



**Houlihan  
Lokey**

# E-Commerce and D2C Market Update

Q4 2024



# About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) 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.

## CORPORATE FINANCE

2024 M&A Advisory Rankings  
All Global Transactions

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>415</b>
2	Rothschild & Co	406
3	Goldman Sachs & Co	371
4	JP Morgan	342
5	Morgan Stanley	309

Source: LSEG (formerly Refinitiv).  
Excludes accounting firms and brokers.

No. 1  
Global M&A Advisor

Leading  
Capital Markets Advisor

## FINANCIAL RESTRUCTURING

2024 Global Distressed Debt &  
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>88</b>
2	PJT Partners Inc	59
3	Rothschild & Co	48
4	Lazard	44
5	Perella Weinberg Partners LP	40

Source: LSEG (formerly Refinitiv).

No. 1  
Global Restructuring Advisor

1,800+  
Transactions Completed Valued at  
More Than \$3.8 Trillion Collectively

## FINANCIAL AND VALUATION ADVISORY

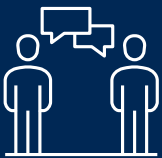
2000–2024 Global M&A  
Fairness Advisory Rankings

	Advisor	Deals
1	<b>Houlihan Lokey</b>	<b>1,243</b>
2	Duff & Phelps, A Kroll Business	1,045
3	JP Morgan	1,020
4	UBS	792
5	Morgan Stanley	698

Source: LSEG (formerly Refinitiv).  
Announced or completed transactions.

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

2,000+  
Annual Valuation Engagements



Learn more about how  
our advisors can serve  
your needs:

Corporate Finance →

Financial Restructuring →

Financial and  
Valuation Advisory →

Our Industry Coverage →



Our clients benefit from our local presence and global reach.

36

Locations  
Worldwide

~2,000

Total Financial  
Professionals

337

Managing  
Directors<sup>(1)</sup>

2,000+

Clients Served  
Annually

\$12.75B

Market  
Cap<sup>(2)</sup>

\$2.2B

Annual  
Revenue<sup>(3)</sup>

#### AMERICAS

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

#### EUROPE AND MIDDLE EAST

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

#### ASIA- PACIFIC

Beijing	Shanghai
Fukuoka	Singapore
Gurugram	Sydney
Hong Kong SAR	Tokyo
Mumbai	

(1) As of December 31, 2024.

(2) As of January 31, 2025.

(3) LTM ended December 31, 2024.



## Fully Integrated Financial Sponsor Coverage

29

Senior officers dedicated to the sponsor community in the Americas and Europe.

1,300+

Sponsors covered, providing market insights and knowledge of buyer behavior.

800+

Companies sold to financial sponsors over the past five years.



# About Our Consumer Group

Houlihan Lokey’s Consumer 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 consumer industry. We do this by combining our extensive market capabilities with our in-depth industry knowledge to help maximize shareholder value for our clients.

## Consumer Group: No. 1 for All U.S. M&A Transactions

2024 M&A Advisory Rankings All U.S. Consumer Transactions		
Advisor		Deals
1	Houlihan Lokey	26
2	William Blair & Co	20
3	Jefferies LLC	19
4	Generational Equity	17
4	Lincoln International	17

Source: LSEG (formerly Refinitiv).

Based on number of transactions and according to data provided by LSEG (formerly Refinitiv), Houlihan Lokey was ranked the **No. 1** investment bank for all U.S. consumer M&A transactions in 2024.



Tombstones included herein represent transactions closed from 2021 forward.  
\*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.

## Industry Sector Coverage

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



Consumer Products



Food and Beverage



Consumer Channels and Leisure

## Key Facts and Figures

125+

Dedicated Consumer Group Financial Professionals

## Featured Consumer Transactions

has acquired a minority stake in

Buy-side Advisor

has received an investment from

Sell-side Advisor

a portfolio company of

and majority owned by management and founders has entered into a partnership with

Sell-side Advisor

with

have increased their stake in

Sell-side Advisor

has entered into a strategic partnership with new minority shareholder

Sell-side Advisor

a portfolio company of

has been acquired by

Sell-side Advisor

A controlling interest in

has been acquired by

Sell-side Advisor & Fairness Opinion

has received a growth investment from

Financial Advisor

has made a significant growth investment in

Buy-side Advisor

has been acquired by

Sell-side Advisor

has acquired a majority stake in

for people and the planet

Sell-side Advisor

has acquired a majority stake in

to

Sell-side Advisor

has sold its stake in

to

Sell-side Advisor

a portfolio company of

has been acquired by a private family office

Sell-side Advisor

has been acquired by

Sell-side Advisor

60+

Completed Industry Sector Transactions in CY24



# About Our E-Commerce and D2C Team

The e-commerce and direct-to-consumer (D2C) sector, which operates within Houlihan Lokey's Consumer 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 Group has more than 125 dedicated advisors located in 11 offices around the world and has built a reputation as a trusted advisor to companies in the consumer 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.

## Featured Transactions

**APOLLO**

has acquired a minority stake in

**AUTODOC+**

Sellside Advisor

**SUNDAY NATURAL**

has received an investment from

**CVC**

Sellside Advisor

**EGERIA**

has sold

**KLAFS**  
ART SAUNA AND SPA

to

**KOHLER**

Sellside Advisor

**Riverside**

has sold

**BIKE24**

to

**Bregal**  
Unternehmenskapital

Sellside Advisor\*

**Foxway**

a portfolio company of

**Norvestor**

and majority owned by management and founders has entered into a partnership with

**NORDIC CAPITAL**

Sellside Advisor

**woom**

has received a growth investment from

**Bregal**  
Unternehmenskapital

Financial Advisor

**yfood**

has entered into a strategic partnership with new minority shareholder

**Nestle**

Sellside Advisor

**Interflora Sweden**

has been acquired by

**Myflower**

a portfolio company of

**PAI**

Sellside Advisor

**CVC**

has acquired a majority stake in

**QUALITY GROUP**

**ESN** **MORE NUTRITION**

Buy-side Advisor

**Okamac**

has been acquired by

**Meridiam**  
for people and the planet

Sellside Advisor

**ARDIAN**

has sold its stake in

**BERLIN BRANDS GROUP**

to

**BainCapital**

Sellside Advisor\*

**ANKERKRAUT**

a portfolio company of

**emz**

has sold a majority stake to

**Nestle**

Sellside Advisor

**Afinum**

has sold

**Perfect Drive**  
Sports Group

to

**Bregal**  
Unternehmenskapital

Sellside Advisor\*

**GENERAL ATLANTIC**

has made a significant growth investment in

**Butternut Box**

Buy-side Advisor

Tombstones included herein represent transactions closed from 2017 forward.  
\*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.

## Subsector Coverage

- Aggregators, Platforms, and Marketplaces
- Circular and Sustainable Brands
- Circular Business
- Circular Enablers
- Circular Marketplaces (Peer-to-Peer, Managed)
- 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

## Contacts



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



**Steven Tishman**  
Managing Director  
[STishman@HL.com](mailto:STishman@HL.com)  
+1 212.497.4142



**Matthias Niedermeyer**  
Associate  
[Matthias.Niedermeyer@HL.com](mailto:Matthias.Niedermeyer@HL.com)  
+ 41 (0) 43 499 43 37

## 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





# Table of Contents

07

Introduction

08

Featured  
Sector News

10

Additional  
M&A  
Highlights

11

Relevant  
Buyer KPIs  
and M&A  
Process

13

Equity Market  
Index  
Performance

14

Equity Market  
Index  
Performance:  
Subsectors

15

Sector  
Definition

16

How the  
Landscape  
Has Evolved  
Over the Past  
Five Years

17

Key Trends

23

Public  
Company  
Valuations

25

Public  
Comparables

28

Disclaimer

# E-Commerce and D2C Market Update

In line with last year’s trends, Q4 M&A activity rebounded to 74, recovering from a significant drop in Q3, as delayed deals were pushed toward completion by year-end.

