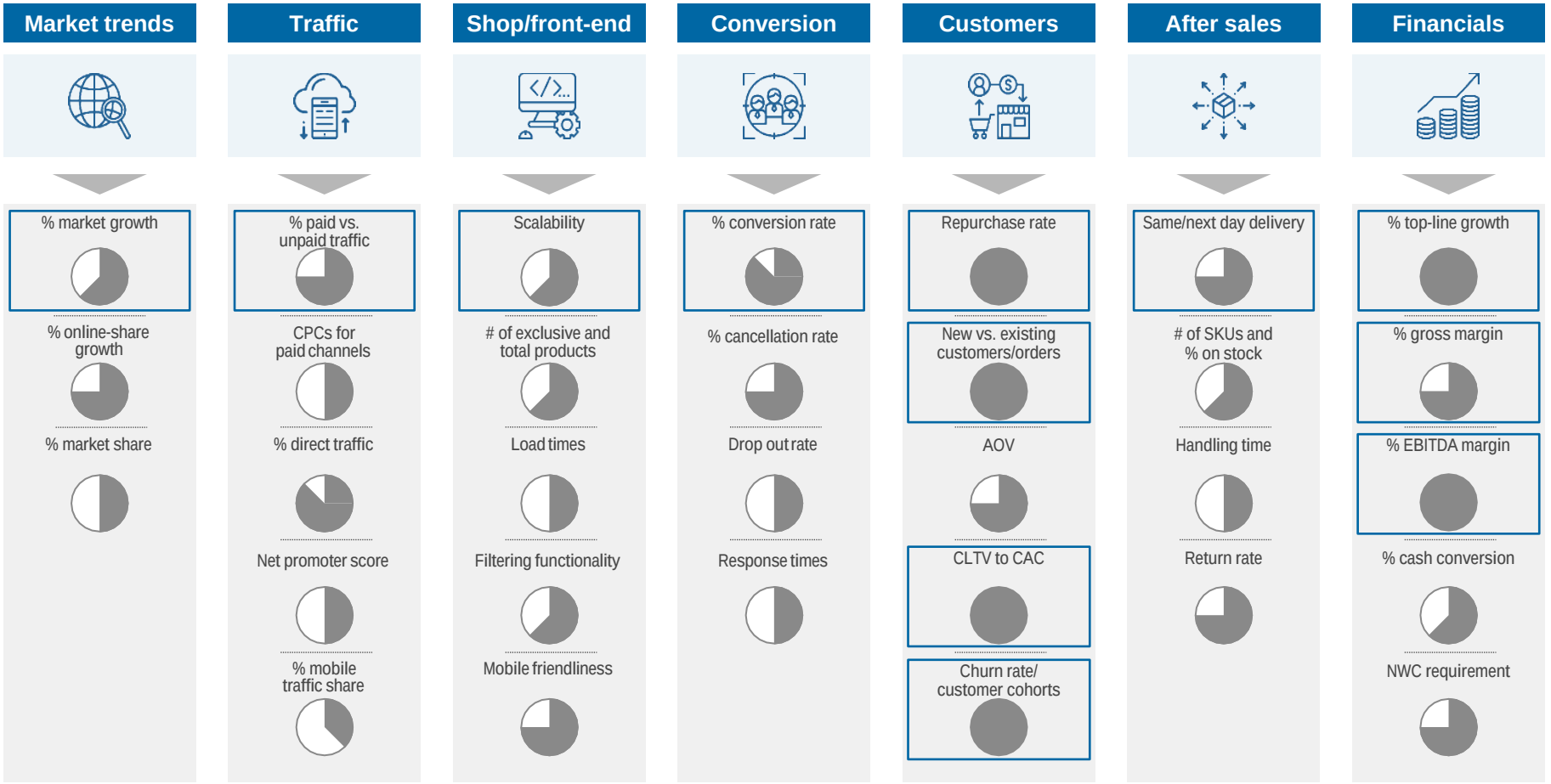
| Date | Acquirer | Target | Subsector | Deal Value ($M) |
|---|---|---|---|---|
| 3/31/2023 | AMV Automotive Mediaventions | bynco | Aggregators, Platforms, and Marketplaces | N/A |
| 3/22/2023 | nextworld Evergreen | TRUE BOTANICALS | D2C | N/A |
| 3/31/2023 | Nestlé | yfood | Food and Beverage | N/A |
| 3/16/2023 | Undisclosed Investor | KREAM | Inventory-Based E-Commerce | $38.8 |
| 3/6/2023 | Undisclosed Investor | Pietra | Aggregators, Platforms, and Marketplaces | $16.1 |
| 3/6/2023 | Undisclosed Investor | FOLD | D2C | N/A |
| 3/6/2023 | Foresight For a Smarter Future | Cambrionix Charge • Connect • Manage | Inventory-Based E-Commerce | N/A |
| 3/2/2023 | Trends International | Art.com | Aggregators, Platforms, and Marketplaces | N/A |
| 2/27/2023 | BUNZL | eXpress | Inventory-Based E-Commerce | N/A |
| 2/16/2023 | CDON.COM | FYNDIQ | Inventory-Based E-Commerce | $73.2 |
| 2/15/2023 | SONY | SUPERPLASTIC | D2C | $20 |
| 2/7/2023 | SKYX | belami ecommerce | Inventory-Based E-Commerce | $32.8 |
| 1/31/2023 | ULYSSES | Offerpad | Aggregators, Platforms, and Marketplaces | $90 |
| 2/17/2023 | Bridgepoint | MONICA VINADER | Luxury | N/A |

*Source: Refinitiv. Data as of March 31, 2023.*

# RELEVANT KPIS POTENTIAL BUYERS FOCUS ON …

The main buyer focus is on top-line growth, gross and EBITDA margins as well as customer economics. Buyers are only interested if these KPIs look attractive.

