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# Online Retail Market Monitor

*Winter 2023-2024*


# Proven Track Record of Successful Transactions

**KANDUI**

has raised capital from Private Investors to support


Simple. 

We provided investment banking services for


BEYOND YOGA 

in its acquisition by





has been acquired by



**Penetrex**

has been acquired by



a portfolio company of



**ANNEX**  
PRODUCTS

parent of



has been acquired by



*Best Friends*  
BY SHERI

has been acquired by



a portfolio company of



**Zone 4**  
Systems Integration and Design  
A Paradigm Holdings Group Company

has been acquired by



**JOHNNY WAS**

has been acquired by

 ENDEAVOUR

# Online Retail Trends

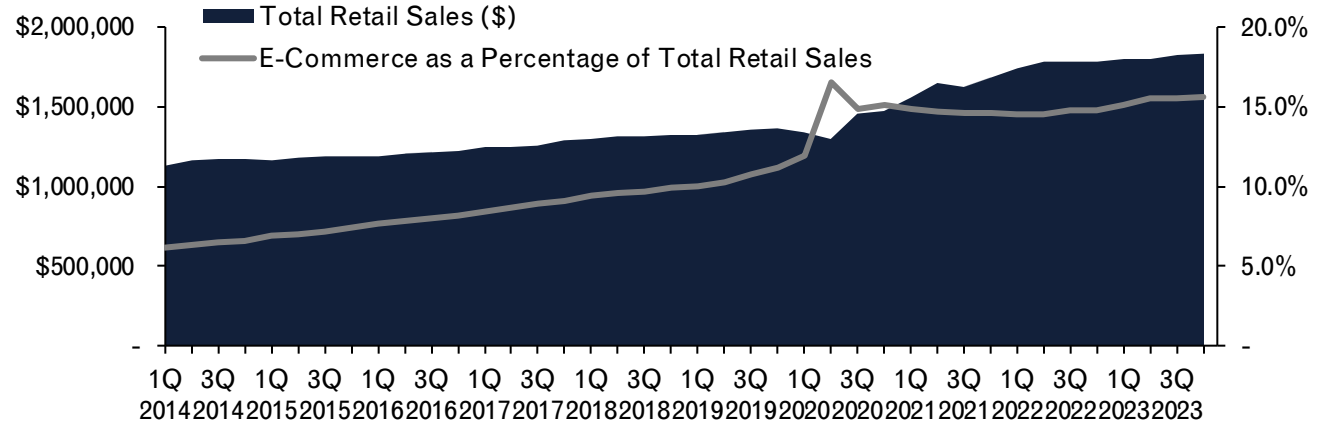
In Q4 of 2023, the total retail sales in the United States amounted to \$1,831 billion, marking a 2.7% uptick from Q4 2022.

Notably, online sales in the US exhibited resilience by reaching \$285 billion, constituting about 15% of the overall retail sales. This represented a 7.5% surge from Q4 2022, reflecting a compound annual growth rate ("CAGR") of 12.6% since Q4 2020.

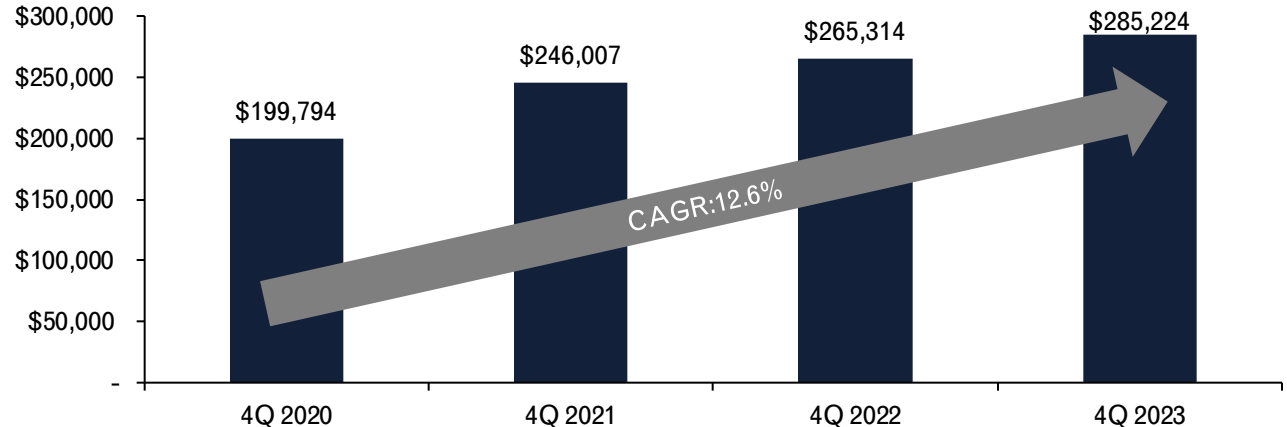
The M&A landscape in the online sector has been relatively subdued throughout 2023. Factors such as inflation, escalating interest rates, tightened capital markets, and concerns regarding a potential recession have collectively contributed to a reduction in the number of deals.

