

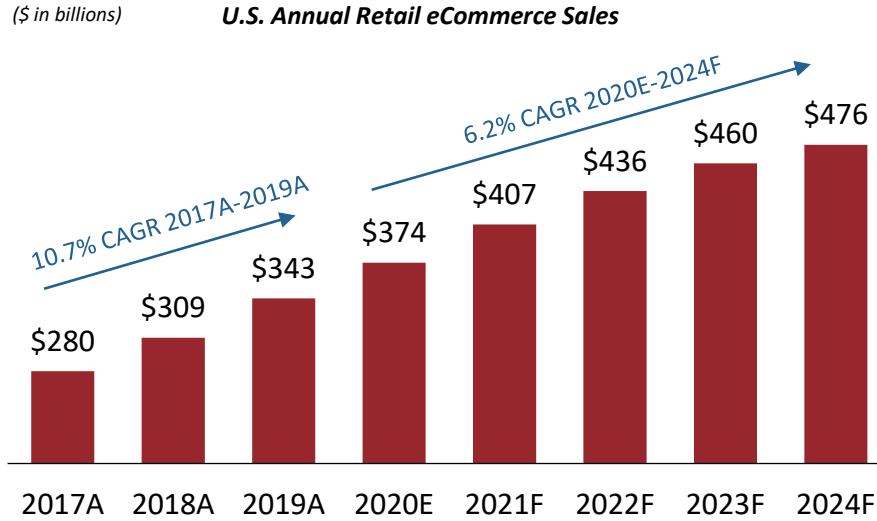


eCommerce Enablement & Marketplace Technology

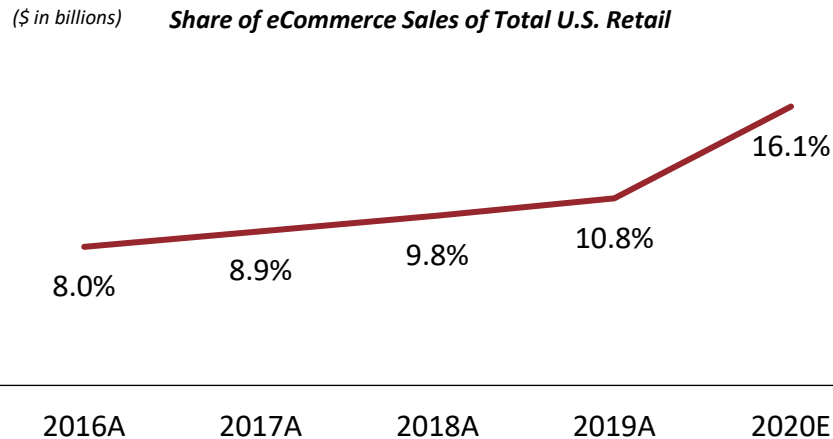
Sector Review | Q1 2021

Global eCommerce Market^{1,2}

TREMENDOUS GROWTH IN ECOMMERCE...



- eCommerce sales are expected to continue growing at a rapid pace, far outpacing brick-and-mortar



- COVID-19 greatly increased the percentage of sales attributed to eCommerce, resulting in what is expected to be a permanent step function shift

2020 TRANSFORMED ECOMMERCE ADOPTION

NEWLY ACQUIRED SHOPPING HABITS ARE HERE TO STAY



- As people adjust to a new normal, hybrid shopping behaviors (i.e., buy online for pickup at store) and other habits adopted in 2020 are likely to remain
- Real-time management and integrations between online and brick-and-mortar operations will be critical going forward

PERSONALIZED, SOCIAL-BASED SHOPPING EXPERIENCE



- Social media consumption grew during 2020, and brands adopted new marketing strategies to attract shoppers
- Facebook Marketplace, Instagram, TikTok, and Snapchat are all revolutionizing how consumers shop

RISE OF NEW MICRO BRANDS



- 75% of consumers tried new brands during 2020; 60% of these consumers expect to continue using them
- Brands utilize highly tailored ad campaigns, coupled with light- or no-inventory business models that adapt to consumer preferences based on data and feedback

HEIGHTENED FOCUS ON SPENDING AND SAVING



- As in past economic disruptions, consumers are adopting new ways to save money and shop more efficiently, increasingly relying on digital means to do so
- Secondhand marketplaces and digital savings (coupons and cash back) are benefiting as a result