## Key Metrics for D2C/E-Commerce Companies and Importance for Potential Buyers




Main focus

Importance of criteria (Full = high; empty = low)

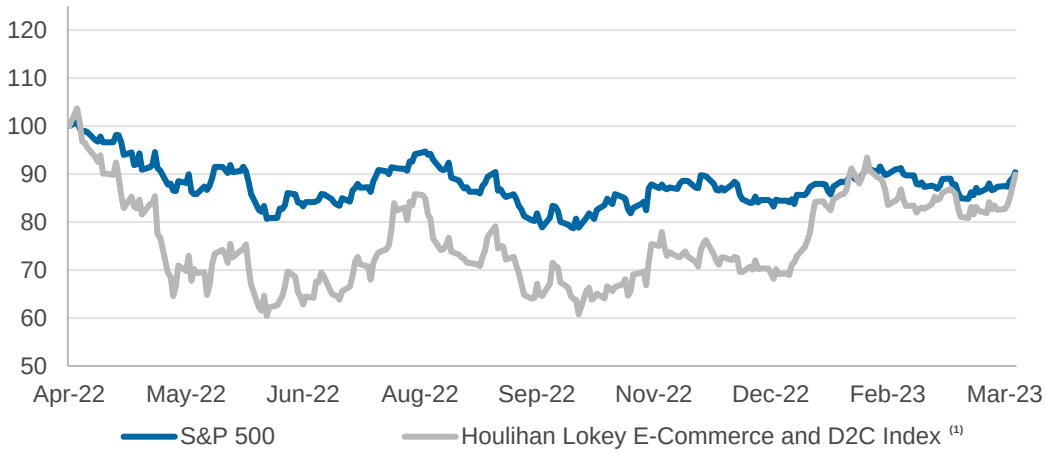
# … AND WHAT THEY QUESTION IN M&A PROCESSES

| | |
|---|---|
| **Strategy** | ▪ **Internationalization strategy** historically and going forward, profitability of home/core market vs. international operations (**P&L by country**)?<br>▪ **Development of online/offline** share historically and in the future<br>▪ Lay out **key initiatives of future growth plan**<br>▪ Details on **ESG status** and **ESG strategy going forward** |
| **Competition** | ▪ **KPI benchmarking** with peers?<br>▪ **Market shares** in respective countries?<br>▪ How do you **differentiate yourself** from potential competitors (e.g. Amazon and Zalando)? |
| **Management/ Ownership** | ▪ How **dependent is the company on management** team?<br>▪ Is **management willing to reinvest**?<br>▪ Willingness for **financial/trade buyer**? |
| **Products/Brands** | ▪ What are **sourcing conditions** and what is "secret sauce"?<br>▪ Explain relevant **competence, product strategy specialization, best brands, price point**, etc.<br>▪ Any **disruptions in the supply chain** and how you will address them |
| **Technology** | ▪ What are the **capabilities of data warehouse** (CRM, ERP, marketing and purchasing tools)?<br>▪ What do **management dashboards** and KPI information on real-time basis look like?<br>▪ **Technology stack**: scalable, mobile ready, proprietary, and state-of-the art? |
| **Customers/ Marketing** | ▪ **Source of traffic** (direct, search engine (organic/paid), referrals, email, mobile share, CPC, NPS)<br>▪ Profound understanding of **cohort analysis** (# orders, # customers, churn, AOV, repurchase), monthly CLTV and CAC<br>▪ What is the focus of your **marketing efforts** online and offline?<br>▪ How **strong and credible** is your brand? |
| **Sourcing/Logistics** | ▪ Current sourcing strategy, i.e., how can the supply chain challenge current business models (e.g., bike, chips, and gaming console industries)<br>▪ How **scalable and up-to-date is your logistics center**?<br>▪ Current outbound/inbound/storage **capacity utilization levels** vs. maximum capacity<br>▪ What is your **strategy regarding inventory levels, SKU, units in stock,** and what are the associated risks? |
| **Financials** | ▪ Elaborate on **unit economics** of detailed bottom-up growth plan<br>▪ How do you expect to generate further **operating leverage**?<br>▪ **NWC development** – show DIO, DSO and DPO development and explain monthly peaks<br>▪ **Impact of inflation** on gross/EBITDA margin |

# EQUITY MARKET INDEX PERFORMANCE

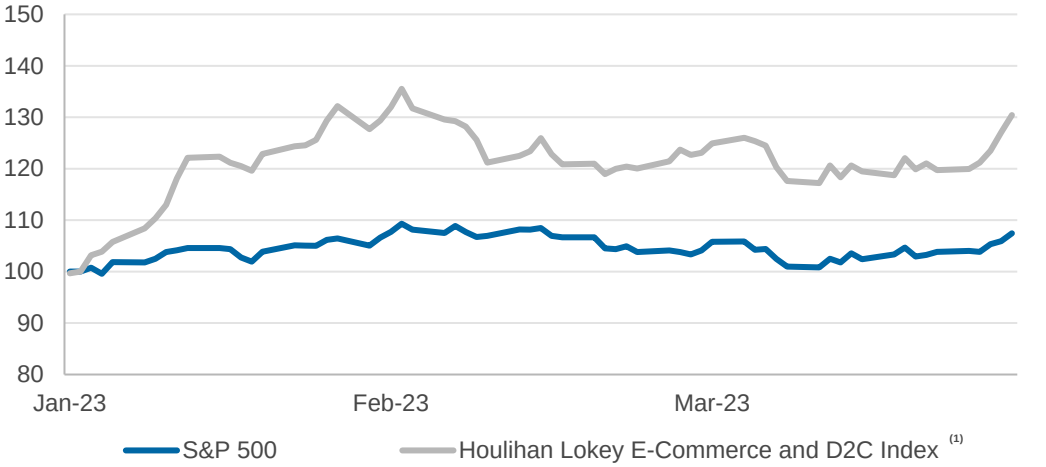
- The Houlihan Lokey E-Commerce and D2C Index (-10.1%) ends LTM March 2023 broadly in line with the S&P 500 (-9.6%) after being able to recover larger losses from last year with a particularly strong first quarter in 2023.
- On a quarterly basis, the Houlihan Lokey E-Commerce and D2C Index (30.4%) significantly outperformed the S&P 500 (7.5%).
- The aggregators, platforms, and marketplaces subsector contributed the most, with an increase of 37% YTD March, while the subsector inventory-based e-commerce saw an increase of 10% YTD March. The direct-to-consumer subsector remained at the same level as the beginning of the year.

## LTM March 2023 Performance




| | |
|---|---|
| S&P 500 | (9.6%) |
| Houlihan Lokey E-Commerce and D2C Index | (10.1%) |

## January–March 2023 Performance




| | |
|---|---|
| Houlihan Lokey E-Commerce and D2C Index | 30.4% |
| S&P 500 | 7.5% |

*Source: S&P Capital IQ. Data as of March 31, 2023. All share prices rebased to 100.*
*(1) The Houlihan Lokey E-Commerce and D2C Index consists of a diversified set of 53 companies across the E-Commerce and D2C sector. See pages 23-24 for a complete list.*

# E-COMMERCE & D2C – SECTOR DEFINITION

Companies that manufacture or distribute physical products can be systematically segmented into various subgroups, although certain companies could be categorized in two groups.




