



e-Commerce valuation and trends

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# ALANTRA

Technology

September 2020

# Alantra: international market leader



300+

Investment Bankers



100+

Deals / Year



€400m+

Market Capitalization



€200m+

Annual Revenue



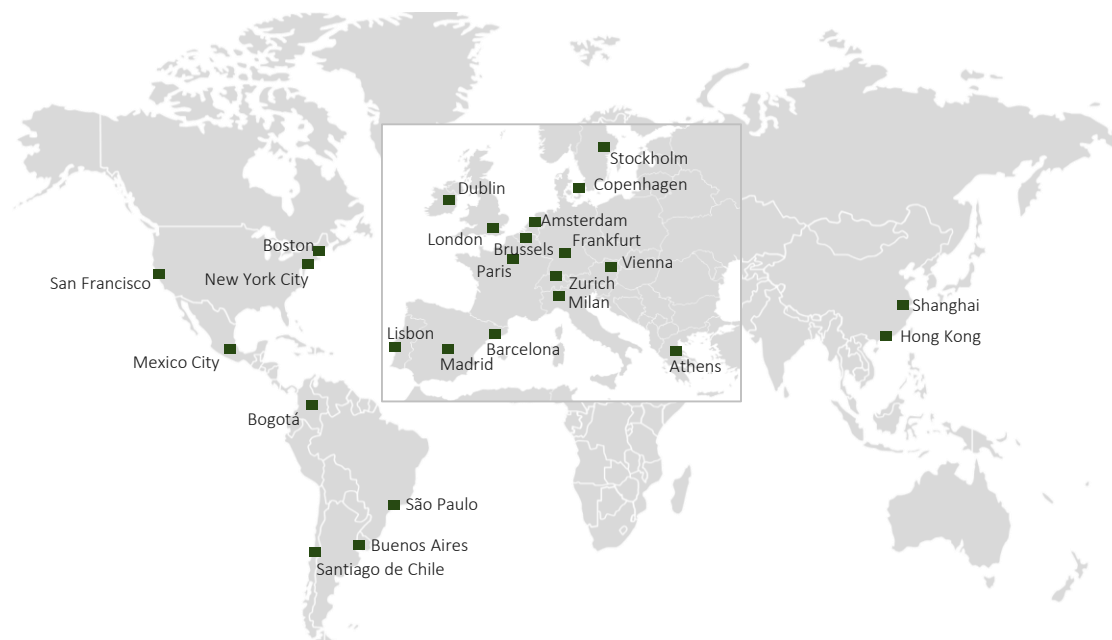
21

Countries



25

Offices



2019 – Global M&A Advisors League Table<sup>1</sup>

Rank	Company Name	Value (€ m)	Deal Count
1	Rothschild & Co	134,918	292
2	Lazard	199,496	236
3	Houlihan Lokey	24,073	209
4	Lincoln International	4,018	179
5	DC Advisory	14,885	136
6	Raymond James	11,944	130
7	Stifel/KBW	25,405	115
8	Piper Jaffray	5,458	115
9	William Blair	21,733	114
10	Robert W. Baird	20,839	106
11	<b>ALANTRA</b>	<b>9,121</b>	<b>101</b>
12	Macquarie	36,428	96

Investment Banking

## Corporate Finance

- M&A
- Debt Advisory and Restructuring
- Corporate Portfolio Advisory



THE PRIVATE  
EQUITY  
AWARDS  
2019

European CF  
House 2019

50%

of our M&A deals  
are cross-border



70%

of our M&A deals  
are sell-sides

2019 – European M&A Advisors League Table<sup>1</sup>

Rank	Company Name	Value (€ m)	Deal Count
1	Rothschild & Co	113,872	233
2	Lazard	109,710	133
3	Lincoln International	2,043	88
4	<b>ALANTRA</b>	<b>7,930</b>	<b>79</b>
5	Clearwater International	1,076	79
6	DC Advisory	2,755	59
7	Clairfield International	606	58
8	GCA Corporation	2,024	55
9	Houlihan Lokey	5,173	49
10	Jamieson CF	30,749	43
11	Macquarie	9,993	40
12	William Blair	2,810	32

Private and Confidential

Source: Mergermarket, Alantra research

1. League tables exclude bulge bracket banks and big 4 accounting firms











































ALANTRA

# Alantra global technology group 2019-2020 momentum

<p>2020 </p>  	<p>2020 </p>   	<p>2020 </p>  	<p>2020  </p>  	<p>2020  </p>  	<p>2020 </p>  	<p>2020  </p>  
<p>2019  </p>  	<p>2019  </p>  	<p>2019  </p>   	<p>2019  </p>  	<p>2019  </p>  	<p>2019  </p>  	<p>2019  </p>  
<p>2019 </p>  	<p>2019  </p>   	<p>2019  </p>  	<p>2019 </p>   	<p>2019 </p>   	<p>2019 </p>  	<p>2019  </p>  

Private and Confidential Note: Alantra has advised >20 transactions in the last 18 months with a total aggregate value of >US\$2.1bn

# Selected e-Commerce transactions advised by Alantra

<p>2019 </p>  <p>Advisor to iCracked on its sale to SquareTrade, a subsidiary of Allstate</p>	<p>2018 </p>  <p>Advisor to Unilog on a minority investment from LLR Partners</p>	<p>2018 </p>  <p>Advisor to Group Label/Mister Menuiserie on the sale of a minority Stake to IDI</p>	<p>2017 </p>  <p>Advisor to ShipRush on its sale to The Descartes Systems Group</p>	<p>2015 </p>  <p>Advisor to HP on the sale of Snapfish to District Photo</p>	<p>2015 </p>  <p>Advisor to Pitney Bowes on its acquisition of Borderfree</p>	<p>2015 </p>  <p>Advisor to Unisport in sale to Nordic Capital</p>
<p>2014 </p>  <p>Strategic advisor, restructuring, sell-side and debt recapitalization multi-year engagement including the sale of Commerce Server.Net to Sitecore plus recaps from Comerica Bank and GKFF</p>	<p>2014 </p>  <p>Advisor to Equistone on the debt raise for the acquisition of CaseKing.de</p>	<p>2014 </p>  <p>Advisor to the shareholders of Portal Inmobiliario on the sale of 100% of the Chilean and Mexican operations to Mercado Libre US\$ 40 Mn</p>	<p>2014 </p>  <p>Advisor to SMITH on the sale of Commerce Server to Sitecore</p>	<p>2014 </p>  <p>Advisor to Volusion on its growth financing from Silicon Valley Bank</p>	<p>2013 </p>  <p>Advisor to SAP on its acquisition of Hybris</p>	<p>2013 </p>  <p>Advisor to HomeGain.com, a subsidiary of Classified Ventures, on its sale to Reply!</p>
<p>2013 </p>  <p>Advisor to Hayneedle on its debt financing from Triplepoint Capital</p>	<p>2013 </p>  <p>Advisor to Streeteasy.com. on its sale to Zillow</p>	<p>2012 </p>  <p>Advisor to Bazaarvoice on its Initial Public Offering (IPO)</p>	<p>2011 </p>  <p>Advisor to TMN on ABS Capital Partners initial investment</p>	<p>2010 </p>  <p>Advisor to Buy.com on its sale to Rakuten</p>	<p>2010 </p>  <p>Advisor to Amazon on its acquisition of Audible</p>	<p>2010 </p>  <p>Advisor to Amazon on its acquisition of Zappos</p>

# Macro e-Commerce market dynamics

US\$4Tn+ market has evolved from a convenience to a critical facet of daily life globally

## **Massive market with consistent double-digit growth: online retail penetration crossing tipping point**

- A decade ago less than 5% of retail sales were online – that number has more than tripled to 15%+, driving double digit overall industry growth annually.
- Physical retail has been declining for over a decade the 2020 COVID related lockdowns, have accelerated the decline – over 25 major retailers have filed for bankruptcy, and the trend is expected to continue.
- Major players have led the innovation around shifting consumer digital purchasing habits – top 5 players have 50% market share
- Several vertical categories, where online penetration was low, and several last-mile facilitation related businesses have enjoyed the benefit lockdown related growth – the long-term effects are unclear.

## **Technology and fintech enablers critical factors of widespread adoption**

- One of the biggest drivers of e-Commerce growth has been ubiquitous usage of mobile devices and smartphones coupled with developments from online payment technologies that reduce friction.
- The digital shopping experience has improved substantially with reviews, rich media content, VR/AR, and the ease of reverse logistics – creating a more efficient shopping experience and enabling trust to navigate endless online inventory.
- Retailers and SMB merchants have benefited substantially with democratized software enablement tools for storefronts, customer acquisition, offline/online convergence and a variety of advanced critical functionality.

## **Logistics and last-mile fulfillment advanced have fueled a step function increase**

- Significant advances in rapid delivery at deminimus consumer costs, that Amazon pioneered, has driven adoption in categories that were historically not purchased online.
- Delivery models from local physical retail struggled for economic viability but COVID-driven increases have driven rapid demand increases driving viability – if consumer behavior permanently changes could translate to stable growth.

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## Executive summary

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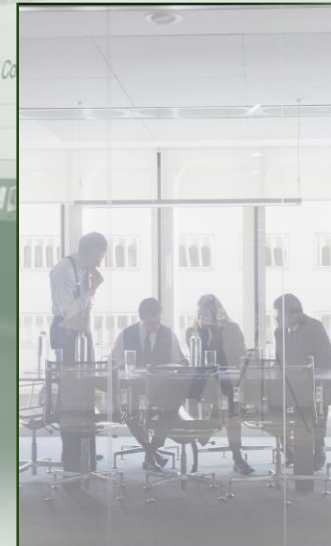
## e-Commerce market size and trends

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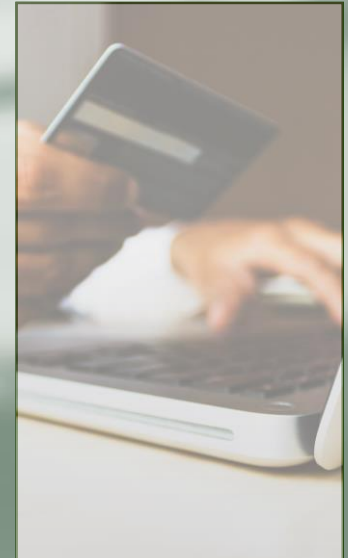
## Valuation metrics

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POSSIBILITY IS IN THE ASCENT

## *Executive summary*

# Selected e-Commerce industry trends

1



Vertical e-Commerce

**Key to carving out sustainable models against Amazon, eBay, Alibaba and other major diversified incumbents.**

- ✓ Vertical marketplaces, specialized in a product or service niche have achieved some success against the larger horizontal marketplaces.
- ✓ These vertical marketplaces are increasingly becoming more specific, offering specialized products or services in order to carve out dominance within a niche and conquer market share from larger, horizontal marketplaces.
- ✓ Often vertical marketplaces offer specific research and reviews along with inventory from varied suppliers that offer an advantage

2



e-Commerce enablement solutions

**Enablement solutions powering small and medium e-Tailers have experienced dramatic growth in the last few years.**

- ✓ There are over 7 million e-Tailers in the world. Over 5 million selling through their own websites powered by e-Commerce platforms, with the remaining on marketplaces.
- ✓ Advanced hosting, software driving merchandising, customer acquisition marketing, and shopping cart payments solutions previously relegated to large players have become democratized.

