



**Q2**  
2025

**ONLINE RETAIL**

# **Market Update**

# 2025 Midyear Review

## Navigating a margin-led recovery in an uncertain policy environment

The online retail sector is undergoing a margin-led recovery, with EBITDA margins improving in Q2 despite softer revenue growth across both public and private companies, signaling healthier bottom-line performance even as growth remains uneven across categories and regions. Management teams across the sector continue to emphasize operational discipline and prudent investments, reflecting a broader focus on cost control and strategic resource allocation. These measures provide a stronger and more resilient foundation for the sector as it navigates the remainder of 2025.

Disinflation earlier in the year and selective rate cuts supported sentiment, yet policy risk remains elevated. U.S. inflation is beginning to rise again, while Europe continues to hold steady. Recent tariff measures add complexity, with lagged effects expected to unfold over time, creating challenges for near-term planning. Companies and investors are maintaining a cautious stance as visibility on H2 2025 and 2026 develops.

Projections for 2025 remain stable with modest expectations for revenue growth. However, 2026 estimates have softened, particularly for margins, driven by assumptions of slower operating leverage and lingering tariff impacts. Guidance is constructive but guarded, with an emphasis on self-help strategies like automation, dynamic pricing and customer-experience enhancements to mitigate external pressures and drive sustainable growth.

Valuations are normalizing from pandemic extremes and, excluding digital market hubs, remain below pre-pandemic levels. From a pre-COVID starting point (Jan 2020), the S&P 500 has grown ~92% and

digital market hubs are up ~32%, while inventory-based e-commerce and D2C are each down ~55%—underscoring sector underperformance but also potential upside if fundamentals continue to stabilize.

Mergers and acquisitions (M&A) activity in Q2 2025 showed selective but active momentum, with deal volumes increasing quarter-over-quarter (149 deals versus 114 in Q1 2025), though still below Q2 2024 levels (175 deals). Strategic buyers continue to use M&A to expand capabilities and footprint while overall discipline on pricing and underwriting persists. The gradual improvement signals a stabilization in deal-making from the 2022 peak, though not yet a full recovery.

For the second half of 2025, we anticipate steady margin resilience with uneven top-line growth across the sector. The long-term trajectory will depend heavily on inflation trends, interest rates, trade policy (including tariffs) and the durability of consumer confidence. Should companies maintain their focus on operational efficiency, automation, personalization and targeted M&A supported by disciplined capital allocation, the sector is well-positioned to transition toward a healthier and more sustainable medium-term path.

### Online retail entails<sup>(1)</sup>:

Inventory-based E-commerce

Digital Market Hubs

Direct-to-Consumer (D2C)

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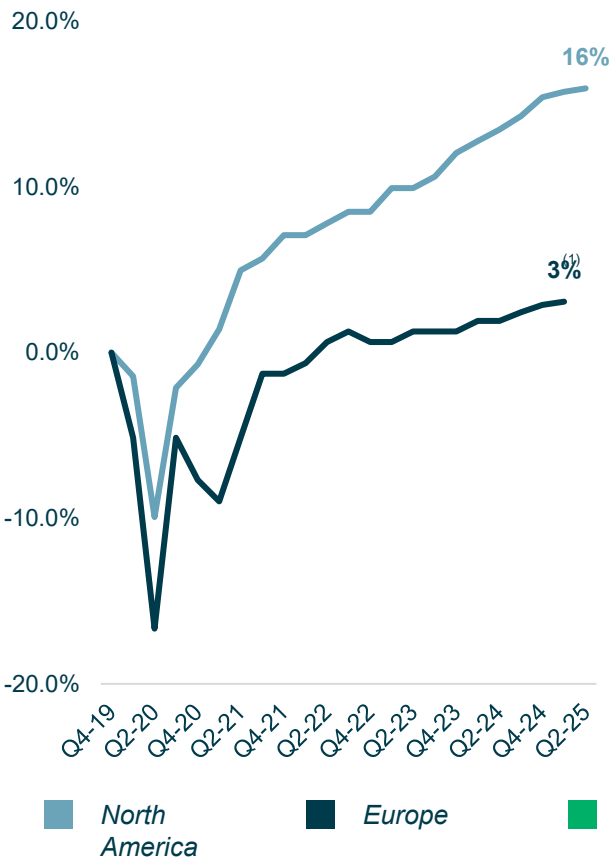
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# Resilient Consumers Drive Market Growth Despite Inflation Challenges

Spending is increasing and sentiment is improving, yet inflation is making the outlook more uncertain