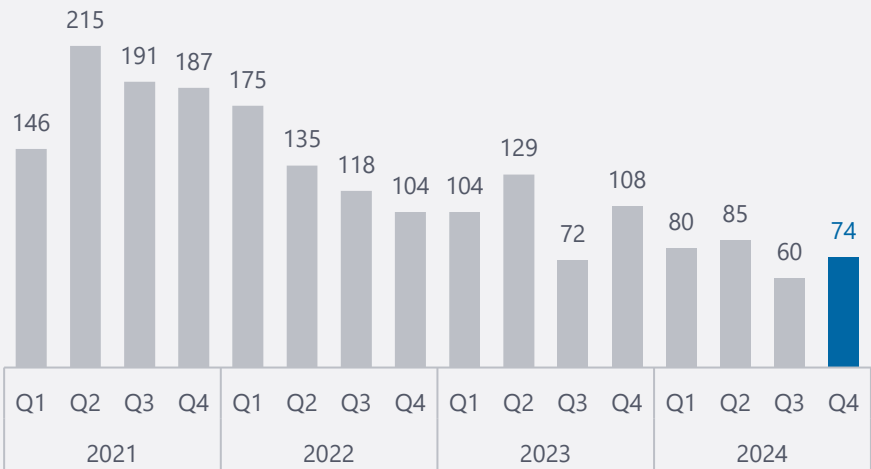
This upward momentum already signals a positive outlook for 2025, fueled by declining inflation, lower interest rates, and recovering valuations, which collectively create a more favorable environment for transactions and ease the challenges previously faced in deal-making.

There is optimism that 2025 is building upon the momentum from Q4 2024.

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

74

Transactions  
Q4 2024



## E-Commerce and D2C Sector Market Snapshot<sup>(1)</sup>

1.0x

TEV/2024E  
Revenue

13.3x

TEV/2024E  
EBITDA

3.1%

2023–2025E  
Revenue CAGR





9.0%

2024E EBITDA  
Margin

Sources: S&P Capital IQ, Federal Reserve Economic Data. Data as of December 31, 2024.  
(1) The Houlihan Lokey E-Commerce and D2C Index consists of a diversified set of companies across the e-commerce and D2C sector. See pages 25–27 for a complete list.



# Featured Sector News

Date	Company	Subsector	Description	Article Link
12/23/2024	 JUST EAT Takeaway.com	Aggregators, Platforms, and Marketplaces	Just Eat Takeaway.com’s Food Trends Reports revealed insights into 2024 dining habits. Key trends include honest cuisine (simple, traceable food), self-care (mindful, health-focused eating), nocturnal living (evolving meal times), feed the fandom (community-driven food choices), and elevated rituals (celebrating small moments).	<a href="#">Read More</a>
12/18/2024	 amazon	Aggregators, Platforms, and Marketplaces	Amazon has announced the expansion of its “Buy with Prime” program to Belkin.com. Prime members can now enjoy fast, free shipping, easy returns, and a convenient checkout directly from Belkin’s site, enhancing their shopping experience.	<a href="#">Read More</a>
12/12/2024	 THG	Inventory-Based E-Commerce	THG Studios has partnered with Creative Force to revolutionize e-commerce content production. By leveraging AI-driven workflows, they achieved a 98% reduction in QC amends and camera-to-PIM delivery in under 24 hours.	<a href="#">Read More</a>
12/11/2024	 zalando	Inventory-Based E-Commerce	Zalando and ABOUT YOU have announced their merger to dominate European fashion e-commerce. Combining B2C and B2B, the partnership aims to enhance customer experiences, leverage complementary software, and tap into the €450 billion market.	<a href="#">Read More</a>
12/10/2024	 THG	Inventory-Based E-Commerce	THG Fulfil has partnered with Zedify, integrating its zero-emission cargo bike delivery network for U.K. cities. This collaboration supports THG’s sustainability goals while offering eco-conscious delivery options, reducing emissions by 80% compared to electric vans, and enhancing last-mile efficiency.	<a href="#">Read More</a>
12/6/2024	 JD.COM	Inventory-Based E-Commerce	JD Logistics announced its acquisition of the remaining 36.43% stake in Kuayue-Express for up to \$892 million, consolidating its ownership. The move enhances operational efficiency, integrates resources, and positions JD Logistics for further expansion and competition.	<a href="#">Read More</a>
11/19/2024	 Rakuten	Aggregators, Platforms, and Marketplaces	Rakuten and L’Oréal Japan have announced plans to collaborate to enhance customer experiences in the beauty industry. The partnership aims to deliver personalized solutions through innovations like AI-driven ads and enhanced user experiences.	<a href="#">Read More</a>
11/18/2024	 boohoo group plc	D2C	Boohoo Group plc has secured approximately £39.3 million through an oversubscribed retail offer, placing, and subscription of shares at 31p each. The funds will fuel growth initiatives as trading was slated to begin on November 26, 2024—reflecting investor confidence in its online fashion expansion.	<a href="#">Read More</a>

Sources: Company websites, press releases.

# Featured Sector News (cont.)

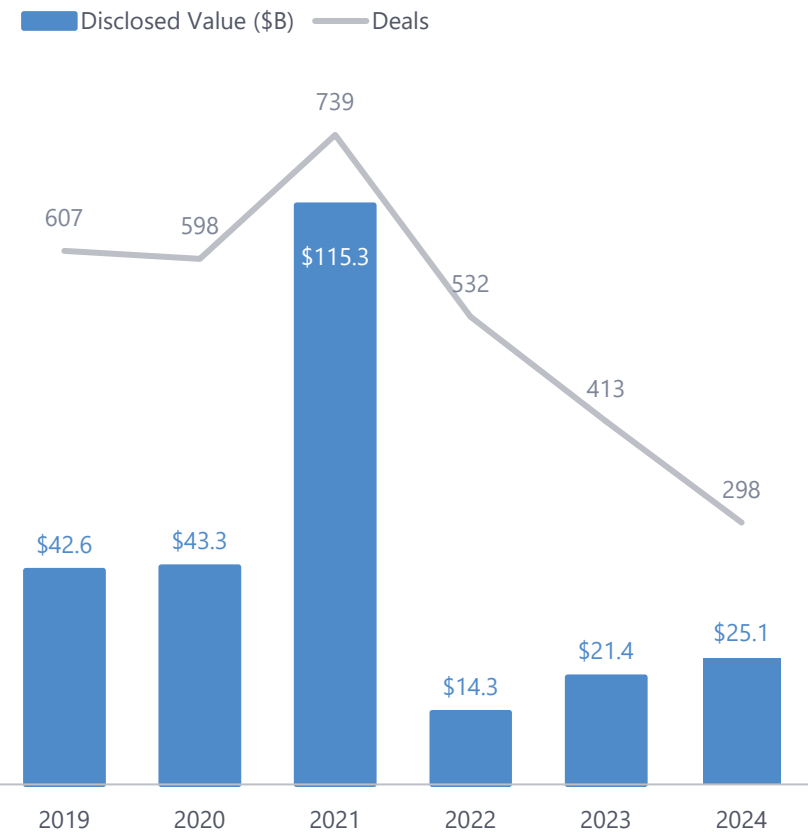
Date	Company	Subsector	Description	Article Link
11/13/2024		Aggregators, Platforms, and Marketplaces	Rakuten Group, Mizuho Financial Group, and partners announced a strategic alliance to revolutionize Japan’s digital payment landscape. Key initiatives include co-branded credit cards, digital installment payments, and corporate solutions to enhance customer convenience, loyalty, and economic growth.	<a href="#">Read More</a>
11/6/2024		D2C	Allbirds announced plans to expand its global reach with new distribution deals. Starting July 1, 2025, CHRIS sports will distribute its products across key European markets, while Wystam will launch the brand in Latin America. These agreements add to Allbirds’ growing network of 11 global distributors.	<a href="#">Read More</a>
11/1/2024		Aggregators, Platforms, and Marketplaces	Rightmove has begun testing an AI-powered tool to enhance home buyers’ experience by providing location insights like green spaces, transport links, and schools. Piloted in select U.K. areas, it aims to streamline property searches by offering local area guides before inquiries.	<a href="#">Read More</a>
10/22/2024		Aggregators, Platforms, and Marketplaces	Zillow and Realtor.com have teamed up to share Zillow 3D Home tours, interactive floor plans, and listing photos. This collaboration will enable agents to provide high-quality, immersive listing experiences, helping buyers explore homes efficiently while also benefiting sellers and agents.	<a href="#">Read More</a>
10/9/2024		Aggregators, Platforms, and Marketplaces	Amazon has introduced AI Shopping Guides, a generative AI-powered tool designed to help U.S. customers make informed purchases. The tool consolidates key details for more than 100 product types, providing expert recommendations, insights, and tailored guidance.	<a href="#">Read More</a>
10/3/2024		Aggregators, Platforms, and Marketplaces	REA Group has invested in IMMERSIV, a cutting-edge 3D visualization platform for off-the-plan properties, offering immersive experiences for buyers. This tool empowers developers to showcase real-time 3D architectural representations, enhancing marketing and sales processes.	<a href="#">Read More</a>
10/1/2024		Inventory-Based E-Commerce	Zalando announced an expansion of its AI offerings, unveiling the Zalando Assistant across 25 markets for personalized fashion advice in local languages. Alongside, its Trend Spotter now features four new cities, showcasing local and European fashion trends weekly.	<a href="#">Read More</a>

Sources: Company websites, press releases.



