

In This Issue:

- Industry News
- Transactions
- State of the Industry
- About Mirus
- Mirus Business Services
Spotlight

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E-Commerce

Industry News

E-Commerce during the Coronavirus Pandemic

Digital Commerce 360 [Full Article](#)

Consumers spent \$146.47B online with US retailers in the first quarter. The online spending accounted for 16.2% of total retail sales for the quarter (up 15% from the previous year). US daily e-commerce sales grew 49% April 1-11 compared with March 1-11 (before the pandemic gained widespread attention). Over the course of the pandemic, 11 major retailers have filed for bankruptcy. Notable companies include Pier 1 Imports, J. Crew, Neiman Marcus, and J.C. Penny. Most of the bankruptcies can be credited to "inexorable pressure on the business" due to the pandemic.

How Covid-19 is Transforming E-Commerce

Forbes [Full Article](#)

A Morning Consult study found that 24% of consumers said that they would not feel comfortable shopping in a mall for more than 6 months. Due to the pandemic, consumers have been more motivated to shop online from the comforts of their home. This creates ideal market conditions for e-commerce companies to "fast track, test, and launch new experience-driven mobile apps, sites, and touchpoints across their platform,"

As the pandemic restrictions are lifted over the next several months, the unprecedented growth in e-commerce sales are likely to stabilize at a lower growth rate. However, the behavioral changes set into motion by the pandemic are likely to completely change the retailing landscape and commerce for years to come.

US Retail Sales Rebound After Historic Slump

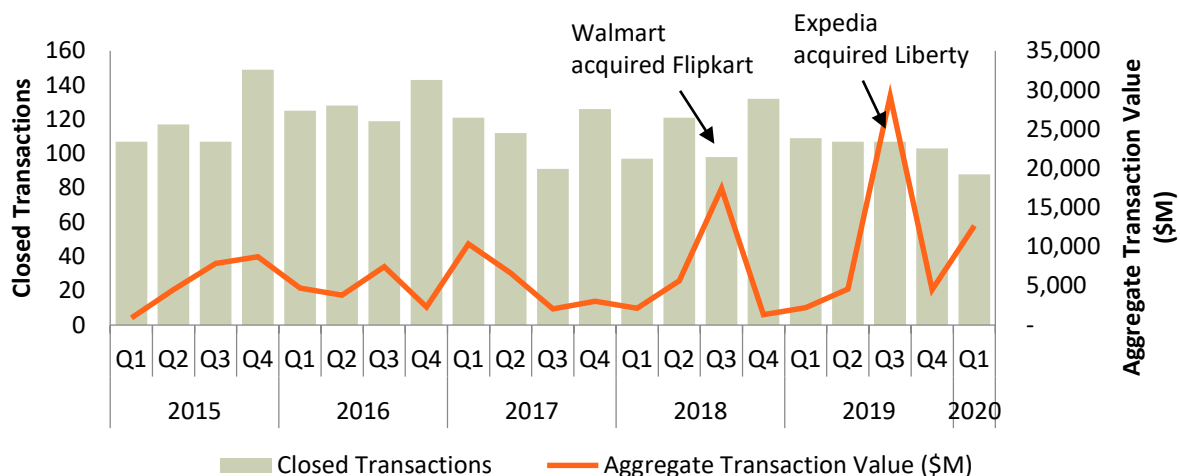
Statista [Full Article](#)

Following the unprecedented plunge in the first quarter due to the pandemic, the US Census Bureau reported that US retail sales rebounded sharply. Total retail and food services sales summed to \$485.5B in May, up almost 18% from the previous amount. However, it is important to note that the total sales for May are still 6.1% below last year's May figure. The strong May rebound can be accredited to stores hit the hardest by the coronavirus lockdown. Clothing stores are up over 188% compared to April and other specialty stores are seeing double digit increases.

"While the quick bounce back in consumer spending is certainly encouraging, it needs to be noted that spending levels are still below pre-crisis levels, and significantly so for many types of retailers."