## Consumer spending continues to rise...

Consumer Spending Development



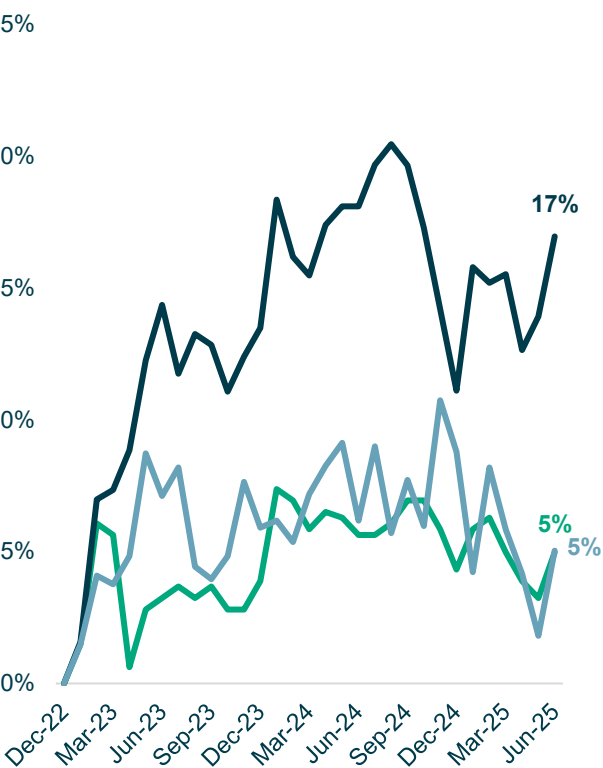
## ...as U.S. inflation starts to increase...

Core Year-over-Year (YoY) Inflation



## ...yet consumer confidence strengthens

Consumer Confidence Index Development



## MACROECONOMIC LANDSCAPE

- Early-year optimism, driven by disinflation, wage growth and rate cuts, is now facing increased challenges due to divergent inflation trends, with U.S. price pressures showing signs of reacceleration while Europe continues to experience relative stability
- Escalating trade disputes and new tariff policies are deepening uncertainty across global markets, prompting more cautious behavior from consumers and investors
- Analysts warn that persistent trade frictions may disrupt supply chains, increase input costs and amplify pricing volatility as we approach year-end, adding further complexity to the economic outlook

# Uncertainty Continues to Pressure Estimates

2025 projections hold steady while 2026 estimates move lower, with margins taking the hardest hit

## Leadership outlook: Demand is resilient despite tariffs

Quotes from management of consumer online retail players

“

“Consumers are still cautious, but they also keep spending. We’ve enjoyed growth really across all our markets, and that makes us confident we will be able to drive the acceleration we are aiming for this year.”

David Schroeder, Co-CEO, Zalando

“

“Obviously, none of us knows exactly where tariffs will settle or when. We haven’t seen any attenuation of demand yet. ... We also have not seen the average selling price of retail items appreciably go up yet.”

Andy Jassy, CEO, Amazon

“

“The macro environment in the U.S. in the second quarter was more favorable than expected. Despite tariff announcements and the elimination of the de minimis for imported goods, consumer demand held up.”

Jamie Iannone, CEO, eBay

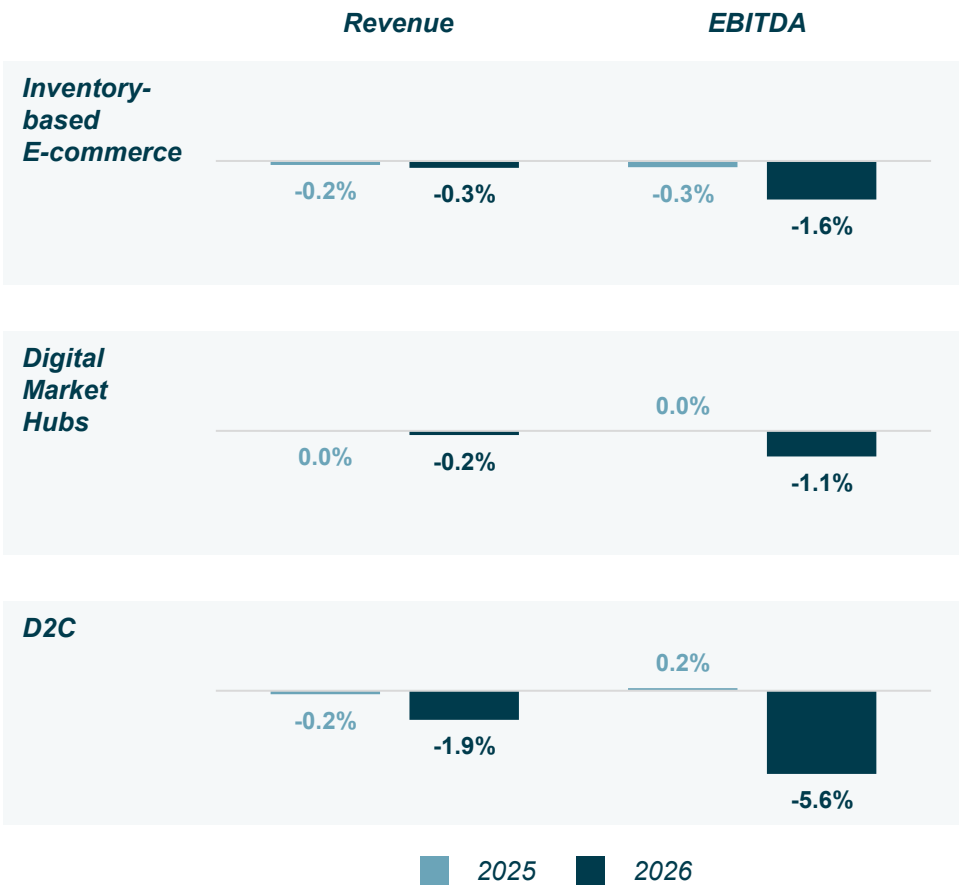
“

“We saw a strong start to the year, with solid results on both the top and bottom lines...supported by improving consumer sentiment and continued enhancements to JD’s supply-chain capabilities and user experience.”