## Inventory-Based E-Commerce

**Inventory-based e-commerce players are online distributors of third party-goods**

- Distributors sell goods predominantly online through own platform
- Physical goods are bought from third parties and stored and handled through own logistic
- Own brands account for less than 50% of total sales




## Direct-to-Consumer (D2C)

**Manufacturers and consumer packaged goods firms that sell directly to consumer through own online and offline stores**

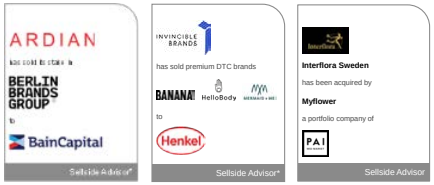
- Own and branded products (excluding services)
- A dominant online share of >50% of total sales together with a tech-focused marketing approach
- Consumer as purchaser (not businesses)




## Aggregators, Platforms, and Marketplaces

**Aggregators, platforms, and marketplaces connect the seller and potential buyers, whereby the seller can either be a company or a private person**

- Buyers are able to purchase products without leaving the site (or app)
- The buyers are mainly consumers, not businesses
- Sale of physical products, not digital downloads or services



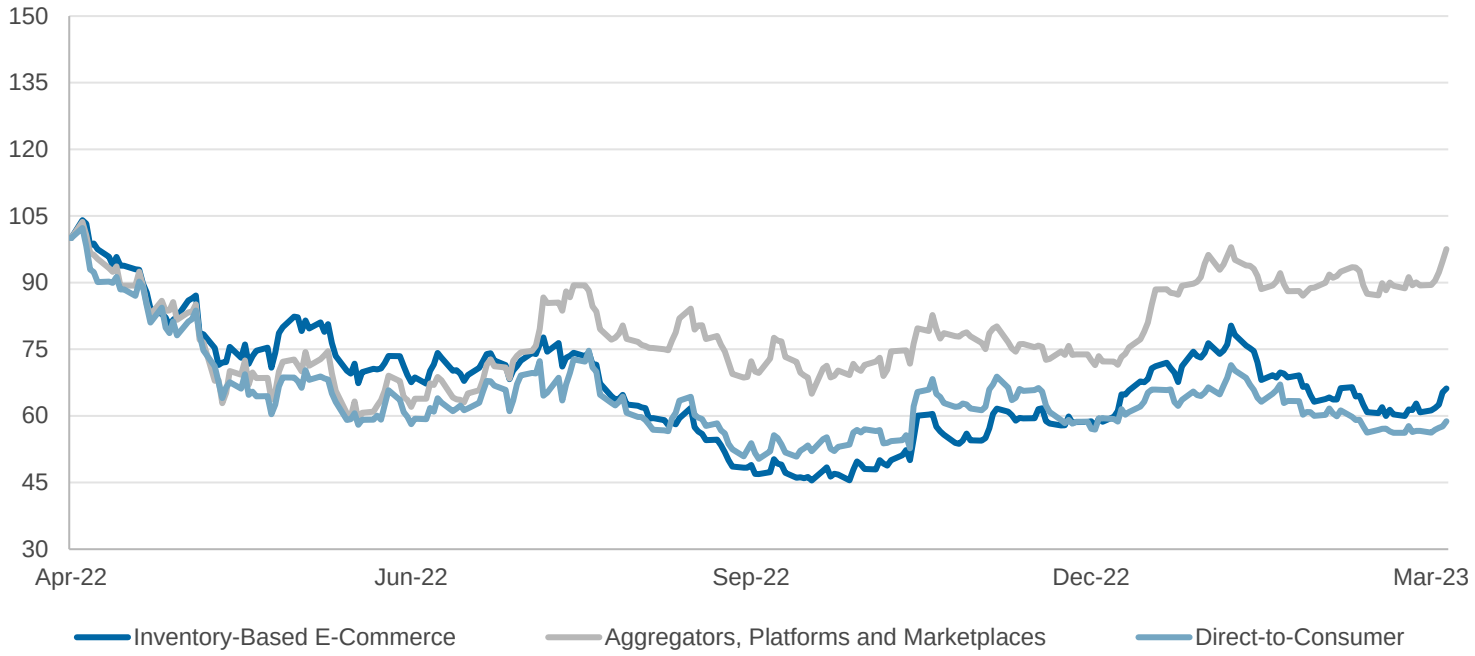

**Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company. Tombstones included herein represent transactions closed from 2019 forward.*

# EQUITY MARKET INDEX PERFORMANCE

## E-COMMERCE AND D2C SUBSECTORS

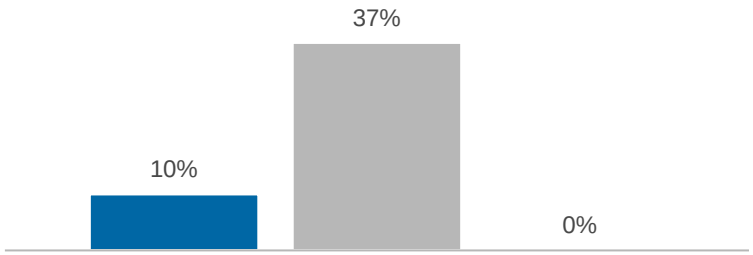
All subsectors of Houlihan Lokey's E-Commerce and D2C Index remain below their levels 12 months ago. While the aggregators, platforms, and marketplaces subsector almost made up all losses, the inventory-based e-commerce and direct-to-consumer subsectors still significantly trade below their levels one year ago.

### LTM March 2023 Performance by Subsector

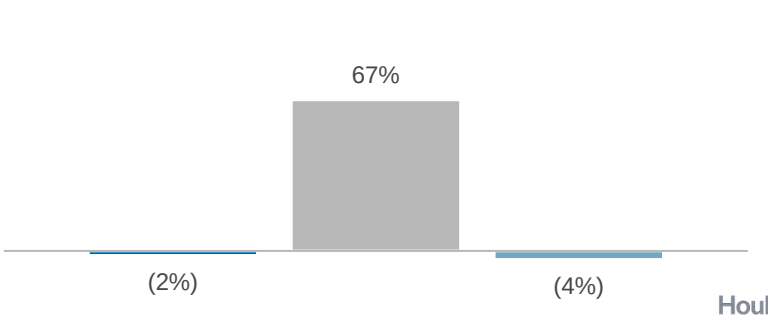



| | |
|---|---|
| Aggregators, Platforms, and Marketplaces | (2.5%) |
| **Inventory-Based E-Commerce** | **(33.8%)** |
| Direct-to-Consumer | (41.2%) |

### YTD 2023 Performance




### Three-Year Performance




*Source: S&P Capital IQ. Data as of March 31, 2023. All share prices rebased to 100.*

# HOW THE LANDSCAPE HAS EVOLVED OVER THE PAST THREE YEARS …

E-Commerce/D2C market perception has strongly improved in the wake of the pandemic. However, valuations and market perception have started to decrease end of 2021, driven by slower growth, higher CAC/marketing expenses, lower discretionary spending and supply chain challenges.

