



Q3
2025

ONLINE RETAIL

Market Update

2025 Q3 Market Review

Steady growth, stable margins and cautious optimism heading into year-end

The online retail sector continued its gradual recovery through Q3 2025, supported by a steady improvement in consumer activity and disciplined margin management. Revenue growth remained modest across both public and private companies, with spending patterns varying across categories and regions. Profitability largely held steady following earlier gains, as companies focused on operational efficiency, controlled marketing investment and tighter cost structures. These actions have created a more durable earnings base, allowing the sector to navigate slower demand with less volatility.

Inflation pressures in the U.S. eased slightly during the quarter, while European markets stayed broadly stable. The Federal Reserve’s September rate cut—the first since December 2024—provided a modest boost to market sentiment and credit conditions. However, the overall effect on near-term consumer behavior has so far been limited, as households remain selective in discretionary spending.

At the same time, trade uncertainty and tariff-related frictions persisted, keeping management teams cautious in their outlooks and reinforcing an emphasis on cost control and pricing discipline. Against this backdrop, companies continued to favor measured investment and maintained flexibility in capital allocation to safeguard margins amid uneven demand trends.

Valuations across the online retail landscape were largely stable, with modest multiple expansion in certain subsegments offset by continued lag versus broader equity benchmarks. The S&P 500 extended its strong upward trajectory from the pre-COVID baseline, while online retail remained largely flat.

M&A activity gained some momentum in Q3, with 162 transactions completed across North America and Europe compared to 149 in Q2. The rebound points to growing confidence among corporate acquirers, who continue to prioritize strategic consolidation, category diversification and digital capability expansion. While deal flow in the first half of the year remained notably below the levels seen in the three years post-COVID, activity in Q3 marks a clear pick-up and suggests a gradual return toward more typical volumes.

As the sector approaches the end of 2025, the overall picture is one of steady adjustment. Companies are maintaining a disciplined stance, balancing modest growth expectations with improved profitability and stronger cash generation. With financing conditions stabilizing and supply chains showing greater reliability, online retail players are cautiously optimistic about entering 2026 on firmer operational footing.

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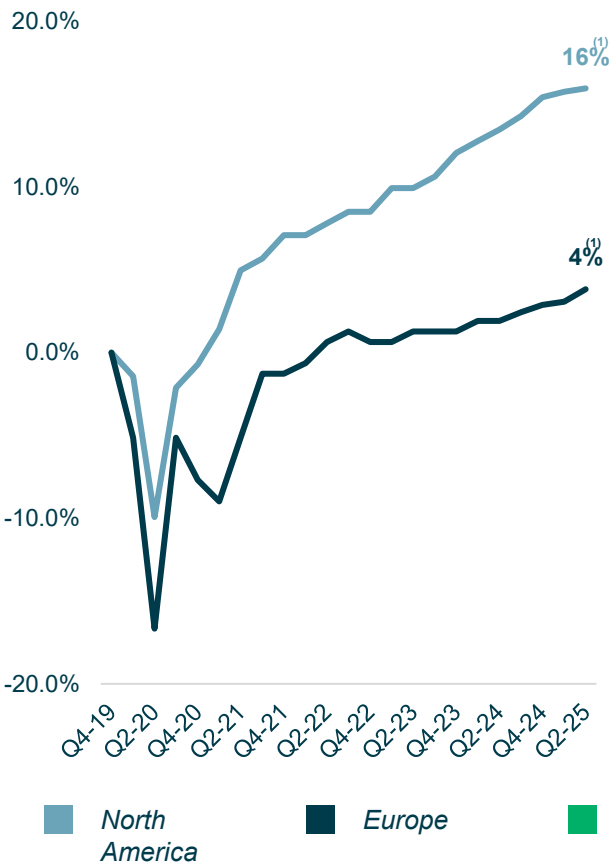
- Inventory-based E-commerce
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Consumers Stay Resilient, Yet Inflation Clouds the Outlook

Recent fluctuations in inflation are contributing to heightened volatility in near-term consumer sentiment

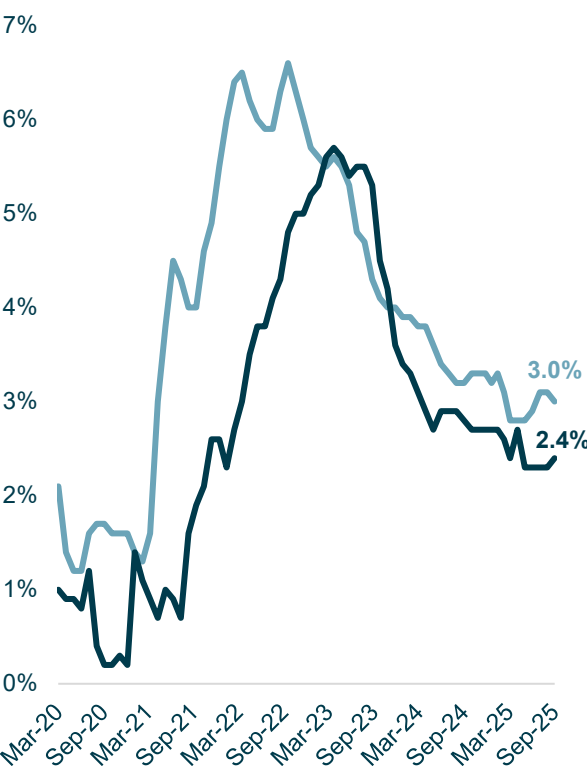
Spending growth remains steady...