Sandy Xu, CEO, JD.Com

## Estimate forecasts for 2026 have come down

Change in current estimates vs. prior quarter<sup>(1)</sup>



## ESTIMATES

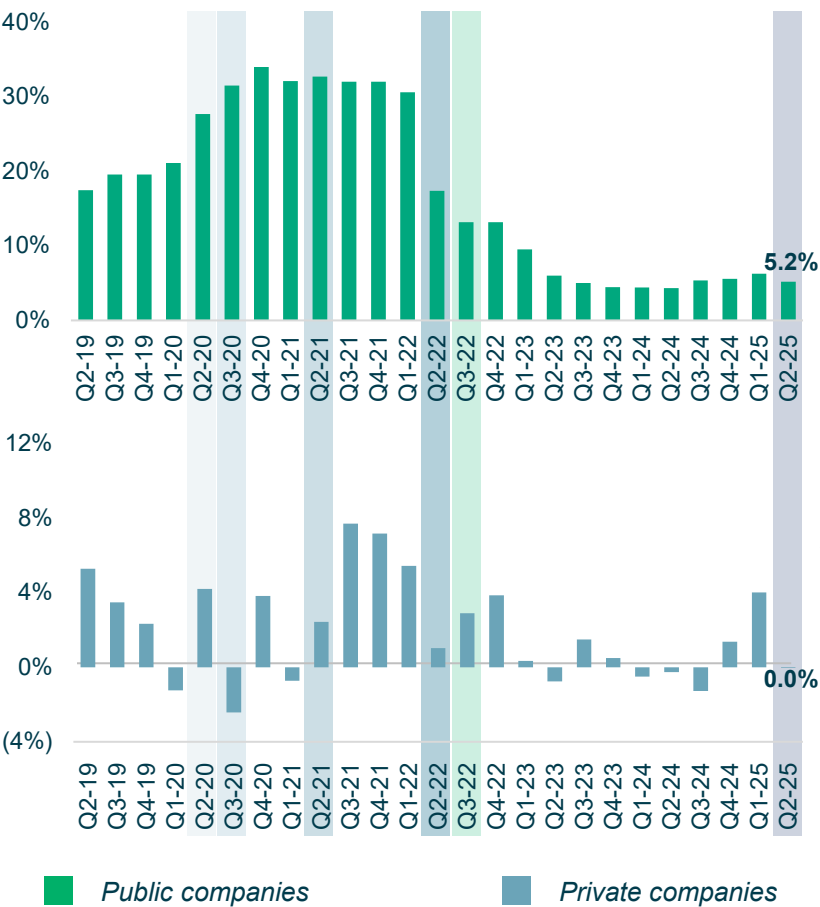
- Management teams flag lingering policy and trade uncertainty; U.S. tariff effects are uneven and still working through supply chains
- Expectations for 2025 sales remain largely stable—digital market hubs are projected to stay flat, while inventory-based e-commerce and D2C channels face modest downward adjustments
- Profit expectations have eased more than revenues: broader 2026 EBITDA downgrades across segments are most pronounced in D2C
- Companies underline the importance of cost control, product mix optimization and disciplined pricing strategies but remain cautiously optimistic given the current macro and policy environment

# Profitability Continues to Improve While Revenue Growth Remains Moderate

Across public and private cohorts, LTM revenue growth is muted while EBITDA margins continue to improve

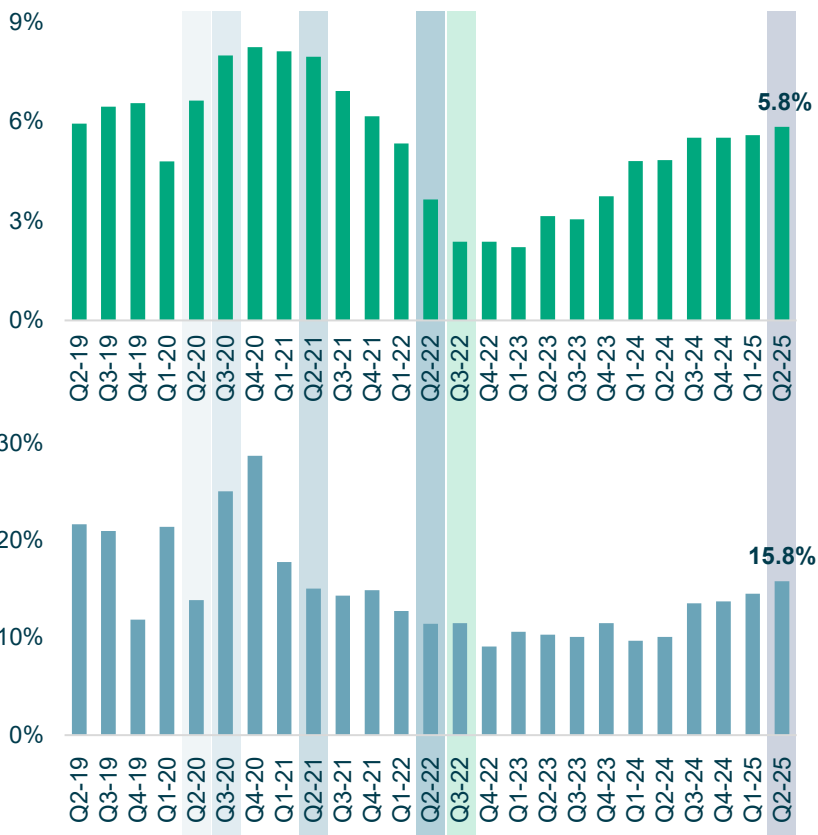
## Revenue growth has yet regained momentum...

