Houlihan Lokey





E-Commerce and D2C
Market Update

Q3 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

2023 M&A Advisory Rankings
All Global Transactions

	Advisor	Deals
1	**Houlihan Lokey**	**352**
2	Rothschild & Co	349
3	Goldman Sachs & Co	300
3	JP Morgan	300
5	Morgan Stanley	253

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

No. 1
Global M&A Advisor

Leading
Capital Markets Advisor

FINANCIAL RESTRUCTURING

2023 Global Distressed Debt &
Bankruptcy Restructuring Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**73**
2	PJT Partners Inc	64
3	Rothschild & Co	51
4	Lazard	37
5	Evercore Partners	27

Source: LSEG (formerly Refinitiv).

No. 1
Global Restructuring Advisor

1,700+
Transactions Completed Valued at More Than $3.5 Trillion Collectively

FINANCIAL AND VALUATION ADVISORY

1999–2023 Global M&A
Fairness Advisory Rankings

	Advisor	Deals
1	**Houlihan Lokey**	**1,247**
2	JP Morgan	1,035
3	Duff & Phelps, A Kroll Business	977
4	UBS	884
5	Morgan Stanley	716

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
Financial Professionals

323
Managing Directors(1)

2,000+
Clients Served Annually

$12B
Market Cap(2)

$2.1B
Annual Revenue(3)

AMERICAS	Atlanta	Los Angeles	**EUROPE AND MIDDLE EAST**	Amsterdam	Milan	**ASIA-PACIFIC**	Beijing	Shanghai
	Baltimore	Miami		Antwerp	Munich		Fukuoka	Singapore
	Boston	Minneapolis		Dubai	Paris		Gurugram	Sydney
	Charlotte	New York		Frankfurt	Stockholm		Hong Kong SAR	Tokyo
	Chicago	San Francisco		London	Tel Aviv		Mumbai	
	Dallas	São Paulo		Madrid	Zurich			
	Houston	Washington, D.C.		Manchester				

(1) As of September 30, 2024.
(2) As of October 31, 2024.
(3) LTM ended September 30, 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.

HLI LISTED NYSE

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 Global M&A Transactions Under $1 Billion

2023 M&A Advisory Rankings
Global Consumer Transactions Under $1 Billion

	Advisor	Deals
1	**Houlihan Lokey**	**50**
2	Rothschild & Co	48
3	Lazard	32
4	Goldman Sachs & Co	25
5	UBS	23

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

Based on number of transactions and according to data provided by LSEG (formerly Refinitiv), Houlihan Lokey was ranked the

No. 1

investment bank for global consumer M&A transactions under $1 billion in 2023.

Consumer Industry Coverage

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

Featured Consumer Transactions



Key Facts and Figures

125+

Dedicated Consumer Group Financial Professionals

50

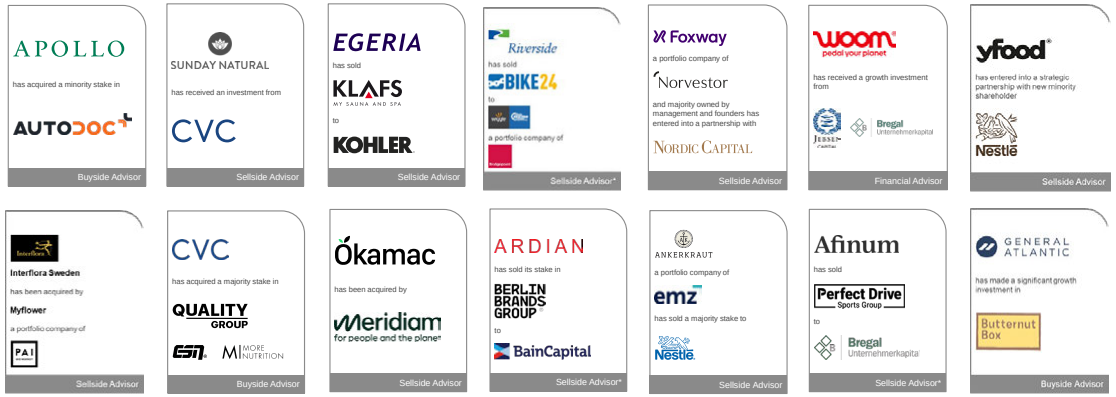
Completed Industry Sector Transactions in CY23

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 12 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



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

Leadership



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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

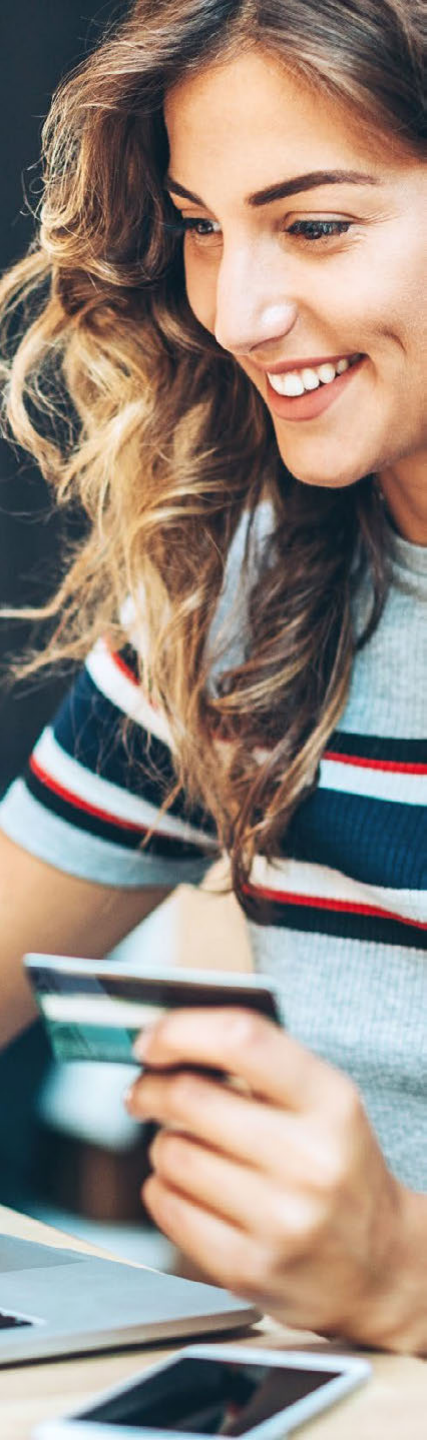


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E-Commerce and D2C Market Update

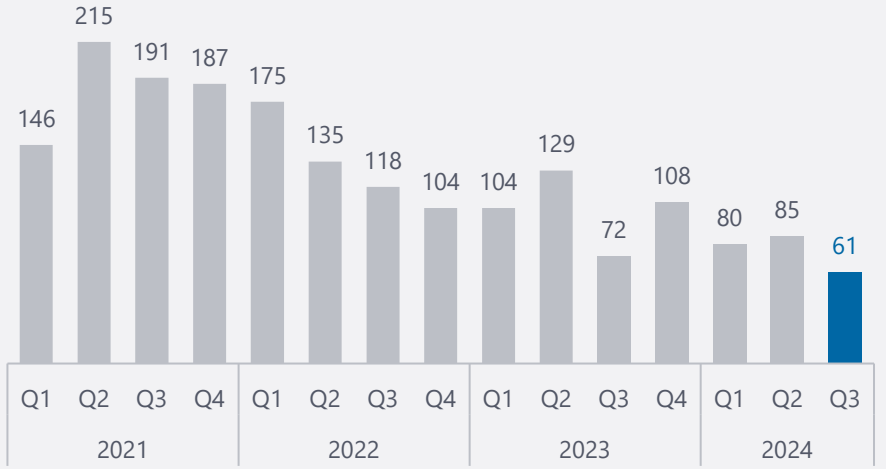
In line with last year's trends, Q3 M&A activity declined to 61 transactions after a period of increased momentum earlier in the year. This slowdown suggests that some deals may have been delayed, with expectations for increased activity and deal completions in the final months of the year.

Optimism for an uptick in transactions toward the end of the year remains intact, indicated by longer transaction cycles during the year.

