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E-Commerce Industry M&A Update

June 2016

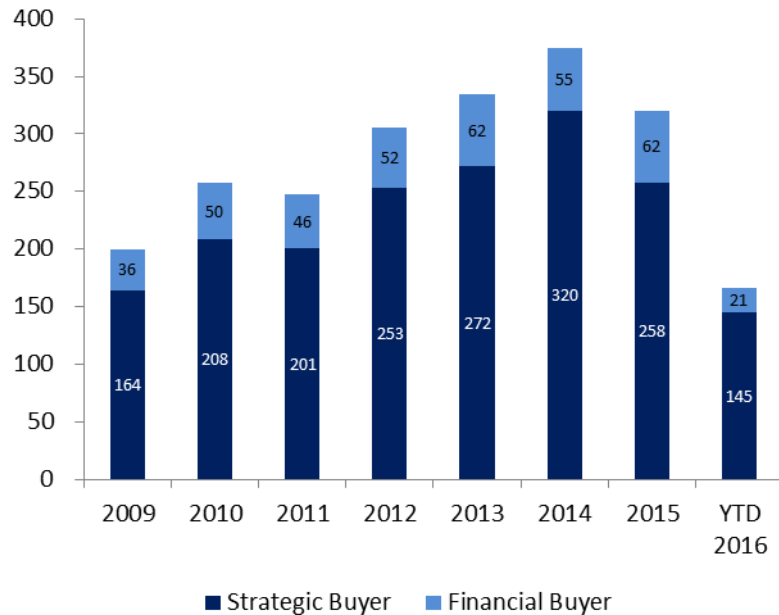
E-Commerce M&A Update

- E-Commerce M&A continues to see strong activity. YTD 2016 transaction volume of 166 deals is on pace with 2015 levels. During 2015, there were 320 transactions.
- For Year-to-Date 2016, strategic buyers accounted for 87% of the e-commerce M&A transactions with financial buyers making up the difference. During 2015, strategic buyers accounted for approximately 80% of the transactions.
- For announced transactions (albeit a limited sample size), e-commerce multiples saw 9.7x EBITDA and 2.0x revenue in Year-to-Date 2016.
- Peakstone equally weighted e-commerce index continues to outperform the S&P 500.
- Notable publicly announced transactions:
 - Salesforce.com Inc. announced the acquisition of Demandware Inc. for approximately \$2.8 billion.
 - GP Investments Acquisition Corp. entered into a definitive agreement to acquire WKI Holding Company, Inc. for approximately \$741 million.
 - MKS Instruments, Inc. signed a merger agreement to acquire Newport Corp. for approximately \$1 billion.
 - Dalian Wanda Group Corporation Ltd. agreed to acquire Legend Pictures, LLC for approximately \$3.5 billion.