# Additional E-Commerce and D2C M&A Highlights

Transaction Value and Deal Volume<sup>(1)</sup>



Notable Transactions

Date	Acquirer	Target	Subsector	Deal Value (\$M)
12/11/2024	zalando	ABOUT YOU	Aggregators, Platforms, and Marketplaces	1,188.2
11/12/2024	Bionoid	Enhanced Supplements	Inventory-Based E-Commerce	N/D
11/7/2024	MUTARES	natura drogerie	Inventory-Based E-Commerce	N/D
10/29/2024	NEXXUS CAPITAL	INTRINSIC	Inventory-Based E-Commerce	N/D
10/23/2024	UNI-PRESIDENT	PChome ONLINE	Aggregators, Platforms, and Marketplaces	N/D
10/23/2024	appfolio	LiveEasy	Aggregators, Platforms, and Marketplaces	80.0
10/21/2024	BEYOND	Kirkland's <small>Bring happiness home.</small>	D2C	16.5
10/18/2024	Kaspi.kz	hepsiburada	Aggregators, Platforms, and Marketplaces	1,153.9
10/9/2024	APOLLO	END.	D2C	N/D
10/7/2024	MYTHERESA	YOOX NET-A-PORTER GROUP	D2C	609.0
10/3/2024	Undisclosed Investor	Flipkart	Aggregators, Platforms, and Marketplaces	N/D

## Key Takeaways


In Q4 2024, deal activity surged, driven by a combination of a positive outlook for improving macroeconomic conditions, pent-up demand from delayed transactions in earlier quarters, and strategic acquisitions focused on scaling digital capabilities and customer reach.

The focus shift toward EBITDA and current trading performance remains intact and continues to be the decision point for potential transactions.








































Source: S&P Capital IQ. Data as of December 31, 2024.  
 (1) 2021 transaction value largely fueled by \$46 billion Prosus NV and Naspers Ltd. transaction (May 2021).

# Relevant KPIs That Potential Buyers Focus On...

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

 Importance of Criteria (Full = High; Empty = Low)

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

Market Trends	Traffic	Shop/ Front-End	Conversion	Customers	After Sales	Financials
<div>  </div> <div>% Market Growth</div> <div>  </div>	<div>  </div> <div>% Paid vs. Unpaid Traffic</div> <div>  </div>	<div>  </div> <div>Scalability</div> <div>  </div>	<div>  </div> <div>% Conversion Rate</div> <div>  </div>	<div>  </div> <div>Repurchase Rate</div> <div>  </div>	<div>  </div> <div>Fast Delivery</div> <div>  </div>	<div>  </div> <div>% Top-Line Growth</div> <div>  </div>
<div>% Online-Share Growth</div> <div>  </div>	<div>CPCs for Paid Channels</div> <div>  </div>	<div># of Exclusive and Total Products</div> <div>  </div>	<div>% Cancellation Rate</div> <div>  </div>	<div>New vs. Existing Customers/Orders</div> <div>  </div>	<div># of SKUs and % on Stock</div> <div>  </div>	<div>% Gross Margin</div> <div>  </div>
<div>% Market Share</div> <div>  </div>	<div>% Direct Traffic</div> <div>  </div>	<div>Load Times</div> <div>  </div>	<div>Dropout Rate</div> <div>  </div>	<div>CLTV to CAC</div> <div>  </div>	<div>Handling Time</div> <div>  </div>	<div>% EBITDA Margin</div> <div>  </div>
<div>Competitive Dynamics</div> <div>  </div>	<div>Net Promoter Score</div> <div>  </div>	<div>Filtering Functionality</div> <div>  </div>	<div>Response Times</div> <div>  </div>	<div>Churn Rate/ Customer Cohorts</div> <div>  </div>	<div>Return Rate</div> <div>  </div>	<div>% Cash Conversion</div> <div>  </div>
	<div>% Mobile Traffic Share</div> <div>  </div>	<div>Mobile Friendliness</div> <div>  </div>		<div>AOV</div> <div>  </div>		<div>NWC Requirement</div> <div>  </div>

# ...And What They Question in M&A Processes

## Strategy

- What is the [internationalization strategy](#) historically/going forward, and what is the profitability of the home/core market versus international operations ([P&L by country](#))?
- Explain the [development of online/offline share](#) historically and in the future.
- Can you lay out the [key initiatives of your future growth plan](#)?
- Can you give details on the [ESG status and ESG strategy going forward](#)?

## Competition

- Will there be [KPI benchmarking](#) with peers?
- What are the [market shares](#) in respective countries?
- How do you [differentiate yourself](#) from potential competitors (e.g., Amazon and Zalando)?

## Management/ Ownership

- How [dependent is the company on the management team](#)?
- Is [management willing to reinvest](#)?
- What is your willingness for [financial/trade buyers](#)?

## Products/ Brands

- What are the [sourcing conditions](#), and what is the “secret sauce”?
- Explain relevant [competence, product strategy specializations, best brands, price points](#), etc.
- Identify [disruptions in the supply chain](#) and how you will address them.
- What is your share of your own brand (if any)?

## Technology

- What are the [capabilities of the data warehouse](#) (e.g., CRM, ERP, and marketing and purchasing tools)?
- What do [management dashboards](#) and KPI information look like on a real-time basis?
- What is your [technology stack](#): scalable, mobile-ready, proprietary, and state-of-the-art?

## Customers/ Marketing

- Identify your [source of traffic](#) (e.g., direct, search engine (organic/paid), referrals, email, mobile share, CPC, NPS).
- Do you have a profound understanding of [cohort analysis](#) (number of orders, number of customers, churn, AOV, repurchase), monthly CLTV, and CAC?
- What is the focus of your [marketing efforts](#)—online and offline—and social media engagement?
- How [strong and credible](#) is your brand?

## Sourcing/ Logistics

- What’s your [current sourcing strategy](#), i.e., how can the supply chain challenge current business models (e.g., bike, chips, and gaming console industries)?
- How [scalable and up-to-date is your logistics center](#)?
- What are your current outbound/inbound/storage [capacity utilization levels](#) versus maximum capacity?
- What is your [strategy regarding inventory levels, SKUs, and units in stock](#), and what are the associated risks?