Consumer Spending Development



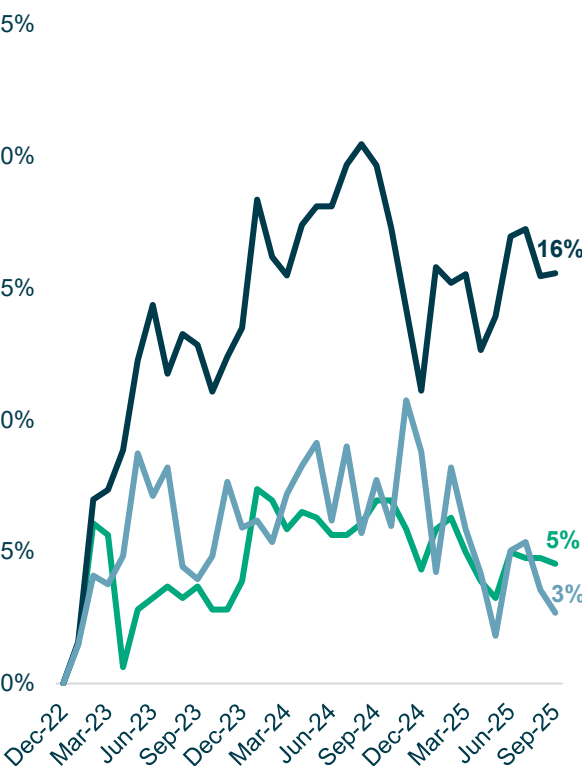
...as inflation paths level out...

Core Year-over-Year (YoY) Inflation



...while confidence varies across regions

Consumer Confidence Index Development



MACROECONOMIC LANDSCAPE

- Consumer spending continues to recover, led by North America, while Europe maintains a steady upward trend
- Inflation rates are converging as U.S. pressures ease and European levels edge higher
- Confidence remains uneven, softening in the U.S. but stabilizing in Europe amid ongoing trade and policy uncertainty

“

“We’re going to collect every scrap of data we can find, evaluate it and think carefully about it...If you asked me ‘could it affect the December meeting,’ I’m not saying it’s going to, but yeah, you could imagine that. You know, what do you do if you’re driving in the fog? You slow down.”

Jerome Powell

Chair, Federal Reserve

Minimal Estimate Revisions Reflect Cautious Stability Across the Sector

Revenue outlook for 2026 dips slightly, while current-year targets hold firm

Outlook: cautious optimism and disciplined execution

Quotes from management of consumer online retail players

“

“Q3 was another strong quarter for eBay Inc., reflecting continued momentum across our marketplace and disciplined execution of our strategy,”

Jamie Iannone, CEO, eBay

“

“If your mission is to make customers’ lives better and easier every day, and you believe every customer experience will be reinvented by AI, you’re going to invest deeply and broadly in AI.”

Andy Jassy, CEO, Amazon

“

“Consumer sentiment is not as strong...We are confident of delivering a very strong second half.”