E-Commerce and D2C M&A Transaction Volume

61

Transactions
Q3 2024



E-Commerce and D2C Sector Market Snapshot[1]

0.9x
TEV/LTM Revenue

11.7x
TEV/LTM EBITDA

4.3%
2022–2024E Revenue CAGR

8.4%
LTM EBITDA Margin

Sources: S&P Capital IQ, Federal Reserve Economic Data. Data as of September 30, 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 25–30 for a complete list.

Featured Sector News

While M&A volumes are currently following the same pattern as last year, with a decline in transactions during Q3, both strategic and financial buyers continue to engage in synergetic collaborations and proactively seek expansion funding and selected M&A transactions.

Date	Company	Subsector	Description	Article Link
9/30/2024	Rakuten	Aggregators, Platforms, and Marketplaces	Rakuten Card and Mizuho Financial Group announced that they are considering an alliance to enhance Rakuten's growth in consumer and corporate sectors capitalizing on Mizuho's extensive customer base.	Read More
9/26/2024	JUST EAT Takeaway.com	Aggregators, Platforms, and Marketplaces	JustEatTakeaway.com and Lovehoney Group have teamed up to offer sexual wellness products, including popular brands like Womanizer and We-Vibe, to consumers in the U.K., Austria, and Denmark. The collaboration will offer discreet delivery and special deals.	Read More
9/25/2024	asos	Inventory-Based E-Commerce	ASOS announced plans to cut 200 head office roles to restructure amid post-pandemic challenges and competition from cheaper rivals like Shein. While exploring new tech roles, the company faces financial struggles, including a £120 million loss.	Read More
9/25/2024	REA Group	Aggregators, Platforms, and Marketplaces	REA's offer for Rightmove, valued at 770 pence per share, was rejected by Rightmove's board, who deemed it undervalued. Despite the disappointment, REA believes the offer benefits shareholders.	Read More
9/24/2024	Grove COLLABORATIVE	Aggregators, Platforms, and Marketplaces	Grove Collaborative has received a $15 million investment from Volition Capital to help settle $30 million in term debt, with $10 million to be allocated by November 30. The investment was made at a 40% premium, indicating confidence in Grove's potential for growth.	Read More
9/10/2024	MISTER SPEX	Inventory-Based E-Commerce	Mister Spex SE has launched new "SpexPro" premium lenses. These German-made lenses elevate the brand's portfolio by offering superior visual comfort, protection, and durability while hoping to boost sales and profitability in the premium segment.	Read More
9/6/2024	BRILLIANT EARTH	D2C	Brilliant Earth Group, Inc., a leader in ethically sourced fine jewelry, has expanded its global shopping capabilities. Now available in more than 150 countries, customers can shop with local currencies, see total costs at checkout, and enjoy free shipping and returns.	Read More
8/30/2024	JD.COM	Inventory-Based E-Commerce	JD.com announced plans to invest RMB 1 billion to expand its apparel business, aiming to establish JD Fashion as a leading destination for global fashion. Since early 2024, JD.com has seen a 60% increase in brand partnerships and a 200% rise in third-party merchants.	Read More

Sources: Company websites, press releases.

Featured Sector News (cont.)

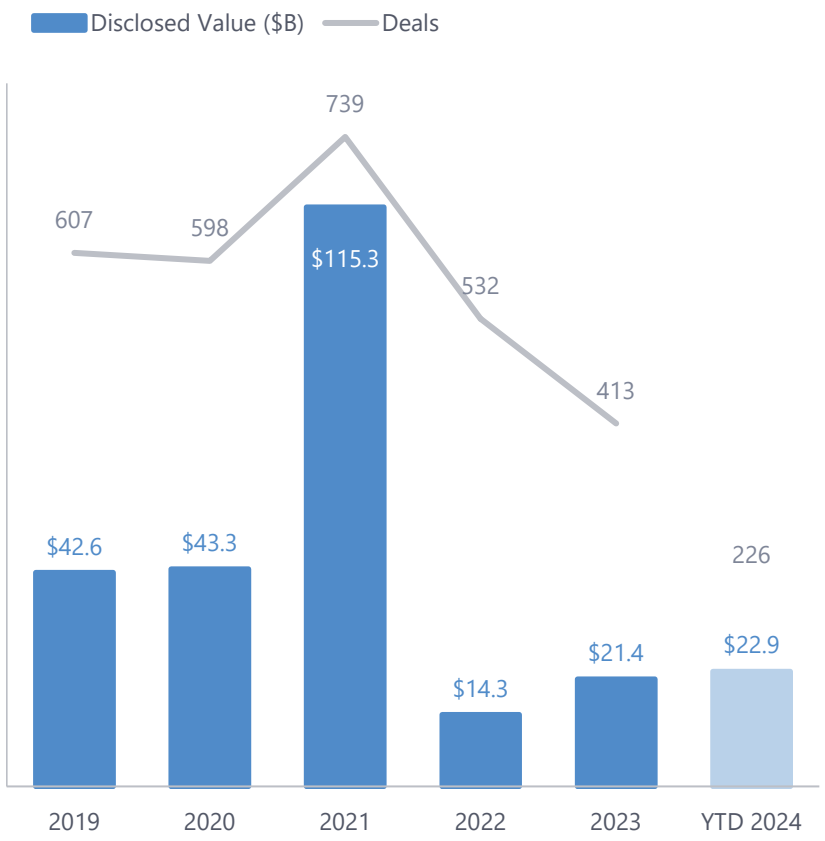
While M&A volumes are currently following the same pattern as last year, with a decline in transactions during Q3, both strategic and financial buyers continue to engage in synergetic collaborations and proactively seek expansion funding and selected M&A transactions.

Date	Company	Subsector	Description	Article Link
8/26/2024	MISTER SPEX	Inventory-Based E-Commerce	Mister Spex SE has launched "Mister Spex MOOVE," targeting the booming sports eyewear market. Featuring seven models with advanced lenses and ergonomic design, the collection reflects Mister Spex's strategic growth in profitable segments.	Read More
8/20/2024	THG	Inventory-Based E-Commerce	THG Commerce has announced a partnership with Premier Foods to launch FUEL10K's direct-to-consumer offering. THG's end-to-end digital solution will enhance FUEL10K's presence in the nutrition category, leveraging its technology and fulfillment network.	Read More
8/7/2024	asos	Inventory-Based E-Commerce	ASOS has signed a three-year agreement with Microsoft to enhance operational excellence and data-driven decision-making through AI. Utilizing Microsoft tools like Power Automate and AI Stylist, ASOS aims to boost innovation in personalized shopping experiences.	Read More
8/2/2024	allbirds	D2C	Allbirds Inc. announced that Belle Fashion Group will be its exclusive distributor in mainland China, Macau, and Taiwan, transitioning from a direct sales model to a third-party distributor strategy. This partnership aims to enhance Allbirds' brand presence and scalability.	Read More

Sources: Company websites, press releases.

Additional E-Commerce and D2C M&A Highlights

Transaction Value and Deal Volume[1]



Source: S&P Capital IQ. Data as of September 30, 2024.
(1) 2021 transaction value largely fueled by $46 billion Prosus N.V. and Naspers Ltd. transaction (May 2021).

Notable Transactions

Date	Acquirer	Target	Subsector	Deal Value ($M)
10/7/2024	MYTHERESA	YOOX NET-A-PORTER GROUP	D2C	609.0
9/18/2024	*Undisclosed Investor*	mercado libre	Aggregators, Platforms, and Marketplaces	250.0
9/6/2024	GTM CAPITAL Berkeley	Rentberry	Aggregators, Platforms, and Marketplaces	90.0
9/4/2024	El Puerto de Liverpool	NORDSTROM	D2C	6,520.6
9/2/2024	sanofi	KASHA	D2C	N/D
8/22/2024	BRIGHTON PARK CAPITAL Symphony	TickPick	Aggregators, Platforms, and Marketplaces	250.0
8/16/2024	EQT	PropertyGuru	Aggregators, Platforms, and Marketplaces	1,147.8
8/16/2024	Auto Scout24	TRADER	Aggregators, Platforms, and Marketplaces	N/D
8/13/2024	USS	sage housing	Aggregators, Platforms, and Marketplaces	519.3
7/22/2024	FAIRFAX	SleepCountry	Inventory-Based E-Commerce	1,277.7
7/16/2024	FNAC DARTY RUBY CAPITAL	unieuro	Inventory-Based E-Commerce	798.5
7/4/2024	HBC	Neiman Marcus	D2C	2,650.0
7/3/2024	*Undisclosed Investor*	WRISTCHECK	Aggregators, Platforms, and Marketplaces	N/D
7/1/2024	ADIA	*Manash Lifestyle Private Ltd.*	Inventory-Based E-Commerce	119.8

Key Takeaways

After an acceleration in transaction volume toward Q2 2024, transaction volume declined again in Q3 in line with last year, indicating increased transaction activity toward the end of the year.

