



Q4
2025

ONLINE RETAIL

Market Update

2025 Q4 Market Review

Stable growth, improving margins, and cautious optimism into year-end

The online retail sector extended its gradual recovery in Q4 2025, supported by steady consumer activity and disciplined margin management. Revenue growth was broadly stable across public and private companies, though demand remained uneven by category and region. Profitability improved further as operators leaned into operational efficiency, moderated marketing intensity and maintained tighter cost structures. Collectively, these actions have reinforced earnings durability and contributed to a firmer sector outlook.

Macro conditions were broadly supportive. U.S. inflation eased modestly during the quarter, while Europe remained stable. In December 2025, the Federal Reserve cut rates by 25 bps and signaled a slower pace of additional easing, providing a modest tailwind to sentiment.

Valuations across online retail were largely stable. Modest multiple expansion in select subsegments was offset by continued relative underperformance versus broader equities. The S&P 500 continued to advance versus the pre-COVID baseline, while listed online retail remained comparatively flat.

M&A activity slowed slightly in Q4, with 140 transactions across North America and Europe, down from 162 in Q3. The broader improvement through 2025 suggests gradually strengthening buyer confidence, with acquirers focused on consolidation, category diversification and digital capability expansion. While deal volume in H1 remained well below the three-year post-COVID run rate, Q3 marked a clear pickup and Q4 reverser back toward trend.

Heading into 2026, the sector appears to be on firmer operational footing. Companies are balancing modest growth expectations with improving profitability and stronger cash generation, supported by stabilizing financing conditions and more reliable supply chains.

IN THIS ISSUE

- 2025 Q4 Market Review
- Macroeconomic Landscape
- Estimate Revisions and Outlook
- Operational and Margin Trends
- Public Market Valuation Update
- M&A Activity Overview
- Lincoln International Credentials

Appendix

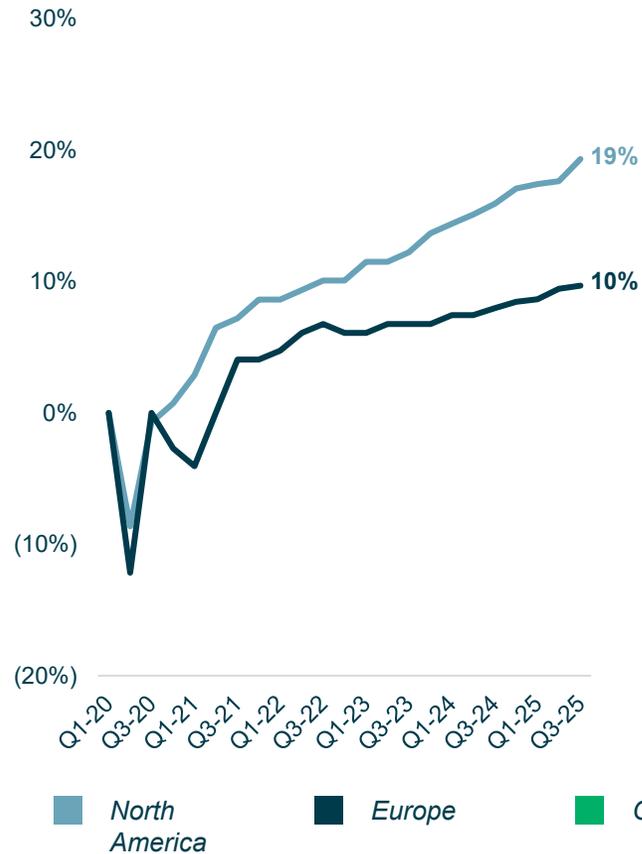
- Inventory-based E-commerce
- Digital Market Hubs
- Direct-to-Consumer (D2C)

Consumers Remain Resilient amid Easing Inflation

Confidence is still uneven but gradually improving as spending normalizes

Spending growth remains steady...