Robert Gentz, Co-CEO, Zalando

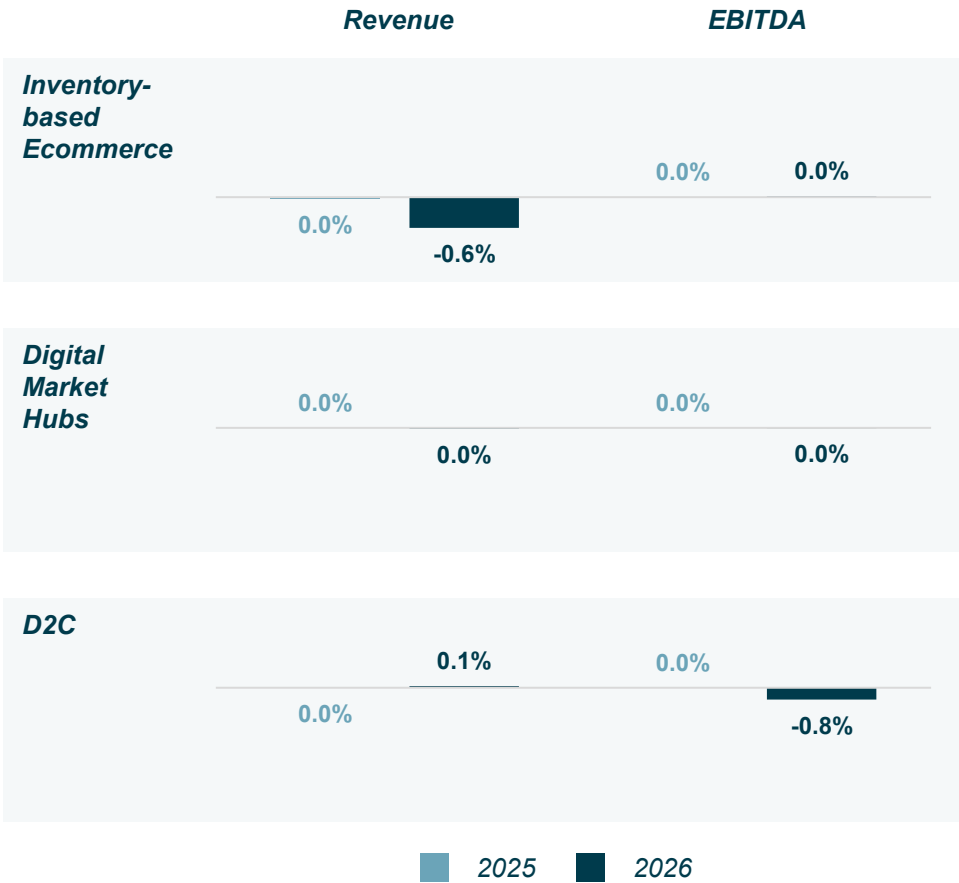
“

“We see good progress in the expansion of our delivery network and have ramped up our marketing efforts, which we believe are necessary investments to support future growth.”

Jitse Groen, CEO, Just Eat

Forecast movement shows limited change quarter-on-quarter

Change in current estimates vs. prior quarter⁽¹⁾



ESTIMATES

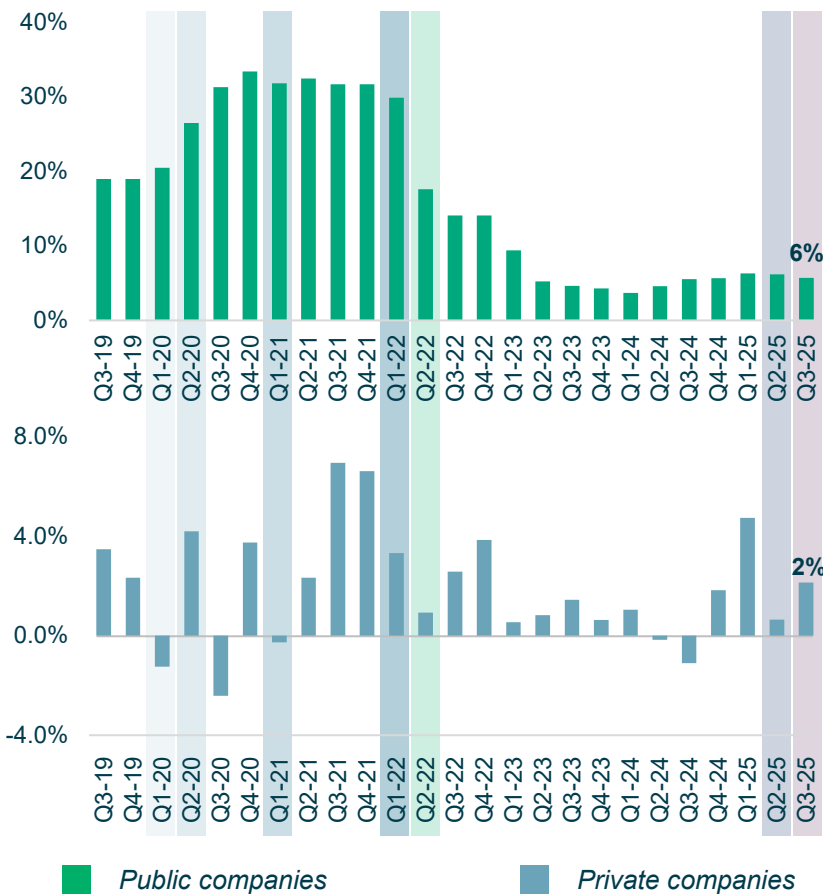
- Forecast changes across the online retail universe were minimal in Q3, reflecting steadier visibility into demand and cost structures
- Revenue estimates for 2026 edged slightly lower, while margin expectations were broadly unchanged—a sign of operational discipline despite uneven macro signals
- Management teams appear comfortable heading into the second half, maintaining a focus on strategic investments and measured growth
- Overall, expectations point to a cautiously stable outlook as the sector adapts to slower but more predictable demand trends