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

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

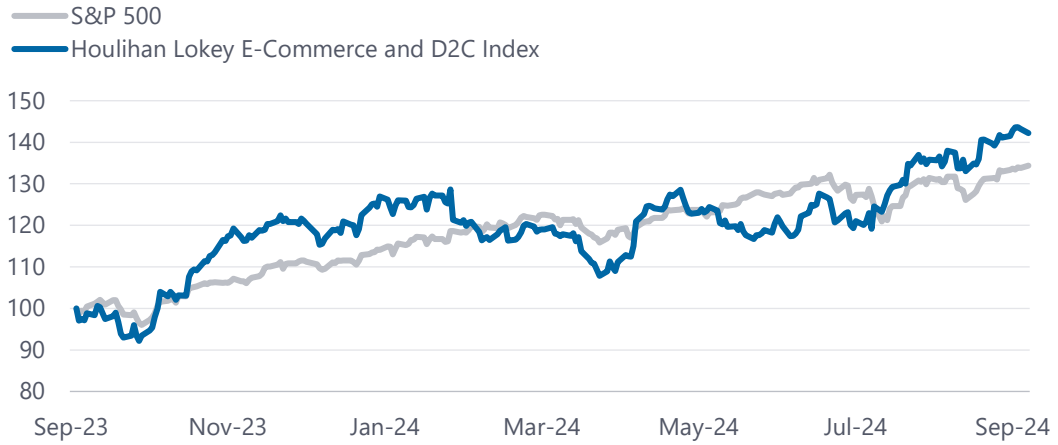
Market Trends	Traffic	Shop/ Front-End	Conversion	Customers	After Sales	Financials
% Market Growth	% Paid vs. Unpaid Traffic	Scalability	% Conversion Rate	Repurchase Rate	Same/Next-Day Delivery	% Top-Line Growth
% Online-Share Growth	CPCs for Paid Channels	# of Exclusive and Total Products	% Cancellation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

And What They Question in M&A Processes

Strategy	• What's the internationalization strategy historically/going forward and 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 point, etc. • Identify disruptions in the supply chain and how you will address them. • Share of own brand (if any)?
Technology	• What are the capabilities of the data warehouse (e.g., CRM, ERP, 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

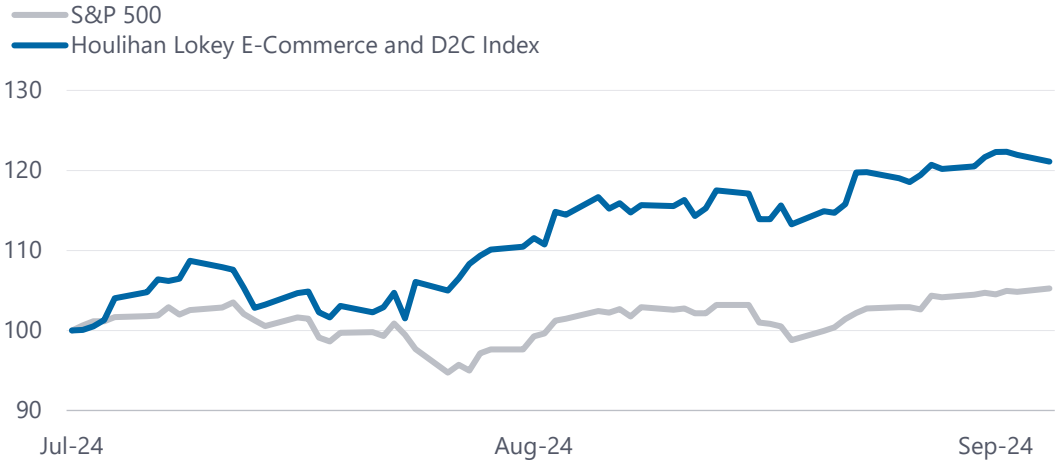
LTM September 2024 Performance



42.2% Houlihan Lokey E-Commerce and D2C Index[(1)]

34.4% S&P 500

July–September 2024 Performance



21.1% Houlihan Lokey E-Commerce and D2C Index[(1)]

5.3% S&P 500

Source: S&P Capital IQ. Data as of September 30, 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 25–30 for a complete list.

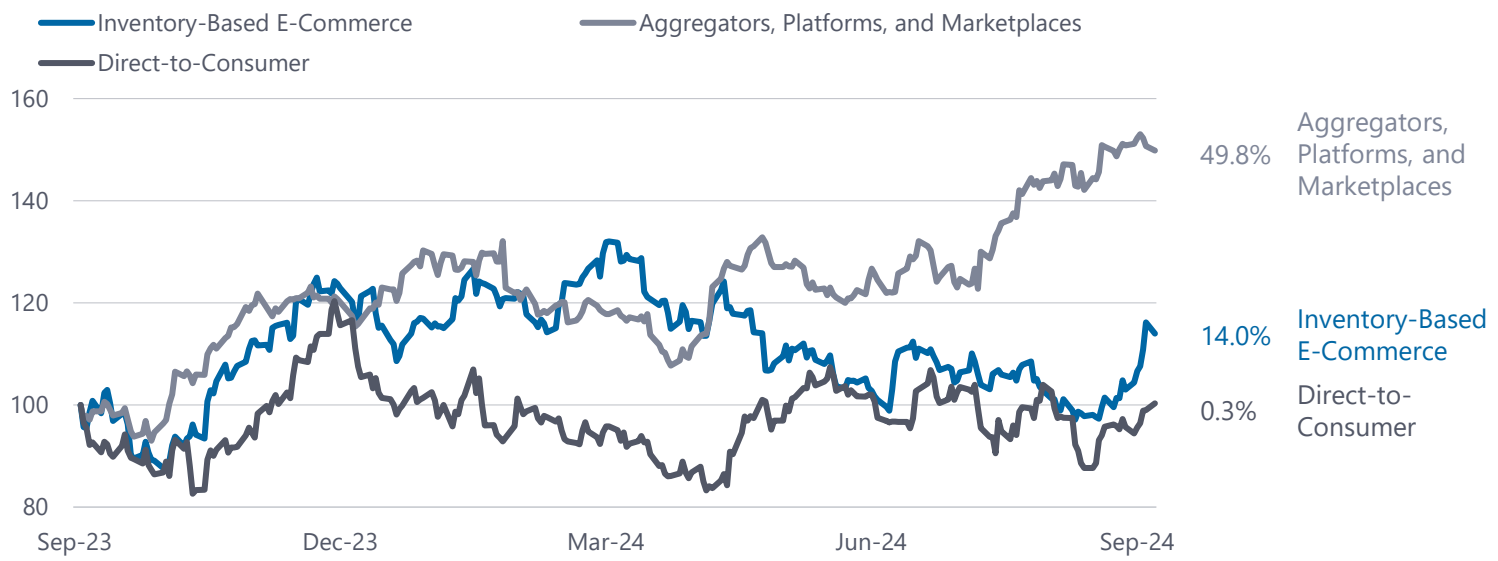
Key Market Trends

After a period of stagnation in the first quarter of 2024 and subsequent growth rates below market levels, e-commerce and D2C assets have recently outperformed the market significantly, also driven by a steady increase in mobile commerce sales.

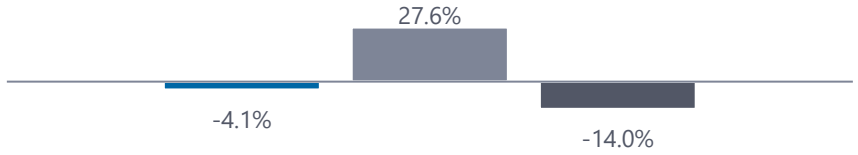
In the third quarter, the E-Commerce and D2C Index demonstrated a notable overall growth of 21.1%. In contrast, the S&P 500 achieved a more modest growth of 5.3%, highlighting the significant outperformance of the E-Commerce and D2C segment.