Consumer Spending Development⁽¹⁾



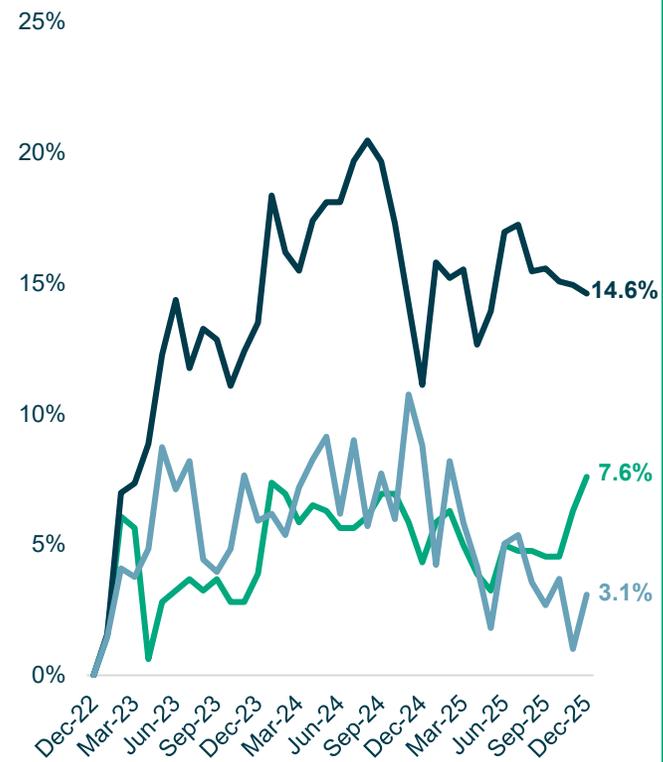
...as inflation paths level out...

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, with Europe following behind on a steady upward trend
- Inflation rates are converging as U.S. pressures ease and European levels remaining stable
- Confidence remains uneven, with European sentiment softening amid persistent trade and policy uncertainty while global confidence, particularly in the U.S., continues to improve



"We still have some tension between employment and inflation, but it's less than it was... The outlook for economic activity has clearly improved since the last meeting."

Jerome Powell
Chair, Federal Reserve

Estimate Revisions Indicates Improving Sector Outlook

Revenue outlook for 2026–2027 points to a more stable backdrop, with margin expectations improving

Outlook: cautious optimism and disciplined execution

Quotes from management of consumer online retail players



“FY25 was not just a year of recovery but one of reinvention. We have laid the groundwork for a more focused, agile and customer-centric ASOS.”

Jørgen Lindemann, Chair, ASOS



“2025 was a year where we returned to growth and accelerated throughout the year [...] We expect topline growth and flow through to adjusted EBITDA to be the bedrock of our story for years to come”

Niraj Shah, CEO and co-founder, Wayfair



“[...] the power of our ever-growing ecosystem and our team’s ability to execute even in a challenging macroenvironment. Looking ahead, our current momentum provides a powerful foundation for continued profitable growth in 2026.”