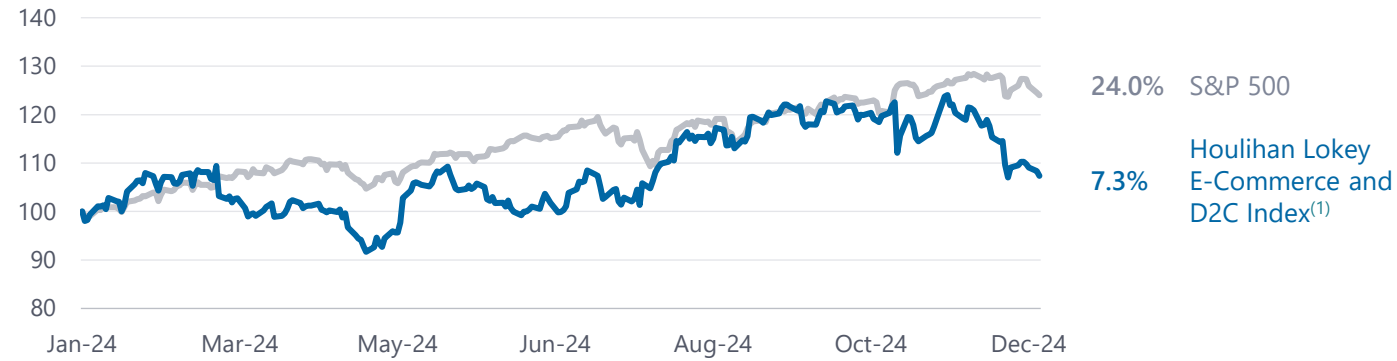
## Financials

- Elaborate on the [unit economics](#) of your detailed bottom-up growth plan.
- How do you expect to generate further [operating leverage](#)?
- In terms of [NWC development](#), show your DIO, DSO, and DPO development and explain monthly peaks.
- What is the [impact of inflation](#) on gross/EBITDA margin?

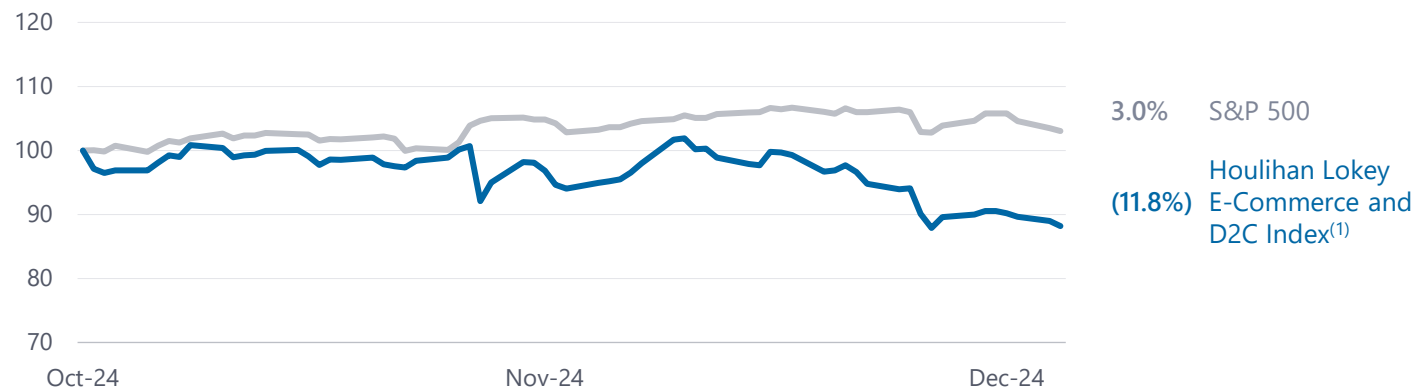


# Equity Market Index Performance

LTM December  
2024  
Performance



October–  
December 2024  
Performance



## Key Market Trends

After a period of stagnation in the first quarter of 2024 and subsequent growth rates below market levels, e-commerce and D2C assets matched the market during Q3 but ended the year significantly underperforming, further driven by ongoing cautious consumer behavior.

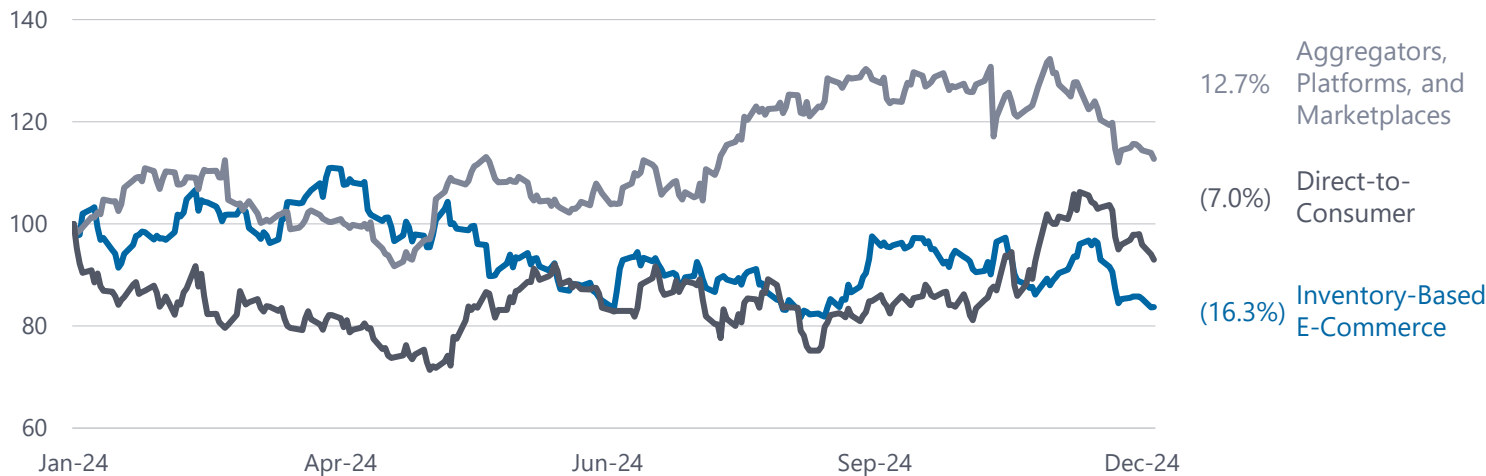
In the fourth quarter, the E-Commerce and D2C Index showed a significant underperformance, declining by 11.8%. In contrast, the S&P 500 achieved modest growth of 3.0%, underscoring the cautious consumer behavior that particularly impacted the e-commerce and D2C sectors toward the end of the year.

Source: S&P Capital IQ. Data as of December 31, 2024. All share prices rebased to 100.  
(1) The Houlihan Lokey E-Commerce and D2C Index consists of a diversified set of companies across the e-commerce and D2C sector. See pages 25–27 for a complete list.

# Equity Market Index Performance

## E-Commerce and D2C Subsectors

LTM December 2024  
Performance by Subsector

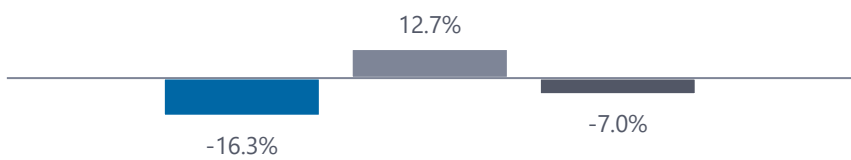


### Key Subsector Trends

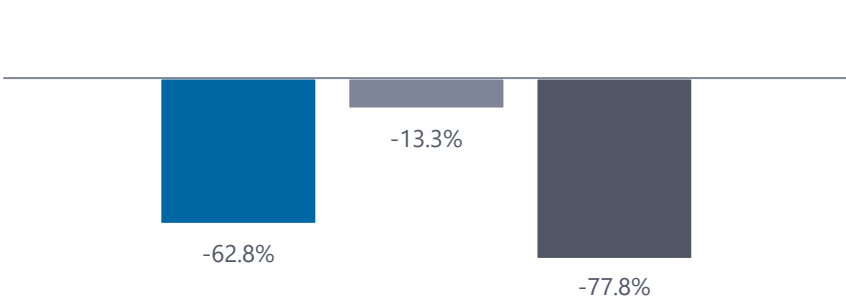
The aggregators, platforms, and marketplaces subsector experienced a notable increase of 12.7%, continuing to outperform both the D2C and inventory-based e-commerce segments, which recorded declines of 7.0% and 16.3%, respectively.

Upon reviewing performance over the past three years, it becomes evident that all three subsectors remain significantly below their levels from three years ago, with D2C assets showing the weakest performance.

### YTD Performance



### Three-Year Performance



Source: S&P Capital IQ. Data as of December 31, 2024. All share prices rebased to 100.

# E-Commerce and D2C Sector Definition

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



Tombstones included herein represent transactions closed from 2019 forward.