Equity Market Index Performance
E-Commerce and D2C Subsectors

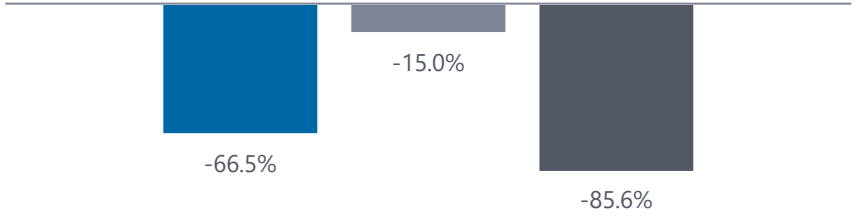
LTM September 2024 Performance by Subsector



YTD Performance



Three-Year Performance



Source: S&P Capital IQ. Data as of September 30, 2024. All share prices rebased to 100.

Key Subsector Trends

The aggregators, platforms, and marketplaces subsector experienced a notable increase of 49.8%, continuing to outperform both the D2C and inventory-based e-commerce segments, which posted more moderate growth rates of 14.0% and 0.3%, respectively.

Upon reviewing the performance over the past three years, it is clear that all three subsectors are currently trading well below their levels from three years ago, with direct-to-consumer assets experiencing the weakest performance among the three.

E-Commerce and D2C Sector Definition

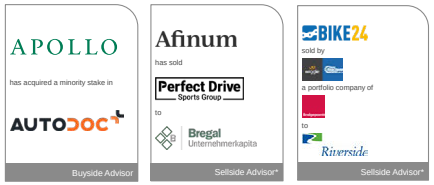
Companies that manufacture or distribute physical products can be systematically segmented into various subgroups, although certain companies could be categorized into two groups.



01 Inventory-Based E-Commerce

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

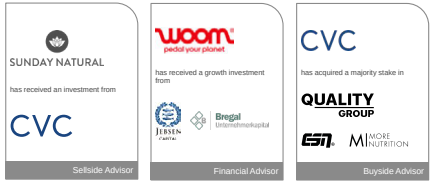
- Distributors sell goods predominantly online through their own platform.
- Physical goods are bought from third parties and stored and handled through their own logistics.
- Their own brands account for less than 50% of total sales.



02 D2C

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

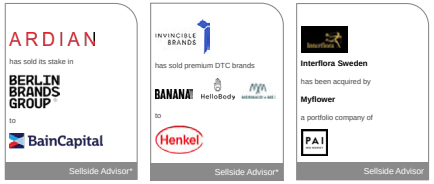
- They are selling their own products and branded products (excluding services).
- They possess a dominant online share of >50% of total sales together with a tech-focused marketing approach.
- The consumer acts as the purchaser (not businesses).



03 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.
- Physical products are sold, not digital downloads or services.



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 Three Years

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

Development of E-Commerce Since January 2020

2020 – 2021

- Strong growth of revenue is driven by first-time customers and an increased repurchase 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.

2022

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

2023

- In 2023, the market was characterized by oversupply and decreasing discretionary spending. In parallel, companies focused on process improvements, reduced costs, improved inventory management, and streamlined the overall organization.

2024

- In 2024, the overall environment remains challenging, but many companies are expected to grow year-over-year and improve Gross Margin and EBITDA as a result of cost-cutting and increased efficiency. However, this strongly depends on the subsector.

Impact on Three Levels

Revenues/ KPIs	▪ Strong growth in 2020 and 2021 was driven by the pandemic. ▪ 2022 was a transition year characterized by supply chain disruptions and high CAC combined with decreasing growth. ▪ 2023 was characterized by oversupply and decreasing discretionary spending, negatively affecting revenues. ▪ As supply chain challenges and product costs gradually return to normal levels, online companies are continuing to cut inventory and boost profitability in 2024.	✓
Market Perception	▪ Online Players: Investors remain cautious about the consumer, especially in the D2C/e-commerce space. ▪ Offline Players: There's a strong focus on liquidity and decreasing oversupply. ▪ Still ongoing lower valuation levels of listed companies might lead to increased P2P activity.	X
	▪ Depending on the subsector, PE investors remain interested in the space for market-leading, growing, and profitable assets. ▪ PE investors have become more focused on EBITDA and current trading.	✓
M&A	▪ Even though higher than in 2022, M&A volume was weak in 2023 and Q1 and Q2 2024, but strategics and financial buyers continue to find value in high-quality e-commerce players	X
	▪ We expect leading players to return to the growth track with improved profitability. This will lead to increased interest from financial and strategic investors in the space. ▪ Aggregators continue to suffer in a very challenging environment.	✓

Overview of Key Trends



Innovative Pricing

Subscription pricing, loyalty programs, discounts, free shipping, and buy-now-pay-later schemes all enhance customer loyalty and satisfaction while increasing revenues through various sales-driving incentives that motivate customers to top up their spending.



D2C

D2C continues to rise as customers are increasingly willing to trust new, innovative brands and platforms that are progressively pushed by an increasing number of creators and influencers that enhance customer centricity and proximity.



Tech-Driven Shopping

Live commerce, augmented reality, virtual reality, and metaverse applications will further redefine customer engagement, enabling immersive product visualization and interactive 3D experiences to enhance personalization and flexibility in the industry.



Social Commerce

More users favor social media over search engines for brand research, thereby increasing the importance of social media marketing and user-generated content to foster meaningful customer connections and create strong consumer loyalty.



Consumer Behavior

A surge in mobile shopping boosts accessibility and availability of customer touchpoints that are increasingly characterized by visually driven content, like short video formats, which collectively shape an interactive e-commerce landscape aligned with consumer preferences.



Mobile Commerce

With the ubiquity of smartphones, mobile commerce will continue to surge, making mobile-optimized websites and apps essential for retailers aiming to capture the on-the-go consumer market.



Asian Players

We expect continued pressure from Shein and Temu across many verticals. European players need to adapt and focus on quality products, good prices, and impeccable service. However, margin pressure will continue.



Sustainability

Circular economy, ethical shopping, sustainability preferences, and sustainable packaging continue to become increasingly relevant as overall environmental awareness grows and becomes inevitable to consider for product and service providers.

And How This Impacts the M&A Environment



Valuation Recovery 01

The slight expansion of EV/sales and EV/EBITDA multiples during the year, driven by cost-cutting and customer resilience, remain stable as we approach the end of 2024.

M&A Processes 02

Overall transaction volume decreased in Q1 2024 due to longer transaction processes and a stronger focus on current trading, affecting volume but showing a small uptick in Q2 2024. This was followed by a repeated decline in Q3, mirroring last year's seasonal pattern, with hopes for a significant jump in activity in the final months of 2024 driven by the heightened motivation to complete ongoing projects that were started during the year.