Q3 Marked a Period of Stability in the Sector

Revenue growth remained steady, while margins were maintained at solid levels

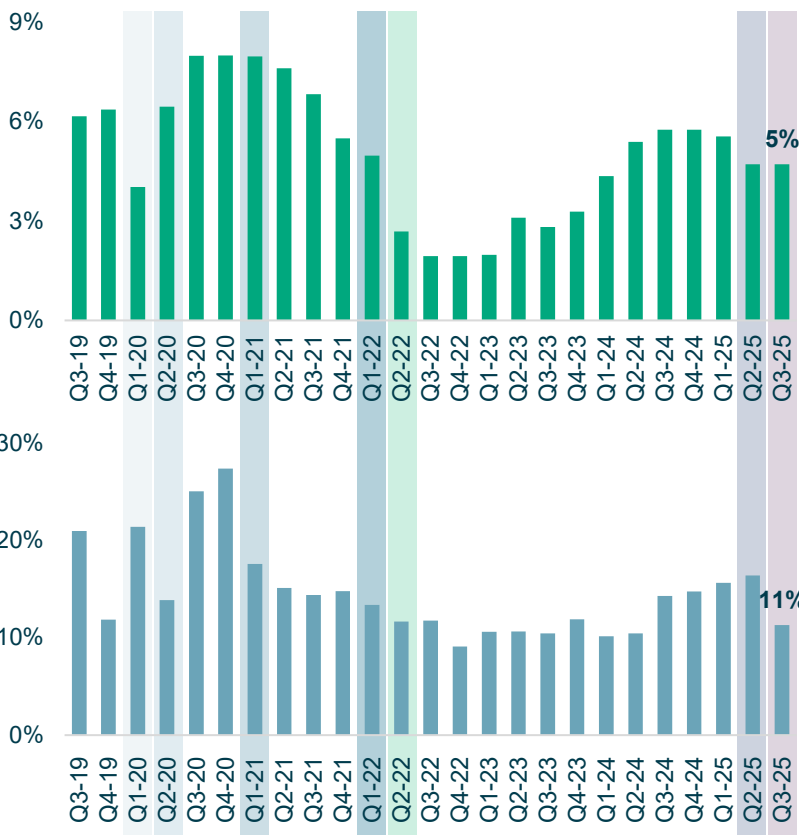
Revenue barely moves...

LTM revenue growth



...as margins flatten after earlier improvement

EBITDA margin %



Key events

- Q1-20**
COVID-19 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
- Q3-25**
Fed's first rate cut since Dec 2024

OPERATIONAL PERFORMANCE

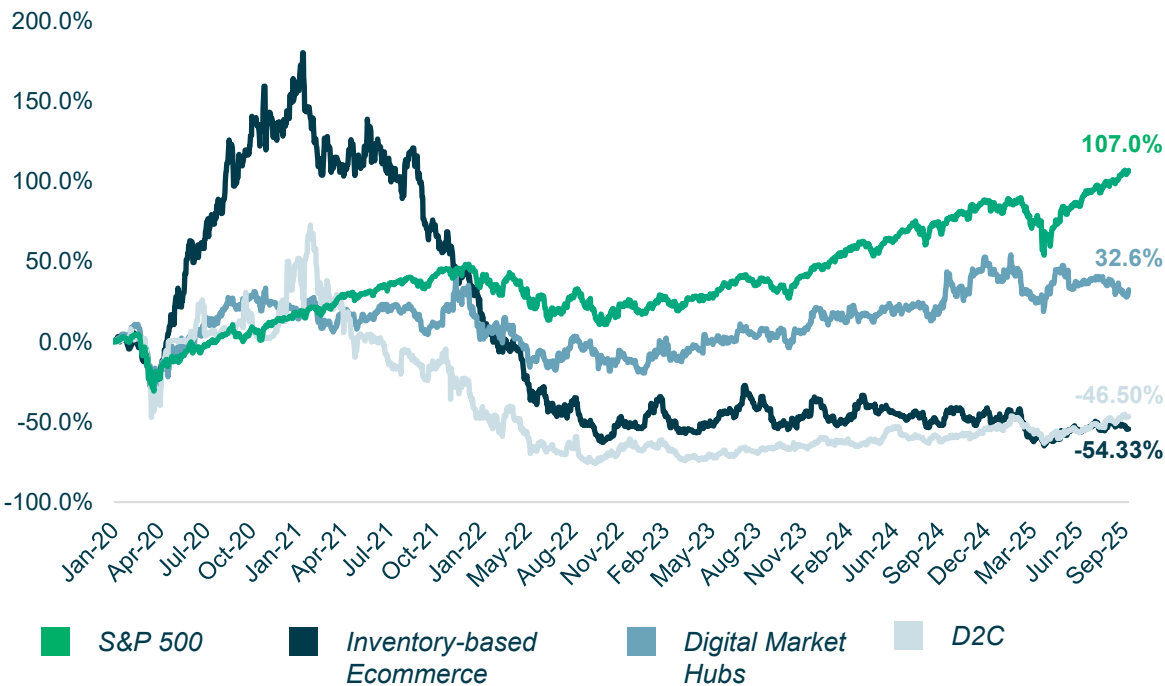
- Public online retailers saw almost no change in revenue growth during Q3 2025, holding close to prior-quarter levels
- Private companies recorded a small pickup in sales, but growth stayed below historical averages
- EBITDA margins for both groups were stable to slightly lower
- Input costs and supply chains remained steady, but demand in several categories was soft, limiting further improvement
- Q3 marked a period of stability rather than progress—growth was flat, margins held firm and companies continued to focus on cost control and disciplined operations