Notable 1Q 2021 eCommerce Transactions³

Announced: March 26, 2021



Thomas H. Lee Set to Acquire Bazaarvoice

- Bazaarvoice is a provider of product review and rating mechanisms and user-generated content solutions that drive eCommerce traffic and conversion to its network of over 11,500 brands and retailers
- Bazaarvoice will leverage Thomas H. Lee's investment and deep industry expertise to continue growing and innovating its software and content offerings to help brands and retailers drive eCommerce revenue

Closed: March 5, 2021



EV: \$2,000M

Insight Partners Acquires a 25% Stake in Saks eCommerce for \$500 Million

- Saks Fifth Avenue is a provider of premier luxury retail, and Insight Partners' investment will establish "Saks" as a standalone eCommerce company set to rapidly expand Saks' existing customer base in the growing online luxury fashion market
- Saks will use its newly acquired capital to make strategic investments that evolve and expand the customer's online experience, starting with strengthening its service model through elevated styling capabilities and data-driven personalization

IPO: February 23, 2021



EV: \$828M

Auction Technology Group IPOs

- Auction Technology Group is a provider of a proprietary online auction platform that connects bidders and auctioneers globally that are looking to buy and sell art and antiques, industrial and commercial products, and consumer surplus and returns
- Auction Technology Group will use the money raised from the offering to repay preference shareholders and continue to improve its online curated auction experience

Closed: February 19, 2021



Warburg Pincus Invests in SPINS

- SPINS is a provider of wellness-focused data, analytics, and technology that provides dynamic data, actionable insights, and digital activation solutions that drive growth for clients and partners while contributing to a healthier America
- SPINS will leverage Warburg Pincus' global resources and experience in data and information businesses to meet the rapidly growing demand for its services, as well as grow its suite of digital solutions to address untapped growth opportunities

Closed: February 18, 2021

HODINKEE



HODINKEE Acquires Crown & Caliber

- Crown & Caliber is a provider of an online retail marketplace for luxury watches; HODINKEE is a provider of information around all things watches through its website, podcast, magazine, and watch shop
- HODINKEE plans to utilize its acquisition of Crown & Caliber to expand its trade-in service and pre-owned watch sales, meaning that HODINKEE now services all segments of watch retail and can facilitate customer trade-ins

Closed: February 8, 2021



NORWEST

EV: \$193M

Norwest Invests in Fabric

- Fabric is a provider of headless commerce APIs that help companies seamlessly scale their commerce experience, allowing them to be live within weeks without having to replatform
- Fabric plans to use the funding to continue focusing on expanding its product offerings, accelerating retailer onboarding and workflow, recruiting top talent, continuing to meet the ever-changing needs of retailers, and eliminating the need for replatforming

eCommerce and Retail Technology Trends

Data-Driven Customer Acquisition

- COVID-19 catalyzed a permanent shift in consumer shopping preferences toward eCommerce channels and has unlocked unprecedented visibility into customer behavior and shopping data that enables brands and retailers to deliver a more tailored, personalized, and efficient customer experience that drives conversion and loyalty
- Advanced analytics allow retailers to increase the efficiency of advertising investments and focus on product enhancements, marketing enhancements, or other offerings to better attract consumers

Optimizing the User Experience with Mobile-First Mindset

- Retailers and brands are approaching customers with a mobile-first strategy that relies on social media, location-based data, consumer preference, and mobile technologies (i.e., real-time notifications) that reach customers at the most likely time for consumer action/conversion
- The ease with which retailers can facilitate payment and minimize the friction of purchasing greatly impacts sale conversion

Differentiation through Marketplace Vertical Expertise

- Online marketplaces have emerged as key centers for B2B and B2C commerce, providing greater access to products/inventory and increasing transparency in the market
- Long-tenured vertical/niche marketplaces are poised to benefit as an established base of both buyers and sellers drives consistency in commerce activity and trust in the marketplace

Omnichannel Synchronization and Optimization

- Data-enabled solutions enable brands to more efficiently manage and gain visibility across an expanding mix of eCommerce channels
- Successful retailers seamlessly integrate brick-and-mortar operations with online operations to deliver the best customer experience and increase operational efficiency across existing infrastructure

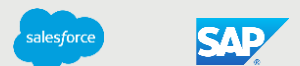
End-to-End Solutions for SMB Merchants

- Specialized tools are increasingly used by SMBs to differentiate their offering (e.g., expedited shipping, personalized customer service, highly targeted ad campaigns)
- Integration of data-driven solutions that address the customer journey from acquisition to fulfillment allow SMBs to effectively compete with much larger competitors