3



Delivery and last mile

**A forced shift in adoption from COVID-19 of certain delivery models has driven renewed activity in this segment.**

- ✓ Supply chain companies have started perfecting their fulfilment processes to find new and profitable ways to deliver products to online shoppers and meet their increasing expectations.
- ✓ In order to carry out a successful multichannel strategy, both online and offline channels integrate and complement each other, increasing customer satisfaction, customer loyalty and profit.
- ✓ Some companies were struggling in the delivery category with low contribution margins, however have seen a rise in demand and renewed strategic interest.

4



Social & content-centric models

**Social engagement dominating time spent online and targeting millennial audiences.**

- ✓ Besides socializing, social media users also discover new products and follow their favourite brands accounts, which makes it an ideal opportunity to increase engagement, loyalty and sell products.
- ✓ High quality, engaging content has become increasingly important to acquire customers. Given that Social media dominates online time spend it is increasingly an effective place to deliver advertising for eCommerce, particularly for niche brands.



# Selected e-Commerce industry trends (cont.)

5



Leading edge digital transformation

## Crucial speed of innovation in the market dominance race.

- ✓ Advanced analytics tools, such as predictive analytics and data mining, and IoT technologies will allow e-Commerce companies to extract high-quality data to better understand online shoppers, their needs and deliver a more personalized experience.
- ✓ Artificial intelligence is being used by online retailers for providing chatbot services, analysing customer comments, and providing customized services to online shoppers based on their buying habits.
- ✓ The online shopping experience will be closer to the traditional one to the extent that virtual reality and augmented reality developments will allow online shoppers better feel and engage with the product.

6



Fintech

## Fintech has shifted the way people and enterprises use and move money, and that's increasingly impacting the world of e-Commerce.

- ✓ Payment technology both from an ease of integration and from low consumer friction on completion have been critical success factors to eCommerce adoption.
- ✓ There is a growing need to start focusing on better know your customer (KYC) compliance and services. eCommerce companies are prime targets as they scale with lax security measures.
- ✓ Unbanked consumers require specialized financial technology solutions from blended card-issuing models and physical to digital payments bridge.

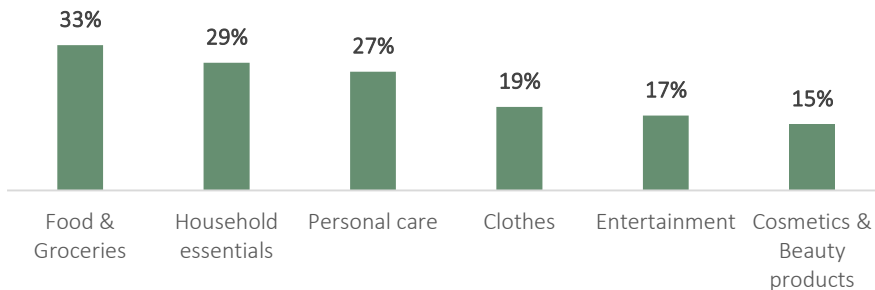


# COVID tectonic impacts

COVID related lockdowns and shelter-in-place have naturally driven a sharp increase in the industry, with the exception of travel. Unclear what impact 'normalized' long-term trends will have but the force shift from late adopters likely to be net-positive

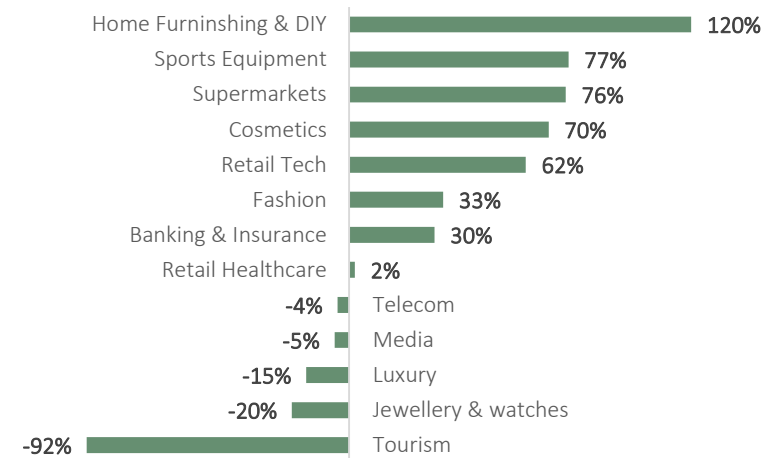
- The COVID pandemic has driven rapid acceleration of online adoption particularly in categories that previously were under penetrated
- Segments such as food/groceries or home furnishing have soared during the crisis and one of the key questions is whether these newly acquired habits will continue or are temporary.
- Nearly half of the internet users have increase shopping online, with China showing the highest increase

Increase in e-Commerce interest by vertical<sup>1</sup> (%)



- The Food & Groceries category has seen the greatest increase in e-Commerce interest, finding that a third of internet users have been shopping more of these items online as a result of their country's COVID-19 lockdowns.
- This has translated into a significant increase in traffic to supermarket websites too. ContentSquare reported a 251% increase in visits to supermarket websites in the seven days from April 8th to April 15th, compared to average weekly traffic at the start of 2020.
- ContentSquare also reported a 76% rise in transactions on supermarket websites during the same period, compared to pre-lockdown levels.

Impact on e-Commerce transactions by vertical<sup>2</sup> (%)



- Home Furnishing and DIY categories show the higher growth in number of transactions during the crisis, while tourism related webs have almost dried up, as expected.

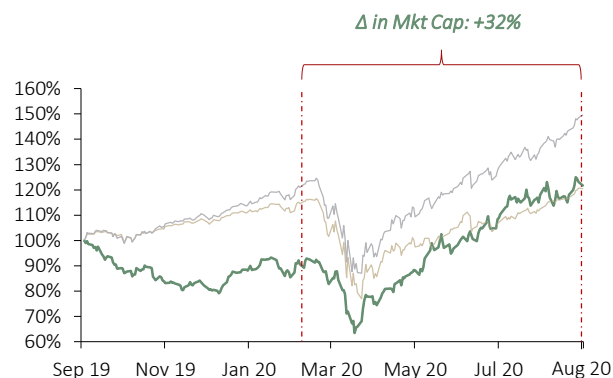
# Recent valuation trading trends by subsector

## Horizontal e-Commerce incumbents



- Composed of 8 companies, our index grew a 72% in the last 12 months.
- COVID impacted this segment with a 18.4% decline from Feb-20 to March-20 levels, but since reaching its minimum peak has recovered a 75.0%.
- Sales growth for this segment is 25.6% from 2018-2019.
- Average LTM EV/Sales multiple is 4.4x and the average LTM EV/Gross profit multiple is 14.5x.
- Amazon, Tencent and Alibaba are the largest players.

## Classifieds listings



- Composed of 6 companies, our index grew a 24.2% in the last 12 months.
- COVID impacted this segment with a 27.3% decline from Feb-20 to March-20 levels, but since reaching its minimum peak has recovered a 81.0%.
- Sales growth for this segment is 17.7% from 2018-2019.
- Average LTM EV/Sales multiple is 8.5x and the average LTM EV/Gross profit multiple is 12.5x.
- Prosus and eBay are the largest players.

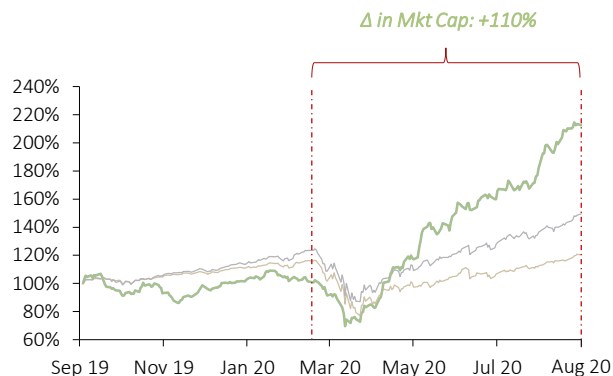
## Marketplaces



- Composed of 19 companies, our index grew a 33% in the last 12 months.
- COVID impacted this segment with a 34.1% decline from Feb-20 to March-20 levels, but since reaching its minimum peak has recovered a 89.7%.
- Sales growth for this segment is 31.2% from 2018-2019.
- Average LTM EV/Sales multiple is 4.2x and the average LTM EV/Gross profit multiple is 13.6x.
- Booking Holdings, JustEat, Zillow, Carvana and Etsy are the largest players.

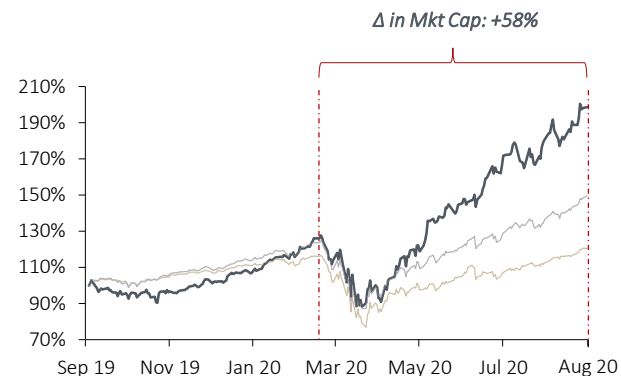
# Recent valuation trading trends by subsector (cont.)

## Vertical e-Commerce



- Composed of 13 companies, our index grew a 113.4% in the last 12 months.
- COVID impacted this segment with a 29.2% decline from Feb-20 to March-20 levels, but since reaching its minimum peak has recovered a 195.9%.
- Sales growth for this segment is 25.6% from 2018-2019.
- Average LTM EV/Sales multiple is 4.1x and the average LTM EV/Gross profit multiple is 7.1x.
- Chewy, Ocado, Peloton, Wayfair and Zalando are the largest players.

