
PEAKSTONE

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E-Commerce
Industry Insight

June 2019

E-Commerce M&A Update

E-Commerce continues to see strong M&A activity

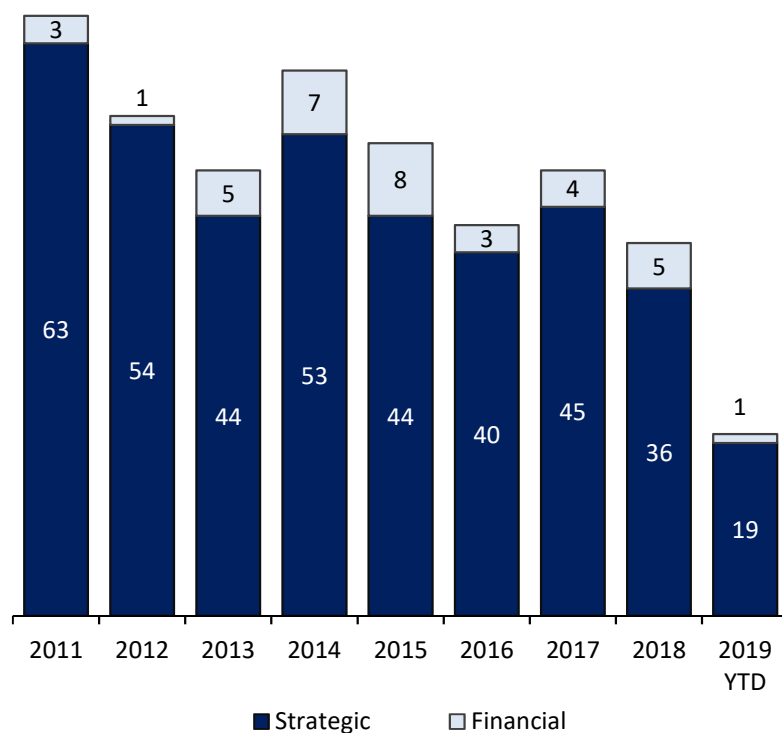
Through 2019 YTD, strategic buyers accounted for 95% of the E-Commerce M&A transactions while financial buyers making up the difference. During 2018, strategic buyers accounted for approximately 88% of the transactions.

Select Recent Notable Publicly Announced M&A Transactions				
Date	Status	Target	Transaction Size	Buyer
Apr-2019	Announced		\$21 million	
Mar-2019	Announced		\$22 billion	
Feb-2019	Announced		\$22 billion	
Dec-2018	Closed		\$1.4 billion	
Sep-2018	Closed		\$26 million	