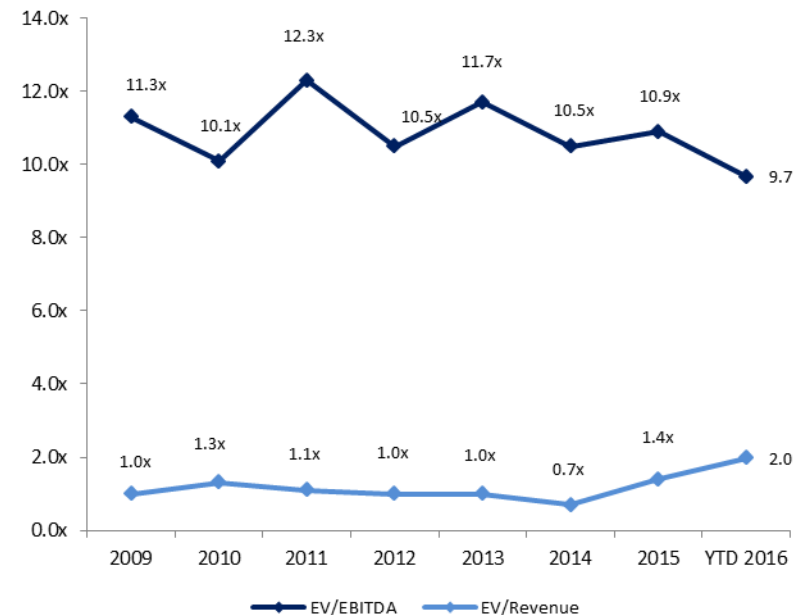
E-Commerce - M&A Market Overview

E-Commerce transaction activity has been strong with favorable valuation trends

U.S. Internet Retail Transactions by Buyer Type

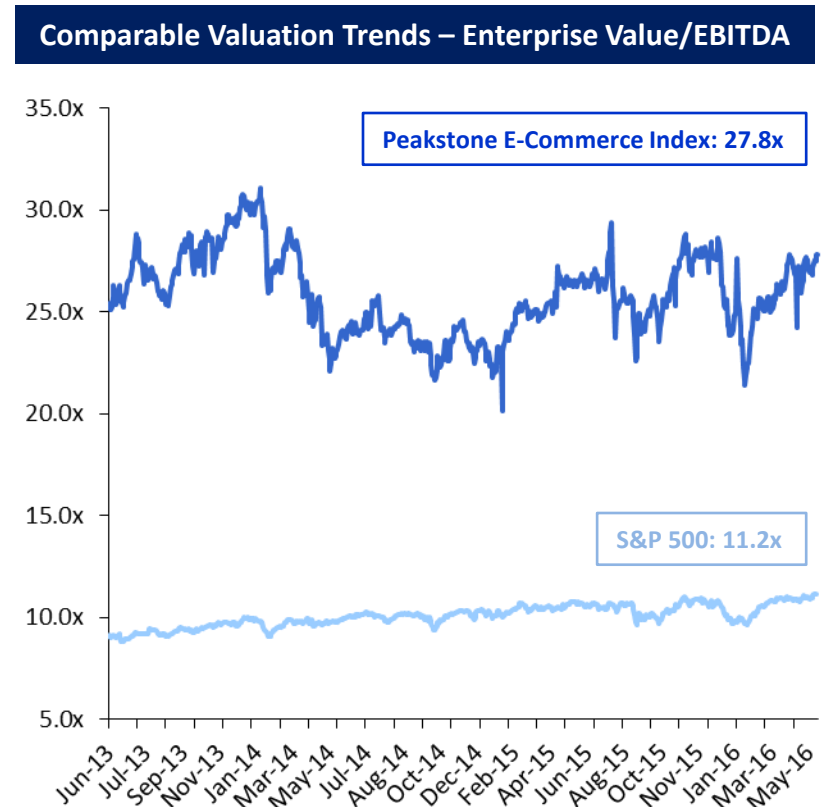
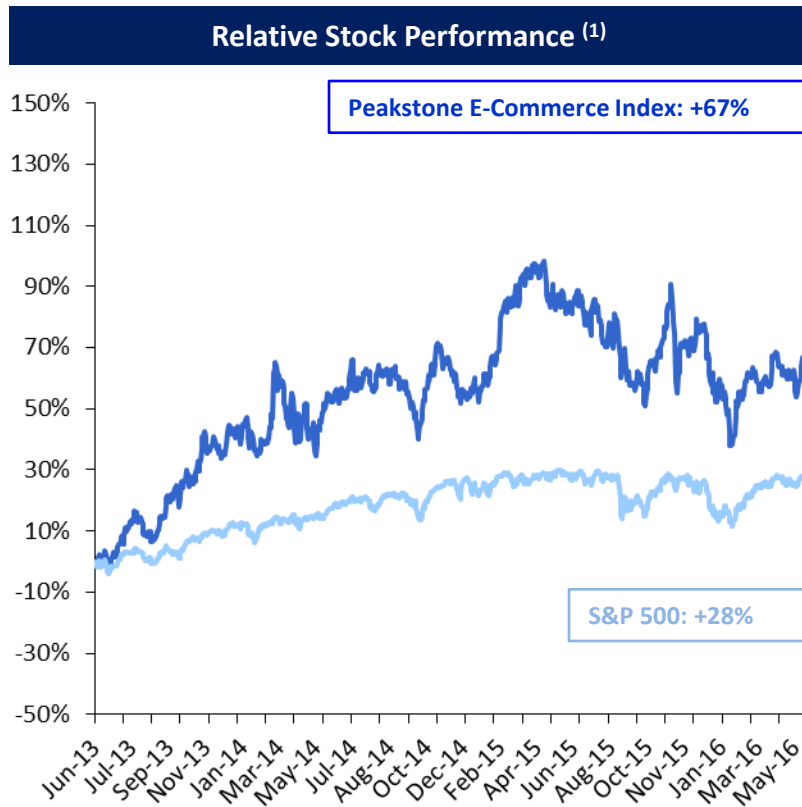