S&P 500 Rises Further While Online Retailers Stay Behind

Since the pre-COVID baseline, the broader market has continued to climb while online retail valuations remain stable

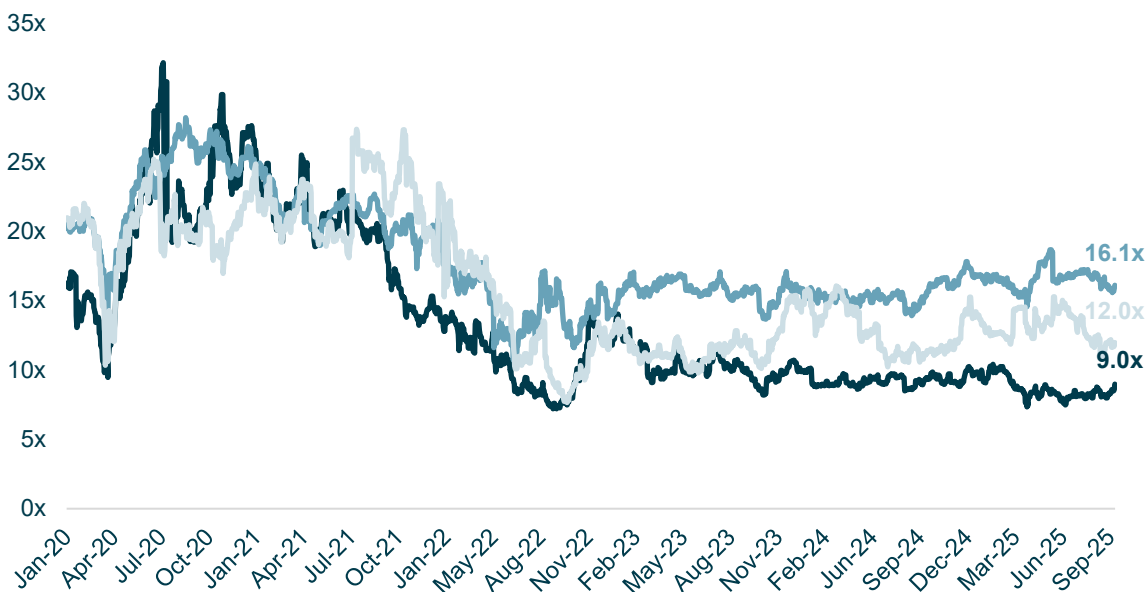
Share prices continue to lag behind the S&P 500...

Relative Stock Price Performance



...while valuation multiples stay largely consistent

Median EV / NTM EBITDA multiple⁽¹⁾



| (€m, 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 Ecommerce | 5.6 | -30% | 572 | 840 | 0.58x | 0.55x | 10.1x | 8.1x | 11.4x | 10.1x | 16.9x | 11.8x |
| Median – Digital Market Hubs | 36.8 | -14% | 7,840 | 8,914 | 4.09x | 3.91x | 17.3x | 15.2x | 24.1x | 18.5x | 23.2x | 18.3x |
| Median – D2C | 17.6 | -26% | 674 | 653 | 1.40x | 1.23x | 19.0x | 11.5x | 12.9x | 16.7x | 34.2x | 20.5x |

M&A Maintained Its Upward Momentum in the Third Quarter

Deal activity increased quarter-on-quarter, showing steady recovery though still below last year's levels

Deal volumes continue to recover...