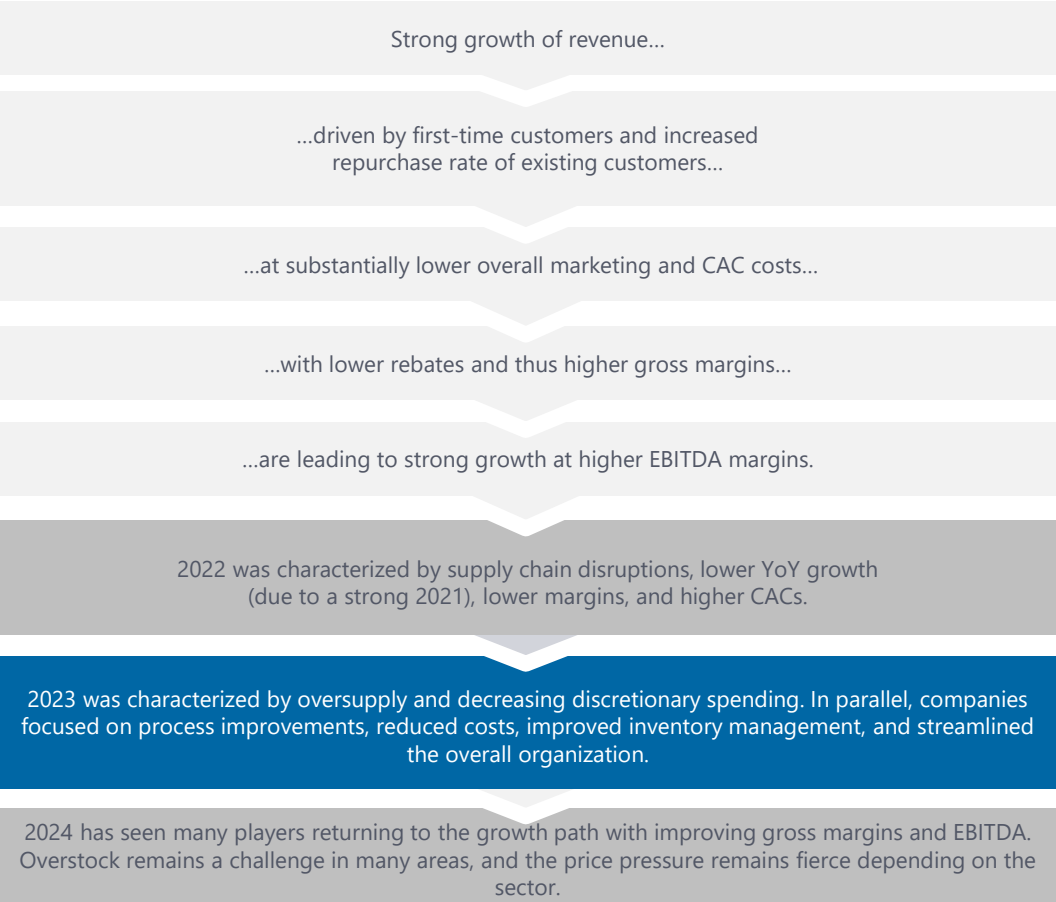
\*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.



# How the Landscape Has Evolved Over the Past Five Years

After a weak 2022/2023, M&A activity accelerated in H2 2024, and we expect a continuation of this trend due to improving business performance, higher gross margins on the back of cheaper sourcing in Asia, lower transportation costs, and improving YoY trading.

## 2020/2021 (COVID-19)



## Impact on Three Levels



### Revenues/ KPIs

- COVID-19-driven surge in 2020–2021 led to robust growth.
- 2022: Transition marked by supply chain issues, high CAC, and declining growth.
- 2023: Oversupply and reduced consumer spending impacted revenue and profitability.
- Online firms are enhancing profitability by improving processes, getting more efficient, and trimming inventory levels.
- During 2024, companies did their homework and became more efficient and profitable, which should lead to positive financials/KPIs.



### Market Perception

- Investors are cautious about D2C/e-commerce amid uncertain consumer sentiment.
- Offline firms prioritize liquidity, addressing oversupply.
- Lower valuations may spur heightened P2P activity.
- PE investors seek market-leading, growing, profitable assets within subsectors.
- Increased focus on EBITDA, inventory light models, and current trading by PE investors.



### M&A

- Despite lower M&A volume in 2023 and H1 2024, strategic and financial buyers saw value in high-quality e-commerce players.
- Strategic buyers—mainly private strategics—continued to dominate limited transaction activity.
- Aggregators struggle in a challenging environment.
- Well-capitalized aggregators find attractive asset acquisition opportunities.



## Overview of Key Trends...



### Innovative Pricing

Sales incentives like subscriptions, loyalty programs, discounts, free shipping, and buy-now-pay-later schemes boost customer loyalty and drive revenue. Focus on personalized pricing models and increased use of AI to provide targeted discounts based on user profiles and shopping behaviors.



### D2C

D2C growth continues as customers trust innovative brands and platforms endorsed by creators and influencers, enhancing customer centricity. Growing importance of micro-influencers for authentic brand advocacy.



### Tech-Driven Shopping

Focus on leveraging AI and machine learning for hyper-personalized product recommendations and combining them with simplified and tailored user experiences.



### Social Commerce

Social media's preference over search engines for brand research emphasizes the importance of marketing and user-generated content in fostering consumer loyalty. Use of AI-driven content creation for faster production of social media posts.



### Consumer Behavior

Rise in mobile shopping expands touchpoints, driven by visually engaging content like short videos, which is shaping an interactive e-commerce landscape to match consumer preferences.



### Innovative Customer Experience

Personalization, AI customer support, search innovations, and faster delivery are essential for modern customer satisfaction and experience.



### Asian Players

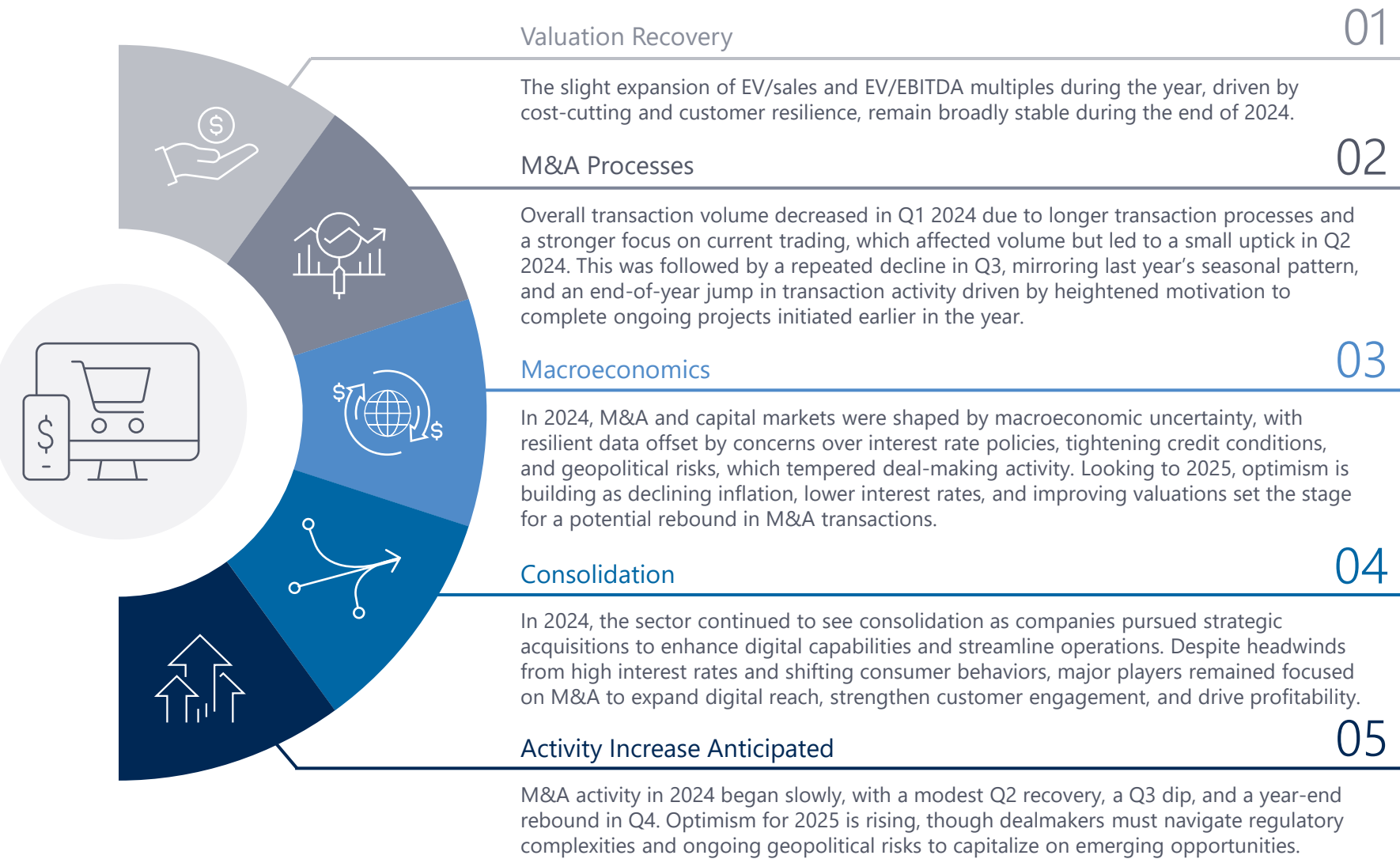
Shein and Temu expected to pressure various verticals. European brands must lean harder into regional identity and sustainability credentials to compete. Expand nearshoring, improve delivery speed, and partner with local creators and influencers for differentiation.