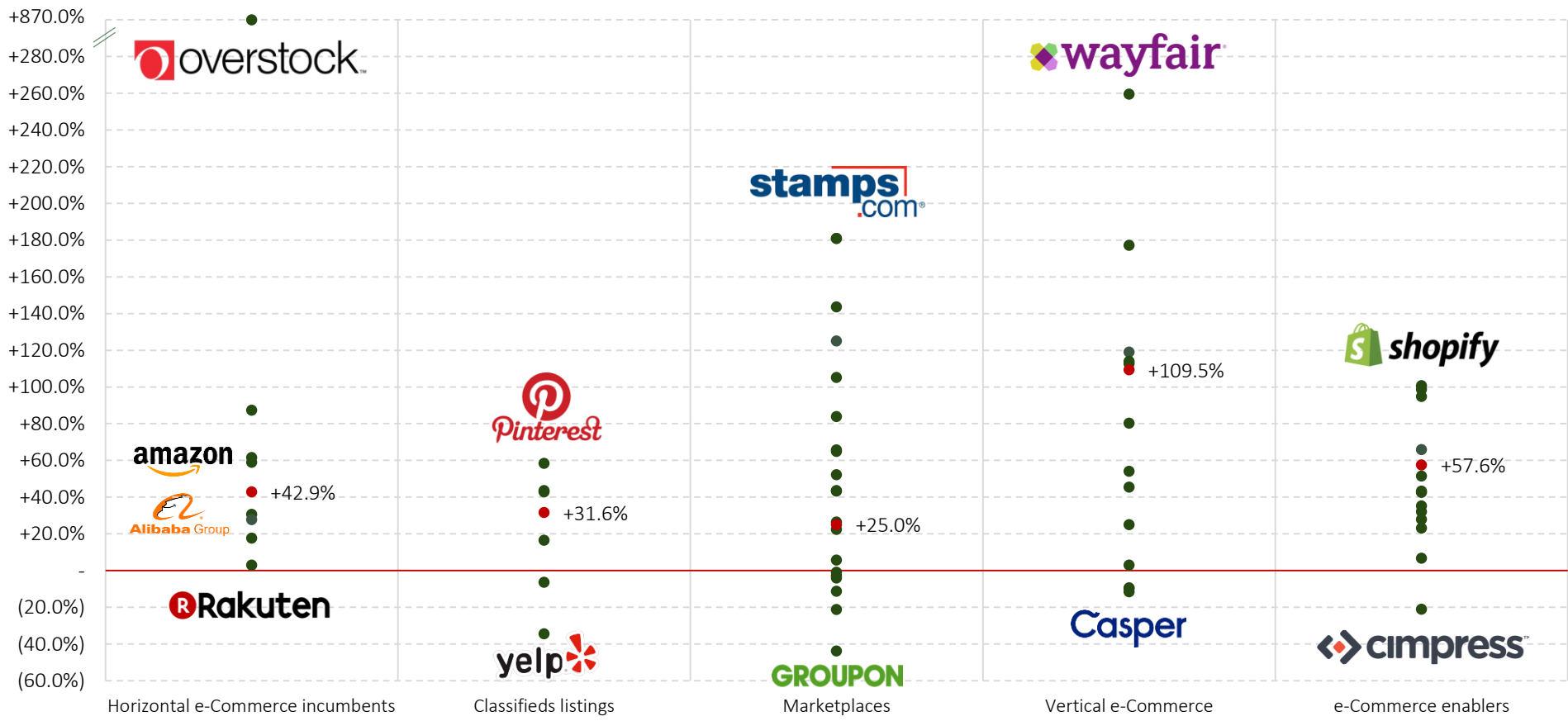
## e-Commerce enablers



- Composed of 6 companies, our index grew a 98.8% in the last 12 months.
- COVID impacted this segment with a 29.9% decline from Feb-20 to March-20 levels, but since reaching its minimum peak has recovered a 124.8%.
- Sales growth for this segment is 20.1% from 2018-2019.
- Average LTM EV/Sales multiple is 10.2x and the average LTM EV/Gross profit multiple is 16.0x.
- Adobe, PayPal and Shopify are the largest players.

# COVID-19 impact on stock prices

Stock price performance by segment between February 14th, 2020 and August 31st, 2020



● Index weighted average market capitalization



The background of the slide features three overlapping credit cards. The top card is dark grey with a silver logo and the name 'John T. Black'. The middle card is light grey with the 'Amazon' logo. The bottom card is white with the 'PayPal' logo. In the top right corner, there is a logo consisting of four hexagons: two white, one green, and one purple. The word 'ALANTRA' is written in green across the green hexagon, and the tagline 'POSSIBILITY IS IN THE ASCENT' is written in white across the purple hexagon.

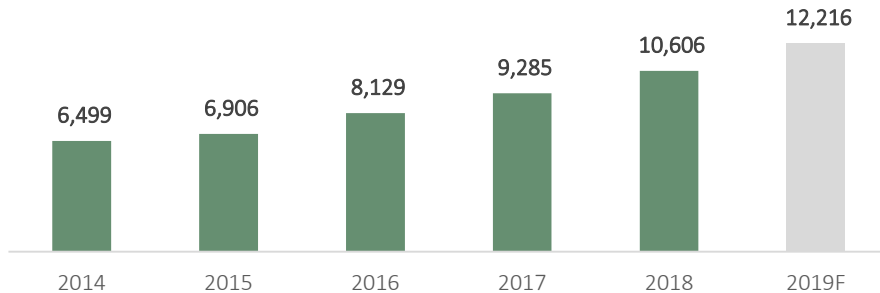
ALANTRA

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# *e-Commerce market size and trends*

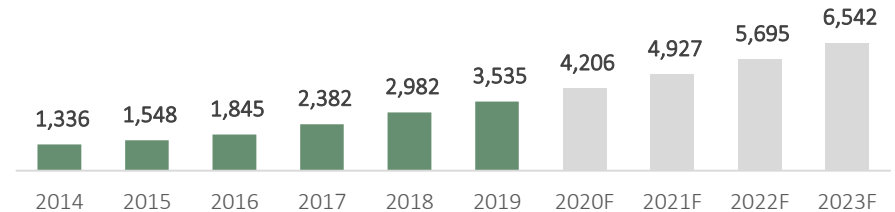
# e-Commerce market size evolution (B2B and B2C)

Global B2B e-Commerce gross merchandise value worldwide (US\$bn)



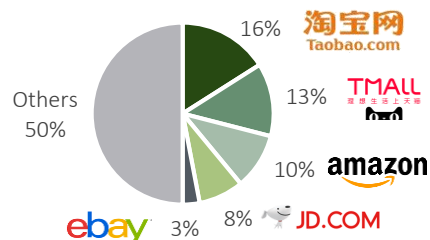
- B2B companies are increasingly buying and selling their products or services to each other via online sales portals, following either the direct model or the marketplace model to conduct their business.
- Asia is the region with higher contribution, representing c. 80% of the global market, led by China (more than 30% of the market) due to the size, the e-Commerce share and a favourable regulation.
- After Asia, North America is the second biggest B2B e-Commerce market, representing c. 11%.
- The European market represents only c. 3%. One reason for this might be that many of the suppliers in Central, Eastern and Southern Europe still do not offer user-friendly digital purchasing options needed.

Global retail e-Commerce sales worldwide (US\$bn)



- Global e-Commerce sales amounted to more than US\$3.5tr worldwide in 2019 and this number is expected to continue growing over the next few years.
- Of the total global retail sales in 2019, c. 14% came from online purchases, with an expectation to reach c. 22% of total sales by 2023.
- China is the top e-Commerce market, with total sales in 2019 of c. US\$2.0tr, followed by the US with c. US\$0.5tr, both representing c. 70% of worldwide e-Commerce market.
- In terms of channel, mobile phone was the most popular choice of consumers (24% of global consumers) vs. PC or laptop (23%).
- In 2019, 14.9% of the total global retail sales came from online purchases, expecting a continued growth to 22% by 2023.

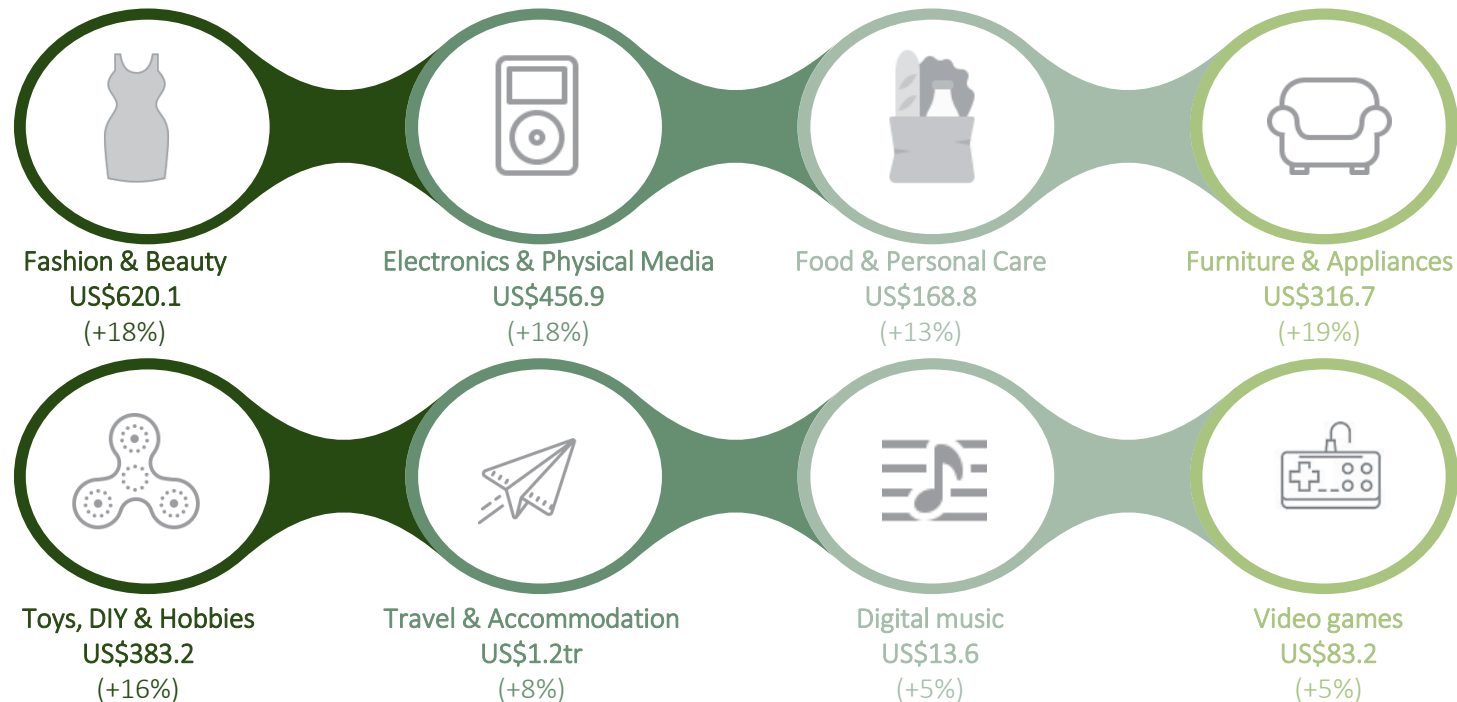
Market share by gross merchandise value worldwide (2018)



- Top 5 players in the e-Commerce industry accounted for 50% of the market, lead by Alibaba owned brands Taobao.com and Tmall.com, with 16% and 13% market share, respectively.
- Amazon was the third largest company in the sector with a 10% market share, followed by the Chinese web JD.com (8%) and Ebay (3%).
- Other players present in the e-Commerce market are Pinduoduo, Rakuten or Suning.com, with market shares between 1 and 2%.