E-Commerce

E-Commerce M&A

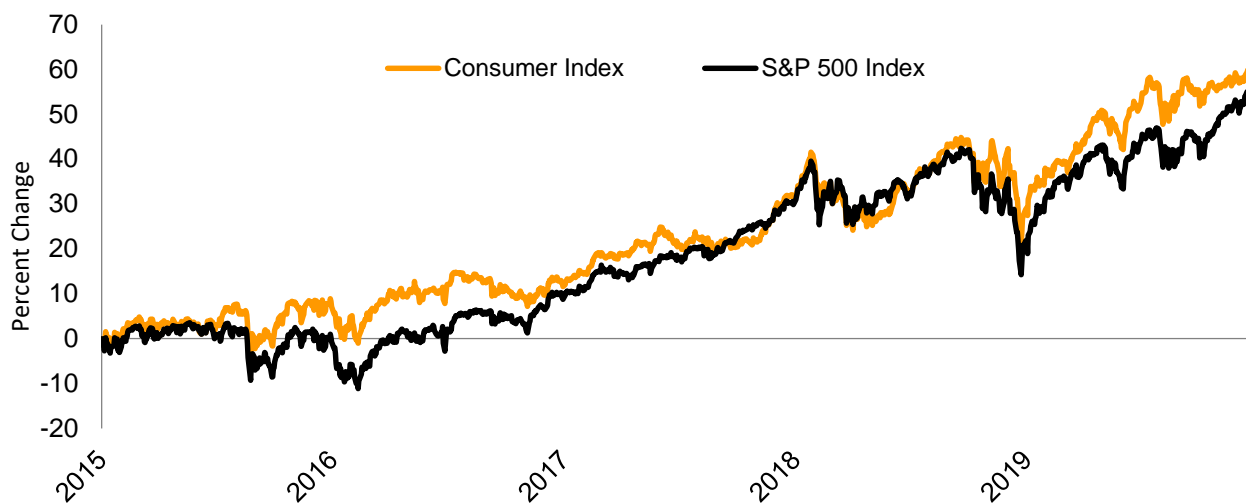


Selected E-Commerce Transactions

Date Closed	Target	Buyers/Investors	Enterprise Value (\$M)	EV / LTM	
				Revenue	EBITDA
3/31/2020	MediShopXL B.V.	DocCheck AG	-	-	-
3/31/2020	atHome Group	Mayfair Equity Partners LLP	-	-	-
3/28/2020	Haltons Pharma Ltd.	mPharma Data, Inc.	-	-	-
3/19/2020	The Refinery Haus	Defiance Ventures	-	-	-
3/5/2020	Bestop Morris LLC	AutoAnything, Inc.	-	-	-
3/3/2020	Harper Cycle Works, LLC	Nivel Parts & Manufacturing Co., LLC	-	-	-
3/1/2020	Travel Mix Inc.	KooToor Design, Inc.	-	-	-
2/29/2020	DF Marketplace Limited	Emerging Markets Property Group	-	-	-
2/25/2020	Beep Technologies, Inc.	RepairSmith, Inc.	-	-	-
2/14/2020	Colorado Kayak Supply	Twitch LLC	-	-	-
2/11/2020	Gorilla Commerce	Trilantic Capital Management L.P.	-	-	-
2/4/2020	Golden State Activewear Holdings, Inc.	Broder Bros., Co.	-	-	-
1/14/2020	Taber Trade LLC	JSC "Alcor & Co."	-	-	-
1/10/2020	Quality Office Supplies Limited	Complete Business Solutions Group L	-	-	-
1/9/2020	Starticket AG	See Tickets	-	-	-
1/6/2020	Wagner Supply Co., Inc.	BCPE Empire Holdings, Inc.	-	-	-
1/4/2020	Hollar.com	Five Below, Inc.	-	-	-

Consumer

As middle-market deal makers continue to face challenges in 2020, the M&A outlook remains guarded. Record levels of dry powder are being offset by a growing desire for cash preservation as companies seek to weather the COVID-19 crisis. With no vaccine in sight, data driven decision making, a hallmark of the e-commerce industry, is set to play a key role in the coming year.