Best-in-Class Point Solutions for Enterprise Merchants

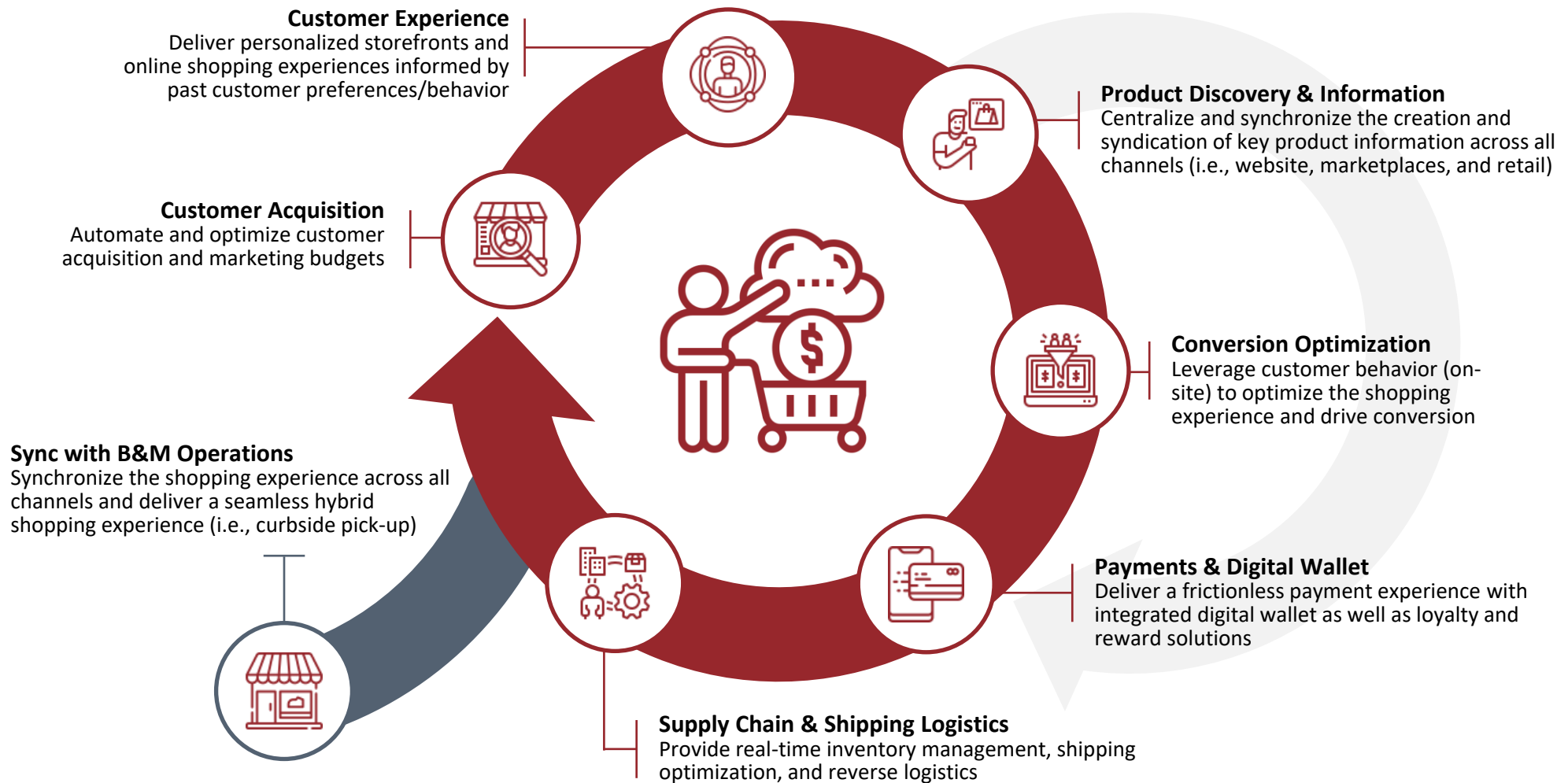
- Increasing competition requires software and tools that allow enterprise merchants to differentiate every step of the customer journey
- Large retailers are relying on best-in-class software offerings for every aspect of their business—disparate software tools must integrate effectively to provide retailers with actionable intelligence