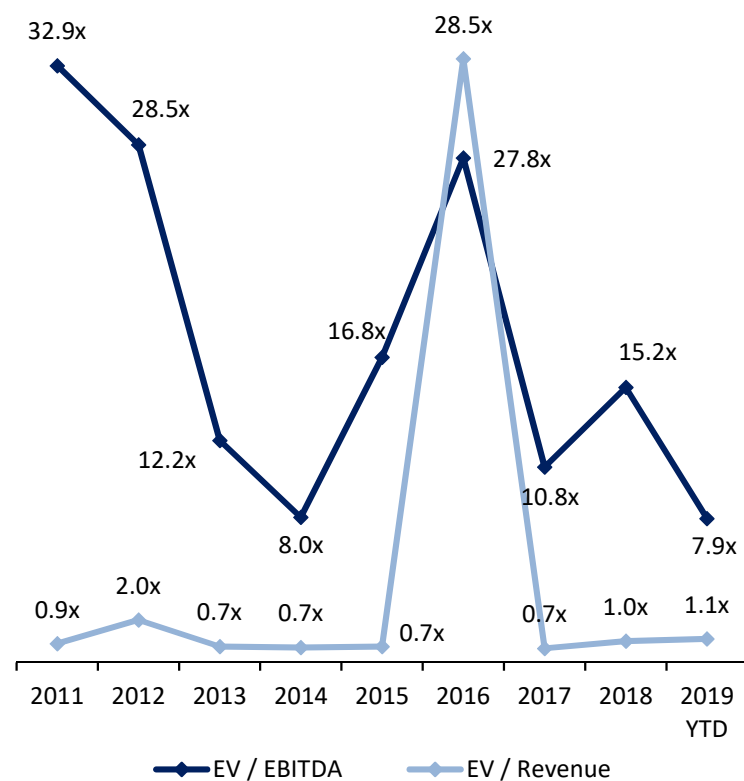
E-Commerce – M&A Market Overview

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

U.S. Number of Transactions by Buyer Type



U.S. E-Commerce Transaction Multiples

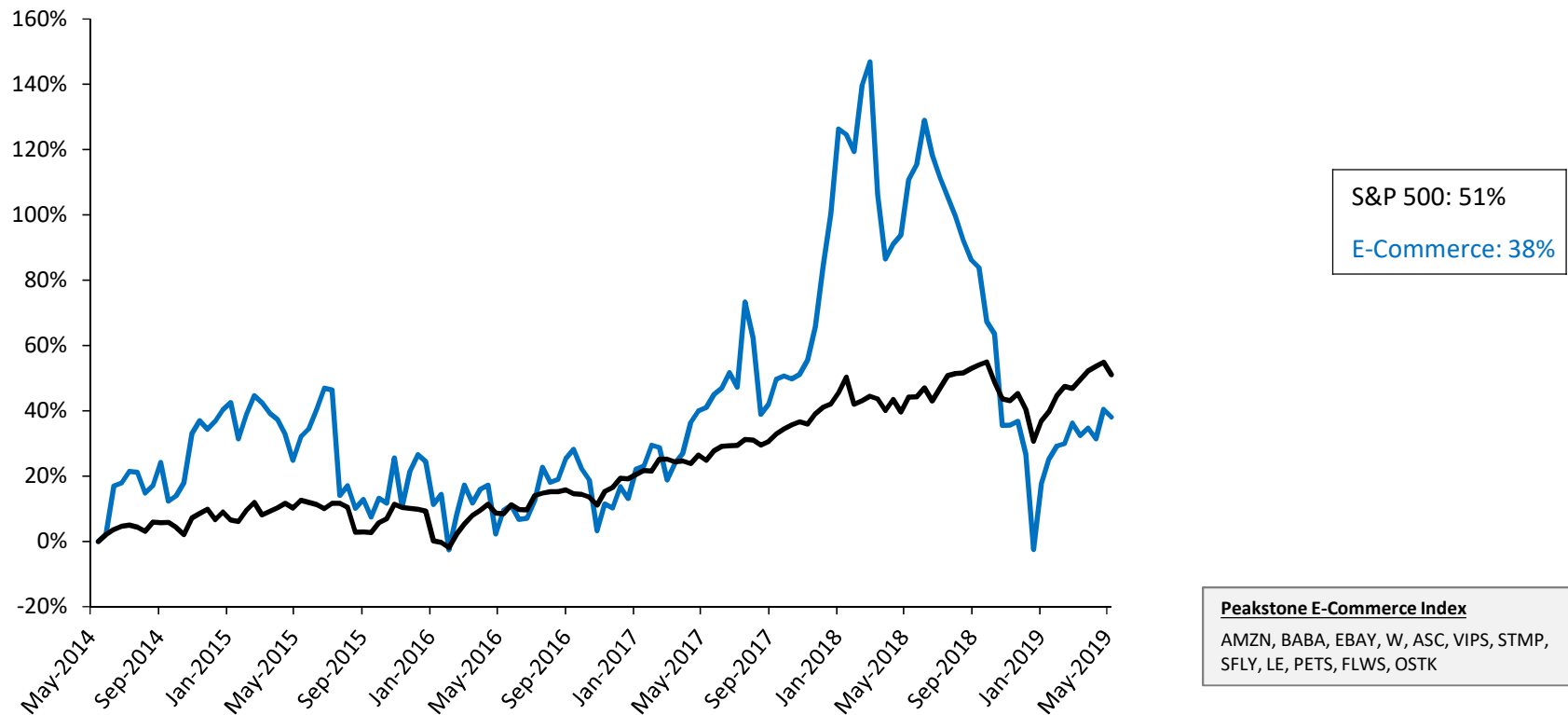


Source: Capital IQ, data as of May 2019

Peakstone E-Commerce Index – Trading Statistics

The E-Commerce stock index outperformed the S&P 500 over the last 5 years in general and the index was hit harder in late 2018 than the broader market as whole