### Sustainability

Circular economy, ethical shopping, sustainability, and eco-friendly packaging gain relevance as environmental awareness rises and becomes essential for product and service providers.

# ...And How This Impacts the M&A Environment



# Key Trends E-Commerce and D2C

Key trends highlight a dynamic market environment, prioritizing efficiency/cost-cutting and data-centric approaches while also refocusing on the consumer to enhance profitability.

## Inventory-Based E-Commerce

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



Micro Fulfillment



Inventory Management



AI Order Picking



Supply Chain Automation

## Direct-to-Consumer

Manufacturers and consumer-packaged-goods firms sell directly to the consumer through their own online and offline stores.



Niche Orientation



Data-Based Relationship



User-Generated Content



D2C Subscription Service

## Aggregators, Platforms, and Marketplaces

Aggregators, platforms, and marketplaces connect sellers 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**

An orientation toward data-driven supply chain management and AI integration will foster financial performance in times of increasing volatility.

1

### Pressure From Asian Players

Strongly growing players from Asia, such as Shein and Temu, are impacting established players.



### Quality Products

The key is to focus on quality products with impeccable service at good prices.

2

### Inflation/ Discretionary Spending

Discretionary spending due to increased inflation is impacting several subsectors within the e-commerce industry.



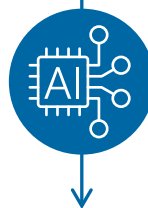
### Margin Upside

A focus on cost-cutting and efficiency, combined with lower sourcing costs, will positively impact gross margins in 2025.

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 will predict the 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, will reap inventory efficiency gains.



# Key Trends **Aggregators, Platforms, and Marketplaces**

In this highly opportunistic environment, 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

There is an increasing focus on an engaged relationship with the audience through shared values and authenticity.

2

## Economic Downturn

Weakening 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 their consumer base and to sell their inventory, e.g., through D2C partnerships.

4

## Aggregator Competition

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



## Aggregator Valuations

Rising valuation targets due to buyer competition makes the aggregator business model increasingly difficult.



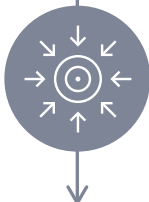
# Key Trends **D2C**

There is an increasing focus on customer values and relationships as demand for personalization rises in line with data security concerns.

1

## End of Targeted Advertising

Similar to aggregators, platforms, and marketplaces, Google will discontinue user tracking and personally targeted advertising.



## Niche Orientation

The focus is on directly addressing selected consumer groups instead of the broad market environment.

2

## Consumer Data

Newly developed digital capabilities enable data collection, integration, and synchronization on multiple channels that are used by customers.



## Data-Based Relationship

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

3

## Social Commerce

Consumers increasingly prefer social media over search engines for brand research, driven by the need for more personal relationships with brands.



## User-Generated Content

Focusing on selling goods directly within social media platforms will result in a quicker path to purchase, less friction, and deeper brand connection.