Macroeconomics 03

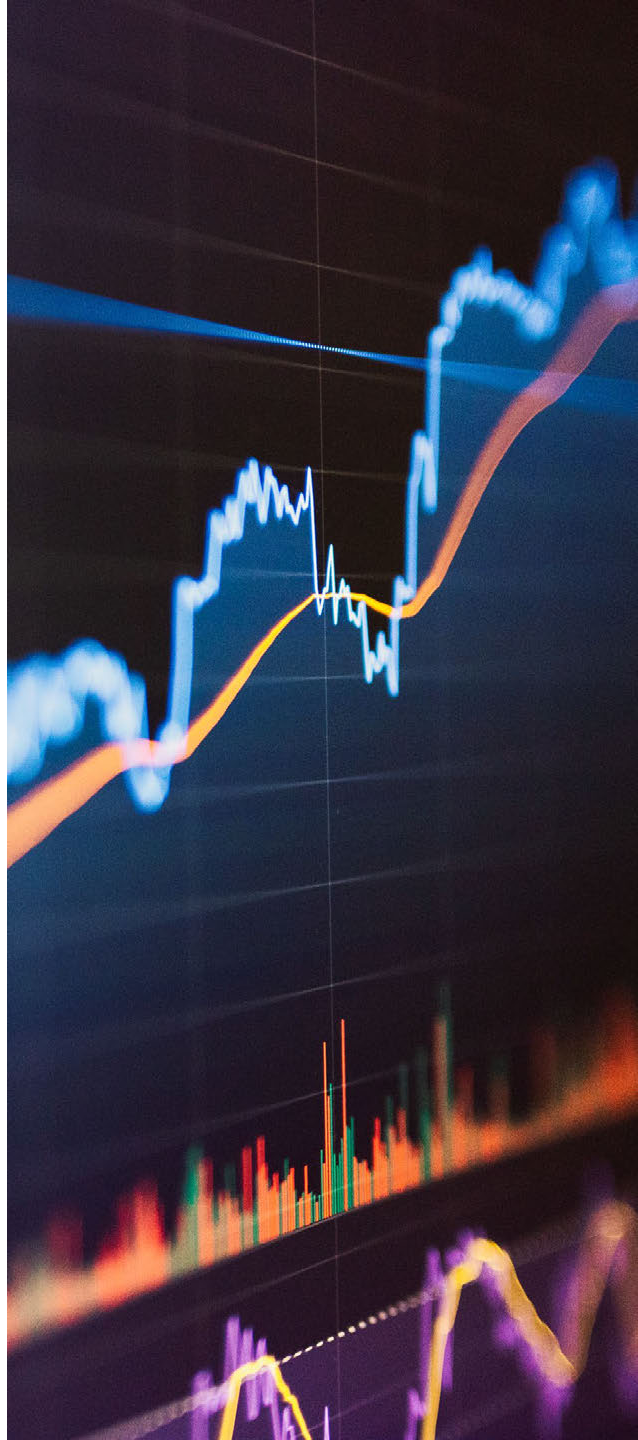
M&A and capital markets remain closely tied to the macroeconomic environment, with resilient data but ongoing uncertainty around interest rate policies—which have yet to see significant reductions—adding complexity to the market outlook. Meanwhile, tightening credit conditions and fluctuating investor sentiment, influenced by geopolitical risks, are adding further pressure on deal-making activity.

Consolidation 04

The sector continues to see significant consolidation in 2024 as companies pursue strategic acquisitions to enhance digital capabilities and streamline operations. Despite high interest rates and shifting consumer behaviors, large players remain focused on M&A to expand digital reach, improve customer engagement, and drive profitability.

Activity Increase Anticipated 05

M&A activity saw a slow start in 2024, with a slight Q2 recovery followed by a Q3 decline due to uncertainty around interest rates and geopolitical factors, but it is expected to rise by year-end as market conditions stabilize. Looking ahead, 2025 is poised for further growth, driven by financial sponsors deploying capital and improving macroeconomic conditions.



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

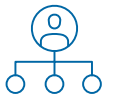

Supply Chain Automation

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.



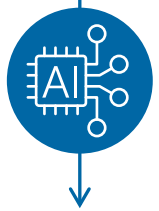
Margin Upside

A focus on cost-cutting and efficiency, combined with lower sourcing costs, will positively impact gross margins in 2024.

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.

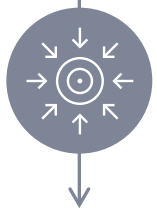
Key Trends **D2C**

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.



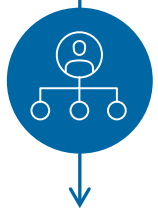
Data-Based Relationship

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

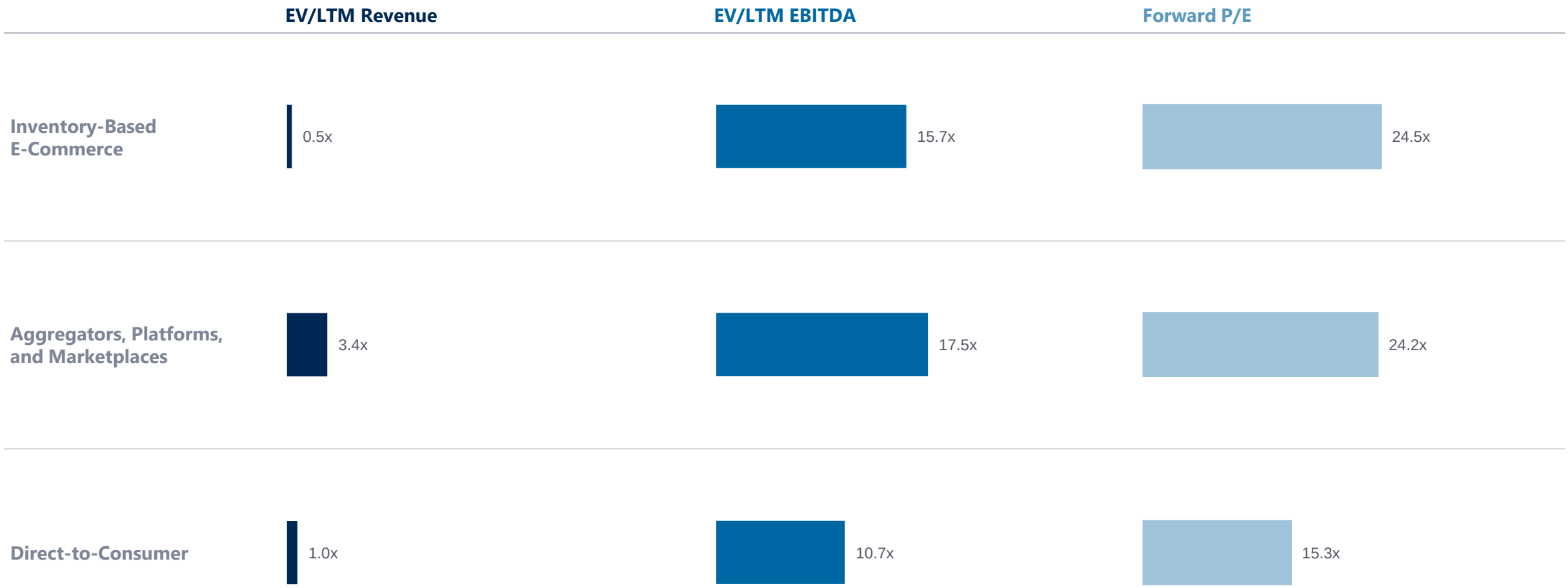
Subscription-based business models are on the rise, featuring new product groups such as clothes or food.



D2C Subscription Service

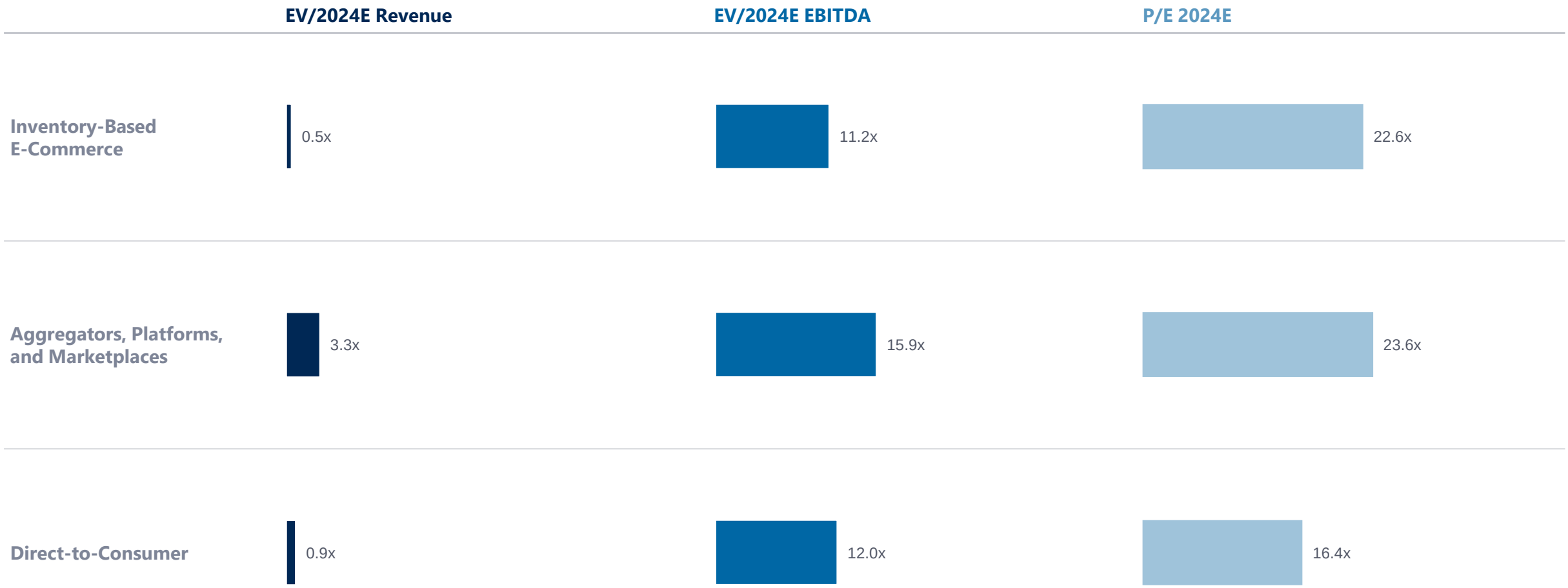
Establishing subscription models leads to a closer customer relationship and identification with the brand.