LTM revenue growth



## ...but margin performance keeps normalising

EBITDA margin %



## Key events

- Q1-20**  
COVID pandemic and surge in reliance on online channels
- Q2-20**  
Supply chain disruptions following lockdowns
- Q1-21**  
Suez Canal blocked and freight rates soar
- Q1-22**  
Russia invades Ukraine
- Q2-22**  
Rising inflationary pressures and economic uncertainty
- Q2-25**  
Trump introduces tariffs; full impact remains uncertain

## OPERATIONAL PERFORMANCE

- Analysis draws on metrics for selected public online retailers and Lincoln's proprietary database covering private companies
- For both public and private companies, revenue fell this quarter while EBITDA margins showed improvement
- Margin growth has been supported by easing inflation, selective rate cuts and steadier supply chains, though demand remains uneven by category
- Improved margins also reflect post-pandemic adjustments, including leaner logistics, tighter inventory and SKU management and a reduced focus on marketing intensity

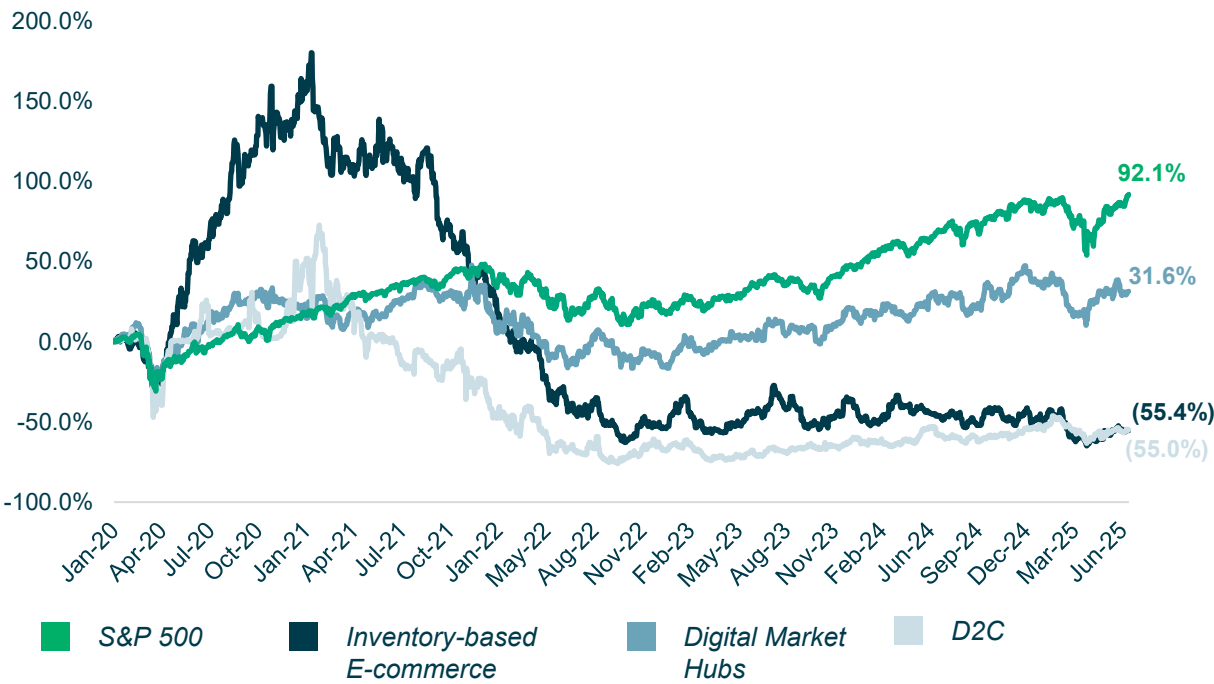


# Online Retailers Underperform From Pre-COVID Baseline

Despite the early rebound, online retail valuations (exc. digital market hubs) remain below pre-pandemic levels