Representative Companies



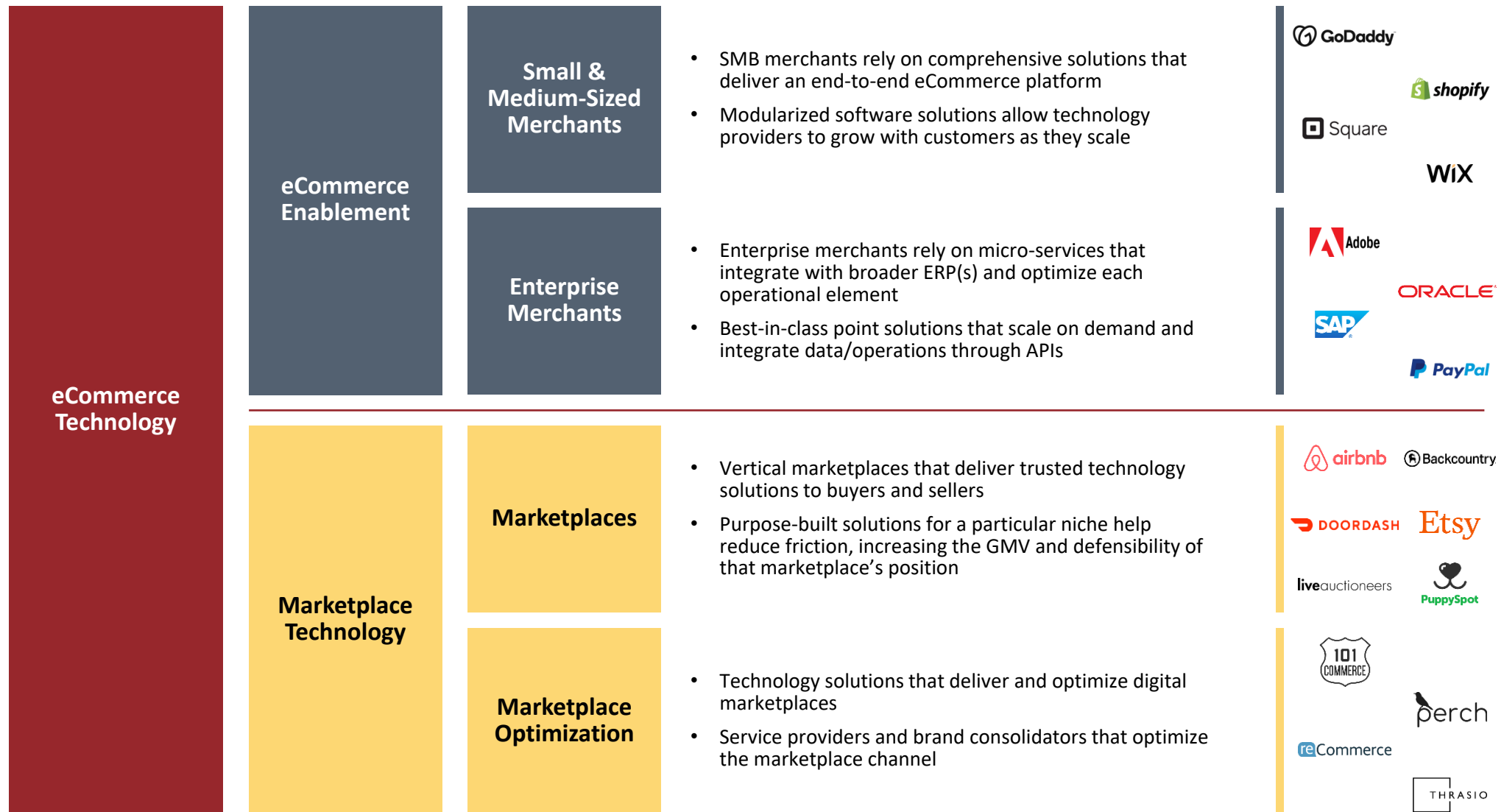
Opportunity to Optimize Every Step of the Customer Journey

Accelerating demand for technology solutions that deliver a seamless customer journey and reduce friction in the eCommerce experience



Multiple Avenues to Approach the Market Opportunity

Technology and services across eCommerce enablement and marketplace technology are poised to benefit from continued growth and adoption of eCommerce



eCommerce Software Ecosystem

To receive the latest **eCommerce** market map, please contact HW
At Tech_Reader@harriswilliams.com




* Select market participants. Visit our website or submit email to *Tech_Reader@harriswilliams.com for access to HW's Financial Technology Sector and Supply Chain Management Sector Readers.