Tobias Wann, CEO, Tonies

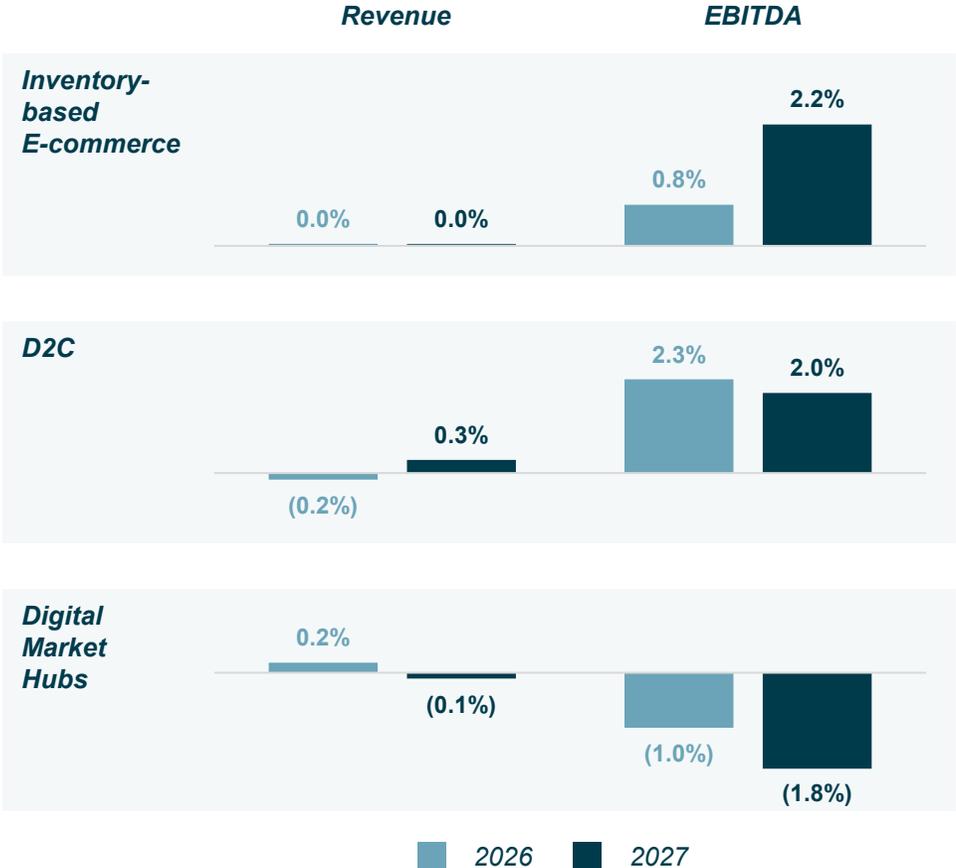


“We entered 2026 with real momentum in our business, clear strategic priorities and an exciting roadmap of new experiences to delight our buyers and sellers. I’m excited for the year ahead.”

Jamie Iannone, CEO, eBay

Forecasts stable change quarter-on-quarter

Change in current estimates vs. prior quarter⁽¹⁾



ESTIMATES

- Revenue expectations remain broadly stable across online retail segments
- Margin expectations are improving, driven by upward revisions in inventory-based e-commerce and D2C
- Digital market hubs see further EBITDA downgrades, tempering the margin outlook
- Management entered H2 2025 with a steady stance, maintaining a constructive outlook for 2026-2027 while prioritizing strategic investments and growth initiatives
- Overall, consensus implies a stable outlook as the sector adjusts to more predictable demand trends

Sources: Market data sourced from Capital IQ as of 31-12-2025, Company Q4-25 reports
 Notes: (1) Based on median estimates as of 31-12-2025, and 3 months prior, a date when Q4-25 reports for most companies in the public comp set had been published; Nelly.com is excluded from the Inventory-based E-commerce comparable group due to the absence of forward estimates

Stable Revenue Growth with Step-up in Margins

Modest change in revenue growth, while profitability improved further

Revenue growth remained steady...

LTM revenue growth



...while there was a notable uplift in profitability

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

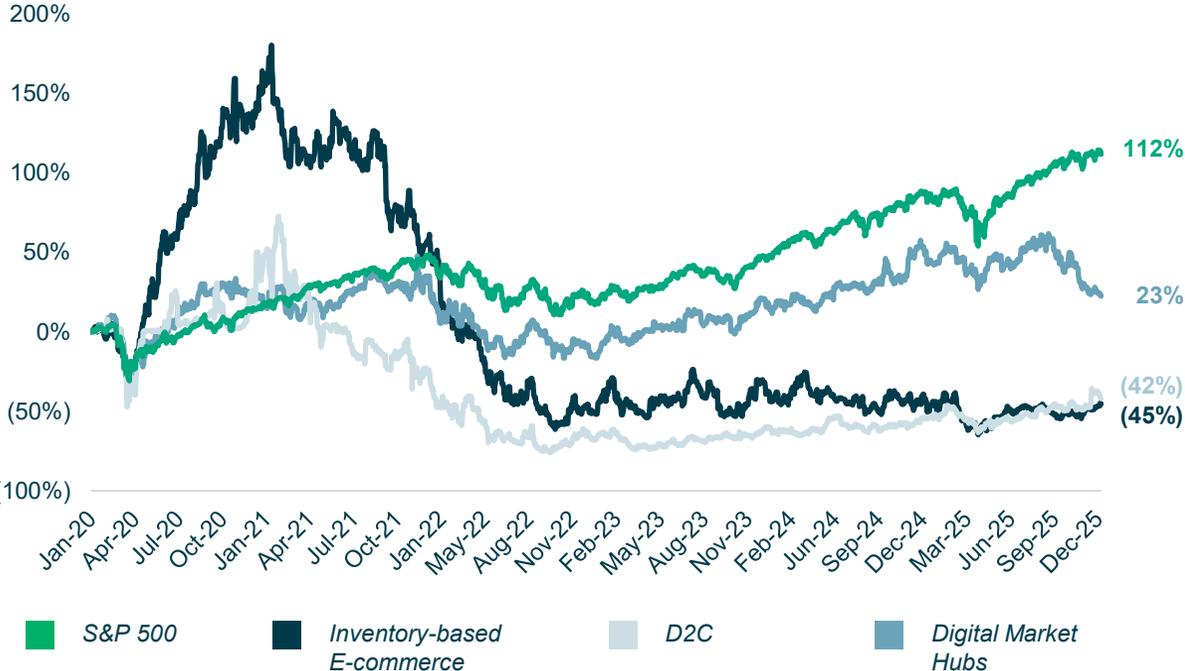
- Revenue growth remained broadly stable across the sector in Q4 2025, with both public and private companies tracking close to prior-quarter levels
- Margins improved across both groups, supported by early benefits from operational efficiencies and leaner cost structures
- Companies maintained cost control and disciplined spending, supporting margin progression despite mixed demand across categories and regions