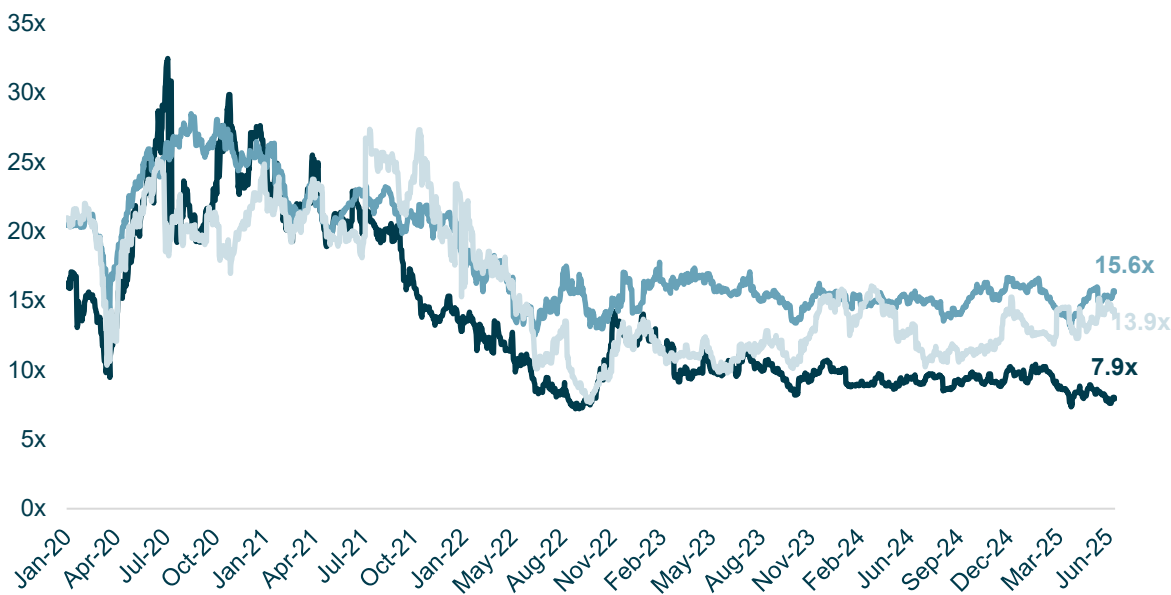
Share performance has lagged the S&P since the pre-COVID baseline...

Relative Stock Price Performance



...as EBITDA multiples normalize from pandemic peaks

Median EV / NTM EBITDA multiple <sup>(1)</sup>



(€ millions, except share price)	Share Price	% of High 52-Week	Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / EBITDA - Capex		EV / EBIT	
					CY2025	CY2026	CY2025	CY2026	CY2025	CY2026	CY2025	CY2026
Median – Inventory-based E-commerce	5.8	-34%	488	801	0.6x	0.5x	8.7x	7.5x	10.4x	9.5x	12.5x	11.5x
Median – Digital Market Hubs	43.2	-13%	8,426	8,669	3.4x	3.2x	15.9x	14.0x	19.0x	17.4x	21.2x	16.7x
Median – D2C	14.0	-31%	582	625	1.3x	1.3x	14.0x	14.5x	19.8x	17.4x	37.1x	24.1x

# M&A Transaction Activity Back at Pre-Pandemic Levels

Reset from the 2022 peak, Q2 2025 rises quarter-on-quarter but remains below Q2 2024

### Deal flow remains below last year...

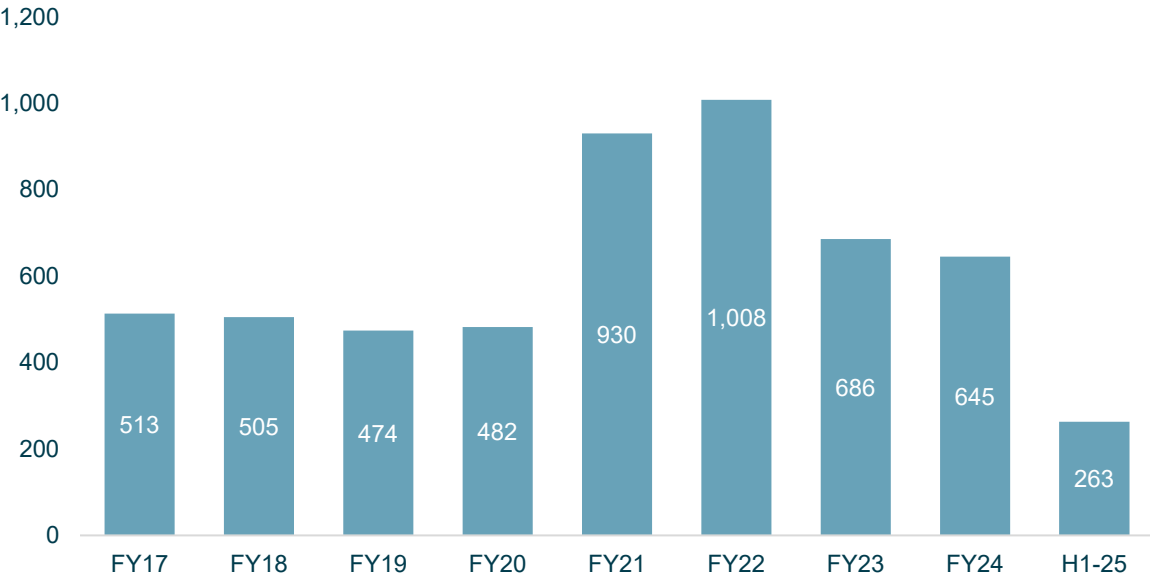
- In Q2 2025, 149 North American and European online retail companies were acquired, up from 114 in Q1 2025 but below the 175 completed in Q2 2024
- After record volumes in 2022, sector M&A declined at a ~20% CAGR between 2022–2024, reflecting tougher macro conditions since 2023