U.S. Internet Retail Transaction Multiples



Peakstone E-Commerce Index - Trading Statistics

E-Commerce has outperformed the S&P 500 over the last 3 years



Peakstone E-Commerce Index: AMZN, ASC, EBAY, FLWS, NILE, OSTK, PCLN, PETS, PRYS, SFLY, STMP, VIPS, W

⁽¹⁾ Equally weighted

Selected Public Trading Comparables

Peakstone E-Commerce Index

(\$ in millions)

Company Name	Market Cap	Enterprise Value	Enterprise Value/			Forward P/E Ratio	Gross Margin %	EBITDA Margin %
			Revenue	EBITDA	EBIT			
Amazon.com, Inc.	\$341,033	\$342,786	3.0x	38.1x	115.6x	108.7x	33.8%	8.0%
The Priceline Group Inc.	\$62,761	\$65,802	6.9x	18.0x	19.5x	18.6x	93.6%	38.3%
eBay Inc.	\$28,102	\$29,125	3.4x	9.8x	12.8x	12.9x	78.8%	34.4%
Vipshop Holdings Limited	\$6,749	\$6,729	1.0x	15.4x	19.9x	15.6x	24.5%	6.6%
ASOS Plc	\$4,155	\$3,960	2.2x	43.6x	54.7x	61.5x	50.0%	5.0%
Wayfair Inc.	\$3,489	\$3,179	1.2x	NM	NM	NM	24.0%	(2.9%)
Shutterfly, Inc.	\$1,664	\$1,874	1.7x	15.5x	76.3x	128.3x	49.9%	11.2%
Stamps.com Inc.	\$1,588	\$1,640	6.5x	20.3x	23.3x	14.2x	80.6%	32.1%
1-800-Flowers.com Inc.	\$527	\$587	0.5x	6.9x	11.1x	16.9x	44.1%	7.3%
PetMed Express, Inc.	\$380	\$342	1.5x	10.3x	10.6x	17.5x	32.5%	14.1%
Overstock.com Inc.	\$432	\$331	0.2x	41.2x	NM	20.2x	18.3%	0.5%
Blue Nile Inc.	\$306	\$277	0.6x	16.5x	18.0x	28.7x	19.4%	3.5%
U.S. Auto Parts Network, Inc.	\$134	\$145	0.5x	20.6x	NM	87.7x	29.3%	2.4%
Median			1.5x	17.3x	19.7x	19.4x	33.8%	7.3%