## Development of E-Commerce Since Jan-2020

2020 / 2021

**Strong growth of revenue …**

**… driven by first-time customers and increased re-purchase rate of existing customers …**

**… at substantially lower overall marketing and CAC costs …**

**… with lower rebates and thus higher gross margins …**

**… leading to strong growth at higher EBITDA margins**

**However, 2022 was characterized by supply chain disruptions, lower YoY growth (due to a strong 2021), lower margins and higher CACs**

**In 2023 the market is characterized on the supply side by oversupply leading to strong price pressure and on the demand side by decreasing discretionary spending**

## Impact on Three Levels

**Revenues/ KPIs**



- Strong growth in 2020 and 2021 driven by the pandemic
- 2022 was a transition year characterized by supply chain disruptions, high CAC combined with decreasing growth
- 2023 is characterized by oversupply and decreasing discretionary spending

**Market Perception**



- Offline players: a strong focus on liquidity and decreasing oversupply; only limited focus on M&A
- Low valuation of listed companies might lead to increased P2P activity
- First-time customers: The pandemic has set in motion an unprecedented process of acceleration of D2C/ e-commerce shopping
- In 2022/23, we have seen decreasing interest from strategic and PE investors in the sector
- Depending on the subsector, PE investors remain interested in the space for market-leading, high-quality, growing and profitable assets
- PE investors have become more focused on EBITDA and current trading, which for many players is lagging behind in 2022

**M&A**



- Currently very limited public market activity as investors are avoiding the consumer sector
- While H1 2023 will be challenging for most players, we expect a pick-up of overall e-commerce/D2C activity in H2 2023
- M&A activity is expected to increase in Sep 23 (after the summer break), as many processes are currently on hold or in preparation

# … AND WHAT TRENDS WE EXPECT FOR 2023 …

| | | |
|---|---|---|
|  | **Pull vs. Push** | Pull and push channels (need-driven vs. inspirational shopping) to further diverge, with similar products using differentiated branding, positioning, configuration and price setting on different channels. |
|  | **D2C** | D2C continues to rise as customers are increasingly willing to trust new innovative brands on platforms or pushed by creators/influencers they trust. |
|  | **Technology-Enabled Sales** | Analytics-derived insights are key to decreasing CAC and to better/more profitably addressing the existing customer base. In addition, technological advances will allow for alternative sales channels and increase data-driven decision-making. |
|  | **Live-Commerce** | There is a strongly growing live-commerce trend, combining the best features of social commerce, e-commerce, as well as brick-and-mortar. We expect live-commerce to expand the total e-commerce market and disrupt push channels. |
|  | **New Sales Channels** | The continued shift of consumer behavior is driven by increasingly digitally-driven lifestyles. The connection of physical and virtual worlds will enable customers to shop through nontraditional channels (e.g., Instagram, metaverse). |
|  | **ESG/ Re-Commerce** | Sustainable shopping as customers want to buy from purpose-driven and ESG-compliant brands at attractive prices. |
|  | **Consolidation** | Increasing headwinds in terms of growth, margin, and supply chain will lead to an accelerated consolidation, especially of smaller/unprofitable players. |
|  | **Accelerating Growth at Lower Margins** | After a difficult 2022, we expect most e-commerce players to get back to a growth path toward YE 2023/2024, but with lower margins compared to 2020/2021. |

# … AND HOW THIS IMPACTS THE M&A ENVIRONMENT




Decreasing EV/sales and EV/EBITDA multiples driven by slower growth, margin pressure, higher CAC/marketing expenses, lower discretionary spending, inflation, and the war in Ukraine. **I**

Continued interest from financial investors for high-quality assets. While last year's focus was on growth, there has been a shift toward profitability and market-leading players. Processes take longer to complete, and current trading/KPI development is key. **II**

In the current environment, only high-quality assets with market-leading positions are transactionable. Many processes continue to be postponed. **III**

We have seen a sharp slowdown in IPO and SPAC activity in 2022, with almost no activity in the e-commerce/D2C space. We expect the challenging environment to continue. **IV**

M&A activity in 2022 was significantly below the record 2021, in line with 2019 and 2020. However, we think M&A activity might pick up again in H2 2023, in line with increasing multiples of publicly listed e-commerce/D2C players. **V**

# E-COMMERCE AND D2C – KEY TRENDS

Key trends show a dynamic market environment with a strong focus on efficiency/cost cutting and which is heavily data-driven and refocusing on the consumer to improve profitability.

**Inventory-based e-commerce players are online distributors of third-party goods**

- *Micro Fulfillment*
- *Inventory Management*
- *AI Order Picking*
- *Supply Chain Automation*

**Manufacturers and consumer packaged goods firms that sell direct to consumer through own online and offline stores**

- *Niche Orientation*
- *Data-Based Relationship*
- *Product Personalization*
- *D2C Subscription Service*

**Aggregators, platforms, and market-places connect seller and potential buyers, whereby the seller can either be a company or a private person**

- *Audience Orientation*
- *Opportunistic Environment*
- *Supplier Overstock*
- *Aggregator Valuations*






# KEY TRENDS – INVENTORY-BASED E-COMMERCE

Orientation toward data-driven supply chain management and AI integration to foster financial performance in times of increasing volatility.

1

### Last-Mile Delivery

Costs for the last stage of product delivery are a major factor and have been increasing in the recent past

**Micro Fulfillment**




New last-mile fulfillment solutions are developed, such as a “buy online, pick up in-store” model

2

### Inflation/Discretionary Spending

Discretionary spending due to increased inflation is impacting several subsectors within the E-Commerce industry

**Margin Upside**



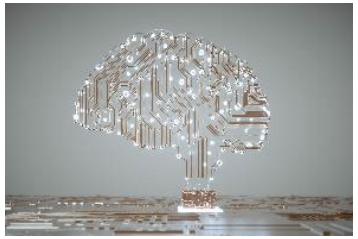
Focus on cost-cutting and efficiency, combined with lower sourcing costs and lower container costs, will positively impact gross margins in H2 2023

3

### Increasing AI Adoption

As AI and machine learning become increasingly sophisticated, they penetrate an increasing number of application areas

**AI Order Picking**



AI-supplemented order management to predict demand and improve picking processes

4

### Limited Internal Optimization

Internal inventory improvement potential is limited and provides decreasing marginal benefits

**Supply Chain Automation**



Automating the whole supply chain from manufacturer to fulfillment to reap inventory efficiency gains

# KEY TRENDS – AGGREGATORS, PLATFORMS, AND MARKETPLACES

Highly opportunistic environment in which smaller players can build momentum and look toward increasing valuations.