# Global retail e-Commerce spend by category (Pre COVID)

Global e-Commerce spend by category in 2019 and YoY growth (US\$bn; %)



- Furniture & Appliances saw the fastest annual growth in 2019, with 19% growth in spend year-over-year, proving to be one of the specialized verticals with better development perspectives.
- Fashion & Beauty and Electronics & Physical Media categories also saw relevant growth in 2019, increasing by 18% from 2018 to 2019.
- On the other hand, Travel & Accommodation, the largest category by online spending, showed a moderate increase of 8% (not considering the recent impact of COVID-19), although its already relevant size makes more difficult to achieve higher growth rates.

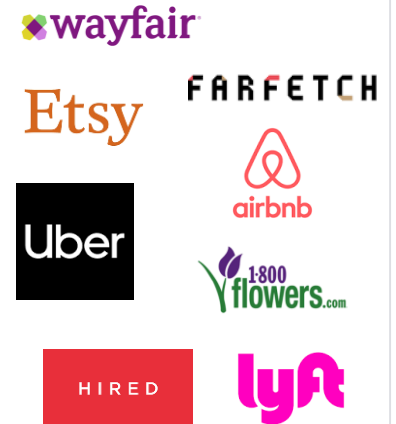
# Key e-Commerce trends deep dive

1



## Emerging vertical category leaders

- Vertical marketplaces, specialized in a product niche and providing value added services, have recently proliferated vs. generalist marketplaces.
- The creation of a community focused on a single product helps to get more insights and data on the trends that drive consumer's decision making, focusing on a very specific audience and improving the user experience.
- Lately, we are witnessing hyper-vertical models of major marketplaces that will enable these new providers to serve their customer bases more intimately according to their needs.

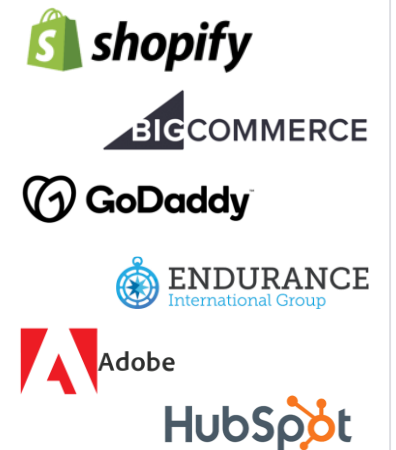


2



## e-Commerce enablement solutions

- There are over 7 million e-Tailers in the world. Over 5m selling through their own websites powered by e-Commerce platforms, with the remaining on marketplaces.
- Enablement solutions powering small and medium e-Tailers have experienced dramatic growth in the last few years
- Advanced hosting, software driving merchandising, customer acquisition marketing, and shopping cart payments solutions previously relegated to large players have become democratized.



# Key e-Commerce trends deep dive (cont.)

3



## Delivery and offline-online last mile

- Delivery and on demand logistics has been a trending topic for a while now but the emergence of stay at home coupled with accelerating decline of physical retailers.
- Supply chain companies have to start perfecting their fulfilment processes to find new and profitable ways to deliver products to online shoppers and meet their increasing expectations.
- In-store click & collect model gains popularity, with collections leading to further purchases.
- In order to carry out a successful multichannel strategy, both channels integrate and complement each other, increasing customer satisfaction, loyalty and profit.
- Recently, there has been several concentration moves regarding delivery and last mile activities (i.e. merger of JustEat and TakeAway in April-20 and JustEat Takeaway acquisition of Grubhub in June-20).

amazon

zalando

Tencent 腾讯

instacart



Boden

Alibaba Group

JUST EAT

JD.COM

Uber Eats

4



## Social selling and rich media content

- Besides socializing, social media users also discover new products and follow their favourite brands accounts, which makes it an ideal opportunity to increase engagement, loyalty and sell products. In 2019, there were c. 2.8bn social media users worldwide, a number projected to increase to c. 3.1bn in 2021. It is expected that more social media providers will enable shopping directly on their platforms.
- High quality, engaging content is the best way to attract customers. Instead of pushing product recommendations, successful e-Commerce players are pushing relevant content, which must be displayed where and when potential online shoppers are naturally viewing the web. Short video formats and cooperation with influencers have been one of the most successful strategies recently.



Walmart





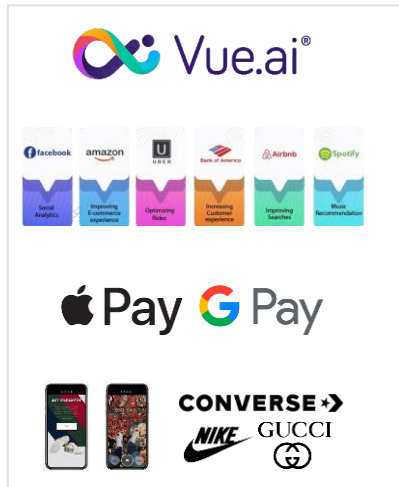
# Key e-Commerce trends deep dive (cont.)

5



## Leading edge digital transformation

- Artificial intelligence is being used by online retailers for providing chatbot services, analysing customer comments, and providing customized services to online shoppers based on buying habits.
- Advanced analytics tools, such as predictive analytics and data mining, will allow e-Commerce companies to extract high-quality data to better understand online shoppers, their needs and deliver a more personalized experience.
- e-Commerce trends open the door for new digital payment solutions and new players on the payment market. Mobile payment systems, e-wallets or QR codes are contributing to the emergence of a cashless society.
- The online shopping experience will be closer to the traditional one to the extent that Virtual reality/Augmented reality technologies allow online shoppers better feel and engage with the product.

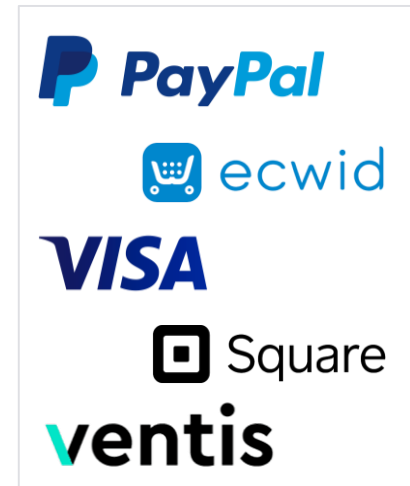


6



## Fintech

- Fintech has dramatically shifted the way people and enterprises use and move money, and that's increasingly impacting the world of ecommerce.
- Payment technology both from an ease of integration and from low consumer friction on completion have been critical success factors to eCommerce adoption.
- There is a growing need to start focusing on better know your customer (KYC) compliance and services. eCommerce companies are prime targets as they scale with lax security measures.
- Unbanked consumers require specialized financial technology solutions from blended card-issuing models and physical to digital payments bridge.





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## *Valuation metrics*

# e-Commerce trading comparables<sup>1</sup>


Public comparables

Horizontal e-Commerce incumbents




	LTM	2020	2021
Valuation metrics - Average			
EV/Sales	4.4x	3.8x	3.1x
EV/Gross profit	14.5x	8.6x	7.2x

Classifieds listings




EV/Sales	8.5x	7.8x	6.5x
EV/Gross profit	12.5x	22.1x	14.4x

Marketplaces




EV/Sales	4.2x	4.3x	3.3x
EV/Gross profit	13.6x	11.5x	9.2x

Vertical e-Commerce



EV/Sales	4.1x	3.3x	2.7x
EV/Gross profit	7.1x	7.8x	6.3x

e-Commerce enablers



EV/Sales	10.2x	9.3x	8.0x
EV/Gross profit	16.0x	15.1x	12.8x

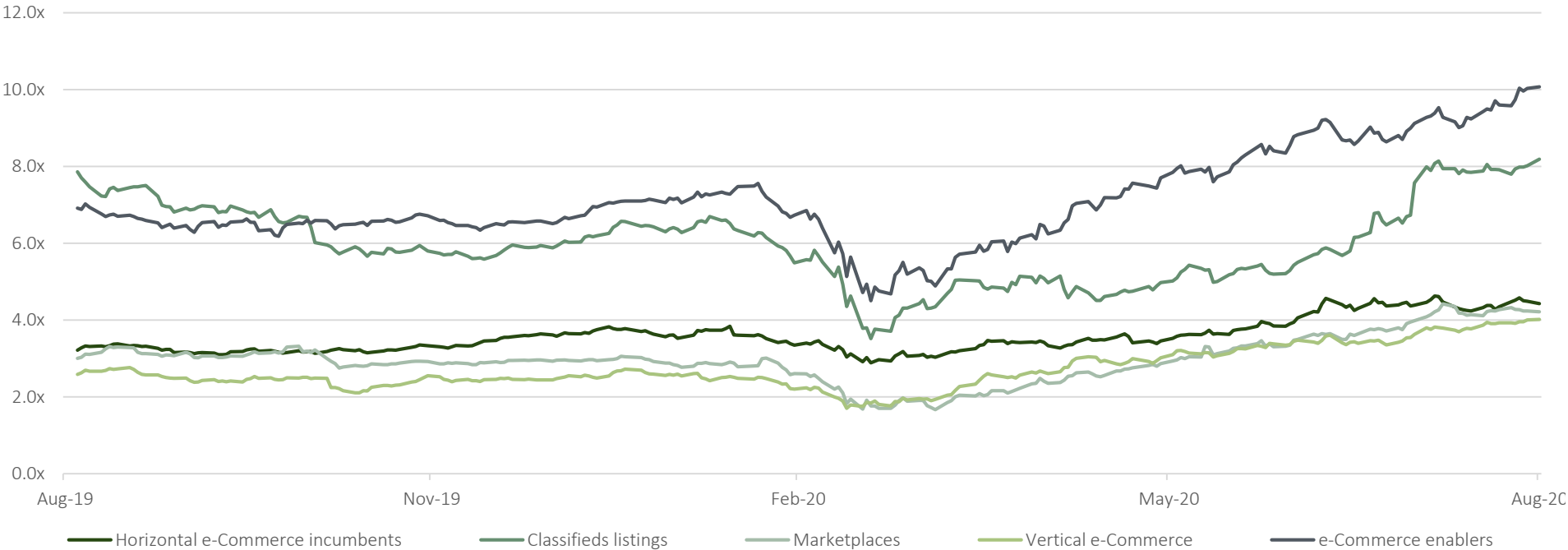
Private and Confidential

Source: Capital IQ as of August 31, 2020  
1. Trading comparables multiples excluding outliers