Public Company Valuations LTM September 2024



Source: S&P Capital IQ. Data as of September 30, 2024.

Public Company Valuations 2024E



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 September 30, 2024.

Public Comparables (LTM September 2024)
E-Commerce and D2C

($ in Millions, Except per-Share Prices)
As of 9/30/24

						LTM					TEV/	
		Market Cap USDM	EV USDM	Net Debt USDM	Net Debt/LTM EBITDA	Revenue USDM	EBITDA USDM	EBITDA Margin	EPS	Forward P/E	LTM EBITDA	LTM Revenue
Inventory-Based E-Commerce	JD.com, Inc.	$58,560.0	$51,882.3	($19,199.4)	N/M	$152,089.7	$7,722.3	5.1%	$2.7	9.5x	6.7x	0.3x
	ZOZO, Inc.	10,807.3	10,538.2	(239.7)	N/M	1,252.8	400.0	31.9%	0.9	33.1x	26.3x	8.4x
	Vipshop Holdings Ltd.	8,391.2	5,863.7	(2,816.3)	N/M	15,407.0	1,649.1	10.7%	2.1	6.3x	3.6x	0.4x
	Zalando SE	8,483.5	7,462.9	(980.4)	N/M	10,945.9	600.7	5.5%	0.6	28.9x	12.4x	0.7x
	Wayfair Inc.	6,936.2	9,700.2	1,871.0	N/M	11,904.0	(181.0)	N/M	(5.3)	50.0x	N/M	0.8x
	Ocado Group PLC	4,227.9	5,874.7	1,555.0	10.4x	3,813.8	150.0	3.9%	(0.3)	N/M	39.2x	1.5x
	Redcare Pharmacy NV	2,940.4	2,983.9	13.8	0.5x	2,279.8	27.1	1.2%	(0.5)	N/M	N/M	1.3x
	THG PLC	981.1	1,963.9	926.6	13.1x	2,540.3	70.6	2.8%	(0.2)	N/M	27.8x	0.8x
	AO World PLC	857.1	898.4	38.9	0.5x	1,312.6	75.5	5.8%	0.1	22.4x	11.9x	0.7x
	Boozt AB	720.5	744.4	22.9	0.5x	757.6	49.3	6.5%	0.3	24.5x	15.1x	1.0x
	ASOS PLC	684.2	1,557.9	823.7	N/M	4,061.9	(177.1)	N/M	(2.7)	N/M	N/M	0.4x
	About You Holding SE	628.4	585.2	3.7	N/M	2,164.5	(20.0)	N/M	(0.5)	N/M	N/M	0.3x
	DocMorris AG	569.5	815.2	231.0	N/M	1,115.9	(59.5)	N/M	(9.2)	N/M	N/M	0.7x
	1-800-FLOWERS.COM, Inc.	509.3	659.3	27.7	0.2x	1,831.4	118.3	6.5%	(0.1)	48.1x	5.6x	0.4x
	Victorian Plumbing Group PLC	449.6	462.9	12.5	0.5x	357.3	24.5	6.9%	0.0	21.1x	18.9x	1.3x
	Kogan.com Ltd.	357.8	345.1	(12.2)	N/M	306.7	21.1	6.9%	0.0	19.8x	16.3x	1.1x
	BHG Group AB	271.1	514.0	216.7	7.5x	982.7	28.9	2.9%	(0.9)	25.4x	17.8x	0.5x
	Westwing Group SE	171.9	133.3	(37.1)	N/M	469.9	6.8	1.4%	(0.8)	N/M	19.7x	0.3x
	Verkkokauppa.com Oyj	85.3	105.9	19.8	3.2x	516.0	6.1	1.2%	(0.0)	48.3x	17.3x	0.2x
	Mister Spex SE	84.8	62.7	(21.1)	1.5x	245.2	(13.9)	N/M	(1.6)	N/M	N/M	0.3x
	PetMed Express, Inc.	75.6	30.9	(46.0)	N/M	270.8	6.2	2.3%	(0.1)	N/M	5.0x	0.1x
	Bike24 Holding AG	67.0	105.9	37.4	N/M	237.4	(2.9)	N/M	(1.8)	N/M	N/M	0.4x
	Delticom AG	41.3	122.7	78.2	4.1x	525.0	19.1	3.6%	0.5	10.6x	6.4x	0.2x
Median				$19.8	1.5x	$1,252.8	$24.5	5.1%	($0.1)	24.5x	15.7x	0.5x
Mean				($759.7)	3.8x	$9,364.7	$457.4	6.2%	($0.7)	26.8x	15.6x	1.0x

Source: S&P Capital IQ. Data as of September 30, 2024.

Public Comparables (LTM September 2024) (cont.)
E-Commerce and D2C

($ in Millions, Except per-Share Prices)
As of 9/30/24

						LTM					TEV/	
		Market Cap USDM	EV USDM	Net Debt USDM	Net Debt/ LTM EBITDA	Revenue USDM	EBITDA USDM	EBITDA Margin	EPS	Forward P/E	LTM EBITDA	LTM Revenue
Aggregators, Platforms, and Marketplaces	Amazon.com, Inc.	$1,955,639.0	$2,024,389.0	($8,682.0)	N/M	$604,334.0	$117,609.0	19.5%	$4.2	36.2x	17.2x	3.3x
	Alibaba Group Holding Ltd.	246,855.6	233,993.6	(33,162.3)	N/M	130,763.9	25,868.4	19.8%	3.8	11.6x	9.0x	1.8x
	MercadoLibre, Inc.	104,029.1	102,562.1	(2,228.0)	N/M	17,108.0	3,140.0	18.4%	27.6	48.1x	32.7x	6.0x
	Copart, Inc.	50,424.4	47,145.5	(3,422.2)	N/M	4,236.8	1,786.3	42.2%	1.4	33.5x	26.4x	11.1x
	eBay Inc.	31,838.8	34,849.8	2,559.0	1.0x	10,190.0	2,660.0	26.1%	5.2	12.9x	13.1x	3.4x
	REA Group Ltd.	18,396.2	18,467.3	41.5	0.1x	1,118.9	488.1	43.6%	1.5	48.6x	37.8x	16.5x
	Zillow Group, Inc.	14,661.6	13,838.6	(928.0)	10.1x	2,071.0	(91.5)	N/M	(0.6)	40.1x	N/M	6.7x
	Rakuten Group, Inc.	13,894.2	12,240.3	(4,413.4)	N/M	13,361.6	1,295.1	9.7%	(0.8)	N/M	9.5x	0.9x
	Delivery Hero SE	11,496.1	15,769.3	4,111.5	N/M	11,652.4	(244.6)	N/M	(8.9)	N/M	N/M	1.4x
	Auto Trader Group PLC	10,404.3	10,425.6	20.1	0.0x	721.0	470.2	65.2%	0.4	26.0x	22.2x	14.5x
	CAR Group Ltd.	9,804.6	10,553.6	686.3	2.0x	733.1	341.3	46.6%	0.4	37.2x	30.9x	14.4x
	Allegro.eu S.A.	9,575.8	10,358.7	748.1	1.3x	2,632.3	596.3	22.7%	0.1	20.4x	17.4x	3.9x
	Etsy, Inc.	6,372.2	7,760.9	1,388.7	3.1x	2,772.4	443.1	16.0%	2.2	11.7x	17.5x	2.8x
	Rightmove PLC	6,525.6	6,496.9	(27.1)	N/M	476.4	333.9	70.1%	0.3	22.5x	19.5x	13.6x
	Scout24 SE	6,280.7	6,500.8	211.0	0.7x	602.4	292.6	48.6%	2.5	25.8x	22.2x	10.8x
	Autohome Inc.	3,950.6	898.7	(3,230.4)	N/M	1,004.4	226.3	22.5%	2.1	14.2x	4.0x	0.9x
	Just Eat Takeaway.com N.V.	3,065.4	3,901.9	811.1	20.5x	5,518.1	39.6	0.7%	(9.8)	N/M	N/M	0.7x
	AUTO1 Group SE	2,461.2	2,847.6	369.5	23.5x	5,988.3	15.7	0.3%	(0.2)	N/M	N/M	0.5x
	Cars.com Inc.	1,106.5	1,547.1	440.6	2.6x	713.0	166.7	23.4%	0.4	8.0x	9.3x	2.2x
	Americanas S.A.	171.0	5,489.4	5,216.5	N/M	2,658.5	37.6	1.4%	(9.6)	0.1x	N/M	2.1x
Median				$126.3	2.0x	$2,715.4	$392.2	22.6%	$0.4	24.2x	17.5x	3.4x
Mean				($1,974.5)	5.9x	$40,932.8	$7,773.7	27.6%	$1.1	24.8x	19.2x	5.9x

Source: S&P Capital IQ. Data as of September 30, 2024.