S&P 500 Rises Further While Online Retailers Stay Behind

Since the pre-COVID baseline, the broader market has continued to climb gradually, with variations across online retail segments

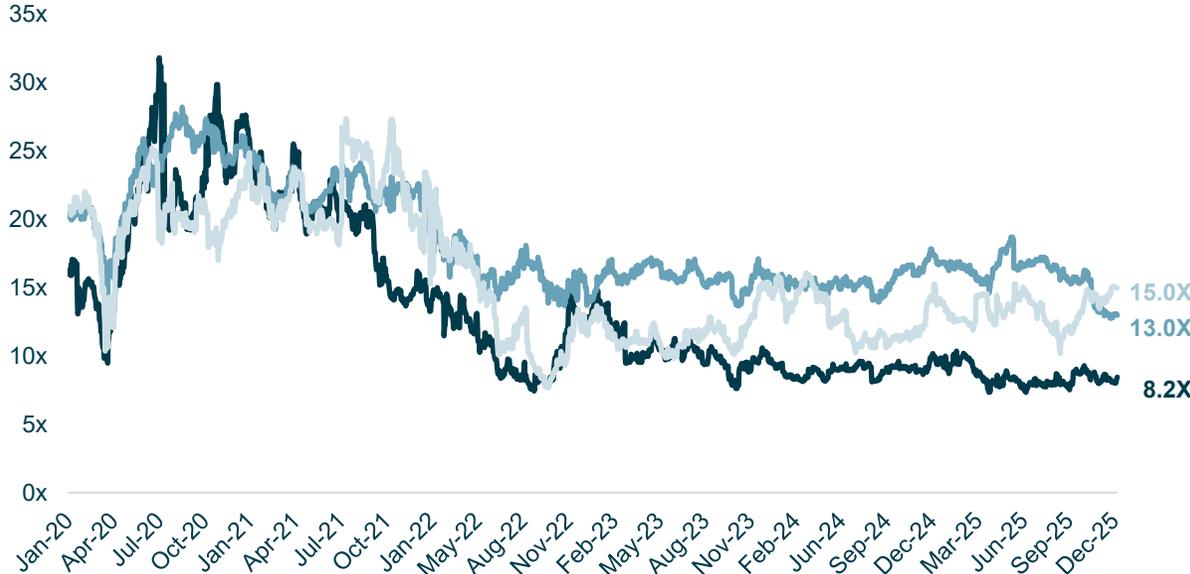
Share prices continue to lag behind the S&P 500

Relative Stock Price Performance



D2C multiples are rising, while digital market hub multiples are easing

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 E-commerce	7.7	(28%)	585	730	0.68x	0.61x	12.0x	8.8x	10.5x	10.7x	16.0x	11.6x
Median – D2C	16.1	(25%)	926	906	1.88x	1.63x	16.9x	14.7x	26.5x	14.7x	42.6x	29.2x
Median – Digital Market Hubs	35.1	(25%)	7,129	8,328	4.94x	4.39x	15.7x	12.4x	18.3x	14.6x	19.0x	15.8x

Sources: Market data sourced from Capital IQ as of 31-12-2025
Notes: (1) Outliers excluded from Inventory-based and D2C dataset

M&A Momentum Moderated in the Fourth Quarter

Deal activity picked up in Q3 before normalizing in Q4, leaving year-end volumes below last year's levels

Deal volumes softened in Q4...