1

### End of Targeted Advertising

Following Apple, Google will discontinue user tracking and personally targeted advertising

**Audience Orientation**



Increasing focus on an engaged relationship with the audience through shared values and authenticity

2

### Economic Downturn

Weaking economic conditions push competitors into insolvency, and the end of targeted advertising hampers D2C sales

**Opportunistic Environment**



Decreased competition leads to easier and cheaper supplier collaboration, network effects, and new business models

3

### Uncertain Retail Demand

Traditional retailers are struggling with inventory levels as consumer preferences switch with the ending pandemic and surging inflation

**Supplier Overstock**



Suppliers, such as traditional retailers, are looking for ways to increase consumer base and to sell their inventory

4

### Aggregator Competition

The competition in the aggregator business is increasing as more players rush into the space

**Aggregator Valuations**



Rising valuations targets due to buyer competition make the aggregator business model increasingly difficult

# KEY TRENDS – DIRECT-TO-CONSUMER (D2C)

Increasing focus on customer values and relationships as demand for personalization rises in line with data security concerns.

1

### End of Targeted Advertising

Following Apple, Google will discontinue user tracking and personally targeted advertising

2

### Consumer Data

Newly developed digital capabilities enable data collection and integration on multiple channels

3

### Personalization Demand

Consumers increasingly demand personalized offerings online

4

### Subscription/Club Models

Subscription based business models are on the rise, featuring new product groups such as clothes or food

## Niche Orientation



Focus on directly addressing selected consumer groups instead of the broad market environment

## Data-Based Relationship



Open data collection and sharing leads to increased consumer/brand collaboration and relationship building

## Product Personalization



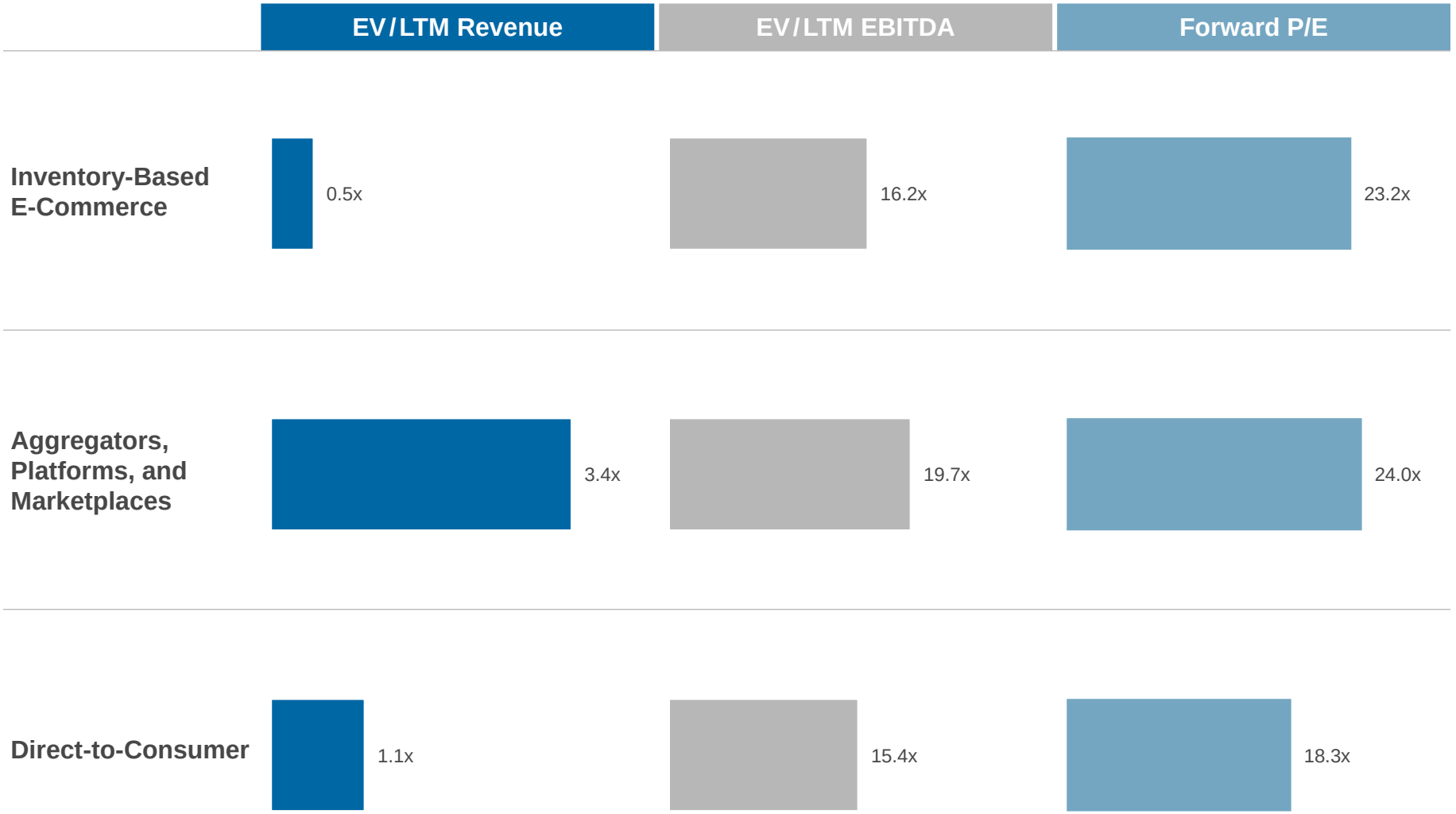

Increasing personalization of offering through initiatives, including individual incentives and customized messaging