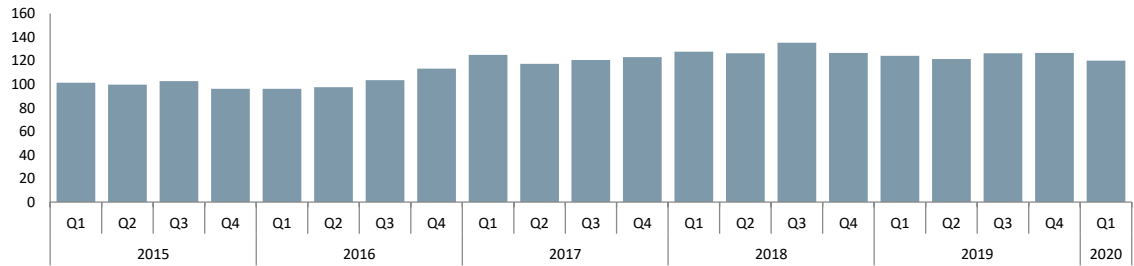
3/31/2020		LTM Financials			Valuation Metrics		LTM Margins	
Company Name	Ticker	Enterprise Value	Revenue	EBITDA	EV / Revenue	EV / EBITDA	Gross Margin	EBITDA Margin
Altria Group, Inc.	NYSE:MO	\$97,923	\$20,453	\$11,522	4.8x	8.5x	64.4%	56.3%
Amazon.com, Inc.	NasdaqGS:AMZN	\$993,194	\$296,274	\$36,270	3.4x	27.4x	40.6%	12.2%
Archer-Daniels-Midland Company	NYSE:ADM	\$28,743	\$64,322	\$2,609	0.4x	11.0x	6.5%	4.1%
AutoNation, Inc.	NYSE:AN	\$8,495	\$21,021	\$950	0.4x	8.9x	16.6%	4.5%
Best Buy Co., Inc.	NYSE:BBY	\$16,370	\$43,638	\$2,865	0.4x	5.7x	23.0%	6.6%
Bunge Limited	NYSE:BG	\$12,060	\$40,375	\$1,207	0.3x	10.0x	4.9%	3.0%
CarMax Inc.	NYSE:KMX	\$24,311	\$21,424	\$1,454	1.1x	16.7x	14.8%	6.8%
Carnival Corporation	NYSE:CCL	\$19,865	\$20,941	\$5,347	0.9x	3.7x	37.7%	25.5%
Charter Communications, Inc.	NasdaqGS:CHTR	\$186,398	\$46,296	\$16,808	4.0x	11.1x	62.7%	36.3%
Comcast Corporation	NasdaqGS:CMCS.A	\$265,542	\$108,692	\$33,692	2.4x	7.9x	68.6%	31.0%
Costco Wholesale Corporation	NasdaqGS:COST	\$126,353	\$158,350	\$6,479	0.8x	19.5x	13.0%	4.1%
CVS Health Corporation	NYSE:CVS	\$158,628	\$260,961	\$16,805	0.6x	9.4x	17.5%	6.4%
Dollar General Corporation	NYSE:DG	\$49,502	\$27,754	\$2,842	1.8x	17.4x	30.6%	10.2%
Dollar Tree, Inc.	NasdaqGS:DLTR	\$26,890	\$23,611	\$2,230	1.1x	12.1x	37.9%	9.4%
Ford Motor Company	NYSE:F	\$153,629	\$149,878	\$8,749	1.0x	17.6x	6.6%	5.8%
General Mills, Inc.	NYSE:GIS	\$46,241	\$16,765	\$3,643	2.8x	12.7x	34.9%	21.7%
General Motors Company	NYSE:GM	\$117,955	\$135,068	\$11,973	0.9x	9.9x	10.3%	8.9%
Genuine Parts Company	NYSE:GPC	\$14,080	\$19,215	\$1,353	0.7x	10.4x	32.8%	7.0%
Kimberly-Clark Corporation	NYSE:KMB	\$51,628	\$18,826	\$4,101	2.7x	12.6x	35.9%	21.8%
Kohl's Corporation	NYSE:KSS	\$7,666	\$19,974	\$2,129	0.4x	3.6x	39.2%	10.7%
Lear Corporation	NYSE:LEA	\$6,542	\$19,810	\$1,773	0.3x	3.7x	9.6%	8.9%
Lowe's Companies, Inc.	NYSE:LOW	\$87,837	\$72,148	\$7,966	1.2x	11.0x	32.0%	11.0%
Macy's, Inc.	NYSE:M	\$8,312	\$25,331	\$1,889	0.3x	4.4x	40.1%	7.5%