Selected Precedent M&A Transactions

Selected E-Commerce Transactions

Date	Target	Size (\$mm)	Buyers/Investors	EV / EBITDA	Transaction Comments
May-16	Baby Tula LLC	\$82	The ERGO Baby Carrier, Inc.	6.3x	The ERGO Baby Carrier, Inc. entered into a definitive agreement to acquire New Baby Tula LLC for \$82 million on May 9, 2016.
May-16	The Mountain Corporation	\$26	Gladstone Investment Corporation (NasdaqGS:GAIN); Gladstone Management Corporation	-	Gladstone Investment Corporation (NASDAQ:GAIN) managed by Gladstone Management Corporation together with executive management team of the Mountain Corporation acquired The Mountain Corporation for \$25.5 million on May 9, 2016.
May-16	ReNew Life Formulas, Inc.	\$290	The Clorox Company (NYSE:CLX)	-	The Clorox Company (NYSE:CLX) acquired ReNew Life Formulas, Inc. from Swander Pace Capital and other shareholders for \$290 million in cash on May 2, 2016.
Apr-16	Southern Tide, LLC	\$85	Oxford of South Carolina, Inc.	-	Oxford Of South Carolina, Inc. acquired Southern Tide, LLC from a group of investors for \$85 million in cash on April 19, 2016.
Apr-16	WKI Holding Company, Inc.	\$741	GP Investments Acquisition Corp. (NasdaqCM:GPIA)	9.8x	GP Investments Acquisition Corp. (NasdaqCM:GPIA) entered into a definitive agreement to acquire WKI Holding Company, Inc. for \$500 million in cash and stock on April 19, 2016.
Apr-16	Sheehan Pipe Line Construction Company	\$30	Ritchie Bros. Auctioneers (America), Inc.	-	Richie Bros Auctioneers (Ameriac) Inc agreed to acquire substantially all of assets of Sheehan Pipe Line Construction Company for \$29.5 million on April 25, 2016.
Apr-16	The Meadows of Wickenburg, Inc.	\$180	Alita Care, LLC	-	Alita Care, LLC agreed to acquire The Meadows of Wickenburg, Inc. from American Capital, Ltd. (NasdaqGS:ACAS) and others for approximately \$180 million on April 18, 2016.
Apr-16	Waterworks Operating Company LLC	\$117	Restoration Hardware Holdings, Inc. (NYSE:RH)	-	Restoration Hardware Holdings, Inc. (NYSE:RH) agreed to acquire Waterworks Operating Company LLC from Peter Sallick, Ralph Bennett and others for approximately \$120 million on April 12, 2016.
Apr-16	JAYBIRD, LLC	\$95	Logitech Europe S.A.	-	Logitech Europe S.A. agreed to acquire Jaybird LLC for \$95 million in cash on April 12, 2016.
Feb-16	Steel Technology LLC	\$210	Helen of Troy Limited (NasdaqGS:HELE)	-	Helen of Troy Limited (NasdaqGS:HELE) entered into a definitive purchase agreement to acquire membership units of Steel Technology, LLC for approximately \$210 million in cash on February 26, 2016.
Feb-16	Newport Corp.	\$1,045	MKS Instruments, Inc. (NasdaqGS:MKSI)	13.0x	MKS Instruments, Inc. (NasdaqGS:MKSI) signed a merger agreement to acquire Newport Corp. for approximately \$970 million in cash on February 22, 2016.
Feb-16	Ebuys, Inc.	\$118	DSW Shoe Warehouse, Inc.	-	DSW Shoe Warehouse, Inc. signed a stock purchase agreement to acquire Ebuys, Inc. from David Tam Duong, Willard Ba Huynh for approximately \$120 million on February 16, 2016.
Feb-16	Fitnesskeeper Inc.	\$85	ASICS Corp. (TSE:7936)	-	ASICS Corp. (TSE:7936) entered into an agreement to acquire Fitnesskeeper Inc. from Jason Jacobs, OATV II, LP, Spark Capital III, L.P., Revolution Ventures II, LP, and other shareholders for \$85 million on February 12, 2016.
Feb-16	MICO, Incorporated	\$75	WABCO Holdings Inc. (NYSE:WBC)	-	WABCO Holdings Inc. (NYSE:WBC) acquired MICO, Inc. for \$74.5 million on February 1, 2016.