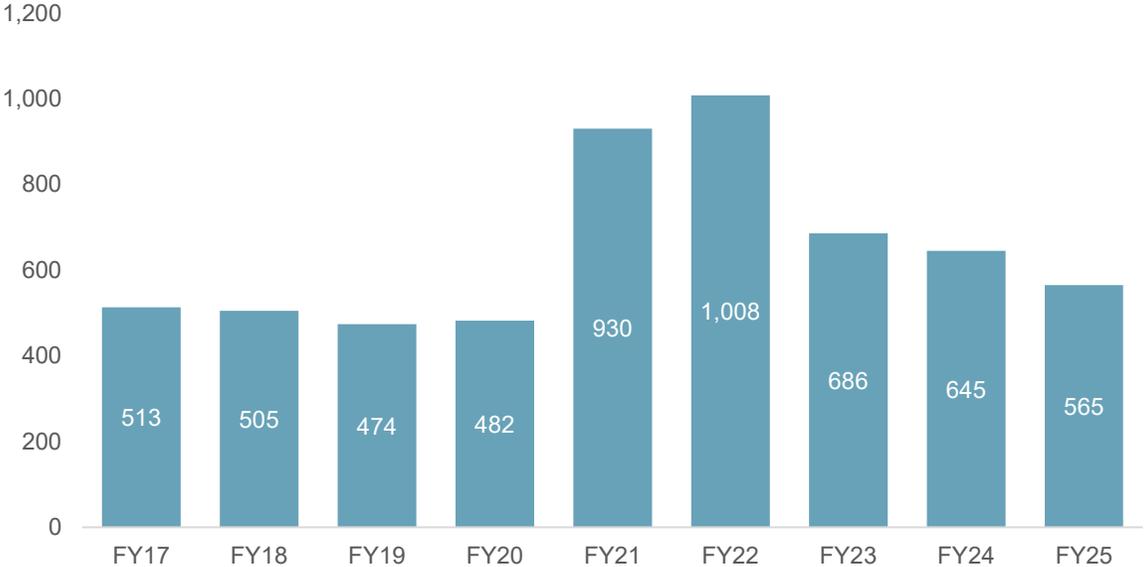
- In Q4 FY25, 140 online retail transactions were completed, down from 162 in Q3 FY25, but broadly in line with 142 in Q4 FY24
- While activity improved through Q1-Q3, Q4 FY25 brought full-year volume to 565 transactions, below FY24 (645) and well under the FY21-FY22 peak, indicating a slower return to prior highs

...as sponsors remaining broadly cautious

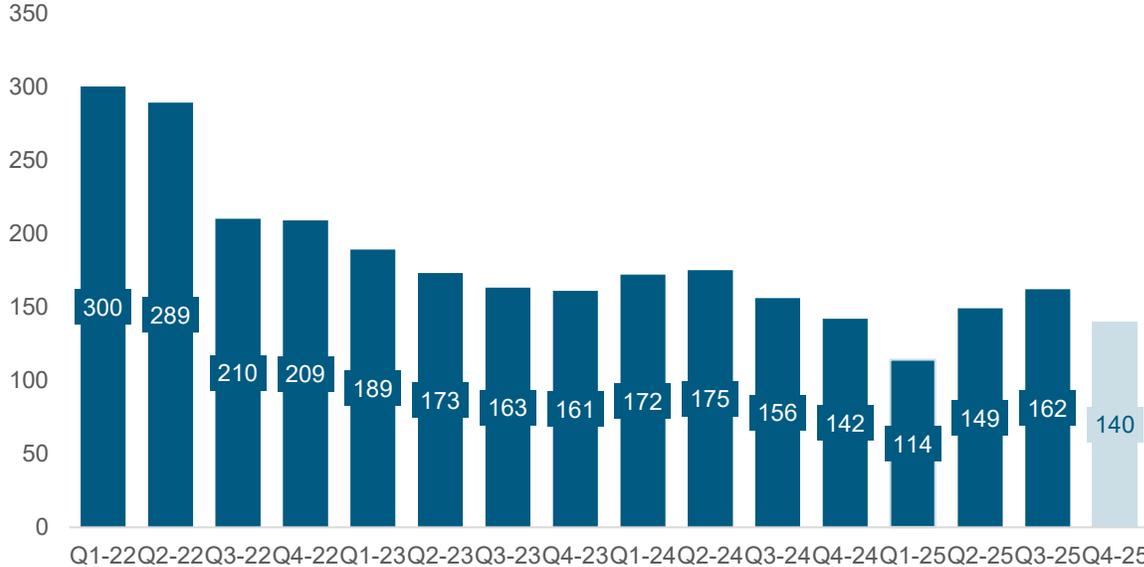
- Corporate acquirers continue to account for most transactions, focusing on scale, category reach and operational synergies
- Financial sponsors remain active but selective, with deal momentum concentrated in mid-sized assets