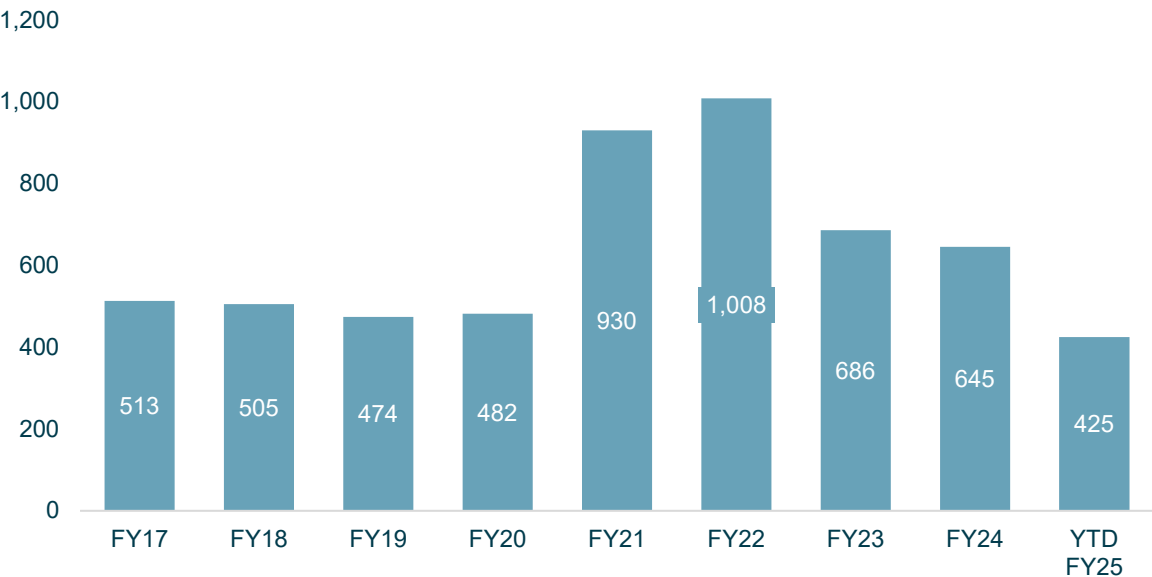
- In Q3 2025, 162 online retail transactions were completed, up from 149 in Q2 and higher than the same quarter last year
- While activity has improved, total deal volumes for Q1 - Q3 remain below 2024, indicating a slower return to prior highs

...with strategic buyers driving steady deal flow

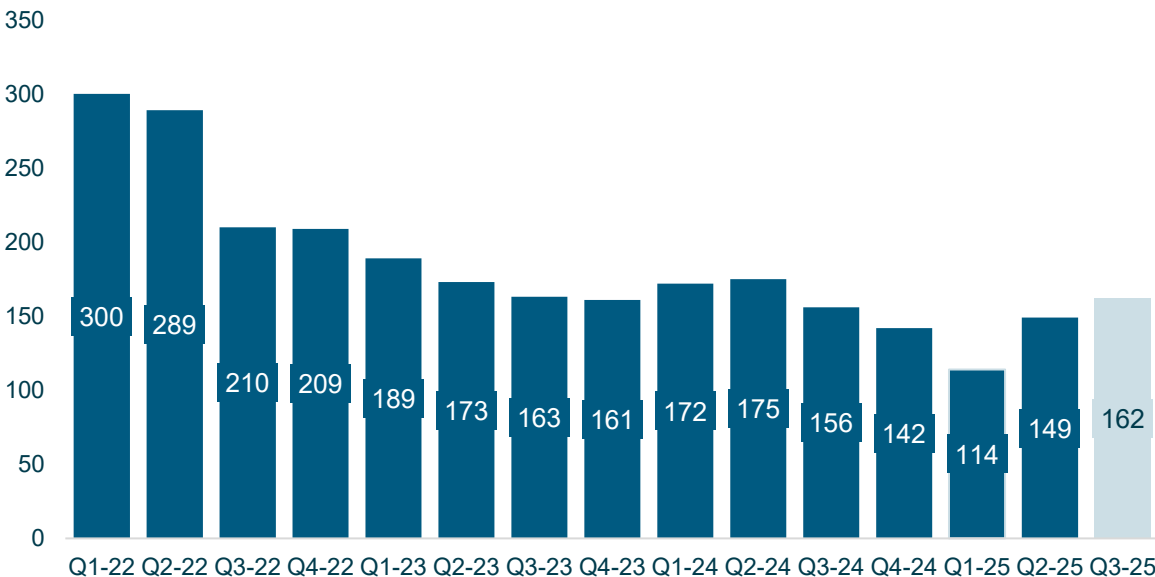
- Corporate acquirers continue to account for most transactions, focusing on scale, category reach and operational synergies
- Financial sponsors remain active but selective, with deal momentum concentrated in mid-sized assets