McDonald's Corporation	NYSE:MCD	\$169,917	\$20,767	\$10,237	8.2x	16.6x	52.5%	49.3%
Mondelez International, Inc.	NasdaqGS:MDLZ	\$89,725	\$26,037	\$5,135	3.4x	17.5x	39.2%	19.7%
NIKE, Inc.	NYSE:NKE	\$132,331	\$41,274	\$5,860	3.2x	22.6x	44.9%	14.2%
Penske Automotive Group, Inc.	NYSE:PAG	\$11,014	\$22,624	\$712	0.5x	15.5x	14.9%	3.1%
PepsiCo, Inc.	NasdaqGS:PEP	\$194,820	\$68,158	\$12,572	2.9x	15.5x	55.4%	18.4%
Performance Food Group Company	NYSE:PFGC	\$5,655	\$25,211	\$472	0.2x	12.0x	11.6%	1.9%
Philip Morris International Inc.	NYSE:PM	\$140,531	\$30,207	\$12,546	4.7x	11.2x	65.4%	41.5%
Rite Aid Corporation	NYSE:RAD	\$7,340	\$21,928	\$573	0.3x	12.8x	21.6%	2.6%
Starbucks Corporation	NasdaqGS:SBUX	\$94,681	\$26,663	\$5,130	3.6x	18.5x	27.0%	19.2%
Sysco Corporation	NYSE:SY	\$32,255	\$59,502	\$3,025	0.5x	10.7x	19.0%	5.1%
Target Corporation	NYSE:TGT	\$57,971	\$78,112	\$7,332	0.7x	7.9x	29.8%	9.4%
The Coca-Cola Company	NYSE:KO	\$225,091	\$37,173	\$12,120	6.1x	18.6x	60.7%	32.6%
The Gap, Inc.	NYSE:GPS	\$8,637	\$16,383	\$1,593	0.5x	5.4x	48.8%	9.7%
The Home Depot, Inc.	NYSE:HD	\$235,909	\$110,225	\$18,139	2.1x	13.0x	34.1%	16.5%
The Kraft Heinz Company	NasdaqGS:KHC	\$57,918	\$25,175	\$6,305	2.3x	9.2x	31.9%	25.0%
The Kroger Co.	NYSE:KR	\$44,514	\$122,286	\$5,354	0.4x	8.3x	22.8%	4.4%
The Procter & Gamble Company	NYSE:PG	\$295,707	\$70,346	\$19,059	4.2x	15.5x	51.1%	27.1%
The TJX Companies, Inc.	NYSE:TJX	\$65,510	\$41,717	\$5,284	1.6x	12.4x	35.6%	12.7%
The Walt Disney Company	NYSE:DIS	\$233,549	\$78,212	\$14,544	3.0x	16.1x	36.6%	18.6%
Twenty-First Century Fox, Inc.	NasdaqGS:FOXA	\$19,711	\$12,398	\$2,746	1.6x	7.2x	35.7%	22.1%
Tyson Foods, Inc.	NYSE:TSN	\$33,021	\$43,472	\$4,096	0.8x	8.1x	11.6%	9.4%
US Foods Holding Corp.	NYSE:USFD	\$8,937	\$26,247	\$1,071	0.3x	8.3x	17.5%	4.1%
Walgreens Boots Alliance, Inc.	NasdaqGS:WBA	\$82,432	\$138,705	\$5,879	0.6x	14.0x	21.2%	4.2%
Walmart Inc.	NYSE:WMT	\$392,350	\$523,964	\$32,935	0.7x	11.9x	24.7%	6.3%
Whirlpool Corporation	NYSE:WHR	\$10,286	\$19,984	\$1,853	0.5x	5.6x	17.1%	9.3%