### ...yet, M&A remains a key growth driver for strategic players

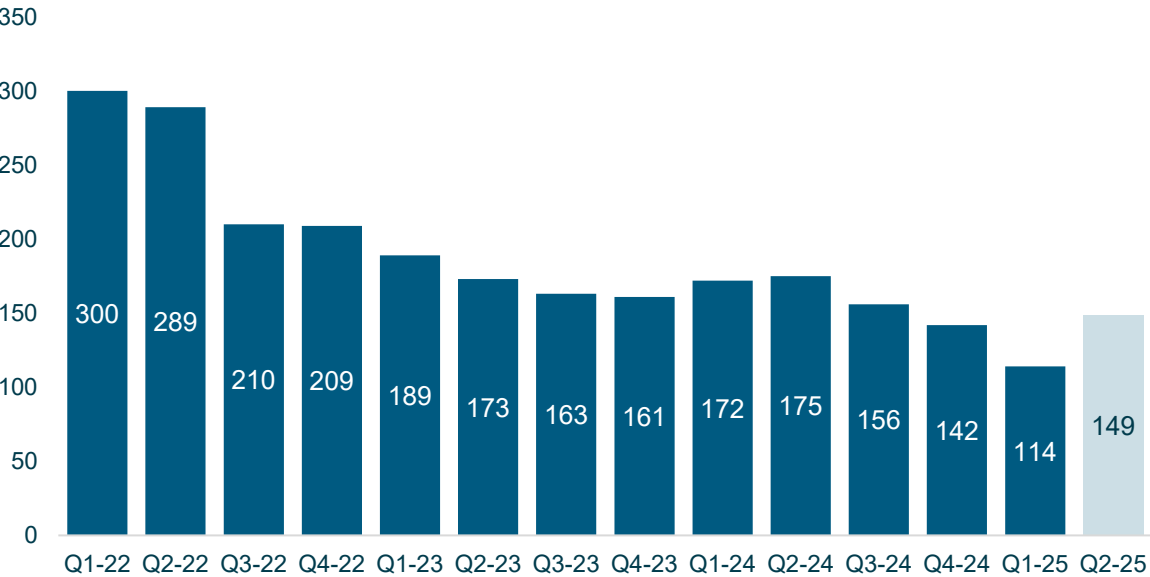
- Deal volumes in 2023-2024 stabilized above pre-pandemic levels, with 150+ more transactions on average versus the 2017–2019 baseline
- While financial acquirers have pulled back more from consumer markets, strategic buyers continue to use M&A to drive expansion

### Number of completed online retail transactions

On an annual basis



On a quarterly basis



# Select Lincoln International Credentials

Lincoln has vast transaction experience within online retail



has acquired

**FOOT2YUJIM**

from

**UNDISPUTED**  
KING OF TRAINERS

Buy-Side  
Acquisition Financing

**verdane**


has sold

**SPARES**

to

**Clas Ohlson**

Sell-Side


 

**FOOTSHOP**

has been sold to

**WOOD SPAC One**

Sell-side




IN THE STYLE

has sold its  
trading operations to

**BAAJ**  
Capital LLP

Sell-Side



TRILANTIC | EUROPE

has acquired a  
majority stake in

**PASSIONE**  
UNGHIE

with financing provided by

**EURAZEO** **HLG**  
WHITEHORSE

Acquisition Financing


 


**ORVA**

has received an  
investment from

**TRILANTIC**  
CAPITAL PARTNERS

Sell-Side






has sold

**Fast Growing Trees.com**

to

**Berkshire**  
Partners

Sell-Side






a portfolio company of

**mobeus**  
**conne+ion**  
CAPITAL

has floated on AIM

Sell-Side



**pechel** INDUSTRIES  
and co-founders

have sold

**PRIVATESPORTSHOP**

to

**Bridgeport**

Sell-Side

**ORVA**


a portfolio company of

**TRILANTIC**  
CAPITAL PARTNERS

has received a significant minority  
investment from

**ONTARIO**  
**TEACHERS'**  
PENSION PLAN  
CAPITAL PARTNERS

Sell-Side



**Gordon Brothers**

has sold

**LAURA ASHLEY**

to

**NEUBERGER BERMAN**

a portfolio company of

Sell-Side

**VENDIS CAPITAL**

has sold

**fatboy**


to

**calligaris**

a portfolio company of

**alpha**

Sell-Side

**JADE LEAF**  
MATCHA

has been sold to

HPH II investments master  
fund, lp and affiliates

managed by

**WM PARTNERS LP**

Sell-Side




**GORILLA**  
COMMERCE

has received an  
investment from

**TRILANTIC** | NORTH  
CAPITAL PARTNERS | AMERICA

Sell-Side





has sold

**houra**

to private investors

Sell-Side


 