Market Map: Marketplace Technology

To receive the latest **eCommerce** market map, please contact HW At Tech_Reader@harriswilliams.com

Incumbents



Vertical Marketplaces

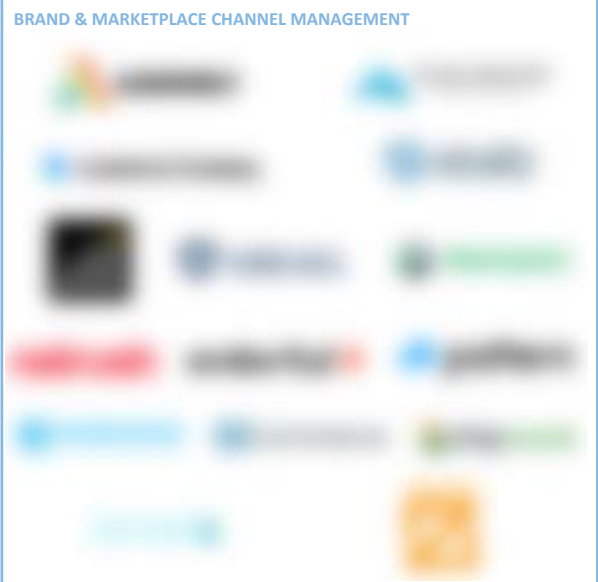
AUCTION	CLOTHING & FASHION	FOOD DELIVERY
Logos of auction marketplaces like eBay, Poshmark, and others.	Logos of clothing and fashion marketplaces like Farfetch, Net-a-Porter, and others.	Logos of food delivery marketplaces like Uber Eats, DoorDash, and others.
HOME & GARDEN	TRAVEL AND ENTERTAINMENT	SPECIALTY
Logos of home and garden marketplaces like Wayfair, Houzz, and others.	Logos of travel and entertainment marketplaces like Expedia, Lastminute.com, and others.	Logos of specialty marketplaces like Etsy, AllPosters, and others.