Relative Stock Performance

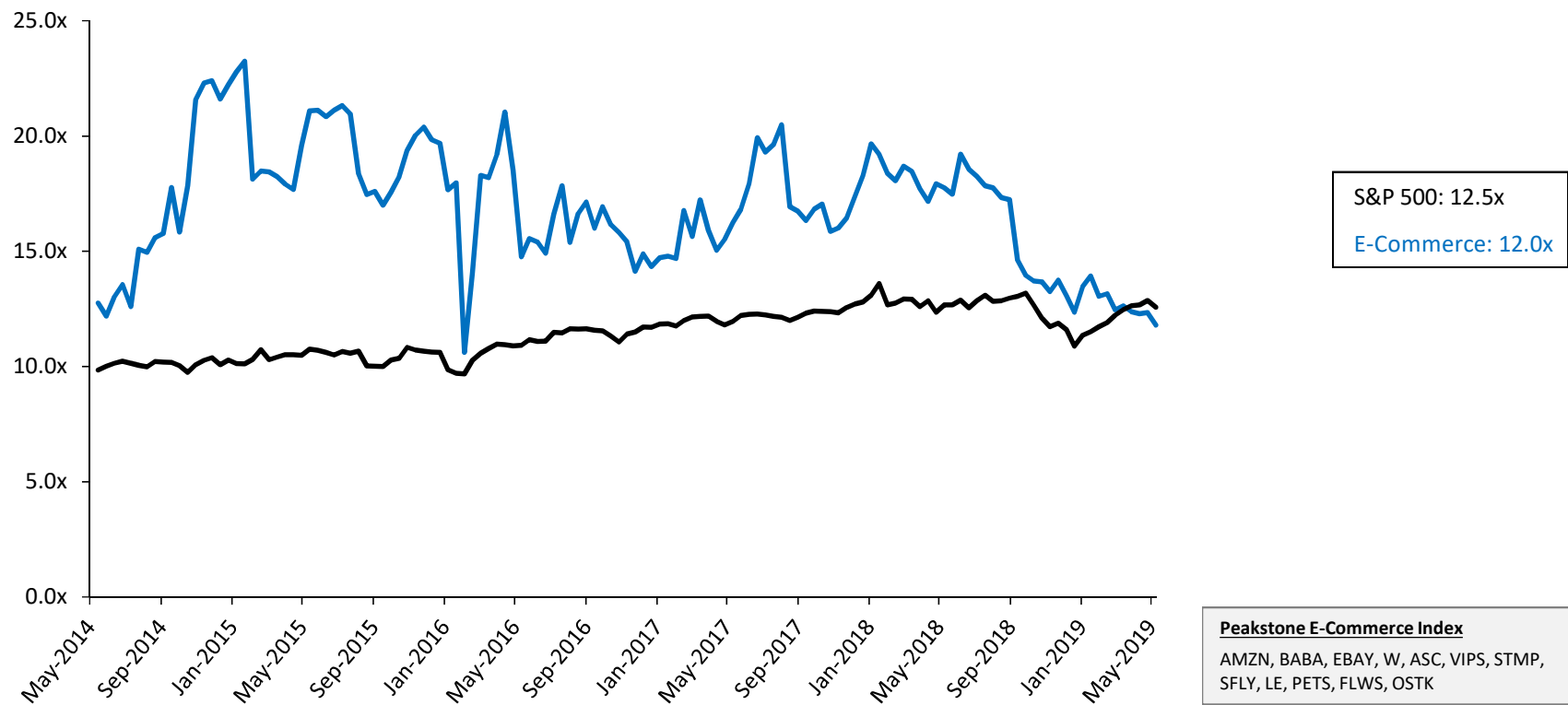


Source: Capital IQ, data as of May 2019
Note: Peakstone indexes are equally weighted

Peakstone E-Commerce Index – Trading Statistics

The E-Commerce stock index outperformed the S&P 500 over the last 5 years and valuation trends remain above the broader market until early this year

Comparable Valuation Trends – Enterprise Value / EBITDA



Source: Capital IQ, data as of May 2019
Note: Peakstone indexes are equally weighted