## D2C Subscription Service



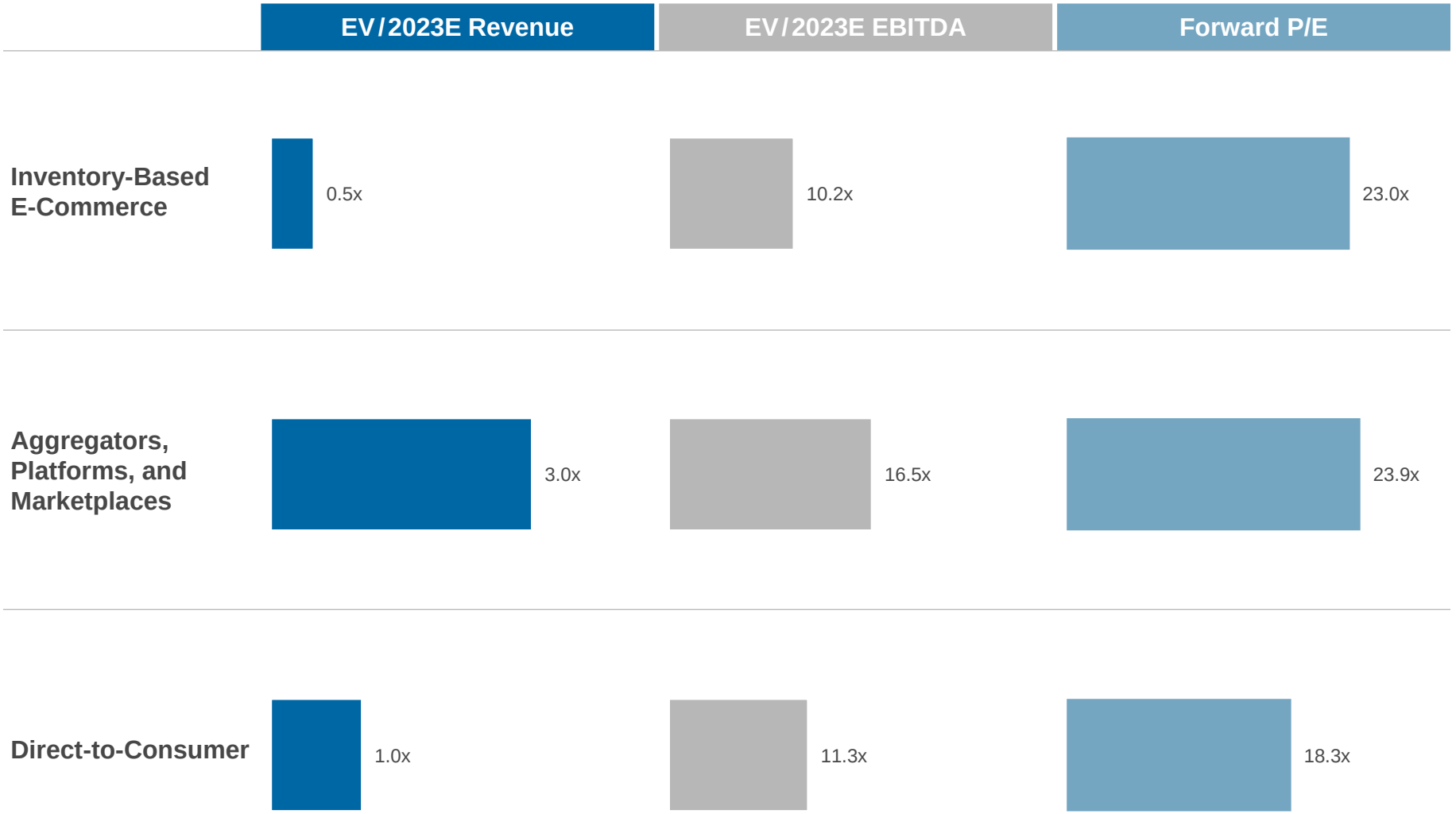
Establishing subscription models leads to a closer customer relationship and identification with the brand

# PUBLIC COMPANY VALUATIONS (LTM MARCH 2023)




*Source: S&P Capital IQ. Data as of March 31, 2023. Based on market consensus estimates.*

# PUBLIC COMPANY VALUATIONS (2023E)




*Source: S&P Capital IQ. Data as of March 31, 2023. Based on market consensus estimates.*