B2B Marketplaces

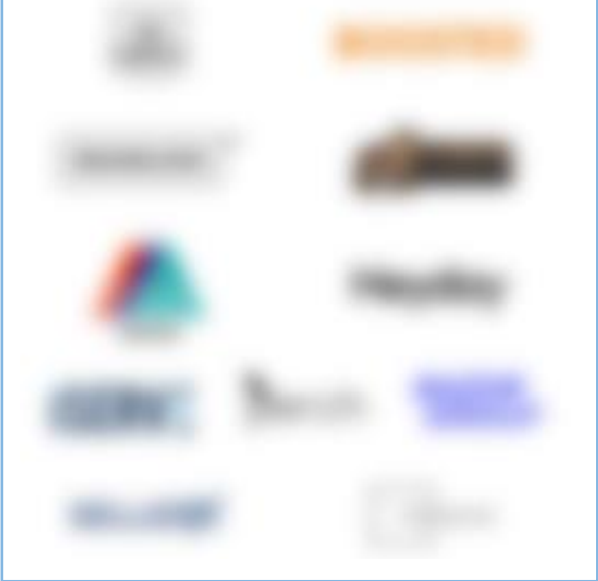


Marketplace Optimization

BRAND & MARKETPLACE CHANNEL MANAGEMENT

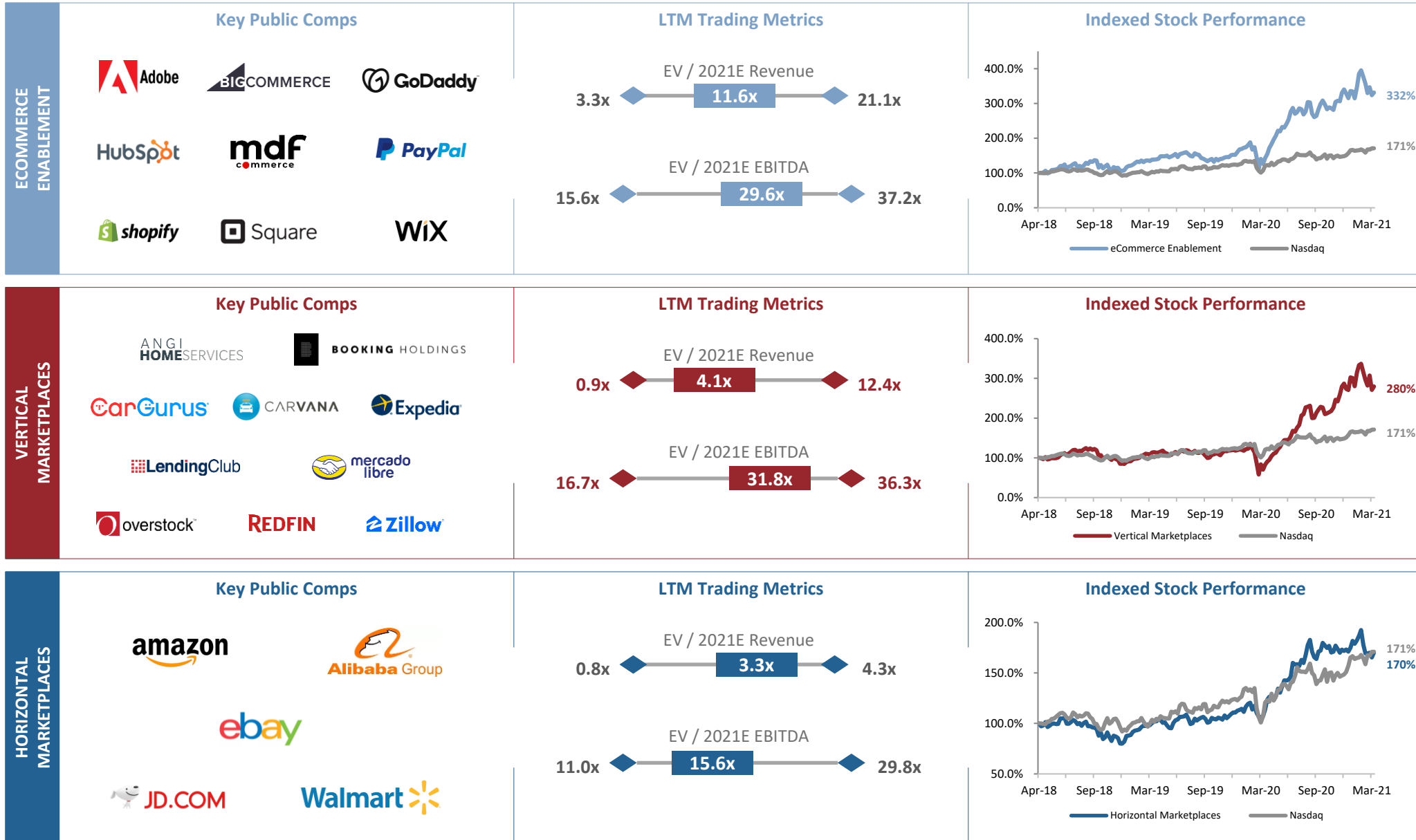


WHITE-LABEL PRODUCT CONSOLIDATORS



* Select market participants. Visit our website or submit email to Tech_Reader@harriswilliams.com for access to HW's Financial Technology Sector and Supply Chain Management Sector Readers.

eCommerce Public Market Observations⁴



As of March 31, 2021

Public Comparables Analysis⁴

(\$ in millions)