**FRONT ROW**

has received strategic  
investment from

**Charlesbank**

Buy-Side



Founders and  
**LEITMOTIV**  
PRIVATE EQUITY

have sold


**AGORA**  
STORE

to

**21 Invest**  
**bpi**france

and management

Sell-Side

**CONSILIUM**


has sold

**macron**

to

a private shareholder

Sell-Side




Private founders have sold a  
majority stake in and have  
raised capital for

**BSTN**

From a German family office

Sell-side



**WALKER EDISON**


a portfolio company of

**PROSPECT HILL**  
GROWTH PARTNERS

has received a  
significant minority equity  
investment from

**Blackstone**

Sell-Side



**Walker Edison**

a portfolio company of

**Caltius**  
Structured Capital

has been sold to

**J.W. CHILDS**  
ASSOCIATES

Sell-Side





# Public Comparables

## Appendix



# Public Comparables – Inventory-based E-commerce

(€ millions, except share price)						EV / Revenue		EV / EBITDA		EV / EBITDA - Capex		EV / EBIT	
Company	Country	Share Price	% of High 52-Week	Market Cap	Enterprise Value	CY2025	CY2026	CY2025	CY2026	CY2025	CY2026	CY2025	CY2026
Inventory-based Ecommerce													
JD	China	32.6	(32%)	5,592	1,744	0.0x	0.0x	0.4x	0.3x	0.7x	0.4x	0.6x	0.4x
Wayfair	United States	51.1	(34%)	5,588	7,956	0.8x	0.7x	14.7x	12.7x	18.6x	17.4x	30.8x	23.5x
Zalando	Germany	28.0	(30%)	7,250	7,004	0.6x	0.5x	7.6x	6.5x	10.4x	9.0x	12.2x	10.5x
Ocado	United Kingdom	2.3	(54%)	2,184	3,311	2.1x	2.0x	10.9x	12.3x	NM	NM	NM	NM
THG	United Kingdom	0.3	(53%)	524	917	0.4x	0.4x	9.5x	7.6x	12.6x	9.5x	20.5x	14.2x
Boozt	Sweden	79.4	(42%)	453	495	0.6x	0.6x	8.2x	7.4x	10.4x	14.1x	12.6x	11.0x
About You Holding	Germany	6.7	(3%)	1,176	1,220	0.6x	0.5x	34.2x	15.1x	NM	30.3x	NM	NM
AO World	United Kingdom	1.0	(18%)	642	684	0.5x	0.4x	8.2x	7.1x	9.8x	8.5x	12.5x	11.1x
1-800-FLOWERS	United States	4.9	(49%)	266	432	0.3x	0.3x	14.6x	25.4x	NM	NM	NM	42.7x
ASOS	United Kingdom	3.0	(34%)	422	1,018	0.3x	0.3x	5.9x	4.9x	46.1x	16.6x	NM	25.4x
Kogan	Australia	3.8	(41%)	208	182	0.6x	0.6x	7.8x	6.4x	9.0x	7.2x	11.8x	9.4x
Victorian Plumbing Group	United Kingdom	0.8	(37%)	299	345	0.9x	0.9x	9.2x	8.6x	11.0x	10.3x	12.3x	11.8x
BHG	Sweden	23.2	(16%)	373	603	0.7x	0.6x	9.4x	7.7x	11.5x	9.5x	17.7x	12.6x
Westwing	Germany	8.0	(32%)	150	128	0.3x	0.3x	4.3x	3.3x	6.1x	4.4x	16.3x	7.9x
Median		5.8	(34%)	488	801	0.6x	0.5x	8.7x	7.5x	10.4x	9.5x	12.5x	11.5x