However, despite these challenges, robust brands are thriving and seizing market share from smaller or financially strained competitors. According to our consumer bankers, brands that are excelling in the current market environment are distinctly set apart from the rest. **Consequently, these brands possess the ability to attract multiple investors or suitors, allowing them to command extraordinary valuations.**

U.S. Online Sales as a Share of Total Retail Sales (*\$ in millions*)



U.S. Online Sales (*\$ in millions*)



Source: U.S. Census Bureau

# Public Company Valuations

\$ in millions, except share price		12/31/23			TTM Data					NTM Est. Growth		EV Multiple			
Category	Company Name	Share Price	Market Cap	Enterprise Value	Sales	Gross Profit	Gross Margin	Adj. EBITDA	EBITDA Margin	Sales	EBITDA	TTM Sales	TTM Adj. EBITDA	NTM Sales	NTM EBITDA
Online Retailers / Brands	Amazon.com, Inc.	\$151.94	\$1,570,153	\$1,672,049	\$554,028	\$256,202	46.2%	\$80,930	14.6%	11.5%	46.1%	3.02x	19.4x	2.7x	14.1x
	eBay Inc.	43.62	22,639	22,114	10,060	7,256	72.1%	2,683	26.7%	1.0%	18.0%	2.20x	8.2x	2.2x	7.0x
	Etsy, Inc.	81.05	9,705	11,118	2,713	1,915	70.6%	428	15.8%	3.8%	81.9%	4.10x	25.9x	3.9x	14.3x
	Wayfair Inc.	61.70	7,277	10,030	11,990	3,616	30.2%	(703)	NA	2.8%	(158.4%)	0.84x	NA	0.8x	24.4x
	Beyond, Inc.	27.69	1,254	969	1,582	344	21.7%	(45)	NA	(3.0%)	133.3%	0.61x	NA	0.6x	NA
	Revolve Group, Inc.	16.58	1,196	971	1,070	553	51.7%	43	4.0%	0.3%	(2.3%)	0.91x	22.5x	0.9x	23.0x
	1-800-FLOWERS.COM, Inc.	10.78	700	1,049	1,983	758	38.2%	88	4.4%	(2.7%)	12.1%	0.53x	12.0x	0.5x	10.7x
	Lands' End, Inc.	9.56	301	635	1,487	602	40.5%	72	4.8%	(4.6%)	18.7%	0.43x	8.8x	0.4x	7.4x
	Duluth Holdings Inc.	5.38	185	401	643	330	51.4%	22	3.5%	(0.0%)	76.6%	0.62x	18.0x	0.6x	10.2x
	CarParts.com, Inc.	3.16	182	155	674	229	34.1%	8	1.2%	2.5%	176.2%	0.23x	19.4x	0.2x	7.0x
PetMed Express, Inc.	7.56	154	103	271	75	27.8%	(2)	NA	13.2%	(816.0%)	0.38x	NA	0.3x	6.8x	