Median	1.0x	11.1x	32.0%	9.6%
Mean	1.8x	11.9x	31.5%	14.7%

Consumer

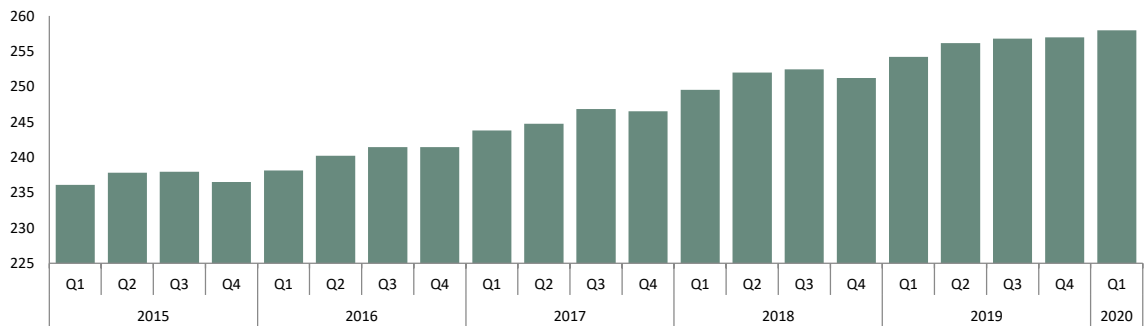
State of the Industry

Consumer Confidence Index



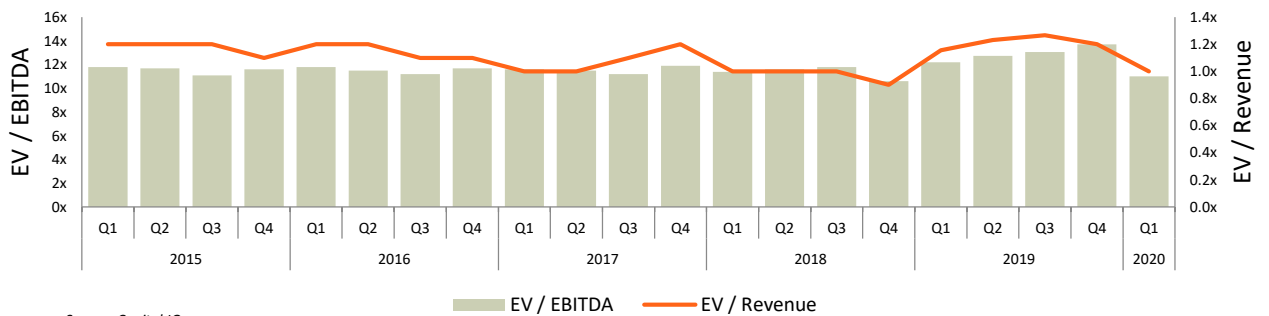
Source: Capital IQ

Consumer Price Index



Source: Capital IQ

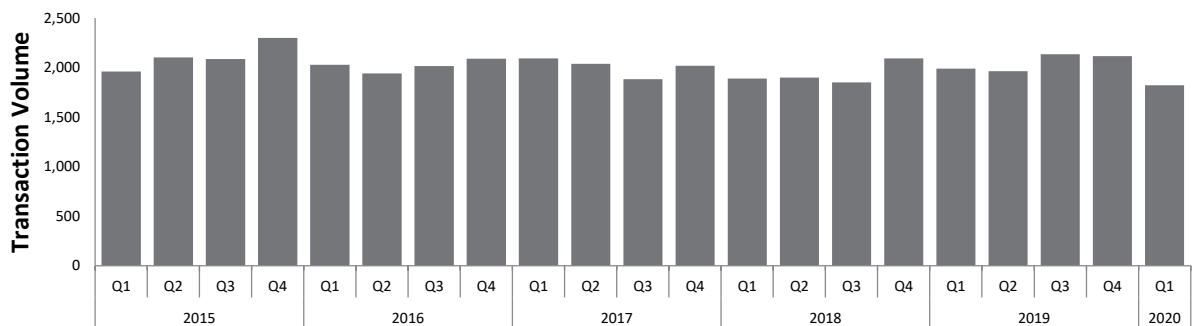
Industry Valuations



Source: Capital IQ

EV / EBITDA EV / Revenue

Consumer Transaction Volume



Source: Capital IQ



The Value of Accomplishment

The highest level of expertise and hard work is what accomplishment requires. It's what you deserve and what we do.

- *We sweat the small stuff.*
- *Take a 3:00am call.*
- *Say yes.*
- *Say no.*
- *Dig deeper when things get tough.*
- *And celebrate with you when your efforts pay off and you can reflect on it all and say, "It's really remarkable what we've accomplished here."*
- *Then and only then, will we know that we've accomplished something meaningful, too.*

About Mirus

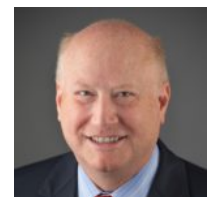
Spending on consumer products & services drives over two-thirds of the US economy and improving consumer sentiment is driving increased investment activity in the sector. Well-capitalized consumer companies are turning to M&A as a key business strategy to gain access to high growth emerging markets, cover the multichannel landscape, acquire scale, and ensure access to resources. Our Consumer Group understands these trends and can help you best position your company for growth or a successful exit in the midst of ongoing consolidation. Mirus provides direct access to sector-specific expertise, as well as global buyers and sellers.

Partner Spotlight

Andrew Crain brings to Mirus a diverse skillset of transactional, executive and legal acumen. Andy is an experienced dealmaker, and his prior experience as a family business owner gives him a unique vantage point from which to successfully guide clients through the financial, operational and emotional aspects of the transaction process. An investment banker since 2005, Andy provides merger & acquisition and corporate finance advisory services to owners of consumer products, food & beverage, business & industrial services, manufacturing and distribution companies throughout New England and nationwide. An investment banker since 2005, Stuart also has 20 years experience as a senior executive of national retail chains, and e-commerce and direct marketing companies. Stuart has led shoe, home furnishing, continuing education and food catalogs Or companies. He has additional experience in apparel and beauty. Stuart's transaction experience centers on e-commerce and catalog companies, food and beverage, and home and gift. Stuart, a frequent speaker and writer, has an MBA from Harvard University and has taught direct marketing and advertising at Bentley College.



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