Number of completed online retail transactions

On annual basis



On quarterly basis



Select Lincoln International Credentials

Lincoln has vast transaction experience within online retail

AURELIUS

has acquired

FOOT2YJUM

from

JD UNDISPUTED KING OF TRAINERS

Buy-Side Acquisition Financing

verdane

has sold

SPARES

to

Clas Ohlson

Sell-Side

SCOPE

has acquired

STONE FASHION

including its subsidiary

GD GOLDBERG

Buy-Side Acquisition Financing

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 **FLIG** **WHITEHORSE**

Acquisition Financing

ORVA

has received an investment from

TRILANTIC CAPITAL PARTNERS

Sell-Side

Virgin Money

a portfolio company of

mobeus connect+ion CAPITAL

has floated on AIM

Sell-Side

pechel INDUSTRIES and co-founders

have sold

PRIVATESPORTSHOP

to

Bridgepoint

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

MARCUS BRUNS

a portfolio company of

NEUBERGER BERMAN

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

houra.ir

has sold

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

bpifrance

and management

Sell-Side

mobilezone

has sold its German operations to

freenet

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

Public Comparables

Appendix



Public Comparables – Inventory-based E-commerce

(€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 E-commerce													
JD	China	28.7	(38%)	34,686	33,018	0.21x	0.20x	13.2x	8.8x	NM	20.5x	51.2x	13.7x
Wayfair	United States	100.4	(16%)	11,146	13,340	1.26x	1.20x	76.4x	18.8x	NM	24.4x	NM	29.2x
Zalando	Germany	25.3	(33%)	6,463	6,619	0.54x	0.47x	7.1x	6.1x	9.7x	8.4x	11.5x	9.7x
Ocado	United Kingdom	2.4	(41%)	2,241	3,444	2.26x	2.09x	17.7x	14.8x	NM	NM	NM	NM
THG	United Kingdom	0.5	(13%)	839	1,380	0.70x	0.68x	16.2x	11.9x	22.1x	15.0x	NM	NM
Boozt	Sweden	113.5	(10%)	641	666	0.87x	0.84x	9.8x	8.8x	10.5x	10.7x	17.9x	14.1x
AO World	United Kingdom	1.1	(4%)	726	709	0.50x	0.47x	8.5x	7.4x	10.1x	8.6x	12.7x	11.3x
1-800-FLOWERS	United States	3.9	(53%)	213	526	0.39x	0.41x	NM	33.9x	NM	NM	NM	NM
ASOS	United Kingdom	2.8	(24%)	388	857	0.31x	0.31x	NM	4.6x	NM	12.5x	NM	NM
Kogan	Australia	3.7	(31%)	205	191	0.66x	0.61x	10.8x	7.4x	11.9x	8.5x	16.0x	11.6x
Victorian Plumbing Group	United Kingdom	0.7	(33%)	274	312	0.87x	0.81x	8.7x	8.0x	9.5x	9.5x	11.9x	11.0x
BHG	Sweden	32.0	(5%)	530	751	0.77x	0.72x	15.6x	9.1x	15.6x	11.2x	26.8x	15.8x
Nelly	Sweden	108.6	(20%)	301	307	2.63x	n/a	17.8x	n/a	21.6x	n/a	20.0x	n/a
Westwing	Germany	11.5	(34%)	217	192	0.43x	0.39x	4.9x	4.1x	7.9x	5.9x	11.8x	8.7x
Median		7.7	(28%)	585	730	0.68x	0.61x	12.0x	8.8x	10.5x	10.7x	16.0x	11.6x