Public Comparables (LTM September 2024) (cont.)
E-Commerce and D2C

($ in Millions, Except per-Share Prices)
As of 9/30/24

						LTM					TEV/	
		Market Cap USDM	EV USDM	Net Debt USDM	Net Debt/ LTM EBITDA	Revenue USDM	EBITDA USDM	EBITDA Margin	EPS	Forward P/E	LTM EBITDA	LTM Revenue
Direct-to-Consumer	Hims & Hers Health, Inc.	$3,986.9	$3,771.1	($227.3)	N/M	$1,067.1	$29.4	2.8%	$0.1	N/M	N/M	3.5x
	YETI Holdings, Inc.	3,473.3	3,437.2	(130.6)	N/M	1,758.2	321.5	18.3%	2.2	14.9x	10.7x	2.0x
	Warby Parker Inc.	1,956.9	1,911.2	(238.0)	N/M	719.9	23.7	3.3%	(0.4)	N/M	N/M	2.7x
	tonies SE	844.5	841.1	(3.2)	N/M	422.8	6.3	1.5%	(0.3)	N/M	N/M	2.0x
	RVRC Holding AB	518.2	490.3	(26.7)	N/M	173.6	37.5	21.6%	0.3	15.6x	13.1x	2.8x
	boohoo group PLC	503.7	794.4	274.0	17.2x	1,845.7	15.9	0.9%	(0.1)	N/M	49.9x	0.4x
	The Honest Company, Inc.	357.3	346.6	(36.6)	6.4x	355.7	(5.7)	N/M	(0.1)	N/M	N/M	1.0x
	BARK, Inc.	282.9	251.7	(77.8)	3.2x	485.8	(24.5)	N/M	(0.2)	N/M	N/M	0.5x
	Allbirds, Inc.	93.1	71.8	(87.2)	1.2x	220.1	(70.6)	N/M	(17.5)	N/M	N/M	0.3x
	Solo Brands, Inc.	82.6	383.0	142.1	3.5x	492.5	40.2	8.2%	(2.2)	3.8x	9.5x	0.8x
	Brilliant Earth Group, Inc.	28.7	67.7	(94.2)	N/M	441.3	19.0	4.3%	0.1	28.1x	3.6x	0.2x
Median				($77.8)	3.5x	$485.8	$19.0	3.8%	($0.1)	15.3x	10.7x	1.0x
Mean				($45.9)	6.3x	$725.7	$35.7	7.6%	($1.7)	15.6x	17.4x	1.5x
Overall Median				$13.2	2.6x	$1,185.8	$38.6	6.9%	($0.0)	22.5x	16.8x	1.0x
Overall Mean				($1,064.2)	5.1x	$19,296.8	$3,081.3	15.4%	($0.2)	24.5x	17.4x	2.9x

Source: S&P Capital IQ. Data as of September 30, 2024.

Public Comparables (2024E)
E-Commerce and D2C

($ in Millions, Except per-Share Prices)
As of 9/30/24

		Net Debt/2023 EBITDA	EV/Revenue		EV/EBITDA		P/E		2022–24 CAGR		EBITDA Margin		Forward P/E	
			2023	2024E	2023	2024E	2023	2024E	Revenue	EBITDA	2023	2024E	2023	2024E
Inventory-Based E-Commerce	JD.com, Inc.	N/M	0.3x	0.3x	7.3x	7.5x	18.6x	10.0x	3.3%	13.2%	4.6%	4.3%	12.2x	9.6x
	ZOZO, Inc.	N/M	7.6x	7.2x	24.7x	N/A	37.7x	N/A	4.0%	(100.0%)	31.0%	0.0%	34.8x	34.4x
	Vipshop Holdings Ltd.	N/M	0.4x	0.4x	3.8x	3.9x	7.7x	6.8x	1.0%	12.6%	9.6%	9.9%	6.2x	6.4x
	Zalando SE	N/M	0.7x	0.6x	13.7x	8.9x	N/M	33.5x	2.6%	53.6%	4.8%	7.2%	43.0x	28.2x
	Wayfair Inc.	N/M	0.8x	0.8x	N/M	19.1x	N/M	N/M	(1.6%)	N/A	N/M	4.3%	N/M	N/M
	Ocado Group PLC	18.8x	1.6x	1.4x	N/M	32.5x	N/M	N/M	15.8%	N/A	2.3%	4.4%	N/M	N/M
	Redcare Pharmacy NV	0.6x	1.5x	1.1x	N/M	39.9x	N/M	N/M	43.4%	N/A	1.2%	2.8%	N/M	N/M
	THG PLC	18.3x	0.8x	0.7x	38.8x	11.2x	N/M	N/M	0.0%	253.1%	1.9%	6.5%	N/M	N/M
	AO World PLC	0.5x	0.7x	0.6x	11.5x	10.1x	27.5x	23.5x	1.7%	51.1%	5.8%	5.9%	28.2x	22.4x
	Boozt AB	0.5x	1.0x	0.9x	15.0x	11.2x	32.8x	23.0x	13.3%	27.9%	6.4%	8.0%	24.9x	23.3x
	ASOS PLC	N/M	0.4x	0.4x	N/M	13.0x	N/M	N/M	(4.4%)	N/A	N/M	2.9%	N/M	N/M
	About You Holding SE	N/M	0.3x	0.3x	N/M	18.0x	N/M	N/M	6.9%	N/A	N/M	1.5%	N/M	N/M
	DocMorris AG	N/M	0.7x	0.7x	N/M	N/M	N/M	N/M	11.2%	(36.9%)	N/M	N/M	N/M	N/M
	1-800-FLOWERS.COM, Inc.	1.1x	0.3x	0.4x	4.9x	7.7x	N/M	N/M	(8.8%)	(16.2%)	7.1%	4.8%	29.4x	48.1x
	Victorian Plumbing Group PLC	0.5x	1.3x	1.1x	19.6x	11.9x	28.9x	22.8x	11.8%	47.2%	6.5%	9.3%	22.0x	21.0x
	Kogan.com Ltd.	N/M	1.1x	1.0x	27.5x	11.2x	N/M	22.4x	(7.9%)	N/A	4.0%	9.3%	38.9x	20.4x
	BHG Group AB	6.7x	0.4x	0.5x	15.8x	8.5x	N/M	N/M	(13.4%)	(3.2%)	2.8%	6.3%	N/M	25.9x
	Westwing Group SE	N/M	0.3x	0.3x	14.0x	5.9x	N/M	N/M	3.0%	N/A	2.0%	4.6%	N/M	N/M
	Verkkokauppa.com Oyj	1.7x	0.2x	0.2x	9.0x	11.7x	37.2x	N/M	(4.0%)	5.7%	2.1%	1.7%	11.5x	N/M
	Mister Spex SE	1.7x	0.2x	0.3x	N/M	N/M	N/M	N/M	2.9%	(58.2%)	N/M	N/M	N/M	N/M
	PetMed Express, Inc.	N/M	0.1x	0.1x	15.6x	6.7x	N/M	N/A	1.2%	(47.1%)	0.7%	1.7%	43.3x	N/M
	Bike24 Holding AG	N/M	0.4x	0.4x	N/M	17.0x	N/M	N/M	(3.7%)	(11.2%)	N/M	2.4%	N/M	N/M
	Delticom AG	4.3x	0.2x	0.2x	6.7x	5.9x	4.7x	10.6x	(2.7%)	54.2%	3.5%	1.0%	10.7x	10.8x
Median		1.7x	0.4x	0.5x	14.0x	11.2x	28.2x	22.6x	1.7%	9.2%	4.0%	4.4%	26.5x	22.4x
Mean		5.0x	0.9x	0.9x	15.2x	13.1x	24.4x	19.1x	3.3%	15.4%	5.7%	4.7%	25.4x	22.8x

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 September 30, 2024.