Selected Precedent M&A Transactions (continued)

Selected E-Commerce Transactions

Date	Target	Size (\$mm)	Buyers/Investors	EV / EBITDA	Transaction Comments
Feb-16	mophie, inc.	\$105	ZAGG Inc (NasdaqGS:ZAGG)	-	ZAGG Inc (NasdaqGS:ZAGG) signed an agreement and plan of merger to acquire mophie, inc. from Daniel Huang, Shawn Daugherty, InvestMichigan! Growth Capital Fund, L.P. and other investors for approximately \$100 million on February 2, 2016.
Jan-16	The Tennis Channel, Inc.	\$350	Sinclair Broadcast Group, Inc. (NasdaqGS:SBGI)	-	Sinclair Broadcast Group, Inc. (NasdaqGS:SBGI) entered into an agreement to acquire The Tennis Channel, Inc. from a group of investors for \$350 million on January 27, 2016.
Jan-16	Legend Pictures, LLC	\$3,500	Dalian Wanda Group Co Ltd	-	Dalian Wanda Group Corporation Ltd. agreed to acquire Legend Pictures, LLC from Accel Partners, Waddell & Reed Investment Management Co, SoftBank Internet and Media, Inc., Breyer Capital and others for \$3.5 billion on January 11, 2016.
Jan-16	Retail Innovation Group, Inc.	\$19	LeftLane Sports, Inc.	-	LeftLane Sports, Inc. acquired Retail Innovation Group, Inc. from Oregon Angel Fund, Epic ventures and other shareholders for \$18.6 million in September, 2015. Retail Innovation was sold to LeftLane for \$0.1 million in cash, plus \$18.5 million in assumed debt. LeftLane will retain The Clymb brand and will keep majority of the employees in Portland.
Jan-16	Gilt Groupe Inc.	\$250	Hudson's Bay Company (TSX:HBC)	-	Hudson's Bay Company (TSX:HBC) entered into a definitive agreement to acquire Gilt Groupe Inc. from a group of shareholders for \$250 million in cash on January 7, 2016. The consideration is subject to customary requirements. Hudson's Bay (HBC) will fund the purchase price plus transaction costs using cash on hand. The transaction is subject to Gilt shareholder approval. The transaction is expected to close on or about February 1, 2016.
Aug-15	VEGAS.com, LLC	\$28	Remark Media, Inc. (NasdaqCM:MARK)	19.5x	Remark Media, Inc. (NasdaqCM:MARK) agreed to acquire VEGAS.com, LLC from The Greenspun Corporation, Inc. for \$28 million on August 18, 2015. Remark Media will pay \$15.5 million of cash, \$9.5 million worth of shares, such number of warrants to purchase common stock worth \$10 million of Remark Media and up to a total of \$3 million in earn out payments based on the performance of Vegas.com in the years ending December 31, 2016, 2017 and 2018.
Aug-15	zulily, Inc. (NasdaqGS:ZU)	\$2,476	QVC, Inc.	76.7x	QVC, Inc. entered into a definitive agreement to acquire zulily, Inc. (NasdaqGS:ZU) from Trinity X, LP, fund of Trinity Ventures, MeriTech Capital Partners, Lake Tana LLC, Alibaba Group Holding Limited (NYSE:BABA), Andreessen Horowitz LLC, Greenspring Associates, Inc. and other shareholders for \$2.4 billion on August 16, 2015. QVC and zulily will be operated as separate consumer facing brands and zulily will remain based in Seattle. zulily will continue to be run by its management team. The transaction is anticipated to close during the fourth quarter of 2015.
Jul-15	Interline Brands Inc.	\$2,430	The Home Depot, Inc. (NYSE:HD)	18.5x	The Home Depot, Inc. (NYSE:HD) entered into a definitive agreement to acquire Interline Brands Inc. from P2 Capital Partners, LLC, Goldman Sachs Group, Merchant Banking Division and the management of Interline Brands for \$1.6 billion in cash on July 21, 2015. Out of total purchase price \$10 million will be put in escrow. The transaction is expected to be accretive to The Home Depot's earnings in fiscal 2015.