# Broader market performance and COVID-19 impact on valuation

EV/LTM sales evolution

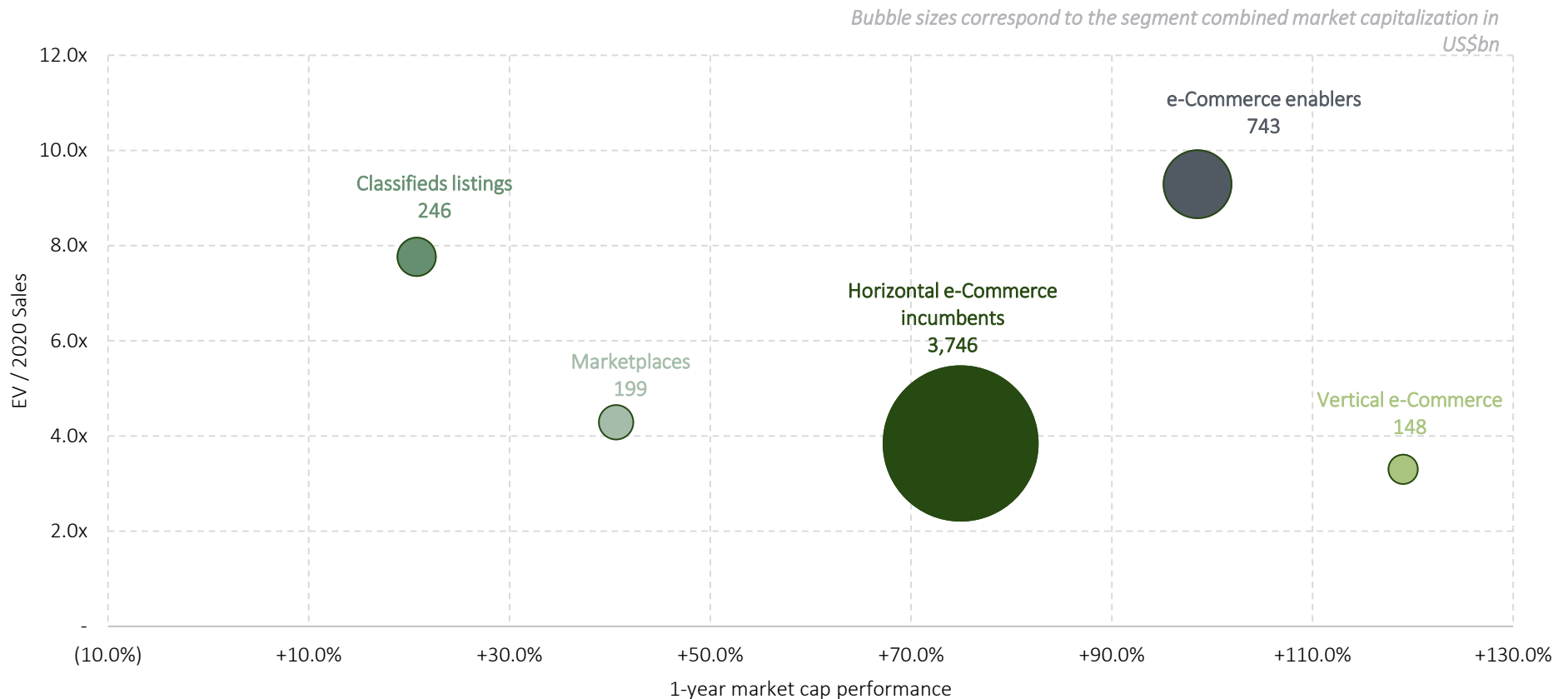
Horizontal e-Commerce incumbents	Classifieds listings	Marketplaces	Vertical e-Commerce	e-Commerce enablers
4.4x	8.5x	4.2x	4.1x	10.2x



*COVID-19 had an immediate impact on valuations, but recovery has been strong particularly in the e-Commerce enablers segment*

# Price performance & valuation by segment

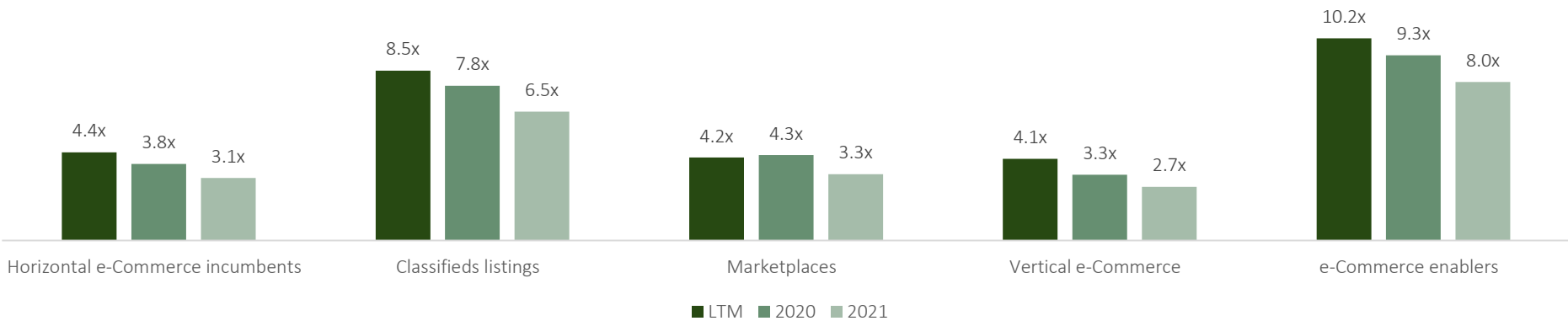
## Average EV/2020 Sales vs. 1-year market capitalization performance