Public Comparables (2024E) (cont.)
E-Commerce and D2C

($ in Millions, Except per-Share Prices)
As of 9/30/24

		Net Debt/2023 EBITDA	EV/Revenue		EV/EBITDA		P/E		2022–24 CAGR		EBITDA Margin		Forward P/E	
			2023	2024E	2023	2024E	2023	2024E	Revenue	EBITDA	2023	2024E	2023	2024E
Aggregators, Platforms, and Marketplaces	Amazon.com, Inc.	0.7x	3.5x	3.2x	20.6x	14.8x	N/M	39.4x	11.2%	43.8%	17.1%	21.5%	N/M	36.2x
	Alibaba Group Holding Ltd.	N/M	1.8x	1.7x	8.6x	8.7x	19.4x	12.2x	5.9%	4.3%	20.7%	19.2%	11.2x	11.8x
	MercadoLibre, Inc.	N/M	7.1x	5.0x	35.3x	30.2x	N/M	N/M	39.4%	46.1%	20.1%	16.6%	N/M	48.0x
	Copart, Inc.	N/M	11.6x	10.7x	26.5x	25.6x	37.4x	36.0x	9.4%	9.0%	43.9%	41.8%	35.2x	33.7x
	eBay Inc.	1.2x	3.4x	3.4x	13.3x	10.8x	12.5x	13.5x	2.6%	5.0%	25.8%	31.3%	14.8x	12.9x
	REA Group Ltd.	0.1x	18.0x	17.2x	41.7x	30.4x	N/M	N/M	5.2%	24.8%	43.2%	56.8%	N/M	49.5x
	Zillow Group, Inc.	6.5x	7.1x	6.3x	N/M	29.5x	N/M	46.6x	5.7%	168.7%	N/M	21.4%	48.1x	40.2x
	Rakuten Group, Inc.	N/M	0.8x	0.8x	13.8x	6.7x	N/M	N/A	3.7%	N/A	6.0%	11.6%	N/M	N/M
	Delivery Hero SE	N/M	1.4x	1.2x	N/M	18.9x	N/M	N/M	19.7%	N/A	N/M	6.4%	N/M	N/M
	Auto Trader Group PLC	0.0x	14.9x	13.2x	23.0x	19.5x	34.2x	26.8x	16.5%	18.4%	64.6%	67.7%	30.1x	26.6x
	CAR Group Ltd.	2.1x	15.8x	13.2x	32.9x	25.3x	40.6x	39.0x	40.3%	46.8%	48.0%	52.1%	41.7x	38.2x
	Allegro.eu S.A.	1.4x	4.0x	3.5x	19.8x	13.1x	N/M	23.3x	20.4%	40.0%	20.1%	26.5%	29.3x	21.0x
	Etsy, Inc.	3.1x	2.8x	2.8x	17.6x	10.1x	24.8x	12.3x	4.7%	29.7%	16.0%	27.4%	11.9x	11.7x
	Rightmove PLC	N/M	14.0x	12.4x	19.5x	17.5x	26.6x	23.9x	14.2%	11.9%	71.9%	70.8%	25.3x	23.0x
	Scout24 SE	0.7x	11.1x	10.3x	22.4x	16.9x	32.1x	27.9x	11.2%	29.7%	49.3%	61.0%	28.1x	26.3x
	Autohome Inc.	N/M	0.9x	0.9x	4.0x	4.2x	15.1x	14.0x	0.2%	(8.9%)	22.2%	21.1%	15.2x	14.2x
	Just Eat Takeaway.com N.V.	N/M	0.7x	0.7x	N/M	7.6x	N/M	N/M	(0.9%)	N/A	N/M	8.8%	N/M	N/M
	AUTO1 Group SE	N/M	0.5x	0.4x	N/M	42.0x	N/M	N/M	(3.0%)	N/A	N/M	1.0%	N/M	N/M
	Cars.com Inc.	2.7x	2.2x	2.1x	9.5x	7.5x	9.6x	9.4x	5.2%	11.1%	23.7%	28.7%	7.7x	7.6x
	Americanas S.A.	N/M	1.8x	0.9x	N/M	6.1x	N/M	0.1x	12.1%	N/A	N/M	14.7%	N/M	0.1x
Median		1.3x	3.5x	3.3x	19.8x	15.9x	25.7x	23.6x	7.6%	24.8%	23.7%	24.0%	26.7x	24.7x
Mean		1.9x	6.2x	5.5x	20.6x	17.3x	25.2x	23.2x	11.2%	32.0%	32.8%	30.3%	24.9x	25.1x

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 September 30, 2024.

Public Comparables (2024E) (cont.)
E-Commerce and D2C

($ in Millions, Except per-Share Prices)
As of 9/30/24

		Net Debt/2023 EBITDA	EV/Revenue		EV/EBITDA		P/E		2022–24 CAGR		EBITDA Margin		Forward P/E	
			2023	2024E	2023	2024E	2023	2024E	Revenue	EBITDA	2023	2024E	2023	2024E
Direct-to-Consumer	Hims & Hers Health, Inc.	15.3x	4.3x	2.7x	N/M	25.3x	N/M	32.1x	62.4%	N/A	N/M	10.7%	N/M	N/M
	YETI Holdings, Inc.	N/M	2.1x	1.9x	11.8x	9.8x	21.1x	15.6x	7.2%	38.4%	17.6%	19.1%	15.7x	14.9x
	Warby Parker Inc.	N/M	2.9x	2.5x	N/M	26.5x	N/M	N/M	12.8%	N/A	0.3%	9.5%	N/M	N/M
	tonies SE	1.1x	2.1x	1.6x	N/M	21.7x	N/M	N/M	40.1%	N/A	N/M	7.2%	N/M	N/M
	RVRC Holding AB	N/M	2.8x	2.5x	13.0x	12.0x	18.4x	16.4x	17.2%	16.8%	21.9%	21.1%	16.0x	16.0x
	boohoo group PLC	20.6x	0.4x	0.4x	N/M	9.1x	N/M	N/M	(6.5%)	76.3%	0.7%	4.6%	N/M	N/M
	The Honest Company, Inc.	0.3x	1.0x	0.9x	N/M	20.4x	N/M	N/M	8.4%	N/A	N/M	4.6%	N/M	N/M
	BARK, Inc.	0.9x	0.5x	0.5x	N/M	N/M	N/M	N/M	(4.4%)	N/A	N/M	0.0%	N/M	N/M
	Allbirds, Inc.	0.3x	0.3x	0.4x	N/M	N/M	N/M	N/M	(19.1%)	4.1%	N/M	N/M	N/M	N/M
	Solo Brands, Inc.	3.0x	0.8x	0.8x	6.5x	8.6x	N/M	5.3x	(4.2%)	(18.3%)	11.8%	9.4%	1.5x	3.9x
	Brilliant Earth Group, Inc.	N/M	0.2x	0.2x	4.0x	4.7x	N/M	39.2x	(2.4%)	(31.5%)	3.8%	3.4%	12.8x	28.1x
Median		1.1x	1.0x	0.9x	9.2x	12.0x	19.8x	16.4x	7.2%	10.4%	7.8%	8.3%	14.2x	15.5x
Mean		5.9x	1.6x	1.3x	8.8x	15.3x	19.8x	21.7x	10.1%	14.3%	9.3%	9.0%	11.5x	15.7x
Overall Median		1.3x	1.0x	0.9x	14.5x	11.7x	25.7x	22.8x	4.3%	13.2%	8.4%	8.8%	23.5x	22.4x
Overall Mean		4.1x	3.0x	2.7x	16.8x	15.2x	24.4x	21.7x	7.6%	22.0%	17.0%	15.6%	23.2x	23.0x

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 September 30, 2024.

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