# PUBLIC COMPARABLES (LTM MARCH 2023)

## E-COMMERCE AND D2C

| | | Market Cap USDm | EV USDm | Net Debt USDm | Net Debt/ LTM EBITDA | LTM Revenue USDm | LTM EBITDA USDm | LTM EBITDA Margin | LTM EPS | Forward P/E | TEV/ LTM EBITDA | TEV/ LTM Revenue |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Inventory-Based E-Commerce | JD.com, Inc. | $68,819.5 | $55,168.5 | ($25,746.2) | N/M | $151,690.0 | $4,928.9 | 3.2% | $0.9 | 15.3x | 11.2x | 0.4x |
| | Zalando SE | 10,844.0 | 10,494.6 | (343.7) | N/M | 11,055.7 | 356.5 | 3.2% | 0.1 | N/M | 29.4x | 0.9x |
| | Wayfair Inc. | 3,795.8 | 6,672.8 | 1,859.0 | N/M | 12,218.0 | (1,001.0) | (8.2%) | (12.6) | N/M | N/M | 0.5x |
| | Ocado Group plc | 5,400.6 | 6,233.8 | 697.6 | N/M | 3,038.5 | (104.2) | (3.4%) | (0.7) | N/M | N/M | 2.1x |
| | Vipshop Holdings Ltd. | 8,894.1 | 6,203.6 | (3,022.5) | N/M | 14,955.7 | 1,155.3 | 7.7% | 1.4 | 9.0x | 5.4x | 0.4x |
| | ZOZO, Inc. | 6,800.9 | 6,421.1 | (383.8) | N/M | 1,356.5 | 438.6 | 32.3% | 1.0 | 22.0x | 14.6x | 4.7x |
| | ASOS Plc | 1,012.9 | 1,672.3 | 620.4 | 8.7x | 4,581.9 | 71.1 | 1.6% | (0.4) | 39.4x | 23.5x | 0.4x |
| | THG Plc | 1,085.0 | 1,827.6 | 729.4 | 11.1x | 2,792.2 | 65.5 | 2.3% | (0.2) | N/M | 27.9x | 0.7x |
| | Shop Apotheke Europe N.V. | 1,649.5 | 1,704.4 | 54.0 | N/M | 1,287.1 | (31.0) | (2.4%) | (4.6) | N/M | N/M | 1.3x |
| | 1-800-FLOWERS.COM, Inc. | 744.8 | 847.9 | (36.9) | N/M | 2,156.9 | 121.8 | 5.6% | 0.0 | 38.8x | 7.0x | 0.4x |
| | ABOUT YOU Holding AG | 930.1 | 839.3 | (86.1) | 0.6x | 1,950.1 | (152.3) | (7.8%) | (1.2) | N/M | N/M | 0.4x |
| | Boozt AB (publ) | 802.6 | 738.1 | (64.1) | N/M | 646.9 | 40.7 | 6.3% | 0.3 | 34.6x | 18.1x | 1.1x |
| | BHG Group AB (publ) | 165.6 | 524.7 | 351.5 | 5.4x | 1,288.7 | 64.9 | 5.0% | 0.0 | N/M | 8.1x | 0.4x |
| | AO World plc | 459.8 | 585.2 | 114.0 | 24.4x | 1,607.9 | 4.7 | 0.3% | (0.1) | 29.2x | N/M | 0.4x |
| | PetMed Express, Inc. | 330.1 | 227.7 | (102.4) | N/M | 260.5 | 17.2 | 6.6% | 0.6 | 24.7x | 13.2x | 0.9x |
| | Kogan.com Ltd. | 266.4 | 232.5 | (34.3) | 1.2x | 390.5 | (29.6) | (7.6%) | (0.3) | N/M | N/M | 0.6x |
| | Victorian Plumbing Group plc | 319.1 | 269.0 | (45.1) | N/M | 300.2 | 15.2 | 5.0% | 0.0 | 17.5x | 17.7x | 0.9x |
| | Bike24 Holding AG | 138.7 | 178.2 | 38.9 | 4.9x | 279.8 | 8.0 | 2.9% | (0.2) | N/M | 22.3x | 0.6x |
| | Westwing Group SE | 169.1 | 143.6 | (25.1) | 2.3x | 460.4 | (10.7) | (2.3%) | (1.7) | N/M | N/M | 0.3x |
| | Verkkokauppa.com Oyj | 127.6 | 149.1 | 21.1 | 2.6x | 580.4 | 8.0 | 1.4% | 0.0 | 23.2x | 18.7x | 0.3x |
| | Mister Spex SE | 147.9 | 75.5 | (71.2) | 3.8x | 231.8 | (18.7) | (8.1%) | (1.4) | N/M | N/M | 0.3x |
| | Delticom AG | 28.9 | 112.1 | 81.9 | 9.4x | 544.3 | 8.7 | 1.6% | 0.2 | 7.5x | 12.9x | 0.2x |
| **Median** | | | | **($29.7)** | **4.9x** | **$1,322.6** | **$11.9** | **2.0%** | **($0.0)** | **23.2x** | **16.2x** | **0.5x** |
| **Mean** | | | | **($1,154.3)** | **6.8x** | **$9,712.5** | **$270.8** | **2.1%** | **($0.8)** | **23.7x** | **16.4x** | **0.8x** |
| Aggregators, Platforms, and Marketplaces | Amazon.com, Inc. | $1,058,439.5 | $1,158,351.5 | $30,872.0 | 0.5x | $513,983.0 | $64,868.0 | 12.6% | ($0.3) | N/M | 17.9x | 2.3x |
| | Alibaba Group Holding Ltd. | 264,390.8 | 234,828.2 | (52,106.4) | N/M | 125,346.4 | 24,502.8 | 19.5% | 1.8 | 11.7x | 9.6x | 1.9x |
| | MercadoLibre, Inc. | 66,242.7 | 68,641.7 | 1,743.0 | 1.1x | 10,537.0 | 1,594.0 | 15.1% | 9.5 | N/M | 43.1x | 6.5x |
| | eBay Inc. | 23,821.4 | 25,768.4 | 1,398.0 | 0.5x | 9,795.0 | 3,007.0 | 30.7% | (2.3) | 10.7x | 8.6x | 2.6x |
| | Copart, Inc. | 35,844.5 | 34,293.6 | (1,659.0) | N/M | 3,673.4 | 1,549.0 | 42.2% | 2.2 | 29.9x | 22.1x | 9.3x |
| | Etsy, Inc. | 13,877.2 | 15,137.9 | 1,218.4 | 2.7x | 2,566.1 | 458.2 | 17.9% | (5.5) | 28.4x | 33.0x | 5.9x |
| | Delivery Hero SE | 8,773.0 | 11,582.1 | 2,684.8 | N/M | 7,541.0 | (1,229.6) | (16.3%) | (6.4) | N/M | N/M | 1.5x |
| | REA Group Ltd. | 12,228.6 | 12,438.8 | 175.6 | 0.5x | 973.6 | 389.9 | 40.0% | 1.9 | 42.9x | 31.9x | 12.8x |
| | Allegro.eu SA | 7,182.9 | 8,637.9 | 1,431.1 | 3.5x | 2,056.6 | 414.3 | 20.1% | (0.4) | 31.4x | 20.8x | 4.2x |
| | Zillow Group, Inc. | 10,372.2 | 8,877.2 | (1,665.0) | N/M | 1,958.0 | 75.0 | 3.8% | (0.4) | 45.9x | N/M | 4.5x |
| | Just Eat Takeaway.com N.V. | 4,189.5 | 4,568.7 | 381.5 | N/M | 5,943.1 | (401.8) | (6.8%) | (28.3) | N/M | N/M | 0.8x |
| | Auto Trader Group plc | 7,000.2 | 7,080.4 | 72.2 | 0.2x | 520.5 | 344.4 | 66.2% | 0.3 | 22.9x | 20.6x | 13.6x |
| | carsales.com Ltd. | 5,496.0 | 6,248.0 | 757.6 | 3.9x | 407.2 | 194.5 | 47.8% | 1.1 | 27.6x | 32.1x | 15.3x |
| | Rightmove plc | 5,713.3 | 5,675.5 | (36.8) | N/M | 400.8 | 295.6 | 73.7% | 0.3 | 22.9x | 19.2x | 14.2x |
| | Scout24 SE | 4,457.3 | 4,615.5 | 155.6 | 0.7x | 509.0 | 228.5 | 44.9% | 1.7 | 25.1x | 20.2x | 9.1x |
| | Americanas S.A. | 178.2 | 3,183.8 | 2,847.6 | 6.4x | 5,172.1 | 447.4 | 8.7% | 0.0 | 2.6x | 7.1x | 0.6x |
| | Farfetch Ltd. | 1,941.7 | 2,472.9 | 373.7 | N/M | 2,316.7 | (477.6) | (20.6%) | (1.9) | N/M | N/M | 1.1x |
| | AUTO1 Group SE | 1,508.7 | 1,541.7 | 171.3 | N/M | 6,983.1 | (195.6) | (2.8%) | (1.2) | N/M | N/M | 0.2x |
| | Cars.com Inc. | 1,276.8 | 1,746.0 | 440.7 | 2.6x | 653.9 | 168.3 | 25.7% | 0.3 | 9.8x | 10.4x | 2.7x |
| | Autohome Inc. | 4,174.4 | 1,154.3 | (3,201.4) | N/M | 1,006.3 | 259.2 | 25.8% | 2.1 | 13.1x | 4.5x | 1.1x |
| | Rakuten Group, Inc. | 7,350.5 | (918.7) | (8,770.7) | 16.5x | 14,619.2 | (532.3) | (3.6%) | (1.8) | N/M | 1.7x | N/M |
| **Median** | | | | **$373.7** | **1.9x** | **$2,566.1** | **$295.6** | **19.5%** | **$0.0** | **24.0x** | **19.7x** | **3.4x** |
| **Mean** | | | | **($1,081.7)** | **3.2x** | **$34,141.0** | **$4,569.5** | **21.2%** | **($1.3)** | **23.2x** | **18.9x** | **5.5x** |

*Source: S&P Capital IQ. Data as of March 31, 2023. Based on market consensus estimates.*