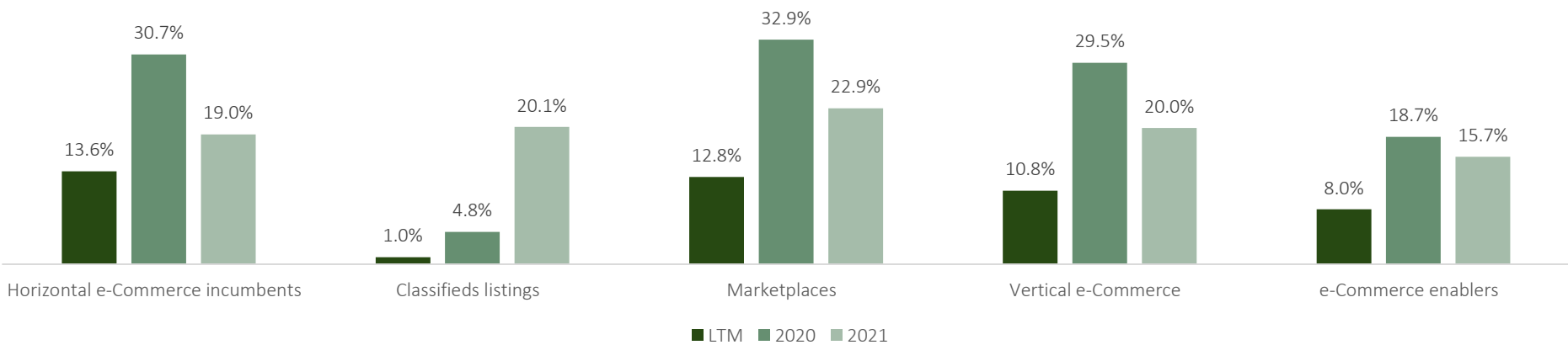


# e-Commerce sales multiples and growth by segment

Average EV/Sales multiples by segment

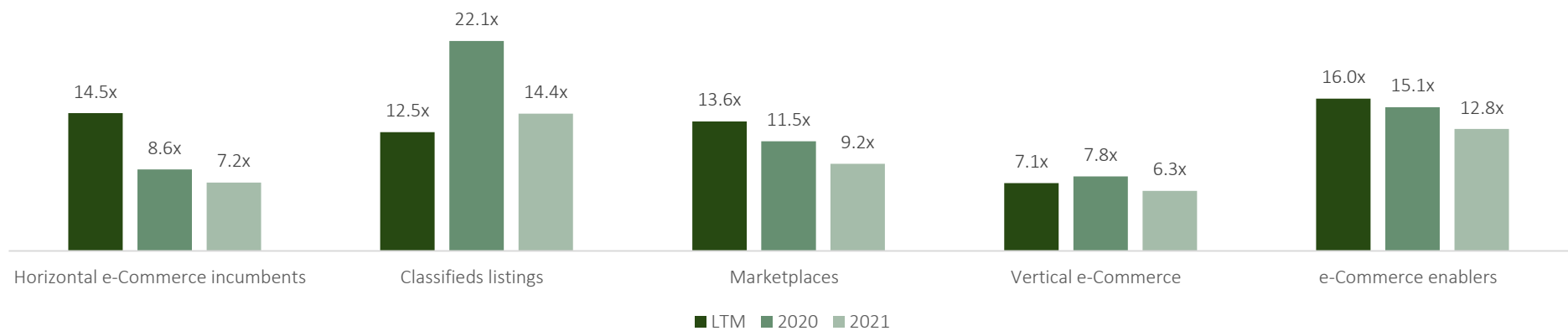


Average sales growth by segment

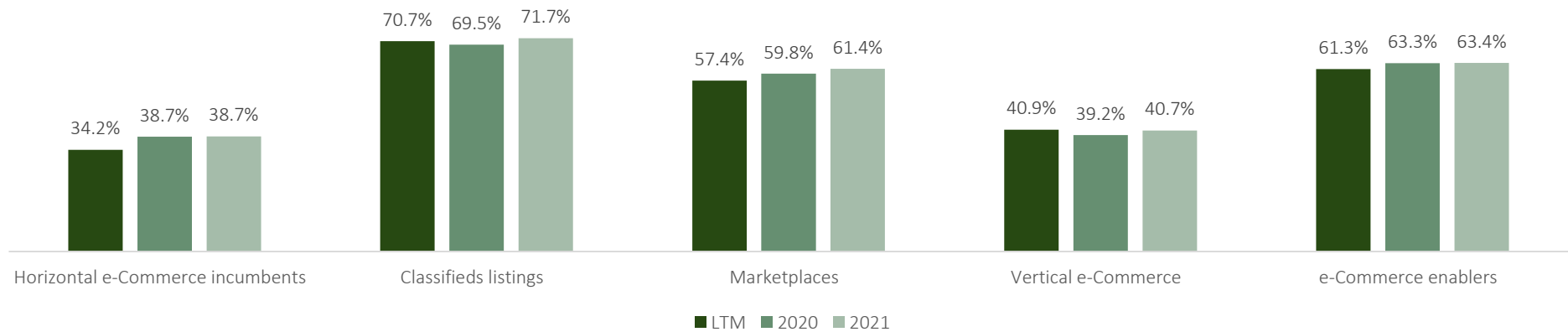


# e-Commerce gross profit multiples and margins by segment

Average EV/Gross profit multiples by segment

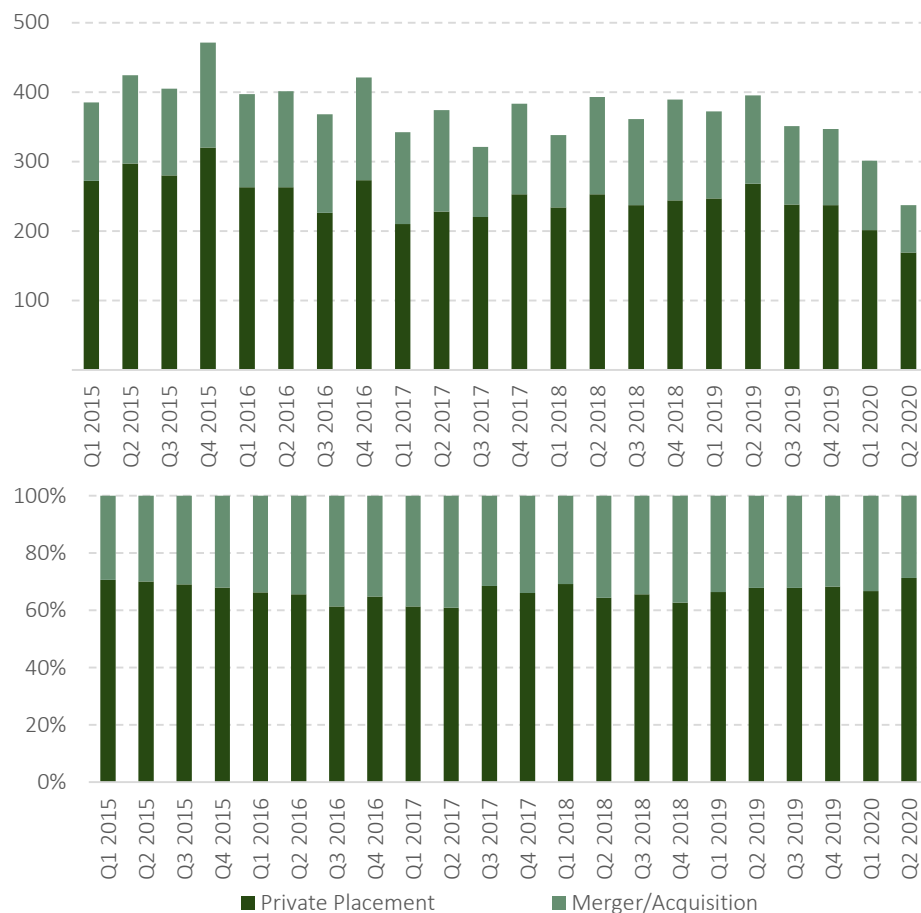


Average gross profit margins by segment

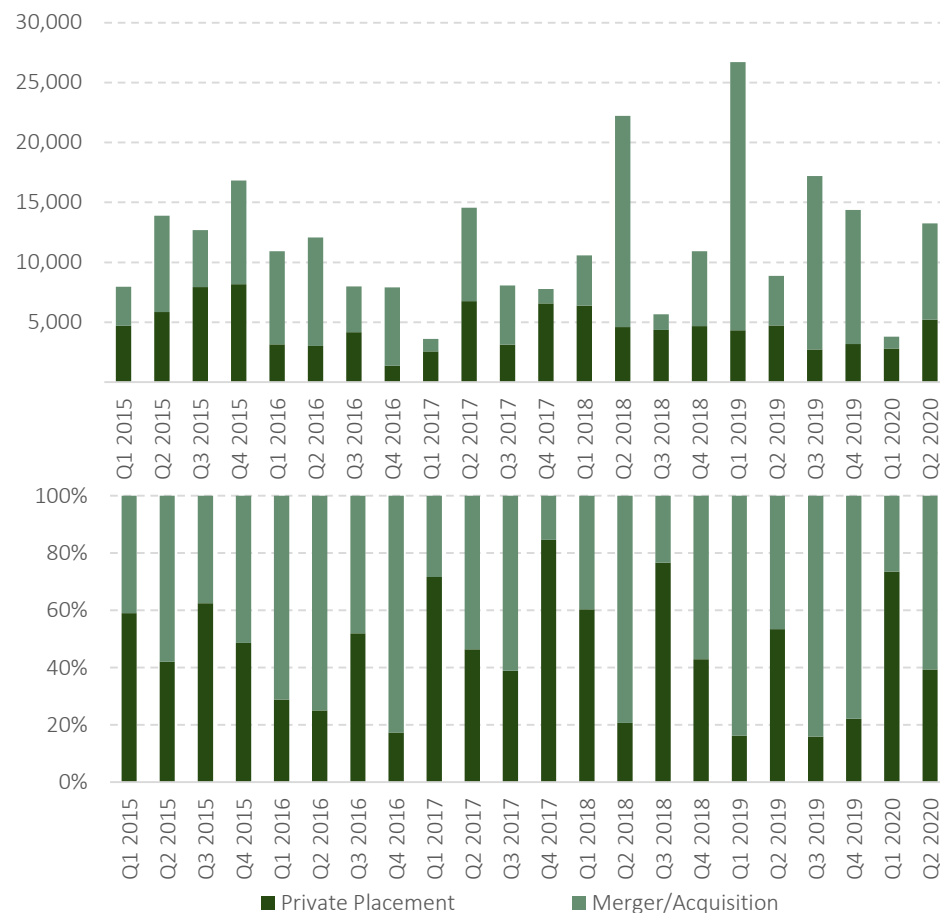


# Transaction trends by deal type

## Deal count by deal type

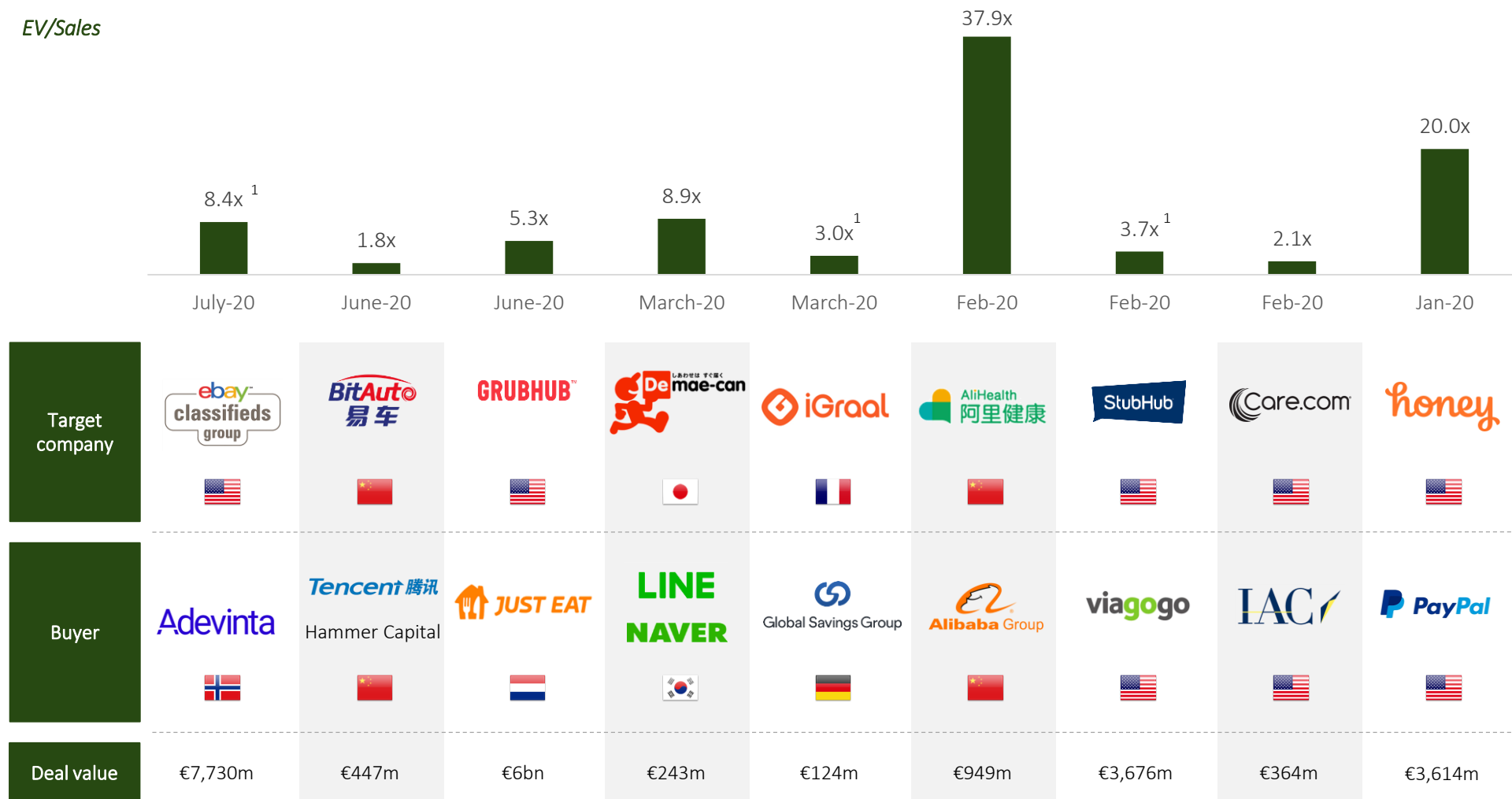


## Transaction value (€m) by deal type



*Private placements accounted for 70% of volumes and 39% of transactional value in Q2 2020*













# Recent e-Commerce M&A highlights



Private and Confidential












Source: Mergermarket, Capital IQ, Pitchbook, and other public available information  
1. Alantra estimate

# Selected recent e-Commerce funding transactions

Date	Company	Description	Amount raised
September-20	 PropertyGuru	Singapore-based online property portal that allows property buyers to view property pages, and generate inquiries for real estate developers and agent advertisers. The US\$221m funding round has been led by TPG and KKR.	US\$221m
August-20	 Fashionphile	California-based pre-owned e-Commerce company focused exclusively on ultra-luxury handbags, watches and fine jewelry. The US\$39m round has been led by NewSpring Growth.	US\$39m
August-20	WARBY PARKER	US-based optical e-Commerce giant which sell prescription glasses, sunglasses and children's frames. It has closed a US\$245m funding round from D1 Capital Partners, Durable Capital Partners, T. Rowe Price and Baillie Gifford.	US\$245m
August-20	 日日煮 DAYDAYCOOK	Hong Kong-based food e-Commerce start up that offer an app featuring recipes and food videos, cooking classes in upscale malls and a product line of its own branded food products. It has raised US\$20m from Talis Capital and Ironfire Ventures.	US\$20m
August-20	 dutchie	Oregon-based e-Commerce solution for cannabis dispensaries. It has closed a US\$3m Series B funding round, bringing Dutchie's total funding to \$53 million to date.	US\$35m
August-20	 Fanatics	Florida-based vertical e-Commerce dedicated to sports merchandise. The US\$350m investment round was led by Fidelity, Thrive Capital, with participation from Franklin Templeton and Neuberger Berman.	US\$350m
August-20	 pattern	Utah-based e-Commerce seller that uses its proprietary technology and data-driven insights to help brands attain profitable e-Commerce growth. The US\$52M investment has been co-led by Ainge Advisory and KSV Global.	US\$52m
August-20	 splitit	ASX-listed buy now, pay later fintech that enables customers to pay for purchases using their existing card, being able to split their purchases into fee or interest-free monthly installments, without the need for registration, application or approval.	US\$72m
August-20	 YOT PO.	New-York-based commerce marketing cloud with solutions for customer reviews, visual marketing, loyalty, and referrals. It has raised US\$75m from Bessemer Venture Partners, Access industries, Vertex Ventures and Hanaco.	US\$75m
August-20	 mikmak	New-York-based e-Commerce marketing platform. The US\$10m round of funding has been led by Wavecrest Growth Partners and Luminari Capital and Brave Ventures have participated.	US\$10m
July-20	 sezzle	Minnesota-based payment platform that enables bank-to-bank transfer of money between consumers and businesses	US\$86m
June-20	 NS8	Las Vegas-based startup that provides tools to prevent fraud within e-Commerce marketplaces, online merchants, payments gateways and ticketing services. It has raised US\$123m from Lightspeed and AXA Venture Partners.	US\$123m
May-20	 十荟团 NICE TUAN	e-Commerce platform that provides daily groceries and miscellaneous products. It has raised US\$81M from GGV Capital, China Growth Capital, Cygnus Capital and others.	US\$81m