4

## Subscription/Club Models

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

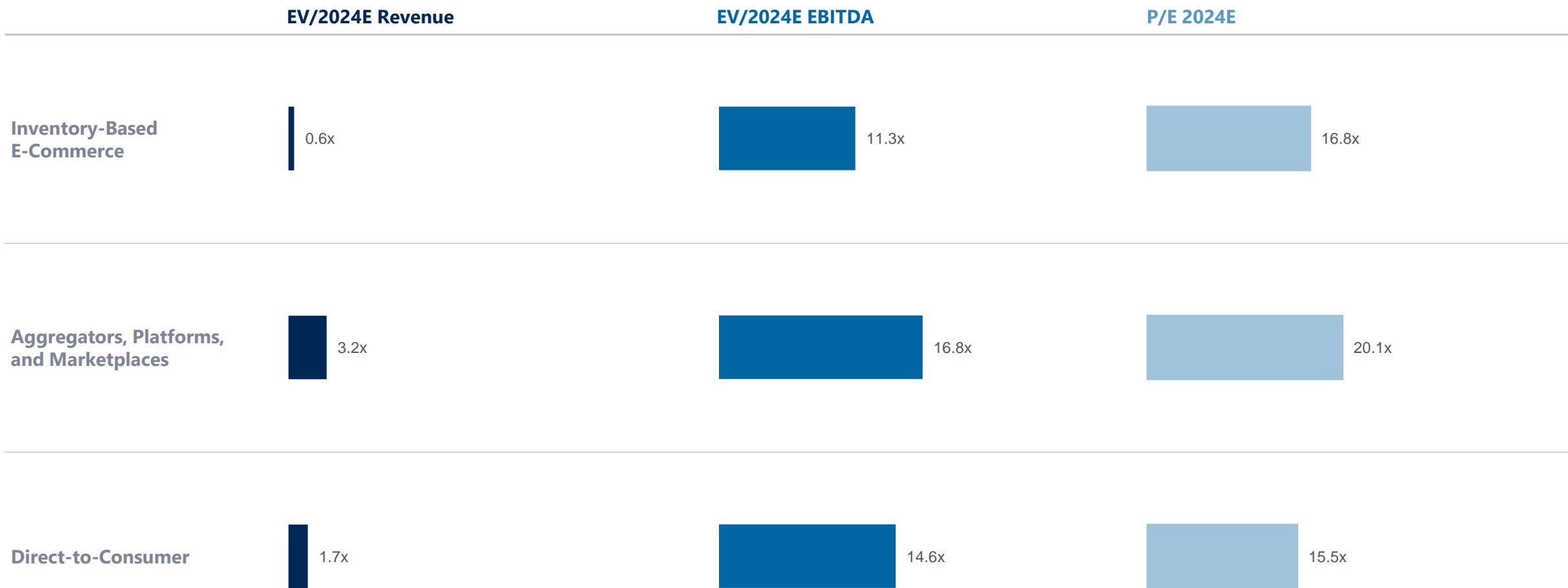


## D2C Subscription Service

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

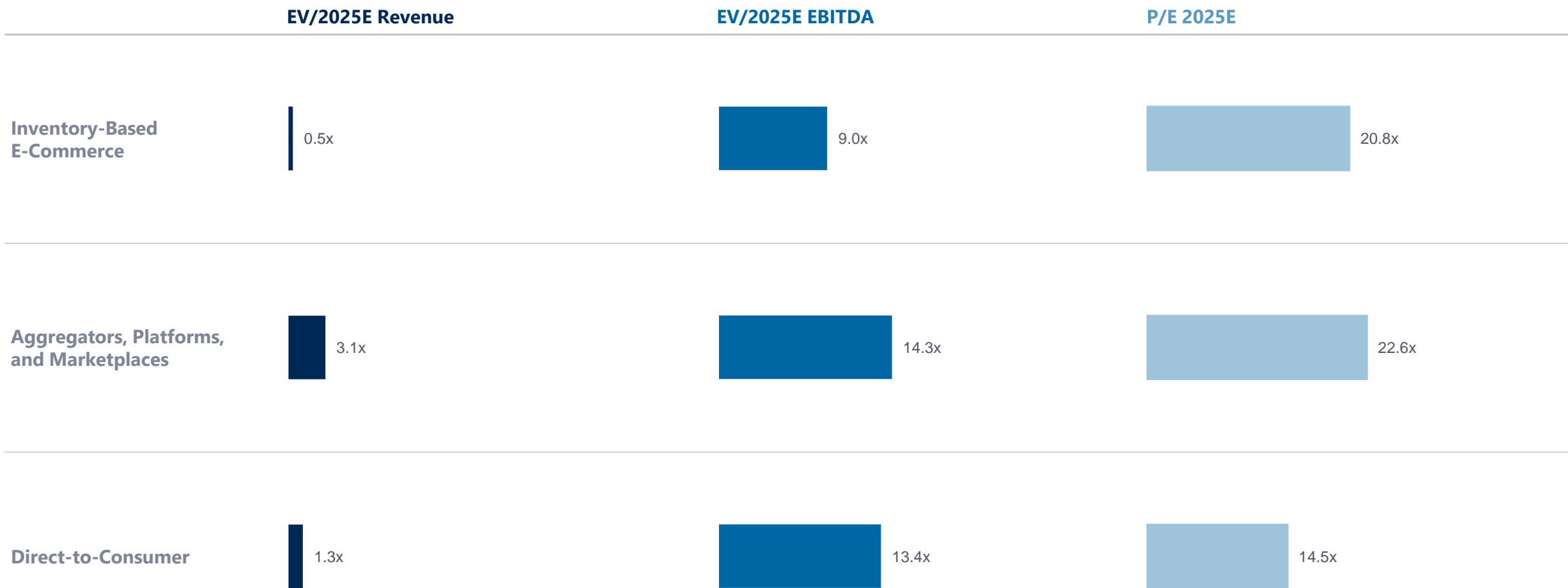


# Public Company Valuations 2024E



Source: S&P Capital IQ. Data as of December 31, 2024.

# Public Company Valuations 2025E



Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

# Public Comparables (2024E)

## E-Commerce and D2C

(\$ in Millions, Except per-Share Prices)  
As of 12/31/24

	Net Debt/ 2024E EBITDA	EV/Revenue		EV/EBITDA		P/E		2023-25E CAGR		EBITDA Margin		Forward P/E	
		2024E	2025E	2024E	2025E	2024E	2025E	Revenue	EBITDA	2024E	2025E	2024E	2025E
JD.com, Inc.	N/M	0.3x	0.3x	6.6x	5.9x	11.5x	8.8x	3.6%	3.8%	4.4%	4.7%	8.1x	7.9x
ZOZO, Inc.	N/M	6.7x	6.2x	20.3x	18.5x	N/A	N/A	1.9%	6.1%	32.9%	33.6%	30.0x	28.8x
Zalando SE	N/M	0.7x	0.7x	9.4x	8.4x	N/M	36.8x	1.3%	31.3%	7.7%	8.1%	31.2x	28.2x
Vipshop Holdings Limited	N/M	0.3x	0.3x	3.2x	3.3x	5.8x	6.0x	(3.5%)	(3.8%)	9.9%	9.6%	5.8x	5.8x
Wayfair Inc.	6.0x	0.7x	0.7x	18.1x	15.6x	N/M	N/M	0.3%	N/A	3.9%	4.4%	N/M	N/M
Ocado Group plc	9.1x	1.2x	1.1x	27.2x	15.3x	N/M	N/M	8.1%	91.7%	4.4%	7.3%	N/M	N/M
Redcare Pharmacy NV	0.9x	1.1x	0.9x	N/M	29.3x	N/M	N/M	23.7%	105.5%	1.7%	3.2%	N/M	N/M
About You Holding SE	N/M	0.6x	0.5x	35.4x	21.1x	N/M	N/M	3.1%	N/A	1.6%	2.5%	N/M	N/M
THG Plc	5.8x	0.7x	0.7x	11.0x	9.6x	N/M	N/M	(0.7%)	91.7%	6.5%	7.2%	N/M	N/M
AO World plc	0.3x	0.6x	0.5x	9.3x	8.3x	30.7x	20.5x	4.1%	9.1%	6.1%	6.4%	18.4x	18.7x
Boozt AB	0.5x	1.0x	0.9x	13.2x	11.0x	27.0x	29.2x	3.5%	18.4%	7.6%	8.4%	25.9x	23.7x
ASOS Plc	6.4x	0.4x	0.4x	11.6x	7.4x	N/M	N/M	(9.0%)	N/A	3.2%	5.3%	N/M	N/M
1-800-FLOWERS.COM, Inc.	0.4x	0.5x	0.5x	10.5x	9.4x	N/M	25.9x	(2.4%)	(17.4%)	4.6%	5.1%	48.1x	N/M
Kogan.com Ltd	N/M	1.3x	1.2x	13.3x	11.3x	N/M	28.5x	0.0%	62.0%	9.5%	10.4%	26.3x	26.2x
Victorian Plumbing Group plc	1.3x	1.0x	0.9x	10.8x	8.8x	19.1x	17.7x	8.5%	37.6%	9.5%	10.5%	16.2x	15.4x
BHG Group AB	3.9x	0.6x	0.6x	9.6x	9.0x	N/M	21.2x	(10.8%)	35.1%	6.3%	6.4%	26.0x	21.7x
DocMorris AG	N/M	0.5x	0.4x	N/M	N/M	N/M	N/M	8.4%	(58.4%)	N/M	N/M	N/M	N/M
Westwing Group SE	N/M	0.3x	0.3x	6.2x	5.0x	N/M	N/M	0.4%	60.8%	4.4%	5.1%	N/M	N/M
PetMed Express, Inc.	N/M	0.2x	0.2x	14.0x	10.8x	N/A	N/A	(4.7%)	21.4%	1.4%	1.8%	N/M	N/M
Verkkokauppa.com Oyj	3.3x	0.2x	0.2x	14.5x	6.5x	14.4x	N/M	(3.8%)	2.0%	1.1%	2.4%	42.7x	30.3x
Mister Spex SE	1.1x	0.2x	0.2x	N/M	6.6x	N/M	N/M	(3.8%)	N/A	N/M	3.2%	N/M	N/M
Bike24 Holding AG	6.8x	0.4x	0.3x	15.8x	9.1x	N/M	N/M	0.8%	N/A	2.2%	3.6%	N/M	N/M
Delticom AG	4.1x	0.2x	0.2x	5.6x	4.9x	N/A	9.1x	(3.3%)	9.5%	4.0%	4.5%	9.1x	9.0x
<b>Median</b>	<b>3.6x</b>	<b>0.6x</b>	<b>0.5x</b>	<b>11.3x</b>	<b>9.0x</b>	<b>16.8x</b>	<b>20.8x</b>	<b>0.4%</b>	<b>19.9%</b>	<b>4.4%</b>	<b>5.2%</b>	<b>26.0x</b>	<b>21.7x</b>
<b>Mean</b>	<b>3.6x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>13.3x</b>	<b>10.7x</b>	<b>18.1x</b>	<b>20.4x</b>	<b>1.1%</b>	<b>28.1%</b>	<b>6.3%</b>	<b>7.0%</b>	<b>24.0x</b>	<b>19.6x</b>