	Median	\$1,196	\$971	\$1,582	\$602	\$43	40.5%	\$43	4.6%	1.0%	18.7%	0.62x	18.7x	0.6x	10.4x
	Average	\$146,704	\$156,327	\$53,318	\$24,716	\$7,593	44.0%	\$7,593	9.4%	2.3%	(37.6%)	1.26x	16.8x	1.2x	12.5x
E-Commerce Payment Processors	Fiserv, Inc.	\$132.84	\$79,729	\$102,614	\$18,807	\$10,999	58.5%	\$7,687	40.9%	1.4%	11.9%	5.46x	13.3x	5.4x	11.9x
	PayPal Holdings, Inc.	61.41	66,209	65,898	29,128	11,708	40.2%	5,450	18.7%	7.8%	42.3%	2.26x	12.1x	2.1x	8.5x
	Global Payments Inc.	127.00	33,069	49,205	9,474	5,773	60.9%	3,829	40.4%	(3.5%)	20.7%	5.19x	12.9x	5.4x	10.6x
	Shift4 Payments, Inc.	74.34	4,357	5,579	2,397	637	26.6%	333	13.9%	43.9%	NM	2.33x	16.7x	1.6x	9.3x
		Median	\$49,639	\$57,551	\$14,140	\$8,386	\$4,639	49.3%	\$4,639	29.6%	4.6%	20.7%	3.76x	13.1x	3.7x
	Average	\$45,841	\$55,824	\$14,951	\$7,279	\$4,325	46.5%	\$4,325	28.5%	12.4%	25.0%	3.81x	13.8x	3.6x	10.1x
E-Commerce Infrastructure	Shopify Inc.	\$77.90	\$100,187	\$96,391	\$6,651	\$3,251	48.9%	-\$77	NA	18.8%	(1804.8%)	NM	NA	12.2x	NM
	Snowflake Inc.	199.00	65,531	61,332	2,621	1,758	67.1%	(958)	NA	28.9%	(140.2%)	NM	NA	18.2x	NM
	VeriSign, Inc.	205.96	21,029	21,883	1,482	1,283	86.6%	1,035	69.9%	6.2%	15.8%	NM	21.1x	13.9x	18.2x
	GoDaddy Inc.	106.16	14,950	18,360	4,194	2,643	63.0%	737	17.6%	6.6%	74.8%	4.38x	24.9x	4.1x	14.3x
	Wix.com Ltd.	123.02	7,032	7,001	1,513	998	66.0%	(4)	NA	12.1%	(7246.7%)	4.63x	NA	4.1x	23.3x
	BigCommerce Holdings, Inc.	9.73	740	825	298	224	75.2%	(63)	NA	10.6%	(127.0%)	2.77x	NA	2.5x	48.5x
	Median	\$17,989	\$20,122	\$2,067	\$1,520	(\$34)	66.5%	(\$34)	43.7%	11.4%	(133.6%)	4.38x	23.0x	8.2x	20.8x
	Average	\$34,911	\$34,299	\$2,793	\$1,693	\$112	67.8%	\$112	43.7%	13.9%	(1538.0%)	3.93x	23.0x	9.2x	26.1x
Overall Online Retail	Median	\$7,277	\$10,030	\$2,397	\$1,283	\$72	51.4%	\$72	15.2%	3.8%	16.9%	2.23x	17.36x	2.18x	11.31x
	Average	\$95,551	\$102,318	\$31,574	\$14,817	\$4,833	51.3%	\$4,833	19.7%	7.5%	(478.3%)	2.27x	16.81x	3.94x	14.98x