# Selected recent e-Commerce funding transactions (cont.)

Date	Company	Description	Amount raised
May-20	 <b>Ecwid</b>	Startup that sells e-Commerce tools, letting businesses build e-Commerce experiences on their own websites and apps has raised US\$42M from Morgan Stanley and PeakSpan Capital.	US\$42m
May-20	 <b>京东工业品</b> 一站式工业品采购平台	Developer of an industrial products e-Commerce platform. It has raised US\$230 million of Series A venture funding in a deal led by GGV Capital. CITIC Capital and Sequoia Capital China also participated in the round.	US\$230m
May-20	 <b>叮咚买菜</b> Dingdongmaimai	Operator of a fresh food e-Commerce platform. It received US\$300 million of development capital from General Atlantic.	US\$300m
May-20	 <b>瓜子二手车直卖网</b> Guazi.com	Provider of a used car retail platform intended to trade cars directly among individuals. It raised US\$200 million of Series D+ venture funding from SoftBank Investment Advisers and Sequoia Capital China.	US\$200m
May-20	<b>BackMarket</b>	Operator of an online refurbished goods marketplace. It raised US\$120 million of venture funding from Eurazeo, Daphni and Aglaé Ventures. Goldman Sachs Merchant Banking Division also participated in the round.	US\$120m
May-20	 <b>Kurdy</b>	Operator of a fresh food delivery platform in Korea. It raised US\$164 million of Series E venture funding in a deal led by DST Global. SK Networks, Hillhouse, Sequoia, Fuse, Aspex and TransLink also participated in the round.	US\$164m
May-20	 <b>DispatchTrack</b>	Provides of a platform for last-mile deliveries specifically to help companies to planning and tracking deliveries more easily. It has closed a US\$144 million investment, which constitutes its first-ever funding.	US\$144m
April-20	<b>THRASIO</b>	Operator of an e-Commerce and retail platform. It raised US\$75 million of Series B venture funding in a deal led by PEAK6, RiverPark and Western Technology with a combination of equity and debt (US\$35 million loan led by Upper90 Capital).	US\$110m
March-20	 <b>OfferUp</b>	Provider of an online shopping platform. It raised US\$120 million of venture funding in a deal led by OLX. Warburg Pincus, GGV Capital and Andreessen Horowitz also participated in the round.	US\$120m
February-20	 <b>SWIGGY</b> FOOD DELIVERY APP	Developer of an online food delivery platform. It raised US\$156 million of Series I venture funding in a deal led by Naspers Ventures, Tencent Holdings and Prosus Ventures.	US\$156m
January-20	 <b>MO</b> MODERN OFFICE	Developer of an e-Commerce fashion platform. It raised US\$100 million of debt and equity funding in a deal led by Apax and New Enterprise Associates. Comerica Bank, TriplePoint Venture and Lauren Santo Domingo also participated in the round.	US\$100m
January-20	 <b>ManoMano</b>	Operator of an online marketplace for DIY and gardening products. The company raised US\$139 million of Series E venture funding in a deal led by Temasek. General Atlantic, Eurazeo, Piton, Bpifrance and Kismet also participated in the round.	US\$139m
January-20	 <b>Pine Labs</b>	Developer of an online payment and loyalty platform intended to convert point of sale to point of service. It received US\$300 million of development capital from MasterCard and Advent Capital Management.	US\$300m

# e-Commerce IPOs rumours

## Recent relevant rumours in the market

August-20

**wish**



*According to Nasdaq news, US-based e-Commerce company, Wish, has submitted a press release filing to go public. The Company has submitted the first draft with the SEC (Securities and Exchange Commission) for review.*

August-20



*China-based online payments fintech, Ant Group, has already filed for its IPO which, according to Marker Medium, plans to raise US\$30 billion when going public in October.*

August-20

**THE HUT GROUP**



*UK-based e-Commerce company, The Hut Group, is planning to sell US\$1.2 billion of new shares in an initial public offering, as stated by Bloomberg.*

August-20

**allegro**



*Poland-based e-Commerce, Allegro, owned by Cinven, Permira and Mid Europa Partners, are planning to list the portal on the Warsaw Stock Exchange in October. The potential IPO would fall in the US\$2.3-3 billion range, according to bne IntelliNews.*

August-20

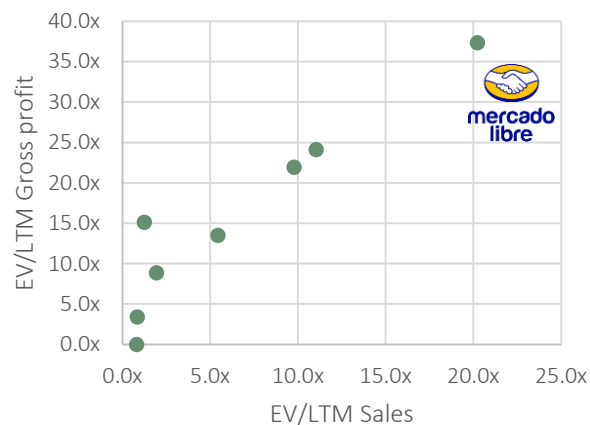
**konga.com**



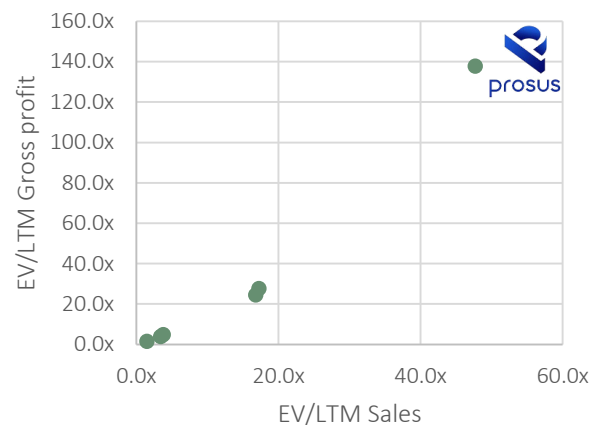
*Nigeria-based online retailer, Konga intends to go public on the NYSE and LSE bourses. As stated by Weetracker, it is unclear if the firm is planning to list on both exchanges and when would the potential IPO happen.*

# Valuation outliers - EV/LTM Gross profit and EV/LTM Sales correlation

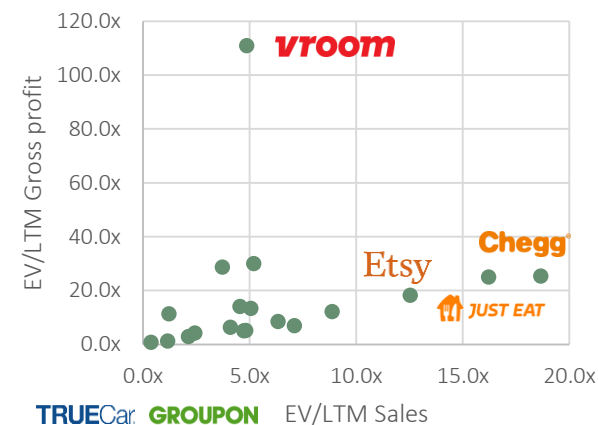
Horizontal e-Commerce incumbents



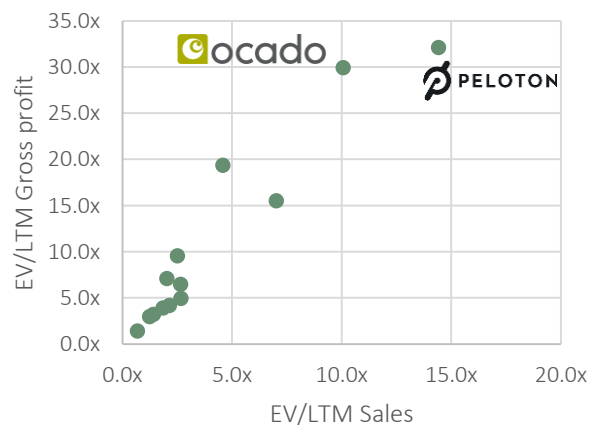
Classifieds listings



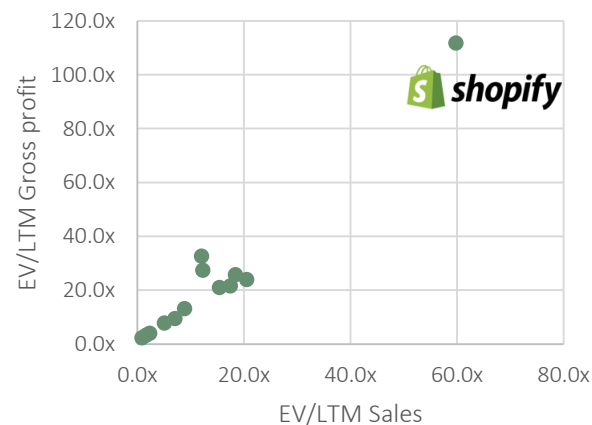
Marketplaces



Vertical e-Commerce



e-Commerce enablers





ALANTRA

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S|4

# *Introduction to Alantra*

# Alantra at a glance



## Investment Banking

- **M&A and Strategic Advisory:** buy-side, sell-side, private placement, public tenders, fairness opinions
- **Debt Advisory:** debt raising, refinancing, acquisition financing, bond issuance
- **Equity Capital Markets:** equity raising, IPOs, convertible shares, share buyback, take private, block sale

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300+ professionals

1,000+ deals advised since 2013

50% cross-border deals since 2013

Deep expertise in 12 sectors

Focus: Worldwide



## Alternative Asset Management

- **Direct investments:** Private Equity, Private Debt, Active Funds, Real Estate, Venture Capital
- **Other asset classes (through Access Capital Partners):** Infrastructure, Funds of Funds
- **Wealth Management:** advisory, asset management and family office services to institutions and High Net Worth Individuals

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60+ professionals

€1.9bn AuM in direct investments

€2.3bn AuM in wealth management

€10.8bn of cumulated funds since inception

Focus: Europe



## Corporate Portfolio Advisory

- **Valuation and structuring of non-performing loans :** credit transactions, real estate portfolios
- **Funding & Structured Finance:** financing facilities and structured securitization solutions
- **Investor Services:** transaction management, asset level underwriting, portfolio pricing, property support
- **PropTech:** big data analytics to maximize returns in real estate investments

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150+ professionals

250+ deals advised since 2013

€283bn+ transaction value since 2013

Focus: Worldwide



# Alantra Global Technology Group overview

*Senior technology team concentrated in key geographies with deep domain expertise and strong international support*