Company	Valuation		Financial Profile				Valuation Multiples			
	Enterprise Value	Market Capitalization	Revenue CY2021E	EBITDA CY2021E	Rev. Growth CY2021E	Rev. Growth 2021F	EV/Revenue CY2021E	EV/Revenue CY2022E	EV/EBITDA CY2021E	EV/EBITDA CY2022E
eCommerce Enablement										
PayPal Holdings, Inc.	\$281,094	\$284,408	\$25,687	\$7,550	19.9%	20.7%	10.9x	9.1x	37.2x	30.6x
Adobe, Inc.	227,601	227,857	15,477	7,694	20.8%	14.1%	14.7x	12.9x	29.6x	25.9x
Shopify, Inc.	130,479	137,273	4,082	470	42.6%	34.6%	NM	23.7x	NM	NM
Square, Inc.	102,861	103,220	14,164	719	50.4%	18.6%	7.3x	6.1x	NM	NM
HubSpot, Inc.	20,583	21,046	1,168	148	34.6%	25.3%	17.6x	14.1x	NM	NM
GoDaddy, Inc.	15,920	13,163	3,703	1,018	12.0%	10.3%	4.3x	3.9x	15.6x	13.9x
Wix.com, Ltd.	15,691	15,796	1,284	102	31.5%	25.1%	12.2x	9.8x	NM	NM
BigCommerce Holdings, Inc.	4,026	4,229	191	(31)	28.9%	22.8%	21.1x	17.2x	NM	NM
mdf commerce inc.	246	267	75	3	13.8%	14.5%	3.3x	2.9x	NM	NM
Median	\$20,583	\$21,046	\$3,703	\$470	28.9%	20.7%	11.6x	9.8x	29.6x	25.9x
Vertical Marketplaces										
Booking Holdings, Inc.	\$96,910	\$95,434	\$9,463	\$2,671	40.1%	50.9%	10.2x	6.8x	36.3x	18.2x
MercadoLibre, Inc.	72,663	73,415	5,859	274	52.6%	34.0%	12.4x	9.3x	NM	NM
Zillow Group, Inc.	29,915	31,316	5,474	522	66.3%	46.7%	5.5x	3.7x	NM	NM
Expedia Group, Inc.	32,746	24,762	7,528	1,030	39.8%	39.8%	4.4x	3.1x	31.8x	15.3x
Carvana Co.	22,425	20,554	8,722	(83)	62.4%	35.2%	2.6x	1.9x	NM	NM
Redfin Corporation	6,489	6,873	1,346	92	54.6%	27.2%	4.8x	3.8x	NM	NM
ANGI Homeservices, Inc.	6,506	6,501	1,653	183	12.8%	19.5%	3.9x	3.3x	35.6x	22.5x
CarGurus, Inc.	2,465	2,849	2,651	107	4.5%	15.6%	0.9x	0.8x	23.0x	16.1x
Overstock.com, Inc.	2,563	2,783	680	153	24.0%	15.6%	3.8x	3.3x	16.7x	13.8x
LendingClub Corporation	1,444	1,616	477	5	50.7%	61.5%	3.0x	1.9x	NM	9.3x
Median	\$14,466	\$13,713	\$4,063	\$168	45.4%	34.6%	4.1x	3.3x	31.8x	15.7x
Horizontal Marketplaces										
Amazon.com, Inc.	\$1,574,903	\$1,558,070	\$472,831	\$72,541	24.4%	17.8%	3.3x	2.8x	21.7x	17.5x
Alibaba Group Holding, Ltd.	587,540	614,692	135,392	37,679	38.6%	18.7%	4.3x	3.7x	15.6x	12.7x
Walmart, Inc.	435,210	382,643	548,482	34,065	(0.7%)	2.9%	0.8x	0.8x	12.8x	12.1x
JD.com, Inc.	118,447	130,859	142,348,211	3,976	25.8%	21.0%	0.8x	0.7x	29.8x	20.3x
eBay, Inc.	46,161	41,670	11,922	4,204	17.5%	6.9%	3.9x	3.6x	11.0x	10.1x
Median	\$435,210	\$382,643	\$472,831	\$34,065	24.4%	17.8%	3.3x	2.8x	15.6x	12.7x

As of March 31, 2021

Note: "NM," or "not meaningful," represents negative multiples, EV/Revenue multiples greater than 25x, and EV/EBITDA multiples greater than 50x.