Number of completed online retail transactions

On annual basis




On quarterly basis




Select Lincoln International Credentials


Lincoln has vast transaction experience within online retail





has acquired




from




Buy-Side
Acquisition Financing








has sold




to



Sell-Side








has acquired

STONE FASHION

including its subsidiary




Buy-Side
Acquisition Financing




IN THE STYLE

has sold its
trading operations to




Sell-Side






TRILANTIC EUROPE



has acquired a
majority stake in




with financing provided by




Acquisition Financing







has received an
investment from




Sell-Side






a portfolio company of




has floated on AIM

Sell-Side




pechel INDUSTRIES
and co-founders



have sold




to




Sell-Side







a portfolio company of




has received a significant minority
investment from



Sell-Side







has sold

LAURA ASHLEY



to




a portfolio company of




Sell-Side







has sold






to




a portfolio company of



Sell-Side







has been sold to


HPH II investments master
fund, lp and affiliates

managed by




Sell-Side








has sold




to private investors

Sell-Side




FRONT ROW

has received strategic
investment from




Buy-Side




Founders and
LEITMOTIV
PRIVATE EQUITY

have sold








to




bpi france
and management

Sell-Side






has sold




to

a private shareholder

Sell-Side




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




From a German family
office

Sell-side




WALKER EDISON


a portfolio company of




has received a
significant minority equity
investment from



Sell-Side



 LINCOLN
INTERNATIONAL

Q3 2025 ONLINE RETAIL MARKET REPORT | 8

Public Comparables

Appendix



Public Comparables – Inventory-based Ecommerce

| (€m, 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 |
| Inventory-based Ecommerce | | | | | | | | | | | | | |
| JD | China | 35.0 | -25% | 42,276 | 37,138 | 0.23x | 0.22x | 12.5x | 7.4x | 35.7x | 12.4x | 31.9x | 10.0x |
| Wayfair | United States | 89.3 | -18% | 9,872 | 12,030 | 1.14x | 1.08x | 19.6x | 17.2x | 23.1x | 22.6x | 34.6x | 28.5x |
| Zalando | Germany | 26.0 | -35% | 6,748 | 6,250 | 0.51x | 0.45x | 6.7x | 5.7x | 9.1x | 8.1x | 10.9x | 9.2x |
| Ocado | United Kingdom | 2.3 | -43% | 2,132 | 3,334 | 2.19x | 2.04x | 11.6x | 12.6x | NM | NM | NM | NM |
| THG | United Kingdom | 0.4 | -32% | 598 | 1,139 | 0.58x | 0.56x | 13.4x | 9.9x | 18.3x | 12.5x | 52.9x | 44.7x |
| Boozt | Sweden | 96.9 | -29% | 546 | 584 | 0.77x | 0.74x | 8.6x | 8.0x | 10.1x | 10.0x | 13.8x | 12.1x |
| About You Holding | Germany | 6.6 | -3% | 1,165 | 1,209 | 0.57x | 0.54x | 33.9x | 14.7x | NM | 27.8x | NM | NM |
| AO World | United Kingdom | 1.0 | -9% | 672 | 713 | 0.50x | 0.47x | 8.6x | 7.5x | 10.2x | 8.9x | 12.9x | 11.6x |
| 1-800-FLOWERS | United States | 4.6 | -50% | 249 | 441 | 0.32x | 0.32x | 53.8x | 20.6x | NM | NM | NM | NM |
| ASOS | United Kingdom | 2.8 | -39% | 381 | 967 | 0.32x | 0.32x | 5.9x | 4.9x | 59.1x | 17.2x | NM | 38.7x |
| Kogan | Australia | 3.4 | -47% | 190 | 176 | 0.62x | 0.57x | 10.2x | 6.9x | 11.4x | 7.9x | 14.9x | 10.4x |
| Victorian Plumbing Group | United Kingdom | 0.8 | -39% | 285 | 330 | 0.91x | 0.86x | 9.0x | 8.5x | 10.8x | 10.1x | 12.2x | 11.8x |
| BHG | Sweden | 27.3 | -12% | 443 | 654 | 0.68x | 0.64x | 10.1x | 8.1x | 12.3x | 10.0x | 18.9x | 13.2x |
| Westwing | Germany | 12.2 | -9% | 229 | 213 | 0.48x | 0.44x | 7.1x | 5.3x | 10.0x | 6.9x | 19.0x | 10.6x |
| Median | | 5.6 | -30% | 572 | 840 | 0.58x | 0.55x | 10.1x | 8.2x | 11.4x | 10.3x | 16.9x | 11.8x |