## TRANSACTION DATA

# Select, Recent M&A Activity

\$ in millions

Close Date	Target	Acquirer/Investor	Short Description	Implied EV	EV/ Revenue	EV/ EBITDA
Dec-23	Online Labels Group, LLC	Sentinel Capital Partners, L.L.C.	Provides blank and custom printed sheeted, and roll labels online	-	-	-
Dec-23	Spiritual Gangster Holdings, Inc.	Unified Commerce Group	Retails yoga inspired clothing online	-	-	-
Dec-23	Hay House, Inc.	Penguin Random House LLC	Publishes books, audio CDs, DVDs, and card decks	-	-	-
Dec-23	Kenkoderm, LLC	NEXGEL, Inc.	Operates as a skincare company focused on treating Psoriasis symptoms	\$1.1	-	-
Dec-23	My Perfect Pet, Inc.	Antelope	Produces all natural human-grade food for dogs	-	-	-
Nov-23	Bonafide Health, LLC	Pharmavite LLC	Manufactures women's healthcare products	\$425.0	-	-
Nov-23	Mitchell Gold + Bob Williams	Surya Carpet Inc.	Manufactures and sells furniture	-	-	-
Nov-23	Day Motor Sports, LLC	Private Investor	Operates as an online retailer of circle track racing parts	-	-	-
Nov-23	Blue Apron Holdings, Inc.	Wonder Group, Inc.	Operates a home-cooked meal prep box delivery service	\$111.6	0.26x	-
Nov-23	Fera Pets, Inc.	Gold Medal Ventures	Produces and sells supplements for dogs and cats by using natural and holistic ingredients	-	-	-
Nov-23	TDBBS, LLC	Central Garden & Pet Company	Manufactures, distributes, and sells dog treats and chews	\$60.0	-	-
Nov-23	Legvera Corp, LLC	Website Closers, LLC	Online retail of stockings and accessories for men, women, and unisex	-	-	-
Nov-23	Bowman Promotional Specialties	Target Print & Mail	Sells promotional products through an online portal	-	-	-
Nov-23	Hyde Park Jewelers, Inc.	1916 Company	Operates as a retailer of timepieces, designer jewelry, and gemstones	-	-	-
Nov-23	Radcliffe Jewelers	1916 Company	Operates as an online luxury merchandise retailer	-	-	-
Nov-23	Sahale Snacks, Inc.	Kar Nut Products Company, LLC	Produces, processes, and markets nuts and dried fruits snacks	\$34.0	0.71x	-
Nov-23	Austin Eastciders, Inc.	Blakes Hard Cider Co.	Produces ciders from apples	-	-	-
Oct-23	Love Grown Foods, LLC	Hive Brands Holdings, Inc.	Produces and sells oats, cereal, and granola products	-	-	-
Oct-23	Griffo Distillery LLC	MGD Acquisition, LLC	Produces and retails gins, vodkas, whiskeys, liqueurs, and other spirits	-	-	-
Oct-23	Texas Book Company	Bibliotech Education Ltd.	Distributes college textbooks	-	-	-
Oct-23	The Spa Dr., LLC	Trafilea Tech E-commerce Group	Manufactures and sells skincare products	-	-	-
Oct-23	WallsThatSpeak	Craig Frames Inc.	Retails framed art, stretched canvas, picture frames, decorative fine art prints and decor online	-	-	-
Oct-23	Soffseal, Inc.	ALP USA Inc.	Manufactures weatherstripping, rubber, and sealing products for car projects	-	-	-
Oct-23	Shotgun Seltzer LLC	Alamo Beer Company, L.L.C.	Production and marketing of alcoholic canned spiked seltzer and cocktail products	-	-	-
Oct-23	Junkless Foods Inc.	Impact Capital	Manufactures and sells packaged snack food products	-	-	-
Oct-23	Discountcell, LLC	Alliance US Holding, LP	Online retail of cell phone and tablet accessories	-	-	-
Oct-23	Drinks Insiders, LLC	Full Glass Wine Co.	Engages in retailing of wines	-	-	-
Sep-23	Electric Supply Inc.	World Electric Supply Inc.	Distributes electrical and data communication products	-	-	-
Sep-23	We Are The Ripple	Velocity Capital Partners, LLC	Manufactures and sells ripple bottles, tumblers, and accessories	-	-	-

EXPERIENCE

# Proven Track Record of Successful Outcomes

- Deep expertise and strong relationships with relevant market participants
- Battle tested process that drives maximum valuation and enhanced terms
- Exclusive focus on private, middle market companies
- A life-cycle approach to client service



# What We're About

## Results Driven

Meticulously craft a transaction blueprint with steadfast commitment to achieve our clients' goals

## Experienced Investment Banking Professionals

A 22-year firm with professionals with 125 years combined experience in middle market mergers & acquisitions and corporate finance advisory services

## Objective Advice

We provide frank advice, backed with analysis and perspective, to map out and execute a process to reach our clients' transaction objectives

## Industry Expertise

Real-time pulse of sector activity, corporate, family office & private equity participants and enterprise valuation metrics