Selected Public Trading Comparables

Peakstone E-Commerce Index

(\$ in millions)	Market	Enterprise	Enterprise Value /			Forward	Gross	EBITDA
Company Name	Cap	Value	Revenue	EBITDA	EBIT	P/E Ratio	Margin %	Margin %
E-Commerce								
Amazon.com, Inc.	\$914,516	\$946,501	3.9x	32.5x	63.4x	65.3x	41%	12%
Alibaba Group Holding Limited	423,640	430,711	7.7x	34.7x	50.1x	24.4x	45%	22%
eBay Inc.	31,880	37,414	3.5x	12.2x	15.7x	13.0x	78%	28%
Wayfair Inc.	13,955	14,568	2.0x	NM	NM	NM	24%	-7%
Vipshop Holdings Limited	5,098	4,331	0.4x	9.6x	13.1x	11.9x	20%	4%
ASOS Plc	3,781	3,829	1.2x	29.7x	39.1x	52.9x	51%	4%
Shutterfly, Inc.	1,674	2,541	1.2x	11.7x	31.4x	68.0x	50%	10%
1-800-FLOWERS.COM, Inc.	1,174	1,063	0.9x	13.7x	22.7x	32.6x	42%	6%
Lands' End, Inc.	490	784	0.5x	11.2x	18.4x	43.4x	42%	5%
Stamps.com Inc.	675	658	1.1x	3.3x	3.9x	11.0x	76%	33%
Overstock.com, Inc.	395	395	0.2x	NM	NM	NM	19%	-10%
PetMed Express, Inc.	387	286	1.0x	5.9x	6.2x	11.3x	34%	17%
E-Commerce Median	\$2,727	\$3,185	1.1x	12.0x	20.5x	28.5x	42%	8%
Total E-Commerce Median	\$2,727	\$3,185	1.1x	12.0x	20.5x	28.5x	42%	8%

Source: Capital IQ, data as of May 2019

Selected Precedent M&A Transactions (cont.)

Selected E-Commerce Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
04/25/2019	Three Limes, Inc.	\$21	Oisix ra daichi Inc. (TSE:3182)	-	Oisix ra daichi Inc. (TSE:3182) agreed to acquire Three Limes, Inc. from Andy Levitt, Brian Greenfield and other shareholders for \$21 million on April 24, 2019. The consideration includes the earn-out consideration at \$17 million.
03/25/2019	Original, Inc.	\$20	World Co., Ltd. (TSE:3612)	-	World Co., Ltd. (TSE:3612) agreed to acquire an additional 53.2% stake in Original, Inc. from Jin Koh for approximately ¥2.2 billion on March 25, 2019. Under the terms, World Co. will acquire 0.91 million shares.
02/04/2019	Liberty Expedia Holdings, Inc. (NasdaqGS:LEXE.A)	\$22,436	Expedia Group, Inc. (NasdaqGS:EXPE)	10.6x	Expedia Group Inc. (NasdaqGS:EXPE) ('Expedia') made a proposal to acquire Liberty Expedia Holdings Inc. (NasdaqGS:LEXE.A) ('Liberty') from John C. Malone and other shareholders for \$22 billion on February 1, 2019.
12/10/2018	Nutrisystem, Inc. (NasdaqGS:NTRI)	\$1,433	Tivity Health, Inc. (NasdaqGS:TVTY)	15.2x	Tivity Health, Inc. (NasdaqGS:TVTY) entered into a definitive agreement to acquire Nutrisystem, Inc. (NasdaqGS:NTRI) from a group of shareholders for \$1.4 billion on December 9, 2018.
09/28/2018	CafePress Inc.	\$27	Snapfish, LLC	-	Snapfish, LLC entered into an agreement and plan of merger to acquire CafePress Inc. (NasdaqGS:PRSS) from certain directors and management of CafePress Inc. and other shareholders for \$26.7 million on September 28, 2018.
12/20/2017	Healthy Directions, LLC	\$71	Direct Digital LLC	-	Direct Digital LLC acquired Healthy Directions, LLC from Helen of Troy Limited (NasdaqGS:HELE) for \$71 million on December 20, 2017.
10/05/2017	LuckyVitamin Corporation	\$7	TSG Consumer Partners	-	TSG Consumer Partners and Sam Wolf, founder and Chief Executive Officer of LuckyVitamin Corporation ('LuckyVitamin'), acquired LuckyVitamin from GNC Holdings, Inc. (NYSE:GNC) for \$7.1 million on September 30, 2017.