Additional eCommerce Q1 2021 Deals³

Close Date	Target	Acquirer	Description	EV (\$M)
Mar-21	Chord	Eclipse Ventures	Provider of commerce-as-a-service software that builds richer custom commerce experiences	N/A
Mar-21	Nuvmeshop	Accel	Provider of an eCommerce platform designed to help SMBs and entrepreneurs sell their products and services online	\$90
Mar-21	Act On Software	Norwest Venture Partners	Provider of a marketing automation platform that analyzes target audience behaviors and optimizes website landing pages	N/A
Mar-21	Yotpo	Bessemer Venture Partners and Tiger Global	Provider of a eCommerce marketing platform that grows brands' direct-to-consumer business	\$1,400
Mar-21	Neto	Maropost (Elephant Partners and Highland Europe)	Provider of a unified eCommerce platform that helps retailers and wholesalers scale their business in Australia	\$47
Mar-21	Squarespace	Dragoneer, Tiger Global, and D1 Capital Partners	Provider of a commerce platform and domain name registrar that allows individuals to create and maintain websites, blogs, and online stores	\$10,000
Mar-21	NuOrder	Brighton Park Capital and Imaginary Ventures	Provider of a wholesale eCommerce platform designed to revolutionize commerce for brands and retailers	N/A
Mar-21	Snapcommerce	Inovia Capital and Lion Capital	Provider of a message-driven mobile commerce platform focused on promotions via mobile	N/A
Mar-21	Deliverr	Coatue	Provider of a tech-enabled eCommerce fulfillment services for multi-marketplace sellers	\$900
Feb-21	Emotive	CRV	Developer of a consumer sale platform designed to encourage long-term customer loyalty	\$402
Feb-21	Shippo	D1 Capital Partners	Provider of shipping-related services to eCommerce companies	\$515
Feb-21	Constant Contact	Clearlake Capital	Provider of targeted, data-driven marketing services	\$400
Feb-21	Pipe17	GLP Capital Partners	Developer of a retail management platform designed to manage operations on schedule	\$30
Feb-21	Selz	Amazon.com	Provider of an eCommerce platform that enables businesses to sell their products online via blogs or social networks	N/A
Feb-21	Lengow	Marlin Equity Partners	Provider of an eCommerce automation platform designed to help brands and distributors improve their performance	N/A
Feb-21	Thras.io	Oaktree Capital Management and Advent International	Provider of an eCommerce and retail brand that acquires and cultivates category-leading products	N/A
Feb-21	StackCommerce	Integrated Media Company (TPG)	Provider of a commerce and content platform for digital publishers and influencers	N/A
Jan-21	Mediafly	Boathouse Capital and Sterling National Bank	Provider of a sales enablement and content management technology platform	N/A
Jan-21	SamCart	TTV Capital	Provider of an online eCommerce platform designed to sell direct-to-consumer products	\$80
Jan-21	Shipmonk	Periphas Capital	Provider of inventory management tools intended for shipping and fulfillment services	N/A
Jan-21	BlackCart	Origin Ventures and Hyde Park Ventures	Provider of an eCommerce software company with a "try before you buy" program for merchants	N/A
Jan-21	Bolt	General Atlantic and WestCap	Provider of a one-click checkout experience for eCommerce businesses	N/A
Jan-21	Sitecore	Undisclosed	Developer of content marketing and digital asset management software	\$1,200
Jan-21	PixelMEDIA	BV Investment Partners	Provider of an eCommerce company focused on launches via Salesforce	N/A
Jan-21	Bold Commerce	OMERS Ventures	Provider of enterprise eCommerce software that upgrades entrepreneurs' platforms	N/A
Jan-21	Tradeswell	SignalFire	Provider of a comprehensive platform intended to reveal actions that clients need to profitably grow their eCommerce business	\$81
Jan-21	Orva	Trilantic North America	Provider of an eCommerce platform specializing in the sale of footwear, apparel, accessories and home products	N/A
Jan-21	Glia	Insight Partners	Provider of a digital customer service platform that connects with customers using messaging, video, and co-browsing activities	N/A
Jan-21	AmeriCommerce	Cart.com	Provider of a comprehensive eCommerce platform that eliminates the need for third-party plug-ins	N/A
Jan-21	SalesLoft	Owl Rock Capital	Provider of cloud-based sales intelligence software that gathers information about potential users	\$1,040

Harris Williams eCommerce Introduction

HARRIS WILLIAMS ("HW")

- 25+ years and more than 1,000 closed transactions
- 350+ professionals across eight offices globally
- 170+ closed transactions in the last 24 months
- 10 industry groups

FOCUSED ADVISORY SERVICES

- Mergers and acquisitions (M&A)
- Capital raises
- Corporate divestitures

CONSISTENT RECOGNITION FOR QUALITY



HW TECHNOLOGY GROUP

- 35+ dedicated Technology professionals
- Technology offices include Boston, San Francisco, and London

KEY TECHNOLOGY THEMES

- ✓ SaaS / Cloud
- ✓ Data & Analytics
- ✓ Digital Transformation
- ✓ A.I. / Machine Learning

HORIZONTAL FOCUS SECTORS

- Application Software
- Cloud Managed Services and Hosting Solutions
- Compliance Solutions
- CRM and Marketing Automation
- Human Capital Management
- Infrastructure and Security Software
- IT and Tech-Enabled Services
- Marketing, Research, and Insights Software

VERTICAL FOCUS SECTORS

- Architecture, Engineering, and Construction Software
- eCommerce and Retail Technology
- Education Technology and Services
- Energy Technology
- Facilities and Real Estate Software
- Financial Technology and Payments
- Government Technology
- Healthcare IT
- Industrial and Supply Chain Technology

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Harris Williams has a broad range of industry expertise, which creates powerful opportunities. Our clients benefit from our deep-sector experience, integrated industry intelligence, and collaboration across the firm, and our commitment to learning what makes them unique. For more information, visit our website at www.harriswilliams.com/industries.



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Sources & Disclosures

SOURCES

1. McKinsey.
2. Statista.
3. MergerMarket.
4. CapIQ.

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