Sources: Market data sourced from Capital IQ as of 31-12-2025

Public Comparables – D2C

(€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
D2C													
HIMS & HERS	United States	32.5	(54%)	6,296	6,711	3.36x	2.85x	49.2x	23.2x	NM	77.7x	74.6x	59.8x
YETI	United States	44.2	(14%)	2,927	2,977	1.87x	1.75x	10.9x	10.2x	13.0x	12.4x	13.0x	12.1x
Warby	United States	21.8	(30%)	2,267	2,226	2.99x	2.65x	26.1x	20.4x	88.3x	44.3x	56.0x	37.0x
RVRC	Sweden	66.8	(3%)	652	637	3.44x	3.12x	16.9x	14.4x	17.2x	14.7x	17.2x	14.7x
tonies	Luxembourg	10.5	(12%)	1,200	1,174	1.88x	1.51x	23.4x	14.9x	37.9x	21.1x	42.6x	21.5x
boohoo	United Kingdom	0.2	(21%)	370	584	0.70x	0.71x	16.9x	9.5x	35.8x	13.7x	NM	NM
The Honest Company	United States	2.6	(56%)	246	198	0.63x	0.69x	10.6x	11.1x	11.0x	12.0x	NM	37.7x
BARK	United States	0.6	(68%)	88	104	0.29x	0.30x	NM	48.8x	NM	NM	NM	NM
Median		16.1	(25%)	926	906	1.88x	1.63x	16.9x	14.7x	26.5x	14.7x	42.6x	29.2x

Sources: Market data sourced from Capital IQ as of 31-12-2025

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	230.8	(11%)	2,101,583	2,158,001	3.53x	3.14x	17.4x	12.0x	NM	NM	31.7x	25.8x
Alibaba	Hong Kong	146.6	(24%)	279,082	280,137	2.24x	2.06x	14.7x	12.4x	57.1x	44.5x	22.3x	18.1x
Copart	United States	39.2	(39%)	32,278	27,913	7.07x	6.97x	17.0x	16.9x	23.5x	22.6x	19.0x	19.0x
eBay	United States	87.1	(14%)	33,531	36,729	3.89x	3.59x	15.9x	11.5x	19.7x	13.4x	18.7x	12.9x
REA Group	Australia	183.4	(31%)	13,752	13,564	12.93x	12.62x	25.8x	21.4x	28.1x	24.8x	28.1x	24.6x
Zillow	United States	68.2	(24%)	14,066	13,188	5.99x	5.19x	NM	20.0x	NM	24.9x	NM	NM
CAR Group	Australia	30.8	(27%)	6,613	7,292	10.42x	9.53x	20.6x	17.1x	23.1x	20.8x	24.3x	19.9x
Allegro	Luxembourg	31.0	(20%)	7,483	7,912	2.77x	2.49x	9.7x	8.5x	13.8x	11.8x	13.6x	11.6x
Auto Trader Group	United Kingdom	5.9	(36%)	5,692	5,737	8.01x	7.56x	12.0x	11.2x	12.4x	11.4x	12.4x	11.5x
Delivery	Germany	22.7	(25%)	6,775	8,744	0.61x	0.56x	9.5x	7.9x	13.7x	11.1x	22.2x	14.8x
Scout24	Germany	85.8	(30%)	6,122	6,318	9.72x	8.28x	15.7x	13.6x	16.8x	14.6x	18.9x	15.8x
Rightmove	United Kingdom	5.2	(37%)	4,523	4,481	9.21x	8.47x	13.0x	12.4x	13.4x	13.0x	13.2x	12.7x
Cars.com	United States	12.2	(24%)	622	975	1.58x	1.54x	5.3x	5.2x	6.1x	5.9x	17.7x	12.8x
AUTO1	Germany	27.3	(13%)	6,015	6,844	0.86x	0.73x	35.0x	24.6x	44.1x	28.9x	52.5x	32.7x
Median		35.1	(25%)	7,129	8,328	4.94x	4.39x	15.7x	12.4x	18.3x	14.6x	19.0x	15.8x

Sources: Market data sourced from Capital IQ as of 31-12-2025

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 over 1,400 professionals in more than 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

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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