Source: Capital IQ, data as of May 2019

Selected Precedent M&A Transactions

Selected E-Commerce Transactions

Date	Target / Issuer	Transaction Size (\$mm)	Buyers / Investors	EV / EBITDA	Transaction Comments
09/20/2017	DineInFresh, Inc.	\$300	AB Acquisition LLC	-	AB Acquisition LLC agreed to acquire DineInFresh, Inc. for \$300 million on September 20, 2017. DineInFresh will operate as a wholly-owned subsidiary of AB Acquisition.
08/16/2017	TicketsWest.com, Inc.	\$6	Spectra Ticketing & Fan Engagement	-	Spectra Ticketing & Fan Engagement entered into an asset purchase agreement to acquire substantially all of the assets of TicketsWest.com, Inc. from Red Lion Hotels Corporation (NYSE:RLH) for \$6.0 million on August 11, 2017.
07/06/2017	HSN, Inc.	\$1,829	Qurate Retail Group, Inc. (NasdaqGS:QRTE.A)	10.8x	QVC Group (NasdaqGS:QVCA) entered into a definitive agreement to acquire the remaining 61.8% stake in HSN, Inc. (NasdaqGS:HSNI) for \$1.3 billion on July 5, 2017. Pursuant to the, all-stock, transaction, HSN, Inc.
06/20/2017	Newegg Inc.	\$179	Hangzhou Lianluo Interactive Information Technology Co.,Ltd (SZSE:002280)	-	Hangzhou Lianluo Interactive Information Technology Co.,Ltd (SZSE:002280) signed a letter of intent to acquire 37.8% stake in Newegg Inc. for approximately \$180 million on June 20, 2017. Hangzhou Lianluo Interactive Information Technology Co.
04/18/2017	Chewy, Inc.	\$3,400	PetSmart, Inc.	-	PetSmart, Inc. signed a definitive agreement to acquire Chewy, Inc. from Greenspring Associates, Inc., Volition Capital LLC, CDIB Capital Investment I Limited and others on April 18, 2017.
04/07/2017	eBags, Inc.	\$105	Samsonite LLC	-	Samsonite LLC entered into merger agreement to acquire eBags, Inc. for approximately \$110 million on April 6, 2017. The consideration is subject to subsequent customary adjustments for working capital, transaction expenses and net debt.
01/05/2017	Shoebuy.com, Inc.	\$70	Jet.com, Inc.	-	Jet.com, Inc. acquired Shoebuy.com, Inc. from IAC/InterActiveCorp (NasdaqGS:IAC) from \$70 million on December 30, 2016.

Source: Capital IQ, data as of May 2019

Peakstone Selected E-Commerce Transactions

 <p>E-Commerce M&A Advisor</p> <p>PEAKSTONE</p>	 <p>E-Commerce M&A Advisor</p> <p>PEAKSTONE</p>	 <p>E-Commerce Financial Advisor</p> <p>PEAKSTONE</p>	 <p>E-Commerce Financial Advisor</p> <p>PEAKSTONE</p>
 <p>E-Commerce Strategic Advisor</p> <p>PEAKSTONE</p>	 <p>E-Commerce M&A Advisor</p> <p>PEAKSTONE</p>	 <p>E-Commerce M&A Advisor</p> <p>PEAKSTONE</p>	 <p>E-Commerce M&A Advisor & Principal</p> <p>PEAKSTONE</p>

Peakstone Momentum

  M&A Advisor PEAKSTONE	   M&A Advisor PEAKSTONE	 Every Mattress Needs Protection™   M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	 Strategic Investor M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE	  M&A Advisor PEAKSTONE
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About Peakstone

Peakstone is an investment bank that specializes in mergers and acquisitions advisory and capital raising for middle market clients. Our team is comprised of senior investment banking professionals who have decades of experience and have executed hundreds of transactions totaling billions of dollars. For additional information, visit www.peakstone.com.

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