Sources: Market data sourced from Capital IQ as of 30-09-2025

Public Comparables – Digital Market Hubs

| (€m, 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 | 219.6 | -15% | 1,995,826 | 2,052,411 | 3.37x | 3.04x | 14.4x | 11.7x | 54.1x | 33.2x | 30.0x | 24.1x |
| Alibaba | Hong Kong | 178.7 | -7% | 340,358 | 330,361 | 2.68x | 2.46x | 16.7x | 13.5x | 54.0x | 37.2x | 22.7x | 18.6x |
| Copart | United States | 45.0 | -30% | 37,091 | 33,115 | 8.20x | 7.72x | 19.4x | 17.8x | 27.0x | 24.2x | 21.7x | 20.1x |
| eBay | United States | 91.0 | -10% | 35,425 | 38,333 | 4.09x | 3.91x | 13.2x | 12.5x | 15.6x | 14.7x | 14.7x | 14.0x |
| REA Group | Australia | 231.1 | -16% | 17,194 | 17,006 | 16.14x | 15.47x | 32.0x | 26.1x | 34.9x | 30.2x | 34.9x | 30.0x |
| Zillow | United States | 74.4 | -17% | 15,371 | 14,656 | 6.67x | 5.83x | 27.5x | 22.0x | 37.5x | 27.5x | NM | NM |
| CAR Group | Australia | 36.8 | -14% | 7,840 | 8,514 | 12.21x | 11.06x | 24.0x | 19.8x | 26.9x | 24.0x | 28.3x | 23.3x |
| Allegro | Luxembourg | 35.6 | -8% | 8,491 | 8,914 | 3.14x | 2.83x | 11.1x | 9.7x | 15.8x | 13.1x | 15.7x | 13.2x |
| Auto Trader Group | United Kingdom | 7.9 | -14% | 7,837 | 7,824 | 10.95x | 10.25x | 16.5x | 15.2x | 16.6x | 15.3x | 17.0x | 15.6x |
| Delivery | Germany | 24.4 | -40% | 7,216 | 9,184 | 0.64x | 0.58x | 10.0x | 7.1x | 14.6x | 9.4x | 23.6x | 12.4x |
| Scout24 | Germany | 106.6 | -13% | 7,663 | 7,948 | 12.25x | 10.61x | 19.8x | 17.4x | 21.2x | 18.5x | 23.9x | 20.1x |
| Rightmove | United Kingdom | 7.1 | -14% | 6,264 | 6,222 | 12.76x | 11.61x | 18.0x | 16.4x | 18.4x | 16.7x | 18.4x | 16.7x |
| Just Eat | Netherlands | 20.2 | -1% | 4,032 | 4,290 | 1.19x | 1.13x | n/a | 10.0x | n/a | 14.3x | 25.2x | 17.9x |
| Cars.com | United States | 12.2 | -40% | 640 | 1,021 | 1.66x | 1.61x | 5.6x | 5.4x | 6.5x | 6.3x | 18.4x | 14.2x |
| AUTO1 | Germany | 29.0 | -8% | 6,390 | 7,160 | 0.92x | 0.81x | 36.9x | 27.8x | 45.9x | 32.9x | 56.3x | 36.5x |
| Median | | 36.8 | -14% | 7,840 | 8,914 | 4.09x | 3.91x | 17.3x | 15.2x | 24.1x | 18.5x | 23.2x | 18.3x |

Sources: Market data sourced from Capital IQ as of 30-09-2025

Public Comparables – D2C

| (€m, 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 |
| D2C | | | | | | | | | | | | | |
| HIMS & HERS | United States | 56.7 | -22% | 10,926 | 10,841 | 5.42x | 4.53x | 40.5x | 32.8x | NM | 86.4x | NM | 75.0x |
| YETI | United States | 33.2 | -27% | 2,297 | 2,218 | 1.41x | 1.34x | 8.2x | 7.5x | 9.8x | 9.1x | 9.8x | 8.8x |
| Warby | United States | 27.6 | -7% | 2,867 | 2,817 | 3.73x | 3.25x | 32.8x | 25.4x | NM | 54.0x | 69.5x | 45.7x |
| RVRC | Sweden | 49.5 | -25% | 476 | 460 | 2.54x | 2.29x | 12.7x | 10.8x | 12.9x | 11.0x | 12.9x | 11.0x |
| tonies | Luxembourg | 7.6 | -15% | 871 | 845 | 1.40x | 1.12x | 19.0x | 11.7x | 33.4x | 16.7x | 36.9x | 17.5x |
| boohoo | United Kingdom | 0.1 | -70% | 189 | 416 | 0.40x | 0.39x | 19.3x | 8.3x | NM | 20.7x | NM | NM |
| The Honest Company | United States | 3.7 | -59% | 349 | 302 | 0.90x | 0.86x | 12.5x | 11.4x | 13.0x | 12.0x | 34.2x | 23.6x |
| BARK | United States | 0.8 | -67% | 120 | 120 | 0.33x | 0.32x | NM | 27.9x | NM | NM | NM | NM |
| Median | | 17.6 | -26% | 674 | 653 | 1.40x | 1.23x | 19.0x | 11.5x | 12.9x | 16.7x | 34.2x | 20.5x |

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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/whoweserve/consumer/>

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