## The Right Capital

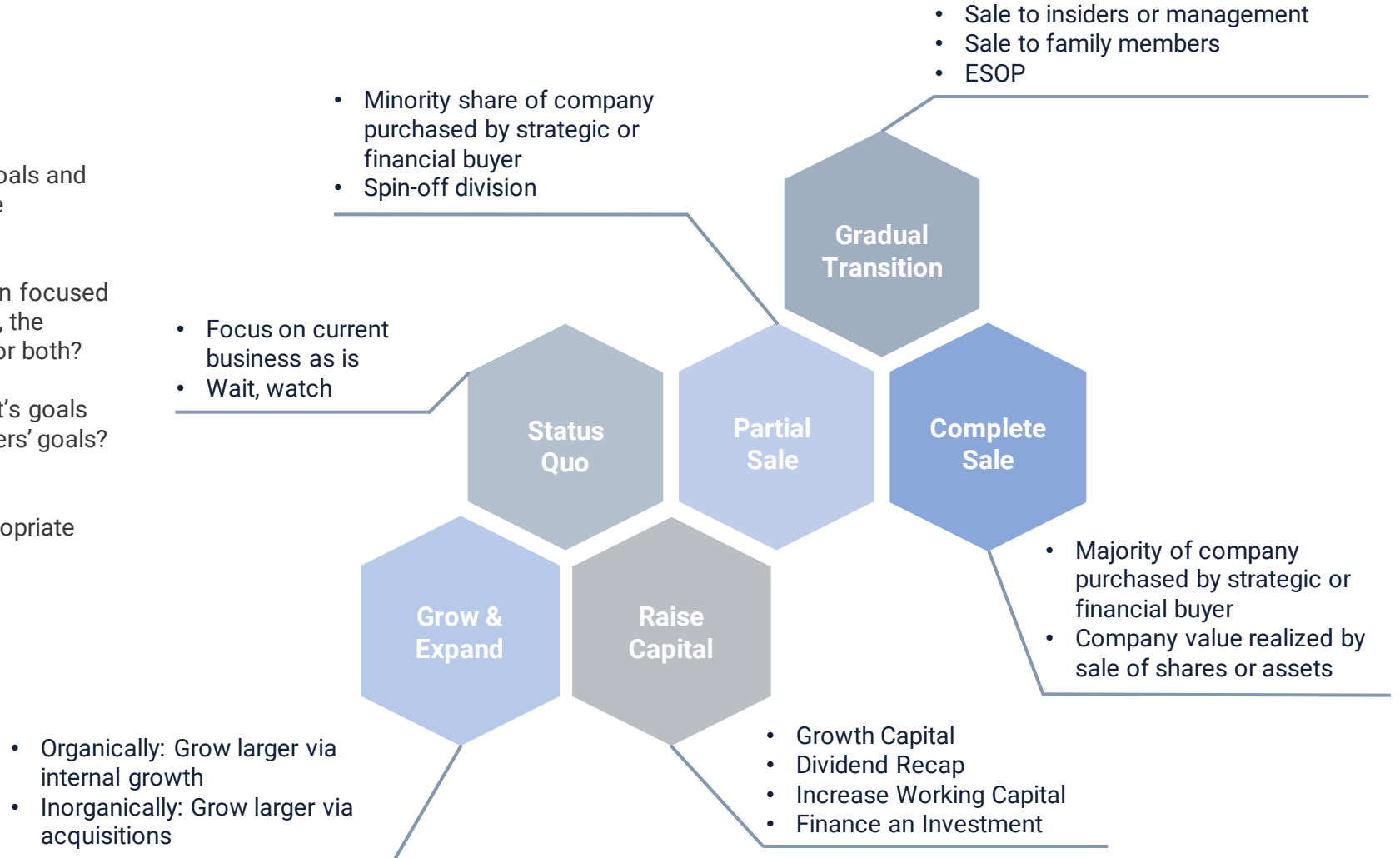
Capital is a commodity ... the investor behind the capital is targeted based on our clients' objectives

## Senior Banker Immersion

From engagement inception through post-closing transaction functions, our senior bankers are front and center

# Our Clients

- What are your goals and objectives of the transaction?
- Is the transaction focused on the company, the shareholder(s), or both?
- Do management's goals differ from owners' goals? How so?
- What is the appropriate timing?





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