**30+**

Bankers

**100+**

Years Combined  
Experience in Tech



San Francisco



Boston



New York



Madrid



London

**150+**

Transactions  
Completed Last 5  
Years

**US\$10b**

Aggregate  
Transaction Value



Software & SaaS

113 Deals



Internet  
& Digital Media

75 Deals



IoT &  
Smart Industry

40 Deals



IT Services &  
Public Cloud

99 Deals



Financial  
Technology

26 Deals









Communications  
& Networking

83 Deals

*Our mission is to advise emerging and established technology leaders throughout the growth lifecycle*



# Deep sub-sector knowledge from our global specialists

 <i>Software &amp; SaaS</i> 113 Deals	 <i>Internet &amp; Digital Media</i> 75 Deals	 <i>IoT &amp; Smart Industry</i> 40 Deals	 <i>Tech-enabled Business Services</i> 99 Deals	 <i>Financial Technology</i> 26 Deals	 <i>Communications &amp; Networking</i> 83 Deals
Vertical / Industry Specific 32 Deals	e-Commerce & Marketplace 11 Deals	Smart Cities, Homes, Buildings, Factory, Auto 7 Deals	Interactive Agencies and Digital Consultancies 24 Deals	Real Estate 8 Deals	Unified Communications (UcaaS) & Collaboration 22 Deals
Customer Relationship Management (CRM) 6 Deals	Content 21 Deals	Connectivity & Device Platforms 9 Deals	IT & Managed Services 40 Deals	Asset Management 3 Deals	Communication Platform (CPaaS) & Messaging 16 Deals
Enterprise Resource Planning (ERP) 29 Deals	Travel 6 Deals	Sensors & Smart Devices 11 Deals	Business Services / Outsourcing 21 Deals	Banking & Trading 3 Deals	Cloud Infrastructure & Software 5 Deals
Security 7 Deals	Gaming 5 Deals	Location 7 Deals	Information & Data 9 Deals	Payment 3 Deals	Enterprise Wireless & Mobility 15 Deals
Enterprise Information Management (EIM) 16 Deals	Content Delivery 20 Deals	Logistics & Fleet Management 6 Deals	Managed Security Services 2 Deals	Credit & Lending 6 Deals	Network Management, Optimization & Security 20 Deals
Advanced Analytics & BI 12 Deals	Martech / Adtech 9 Deals		Value Added Reseller / Distributor 2 Deals	Insurance 3 Deals	Fibre/Cable Connectivity 3 Deals
AI & ML 4 Deals	Application Middleware 3 Deals		Hosting & datacenter Services 1 Deal		Communication Hardware 2 Deals
Digital Commerce 7 Deals					

*Private and Confidential*

# Unique Investment Banking proposition

## What sets us apart



### A truly global player

With deep local presence

**Global brand** with professionals in Europe, US, Latin America and Asia

Since 2013, we have advised on **deals in 25 different countries**



### Full service advisory offering

Tailor made solutions for our clients' needs

**Global Corporate Finance team** offering full service capability of M&A and equity/debt capital markets advisory



### Real sector specialisation

Deep coverage of chosen niches

**All our Partners and bankers** focus at a sub-sector level



### Mid-market focus

Invest in long term relationships

**Over 100 Partners with 20 years plus average mid-market experience** lead all transactions providing a hands on, dedicated and proven mid-market approach



### Fully aligned partnership

Working to the same strategy

**Best in class global collaboration**, underpinned by listed partnership structure

	ALANTRA	BULGE BRACKET	M&A BOUTIQUE
<b>GEOGRAPHIES</b>			
Global reach	✓	✓	✗
Local presence	✓	✗	✓
<b>SECTORS</b>			
Complete coverage	✓	✓	✗
Sub sector depth	✓	✓	✓
<b>ENTREPRENEURSHIP</b>			
Partner ownership	✓	✗	✓
Flexible decision making	✓	✗	✓
<b>STRATEGIC RELATIONSHIPS</b>			
Mid-market focus	✓	✗	✓
Multi national	✓	✓	✗
<b>PRIVATE AND PUBLIC CAPITAL MARKETS</b>			
M&A execution	✓	✓	✓
Equity and Debt	✓	✓	✗







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# *Appendix*

# BigCommerce at a glance

## Company background and key statistics

-  **Headquartered in Austin, TX** with additional offices in San Francisco, Sydney, and London
-  **600+ employees**
-  **~\$128.5m ARR in 2019**, targeting +21.6% growth in 2020. **Uneven operating losses** despite strong revenue growth
-  Serves more than **60,000 online retail stores in 120 countries**

## Corporate activity

Date	Description
Jul-20	<ul style="list-style-type: none"> <li>Filed to raise \$130m in IPO, offering 6.9m shares</li> <li>Updated price range and planned to instead offer 9m shares to raise \$198m</li> </ul>
Feb-20	<ul style="list-style-type: none"> <li>Raised \$11m of mezzanine financing from WestRiver Group</li> </ul>
Apr-18	<ul style="list-style-type: none"> <li>Raised \$64m of Series F funding in round led by Goldman Sachs; post-money valuation at \$514m</li> </ul>
Jun-17	<ul style="list-style-type: none"> <li>Raised \$40m of Series E in deal led by GGV Capital with 13 additional investors</li> </ul>
Dec-14	<ul style="list-style-type: none"> <li>Raised \$55m of Series D funding in deal led by Softbank; post money valuation at \$384m</li> </ul>
Jul-13	<ul style="list-style-type: none"> <li>Raised \$46m of Series C funding in deal led by Revolution; post money valuation at \$243m</li> </ul>
Sep-12	<ul style="list-style-type: none"> <li>Raised \$20m of Series B funding led by General Catalyst Partners; post money valuation at \$157m</li> </ul>
Aug-11	<ul style="list-style-type: none"> <li>Raised \$15m of Series A funding from General Catalyst Partners; post money valuation at \$72m</li> </ul>

## Business description

- Develops an open **SaaS e-commerce platform** that helps **B2B and B2C merchants sell across multiple sales channels** such as online marketplaces, search engines, POS systems, and social networks.
- Their cloud-based platform and tools ease the scaling of e-commerce operations, online store design, catalog management, hosting, and payment among other services.

## Management team and Board of Directors



**Brent Bellm – President, CEO, Chairman**  
*Previously COO of Homeaway*



**Russell Klein – CCO**  
*Previously SVP of Hands-On Mobile & CEO of SendMe*



**Robert Alvarez – CFO**  
*Previously CFO of LibreDigital*



**Brian Dhatt – CTO**  
*Previously CTO at Borderfree*



**Lisa Pearson – CMO**  
*Previously at Umbel*



**Lawrence Bohn – Director**  
*General Catalyst Partners*



**Steven Murray – Director**  
*Softbank, Revolution Growth*

## Product offering



### Storefront Design

- Helps retailers create, edit and implement site pages, themes, and checkout features.
- Allows retailers to test site functionality and mobile responsiveness in a local environment before public use.



### Storefront Conversion

- Easy execution of discounts, custom product recommendations, and headless APIs.
- Customizable SEO tools.
- Integration of digital wallets such as Apple Pay, Amazon Pay, Paypal, and more.



### Cross-Channel Commerce

- Facilitates sale via other marketplaces such as Amazon, eBay, Google Shopping.
- Simplified social channel advertising through Facebook, Pinterest, and Instagram.
- In-store sales updated with native POS systems.



### B2B Ecommerce Solutions

- Easy customer group segmentation.
- Customizable price lists and options by group and individual.
- Flexible B2B payment methods, credit authorization, and quote management.



### International Scaling

- Multi-currency enabled payment.
- Cross border fulfillment tools.
- App and API based translation tools for multi-language accessibility.

# BigCommerce IPO and financial detail

## IPO overview

- IPO filing on July 13th aiming to raise US\$100m in sale of 6.85 million shares.
- Price range initially adjusted to US\$18 to US\$20 per share with expectation to raise ~US\$130m.
- Tiger Global Mgmt intended to purchase up to 20% of shares.
- On August 3rd, the company increased the number of shares it plans to offer to 9.02 million and adjusted the estimated price range to US\$21 to US\$23 per share, with fundraising goal of US\$198m.
- Price range implies a valuation of US\$1.7b.
- Exact IPO date is TBA.

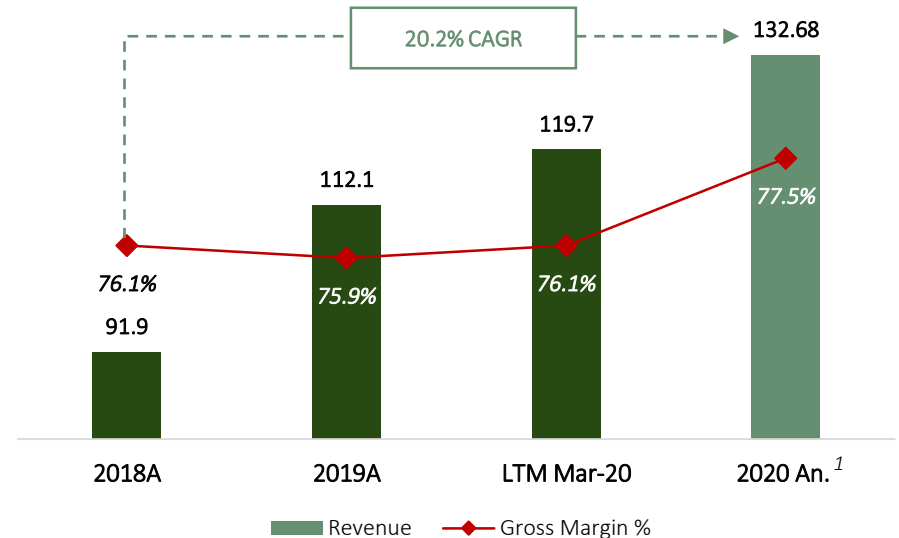
## Use of funds and ongoing corporate strategy

- Intends to use a portion proceeds to pay cash dividends on outstanding shares of Series F preferred stock.
- The remainder of the offering will likely be allocated for working capital purposes and general corporate purposes such as sales and marketing, research and development, and capital expenditures.
- Acquire new mid-market and large enterprise customers, which have historically exhibited NRR of greater than 100%.
- Expand presence in emerging segments: headless commerce, B2B, and large enterprise clients.
- Opportunity to expand internationally.

## Selected customers



## Financial overview



## M&A strategy

- Company is unlikely to pursue acquisitions in the near future but will consider options:
  - "We may also use a portion of the net proceeds from this offering to acquire, license, or invest in products, technologies or businesses that are complementary to our business. However, we currently have no agreements or commitments to complete any such transaction."
- Company is cognizant of certain risks associated with potential acquisitions:
  - "We may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of the acquired companies. Key personnel of the acquired companies may choose not to work for us, their software may not be easily adapted to work with ours, or we may have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise... The anticipated benefits of any acquisition, investment, or business relationship may not be realized or we may be exposed to unknown risks or liabilities"

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