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

# Public Comparables (2024E) (cont.)

## E-Commerce and D2C

(\$ in Millions, Except per-Share Prices)  
As of 12/31/24

		Net Debt/ 2024E EBITDA	EV/Revenue		EV/EBITDA		P/E		2023-25E CAGR		EBITDA Margin		Forward P/E	
			2024E	2025E	2024E	2025E	2024E	2025E	Revenue	EBITDA	2024E	2025E	2024E	2025E
Aggregators, Platforms & Marketplaces	Amazon.com, Inc.	0.5x	3.7x	3.4x	16.8x	14.3x	N/M	42.8x	10.9%	29.9%	22.2%	23.5%	37.5x	37.3x
	Alibaba Group Holding Limited	N/M	1.4x	1.3x	7.1x	6.3x	9.6x	10.0x	5.6%	4.4%	19.4%	20.3%	9.2x	9.3x
	MercadoLibre, Inc.	N/M	4.2x	3.3x	27.9x	20.6x	N/M	N/M	33.3%	19.8%	14.9%	16.2%	46.0x	48.1x
	Copart, Inc.	N/M	11.6x	10.6x	28.2x	24.4x	41.4x	39.3x	9.7%	9.1%	41.0%	43.4%	35.8x	35.8x
	eBay Inc.	0.9x	3.2x	3.1x	10.1x	9.7x	14.8x	12.8x	2.4%	13.3%	31.3%	31.6%	12.0x	12.1x
	REA Group Limited	0.1x	19.5x	17.6x	34.6x	28.4x	N/M	N/M	3.0%	23.2%	56.4%	61.8%	N/M	N/M
	Zillow Group, Inc.	N/M	7.2x	6.3x	32.9x	24.5x	N/M	N/M	14.3%	N/A	22.0%	25.8%	40.2x	39.9x
	Rakuten Group, Inc.	N/M	0.8x	0.7x	6.4x	4.7x	N/A	N/A	3.2%	66.0%	12.4%	15.6%	N/M	N/M
	Auto Trader Group plc	N/M	12.0x	11.0x	18.0x	16.4x	26.9x	25.0x	7.0%	8.7%	66.6%	66.7%	23.0x	23.3x
	CAR Group Limited	1.8x	12.8x	11.4x	24.4x	21.0x	37.9x	37.5x	9.1%	16.1%	52.2%	54.4%	35.2x	34.8x
	Delivery Hero SE	5.5x	1.0x	0.9x	16.0x	10.6x	N/M	N/M	12.2%	N/A	6.1%	8.2%	N/M	N/M
	Allegro.eu S.A.	1.1x	2.9x	2.6x	10.7x	9.8x	27.7x	20.3x	7.5%	22.6%	26.9%	26.2%	22.1x	21.6x
	Scout24 SE	0.6x	11.3x	10.2x	18.5x	16.6x	31.7x	30.2x	4.6%	17.0%	60.7%	61.7%	27.1x	26.9x
	Rightmove plc	N/M	12.8x	11.8x	18.2x	16.6x	25.5x	25.0x	7.2%	6.4%	70.5%	70.8%	23.5x	23.6x
	Etsy, Inc.	1.7x	2.6x	2.5x	9.4x	9.1x	11.0x	11.8x	2.7%	34.9%	27.5%	27.7%	11.0x	11.0x
	AUTO1 Group SE	4.8x	0.6x	0.6x	44.9x	31.7x	N/M	N/M	6.6%	N/A	1.4%	1.8%	N/M	N/M
	Autohome Inc.	N/M	0.0x	0.0x	0.2x	0.2x	10.8x	11.5x	(0.5%)	(9.5%)	18.1%	18.3%	11.8x	11.8x
	Just Eat Takeaway.com N.V.	1.7x	0.7x	0.6x	7.4x	5.9x	N/M	N/M	(1.5%)	N/A	8.9%	10.8%	N/M	N/M
	Cars.com Inc.	2.0x	2.1x	2.0x	7.4x	6.9x	6.2x	9.8x	4.9%	16.9%	28.9%	29.4%	7.2x	7.2x
	Americanas S.A.	N/A	N/A	N/A	N/A	N/A	0.3x	N/A	(100.0%)	(100.0%)	N/A	N/A	N/A	N/A
Median		1.7x	3.2x	3.1x	16.8x	14.3x	20.1x	22.6x	6.1%	16.5%	26.9%	26.2%	23.3x	23.4x
Mean		1.9x	5.8x	5.3x	17.9x	14.6x	20.3x	23.0x	2.1%	11.2%	30.9%	32.3%	24.4x	24.5x

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

# Public Comparables (2024E) (cont.)

## E-Commerce and D2C

(\$ in Millions, Except per-Share Prices)  
As of 12/31/24

		Net Debt/ 2024E EBITDA	EV/Revenue		EV/EBITDA		P/E		2023-25E CAGR		EBITDA Margin		Forward P/E	
			2024E	2025E	2024E	2025E	2024E	2025E	Revenue	EBITDA	2024E	2025E	2024E	2025E
Direct-to-Consumer	Hims & Hers Health, Inc.	N/M	3.4x	2.5x	28.7x	19.8x	N/M	30.1x	52.7%	N/A	12.0%	12.5%	48.6x	45.1x
	YETI Holdings, Inc.	N/M	1.7x	1.6x	9.0x	8.4x	16.6x	14.5x	9.0%	13.5%	19.1%	19.1%	13.6x	13.7x
	Warby Parker Inc.	N/M	3.7x	3.3x	39.3x	30.6x	N/M	N/M	13.8%	630.0%	9.5%	10.8%	N/M	N/M
	tonies SE	N/M	1.7x	1.3x	24.1x	13.7x	N/M	N/M	27.4%	N/A	7.1%	9.7%	37.9x	38.1x
	The Honest Company, Inc.	N/M	1.8x	1.7x	31.8x	25.6x	N/M	N/M	7.3%	N/A	5.6%	6.6%	N/M	N/M
	boohoo group plc	5.5x	0.5x	0.5x	14.6x	13.1x	N/M	N/M	(6.8%)	128.0%	3.6%	4.1%	N/M	N/M
	RVRC Holding AB	N/M	2.3x	2.0x	10.9x	10.1x	15.2x	13.5x	5.7%	1.6%	21.1%	20.2%	13.9x	12.4x
	BARK, Inc.	N/M	0.6x	0.6x	N/M	37.0x	N/M	N/M	2.2%	N/A	0.5%	1.5%	N/M	N/M
	Solo Brands, Inc.	4.2x	0.7x	0.7x	7.6x	6.7x	1.4x	4.7x	(1.2%)	(8.5%)	9.2%	10.2%	3.6x	3.6x
	Allbirds, Inc.	0.3x	0.2x	0.2x	N/M	N/M	N/M	N/M	(15.1%)	(11.1%)	N/M	N/M	N/M	N/M
Brilliant Earth Group, Inc.	N/M	0.2x	0.2x	4.3x	4.4x	15.7x	29.8x	(1.9%)	(5.0%)	3.7%	3.6%	24.2x	24.2x	
Median	4.2x	1.7x	1.3x	14.6x	13.4x	15.5x	14.5x	5.7%	1.6%	8.2%	9.9%	19.0x	18.9x	
Mean	3.3x	1.5x	1.3x	18.9x	17.0x	12.3x	18.5x	8.5%	106.9%	9.1%	9.8%	23.6x	22.8x	
Overall Median		1.8x	1.0x	0.9x	13.3x	10.1x	15.5x	20.5x	3.1%	16.1%	9.0%	9.7%	23.8x	23.3x
Overall Mean		2.9x	2.8x	2.5x	16.2x	13.4x	18.2x	21.2x	3.0%	35.0%	16.2%	17.0%	24.1x	22.4x

Source: Trading multiples are based on share price, other market data, and broker consensus future revenue and earnings estimates from S&P Capital IQ as of December 31, 2024.

# Disclaimer

© 2025 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., Houlihan Lokey Advisory, Inc., and Waller Helms Securities, LLC, each an SEC-registered broker-dealer and members of FINRA ([www.finra.org](http://www.finra.org)) and SIPC ([www.sipc.org](http://www.sipc.org)) (investment banking services); (ii) Europe: Houlihan Lokey UK Limited (FRN 792919) and Houlihan Lokey PFG Advisory Limited (FRN 725267), 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); Houlihan Lokey Private Funds Advisory S.A., a member of CNCEF Patrimoine and registered with the ORIAS (#14002730); (iii) the United Arab Emirates, Dubai International Financial Centre (Dubai): Houlihan Lokey (MEA Financial Advisory) Ltd., regulated by the Dubai Financial Services Authority; (iv) Singapore: Houlihan Lokey (Singapore) Private Limited 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. No entity affiliated with Houlihan Lokey, Inc., provides banking or securities brokerage services, nor is any such affiliate subject to FINMA supervision in Switzerland or similar regulatory authorities regarding such activities in other jurisdictions. 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 financial 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**