# PUBLIC COMPARABLES (LTM MARCH 2023)

## E-COMMERCE AND D2C (CONT.)

| | | Market Cap USDm | EV USDm | Net Debt USDm | Net Debt/ LTM EBITDA | LTM Revenue USDm | LTM EBITDA USDm | LTM EBITDA Margin | LTM EPS | Forward P/E | TEV/ LTM EBITDA | TEV/ LTM Revenue |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Direct-to-Consumer | YETI Holdings, Inc. | $3,465.3 | $3,394.7 | ($138.4) | N/M | $1,595.2 | $183.1 | 11.5% | $1.0 | 18.3x | 18.5x | 2.1x |
| | Warby Parker Inc. | 1,228.0 | 1,192.8 | (208.6) | 4.1x | 598.1 | (50.7) | (8.5%) | (1.0) | N/M | N/M | 2.0x |
| | Hims & Hers Health, Inc. | 2,067.9 | 1,893.6 | (179.6) | 3.2x | 526.9 | (57.0) | (10.8%) | (0.3) | N/M | N/M | 3.6x |
| | tonies SE | 669.8 | 652.8 | (45.6) | 1.2x | 276.0 | (38.5) | (14.0%) | (0.3) | N/M | N/M | 2.4x |
| | boohoo group plc | 909.9 | 1,000.3 | 85.1 | 2.2x | 2,199.1 | 38.2 | 1.7% | (0.0) | N/M | 26.2x | 0.5x |
| | Solo Brands, Inc. | 457.1 | 794.8 | 90.1 | 1.4x | 517.6 | 64.6 | 12.5% | (0.1) | 7.5x | 12.3x | 1.5x |
| | BARK, Inc. | 257.6 | 227.1 | (83.1) | 1.2x | 538.1 | (71.2) | (13.2%) | (0.5) | N/M | N/M | 0.4x |
| | The Honest Company, Inc. | 168.0 | 190.5 | (15.1) | 0.3x | 313.7 | (43.6) | (13.9%) | (0.5) | N/M | N/M | 0.6x |
| | Allbirds, Inc. | 180.0 | 118.7 | (167.1) | 2.6x | 297.8 | (63.7) | (21.4%) | (0.7) | N/M | N/M | 0.4x |
| | Brilliant Earth Group, Inc. | 45.2 | 67.9 | (91.9) | N/M | 439.9 | 30.5 | 6.9% | 0.2 | 20.3x | 2.2x | 0.2x |
| **Median** | | | | **($87.5)** | **1.8x** | **$522.3** | **($41.1)** | **(9.6%)** | **($0.3)** | **18.3x** | **15.4x** | **1.1x** |
| **Mean** | | | | **($75.4)** | **2.0x** | **$730.2** | **($0.8)** | **(4.9%)** | **($0.2)** | **15.4x** | **14.8x** | **1.4x** |
| **Overall Median** | | | | **$21.1** | **2.6x** | **$1,356.5** | **$40.7** | **3.2%** | **($0.1)** | **22.9x** | **18.0x** | **1.0x** |
| **Overall Mean** | | | | **($922.0)** | **4.2x** | **$17,696.9** | **$1,922.8** | **8.3%** | **($0.9)** | **22.6x** | **17.4x** | **2.7x** |

*Source: S&P Capital IQ. Data as of March 31, 2023. Based on market consensus estimates.*

# DISCLAIMER

© 2023 Houlihan Lokey. All rights reserved. This material may not be reproduced in any format by any means or redistributed without the prior written consent of Houlihan Lokey.

Houlihan Lokey is a trade name for Houlihan Lokey, Inc., and its subsidiaries and affiliates, which include the following licensed (or, in the case of Singapore, exempt) entities: in (i) the United States: Houlihan Lokey Capital, Inc., and Houlihan Lokey Advisors, LLC, each an SEC-registered broker-dealer and member of FINRA (www.finra.org) and SIPC (www.sipc.org) (investment banking services); (ii) Europe: Houlihan Lokey Advisory Limited, Houlihan Lokey EMEA, LLP, Houlihan Lokey (Corporate Finance) Limited, and Houlihan Lokey UK Limited, authorized and regulated by the U.K. Financial Conduct Authority; Houlihan Lokey (Europe) GmbH, authorized and regulated by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht); (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Limited, regulated by the Dubai Financial Services Authority for the provision of advising on financial products, arranging deals in investments, and arranging credit and advising on credit to professional clients only; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited and Houlihan Lokey Advisers Singapore Private Limited, each an “exempt corporate finance adviser” able to provide exempt corporate finance advisory services to accredited investors only; (v) Hong Kong SAR: Houlihan Lokey (China) Limited, licensed in Hong Kong by the Securities and Futures Commission to conduct Type 1, 4, and 6 regulated activities to professional investors only; (vi) India: Houlihan Lokey Advisory (India) Private Limited, registered as an investment adviser with the Securities and Exchange Board of India (registration number INA000001217); and (vii) Australia: Houlihan Lokey (Australia) Pty Limited (ABN 74 601 825 227), a company incorporated in Australia and licensed by the Australian Securities and Investments Commission (AFSL number 474953) in respect of financial services provided to wholesale clients only. In the United Kingdom, European Economic Area (EEA), Dubai, Singapore, Hong Kong, India, and Australia, this communication is directed to intended recipients, including actual or potential professional clients (UK, EEA, and Dubai), accredited investors (Singapore), professional investors (Hong Kong), and wholesale clients (Australia), respectively. Other persons, such as retail clients, are NOT the intended recipients of our communications or services and should not act upon this communication.

Houlihan Lokey gathers its data from sources it considers reliable; however, it does not guarantee the accuracy or completeness of the information provided within this presentation. The material presented reflects information known to the authors at the time this presentation was written, and this information is subject to change. Any forward-looking information and statements contained herein are subject to various risks and uncertainties, many of which are difficult to predict, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. In addition, past performance should not be taken as an indication or guarantee of future performance, and information contained herein may be subject to variation as a result of currency fluctuations. Houlihan Lokey makes no representations or warranties, expressed or implied, regarding the accuracy of this material. The views expressed in this material accurately reflect the personal views of the authors regarding the subject securities and issuers and do not necessarily coincide with those of Houlihan Lokey. Officers, directors, and partners in the Houlihan Lokey group of companies may have positions in the securities of the companies discussed. This presentation does not constitute advice or a recommendation, offer, or solicitation with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Houlihan Lokey or its affiliates may from time to time provide investment banking or related services to these companies. Like all Houlihan Lokey employees, the authors of this presentation receive compensation that is affected by overall firm profitability.



Houlihan Lokey

Corporate Finance

Financial Restructuring

Financial and Valuation Advisory

HL.com