Source: Capital IQ

Selected Precedent M&A Transactions (continued)

Selected E-Commerce Transactions

Date	Target	Size (\$mm)	Buyers/Investors	EV / EBITDA	Transaction Comments
Jun-15	Sheplers, Inc.	\$147	Boot Barn, Inc.	9.9x	Boot Barn, Inc. entered into a definitive agreement to acquire Sheplers, Inc. from BBH Capital Partners, Gryphon Partners III, LP of Gryphon Investors and other shareholders for approximately \$150 million in cash on May 29, 2015. Sheplers reported revenue of \$157 million, net loss of 2.61 million and adjusted EBITDA of \$14.9 million for the year ending on March 28, 2015. The deal is expected to be immediately accretive to earnings and approximately 10% accretive post integration, which is expected to be completed in calendar year 2016.
May-15	Geeknet, Inc. (NasdaqGM:GKNT)	\$134	GameStop Corp. (NYSE:GME)	-	A strategic buyer made an offer to acquire Geeknet, Inc. (NasdaqGM:GKNT) for approximately \$130 million in cash on May 27, 2015. GameStop Corp. (NYSE:GME) entered into a definitive agreement to acquire Geeknet, Inc. (NasdaqGM:GKNT) for approximately \$130 million in cash on June 1, 2015. Under the terms of the agreement, the buyer will pay \$20 per share as consideration.
May-15	Orchard Brands Corporation	\$410	Bluestem Brands, Inc.	5.8x	Bluestem Brands, Inc. signed a definitive agreement to acquire Orchard Brands Corporation for approximately \$410 million in cash on May 27, 2015. The acquisition will be funded with a combination of cash on-hand, new term debt syndication, and a new asset-based lending facility. Orchard Brands Corporation reported net sales of \$1.02 billion, adjusted EBITDA of \$70.7 million and Free Cash Flow of \$61.9 million for the period ended December 27, 2014.
Apr-15	Realtruck, Inc.	\$12	THI Corporation (nka:Truck Hero, Inc.)	-	Truck Hero, Inc. acquired Realtruck, Inc. for \$12.4 million on April 21, 2015. Truck Hero issued 0.008 million of its Series A-1 preferred shares as consideration.
Feb-15	Orbitz Worldwide, Inc. (NYSE:OWW)	\$1,880	Expedia Inc. (NasdaqGS:EXPE)	12.1x	Expedia Inc. (NasdaqGS:EXPE) entered into a definitive agreement to acquire Orbitz Worldwide, Inc. (NYSE:OWW) for \$1.4 billion on February 12, 2015. Expedia will acquire 110.8 million shares, 7.76 million RSUs. Expedia will pay \$12 per share in cash as consideration for shares and options. On completion, Orbitz Worldwide will operate as wholly owned subsidiary of Expedia.
Dec-14	Baby Jogger, LLC	\$210	Newell Rubbermaid Inc. (NYSE:NWL)	-	Newell Rubbermaid (NYSE:NWL) signed a definitive agreement to acquire Baby Jogger, LLC, from 2008 Riverside Capital Appreciation Fund L.P. of The Riverside Company and others for \$210 million, subject to customary working capital and transaction adjustments, on December 1, 2014. The acquisition is expected to be financed through a combination of organic cash flow and available borrowings.
Aug-14	Pet360 Inc.	\$160	PetSmart, Inc. (NasdaqGS:PETM)	-	PetSmart, Inc. (NasdaqGS:PETM) signed a definitive agreement to acquire Pet360, Inc. from Udata Partners, LLR Partners Inc. and others for approximately \$160 million on August 19, 2014. PetSmart will pay \$130 million upfront and additional \$30 million based on performance by the end of 2016.
Jul-14	Provide Commerce, Inc.	\$422	FTD Companies, Inc. (NasdaqGS:FTD)	7.5x	FTD Companies, Inc. (NasdaqGS:FTD) entered into a definitive agreement to acquire Provide Commerce, Inc. from Liberty Interactive Corporation (NasdaqGS:LINT.A) for approximately \$420 million in cash and stock on July 30, 2014.

Peakstone Selected E-Commerce Transactions



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