Sources: Market data sourced from Capital IQ as of 06/30/2025

# Public Comparables – Digital Market Hubs

(€ millions, except share price)													
Company	Country	Share Price	% of High 52-Week	Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / EBITDA - Capex		EV / EBIT	
						CY2025	CY2026	CY2025	CY2026	CY2025	CY2026	CY2025	CY2026
Digital Market Hubs													
Amazon	United States	219.4	(10%)	1,983,247	2,037,222	3.4x	3.1x	14.4x	12.0x	44.1x	29.7x	29.7x	24.6x
Alibaba	Hong Kong	113.4	(24%)	30,117	18,262	0.1x	0.1x	0.8x	0.7x	1.6x	1.3x	1.0x	0.9x
Copart	United States	49.1	(24%)	40,402	36,773	8.9x	8.2x	21.3x	19.0x	30.0x	25.7x	24.0x	21.3x
eBay	United States	74.5	(23%)	29,219	31,249	3.4x	3.2x	10.9x	10.3x	12.9x	12.1x	12.1x	11.5x
REA Group	Australia	240.5	(13%)	17,722	17,600	16.8x	16.0x	33.3x	27.0x	36.4x	31.3x	36.4x	31.1x
Zillow	United States	68.5	(21%)	14,081	13,295	6.1x	5.3x	25.4x	19.7x	35.5x	24.9x	NM	NM
CAR Group	Australia	37.4	(12%)	7,893	8,544	12.4x	11.2x	24.3x	20.1x	27.3x	24.3x	29.3x	24.0x
Allegro	Luxembourg	34.6	(13%)	8,589	9,123	3.2x	2.9x	11.4x	9.9x	16.0x	13.5x	16.2x	13.6x
Etsy	United States	50.2	(27%)	4,454	5,748	2.4x	2.3x	9.2x	9.0x	10.1x	9.9x	22.4x	16.7x
Auto Trader Group	United Kingdom	8.2	(10%)	8,395	8,381	11.5x	10.8x	17.3x	16.0x	17.5x	16.2x	18.0x	16.4x
Delivery Hero	Germany	23.0	(45%)	6,749	8,728	0.6x	0.6x	8.7x	6.4x	12.4x	8.4x	18.9x	11.2x
Scout24	Germany	117.1	(5%)	8,457	8,609	13.3x	12.0x	21.9x	19.3x	23.5x	20.7x	25.7x	22.0x
Rightmove	United Kingdom	7.9	(5%)	7,099	7,058	14.2x	12.9x	20.0x	18.2x	20.5x	18.6x	20.5x	18.6x
Just Eat	China	25.8	(26%)	367	-2,087	NM	NM	NM	NM	NM	NM	NM	NM
Cars.com	Netherlands	19.4	(4%)	3,840	4,219	1.2x	1.1x	11.7x	9.8x	17.6x	13.9x	21.2x	15.8x
AUTO1	United States	11.9	(42%)	635	1,013	1.6x	1.6x	5.6x	5.4x	6.4x	6.2x	17.3x	14.6x
	Germany	27.4	(7%)	6,006	6,595	0.8x	0.8x	35.0x	26.1x	42.4x	31.0x	52.4x	34.7x
Median		43.2	(13%)	8,426	8,669	3.4x	3.2x	15.9x	14.0x	19.0x	17.4x	21.2x	16.7x

# Public Comparables – D2C

(€ millions, except share price)		Share Price	% of High 52-Week	Market Cap	Enterprise Value	EV / Revenue		EV / EBITDA		EV / EBITDA - Capex		EV / EBIT	
Company	Country					CY2025	CY2026	CY2025	CY2026	CY2025	CY2026	CY2025	CY2026
D2C													
HIMS & HERS	United States	49.9	(32%)	9,501	9,280	4.6x	3.9x	34.3x	26.5x	64.8x	39.6x	75.5x	47.2x
YETI	United States	31.5	(30%)	2,223	2,158	1.4x	1.3x	8.1x	7.3x	9.7x	8.8x	9.7x	8.6x
Warby Parker	United States	21.9	(26%)	2,267	2,232	3.0x	2.6x	26.1x	20.2x	NM	46.8x	55.3x	36.6x
RVRC	Sweden	43.7	(15%)	421	408	2.2x	2.0x	11.0x	9.6x	11.1x	9.7x	11.8x	10.2x
tonies	Luxembourg	6.0	(27%)	687	619	1.0x	0.8x	12.5x	8.1x	20.5x	11.4x	22.9x	11.9x
boohoo	United Kingdom	0.2	(48%)	331	631	0.5x	0.5x	14.0x	12.4x	54.7x	37.9x	NM	NM
The Honest Company	United States	5.1	(43%)	478	433	1.3x	1.2x	18.3x	16.6x	19.1x	17.4x	51.3x	36.3x
BARK	United States	0.9	(66%)	127	119	0.3x	0.3x	NM	27.8x	NM	NM	NM	NM
Median		14.0	(31%)	582	625	1.3x	1.3x	14.0x	14.5x	19.8x	17.4x	37.1x	24.1x

# About Lincoln International

We are trusted investment banking advisors to business owners and senior executives of leading private equity firms and their portfolio companies and to public and privately held companies around the world. Our services include mergers and acquisitions advisory, private funds and capital markets advisory and valuations and fairness opinions. As one tightly integrated team of more than 1,100 professionals in 25 offices across 16 countries, we offer an unobstructed perspective on the global private capital markets, backed by superb execution and a deep commitment to client success. With extensive industry knowledge and relationships, timely market intelligence and strategic insights, we forge deep, productive client relationships that endure for decades. Connect with us to learn more at [www.lincolninternational.com](http://www.lincolninternational.com)

## Lincoln International's Consumer Group

Our team stays at the forefront of the latest trends in how consumers live, think and shop across geographies, demographics and social strata. These insights, coupled with our experience in the private markets and extensive industry relationships, inform and enable our advice and solutions for our clients. We are a global investment bank, inspired by the exciting changes in the consumer marketplace: the boom in ecommerce, the explosion in new, better-for-you food and beverage products, changing uses of retail spaces, the opportunities available through global sourcing expertise and the importance of the consumer experience in dining and leisure activities.

Connect with a professional in Lincoln International's Consumer Group at <http://www.lincolninternational.com/howeserve/consumer/>

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## GLOBAL INDUSTRY GROUPS

Business Services

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Energy Transition, Power & Infrastructure

Financial Institutions

Healthcare

Industrials

Technology

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Private Funds Advisory

Valuations & Opinions

